

African Rainbow Capital Investments Limited
(Incorporated in the Republic of Mauritius)
(Registration number C148430)
JSE share code: AIL
ISIN: MU0553S00000
(“ARC Investments” or “the Company”)

VOLUNTARY UPDATE ON NEW PORTFOLIO COMPANY INVESTMENT

NEW PORTFOLIO COMPANY INVESTMENT

Shareholders are advised that ARC Financial Services Holdings Proprietary Limited (“ARC FSH”) is part of a consortium, led by the Ethos Mid-Market Fund I, which has entered into agreements to acquire 100% of Crossfin Technology Holdings Pty Ltd (“Crossfin”) and commits to providing acquisition and growth capital in a R1.5 billion transaction (the “Transaction”).

ARC Investments is a Limited Partner in an *en-commandite* partnership, the ARC Fund Partnership SA (“ARC Fund”). ARC FSH is 50.1% owned by African Rainbow Capital Proprietary Limited and 49.9% owned by the ARC Fund, which is the vehicle holding the assets within ARC Investments, the listed entity.

In terms of the Transaction, ARC FSH will acquire 37.33% of Crossfin, via the consortium, for a consideration of R600m which will assume a combination of acquisitive capital from the existing shareholders and growth capital for identified portfolio transactions.

The Transaction is considered a landmark deal that will see Crossfin being positioned for the next phase of its growth trajectory. The transaction is aligned to ARC Investments’ ambition to establish an ecosystem of fintech related businesses.

CROSSFIN

Crossfin is one of Africa’s leading independent fintech platforms, as measured by both the volume and value of transactions processed through its platforms. Crossfin seeks to entrench its position as a market leading platform. It is a high-growth business operating in industries which are set to benefit from the growing trend towards usage of digital payments over cash. The Transaction strongly positions Crossfin to leverage new technologies as they emerge.

The Transaction includes the provision of acquisition and growth capital to enable Crossfin to deliver on its vision of investing in fintech solutions in select markets on the African continent.

Disclaimer

The financial information on which this announcement is based, has not been audited, reviewed and reported on by the Company’s external auditors.

Ebene, Mauritius (with simultaneous circulation in Johannesburg)
24 November 2021

Sponsor

RAND MERCHANT BANK (A division of FirstRand Bank Limited)