TRANSCAPITAL INVESTMENTS LIMITED
(Incorporated in the Republic of South Africa with limited liability under registration number 2016/130129/06)

unconditionally and irrevocably guaranteed by

TRANSACTION CAPITAL LIMITED
(Incorporated in the Republic of South Africa with limited liability under registration number 2002/031730/06) (as Guarantor)

INFORMATION STATEMENT in respect of the

ZAR2,000,000,000 NOTE PROGRAMME

TransCapital Investments Limited (**TransCapital**, or the **Issuer**) intends from time to time to issue notes (the **Notes**) under the ZAR2,000,000,000 Note Programme (the **Programme**) pursuant to a programme memorandum dated 16 November 2016, as amended and restated pursuant to an amended and restated programme memorandum dated 21 January 2019 and as further amended and restated pursuant to an amended and restated programme memorandum dated 4 June 2021, and as further amended and restated from time to time (the **Programme Memorandum**).

The Notes may be issued on a continuing basis and be placed by one or more of the Dealers specified in the section headed "*Summary of the Programme*" under the Programme Memorandum and any additional Dealer appointed under the Programme from time to time by the Issuer, which appointment may be for a specific issue or on an ongoing basis.

The specific aggregate nominal amount, the status, maturity, interest rate, or interest rate formula and dates of payment of interest, purchase price to be paid to the Issuer, any terms for redemption or other special terms, currency or currencies, form and denomination of Notes, information as to financial exchange listings and the names of the dealers, underwriters or agents in connection with the sale of Notes being offered at a particular time will be set forth or referred to in the terms and conditions contained in the Programme Memorandum (the **Terms and Conditions**), read together with the pricing supplement applicable to any Notes (the **Applicable Pricing Supplement**).

The Issuer's obligations pursuant to the Programme and the due and punctual payment of all amounts owing by the Issuer in respect of the Notes will be irrevocably and unconditionally guaranteed by Transaction Capital Limited (**Transaction Capital**, or the **Guarantor**).

Transaction Capital, a public company listed on the JSE, is an investor in and operator of alternative assets in credit related and specialised market verticals. In addition to the Issuer, Transaction Capital has three key subsidiaries, namely, WeBuyCars, SA Taxi and Nutun. For further details on TransCapital Investments and Transaction Capital refer to the *Description of TransCapital Investments Limited and Transaction Capital Limited* on page **20 - 32** below.

Availability of Information

This Information Statement is available at https://www.transactioncapital.co.za/investor-relations-overview/transcapital-investments/ (this **Information Statement**).

Other than in this Information Statement and the Programme Memorandum, any other information on the Guarantor's website is not intended to be incorporated by reference into this Information Statement. Only those documents which are incorporated by reference in the section headed "*Documents Incorporated by Reference*" in the Programme Memorandum should be relied upon for information.

Recipients of this Information Statement should retain it for future reference. It is intended that the Programme Memorandum, read together with the Applicable Pricing Supplement(s) in connection with the issuance of Notes, will refer to this Information Statement for a description of the Issuer, its financial condition and results of operations (if any) and risk factors related to the Issuer and the Guarantor, until a new information statement is issued. This Information Statement is not intended, and should not be construed as, the Programme Memorandum and/or the Applicable Pricing Supplement(s). It is not a standalone document and cannot be read without reference to the Programme Memorandum and/or the Applicable Pricing Supplement(s).

Information Statement dated 3 February 2023.

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GENERAL

Capitalised terms used in this section headed "General" shall bear the same meanings as defined in the Terms and Conditions in the Programme Memorandum, except to the extent that they are separately defined in this section, or this is clearly inappropriate from the context.

The Issuer certifies that to the best of their knowledge and belief there are no facts that have been omitted from this Information Statement which would make any statement false or misleading and that all reasonable enquiries to ascertain such facts have been made, and that this Information Statement contains all information required by law and the Debt Listings Requirements of the JSE. The Issuer accepts full responsibility for the accuracy of the information contained in this Information Statement.

In addition, the Issuer, having made all reasonable inquiries, confirms that this Information Statement contains or incorporates all information that is material in relation to the issuing and the offering of the Notes, that all information contained or incorporated in this Information Statement is true and accurate in all material respects and that the opinions and the intentions expressed in this Information Statement are honestly held and that there are no other facts, the omission of which, would make this Information Statement or any of such information or expression of any such opinions or intentions misleading in any material respect.

The Arranger, the Dealers, the JSE Debt Sponsor or any of their respective subsidiaries or holding companies or a subsidiary of their holding companies (**Affiliates**) and the professional advisors have not separately verified the information contained in this Information Statement. Accordingly, no representation, warranty or undertaking, expressed or implied is made and no responsibility is accepted by the Arranger, Dealers, the JSE Debt Sponsor, their Affiliates or any of the professional advisors as to the accuracy or completeness of the information contained in this Information Statement or any other information provided by the Issuer or the Guarantor. None of the Arranger, Dealers, the JSE Debt Sponsor, their Affiliates nor any of the professional advisors accepts any liability in relation to the information contained in this Information Statement or any other information provided by the Issuer and the Guarantor connection with the Notes. The statements made in this paragraph are without prejudice to the responsibilities of the Issuer and the Guarantor.

No person has been authorised by the Issuer and the Guarantor to give any information or to make any representation not contained in or not consistent with this Information Statement or any other information supplied in connection with the issue and sale of the Notes and, if given or made, such information or representation must not be relied upon as having been authorised by the Issuer, the Guarantor, the Arranger, the Dealers, the JSE Debt Sponsor, their Affiliates or the professional advisors. Neither the delivery of this Information Statement nor any sale made in connection herewith shall, under any circumstances, create any implication that there has been no change in the affairs of the Issuer or the Guarantor since the date hereof, or that any other financial statement or other information supplied in connection with the Information Statement is correct at any time subsequent to the date indicated in the document containing the same.

Neither this Information Statement nor any other information supplied in connection with the Notes constitutes the rendering of financial or investment advice by or on behalf of the Issuer, the Guarantor, the Arranger, the Dealers, the JSE Debt Sponsor, their Affiliates or any professional advisor.

This Information Statement and any other information supplied in connection with the Notes is not intended to provide the basis of any credit or other evaluation,and should not be considered as a recommendation by the Issuer, the Guarantor, the Arranger, the Dealers, the JSE Debt Sponsor, their Affiliates or any professional advisor, that any recipient of this Information Statement should purchase any Notes. Each investor contemplating purchasing any Notes should make its own independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness, of the Issuer and/or the Guarantor. Each potential investor should consult its own advisors to make its investment decision and to determine whether it is legally permitted to purchase the Notes pursuant to the Programme Memorandum and the Applicable Pricing Supplement(s) and under Applicable Laws and regulations.

Neither this Information Statement nor any other information supplied in connection with the Notes constitutes an offer or invitation by or on behalf of the Issuer, the Guarantor, the Arranger, the Dealers, the JSE Debt Sponsor, their Affiliates or the professional advisors to any person to subscribe for or to purchase any Notes.

This Information Statement does not constitute an offer to sell or the solicitation of an offer to buy any Notes in any jurisdiction to any person to whom it is unlawful to make the offer or solicitation in such jurisdiction. None of the Issuer, the Guarantor, the Arranger, Dealers, the JSE Debt Sponsor, their Affiliates nor any professional advisor, represents that this Information Statement may be lawfully distributed, or that any Notes may be lawfully offered, in compliance with any applicable registration or other requirements in any such jurisdiction, or pursuant to an exemption available there under, or assumes any responsibility for facilitating any such distribution or offering. In particular, no action has been taken by the Issuer, the Guarantor, the Arranger, the Dealers, the JSE Debt Sponsor, their Affiliates or the professional advisors which would permit a public offering of any Notes or distribution of this document in any jurisdiction where action for that purpose is required. Accordingly, no Notes may be offered or sold, directly or indirectly, and neither this Information Statement nor any advertisement nor other offering material may be distributed or published in any jurisdiction, except under circumstances that will result in compliance with any Applicable Laws and regulations. The Arranger or the Dealers has represented that all offers and sales by them will be made on the same terms and in compliance with this prohibition.

The distribution of this Information Statement and the offer for the subscription or sale of Notes pursuant to the Programme Memorandum and the Applicable Pricing Supplement(s) may be restricted by law in certain jurisdictions. Persons into whose possession this Information Statement, the Programme Memorandum, the Applicable Pricing Supplement(s) or any Notes come must inform themselves about, and observe, any such restrictions. In particular there are restrictions on the distribution of this Information Statement, the Programme Memorandum, the Applicable Pricing Supplement(s) and the offer for the subscription or sale of Notes in the United States of America, the European Economic Area, the United Kingdom and South Africa.

The Notes have not been and will not be registered under the United States Securities Act of 1933, as amended (the Securities Act) and may not be offered or sold in the United States of America or to, or for the account or benefit of, US persons (as defined in Regulation S under the Securities Act (Regulation S). The Notes will be offered and sold only in offshore transactions outside the United States of America in accordance with Regulation S and, subject to certain exceptions, may not be offered, sold or delivered within the United States of America or to, or for the account or benefit of, US Persons.

Information and opinions presented in the Information Statement were obtained or derived from public sources that the Arranger, the Dealers, the JSE Debt Sponsor, their Affiliates or the professional advisors believe are reliable but make no representations as to the accuracy or completeness thereof. Any opinions, forecasts or estimates (if any) herein constitute a judgment as at the date of this Information Statement. There can be no assurance that future results or events will be consistent with any such opinions, forecasts or estimates. Past performance should not be taken as an indication or guarantee of future performance and no representation or warranty, express or implied is made regarding future performance. The price, value of and income from any of the securities or financial instruments mentioned in this Information Statement (if any) can fall as well as rise. Any opinions expressed in this Information Statement are subject to change without notice and may differ or be contrary to opinions expressed by other business areas or groups of the Arranger, the Dealers, the JSE Debt Sponsor, their Affiliates or the professional advisors as a result of using different assumptions and criteria. Furthermore, the Arranger or the Dealers (and their respective directors, employees, representatives and agents), the JSE Debt Sponsor, their Affiliates or any professional advisors accept no liability for any direct or indirect loss or damage incurred arising from the use of the material presented in this Information Statement, except as provided for by law.

All trademarks, service marks and logos used in this Information Statement are trademarks or service marks or registered trademarks or service marks of the Issuer. This Information Statement may not be reproduced without the prior written consent of the Issuer, the Guarantor, the Arranger or Dealers. It may not be considered as advice, a recommendation or an offer to enter into or conclude any transactions.

Copies of this Information Statement are available by request from the registered offices of the Issuer.

INVESTOR CONSIDERATIONS / RISK FACTORS - NOTES

Capitalised terms used in this section headed "Investor Considerations / Risk Factors - Notes" shall bear the same meanings as used in the Terms and Conditions, except to the extent that they are separately defined in this section, or this is clearly inappropriate from the context.

The Issuer believes that the factors outlined below may affect its ability to fulfil its obligations under the Notes. All of these factors are contingencies which may or may not occur and the Issuer is not in a position to express a view on the likelihood of any such contingency occurring. In addition, factors which are material for the purpose of assessing the market risks associated with the Notes are also described below. The value of the Notes could decline due to any of these risks, and investors may lose some or all of their investment.

The Issuer believes that the factors described below represent the principal risks inherent in investing in the Notes, but the inability of the Issuer to pay interest, principal or other amounts on or in connection with any Notes may occur for other reasons which may not be considered significant risks by the Issuer based on information available to it at the Programme Date, or which it may not be able to anticipate at the Programme Date. Accordingly, the Issuer does not represent that the statements below regarding the risks of holding any Notes are exhaustive.

Prospective investors should also read the detailed information set out elsewhere in this Programme Memorandum to reach their own views prior to making any investment decision.

References below to the "Terms and Conditions", in relation to Notes, shall mean the "Terms and Conditions of the Notes" set out under the section of this Programme Memorandum headed "Terms and Conditions of the Notes".

Factors that may affect the Issuer's ability to fulfil its obligations under Notes issued under the Programme:

(i) ***The Notes may not be a suitable investment for all investors***

Each potential investor in any Notes must determine the suitability of that investment in the Notes in light of its own circumstances. In particular, each potential investor should:

- have sufficient knowledge and experience to make a meaningful evaluation of the Notes, the merits and risks of investing in the Notes and the information contained or incorporated by reference in this Programme Memorandum or any applicable supplement;
- have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Notes and the impact such an investment will have on its overall investment portfolio;
- have sufficient financial resources and liquidity to bear all of the risks of an investment in the Notes, including Notes with principal or interest payable in one or more currencies, or where the currency for principal or interest payments is different from the potential investor's currency;
- understand thoroughly the terms of the Notes and be familiar with the behaviour of any relevant indices and financial markets; and
- be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

Some Notes are complex financial instruments. Sophisticated institutional investors generally do not purchase complex financial instruments as stand-alone investments. They purchase complex financial instruments as a way to reduce risk or enhance yield with an understood, measured and appropriate addition of risk to their overall portfolios. A potential investor should not invest in Notes which are complex financial instruments unless it has the expertise (either alone or with a financial adviser) to evaluate how the Notes will perform under changing conditions, the resulting effects on the value of the Notes and the impact this investment will have on the potential investor's overall investment portfolio.

(ii) ***There may not be an active trading market for the Notes***

Notes issued under the Programme will be new securities which may not be widely distributed and for which there is currently no active trading market (unless in the case of any particular Tranche, such Tranche is to be consolidated with and form a single series with a Tranche of Notes which is already issued). If the Notes are traded after their initial issuance, they may trade at a discount to their initial offering price, depending upon prevailing interest rates, the market for similar securities, general economic conditions and the financial condition of the Issuer. There is no assurance as to the development or liquidity of any trading market for any particular Tranche of Notes.

(iii) ***The Notes may be redeemed prior to maturity***

Unless in the case of any particular Tranche of Notes the Applicable Pricing Supplement specifies otherwise, in the event that the Issuer would be obliged to increase the amounts payable in respect of any Notes due to any withholding or deduction for or on account of any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or on behalf of the government of South Africa or any political subdivision thereof or any authority therein or thereof having power to tax, the Issuer may redeem all Outstanding Notes in accordance with the Conditions.

In addition, if in the case of any particular Tranche of Notes the Applicable Pricing Supplement specifies that the Notes are redeemable at the Issuer's option in certain other circumstances, the Issuer may choose to redeem the Notes at times when prevailing interest rates may be relatively low. In such circumstances an investor may not be able to reinvest the redemption proceeds in a comparable security at an effective interest rate as high as that of the relevant Notes.

(iv) ***Because uncertificated Notes are held in the CSD, investors will have to rely on their procedures for transfer, payment and communication with the Issuer***

Notes issued under the Programme which are listed on the Interest Rate Market of the JSE or such other or additional Financial Exchange and/or held in the CSD may, subject to Applicable Laws and the Applicable Procedures, be issued in uncertificated form. Unlisted Notes may also be held in the CSD in uncertificated form. Notes held in the CSD will be issued, cleared and settled in accordance with the Applicable Procedures through the electronic settlement system of the CSD. Except in the limited circumstances described in the Terms and Conditions, investors will not be entitled to receive Individual Certificates. The CSD will maintain records of the Beneficial Interests in Notes and/or issued in uncertificated form, which are held in the CSD (whether such Notes are listed or unlisted). Investors will be able to trade their Beneficial Interests only through the CSD and in accordance with the Applicable Procedures.

Payments of principal and/or interest in respect of uncertificated Notes will be made to the CSD or the Participants and the Issuer will discharge its payment obligations under the Notes by making payments to or to the CSD or the Participants for distribution to their account holders. A holder of a Beneficial Interest in uncertificated Notes, whether listed or unlisted, must rely on the procedures of the CSD to receive payments under the relevant Notes. Each investor shown in the records of the CSD or the Participants, as the case may be, shall look solely to the CSD or the Participant, as the case may be, for his share of each payment so made by the Issuer to the registered holder of such uncertificated Notes. The Issuer has no responsibility or liability for the records relating to, or payments made in respect of, such Beneficial Interests.

Holders of Beneficial Interests in uncertificated Notes will not have a direct right to vote in respect of the relevant Notes. Instead, such holders will be permitted to act only to the extent that they are enabled by the CSD to appoint appropriate proxies.

(v) ***Recourse to the JSE Debt Guarantee Fund Trust***

The holders of Notes that are not listed on the Interest Rate Market of the JSE will have no recourse against the JSE Debt Guarantee Fund Trust. Claims against the JSE Debt Guarantee Fund Trust may only be made in respect of the trading of Notes listed on the Interest Rate Market of the JSE and in accordance with the rules of the JSE Debt Guarantee Fund Trust. Unlisted Notes are not regulated by the JSE.

(vi) ***Credit Rating***

Tranches of Notes issued under the Programme, the Issuer and/or the Programme, as the case may be, may be rated or unrated. A Rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning Rating Agency. Any adverse change in an applicable credit rating could adversely affect the trading price for the Notes issued under the Programme.

(vii) ***Risks related to the structure of the particular issue of Notes***

A wide range of Notes may be issued under the Programme. A number of these Notes may have features which contain particular risks for potential investors. Set out below is a description of certain such features:

Notes subject to optional redemption by the Issuer

An optional redemption feature is likely to limit the market value of the Notes. During any period when the Issuer may elect to redeem the Notes, the market value of those Notes generally will not rise substantially above the price at which they can be redeemed. This also may be true prior to any redemption period. The Issuer may be expected to redeem Notes when its cost of borrowing is lower than the interest rate on the Notes. At those times, an investor generally would not be able to re-invest the redemption proceeds at an effective interest rate as high as the interest rate on the Notes being redeemed and may only be able to do so at a significantly lower rate. Potential investors should consider reinvestment risk in light of other investments available at that time.

Index-Linked and Dual Currency Notes

The Issuer may issue Notes the terms of which provide for interest or principal payable in respect of such Notes to be determined by reference to an index or formula, to changes in the prices of securities or commodities, to movements in currency exchange rates or other factors (each, a **Relevant Factor**) or with principal or interest payable in one or more currencies which may be different from the currency in which the Notes are denominated. Potential investors should be aware that:

- the market price of such Notes may be volatile;
- no interest may be payable on such Notes;
- payments of principal or interest on such Notes may occur at a different time or in a different currency than expected;
- the amount of principal payable at redemption may be less than the Nominal Amount of such Notes or even zero;
- a Relevant Factor may be subject to significant fluctuations that may not correlate with changes in interest rates, currencies or other indices;
- if a Relevant Factor is applied to Notes in conjunction with a multiplier greater than one or contains some other leverage factor, the effect of changes in the Relevant Factor on principal or interest payable is likely to be magnified; and
- the timing of changes in a Relevant Factor may affect the actual yield to investors, even if the average level is consistent with their expectations. In general, the earlier the change in the Relevant Factor, the greater the effect on yield.

Partly-paid Notes

The Issuer may issue Notes where the issue price is payable in more than one instalment. Failure to pay any subsequent instalment could result in an investor losing all of its investment.

Notes issued at a substantial discount or premium

The market values of securities issued at a substantial discount or premium from their principal amount tend to fluctuate more in relation to general changes in interest rates than do prices for conventional interest-bearing securities. Generally, the longer the remaining term of the securities, the greater the price volatility as compared to conventional interest-bearing securities with comparable maturities.

Variable Rate Notes with a multiplier or other leverage factor

Notes with variable interest rates can be volatile investments. If they are structured to include multipliers or other leverage factors, or caps or floors, or any combination of those features or other similar related features, their market values may be even more volatile than those for securities that do not include those features.

Fixed/Floating Rate Notes

Fixed/Floating Rate Notes may bear interest at a rate that the Issuer may elect to convert from a fixed rate to a floating rate, or from a floating rate to a fixed rate. The Issuer's ability to convert the interest rate will affect the secondary market and the market value of such Notes since the Issuer may be expected to convert the rate when it is likely to produce a lower overall cost of borrowing. If the Issuer converts from a fixed rate to a floating rate, the spread on the Fixed/Floating Rate Notes may be less favourable than then prevailing spreads on comparable Floating Rate Notes tied to the same reference rate. In addition, the new floating rate may at any time be lower than the rates on other Notes. If the Issuer converts from a floating rate to a fixed rate, the fixed rate may be lower than then prevailing rates on its Notes.

Notes where denominations involve integral multiples: Individual Certificates

In relation to any issue of Notes which have denominations consisting of a minimum Specified Denomination plus one or more higher integral multiples of another smaller amount, it is possible that such Notes may be traded in amounts that are not integral multiples of such minimum Specified Denomination. In such a case a holder who, as a result of trading such amounts, holds an amount which is less than the minimum Specified Denomination in his account with the relevant clearing system at the relevant time may not receive an Individual Certificate in respect of such holding and would need to purchase a Nominal Amount of Notes such that its holding amounts to a minimum Specified Denomination.

If Individual Certificates are issued, holders should be aware that Individual Certificates which have a denomination that is not an integral multiple of the minimum Specified Denomination may be illiquid and difficult to trade.

(viii) ***Modification and waivers and substitution***

The Conditions contain provisions for calling meetings of Noteholders to consider matters affecting their interests generally. These provisions permit defined majorities to bind all Noteholders including Noteholders who did not attend and vote at the relevant meeting and Noteholders who voted in a manner contrary to the majority.

(ix) ***Change of law***

The Notes are governed by, and will be construed in accordance with, South African law in effect as at the Programme Date. No assurance can be given as to the impact of any possible judicial decision or change to South African law or administrative practice in South Africa after the Programme Date.

(x) ***Legal investment considerations may restrict certain investments***

The investment activities of certain investors are subject to legal investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult its legal advisers to determine whether and to what extent (1) Notes are legal investments for it, (2) Notes can be used as collateral for various types of borrowing and (3) other restrictions apply to its purchase or pledge of any Notes. Financial institutions should consult their legal advisers or the appropriate regulators to determine the appropriate treatment of Notes under any applicable risk-based capital or similar rules.

INVESTOR CONSIDERATIONS / RISK FACTORS RELATED TO TRANSCAPITAL INVESTMENTS LIMITED AND TRANSACTION CAPITAL LIMITED

This section serves as a description of the risk factors related to the Issuer and Guarantor. Capitalised terms used in this section headed "Investor Considerations / Risk Factors Related to TransCapital Investments Limited and Transaction Capital Limited" shall bear the same meanings as used in the Terms and Conditions, except to the extent that they are separately defined in this section or are clearly inappropriate from the context.

Risk Factors relating to the Issuer's Business:

Risk Management

Transaction Capital Limited (**Transaction Capital**) and its subsidiaries (together, the **Group**) defines risk as uncertain future events that could influence its ability to achieve its objectives. The possibility of loss is inextricably linked to uncertainty, thus for risk to be quantified both the probability of an effect occurring and its consequence must be considered. The Group has a detailed risk management framework in place for managing risk to facilitate rational and informed decision-making.

The Group's risk management approach aims to prevent value destruction through deliberate planning, arranging and controlling of activities and resources to minimise the negative impact of risks to tolerable levels. The traditional view of risk is negative, with risks characterised as threats with adverse consequences. Our approach has evolved to seeing risk as including opportunity, thus modifying the risk response planning process. This gives equal status to opportunities and threats and seeks to manage them proactively to achieve the associated benefits. Ultimately, we are able to enhance value creation through executing on these opportunities.

Transaction Capital's board of directors is ultimately responsible for the governance of risk. The Board delegates the responsibility for managing risk to respective board sub-committees, divisional boards and management. The Board monitors risk identification and management quarterly.

In terms of the enterprise-wide risk management framework, the board retains responsibility for monitoring reputational, sustainability (which covers our Economic, Social, Environmental and Governance activities), strategy, new business and acquisition risk. Monitoring the remaining risk categories is assigned to sub-committees with continuous board oversight, in line with the Group's overall risk framework.

The risk framework specifically identifies the risk categories that comprise the Group's risk universe. These risk categories, and the respective committees to which oversight responsibility is mandated, are presented alongside.

The risk and technology committee assesses the risk management evaluation criteria annually.

Any changes to the evaluation criteria, including risk appetite, tolerance and threshold, are recommended by the risk and technology committee to the board for adoption. The board reviews and approves the evaluation criteria annually to ensure that the Group effectively identifies, manages and reports on risk across all operations and geographies. Risk reporting is embedded in each subsidiary, which is reviewed at divisional board level and culminates in risk reporting at a Group level.

Each risk is evaluated in terms of its likelihood and impact, both on an inherent (unmitigated risk) and residual (after mitigating action) basis. The likelihood scale ranges from one to four, with one being unlikely (where no perceived threat exists, or it may occur in exceptional circumstances) and four being almost certain (where there is a significant threat that could occur or has occurred). Impact is measured against elements including financial, reputational, compliance, health, safety, environmental and continuity of operations. Risk tolerances on key performance and strategic metrics are determined by the Group's divisions and approved and monitored by the risk and technology committee.

The Group risk profile is reviewed quarterly by the risk and technology committee and may be revised after considering changes to the local, regional, and global macroeconomic environment, current political and legislative developments, socioeconomic challenges, and technological advancements. Through the combined assurance model, the risk and technology committee evaluates and approves the level of assurance provided for all Group risks.

Risk management functions are in place for each division, significant business function and for the Group as a whole. These functions facilitate the bottom-up risk assessment workshops used to identify existing and emerging risks, and are responsible for maintaining detailed risk registers, including mitigating factors and managements' responses thereto. Individual risk registers are reported and discussed at divisional board meetings, with material risks, mitigations and associated opportunities reviewed by the risk and technology committee and the board, where appropriate.

RISK #1 | Operating Environment

Global context:

- Almost three years after COVID-19 was declared a global pandemic, its effects continue to redefine the global operating context and place financial and societal pressure on economies worldwide. The pandemic has created shifts in the labour markets ranging from rising unemployment rates to a phenomenon termed the 'great resignation' which has resulted in a global skills shortage as employees in predominantly the UK and Europe have voluntary resigned from jobs to pursue opportunities presented by remote work models. These shifts present both new risks and opportunities for Transaction Capital.
- The Russia-Ukraine war which began in late February 2022 further threatens global economic recovery as it continues to drive weaker growth, stronger inflation and potentially long-term damage to supply chains. A response to the rapid rise in global inflation has therefore seen many countries increase their interest rates.

Local context:

- While South Africa entered a post-lockdown period in 2022, the economic rebound that the country started to experience in 2021 was subdued in 2022, driven by frequent power outages, high unemployment, rising fuel and energy prices, inflationary pressures, and rising interest rates. These factors have a significant impact on consumer behaviour.
- In addition, South Africa's province of KwaZulu-Natal (KZN) experienced unprecedented floods in mid-April 2022 which damaged key ports and disrupted business operations. Transaction Capital's businesses were affected to varying degrees by this event and the highly probable reoccurrence of natural disasters linked to climate change poses an ongoing risk to operations.

Stakeholder Concerns:

- Inability to maintain a sustainable trajectory of superior high-quality earnings growth.
- Inadequate diversification of revenue by product and sector.

Mitigation actions:

<u>Nutun</u>

- In anticipation of the medium-term effects of the COVID-19 pandemic, Nutun implemented a world-class technology-led hybrid operating model, which is yielding higher productivity per agent.

<u>WeBuyCars</u>

- Continued to expand its nationwide footprint in FY2022 (1 October 2021 – 30 September 2022). WeBuyCars opened 5 new vehicle supermarkets in FY2022, including one of the biggest used car dealerships in the world at the Dome in Northgate Johannesburg. The opening of these branches created additional capacity of ~2 460 parking bays, increasing national capacity to ~8 580 parking bays. Further expansion in other provinces is planned during FY2023 (1 October 2022 – 30 September 2023).
- Harnesses data and technology to drive e-commerce growth, focusing on growing private consumer online vehicle sales.
- Established a presence in Morocco as part of the international expansion strategy. Further expansion opportunities will be considered in select markets.
- Continued enhancement of brand awareness, trust and customer experience.
- In collaboration with SA Taxi, WeBuyCars launched GoMo, the Group's own vehicle finance product as principal. This bespoke offering is aimed at evolving the used vehicle finance market and disrupting vehicle ownership.

<u>SA Taxi</u>

- Has introduced innovative products to meet the affordability challenges of customers.

Opportunities:

<u>Nutun</u>

- Increased consumer indebtedness and a deterioration in their ability to service debt resulting from the current economic impact contributed to larger non-performing consumer loan (NPL) portfolios available for Nutun to manage and acquire.
- Nutun's digital customer engagement services segment is an exciting opportunity to leverage our ZAR cost base, local technology platform and IP, as well as deep experience in managing outcomes-based call centre operations to help international clients mitigate

<u>WeBuyCars</u>

- The outlook for the used vehicle market in South Africa is positive. Structural support for this resilience and future growth includes cash-strapped consumers trading down to more affordable used vehicles, a trend given momentum by the prevailing economic conditions.
- Mobility trends show that more people are moving from using public transport and being passengers in personal vehicles to owning their first car, with vehicle ownership an aspiration deeply rooted in South African culture.

Trading mostly in older used vehicles with an average age of nine years, positions WeBuyCars to benefit from the South African populations shift into private vehicle ownership.

SA Taxi

- Spending on minibus taxi transport is largely non-discretionary, making the industry defensive in tough economic conditions.
- SA Taxi's fully refurbished quality renewed taxis (QRTs) provide an affordable yet reliable alternative to buying a new vehicle.

RISK #2 | Cyber and Information Security

The Group manages and maintains a significant volume of confidential personal information in its daily operations. Cybersecurity continues to be a priority as criminals become more sophisticated. Cybersecurity breaches and attacks pose a threat to our reputation and our ability to maintain business continuity. To date, cybersecurity risk across the Group has been well managed. While each division operates independently, potential acquisitions could add to the Group cyber risk profile should they not have robust systems and tools in place to manage and/or mitigate cyber and information security risks.

Stakeholder Concerns:

- Protection of client and other personal information.
- Risk of business continuity and downtime.
- Impact on the reliability of reporting, which may negatively affect funders, shareholders and regulators.

Mitigation actions:
The Group maintains resilient and robust structures in a fast-changing security environment by making significant investments into cyber and information security, including implementing new systems and modifying protocols. Structures are discussed, reviewed and permeated through the Group by the Cyber Security Committee. Cyber and information security risks are mitigated through:

- Robust firewalls, employee awareness training, targeted threat protection, virus and malware scanning, and ongoing external vulnerability testing.
- Nutun is ISO27001 (Information Security Management System) certified.
- Multi-layered intrusion prevention systems, including early warning intrusion detection systems, and usage of Security Operations Centres, form part of our constantly hardening protection landscape.
- Ongoing information security maturity assessments by third-party service providers, with all vulnerabilities identified remediated effectively.
- A group-wide paperless policy.
- A centralised function for external reporting to shareholders, with regular reviews to ensure the integrity and adequacy of this database.
- Encryption of sensitive data in the production and development environment.
- A group cyber risk insurance policy is in place.
- A strong focus on ensuring robust governance controls are in place which aims to promote efficient and secure day-to-day operations.
- Compliance with the letter and spirit of all laws, regulations and codes. These include legislation relating to information processing and electronic records, being the Electronic Communications and Transactions Act, Protection of Personal Information (POPI) Act, Promotion of Access to Information Act and the Cybercrimes Act.
- A comprehensive POPI programme is in place, with governance frameworks, policies, controls and employee training successfully implemented across the Group.
- The due diligence process carried during the evaluation of potential acquisitions includes an assessment of the IT landscape and information security control environment.

Opportunities:

- Centralisation of cyber security policies and procedures will allow the Group to benefit from economies of scale and best in class processes from each of our unique subsidiaries.
- The regular hardening of cyber security defences, preventative and detective, will drive down insurance risk and coverage costs.
- Transaction Capital has embarked on creating a centralised group data strategy. While it is nascent, the Group has access to millions of data points that, once organised, can be used to amplify the subsidiaries.
- Data is the new foundation of business and it is worth more when transformed into more constructive objects. When data is processed, analysed, and utilised efficiently and instantly, it will have a much greater value to the subsidiaries and, therefore, the Group.

RISK #3 | OEM Supply (SA Taxi)

As a result of its specialised focus, the Group is exposed to supply risk in SA Taxi due to its dependence on OEMs as suppliers of specific minibus taxi vehicles and parts.

The devastating KwaZulu-Natal floods in mid-April 2022 led to the temporary closure of the Toyota plant. This had a negative impact on the availability of new minibus taxis.

The risk of low availability of parts could be further compounded by worsening tension between China and Taiwan. While SA Taxi will be able to source parts from other countries such as India, it will result in delays and increased parts costs.

Stakeholder Concerns:
- Reliance on OEMs for the supply of specialised vehicles and parts.
- Limited monthly supply of vehicles insufficient to meet market demand.

Mitigation actions:
- Increased focus on QRT strategy and refurbishment capacity.
- Expansion of QRT dealership network, increase distribution of pre-owned vehicles through WeBuyCars super stores and partnering with other non-affiliated distribution channels.
- Development and execution of GoMo to diversify credit risk into a different product set and client base being consumer vehicles. This will allow SA Taxi to access additional growth levers as the South African economy changes over time.
- Ongoing engagement with OEMs to secure a consistent supply of vehicles, product offerings and parts into the market and integration of their supply and repair channels.
- SA Taxi Auto Parts ensures a consistent supply of quality parts at a lower cost through its salvage and retail operations.

Opportunities:
- Continued exploration of alternative vehicle types, including electric vehicles.

RISK #4 | Affordability Constraints (SA Taxi)

Higher interest rates, increasing fuel prices and inflation have continued to put the profitability of the minibus taxi industry under pressure in FY2022.

Stakeholder Concerns:
- Reduced credit quality of SA Taxi’s loans and advances book.
- Collections performance of the loans and advances book and lapsing of insurance policies (specifically in the open market) due to affordability constraints.

Mitigation actions:
- Has a vertically integrated business model that positions it well to serve clients across the full minibus taxi value chain.
- Applies leading-edge analytics to its real-time vehicle mobility datasets to manage credit and insurance risk.
- New products developed to address affordability constraints of minibus taxi operators including debt rehabilitation programme.
- Continues to drive the sale and finance of QRTs, lowering the cost of ownership for a minibus taxi operator that is seen as an affordable yet reliable alternative to buying a new vehicle.
- Increased insurance policy originations by introducing new product lines and enhancements to products and pricing.
- Increased refurbishment capacity at SA Taxi Auto Repairs to support higher QRT vehicle supply to our dealerships and, in turn, increase loan originations.
- Supports competitively priced insurance premiums by leveraging SA Taxi Protect’s competitive advantage in reducing cost of claim through efficiencies in SA Taxi Auto Repairs and SA Taxi Auto Parts.
- Targeting higher quality and experienced minibus taxi operators, resulting in lower loan approvals and lower net interest margins.

Opportunities:
- Continues to assess opportunities for further vertical integration to broaden its addressable market within the minibus taxi market and support future organic growth.

RISK #5 | Acquisitive Strategy Execution

Transaction Capital identifies, develops and partners with expert, coinvested and entrepreneurial founders and managers of businesses, in building and scaling highly competitive, efficient and decentralised operating platforms that manage its assets. We mobilise an optimal balance of equity and debt capital to fund the growth of business platforms and their underlying assets.

Stakeholder Concerns:
- Ineffective integration of acquired businesses adversely affecting the returns and value proposition of the Group.
- Failure to achieve growth and returns in new markets beyond South Africa.
- Inadequate diversification of revenue by geography.

Mitigation actions:
Transaction Capital continues to actively identify investment opportunities in adjacent markets and related asset classes, in which its best-in-class technology, proprietary data and analytics capabilities enable it to generate attractive returns. All acquisitions are assessed against a set of stringent acquisition criteria.
- Appropriate board approval in line with the Group's authority framework is required to conclude transactions.
- Collectively, the board applies its mind to the funding of acquisitions to ensure an appropriate balance of debt and equity funding that maintains appropriate risk-adjusted returns.
- Rigorous implementation processes ensure that Transaction Capital's governance and reporting requirements are adequately met, with progress monitored by the board.
- Transaction Capital's executives are actively involved in the management and ongoing affairs of acquisitions after a transaction is completed.

Opportunities:
- TC Global Finance leverages the Group's unique relationship with its founders to identify and grow value-accretive investments outside of South Africa. Co-investment alongside our founders on these international opportunities aligns the interests of Transaction Capital and the founders and reduces investment risk.
- TC Ventures actively seeks out investments in innovative, high-growth and entrepreneurial South African businesses, with a focus on fintech disruptors.

RISK #6 | Capital

The Group is currently facing a challenging capital raising environment due to global and local economic factors.

Stakeholder Concerns:
- Maintaining appropriate access to funding in a challenging operating environment.
- Increased cost of funding impacting net interest margin earned.
- Inappropriate allocation of capital.

Mitigation actions:
- Dedicated capital markets teams across the Group manage funding requirements, including a diversified fundraising strategy and a focused strategy for each funding source. The capital markets teams report to the asset and liability committee on a quarterly basis.
- The Group's funding strategy seeks to diversify funding sources on the basis of:
    - Geography (local and international funders).
    - Funder type (including banks, asset managers, institutional investors, development finance institutions, impact investors and hedge funds).
    - Individual investors.
    - Structure type (including securitisation, note programmes, syndicated loan programmes and bespoke funding structures).
    - Instrument (such as rated or unrated, listed or unlisted, bilateral and syndicated loans, and bespoke debentures).
- Rigorous investment criteria are adhered to in acquisitions (see risk 5), with active treasury management of excess funds.
- For the Group's divisions:
    - Nutun's funding requirements for the acquisition of NPL portfolios in South Africa and Australia in 2023 are already secured.
    - WeBuyCars has a strong balance sheet with low levels of debt, supported by the capital-light nature of its operations and high cash conversion rates.
    - SA Taxi has adequate liquidity available in undrawn debt facilities to fund expected loan originations throughout 2023.

Opportunities:
- Transaction Capital remains well capitalised, with adequate access to liquidity. R1.28 billion was raised from an oversubscribed accelerated bookbuild on 9 September 2022, providing ample liquidity to execute on opportunities. This includes opportunities resulting from market dynamics related to the current economic climate, investment opportunities identified through Transaction Capital and its divisions, and our TC Ventures and TC Global Finance strategies.

RISK #7 | Liquidity

Liquidity risk remains a material risk to the Group as the impact on collections at SA Taxi is felt as a consequence of the fuel price increases and interest rates hikes in light of higher inflation.

These conditions were successfully navigated with the support of the group executive office.

Stakeholder Concerns:
- Inability to meet payment obligations as they fall due.
- Accessing liquidity on materially disadvantageous terms.

Mitigation actions:
- Liquidity risk is primarily controlled through cash flow matching and maintaining appropriate funding runways at Group and divisional levels.
- Maintaining a positive liquidity mismatch favourable to debt investors, where asset receipts occur in advance of debt payments, resulting in reduced liquidity risk.
- A well-diversified funding base through geography, funder type, individual investor, type of structure and type of instrument.

Opportunities:
- Optimise the group's mix of funding structures to reduce the cost of funding.

RISK #8 | Regulatory Compliance

Our regulatory universe will match the expansion of our operations into other jurisdictions.

Transaction Capital seeks to institutionalise best governance practices in its divisions and supports the formalization of our market sectors. As these sectors are in markets with historically low levels of client service and stakeholder trust, robust governance and regulatory compliance provide compelling opportunities for disruption.

Stakeholder Concerns:
- Inability to respond to regulatory uncertainty and change effectively and efficiently, resulting in reputational and financial risk.
- The impact of regulatory uncertainty and change on the profitability of the business.

Mitigation actions:
- The Group retains central legal advisory resources, with suitably experienced compliance officers in place at each division. These teams ensure compliance and minimise regulatory risk by managing the Group's exposure to the regulatory landscape, thereby preserving value.
- Ongoing engagement with regulators and appropriate representation on industry bodies is maintained to gain an early understanding of proposed legislation and to appropriately position the Group for change.
- The partnership between SA Taxi and the South African National Taxi Council (SANTACO) assists SA Taxi in engagements with regulators.

Opportunities:
- The Group's responsiveness and agility to regulatory change ensures that we are well placed to comply with regulatory developments.

RISK #9 | People

Transaction Capital believes that all factors underpinning enhanced performance require the highest calibre of leadership and specialist technical expertise, and that stakeholders' interests are best served by aligning strategy, business model, structure, staffing and compensation. Moreover, without attracting, motivating and retaining the best available talent, even the best strategies, business models and structures will fail.

This is even more relevant in the current environment, where the entrepreneurial flair of the group is augmented by the depth and quality of management teams across the organisation.

The wellbeing of our employees remains a critical priority.

Stakeholder Concerns:
- The ability to attract, retain and motivate high-calibre talent in a competitive skills market, compounded by emigration pressures, limited high-calibre resources and the high cost of talent.
- Competitive remuneration structures.

- The ability to achieve transformation targets, especially race and gender targets, at senior management levels.
- Physical and mental wellbeing of employees.

Mitigation actions:

- Transaction Capital's Research Chair programme positions the Group as an employer of choice for the brightest data minds. Through this program, we partner with the best PhD and Masters students to work on core business data problems and strategies. The initial phases of this strategy will be a partnership with two universities, the University of Pretoria and Stellenbosch University. While this is a medium to long-term benefit, the short-term use is that the programs will be utilised to acquire talent in the data space instantly.
- In 2021 Transaction Capital launched the Group Chartered Accountant (CA) training programme appointing 5 candidates, who started in 2022. The South African Institute of Chartered Accountants (SAICA) has since increased our quota to 30 candidates. This initiative will also allow us to grow our own talent in the fields of accounting and finance.
- Flexibility in work-from-home and work-from-office protocols.
- Competitive compensation policies which aim to sustain a performance driven and entrepreneurial culture where the most talented people at all levels consider Transaction Capital and its divisions an employer of choice.
- Talent management and recruitment strategies to attract high-calibre talent.
- Ethics charter and values setting the required behaviours for all of Transaction Capital's people to inform a values-led approach to our business.
- Employee engagement surveys and benchmarking to provide an ongoing assessment of key employee issues and track change over time.
- Investment in training and development to improve the skills of our people.
- Transformation targets included as a non-financial key performance indicator as part of executive remuneration.
- Our commitment to the health, safety and wellbeing of our employees is operationalised through:
    - Employee assistance programmes in place to support the physical and mental health of our employees.
    - Comprehensive safety protocols and hygiene measures are in place to ensure working environments are as safe as possible, and support is being provided to employees working from home.

Opportunities:

- An employee value proposition which strives to provide talented individuals with good leadership, personal development and support, and meaningful work in an intellectually stimulating and demanding environment.

RISK #10 | Climate

Transaction Capital recognises the rapidly changing global context and the risks associated with environmental and social factors, particularly climate change. These include:

Physical climate related risks:
Risks include the acute risk of drought, flood, and fire damage to direct operations as well as risks upstream and downstream in our value chain. Such climate related events were experienced through the recent KwaZulu-Natal floods which impacted the WeBuyCars warehouse in Durban, resulting in operations shutting down for a week. Impact on our upstream value chain was seen by the damage caused to our taxi supplier, Toyota, who temporarily closed their operations because of these floods. Downstream value chain of the SA Taxi business was also impacted, as damaged road infrastructure impacted the mobility of SA Taxi operators, reducing their income streams during this time. These physical risks are seen as short-term climate related risks; however they are occurring more frequently.

Transitional climate related risks:
Risks that arise from the transition to a low-carbon and more circular economy and include reputational related risks which could negatively impact cost of capital for the business if we are not seen to be a good corporate citizen and doing good towards the environment. Another transitional risk is the policy and legislation related risks as the country transitions to Green Transport systems. This is seen as a longer-term risk for Transaction Capital, but one we need to keep abreast of to ensure we are at the forefront of the transition.

Stakeholder Concerns:

- SA Taxi's efforts to understand and minimize the environmental impact of the minibus taxi industry.

Mitigation actions:

- A group-wide economic, social and environmental (ESE) steering committee, chaired by the Group's chief financial officer, drives sustainability initiatives across the Group.
- Enhanced environmental disclosure as part of the Group's sustainability report.
- The remuneration committee has introduced an ESEG key performance indicator for executives to be measured against, which will ensure accountability and incentivise change.
- Consistent engagement with a broad range of stakeholders to understand their concerns and expectations.

- Supporting the Paris Agreement's aim of limiting global warming to well below 2°C compared to pre-industrial levels,
- and pursuing efforts to limit it to 1.5°C.
- Minimising the group's direct carbon footprint by applying a precautionary approach to the natural environment and undertaking initiatives which demonstrate environmentally responsible behaviour.
- Exploring and investing in products and services that would accelerate the transition of the minibus taxi industry to a low-carbon and more circular economy.

Our efforts are guided by:
- The Group's ESE framework, which informs our strategic and operational initiatives to ensure that the Group's impacts are appropriately managed to enhance value creation for Transaction Capital and its stakeholders, while minimising value-eroding activities. This framework allows us to measure and track impact across a broad range of metrics including environmental related metrics.
- Group-wide environmental policy and position on climate change.
- The recommendations of the IFRS ISSB's Sustainability Disclosure Standards, which ensure we are transparent throughout our disclosure and sharing relevant climate change related information.

The Group's operations expose it to a number of financial risks, including market risk, interest rate risk, credit risk and liquidity risk. A risk management programme has been established to protect the group against the potential adverse effects of these financial risks.

The board is responsible for risk management and the setting of the risk management framework. Oversight of risk management is the responsibility of two board sub-committees; the asset and liability committee (ALCO) and the audit committee. ALCO monitors risks associated with liquidity and funding, interest rates, counterparties, currency exposures and capital adequacy. The audit committee monitors risks associated with financial reporting, accounting policies and internal control. The audit committee is responsible for risk management including setting the risk management framework, setting risk appetite and monitoring the group's management of risk including credit and compliance.

The responsibility for day-to-day management of risks falls on each of the respective subsidiary's chief executive officers and their executive committees. Risk management is managed at subsidiary level through the divisional executive committees and reviewed by each of the respective subsidiary boards. Group oversight is the responsibility of the group chief financial officer.

Transaction Capital's key risks are as follows:

Credit risk
Credit risk is the risk of loss arising from the failure of a client or counterparty to discharge an obligation to the Group. The primary credit risks that the group are exposed to arise from finance leases to minibus taxi operators (SA Taxi) and private consumer vehicles (GoMo). Both SA Taxi and GoMo have strict policies for granting credit. Loans and advances comprise a large number of accounts which are secured by minibus taxis or private consumer vehicles. Collections of instalments are made through a combination of cash and debit order collections, with 83.8% (2021: 87.3%) of the portfolio being cash payers. The nature of SA Taxi's and GoMo's services does not result in significant concentration risks in unsecured credit. The portfolio of purchased book debts exposes the Group to credit risk if they fail to perform in accordance with estimated net future cash flows. It is not the Group's strategy to avoid credit risk, but rather to manage credit risk within the group's risk appetite and to earn an appropriate risk-adjusted return.

The Group limits its counterparty exposure arising from money market instruments by dealing only with well-established financial institutions of high credit standing. Deposits are limited to the big five banks within South Africa.

Credit risk management and measurement:
Each subsidiary is responsible for the identification, measurement, management, control and reporting of credit risk within their business units. Exposure to credit losses is managed by assessing customers' affordability and their ability to repay loans and advances, a customer's risk profile, employment status and stability, earnings potential in the case of taxis and private consumer vehicles and collectability in the case of purchased book debts. Each of the Group's lending businesses tends to have homogeneous or similar asset portfolios within their respective businesses. Impairments are monitored and provided for using statistical techniques including experiential and behavioral models. These models are based on customers' financial performance information while on book and assume that recent performance is a strong indicator of future performance. In the case of key asset classes, independent models are developed to monitor the robustness of the primary models relative to actual performance and to optimise their effectiveness. Models are either developed internally or by expert external advisors. In the case of secured lending asset classes, the realisable/fair value of the underlying security is taken into consideration in arriving at a final impairment.

Liquidity risk

Liquidity risk is the risk that the Group is unable to meet payment obligations when they fall due or that insufficient funds are available to meet loan demands in the ordinary course of business. The Group's objectives in relation to liquidity risk are to manage the contractual mismatch between cash inflows from assets and cash outflows to settle liabilities, to fund the expected balance sheet growth, to honour all cash outflow commitments, to avoid raising funds at market premiums or through the forced sale of assets as a result of liquidity pressure and to take advantage of attractive but unanticipated borrowing opportunities.

The monitoring and reporting of liquidity risk takes the form of, as a minimum, cash flow projections to settlement of longest dated funding obligations by subsidiary or securitisation vehicle, an analysis of the Group's borrowing facilities and utilisation thereof, borrowing facilities under discussion, maturity profile and concentration of liability by counterparty, asset maturities and borrowing facility obligations and special conditions.

The Group's capital markets (CM) team is responsible for executing on fund raising mandates given to it by subsidiaries in support of the respective business models. This includes the ongoing assessment and evaluation of various funding sources designed to grow and diversify the Group's funding base to achieve an optimal funding profile and sound liquidity. The CM team is also responsible for the ongoing monitoring of asset portfolio performance and its obligations to funders, including covenants.

It is the responsibility of each subsidiary to manage the daily cash flow requirements, to ensure funding covenants are maintained, to produce financial projections to monitor the impact of business trends on future funding requirements and covenants and to notify the CM team of any changes to the business environment that may impact funding requirements.

The Group's balance sheet is well capitalised and liquid at a holding company level, underpinned by our conservative capital strategy. Along with the additional measures implemented in response to COVID-19, it provides ample liquidity and flexibility to support the divisions as the pandemic runs its course and recessionary conditions intensify.

The Group's capital strategy remains appropriately conservative in the current conditions.

Capital risk

The objective of the Group's capital management strategy is to maximise shareholder value. To achieve this, the group considers the capital required to support growth in its operating divisions, to maintain credit ratings in Group entities, to comply with borrowing covenants and for unexpected shocks.

The Group defines capital as equity, group loans and subordinated and structurally subordinated debt.
Equity comprises permanent paid up capital, revenue and other reserves.

The board seeks to maintain a balance between the higher returns that might be possible with higher levels of borrowings and the advantages and security afforded by a strong capital position.

Interest rate risk

Interest rate risk is the risk of loss arising from changes in the fair value or future cash flows of a financial instrument as a result of movement in market interest rates.

The Group is exposed to interest rate risk associated with the effects of fluctuations in the prevailing levels of market rates on future cash flows of a financial instrument and the fair value of the financial instrument based on changes in market interest rates.

Insurance risk

Insurance risk is the risk assumed under any insurance contract that the insured event occurs. The theory of probability is applied to the pricing and provisioning for a portfolio of insurance contracts. The principal risk is that the frequency and severity of claims is greater than expected and that the Group does not charge premiums appropriate for the risks accepted. By the very nature of an insurance contract, this risk is random and unpredictable. The exposure to insurance risk is limited through an underwriting strategy, underwriting limits, adopting appropriate risk assessment techniques and management of the cost of claim. These actions are described below.

DESCRIPTION OF TRANSCAPITAL INVESTMENTS LIMITED AND TRANSACTION CAPITAL LIMITED

Capitalised terms used in this section headed "Description of TransCapital Investments Limited and Transaction Capital Limited" shall bear the same meanings as used in the Terms and Conditions, except to the extent that they are separately defined in this section or this is clearly inappropriate from the context.

1. **DESCRIPTION OF BUSINESS**

At Transaction Capital, we are catalysts of unconventional potential. We invest in and operate a diversified portfolio of high-potential businesses in markets with historically low levels of stakeholder and client confidence. This gives us untapped opportunities for disruption, innovation and high returns.

Through WeBuyCars, SA Taxi and GoMo, we enable mobility access to private and public commuters through the provision of a disruptive range of mobility services including vehicle trade, finance, insurance and other allied products. Through Nutun, we provide a broad range of digitally enabled business services to clients across various sectors, locally and internationally.

Our businesses have developed their unique market propositions by leveraging their specialist knowledge, data and technological advantages, to create competitive and innovative solutions that provide clients with excellent economic benefits and advance the industries in which we operate.

To scale and create distinctive, vertically integrated businesses, we partner with management teams who are knowledgeable, entrepreneurial, and considerably co-invested. Our businesses are robust and agile, as they are strategically positioned and defensive in relation to socioeconomic trends in their market segments.

Our businesses are robustly governed and aligned to the Group's culture of entrepreneurship and integrity, which underpins their ability to respond effectively and ethically to complex market dynamics. As trusted partners, they collaborate with their stakeholders to create net positive socioeconomic returns with enduring benefits. This enhances their growth, risk and sustainability profiles and secures the Group's ability to sustainably deliver shared value outcomes and significant financial returns for our stakeholders.

The Group listed on the JSE Limited in June 2012 and had a market capitalisation of R27.8 billion at 30 September 2022.

SA Taxi

SA Taxi is a vertically integrated mobility platform, that utilises specialist capabilities, enriched proprietary data and technology to provide developmental finance, insurance and other services to empower small- and medium-sized minibus taxi operators and create shared value opportunities, thus supporting the sustainability of the minibus taxi industry.

SA Taxi is a registered developmental credit provider pursuant to the National Credit Act, 34 of 2005 (NCA). SA Taxi's vertically integrated mobility model enables it to participate in margin across the minibus taxi value chain. SA Taxi applies and deepens its specialist competencies into adjacent market sectors, underpinned by its data and telematics capabilities, to deliver a comprehensive service to the minibus taxi industry, supporting its growth and sustainability.

SA Taxi is a specialist in SME financing in the minibus taxi industry, providing capital to taxi owners to build their own small business. SA Taxi provides asset-backed financing and insurance for the taxi vehicle, an income generating asset, as well as allied services that support these small business entrepreneurs in building sustainable and profitable businesses. SA Taxi enables and empowers these entrepreneurs as many of them are unable to access capital through traditional finance providers. Through a comprehensive service offering and innovative risk mitigation approach SA Taxi is able to provide asset-backed finance to these small business owners by understanding their actual risk profile and underpinning the asset throughout its economic life.

Since its establishment in 1998, SA Taxi has over time vertically integrated its business model across the financial services and vehicle value chain incorporating many aspects of the minibus taxi industry resulting in the retention of the value of the asset while it is financed. The vertically integrated value chain comprises of:

- <u>SA Taxi Finance</u>
  Developmental credit provider, offering bespoke vehicle finance for the minibus taxi industry. Finances new vehicles and high-quality pre-owned minibus taxis refurbished by SA Taxi Auto Repairs.
- <u>SA Taxi Protect</u>
  Bespoke comprehensive vehicle insurance and value-added products, tailored for the minibus taxi industry.

- Provides insurance to SA Taxi financed clients and the open market via its broker network.
- Lower cost of claim supported through SA Taxi Auto Repairs due to efficiencies in operations, lower cost of parts procurement and savings via salvage.

- SA Taxi Direct
  Procurement and retail of new and pre-owned minibus taxis. SA Taxi Direct's pre-owned minibus taxis are rebuilt to a high quality and are mechanically robust, providing a reliable and affordable alternative to buying new vehicles in this challenging environment.
- SA Taxi Auto Repairs
  Dedicated autobody and mechanical refurbishment facility, servicing SA Taxi Finance and SA Taxi Protect. Rebuilds high-quality pre-owned minibus taxis, and mitigates credit risk and insurance losses by lowering:
  - The cost of refurbishment;
  - The loss given default in SA Taxi Finance; and
  - The claims ratio in SA Taxi Protect.
- SA Taxi Auto Parts
  Procurement, salvage, distribution and retail of well-priced new and refurbished vehicle parts for distribution into SA Taxi Auto Repairs and to external repairers, and retail to minibus taxi operators. Supports lower cost of refurbishment through:
  - Importing and locally procuring new parts from source; and
  - Salvaging operations that recover and refurbish used parts to a high quality.
- SA Taxi Rewards
  Rewards programmes, including fuel, tyres and parts for the minibus taxi industry.
- Data and Telematics Operations
  Data and telematics capabilities are core to SA Taxi's business activities and are key to mitigating risk. The division continues to enrich its proprietary database with data accumulated daily from each minibus taxi and applied to credit decisions, collections, repossessions and insurance activities. In addition, SA Taxi continues to invest in IT, data management and predictive analytics, as well as technologies that improve processing capabilities and extract operational efficiencies.

To ensure safe lending practises and maintain manageable risk exposure, SA Taxi has developed its own innovative niche specific credit philosophy and strategy. This approach is built on the proprietary data and industry knowledge amassed over the years, enabling SA Taxi to differentiate between the perceived and actual risk within the minibus taxi industry. This niche specific risk assessment evaluates each minibus taxi owner as a small business and not solely the individual's credit score.

SA Taxi's well managed credit loss and non-performing loan ratios are evidence of its thorough and informed understanding of the actual risk of under-served SMEs. This combined with SA Taxi's extensive experience, proprietary data, vertically integrated and all-encompassing business offering has resulted in sustainable, responsible and successful lending and small business development.

SA Taxi and the minibus taxi industry have collaborated over several years to formalise the industry's participation in revenue streams of the industry value chain and achieve meaningful and sustainable commercial benefits. To achieve this, SA Taxi works closely with industry leadership on initiatives designed to deliver sustainable benefits to its clients and the industry as a whole.

In 2019, the South African National Taxi Council (SANTACO) purchased a 25% interest in SA Taxi. The collaboration between the Group and SANTACO, representing a ~90% interest of minibus taxi operators has deepened considerably in recent years, mitigating this risk. SA Taxi has continuous close engagement with the industry umbrella taxi associations, government and other stakeholders to ensure that any industry grievances are addressed timeously.

Nutun

Nutun creates economic sustainability in the communities it serves by combining our unique technology, data and analytics competencies to provide a range of digitally enabled business services as a trusted partner to a global client base.

Supporting its clients' commercial success through collaboration with their stakeholders, creating shared value partnerships that will enable economically sustainable communities.

Investing into best-in-class technology to enhance its hard-to-replicate digital backbone, provide data-driven insights and create alternative revenue opportunities in adjacent market sectors.

Providing specialised and bespoke business services, including receivables management, payment processing and customer services, through scalable and flexible low-cost operations.

Responding effectively and ethically to the complex market dynamics in which it operates, leveraging our expertise together with South Africa's robust, low-cost infrastructure and technology environment to enter markets in other English-speaking countries, including Australia, Europe and North America.

Capital-enabled services ("CE services")
Through CE services, Nutun mainly acts as a principal in acquiring and then collecting on NPL portfolios. With over 20 years of experience in acquiring NPL portfolios at attractive risk-adjusted returns, Nutun adjusts its pricing methodology to the prevailing environment to ensure targeted returns are achieved.

- Focus on capital-light, ROE accretive CXM services.
- Launched global digital business services division, benefitting from global outsource trends.
- Deployment of TC Global Sales team to explore opportunities in UK, USA, Europe & other geographies.
- Acquisition of Synergy, accelerating entry into sector & certain markets.

Customer experience management services ("CXM services")
Nutun's expansion into global CXM services is an exciting opportunity to leverage off South Africa's growing popularity as an outsourced customer engagement services destination, to earn international revenue and create sustainable employment locally. In anticipation of the medium-term effects of the COVID-19 pandemic, Nutun implemented a world-class technology-led operating model, which includes hybrid work, real-time omni-channel, voice analytics and business intelligence systems. These capabilities, position the business to deliver on client expectations for high quality 'always-on' customer engagement services and also assists clients to mitigate the impact of the global shortage of human resources and skills.

- Compelling opportunities to acquire NPL portfolios in medium-term.
- Consistent acquisition of NPL portfolios through bilateral forward flow agreements.
- Transition from late-stage to early-stage collections.

Transactional services

- Transactional services business
- Financial Wellness
- Payroll & people services

WeBuyCars

WeBuyCars is South Africa's trusted trader of used vehicles, through its data and technology-led vertically integrated physical and e-commerce infrastructure.

As a well-known and reputable brand, WeBuyCars provides a reliable, affordable and convenient alternative to selling or buying a vehicle. With vehicle valuations determined by AI and not individual buyer sentiment, sellers can be certain of a fair price and immediate cash settlement on acceptance of the offer. With no affiliation to any particular make of vehicle, WeBuyCars offers an extensive range of popular vehicle brands and a simple, seamless buying experience. Buyers are given independent vehicle condition reports and high resolution photos to facilitate their purchase decisions.

2. BACKGROUND AND HISTORY

The Group's businesses were established by entrepreneurs active in the South African financial services sector who acquired various existing businesses operating in alternative market segments of the non-deposit taking financial services sector. These businesses provided credit, credit services and payment services to consumers, SMEs, and to the credit retailers, banks and other large credit providers. Businesses were owned and managed independently, with a view to driving asset and profit growth. The founders of the Group's businesses are still actively involved with the Group in the Group Executive Office.

3. OWNERSHIP AND CONTROL

As at 30 September 2022, notable public shareholders include Public Investment Corporation (16.49%), Coronation Fund Managers (12.72%), Old Mutual Investment Group (6.9%), Royal Bafokeng Holdings (5.08%) and Goldman Sachs Asset Management (5.03%) with the remaining institutional shareholders holding 32.53% and retail investors holding 5.24%. In addition to the above, the 3 founding shareholders own 14.39% of the company's shares. The balance of the shares is owned by the various directors and executives within the Group.

4. INVESTMENT CASE

5.

- Transaction Capital (TC) identifies, invests in and operates a diversified group of high-potential, digitally advantaged businesses which are deliberately positioned in relation to structural socioeconomic elements in defensive market sectors with historically low levels of stakeholder trust.
- TC identifies, develops and partners with expert, co-invested and entrepreneurial founders and managers of businesses in building and scaling highly competitive, efficient and decentralised operating platforms that manage its assets.

- TC builds its business platforms to develop unique value propositions, driving diversified and resilient revenue streams, utilising best-of-breed data, technology and processing capability to provide distinct competitive advantages.
- TC mobilises an optimal balance of equity and debt capital to fund the growth of these business platforms and their underlying assets.
- TC institutionalises best governance practices, which deepen our reputation as a trusted business and social partner, and support the formalization of our market sectors.
- TC's ability to identify new opportunities and to adapt and evolve our business models, by deepening vertical integration and expanding into adjacent market segments, related asset classes and new geographic markets, thereby growing our earnings base.
- TC is positioned to continue delivering shared value outcomes for our stakeholders by consistently generating strong commercial returns for clients and driving the development of our industries, while simultaneously creating net positive socioeconomic returns with enduring benefits.

<u>Acquisition criteria</u>
Transaction Capital applies stringent criteria when evaluating potential acquisitions to ensure that they will enhance its specialist capabilities.

What Transaction Capital looks for in potential acquisitions:
Business model
- Scalable business model with a proven track record.
- Focused business with potential for high return on equity.
- Driven by systems, data and analytics, and ability to augment these with Transaction Capital's technology capabilities.
- Ease of integration into Transaction Capital's existing divisions.
- Ability to enhance Transaction Capital's current value proposition to clients.
- Scalable business platforms whose competitiveness and value can be developed and enhanced by Transaction Capital.

Culture
- Alignment with Transaction Capital's values.
- Client- and solutions-orientated.
- Entrepreneurial management who are co-invested.
- Strong relationships with clients.
- Experienced teams whose skills will complement those of the Group.

Capabilities
- Deep knowledge of its industry and chosen market sectors.
- Strong management team.
- Business platforms that can be developed and scaled.
- IP and expertise that can augment Transaction Capital's existing capabilities and facilitate access to new verticals.

Market position
- Established platforms with robust organic growth.
- Delivering predictable, quality earnings with high cash conversion rates.
- Niche market participant within Transaction Capital's existing or adjacent market sectors.
- Potential for consolidating market position.
- Strong organic and acquisitive growth prospects.
- International targets that will grow the portfolio, diversify risk and contribute hard currency earnings.

6. STRATEGIC OBJECTIVES

<u>Strategic levers</u>
Drive incremental and new growth.

Strategic Lever 1 – Organic Growth
Apply Transaction Capital's competencies to create new positions within adjacent and new market segments, and geographies.
Drive growth through:
- Technology and e-commerce.
- Proprietary data sets.
- Shared value creation.

Strategic Lever 2 – Acquisitive Growth
Acquisitions and partnerships to drive efficiencies and provide compelling opportunities for growth in new and existing sectors.

Key enablers

Foundation for consistent and responsible growth.

Key Enabler 1 – Data, Technology and Analytics

Leverage data, technology and analytics to:

- Scale and support highly competitive and efficient operating platforms that deliver sustainable and profitable growth.
- Inform product and service development and enhance customer experience.

Key Enabler 2 –Risk Optimisation and Capital Mobilisation

- Assess, mitigate and price risk.
- Access and deploy capital optimally and efficiently in funding growth in our diversified portfolio of high-potential businesses.

Key Enabler 3 – People

Develop, engage and reward employees and executives to engender an entrepreneurial, high-performance, ethical and inclusive culture.

7. FUNDING STRATEGY

Transaction Capital remains well capitalised, with adequate access to liquidity to execute on our divisions' organic growth initiatives and access to additional equity to respond to any non-organic opportunities arising from market dynamics.

In ensuring successful implementation of the funding strategy Transaction Capital focuses on the following key principles:

Innovative thinking

- Innovative thinking is encouraged and cultivated to develop pioneering funding solutions.

Diversified and engaged debt investors

- Recurring investment by debt investors motivated by performance, the ease of transacting and appropriate risk adjusted returns; and
- Transparent and direct relationships with long standing funding partners, where necessary facilitated by valued intermediaries.

Judicious risk management

- Optimal liquidity management between asset and liability cash flows;
- Effective management of interest rate risk, currency risk and roll over risk;
- Controlled exposure to short term and bullet instruments; and
- Diversification by geography, capital pool, debt investor and funding mandate.

Optimal capital structures

- Proactively managing valuable capital and funds raised across the Group;
- Bespoke funding structures to meet investment requirements and risk appetite of a range of debt investors while also targeting an optimal weighted average cost of capital; and
- No cross-collateralisation between structures.

Transaction Capital believes that the Group's ability to source funding results in part from the attractiveness of its high yielding operating assets, its transparent, ring fenced funding structures, and its direct and strong relationships with debt capital investors.

The Group raises its funding from diversified sources both locally and internationally. Local funding sources comprise of debt capital market issuances, banks, development finance institutions and impact investor funding. International funding is raised from foreign development finance institutions, impact investors and commercial funders.

8. MANAGEMENT, THE BOARD OF DIRECTORS AND DEBT OFFICER

As at the date of this Information Statement, the Transaction Capital Board of Directors (the Board) comprised of 14 directors, namely eight non-executive directors (who are independent) and six executive directors. The independent non-executive directors have confirmed that they are free from any business relationship that could hamper their objectivity or independent judgement on the business of Transaction Capital.

The Board is committed to remaining at the forefront of corporate governance, beyond its commitment to complying with legislation, regulations and best practices relevant to the Group. The Board follows a progressive approach to governance and regards the process of assessing and monitoring adherence to adopted governance standards as dynamic. Consequently, Transaction Capital endeavors to continually improve governance structures to match the Group's growth and evolution.

The Board maintains a high level of individual and collective accountability and responsibility, and strives for fairness and transparency in all its dealings. Together, these principles drive a culture of ethical leadership and protect the creation of value for the Group's stakeholders.

The Board is responsible for the strategic direction of the Group. The Board directs strategy with reference to the Group's values and ethics charter, to ensure the Group consistently delivers shared value outcomes for all stakeholders.

The Group's values form a common platform for effective, responsible and ethical leadership, and are the basis for all deliberations, decisions and actions at board level and within every area of the business.

The Board acts as the custodian of governance. It has adopted the board charter and approves Group policies and terms of reference for the board sub-committees. The Board charter and group policies regulate how the Board conducts itself in the best interest of the company and its stakeholders, considering relevant legislation and the principles of good corporate governance.

Transaction Capital's governance and compliance framework facilitates the Board's role of providing direction and oversight. It sets the Group's risk appetite and a high level of accountability to support consistent compliance with regulatory requirements, while also encouraging an entrepreneurial mindset as a key driver of performance. The following table sets forth the 14 members of the Transaction Capital Limited Board at the date of this Information Statement.

Name	**Current Position**	**Member of Board Since**
Mr. Christopher Seabrooke	Independent Non-Executive Chairman	11 June 2009
Mr. David Hurwitz	Executive Director and Group Chief Executive Officer	2 April 2012
Mr. Sean Doherty	Executive Director and Group Chief Financial Officer	01 June 2019
Mr. Mark Herskovits	Executive Director – Group Chief Investment Officer	15 January 2014
Mr. Jonathan Jawno	Executive Director	20 March 2003
Mr. Michael Mendelowitz	Executive Director	20 March 2003
Mr. Roberto Rossi	Executive Director	4 September 2003
Mr. Kuben Pillay	Independent Non-Executive Director	1 August 2016
Ms. Diane Radley	Independent Non-Executive Director	15 July 2018
Ms. Sharon Wapnick	Independent Non-Executive Director	12 March 2020
Ms. Buhle Hanise	Independent Non-Executive Director	01 January 2019
Dr. Suresh Kana	Independent Non-Executive Director	01 November 2020
Mr. Ian Kirk	Independent Non-Executive Director	01 November 2020
Ms. Albertina Kekana	Independent Non-Executive Director	01 April 2021

The following table sets forth the directors of the Issuer at the date of this Information Statement.

Name	**Current Position**	**Member of Board Since**
Mr. David Hurwitz	Executive Director and Chairman	9 September 2016
Mr. Mark Herskovits	Executive Director	9 September 2016
Mr. Sean Doherty	Executive Director	01 June 2019

Details of the Debt Officer:

Name: Mark Herskovits

Appointed as the debt officer on 21 October 2020.

Email address: info@transactioncapital.co.za

Telephone number: +27 (11) 049 6700

Curricula Vitaes of the Board of Directors of the Issuer:

Sean Doherty
Executive Director
Appointed:1 June 2019
Qualification: BAcc (Hons) (University of Johannesburg), MBA (IE Business School), AMP (Columbia Business School), CA(SA), ACMA (UK)

Sean served his articles at Deloitte & Touche in Johannesburg and has more than 20 years' experience in the financial services industry. Most recently, Sean held the position of COO and CFO of Standard Bank's Investment Banking division. Sean was appointed as an executive director of the Transaction Capital board and CFO with effect from 1 June 2019.

Mark Herskovits
Executive Director
Appointed: 15 January 2014
Qualification: BBusSci (Finance), Postgraduate Diploma in Accounting (University of Cape Town), CA(SA), CFA

Mark served his articles at Deloitte & Touche in Johannesburg. After staying on as a manager until 2001, he joined Rand Merchant Bank as a corporate bond investment analyst in the Special Projects International division. In 2007, Mark joined Transaction Capital to assist in the corporate activity required to establish the Group. He joined the Capital Markets division in 2009 and led the team from June 2010, where he remained until his appointment in January 2014 as group CFO. In August 2016, Mark was appointed as executive director of capital management with primary responsibility for the Group's capital management strategy and activities, and in February 2020 was appointed as group Chief Investment Officer. In this position, his responsibilities include capital management, oversight of the asset and liability committee, Nutun book buying and the Group's offshore investment strategy through Transaction Capital Global Finance.

David Hurwitz
Executive Director
Appointed: 9 September 2016
Qualification: BAcc (Hons), HDipTax (University of the Witwatersrand), CA(SA)

In 2005, David joined Transaction Capital's founding shareholders to acquire African Bank's Commercial Vehicle Finance division (now SA Taxi). Shortly thereafter Transaction Capital was formed, where David established and led the capital markets team for five years and then served as the CFO of SA Taxi for 18 months. He was appointed to Transaction Capital's main board as group chief risk officer in April 2012 and thereafter served as the group CFO. In January 2014, David was appointed as the group CEO of Transaction Capital Limited. David is a chartered accountant, having served his articles at Grant Thornton, Johannesburg. He has been active in debt capital markets since 1997, holding employment at a specialist structured finance organisation and a large local bank.

Pursuant to paragraph 4.10(b) of the JSE Debt Listings Requirements, as at the date of this Information Statement, it is confirmed that, none of the Directors have:

- been declared bankrupt, insolvent or have entered into any individual voluntary compromise arrangements;
- been directors with an executive function of any company put under, or proposed to be put under, any business rescue plans, or that is or was the subject of an application for business rescue, any notices in terms of section 129(7) of the Companies Act, receiverships, compulsory liquidations, creditors voluntary liquidations, administrations, company voluntary compromise arrangements or any compromise or arrangements with creditors generally or any class of creditors of such company, at the time of such event or within the 12 (twelve) months preceding any such event;
- been partners in a partnership that was the subject of any compulsory liquidation, administrations or partnership voluntary compromise arrangements, at the time of such event or within the 12 months preceding any such event;
- entered into any receiverships of any asset(s) or of a partnership where such directors are or were partners at the time of or within the during the preceding 12 (twelve) months preceding such event;

- been barred from entry into any profession or occupation, or been disqualified by a court from acting as a director of a company or from acting in the management or conduct of the affairs of any company;
- committed any offence involving dishonesty
- been convicted of any offence resulting in dishonesty, fraud, theft, forgery, perjury, misrepresentation or embezzlement, or have any convictions in any jurisdiction of any criminal offence, or an offence under legislation relating to the Companies Act;
- been removed from an office of trust, on the grounds of misconduct and involving dishonesty; or
- been declared delinquent by court order, or placed under probation in terms of Section 162 of the Companies Act and/or Section 47 of the Close Corporations Act, 1984 (Act No. 69 of 1984), or have been disqualified to act as a director in terms of Section 219 of the Companies Act, 1973 (Act No. 61 of 1973).

Schedule of company directorships as at the date of this Information Statement:

Sean Doherty	
TC Motor Holdco Proprietary Limited	TC Treasury Proprietary Limited
Ellehove Investment Proprietary Limited *[deregistration in process]*	Transaction Capital Limited
TC Corporate Support Proprietary Limited	TransCapital Investments Limited
Doherty Consulting Services Proprietary Limited	Doherty Investments Proprietary Limited
Mark Herskovits	
Transaction Capital Limited	TransCapital Investments Limited
TC Corporate Ventures Proprietary Limited	TC Ventures GP Proprietary Limited
Zephyr Finance Proprietary Limited	
David Hurwitz	
Bompas Collections Proprietary Limited	Nutun Proprietary Limited
Ellehove Investment Proprietary Limited *[deregistration in process]*	TC Treasury Proprietary Limited
Dubrovnik Properties Proprietary Limited	Transaction Capital Limited
Recoveries Corporation Holdings Proprietary Limited	Transaction Capital Motor Holdco Proprietary Limited
Nutun International Proprietary Limited	TC Ventures GP Proprietary Limited
SA Taxi Holdings Proprietary Limited	TransCapital Investments Limited
TC Corporate Support Proprietary Limited	We Buy Cars Proprietary Limited
TC Corporate Ventures Proprietary Limited	WBC Holdings Proprietary Limited
TC Risk Services Australia Holdings Proprietary Limited	The Dovie Trust

9. COMPANY SECRETARY

The following table sets forth certain information on the Company Secretary of the Issuer and the Guarantor as at the date of this Information Statement.

Name	Current Position	Company Secretary Since
Lisa Lill	Company Secretary	01 December 2021

The Board has assessed and found the Company Secretary's function to be adequate and is satisfied that an arm's length relationship is maintained between the Board and the Company Secretary.

The business address of the Company Secretary is The Bank, 12th Floor, 24 Cradock & Tyrwhitt Avenue, Rosebank, Gauteng, 2196, South Africa.

10. CORPORATE GOVERNANCE AND REGULATORY FRAMEWORK

The Issuer maintains a register of any conflicts of interest and/or personal financial interests of its Board of Directors, which is to be completed by each board member and updated regularly. Any interest in contracts, any related-party transactions, as well as relevant shareholding must be disclosed, as and when appropriate, to allow for the assessment of any conflict of interests. Declarations of personal financial interests are tabled at the commencement of the Board's and certain committee meetings, and when any conflicts arise during debate, these are declared and recorded in the minutes. Compliance with the prescribed standard of directors' conduct, including fulfilment of the requirements of sections 75 and 76 of the Companies Act, is strictly enforced, and conflicted individuals are recused from decision-making. A current register of any conflicts of interest and/or personal financial interests is available for inspection at the registered office of the Issuer.

The following corporate governance policies are available for inspection at the registered office of the Issuer: (i) the current policy dealing with the conflicts of interest of the directors and executive management of the Issuer and how such conflicting interests can be identified and managed and (ii) the current policy dealing with the process for the nomination and appointment of directors of the Issuer.

Any amendment to the Nominations policy of the Issuer, after the Programme Date, will be announced on SENS.

Compliance with King IV

In line with the JSE Listings Requirements, Transaction Capital's governance structures are aligned to King IV Report on Corporate Governance™ for South Africa, 2016 (**King IV**), which advocates an outcome-based approach to governance. King IV defines corporate governance as the exercise of ethical and effective leadership to achieve the governance outcomes:

- An ethical culture
- Good performance
- Effective control
- Legitimacy

The Issuer is, as far as practically possible given the special purpose nature thereof, fully committed to the principles contained in the King IV and recognises the need to conduct the affairs of the Issuer with integrity and accountability.

The Issuer is an insolvency remote entity operating in accordance with the requirements of the Commercial Paper Regulations, with no employees and no administrative infrastructure of its own. The Issuer's affairs are managed by Transaction Capital, of which it is a wholly-owned subsidiary. As a consequence, the governance framework of Transaction Capital includes the Issuer.

The audit function and social and ethics function is carried out by Transaction Capital, as provided for in section 94(2) and regulation 43(2) of the Companies Act. As a consequence, the governance framework of Transaction Capital applies to the Issuer, as appropriate.

Transaction Capital manages the affairs of the Issuer in accordance with the 16 core principles of the Code. The Board assessed the Group's application of King IV and has satisfied itself that the Group complied with these principles, in all material respects, for the year under review.

Disclosure of the application of King IV is undertaken by Transaction Capital in its annual integrated report, which sets out the required governance reporting and how the King IV principles have been applied. This disclosure is supplemented in the annual financial statements of the Issuer.

As required by the JSE Listings Requirements, Transaction Capital has materially complied with King IV. The Transaction Capital annual integrated report, with a statement of its application of King IV, is available at: https://www.transactioncapital.co.za/investor-relations/ and the Issuer's annual financial statements, with a statement of its implementation of King IV and the reference to the Guarantor's implementation of King IV is available at: https://www.transactioncapital.co.za/investor-relations/.

11. BOARD COMMITTEES

The Group's governing structure and delegations of responsibility promote and enhance independent judgement. The board committees assist the board in the discharge of its duties and responsibilities.

All committees have fully functional structures, with clear objectives set out in their respective terms of reference. Terms of reference are approved by the board and reviewed annually. Included in each committee's terms of reference is the imperative to enhance the standard of governance within the group, together with clearly defined authority delegation and reporting procedures.
The board receives formal feedback from the chairperson of each committee at each board meeting. Copies of the minutes of committee meetings are included in the board documentation. Committees also report to stakeholders annually, in the integrated report and at the AGM, if required.

The Board delegates specific responsibilities to appropriately mandated and constituted sub-committees. The audit,committee and the social and ethics committee fulfil the statutory governance functions on behalf of Transaction Capital, its divisions and group subsidiaries in terms of the Companies Act 71 of 2008 and King IV.

The board confirms that the Group complied with the provisions of the Companies Act and operated in conformity with its memorandum of incorporation for the year under review.

The board, in conjunction with the nominations committee, is responsible for appointing the CEO and for monitoring his management of the performance of the group's assets and resources against approved strategic and financial objectives.

An authority framework is in place for the group, which governs the authority delegated to group management and matters reserved for approval by the board.

Terms of reference for board sub-committees are reviewed annually. The governance function of the board sub-committees is outlined in the respective committee terms of reference approved by the Board.

Included in each sub-committee's terms of reference is the imperative to enhance the standard of governance within the Group, together with clearly defined authority delegation and reporting procedures. The Board receives formal feedback from the chairman of each committee at each board meeting. Copies of the minutes of sub-committee meetings are included in board documentation.

The Board has established the following committees to assist it in carrying out its role and responsibilities:

Audit Committee

The Audit committee is responsible for overseeing the external and internal audit functions as well as the combined assurance model and its objectives which include:

- enabling an effective internal control environment;
- supporting the integrity of information used for internal decision-making by management, the Board and its sub-committees;
- requesting from an audit firm, (and if necessary, consulting with that audit firm on) the information detailed in paragraph 22.15(h) of section 22 of the JSE Listings Requirements in their assessment of the suitability for appointment of their current or a prospective audit firm and designated individual partner, both when they are appointed for the first time and thereafter annually for every reappointment;
- ensuring that the appointment of an auditor is tabled as a resolution at the annual general meeting of the Issuer; and
- ensuring the integrity of external reports.

Internal audit, risk management and compliance collaborate on combined assurance to support the Board, and to effectively cover the Group's material risks and material matters.

Social and Ethics Committee

The social and ethics committee monitors many of the aspects listed under King IV practices (including employment equity, fair remuneration, equal pay for equal work, safety, health, economic transformation, public health and safety, consumer protection, community development and protection of human rights.

Remuneration Committee

The remuneration committee is responsible for establishing and overseeing the Group's remuneration policy, which promotes the achievement of strategic objectives and encourages individual performance at all levels within Group.

Nominations Committee

The nominations committee is responsible for formulating the formal succession plans of the Board, the CEO and the CEO's direct reports. The committee reviews these succession plans annually. On approval of the succession plans, the CEO conducts alignment discussions with potential successors, where necessary, which may result in direct development interventions.

Asset and Liability Committee (ALCO)

Quarterly ALCO meetings provide rigorous monitoring and oversight of funding, concentration, roll over, interest rate, counterparty, liquidity, currency and regulatory risks. ALCO has approved and established policies and tolerances to manage these risks while providing the flexibility needed to maintain agility in responding to changing economic and business conditions.

Risk and Technology Committee

The board understands that information and technology are an integral part of the group's strategy and its ability to deliver value and grow sustainably. As such, the risk and technology committee was constituted as a newly formed sub-committee of the board in September 2021. The Risk and Technology Committee is responsible for risk (including social and environmental risks), compliance, information technology, data and information. Establishment of a tax sub-committee to oversee the adoption and publication of a Group tax strategy which provides guidance on the principles to be applied in managing the Group's tax affairs as well as ensuring tax transparency.

12. ETHICS

A sound ethical foundation provides the basis for how we do business and is viewed as a key competitive advantage in the sectors in which we operate. Transaction Capital's culture of ethics and respect for human rights goes beyond compliance with legal and regulatory requirements and codes of best practice, by being embedded in our day-to-day activities and our stakeholder engagements. Our reputation as an ethical business is critical and is the reason why clients and customers, suppliers, communities, shareholders, funders and public sector partners choose to partner with us and trust our ability to conduct good business that grows in value and benefitting all our stakeholders.

Our values support our ability to maintain an ethical culture by setting the tone for the behaviour we expect from our executives and employees across the group. This includes always acting with integrity, striving for excellence, treating all our colleagues and stakeholders with respect, innovating in our markets, and taking accountability for our actions. Together, our ethical and values-based culture lays the groundwork for responsible value creation.

The Group's ethics charter constitutes a formally documented policy to guide and entrench an ethical and values-based culture across the Group. The ethics charter defines our vision, mission and values, and outlines our approach to delivering shared-value outcomes.

1. Leadership Commitment:

Our approach to ethics governance is to start with setting the correct tone at the top. The chairman of the board and the group and divisional CEOs endorse Transaction Capital's ethics charter, which commits us to:

- Upholding the highest standards of ethical behaviour and integrity.
- Aligning our behaviour in the workplace with Transaction Capital's values.
- Abiding by the principles and recommended practices of King IV.
- Complying with all prevailing laws that are applicable to our business.
- Providing relevant information on our approach and attitude to conducting business ethically to our stakeholders.
- Supporting group initiatives to manage ethics effectively.

2. Governance Structures

The social and ethics committee is responsible for ensuring adherence to our values, ethics charter, human rights policy. This oversight role is supported by subsidiary boards that review the ethical conduct and culture within their operations.

3. Ethics Management and Reporting

The group ethics officer is responsible for implementing policies and procedures that support and enhance Transaction Capital's ethical culture. The group ethics officer is independent and has direct access to the chairperson of the social and ethics committee. The following policies remain in place to guide and strengthen our ethical culture, supported by formal training programmes and annual awareness campaigns to promote compliance:

- Anti-bribery and corruption policy
- Sponsorship and donations policy
- Human rights policy
- Sexual harassment policy
- Gifts, entertainment and hospitality policy
- Declaration of interest policy
- Diversity policy
- Transformation and broad-based black economic empowerment (B-BBEE) policy
- Remuneration policy
- Environmental, including climate change
- Whistleblowing

The Group follows a comprehensive approach to ethics management, which includes prevention, detection, investigation, and resolution. Any incidents of non-compliance are independently investigated and reported to management, the respective subsidiary boards, the social and ethics committee, and, where appropriate, the audit committee and the board. In 2022, Transaction Capital addressed 60 incidents of non-compliance to group policies, where the necessary disciplinary processes were instituted.

To ensure the effective management of ethics, in FY2022 the group focused on addressing employee feedback raised through the Ethics Barometer survey conducted by the Gordon Institute of Business Science in FY2021 (1 October 2020 – 30 September 2021). A survey will be conducted again in FY2023 and will include WeBuyCars for the first time. Progress against our ethics management plan is presented to the social and ethics committee at every meeting and, where relevant, to the audit committee and the board.
An independent whistleblowing hotline operated by an external service provider enables the anonymous reporting of ethics incidents, all of which are investigated. Executive management is provided with a report on the results of the investigation and appropriate action is taken. Further, unethical or fraudulent behaviour be reported to line management and to our businesses' respective human resources departments.

The Group received 10 new reports (2021: 41 new reports) through its whistleblowing hotline for the year under review. All reports were independently investigated and where appropriate, disciplinary action instituted for all substantiated allegations.

The ethics function assesses any ethical issues raised against a matrix that categorises the severity of any breach based on the employee and their seniority, and the nature and magnitude of the breach. This assessment determines which resource will investigate the breach (across different internal levels or involving external investigators) and to whom it will be reported. This approach removes subjectivity from the assessment, enhancing fairness and transparency in our approach to managing ethics.

During the year, the following actions and initiatives were undertaken to enhance our ethics management capability:
- Fraud awareness campaigns across all divisions.
- Groupwide whistleblowing awareness campaigns.

13. SUSTAINABILITY

The Transaction Capital board is responsible for the Group's sustainable development, with the monitoring of how the group's operations and activities affect its sustainability managed by the various board committees. The social and ethics committee oversees and monitors the group's activities in terms of ESEG impact including climate change. The audit committee and risk and technology committee are responsible for preventing, detecting, and responding to fraud and corruption, tax policy and transparency, as well as climate-related risks and opportunities, amongst an array of other areas broader than sustainability. Group-wide environmental and human rights policies were approved and adopted in the 2021 financial year.

The Group's latest Sustainability Report is available at https://www.transactioncapital.co.za/sustainability/ .

SIGNED at Johannesburg on this the 3 day of February 2023.

For and on behalf of
TRANSCAPITAL INVESTMENTS LIMITED

Name: Mark Herskovits
Capacity: Director
Who warrants his authority hereto

Name: Sean Doherty
Capacity: Director
Who warrants his authority hereto

CORPORATE INFORMATION

ISSUER

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GUARANTOR

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ARRANGER

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