

## **MEDIA RELEASE**

### **CAPITAL APPRECIATION ACQUIRES A GROUP OF INNOVATIVE FINTECH COMPANIES**

**Johannesburg, 2 March 2022:** South African FinTech Group, Capital Appreciation Limited, is excited to announce that it has expanded its portfolio of innovative technology companies.

Capital Appreciation has acquired the Responsive Technology group for the purchase price of c.R48,68 million. The acquisition includes three South African companies:

- Responsive Tech Proprietary Limited (100%)
- Responsive Digital Proprietary Limited (100%)
- Rethink Digital Solutions Proprietary Limited (71%).

Responsive is a digital solutions group that designs and develops digital applications with clients across South Africa, the USA, Europe and the United Kingdom. The group has a proven, 10-year track record of delivering complex digital transformation projects, web and mobile apps, as well as technology products for leading South African and international blue-chip clients. These companies have included Brambles Limited (CHEP), Capitec, Coronation, Experian, MoneyGram, Nedbank and Old Mutual.

The group is passionate about creating user-centric experiences and utilising best-of-breed technology to expertly develop and launch digital applications. As digital product specialists, Responsive assists its clients in developing fast, secure and scalable applications in the cloud, that get to market quicker, drive results and unlock business value. Its unique approach has led to the Group becoming a preferred supplier amongst financial institutions and has made it a natural fit for the Capital Appreciation Group.

As part of the transaction, Capital Appreciation will subscribe for 20% of the issued shares in Regal Digital B.V., a related party technology company located in the Netherlands, for a cash investment of Euro 500,000 (c. R8,5 million). Regal Digital is the operating company of Firelava, a consulting services business focusing on Web 3.0 technologies, non-fungible token (NFT) and Blockchain solutions, Google Firebase and cloud specialist services as well as solution architecture consultation. Regal Digital has an 80% shareholding in Flamelink B.V., a 'software-as-a-service'



(SaaS) solution offering a headless Content Management System (CMS) for Google's Firebase and is currently the de facto Firebase CMS with the most feature-rich offering in the market.

Capital Appreciation Joint CEO, Bradley Sacks, noted that: *“Responsive fits well with Capital Appreciation’s investment philosophy of investing in established, asset-light growth companies that deliver innovative and disruptive FinTech solutions to mainly institutional clients. We also look forward to exploring the potential for synergistic opportunities with existing operating units.”*

The Responsive founders and directors (Andrew McElroy, Marsh Middleton and Brandon Fairweather) stated: *“We are excited to join a group that has such a strong culture of innovation, an extensive client base and a healthy balance sheet from which to expand. We look forward to adding our unique strength to the group to create the best experiences for existing and new clients. We also see synergies in creating web and mobile products that delight users by following a design thinking approach and expertly implementing the best technology solutions.”*

The Responsive Group will form part of Capital Appreciation’s Software division and report through to Synthesis.

**Ends.**

## **ABOUT CAPITAL APPRECIATION**

Capital Appreciation is a FinTech enterprise with three business segments – Payments, Software and a newly formed international division in the Netherlands.

**Payments:** The payments segment comprises two businesses. African Resonance and Dashpay are leading direct and indirect providers of payment infrastructure, technical support, maintenance, and payment technology solutions to established banking and financial institutions, emerging payment service providers, and corporate customers in the retail, restaurant, fuel, hospitality, and healthcare sectors. Dashpay’s multi-product, multi-party universal transacting platform, and value-added services solutions are intended to complement existing payment services provided by the Group’s established banking and institutional client base.

**Software:** Synthesis is a highly specialised software and systems developer, offering consulting, integration services, and technology-based product solutions to banking, financial services, retail, telecommunications, healthcare, and other institutions in South Africa and other emerging markets. The Company creates and manages complex, high-value technology, partnering with customers to give them a true competitive edge whether through its cloud, digital channels, intelligent data, training, or managed services offerings. Synthesis is uniquely positioned in Africa,



given its Amazon Web Services (AWS) Advanced Consulting Partner status with a broad range of specialist competencies.

**International:** The International division is situated in the Netherlands. The business aims to broaden the Group's geographic reach and increase its exposure to new technologies and global best practice.

**Enterprise Development Funding:** Capital Appreciation supports and advances several commercial transformation initiatives, including through its enterprise development funding and provision of technology development expertise to GovChat, a black-controlled technology start-up that offers a platform to measure and enhance government interaction with citizens. GovChat is noted as one of AWS's premier Public Sector initiatives globally and Capital Appreciation owns 35% of the entity.

#### **ABOUT RESPONSIVE**

Founded in 2011, Responsive is a team of technical experts and innovative problem solvers, leveraging design thinking to put customers at the centre and using best-of-breed technology to expertly build and launch digital applications.

**Rethink Digital** specialises in designing delightful experiences for complex digital products by focusing on research, strategy, User Experience (UX) and User Interface (UI) design as well as usability testing to establish user-centricity and satisfy user needs and business goals.

**Responsive Tech** specialises in developing fast, secure and scalable applications in the cloud using expert skills, best practice processes and industry-proven technology to get digital products to market fast, drive results and unlock business value.

**Regal Digital B.V.** is the operating company of Firelava and has an 80% shareholding in Flamelink B.V., which is located in The Netherlands. Firelava is a consulting services business focusing on Web 3.0 technologies, NFT and Blockchain solutions, Google Firebase and Cloud Specialist Services as well as Solution Architecture Consultation. Flamelink is a 'software-as-a-service' (SaaS) solution offering a headless Content Management System (CMS) for Google's Firebase.

**Google Firebase** helps teams from start-ups to global enterprises build and run successful apps. It is backed by Google and trusted by some of the largest apps. Firebase is a Backend-as-a-Service (BaaS) app development platform that provides hosted backend services such as a real-time



database, cloud storage, authentication, crash reporting, machine learning, remote configuration, and hosting for static files.

**Web 3** is the collective name for a group of emerging technologies combining to form a re-imagined “decentralised” Internet, where the flow of content and value can be described and governed securely through autonomous and secure peer-to-peer smart-contracts.

**A headless CMS** is a back-end content management system that acts primarily as a content repository. It makes content accessible via an API for display on any device without a built-in front-end or presentation layer. The term “headless” comes from the concept of chopping the “head” (the front end) off the “body” (the back end). The exponential growth of digital channels, it has led to an emphasis on the issues surrounding the creation and management of content, solved by headless CMS platforms.

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