

EPE CAPITAL PARTNERS LTD

INCORPORATED IN THE REPUBLIC OF MAURITIUS

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("ETHOS CAPITAL" OR "THE COMPANY")

VOLUNTARY UPDATE: INVESTMENT IN NEW PORTFOLIO COMPANY

Ethos Mid-Market Fund I ("EMMF I") has entered into agreements to acquire 100% of the shares in Crossfin Technology Holdings (Pty) Ltd ("Crossfin") plus a commitment to provide additional growth capital (the "Transaction"). EMMF I led the Transaction which includes a consortium of other investors including EMMF I Co-Investors, Ethos Artificial Intelligence Fund I ("EAiF I") and African Rainbow Capital ("ARC"). The Transaction is valued at R1.5 billion which includes a combination of the acquisition cost and growth capital for the business which will position Crossfin for the next phase of growth.

Ethos Capital is an investor through previous commitments made in both EMMF I and EAiF I and will invest a combined c.R178 million into Crossfin, including the growth capital commitment which will be invested over time.

Crossfin is a leading independent fintech platform led by an highly experienced management team which co-founded the business and has led it since inception. Crossfin operates an highly differentiated business model based on investing and supporting an ecosystem of synergetic and complementary fintech businesses at different stages of maturity which has allowed the platform to consistently achieve robust top line and earnings growth.

Crossfin has the following key business pillars:

Payment Technologies

The main investment in this segment is Adumo, the leading independent omnichannel payment acquiring business in South Africa processing c.200 million payment transactions annually across c.50,000 active merchants through its various payment platforms. Adumo is ideally positioned to leverage the continued trend towards digitalisation of payments and the proliferation of payment technologies as well as the accelerating growth in e-commerce activities across merchant segments.

Adumo aims to enable and increase the penetration of cashless payments acceptance, such as card and mobile payments, and offers e-commerce payment capabilities through Adumo Online to predominantly merchant segments that are underserved and underpenetrated by conventional financial institutions, as well as the informal sector of the economy. Adumo also focuses on offering funding and financial products such as Merchant Cash Advances in partnership with Retail Capital to address the SMME and lower tier merchants' funding gap including the Buy-Now-Pay-Later product launched in partnership with Tymebank.

Adumo is particularly strong in the Tier IV merchants' segment and the informal economy through its subsidiary iKhokha, a market segment estimated to be in excess of 1 million merchants where cash payments still constitute the overwhelming majority of payment transactions, and where strong growth in non-cash payments is being experienced and is expected to accelerate over the foreseeable future.

The Payment Technologies segment also includes Crossgate Technologies Holdings which, in addition to its core business of card issuing for retailers, banks, and non-bank financial institutions,

aims to leverage its proprietary and its partners' technology platforms to allow enterprise clients and others to provide alliance banking and other financial services.

Smart Funding

Crossfin is also invested in Retail Capital, which uses transactional data to provide funding to the SMME market. The business model is anchored around its "Low Touch Merchant Cash Advance" product, leveraging its proprietary technology platform to analyse transactional payment data of merchants in order to determine repayment capabilities and to extend funding accordingly. Retail Capital partners with payment and e-commerce marketplace businesses to offer its funding solutions to merchants.

Venture Capital

Crossfin Ventures ("CV") is the Venture Capital arm of the Crossfin Group. Whilst being the smallest of the business segments, CV allows the company to gain early-stage exposure to emerging trends in the fintech industry enabling Crossfin to invest in businesses with high potential for disruption while exploring synergies and complementarity within the broader group.

Sybrin

Crossfin is finalising the acquisition of Sybrin, an Artificial Intelligence ("Ai") enabled enterprise software business targeting the financial sector with a focus on automation and the use of Ai and machine learning to achieve efficiencies for its clients.

The Transaction includes the acquisition of the Crossfin business and the provision of growth capital to enable Crossfin to invest organically as well as to pursue new opportunities. The Transaction brings together some of South Africa's leading private equity investors, leaders in Ai insights and skills, strong BEE credentials, and multiple potential touch points within the various portfolio companies of the consortium members to further accelerate the strong value creation momentum already experienced by the business.

Further details on the Transaction can be found at <https://ethos.co.za/communication/press-releases/>

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Sponsor
RAND MERCHANT BANK (A division of FirstRand Bank Limited)