



Transaction Capital

TRANSACTION CAPITAL RESULTS PRESENTATION

FOR THE HALF YEAR ENDED 31 MARCH

2019



Transaction Capital

GROUP HIGHLIGHTS

2019

RESULTS FOR THE HALF YEAR ENDED 31 MARCH

FINANCIAL HIGHLIGHTS

HY19 COMPARED TO HY18



CEO: Terry Kier, 12-year group tenure

R211 MILLION **R10.1** BILLION

HEADLINE EARNINGS¹ ▲ 22%

GROSS LOANS & ADVANCES ▲ 14%

R327 MILLION **17.9%**

NON-INTEREST REVENUE ▲ 27%

NON-PERFORMING LOAN RATIO HY18 17.2%

22.8% **3.4%**

RETURN ON EQUITY HY18 25.7%

CREDIT LOSS RATIO HY18 3.7%



CEO: David Hurwitz, 14-year group tenure

R363 MILLION **59.4** CPS

HEADLINE EARNINGS¹ ▲ 17%

HEADLINE EARNINGS PER SHARE ▲ 17%

27 CPS **17%**

INTERIM DIVIDEND PER SHARE² ▲ 29%

FOREIGN INVESTOR BASE HY18 15%

R1.0 BILLION **810.4** CPS

EXCESS CAPITAL HY18 R650m

NET ASSET VALUE PER SHARE ▲ 30%



CEO: Dave McAlpin, 11-year group tenure

R134 MILLION **R1.7** BILLION

HEADLINE EARNINGS¹ ▲ 13%

PURCHASED BOOK DEBTS ▲ 68%

80.5% **R437** MILLION

COST-TO-INCOME RATIO HY18 81.0%

PRICE OF PURCHASE BOOK DEBTS ACQUIRED ▲ 97%

R977 MILLION **R3.6** BILLION

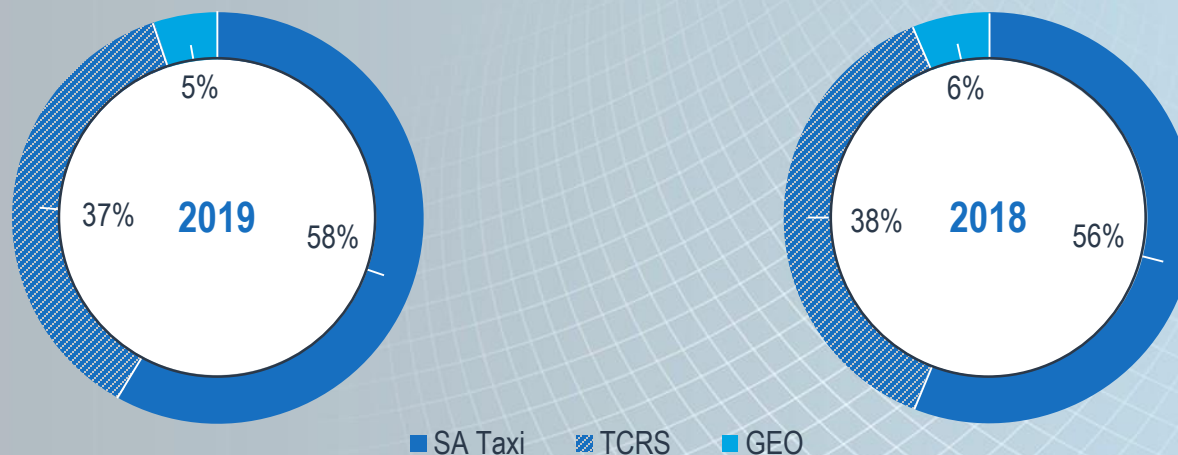
NON-INTEREST REVENUE ▲ 14%

ESTIMATED REMAINING COLLECTIONS ▲ 62%

Financial ratios exclude once-off non-cash costs of R81 million in accordance with IFRS 2 relating to SA Taxi's ownership transaction with SANTACO, & R3 million of early settlement debt costs, both arising in the first half of the 2019 financial year

1. Attributable to the group | 2. Dividend cover improved to 2.2 times (from 2.4 times at HY18)

COMPOSITION OF EARNINGS



	Rm 2019	Rm 2018	Growth 2019
Headline earnings			
SA Taxi ¹	211	173	▲ 22%
TCRS ¹	134	119	▲ 13%
Group executive office (GEO)	18	18	-
Total	363	310	▲ 17%
Cents per share	59.4	50.8	▲ 17%

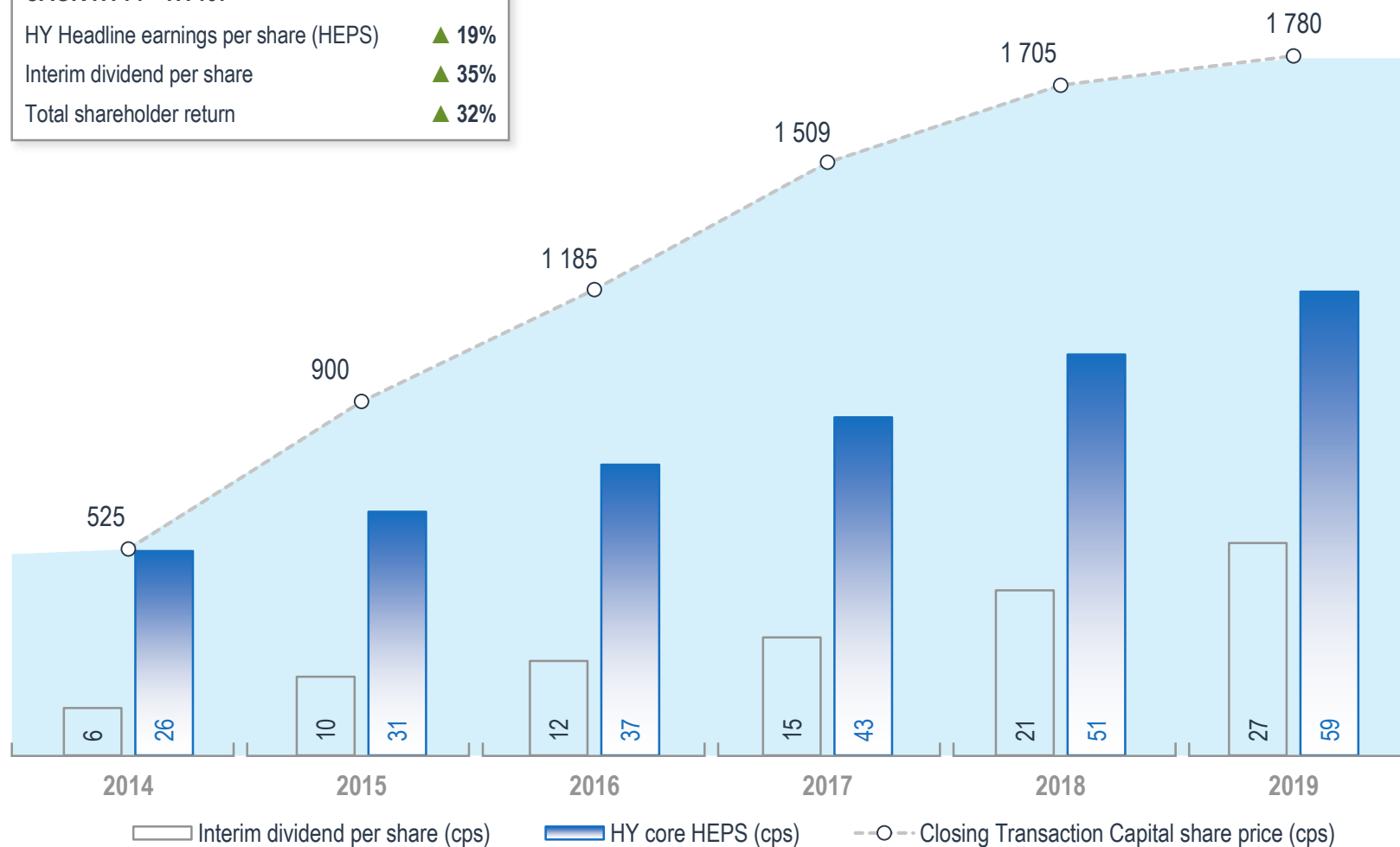
Financial ratios exclude once-off non-cash costs of R81 million in accordance with IFRS 2 relating to SA Taxi's ownership transaction with SANTACO, & R3 million of early settlement debt costs, both arising in the first half of the 2019 financial year

1. Attributable to the group

TRANSACTION CAPITAL 5 YEAR PERFORMANCE

CAGR HY14 – HY19:

HY Headline earnings per share (HEPS)	▲ 19%
Interim dividend per share	▲ 35%
Total shareholder return	▲ 32%



TCRS

Acquisition of non-performing loans as a principal

- 254 portfolios owned with face value **R23.5bn**
- 13 portfolios acquired for **R404m** in SA; face value of **R2.1bn** (HY18: 17 portfolios for **R218m**; face value of **R8.3bn**)
- Further investment of **R33m** in Australian portfolios (HY18: **R4m**)
- Purchased book debts ▲ **68%** to **R1 727m** (HY18: **R1 030m**)
- Estimated remaining collections ▲ **62%** to **R3.6bn**
- Longevity in the yield of principal portfolios on book, expected to support future positive performance

Robust performance from Recoveries Corporation in Australia

- Greater management depth
- Operational leverage via
 - › Investment into data & analytics
 - › TCRS's SA BI, payment automation & collection technologies implemented
 - › Outsourcing to SA's low-cost centre of excellence commenced
- Selective acquisition of non-performing loan portfolios

Transaction Capital Specialised Credit established

- Focusing on capital deployment to originate or acquire credit-orientated alternative assets
- TCBS focus & offering extended from SMEs to include underserved mid-tier corporate segment
- International specialised credit
 - › Fragmented segment of European market presents growth opportunity
 - › Co-invest alongside partner network of specialist credit managers
 - › Acquire diversified portfolio of specialised credit assets
 - › No concentration risk to any portfolio, asset class, originator, collection platform or geography
 - › Intend to build business platform leveraging off TCRS's SA IP, technologies & low-cost infrastructure
 - › **€1.3m** deployed to date
 - › Initial returns in line with expectations
 - › Circular to be issued to shareholders

SA TAXI

Ownership transaction between SA Taxi & SANTACO

- Finalised on **6 Feb 2019**
- SANTACO acquired **25%** stake in SA Taxi for **R1.7bn**
- Alignment with minibus taxi industry, yielding shared value (commercial returns & social benefit)
- Well capitalised balance sheet
 - › Settled **~R1bn** of debt, yielding interest savings
 - › Future growth funded via cheaper senior debt
 - › Net asset value **▲ >100%** to **R2 930m** (from **R1 463m**)
- Potential B-BBEE benefits & equity empowerment
- TC consolidates **81.4%** of SA Taxi's earnings (due to vendor finance)
- Earnings accretive to TC & SA Taxi over the medium term

Insurance operations

- Broadened client base
 - › Financed by SA Taxi & open market clients
- Mobilised broker network to **>100** brokers
- Broadened product offering
 - › Credit life & Road Cover
- Reduced cost of claim
 - › Broadening of & efficiencies in SA Taxi's autobody repair & mechanical refurbishment facility
 - › TAP launched March 2018

Financing operations

- Expanded total addressable market by including lower risk customers

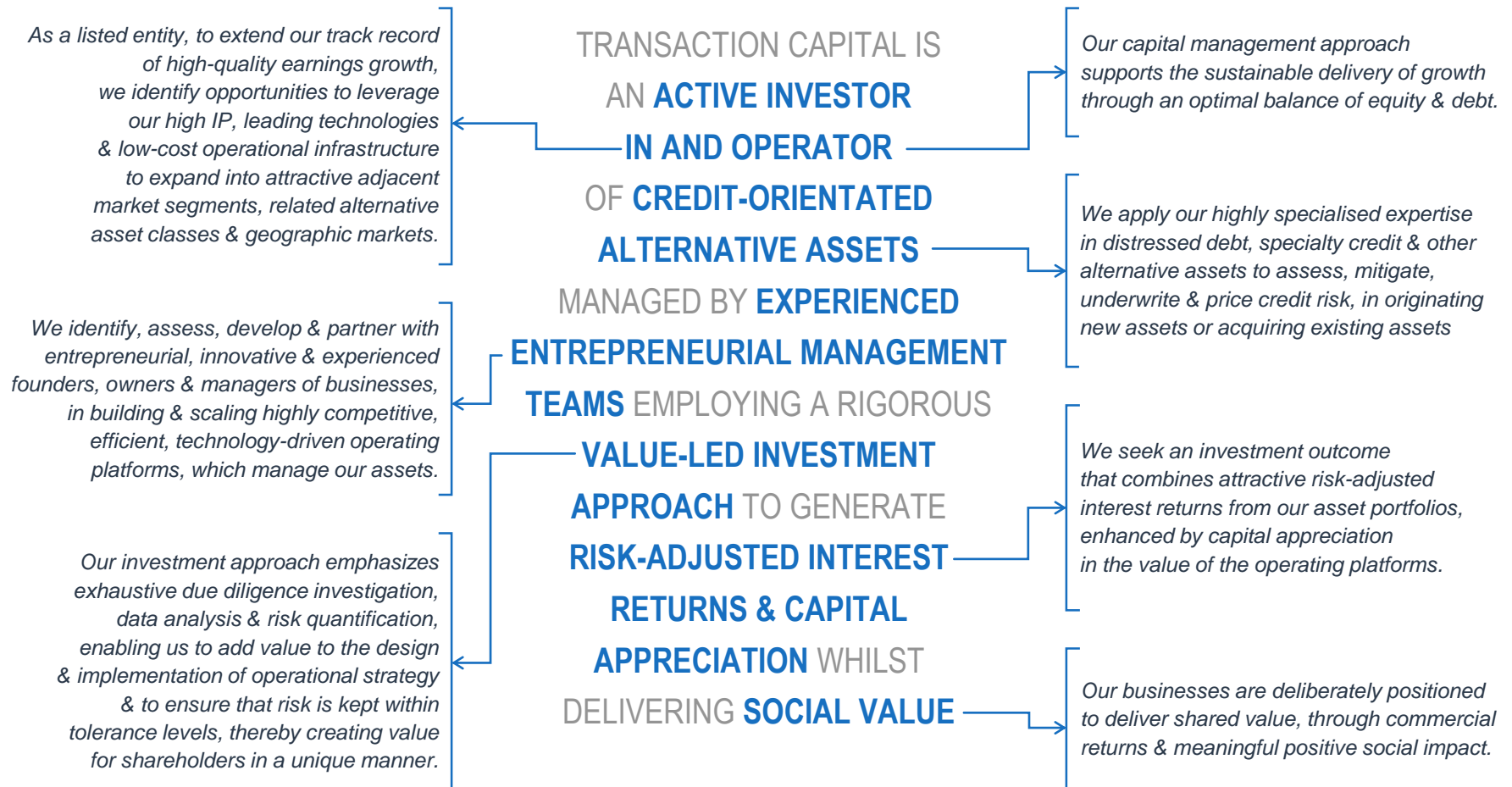
Retail

- Expansion of the dealership network
 - › Polokwane opened in October 2018
 - › KZN & Western Cape under consideration
- Growth in Taxi Auto Parts (TAP) retail offering to wider taxi industry

Connected services

- "Black Elite" fuel rewards programme
 - › **~14 000** cards since April 2018
- Additional programmes for industry under consideration

TRANSACTION CAPITAL MISSION STATEMENT



TRANSACTION CAPITAL BUSINESS MODEL

CAPITAL INPUTS

Intellectual capital

Specialist credit risk management skills in alternative asset classes, active strategic intervention & effective capital management

Relationship capital

Partnerships with entrepreneurial founders and high-calibre executives & developing exceptional management teams

Financial & social capital

Effective capital management whereby permanent equity capital is invested, giving debt capital providers access to highly bespoke assets that match their objectives, including measurable social impact

Reputational capital

Mature governance frameworks, highest ethical standards & compliance with all relevant laws, regulations, codes & standards

BUSINESS ACTIVITIES

1 2

Identify credit-orientated alternative asset classes, in which our core risk & capital management skills provide distinct competitive advantages

Apply core skills to assess & mitigate risk, & underwrite & price assets, for the purpose of servicing, originating or acquiring them

6

As business platforms are established for organic growth, redirect intellectual & financial capacity to identify new opportunities to leverage our IP, technologies & infrastructure to expand into adjacent market segments, related asset classes & new geographic markets to expand our earnings base



3

Identify, develop & partner with entrepreneurial, innovative & experienced founders & managers of businesses, who are invariably co-invested in the business platforms that manage & de-risk assets

5 4

Grow data-driven business platforms to scale, with competitive value propositions, diversified & resilient revenue streams & best-of-breed technology & processing capability to ensure operational effectiveness

Mobilise an optimal balance of equity & debt capital to fund the growth of business platforms & their underlying assets

CAPITAL OUTCOMES

Intellectual capital

Market-leading & socially relevant business platforms with scale & resilience, delivering to their above-market growth & return potential

Relationship capital

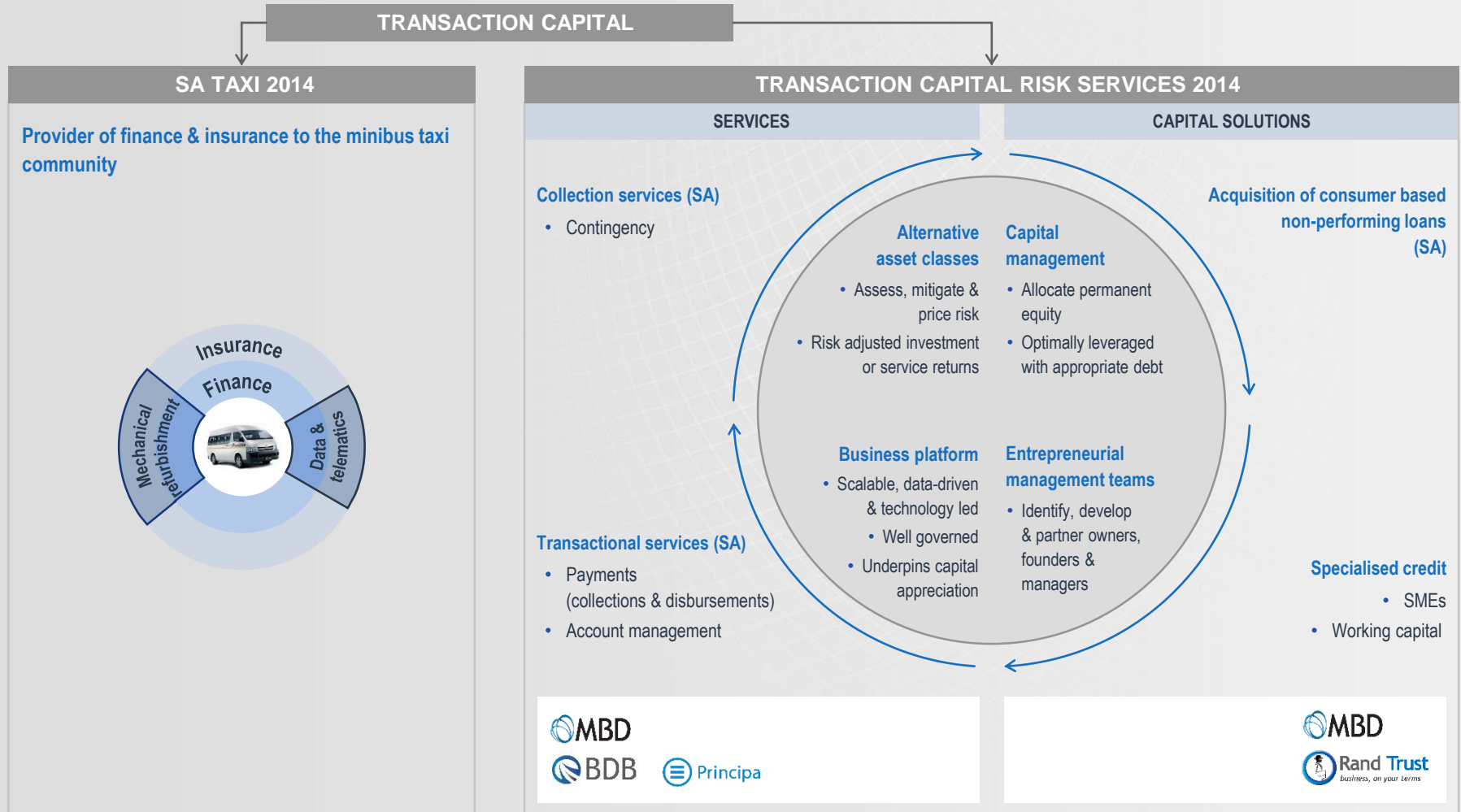
Exceptional management teams with succession depth, & a culture of ownership innovation & high-performance

Financial & social capital

20-year track record of excellent earnings & capital growth to shareholders with safe risk-adjusted returns to debt capital providers & demonstrate social value creation in our sectors

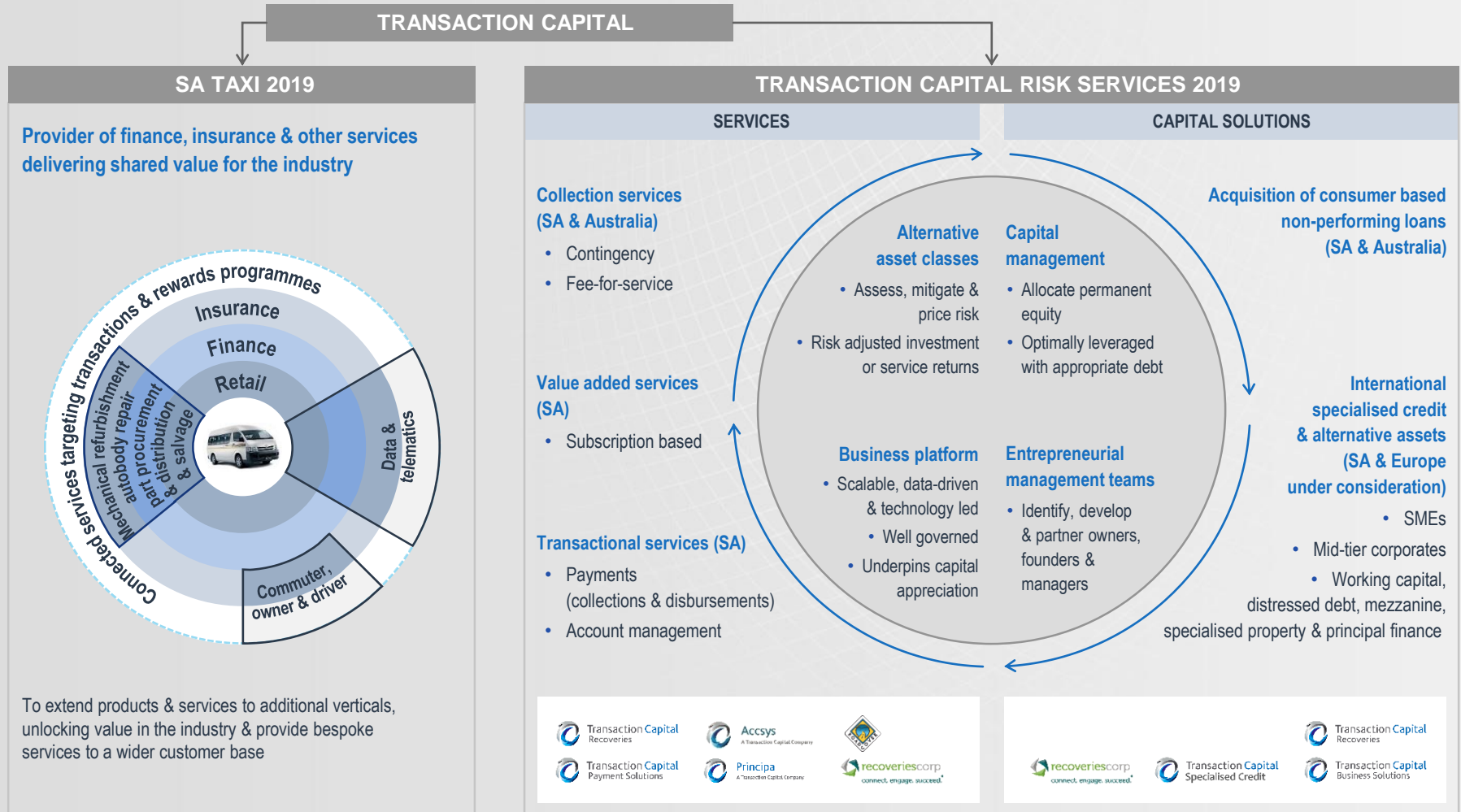
Reputational capital

Trusted public company, good standing with local & international capital providers, regulators & other shareholders



TRANSACTION CAPITAL GROUP STRUCTURE 2019

EXPANDING ITS TOTAL ADDRESSABLE MARKET & EARNINGS BASE





Transaction Capital

TRANSACTION CAPITAL RISK SERVICES

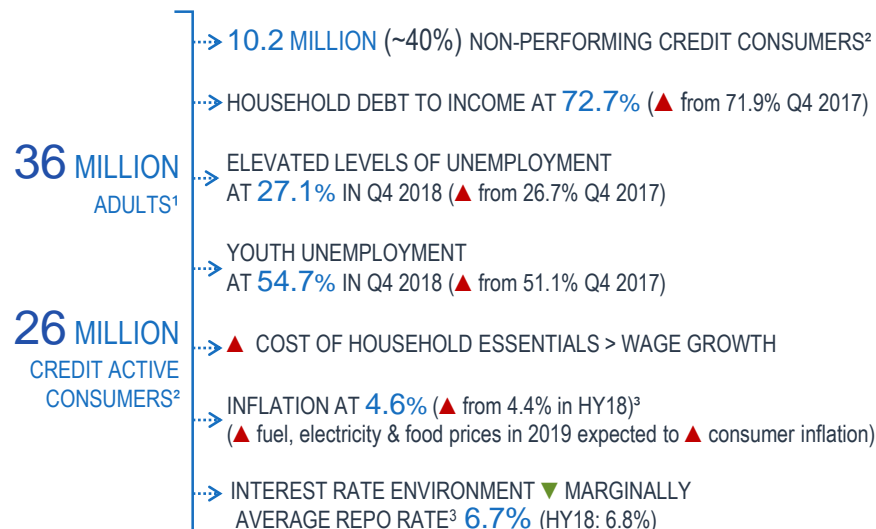
2019

RESULTS FOR THE HALF YEAR ENDED 31 MARCH

ENVIRONMENT & MARKET CONTEXT | SOUTH AFRICA

DEFENSIVELY POSITIONED IN A CHALLENGING CONSUMER CREDIT ENVIRONMENT

MACRO- & SOCIO-ECONOMIC ENVIRONMENT IN SOUTH AFRICA



OUTLOOK ON SA's CONSUMER

- Consumer confidence remains subdued unless government implements growth-boosting structural reforms
- Slow deleverage of the SA consumer in the medium-term

EFFECT ON TCRS

- Low levels of consumer credit extension
- ▼ volume & yield of matters handed over in contingency collection mandates
- ▲ value & number of NPL portfolios offered for sale
- Adjust pricing of acquired NPL portfolios to earn constant yields

CREDIT REHABILITATION IS A CRUCIAL ELEMENT IN GROWING AN INCLUSIVE ECONOMY

TRANSACTION CAPITAL'S CONSUMER CREDIT REHABILITATION INDEX

% CHANGE IN REHABILITATION PROSPECT FOR Q1 2019

QUARTER ON QUARTER

Q1 2019 with Q4 2018

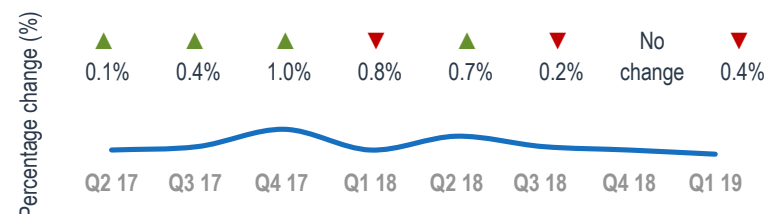
▼ by 0.4%

YEAR ON YEAR

Q1 2019 with Q1 2018

▲ 0.3%

NATIONAL REHABILITATION PROSPECT TRENDS



- National rehabilitation prospects remain subdued, with limited improvement or deterioration
- TCRS algorithm to score propensity to repay debt
- Empirically based sample of >5 million SA consumers in credit default
- Rehabilitation allows:
 - › Consumers to access credit & re-enter consumer market
 - › Lenders to maintain cleaner balance sheet to continue extending credit at affordable costs

AUSTRALIAN CONSUMER CREDIT ENVIRONMENT

AUSTRALIAN CONSUMER EMPLOYED BUT HIGHLY LEVERAGED

- **5.0%** unemployment (January 2019)
- Household debt to disposable income > **199%**, exacerbated by decreasing housing values
- Monthly debt servicing costs at ~51% (excluding home)
- Benign interest rate outlook

AUSTRALIAN DEBT COLLECTION ENVIRONMENT

- Banking Royal Commission driving:
 - › ▼ credit extension & risk aversion by banks
 - › Greater focus on regulatory compliance
- High ability to contact & transact via voice & digital channels
- Strong moral obligation to repay debt

MARKET PARTICIPANTS

AUSTRALIAN DEBT COLLECTION MARKET: 557 MARKET PARTICIPANTS

ACQUISITION OF NPLs AS PRINCIPAL 62.7%

- Credit Corp 16.4%
- Collection House 12.6%
- Pioneer Credit Limited 4.8%

CONTINGENCY & FFS COLLECTIONS 30.5%

- illion (formerly Dun & BradStreet) 3.8%
- Recoveries Corporation (TCRS) 3.5%

OTHER COLLECTIONS 6.8%

FRAGMENTED MARKET, COMPRISING A FURTHER 552 MARKET PARTICIPANTS

NPL PORTFOLIOS SOLD PER ANNUM

~A\$600 MILLION

vs. South Africa
~ R600 – R700 MILLION

~A\$500 MILLION
~A\$100 MILLION



Many smaller players in a fragmented market

— REVENUE OF ~A\$1.2 BILLION FOR 2019 —

TCRS MARKET POSITIONING

DIVERSIFIED BUSINESS MODEL



Bespoke, scalable fintech platform

- Mitigate risk for clients
- Rehabilitate over-indebted consumers

Highly competitive and efficient operational platforms

- Technology
- Data
- Analytics

TCRS
Technology-led, data-driven customer management and capital-related solutions

Biggest & only JSE-listed debt recovery agent in South Africa

We collect on secured & unsecured consumer & corporate debt - early stage late stage + legal collections

Diversified Business Model

- Reduces concentration risk
 - Supports performance in different market conditions
- We assess, mitigate, underwrite & price the inherent risk of alternative assets and fund their growth

TCRS is diversified by business activity and sector

- Collection, transactional & value-added services
- Other capital-related solutions

Collection Services

- Contingency + fee-for-service collection revenue

- Suited to a positive economic environment
- Banks & retailers extend more credit in a positive economic environment
- More matters handed over to TCRS

Principal collection revenue

- over 1/2 of our SA collections business
- In tough times TCRS acquires more NPL portfolios

TCRS services ~R55 billion of outstanding collectables in SA
→ ~R30 billion = contingency
~R25 billion = as principal

Estimated remaining collections from acquired NPL portfolios ~R3.6 billion



Other Businesses

TCPS
Processes ~R27 billion worth of transactions and payments for over 1200 clients annually

Principa
Provides tech products that help clients lend responsibly and collect efficiently

Road Cover
Provides proprietary value-added subscription services to clients

TCBS
~R600 million book
Discounts ~450 000 invoices worth ~R8.5 billion per year

TCSC → Revenue =
Origination of alternative assets in specialised credit sectors, including advancing mezzanine debt, working capital finance, specialised property finance + other capital solutions

When we buy a NPL portfolio, we aim to collect at least 2.2 times the amount spent
→ generates a future revenue flow for at least 5 years
~80 clients
~200 mandates
~241 NPL portfolios
more than R1.7 billion
~1700 collection agents

Responsible credit extension is key for GDP growth



Healthy balance sheets =
• Responsible lending
• Low cost of credit

In SA, revenue from adjacent sectors ~30% of contingency revenue
Our Diversified Business Model generates ~R2.5 billion p/a
~R2 billion = collection services

The TCRS business model is Defensive

We are strategically positioned to continue growing our earnings base

South Africa
Consumer spending ~60% of GDP
~26 million credit-active adults
~40% are non-performing
• High unemployment, household debt, fuel and transport costs
• Low wage growth
• Volatile Rand
• Rising costs of household essentials
• Stagnating credit extension

Recoveries corp
Customer management solutions - diverse client base - various sectors
~650 employees
More than R550 million revenue p/a

SA lowest cost of Excellence

Contributing to the efficiency and effectiveness of credit systems wherever we operate!

Competitive Advantages

Leading technologies, Superior analytics

Proprietary database with:
• ID Numbers } for more than 15 million SA consumers
• Contact details
• Propensity to pay scores

~37 million calls per month
~6.9 million voice interactions per month
~720 000 payments per month

Workforce management platforms =

- Flexible work-hour scheduling
- Efficient low-cost collections
- Low staff turnover rates



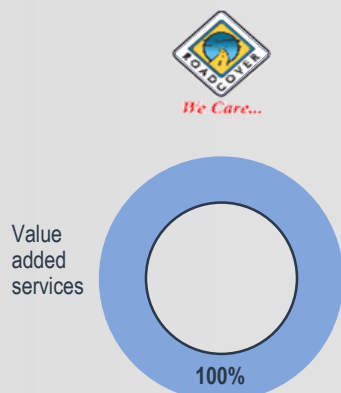
Australia
~50 clients
~100 mandates
~600 collection agents
~30% of the debt collections market = contingency collections
• Extended management depth
• Implemented SA business information and collection technologies
• Book buying market is much bigger than it is in SA
~560 participants in the debt collections industry
→ To become a book buyer
We aim to deploy ~R200 million into acquiring NPLs in Australia in the medium term

TCRS MARKET POSITIONING

DIVERSIFIED BUSINESS MODEL

DIVERSIFICATION SUPPORTS PERFORMANCE IN VARYING MARKET CONDITIONS & REDUCES CONCENTRATION RISK

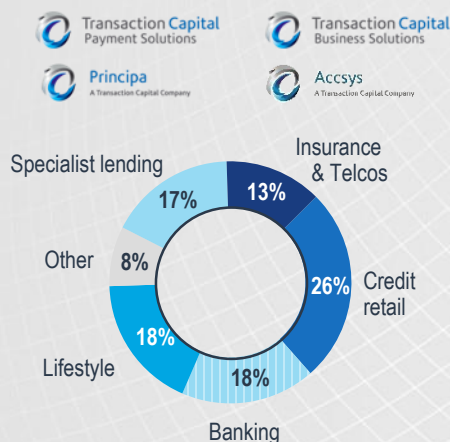
VALUE ADDED SERVICES



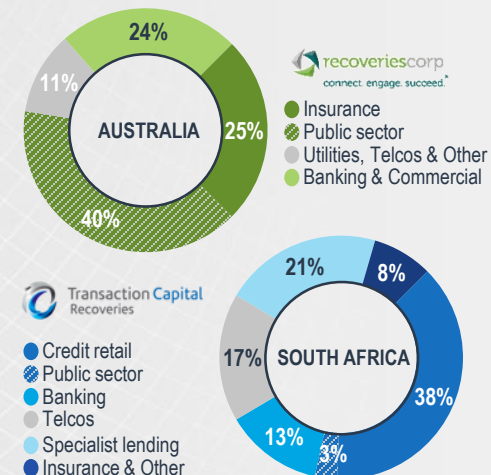
- **2 geographies:** South Africa & Australia with global aspirations
- **4 business activities:** Value added services, Transactional services, Collection services & Capital solutions
- **Collection services diversified by revenue model:** Acquisition of NPL portfolios vs. contingency & FFS collections
- **Collection services diversified by**
 - › **Sector:** Banking, specialist lending, credit retail, utilities, telcos, insurance & public sectors
 - › **Client:** 124 clients (SA:79 | Aus:45)
 - › **Mandate:** 295 mandates¹ (SA:195 | Aus:100)

SERVICES

TRANSACTIONAL SERVICES

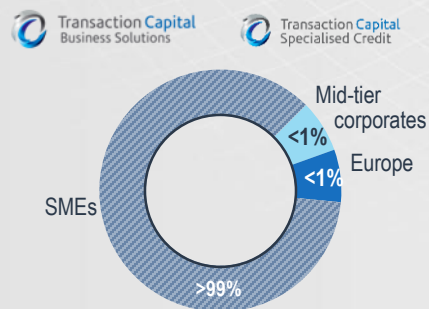


CONTINGENCY & FFS COLLECTION SERVICES

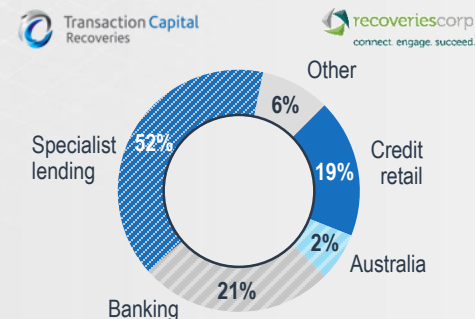


CAPITAL SOLUTIONS

SPECIALISED CREDIT SOLUTIONS



ACQUISITION OF NPL PORTFOLIOS COLLECTED AS PRINCIPAL

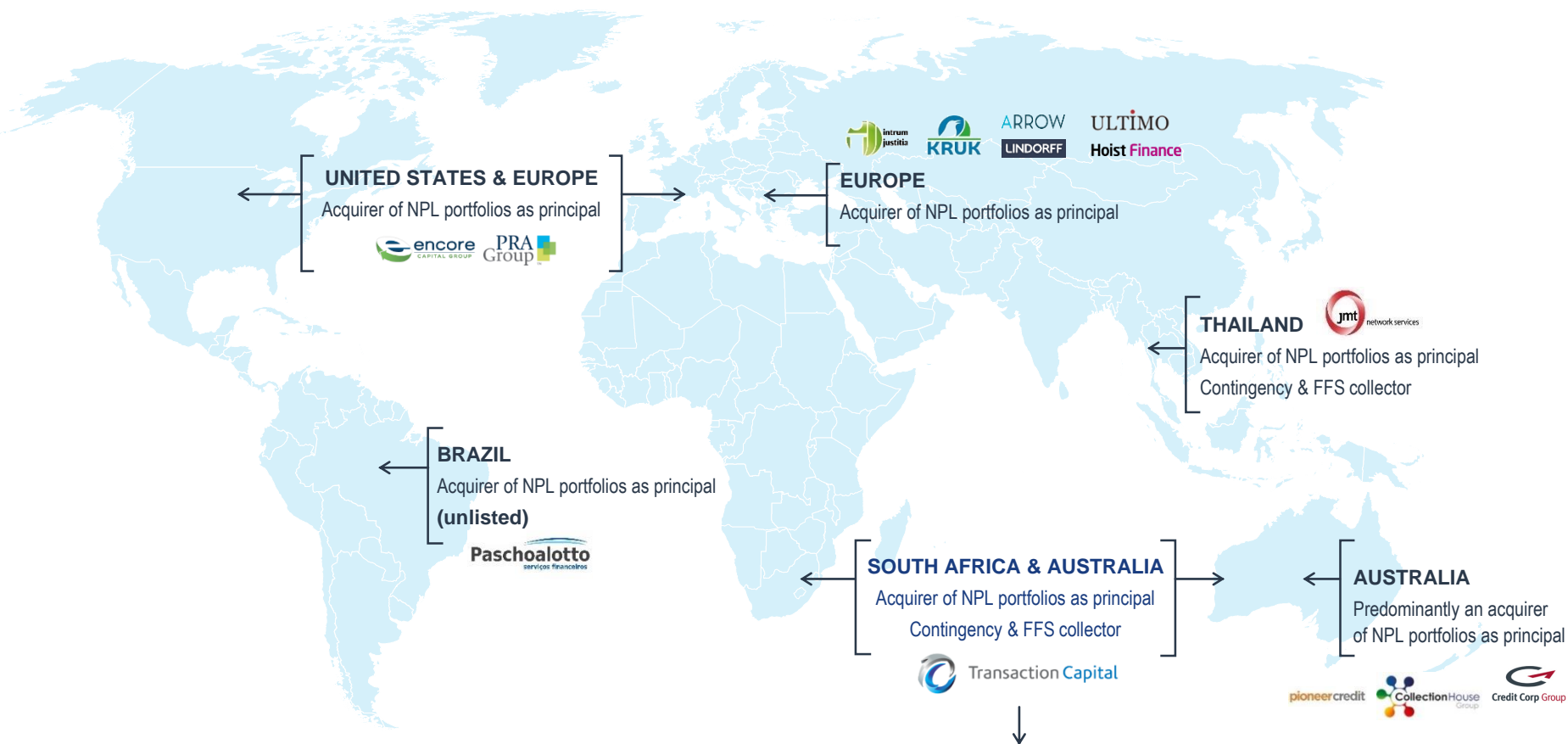


Sectors split by revenue per segment as at 31 March 2019

1. In South Africa TCRS ranks 1st or 2nd in 91% of our ranked mandates. In Australia Recoveries Corporation is ranked 1st or 2nd by clients in 89% of banking, government & commercial mandates

TCRS MARKET POSITIONING

DIVERSIFIED BY GEOGRAPHY | UNIQUE COMPARED TO GLOBALLY LISTED PEERS

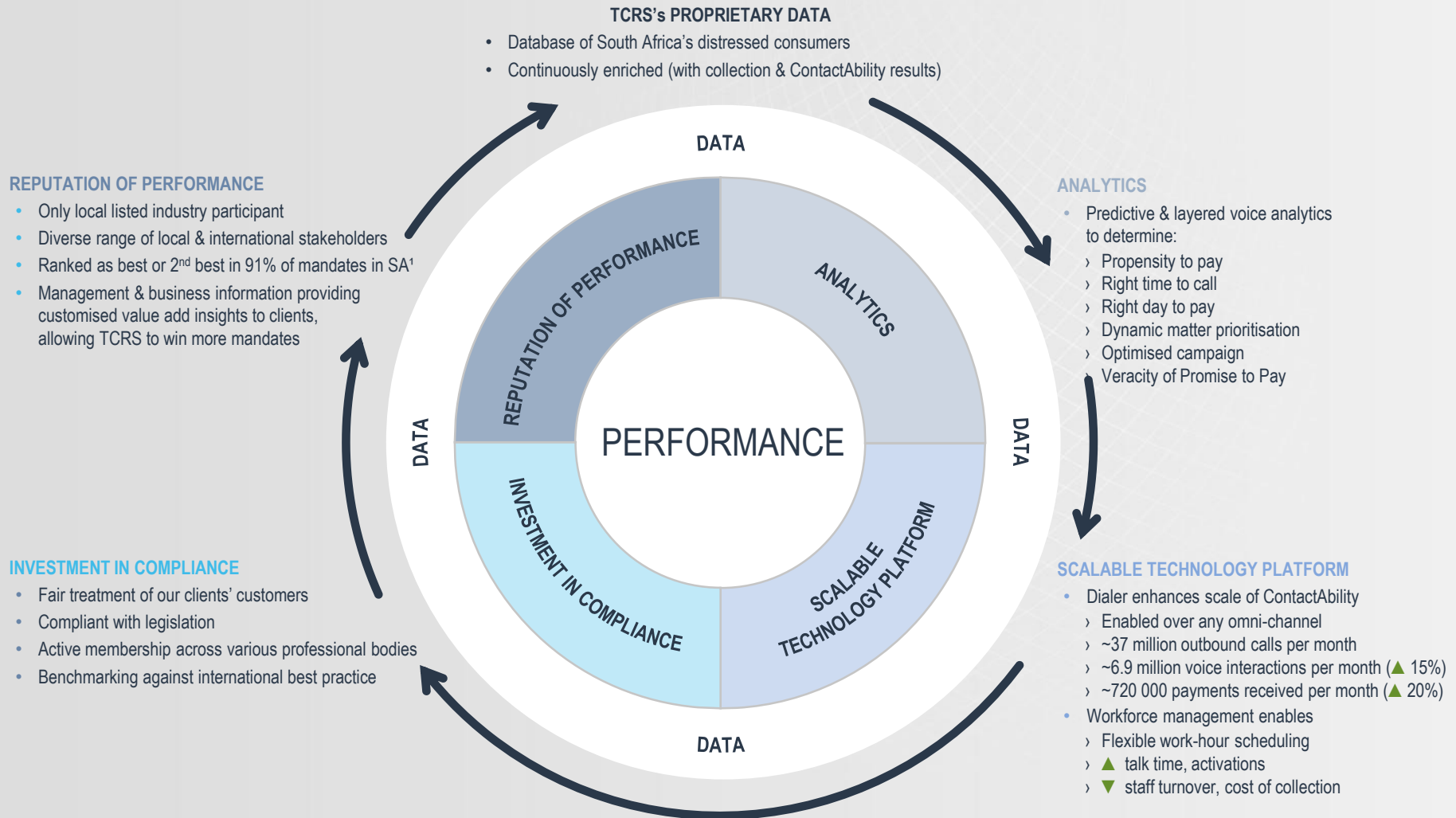


Diversification supports performance in varying market conditions

- **Across 2 geographies:** South Africa & Australia with global aspirations
- **Diverse revenue model:** Acquisition of NPL portfolios vs. contingency & FFS collector
- **Across various consumer credit sectors:** Banking, specialist lending, credit retail, utilities, telcos, insurance & public sectors

TCRS MARKET POSITIONING

COMPETITIVE ADVANTAGES



1. In South Africa TCRS ranks 1st or 2nd in 91% of our ranked mandates. In Australia Recoveries Corporation is ranked 1st or 2nd by clients in 89% of banking, government & commercial mandates

TCRS STRATEGIC GROWTH INITIATIVES TO CREATE VALUE

DELIVERING ON GROWTH

SERVICES

VALUE ADDED SERVICES



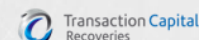
- Apply data & analytics skills to grow direct sales
- Bolt-on acquisitions

TRANSACTIONAL SERVICES



- Creation of a payment services platform
- Cross sell services to existing clients
- Bolt-on acquisitions

CONTINGENCY & FFS COLLECTION SERVICES



SOUTH AFRICA:

- Adjacent sectors: Insurance, telcos, education
- Bespoke solutions (e.g. early stage collections, debt review & debt administration)
- Increased focus: Tier 1 banks
- Bolt-on acquisitions (specialist collectors)

AUSTRALIA:

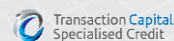
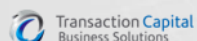
- Technology to create operational efficiencies
- Outsource to SA (low-cost, high IP)
- Bolt-on acquisitions: Specialist collectors

INVESTMENT INTO DATA, TECHNOLOGY & ANALYTICS

- Optimisation: Work force management, dialer, propensity to pay scorecards & right time to call
- Implementation of new technologies including artificial intelligence & digital communications
- Expansion & commercialisation of MDU
 - › >12 million ID numbers
- Expanding TCRS's technology, BI & analytics to Recoveries Corp in Australia

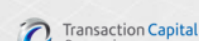
CAPITAL SOLUTIONS

SPECIALISED CREDIT SOLUTIONS



- Fintech opportunities in SME segment
 - › Online client portal
 - › Technology based originations
- Expansion into mid-tier corporate market segment
- International specialised credit
 - › Fragmented segment of the European specialised credit market
 - › Bespoke off-market acquisitions of smaller portfolios of higher-yielding alternative assets

ACQUISITION OF CONSUMER NPL PORTFOLIOS AS PRINCIPAL



SOUTH AFRICA:

- Bilateral forward flow & structured transactions
- Alternative assets classes (legal, debt review, pre write-off portfolios)

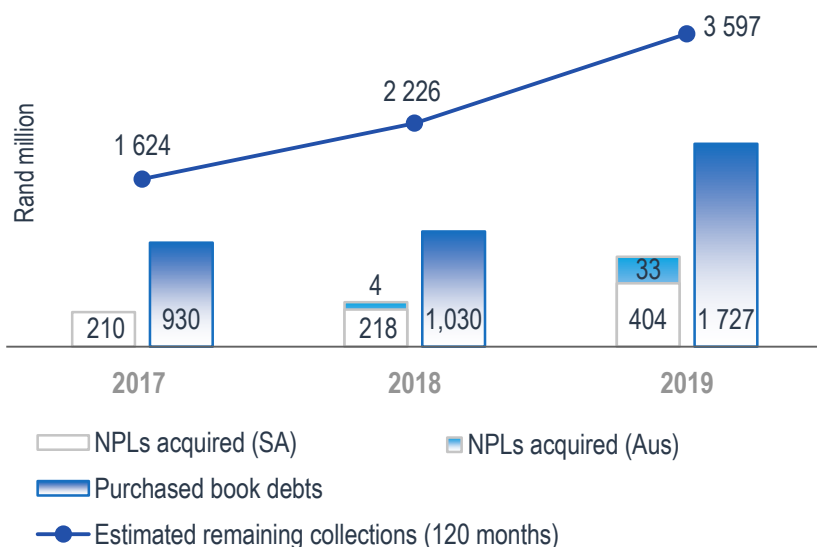
AUSTRALIA:

- Selectively acquire NPLs
- Bolt on acquisitions: Specialist NPL acquirers

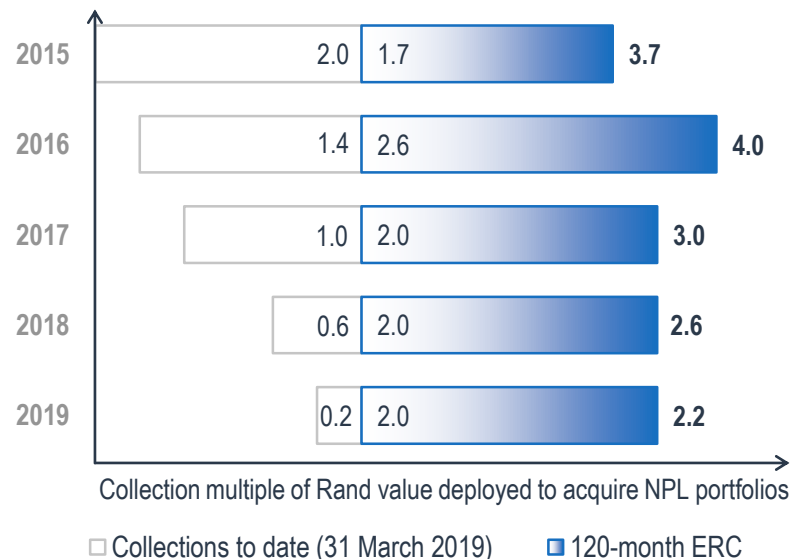
TCRS STRATEGIC GROWTH INITIATIVES TO CREATE VALUE

ACQUISITION OF NON-PERFORMING LOANS AS A PRINCIPAL

GROWTH TRAJECTORY TO SUPPORT FUTURE POSITIVE PERFORMANCE



COLLECTION MULTIPLE VINTAGE PERFORMANCE¹ AS AT 31 MARCH 2019



- Current South African economic context favours acquisition of NPL portfolios
- 13 portfolios acquired for **R404m** in South Africa with a face value of **R2.1bn** (HY18: 17 portfolios for **R218m** with a face value of **R8.3bn**)
- Further investment of **R33m** in Australian portfolios (HY18: **R4m**)
- **254** portfolios owned in total with a face value of **R23.5bn**
- Purchased book debts **▲ 68%** to **R1 727m** (HY18: **R1 030m**)
- HY19 collection multiple of **2.2 times**
- Estimated remaining collections (ERC) **▲ 62%** to **R3.6bn**
- Longevity in the yield of principal portfolios on book, expected to support future positive performance
- Revenue from principal collections **▲ >30%**

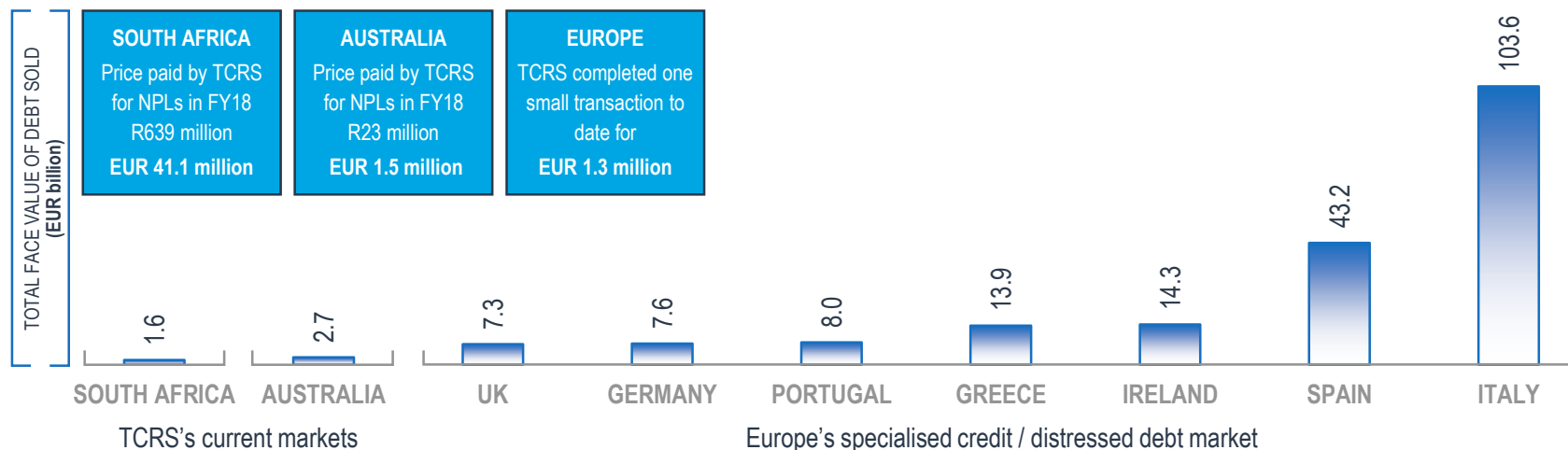
1. Includes only South African portfolios & excludes contracts where TCRS does not have title of the underlying claim

TCRS STRATEGIC INITIATIVES TO CREATE VALUE

OPPORTUNITY TO ENTER FRAGMENTED SEGMENT OF INTERNATIONAL SPECIALISED CREDIT MARKET

EUROPEAN DISTRESSED DEBT & SPECIALISED CREDIT MARKET

- High levels of competition
- Many participants of scale (credit management platforms, private equity funds & asset managers)
- Unfettered access to liquid capital markets
- Priced to yield ~ 8% to 12% IRRs
- Participants outsource to or own collection platforms
- Multiple times larger than SA & Australian markets
- 2018 record year for NPL sales in Europe
 - › Face value of NPL debt sold **EUR 205 billion**
- Activity in 2019 expected to remain high as European regulators encourage banks to dispose of NPLs



TCRS STRATEGIC GROWTH INITIATIVES TO CREATE VALUE

OPPORTUNITY TO ENTER FRAGMENTED SEGMENT OF INTERNATIONAL SPECIALISED CREDIT MARKET

TCRS's INVESTMENT APPROACH

- Alongside founders to leverage off their European experience & network
- Partnering & co-investing with regional entrepreneurial specialist credit managers
- Target market includes smaller, off-market investment opportunities
- Attractive risk-adjusted returns
- Target asset classes include corporate & consumer non-performing loans, distressed debt, special situations & specialised credit
- Selective & cautious approach
- No investment into goodwill, no business integration cost or risk
- Presents a meaningful growth opportunity for TC

**CATALYSTS TO BUILDING A BUSINESS PLATFORM
LEVERAGING OFF TCRS' SA HIGH IP & LOW-COST INFRASTRUCTURE**

DIVERSIFICATION SUPPORTS PERFORMANCE IN VARYING MARKET CONDITIONS

- Portfolio to be diversified by: asset class, asset originator, collection platform, geographic region
- Diversified across new geographies
- Additional revenue model: European specialised credit
- Revenue in hard currency: € in addition to **ZAR & A\$**

SOUTH AFRICA

Price paid by TCRS
for NPLs in FY18
R639 million
EUR 41.1 million

AUSTRALIA

Price paid by TCRS
for NPLs in FY18
R23 million
EUR 1.5 million

EUROPE

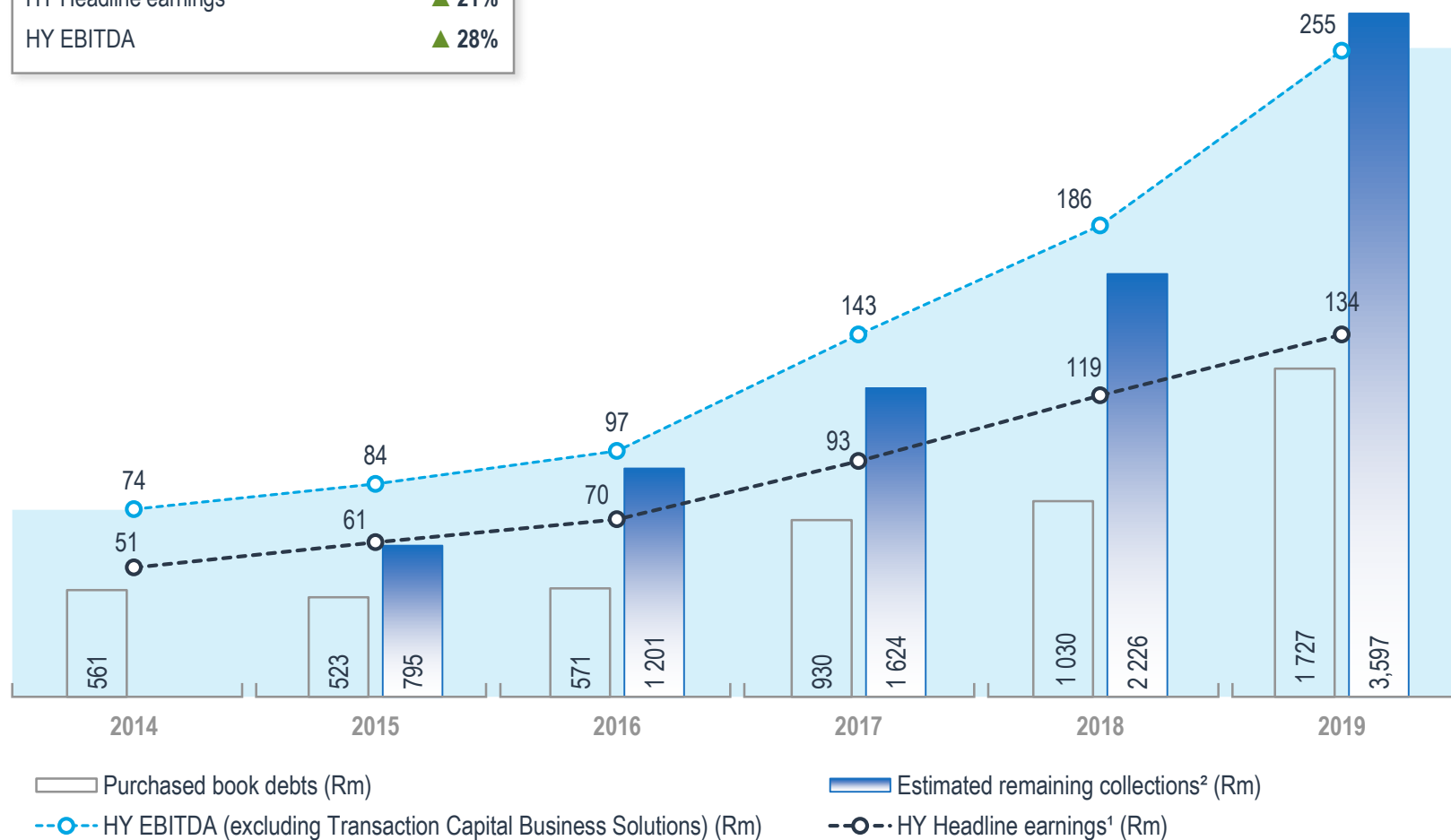
TCRS completed
one small
transaction to date
for **EUR 1.3 million**

TCRS 5 YEAR PERFORMANCE

CAGR HY14 to HY19:

HY Headline earnings¹ ▲ 21%

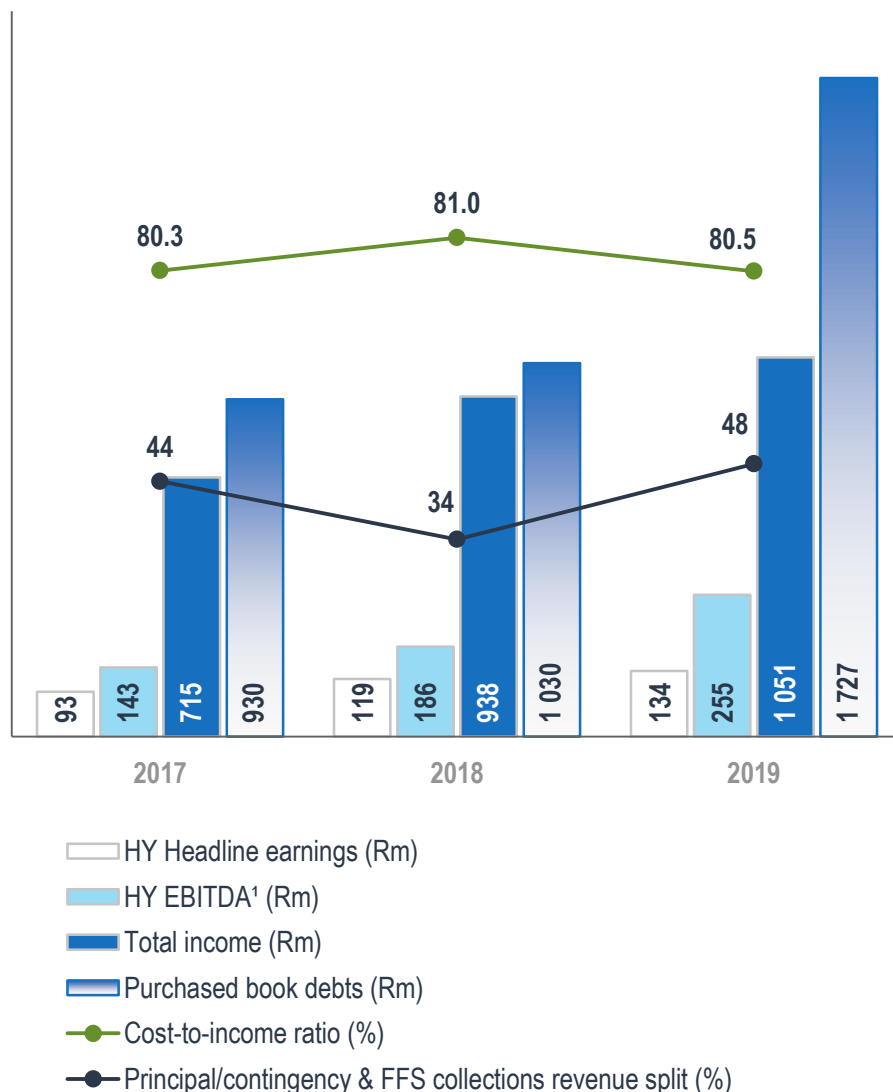
HY EBITDA ▲ 28%



Financial half years 1 October to 31 March | Adopted IFRS 9 in 2015 | 2014 numbers on a pro forma IFRS 9 basis

1. Headline earnings attributable to the group

2. ERC for 2014 not reported



- Headline earnings ▲ **13%** to **R134m**
- EBITDA ▲ **37%** to **R255m**
- Revenue from collection services ▲ **18%**
 - › Challenging environment to grow contingency & FFS revenue in SA
 - › Growing revenue from adjacent sectors
 - › Insurance, telecommunications & public sector contributing ~**30%** of SA contingency revenue (HY18: **38%**)
 - › South Africa: Ranked as **1st** or **2nd** by clients in **91%** of our ranked mandates
 - › Robust performance in Recoveries Corp in Australia
 - › Australia: Ranked **1st** or **2nd** by clients in **89%** of banking, government & commercial mandates
- Cost-to-income ratio improved to **80.5%** from **81.0%**
 - › Total costs ▲ **9%**
 - › Frugal cost management
 - › Continued investment in data (MDU), technologies & analytics yielding efficiencies



Transaction Capital

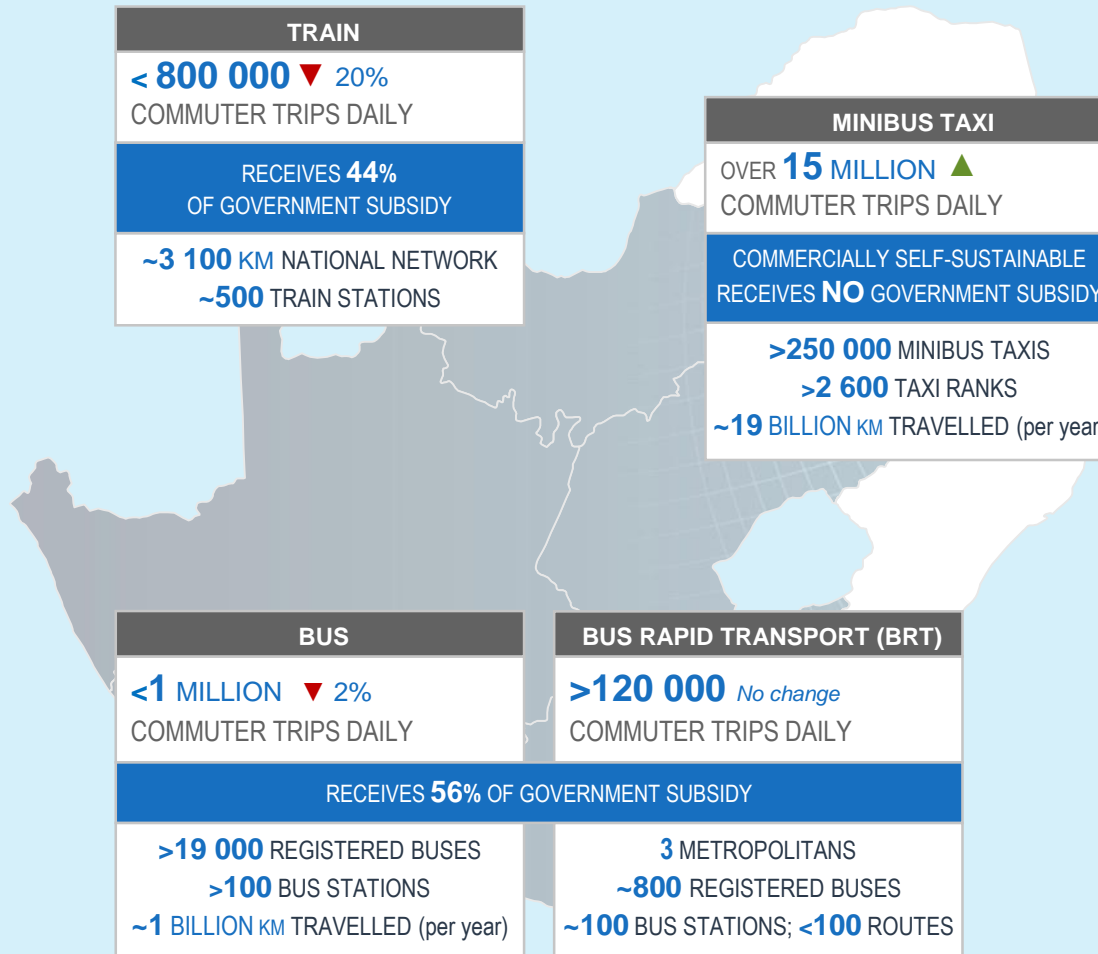
SA TAXI

2019

RESULTS FOR THE HALF YEAR ENDED 31 MARCH

ENVIRONMENT & MARKET CONTEXT

MINIBUS TAXI INDUSTRY IS RESILIENT, DEFENSIVE & GROWING DESPITE SA'S ECONOMIC CLIMATE



PUBLIC TRANSPORT COMMUTERS RELY ON MINIBUS TAXI GIVEN ITS ACCESSIBILITY, AFFORDABILITY, RELIABILITY & FLEXIBILITY

- 40% of South Africans use public transport
- Minibus taxi is the dominant form of public transport
- Minibus taxi is an essential service & spend is non-discretionary

GROWING MINIBUS TAXI USAGE

- Since 2013, minibus taxi usage (▲ >25%)
- 69% of all households use minibus taxis (59% in 2003)
- 75% of all work & educational public transport trips
- Population growth since 2013 (▲ 9%)
- Increasing commuter density due to urbanisation
- Transformation of minibus taxi industry due to ▲ regulation & capitalisation, attracting a more sophisticated taxi operator
- New passenger vehicle sales ▼ 21% (HY13 to HY19)

ENVIRONMENT FOR MINIBUS TAXI OPERATORS

MINIBUS TAXI OPERATORS REMAIN RESILIENT IN A CHALLENGING ECONOMIC ENVIRONMENT

CHALLENGING ENVIRONMENT

VEHICLE PRICES

R444 200¹ → **~R2 300**

TOYOTA SESFIKILE (DIESEL)
PRICE Since FY15: ▲ 22%

IMPACT ON MONTHLY
INSTALMENT

INTEREST RATES

6.7%

AVERAGE REPO RATE³

HY18: 6.8%

23.7%

AVERAGE INTEREST RATE
AT ORIGATION

Since FY15: ▼ <0.1%

→ **~R25**

IMPACT ON MONTHLY
INSTALMENT

FUEL PRICES

R15.20 per litre²

▲ 12% PETROL PRICE
(12 MONTH AVERAGE)

R13.95 per litre²

▲ 18% DIESEL PRICE
(12 MONTH AVERAGE)

HY18: R13.54

HY18: R11.78

FUEL LEVIES

▲ 12% PER YEAR SINCE 2008

TAX PER LITRE PURCHASED > 35%

MINIBUS TAXI SCRAPPING ALLOWANCE | ▲ 36% to R124 000

INDUSTRY RESPONSE

- Fares ▲ July 2018
- Considering fares ▲ July 2019
- Better **asset utilisation & productivity**


OPERATOR INCOME
AT ORIGATION

SA TAXI'S RESPONSE

- Lower risk loan origination strategy
- Better **route** selection

STRUCTURAL ELEMENTS SUPPORT INDUSTRY RESILIENCE

- DOMINANT & GROWING MODE OF PUBLIC TRANSPORT
(Competitively priced; convenient; accessible)
- INCREASING COMMUTER DENSITY DUE TO URBANISATION
- NEW PASSENGER VEHICLE SALES ▼ 21% (HY13 to HY19)
- COMMERCIALY SELF-SUSTAINABLE (Receives NO government subsidy)
- INTEGRATED COMPONENT OF PUBLIC TRANSPORT NETWORK
- CONTINUED HIGH LEVELS OF UNEMPLOYMENT > 27%
- SPEND BY COMMUTERS ON PUBLIC TRANSPORT IS NON-DISCRETIONARY
- DEMAND FOR MINIBUS TAXI VEHICLES > SUPPLY
 - › Ageing national fleet requiring replacement & recapitalisation
 - › Driving higher demand for vehicles that are reliable & efficient



- No incentive to ▲ credit risk appetite to ▲ approvals, due to limited supply
- Improved recoveries as asset retains value due to demand > supply
- Liquid market for high quality & affordable SA Taxi pre-owned vehicles

1. Toyota recommended retail price, including VAT, as at 31 March 2019

2. www.energy.gov.za: 12 month rolling average petrol price (March 2018 to March 2019) | 3. Average Repo rate for half year ending 31 March 2019 & 2018

ENVIRONMENT FOR MINIBUS TAXI OPERATORS

FUEL PRICE INCREASES PARTIALLY ABSORBED BY COMMUTERS THROUGH FARE INCREASES IN 2018
FURTHER INCREASES CURRENTLY UNDER CONSIDERATION BY INDUSTRY

FARES DETERMINED BY EACH ASSOCIATION PER ROUTE

- The industry ensures operators remain profitable
- Demand for minibus taxi services is relatively inelastic

FARE INCREASE CONSIDERATIONS INCLUDE

- Timing & extent of prior increases
- Commuter affordability
- Operator profitability
- Other modes of transport for a particular route

FUEL PRICE INCREASES PARTIALLY ABSORBED BY COMMUTERS THROUGH FARE INCREASES

CHALLENGING OPERATING ENVIRONMENT

Results in more frequent fare increases

- Fuel prices high (2% below October 2018 record high)
- Vehicle prices high
- In some regions fares were increased twice in 2018, compared to once a year historically

MPUMALANGA

~ **80** routes selected
AVERAGE FARE INCREASE ▲ **9%**

NORTH WEST

~ **65** routes selected
AVERAGE FARE INCREASE ▲ **23%**

GAUTENG INCLUDING SOWETO

~ **240** routes selected
AVERAGE FARE INCREASE ▲ **15%**

EASTERN CAPE

~ **130** routes selected
AVERAGE FARE INCREASE ▲ **14%**






KWA-ZULU NATAL

~ **250** routes selected
AVERAGE FARE INCREASE ▲ **10%**

ENVIRONMENT FOR MINIBUS TAXI OPERATORS





MINIBUS TAXI IS THE PREFERRED MODE OF PUBLIC TRANSPORT
DUE TO COMPETITIVE PRICING, ACCESSIBILITY & RELIABILITY

SHORT DISTANCE ROUTE | SOWETO TO JOHANNESBURG: 23KM

	Minibus taxi	Train	Bus	BRT	Uber
Accessibility	On route	Station & scheduled	Scheduled stops	Scheduled stops	E-hail
Affordability 2016	R12.00	R8.50	N/A	R13.30	~R240.00
Increase	17%	12%		2%	8%
Affordability 2017	R14.00	R9.50	R14.80	R13.50	~R260.00
Increase	14%	0%	20%	11%	8%
Affordability 2018	R16.00	R9.50	R17.80	R15.00	~R280.00
Reliability	1 association with ~1400 members	Every 10 to 20 minutes Stops at 7pm	A few buses operating on the route	Volume of buses < peak capacity required	On demand
Efficiency					

AVERAGE MINIBUS TAXI OPERATOR PROFITABILITY¹
~R20 000 PER MONTH

LONG DISTANCE ROUTE | JHB TO DURBAN: 595KM

	Minibus taxi	Train	Bus - Eldo	Bus - Greyhound
Accessibility	On route	Station & scheduled	Scheduled stops	Scheduled stops
Affordability 2016	R270.00	N/A	R210.00	R310.00
Increase	7%		14%	26%
Affordability 2017	R290.00	R360.00	R240.00	R390.00
Increase	3%	8%	0%	1%
Affordability 2018	R300.00	R390.00	R240.00	R395.00
Reliability	3 associations with ~690 members	3x per week	7 departures each per day (fewer on a Saturday)	
Efficiency				

AVERAGE MINIBUS TAXI OPERATOR PROFITABILITY¹
~R35 000 PER MONTH

1. Based on SA Taxi's affordability calculator at origination | Average operator profitability varies based on profile of financial deal

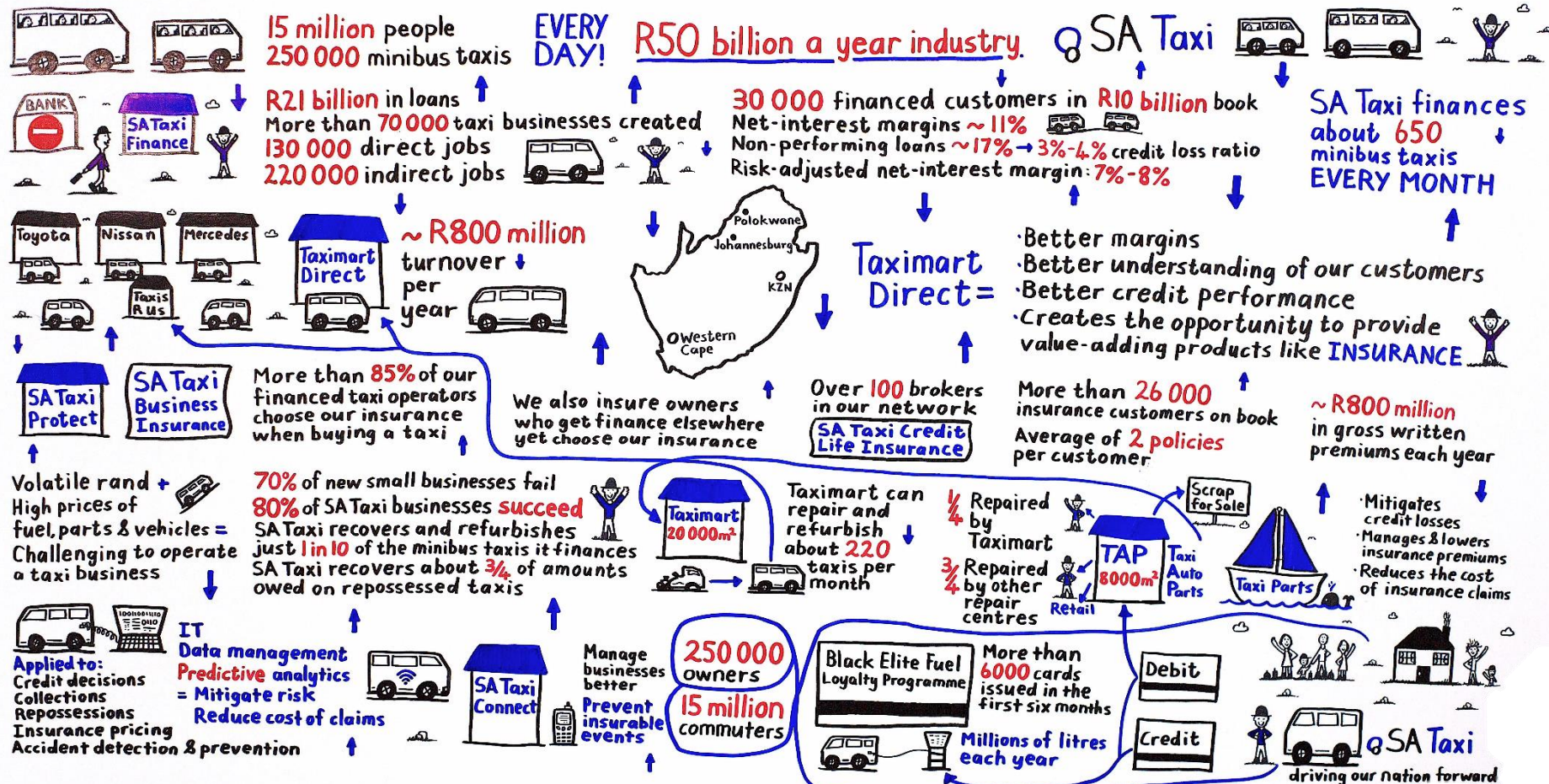
• Factors include: new vs. pre-owned vehicle, loan term, deposit paid, region, association, route dynamics & demand, insurance products taken-up

• SA Taxi's model measuring operator profitability remains conservative: maintenance & fuel costs per km ▲ 20% in 2018 accounting for fuel price ▲ & exchange rate movements

Source: Industry information | Websites: Metrorail; Bus Rapid Transport; Rea Vaya; Various bus companies | Uber SA app

SA TAXI VERTICALLY INTEGRATED BUSINESS MODEL

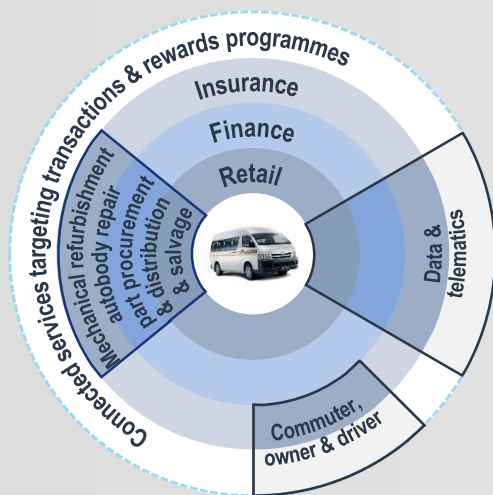
BUSINESS PLATFORM SERVICING MINIBUS TAXI OPERATORS ACROSS THE VALUE CHAIN



SA TAXI MARKET POSITIONING

VERTICALLY INTEGRATED BUSINESS MODEL

TO PROVIDE FINANCE, INSURANCE & OTHER SERVICES THAT ENABLE THE SUSTAINABILITY OF THE MINIBUS TAXI INDUSTRY



CONNECTED SERVICES

BLACK ELITE

FUEL REWARDS PROGRAMME
Launched April 2018

~14 000

CARDS
DISTRIBUTED

~6.5 MILLION

LITRES OF FUEL
PURCHASED

INSURANCE OPERATIONS

R401 MILLION ▲ 22%

GROSS WRITTEN PREMIUM

>85%

FINANCED CLIENTS ALSO
INSURED BY SA TAXI¹

>100

BROKER NETWORK

>27 000 ▲ 11%

INSURANCE CLIENTS

>2.0

PRODUCTS PER CLIENT

FINANCING OPERATIONS

R10.1 BILLION ▲ 14%

GROSS LOANS & ADVANCES

3.4%

CREDIT LOSS RATIO

11.3%

NET INTEREST MARGIN

31 543 ▲ 5%

LOANS ON BOOK

17.9%

NON-PERFORMING LOAN RATIO

RETAIL OPERATIONS

~R500 MILLION

VEHICLE TURNOVER IN HY19

~8%

AVERAGE RETAIL MARGIN PER VEHICLE



~R3 MILLION

TAP RETAIL SALES REVENUE PER MONTH

AUTOBODY REPAIR & MECHANICAL REFURBISHMENT, SALVAGE & PART PROCUREMENT & DISTRIBUTION

>75%

RECOVERY RATES ON REPOSSESSION,
REFURBISHMENT & RESALE

▼ between 5% to 10%

AVERAGE
REFURBISHMENT COST²

~220 per month

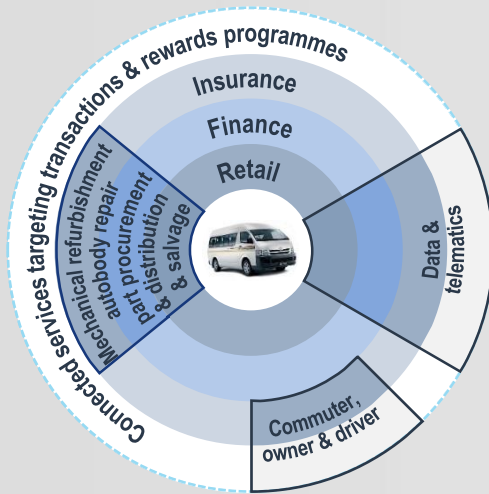
INTERNAL VEHICLE REFURBISHMENT
CAPACITY

1. 100% of taxis financed by SA Taxi are fully insured, > 85% of SA Taxi's financed clients independently elect to be insured by SA Taxi
2. Refurbishment cost decrease depending on the nature of the repair

SA TAXI STRATEGIC GROWTH INITIATIVES TO CREATE VALUE

DELIVERING ON GROWTH

TO PROVIDE FINANCE, INSURANCE & OTHER SERVICES THAT ENABLE THE SUSTAINABILITY OF THE MINIBUS TAXI INDUSTRY



CONNECTED SERVICES

- Further rewards programmes under consideration
- Broaden SA Taxi's total addressable market
- Initiation to transacting with **>250 000** minibus taxi operators
- Migrating to provision of financial products to **~9.9 million** households¹ or **>15 million** commuters

INSURANCE OPERATIONS

- Broaden client base (financed by SA Taxi & open market clients)
- Mobilise broker network to **>100 brokers**
- Broaden product offering (Credit life, Road Cover & others)
- Reduced cost of claim (broadening of & efficiencies in refurbishment facility)

FINANCING OPERATIONS

- Expand total addressable market by including lower risk customers

RETAIL OPERATIONS

- Expand dealership network
 - › Polokwane in October 2018
 - › KZN & Western Cape in the medium term
- TAP retail initiative launched in March 2018
 - › Retailing well priced auto parts via TAP

OWNERSHIP TRANSACTION WITH SANTACO

- Supports additional growth in finance, insurance & retail operations
- Enables deeper penetration of total addressable market
- Assists in sourcing efficient DFI funding
- Augments SA Taxi's social impact
- Assists in establishment of additional rewards programmes

AUTOBODY REPAIR, MECHANICAL REFURBISHMENT, SALVAGE & PART PROCUREMENT & DISTRIBUTION

- ▼ cost of refurbishment via efficiencies
- ▼ cost of claim via parts procurement & distribution
- Salvage operations established

SA TAXI 5 YEAR PERFORMANCE

CAGR HY14 to HY19:

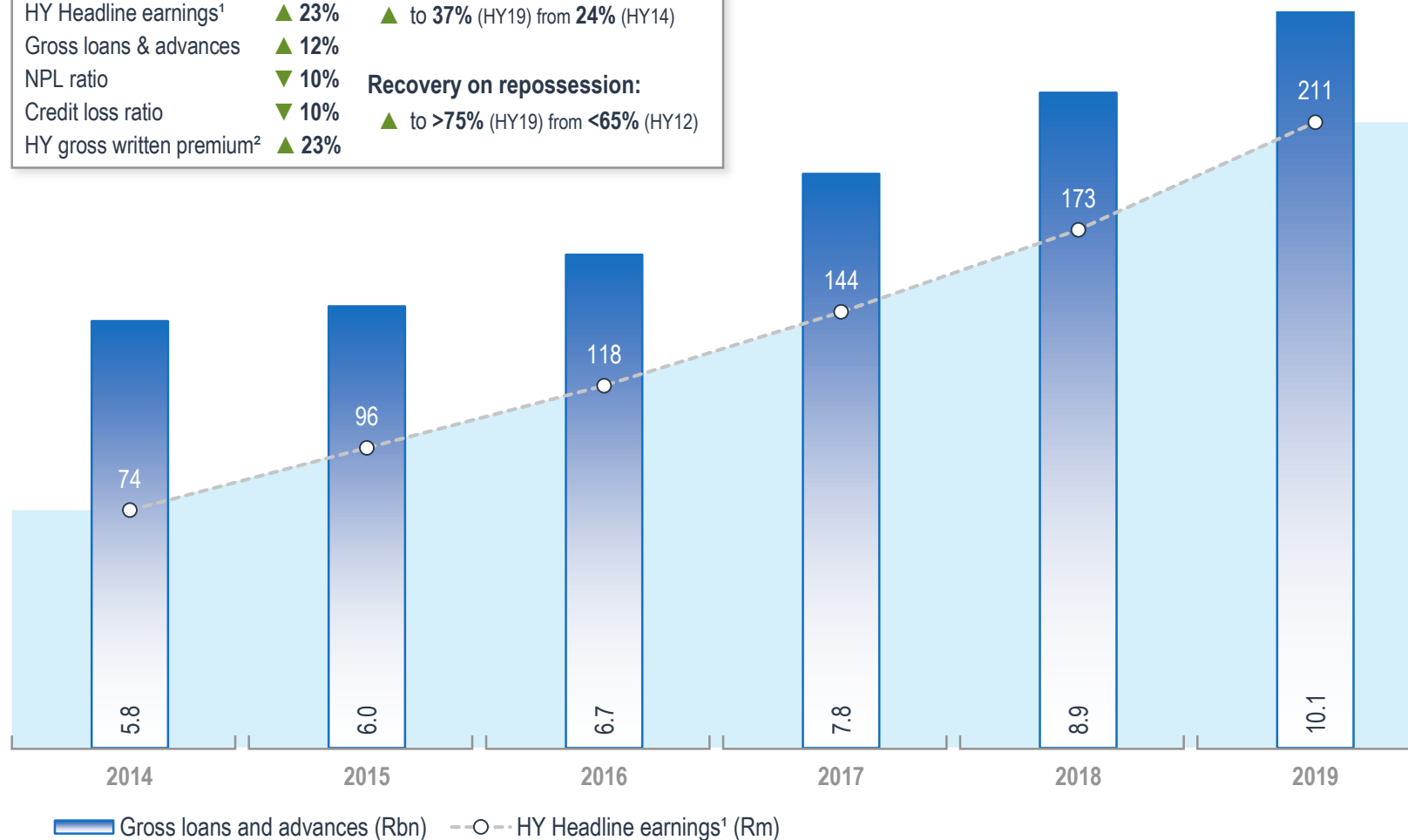
HY Headline earnings ¹	▲ 23%
Gross loans & advances	▲ 12%
NPL ratio	▼ 10%
Credit loss ratio	▼ 10%
HY gross written premium ²	▲ 23%

Non-interest revenue composition:

▲ to 37% (HY19) from 24% (HY14)

Recovery on repossession:

▲ to >75% (HY19) from <65% (HY12)

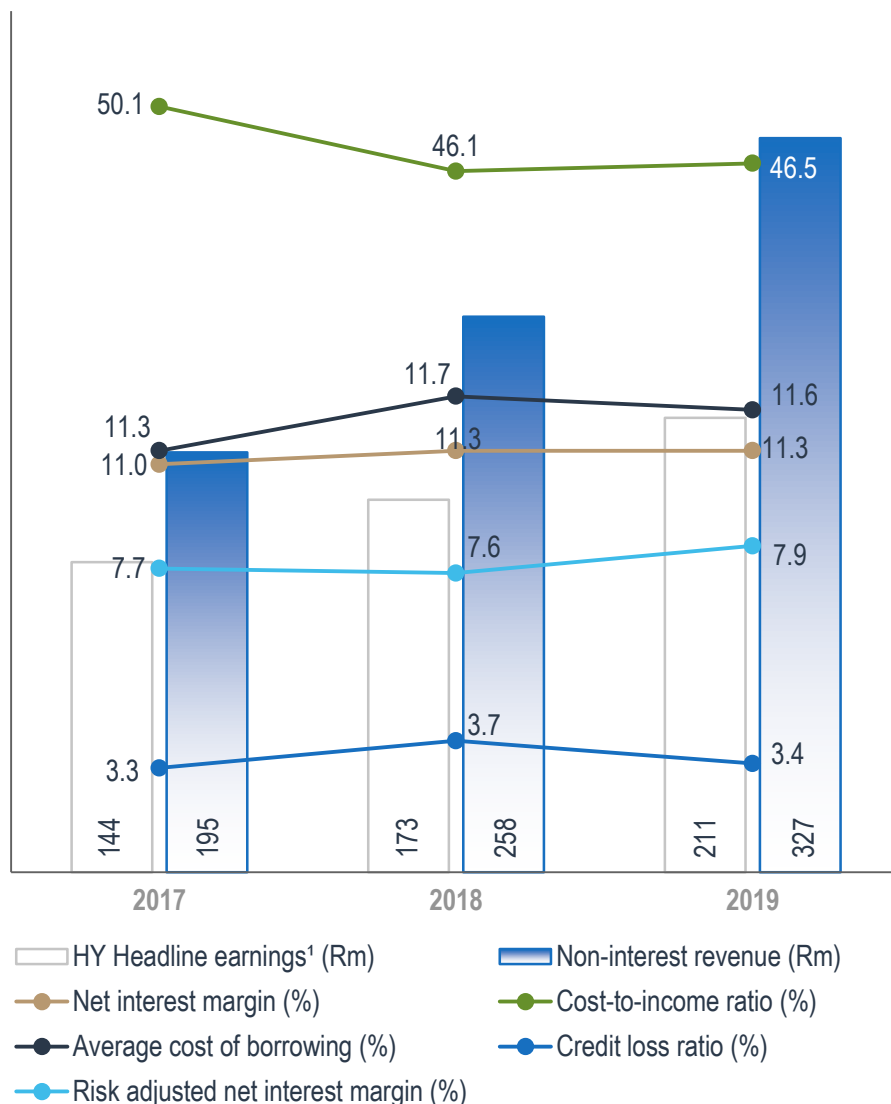


Financial half years 1 October to 31 March | Adopted IFRS 9 in 2015. 2014 numbers on a pro forma IFRS 9 basis

1. Headline earnings attributable to the group

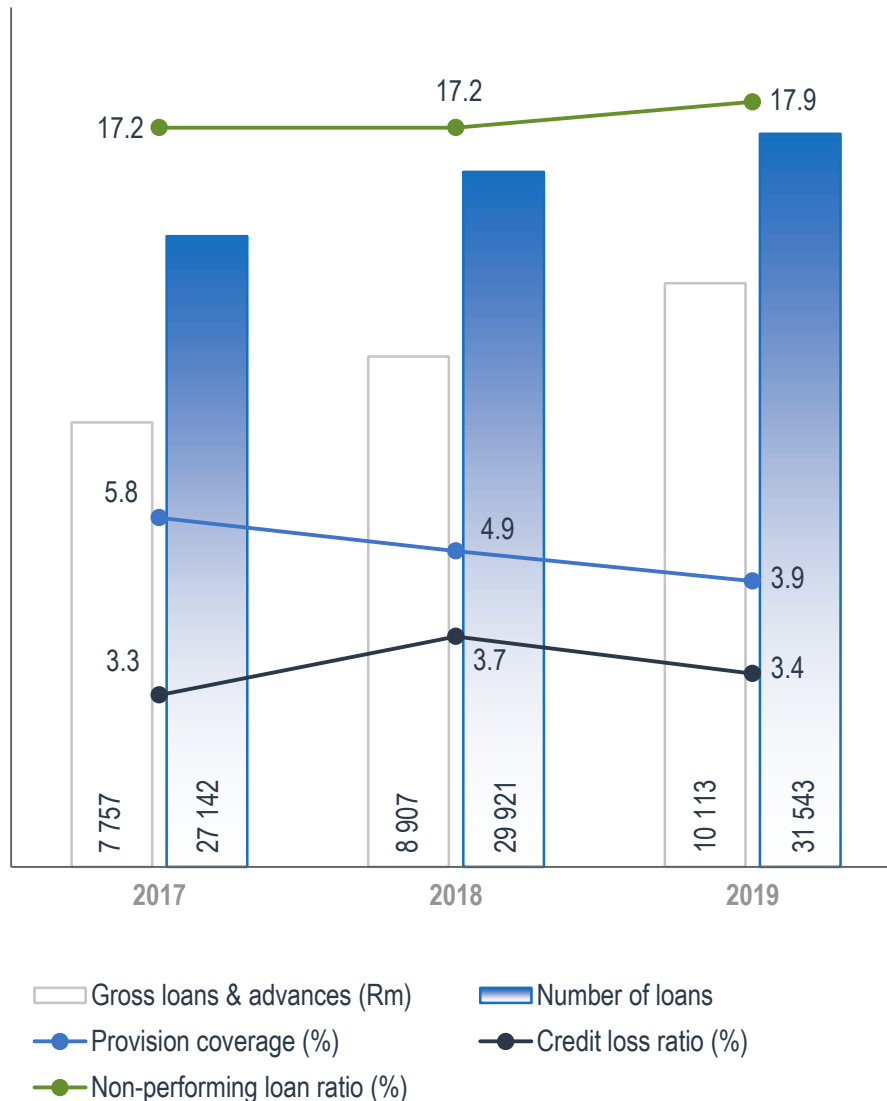
2. CAGR HY17 to HY19, prior to HY17 insurance operations not consolidated

SA TAXI FINANCIAL PERFORMANCE



- SA Taxi headline earnings **▲ 31% to R230m**
- TC's attributable portion **▲ 22% to R211m**
 - › Despite consolidating only 81.4% (previously 98.5%)
 - › All organic growth
 - › Settled approximately **~R1bn** of interest bearing debt on 6 Feb 2019 yielding
 - **~R55m** after tax interest expense saving for FY19
 - **~R12m** after tax interest expense saving for HY19
 - › Gearing **▼ to 4.3 times** from 7.4 times
- NIM at **11.3%**
 - › Average interest rate on origination **23.7%** (HY18: **23.6%**)
 - NCA² maximum rate **▲ to 33.75%** (HY18: **33.5%**)
 - SA Taxi maximum rate **26.8% ▼** from **28.5%** (HY17)
 - › Funding costs **▼ by 10bps** to **11.6%** (HY18: **11.7%**)
 - Average Repo rate **▼ marginally to 6.7%** (HY18: **6.8%**)
 - Foreign debt composition stable at **20%**, fully hedged to Rand (FY18: **20%**; HY18: **21%**)
- Credit loss ratio **▼ to 3.4%** (HY18: **3.7%**)
 - › Risk-adjusted NIM **▲ to 7.9%** (HY18: **7.6%**)
- Non-interest revenue **▲ 27% to R327m**, driven by:
 - › Gross written premium **▲ 22%**
- Cost-to-income ratio **▲ slightly to 46.5%** (HY18: **46.1%**)
- Effective tax rate at **24.1%** (HY18: **27.3%**)

1. Headline earnings attributable to the group
2. National Credit Act



- Gross loans & advances **▲ 14%** to **R10.1bn**
 - › Number of loans originated **▲ 9%**
 - › Rand value of loans originated **▲ 15%**
 - › Toyota vehicle prices:
 - **▲ 2.5%** since FY18; **▲ 4.5%** since HY18
- NPL ratio at **17.9%** (FY18: **17.7%**)
 - › Challenging operating environment
 - Petrol price¹ **▲ 12%**, diesel price¹ **▲ 18%**
- Recovery on repossession **>75%** of settlement value
- Credit loss ratio **▼** to **3.4%** (HY18: **3.7%**)
 - › Recovery on repossession **>75%** of settlement value
 - Improved quality & efficiencies in refurbishment centre
 - TAP launched in March 2018
 - Average refurb cost **▼** between **5%** to **10%** (depending on nature of repair) in HY19
 - Average refurb cost **▼ ~40%** since FY16
 - › Enabling slight increase in disposal via auction & salvage
 - › Target credit loss ratio remains **3%** to **4%**
- Provision coverage at **3.9%** (FY18: **4.0%**)
 - › Lower risk loan origination strategy
 - › Construct of NPLs weighted more towards newer vehicle models
 - › Pre-provision profit **▲ 17%**

1. www.energy.gov.za: 12 month rolling average price (March 2018 to March 2019)

SA TAXI IMPACT

DELIVERING SHARED VALUE FOR THE INDUSTRY

SME EMPOWERMENT

BLACK OWNED SMEs | **100%** | WOMEN OWNED SMEs¹ | **25%** | UNDER THE AGE OF 35 YEARS¹ | **21%**

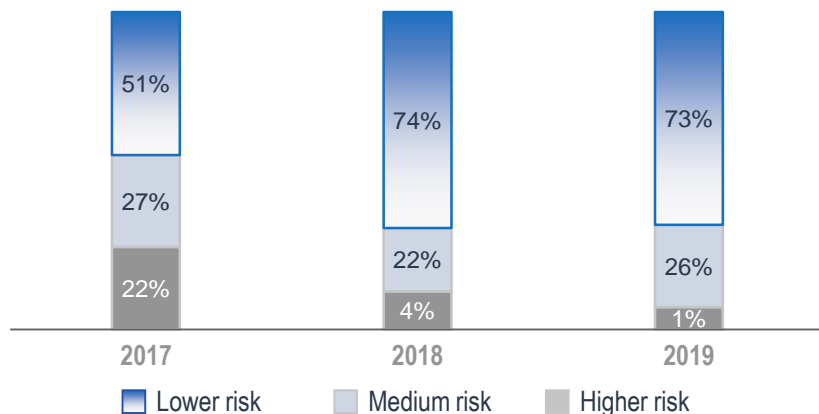
SUSTAINABLE JOB CREATION

DIRECT JOBS PER TAXI VEHICLE | **~1.8** | DIRECT JOBS CREATED BY SA TAXI'S FLEET SINCE 2008 | **>138 000**

~600 000 | INDIRECT JOBS ENABLED BY THE MINIBUS TAXI INDUSTRY² | DIRECT JOBS CREATED BY SA TAXI'S FLEET IN HY19 | **>7 000**

SERVING HIGHER QUALITY TAXI OPERATORS TO CREATE A MORE SUSTAINABLE MINIBUS TAXI INDUSTRY

NEW ORIGATION VOLUMES BY RISK GRADE



ECONOMIC TRANSFORMATION & INCLUSIVE GROWTH

DEVELOPMENTAL CREDIT ACHIEVING INCLUSIVE GROWTH

R1.9 BILLION
LOANS ORIGINATED
CREATING
4 262
SMEs IN HY19

R23.8 BILLION
LOANS ORIGINATED
CREATING
76 685
SMEs SINCE 2008

FACILITATES ASSET OWNERSHIP BY BLACK SMEs

~80%

SA TAXI CUSTOMERS CLASSIFIED AS PREVIOUSLY FINANCIALLY EXCLUDED & UNDER-BANKED

~640

SCORE BELOW WHICH BANKS ARE UNLIKELY TO OFFER FINANCE

~600

AVERAGE SCORE AT WHICH SA TAXI GRANTS FINANCE

INVESTOR RETURNS

ROE | **22.8%**

HEADLINE EARNINGS HY19⁴ | **▲31%**

DEVELOPING PUBLIC TRANSPORT INFRASTRUCTURE

4 262

RELIABLE NEW & PRE-OWNED MINIBUS TAXIS ON THE ROAD IN HY19

ENVIRONMENTAL SUSTAINABILITY

9.8%

ABATEMENT ON CARBON EMISSIONS³

COMMUTER EXPERIENCE

REPLACEMENT OF AGED MINIBUS TAXI FLEET

1. On HY19 originations
2. Department of Transport Minister Dipuo Peters address at National Council of Provinces Budget vote NCOP 2014/15
3. Percentage of tCO2e abatement saved in 2017 through SA Taxi's financing activities
4. SA Taxi grew headline earnings by 31% for HY19, Transaction Capital's attributable portion grew 22%

SA TAXI OPERATIONAL PERFORMANCE

SA TAXI OPERATOR PROFILE

1.2

VEHICLES PER CUSTOMER

3.9 YEARS

AVERAGE AGE OF VEHICLE

47 YEARS

AVERAGE AGE OF OWNER

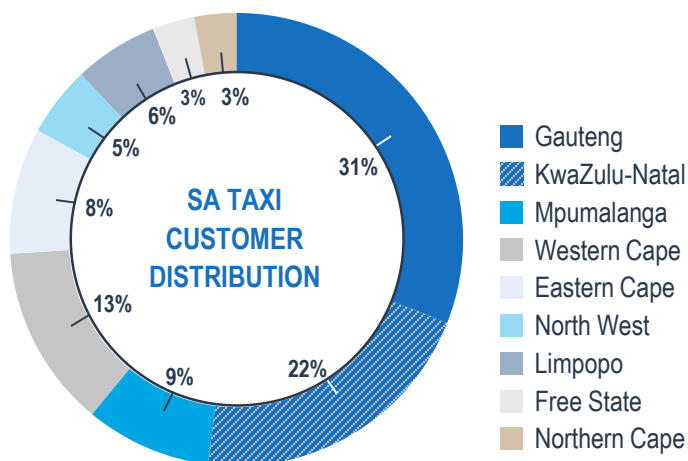
87%

TOYOTA VEHICLES

30%

LOANS ORIGINATED TO REPEAT CUSTOMERS (DURING HY19)

SA TAXI GEOGRAPHIC DISTRIBUTION



CREDIT PROFILE OF LOANS ON BOOK

71 MONTHS

AVERAGE LOAN TERM¹

39%

AVERAGE APPROVAL RATE

>R6 000

MINIMUM MONTHLY OPERATOR PROFIT

48 MONTHS

AVERAGE REMAINING LOAN TERM

3.4%

CREDIT LOSS RATIO

>75%

RECOVERY RATE ON REPOSSESSION

TYPICAL NEW CREDIT AGREEMENT²

• Recommended retail price (Toyota diesel incl. VAT)	R444 200	• Finance instalment	R11 750
• Interest charged	23.7%	• Insurance instalment (Comprehensive, credit life & other)	R2 100
• Term in months	72	• Administration fee (incl. VAT)	R69
• Origination fee (incl VAT)	R2 990	• Telematics fee	R300
		• Total monthly instalment	R14 219

Percentages calculated based on Rand value

1. Average loan term at origination

2. New Toyota diesel



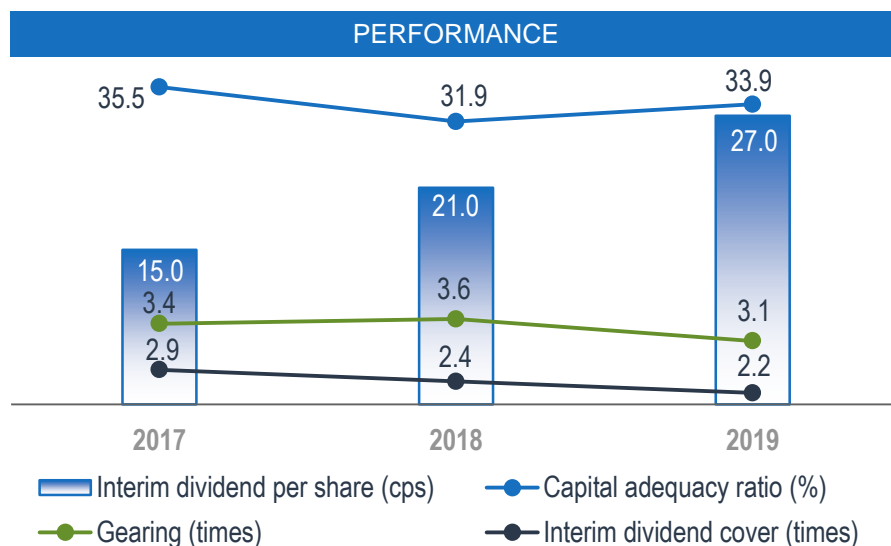
Transaction Capital

CAPITAL MANAGEMENT

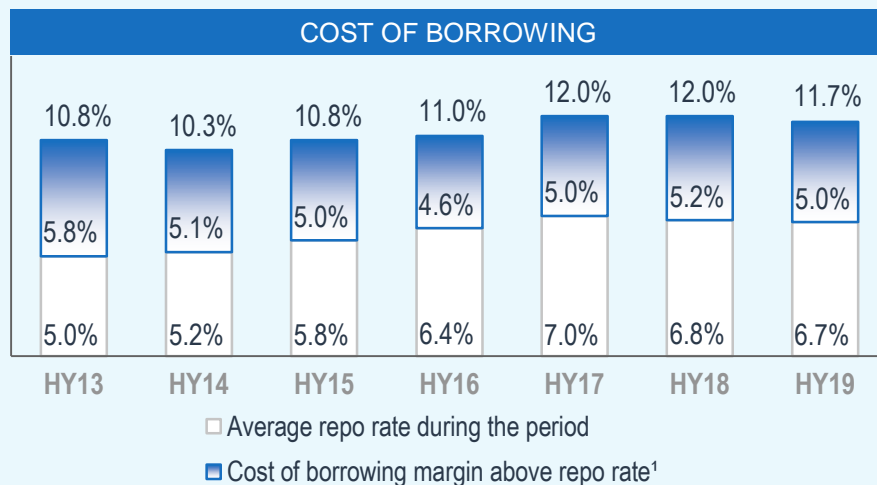
2019

RESULTS FOR THE HALF YEAR ENDED 31 MARCH

PERFORMANCE



COST OF BORROWING



- Debt free & liquid TC holding company balance sheet
 - Excess cash of **~R1bn**
 - Capacity to continue investing in organic & acquisitive opportunities
- Capital adequacy **▲** to **33.9%** (HY18: **31.9%**)
 - 30.1%** equity; **3.8%** subordinated debt
 - Growth to be funded with efficiently priced senior debt
- Group average cost of borrowing **▼** to **11.7%** (HY18:**12.0%**)
 - Margin above repo **5.0%**
 - Foreign debt component stable at **20%**, fully hedged to Rand
- Robust access to the debt capital markets
 - Raised **~R2.1bn** in debt facilities from **21** funding transactions
 - SA Taxi fully funded for **> 12 months**

SA Taxi

- Settled **~R1bn** of interest bearing debt on **6 Feb 2019** yielding
 - ~R55m** after tax interest expense saving for FY19
 - ~R12m** after tax interest expense saving for HY19
 - Improved NIMs from lower leverage & interest expense savings
- Transsec 4 launched
 - First issuance upsized to **R1bn** from **R700m**
 - >2.6 times** oversubscribed
 - 175 bps** above 3 month JIBAR, lowest priced Transsec issuance ever

1. Calculated using Transaction Capital's average cost of borrowing for the period & the South African Reserve Bank's average repo rate for the period

INNOVATIVE THINKING

Innovative thinking is encouraged & cultivated to develop pioneering funding solutions

ENGAGED DEBT INVESTORS

- Recurring investment by debt investors motivated by performance, the ease of transaction & appropriate risk adjusted returns
- Transparent & direct relationships with debt investors where necessary facilitated by valued intermediaries

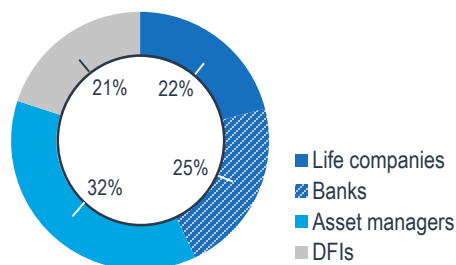
JUDICIOUS RISK MITIGATION

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

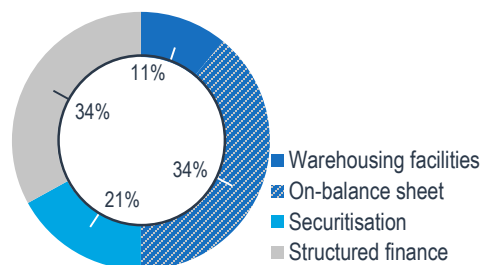
OPTIMAL CAPITAL STRUCTURES

- Proactively managing valuable capital & funds raised across the group
- Bespoke & innovative funding structures to meet investment requirements & risk appetite of a range of debt investors while also targeting an optimal WACC
- No cross-collateralisation between structures

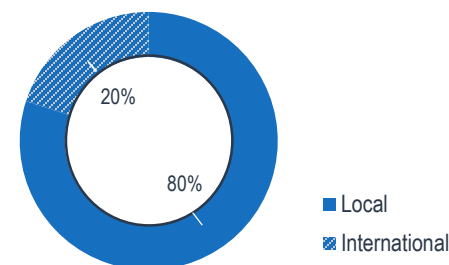
DIVERSIFICATION BY DEBT INVESTOR CATEGORY



DIVERSIFICATION BY FUNDING STRUCTURE



DIVERSIFICATION BY GEOGRAPHY



ON BALANCE SHEET

HY19 BALANCE OUTSTANDING | **R3.6 billion**

 **SA Taxi**
driving our nation forward
Development Finance

 **SA Taxi**
driving our nation forward
Holdings

 **Transaction Capital**
Risk Services

SECURITISATION

HY19 BALANCE OUTSTANDING | **R2.2 billion**

 **Transsec 2**
(RF) Limited

 **Transsec 3**
(RF) Limited

 **Transsec 4**
(RF) Limited

STRUCTURED FINANCE

HY19 BALANCE OUTSTANDING | **R3.7 billion**

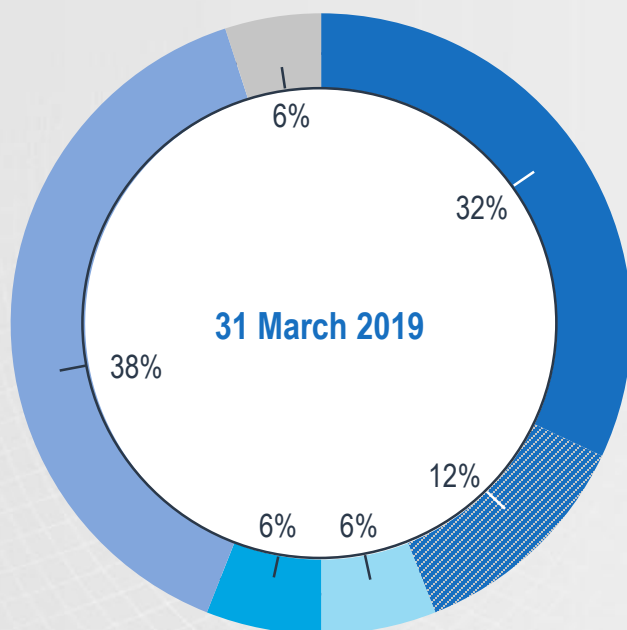
 **SA Taxi**
driving our nation forward
Impact Fund

 **SA Taxi**
driving our nation forward
Finance Solutions

WAREHOUSING FACILITIES

HY19 BALANCE OUTSTANDING | **R1.2 billion**

 **Potpale**
Investments



- Directors of Transaction Capital & its subsidiaries
- ▨ Old Mutual Investment Group
- Allan Gray Proprietary Limited
- Visio Capital Management
- Remaining institutional shareholders
- Retail investors

- **Dividends growing faster than earnings, CAGR of 35% since HY14**
 - › Interim dividend per share ▲ **29% to 27cps**
 - › Total dividend cover of **2.2 times** (HY18: 2.4 times)
- Foreign institutional ownership ▲ to **17%**
 - › HY18: 15%
 - › HY17: 5%
- Focus on improving liquidity
 - › Free float stable at 68%
- Appointment of independent non-executive directors
 - › Diane Radley appointed 15 July 2018
 - › Buhle Hanise appointed 1 January 2019
 - › Additional appointments under consideration
- Appointment of Sean Doherty as CFO effective 1 June 2019
- Resignation of Ronen Goldstein effective 1 June 2019



Transaction Capital

CONCLUSION

2019

RESULTS FOR THE HALF YEAR ENDED 31 MARCH

INVESTMENT CASE

COMPELLING & UNIQUE AS WE EXECUTE ON OUR STRATEGY

TRANSACTION CAPITAL
COMPRISED OF
A **DIVERSIFIED** PORTFOLIO OF
FINANCIAL SERVICES ASSETS

- Two **well established, autonomous & unique** financial services businesses: **SA Taxi & TCRS**
- Positioned in **attractive market segments** occupying **leading market positions**
- Highly **defensive businesses** able to withstand difficult economic conditions
- Deep **vertical integration** enabling application of **specialised expertise** to **mitigate risk, participate in margin & provide a broader service to clients**
- **Superior data & leading-edge technology & analytics** capabilities differentiate our offerings, inform business decisions & mitigate risk
- **Via a diversified business model**
 - › Unique blend of highly **cash generative & capital related** businesses
 - › **Diversified revenue model** across adjacent **market segments & geographies**

WITH A **BESPOKE & ROBUST**
CAPITAL STRUCTURE
INCORPORATING **R1 BILLION**
OF EXCESS CAPITAL

- **Conservative equity capital structure** to fund organic growth & acquisition activity
- Capital management approach supporting sustainable growth through an **optimal balance of debt & equity**
- **Proven ability to raise debt & equity capital** efficiently from diversified range of local & international investors
- **Ungeared & debt free** at holding company level

ESTABLISHED AS
A **SCALABLE FINANCIAL**
SERVICES PLATFORM

- **Decentralised businesses** that are self-sustaining & sizable in their own right
- **Highly competitive, efficient, technology-driven** operating platforms, which manage our assets
- For SA Taxi & TCRS to develop **new products** & expand into **new markets**
- For Transaction Capital to **innovate in introducing new organic & acquisitive growth opportunities**

INVESTMENT CASE CONTINUED

COMPELLING & UNIQUE AS WE EXECUTE ON OUR STRATEGY

LED BY AN **EXPERIENCED
ENTREPRENEURIAL
OWNER-MANAGER TEAM**

- Identify, assess, develop & **partner with entrepreneurial, innovative & experienced founders**, owners & managers of businesses
- **Ownership culture**
- **Empowered, entrepreneurial, innovative, proven & long-serving** leadership
- Specialised **intellectual capital** applied over a much smaller asset base than in larger organisations

BUT UNDERPINNED BY A ROBUST
**GOVERNANCE FRAMEWORK & SOUND
GOVERNANCE PRACTICES**

- Experienced, diverse & **independent directors** at group & subsidiary level
- **Institutionalised governance**, regulatory & risk management practices
- **Conservative accounting policies** (including the early adoption of **IFRS 9**)

WHICH TOGETHER POSITION IT
FOR **SUSTAINABLE HIGH-QUALITY
EARNINGS GROWTH**

- Active **investor in & operator of credit-orientated alternative assets**
 - › By identifying opportunities to leverage our high-IP & leading technologies & low-cost operational infrastructure
 - › To expand into attractive adjacent market segments, related alternative asset classes & geographic markets
 - › Applying expertise to assess, mitigate, underwrite & price credit risk in originating new assets or acquiring existing assets
- Unrelenting **investment into & precise implementation of innovative strategic initiatives**
- Track record of **high-quality earnings with high cash conversion rates & strong organic growth prospects**
- **Dividends growing faster than earnings**

TO GENERATE **RISK-ADJUSTED
INTEREST RETURNS & CAPITAL
APPRECIATION**

- **Value-led** investment approach
- Seeking investment outcome that combines:
 - › Attractive risk-adjusted interest returns from our asset portfolios
 - › Enhanced by capital appreciation in the value of the operating platforms

& THE DELIVERY
OF A **MEANINGFUL
SOCIAL IMPACT**

- Businesses deliberately positioned, regarding demographic & socio-economic trends, to deliver shared value, through **commercial returns & meaningful positive social impact**
- SA Taxi facilitates
 - › **Asset ownership by black owned SMEs, financial inclusion, SME empowerment, & sustainable job creation**
 - › **Improved public transport infrastructure**
 - › **Environmental sustainability**
- TCRS facilitates
 - › **Credit rehabilitation** of over-indebted consumers
 - › Lenders to maintain cleaner balance sheets to **continue extending credit affordably**



Transaction Capital

QUESTIONS

This presentation may contain certain "forward-looking statements" regarding beliefs or expectations of the TC Group, its directors & other members of its senior management about the TC Group's financial condition, results of operations, cash flow, strategy & business & the transactions described in this presentation. Forward-looking statements include statements concerning plans, objectives, goals, strategies, future events or performance, & underlying assumptions & other statements, which are other than statements of historical facts. The words "believe", "expect", "anticipate", "intend", "estimate", "forecast", "project", "will", "may", "should" & similar expressions identify forward-looking statements but are not the exclusive means of identifying such statements. Such forward-looking statements are not guarantees of future performance. Rather, they are based on current views & assumptions & involve known & unknown risks, uncertainties & other factors, many of which are outside the control of the TC Group & are difficult to predict, that may cause the actual results, performance, achievements or developments of the TC Group or the industries in which it operates to differ materially from any future results, performance, achievements or developments expressed by or implied from the forward-looking statements. Each member of the TC Group expressly disclaims any obligation or undertaking to provide or disseminate any updates or revisions to any forward-looking statements contained in this announcement.