



Transaction Capital Limited
(Incorporated in the Republic of South Africa)
Registration number: 2002/031730/06
JSE share code: TCP
ISIN: ZAE000167391
("Transaction Capital" or "the Company")



TransCapital Investments Limited
(Incorporated in the Republic of South Africa)
Registration number: 2016/130129/06
Bond company code: TCII
LEI: 378900AA31160C6B8195

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PRE-LISTING CAPITAL RAISE: OPENING OF OFFER TO QUALIFYING INVESTORS TO SUBSCRIBE FOR AND/OR PURCHASE WBC SHARES

Unless defined in the body of this Announcement, capitalised terms used in this Announcement (including the heading) shall have the meaning ascribed to them in the definitions section at the end of this Announcement.

1. INTRODUCTION

- 1.1 Shareholders are referred to the announcement released by Transaction Capital on SENS on Tuesday, 13 February 2024, advising Shareholders of the firm intention to unbundle WeBuyCars and its separate listing on the main board of the JSE; the WeBuyCars share issue of R760 million; the sale of WBC Shares of R500 million by existing shareholders; the pre-listing capital raise of R750 million; and the withdrawal of the cautionary announcement.
- 1.2 Shareholders are also referred to the announcements released by Transaction Capital on SENS on Tuesday, 12 March 2024 relating to the publication of the Pre-listing Statement and on Friday, 15 March 2024 relating to the results of the voting at the general meeting, at which the Unbundling was approved by approximately 100% of Transaction Capital shareholders who exercised their votes (being circa 82% of the shareholder base). No written notices of objection in respect of the unbundling resolution and in terms of section 164(3) of the Companies Act were delivered by Shareholders.
- 1.3 Shareholders are advised that the Board and the current shareholders of WeBuyCars have resolved to proceed with the pre-listing capital raise to be implemented by the issue of WBC Shares by WeBuyCars in an aggregate amount of R750 million and the sale of WBC Shares by Transaction Capital in an aggregate amount of up to circa. R365 million* (collectively referred to herein as the "**Capital Raise**"), on the basis set out in this Announcement.
** The final number of WBC Shares which will be sold by Transaction Capital under the Capital Raise will depend on the price at which such shares are sold (i.e. the book closing price). The Circular contemplates value realisation by Transaction Capital of approximately between R900 million and R1.25 billion in aggregate as a result of the various capital raising initiatives as set out in the Circular. The amount of circa. R365 million noted above represents a contribution to the maximum value within the aforesaid range.*
- 1.4 For the avoidance of doubt, the relevant WBC Shares share issue book will be filled first before the purchases of Placing Shares are allocated under the Capital Raise.

2. TERMS OF THE CAPITAL RAISE

- 2.1 The Capital Raise is being conducted by way of an accelerated bookbuild, in terms of which certain selected Qualifying Investors will be invited to subscribe for and/or purchase WBC Shares ("**Placing Shares**") at the book closing price. The criteria that may be considered, includes, *inter alia*, early submissions of irrevocable undertakings, pricing of the bids and size of bids by Qualifying Investors.
- 2.2 Neither this Announcement, nor the Pre-listing Statement, constitutes an invitation to the public to acquire or subscribe for securities in any jurisdiction. This Announcement is issued in compliance with the JSE Listings Requirements for the purpose of providing information to selected persons in South Africa in relation to Transaction Capital and WeBuyCars, and does not constitute, envisage or represent an offer to the public, nor does it constitute a prospectus, in each case as contemplated in the Companies Act.
- 2.3 An invitation to participate in the Capital Raise will only be made to, and be capable of acceptance by Qualifying Investors (i) falling into one of the specified categories listed in section 96(1)(a) of the Companies Act or (ii) acting as principal, acquiring offering shares for a total acquisition cost of R1,000,000 or more, as contemplated in section 96(1)(b) of the Companies Act and in each case to whom the invitation to participate in the Capital Raise is specifically addressed. Accordingly: (i) the Capital Raise will not be an offer to the public as contemplated in the Companies Act; and (ii) no prospectus has been, or will be, filed with the South African Companies and Intellectual Property Commission in respect of the Capital Raise. The following parties may not participate in the Capital Raise: any person who is not a Qualifying Investor; any person who may not lawfully participate in the Capital Raise; and any person acting on behalf of a minor or deceased estate.
- 2.4 WeBuyCars and Transaction Capital intend to raise capital by way of: (i) the issue by WeBuyCars of a maximum of 35 583 127 authorised but unissued WBC Shares; and (ii) the sale by Transaction Capital of a maximum of 17 317 121 WBC Shares held by Transaction Capital.
- 2.5 The issue and/or sale of the Placing Shares will be subject to the fulfilment of the suspensive condition that, as set out in the JSE Listing approval letter received on 13 March 2024 ("**JSE Approval Letter**"), the balance of the Part II documents (being the documents set out in section 16.12 of the JSE Listings Requirements) are submitted to the JSE by no later than 48 hours before the Listing Date (being no later than 16 April 2024) and the General Manager: Issuer Regulation at the JSE confirms his satisfaction with the Part II documents ("**CP Fulfilment**"). For the avoidance of doubt, this suspensive condition will be fulfilled upon receipt of such confirmation.
- 2.6 Accordingly, the issue/sale of the Placing Shares to Qualifying Investors will be unconditional on CP Fulfilment. Computershare Investor Services Proprietary Limited, being the transfer secretary of WeBuyCars, will hold the consideration received pertaining to the issue / sale of the Placing Shares ("**Placement Consideration**") in escrow for and on behalf of Qualifying Investors, pending CP Fulfilment, in terms of an escrow agreement concluded with WeBuyCars and Transaction Capital ("**Escrow Agreement**"). For the avoidance of doubt, in the unlikely event that the suspensive condition is not fulfilled on or before 8:30 (SAST) on Tuesday, 16 April 2024, the Placement Consideration will be refunded to the Qualifying Investors in full with interest accrued thereon under the Escrow Agreement by no later than Thursday, 18 April 2024.
- 2.7 The Capital Raise will occur on a delivery-vs-payment basis, in accordance with the terms of the irrevocable offers ("**Irrevocable Undertaking**") to be submitted by Qualifying Investors (or in such other form as may be permitted by Transaction Capital and WeBuyCars). The Placing Shares will rank *pari passu* in all respects

with the WBC Shares already in issue, and are anticipated to be listed on the Main Board of the JSE on the Listing Date.

- 2.8 The Company and WeBuyCars expect to close the Capital Raise by 10h00 (SAST) on Tuesday, 19 March 2024.
- 2.9 It is currently expected that the price at which the Placing Shares will be offered to invited Qualifying Investors in terms of the Capital Raise will be in the price range between R21.08 and R24.54 per Placing Share ("**Price Range**"). However, the final price may ultimately be outside the Price Range. The final book closing price will be determined by demand through the Capital Raise, and will be announced on SENS, together with the results of the Capital Raise on Wednesday, 20 March 2024.
- 2.10 Irrespective of the final placement price, if the boards of WeBuyCars and Transaction Capital, in their discretion determine that it would not be advisable to proceed with the Capital Raise, Transaction Capital and WeBuyCars shall not be obliged to proceed with the Capital Raise.
- 2.11 In order to comply with section 33(2) of the Financial Markets Act, the WBC Shares will be issued in Dematerialised form. However, the Financial Markets Act does allow for shareholders to hold shares in certificated form and therefore after WBC Shares have been delivered pursuant to the Listing, a shareholder, if they so wish, may contact his CSDP or broker and request that the WBC Shares be rematerialised into certificated form.
- 2.12 The Capital Raise will not be underwritten.
- 2.13 In the event of an over-subscription, WeBuyCars and Transaction Capital shall, in their sole and absolute discretion, elect to issue and/or sell such additional number of WBC Shares ("**Additional Placing Shares**") as they determine appropriate. WeBuyCars and Transaction Capital will determine an appropriate allocation mechanism, such that the Additional Placing Shares will be allocated on an equitable basis, as far as reasonably possible taking into account the spread requirements of the JSE, the liquidity of the WBC Shares and considering the potential shareholder base that WeBuyCars wishes to achieve and whether or not WeBuyCars and Transaction Capital considers it appropriate to grant preferential allocation to any selected Qualifying Investor or group of selected institutional investors as noted above.
- 2.14 Depending upon the level of demand, a Qualifying Investor may receive no Placing Shares or fewer than the number of Placing Shares offered by it in terms of the Irrevocable Undertaking. Any dealings in WBC Shares prior to delivery of the WBC Shares is entirely at the selected Qualifying Investor's own risk.
- 2.15 Qualifying Investors are advised that offers received by WeBuyCars and Transaction Capital in terms of the Capital Raise must be for a minimum value of R1 million.

3. SALIENT DATES AND TIMES RELATING TO THE CAPITAL RAISE

The salient dates and times relating to the Capital Raise are set out below:

	2024
Opening date of the Capital Raise as announced on SENS at 9:00 on	Monday, 18 March
Closing date of the Capital Raise at 10:00 on	Tuesday, 19 March
Capital Raise proceeds to be paid to the Escrow Agent by 14:00 on	Wednesday 20 March
Results of Capital Raise released on SENS on	Wednesday, 20 March
Finalisation announcement published in respect of the Unbundling by Transaction Capital on SENS on	Wednesday, 3 April
Listing of WBC Shares under the abbreviated name “WeBuyCars”, share code “WBC” and ISIN ZAE000332789, on the Main Board of the JSE at commencement of trade on	Thursday, 11 April
Placing Shares issued to selected Qualifying Investors and their accounts at CSDPs/Brokers updated by 8:30 on	Thursday, 11 April
Capital Raise proceeds released by the Escrow Agent	Thursday, 11 April

- 1 The above dates and times are subject to amendment at the discretion of WeBuyCars and Transaction Capital, subject to the approval of the JSE, if required. Any such amendment will be published on SENS.
- 2 All times indicated above and elsewhere in this Announcement are in South African Standard Time.

4. CIRCULAR AND PRE LISTING STATEMENT

- 4.1 The information contained in this Announcement should be read in conjunction with the terms of, and subject to, the disclaimers contained in the Circular and the Pre-listing Statement.
- 4.2 The Circular and the Pre-listing Statement contain full details of the pre-listing capital raising initiatives being pursued by WeBuyCars, Transaction Capital and I VDW Holdings, detailed timetables and related matters.

5. SUSPENSIVE CONDITION

The issue and/or sale of the Placing Shares will be subject to the fulfilment of the suspensive condition that, as set out in the JSE approval letter dated 13 March 2024, the balance of the Part II documents (being the documents set out in section 16.12 of the JSE Listings Requirements) are submitted to the JSE by no later than 48 hours before the Listing Date and the General Manager: Issuer Regulation at the JSE confirms his satisfaction with the Part II documents.

6. AUTHORISED AND ISSUED SHARE CAPITAL

6.1 The authorised share capital and the anticipated issued share capital of WeBuyCars, as at the Listing Date, is set out below:

	Number of Shares	R
Authorised share capital		
Ordinary Shares of no par value at Listing Date	10 000 000 000	-
Issued share capital		
Ordinary Shares of no par value	Approximately 413 700 000	9 765 351 813

The final number of WBC Shares in issue immediately prior to Listing will be announced on SENS, following the implementation of the Capital Raise.

7. RESPONSIBILITY STATEMENT

The Board (including the Independent Board) individually and collectively accepts full responsibility for the accuracy of the information contained in this Announcement. In addition, the Board (including the Independent Board) certifies that to the best of its knowledge and belief, the information contained in this Announcement is true and, where appropriate, does not omit anything that is likely to affect the importance of the information contained herein or which would make any statement false or misleading, and that all reasonable enquiries to ascertain such information have been made and this Announcement contains all information required by law and the JSE Listings Requirements.

Sandton
18 March 2024

Transaction Advisor & Sponsor and Lead Bookrunner & Arranger

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ENS

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DEFINITIONS

In this Announcement, unless the context indicates the contrary, the following expressions have the meanings given to them below:

- i. **"Announcement"** means this announcement dated 18 March 2024;
- ii. **"Board"** means the board of directors of Transaction Capital from time to time;
- iii. **"Capital Raise"** has the meaning ascribed thereto in paragraph 1.3 above;
- iv. **"Circular"** means the circular of the Company to Shareholders dated 16 February 2024 detailing, *inter alia*, the terms and mechanics of the Unbundling and the Listing;
- v. **"Companies Act"** means the South African Companies Act, 2008 (Act No. 71 of 2008), as amended from time to time;
- vi. **"CSDP"** means a central securities depository participant registered in terms of the Financial Markets Act with whom a beneficial holder of shares holds a Dematerialised share;
- vii. **"Dematerialisation"** means the process by which securities held in certificated form are converted to or held in electronic form as uncertificated securities and recorded as such in a sub-register of security holders maintained by a CSDP, and **"Dematerialised"** shall bear the corresponding meaning;
- viii. **"Financial Markets Act"** means the Financial Markets Act, 2012 (Act No. 19 of 2012), as amended from time to time;
- ix. **"Foreign Shareholders"** means Shareholders that are registered in a jurisdiction outside of South Africa, or who are resident, domiciled or located in a jurisdiction other than South Africa;
- x. **"I VDW Holdings"** means I VDW Holdings Proprietary Limited (registration number 2020/649884/07), a private company incorporated in accordance with the laws of South Africa;
- xi. **"JSE"** means JSE Limited (registration number 2005/022939/06), a public company incorporated under the laws of South Africa, and which is licensed as an exchange in terms of the Financial Markets Act;
- xii. **"JSE Listings Requirements"** means the Listings Requirements of the JSE;
- xiii. **"Listing"** means the listing of all of the WBC Shares on the Main Board of the JSE;
- xiv. **"Listing Date"** means 11 April 2024, or such later date as may be announced on SENS, being not later than 16 April 2024;
- xv. **"Placing Shares"** means the WBC Shares to be issued and/or sold by WeBuyCars and Transaction Capital, respectively, in terms of the Capital Raise;
- xvi. **"Pre-listing Statement"** means the pre-listing statement published by WeBuyCars on 12 March 2024;

- xvii. **“Qualifying Investors”** means qualifying investors (i) falling within one of the categories listed in section 96(1)(a) of the Companies Act, or (ii) acting as principal, acquiring offering shares for a total acquisition cost of R1,000,000 or more, as contemplated in section 96(1)(b) of the Companies Act, and in each case to whom the invitation for participation in the Capital Raise is specifically addressed and which is capable of acceptance by such investors;
- xviii. **“SENS”** means the Stock Exchange News Service of the JSE;
- xix. **“Shareholders”** means registered holders of Transaction Capital Shares;
- xx. **“South Africa”** means the Republic of South Africa;
- xxi. **“Transaction Capital Shares”** means ordinary shares with no par value in the issued share capital of the Company;
- xxii. **“Unbundling”** means the proposed distribution in specie by Transaction Capital of its WBC Shares to its Shareholders *pro rata* to their respective shareholdings in Transaction Capital;
- xxiii. **“WeBuyCars”** means We Buy Cars Holdings Limited (registration number 2020/632225/06), a public company incorporated under the laws of South Africa; and
- xxiv. **“WBC Shares”** means ordinary no par value shares in the authorised share capital of WeBuyCars from time to time.

Disclaimers

The release, publication or distribution of this Announcement in jurisdictions other than South Africa may be restricted by law. The issue and/or sale of the Placing Shares may be affected by the laws of the relevant Foreign Shareholders’ jurisdictions. In this regard, Foreign Shareholders are referred to the further details set out below.

Foreign Shareholders: General

No action has been taken by Transaction Capital or WeBuyCars to obtain any approval, authorisation or exemption to permit the issue and/or sale of the Placing Shares or the possession or distribution of this Announcement (or any other publicity material relating to the contents hereof) in any jurisdictions other than South Africa.

The Capital Raise is being conducted under the procedural requirements and disclosure standards of South Africa which may be different from those applicable in other jurisdictions. The legal implications of the Capital Raise on persons resident or located in jurisdictions outside of South Africa may be affected by the laws of the relevant jurisdiction. Such persons should consult their professional advisors and inform themselves about any applicable legal requirements, which they are obligated to observe. It is the responsibility of any such persons participating in the Capital Raise to satisfy themselves as to the full observance of the laws of the relevant jurisdiction in connection therewith.

Foreign Shareholders should refer to and take into account the disclaimers set out in this Announcement, the Circular and the Pre-listing Statement in relation to those jurisdictions.

Foreign Shareholders should nevertheless consult their own professional advisors and satisfy themselves as to the applicable legal requirements in their jurisdictions.

Notice to Foreign Shareholders located in the United States

This Announcement is not an offer of securities for sale in the United States of America ("US"). The WBC Shares and the Transaction Capital Shares have not been and will not be registered under the US Securities Act of 1933, as amended (the "US Securities Act"), or with any regulatory authority of any state or other jurisdiction in the US and may not be offered, sold, exercised, transferred or delivered, directly or indirectly, in or into the US at any time except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act and applicable state and other securities laws of the US.

The WBC Shares and the Transaction Capital Shares have not been and will not be listed on a US securities exchange or quoted on any inter-dealer quotation system in the US. The Company does not intend to take any action to facilitate a market in the WBC Shares and the Transaction Capital Shares in the US. Consequently, it is unlikely that an active trading market in the US will develop for the WBC Shares and the Transaction Capital Shares.

The WBC Shares and the Transaction Capital Shares have not been approved or disapproved by the US Securities and Exchange Commission, any state securities commission in the US or any other regulatory authority in the US, nor have any of the foregoing authorities passed comment on, or endorsed the merit of, the Unbundling or the accuracy or the adequacy of this Announcement or the information contained herein. Any representation to the contrary is a criminal offence in the US.

Notice to Foreign Shareholders located in the European Economic Area ("EEA") and the United Kingdom ("UK")

This Announcement is not a prospectus, for the purposes of the Prospectus Regulation (EU) 2017/1129 or Regulation (EU) No 2017/1129 as amended by The Prospectus (Amendment etc.) (EU Exit) Regulations 2019, which is part of UK law by virtue of the European Union (Withdrawal) Act 2018 as amended, on the basis that the WBC Shares and the Transaction Capital Shares are not being admitted to trading on a regulated market situated or operating within the EEA or the UK, nor is there an offer to the public in respect of the WBC Shares and the Transaction Capital Shares in any member state of the EEA or in the UK. Accordingly, any person making or intending to make any offer for the WBC Shares and the Transaction Capital Shares should only do so in circumstances in which no obligation arises for Transaction Capital or WeBuyCars to produce a prospectus for such offer. The Company or WeBuyCars has not authorised the making of any offer for the WBC Shares and the Transaction Capital Shares through any financial intermediary.