

AFRISTRAT INVESTMENT HOLDINGS LIMITED

Incorporated in the Republic of South Africa

Registration number: 1998/013215/06

JSE Code: ATI - ISIN: ZAE000305959

Debt Issuer Code: ATID

Hybrid Issuer Code: ATIG

("Afristrat" or "the Company")



Business update on Afristrat's listed note and equity investment in FirstCred Limited Botswana

The board of directors of the Company ("**the Board**") wishes to provide an update on matters of the business, pertaining specifically to Firstcred Limited Botswana ("**FirstCred**" or "**the company**").

As set out in the announcement released on SENS on 12 May 2022, the Board advised that FirstCred (previously Getbucks Limited Botswana) had initiated a forensic investigation ("**the Investigation**") to establish how the funds raised through its BWP500 million Bond Programme ("**Botswana Bond Programme**") between 2017 and 2018 were utilised. The Investigation focused on establishing whether the funds raised through the Botswana Bond Programme were utilised in accordance with the terms of the Bond Programme Memorandum or whether they were irregularly disbursed to MyBucks S.A. ("**MyBucks**") and/or its related entities, and ultimately never repaid to FirstCred.

The Investigation, which was finalised in August 2022, revealed gross misuse of the BWP120 million raised from investors by the former management of Getbucks Limited Botswana between 2017 and 2019. FirstCred has since initiated civil and criminal action against former management and their associates who were found to have participated in the loss of BWP120 million of investors' funds, which included an amount of BWP50 million invested by Afristrat (formerly Ecsponent Limited).

Post the findings of the Investigation and the announced bankruptcy at a MyBucks level, ALCB Fund and AS Mintos Market Place, two investors in the Botswana Bond Programme, took their petitions to liquidate FirstCred to the Botswana High Court ("**High Court**") in an attempt to recover their investment, which formed part of the loss of the BWP120 million.

The High Court has subsequently ruled in favour of FirstCred, declining petitions from ALCB Fund and AS Mintos Market Place to wind up FirstCred. As requested by FirstCred's existing executives, on 19 August 2022 the High Court granted an order of Judicial Management to allow the company an opportunity to resolve its debt position, which surfaced from the mismanagement and misappropriation of funds by former management. The judgment comes as independent forensic examinations commissioned by FirstCred revealed gross misuse of BWP120 million raised from investors.

Information pertaining to the aforementioned, as published by FirstCred, is available on the company's website and link herein: <https://www.firstcredlimited.com/wp-content/uploads/2022/08/JUDICIAL-MANAGEMENT-ORDER-AND-FORENSIC-INVESTIGATIONS-22-AUGUST-2022.pdf> .

The Board believes the aforementioned Judicial Management of FirstCred will further negatively impact the Company's liquidity, however, it will provide an opportunity to potentially recover some of its investment value and in so doing, rebuild value for all stakeholders.

26 August 2022

Pretoria

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