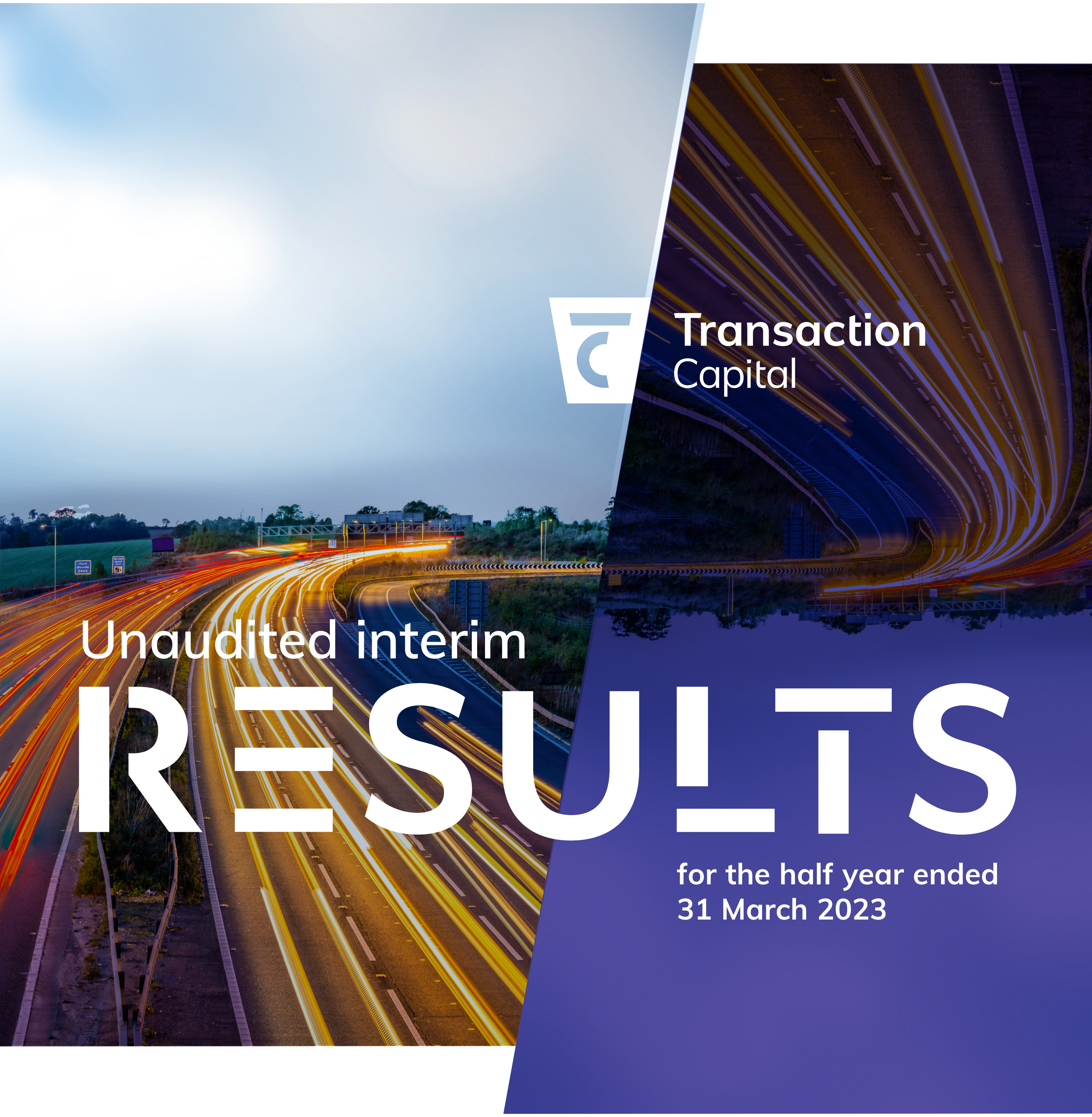


Transaction Capital

Unaudited interim RESULTS

for the half year ended 31 March 2023

> We believe it is prudent to acknowledge and decisively tackle the issues facing SA Taxi. In the context of continuing macroeconomic challenges and the headwinds affecting South Africa's taxi Industry, the imperative in the current year is to restructure the business model of SA Taxi and take all required once-off restructuring provisions immediately. Although highly disappointing, these adjustments are necessary to set a solid base for SA Taxi to resume future growth. While we understand that this has come at a cost to our half year results and will weigh on the full year outlook to September 2023, we are confident that the group's response in rebasing this business will give it the operational, financial and strategic flexibility to recover and grow.
>
> **– David Hurwitz, Chief Executive Officer**

Transaction Capital

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

TransCapital Investments

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

Contents

Performance overview

Shareholders and noteholders are referred to the trading statements released on SENS on 13 and 20 March 2023. In line with the guidance provided, the group's results for the half year ended 31 March 2023 ("HY2023") are as follows:

- Core earnings per share ("EPS") from continuing operations attributable to the group decreased by 48% to 46.5 cents.
- Basic earnings per share from continuing operations attributable to the group decreased 355% to a loss per share of 183.0 cents (HY2022 restated: 71.9 cents).
- Headline earnings per share from continuing operations attributable to the group decreased 355% to a loss per share of 183.3 cents (HY2022 restated: 71.9 cents).

It is management's view that the most appropriate metric to measure performance is core EPS from continuing operations.

We expect core EPS from continuing operations in the second half of FY2023 to be higher than the first half. As such, we expect core EPS from continuing operations for the full year to be down to a lesser extent (in percentage terms), within the range guided in the trading statement published by Transaction Capital on 20 March 2023. The full trading statement is available for reference on https://www.transactioncapital.co.za/investor-relations-overview/transaction-capital-limited/.

The decision to fundamentally restructure SA Taxi in the current financial year has impacted our half year results and will weigh on the full year outlook. We are confident that this response in rebasing SA Taxi will give it the operational, financial and strategic flexibility to recover and grow. Following the rebasing of SA Taxi, group earnings are expected to recover, supported further by a tilt in earnings composition towards capital-light revenue streams from WeBuyCars and Nutun.

Core earnings from continuing operations attributable to the group[1,2]

HY2023	HY2022 restated[4,5]
R353 million	▼46% **R648** million

Core earnings per share from continuing operations attributable to the group[1,2]

HY2023	HY2022 restated[4,5]
46.5 cents	▼48% **90.0** cents

Core continuing return on average equity[3]

HY2023	HY2022 restated[4,5]
7.3%	**15.0**%

Core continuing return on average assets[3,6]

HY2023	HY2022 restated[4,5]
2.3%	**4.8**%

After accounting for restructuring costs and increased provisions related to SA Taxi, Transaction Capital is comfortable that the balance sheet remains sufficiently capitalised and debt covenant levels remain intact.

1. Earnings from continuing operations excludes results from discontinued operations.
2. Core earnings from continuing operations is a non-IFRS measure which is calculated by adjusting headline earnings for the following:
   - Once-off transaction costs which are directly attributable to corporate activity,
   - adjustments on put and call options over non-controlling interests,
   - once-off or accelerated items, where these are reasonably expected not to re-occur in the ordinary course of business in future reporting periods,
   - adding back specific headline earnings exclusions, if the gain/loss is considered part of Transaction Capital's normal operations.
3. Core continuing return on average assets and core continuing return on average equity are based on earnings from continuing operations.
4. The group consolidated income statement and the SA Taxi income statement have been restated in terms of IFRS 5 - Non-current Assets held for Sale and Discontinued Operations. With effect from 13 March 2023, the assets and liabilities within SA Taxi Auto Repairs have been recognised as a discontinued operation. Comparatives have been restated accordingly.
5. The group consolidated income statement has further been restated for the reclassification of the income statement which took place at 30 September 2022. 31 March 2022 numbers have been reclassified accordingly.
6. The group consolidated statement of financial position has been restated in terms of IFRS 3: Business Combinations. The provisional accounting applied to the acquisition of WBC Holdings (Pty) Ltd was finalised in August 2022 in the prior financial year. As a result, the contingent consideration and goodwill from the business combination previously disclosed at 31 March 2022 has been restated accordingly.

Group prospects and performance

Prospects

In the past few years, Transaction Capital has transformed through the acquisition of WeBuyCars and Nutun's entry into the global business services sector. These strategic shifts have taken the group into new related segments and significantly expanded our addressable market, diversifying our earnings and generating capital-light revenues with high cash conversion rates.

In the context of continuing macroeconomic challenges and the headwinds affecting South Africa's taxi Industry, the imperative in the current year is to restructure the business model of SA Taxi and take all required once-off restructuring provisions immediately. Although highly disappointing, these adjustments are necessary to set a solid base for SA Taxi to resume future growth. We anticipate that the streamlined SA Taxi business, should settle into sustainable and predictable profitability during the 2024 financial year. The company is mindful of the negative impact that the restructuring of SA Taxi has had on shareholder value, and is committed to repositioning SA Taxi for growth to ultimately restore confidence and rebuild shareholder value.

Transaction Capital's new mobility platform, branded Mobalyz, houses the expertise, proprietary datasets, technologies and IP, together with our long-standing funding relationships with large financial institutions, making it the operating engine powering both SA Taxi (its proprietary minibus taxi division) and Gomo (Transaction Capital's used vehicle F&I platform). Gomo, which is a joint collaboration between Mobalyz and WeBuyCars, is structured as an F&I mobility service provider to the broader privately owned, used vehicle commuter sector. SA Taxi is restructured as a focused, more efficient principal credit and insurance risk underwriter serving a more defined segment of the minibus taxi industry. This strategy leverages SA Taxi's competencies, built on a niche and challenging single asset class, to produce a more diversified earnings stream (with a focus on growing capital-light revenue), achieve capital and credit risk allocation optionality and facilitate the restructuring of its operations and balance sheet. Further, SA Taxi's cost base will shift to a more variable model, providing the business with sustainable long-term growth resulting in improved resilience through economic cycles.

Nutun and WeBuyCars are in leading positions within their respective markets. The strategic initiatives underway in these divisions should enable them to continue generating strong earnings growth over the medium and long-term.

Balance sheet funding and liquidity

After accounting for the restructure of SA Taxi, Transaction Capital is comfortable that its balance sheet remains sufficiently capitalised and debt covenant levels remain intact.

WeBuyCars and Nutun have robust balance sheets, supported further by high cash conversion rates. Their capital and funding structures are isolated from the effects of SA Taxi's restructuring, as there are no cross-default clauses between Nutun, WeBuyCars and SA Taxi ("the subsidiaries"). Furthermore, there are no holding company guarantees to the subsidiaries and no repricing triggers on any funding in the group.

In the context of the headline and basic losses for the period, and to preserve liquidity, no interim dividend has been declared.

Economic, social and environmental (ESE) impact

In the first half of 2023 the group has continued to make significant progress in embedding Economic, Social, Environmental and Governance ("ESEG") into our organisational culture and as reported at the end of FY2022, an ESEG hurdle has been included in the long-term incentives of executives. This hurdle links to meeting our emission reduction targets as well as the group's transformation targets.

Fundamental to Transaction Capital's strategic positioning is that our divisions are deliberately positioned in their markets to benefit from structural socio-economic realities, enabling them to deliver good commercial returns and meaningful social impact in variable economic conditions. Given the intrinsic social relevance of our businesses, we continue to work closely with our stakeholders to support the sustainability of the sectors in which we operate and the clients we serve.

Nutun drives economic growth by promoting credit market stability through unlocking value from its clients' NPLs in South Africa. Nutun facilitated the rehabilitation and education of 113 000 debtors (both consumers and SMEs) with a value of R228 million for the previous 6 months, to enable their expedited re-entry into credit markets. Nutun is also a strong contributor to job creation and youth employment in South Africa, offering jobs through its cradle-to-career strategy aimed at creating first time employment for youth holding only a matric, without tertiary education. During HY2023 Nutun appointed 2 602 new employees, of these 785 were youth below the age of 25 years old, and 1 168 between the ages of 25 and 35 years. In January 2023, Nutun received the Top Employer accreditation which affirms the positive impact of its people initiatives.

In addition to improving public transport infrastructure by facilitating newer and safer minibus taxis on South Africa's roads, SA Taxi supports financial inclusion by providing developmental finance, insurance and allied services to minibus taxi operators who would otherwise not have been able to access traditional funding, around 79% of whom are classified as previously under-banked or financially excluded clients. 100% of these loans are to black-owned SME's and 25% are provided to female-owned SMEs. In HY2023 SA Taxi originated 3 942 new loans, contributing around 7 096 direct jobs created within the financed fleet operations and 11 826 indirect jobs created in the fleet's value chain.

Vehicle ownership is an aspiration deeply rooted in South African culture, given long travel distances and limited public transport options. Trading across the whole parc, including older used vehicles, WeBuyCars facilitates first-time vehicle ownership at a more affordable entry point. As WeBuyCars is in a growth phase, it is contributing notably to job creation and youth employment in South Africa as it builds capacity to keep up with the expansion in operations and growth in sales volumes. In HY2023, WeBuyCars appointed 628 new employees, of these 126 were youth below the age of 25 years old, and 197 between the ages of 25 and 35 years.

Divisional performance

Nutun

Nutun Digital Business Services

For the half year ended 31 March		2023	2022	Movement
Financial performance				
Core earnings from continuing operations	Rm	**208**	165	26%
Core earnings from continuing operations attributable to the group	Rm	**189**	164	15%
Revenue[7]	Rm	**1 943**	1 295	50%
Capital-enabled services ("CE services")	Rm	**862**	875	(1%)
South Africa	Rm	**862**	778	11%
Australia[8]	Rm	**–**	97	
Customer experience management services ("CX services")	Rm	**1 081**	420	>100%
Core cost-to-income ratio excluding amortisation	%	**75.9%**	66.2%	
Purchased book debts				
Cost of purchased book debts acquired	Rm	**631**	745	(15%)
Carrying value of purchased book debts	Rm	**4 636**	3 954	17%
Estimated remaining collections	Rm	**7 429**	6 876	8%

7. Total revenue excludes revenue from sale of goods related to Nutun Transact of R3m in HY2023 (HY2022: R3m).
8. The Australia NPL portfolio was sold in November 2022.

Operating context and market positioning

Over the last two decades, Nutun has built a competitive advantage to provide highly efficient outsourced collection services to a broad range of clients through a combination of unique technology, data and analytics competencies. As our clients expanded their requirements to outsource progressively more non-core services, Nutun recognised an opportunity to create a broader range of digitally driven customer engagement services as a trusted partner to a growing global client base. These collection and customer experience management services ("CX services") are either delivered in a capital-light manner as an agent on a contingency or fee-for-service ("FFS") basis. Alternatively, services are enabled and secured through the deployment of capital, hereinafter referred to as capital-enabled services ("CE services"), which mainly encompass the acquisition of NPL portfolios to be collected as a principal.

Nutun's services are diversified across geographies, sectors, and clients, which lowers concentration risk enabling the business to earn returns in different market conditions. This strategic shift has increased Nutun's total addressable market dramatically, offering distinct avenues for local and international organic revenue growth, particularly as South Africa is positioned as a top destination for outsourced customer experience management services.

Structural elements supporting the South African outsourced services industry remain compelling, including a global shift in operating models towards variable cost digital outsourcing, a global skills shortage, and South Africa's low-cost but robust Rand based technology, telecommunications and other infrastructure. Leveraging off its South African technology platform and call centre intellectual property ("IP"), Nutun is well positioned to drive growth.

Financial and operational performance

Nutun posted a strong performance in HY2023 with core earnings from continuing operations growing by 26% to R208 million, driven by steady levels of investment in, and collection of, acquired NPL portfolios in South Africa, as well as the delivery of a new broader range of customer experience management services offered to a global client base. Core earnings from continuing operations attributable to the group increased by 15% to R189 million.

Capital-enabled services ("CE services")

Through its CE services, Nutun mainly acts as a principal in acquiring and 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.

South African consumers are facing financial stress as higher interest rates and inflationary pressure erode disposable income, causing high levels of indebtedness. Nutun's Consumer Credit Rehabilitation Index, which measures consumers' propensity to repay overdue debt, deteriorated 1.1% by March 2023 compared to the previous quarter ended 31 December 2022. Nutun's collection and recoveries business remains relevant in this environment, as consumer-facing entities deal with larger NPL portfolios due to consumers' inability to service their debt.

Revenue from CE services (principal collections) in South Africa grew by 11% in HY2023, which was slightly lower than prior periods given higher consumer financial stress as well as the impact of loadshedding on client contactability and the quality of interactions. Nutun is placing greater impetus on its data, analytics and technology capabilities, to increase operating capacity and improve efficiencies, to ensure we continue to achieve targeted yields in the more challenging consumer environment.

In the first half of the current financial year, the market for NPL portfolios remained robust and the business applied a more conservative pricing framework to protect future yields given current consumer pressure. Regardless, Nutun invested R631 million in the acquisition of NPL portfolios in South Africa, down only 7% when compared to HY2022, and growing the carrying value of purchased book debts by 17% to R4 636 million. We expect ongoing revenue streams of R7 429 million from this asset over the medium-term, up 8% from R6 876 million a year ago. Nutun's strategy to acquire larger NPL portfolios through fixed term arrangements with financial institutions, continues to provide a secured and predictable pipeline of NPL portfolio acquisitions.

In Australia, Nutun's sale of the NPL portfolio in October 2022 and the subsequent acquisition of a substantial contingency collections business has positioned our platform as a strong provider of capital-light services in this region. We expect continued medium-term growth from this business, driven by the expansion of customer experience management services.

Customer experience management services ("CX services")

In line with our strategy to generate and grow capital-light CX services revenue from diversified geographies, sectors, and clients off a ZAR cost-base, CX services revenue now makes up 56% of Nutun's revenue, up from 32% a year ago. Earnings from CX services are primarily generated from contingency based collection services, FFS mandates and other customer-engagement services, generated from mandates in South Africa, Australia, Europe, US and the UK. International revenue in HY2023 accounted for 44% of total revenue, up from 23% in HY2022.

Outlook

The evolution of Nutun into a global digital services business leverages off the competitive advantage that we have built over the last two decades and offers distinct avenues for local and international organic revenue growth, particularly as South Africa is positioned as a top destination for outsourced CX services.

Nutun remains on track to deliver strong full year earnings. Our strategic focus in FY2023 is to continue acquiring NPL portfolios in South Africa leveraging off our well-established market position. Additionally, CX services revenue growth is expected to outpace CE services (principal collections) revenue growth over the medium-term.

WeBuyCars

For the half year ended 31 March		2023	2022	Movement
Financial performance				
Core earnings	Rm	**316**	406	(22%)
Core earnings attributable to the group	Rm	**234**	301	(22%)
Operational performance				
Vehicles purchased	Number	**71 928**	60 046	20%
Vehicles sold	Number	**71 020**	58 520	21%
F&I products penetration on units sold	%	**21.2**	16.6	
Total e-commerce sales	Number	**14 515**	17 281	(16%)
Total e-commerce sales	%	**20.4**	29.5	
Business-to-business (B2B)	%	**14.5**	24.3	
Business-to-consumer (B2C)	%	**5.9**	5.2	
Vehicle parking bays	Number	**10 339**	7 205	43%

Operating context and market positioning

The structural elements supporting the medium and long-term outlook for the used vehicle market in South Africa remain positive. Demand for more affordable used vehicles is high as elevated inflation and rising interest rates erode disposable income. This trend is given further impetus by the rising prices of new vehicles as car manufacturers face inflationary pressures compounded by a depreciating Rand.

Although the number of used vehicles traded continues to exceed that of new, the South African market has shifted significantly when compared to the first half of FY2022. A year ago, the used vehicle market was supported by constrained new vehicle supply due to chip shortages, and higher consumer confidence. These factors contributed to robust used car demand and price inflation which favoured Rand margin expansion and quicker stock turn, driving unusually high HY2022 earnings. These favourable trading conditions have reversed over the past year, with higher interest rates, higher fuel prices and increased loadshedding dampening consumer confidence, used car price inflation (although still positive) declining from the peak in December 2021 and the supply of new vehicles recovering to pre-pandemic levels.

Financial and operational performance

WeBuyCars' agile business model and quick stock turn enabled it to respond quickly to the recent market changes, reducing trade in high-end vehicles to focus more on lower-priced used cars. Although margin percentages were temporarily impacted by this response, they have since normalised, and the adjustment in our stock and trading mix towards lower-priced vehicles is now aligned with current consumer demand. This positions the business to deliver stronger results over the remainder of the year, however performance is still expected to be down when compared to FY2022 as lower average selling prices result in overall lower Rand margins. WeBuyCars experienced a 2.4% decrease in average selling prices in HY2023 when compared to HY2022, as we pivoted our buying and pricing strategies in response to market dynamics.

WeBuyCars continues to gain market share and increase vehicles bought and sold, with the average volume of vehicles sold per month increasing by more than 20% over the past 12-month period, currently at approximately 12 000 vehicles. This increase in volume is driven mainly by ongoing enhancements to our technology and AI systems, which drives greater lead conversion and improves customer experience, as well as by the expansion of WeBuyCars' physical footprint.

Over the past 2 years, WeBuyCars has invested heavily into its infrastructure, increasing total national capacity to approximately 10 300 parking bays. New dealerships, although profitable within the first few months of trading, take between 12 and 18 months to achieve stock turn levels in line with established dealerships. As volumes traded currently lag capacity, a key focus area in the current financial year is driving operational efficiencies and greater sales volumes to grow into our existing infrastructure.

The COVID-19 lockdown irreversibly accelerated digital adoption as well as a shift to purchasing goods and services online. WeBuyCars continues to invest significantly in brand marketing and online lead generation. B2B online sales via our e-commerce platform fell by 27% as a result of smaller dealers finding it difficult to move stock, particularly on more expensive vehicles. On the contrary, B2C online sales continue to increase and now account for approximately 29% (4 168 units) of total online sales, up from circa 18% (3 049 units) at the end of HY2022. WeBuyCars' e-commerce capabilities will enable the optimisation of vehicle sales, improve stock turn efficiency and support growth in the years ahead, as the demand for contactless services on credible digital platforms continues to grow.

WeBuyCars earns a gross margin on vehicle sales, with additional margin earned on F&I products. The latter includes commissions earned from F&I products sold on behalf of banks, insurance companies and a vehicle tracking business. Take-up of F&I products continues to increase, with 21.2% of all sales now including F&I products, up from 16.6% in HY2022, and on significantly higher volumes. Gomo continues to facilitate vehicle sales and drive incremental F&I income for WeBuyCars. Higher take-up of F&I products will enhance unit economics and margins per vehicle sold.

Outlook

Given WeBuyCars' strategic positioning as a provider of mobility services in a market supported by favourable structural elements, we are confident this business will support Transaction Capital's earnings growth trajectory in the medium term.

Gomo is expected to be value accretive to WeBuyCars as it increases volumes traded and drives higher penetration of F&I products, particularly on older vehicles which are not traditionally financed by banks. Over the medium-term we also anticipate greater efficiencies as our strong brand stimulates growth into our expanding infrastructure. Our data and analytics capabilities are expected to drive further optimisation improvements to achieve operational leverage.

Mobalyz

mobalyz

Mobalyz houses our credit, insurance and funding intellectual property, datasets and technologies, making it the operating engine powering SA Taxi and Gomo.

SA Taxi

SA Taxi
driving our nation forward

For the half year ended 31 March		2023	2022 restated	Movement
Financial performance				
Headline (loss)/earnings from continuing operations	Rm	**(2 139)**		
Adjustments relating to the re-basing of SA Taxi	Rm	**2 202**		
Core earnings from continuing operations[9]	Rm	**63**	275	(77%)
Core earnings from continuing operations attributable to the group[9]	Rm	**52**	226	(77%)
Core pre-provision profit	Rm	**535**	816	(34%)
Net interest margin	%	**9.0**	11.8	
Core cost-to-income ratio	%	**51.2**	34.2	
Credit performance				
Gross loans and advances	Rm	**17 111**	15 555	10%
Stage 1	%	**40**	53	
Stage 2	%	**32**	26	
Stage 3	%	**28**	21	
Credit loss ratio	%	**5.6**	5.9	
Provision coverage	%	**16.3**	5.5	
Insurance performance				
Gross written premiums	Rm	**564**	567	(1%)
Net insurance income	Rm	**158**	209	(24%)
Claims ratio	%	**66**	70	

9. SA Taxi earnings include Roadcover.

Operating context and market positioning

The structural elements supporting the minibus taxi industry's long-term resilience remain unchanged. The minibus taxi industry is indispensable to South Africa's economic productivity. It is the largest and most vital service in the country's integrated public transport network, despite not being subsidised by government, with most commuters choosing minibus taxis over bus and rail services due to convenience and accessibility.

SA Taxi's initial view on the COVID-19 impact was that both the taxi industry and commuter density would recover in the short to medium-term. At the time of our FY2022 results, we guided SA Taxi's FY2023 earnings to be at similar levels to FY2022, as we focused on optimising our core minibus taxi business. This assumption was based upon an expected industry recovery during FY2023, from the unexpected lingering impact of the pandemic, the civil and minibus taxi industry unrest during FY2022, and the negative impact of the 6-month disruption to Toyota production post the unprecedented flooding of the Toyota manufacturing plant in April 2022. Throughout this period, the industry operated as an essential service under stressed conditions, but without any government support.

This assumed recovery was based upon our two-decade long experience of the industry's resilience. At the start of the 2023 calendar year it became apparent that the minibus taxi environment was unlikely to rebound at a rate in line with our original expectations. The industry's profitability remains stressed due to:

- stubbornly elevated fuel prices,
- vehicle price increases,
- sharp interest rate hikes,
- increasing cost of parts and maintenance,
- persistently low commuter volumes, and
- the lack of corresponding fare increases.

Retail prices for minibus taxis have risen on average 9.3%[10] since March 2022, with 2 vehicle prices in January 2023 and March 2023. The recommended retail price of a Toyota HiAce diesel vehicle at the end of March 2023 was R561 000[10]. At 31 March 2023, the 12-month average for petrol and diesel prices were, respectively, 24%[11] and 39%[11] higher than a year ago. Record levels of loadshedding are adding to this pressure as loadshedding adversely impacts economic activity, with a further negative knock-on effect on commuter activity. Loadshedding has also increased traffic density causing longer commute times, resulting in a reduction in the number of trips completed by taxi operators. All of these factors have resulted in a contraction of the taxi credit market, particularly in the lower end of the market with the business electing to recalibrate the business model for lower loan origination levels.

Restructure and rebase of SA Taxi business model

Management has taken the active decision to accelerate the restructure and rebase of SA Taxi's business model as it became aware that the minibus taxi environment was unlikely to rebound at a rate in line with our original expectations, but also in light of the progress made in scaling the Gomo opportunity. The downward adjustment of loan originations to match new market conditions is the first step in the restructure of SA Taxi, and this initial decision has the following additional knock-on business impacts, which are discussed in detail in the paragraphs below:

- Reducing the volume of repossessed vehicles to be refurbished and refinanced,
- Requiring alternative disposal channels for repossessed vehicles that are not to be refurbished, which will result in lower loan recovery rates on repossessed vehicles,
- Adjustment to provision model input assumptions in response to the lower loan recovery rates,
- Curtailment and sale of SA Taxi's auto refurbishment and repair facilities,
- Resizing the cost base as future loan origination levels and refurbishment are materially less than the last three years, and
- Augmenting the management team.

A longstanding key strategic initiative has been to introduce an alternative minibus taxi vehicle to reduce reliance on a single vehicle model, as well as to address affordability constraints of the taxi operator due to vehicle price inflation. Leveraging off the existing Toyota infrastructure, SA Taxi's own QRTs were considered an affordable but reliable alternative to a new Toyota vehicle. As a result, over the past 5-year period, SA Taxi invested significantly in repair and refurbishment facilities, as well as into parts procurement infrastructure.

During FY2022, in response to acute stock shortages of new minibus taxis post the flooding of the Toyota manufacturing plant in April 2022, and due to increased pressure on loan instalment and insurance premium affordability, SA Taxi increased its capacity to repossess, refurbish and refinance QRTs from 220 per month in 2019 to approximately 600 per month. This strategy supported higher QRT vehicle loan originations, a strategy that had worked well prior to the pandemic on marginally profitable routes at lower volumes.

The current climate has, however, eroded profitability particularly on these marginal routes, making it difficult for operators who acquired QRTs to afford loan repayments. SA Taxi has accordingly revised its future loan origination strategy to approximately 400 new and 220 QRT loans per month in the medium term, targeting credit risk sets which we believe to be commercially viable in the current economic climate.

As fewer repossessed vehicles are refurbished and refinanced as QRTs, the build-up of pandemic related repossessed vehicle stock will necessitate alternative vehicle disposal channels. Our investment into GoBid, an e-commerce auction platform that specialises in the online sale of salvage vehicles, concluded in September 2022, will serve as one of these disposal channels.

This has also necessitated a reassessment of SA Taxi's auto refurbishment and repair facilities, which will be downscaled to support the lower refurbishment volumes of approximately 220 QRTs per month. SA Taxi intends to dispose of its auto refurbishment and repairs business and related assets to a strategic partner simplifying operating processes, converting fixed to variable overhead and resizing our remaining assets, whilst retaining the strategic ability to refurbish vehicles to protect collateral value.

The sale of this auto refurbishment and repair business is classified as a discontinued operation with comparative amounts restated in terms of IFRS 5. Assets and liabilities comprising the business unit are reclassified as non-current assets and non-current liabilities held for sale. This group of assets will be re-measured at fair value less costs to sell until the final sales transaction is concluded, at which point a final profit or loss on sale of the business will be recognised. The key commercial terms of the agreements have not yet been agreed and therefore an estimated selling price is not accurately determinable at this stage. This is expected to be refined as negotiations continue with preferred bidders.

Given these factors, which result in lower expected credit recovery rates, management has re-assessed the assumptions underpinning the IFRS 9 and IFRS 17 forward looking provision models across the entire portfolio. Consideration has also been given to the current economic climate and the business' lower risk appetite on originations, which results in lower expected recoveries and requirement for increased usage of other disposal channels of repossessed vehicle stock. Expected credit losses under IFRS 9, particularly on the portfolio that is aged past 90 days, are also higher due to the deterioration in customer behaviour given the macro-economic pressures within the industry. This has necessitated an increase in forward looking provisions of approximately R1.9 billion across both IFRS 9 and IFRS 17. This has taken provision coverage (being total provisions as a percentage of gross loans and advances) from 4.2% at FY2022 to 16.3% at HY2023. In addition, the net realisable value of repossessed vehicle stock has been reduced by R177 million. These adjustments have been accounted for outside of core earnings given that it is a once-off non-recurring step change in provisioning, related to a fundamental restructure of SA Taxi's business model.

10. Toyota recommended retail price, including VAT, as at 31 March 2023
11. www.energy.gov.za 12-month rolling average fuel price (April '22 to March '23)

The table below shows the reconciliation from SA Taxi's headline earnings to core continuing earnings for the half year ended 31 March 2023.

	HY2023	
	Total adjustment (Rm)	**Attributable to the group (Rm)**
Headline (loss)/earnings from continuing operations	**(2 139)**	**(1 757)**
Adjusted for:	**2 202**	**1 809**
Once-off remeasurement of IFRS 9 and IFRS 17 provisions*	1 850	1 519
Stock NRV remeasurements – IAS 2*	179	148
Deferred tax asset write-off*	173	142
Core earnings from continuing operations after tax	**63**	**52**

* Detailed explanatory notes provided after group headline earnings recon on page 11.

To support this strategic change in business model and its financial impacts, the intercompany loan from Transaction Capital, which at 31 March 2023, was at R2.2 billion has been subordinated and made interest-free, with Transaction Capital committing to capitalise R2 billion of the loan. This strengthens SA Taxi's balance sheet and enhances debt covenant compliance without the need to raise additional capital.

Continued support from debt funders is required to sustain SA Taxi's lending operations. All existing facilities remain available, and new facilities are under negotiation. In addition, SA Taxi aims to convert a greater component of its liability repayment profile to a pass-through model, which better matches cash flows from assets.

Transaction Capital may on a limited basis fund any shortfall in working capital in the short term during the process of the restructuring and downsizing of SA Taxi's operations. This funding is subject to the requisite specific board approvals on each occasion, which is dependent, amongst other things, upon securing sufficient ongoing debt funder support. This funding will not include funding for debt service or new originations which it is anticipated will occur within the funding structures in SA Taxi in consultation with and in accordance with approvals and support from the funders in each structure.

The successful conclusion of the above funding initiatives should ensure the long term self-sustainability and return to profitability of the restructured and refocused operations of SA Taxi

Financial and operational performance

HY2023 core continuing earnings attributable to the group from SA Taxi were R52 million, 77% below HY2022 earnings. SA Taxi grew gross loans and advances 10% to R17.1 billion, however loans originated declined by 26% year-on-year as the business starts to implement the revised loan origination strategy for SA Taxi. The core credit loss ratio of 5.6% in HY2023 is slightly better than the 5.9% in HY2022 due to lower repair costs incurred on lower QRT production. Net interest margin is at 9.0%, down from 11.8% in HY2022 driven by lower yields on new business aimed at driving growth as we target higher credit quality customers, as well as an increase in non-performing accounts. In addition, a portion of the higher cost of funding driven by the interest rate increases, has not been passed onto clients.

Following the approval of the new strategy, credit appetite was tightened in the second quarter of this financial year and product construct has been changed to solve for more affordable instalments on both new minibus taxis and QRTs. The intention of these changes has been to write better credit risk and assist operators to afford their instalments. In the months from January 2023, we have seen a worsening in stage distribution and particularly strained performance in collections in late stage 2 and stage 3, which can be attributed to loadshedding intensifying over the period and further increases in interest rates and fuel costs which continue to place marginal operators under pressure.

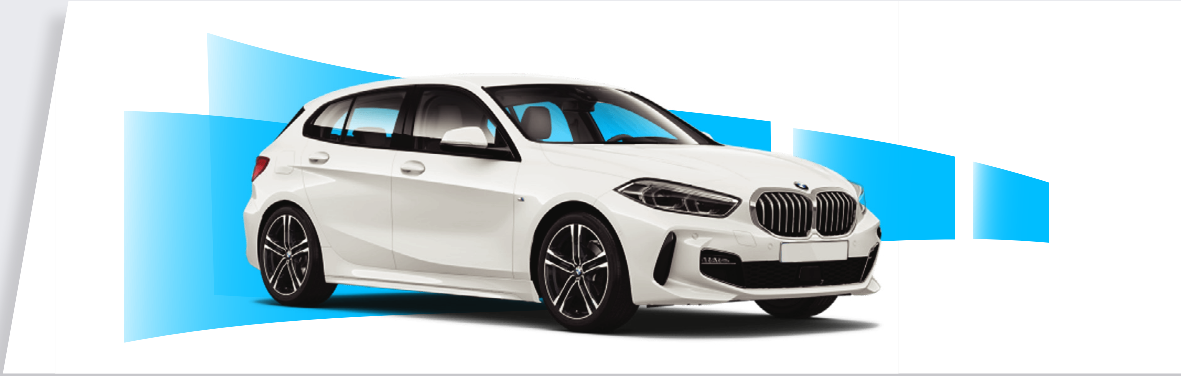
Gross written premiums fell by 1% due to loss of book-size as a result of lower originations, a reduction in open market clients (insurance clients not financed by SA Taxi Finance) and credit life waivers introduced on parts of the portfolio to aid affordability of instalments.

Gomo

Gomo was launched to build a scalable mobility platform that aims to disrupt and capture market share in an under-penetrated used vehicle F&I sector. This platform leverages SA Taxi's competencies and systems to underwrite, fund, collect, repossess and design F&I products; and WeBuyCars' access to low-cost distribution at scale and ability to value and liquidate collateral efficiently.

Since its launch, Gomo has received an overwhelmingly positive market response, with the scale of WeBuyCars' distribution and the volume of acceptable loan applications representing a bigger opportunity than initially anticipated. It was quickly identified that the business would be constrained by capital and funding. To capture and maximise this growth opportunity, significant progress has been made in securing a symbiotic arrangement with a substantial funding partner that will allow Gomo to write loans directly on the funder's balance sheet.

Whilst this is a substantial medium-term organic growth opportunity, we expect Gomo to start generating profits in FY2025.



Outlook

The creation of Mobalyz, the shift in SA Taxi's strategy and the development of Gomo into a profitable business of scale, is an inflection point that provides compelling medium-term growth opportunities. SA Taxi's business model is in the process of being simplified, management has been augmented and the cost base will be reduced and restructured to a more variable model. The change in provision coverage reflects our current view of future risk, as we aim to refurbish and refinance less QRTs, and utilise alternative repossessed vehicle disposal channels resulting in lower recovery rates. We remain committed to supporting the minibus taxi sector, but will deploy capital conservatively into lower-risk segments of the industry, where we can earn appropriate risk adjusted returns. Following the year of rebasing in FY2023, we believe SA Taxi will be set for recovery over the medium term as a business that is more profitable and resilient through business cycles.

Change to board of directors

As announced on SENS on 13 March 2023, Mr Sean Doherty will take on the role of deputy chief executive officer ("CEO") of Mobalyz, requiring him to step down as chief financial officer ("CFO") of Transaction Capital Limited and TransCapital Investments Limited with effect from 1 June 2023. Sean Doherty joined Transaction Capital four years ago and has during this time worked closely with the SA Taxi team. In his new role he will work alongside Mobalyz's CEO, Terry Kier, to drive the operationalisation of initiatives that support the strategic repositioning and transformation of SA Taxi into a broader mobility platform. Terry Kier will step away from managing the day-to-day operations to focus on the delivery of new strategic initiatives.

Following Sean Doherty's appointment as deputy CEO of Mobalyz, the board is pleased to inform shareholders and noteholders of the appointment of Mr Sahil Samjowan as an executive director and CFO of Transaction Capital Limited and TransCapital Investments Limited with effect from 1 June 2023. Sahil Samjowan currently serves as an executive director and CFO of Nutun and has been with the business for two years. The appointment of Sahil Samjowan was done in accordance with group nomination policies and procedures.

Change in composition of the Nominations Committee

In accordance with paragraph 3.59 of the JSE Limited Listings Requirements, shareholders are advised that Mr Rob Rossi will step down as a member of the Nominations Committee of Transaction Capital Limited with effect from 1 June 2023.

Basis of preparation

The condensed consolidated financial results for the six months ended 31 March 2023 have been prepared under the supervision of Sean Doherty CA(SA). The financial information on which this announcement is based has not been reviewed and reported on by Transaction Capital's auditors.

The condensed consolidated financial results for the six months ended 31 March 2023 have been prepared in accordance with the JSE Limited Listings Requirements, the JSE Debt Listings Requirements, International Financial Reporting Standards (IFRS) including IAS 34 – Interim Financial Reporting, the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Pronouncements as issued by the Financial Reporting Standards Council as well as the requirements of the Companies Act, 71 of 2008.

The accounting policies applied in the preparation of the condensed consolidated financial statements for the six months ended 31 March 2023, are in accordance with IFRS and are consistent, in all material respects, with those detailed in Transaction Capital's consolidated financial statements for the 2022 financial year.

Any forecast financial information, including the prospects statement, has not been reviewed or reported on by the company's auditors.

Core results

Transaction Capital assesses its performance using core continuing earnings, an alternative non-IFRS profit measure, alongside its IFRS profit which, in terms of the JSE Listings Requirements, constitute pro forma financial information. Management considers that core continuing earnings is an appropriate alternative performance measure to enhance the comparability and understanding of the financial performance of Transaction Capital.

Non-IFRS measures are not uniformly defined nor used by all entities and may not be comparable with similarly labelled measures and disclosures provided by other entities. Transaction Capital has set out its policy to calculate core continuing earnings below.

Transaction Capital calculates headline earnings in accordance with the latest SAICA Circular 'Headline Earnings'. Core continuing earnings is calculated by adjusting headline earnings for the following:

- Once-off transaction costs which are directly attributable to corporate activity (which comprises mostly legal and consulting fees).
- Adjustments on put and call options over non-controlling interests.
- Once-off or accelerated items, where these are reasonably expected not to re-occur in the ordinary course of business in future reporting periods. In the current period, this relates to a fundamental restructure of the SA Taxi business and the reassessment of material provision inputs.
- Adding back specific headline earnings exclusions, if the gain / loss is considered part of Transaction Capital's normal operations. In the prior financial year, this included the gain on conversion of ownership of the salvage operation from a division to a 40% equity stake in an entity that conducts similar salvage operations.

These adjustments are considered annually based on the transforming nature of Transaction Capital.

Management is responsible for the calculation of core continuing earnings and determining the inclusions and exclusions in accordance with the policy. The Transaction Capital Limited audit committee reviews the core continuing earnings for transparency and consistency.

This pro forma financial information, which is the responsibility of the group's directors, has been prepared for illustrative purposes to reflect operational performance more accurately. Due to its nature, it may not fairly present, in terms of IFRS, the group's financial position, changes in equity, and results of operations or cash flows. Details of the nature of these adjustments can be found in the reconciliation of headline earnings to core continuing earnings that follows.

Transaction Capital

Reconciliation from headline earnings to core continuing earnings

	31 March 2023 Unaudited Rm	31 March 2022 Unaudited Restated* Rm	31 March 2021 Unaudited Restated* Rm	30 September 2022 Unaudited Restated* Rm
Headline earnings from continuing operations attributable to group	**(1 390)**	518	456	1 715
Adjusted for:				
Once off transaction costs	**37**	5	2	16
Adjustments relating to written put and call options over WBC Holdings non-controlling interests:				
Imputed interest charge (Refer to Note 1)	**118**	125	–	259
Fair value adjustment on call option derivative (Refer to Note 1)	**186**	–	–	(200)
Remeasurement of put option liability (Refer to Note 1)	**(187)**	–	–	(563)
Adjustments relating to written put and call options over Synergy non-controlling interests:				
Imputed interest charge (Refer to Note 1)	**20**	–	–	19
Remeasurement of put option liability (Refer to Note 1)	**(240)**	–	–	15
Gain realised on the conversion of ownership of the salvage operation from a division to a 40% equity stake in an entity that conducts similar salvage operations	**–**	–	–	79
Adjustments relating to the re-basing of SA Taxi's business:				
Once-off remeasurement of IFRS 9 and IFRS 17 provisions (Refer to Note 2)	**1 519**	–	–	–
Once-off remeasurements of stock to net realisable value (Refer to note 3)	**148**	–	–	–
Deferred tax asset write-off (Refer to Note 4)	**142**	–	–	–
Core continuing earnings attributable to group	**353**	648	458	1 340
Core continuing earnings per share (cents)	**46.5**	90.0	68.7	185.5

* Restated for the recognition of discontinued operations in the current year per IFRS 5 – Non-current assets, Assets Held for Sale and Discontinued Operations.

Note 1: These adjustments are made in terms of the relevant option agreements, and will therefore continue for the duration of the agreements.

Note 2: Relates to the rebasing of forward looking IFRS 9 provisioning on the existing debtors book which has aged past 90 days, which is indicative of higher lifetime expected credit losses (ECL). The group has also rebased its IFRS 9 and IFRS 17 forward-looking provisioning due to the recalibrated business model across the portfolio. SA Taxi's strategy is to reduce originations of QRTs and utilize alternative disposal channels, which will result in lower future recovery rates.

Note 3: Relates to the write-off on certain stock items that will no longer be repaired given the change in the QRT strategy.

Note 4: Relates to the re-assessment of the recoverability of deferred tax assets in accordance with IAS 12, given the change in strategy to originate less QRT taxis which impacts on future book build, overall expected performance of credit providers as well as the SA Taxi dealership. These factors impact on the recoverability of tax losses, where the timing of earning future taxable income to support the quantum of deferred tax assets is uncertain at this stage and will continue to be closely monitored.

Approval by the board of directors

The information in this announcement has been reviewed and approved by the board of directors, and is signed on its behalf by:

David Hurwitz
Chief executive officer

Sean Doherty
Chief financial officer

Rosebank
10 May 2023

Enquiries: Nomonde Xulu – Investor Relations
Email: nomondex@transactioncapital.co.za

JSE equity sponsor: Investec Bank Limited
JSE debt sponsor: Rand Merchant Bank (A division of FirstRand Bank Limited)

Condensed consolidated **statement of financial position**

at 31 March 2023

	Notes	31 March 2023 Unaudited Rm	31 March 2022 Unaudited Restated*^ Rm	30 September 2022 Audited Rm
Assets				
Cash and cash equivalents		**1 837**	1 613	1 478
Other investments		**982**	41	1 426
Tax receivables		**48**	18	28
Trade and other receivables^		**2 182**	1 478	1 923
Inventories		**3 464**	2 942	3 790
Assets classified as held for sale	1	**442**	67	371
Leased assets		**9**	14	11
Loans and advances		**14 941**	14 785	14 962
Purchased book debts		**4 636**	3 954	4 208
Other loans receivable		**132**	78	126
Derivative assets^		**380**	43	693
Equity accounted investments		**1 142**	370	1 097
Intangible assets		**3 396**	3 251	3 336
Property and equipment		**1 885**	1 433	1 900
Goodwill*	10.2	**5 353**	4 373	4 754
Deferred tax assets		**296**	325	272
Total assets		**41 125**	34 785	40 375
Liabilities				
Bank overdrafts		**531**	450	818
Other short-term borrowings		**14**	32	23
Tax payables		**93**	36	58
Trade and other payables*^		**1 816**	977	1 506
Provisions		**147**	83	131
Liabilities directly associated with assets held for sale	1	**31**	12	21
Insurance contract liabilities		**601**	251	180
Benefits ceded on insurance contracts relating to inventories		**38**	47	31
Benefits ceded on insurance contracts relating to loans and advances		**183**	54	10
Benefits accruing to insurance contract holders		**380**	150	139
Put option liability	3	**3 766**	3 836	4 042
Derivative liabilities^		**17**	99	19
Interest-bearing liabilities	2	**24 548**	19 381	21 862
Senior debt		**23 373**	18 556	20 762
Subordinated debt		**1 175**	825	1 100
Lease liabilities		**722**	425	715
Deferred tax liabilities		**1 505**	1 443	1 408
Total liabilities		**33 791**	27 025	30 783
Equity				
Ordinary share capital	4	**5 240**	3 909	5 179
Put option reserve		**(4 307)**	(3 710)	(4 307)
Other reserves#		**374**	248	327
Retained earnings		**4 854**	5 828	6 757
Equity attributable to ordinary equity holders of the parent		**6 161**	6 275	7 956
Non-controlling interests		**1 173**	1 485	1 636
Total equity		**7 334**	7 760	9 592
Total equity and liabilities		**41 125**	34 785	40 375

* *In terms of IFRS 3: Business Combinations, the provisional accounting applied to the acquisition of WBC Holdings (Pty) Ltd was finalised in August 2022. As a result, the contingent consideration from the business combination previously disclosed at 31 March 2022 has decreased by R15 million and goodwill has decreased by R15 million. Comparative information for 31 March 2022 information has been restated accordingly.*

^ *The group reclassified the presentation of trade and other receivables and trade and other payables in the prior financial year. To enhance disclosure, derivative assets and liabilities, which were previously presented as part of trade and other receivables and trade and other payables are now disclosed separately. Comparative information for 31 March 2022 has been reclassified accordingly.*

Other reserves consist of the cash flow hedging reserve, the share based payment reserve and the foreign currency translation reserve.

Condensed consolidated **income statement**

for the half year ended 31 March 2023

	Notes	31 March 2023 Unaudited Rm	31 March 2022 Unaudited Restated* Rm	30 September 2022 Unaudited Restated** Rm
Gross profit from the provision of services and sale of goods		**2 377**	1 943	4 309
Revenue	7	**12 437**	10 346	22 588
Cost of revenue		**(10 060)**	(8 403)	(18 279)
Net interest income from provision of financing to customers		**747**	867	1 647
Interest income, calculated using the effective interest rate method		**1 627**	1 414	2 875
Interest expense		**(880)**	(547)	(1 228)
Impairment loss on loans and advances	6	**(2 493)**	(436)	(1 007)
Risk-adjusted net interest (expense)/income from provision of financing to customers		**(1 746)**	431	640
Net insurance result		**97**	209	411
Insurance revenue		**564**	567	1 143
Insurance service expense		**(473)**	(360)	(738)
Insurance finance income		**6**	2	6
Operating costs		**(1 900)**	(1 393)	(3 217)
Net finance charge – not relating to provision of financing to customers		**(321)**	(147)	(384)
Finance income		**104**	38	78
Finance charges		**(425)**	(185)	(462)
Other income		**28**	27	268
Equity accounted (loss)/income		**(1)**	16	47
Operating (loss)/profit		**(1 466)**	1 086	2 074
Non-operating profit/(loss)		**3**	(131)	533
Imputed interest charge – options over non-controlling interests	3	**(140)**	(126)	(280)
Remeasurement of put options over non-controlling interests	3	**429**	–	553
Fair value (loss)/gain on call option derivative		**(251)**	–	269
Transaction costs		**(46)**	(5)	(16)
Other non-operating profit		**11**	–	7
(Loss)/profit before tax		**(1 463)**	955	2 607
Income tax expense		**(271)**	(284)	(457)
(Loss)/profit for the period from continuing operations		**(1 734)**	671	2 150
Discontinued operations				
Loss for the period from discontinued operations	1	**(133)**	(56)	(147)
(Loss)/profit for the period		**(1 867)**	615	2 003
(Loss)/profit for the period from continuing operations attributable to:				
Ordinary equity holders of the parent		**(1 388)**	518	1 770
Non-controlling interests		**(346)**	153	380
Loss for the period from discontinued operations attributable to:				
Ordinary equity holders of the parent		**(110)**	(46)	(127)
Non-controlling interests		**(23)**	(10)	(20)
Earnings per share (cents)				
From continuing operations				
Basic earnings per share	8	**(183.0)**	71.9	245.0
Diluted basic earnings per share	8	**(183.0)**	71.9	239.2
From continuing and discontinued operations				
Basic earnings per share	8	**(197.5)**	65.5	227.4
Diluted basic earnings per share	8	**(197.5)**	65.5	222.1

* *Comparative information for 31 March 2022 information presented here has been restated for the presentation of the SA Taxi Auto business as a discontinued operation and for the reclassification of the income statement. Refer to notes 1 and 5 for further information.*

** *Comparative information for 30 September 2022 has been restated for the presentation of the SA Taxi Auto business as a discontinued operation. Refer to notes 1 and 5 for further information.*

Condensed consolidated **statement of comprehensive income**

for the half year ended 31 March 2023

	31 March 2023 Unaudited Rm	31 March 2022 Unaudited Rm	30 September 2022 Audited Rm
(Loss)/profit for the period	**(1 867)**	615	2 003
Other comprehensive income			
Items that may be reclassified subsequently to profit and loss:			
Movement in cash flow hedging reserve	**(1)**	7	(15)
Fair value (loss)/gain arising during the period	**(1)**	10	(21)
Deferred tax	**–**	(3)	6
Exchange gain/(loss) on translation of foreign operations	**49**	(39)	26
Total comprehensive (loss)/income for the period	**(1 819)**	583	2 014
Total comprehensive (loss)/income attributable to:			
Ordinary equity holders of the parent	**(1 450)**	440	1 654
Non-controlling interests	**(369)**	143	360

Condensed consolidated **statement of changes in equity**

for the half year ended 31 March 2023

	Number of ordinary shares million	Share capital Rm	Put option reserve* Rm	Other reserves Rm	Retained earnings Rm	Equity attributable to ordinary equity holders of the parent Rm	Non-controlling interests Rm	Total equity Rm
Balance at 30 September 2021 – Audited	708.4	3 464	–	688	5 591	9 743	1 402	11 145
Total comprehensive income	–	–	–	(32)	472	440	143	583
Profit for the period	–	–	–	–	472	472	143	615
Other comprehensive income	–	–	–	(32)	–	(32)	–	(32)
Grant of conditional share plans	–	–	–	33	–	33	–	33
Settlement of conditional share plans	–	–	–	(55)	(27)	(82)	–	(82)
Derecognition the reserve relating to forward contract to issue shares	–	–	–	(386)	30	(356)	–	(356)
Recognition of reserve relating to the put option to acquire non-controlling interests*	–	–	(3 710)	–	–	(3 710)	–	(3 710)
Dividends paid	–	–	–	–	(238)	(238)	(60)	(298)
Issue of shares	12.7	445	–	–	–	445	–	445
Balance at 31 March 2022 – Unaudited	721.1	3 909	(3 710)	248	5 828	6 275	1 485	7 760
Total comprehensive income	–	–	–	43	1 171	1 214	217	1 431
Profit for the period	–	–	–	–	1 171	1 171	217	1 388
Other comprehensive income	–	–	–	43	–	43	–	43
Transactions with non-controlling interests	–	–	–	–	–	–	28	28
Grant of conditional share plans	–	–	–	41	–	41	–	41
Settlement of conditional share plans	–	–	–	(5)	(4)	(9)	–	(9)
Recognition of reserve relating to the put option to acquire non-controlling interests*	–	–	(597)	–	–	(597)	–	(597)
Dividends paid	–	–	–	–	(238)	(238)	(94)	(332)
Issue of shares	36.3	1 270	–	–	–	1 270	–	1 270
Balance at 30 September 2022 – Audited	**757.4**	**5 179**	**(4 307)**	**327**	**6 757**	**7 956**	**1 636**	**9 592**
Total comprehensive income	**–**	**–**	**–**	**48**	**(1 498)**	**(1 450)**	**(369)**	**(1 819)**
Loss for the period	**–**	**–**		**–**	**(1 498)**	**(1 498)**	**(369)**	**(1 867)**
Other comprehensive income	**–**	**–**	**–**	**48**	**–**	**48**	**–**	**48**
Transactions with non-controlling interests**	**–**	**–**	**–**	**–**	**(104)**	**(104)**	**(11)**	**(115)**
Grant of conditional share plans	**–**	**–**	**–**	**41**	**–**	**41**	**–**	**41**
Settlement of conditional share plans	**–**	**–**	**–**	**(42)**	**(20)**	**(62)**	**–**	**(62)**
Dividends paid		**–**	**–**	**–**	**(281)**	**(281)**	**(83)**	**(364)**
Issue of shares	**1.6**	**61**	**–**	**–**	**–**	**61**	**–**	**61**
Balance at 31 March 2023 – Unaudited	**759.0**	**5 240**	**(4 307)**	**374**	**4 854**	**6 161**	**1 173**	**7 334**

* *This reserve arose during the prior financial year on recognition of financial liabilities relating to the put options for the acquisition of shares held by the non-controlling interests in WBC Holdings (Pty) Ltd, Synergy Contact Centre (Pty) Ltd and Synergy Outsource Limited. Refer to note 3.*

** *During the current period, the group, through its subsidiary Nutun Holdings (Pty) Ltd acquired an additional 10% of the shareholding in Synergy Contact Centre (Pty) Ltd and Synergy Outsourcing Limited (collectively the Synergy group) for a purchase consideration of R115 million. The transaction entitled the group to the additional profits with effect from 1 October 2022. Following the transaction, the group owns 75% of the Synergy group.*

Condensed consolidated **statement of cash flow**

for the half year ended 31 March 2023

	31 March 2023 Unaudited Rm	31 March 2022 Unaudited Rm	30 September 2022 Audited Rm
Cash flow from operating activities			
Cash generated by operations	**1 285**	1 025	1 967
Interest received	**1 321**	1 085	2 252
Interest paid	**(1 217)**	(689)	(1 688)
Income taxes paid	**(153)**	(183)	(351)
Dividends paid	**(364)**	(298)	(630)
Cash flow from operating activities before changes in operating assets and working capital	**872**	940	1 550
Increase in operating assets	**(2 419)**	(2 228)	(3 278)
Loans and advances	**(2 107)**	(1 485)	(1 842)
Decrease in leased assets	**2**	3	6
Purchased book debts	**(314)**	(746)	(1 442)
Changes in working capital	**(423)**	(824)	(2 114)
Decrease/(Increase) in inventories	**57**	(465)	(1 752)
Increase in trade and other receivables	**(257)**	(102)	(387)
Increase in other loans receivable	**(13)**	(15)	(62)
(Decrease)/Increase in trade and other payables	**(210)**	(242)	87
Net cash utilised by operating activities	(1 970)	**(2 112)**	**(3 842)**
Cash flow from investing activities			
Acquisition of property and equipment	**(131)**	(432)	(682)
Proceeds on disposal of property and equipment	**18**	–	6
Acquisition of intangible assets	**(69)**	(50)	(131)
Investment into equity accounted investment	**(9)**	(75)	(104)
Acquisition of subsidiaries*	**(304)**	(870)	(1 100)
Decrease/(Increase) in other investments	**448**	(41)	(1 428)
Net cash utilised by investing activities	**(47)**	(1 468)	(3 439)
Cash flow from financing activities			
Proceeds from interest-bearing liabilities	**9 038**	7 044	16 759
Settlement of interest-bearing liabilities	**(6 323)**	(4 064)	(11 759)
Settlement of other short-term borrowings	**(9)**	(49)	(58)
Repayment of lease liabilities	**(48)**	(57)	(132)
Issue of shares	**(2)**	–	1 259
Net cash generated by financing activities	**2 656**	2 874	6 069
Net increase/(decrease) in cash and cash equivalents	**639**	(706)	(1 212)
Cash and cash equivalents at the beginning of the period	**663**	1 874	1 874
Effects of exchange rate changes on the balance of cash held in foreign currencies	**5**	(2)	1
Cash and cash equivalents at the end of period**	**1 307**	1 166	663

* *Cash flows from the acquisition of subsidiaries for the current period comprises the following:*
- *R170 million paid for the acquisition of the receivables management business of Milton Graham as detailed in note 10; and*
- *R134 million paid in October 2022 as settlement of the contingent consideration for the WBC Holdings acquisition.*

** *Cash and cash equivalents are presented net of bank overdrafts and includes R1 million (31 March 2022: R3 million, 30 September 2022: R3 million) of cash transferred as part of assets held for sale.*

Cash and cash equivalents exclude money market fund investments amounting to R932 million (September 2022: R1 381 million) which have been classified as Other investments on the statement of financial position. These are highly liquid investments which the group is able to convert into cash within 24 hours of making such requests.

Notes to the condensed **consolidated financial statements**

for the half year ended 31 March 2023

1 Discontinued operations and non-current assets held for sale

Assets and liabilities classified as held for sale on the statement of financial position are made up as follows:

	31 March 2023 Unaudited Rm	31 March 2022 Unaudited Rm	30 September 2022 Audited Rm
Assets classified as held for sale are made up as follows:			
Discontinued operation relating to TCBS (refer to 1.1)	**50**	67	55
Discontinued operation relating to SA Taxi Auto Repairs (refer to 1.2)	**392**	–	–
Non-current asset classified as held for sale (refer to 1.3)	**–**	–	316
Total assets classified as held for sale	**442**	67	371
Liabilities classified as held for sale are made up as follows:			
Discontinued operation relating to TCBS (refer to 1.1)	**17**	12	21
Discontinued operation relating to SA Taxi Auto Repairs (refer to 1.2)	**14**	–	–
Total liabilities classified as held for sale	**31**	12	21

1.1 Discontinued operation relating to TCBS

Cognisant of the higher risk in the small and medium-sized enterprises (SME) sector, Transaction Capital Business Solutions (Pty) Ltd (TCBS) has proactively curbed gross loans and advances growth to this sector. During the 2020 financial year, the group took the decision to significantly reduce this exposure. The group was of the view that the capital allocated towards TCBS could be applied to achieve better risk-adjusted returns. TCBS is accounted for as a discontinued operation as its business and assets are available for sale. For the current period, the group continued to implement various disposal strategies, with some loans sold during the period.

The discontinued operation is included in the Nutun reportable segment in terms of IFRS 8: Operating Segments. The results of the discontinued operations, which have been included in the profit for the period are as per table below:

	31 March 2023 Unaudited Rm	31 March 2022 Unaudited Rm	30 September 2022 Audited Rm
Risk-adjusted net interest income	**(3)**	–	(3)
Operating costs	**(1)**	(1)	(3)
Loss before tax	**(4)**	(1)	(6)
Income tax expense	**–**	–	(27)
Loss for the period from discontinued operations	**(4)**	(1)	(33)

During the current period , TCBS contributed R2.2 million (31 March 2022: R10.5 million, 30 September 2022: R1 million) to the group's net operating cash flows, paid Rnil (31 March 2022: Rnil million, 30 September 2022: Rnil million) in respect of investing activities and paid Rnil (31 March 2022: R10.1 million, 30 September 2022: Rnil million) in respect of financing activities.

1 Discontinued operations continued

1.1 Discontinued operation relating to TCBS continued

The major classes of assets and liabilities comprising the discontinued operations classified as held for sale are as follows:

	31 March 2023 Unaudited Rm	31 March 2022 Unaudited Rm	30 September 2022 Audited Rm
Cash and cash equivalents	**1**	3	3
Loans and advances	**31**	50	36
Intangible assets	**1**	1	1
Deferred tax assets	**17**	13	15
Total assets classified as held for sale	**50**	67	55
Trade and other payables	**1**	1	6
Deferred tax liabilities	**16**	11	15
Total liabilities associated with assets classified as held for sale	**17**	12	21
Net assets of disposal group	**33**	55	34

1.2 Discontinued operation relating to SA Taxi Auto Repairs

During the period the group resolved to dispose of the assets and liabilities utilised in the workshop operations within SA Taxi Auto Repairs (referred to as the "Auto business" throughout this note), which Auto business is specifically used in the refurbishment and repairs of quality renewed taxis. The disposal underscores the group's strategic objective in extending the mobility platform proposition as it transitions from a balance sheet intensive to a capital light structure, where services can be rendered within the platform-play without the need for significant capital expenditure or plant and machinery maintenance. In addition, this disposal will be the cornerstone on which the business can pivot to a variable cost overhead from its current inefficient fixed overhead structure. The sale will result in quality renewed taxis (QRTs) being repaired and refurbished by a third party/parties, under a service-level agreement. The Auto business is accounted for as a discontinued operation effective 13 March 2023, as its business and assets are available for sale as the group drives various disposal strategies.

Assets have been transferred to assets held for sale at their carrying values on the date of transfer. The value of the assets will be re-assessed at a future date as negotiations for the disposal become more advanced.

The results of the discontinued operations, which have been included in the profit for the period are as per table below:

	31 March 2023 Unaudited Rm	31 March 2022 Unaudited Restated* Rm	30 September 2022 Unaudited Restated* Rm
Gross profit from the provision of services and sale of goods	**3**	3	7
Operating costs**	**(164)**	(79)	(151)
Finance charge	**(10)**	(5)	(12)
Other expense/income	**(6)**	4	(4)
Loss before tax	**(177)**	(77)	(160)
Income tax benefit	**48**	22	46
Loss for the period from discontinued operations	**(129)**	(55)	(114)

* *Comparative information has been restated for the recognition of discontinued operations relating to the SA Taxi Auto business in the current year per IFRS 5: Non-current Assets Held for Sale and Discontinued Operations.*

** *Fixed and other direct costs relating to the running of the Auto business have been reclassified to losses from discontinuing operations while costs relating to the repair of vehicles (including parts, paint, consumables as well as labour overhead allocation costs) have been classified as continuing operations as part of the future variable cost.*

The Workshop utilised R147 million (31 March 2022: R72 million, 30 September 2022: R102 million) of the group's net operating cash flows, paid R1 million (31 March 2022: R24 million, 30 September 2022: R49 million) in respect of investing activities and paid Rnil (31 March 2022: Rnil, 30 September 2022: Rnil) in respect of financing activities.

There was an overall increase in the Auto business in the latter half of the prior year, which was in line with the business strategy to increase capacity to repair more QRT vehicles. The repair capacity remains at elevated levels during the first half of the current year, and is being reduced to align with the change in business strategy accordingly during the second half of the current financial year. Note that the Auto business's finance working capital facilities and operational receivables and payables balances will not be sold as part of the business and have therefore not been classified as held for sale.

1 Discontinued operations continued

1.2 Discontinued operation relating to SA Taxi Auto Repairs continued

The major classes of assets and liabilities comprising the discontinued operations classified as held for sale are as follows:

	31 March 2023 Unaudited Rm
Trade and other receivables	**8**
Inventories*	**243**
Loans and advances**	**53**
Intangible assets	**34**
Property and equipment	**54**
Total assets classified as held for sale	**392**
Trade and other payables	**14**
Total liabilities associated with assets classified as held for sale	**14**
Net assets of disposal group	**378**

* *Consists of components and spares of R229 million and work in progress of R14 million.*
** *This relates to repossessed vehicles which have not yet entered the realisation channel.*

1.3 Non-current assets classified as held for sale

During the prior financial year, the board agreed to dispose of its' purchased book debt portfolio within TCRS Australia. The disposal was concluded in October 2022. The disposal of this non-current asset was consistent with the group's long-term policy to ensure strategic growth of asset light revenue streams within the TCRS Australia's operations.

2 Interest-bearing liabilities

	31 March 2023 Unaudited Rm	31 March 2022 Unaudited Rm	30 September 2022 Audited Rm
Type of loan			
Securitisation notes, debentures and loans	**5 910**	5 961	5 948
Loans	**18 638**	13 420	15 914
Total interest-bearing liabilities	**24 548**	19 381	21 862
Classes of interest-bearing liabilities			
Senior debt	**23 373**	18 556	20 762
Subordinated debt	**1 175**	825	1 100
Total interest-bearing liabilities	**24 548**	19 381	21 862
Maturity profile			
Payable within 12 months	**4 938**	6 393	8 433
Payable thereafter	**19 610**	12 988	13 429
Total interest-bearing liabilities	**24 548**	19 381	21 862

3 Put option liability

3.1 During the prior financial year, the group, through its subsidiary Transaction Capital Motor Holdco (Pty) Ltd (TCMH) concluded a shareholders agreement with the minority shareholders of WBC Holdings, which includes put options in favour of the minority shareholders, which if exercised could result in TCMH acquiring, in various increments and at various intervals, additional shares in WBC Holdings up to a maximum of 25.1% (being all the shares in WBC Holdings currently held by the minority shareholders) and which, if implemented in full, will result in WBC Holdings becoming a wholly owned subsidiary of TCMH.

The value of the estimated future price in terms of the WBC put option liability is calculated by applying a price earnings multiple to the adjusted profits of WBC for the 12 month period ending on 30 September of the year in which the put option is exercised. The discount rate applied to the valuation is 6.9%. A gain of R189 million has been recognised during the current period relating to the re-measurement of the liability as a result of a change in the expected cash flows.

3.2 During the prior financial year, the group, through its subsidiaries Nutun Corporate Ventures (Pty) Ltd (Nutun CV) and Tyco Holdings Limited (Tyco) , concluded a shareholders agreement with the minority shareholders of the Synergy group, which includes put options in favour of the minority shareholders, which if exercised could result in Nutun CV and Tyco acquiring additional shares in SCC and SOL up to a maximum of 35% (being all the shares in the Synergy group currently held by the minority shareholders) and which, if implemented in full, will result the Synergy group becoming a wholly owned subsidiary. Subsequent to the initial agreement, an additional 10% shareholding has been acquired in the Synergy group, and as such this maximum percentage from 1 October 2022 is 25%. The exercise date for the put options is 28 February 2025.

The value of the Synergy put option liability is calculated by applying a price earnings multiple to the profits of Synergy for the 12 month period ending on 28 February 2025. A discount rate of 7.1% has been used for the SCC valuation and 4.49% for the SOL valuation. A gain of R240 million has been recognised during the current period relating to the re-measurement of the liability as a result of a change in the expected cash flows, mainly as a result of the maximum percentage to be acquired under the agreement reducing from 35% to 25% as a result of the additional 10% shareholding already acquired during this period.

3.3 The effect of granting these put options on the group's results is summarised as follows:

	31 March 2023		
	Unaudited Rm WBC	Unaudited Rm Synergy	Unaudited Rm Total
Balance at the beginning of the period	**3 403**	**639**	**4 042**
Put option liability recognised	**–**	**–**	**–**
Imputed interest charge recognised in the income statement	**119**	**21**	**140**
Re-measurement of put option liability	**(189)**	**(240)**	**(429)**
Effect of foreign currency exchange difference	**–**	**13**	**13**
Balance at the end of the period	**3 333**	**433**	**3 766**

Transaction Capital

31 March 2022			30 September 2022		
Unaudited Rm WBC	Unaudited Rm Synergy	Unaudited Rm Total	Audited Rm WBC	Audited Rm Synergy	Audited Rm Total
–	–	–	–	–	–
3 710	–	3 710	3 710	597	4 307
126	–	126	261	19	280
–	–	–	(568)	15	(553)
–	–	–	–	8	8
3 836	–	3 836	3 403	639	4 042

	31 March 2023 Unaudited Rm	31 March 2022 Unaudited Rm	30 September 2022 Audited Rm
4 Ordinary share capital			
Authorised			
1 000 000 000 ordinary shares			
Issued			
759 032 637 (31 March 2022: 721 110 391, 30 September 2022: 757 367 333) ordinary shares			
Ordinary share capital	**5 240**	3 909	5 179
Ordinary share capital	**5 240**	3 909	5 179

	31 March 2023 Unaudited		31 March 2022 Unaudited		30 September 2022 Audited	
	Number of shares million	Share capital Rm*	Number of shares million	Share capital Rm*	Number of shares million	Share capital Rm*
4.1 Reconciliation of ordinary share capital						
Balance at the beginning of the period	**757.4**	**5 179**	708.4	3 464	708.4	3 464
Shares issued in settlement of the Conditional Share Plan (Note 4.1.1)	**1.6**	**61**	2.2	92	2.4	96
Equity raised through accelerated bookbuild	**–**	**–**	–	–	36.1	1 263
Shares issued to subsidiaries	**–**	**–**	10.5	353	10.5	356
Balance at the end of the period	**759.0**	**5 240**	721.1	3,909	757.4	5 179

* *Net of share issue costs*

4.1.1 In terms of the specific authority received from shareholders in the adoption of the Transaction Capital Conditional Share Plan, a total of 1 665 304 shares were issued to participants/employees as part of the respective vestings at an average price of R36.66 per share.

Preference share capital

Authorised

10 000 000 cumulative, non-participating, non-convertible preference shares of no par value

Issued

Nil (31 March 2022: nil, 30 September 2022: nil) preference shares

5 Reclassifications and restatements

5.1 Reclassification of the income statement and related disclosures:

The group reassessed the classification principles on the income statement during the prior financial year, to ensure that the information presented on the face of the income statement remained reliable and relevant and to improve the communication of information following the material contribution of WBC to the group. This has resulted in these condensed results presenting reclassified comparative amounts for the 31 March 2022 income statement and related notes previously published.

The reclassification is not considered to be a restatement, error or a change in accounting policy as defined in IAS 8: Accounting Policies, Changes in Accounting Estimates and Errors. This reclassification enhances the group's disclosure and provides users of the financial statements with more relevant information. It does not impact the statement of financial position, the statement of changes in equity or the cashflow statement.

The three main categories of reclassifications made in the income statement are as follows:

5.1.1 **Disaggregation of non-interest revenue:** The group previously presented non-interest revenue as a single line item on the income statement. Given recent changes in the group's structure, most notably, the acquisition of WBC in the 2021 financial year, it has become necessary to amend this presentation. WBC is a retailer of second-hand vehicles, and a presentation which reflects gross revenue less the costs incurred to generate the revenue is more relevant for users of the financial statements. This resulted in the group disaggregating the non-interest revenue line into various line items and reallocating costs previously allocated as operating expenses into cost of revenue.

5.1.2 **Categorisation of net interest income:** The group previously reflected all interest income and interest expenses in a single section on the income statement. Management is of the view that users of the financial statements will benefit from a view that separates the net interest income from provision of financing to customers from the net finance income/expense not relating to provision of financing to customers.

5.1.3 **Presentation of non-operating items as non-operating profit/(loss):** The group previously presented items of income and expenditure which were not of an operating nature to the business as part of its operating expenses and income. These items are now reflected below the operating profit line to give users of the financial statements a more accurate view of the operating results of the group.

5.2 Restatement of the income statement and related disclosures:

Further to the above reclassification, the group has during the current period resolved to dispose of the majority of assets and liabilities utilised in the workshop operations within SA Taxi Auto Repairs. The Workshop is accounted for as a discontinued operation effective 13 March 2023, as its business and assets are available for sale as the group drives various disposal strategies.

The 31 March 2022 and 30 September 2022 comparative financial information presented in these condensed results have been restated for the recognition of discontinued operations in the current year per IFRS 5 – Non-current Assets Held for Sale and Discontinued Operations.

5 Reclassifications and restatements continued

31 March 2022

	As previously presented Unaudited Rm	Reclassifications: Disaggregation of non-interest revenue (note 5.1.1) Rm	Reclassifications: Categorisation of net interest income (note 5.1.2) Rm	Reclassifications: Presentation of non-operating profit/(loss) (note 5.1.3) Rm	Restatements: SA Taxi Auto discontinued operations (note 5.2) Rm	Restated Unaudited Rm
Gross profit from the provision of services and sale of goods	**–**	1 946	–	–	(3)	**1 943**
Revenue	**–**	10 374	–	–	(28)	**10 346**
Cost of revenue	**–**	(8 428)	–	–	25	**(8 403)**
Net interest income from provision of financing to customers	**591**	–	144	126	6	**867**
Interest income, calculated using the effective interest rate method	**1 454**	–	(40)	–	–	**1 414**
Interest expense	**(863)**	–	184	126	6	**(547)**
Impairment of loans and advances	**(375)**	–	–	–	(61)	**(436)**
Risk-adjusted net interest income from provision of financing to customers	**216**	–	144	126	(55)	**431**
Net insurance result	**206**	–	3	–	–	**209**
Insurance revenue	**567**	–	–	–	–	**567**
Insurance service expense	**(360)**	–	–	–	–	**(360)**
Insurance finance (expense)/income	**(1)**	–	3	–	–	**2**
Other non-interest revenue	**2 610**	(2 610)	–	–	–	**–**
Operating costs	**(2 170)**	633	–	5	139	**(1 393)**
Net finance charge – not relating to provision of financing to customers	**–**	–	(147)	–	–	**(147)**
Finance income	**–**	–	38	–	–	**38**
Finance charges	**–**	–	(185)	–	–	**(185)**
Other income	**–**	31			(4)	**27**
Equity accounted income	**16**	–	–	–	–	**16**
Operating profit	**878**	–	–	131	77	**1 086**
Non-operating loss	**–**	–	–	(131)	–	**(131)**
Imputed interest charge – options over non-controlling interests	**–**	–	–	(126)	–	**(126)**
Once off transaction costs	**–**	–	–	(5)	–	**(5)**
Profit before tax	**878**	–	–	–	77	**955**
Income tax expense	**(262)**	–	–	–	(22)	**(284)**
Profit for the year from continuing operations	**616**	–	–	–	55	**671**
Discontinued operations	**(1)**	–	–	–	(55)	**(56)**
Profit for the period	**615**	–	–	–	–	**615**

5 Reclassifications and restatements continued

	30 September 2022 Restatement		
	As previously presented Audited Rm	SA Taxi Auto discontinued operations (note 5.2) Unaudited Rm	Restated Unaudited Rm
Gross profit from the provision of services and sale of goods	**4 316**	(7)	**4 309**
Revenue	**22 652**	(64)	**22 588**
Cost of revenue	**(18 336)**	57	**(18 279)**
Net interest income from provision of financing to customers	**1 635**	12	**1 647**
Interest income, calculated using the effective interest rate method	**2 875**	–	**2 875**
Interest expense	**(1 240)**	12	**(1 228)**
Impairment of loans and advances	**(856)**	(151)	**(1 007)**
Risk-adjusted net interest income from provision of financing to customers	**779**	(139)	**640**
Net insurance result	**411**	–	**411**
Insurance revenue	**1 143**	–	**1 143**
Insurance service expense	**(738)**	–	**(738)**
Insurance finance (expense)/income	**6**	–	**6**
Operating costs	**(3 519)**	302	**(3 217)**
Net finance charge – not relating to provision of financing to customers	**(384)**	–	**(384)**
Finance income	**78**	–	**78**
Finance charges	**(462)**	–	**(462)**
Other income from provision of financing to customers			
Other income	**264**	4	**268**
Equity accounted income	**47**	–	**47**
Operating profit	**1 914**	160	**2 074**
Non-operating profit	**533**	–	**533**
Imputed interest charge – options over non-controlling interests	**(280)**	–	**(280)**
Remeasurement of put options over non-controlling interests	**553**	–	**553**
Fair value adjustment on call option derivative	**269**	–	**269**
Once off transaction costs	**(16)**	–	**(16)**
Other non-operating profit	**7**	–	**7**
Profit before tax	**2 447**	160	**2 607**
Income tax expense	**(411)**	(46)	**(457)**
Profit for the year from continuing operations	**2 036**	114	**2 150**
Discontinued operations	**(33)**	(114)	**(147)**
Profit for the period	**2 003**	–	**2 003**

6 Impairment of loans and advances

	31 March 2023 Rm	31 March 2022 Restated* Rm	30 September 2022 Restated* Rm
Impairment comprises:			
Movement in provision for impairment**	**(1 993)**	(66)	111
Fair value movement of loans and advances: shortfall financed debtors	**(25)**	–	–
Fair value movement of loans and advances: entry-level vehicles	**(5)**	–	3
Bad debts written off	**(171)**	(369)	(1 112)
Bad debts recovered	**2**	3	6
Impairment	**(2 192)**	(432)	(992)
Losses on onerous contracts and reversals of these losses***	**(301)**	(4)	(15)
Total impairment	**(2 493)**	(436)	(1 007)

* *The impairment expense has been restated for the presentation of SA Taxi Auto as a discontinued operation.*

** *Refer to note 9 for further detail on the impairment of loans and advances. Included in the impairment loss are once off adjustments relating to the remeasurement of forward looking provisions of R1,92bn, and net realisable value adjustments to stock of R177 million.*

*** *Includes the utilisation of IFRS 17 insurance contract liabilities amounting to R120 million (31 March 2022: 6 million, 30 September 2022: R43 million).*

7 Revenue

Revenue consists of invoiced sales in respect of the sale of goods, fees for rendering of services to customers, collections of amounts due on purchased credit impaired loan portfolios (capital-enabled services), dividends received, and commission income. Through Capital-enabled services (CE services), Nutun mainly acts as a principal in acquiring and then collecting on NPL portfolios. Capital enabled revenue is measured in accordance with the amortised cost model under IFRS 9: Financial Instruments, and therefore fall outside the scope of IFRS 15.

Other revenue streams are disaggregated into the following major revenue streams in accordance with IFRS 15:

	31 March 2023 Rm	31 March 2022 Restated* Rm	30 September 2022 Restated** Rm
Revenue comprises:			
Commission income	**232**	174	384
Customer experience management	**1 081**	420	1 186
Capital enabled revenue	**862**	875	1 792
Dividend and rebate income from insurance related activities	**23**	–	26
Fee income	**68**	67	143
Revenue from sale of goods	**10 160**	8 804	19 039
Other income	**11**	6	18
Total revenue	**12 437**	10 346	22 588

* *Comparative information for 31 March 2022 presented here has been restated for the presentation of the SA Taxi Auto business as a discontinued operation and for the reclassification of the income statement. Refer to notes 1 and 5 for further information.*

** *30 September 2022 information presented here has been restated for the SA Taxi Auto business as a discontinued operation. Refer to note 5 for further information.*

	Units	31 March 2023 Unaudited	31 March 2022 Unaudited	30 September 2022 Unaudited
8 Earnings per share				
8.1 From continuing and discontinued operations				
Basic earnings per share	cents	**(197.5)**	65.5	227.4
Diluted basic earnings per share	cents	**(197.5)**	65.5	222.1
Headline earnings per share	cents	**(197.8)**	65.5	219.8
Diluted headline earnings per share	cents	**(197.8)**	65.5	214.6
The calculation of earnings per share is based on the following data:				
Earnings				
Earnings for the purposes of basic and diluted earnings per share	Rm	**(1 498)**	472	1 643
Being profit for the year attributable to ordinary equity holders of the parent				
Headline earnings adjustments:	Rm	**(2)**	–	(55)
Impairment of goodwill	Rm	**–**	–	3
Gain on disposal of property and equipment	Rm	**(2)**	–	–
Impairment of property and equipment	Rm	**–**	–	5
Impairment of right of use assets	Rm	**–**	–	16
Profit on disposal of salvage business	Rm	**–**	–	(79)
Earnings for the purposes of headline and diluted headline earnings per share	Rm	**(1 500)**	472	1 588
Number of shares				
Weighted average number of ordinary shares for the purposes of basic and headline earnings per share				
Number of ordinary shares in issue at the beginning of the period	million	**757.4**	708.4	708.4
Effect of shares issued during the period	million	**1.1**	11.8	14.0
Weighted average number of ordinary shares for the purposes of basic and headline earnings per share	million	**758.5**	720.2	722.4
Effect of dilutive potential ordinary shares:				
Shares deemed to be issued for no consideration in respect of conditional share plan	million	**–**	0.2	17.5
Weighted average number of ordinary shares for the purposes of diluted basic and headline earnings per share	million	**758.5**	720.4	739.9

	Units	31 March 2023 Unaudited	31 March 2022 Unaudited Restated*	30 September 2022 Unaudited Restated*
8 Earnings per share continued				
8.2 From continuing operations				
Basic earnings per share	cents	**(183.0)**	71.9	245.0
Diluted basic earnings per share	cents	**(183.0)**	71.9	239.2
Headline earnings per share	cents	**(183.3)**	71.9	237.4
Diluted headline earnings per share	cents	**(183.3)**	71.9	231.8
The calculation earnings per share is based on the following data:				
Earnings				
Profit for the period attributable to ordinary equity holders of the parent	Rm	**(1 498)**	472	1 643
Adjustments to exclude the loss for the period from discontinued operations attributable to equity holders of the parent	Rm	**110**	46	127
Earnings from continuing operations for the purposes of basic and diluted earnings per share excluding discontinued operations	Rm	**(1 388)**	518	1 770
Headline earnings adjustments:	Rm	**(2)**	–	(55)
Impairment of goodwill	Rm	**–**	–	3
Gain on disposal of property and equipment	Rm	**(2)**	–	–
Impairment of property, and equipment	Rm	**–**	–	5
Impairment of right of use of assets	Rm	**–**	–	16
Profit on disposal of salvage business	Rm	**–**	–	(79)
Earnings from continuing operations for the purposes of headline and diluted headline earnings per share excluding discontinued operations	Rm	**(1 390)**	518	1 715

* *Restated for the presentation of discontinued operations.*

The denominators used are the same as those detailed above for both basic and diluted earnings per share from continuing and discontinued operations. Shares deemed to be issued for no consideration in respect of the conditional share plan do not have a dilutive effect in the current period.

9 Financial risk management

9.1 Credit risk

SA Taxi

Debt rehabilitation program

SA Taxi's initial view on the COVID-19 impact on the business model was that both the taxi industry and commuter density would recover in the short to medium-term based on our two-decade long experience of the industry's resilience. Despite the taxi industry being the dominant source of public transport, SA Taxi believes that the minibus taxi environment is unlikely to rebound at a rate in line with our original expectations with the development of certain structural changes within the industry as well as demonstrable changes in customer behaviour.

COVID-19 relief was previously granted to customers in the form of payment holidays which resulted in the partial capitalisation of arrears for the affected accounts in the month where the respective client qualified for payment relief (capitalisation applied to the instalments that were raised during the relief time and did not include all arrears). The interest rate remained unchanged, and the term extension did not change the present value of the remaining cash flows. Arrears were not modified, and as a result, the accounts rolled forward without modification.

Given the distressed economic environment over the past 2 years, SA Taxi commenced with a debt rehabilitation program to support its customers since 2022 with a total of 7 922 accounts (September 2022: 6 729 accounts) being restructured (which represents 21.7% of the loan book) with a notable decline in modifications since December 2022 given change in strategy to focus more resources on collections and stage 3 repossessions to resuscitate the book. This program included extending the term of the contracts, amongst other relief measures and is subject to strict payment performance criteria such that customers must demonstrate an extended period of corrective payment behaviour prior to qualifying for debt rehabilitation.

The program has not had a material impact on the financial performance given that payment is required in order to qualify for the relief which naturally improves recency on the account. A net modification expense of R18.7 million (September 2022: R2.5 million) has been recognised in the current period mainly due to interest rate concessions.

Customer performance on restructured accounts continues to be closely monitored.

9 Financial risk management continued

9.1 Credit risk continued

SA Taxi continued

Method of provisioning and fair valuing

The credit committee is responsible for providing executive management and oversight over all credit risk arising within and impacting the SA Taxi balance sheet. Credit committee meetings are attended by the company chief executive officer, chief financial officer, chief commercial officer and executive director of capital management.

The credit policy is designed to ensure that SA Taxi's credit processes are efficient for the applicant while providing SA Taxi with the necessary details to make informed credit decisions. SA Taxi takes the following into consideration in granting credit to prospective customers:

- Vehicle type;
- Validity of the taxi route;
- Client's ability to pay using a route calculator (affordability check); and
- Verification of details and credit history against two independent credit bureaus.

The expected loss model is developed using statistical techniques based on actual historical data. The expected loss is calculated for each active account, using parameter estimates including the probability of default (PD), exposure at default (EAD) and loss given write-off's (LGWs). The segmentation ensures homogenous risk buckets. The LGW is calculated on an explicit basis per account, taking into consideration the settlement balance, recovery value (being either a violation insurance claim less excess, or the market value less repair costs, where applicable), discount rates and discount periods.

SA Taxi determines whether the credit risk of financial instruments has increased significantly since initial recognition based on the contractual delinquency (CD) state (aging and recency). If the account is in stage 1 then the 12-month expected credit loss is calculated, otherwise, for stage 2 & 3, the lifetime expected loss is calculated.

SA Taxi determines significant increases in credit risk using both arrears aging and recency of payments for an account. Due to the nature of the business and higher risk appetite, compared to other Tier 1 financiers, it is the expectation that a client who is 30 days past due is not a significant risk. Most of the SA Taxi clients are cash payers because the taxi industry collects fares in cash from commuters. Recency is included in the definition of default as it is an indicator that the minibus taxi is operational as a cash generating unit and therefore indicative of a customers' ability to make payment on the underlying loan. SA Taxi has therefore rebutted the 30-day past due presumption for significantly increased credit risk. This rebuttal is based on a quantitative analysis of account performance relative to expectation at initial recognition as well as alignment to operation collections processes.

SA Taxi's rebuttal is on segments that are never expected to be very large but which are appropriate for the business. SA Taxi has therefore defined stage 2 as an account in arrears that did make a qualifying payment in the last month. A qualifying payment is defined as a payment made which is more than 50% of the instalments due in the last month.

SA Taxi has defined default as 75 days past due (more than 2.5 missed instalments), with no qualifying payment received in the past 3 months. The 90-day presumption was rebutted based on a quantitative analysis of the PDs and alignment to operational collection processes.

The definition of credit-impaired financial assets aligns to the default definition described above. Applying this approach ensures consistency between the accounting application, impairment modelling and internal credit risk management practices. The write-off of an asset occurs at the point of receipt of the recovery amount, following repossession (or write off, where applicable).

Once a vehicle has been repossessed, and final recovery paid by way of a violation insurance claim or through refurbishment and ultimate sale of the repossessed vehicle, any difference between the net recovery value and the outstanding amount of the underlying asset is written off. Amounts written off in the current year that are still subject to enforcement activity amount to R171 million (March 2022: R369 million, September 2022: R1.1 billion). Refer to note 6 of the group consolidated financial statements.

SA Taxi has performed a detailed statistical analysis on a multitude of macro-economic factors, namely prime rate, unemployment rate, petrol price, USD/ZAR exchange rate, GDP and CPI. Regression analysis shows that the economic factors do not add explanatory power to the model, hence they are not included. SA Taxi have incorporated a forward-looking forecast for the mechanical repair costs and resale values, where applicable, as these have shown consistent trends over time. Repair costs have been updated to reflect latest cost estimates (and are inclusive of a labour overhead allocation which will form part of outsourced repair costs in future) given the intention to sell the Auto business. Continued management of parts procurement is expected to assist in mitigating inflationary effects on repair costs in the foreseeable future.

9 **Financial risk management** continued

9.1 Credit risk continued

SA Taxi continued

Current year – remeasurement of forward looking impairment models

The industry has been under significant pressure since March 2020 and has continued to operate as an essential service provider under stressed conditions without any government support. In general, taxi routes remain profitable, but not all routes can necessarily support new entrants and/or support a financed vehicle given the continued stressed economic pressure on taxis which include increased vehicle prices, rising fuel costs, interest rate hikes, loadshedding, commuter density, higher inflation and increased parts prices.

Given our expectation that these market and economic conditions will continue into the foreseeable mid-term, our view is that there will be a contraction of the taxi credit market (more stress on marginal operators where performance is below pre-covid levels). Continuous changes to credit model have been made since 2020, with more structural changes required during 2023 to reposition the business for these conditions going forward. This includes rebasing the business to align with the current economic climate and customer behaviour which includes providing for higher expected credit losses on the loan portfolio as well as lower required originations on the front end given current risk appetite within the business. Lower levels of originations result in a lower repair requirement for the quality renewed product necessitating an update to a blended recovery to account for lower repaired units and, increased levels of salvage (repossessed vehicles are sold for cash sale or disposed as salvage).

Further to this, over recent months SA Taxi has noted a resulting deterioration in customer behaviour relating to the non-performing book (stage 3 loans and advances) with increased pressure from a collections perspective where customers are reprioritising cashflow to cover increasing operating costs given limited fare increases over the same period, together with increased levels of voluntary surrenders off the portfolio. This has resulted in certain customers exhibiting common characteristics which are indicative of higher lifetime expected credit losses (and potential fraudulent behaviour leading to a repudiated insurance claim), including poor payment performance, inability to track a customer due to a tracking device not working and multiple failed attempts to locate the customer and vehicle. SA Taxi will continue to refine operations in relation to managing the portfolio including expediting repossession activity to secure the asset sooner, where required.

SA Taxi has reflected this increased risk and expected blended recovery in its forward looking provisioning models (i.e. recovery will be through both repair and refinance as well as cash sale through alternative vehicle disposal channels), together with an update in repair costs to include a labour overhead allocation to embed an outsourced repair cost (through the sale of the Auto business referred to above). This has resulted in a once-off provision reset of R1.9 billion through IFRS 9 and IFRS 17 models. In addition, and in accordance with IAS 2, a once off NRV write down has been taken on stock on hand amounting to R177 million.

Gomo

Method of provisioning and fair valuing

The credit committee of Gomo is responsible for providing executive management and oversight over all credit risks arising within and impacting the balance sheet. Credit committee meetings are attended by the company's chief executive officer, chief financial officer, and Managing Head: Pricing.

The credit policy is designed to ensure that Gomo's credit processes are efficient for the applicant while providing Gomo with the necessary details to make informed credit decisions. Gomo's credit risk appetite, both the minimum and maximum levels of portfolio credit risk that Gomo is prepared to accept to achieve its objectives, are underpinned by its credit guidelines. This differentiates its willingness to consider a credit application based on three core areas:

- Eligibility: A list of compliance requirements, including those set out in the National Credit Act of 2005, as well as internal compliance measures;
- Affordability: As per the criteria to conduct affordability assessment set out in the National Credit Regulations, including Affordability Assessment Regulations as per Government Gazette No.38557 (13 March 2015), augmented by the Shoprite Investments Limited case law as per the Case Number: A509/2107; and
- Credit strategy: The operational output of Gomo's credit application scorecard, which is the primary view of the underlying credit risk of an application, serves as a platform where both the system approval rate and process flow are defined.

All new business that originated after passing each of the three above mentioned areas is assigned an expected loss (EL) assumption, which is the periodic sum of credit losses anticipated over the life of a tranche of homogeneous credit risks. For this analysis, eligibility and affordability are assumed to be met, with differentiated distribution options of credit strategy to solve for both a minimum- and maximum level of EL.

The expected loss is calculated for each active account, using parameter estimates including the probability of default (PD), exposure at default (EAD) and loss given default (LGDs). Gomo has chosen to use the Implied Market LGD methodology as per IFRS 9 since the LGD under this methodology is measured based on expected asset value, which will be informed by WBC vehicle value data. Once data volume suffices, Gomo may opt to move to a workout LGD methodology where the LGD is measured on actual data ensuring accuracy. Furthermore, given a default, the likelihood of a loss being incurred will, for the interim, be informed by subject matter expert advice, to be substantiated by actual data in time.

9 Financial risk management continued

9.1 Credit risk continued

Gomo continued

Significant increase in credit risk (SICR)

When identifying whether an account is classified as SICR, Gomo will evaluate two dimensions to ensure that the correct stage is assigned to the account for the ECL calculation. Gomo determines significant increases in credit risk using the dimensions of internal behavioural information (partial arrears) and external client information (credit bureau data).

Definition of default

Gomo's definition of default is based on the SARB Directive 7 of 2015. Gomo has defined default as 90 days or more past due. If an account goes into a legal status or is under debt review, the account is included in the default population. When a restructure is performed due to the financial distress of the obligor, the restructure will be seen as a distressed restructure. Distressed restructures are also included in the default population for a monitoring period of 6 months after the restructure happened. No distressed restructures or cures have taken place during the current financial year.

Nutun

Investment process

Prior to the acquisition of purchased book debts (PBDs), there is a defined investment process that is followed in accordance with guidelines determined by a constituted investment committee. PBDs are acquired from various credit providers in multiple sectors. Valuations are determined by projecting the present value of anticipated monthly collections, net of directly attributable collection costs, using past performance characteristics applicable to similar PBDs. Said valuations are ultimately presented to the investment committee to decide upon pricing and bidding strategy.

Collections process

The Insights, Data & Enterprise Analytics (IDEA) team continually develops and recalibrates insights and analytics used by operations to optimise the collection processes, and infrastructure, associated with non-performing debt collected.

Method of provisioning and fair valuing

PBDs are classified as purchased credit-impaired (POCI) financial assets (stage 3) on initial recognition based on the presumption that events that have a detrimental impact on the estimated future cash flows of these financial assets have occurred before acquisition and initial recognition. The classification of PBDs does not change subsequent to initial recognition, even in the unlikely event of the expected cash flows associated thereto returning to full contractual terms.

Any changes in lifetime Expected Credit Losses (ECLs) are recognised in profit or loss via an amortisation expense. The group recognises favourablefavourable changes in lifetime ECLs as an impairment gain, also via the amortisation charge, even if lifetime ECLs are less than the amount of ECLs that were included in the estimated cash flows on initial recognition.

Nutun utilises statistical techniques and models to value PBDs on a monthly basis. Each PBD is modelled based on the collection activity applied to it. A combination of inflows applicable to each PBD and the direct, activity-based, cost projections applicable thereto are used to determine a net cash flow per month for 120 months, which is subsequently discounted to present value using a credit-adjusted effective interest rate to determine its amortised cost value. The movement in amortised cost value per month is recorded in the income statement.

Nutun continually performs statistical analysis on a multitude of macro-economic factors, namely, prime interest rates, unemployment rates, petrol prices, USD/ZAR exchange rates, GDPs and CPIs. Regression analysis shows that economic factors do not add explanatory information to the model as there is no significant correlation, hence they are not included in the analysis.

Carrying value of purchased book debts

The current economic climate where interest rates continue to rise, continues to impact the operations of the business and the debtors from which we collect. In SA the Nutun business model continues to gain relevance as consumers' ability to service their debts has become impaired as a result of less disposal income, leaving consumer facing entities with significantly larger NPL portfolios to manage.

Within SA, electricity shortages have adversely impacted the collections operations where network outages has hindered connectivity with debtors and as a result the overall collections.

Nutun will continue to amortise the carrying value of its purchased book debts at a more conservative rate further strengthening its balance sheet and improving its quality of earnings.

9 Financial risk management continued

9.1 Credit risk continued

9.1.1 Financial assets subject to risk

	Loans and advances* Rm	Other loans receivable Rm	Trade and other receivables** Rm	Purchased book debts Rm	Total Rm
31 March 2023 – Unaudited					
Neither past due nor impaired	**6 002**	**132**	**1 240**	**–**	**7 374**
Past due but not impaired	**6 748**	**–**	**95**	**–**	**6 843**
Impaired	**4 725**	**6**	**21**	**–**	**4 752**
Purchased credit-impaired financial assets	**–**	**–**	**–**	**4 636**	**4 636**
Impairment allowance***	**(2 571)**	**(6)**	**(13)**	**–**	**(2 590)**
Performing loans and advances	**(1 239)**	**–**	**–**	**–**	**(1 239)**
Non-performing loans and advances	**(1 332)**	**–**	**–**	**–**	**(1 332)**
Non-performing other loans receivable	**–**	**(6)**	**–**	**–**	**(6)**
Non-performing trade and other receivables	**–**	**–**	**(13)**	**–**	**(13)**
Carrying value of financial assets	**14 904**	**132**	**1 343**	**4 636**	**21 015**

	Loans and advances* Rm	Other loans receivable Rm	Trade and other receivables** Rm	Purchased book debts Rm	Total Rm
31 March 2022 – Unaudited					
Neither past due nor impaired	7 123	78	827	–	8 028
Past due but not impaired	5 022	–	53	–	5 075
Impaired	3 277	6	16	–	3 299
Purchased credit-impaired financial assets	–	–	–	3 954	3 954
Impairment allowance	(750)	(6)	(11)	–	(767)
Performing loans and advances	(322)	–	–	–	(322)
Non-performing loans and advances	(428)	–	–	–	(428)
Non-performing other loans receivable	–	(6)	–	–	(6)
Non-performing trade and other receivables	–	–	(11)	–	(11)
Carrying value of financial assets	14 672	78	885	3 954	19 589

* *IFRS 7 disclosures relate to loans and advances and exclude the impact of repossessed vehicles on hand and ceded insurance contract liabilities.*

** *Dealer incentive commissions, prepayments, VAT receivables and deposits relating to property purchase transactions are not financial assets and therefore have been excluded from trade and other receivables.*

In the prior financial year, the group reclassified the presentation of trade and other receivables. To enhance disclosure, derivative assets, which were previously presented as part of trade and other receivables are now disclosed separately. Comparative information for 31 March 2022 has been restated accordingly.

*** *Provision coverage has Increased in the current year as a result of re-basing the business to align with the current economic climate and customer behaviour which includes providing for higher expected credit losses on the loan portfolio as well as lower required originations on the front end given current risk appetite within the business which results in an overall lower blended recovery value.*

9 Financial risk management continued

9.1 Credit risk continued

9.1.1 Financial assets subject to risk continued

	Loans and advances* Rm	Other loans receivable Rm	Trade and other receivables** Rm	Purchased book debts Rm	Total Rm
30 September 2022 – Audited					
Neither past due nor impaired	6 397	126	1 111	–	7 634
Past due but not impaired	5 817	–	63	–	5 880
Impaired	3 166	6	16	–	3 188
Purchased credit-impaired financial assets	–	–	–	4 208	4 208
Impairment allowance	(562)	(6)	(14)	–	(582)
Performing loans and advances	(271)	–	–	–	(271)
Non-performing loans and advances	(291)	–	–	–	(291)
Non-performing other loans receivable	–	(6)	–	–	(6)
Non-performing trade and other receivables	–	–	(14)	–	(14)
Carrying value of financial assets	14 818	126	1 176	4 208	20 328

* *IFRS 7 disclosures relate to loans and advances and exclude the impact of repossessed vehicles on hand and ceded insurance contract liabilities.*

** *Dealer incentive commissions, prepayments, VAT receivables and deposits relating to property purchase transactions are not financial assets and therefore have been excluded from trade and other receivables.*

9.1.2 Valuation of collateral

The group typically holds vehicles (taxis and private consumer vehicles) as collateral against secured advances. In SA Taxi, the taxis are insured by way of comprehensive motor policy (including violation cover). Any security taken as part of the credit decision is valued according to the applicable credit policies at the time of credit approval and at regular intervals thereafter. The market value of collateral over the secured debt is calculated with reference to the expected recovery being the violation insurance claim (through Guardrisk), or selling prices achieved in the active second hand taxi market less costs to repair (non Guardrisk), whichever is applicable.

The carrying values of each vehicle in possession has been tested for impairment against current valuations. Impairments are as a result of an analysis of market related valuations prepared for each vehicle. Valuations have been updated to limit vehicle price increases as well as account for SA Taxi's blended recovery (which assumes a mix of both repair and refinance as well as cash sale or salvage recovery) to align with change in business strategy in the current year.

Due to the specialised nature of the group's businesses, a certain degree of concentration in the collateral underpinning the various portfolios cannot be avoided. At the statement of financial position date, the group did not consider there to be any significant concentration of credit risk which has not been adequately provided for.

9 **Financial risk management** continued

9.1 **Credit risk** continued

9.1.2 **Valuation of collateral** continued

	31 March 2023 Unaudited Rm	31 March 2022 Unaudited Rm	30 September 2022 Audited Rm
Related credit risk exposure and enhancements*			
Maximum exposure to credit risk of loans and advances	**17 475**	15 422	15 380
Impairment allowance	**(2 571)**	(750)	(562)
Maximum exposure to credit losses of loans and advances	**14 904**	14 672	14 818
Ceded insurance contract liabilities	**(183)**	(54)	(10)
Maximum exposure to credit losses of loans and advances (after the effect of ceded insurance contract liabilities)	**14 721**	14 618	14 808
Credit risk exposure mitigated through unguaranteed residual asset values held as collateral			
Total	**16 698**	20 211	15 765
Vehicles**	**1 551**	20 211	2 064
Insurance claim***	**15 147**	–	13 701
Total vehicles**	**1 551**	20 211	2 064
Fair value of collateral held for impaired financial assets	**343**	3 050	250
Fair value of collateral held for financial assets past due but not specifically impaired	**312**	6 045	404
Fair value of collateral held for financial assets neither past due nor impaired	**896**	11 116	1 410
Total insurance claim***	**15 147**	–	13 701
Fair value of collateral held for impaired financial assets	**3 095**	–	2 699
Fair value of collateral held for financial assets past due but not specifically impaired	**5 844**	–	5 009
Fair value of collateral held for financial assets neither past due nor impaired	**6 208**	–	5 993

* *The fair value of collateral held for impaired non financial assets R37 million (31 March 2022: R113 million, 30 September 2022: R145 million).*

** *In the prior year collateral comprised of vehicles only. Following amendments to the terms and conditions of underlying insurance contracts, effective from 1 September 2022, collateral attached comprises an insurance claim (for absconsion and violation cover where customers are insured with Guardrisk from 1 September 2022) and vehicles (for customers not insured with Guardrisk).*

*** *The amendments to the terms and conditions of the underlying insurance contracts since 1 September 2022 has resulted in collateral in the form of an insurance claim where the reduction in collateral value is due to the claim amount being limited to the loan exposure. Where the collateral value is greater than the loan exposure, this benefit accrues to the insurer and is not collateral for loans and advances.*

9 Financial risk management continued

9.1 Credit Risk continued

9.1.3 Loans and advances that are neither past due nor impaired

	31 March 2023 Unaudited Rm	31 March 2022 Unaudited Rm	30 September 2022 Audited Rm
Carrying amount of loans and advances that are neither past due nor impaired	**6 002**	7 123	6 397
Credit quality			
High	**2 141**	2 151	2 031
Medium	**1 418**	1 561	1 383
Low	**2 443**	3 411	2 983

The credit quality of loans and advances is determined as follows:

SA Taxi and Gomo, in conjunction with TransUnion, have developed a bespoke application scorecard to assess credit quality when granting loans. The scorecard uses demographic, vehicle, route and credit bureau information to determine the risk of the deal. A detailed affordability assessment is also performed to mitigate risk.

In addition to the loans and advances disclosed above, other loans receivables have been assessed as having no significant increased credit risk based on the nature of the counterparty and the recent payment history. Similarly, trade and other receivables have been deemed to not have significant increased credit risk as all the debtors are on standard terms with minimal write-off's and limited concentration to individual debtors.

Financial assets that are past due but not impaired are assets where contractual interest or principal payments are past due, but the group believes that impairment is not appropriate. Recent payment history and the level of collateral available, if any, are key considerations in determining whether an asset is impaired.

Credit impaired financial assets are determined considering both ageing and recency of payments for both Gomo and SA Taxi, with Gomo also considering legal and/or debt review status.

SA Taxi:

SA Taxi customers are mostly cash payers given that they earn their fares from commuters in cash. Recency provides an understanding of the cash flow that is generated from the underlying asset which is indicative of a customers' ability to make payment on the underlying loan. The impairment provision calculated on loans and advances disclosed as past due but not impaired are measured applying lifetime expected credit losses. Of the R2.4 billion (31 March 2022: R2.4 billion, 30 September 2022: R1.8 billion) reflected as part of past due but not impaired (older than 4 months), a qualifying payment was received on accounts reflecting an exposure balance of R592 million (24%) (31 March 2022: R1.85 billion (76%), 30 September 2022: R1.4 billion (79%)) in the most recent month, with the remaining 76% (31 March 2022: 24%, 30 September 2022: 21%) being collected in the two months prior to the most recent month.

SA Taxi's models continue to reflect the customers' financial performance information while on book (including their performance over the period affected by COVID 19) and historical performance remains a strong indicator of future performance with the impact of Covid 19 and prolonged economic strain (which is expected to continue in the mid-term) is embedded into the underlying impairment provision.

Gomo:

The impairment provision calculated on loans and advances disclosed as past due but not impaired are measured applying lifetime expected credit losses whilst the provision on neither past due nor impaired loans are based on 12 month expected credit losses unless the loan is classified as SICR.

Our models continue to reflect the customers' financial performance information while on book and historical performance remains a strong indicator of future performance.

9 Financial risk management continued

9.1 Credit Risk continued

9.1.3 Loans and advances that are neither past due nor impaired continued

The ageing of loans and advances and trade and other receivables that are past due but not impaired is as follows:

	Past due up to 1 month Rm	Past due up to 1-2 months Rm	Past due up to 2-3 months Rm	Past due up to 3-4 months Rm	Past due older than 4 months Rm	Total Rm
31 March 2023 – Unaudited						
Loans and advances	**1 772**	**1 231**	**726**	**578**	**2 441**	**6 748**
Trade and other receivables	**47**	**17**	**12**	**9**	**10**	**95**
Financial assets that are past due but not impaired	**1 819**	**1 248**	**738**	**587**	**2 451**	**6 843**
31 March 2022 – Unaudited						
Loans and advances*	1 327	658	327	263	2 447	5 022
Trade and other receivables	25	9	7	5	7	53
Financial assets that are past due but not impaired	1 352	667	334	268	2 454	5 075
30 September 2022 – Audited						
Loans and advances*	2 009	1 172	505	293	1 838	5 817
Trade and other receivables	16	18	9	9	11	63
Financial assets that are past due but not impaired	2 025	1 190	514	302	1 849	5 880

* *IFRS 7 disclosures relate to loans and advances and exclude the impact of repossessed vehicles on hand and ceded insurance contract liabilities.*

9.1.3 Impairment provision reconciliation

Loans and advances	12 month expected credit losses Rm	Lifetime expected credit losses Rm	Credit impaired financial assets Rm	Total Rm
31 March 2023 – Unaudited				
Balance at the beginning of the year	**3**	**268**	**291**	**562**
Originations	**7**	**6**	**2**	**15**
Existing book movements	**23**	**934**	**1 059**	**2 016**
Write-offs	**–**	**–**	**(18)**	**(18)**
Derecognition (settlements in the ordinary course of business)	**(1)**	**(1)**	**(2)**	**(4)**
Balance at the end of the period*	**32**	**1 207**	**1 332**	**2 571**
31 March 2022 – Unaudited				
Balance at the beginning of the year	5	342	328	675
Originations	2	1	1	4
Existing book movements	8	(19)	145	134
Write-offs	(1)	(15)	(43)	(59)
Derecognition (settlements in the ordinary course of business)	–	(1)	(3)	(4)
Balance at the end of the period*	14	308	428	750
30 September 2022 – Audited				
Balance at the beginning of the year	5	342	328	675
Originations	3	1	17	21
Existing book movements	(3)	(31)	47	13
Write-offs	(1)	(43)	(97)	(141)
Derecognition (settlements in the ordinary course of business)	(1)	(1)	(4)	(6)
Balance at the end of the period*	3	268	291	562

* *IFRS 7 disclosures relate to loans and advances and exclude the impact of repossessed vehicles on hand and ceded insurance contract liabilities.*

9 Financial risk management continued

9.1 Credit Risk continued

9.1.4 Impairment provision reconciliation continued

The maximum exposure to credit risk of loans and advances at the financial period end is analysed further as follows:

Loans and advances	12 month expected credit losses Rm	Lifetime expected credit losses Rm	Credit impaired financial assets Rm	Total Rm
31 March 2023 – Unaudited				
Neither past due nor impaired	**6 002**	**–**	**–**	**6 002**
Past due not impaired	**1 215**	**5 533**	**–**	**6 748**
Impaired	**–**	**–**	**4 725**	**4 725**
Impairment allowance	**(32)**	**(1 207)**	**(1 332)**	**(2 571)**
Performing loans and advances	**(32)**	**(1 207)**	**–**	**(1 239)**
Non-performing loans and advances	**–**	**–**	**(1 332)**	**(1 332)**
Carrying value of financial assets*	**7 185**	**4 326**	**3 393**	**14 904**
31 March 2022 – Unaudited				
Neither past due nor impaired	7 123	–	–	7 123
Past due not impaired	902	4 120	–	5 022
Impaired	–	–	3 277	3 277
Impairment allowance	(14)	(308)	(428)	(750)
Performing loans and advances	(14)	(308)	–	(322)
Non-performing loans and advances	–	–	(428)	(428)
Carrying value of financial assets*	8 011	3 812	2 849	14 672
30 September 2022 – Audited				
Neither past due nor impaired	6 396	1	–	6 397
Past due not impaired	1 316	4 501	–	5 817
Impaired	–	–	3 166	3 166
Impairment allowance	(3)	(268)	(291)	(562)
Performing loans and advances	(3)	(268)	–	(271)
Non-performing loans and advances	–	–	(291)	(291)
Carrying value of financial assets*	7 709	4 234	2 875	14 818

* *IFRS 7 disclosures relate to loans and advances and exclude the impact of repossessed vehicles on hand and ceded insurance contract liabilities.*

9 **Financial risk management** continued

9.2 Liquidity risk management

The table below analyses financial liabilities at the balance sheet date to the contractual maturity dates. The amounts disclosed in the table are the contractual undiscounted cash flows.

		Undiscounted contractual cash flows							
	Carrying amount Rm	**Total Rm**	**On demand Rm**	**Within 1 year Rm**	**From 1-2 years Rm**	**From 2-3 years Rm**	**From 3-4 years Rm**	**From 4-5 years Rm**	**More than 5 years**
31 March 2023 – Unaudited									
Liabilities									
Bank overdrafts	**531**	**531**	**531**	**–**	**–**	**–**	**–**	**–**	**–**
Other short-term borrowings	**14**	**14**	**14**	**–**	**–**	**–**	**–**	**–**	**–**
Trade and other payables*	**1 467**	**1 467**	**310**	**706**	**451**	**–**	**–**	**–**	**–**
Derivative liabilities	**17**	**17**	**–**	**17**	**–**	**–**	**–**	**–**	**–**
Interest-bearing liabilities**	**24 548**	**30 226**	**–**	**7 525**	**10 739**	**5 327**	**3 455**	**2 585**	**595**
Lease liabilities	**722**	**800**	**–**	**173**	**167**	**113**	**105**	**74**	**168**
Put option liability	**3 766**	**4 406**	**–**	**748**	**1 549**	**–**	**2 109**	**–**	**–**
Financial liabilities	**31 065**	**37 461**	**855**	**9 169**	**12 906**	**5 440**	**5 669**	**2 659**	**763**
Non-financial liabilities	**2 726**	**2 726**	**1 418**	**1 308**	**–**	**–**	**–**	**–**	**–**
Total liabilities	**33 791**	**40 187**	**2 273**	**10 477**	**12 906**	**5 440**	**5 669**	**2 659**	**763**

		Undiscounted contractual cash flows							
	Carrying amount Rm	Total Rm	On demand Rm	Within 1 year Rm	From 1-2 years Rm	From 2-3 years Rm	From 3-4 years Rm	From 4-5 years Rm	More than 5 years Rm
31 March 2022 – Unaudited									
Liabilities									
Bank overdrafts	450	450	450	–	–	–	–	–	–
Other short-term borrowings	32	32	32	–	–	–	–	–	–
Trade and other payables*	806	806	285	521	–	–	–	–	–
Derivative liabilities	99	99	–	99	–	–	–	–	–
Interest-bearing liabilities**	19 381	23 334	–	8 440	5 093	5 191	2 142	1 990	478
Lease liabilities	425	457	–	140	124	100	45	32	16
Put option liability	3 836	4 829	–	–	960	1 247	–	2 622	–
Financial liabilities	25 029	30 007	767	9 200	6 177	6 538	2 187	4 644	494
Non-financial liabilities	1 996	1 996	1 460	536	–	–	–	–	–
Total liabilities	27 025	32 003	2 227	9 736	6 177	6 538	2 187	4 644	494

* *Revenue received in advance, VAT payables and bonus accruals are not financial liabilities and therefore have been excluded from trade and other payables and included in the non-financial liabilities. Trade and other payables as disclosed at 31 March 2022 have been restated for the finalisation of the provisional accounting for the WBC group acquisition.*

** *Future cash outflows in respect of interest bearing liabilities (capital and interest as per the cross currency swap, i.e. on a net hedged basis to the swap counterparty).*

At 30 September 2022, the group amended the maturity analysis for liabilities disclosed above by further disaggregating the categories that were previously shown. 31 March 2022 disclosures have been amended accordingly for the disaggregation. The 31 March 2022 interest-bearing liabilities have further been restated for the presentation of the maturity buckets.

9 **Financial risk management** continued

9.2 Liquidity risk management continued

		Undiscounted contractual cash flows							
	Carrying amount Rm	**Total Rm**	**On demand Rm**	**Within 1 year Rm**	**From 1-2 years Rm**	**From 2-3 years Rm**	**From 3-4 years Rm**	**From 4-5 years Rm**	**More than 5 years Rm**
30 September 2022 – Audited									
Liabilities									
Bank overdrafts	818	818	818	–	–	–	–	–	–
Other short-term borrowings	23	23	23	–	–	–	–	–	–
Trade and other payables*	1 114	1 114	388	575	114	–	37	–	–
Derivative liabilities	19	19	–	19	–	–	–	–	–
Interest-bearing liabilities**	21 862	26 676	–	10 033	6 076	5 088	2 367	1 829	1 283
Lease liabilities	715	880	–	187	191	140	108	97	157
Put option liability	4 042	4 889	–	–	835	1 812	–	2 242	–
Financial liabilities	28 593	34 419	1 229	10 814	7 216	7 040	2 512	4 168	1 440
Non-financial liabilities	2 190	2 190	1 158	869	163	–	–	–	–
Total liabilities	30 783	36 609	2 387	11 683	7 379	7 040	2 512	4 168	1 440

* *Revenue received in advance, VAT payables and bonus accruals are not financial liabilities and therefore have been excluded from trade and other payables and included in the non-financial liabilities.*

** *Future cash outflows in respect of interest bearing liabilities (capital and interest as per the cross currency swap, i.e. on a net hedged basis to the swap counterparty)*

The group has access to financing facilities as described below, of which R2 997 million were unused as at 31 March 2023 (31 March 2022: R5 501 million, 30 September 2022: R6 165 million). The group expects to meet its other obligations from operating cash flows and proceeds of maturing financial assets.

	31 March 2023 Unaudited Rm	**31 March 2022 Unaudited Rm**	**30 September 2022 Audited Rm**
Unsecured bank overdraft facility, reviewed annually and payable on demand:			
Amount used	**250**	194	293
Amounts unused	**50**	113	7
Total	**300**	307	300
Secured bank overdraft and other short term facilities:			
Amount used	**295**	288	548
Amounts unused	**85**	152	317
Total	**380**	440	865
Unsecured bank loan facilities which may be extended by mutual agreement:			
Amount used	**435**	–	222
Amounts unused	**365**	–	128
Total	**800**	–	350
Secured bank loan facilities which may be extended by mutual agreement:			
Amount used	**24 113**	19 381	21 640
Amounts unused	**2 497**	5 236	5 713
Total	**26 610**	24 617	27 353

9 Financial risk management continued

9.3 Fair value disclosure

The following represents the fair values of financial instruments not carried at fair value on the statement of financial position, but for which fair value is required to be disclosed. For all other financial instruments, the carrying value is equal to or a reasonable approximation of the fair value.

	31 March 2023				
	Carrying value	Total fair value			
	Unaudited		Level 1	Level 2	Level 3
	Rm	Rm	Rm	Rm	Rm
Assets					
Loans and advances*	14 904	14 925	–	–	14 925
Purchased book debts	4 636	4 636	–	–	4 636
Financial assets at amortised cost	19 540	19 561	–	–	19 561
Liabilities					
Interest-bearing liabilities	24 548	25 084	–	–	25 084
Fixed rate liabilities	514	509	–	–	509
Floating rate liabilities	24 034	24 575	–	–	24 575
Put option liability	3 766	3 429	–	–	3 429
Financial liabilities at amortised cost	28 314	28 513	–	–	28 513

* *IFRS 7 disclosures relate to loans and advances and exclude the impact of repossessed vehicles on hand and ceded insurance contract liabilities.*

Valuation methods and assumptions:

Loans and advances for premium vehicles entered into at variable interest rates approximate fair value as the estimated future cash flows are already considered in the expected loss model. The fair value of loans and advances for premium vehicles at fixed interest rates, which is a small component of the loan book, is determined by adjusting the discount rate from the effective interest rate of the contract to a current effective lending rate. Loans and advances for entry-level vehicles and the shortfall book are carried at fair value, refer “level disclosure” on note 9.4 for additional information in this regard.

Purchased book debt is held at amortised cost. The balance at year end is calculated based on the expected future cash flows which are adjusted for risk as it takes historical cash flows into account to predict forecasted cash flows. The fair value of purchased book debt is determined by adjusting the discount rate from the credit-adjusted effective interest rate to a current market related discount rate and adjusting the expected cash flows for risk, therefore the carrying value approximates the fair value.

The fair value of interest-bearing liabilities is calculated based on future cash flows, discounted using a forward rate curve plus a valuation margin. The valuation margin is a consensus margin at which deals with similar remaining cash profiles could be secured in the market at the valuation date.

The put option liabilities over non-controlling interests are carried at amortised cost. The fair values of the put option liabilities are calculated by applying a price earnings multiple to the profits of Synergy and the adjusted profits of WBC for the 12 months ending on the date in which the put option is exercised. The re-measured value is calculated by adjusting the discount rate to a current effective lending rate.

The carrying value of trade and other receivables, cash and cash equivalents, trade and other payables and bank overdrafts approximates fair value as they are short-term in nature and not subject to material changes in credit risk and fair value.

		31 March 2022					30 September 2022			
	Carrying value	Total fair value	Level 1	Level 2	Level 3	Carrying value	Total fair value	Level 1	Level 2	Level 3
	Unaudited					Audited				
	Rm	Rm	Rm	Rm	Rm	Rm	Rm	Rm	Rm	Rm
	14 672	14 674	–	–	14 674	14 818	14 824	–	–	14 824
	3 954	3 954	–	–	3 954	4 208	4 208	–	–	4 208
	18 626	18 628	–	–	18 628	19 026	19 032	–	–	19 032
	19 381	19 447	–	–	19 447	21 862	22 139	–	–	22 139
	863	864	–	–	864	671	672	–	–	672
	18 518	18 583	–	–	18 583	21 191	21 467	–	–	21 467
	3 836	3 836	–	–	3 836	4 042	3 758	–	–	3 758
	23 217	23 283	–	–	23 283	25 904	25 897	–	–	25 897

9 Financial risk management continued

9.4 Level disclosure

31 March 2023 – Unaudited	Level 1 Rm	Level 2 Rm	Level 3 Rm	Total Rm
Financial assets at fair value through profit and loss				
Loans and advances: entry-level vehicles	–	–	13	13
Other financial assets	–	–	460	460
Other investments**	933	–	49	982
Derivatives***	–	1	18	19
Financial assets at fair value through other comprehensive income				
Derivatives***	–	361	–	361
Total financial assets	933	362	540	1 835
Financial liabilities at fair value through profit and loss				
Derivatives***	–	8	–	8
Contingent consideration****	–	–	627	627
Financial liabilities at fair value through other comprehensive income				
Derivatives***	–	8	–	8
Total financial liabilities	–	16	627	643

31 March 2022 – Unaudited	Level 1 Rm	Level 2 Rm	Level 3 Rm	Total Rm
Financial assets at fair value through profit and loss				
Loans and advances: entry-level vehicles	–	–	18	18
Loans and advances: shortfall book*	–	–	25	25
Other Financial Assets	–	–	383	383
Other investments**	–	–	41	41
Derivatives***	–	10	–	10
Financial assets at fair value through other comprehensive income				
Derivatives***	–	33	–	33
Total financial assets	–	43	467	510
Financial liabilities at fair value through profit and loss				
Derivatives***	–	11	–	11
Contingent consideration (Restated)****	–	–	166	166
Financial liabilities at fair value through other comprehensive income				
Derivatives***	–	88	–	88
Total financial liabilities	–	99	166	265

* *The shortfall book was classified as a financial asset at fair value through profit or loss as its value would have been recovered through a sales transaction to collection agents by the group. During the current financial period the shortfall book was written off due to adverse market conditions.*

** *Other investments which have been categorised in level 1 comprise money market fund investments. The balance of other investments is categorised as level 3.*

*** *Derivatives consist of the following:*

- *The group enters into derivative financial instruments with respective counterparties. Interest rate swaps and cross-currency swaps are valued using valuation techniques, which employ the use of market observable inputs. The most frequently applied valuation techniques include forward pricing and swap models using present value calculations. The models incorporate various inputs including the foreign exchange spot and forward rates, yield curves of the respective currencies, currency basis spreads between the respective currencies and interest rate curves. These are categorised as level 2.*
- *The group, through WBC Holdings is party to a call option over the 25,1% shareholding in WBC Holdings. The call option is valued using a Black Scholes model taking into account the market value of WBC Holdings as well as the exercise price per the formula included in the WBC Holdings shareholders agreement. The call option derivative is categorised as level 3.*

**** *Rnil million (31 March 2022: R156 million, 30 September 2022: R118 million) of the contingent consideration relates to the investment into the WBC group, Rnil million (31 March 2022: R10 million, 30 September 2022: R3 million) relates to the investment in the Prushka group of entities and R192 million (31 March 2022: Rnil, 30 September 2022: R151 million) relates to the acquisition of the investment in Synergy, and R534 million relates to the acquisition of Milton Graham.*

In terms of IFRS 3: Business Combinations, the provisional accounting applied to the acquisition of WBC Holdings (Pty) Ltd was finalised during the prior financial year. As a result, the contingent consideration from the WBC Holdings business combination as previously disclosed on 31 March 2022 was increased byR15 million, and goodwill increased by R15 million. 31 March 2022 information has been restated accordingly.

9 Financial risk management continued

9.4 Level disclosure continued

30 September 2022 – Audited	Level 1 Rm	Level 2 Rm	Level 3 Rm	Total Rm
Financial assets at fair value through profit and loss				
Loans and advances: entry-level vehicles	–	–	18	18
Loans and advances: shortfall book*	–	–	25	25
Other Financial Assets	–	–	423	423
Other investments**	1 381	–	45	1 426
Derivatives***	–	2	269	271
Financial assets at fair value through other comprehensive income				
Derivatives***	–	422	–	422
Total financial assets	1 381	424	780	2 585
Financial liabilities at fair value through profit and loss				
Derivatives***	–	13	–	13
Contingent consideration****	–	–	272	272
Financial liabilities at fair value through other comprehensive income				
Derivatives***	–	7	–	7
Total financial liabilities	–	20	272	292

* *The shortfall book was classified as a financial asset at fair value through profit or loss as its value would have been recovered through a sales transaction to collection agents by the group. During the current financial period the shortfall book was written off due to adverse market conditions.*

** *Other investments which have been categorised in level 1 compromise money market fund investments. The balance of other investments is categorised as level 3.*

*** *Derivatives consist of the following:*

- *The group enters into derivative financial instruments with respective counterparties. Interest rate swaps and cross-currency swaps are valued using valuation techniques, which employ the use of market observable inputs. The most frequently applied valuation techniques include forward pricing and swap models using present value calculations. The models incorporate various inputs including the foreign exchange spot and forward rates, yield curves of the respective currencies, currency basis spreads between the respective currencies and interest rate curves. These are categorised as level 2.*
- *The group, through WBC Holdings is party to a call option over the 25,1% shareholding in WBC Holdings. The call option is valued using a Black Scholes model taking into account the market value of WBC Holdings as well as the exercise price per the formula included in the WBC Holdings shareholders agreement. The call option derivative is categorised as level 3.*

**** *Rnil million (31 March 2022: R156 million, 30 September 2022: R118 million) of the contingent consideration relates to the investment into the WBC group, Rnil million (31 March 2022: R10 million, 30 September 2022: R3 million) relates to the investment in the Prushka group of entities and R192 million (31 March 2022: Rnil, 30 September 2022: R151 million) relates to the acquisition of the investment in Synergy, and R534 million relates to the acquisition of Milton Graham.*

9 **Financial risk management** continued

9.4 Level disclosure continued

Valuation methods and assumptions:

Loans and advances for entry-level vehicles: The fair value was calculated using an income approach (estimating and discounting future cashflow) as well as the average collateral value. These represent the significant unobservable parameters applied in the fair value model. The expected cash flows were estimated using a lifetime expected loss model which is consistent with the IFRS 9 provision methodology. The expected cashflows were then discounted at the market related discount rate of 25% to yield a fair value of the total loans and advances for entry-level vehicles.

Loans and advances for the shortfall book: the fair value was based on the valuation reports received from potential debt collection agents as the value will only be recovered through a sales transaction.

Other Financial Assets: The valuation of Other Financial Assets is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. These represent the significant unobservable parameters applied in the fair value model. The group estimates the expected cash flows by considering all the contractual terms of the financial instrument. The discount rate applied to the expected future cash flows reflects specific risk premiums relating to the asset. This includes government risk, single project customer, no previous experience with client and small stock premium for valuations less than R250 million. The discount rate applied to the additional purchase price is based on the current South African prime interest rate.

Other investments: The following valuation methods are used for other investments:

- The value of money market investments is determined by fund managers on a net asset value basis, which is the total value of the all assets in the portfolio including any income accrual and less permissible deductions from portfolio divided by the number of participatory interests in issue. Unit prices as calculated by fund managers and published daily.
- The value of other investments excluding money market investments are determined using applicable valuation techniques (commonly used by market participants for a similar investment) which use relevant observable inputs to the extent these are available and where unavailable, unobservable inputs are used.

Interest rate and cross currency swaps: The group enters into derivative financial instruments with respective counterparties. Interest rate swaps and cross-currency swaps are valued using valuation techniques, which employ the use of market observable inputs. The most frequently applied valuation techniques include forward pricing and swap models using present value calculations. The models incorporate various inputs including the foreign exchange spot and forward rates, yield curves of the respective currencies, currency basis spreads between the respective currencies and interest rate curves.

Call option derivative: The call option derivative is initially recognised by the group at fair value and subsequently measured at fair value through profit or loss. The call option derivative is a level 3 instrument in the fair value hierarchy. The call derivative is not traded in an active market and therefore the fair value is determined using a valuation technique. The valuation was performed using a Black Scholes model taking into account the spot price of WBC Holdings as well as the exercise price per the formula included in the WBC Holdings shareholders agreement. The spot price has been determined per valuation of WBC Holdings performed at 31 March 2023. Other inputs into the valuation model include time to expiration, risk free rate, expected dividend yield for WBC Holdings as well as the expected volatility.

Contingent consideration: The group is party to acquisitions of subsidiaries which contain contingent payments arrangements. The valuation of the contingent considerations is based on the estimated future cash flows as determined in terms of the specific purchase agreement. The fair values of the contingent liabilities are remeasured at each reporting date.

9 Financial risk management continued

9.4 Level disclosure continued

Reconciliation of level 3 fair value measurements of financial assets

31 March 2023 – Unaudited	Fair value through profit or loss Rm	Fair value through other comprehensive income Rm	Total Rm
Financial assets			
Opening balance	**780**	**–**	**780**
Total gains or losses			
In profit or loss	**(302)**	**–**	**(302)**
Other movements*	**62**	**–**	**62**
Closing balance of fair value measurement for financial assets	**540**	**–**	**540**
Financial liabilities			
Opening balance	**272**	**–**	**272**
Total gains or losses			
In profit or loss	**16**	**–**	**16**
Other movements*	**339**	**–**	**339**
Closing balance of fair value measurement for financial liabilities	**627**	**–**	**627**

31 March 2022 – Unaudited	Fair value through profit or loss Rm	Fair value through other comprehensive income Rm	Total Rm
Financial assets			
Opening balance	338	–	338
Initial recognition of additional financial assets			
Other investments	41	–	41
Total gains or losses			
In profit or loss	43	–	43
Other movements*	45	–	45
Closing balance of fair value measurement for financial assets	467	–	467
Financial liabilities**			
Opening balance	166	–	166
Total gains or losses			
Other movements*	15	–	15
Closing balance of fair value measurement for financial liabilities	181	–	181

9 Financial risk management continued

9.4 Level disclosure continued

30 September 2022 – Audited	Fair value through profit or loss Rm	Fair value through other comprehensive income Rm	Total Rm
Financial assets			
Opening balance	338	–	338
In profit or loss	312	–	312
Other movements*	130	–	130
Closing balance of fair value measurement for financial assets	780	–	780
Financial liabilities			
Opening balance	166	–	166
In profit or loss	(46)	–	(46)
Other movements*	152	–	152
Closing balance of fair value measurement for financial liabilities	272	–	272

* *Other movements include the following:*
- *charges on accounts less collections received and write-off's on loans for entry-level vehicles as well as movements in Other Financial Assets;*
- *the recognition/derecognition of contingent liabilities resulting from business combinations in terms of IFRS 3: Business Combinations*

** *The financial liabilities as disclosed in the 31 March 2022 period have been restated for the effects of the finalisation of the provisional accounting for the WBC Holdings acquisition.*

Sensitivity analysis of valuations using unobservable inputs

As part of the group's risk management processes, stress tests are applied on the significant unobservable parameters to generate a range of potentially possible alternative valuations. The financial instruments that are most impacted by this sensitivity analysis are those with the more illiquid and/or structured portfolios. The stresses are applied independently and do not take account of any cross correlation between separate asset classes that would reduce the overall effect on the valuations. A significant parameter has been deemed to be one which may result in a change in the fair value of the asset or liability of more than 10%. This is demonstrated by the following sensitivity analysis, which includes a reasonable range of possible outcomes.

Below is an assessment of the impact that a 10% increase or a 10% decrease in the significant inputs would have on the fair values of level 3 financial assets and liabilities:

	31 March 2023 Unaudited		31 March 2022 Unaudited		30 September 2022 Audited	
Loans and advances: entry-level vehicles	**10% Increase Rm**	**10% Decrease Rm**	10% Increase Rm	10% Decrease Rm	10% Increase Rm	10% Decrease Rm
Significant unobservable input and description of assumption						
Average collateral value	**1**	**(1)**	1	(1)	1	(1)
Discount rate: the rate used to discount projected future cash flows to present value	**1**	**(<1)**	<1	(<1)	1	(<1)
Total	**2**	**(1)**	1	(1)	2	(1)

Amounts less than R500 000 are reflected as "<1"

9 Financial risk management continued

9.4 Level disclosure continued

Loans and advances: shortfall book*	31 March 2023 Unaudited 10% Increase Rm	31 March 2023 Unaudited 10% Decrease Rm	31 March 2022 Unaudited 10% Increase Rm	31 March 2022 Unaudited 10% Decrease Rm	30 September 2022 Audited 10% Increase Rm	30 September 2022 Audited 10% Decrease Rm
Significant unobservable input and description of assumption						
Cent in the Rand	**n/a**	**n/a**	3	(3)	3	(3)
Total	**n/a**	**n/a**	3	(3)	3	(3)

* *The shortfall book was written off in the current period due to adverse market conditions.*

Other Financial Assets	31 March 2023 Unaudited 10% Increase Rm	31 March 2023 Unaudited 10% Decrease Rm	31 March 2022 Unaudited 10% Increase Rm	31 March 2022 Unaudited 10% Decrease Rm	30 September 2022 Audited 10% Increase Rm	30 September 2022 Audited 10% Decrease Rm
Significant unobservable input and description of assumption						
Cash flows: change in the expected revenue	**78**	**(78)**	15	(20)	34	(34)
Cash flows: change in expected costs	**43**	**(43)**	2	(2)	3	(3)
Discount rate: the rate used to discount projected future cash flows to present value	**15**	**(15)**	8	(7)	15	(14)
Total	**136**	**(136)**	25	(29)	52	(51)

Contingent consideration – WBC Holdings acquisition**	31 March 2023 Unaudited 10% Increase Rm	31 March 2023 Unaudited 10% Decrease Rm	31 March 2022* Unaudited 10% Increase Rm	31 March 2022* Unaudited 10% Decrease Rm	30 September 2022 Audited 10% Increase Rm	30 September 2022 Audited 10% Decrease Rm
Significant unobservable input and description of assumption						
Cash flows: change in the earnings growth on which the contingent consideration is based**	**n/a**	**n/a**	17	(17)	n/a	n/a
Total	**n/a**	**n/a**	17	(17)	n/a	n/a

* *Restated for the effect of the finalisation of the provisional accounting for the WBC Holdings acquisition.*

** *The contingent consideration was settled in October 2022.*

9 Financial risk management continued

9.4 Level disclosure continued

Contingent consideration – Synergy Contact Centre	31 March 2023 Unaudited 10% Increase Rm	31 March 2023 Unaudited 10% Decrease Rm	31 March 2022 Unaudited 10% Increase Rm	31 March 2022 Unaudited 10% Decrease Rm	30 September 2022 Audited 10% Increase Rm	30 September 2022 Audited 10% Decrease Rm
Significant unobservable input and description of assumption						
Cash flows: change in the EBIT on which the contingent consideration is based	**7**	**(2)**	n/a	n/a	36	(4)
Total	**7**	**(2)**	n/a	n/a	36	(4)

Call option derivative	31 March 2023 Unaudited 10% Increase Rm	31 March 2023 Unaudited 10% Decrease Rm	31 March 2022 Unaudited 10% Increase Rm	31 March 2022 Unaudited 10% Decrease Rm	30 September 2022 Audited 10% Increase Rm	30 September 2022 Audited 10% Decrease Rm
Significant unobservable input and description of assumption						
Change in the spot price on which the valuation is based	**16**	**(9)**	n/a	n/a	105	(89)
Change in the risk free rate on which the valuation is based	**2**	**(2)**	n/a	n/a	15	(14)
Change in the dividend yield on which the valuation is based	**(1)**	**1**	n/a	n/a	(9)	9
Total	**17**	**(10)**	n/a	n/a	111	(94)

10 Business combinations

Subsidiaries acquired

Subsidiary	Acquirer	Principal activity	Date of acquisition	Proportion of voting equity interests held %	Consideration Rm
Milton Graham Australia	Recoveries Corporation Holdings Proprietary Limited	Agency collections	02/11/2022	**100**	**605**

10.1 Acquisition of Milton Graham Australia and Milton Graham New Zealand

Recoveries Corporation Holdings Proprietary Limited and Recoveries Corporation New Zealand Limited (together the Recoveries Corporation Holdings Group "RCH Group"), wholly-owned subsidiaries of Nutun Holdings acquired the receivables management business of Milton Graham Australia and Milton Graham New Zealand (together known and referred to as MG) on 2 November 2022.

MG is a debt collection recovery business, offering the following services to it's' clients:

- ▷ First party debt collection (BPO);
- ▷ Third party debt collection; and
- ▷ Consultancy services to optimise the way businesses manage their credit, customer relationships and debt collections.

Prior to the acquisition of the receivables management business of MG, Recoveries Corporation Holdings Proprietary Limited was diversified across the business services collection sectors. The acquisition of MG increases the debt collections sector exposure of the Transaction Capital Group.

10 Business combinations continued

10.1.1 Consideration for IFRS 3 purposes

	31 March 2023 Unaudited Rm
Cash	170
Contingent consideration	435
Total consideration	**605**

Included in the total consideration transferred is the fair value of an equity share issued to MG. The equity instrument does not entitle the holder to any voting or participation rights and is convertible into 40% of the ordinary shares of Recoveries Corporation Holdings Proprietary Limited ("RCH") on 1 October 2024. RCH has the option to redeem the instrument before conversion, calculated with reference to 40% of the market value of RCH.

10.1.2 Assets acquired and liabilities recognised at the date of acquisition

	31 March 2023 Unaudited Rm
Current liabilities	
Trade and other payables	10
Provisions	44
Net liabilities recognised	**54**

The initial accounting for the acquisition of MG has been provisionally determined at the end of the current reporting period.

10.1.3 Goodwill arising on acquisition

	31 March 2023 Unaudited Rm
Consideration for IFRS 3 purposes	605
Less: intangible assets identified from business combinations	(100)
Plus: deferred tax on intangible assets identified from business combinations	30
Plus: fair value of identifiable net liabilities recognised	54
Goodwill arising on acquisition	**589**

The consideration transferred for the business combination included amounts in relation to the benefit of expected cost and technology synergies, revenue growth, future market development and the complementary skills within the assembled workforce of MG. These benefits are not recognised separately from goodwill because they do not meet the recognition criteria for identifiable intangible assets.

None of the goodwill arising on this acquisition is expected to be deductible for tax purposes.

10.1.4 Net cash outflow on acquisition of subsidiary

	31 March 2023 Unaudited Rm
Consideration paid in cash	170
Less: cash and cash equivalents balance acquired	–
Net cashflow	**170**
Transaction costs of the acquisition (included in cash flows from operating activities)*	(31)

* *Acquisition-related costs of R31 million were expensed and included in non-operating profit/loss.*

10 Business combinations continued

10.1 Acquisition of Milton Graham Australia and Milton Graham New Zealand continued

10.1.5 Impact of acquisition on the results of the group

Included in profit attributable to ordinary shareholders of the group for the period ended 31 March 2023 is R7 million attributable to MG since acquisition date. Revenue for the period includes R100 million in respect of MG.

Had the business combination been effected at 1 October 2022, MG would have contributed additional revenue to the group of R22 million and an additional loss attributable to ordinary equity holders of the group of R 0.03 million.

10.2 Goodwill

Following the acquisition of MG, the movement of the group's goodwill for the period is analysed as follows:

	31 March 2023 Unaudited Rm	31 March 2022 Unaudited Restated* Rm	30 September 2022 Audited Rm
GOODWILL			
Balance at the beginning of the period	**4 754**	4 377	4 377
Impairment expense	**–**	–	(4)
Additions recognised from business combinations:	**589**	–	350
Milton Graham Australia and Milton Graham New Zealand	**589**	–	–
Synergy Contact Centre (Pty) Ltd	**–**	–	336
Synergy Outsource Limited	**–**	–	14
Effect of foreign currency exchange differences	**10**	(4)	31
Carrying value at the end of the period	**5 353**	4 373	4 754
Composition of goodwill per cash-generating unit			
SA Taxi components			
SA Taxi – Lending	**63**	63	63
SA Taxi – Insurance	**436**	436	436
SA Taxi – Rewards	**–**	4	–
Value Added Services	**100**	100	100
Nutun Holdings (Nutun) components:			
Nutun – South Africa	**341**	341	341
Synergy group	**351**	–	350
TCRS Australia	**1 076**	443	478
WeBuyCars*	**2 986**	2 986	2 986
Total goodwill	**5 353**	4 373	4 754

* *In terms of IFRS 3: Business Combinations, the provisional accounting applied to the acquisition of WBC Holdings (Pty) Ltd was finalised in August 2022. As a result, the contingent consideration from the business combination previously disclosed at 31 March 2022 has decreased by R15 million and goodwill has decreased by R15 million. The 31 March 2022 information has been restated accordingly.*

11 Segment report

The group is organised on the basis of products and services and the segments have been identified on this basis as reported to the chief executive officer (considered the chief operating decision maker). The accrual basis of accounting is applied for transactions between reportable segments. The principal business units in the group are as follows:

Mobalyz – SA Taxi

- ▷ A vertically integrated taxi platform incorporating a unique blend of vehicle procurement, retail, repossession and refurbishment capabilities with asset-backed developmental finance and insurance competencies for focused vehicle types.
- ▷ Revenue is mainly derived from interest earned on financing of vehicles and non-interest revenue streams, including revenue from the sale of vehicles, telematics services and insurance products.
- ▷ The SA Taxi segment includes Value-Added Services (Road Cover). Road Cover generates a stable source of subscription income, whilst providing access to greater market depth. SA Taxi has the potential to unlock further value through synergies with Road Cover to be realised from cost efficiencies and revenue uplift, gaining access to SA Taxi's client base.

Gomo

- ▷ Gomo was previously reported as part of the WeBuyCars segment and is now reported as a separate segment.
- ▷ Gomo enters into instalment sale agreements and rental agreements with individuals looking to finance the purchase of vehicles from WeBuyCars or pay for the right of use of vehicles sourced by Gomo from WeBuyCars.

Nutun

- ▷ Nutun delivers an augmented suite of digital customer services comprising capital-enabled services (CE services) and capital-light customer experience management services (CX services).
- ▷ Through CE services, Nutun mainly acts as a principal in acquiring and then collecting on NPL portfolios.
- ▷ Earnings from CX services primarily comprise revenue from contingency based collection services and fee-for-service income generated in South Africa, Australia and the UK.

WeBuyCars

- ▷ The WeBuyCars segment previously included TCMH corporate and Gomo (Pty) Ltd (Gomo). In the current year, the composition of this segment has been re-assessed by management. TCMH corporate is now reported as part of the group executive office segment, while Gomo is now reported as its own separate segment.
- ▷ The group holds an effective 74.2% controlling interest in the WBC group (WeBuyCars).
- ▷ Buyer, distributor and retailer of vehicles, which also offers financial and other allied products.
- ▷ Revenue comprises mainly gross margin on vehicle sales (vehicle margin), with additional gross margin earned on add-on products (product margin). The latter includes agency fees earned from finance, insurance related and allied products (F&I products) sold on behalf of major banks providing asset-backed and unsecured vehicle finance, leading insurance providers, as well as vehicle tracking businesses.

Group executive office (GEO)

- ▷ The group executive office provides an efficient capital management and treasury function for entities within the group, in addition to administrative and management services.
- ▷ Revenue comprises mainly of interest income and management fees from subsidiaries, the majority of which is eliminated on group consolidation.
- ▷ The numbers presented in the group executive office segment exclude group consolidation entries.

11 **Segment report** continued

	SA Taxi*			Nutun			WeBuyCars**		
	31 Mar 2023 Rm	**31 Mar 2022 Rm**	**30 Sep 2022 Rm**	**31 Mar 2023 Rm**	**31 Mar 2022 Rm**	**30 Sep 2022 Rm**	**31 Mar 2023 Rm**	**31 Mar 2022 Rm**	**30 Sep 2022 Rm**
Summarised income statement									
Revenue	**660**	807	1 725	**1 946**	1 298	2 988	**9 830**	8 241	17 875
Net interest income from the provision of financing to customers	**737**	867	1 643	**–**	–	–	**–**	–	–
Impairment of loans and advances	**(2 482)**	(436)	(1 003)	**–**	–	–	**–**	–	–
Net insurance result	**97**	209	411	**–**	–	–	**–**	–	–
Total operating expenses and cost of revenue	**(1 036)**	(1 057)	(2 329)	**(1 497)**	(1 001)	(2 303)	**(9 352)**	(7 685)	(16 799)
Net finance charge – not relating to provision of financing to customers	**(25)**	(13)	(68)	**(205)**	(93)	(235)	**(66)**	(25)	(72)
Finance income	**34**	15	34	**21**	17	31	**5**	11	23
Finance charge	**(59)**	(28)	(102)	**(226)**	(110)	(266)	**(71)**	(36)	(95)
Other income	**33**	3	205	**35**	19	76	**12**	10	24
Equity accounted income/(loss)	**(2)**	–	–	**1**	3	6	**3**	–	–
Non-operating profit	**–**	–	–	**182**	–	(39)	**(248)**	–	269
Profit before tax	**(2 018)**	380	584	**462**	226	493	**179**	541	1 297
Income tax expense	**(120)**	(105)	(105)	**(71)**	(61)	(124)	**(112)**	(135)	(266)
Profit for the period from continuing operations	**(2 138)**	275	479	**391**	165	369	**67**	406	1 031
Discontinued operations									
Loss for the period from discontinued operations	**(129)**	(55)	(114)	**(4)**	(1)	(33)	**–**	–	–
Profit for the period	**(2 267)**	220	365	**387**	164	336	**67**	406	1 031

* *SA Taxi and Group numbers have been restated for the classification of SA Taxi Auto as a discontinued operation in accordance with IFRS 5 – Non-current Assets Held for Sale and Discontinued Operations.*

** *WBC and GEO numbers have been restated for a change in the composition of the reportable segments.*

Gomo			Group Executive Office**			Intergroup Eliminations			Group*		
31 Mar 2023 Rm	31 Mar 2022 Rm	30 Sep 2022 Rm	31 Mar 2023 Rm	31 Mar 2022 Rm	30 Sep 2022 Rm	31 Mar 2023 Rm	31 Mar 2022 Rm	30 Sep 2022 Rm	31 Mar 2023 Rm	31 Mar 2022 Rm	30 Sep 2022 Rm
1	–	–	**–**	–	–	**–**	–	–	**12 437**	10 346	22 588
5	–	3	**–**	–	–	**5**	–	1	**747**	867	1 647
(11)	–	(4)	**–**	–	–	**–**	–	–	**(2 493)**	(436)	(1 007)
–	–	–	**–**	–	–	**–**	–	–	**97**	209	411
(37)	(9)	(44)	**(74)**	(49)	(106)	**36**	5	85	**(11 960)**	(9 796)	(21 496)
–	–	1	**(20)**	(16)	(9)	**(5)**	–	(1)	**(321)**	(147)	(384)
–	–	1	**94**	36	113	**(50)**	(41)	(124)	**104**	38	78
–	–	–	**(114)**	(52)	(122)	**45**	41	123	**(425)**	(185)	(462)
–	–	9	**(16)**	–	39	**(36)**	(5)	(85)	**28**	27	268
–	–	–	**(3)**	13	41	**–**	–	–	**(1)**	16	47
–	–	–	**(1)**	(5)	(5)	**70**	(126)	308	**3**	(131)	533
(42)	(9)	(35)	**(114)**	(57)	(40)	**70**	(126)	308	**(1 463)**	955	2 607
11	3	9	**21**	14	29	**–**	–	–	**(271)**	(284)	(457)
(31)	(6)	(26)	**(93)**	(43)	(11)	**70**	(126)	308	**(1 734)**	671	2 150
						–	–	–			
–	–	–	**–**	–	–	**–**	–	–	**(133)**	(56)	(147)
(31)	(6)	(26)	**(93)**	(43)	(11)	**70**	(126)	308	**(1 867)**	615	2 003

11 Segment report continued

	SA Taxi			Nutun			WeBuyCars*		
	31 Mar 2023 Rm	31 Mar 2022 Rm	30 Sep 2022 Rm	31 Mar 2023 Rm	31 Mar 2022 Rm	30 Sep 2022 Rm	31 Mar 2023 Rm	30 Mar 2022 Restated* Rm	30 Sep 2022 Restated* Rm
Summarised statement of financial position									
Assets									
Cash and cash equivalents	**1 255**	969	1 126	**391**	396	126	**98**	111	109
Other investments	**139**	–	120	**48**	40	44	**1**	356	1
Trade and other receivables	**1 148**	1 076	1 213	**808**	235	520	**253**	227	205
Inventories	**1 415**	1 695	1 936	**1**	1	1	**2 048**	1 246	1 853
Loans and advances	**14 499**	14 750	14 725	**–**	–	–	**–**		–
Purchased book debts	**–**	–	–	**4 636**	3 954	4 208	**–**	–	–
Equity accounted investments	**653**	–	656	**94**	81	90	**9**	–	8
Intangible assets	**144**	149	164	**434**	289	349	**1 757**	1 762	1 759
Property and equipment	**130**	162	195	**428**	186	401	**1 295**	1 080	1 300
Goodwill	**599**	603	599	**1 768**	784	1 169	**–**	–	–
Other assets	**806**	208	519	**326**	236	591	**50**	32	332
Total assets	**20 788**	19 612	21 253	**8 934**	6 202	7 499.	**5 511**	4 814	5 567
Liabilities									
Short-term borrowings	**200**	194	195	**281**	256	525	**–**	–	–
Trade and other payables	**515**	354	578	**1 032**	183	485	**228**	248	235
Insurance contract liabilities	**601**	251	180	**–**	–	–	**–**	–	–
Interest-bearing liabilities	**18 268**	15 068	16 725	**4 448**	2 953	3 145	**1 554**	1 271	1 491
Senior debt	**15 124**	13 436	14 326	**4 216**	2 691	2 832	**1 554**	1 271	1 491
Subordinated debt	**950**	825	950	**225**	–	150	**–**	–	–
Group loans	**2 194**	807	1 449	**7**	262	163	**–**	–	–
Lease liabilities	**125**	148	149	**392**	188	393	**176**	86	171
Put option liability	**–**	–	–	**433**	–	639	**–**	–	–
Other liabilities	**141**	326	130	**841**	571	703	**537**	521	547
Total liabilities	**19 850**	16 341	17 957	**7 427**	4 151	5 890	**2 495**	2 126	2 444
Total equity	**938**	3 271	3 296	**1 507**	2 051	1 609	**3 016**	2 688	3 123

* *WBC numbers have been restated for the finalisation of the provisional accounting for the WBC Holdings acquisition and for a change in the composition of the reportable segment.*

** *GEO numbers have been restated for a change in the composition of the reportable segment.*

Gomo			Group Executive Office**			Intergroup Eliminations			Group		
31 Mar 2023 Rm	31 Mar 2022 Rm	30 Sep 2022 Rm	**31 Mar 2023 Rm**	30 Mar 2022 Restated** Rm	30 Sep 2022 Restated** Rm	**31 Mar 2023 Rm**	31 Mar 2022 Rm	30 Sep 2022 Rm	**31 Mar 2023 Rm**	31 Mar 2022 Rm	30 Sep 2022 Restated* Rm
45	15	20	**48**	122	97	**–**	–	–	**1 837**	1 613	1 478
–	–	–	**794**	–	1 261	**–**	(355)	–	**982**	41	1 426
3	–	–	**64**	30	24	**(94)**	(90)	(39)	**2 182**	1 478	1 923
–	–	–	**–**	–	–	**–**	–	–	**3 464**	2 942	3 790
442	35	237	**–**	–	–	**–**	–	–	**14 941**	14 785	14 962
–	–	–	**–**	–	–	**–**	–	–	**4 636**	3 954	4 208
–	–	–	**386**	289	343	**–**	–	–	**1 142**	370	1 097
12	1	11	**3**	1	3	**1 046**	1 049	1 050	**3 396**	3 251	3 336
–	–	–	**32**	5	4	**–**	–	–	**1 885**	1 433	1 900
–	–	–	**–**	–	–	**2 986**	2 986	2 986	**5 353**	4 373	4 754
20	3	10	**8 318**	7 294	7 865	**(8 213)**	(7 228)	(7 816)	**1 307**	545	1 501
522	54	278	**9 645**	7 741	9 597	**(4 275)**	(3 638)	(3 819)	**41 125**	34 785	40 375
–	–	–	**50**	–	98	**–**	–	–	**531**	450	818
19	16	17	**114**	276	225	**(92)**	(100)	(34)	**1 816**	977	1 506
–	–	–	**–**	–	–	**–**	–	–	**601**	251	180
558	37	222	**2 044**	1 476	1 891	**(2 324)**	(1 424)	(1 612)	**24 548**	19 381	21 862
435	37	222	**2 044**	1 121	1 891	**–**	–	–	**23 373**	18 556	20 762
–	–	–	**–**	–	–	**–**	–	–	**1 175**	825	1 100
123	–	–	**–**	355	–	**(2 324)**	(1 424)	(1 612)	**–**	–	–
–	–	–	**29**	3	2	**–**	–	–	**722**	425	715
–	–	–	**–**	–	–	**3 333**	3 836	3 403	**3 766**	3 836	4 042
1	7	65	**9**	–	3	**278**	280	212	**1 807**	1 705	1 660
578	60	304	**2 246**	1 755	2 219	**1 195**	2 592	1 969	**33 791**	27 025	30 783
(56)	(6)	(26)	**7 399**	5 986	7 378	**(5 470)**	(6 230)	(5 788)	**7 334**	7 760	9 592

11 **Segment report** continued

Geographical information

The group operated in three principal geographical areas, South Africa, Australia and Europe. The group's total revenue by location and non-current assets by location are detailed below:

	Total revenue*			Non-current assets		
	31 March 2023 Rm	**31 March 2022 Restated** Rm**	**30 Sep 2022 Restated*** Rm**	**31 March 2023 Rm**	**31 March 2022 Rm**	**30 Sep 2022 Rm**
South Africa	**14 215**	11 727	25 975	**30 172**	27 294	30 080
Australia	**413**	585	607	**1 563**	1 048	895
Europe	**–**	15	24	**436**	364	384
Total	**14 628**	12 327	22 606	**32 171**	28 706	31 359

* *Revenue comprises gross revenue as presented on the income statement, gross interest income from financing of customers and the net insurance result.*

** *31 March 2022 information presented here has been restated for the reclassification of the income statement and the presentation of the SA Taxi Auto business as a discontinued operation.*

*** *30 September 2022 information presented here has been restated for the SA Taxi Auto business as a discontinued operation.*

12 Going concern

The condensed consolidated financial statements were prepared on a going concern basis. Based on their assessment, the directors have no reason to believe that the group will not continue as a going concern in the foreseeable future. This assessment included an assessment of the relevance of its business models, the nature of the primary assets and the cash-flows generated from these assets as well as the group's balance sheet.

Balance sheet and liquidity

The group has sufficient liquidity and financial flexibility to support underlying business operations as at 31 March 2023.

Refer to the liquidity risk management in note 9.2.

13 Subsequent events

No subsequent events which would have a material impact on either the financial position or operating results of the group have taken place between 31 March 2023 and the date of release of this report.

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