

# APPENDIX

RESULTS FOR THE YEAR  
ENDED 30 SEPTEMBER **2020**

POSITIONING STATEMENT

TRANSACTION CAPITAL

is an investor in and operator of alternative assets in credit related and other specialised market verticals.

Our strong decentralized divisional management teams manage our assets in well-governed, agile and efficient business platforms, which are scalable, data-driven and vertically integrated.



Led by entrepreneurial management teams, our businesses are positioned deliberately in relation to socio-economic dynamics in defensive market segments. Their operational, financial and strategic flexibility allow them to quickly align their operating models, financial structures and growth plans to prevailing economic realities and emerging opportunities. This enables them to consistently deliver good commercial returns and meaningful social value.



Shareholding  
73.7%



49.9%



100%



Transaction Capital’s market-leading and diversified business platforms leverage their specialised expertise, proprietary data and technology to create value for their customers. The business models of SA Taxi, Transaction Capital Risk Services (TCRS) and WeBuyCars are highly relevant in an operating context that is being redefined by COVID-19<sup>1</sup>. With the group’s support, they continue to refine their competitive value propositions, diversify their revenues and expand their total addressable markets.

### AGILITY & FLEXIBILITY OF THE GROUP & ITS DIVISIONS IN RESPONDING TO THE VOLATILE OPERATING ENVIRONMENT PRECIPITATED BY COVID-19 DURING FY20, DEMONSTRATES ROBUSTNESS OF TC'S BUSINESS MODEL

Transaction Capital comprises a **diversified** portfolio of **financial services assets**

established as a **scalable financial services platform**

led by an **entrepreneurial owner-manager** team

- Two well established, autonomous & unique financial services businesses: SA Taxi & TCRS
- Data and technology led businesses, operating in specialised market verticals
- A 49.9% non-controlling investment in WeBuyCars, a trader of used vehicles
- Businesses manage financial or credit-related alternative assets
- Recent acquisition of a non-controlling 49.9% of WeBuyCars investing into TC's third market vertical
- Positioned in attractive market segments occupying leading market positions
- Highly defensive, context-relevant businesses able to withstand difficult economic conditions
- Deep vertical integration enabling application of specialised expertise to mitigate risk, participate in margin and provide a broader service to clients
- Via a diversified business model
  - › Unique blend of highly cash generative & capital related businesses
  - › Diversified revenue model across adjacent market segments & geographies
- Decentralised businesses that are self-sustaining & scalable in their own right
- Technology-driven, market leading operating platforms, which manage our assets
- Scalable via development of new products and expansion into new markets (SA Taxi and TCRS) and through innovation in introducing new organic and acquisitive growth opportunities (Transaction Capital).
- Identify, assess, develop & partner with entrepreneurial, innovative & experienced founders, owners & managers of businesses
- Strong ownership culture & materially invested management teams
- Empowered, entrepreneurial, agile, innovative, proven & long-serving leadership
- Specialised intellectual capital applied over a much smaller asset base than in larger organisations

## COMPELLING &amp; UNIQUE AS WE EXECUTE ON OUR STRATEGY

with a **bespoke and robust capital structure**

- **Conservative capital management philosophy** to fund organic growth & acquisition activity
- **Well capitalised** at holding company & divisional levels
- Unfettered access to liquidity & **proven ability to raise debt & equity** from a diversified range of local & international investors
- An **optimal balance of debt & equity**, with limited exposure to liquidity & refinancing risk
- Positive asset-liability gap maintained

underpinned by a robust **governance framework** and **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 & IFRS 17)

which positions the group for **sustainable high-quality earnings growth**

- Track record of **high-quality earnings** with **high cash conversion rates & strong organic growth prospects**
- Identification of opportunities to **leverage our high-IP, leading technologies and low-cost operational infrastructure**
- Expansion into attractive adjacent market segments, related alternative asset classes & geographic markets.
- Established 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.**

generating **risk-adjusted interest returns** and **capital appreciation**

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

## COMPELLING &amp; UNIQUE AS WE EXECUTE ON OUR STRATEGY

and the delivery of  
a meaningful  
social impact

- Businesses **deliberately positioned** in relation to demographic and socio-economic trends, **to deliver shared value, through commercial returns and meaningful positive social impact**
- Environmental, social, economic & governance principles embedded throughout our operations
- **SA Taxi** enables mobility access for millions of minibus taxi commuters through tailored developmental financing and support services for SMEs which:
  - › **Empower SMEs** through financial inclusion
  - › **Promotes social inclusion** by helping millions of commuters to access services & economic opportunities
  - › **Improves the public transport industry** for all stakeholders
  - › **Promotes climate resilience**
  - › **Environmental sustainability measured by fleet footprint and CO<sub>2</sub> abatement**
  - › **Supporting the sustainability** of the minibus taxi industry including minibus taxi operators, drivers and other stakeholders
- **TCRS** promotes stable, functioning credit markets, facilitates financial rehabilitation and enables efficient payment systems by:
  - › **Driving economic growth by promoting credit market stability**
  - › **Rehabilitating debtors** ethically and responsibly
  - › **Improving financial intermediation** for all stakeholders
- **WeBuyCars** facilitates private vehicle ownership, which enables mobility in a market characterised by limited public transport and long travel distances especially outside urban centres, by:
  - › Providing a **reliable, affordable and convenient alternative** when buying and selling a vehicle in South Africa with a high level of customer service
  - › Leveraging data and technology for **fair pricing of vehicles** to sellers and buyers
  - › Providing an **independent vehicle condition report** to instil buyer confidence.

## 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 & high-calibre executives & developing exceptional management teams

### FINANCIAL CAPITAL

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

### SOCIAL CAPITAL

Deliberate alignment of financial & social capital investment to realise transformation objectives & goals

### 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 CAPITAL

**20-year** track record

of excellent earnings & capital growth to shareholders with safe risk-adjusted returns to debt capital providers

### SOCIAL CAPITAL

Population mobility, small business creation, financial inclusion, credit rehabilitation

### REPUTATIONAL CAPITAL

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

# TRANSACTION CAPITAL EVOLUTION SINCE LISTING



Transaction Capital

6

## MANAGEMENT INTERVENTIONS TO CREATE VALUE

### CAGR FY12 to FY19:

Headline earnings per share<sup>1</sup> ▲ 23%

Total dividend per share<sup>2</sup> ▲ 31%

Dividends growing faster than earnings, supported by high cash conversion rates

### June 2012

JSE listing

### November 2013

Paycorp disposal for R937m  
IRR 18.2% & PE of 18.7 times

### December 2013

Bayport disposal for R1.3bn  
IRR 32.6% & PE of 6.7 times

### March 2014

Special distribution  
210 cps or R1.2bn in total

### November 2015

Early adoption of IFRS 9

### November 2016

Established R2bn domestic note  
programme at group level

### January 2017

Foreign institutional ownership at 3.3%

### February 2017

Issued 28.4m shares raising R419m

### November 2017

Dividend policy amended to 2 to 2.5 times (4 to 5 times at listing)

Improved dividend cover to 2.4 times (FY13: 4.5 times)

### March 2018

Accelerated bookbuild – Founders sold 72m shares at R16.80

### October 2018

Early adoption of IFRS 17

### December 2018

Formation of joint venture to invest in European distressed debt

### September 2019

Secondary listing on A2X

Foreign institutional ownership at 18%

Free float at 68%

### November 2019

Sunday Times 2nd best performing  
company based on 5 year CAGR

### February 2020

Accelerated bookbuild – Founders  
sold 69m shares at R23.50

### June 2020

Issued 30.8m shares raising  
R560m in equity

### September 2020

Value accretive acquisition of 49.9%  
of WeBuyCars investing into TC's  
third adjacent market vertical

Foreign institutional ownership at 24%  
Free float at 81%

### November 2020

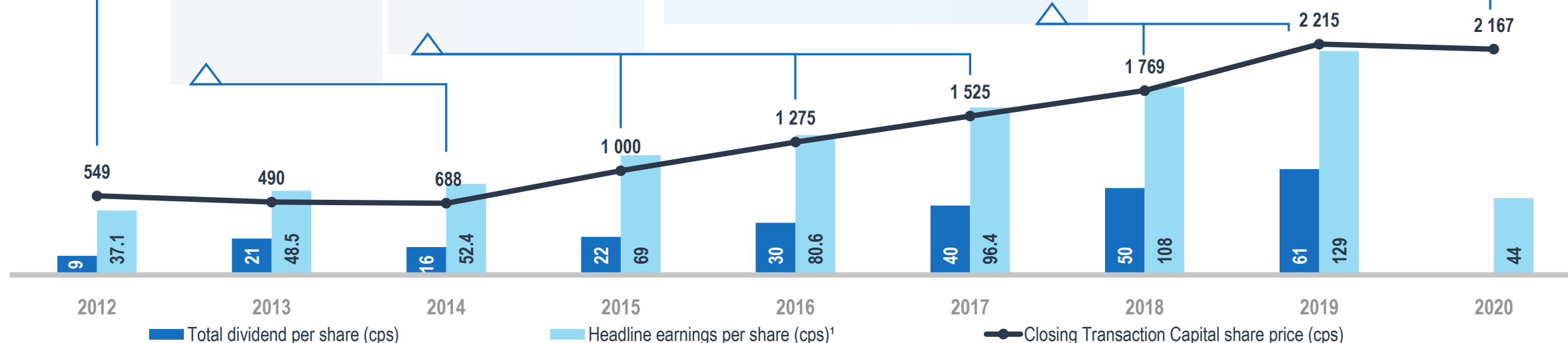
Further augmented skills &  
independence of the board  
RBH introduced as strategic  
long-term shareholder

### FY20

Financial performance impacted  
by COVID-19

Business model  
proves resilient & gains in  
relevance in a post COVID-19  
environment

Pre-provision profit ▲ 10%



Financial years 1 October to 30 September | Adopted IFRS 9 in 2015. 2014 numbers on a pro forma IFRS 9 basis. 2012 & 2013 numbers on an IAS 39 basis as reported

2012 & 2013 numbers on an IAS 39 basis as reported

1. Core headline earnings per share, excluding impact of Paycorp & Bayport |  
2. Sunday Times 'Top 100 Companies over 5 years' 2019 2<sup>nd</sup> place



# APPENDIX

## WeBuyCars

RESULTS FOR THE YEAR  
ENDED 30 SEPTEMBER **2020**



## POSITIONING STATEMENT



Is South Africa's

trusted

trader of

used vehicles

through its

data & technology-led

vertically integrated

physical & e-commerce

infrastructure

*Sellers receive a fair offer price, driven by proprietary market data (artificial intelligence) with immediate cash settlement.*

*Buyers have access to full disclosure via an independent vehicle condition report<sup>1</sup> & high-resolution photos facilitating the buying decision*

*With no brand affiliation, WeBuyCars buys any used vehicle type, & offers an unmatched & diverse range of vehicles for sale within a market where one million used vehicles trade per year. This market is less sensitive to exchange rate & vehicle price inflation*

*By leveraging ~20 years of experience in proprietary vehicle, price, consumer & other data with artificial intelligence technology, WeBuyCars adjust pricing according to the value & demand of a vehicle, preserving margins & high stock turn*

*Penetrating the used vehicle vertical enables WeBuyCars to extend its offering beyond vehicle buying & selling as a principal. Finance, insurance based, tracking & other allied products (F&I products) offered as an agent, with future opportunity to offer these as a principal*

*Entrepreneurial, founder-led & proudly South African; an innovator amongst numerous participants in the used vehicle segment, that is characterised by low levels of consumer trust. WeBuyCars' consistently high satisfaction levels have built a trusted brand*

*A differentiated buyer & seller of used vehicles, serving clients through e-commerce & physical infrastructure including vehicle supermarkets & buying pods to deliver a consistently high quality service*

*Technology is transforming the way in which consumers transact, which is no different in the vehicle industry. This improves the efficiency & reliability of service, whilst overcoming geographic transactional barriers*

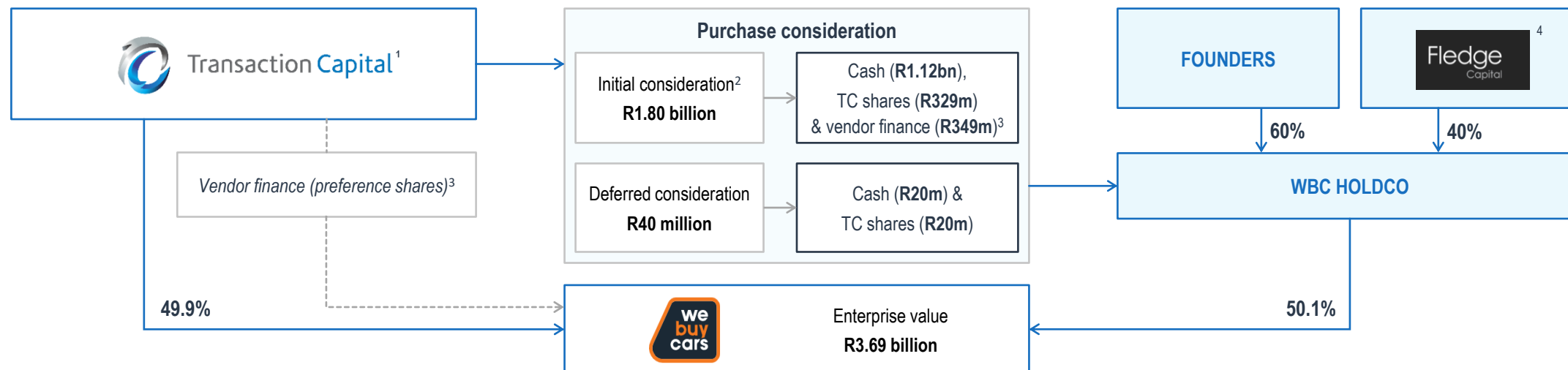
*WeBuyCars has a prominent national footprint with over 7 vehicle supermarkets & 19 pods, including >150 national buyers to ensure maximum client service. e-Commerce activities include an established B2B e-commerce offering with proven but nascent B2C e-commerce activities commenced*

1. Independent DEKRA report, a vehicle inspection certification providing information on the mechanical & technical status of the vehicle

# TRANSACTION CAPITAL SUBSCRIBES FOR A NON-CONTROLLING 49.9% IN WeBuyCars

A QUALITY BUSINESS WITH HIGH CASH CONVERSION RATES & STRONG ORGANIC GROWTH PROSPECTS

## EARNINGS ACCRETIVE CASH DEPLOYMENT INTO A RELEVANT & SCALABLE BUSINESS WITH POTENTIAL TO GROW IN VALUE



## INVESTMENT TERMS

- Transaction Capital subscribes for a non-controlling **49.9%** in WeBuyCars
- Enterprise value of **R3.69 billion**
- Initial purchase consideration of **R1.80 billion<sup>2</sup>**
  - › **R1.12bn** of cash (~**R900m** of undeployed capital & ~**R220m** from existing debt facilities)
  - › **R349m** of vendor finance via issue of preference shares
  - › **R329m** of new Transaction Capital equity (**16.47m** shares at **R20** per share)
- Deferred consideration of **R40 million**
  - › **R20m** cash
  - › **R20m** TC shares
- PE multiple **~10x**
- Put option<sup>5</sup> to sell additional **10.0%** to Transaction Capital at end of year 1
- Call option<sup>6</sup> to acquire up to **74.9%** by Transaction Capital at end of year 3

1. Simplified transaction structure. TC via Transaction Capital Motor Holdings, a 100% owned subsidiary of TC

2. Purchase consideration as at 11 September 2020

3. TC issues R349m of preference shares

4. Fledge Capital is an independent investment company that provides capital solutions to private companies across a wide range of industries. Fledge Capital was founded in 2010 by Louis van der Watt & Konrad Fleischhauer

5. Put option subject to regulatory approvals

6. Call option subject to regulatory approvals (if required) & pre-determined criteria being met

# EVOLUTION OF WeBuyCars INTO A LEADING MARKET PARTICIPANT

ENTREPRENEURIAL CULTURE | INVESTMENT IN EXPANSIVE INFRASTRUCTURE | BUILDING A TRUSTED BRAND | UNIQUE E-COMMERCE TECHNOLOGY

## 2001

- WeBuyCars founded by van der Walt brothers

## 2010

- 1<sup>st</sup> vehicle supermarket (branch) built in Pretoria - capacity 100 vehicles

## 2012

- 1<sup>st</sup> buyers appointed (Gauteng)

## 2016

- Cape Town vehicle supermarket opened
- Expanded offering to include finance & insurance<sup>1</sup>

## 2017

- March - Fledge Capital invests in WeBuyCars (40%)
- Durban vehicle supermarket opened
- Midstream vehicle supermarket opened – 1100 vehicles
- Buying pods established at selected retail malls

## 2019

- Vehicle supermarkets: Durban (2<sup>nd</sup>), Port Elizabeth; Silver Lakes relocated to larger premises
- New vehicle supermarkets in Cape Town
- Artificial intelligence developed | IP to automate optimal vehicle pricing
- Expanded offering to include tracking services

## 2001 - 2010

- Located in Pretoria; Advertising in newspapers

## 2011

- Advertising expanded to billboards

## 2014

- Buyers appointed (Cape Town)

## 2015

- Capacity expanded - 700 vehicles
- Digital advertising commenced

## 2018

- Vehicle supermarkets: Cape Town (2<sup>nd</sup>); Johannesburg South
- Auctions to the public initiated
- Expanded offering to include warranty product

## 2020

- Vehicle condition report on all vehicles (e.g. DEKRA Report)
- Public e-commerce auctions launched 'B2C'<sup>2</sup> & 'B2B'<sup>3</sup>
- A non-controlling 49.9% in WeBuyCars acquired by TC

## HIGHLIGHTS AS AT 31 MARCH 2020

Infrastructure  
in all **9** provinces

**R6.7bn**

Revenue for FY2020

**62.1%**

ROE in FY2020

**~15x**

Inventory turns per year<sup>4</sup>

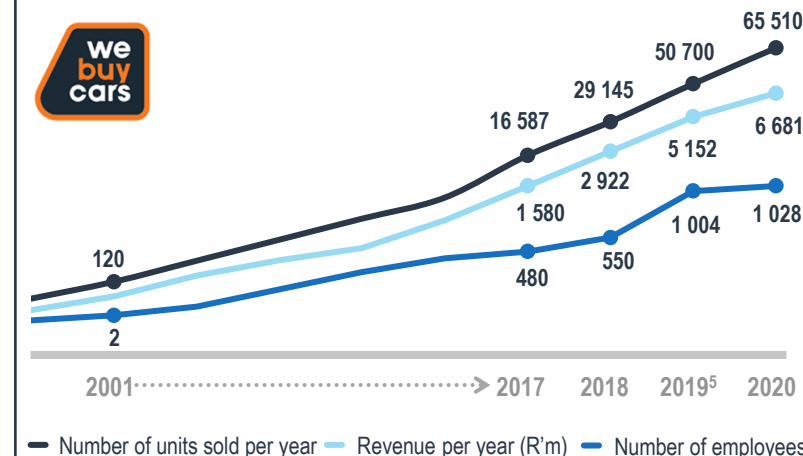
**2.8m**

Website visits per month  
(~814 000 unique visitors)

**~60 000**

Vehicle supermarket visits  
per month

## STRONG ORGANIC GROWTH



1. WeBuyCars earns margin on trading vehicles (vehicle margin), with additional gross margin earned on finance, insurance based, tracking & other allied products (product margin)

2. B2C | Business-to-consumer

3. B2B | Business-to-business (vehicle dealers)

4. 2020 financial year: cost of sales/average inventory

5. 2019 reflects a 13 month financial period to 31 March 2019

This is due to a change in financial year end from

28 February to 31 March

## USED VEHICLE INDUSTRY IS LARGE & HIGHLY FRAGMENTED

### LARGE & HIGHLY FRAGMENTED MARKET WITH VARIOUS PARTICIPANTS & OPERATING MODELS

#### DEALERS | GROUPS VS INDEPENDENT

- Stockholders with inventory on balance sheet
- >3 000 dealers (~2 100 franchised)
- **Dealership groups affiliated to OEMs**
  - › Limited brand optionality & pricing flexibility
- **Independent dealership groups**
  - › Greater choice of brands, limited stock available, low levels of customer trust

#### ONLINE PLATFORMS & MARKET PLACES

- Do not carry inventory
- Facilitate trades, earn commission &/or advertisement revenue
- Large volume of vehicles for viewing, no physical footprint & no test-drives
- **Private-to-private platforms** are poorly regulated, vehicles not backed by any guarantee, F&I products not offered
- **Dealers-to-private platforms** are strongly established distribution channels
- Transaction is not always certain



- Sells to dealerships & private customers
- Offers online experience & has physical presence (vehicle supermarkets & pods)
- Buys & sells variety of vehicles
  - › Many brands & models
  - › Age | 1 year old to over 20 years
  - › Price | ~R40 000 to > R1 million
- Majority of vehicles sold
  - › Age | Older than 5 years
  - › Price | R40 000 to R160 000
- Sellers receive fair price, driven by artificial intelligence with immediate cash settlement

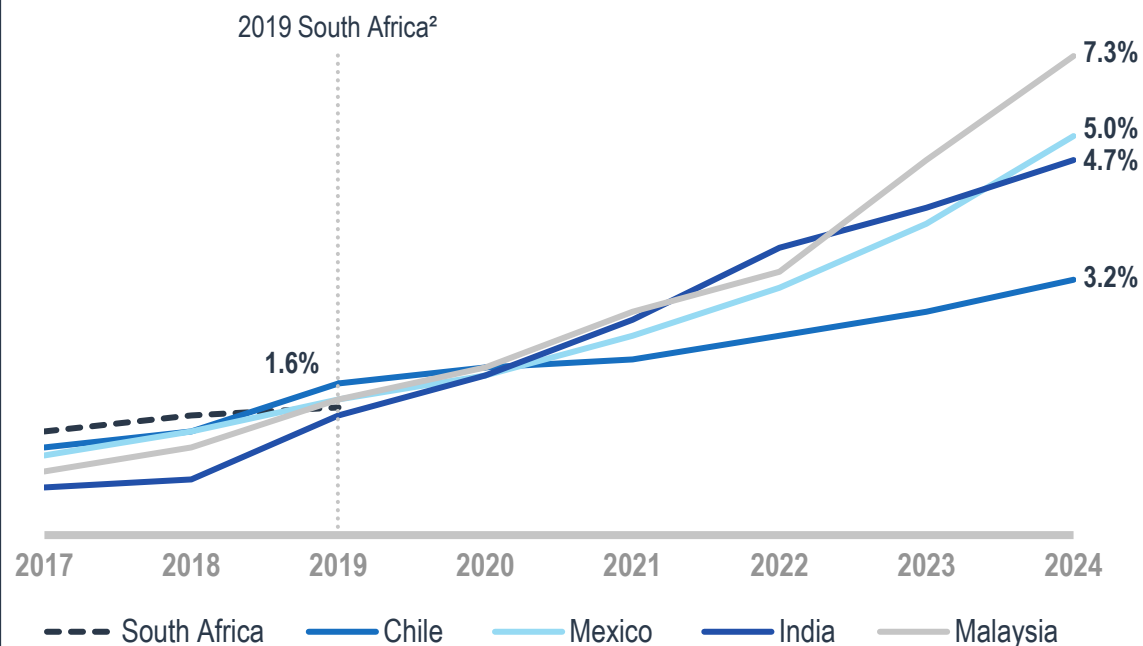
## E-COMMERCE PENETRATION IN SOUTH AFRICA IS DRIVING GROWTH

ESTIMATE THAT E-COMMERCE ADOPTION IN SOUTH AFRICA HAS LEAP-FROGGED 5 YEARS DUE TO COVID-19

### SIGNIFICANT OPPORTUNITY FOR E-COMMERCE DISRUPTION IN SOUTH AFRICA

- South Africa reflecting an increasing trend of universal e-commerce adoption
- Growing number of e-commerce participants in South Africa across various sectors & asset classes

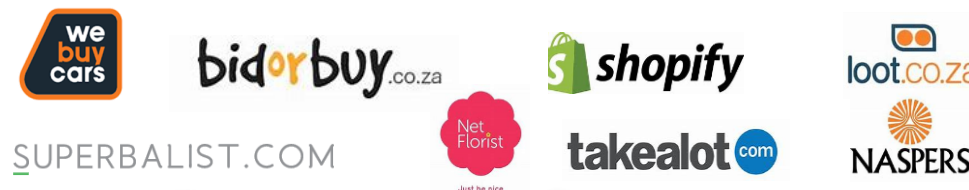
### PEER COUNTRY E-COMMERCE PENETRATION<sup>1</sup>



### WeBuyCars IS WELL POSITIONED TO GROW ITS E-COMMERCE ACTIVITIES

- 1st mover advantage in used vehicle e-commerce market
- Established **B2B** e-commerce platform including vehicle dealerships
- Early stage **B2C** e-commerce activities commenced
- >35% of sales online
- Trusted brand facilitating peace of mind transacting, buyers have access to full disclosure
  - › Independent vehicle condition report (e.g. DEKRA)
  - › High resolution photos

### E-COMMERCE PARTICIPANTS IN SOUTH AFRICA



### Cox Automotive: Car Buyer Journey

“Consumers are going through the **shopping process** faster through online platforms with third party sites & social media platforms driving brand awareness, reducing the need to consult at stores ahead of purchase. **Digital retailing is poised to revolutionize the buying process** that a lot of customers feel has not changed over the years”

Cox Automotive, April, 2019

Source: Euromonitor e-commerce penetration data

1. Penetration rates are pre COVID-19

2. Peer countries have been rebased to South Africa's 2019 level to reflect possible trajectory for South Africa from a base of 1.6% penetration as observed in peer countries

# APPENDIX SA TAXI

RESULTS FOR THE YEAR  
ENDED 30 SEPTEMBER **2020**



## POSITIONING STATEMENT

## SA TAXI

is a vertically integrated

minibus taxi platform

utilising specialist capabilities,

enriched proprietary data

& technology to provide

developmental finance, insurance

& other services

to empower SMEs &

create shared value opportunities

thus enabling the sustainability

of the minibus taxi industry

*An innovative & pioneering business model  
with operations expanding throughout  
the financial services & asset value chain,  
building a scalable platform  
that can be leveraged in adjacent markets*

*Innovative technology, valuable client & market  
insights developed from overlaying granular  
telematics, credit, vehicle & other data  
to enable precise & informed origination,  
collection decisioning & proactive risk management*

*Providing complementary business services that  
assist SMEs to maximise cash flow & protect  
their income-generating asset, thus improving  
their ability to succeed, as well as offering value  
added services to the wider industry stakeholders*

*Creating shared value opportunities  
by providing services to the wider industry  
facilitating engagement & investment*

*A unique blend of vehicle procurement, retail,  
repossession & refurbishment capabilities,  
with financing & comprehensive insurance  
competencies for focused vehicle types*

*Enabling financial inclusion by proficiently securing  
funding from both local & international debt investors  
to judiciously extend developmental credit to SMEs  
that may otherwise not easily have access to credit  
from traditional financiers*

*Empowering under-served & emerging SMEs  
to build their businesses, which in turn creates  
further direct & indirect employment opportunities*

*Contributing to the recapitalisation & sustainability  
of the minibus taxi industry – a critical pillar  
of the public transport sector servicing the majority  
of South Africa's working population*



## MANAGEMENT INTERVENTIONS TO CREATE VALUE

### CAGR FY12 to FY19:

Headline earnings	▲ 19%
Gross loans & advances	▲ 11%
NPL ratio	▼ 7%
Credit loss ratio	▼ 6%
Gross written premium <sup>1</sup>	▲ 22%

### June 2012

Telematics applied to credit vetting via route mapping, in addition to repossession

### February 2013

Operations relocated to Midrand  
Mechanical workshop upgraded with all mechanical repairs done in-house

### Non-interest revenue composition:

▲ 32% (FY20) from 26% (FY12)

### Recovery on repossession:

▲ >75% (FY20) to <65% (FY14)

### October 2013

Insurance cell established  
Insurance cover extended to financed & non-financed clients

### August 2014

Telematics now applied in credit vetting, insurance, collections, repossession

### November 2015

Early adoption of IFRS 9

### February 2016

Establishment of bespoke retail dealership in Midrand

### April 2016

Refurbishment facilities extended to include auto body repair

### July 2017

Accounting consolidation of SA Taxi's insurance cell captive

### October 2017

Broadened insurance offering to include credit life

### September 2017

Premium vehicles comprise 99.7% of loans & advances (79% in 2012)

### March 2018

SA Taxi Auto Repairs established

### April 2018

SA Taxi Rewards programme launched

### July 2018

SA Taxi Auto Parts established

### October 2018

Early adoption of IFRS 17 aligning with IFRS 9

### October 2018

Establishment of 2<sup>nd</sup> dealership in Polokwane

### February 2019

SANTACO acquires a 25% stake in SA Taxi for R1.7bn

### June 2019

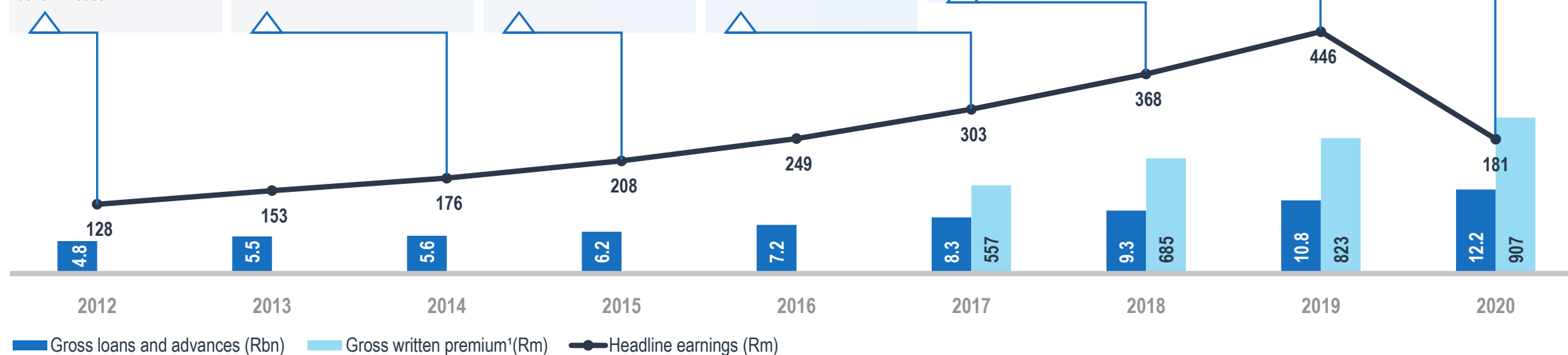
Launch of a lower interest rate product for lower risk clients

### October 2019

Expanded rewards program to include Bridgestone tyres

### April 2020

~R400m loan & insurance repayment relief granted to clients to minimise impact of COVID-19



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

TRAIN
< 250 000 ▼ 58% COMMUTER TRIPS DAILY
RECEIVES 44% OF GOVERNMENT SUBSIDY
~2 200 km NATIONAL NETWORK ~580 TRAIN STATIONS

MINIBUS TAXI
> 15 million no change COMMUTER TRIPS DAILY
CURRENTLY NO GOVERNMENT SUBSIDY
>250 000 MINIBUS TAXIS ~2 600 TAXI RANKS >16 billion km TRAVELLED (per year)

BUS
~ 660 000 ▼ 19% COMMUTER TRIPS DAILY
RECEIVES 56% OF GOVERNMENT SUBSIDY
~19 000 REGISTERED BUSES >100 BUS STATIONS ~1 billion km TRAVELLED (per year)

BUS RAPID TRANSPORT (BRT) <sup>1</sup>
~ 120 000 no change COMMUTER TRIPS DAILY
4 METROPOLITANS ~650 REGISTERED BUSES ~130 BUS STATIONS; ~70 ROUTES

### PUBLIC TRANSPORT COMMUTERS RELY ON MINIBUS TAXIS GIVEN THEIR ACCESSIBILITY, AFFORDABILITY, RELIABILITY & FLEXIBILITY

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

### COVID-19

- Minibus taxi industry proven as dominant & essential service during COVID-19
  - › Restrictions caused ▼ activity & passenger load
  - › Minibus taxi industry quick to recover as economic activity ▲ post COVID-19
  - › Minibus taxi activity is a precursor to economic activity






### GROWING MINIBUS TAXI USAGE

- Since 2013, minibus taxi usage (▲ >8%)
- 69% of all households use minibus taxis (59% in 2003)
- 75% of all work & educational public transport trips
- Population growth since 2013 (▲ 13%)
- 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 ▼ 41% (FY13 to FY20) | ▼ 24% (FY19 to FY20)





# ENVIRONMENT FOR MINIBUS TAXI OPERATORS (HY20 PRE COVID-19)

MINIBUS TAXIS ARE THE PREFERRED MODE OF PUBLIC TRANSPORT DUE TO COMPETITIVE PRICING, ACCESSIBILITY & RELIABILITY

LOWER LSM CONSUMERS SPEND ~40% OF MONTHLY HOUSEHOLD INCOME ON PUBLIC TRANSPORT FARES  
COMMUTER TRIPS VIA BUS & RAIL MOSTLY REQUIRE FIRST & LAST KM UTILISING MINIBUS TAXIS

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 2019	R17.00	R9.50	R17.80	R15.00	~R300.00
Increase	38%	(11%)	0%	0%	7%
Affordability 2020	R23.50	R8.50	R17.80	R15.00	~R320.00
Reliability	1 association with >1 000 members	Every 10 to 20 minutes Stops at 7pm	A few buses operating on the route	Volume of buses < peak capacity required	On demand
Passenger load during COVID-19	70% - 100%	50%	50%	50%	50%
Efficiency					

AVERAGE MINIBUS TAXI OPERATOR PROFITABILITY<sup>1</sup>  
~**R28 000** PER MONTH (PRE COVID-19 RESTRICTIONS)

LONG DISTANCE ROUTE   JOHANNESBURG TO DURBAN: 595KM				
	Minibus taxi	Train	Bus - Eldo	Bus - Greyhound
Accessibility	On route	Station & scheduled	Scheduled stops	Scheduled stops
Affordability 2019	R320.00	R390.00	R240.00	R395.00
Increase	8%	(8%)	6%	5%
Affordability 2020	R345.00	R360.00	R255.00	R415.00
Reliability	3 associations with >600 members	3x per week	7 departures each per day (fewer on a Saturday & Sunday)	
Passenger load during COVID-19	70% - 100%	0% - 50%	0% - 50%	
Efficiency				

AVERAGE MINIBUS TAXI OPERATOR PROFITABILITY<sup>1</sup>  
~**R38 000** PER MONTH (PRE COVID-19 RESTRICTIONS)

1. Based on SA Taxi's affordability calculator at origination pre COVID-19 | 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  
Source: Industry information | Websites: Metrorail; Bus Rapid Transport; Rea Vaya; Various bus companies | Uber SA app

## FARE INCREASES IN 2020 TO SUPPORT OPERATORS PROFITABILITY

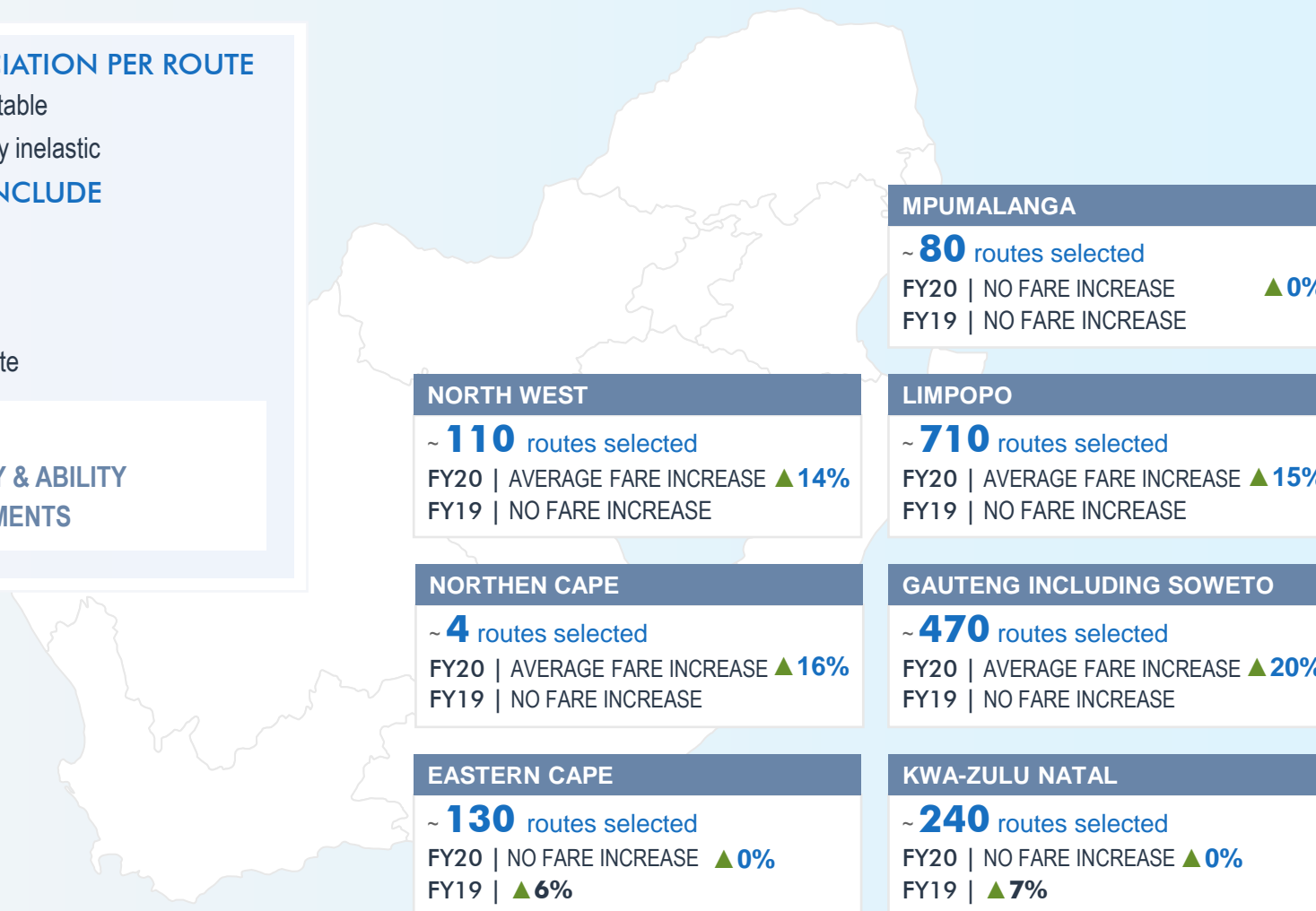
### FARES DETERMINED BY EACH ASSOCIATION PER ROUTE

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

### FARE INCREASE CONSIDERATIONS INCLUDE

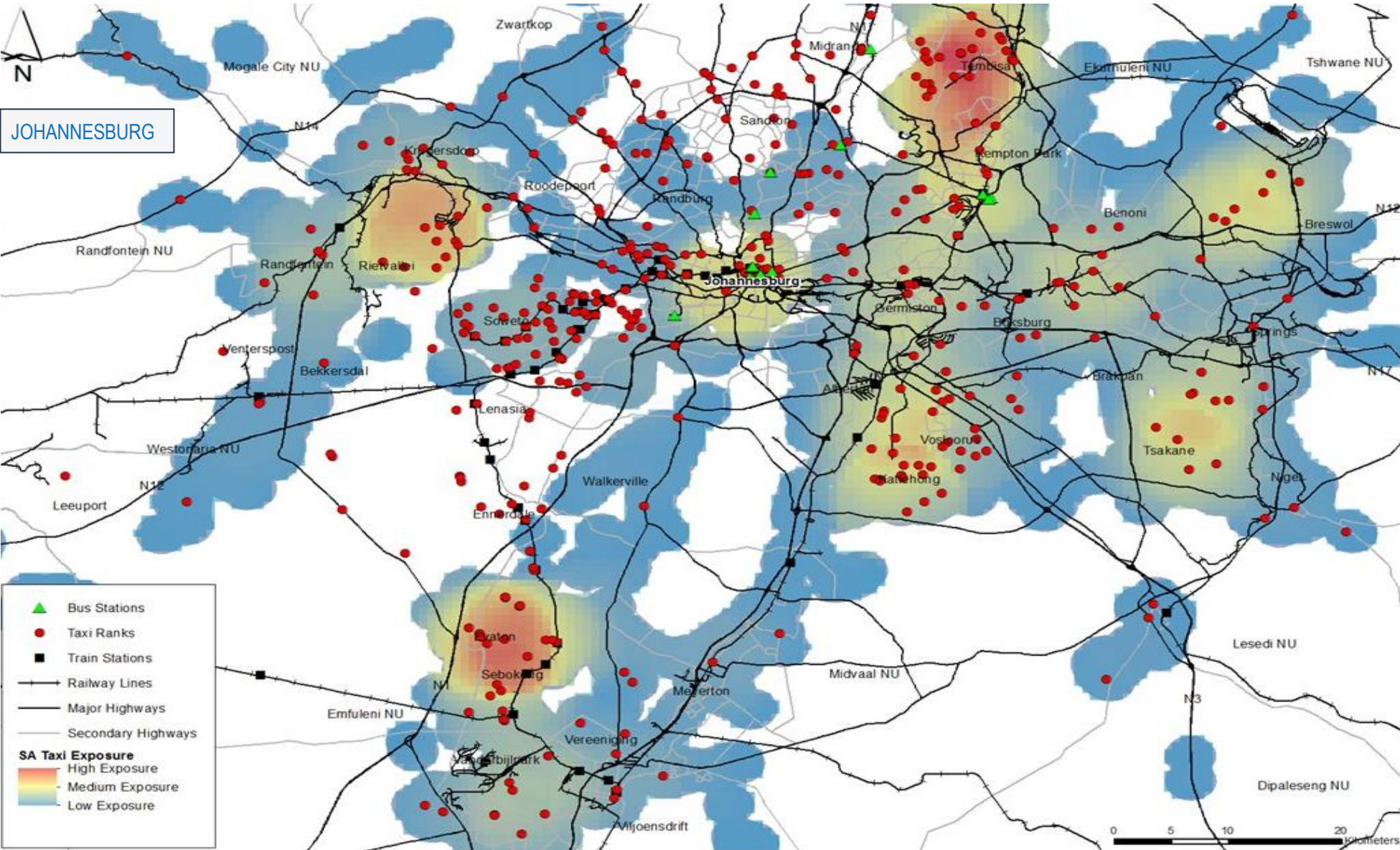
- Timing & extent of prior increases
- Commuter affordability
- Operator profitability
- Other modes of transport for a particular route

FARE INCREASES ▲~7% ON AVERAGE  
SUPPORTS OPERATORS' PROFITABILITY & ABILITY  
TO PAY FINANCE & INSURANCE INSTALMENTS





INTEGRATED PUBLIC TRANSPORT NETWORK, WITH BUS & RAIL COMMUTERS RELYING ON MINIBUS TAXI INFRASTRUCTURE



Source: SA Taxi telematics data as at 11 October 2016 | National Land Transport Strategic Framework 2015

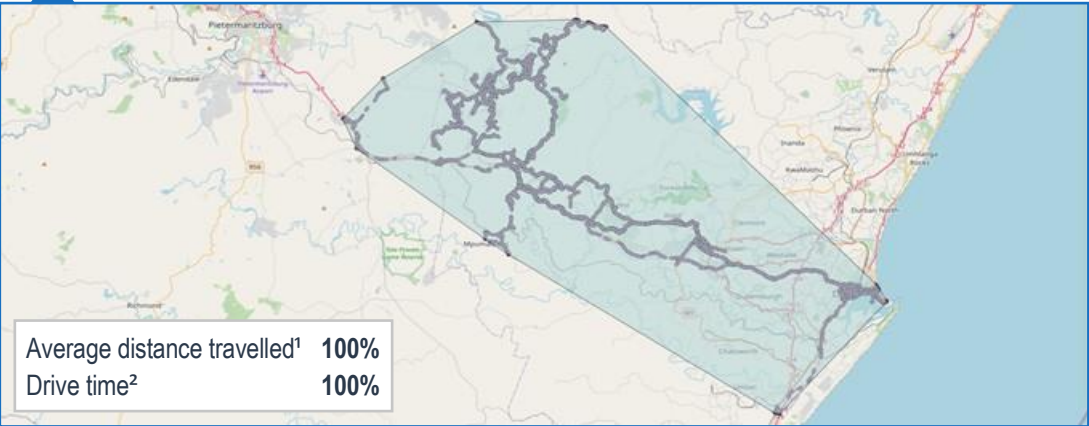


# COVID-19 LOCKDOWN IMPACT ON MINIBUS TAXI OPERATORS

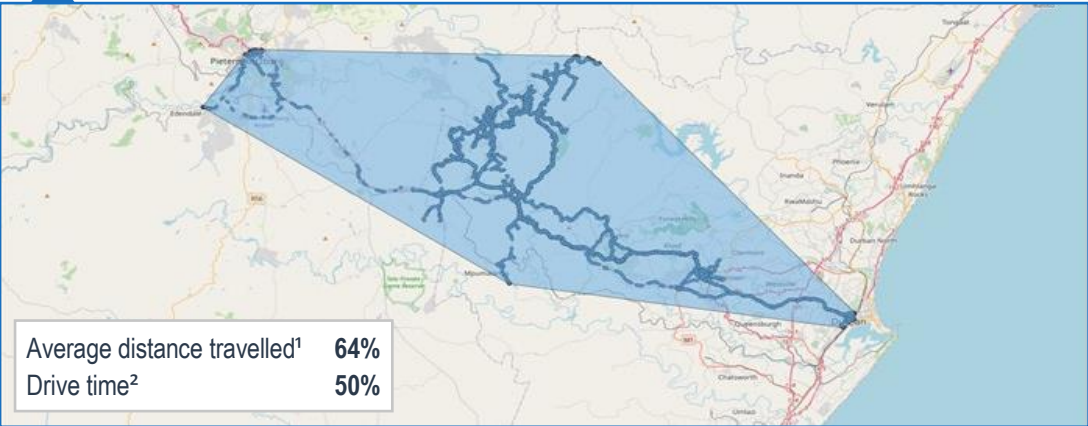
EFFECT ON MINIBUS TAXI OPERATOR MOVEMENT | CHANGE IN BEHAVIOUR DUE TO TRAVEL & CAPACITY RESTRICTIONS

## SHORT DISTANCE ROUTE

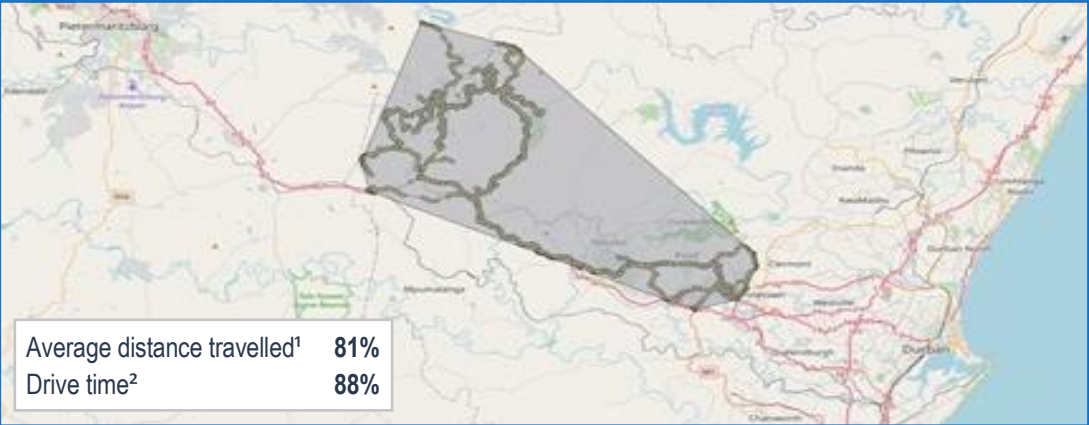
February - March 2020 (pre national lockdown)



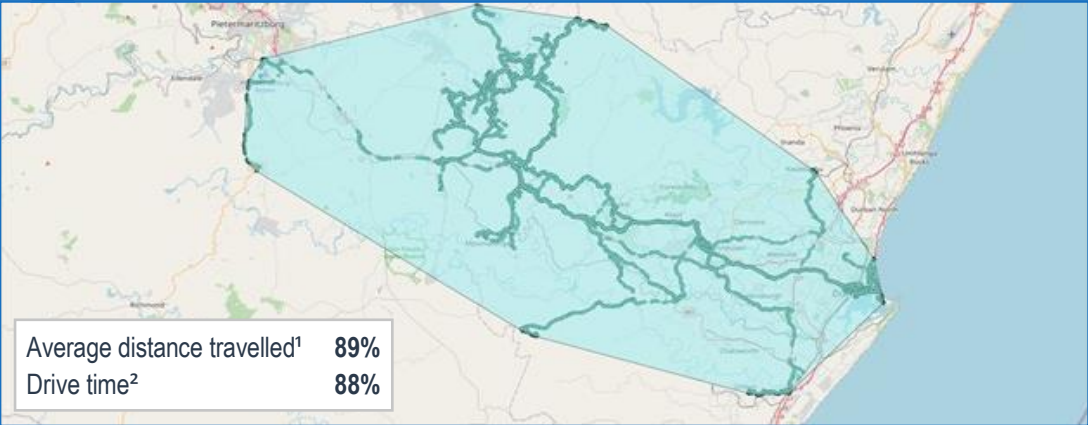
April 2020 (lockdown level 5)



June - August 2020 (lockdown level 3)



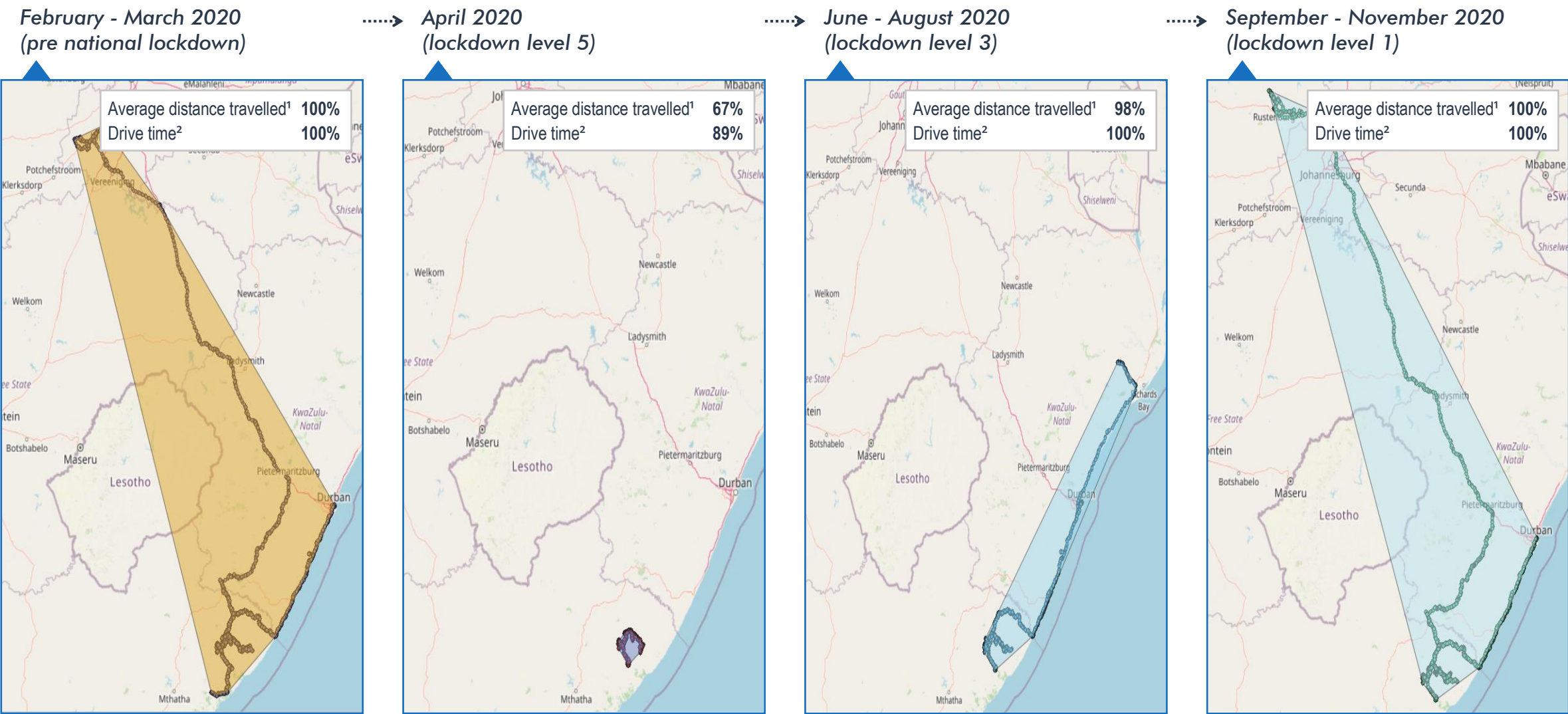
September - November 2020 (lockdown level 1)



1. Total kilometres travelled by the fleet / number of operating vehicles  
2. Time elapsed whilst the vehicle is moving

## CHANGE IN BEHAVIOUR DUE TO TRAVEL & CAPACITY RESTRICTIONS

### LONG DISTANCE ROUTE





## DELIVERING SHARED VALUE FOR THE INDUSTRY

### SME EMPOWERMENT

**100%**  
BLACK OWNED SMEs

**26%**  
WOMEN OWNED SMEs<sup>1</sup>

**18%**  
UNDER THE AGE OF 35 YEARS<sup>1</sup>

### SUSTAINABLE JOB CREATION

**~1.8**  
DIRECT JOBS  
PER TAXI VEHICLE

**~600 000**  
INDIRECT JOBS ENABLED BY  
THE MINIBUS TAXI INDUSTRY<sup>2</sup>

**>157 000**  
DIRECT JOBS CREATED BY  
SA TAXI's FLEET SINCE 2008

**~12 000**  
DIRECT JOBS CREATED BY  
SA TAXI's FLEET IN FY20

### ECONOMIC TRANSFORMATION & INCLUSIVE GROWTH

#### DEVELOPMENTAL CREDIT ACHIEVING INCLUSIVE GROWTH

**R2.9 billion**  
LOANS ORIGINATED CREATING  
**6 250**  
SMEs IN FY20

**R28.6 billion**  
LOANS ORIGINATED CREATING  
**87 264**  
SMEs SINCE 2008

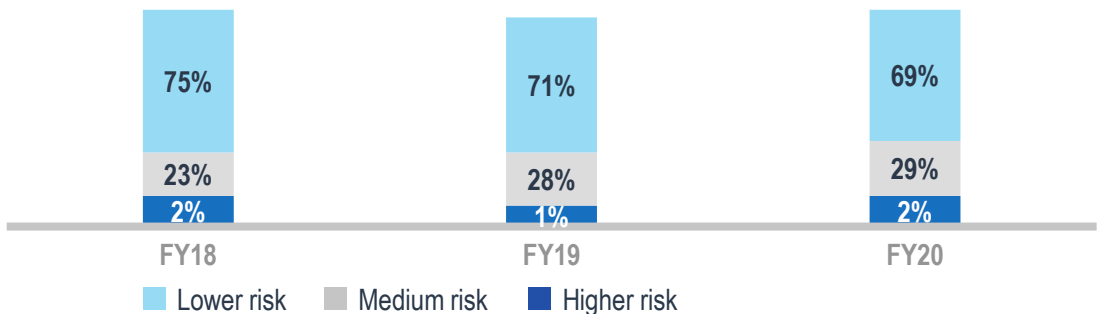
#### FACILITATES ASSET OWNERSHIP BY BLACK SMEs

**~80%**  
SA TAXI CUSTOMERS CLASSIFIED  
AS PREVIOUSLY FINANCIALLY  
EXCLUDED & UNDER-BANKED

**~640**  
SCORE BELOW WHICH  
BANKS ARE UNLIKELY  
TO OFFER FINANCE

**~580**  
AVERAGE SCORE  
AT WHICH SA TAXI  
GRANTS FINANCE

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



### ROAD SAFETY PROJECTS LED BY SANTACO

**TYRE REWARDS** | HIGHER SAFETY  
SPECIFICATIONS AT LOWER COST

### ENVIRONMENTAL SUSTAINABILITY

**9.9%**  
ABATEMENT ON CARBON EMISSIONS<sup>3</sup>

### DEVELOPING PUBLIC TRANSPORT INFRASTRUCTURE

**6 250**  
RELIABLE NEW & PRE-OWNED  
MINIBUS TAXIS ON THE ROAD IN FY20

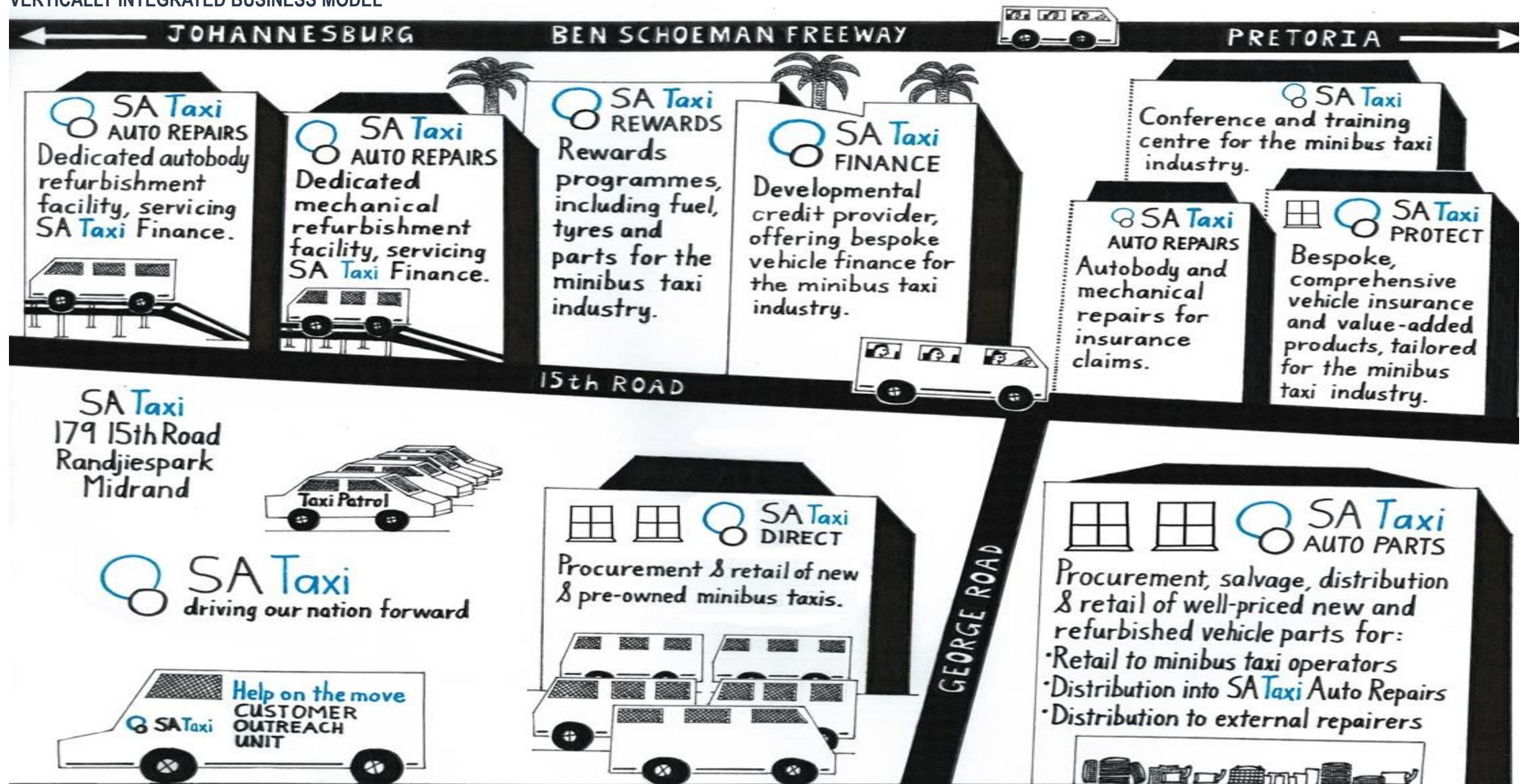
### COMMUTER EXPERIENCE

REPLACEMENT OF AGED  
MINIBUS TAXI FLEET

1. On FY20 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 2020 through SA Taxi's financing activities

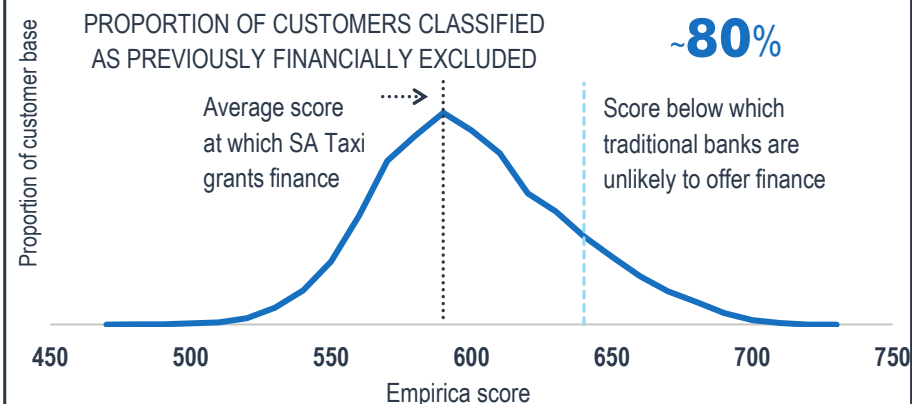
# SA TAXI MARKET POSITIONING

## VERTICALLY INTEGRATED BUSINESS MODEL



## VERTICALLY INTEGRATED BUSINESS MODEL

### DEVELOPMENTAL CREDIT DRIVING POSITIVE SOCIAL IMPACT INCLUSIVE GROWTH | ECONOMIC TRANSFORMATION



### PROPRIETARY DATA & ANALYTICS ENHANCES SA TAXI'S COMPETITIVE ADVANTAGE



### SA TAXI FINANCE

**12.2 billion**  
GROSS LOANS & ADVANCES  
↑ 14%

**32 890**  
LOANS ON BOOK  
↑ 1%

**~1.2**  
VEHICLES PER CLIENT  
FY19 ~1.2

**14.5% to 26.75%**  
RISK BASED PRICING  
INTEREST RATE RANGE

**9.8%**  
AVERAGE COST OF BORROWING  
FY19 | 11.1%

**11.8%**  
NET INTEREST MARGIN  
FY19 | 12.2%

**32.3%**  
NON-PERFORMING LOAN RATIO  
FY19 | 17.9%

**7.3%**  
CREDIT LOSS RATIO  
FY19 | 3.2%

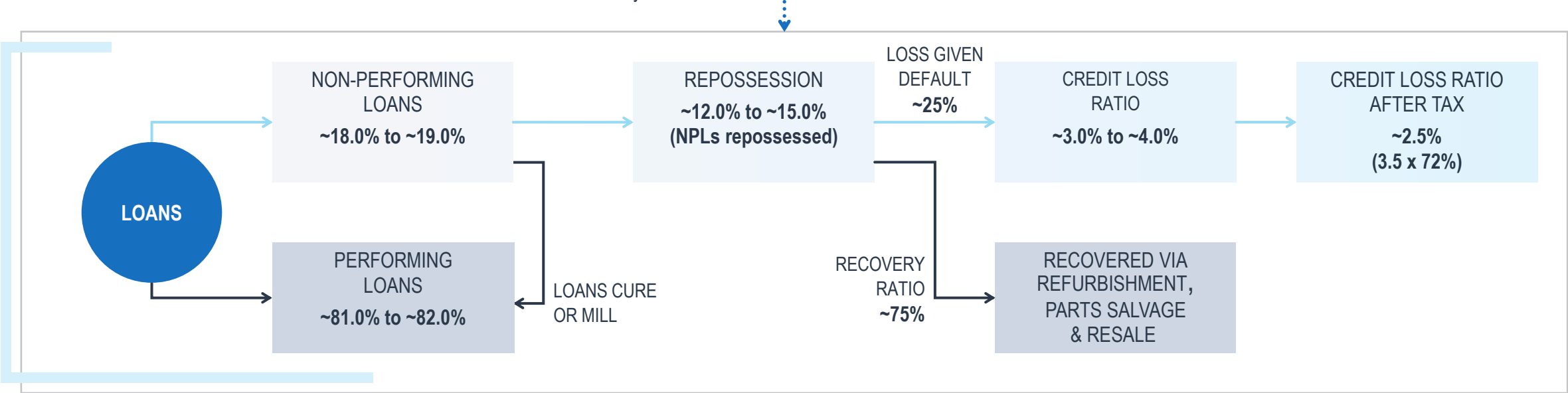
**4.5%**  
RISK-ADJUSTED  
NET INTEREST MARGIN  
FY19 | 9.0%

- Book growth ▲ 14% to **R12.2bn** | number of loans originated ▼ 27% (FY19: ▲ 11%)
  - › Momentum in sale & finance of pre-owned vehicles | Refurbishment capacity ▲
  - › Retention of market share of Toyota supply
  - › Toyota vehicle prices ▲ 5.6% in FY20 | further ▲ 1.5% in October 2020
    - Toyota production ▼ due to industrial action in January 2020 & closure of plant during lockdown
    - SA Taxi Direct & other external dealerships closed due to COVID-19
  - › Slowdown in rate of attrition | Restricted repossession & settlement activity due to COVID-19
- Conservatively capitalised | **R3.5bn** of capital | **15.7%** tier I capital adequacy

MINIMISING THE COST OF RISK, BY MAXIMISING RECOVERIES

SA Taxi's vertically integrated business model

- Repossess, refurbish, salvage parts, resell & refinance
- Loss given default <25%
- Recovery ratio >75%



VS

Traditional vehicle financing model

- Repossess & auction
- Loss given default<sup>1</sup> ~70%
- Recovery ratio<sup>1</sup> ~30%

1. SA Taxi estimates



## VERTICALLY INTEGRATED BUSINESS MODEL

### SA TAXI AUTO REPAIRS | AUTOBODY



### SA TAXI AUTO REPAIRS | MECHANICAL



### SA TAXI AUTO REPAIRS

~**20 000**m<sup>2</sup>

WORKSHOP  
FACILITIES

~**250** per month

INTERNAL VEHICLE  
REFURBISHMENT CAPACITY

~**400**

EMPLOYEES

>**75%**

RECOVERY RATES ON REPOSSESSION,  
REFURBISHMENT & RESALE

↓ ~**4%** to ~**6%**

AVERAGE REFURBISHMENT COST<sup>1</sup>

- One of the largest autobody repair & mechanical refurbishment facilities in Southern Africa
- Focusing exclusively on minibus taxis
- Rebuilding high quality pre-owned minibus taxis, mitigates credit risk & insurance losses
  - › ▼ loss given default
  - › ▼ cost of refurbishment
    - Efficiencies in SA Taxi Auto Repairs
    - Efficient parts procurement via SA Taxi Auto Parts
  - › ▲ quality of repair
  - › ▲ value of repossessed vehicles
  - › ▲ recovery on repossession

1. Cost of refurbishment depending on nature of the refurbishment or repair

## VERTICALLY INTEGRATED BUSINESS MODEL

### NEW MINIBUS TAXI



### PRE-OWNED MINIBUS TAXIS



### SA TAXI DIRECT

- SA Taxi Direct sells new & pre-owned minibus taxis
- SA Taxi's pre-owned minibus taxis:
  - › Rebuilt to a high-quality
  - › Trusted product in the industry
  - › Provides a reliable & affordable alternative in this challenging environment (vs. purchasing a new minibus taxi)

~**R600** million ↓ **36%**

VEHICLE TURNOVER IN FY20

>**7%**

AVERAGE RETAIL MARGIN PER VEHICLE

- Vehicles sold through SA Taxi Direct results in:
  - › Product margin earned
  - › High take up of SA Taxi insurance & allied products
  - › Improved credit performance via a better-informed customer

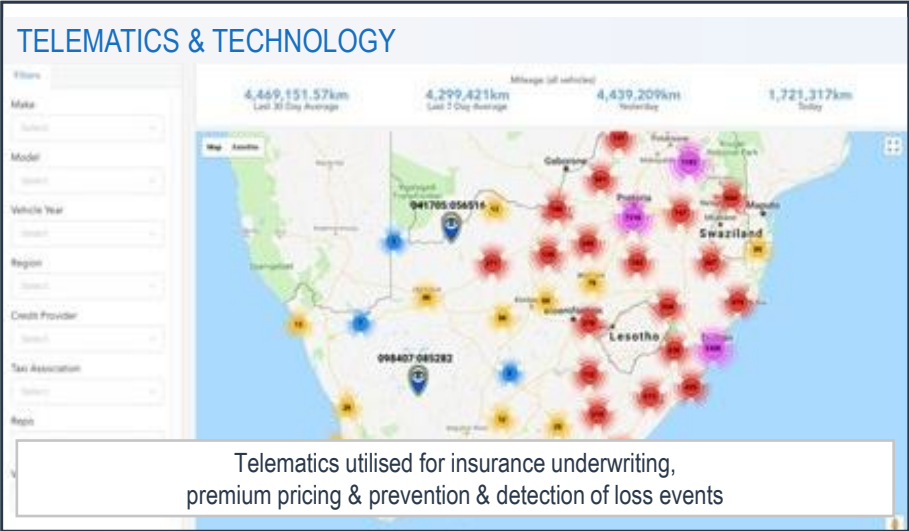
### EXPANDING DEALERSHIP NETWORK



→ **POLOKWANE** opened in October 2018

→ Established in **MIDRAND** in 2015

## VERTICALLY INTEGRATED BUSINESS MODEL



### SA TAXI PROTECT

~31 000  
INSURANCE CLIENTS

>2.0  
PRODUCTS PER CLIENT

MAJORITY OF FINANCED CLIENTS  
CHOOSE TO BE INSURED BY SA TAXI<sup>1</sup>

>100  
BROKER NETWORK  
to expand total addressable market

**R907 million**  
GROSS WRITTEN PREMIUM  
IN FY20 ↑ 10%

- Premiums remained stable in insured & financed portfolio
- ▲ customer acquisition in open market via >100 broker network
- Stable penetration of SA Taxi's growing financed portfolio
- Broadened product offering (credit life & other)

COST OF CLAIM ↓  
VIA SA TAXI AUTO REPAIRS

- Efficiencies in operations
- Lower cost of part procurement
- Savings via salvage of parts
- Opportunity to ▼ cost of claim further  
Currently only a small proportion of claims are repaired by SA Taxi Auto Repairs

ADOPTED IFRS 17 IN 2019 | ACCOUNTING FOR INSURANCE (IFRS 17) NOW ALIGNED TO FINANCE (IFRS 9)



1. 100% of taxis financed by SA Taxi are fully insured, the majority of SA Taxi's financed clients independently elect to be insured by SA Taxi



## VERTICALLY INTEGRATED BUSINESS MODEL

### SA TAXI AUTO PARTS | SALVAGE



### SA TAXI AUTO PARTS | RETAIL



### SA TAXI AUTO PARTS

LAUNCHED MARCH 2018 | SALVAGE OPERATIONS ESTABLISHED THEREAFTER



## VERTICALLY INTEGRATED BUSINESS MODEL

### SANTACO & SA TAXI DELIVERING SUSTAINABLE BENEFITS TO SA TAXI CLIENTS & THE INDUSTRY

- Direct benefits for the industry resulting from ownership transaction between SA Taxi & SANTACO
- Leverage industry's purchasing power to negotiate better pricing to benefit taxi operators & associations, whether client of SA Taxi or not
- Telematics & data accumulated from rewards programmes to be used to drive behavioural change in the industry
  - › Positive social impact enhancing commuter safety

### SA TAXI REWARDS

- Established in 2018
- Provides tailored rewards programmes within minibus taxi ecosystem
- Further programmes aimed at parts procurement under consideration
- Ultimate intention | Combine telematics, rewards & credit into transaction-based account for operators

### SA TAXI REWARDS

#### FUEL PROGRAMME



LAUNCHED APRIL 2018

>**10 000**

CARDS ISSUED IN FY20

~**21** million

LITRES OF FUEL PURCHASED IN FY20

#### TYRE PROGRAMME



LAUNCHED OCTOBER 2019

- Sold through Supa Quick & SA Taxi Auto Parts
- Safety specification designed specifically for minibus taxi industry

~**R1 800**

ORIGINAL RETAIL PRICE

~**R1 400**

REDUCED PRICE FOR TAXI OPERATORS<sup>1</sup>

~**44 000**

NUMBER OF TYRES SOLD IN FY20

1. Price agreed per contract

## SA TAXI OPERATOR PROFILE

**1.2**

VEHICLES PER CUSTOMER

**3.8** years

AVERAGE AGE OF VEHICLE

**46** years

AVERAGE AGE OF CUSTOMER

**88%**

TOYOTA VEHICLES

**~28%**

LOANS ORIGINATED TO REPEAT CUSTOMERS (DURING FY20)

## CREDIT PROFILE OF LOANS ON BOOK

**71** months

AVERAGE LOAN TERM<sup>1</sup>

**35%**

AVERAGE APPROVAL RATE

**>R6 000**

MINIMUM MONTHLY OPERATOR PROFIT

**50** months

AVERAGE REMAINING LOAN TERM

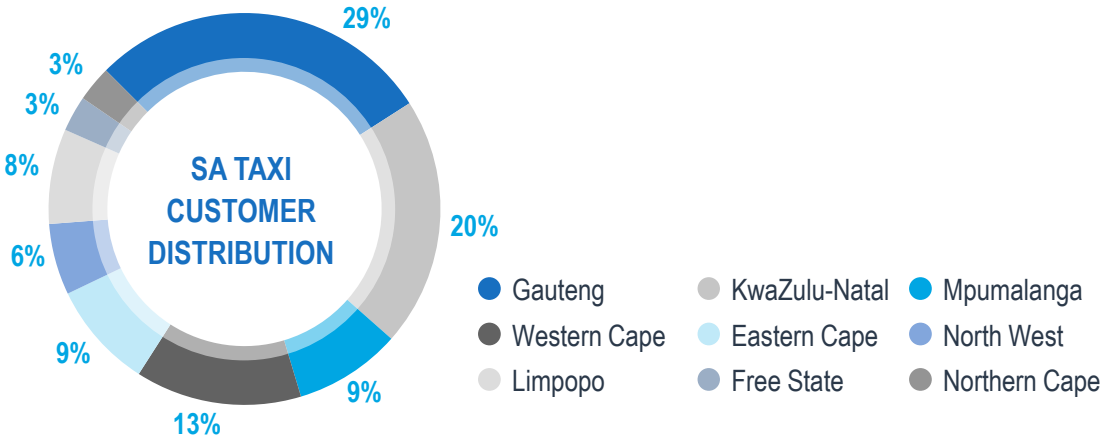
**7.3%**

CREDIT LOSS RATIO

**>75%**

RECOVERY RATE ON REPOSSESSION

## SA TAXI GEOGRAPHIC DISTRIBUTION



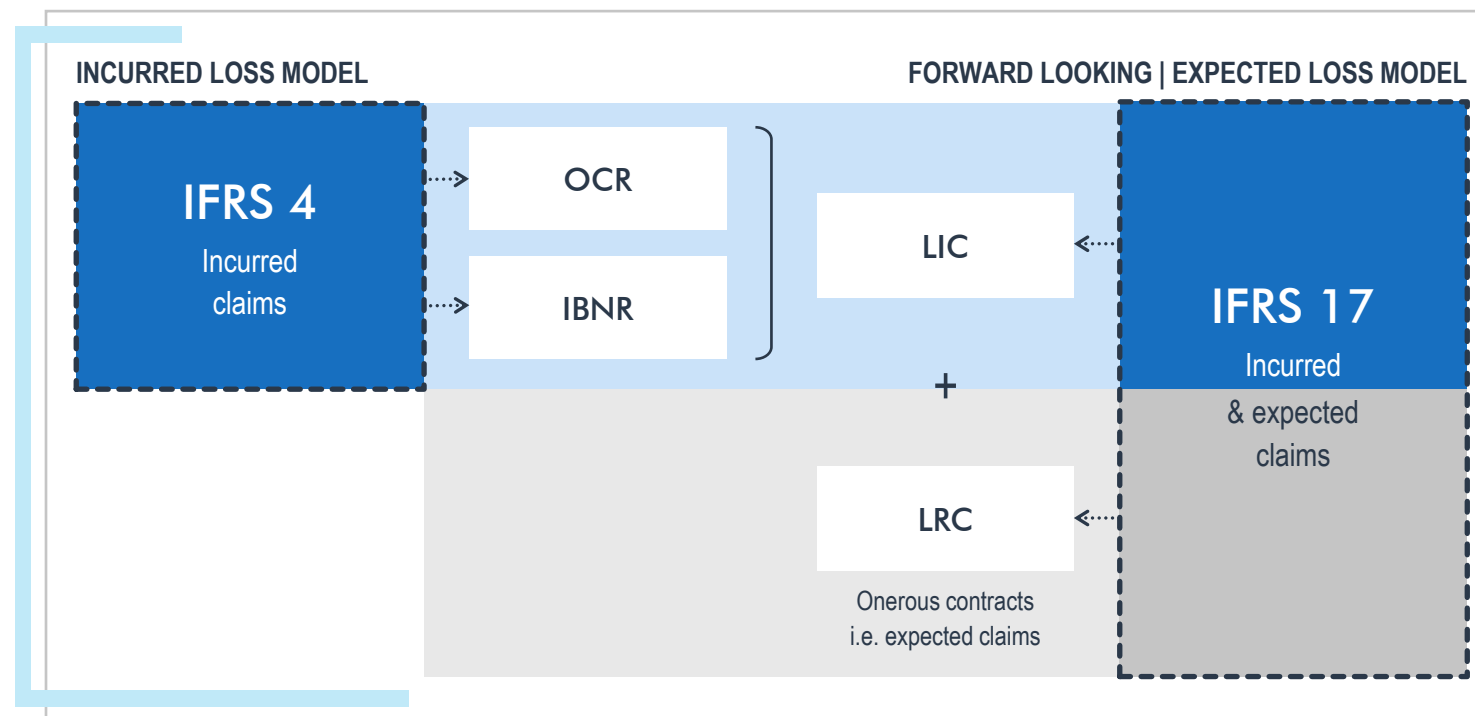
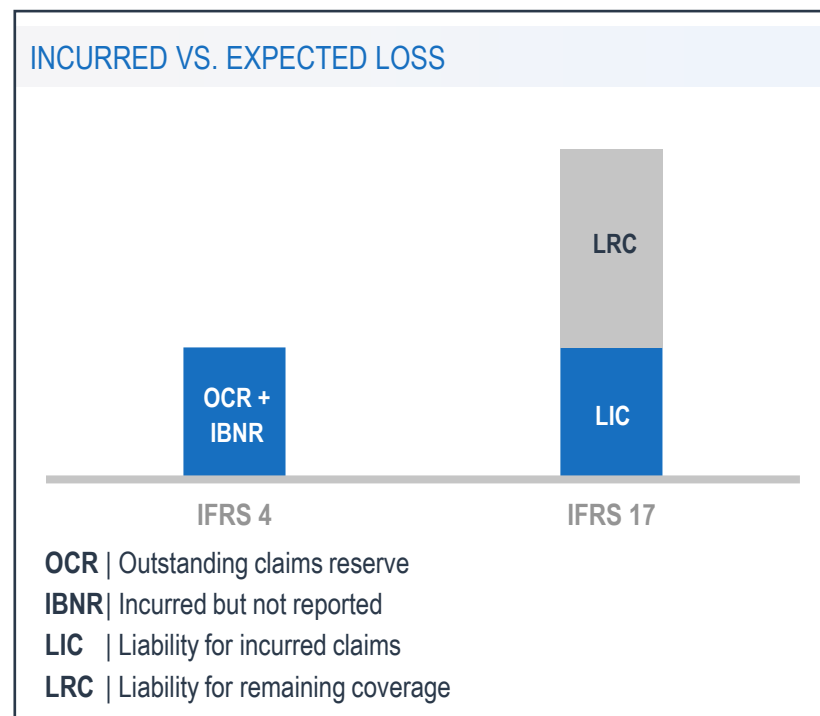
## TYPICAL NEW CREDIT AGREEMENT<sup>2</sup>

• Recommended retail price <sup>2</sup> (Toyota diesel   incl. VAT)	<b>R477 000</b>	• Finance instalment	<b>R12 175</b>
• Interest charged	<b>22.7%</b>	• Insurance instalment (Comprehensive, credit life & other)	<b>R3 049</b>
• Term in months	<b>70<sup>3</sup></b>	• Administration fee (incl. VAT)	<b>R69</b>
• Origination fee (incl VAT)	<b>R2 990</b>	• Telematics fee	<b>R294</b>
		• Total monthly instalment	<b>R15 587</b>

Percentages calculated based on Rand value

1. Average loan term at origination | 2. New Toyota HiAce diesel | Weighted average loan term at origination is 71 months

## MORE CONSERVATIVE PROVISIONING METHODOLOGY



## ELECTED TO EARLY ADOPT IFRS 17

- Accounting for insurance (IFRS 17) now aligned to finance (IFRS 9)
- Forward looking approach providing for expected loss rather than only incurred loss
  - Financed & credit life portfolios - 12 months
  - Open market portfolio - 1 month
- Insurance provisions now include both a liability for incurred claims & liability for remaining coverage
- Increased provisions result in more robust balance sheet
- Adoption charge of **R370 million (after tax)** debited to opening equity in FY19
- No material impact on earnings
- More extensive disclosures required per IFRS 17

# APPENDIX TRANSACTION CAPITAL RISK SERVICES

RESULTS FOR THE YEAR  
ENDED 30 SEPTEMBER **2020**

## TRANSACTION CAPITAL RISK SERVICES

*Generating in-depth insights from the continuous collection of accurate & valuable data to develop a consolidated view of a position, which enables precise & informed internal & external decisioning*

*Lending & capital investment solutions which balances permanent equity optimally leveraged with appropriate debt*

*Actively investing in platforms that enable us to continue building our dynamic & flexible servicing capability & fintech solutions allowing deeper vertical integration*

is a technology-led,

data-driven

provider of services

& capital solutions

relating to credit-orientated

alternative assets

originated & managed through

scalable & bespoke platforms

operating in South Africa, Australia

& select international markets

*Innovative & bespoke technology systems that drive superior performance & efficiency*

*Its services include customer management, collection & payment & transactional service solutions & subscription based value added services*

*Applying its highly specialised expertise to originate new or acquire &/or service existing distressed debt, specialty credit & other alternative assets*

*Proud of our South African roots from which we leverage our high SA IP & know-how together with SA's low-cost collection infrastructure & technology environment, to deploy into new markets*



## MANAGEMENT INTERVENTIONS TO CREATE VALUE

### CAGR 2012 to 2019:

Non-interest income	▲ 14%
Headline earnings <sup>1</sup>	▲ 18%
Carrying value of PBD	▲ 33%

### 2012

Entered the payments services market via the acquisition of BDB (now TCPS)  
Entered the SA municipal collections sector

### 2013

ISO data security accreditation  
**October 2014**  
Restructure including centralised management team & overarching strategy

### June 2015

Improved penetration in the tier 1 banking & specialised lending sectors & increased focus on telecommunications sector

### July 2015

Entered the insurance collections sector

### November 2015

Early adoption of IFRS 9

### December 2015

TCR achieves level 3 B-BBEE rating

### March 2016

Focus on exclusive, forward flow & gain share transactions

### April 2016

Technology enhancements, including implementation of new predictive dialer

### June 2016

Creation of the Master Data Universe

### December 2016

Entered value added services market via 75% acquisition of Road Cover

### January 2017

Entered Australian debt recoveries market via 100% acquisition of Recoveries Corporation

### March 2017

Initiated implementation of workforce management technologies

### September 2017

Recoveries Corporation succession plans implemented successfully

### September 2017

Contingency & FFS revenue: Adjacent insurance, telecommunications, public sectors now contribute 27% (FY16: 20%)

### December 2017

Acquisition of 100% of Accsys

### October 2019

TCBS accounted for as a discontinued operation

### November 2019

TCR obtains a level 1 B-BBEE rating

### December 2019

Acquisition of 100% of Net1 FIHRST

### March 2020

Implemented highly effective WFH capabilities, proactively restructured staff complement & infrastructure

### April 2020

Disposal of 100% of Principa

### July 2020

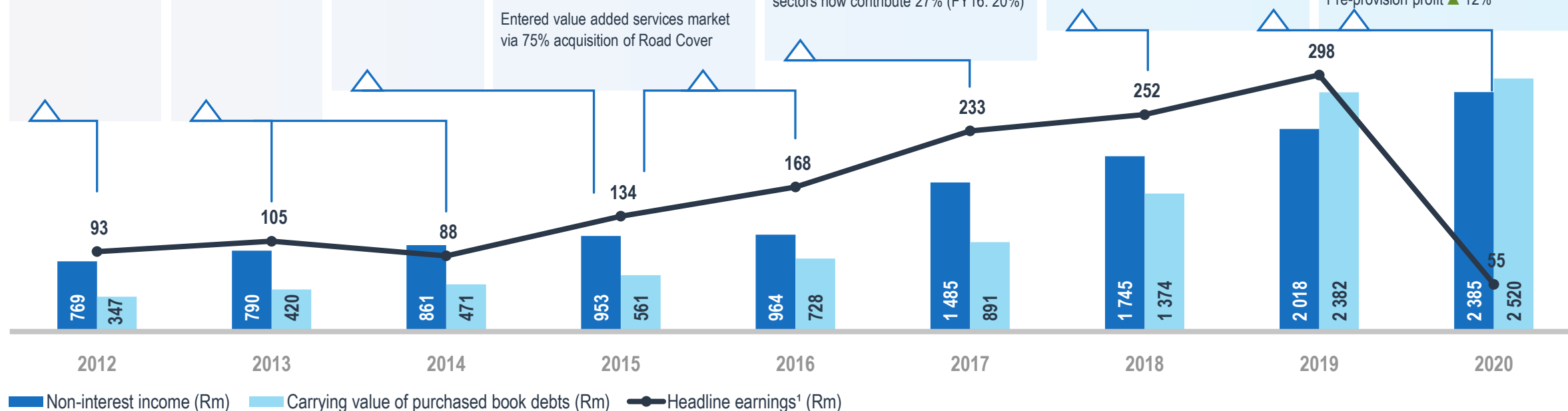
TCTS established through integration of TCPS, Fihrst & Accsys, creating a single, scaled transactional services platform

### FY20

Financial performance impacted by COVID-19

Business model proves resilient & gains in relevance in a post COVID-19 environment

Pre-provision profit ▲ 12%



1. Headline earnings attributable to the group

Financial years 1 October to 30 September | Adopted IFRS 9 in 2015. 2014 numbers on a pro forma IFRS 9 basis. 2012 & 2013 numbers on an IAS 39 basis as reported



## COMPETITIVE ADVANTAGES

### TCRS's PROPRIETARY DATA

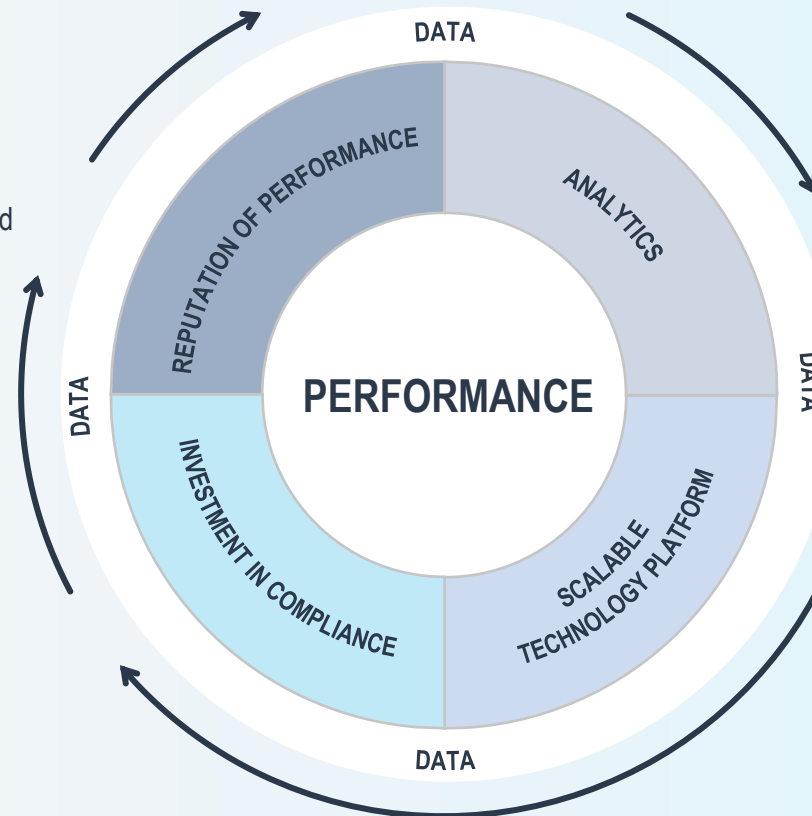
- Database of SA's distressed consumers
- Continuously enriched (with collection & ContactAbility results)

### REPUTATION OF PERFORMANCE

- Only local listed industry participant
- Diverse range of local & international stakeholders
- Ranked as best or 2<sup>nd</sup> best in **87%** of mandates in SA<sup>1</sup>
- Management & business information providing customised value add insights to clients, allowing TCRS to win more mandates

### INVESTMENT IN COMPLIANCE

- Fair treatment of our clients' customers
- Compliant with legislation
- Active membership across various professional bodies
- Benchmarking against international best practice



### ANALYTICS

- Predictive & layered voice analytics to determine:
  - › Propensity to pay
  - › Right time to call
  - › Right day to pay
  - › Dynamic matter prioritisation
  - › Optimised campaign
  - › Veracity of Promise to Pay

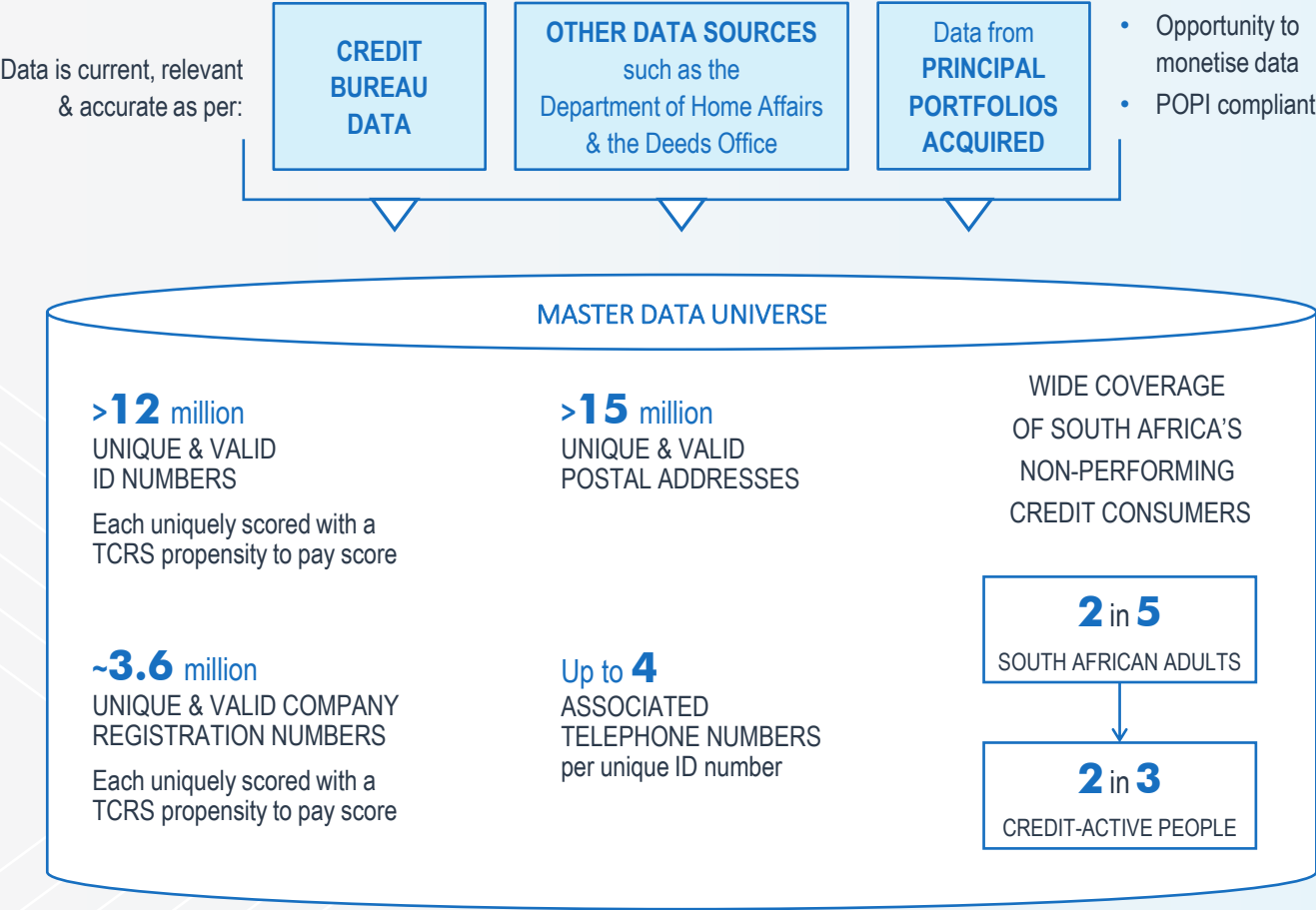
### SCALABLE TECHNOLOGY PLATFORM

- Dialer enhances scale of ContactAbility
  - › Enabled over any omni-channel | **>1 300** agents working from home despite disruption caused by COVID-19
    - › No compromise to data security or access to technology
    - › ▲ efficiency & productivity per agent due to more flexible working hours with ▼ resources utilised
    - › ▼ infrastructure costs & cost of collection
    - › Strong value proposition to staff
    - › WFH measures to be implemented permanently
  - › **~40 million** outbound calls per month (FY19: ~44 000)
  - › **~7 million** voice interactions per month (FY19: ~7.5 million)
  - › **~632 000** payments received per month (FY19: ~660 000)

1. In South Africa TCRS ranks 1st or 2nd in 87% of our ranked mandates. In Australia Recoveries Corp is ranked 1st or 2nd by clients in 87% of banking, government & commercial mandates

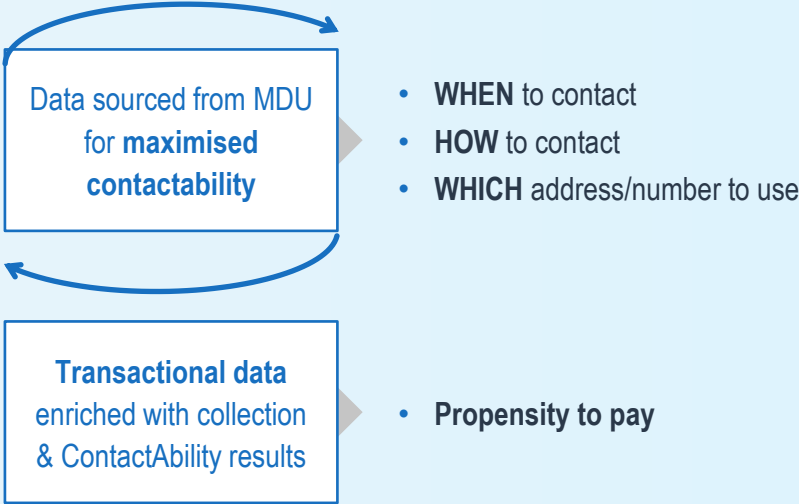
## COMPETITIVE ADVANTAGES

### MASTER DATA UNIVERSE (MDU) - ENRICHED DATA ON EACH INDIVIDUAL



Enriching the data creates an exponential effect on efficiency in contactability, which in turn translates into propensity to pay

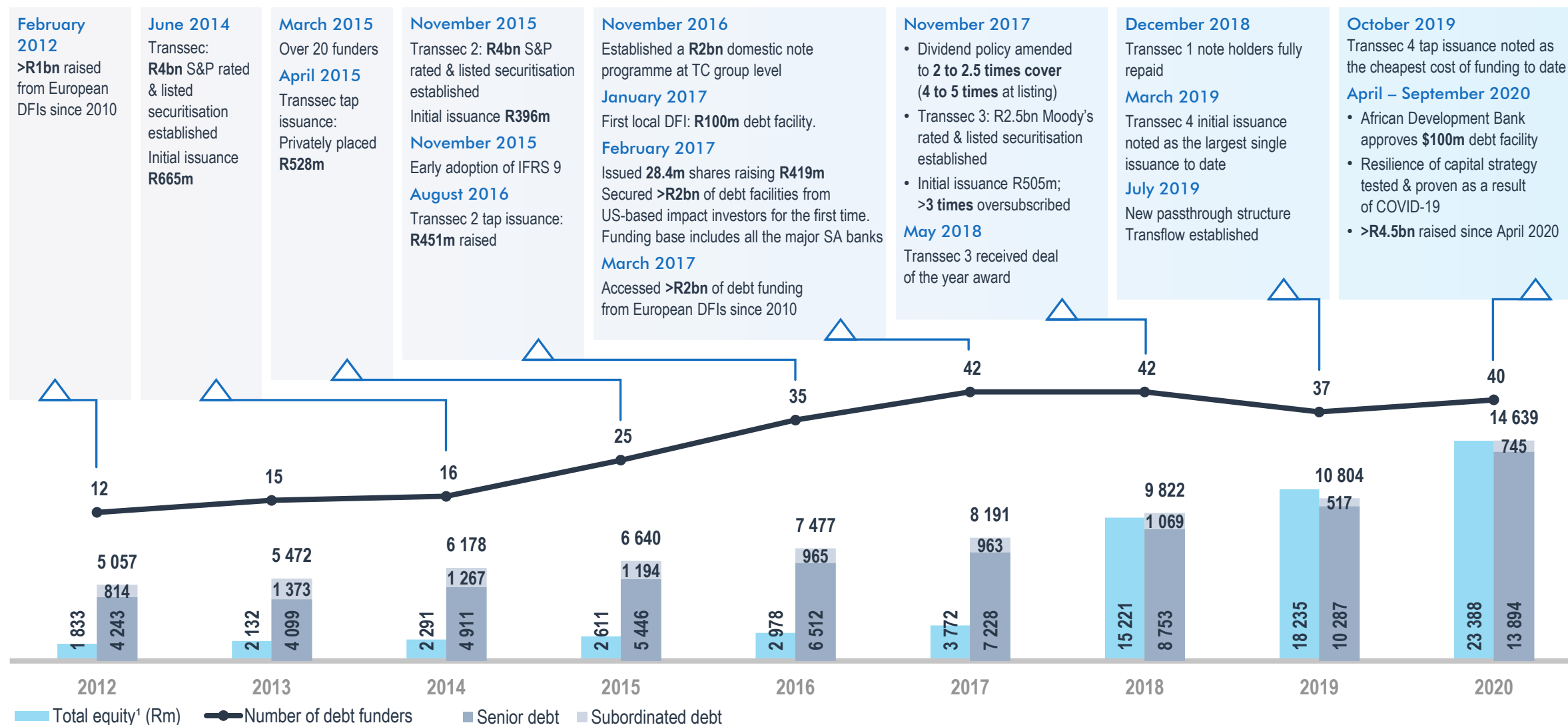
The Master Data Universe (“MDU”) & its applications are constantly evolving & enhanced with new technologies



# APPENDIX CAPITAL MANAGEMENT

RESULTS FOR THE YEAR  
ENDED 30 SEPTEMBER **2020**

# CAPITAL & FUNDING EVOLUTION SINCE LISTING



## FUNDING PHILOSOPHY

### INNOVATIVE THINKING

Innovative thinking is encouraged & cultivated to develop pioneering funding solutions

### ENGAGED DEBT INVESTORS

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

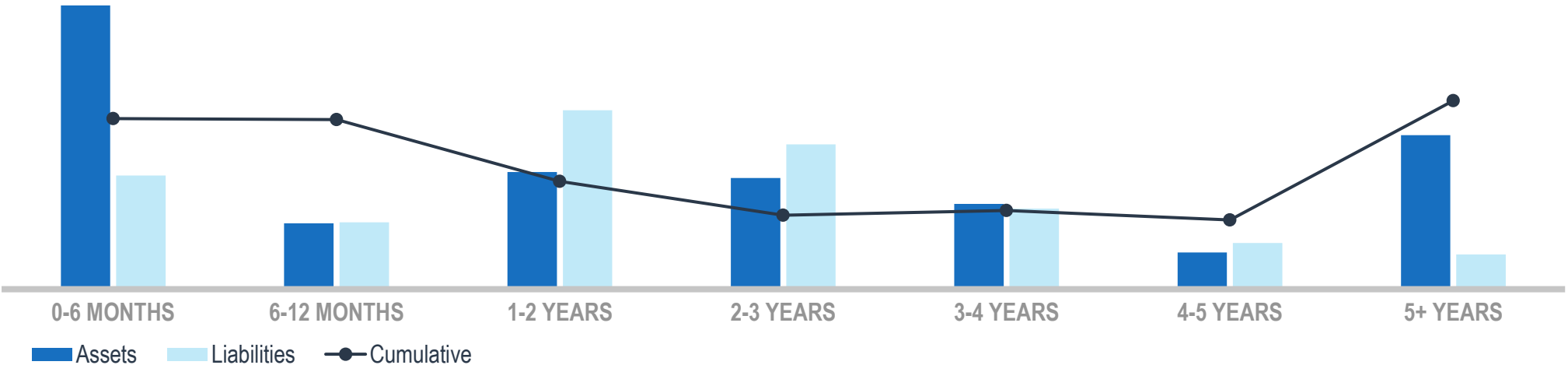
### JUDICIOUS RISK MITIGATION

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

### OPTIMAL CAPITAL STRUCTURES

- Proactively managing valuable capital & funds raised across the group
- **Bespoke 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

## POSITIVE LIQUIDITY MATCH

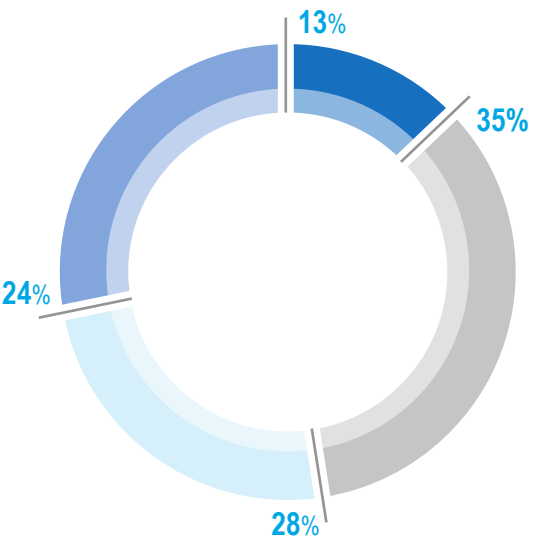


At FY20  
a positive  
asset-liability gap  
was observed  
for the group

GROUP LIQUIDITY POSITION REMAINS ROBUST, UNDERPINNED BY A CONSERVATIVE APPROACH TO STRUCTURING DEBT

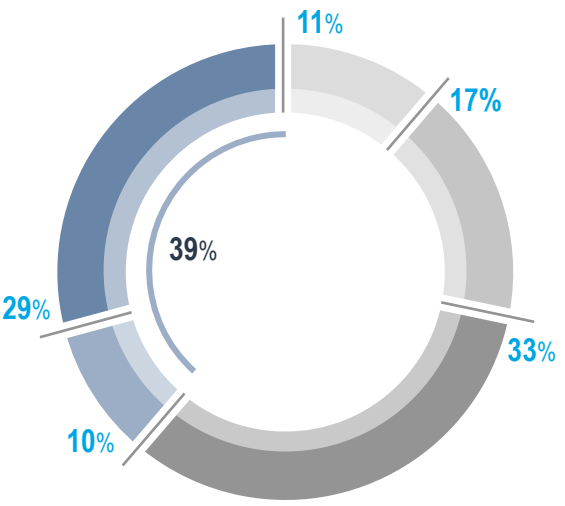


DIVERSIFICATION BY DEBT INVESTOR CATEGORY & CAPITAL POOL



- Institutional investors
- Banks
- Fixed income funds & asset managers
- DFIs & impact investors

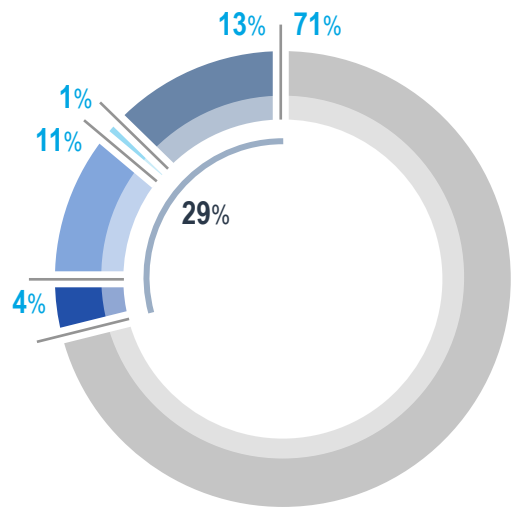
DIVERSIFICATION BY FUNDING STRUCTURE & INSTRUMENT



- Warehousing facilities
- On-balance sheet & syndicated loans
- Securitisation & pass-through structures
- Local commercial finance
- DFIs (majority international)

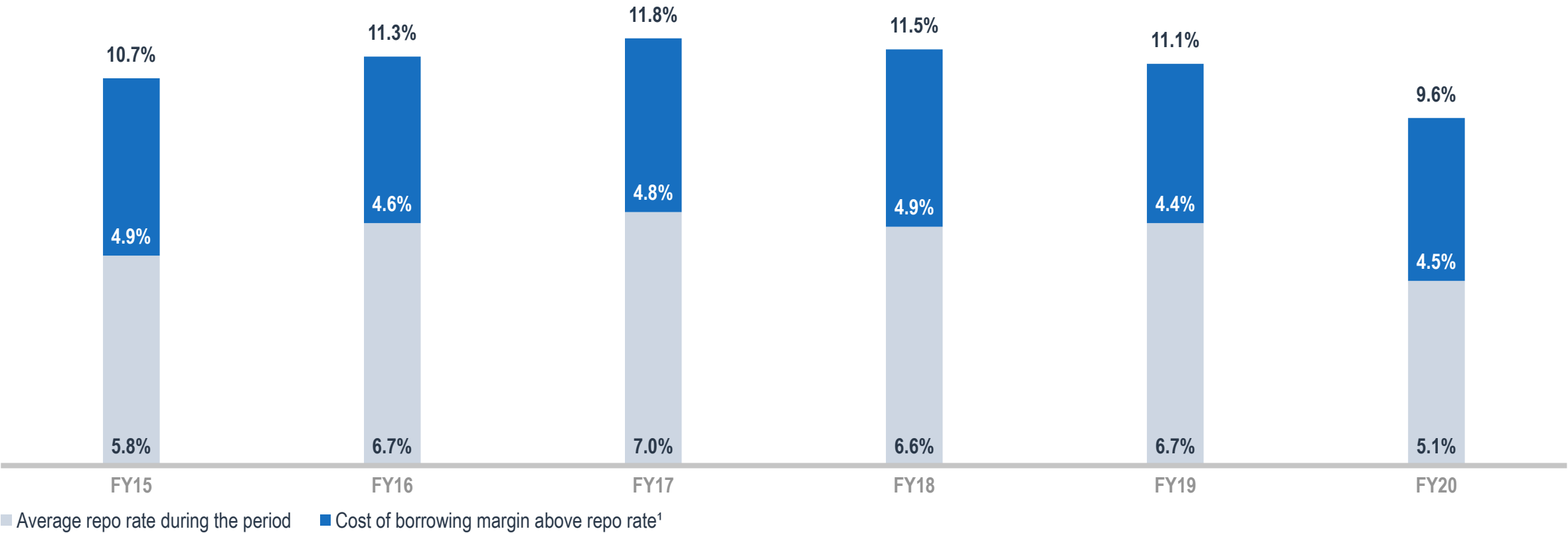
PRIVATE STRUCTURED FINANCE

DIVERSIFICATION BY GEOGRAPHY



- LOCAL
- INTERNATIONAL
- Rest of Africa
- Europe
- Australia
- US

COST OF BORROWING



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

# GLOSSARY

RESULTS FOR THE YEAR  
ENDED 30 SEPTEMBER **2020**

AUS Australia

ACCSYS Accsys, a 100% owned subsidiary of TCRS

B2B Business-to-business (vehicle dealerships)

B2C Business-to-consumer

CAGR Compound annual growth rate

#### CORE FINANCIAL METRICS

Core financial ratios exclude:

- Discontinued operations: TCBS, Principa & Company Unique Finance, which collectively made a loss of R87m in FY20 (FY19: R14m profit)
- Once-off acquisition costs of R5m incurred in HY20, related to the acquisition of Fihrst on 1 December 2019, & R9m related to the acquisition of a non-controlling 49.9% interest in WeBuyCars on 11 September 2020
- Once-off costs of R84m, which arose in HY19 related to SA Taxi's ownership transaction with SANTACO, of which R81m was non-cash & in accordance with IFRS 2 & a further R3m related to early debt settlement costs

COVID-19 The novel Coronavirus & the disease it causes

CPS Cents per share

DEKRA Report A vehicle inspection certification providing information on the mechanical & technical status of the vehicle

DPS Dividend per share

ERC Estimated undiscounted remaining gross cash collections from NPL Portfolios over the next 120 months

FFS Fee-for-service

F&I products Finance, insurance based, tracking & other allied products

Fhirst Net1 Fhirst Holdings (Pty) Ltd, a 100% owned subsidiary of TCRS

GEO Group executive office

GDP Gross domestic product

HEPS	Headline earnings per share
JIBAR	The Johannesburg Interbank Average Rate
NPL Portfolio	Non-performing consumer loan portfolios acquired by TCRS to be collected as principal
NTA	National Taxi Alliance
Open market taxi operator	Minibus taxi operator not previously an SA Taxi client
PRINCIPA	Principa Decisions, previously a 100% owned subsidiary of TCRS
Product margin	Additional gross margin earned on value-added products & allied services including finance, insurance, tracking & other revenue
Recoveries Corp	Recoveries Corporation, an Australian 100% owned subsidiary of TCRS
REPO RATE	Rate at which the South African Reserve Bank lends money to banks
SA	South Africa
SANTACO	South African National Taxi Council

TC	Transaction Capital
TCBS	Transaction Capital Business Solutions, a 100% owned subsidiary of TCRS
TCRS	Transaction Capital Risk Services
TCTS	Transaction Capital Transactional Services
TRP	Taxi Recapitalisation programme
Vehicle margin	Margin earned on trading (buying & selling) vehicles
Vehicle supermarket	WeBuyCars vehicle warehouse & showroom
WFH	Work from home
2H19	Second half of the 2019 financial year
2H20	Second half of the 2020 financial year





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