PEPKOR HOLDINGS LIMITED
(Incorporated in the Republic of South Africa)
(Registration number: 2017/221869/06)
Share Code: PPH
Debt Code: PPHI
ISIN: ZAE000259479
LEI: 3789006D677C34F69875
("**Pepkor**" or the "**Company**")

PEPKOR TO ACQUIRE CONTROLLING STAKE IN TRANSFORMATIONAL FINTECH PLATFORM THROUGH COMBINATION OF FLASH AND SHOP2SHOP

SALIENT FEATURES

- Pepkor to combine its Flash business with Shop2Shop to create one of South Africa's preeminent merchant commerce and fintech platforms serving both the formal and informal economy, with annual throughput value exceeding R200 billion.

- The combined business ("FintechCo") will comprise:
  - Flash: a leading value-added services ("VAS") distribution network and digital products fintech platform; and
  - Shop2Shop: a leading merchant-focused trade enablement fintech platform providing merchants with acquiring, payments, cash management and trade services.

- The Proposed Transaction (as defined below) builds on the long-standing commercial relationship between Flash and Shop2Shop, expanding the reach across the informal market value chain and unlocking meaningful strategic and operational synergies.

- Pepkor will acquire a controlling interest of 57.1% in FintechCo through:
  - A cash purchase subscription of R1.57 billion for new shares in Shop2Shop; and
  - The contribution of 100% of its shares in Flash, valued at R10.6 billion.

- The total equity valuation of FintechCo implied by the Proposed Transaction, is approximately R21.3 billion.

- The Proposed Transaction is a significant step in Pepkor's strategy to accelerate expansion within its Informal Market Platform segment and will unlock value for shareholders through a planned future listing.

1. INTRODUCTION

South Africa's informal market represents a fast-growing segment of the economy, underpinned by resilient consumer demand and increasing merchant participation.

The Proposed Transaction (as defined below) combines two complementary businesses to create a significant merchant commerce and fintech platform in South Africa that is well-positioned to support merchants transitioning to digitally enabled businesses while maintaining accessibility for cash-based transactions.

Pepkor Proprietary Limited, a 100% subsidiary of Pepkor, has entered into agreements with Shop2Shop Proprietary Limited ("Shop2Shop"), S2S Africa Holdings Limited and entities associated with certain members of the Shop2Shop management team (together, the "S2S Shareholders"), pursuant to which Pepkor Proprietary Limited will subscribe for new shares in Shop2Shop for R1.57 billion in cash while simultaneously contributing Flash Mobile Vending Proprietary Limited ("Flash"), a wholly-owned subsidiary of Pepkor, to Shop2Shop in exchange for additional new Shop2Shop shares (the "Proposed Transaction").

2. RATIONALE

2.1 A powerful strategic combination

The Proposed Transaction aligns with Pepkor's strategy to build an integrated and trusted fintech ecosystem. Together, Flash and Shop2Shop will provide extended coverage of the informal market value chain, linking cash handling, acquiring, payments, VAS and related financial services.

FintechCo will enhance Pepkor's retail-powered consumer platform, spanning 32 million known customers, by deepening customer and merchant engagement and increasing participation in everyday commerce.

Shop2Shop's extensive merchant and payment network capability combines with Flash's VAS and digital product set capability to create an integrated platform with greater scale, reach and relevance.

Peter Berry, founder of Shop2Shop, commented: "*Shop2Shop was founded to bring purpose-built solutions to South Africa's large and underserved informal merchant market, to empower small business owners. We've built a broad product set on a platform engineered for high-volume, low-cost transactions. With Flash, we are able to deepen our offering and scale, and position a proven fintech platform in South Africa."*

2.2 A pathway to unlocking shareholder value

The Proposed Transaction will create a pathway to unlocking shareholder value with a planned separate listing of FintechCo in the medium term.

3. SALIENT TERMS

3.1 Proposed Transaction consideration

The Proposed Transaction will result in Pepkor Proprietary Limited acquiring new shares in Shop2Shop as follows:

- A R1.57 billion subscription for new shares in Shop2Shop, to be settled in cash which will be used to settle Shop2Shop debt and other relevant obligations; and
- The issuance of new Shop2Shop shares in exchange for 100% of Flash shares.

3.2 Conditions precedent

The Proposed Transaction is subject to various conditions precedent, which include, but are not limited to, receiving all necessary regulatory and competition authority approvals.

3.3 Effective date

The effective date will be the first business day of either the first calendar month after the last of the conditions is fulfilled or waived, where legally permissible, or the second calendar month if such conditions are fulfilled or waived, where legally permissible, within seven business days of month end ("Effective date").

3.4 Other significant terms

Pepkor Proprietary Limited and the S2S Shareholders have entered into a shareholders' agreement that will regulate FintechCo from implementation of the Proposed Transaction and sets out the rights, responsibilities, protections, and governance framework for FintechCo and its shareholders.

As a committed minority partner, the S2S Shareholders will maintain a minimum shareholding of 15% in FintechCo for at least five years from the Effective date of the Proposed Transaction.

The FintechCo shareholders' agreement includes a specific put and call option arrangement between Pepkor Proprietary Limited and the S2S Shareholders which is intended to provide the S2S Shareholders with a liquidity event in the absence of the planned listing of FintechCo. Specific details are as follows:

- S2S Shareholders have been granted a put option in respect of their whole residual stake in FintechCo, and Pepkor Proprietary Limited a corresponding call option, exercisable no earlier than five years and up to eight years from the Effective date of the Proposed Transaction, subject to agreed conditions; and
- Certain trigger events predefined in the shareholders' agreement may give rise to the acceleration of the put option, but not earlier than the second anniversary of the Effective date of the Proposed Transaction.

The FintechCo shareholders' agreement also contains a separate put and call option arrangement in respect of the Flash cellular business (which distributes SIM cards) where FintechCo has the ability to sell (in terms of this put option), and Pepkor Proprietary Limited the ability to buy (in terms of a corresponding call option) this business, subject to agreed conditions.

All put and call options fall away at listing of FintechCo.

4. FINANCIAL INFORMATION

Consolidated financial information of the stand-alone Flash and Shop2Shop businesses is included in the table below. The information was extracted from the audited financial statements of Flash which were prepared in accordance with International Financial Reporting Standards and the Shop2Shop *pro-forma* management accounts ("Management Accounts"). A three-year compound annual growth rate ("3-Year CAGR") is also provided.

	Flash 12 months ended September 2025	**Shop2Shop 12 months ended June 2025**
Revenue - Rm	11 152	9 327
3-Year CAGR %	9%	28%
EBITDA - Rm	900	661
3-Year CAGR %	28%	85%
Profit after tax - Rm	488	385
Net asset value - Rm	657	521

The Company is satisfied with the quality of the Management Accounts of Shop2Shop, which were aggregated for purposes of the due diligence after being reviewed and reconciled to the separate audited financial statements. These Management Accounts have been provided for illustrative purposes only and due to their nature may not fairly represent the financial position of Shop2Shop.

5. GOVERNANCE AND BENEFICIAL OWNERSHIP

As previously disclosed in Pepkor's annual financial statements, Pepkor's Chief Executive Officer, Pieter Erasmus ("Erasmus"), through an associated company has an indirect minority interest in Shop2Shop which pre-dates his appointment at Pepkor. As Erasmus's indirect interest is below the 35% associate classification threshold, as defined in the JSE Listings Requirements, the Proposed Transaction is not classified as a related party transaction. Shop2Shop is majority owned and controlled by another S2S Shareholder which holds an interest exceeding 50%.

Appropriate and strict governance processes were maintained throughout the process, including Erasmus's recusal from all deliberations and decisions relating to the Proposed Transaction.

Independent valuations were obtained for both Flash and Shop2Shop and the independent members of the Pepkor Board concluded that the Proposed Transaction is fair and reasonable and in the best interests of Pepkor and its shareholders. This position is further supported by an independent fair and reasonable opinion which was obtained on a voluntary basis.

Post the implementation of the Proposed Transaction, the ultimate beneficial owners of FintechCo will comprise Pepkor holding 57.1% and the S2S Shareholders holding the remaining minority interest of 42.9% through various entities established for the benefit of the S2S Shareholders and founders. These include companies related to Peter Berry and Erasmus who will, after implementation of the Proposed Transaction, hold an indirect minority interest in FintechCo of 24.0% and 13.2% respectively. The balance will be held by members of Shop2Shop group employees.

6. TRANSACTION CATEGORISATION

The Proposed Transaction is classified as a Category 2 transaction in terms of the JSE Listings Requirements and accordingly does not require shareholder approval.

7. INVESTOR PRESENTATION

Pepkor will host an investor presentation and webcast today, 22 July 2026 at 10:30am SAST with the Pepkor management team, acting chair and lead independent director Ian Kirk and Peter Berry, Shop2Shop CEO. Investors can register for the webcast here: https://www.corpcam.com/Pepkor22072026 The presentation can be accessed using the following link: https://pepkor.co.za/.

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22 July 2026

Financial Advisor and Transaction Sponsor to Pepkor

Investec Bank Limited

Financial Advisor to Pepkor

Rothschild & Co South Africa Proprietary Limited

Legal Advisor to Pepkor

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Financial Advisor to Shop2Shop and S2S shareholders

Rand Merchant Bank (a division of FirstRand Bank Limited)

Legal advisor to S2S Shareholders

Webber Wentzel