

Araxi Limited
(Previously Capital Appreciation Limited)
Incorporated in the Republic of South Africa
(Registration number 2014/253277/06)
Share code: AXX
ISIN: ZAE000208245
("Araxi" or "the Company")



CATEGORY 1 ANNOUNCEMENT: ACQUISITION BY ARAXI LIMITED OF THE PAY@ GROUP AND WITHDRAWAL OF CAUTIONARY ANNOUNCEMENT

Unless defined in the body of this Announcement, capitalised terms used in this Announcement (including the heading) shall have the meanings ascribed to them in the Definitions section at the end of this Announcement.

1. INTRODUCTION

Araxi, formerly Capital Appreciation Limited, has entered into agreements that will result in its wholly-owned subsidiary, African Resonance, acquiring 80% of Pay At Holdings (Proprietary) Limited ("**Pay@**") and its affiliate International Payment Holdings Limited ("**IPHL**"), which includes all of their respective group companies (collectively the "**Pay@ Group**"), for an aggregate consideration of R1 billion.

Founded in 2007, Pay@ is a scaled and leading provider of end-to-end B2B integrated payment solutions with B2C capabilities. Pay@'s initial focus on, and excellence with, bill payments has provided a foundation from which to expand into e-commerce and platform-as-a-service ("**PaaS**") payment offerings. Pay@ has the largest network of independent payments processing channels in South Africa, with over 9,000+ retailer locations, 150,000+ mobile POS payment end-points, millions of downloaded integrated app access points and 15+ digital payment platforms (banks, telcos, voucher providers and fintechs), servicing collections for a wide range of leading enterprises and SMEs, including, among others, pay TV, money remittance, financing, insurance and public sector organisations. The Pay@ Group is geographically diverse, with a current payments collection reach across South Africa, Namibia, Botswana, Zimbabwe, Eswatini and Lesotho.

Pay@'s market leading, multi-product, secure and efficient proprietary platform, seamlessly consolidates a wide range of payment options through a single interface and boasts a 99.99% efficacy rate. An ethos of efficiency and operational discipline have delivered significant growth and value. Its highly experienced and tenured management team have a unique and differentiated perspective on the core market, and their operational clarity positions them well to execute on the next phase of growth in its existing and new addressable markets. Pay@'s success to date is a result of its innovative approach to drive financial inclusion and meet the needs of consumers wherever they are. Innovation remains at the core of the team's approach and its enterprise focus, with an "enabler" mindset, aligns with that of Araxi's payments division.

Since its initial listing, Araxi has established itself as a leading provider of payment solutions to banks

and other established enterprise clients, in the financial services and retail sectors, as well as a leading provider of contemporary software solutions to a similar client base. These solutions include cloud, artificial intelligence and agentic implementations. Araxi has successfully delivered strong organic growth augmented by a series of well-considered acquisitions. Araxi views itself as an enabler of financial solutions and Pay@ is squarely aligned with that perspective.

The Proposed Acquisition of the Pay@ Group is expected to significantly strengthen and enhance the Araxi Group's payments capabilities, enabling the Group to deliver an expanded, more competitive and unique offering to its enterprise clients across South Africa and other international markets, further enhancing Araxi's presence in the global payments' ecosystem.

2. OVERVIEW OF THE PROPOSED ACQUISITION

Araxi, via its wholly owned subsidiary, African Resonance, has entered into various agreements ("**Transaction Agreements**") that will result in it owning 80% of the Pay@ Group. The aggregate consideration of R1 billion will be settled by a cash payment (the "**Consideration**") allocated as follows:

- R975 million for Pay@; and
- R25 million for IPHL.

The Consideration will be sourced from a combination of existing cash resources of the Araxi Group (R200 million) as well as senior debt (R800 million), which amount has already been committed.

Gearing levels in the Araxi Group, post completion of the Proposed Acquisition, will be relatively modest with interest and capital repayments funded by cash from operations. The Araxi Group is, and will continue to be, cash generative post implementation of the Proposed Acquisition.

40% of the shares of Pay@ are currently owned by a US private equity firm. The Proposed Acquisition by Araxi will ensure full South African ownership of Pay@ and provide greater control and flexibility, with profits reinvested locally, reduced exposure to currency volatility, and a simplified shareholder base.

3. OVERVIEW OF PAY@

The Pay@ Group is one of South Africa's leading and most trusted payment service provider brands. The Pay@ Group provides secure, real-time payment solutions that connect major billers and commercial enterprises with consumer customers through an extensive national network of physical channels (more than 125,000) and digital access points (many millions), including at and through leading retailers, mobile point of sale providers, banks, telcos, card, EFT, vouchers and fintechs, which collectively make Pay@ solutions available almost anywhere where consumers find themselves. The Pay@ network is the most extensive network of payment channels across southern Africa.

The Pay@ platform enables consumers to pay using cash, cards, EFT, bank APIs, vouchers, mobile money and wallets for a wide range of payments, including utilities, insurance premiums, traffic fines, money remittance, loan instalments, digital services, gaming, debt collection, pay TV and other

subscription services, conveniently, affordably and securely. No matter whether the consumer is banked or unbanked, located in rural or urban areas, or uses sophisticated technology or not (for example, a smart phone versus a feature phone) Pay@ meets a consumer's bill payment needs. Pay@ processed more than R60 billion in transaction value over the past 12 months, with compound annual revenue growth of 22% in the last 3 years.

Pay@'s geographic reach presently expands beyond South Africa into Namibia, Botswana, Zimbabwe, Eswatini and Lesotho and is poised to expand into other jurisdictions as well. IPHL in Mauritius provides a gateway for further expansion into Africa and other international markets.

Pay@, through its extensive payment collection network, promotes financial inclusion to the underserved market, allowing customers to pay their bills seamlessly, enabling efficient, affordable and accurate collection of payments by billers.

Pay@ has a range of new solutions in the process of being introduced and is well-positioned for the next stage of diversified growth with exciting opportunities for expansion into eCommerce, software-as-a-service, and other areas involving funds transfer. These initiatives, and the solutions and innovations being introduced by the Araxi Group companies, are highly complementary and should give rise to an acceleration in product introduction and enhanced customer value and satisfaction, as well as improved Pay@ Group profitability.

4. FINANCIAL INFORMATION

The value of 100% of the net assets and the profits attributable to the net assets of the Pay@ Group (on a consolidated basis) are as follows:

	12 months 28 February 2025 ¹	6 months 31 August 2025 ²
Net asset value	R679.9 million	R682.1 million
Revenue	R271.2 million	R158.8 million
<i>Growth vs prior comparable period</i>	26.5%	24.2%
EBITDA	R130.2 million	R72.4 million
<i>Growth vs prior comparable period</i>	30.3%	N/A ³
Net Profit	R91.3 million	R49.7 million
<i>Growth vs prior comparable period</i>	34.2%	N/A ³

¹The date of the most recently audited annual financial statements.

²Interim information for the period ended 31 August 2025 is obtained from reviewed but unaudited interim financial statements for Pay@ and unreviewed and unaudited management accounts for IPHL. Prior period comparable information (for the period ended 31 August 2024) for Pay@ and IPHL is obtained from unreviewed management accounts. Araxi is satisfied with the quality of these management accounts used to determine this information.

³Comparative IFRS information is not available to enable meaningful growth to be calculated in relation to the interim financial information

Pay@ is cash generative with a strong correlation between net profit after tax and cash generated from operations. The Pay@ Group has no third-party interest-bearing debt on its balance sheet and has historically grown organically based solely on its internal profitability and cash generation. The audited

financial statements for the last three reporting periods for Pay@ and IPHL, prepared in accordance with International Financial Reporting Standards (“IFRS”) and the Companies Act/s of the entities’ jurisdiction/s, will be included or referenced in the Circular and notice of general meeting to Shareholders for purposes of approving the resolution relating to the Proposed Acquisition.

The financial year ends for Pay@ and IPHL will be changed to 31 March, and as such, the audited results for the year ending 31 March 2027 will be the first audited consolidated financial results for Araxi that reflect the integrated operations of Pay@ and IPHL.

If the Proposed Acquisition is successfully concluded, it will have a marked positive impact on the Araxi payments division.

5. RATIONALE FOR THE PROPOSED ACQUISITION

Araxi focuses on specific differentiating attributes when evaluating potential acquisitions. These include business models or technologies that are already demonstrating user acceptance on the adoption curve, are directed at enterprise or institutional clients rather than individual consumers, and businesses that are cash-generative and asset-light and appropriately priced. In addition, the Araxi Group seeks innovative technologies with significant growth potential that can easily cross regional and continental borders. The extent to which the prospective acquisition presents meaningful and near-term synergies, with its existing operating units, is also a consideration in Araxi’s decision.

Pay@ is a multi-jurisdictional, profitable, cash flow positive, enterprise focused, enabling technology fintech solutions provider operating at scale, led by an accomplished and experienced management team with a differentiated market leading product offering that has scope to grow in both existing and international markets. Pay@’s solution set addresses a real problem experienced by enterprise customers, as well as everyday consumers. The network’s vast points of presence and flexible technology stack make for a unique value proposition and these have established Pay@ as a leading provider of payment collection, transmission and settlement services. These characteristics make Pay@ the prototypical company for inclusion within the Araxi Group.

Pay@ is a well-established and meaningful participant in the South African Payments ecosystem, with existing platforms that can be expanded across Africa and internationally. The Group’s compelling business model demonstrates sound economics and impressive operating leverage. Pay@ has achieved strong profitability whilst maintaining the highest standards of client service, which is rare for a fast-growing Payments company. Its service offering is highly complementary to Araxi’s payments division, with almost no overlap. Pay@, like Araxi, is an enterprise-facing offering and makes its platform offering available to retailers, banks, telcos, digital services providers, enterprises and SMEs to help facilitate the initiation and collection of payments. A tested and accomplished management team is committed to remaining with the company post-acquisition and partnering with Araxi to further expand the platform both geographically and with new diversified and enhanced services.

The technology prowess of Araxi Software should help accelerate Pay@’s rate of innovation and new product introduction, particularly as it relates to (i) the use of AI and other contemporary technologies, (ii) enhanced user experience, and (iii) real-time fraud detection. Moreover, Araxi’s strong empowerment

credentials will benefit Pay@’s positioning with both commercial and public-sector bill payment collection.

6. MATERIAL TERMS OF THE PROPOSED ACQUISITION

The acquisition of Pay@ and IPHL will become effective contemporaneously. The effective date and closing date of the Proposed Acquisition will be 1 business day after all of the conditions precedent or suspensive conditions are either fulfilled or waived, which is expected to be no later than 30 June 2026.

The Transaction Agreements contain (or in the case of the IPHL sale of shares agreement referred to below, will contain) representations, warranties, undertakings and indemnities by Pay@ and Pay@ Shareholders as well as IPHL Shareholders in favour of African Resonance, which are standard for a transaction of this nature.

7. CONDITIONS PRECEDENT

The various Transaction Agreements are subject to, *inter alia*, the following conditions precedent (“**Conditions Precedent**”):

- all Transaction Agreements becoming unconditional in accordance with their terms;
- conclusion of the sale of shares agreement between African Resonance and the IPHL Shareholders in relation to the acquisition by African Resonance of 80% of the shares and loan claims of IPHL;
- written waiver of certain pre-emptive and other rights and the obtaining of certain consents from existing Pay@ Shareholders and IPHL Shareholders;
- the necessary approvals being obtained from -
 - the relevant Competition Authorities;
 - the SARB;
 - to the extent applicable, the Takeover Regulation Panel; and
 - the Financial Services Commission of Mauritius;
- the necessary shareholder and board approvals of the Pay@ Group entities being obtained;
- certain share transfers shall have taken place amongst the IPHL Shareholders *inter se*;
- the existing Pay@ shareholders' agreement being terminated and new shareholders' agreements and constitutional documents for Pay@ and IPHL being concluded and adopted;
- Araxi shareholder approval of the Proposed Acquisition;
- certain third-party consents being obtained;
- the conclusion of restraint of trade and non-compete agreements with key employees of the Pay@ Group; and
- the issuance of a warranty and indemnity insurance policy (in respect of claims which may arise against the Pay@ Shareholders by African Resonance under warranties and/or indemnities given by the Pay@ Shareholders in terms of the Transaction Agreements) on terms satisfactory to Araxi.

Conditions Precedent to the Transaction Agreements which encompass regulatory requirements for approval are not capable of waiver.

8. CATEGORISATION

The Proposed Acquisition qualifies as a Category 1 acquisition for Araxi in terms of the JSE Listings Requirements. Consequently, the Proposed Acquisition is required to be approved by an ordinary

resolution of the shareholders of the Company and a Circular, setting out full details, will be distributed to Araxi shareholders in due course in compliance with 9.20 (b) of the JSE Listing Requirements.

9. APPROVAL BY THE BOARD OF DIRECTORS

The Board as well as the investment committee of Araxi have unanimously approved the Proposed Acquisition.

10. SUBSIDIARY COMPANY

Following the implementation of the Proposed Acquisition, Pay@ will become an 80% held subsidiary of Araxi's wholly owned subsidiary African Resonance. Accordingly, the memorandum of incorporation of each will comply with paragraph 10.21 of Schedule 10 of the JSE Listings Requirements, to the extent required.

11. WITHDRAWAL OF CAUTIONARY ANNOUNCEMENT

Further to the cautionary announcements published by Araxi on the Stock Exchange News Service of the JSE on 3 December 2025 and 20 January 2026, as the detailed terms of the Proposed Acquisition have now been disclosed, the cautionary announcement is hereby withdrawn, and Shareholders are no longer required to exercise caution when trading in the Company's securities.

12. INVESTOR PRESENTATION

Araxi will hold a live investor presentation on Thursday, 19 February 2026 at 14:00, which will provide more detail on the Proposed Acquisition. Follow the link to register for the presentation <https://www.corpcam.com/Araxi19022026>.

18 February 2026

Johannesburg

Transaction Advisor and Transaction Sponsor
PSG Capital



Legal advisors to Araxi: Werksmans



DIRECTORS

M. Pimstein (Executive Chairman), B. Sacks (Chief Executive), S. Douwenga (Chief Financial & Value Enhancement Officer), M. Shapiro, Ms. B. Buló*, K. Dlamini*, V. Sekese*, R. Maqache*, A. Dambuza*

* *Non-Executive Directors*

DEFINITIONS

In this Announcement, unless the context indicates the contrary, the following expressions have the meanings given to them below:

- i. **“African Resonance”** or **“AR”** means African Resonance Business Solutions (Proprietary) Limited, a company incorporated in the Republic of South Africa with Registration number 1998/016632/07;
- ii. **“Announcement”** means this category 1 acquisition announcement dated 18 February 2026;
- iii. **“AI”** means artificial intelligence;
- iv. **“API”** means application programming interface;
- v. **“Araxi”** means Araxi Limited, a company incorporated in the Republic of South Africa with Registration number 2014/253277/06;
- vi. **“Araxi Group”** means Araxi Limited and all of its subsidiaries and associates, including its wholly owned subsidiary, African Resonance;
- vii. **“B2B”** means business to business;
- viii. **“B2C”** means business to consumer;
- ix. **“BBBEE”** means Broad-Based Black Economic Empowerment;
- x. **“Board”** means the Board of Directors of Araxi Limited;
- xi. **“Circular”** means the circular expected to be posted to Araxi Shareholders detailing, inter alia, the terms of the Proposed Acquisition;
- xii. **“Companies Act”** means the Companies Act, No. 71 of 2008, as amended, applicable to South Africa and or Companies Act, Act 15 of 2001, applicable to Mauritius;
- xiii. **“Competition Act”** means the Competition Act, 1998 (Act No. 89 of 1998), as amended from time to time;
- xiv. **“Competition Authorities”** means the commission established pursuant to Chapter 4, Part A of the Competition Act or the tribunal established pursuant to Chapter 4, Part B of the Competition Act or the appeal court established pursuant to Chapter 4, Part C of the Competition Act or the Constitutional Court, as the case may be, and any competition authority in any other jurisdiction (outside of South Africa) whose approval or consent may be required for the implementation of the Proposed Acquisition or any portion thereof;
- xv. **“Consideration”** means R1,000,000,000 (one billion Rand);
- xvi. **“Effective Date”** means the 1st (first) business day after the last of the Conditions Precedent is fulfilled or waived (to the extent legally permissible), as the case may be, or such other date as agreed to between the Parties;
- xvii. **“EFT”** means electronic funds transfer;

- xviii. **“IFRS”** means International Financial Reporting Standards;
- xix. **“IPHL”** means International Payment Holdings Limited, a company incorporated in Mauritius with Registration number 178352 GBL, including all of its group companies;
- xx. **“IPHL Shareholders”** means the selling shareholders and their ultimate beneficial owners as outlined below who are selling 80% of the shares in IPHL;

Shareholder name	Registration number	Ultimate beneficial owner(s)
Accuro Trust (Mauritius) Limited as Trustee of the Hameln International Trust	N/A	Du Preez Venter
Pinotage Trustees Sàrl as Trustee of the To Do Trust	N/A	Jeremias Jacobus van der Westhuyzen
Pinotage Trustees Sàrl as Trustee of the Geolin Trust	N/A	Leon de Klerk Guillaume de Klerk Marlinda Magdalena de Klerk
Sasfin Property Holdings (Pty) Ltd	2004/025177/07	Sasfin Holdings Limited
One Thousand & One Voices P3 Limited	132299 C1/GBL	Alexander William Lawson Christopher Barnett Kennedy

- xxi. **“JSE”** means the Johannesburg Stock Exchange;
- xxii. **“JSE Listings Requirements”** means Listings Requirements of the JSE Limited;
- xxiii. **“PaaS”** means platform as a service;
- xxiv. **“Pay@/Pay At”** means Pay At Holdings (Proprietary) Limited, a company incorporated in the Republic of South Africa with Registration number 2018/276719/07, including all of its group companies;
- xxv. **“Pay@ Group”** means Pay@, including all of its group companies as well as IPHL, including all of its group companies;
- xxvi. **“Pay@ Shareholders”** means the exiting shareholders and the ultimate beneficial owners as outlined below who are disposing of 80% of the shares in Pay@;

Shareholder name	Registration number	Ultimate beneficial owner(s)
Von Hameln Investments (Pty) Ltd	2018/320486/07	Du Preez Venter
Mihan Investments (Pty) Ltd	2018/286804/07	Jeremias Jacobus van der Westhuyzen
Panamo Properties 141 (Pty) Ltd	2007/000460/07	Leon de Klerk Guillaume de Klerk Marlinda Magdalena de Klerk
Sasfin Property Holdings (Pty) Ltd	2004/025177/07	Sasfin Holdings Limited
One Thousand & One Voices P3 Limited	132299 C1/GBL	Alexander William Lawson Christopher Barnett Kennedy

- xxvii. **“POS”** means point of sale;

- xxviii. **“Proposed Acquisition”** means the acquisition by Araxi Group, facilitated through African Resonance, of 80% of the shares in Pay@ and 80% of the issued shares and loan claims of IPHL, collectively the Pay@ Group, which includes all of their respective group companies, for an upfront aggregate purchase consideration of R1 billion;
- xxix. **“SARB”** means the Financial Surveillance Department of the South African Reserve Bank;
- xxx. **“SENS”** means the Stock Exchange News Service of the JSE;
- xxxi. **“Shareholders”** means shareholders of Araxi Limited; and
- xxxii. **“Transaction Agreements”** collectively means the agreements in terms of which, *inter alia*, African Resonance will become the 80% shareholder of Pay@ and IPHL for the Consideration.