

MEDIA RELEASE
CAPITAL APPRECIATION'S PAYMENTS DIVISION SHINES
OPERATIONAL FEATURES

- Exceptional performance from the Payments division
- Terminal sales and Payments transaction-related income up 41.1% and 18.6%, respectively
- Terminals in the hands of customers grew by 18.8% to 424 000
- Software's financial performance improved in H2 25 but remains below expectations
- Encouraging pipeline in both divisions; conversion remains protracted
- Strong balance sheet with R402.3 million in cash available as at 31 March 2025

FINANCIAL FEATURES

		March 2025	March 2024	% change
Revenue	(R'million)	1 250.7	1 162.0	7.6
EBITDA	(R'million)	333.9	270.7	23.3
EBITDA margin	(%)	26.7	23.3	340bps
Operating profit	(R'million)	285.4	233.7	22.1
Basic earnings per share (EPS)	(cents)	17.58	13.97	25.8
Headline earnings per share (HEPS)	(cents)	17.57	13.99	25.6
Dividend per ordinary share	(cents)	12.00	10.00	20.0
- interim	(cents)	4.50	4.25	5.9
- final	(cents)	7.50	5.75	30.4
Cash available for reinvestment at 31 March	(R'million)	402.3	468.2	(14.1)

Johannesburg, 24 June 2025: FinTech group Capital Appreciation Limited announced strong results for the year ended 31 March 2025 today. The Group said that its businesses demonstrated resilience in the face of a challenging economic environment by growing revenue and managing expenses effectively. Both the Payments and Software divisions have attracted new clients, initiated new projects with existing clients, and renewed long-term contracts. The Payments division has strengthened its position as a leading operator of payment infrastructure in South Africa by successfully executing its growth initiatives. The Software division's financial performance was hindered by bench overcapacity; however, remediation plans are starting to take effect, improving cost management, efficiency and financial performance.

The Group continued to invest in growth-related initiatives, including leased terminals in Payments and product development in Software. This diversification and organic expansion create significant opportunities for future growth.

The Group grew gross revenues by 7.6% to R1.25 billion, and EBITDA by 23.3% to R333.9 million. EPS increased by 25.8%, to 17.58 cents, and HEPS by 25.6% to 17.57 cents per share. The Group declared a final dividend of 7.50 cents, up 30.4%. This brings the total dividend for the year to 12.00 cents per share, representing an 20.0% increase over the prior year.

Capital Appreciation's largest division, Payments, delivered a strong performance for the financial year. Payments revenue increased by 21.5% to R689.2 million, with terminal sales (up 41.1%), an expanding terminal rental portfolio (up 15.3%), and transaction-related income (up 18.6%) as the primary contributors to the strong growth. EBITDA grew by 25.4% to R297.8 million. Terminal in the hands of customers increased by 18.8% to 424 000, buoyed by two multi-year contracts secured in H1 25, which are expected to support terminal estate growth over their three- to five-year terms. Payments also continued its drive for regional expansion into Africa and beyond, through payments software initiatives and innovations such as its “Business-in-a-Box” MicroPOS solution for small and micro-merchants.

Trading conditions for the Software division remained challenging, as they were buffeted by the cost and capital expenditure concerns of major clients, as well as continued delays in new project starts. Revenue for FY25 declined by 7.6% to R549.0 million and EBITDA by 31.8% to R61.3 million. The division, however, did finish the year stronger than it began. There are tangible signs of recovery, with an improving sales pipeline and renewal of several long-term contracts, which positions it better for FY26. Synthesis and Dariel continue to be recognised as trusted advisors in the software market, again winning numerous awards this year. Notably, AWS has elevated Synthesis to Premier Partner status, its highest level of accreditation, awarded to only a select number of partners worldwide.

Capital Appreciation CEO Bradley Sacks said: *“Capital Appreciation’s businesses are well-positioned, and the prospects are very encouraging. With the pace of technological advances and the digital transformation needs evident throughout the economy, we anticipate that the current prospective pipeline will transform positively as business confidence and economic activity gather momentum. Several initiatives are underway with the potential to deliver exceptional performance.”*

Capital Appreciation continues to generate considerable cash and maintains a robust, debt-free balance sheet, with ample cash available to support organic growth, pursue acquisition opportunities, make investments and conduct additional share repurchases.

Sacks concluded: *“Capital Appreciation focuses on creating sustainable value for its shareholders. We are particularly proud of our unbroken dividend record over the past eight years, returning R765.9 million, or 56.5 cents per share, to shareholders in the form of dividends.”*

Ends.

ABOUT CAPITAL APPRECIATION

Capital Appreciation is a FinTech company with three business segments: Payments, Software, and a fledgling international division in the Netherlands.

Payments: The Payments division comprises:

- **African Resonance and Dashpay** are leading direct and indirect providers of payment software and infrastructure, technical support, terminal maintenance and support, bespoke software solutions, PCI Compliant key injection facility for terminals, as well as other comprehensive payment services and payment technology solutions. Dashpay offers Payment Software as a Service (PSaaS) for Bank acquirers, Payment facilitators and Fintechs.
- **LayUp Technologies**, a recent start-up in which Capital Appreciation is a 27.4% shareholder, is Africa's first digital lay-by and recurring payments business, offering e-commerce and in-store purchase solutions.
- **Halo Dot** is a proprietary software solution (Softpos) that allows any near-field communication (NFC) enabled Android-based device to accept payments. It is offered in multiple form factors, including as a software development kit (SDK) for integration into others' apps or as an app on a white-label basis.

Software: The Software division comprises:

- **Synthesis** is a strategic technology partner and highly specialised software and systems developer, offering consulting, innovative software solutions, and technology-based products.
- **Responsive Group** designs and develops web and mobile digital applications with clients in South Africa, the USA, Europe, Australia and the United Kingdom.
- **Dariel** is an engineering-focused IT architecture and software development group focused on developing complex business applications.

International: The International division is a recently formed business located in the Netherlands. It aims to broaden the Group's geographic reach, expand its client base, and increase its exposure to new and emerging technologies and global best practices. In addition to the Group's wholly owned foreign subsidiaries, Synthesis Europe B.V. and Synthesis Labs B.V., Capital Appreciation owns a 20% stake in Regal Digital B.V.

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