

**Press release**

**Blue Financial Services announces recapitalization through equity and debt funding**

**For immediate release**

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Pan-African micro-financier, Blue Financial Services has entered into a subscription agreement with Mayibuye (Pty) Ltd, in which the latter will subscribe for ordinary shares in Blue at an issue price of 13 cents per ordinary share for an aggregate subscription consideration of R163 million.

In addition to the subscription agreement Mayibuye will provide Blue with debt funding of R300 million on commercial terms. The recapitalisation is subject to a number of conditions including the securing of irrevocable undertakings from the majority of Blue's shareholders as well as restructuring agreements with the company's current debt funders and obtaining all shareholder and regulatory approvals.

Dave van Niekerk, CEO of Blue says, "The successful implementation of the recapitalisation will see Mayibuye become the majority shareholder.

The Blue board will be restructured as a result of this transaction.

Mayibuye is a private equity company which focuses primarily but not exclusively on equity acquisitions related to or associated with the credit environment. The company invests in enterprises that are underperforming and through strategic application of its servicing platform and collection capability restores the organization to excellent all-round business health.

A further announcement next week Monday will provide details on the terms and conditions of the proposed recapitalization as well as the pro forma financial effects.