MEDIA RELEASE

ARAXI DELIVERS STRONG OPERATIONAL PERFORMANCE

OPERATIONAL FEATURES

- Full-year results and year-on-year comparison negatively impacted by delayed delivery of a substantial terminal order and large, five-year software licence fee in the prior year
- Terminals in the hands of customers increased by 5.4% to 447 000 units
- Recurring terminal licence fees up more than 31%
- Cash from operations 25% higher at R259.0 million
- Software gaining strategic traction with a 77% increase in underlying EBITDA:
  - Material reduction in operating expenses, due to rightsizing of the business
  - Improved sales momentum and tangible improvement of sales pipeline
  - Key new client wins, including multi-year agreements
  - Materially improved capacity utilisation
- Encouraging pipeline development in both Payments and Software divisions
- Pay@ acquisition enhances Payments business and opens up exciting growth opportunities for the Group
- Strong balance sheet, well-positioned for growth
- Final dividend of 7.50 cents per share, bringing the total dividend for the year to 12.00 cents per share

FINANCIAL FEATURES

		Reported			Underlying*		
		FY26	FY25	% change	FY26	FY25	% change
Revenue	(R'million)	1 166.2	1 250.7	(6.8)	1 174.2	1 218.1	(3.6)
EBITDA	(R'million)	279.3	333.9	(16.4)	283.2	267.3	5.9
EBITDA margin	(%)	24.0	26.7	(270bps)	24.1	21.9	220bps
Operating profit	(R'million)	226.4	285.4	(20.7)	230.3	218.7	5.3
Basic earnings per share (EPS)	(cents)	14.38	17.58	(18.2)	14.04-	12.76-	10.0
Headline earnings per share (HEPS)	(cents)	14.37	17.57	(18.2)	14.03	12.75	10.1
Dividend per ordinary share	(cents)	12.00	12.00	-	12.00	12.00	-
Cash available for reinvestment	(R'million)	327.6	402.3	(18.6)	327.6	402.3	(18.6)

*The underlying statistics are derived from the audited financials, but are themselves unaudited and reflect management's view of the inherent operational performance. They include:

- A once-off R42 million five-year Software licence fee from a major banking institution, in FY'25.
- A once-off c.R10 million restructuring cost incurred in the Software division in H1'26.
- Early transaction costs amounting to R8.8 million incurred as part of the Pay@ transaction.
- Fair value gains/losses on contingent consideration and convertible loans.
- Interest income on finance leases has been included in operating income.

Johannesburg, 9 June 2026: The full-year operational performance of Araxi Limited (formerly Capital Appreciation Limited) was strong, while its financial performance was mixed. The Payments and Software Divisions both exit FY'26 and enter FY'27 on a sound footing.

Overall, reported revenue and profitability were negatively affected by national and global economic challenges, including a worldwide shortage of microchips that delayed the timely delivery of terminals. Several one-time items also had a noticeable impact on the reported figures. To provide a clearer picture of the businesses' inherent operational performance, the company shared "underlying" metrics, which confirmed very sound results. Notable highlights include recurring terminal license fees in Payments, which grew by 31%, and Software's underlying EBITDA, which increased by 77% following dedicated efforts to position the business for a challenging economic environment. Both metrics indicate a significantly more positive outlook for FY'27.

Group operating expenses were exceptionally well managed, ending 7.1% lower than the prior year at R341.1 million. Solid execution against the Group's strategic objectives positions the Group well going forward – actions included rebranding the Group to Araxi Limited, restructuring the Software Division, which reset the business on a healthy base, and the acquisition of the leading provider of B2B integrated payments solutions, Pay@ Group.

The number of point-of-sale (POS) terminals in customers' hands increased by 5.4% to 447 000 at year-end, generating attractive annuity income and scale efficiencies. The compelling growth in terminal licence fees (31%) and related services reinforces the Payments Division's longer-term strategic emphasis on annuity-based recurring revenues. Payments' PSaaS (Payments Software-as-a-Service) strategy of developing hardware-agnostic software solutions significantly increases the total addressable market for its services and improves the visibility of its future earnings.

Halo Dot has been a critical enabler, as an Apple Gateway Service Provider (GSP), for the launch of Apple's Tap to Pay on iPhone in South Africa, in partnership with a major retailer and Paycorp in May 2026. In addition, Halo Dot has been approved as an Apple GSP to enable the launch of Tap to Pay on iPhone solutions in other markets. The team has progressed multiple acquirer and processor integrations in South Africa, elsewhere in Africa, the UK, across Europe, the United States, Latin America, Mexico, and most recently the Caribbean, with a number of customers across regions nearing go-live in FY'27. This will generate recurring monthly licensing and support revenue.

The Software Division generated over R384 million in contracted sales with major clients in FY'26, including several large banks and a premier insurance company. This figure includes multiple multi-year agreements expected to support future annuity revenue. Clients are increasingly open to engaging in specialised projects, with particularly strong demand for cloud migration, intelligent data solutions, Agentic AI, fraud detection, and payment modernisation initiatives. By the end of the year, the Division saw a significant increase in demand and project closures for FY'27.

Araxi is proud to have recently been recognized as one of "South Africa's fastest growing companies" by News24 and as one of "Africa's growth companies for 2026" by the Financial Times, among a variety of accolades won by its divisions in the current year.

In May 2026, Araxi acquired an 80% stake in the Pay@ Group. This transaction marks a significant milestone in the Group's evolution and provides further momentum for continued growth. The strong support for this transaction reflects shareholders' confidence in Araxi's long-term strategy and the opportunities that lie ahead.

Strong cash generation across the underlying businesses fueled a 25% increase in cash from operations to R259.0 million. This robust performance enabled Araxi to declare stable dividends of R155 million (12 cents per share) for FY'26. This was achieved despite completing the R1 billion Pay@ transaction in May and maintaining adequate resources to fund the Group's various growth opportunities. In the nine years since its maiden dividend, the Group has generated operating cash flow of c.R2.0 billion, and paid dividends of R921 million. or 68.50 cents per share to its shareholders.

Outlook

Clients have increasingly turned to the Group to leverage its specialist capabilities in alternative payment solutions, cloud computing, AI, agentic AI, cybersecurity, and intelligent data to deliver sophisticated digitalisation solutions that enhance clients' competitiveness, efficiency, and customer experience. This has translated into a significantly strengthened pipeline across both businesses.

Araxi CEO Bradley Sacks said: "*We are encouraged by the recent pipeline developments and the momentum achieved in the Group's initiatives to diversify revenue streams across new products, sectors, and regions. We are particularly pleased with the rebranding to Araxi and how that has been received in the market, as well as galvanized our teams around a single corporate purpose. We are excited about the prospects that arise from the acquisition of Pay@ and remain cautiously optimistic that these trends and opportunities will support the Group's growth trajectory in FY'27 and beyond.*

Ends.

ABOUT ARAXI

Araxi is a financial technology company that brings deep payments expertise and cutting-edge software capabilities to create transformational solutions for established and emerging financial enterprises and other clients. The Group facilitates and provides financial services and other technology platforms, and delivers contemporary, innovative technologies and products.

The company changed its name from Capital Appreciation on 3 September 2025.

Araxi operates through 3 subsidiaries:
The **Payments** division comprises:

African Resonance is the leading direct and indirect provider 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, while **Dashpay** offers Payment Software as a Service ("PSaaS") for Bank acquirers, Payment facilitators and Fintechs.

The **Pay@ Group** is one of South Africa's most trusted payment aggregation and processing platforms. The company provides secure, real-time payment solutions that connect major billers, merchants, and consumers through the most extensive network of payment channels across sub-Saharan Africa.

Halo Dot provides proprietary software solutions ("Softpos") that allow any near-field communication ("NFC") enabled Android and iOS-based devices to accept digital card payments. Halo Dot 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.

LayUp is Africa's first digital lay-by and recurring payments business with solutions for e-commerce and in-store purchases.

The **Software** division comprises:
Synthesis and Dariel, each have a proven track record of designing, building, and deploying software solutions for complex, large-scale businesses and enterprises. Araxi Software offers highly specialised AI first software development, consulting and integration services and technology-based product solutions in South Africa and other emerging markets. The products and services enable clients to perform business processing functions, meet regulatory requirements, integrate with trading platforms and exchanges, secure sensitive information and develop complex business applications. It has significant depth in financial services, retail, telco, hospitality and healthcare domains where it has designed, built, and operated multiple systems bringing deep technical capabilities in system integration, intelligent automation, machine learning, and Generative AI & Agentic AI.

International: The International division in the Netherlands aims to broaden the Group's geographic reach, expand the Group's client base, and increase its exposure to new and emerging technologies and global best practice. Araxi also owns 20% of Regal Digital B.V., which offers Web 3.0 consulting through TetraLabs and a SaaS content management solution through Flamelink.

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