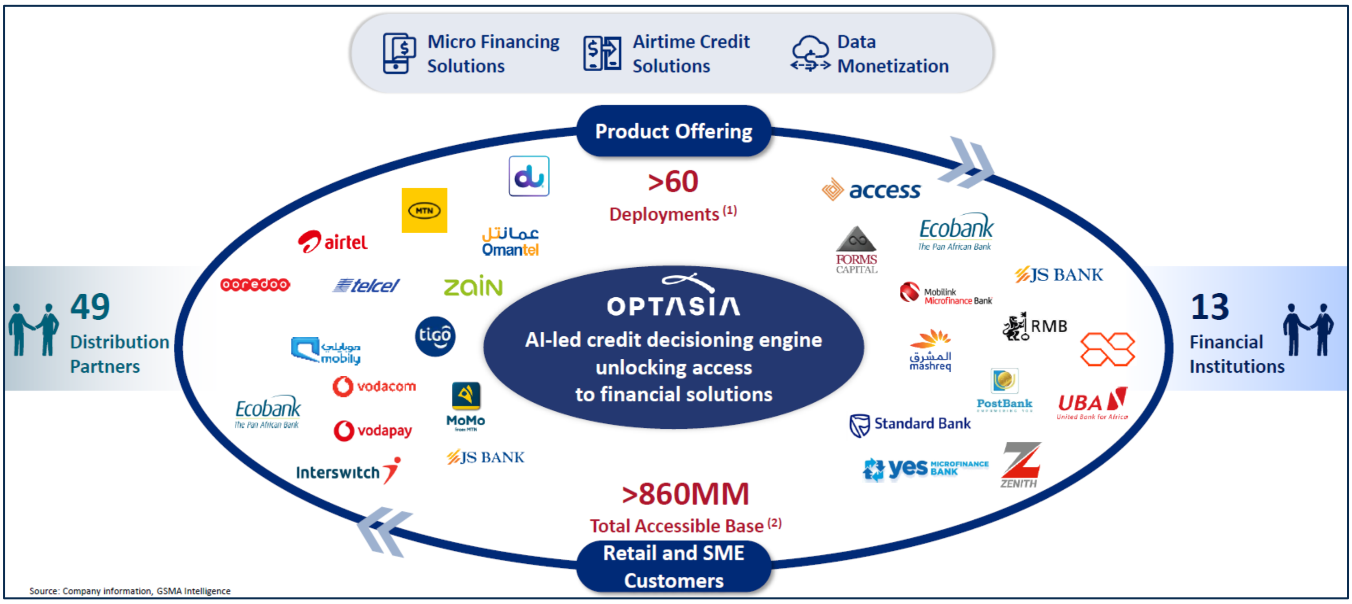
The global financial services landscape is undergoing a structural transformation, particularly within emerging and frontier markets where traditional banking infrastructure has historically failed to penetrate. Optasia (formerly Channel VAS) sits at the centre of this transformation as an AI fintech orchestrator designed to bridge the massive financial inclusion gap.



Optasia is not a start-up – it was founded in 2012. It has since evolved from a niche provider of airtime advances into a sophisticated technology platform that enables instant access to credit for over 121 million monthly active users (MAUs) across 38 countries.

A common misunderstanding of the Optasia model is the assumption that it acts as a traditional lender. In reality, the Group operates a unique business-to-business-to-customer/SME (B2B2X) model that creates a three-sided ecosystem between Optasia, the Mobile Network Operators (MNOs), and its Financial Partners.

- Facilitator Role – Optasia is *not* the lender of record and does not operate as a traditional bank. It serves as the technological and analytical engine connecting MNOs with banking capital.
- Capital and Distribution – Financial partners like Standard Bank and FirstRand provide the loan capital, while MNOs like MTN and Airtel provide the distribution and the underlying behavioral data.
- Risk Mitigation – To align incentives, Optasia typically provides first-loss protection or credit enhancement structures to its financial institution (FI) partners, materially de-risking bank balance sheets while maintaining its own capital-light structure.

Ecosystem Participant	Role and Contribution	Economic Incentives
Optasia	AI Platform, Scoring, Risk Underwriting	Captures take rate fee per transaction; shares in interest.
MNOs / Wallets	Distribution Channel, KYC, Marketing	Service fees per disbursement; increased ARPU/reduced churn.
Financial Institutions	Capital Provision, Lender of Record	Interest income; access to high-velocity borrower pool.
End-Users	Demand for Liquidity, Data Generation	Frictionless, instant credit for airtime or cash requirements.

Optasia's competitive edge lies not in superior access to data, but in its ability to economically operationalise that data at ultra-low ticket sizes. Traditional banks, while capable of sophisticated credit analysis, remain structurally uneconomic at the bottom end of the lending spectrum due to high fixed acquisition costs, regulatory capital charges, and manual processing requirements. As a result, the vast majority of underbanked consumers are excluded by default.

By contrast, Optasia transforms over 5,000 raw telco and behavioural data inputs into as many as 100,000 predictive features per applicant, enabling fully automated credit decisions in under one second. This allows Optasia to profitably deliver loans of ~$5 – a transaction size that would cost a traditional bank more than the loan value itself simply to originate.

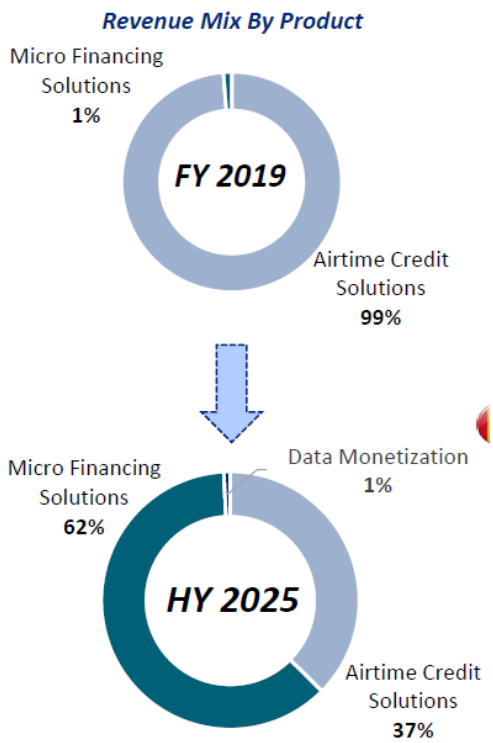
The scale of opportunity is defined by the massive gap between Optasia's current reach and its partners' total subscriber bases. As of 2025, Optasia's distribution partners represent a Total Addressable Market (TAM) of 860 million connections. With only 121 million MAUs, penetration of the immediate distribution footprint remains relatively low.

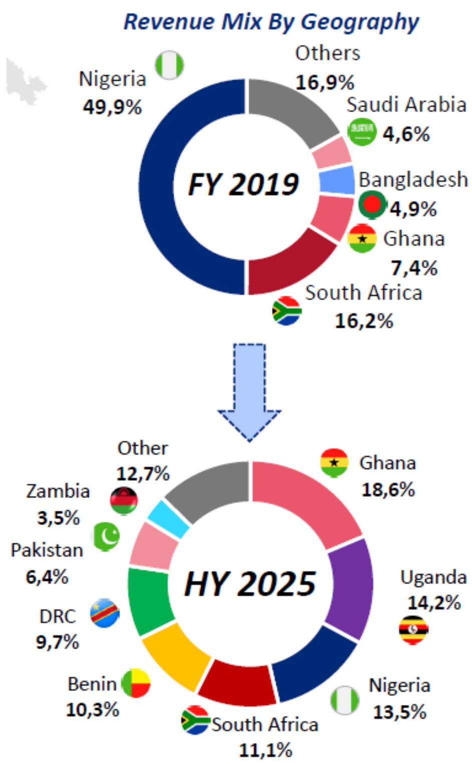
It is important to note that not all mobile connections are immediately credit-eligible due to factors such as device type, wallet adoption, usage patterns, and regulatory constraints. However, even after adjusting for these filters, the gap between Optasia's current penetration and its economically addressable user base remains substantial. As smartphone penetration, mobile wallet usage, and digital identity frameworks deepen across Optasia's core markets, the effective addressable universe continues to expand organically.

Recent Trends

The most significant trend for the Group is the rapid shift in product mix from Airtime Credit Solutions (ACS) to Micro Financing Solutions (MFS).

In FY2022, MFS accounted for 13.9% of revenue. By 1H2025, this surged to 62%. This transition is critical because the MFS take rate (the fee Optasia captures on a loan) averages approximately 8.0%, more than double the ACS take rate of ~3.0%. This shift drove blended take rates from 4.0% in FY24 to 4.9% in 1H25, with analysts projecting 5.0% by FY27.





Despite moving into higher-risk micro-lending, default rates remain low at 1.14% (1H25). The Group maintains a cover ratio (revenue to ECL provision) above 4x. Furthermore, the cost to serve remains exceptionally low at ~$0.5 per customer per year, driven by the fact that 70-80% of new deployments are delivered remotely.

Importantly, low default rates are structurally supported by several features of the Optasia model: short loan tenors, small ticket sizes, high repayment frequency, and first-priority access to airtime or mobile wallet balances. These characteristics create rapid behavioural feedback loops within Optasia's machine-learning models, allowing underwriting parameters to be adjusted in near real time. As a result, credit losses are identified and contained early, rather than accumulating unnoticed as in traditional unsecured loan portfolios.

Key Drivers

1. Validation through maiden results and updated guidance

The primary short-term catalyst is the publication of Optasia's maiden full-year results as a listed entity in early 2026. These results are expected to materially reduce execution risk by demonstrating that the accelerated shift toward higher-margin MFS products can be scaled without a commensurate deterioration in credit performance.

While not eliminating macro or regulatory risks, a strong first reporting cycle would meaningfully de-risk the earnings trajectory and improve investor confidence in the sustainability of current growth rates. Success here is likely to trigger a beat-and-raise cycle in consensus earnings estimates, as the current market has yet to fully internalise the sheer speed of the product mix evolution.

2. Realising its deal pipeline

Management has identified 147 deployment opportunities (59 in ACS and 88 in MFS) representing a potential $220 million in additional annual revenue, which would effectively double the Group's FY2024 revenue base.

Investors should focus on the 29 deals already in "signed" or "under signature" stages, which have the potential to add $80 million in high-probability annual revenue starting in late 2025 and 1H2026. Critically, management expects the revenue per deployment to rise from $2.4 million (FY24) to an annualized $2.7 million, driven by the better economics of MFS-skewed deployments.

Expansion into the Philippines, Indonesia, and Malaysia represents the Group's first major pivot toward Asian scale, targeting markets with demographic profiles that mirror their core African hubs, albeit with differing regulatory and competitive dynamics.

3. The validation from the FirstRand relationship

The entry of FirstRand as a 20.1% anchor shareholder represents an important strategic validation of Optasia's business model rather than an immediate earnings catalyst. As one of Africa's most sophisticated banking groups, FirstRand's willingness to underwrite and own a meaningful equity stake signals institutional confidence in Optasia's underwriting capability, governance standards, and long-term sustainability of its credit model.

While the relationship creates potential optionality around distribution and funding over time, it is best viewed initially as strategic alignment rather than near-term revenue uplift. FirstRand brings deep expertise in risk management, regulatory engagement, and large-scale financial infrastructure across emerging markets. Access to these capabilities could meaningfully support Optasia as it scales micro-finance deployments, particularly in more regulated or bank-adjacent jurisdictions.

Over the medium term, there is scope for commercial collaboration – most notably through platforms such as FNB's eWallet ecosystem. Importantly, the partnership does not dilute Optasia's capital-light model - Optasia remains a technology and decisioning layer rather than a balance-sheet lender.

In our view, the FirstRand relationship strengthens Optasia's strategic moat by reinforcing its credibility with regulators, funding partners, and Tier-1 MNOs, while preserving the flexibility and scalability that underpin the investment case.

Valuation

Within the South African market, Optasia competes for capital with other high-growth entities. At an FY26e PE multiple of 21x, Optasia trades in-line with a basket of some of our faster growing, more well-known businesses in South Africa (Capitec, Boxer, Karooooo, OUTsurance). However, Optasia's forecast 3-year earnings CAGR of above 35% is well ahead of the high-teens % average forecast for the peer group.

The argument is therefore – what is a fair multiple for Optasia? If we consider our FY-2027e forecast net income and apply multiples in the high-teens (18x) or in the low-to-mid 20's (23x), we calculate a December 2026 fair value range of between R22.50/share and R28.70/share. This would require a significant derating to fall to 18x and a slight re-rating to reach 23x.

The Optasia story is fundamentally driven by earnings growth rather than reliance on multiple expansion. At current levels, Optasia trades on a PEG ratio well below 1x and a "Rule of 40" score (Revenue growth + EBITDA margin) at around 80%, metrics that compare favourably to both local growth equities and global fintech peers. We believe that as Optasia reports results that are either in-line with or ahead of its guidance, the market will ascribe a higher multiple to the share.

Conclusion

The timing of the Optasia opportunity is as important as the quality of the underlying business. The Group is emerging from a multi-year investment phase with a proven model, accelerating product mix benefits, a visible deployment pipeline, and improving FX tailwinds. Despite this inflection, the stock remains under-researched following its recent listing, creating a window where fundamentals are improving faster than market perception.

Our conviction in Optasia is predicated on its position as a technological solver of credit scarcity in regions where formal infrastructure has reached a dead end. It operates in a segment where traditional banks have avoided due to legacy cost structures and scoring difficulties.

The bull case is underpinned by Optasia's fundamentals and its subsequent Rule of 40 profile. Optasia is a rare technology asset that combines 30%+ revenue growth with EBITDA margins of around 49%. In the SaaS and fintech world, consistently exceeding the Rule of 40 benchmark is rare.

Key risks remain around regulatory shifts, FX volatility, and partner concentration, but these are mitigated by geographic diversification, short-duration credit exposure, and a capital-light operating model.

While it is not a risk-free business, we believe the growth dynamics provide a strong underpin for shareholder returns over time. As the business becomes more well known and better researched (by more investment houses), we expect the demand for something as unique on the JSE as Optasia will accelerate.