TRANSACTION CAPITAL
Interim results

2021

For the six months ended 31 March

Transaction Capital

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Results presentation
2021

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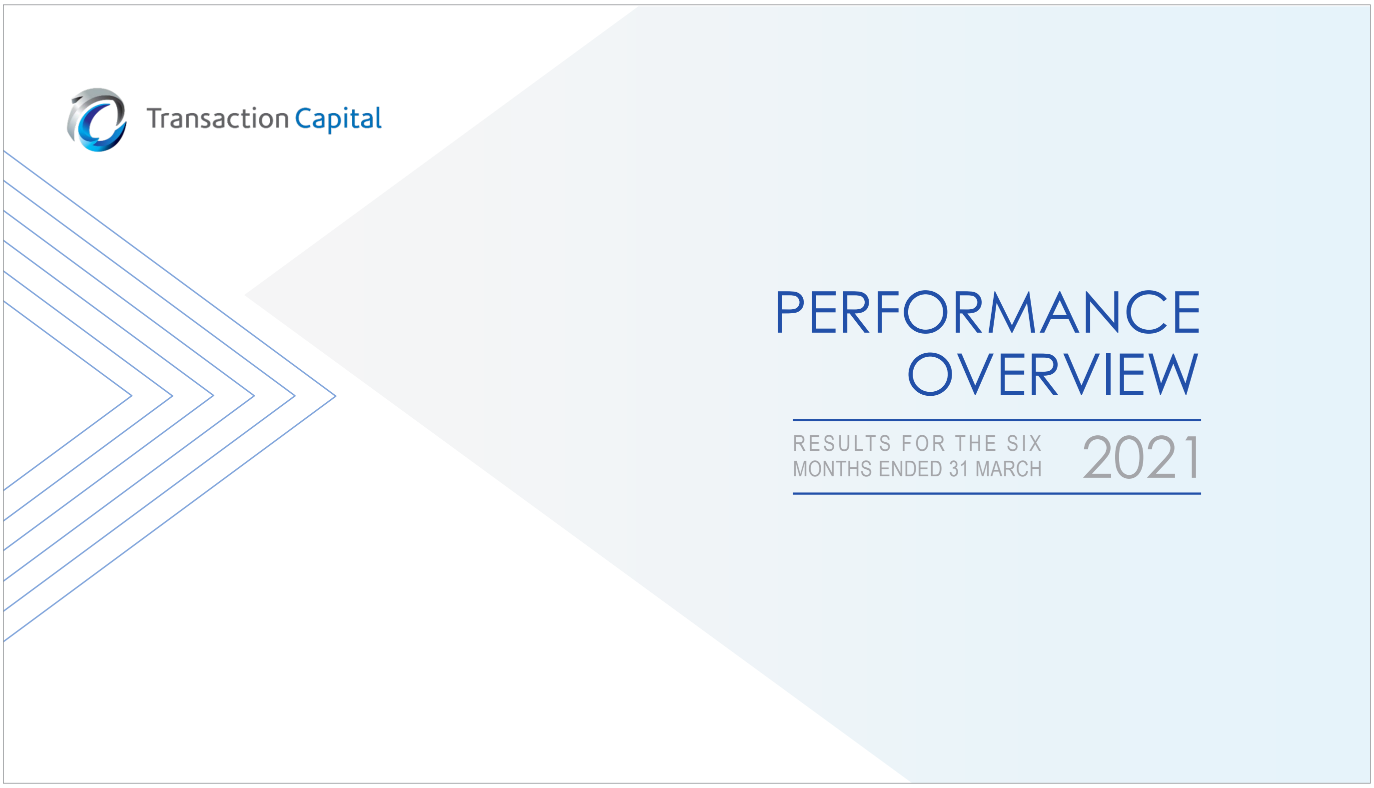
Transaction Capital
PERFORMANCE
OVERVIEW
RESULTS FOR THE SIX
MONTHS ENDED 31 MARCH
2021

TRANSACTION CAPITAL 7-YEAR PERFORMANCE

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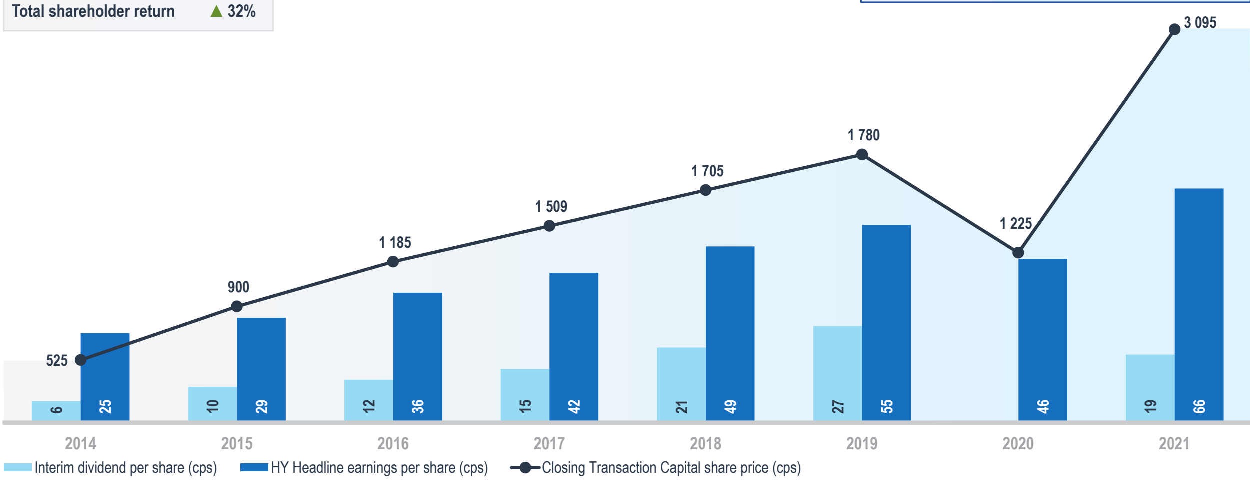
LONG-TERM TRACK RECORD OF GROWTH RESUMED

CAGR HY14 – HY21	
Core headline earnings[1]	▲ 17%
Core HEPS[1]	▲ 15%
Dividend per share	▲ 18%
Total shareholder return	▲ 32%

A DECISIVE RECOVERY
Core headline earnings[1] ▲ 56% (HY21 vs HY19 ▲ 29%)
Core HEPS[1] ▲ 43% (HY21 vs HY19 ▲ 18%)
DIVIDENDS RESUMED



Financial half years 1 October to 31 March | Adopted IFRS 9 in 2015. 2014 numbers & HY15 HEPS on a pro forma IFRS 9 basis (HY14 HEPS on IAS 39 basis)
1. Refer to glossary for definition of "Core financial metrics" which is applied throughout this presentation

GROUP PERFORMANCE HIGHLIGHTS

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EARNINGS RECOVERED | HEPS GROWTH RATES IN LINE WITH PRE COVID-19 LEVELS
HY21 COMPARED TO HY19 & HY20

FINANCIAL PERFORMANCE

EARNINGS RECOVERY DEMONSTRATING RESILIENCE

R1 077 million
PRE-PROVISION PROFIT
HY20: ▲ 17%
HY19: ▲ 39%

R437 million
CORE HEADLINE EARNINGS
HY20: ▲ 56%
HY19: ▲ 29%

65.5 cps
CORE HEADLINE EARNINGS PER SHARE[1]
HY20: ▲ 43%
HY19: ▲ 18%

ROBUST BALANCE SHEET

R1.1 BILLION EQUITY RAISED IN LAST 12 MONTHS INVESTED ACCRETIVELY IN WeBuyCars

R24.0 billion
TOTAL ASSETS
HY20: R20.7 billion
HY19: R17.0 billion

~**R900** million
UNDRAWN FACILITIES

29.6%
CAPITAL ADEQUACY RATIO
HY20: 26.7%
HY19: 31.5%

RETURNS

DIVIDENDS RESUMED SUPPORTED BY HIGH CASH CONVERSION RATES & ROBUST BALANCE SHEET

19 cps
INTERIM DIVIDEND PER SHARE
HY20: Nil
HY19: 27 cps

954.2 cps
NET ASSET VALUE PER SHARE
HY20: ▲ 18%
HY19: ▲ 28%

13.9%
RETURN ON EQUITY
HY20: 11.4%
HY19: 17.3%

Financial ratios exclude once-off transaction costs
1. Difference in growth rate of core headline earnings & core headline earnings per share is attributable to the higher weighted average number of shares from the value accretive issuance of shares for the investments in WeBuyCars

KEY PERFORMANCE DRIVERS

Transaction Capital 4

RECOVERY IN EARNINGS DEMONSTRATING RESILIENCE & RELEVANCE OF BUSINESS MODELS

HY21 COMPARED TO HY19 & HY20

ORGANIC GROWTH FROM EXISTING DIVISIONS

SA Taxi driving our nation forward

- **R13.2 billion** GROSS LOANS & ADVANCES — HY20: ▲ 16% HY19: ▲ 32%
- **11.8%** NET INTEREST MARGIN — HY20: 12.2% HY19: 11.4%
- **R752 million** NET INTEREST INCOME — HY20: ▲ 11% HY19: ▲ 36%
- **4.6%** CREDIT LOSS RATIO — HY20: 6.1% HY19: 4.3%
- **R366 million** NON INTEREST REVENUE — HY20: ▲ 2% HY19: ▲ 4%
- **15.1%** RETURN ON EQUITY — HY20: 13.9% HY19: 24.5%
- **R228 million** HEADLINE EARNINGS — HY20: ▲ 13% HY19: ▲ 4%

Transaction Capital Risk Services

- **R385 million** COST PRICE OF PURCHASED BOOK DEBTS ACQUIRED — HY20: R556m HY19: R437m
- **R2 705 million** CARRYING VALUE OF PURCHASED BOOK DEBT — HY20: ▼ 3% HY19: ▲ 57%
- **R1 158 million** NON INTEREST REVENUE — HY20: ▲ 8% HY19: ▲ 30%
- PRINCIPAL REVENUE — HY20: ▲ 12% HY19: ▲ 58%; CONTINGENCY & FFS REVENUE — HY20: - 0% HY19: ▲ 2%
- **16.5%** RETURN ON EQUITY — HY20: 12.9% HY19: 18.9%
- **R5.9 billion** ESTIMATED REMAINING COLLECTIONS — HY20: ▲ 11% HY19: ▲ 64%
- **R131 million** HEADLINE EARNINGS — HY20: ▲ 27% HY19: ▲ 11%

- **R966 million** PRE-PROVISION PROFIT — HY20: ▲ 7% HY19: ▲ 29%
- **R319 million** HEADLINE EARNINGS ATTRIBUTABLE TO GROUP — HY20: ▲ 19% HY19: 0%
- **R359 million** HEADLINE EARNINGS — HY20: ▲ 18% HY19: ▲ 6%

ACQUISITIVE GROWTH

we buy cars

- **43 410** NUMBER OF VEHICLES PURCHASED — HY20: ▲ 25% HY19: ▲ 61%
- **41 550** NUMBER OF VEHICLES SOLD — HY20: ▲ 24% HY19: ▲ 57%
- **R1 473** ADVERTISING EXPENSE PER VEHICLE — HY20: R1 466 HY19: R1 527
- **R257 million** HEADLINE EARNINGS — HY20: ▲ 38% HY19: ▲ 84%
- **R113 million** HEADLINE EARNINGS ATTRIBUTABLE TO GROUP — ACQUISITION EFFECTIVE 11 SEPTEMBER 2020

TRANSACTION CAPITAL GROUP GROWTH[1]

Transaction Capital

- **R437 million** HEADLINE EARNINGS — HY20: ▲ 56% HY19: ▲ 29%
- **R65.5 cents** HEADLINE EARNINGS PER SHARE — HY20: ▲ 43% HY19: ▲ 18%

1. The Group Executive Office (GEO) including TC Global Finance (TCGF) contributed R5m to headline earnings for HY21 (HY20: R14m, HY19: R18m)

DIVISIONAL OPERATIONAL METRICS

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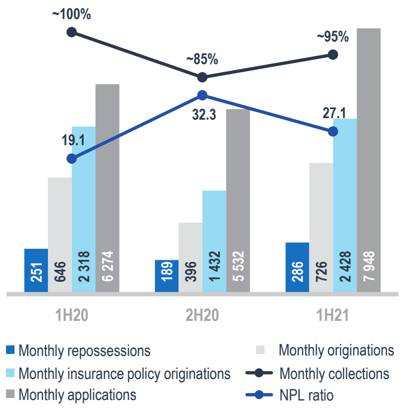
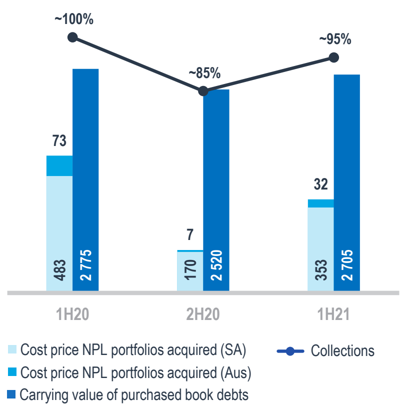
CONTINUED RECOVERY IN OPERATIONAL METRICS

SA TAXI



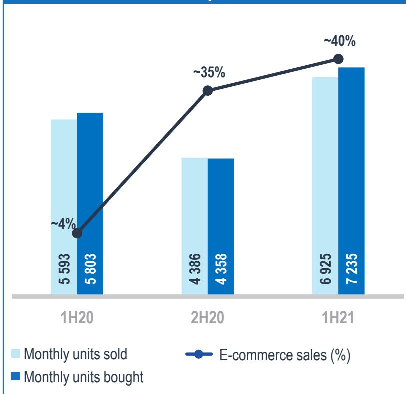
- Applications, loan originations, repossessions & insurance policy originations exceed pre COVID-19 levels
- Loan collections improve to **~95%** of pre COVID-19 levels
  - Expected to recover over a longer period
- NPL ratio improved to **27.1%** & continues to recover

TCRS



- Acquisition of NPL Portfolios
  - Investment activity almost at pre COVID-19 levels
  - Potential to accelerate investment over medium-term
  - Carrying value of purchased book debts recovered to pre COVID-19 levels
- Robust collection revenue in line with expectations

WeBuyCars



- Strong recovery in vehicles bought & sold
- Strategy to grow e-commerce offering continues to yield results

GROUP PORTFOLIO MIX | EARNINGS DIVERSIFICATION ENHANCED

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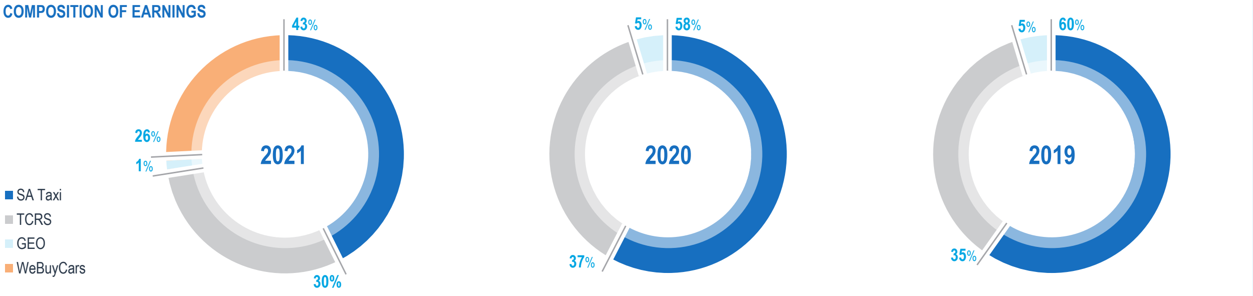
COMPOSITION OF EARNINGS



Headline earnings *(Group Ownership)*	2021 Rm	2020 Rm	Movement 2021 vs 2020	2019 Rm	Movement 2021 vs 2019
SA Taxi[1] *(74.17%)*	188	164	▲ 15%	202	▼ 7%
TCRS[2] *(100%)*	131	103	▲ 27%	118	▲ 10%
GEO including TCGF	5	14	▼ 64%	18	▼ 72%
WeBuyCars[3] *(49.9%)*	113	-	▲ >100%	-	▲ >100%
TOTAL	**437**	**281**	**▲ 56%**	**338**	**▲ 29%**
CENTS PER SHARE	**65.5**	**45.8**	**▲ 43%**	**55.3**	**▲ 18%**

1. TC's attributable portion decreasing 7% over the corresponding period. SA Taxi's 7% reduction applying 2019 as a base relates to a lower proportion of SA Taxi's earnings being consolidated in FY21
From 6 February 2019, TC consolidated 81.4% of SA Taxi's headline earnings (98.5% were consolidated prior to this effective date). From 7 December 2020, TC consolidates 82.13% of SA Taxi's headline earnings
2. Core headline earnings from continuing operations | 3. The investment in WeBuyCars is accounted for as an associate of the group in accordance with IAS 28 -Investments in Associates and Joint Ventures, applying the equity method

TRANSACTION CAPITAL NEGOTIATES INCREASED SHAREHOLDING IN WeBuyCars FROM 49.9% TO 74.9%

Transaction Capital 7

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

Refer to the Cautionary Announcement released on SENS on 12 May 2021

EARNINGS & VALUE ACCRETIVE INVESTMENT INTO A RELEVANT & SCALABLE BUSINESS WITH EXPONENTIAL GROWTH POTENTIAL

- Initial investment on 11 September 2020 of a non-controlling **49.9**%
- TC to hold **74.9**% in WeBuyCars on completion of transaction
- Remaining **25.1**% to be held by founding shareholders

WeBuyCars SHAREHOLDING STRUCTURE AFTER SUCCESSFUL NEGOTIATIONS[1]

REINFORCING CONFIDENCE IN INITIAL INVESTMENT CASE

- Favourable market trends | WeBuyCars structurally well positioned
  - › Refer to **slide 40** in appendix
- Strong cultural fit & positive engagement
- Proven high calibre of WeBuyCars management
- Operational resilience proven in difficult environment
- Growth opportunities initially identified validated
  - › Refer to **slide 16**
- Recognition of TC's ability to advance F&I offering to ▲ unit economics

POTENTIAL INTERNATIONAL EXPANSION

- WeBuyCars compares well against its international peers
  - › Refer to **slide 45** in appendix
- Given the growth trajectory of global used vehicle industry

ENHANCING TC'S FUTURE VALUE & EARNINGS TRAJECTORY

- Future earnings from WeBuyCars at least in line with expectations
- TC to consolidate a greater proportion of WeBuyCars earnings

1. Simplified shareholding structure. TC via TC Motor Holdings, a 100% owned subsidiary of TC

TRANSACTION CAPITAL PERFORMANCE HIGHLIGHTS

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TRANSACTION CAPITAL'S RESILIENCE & AGILE RESPONSE TO COVID-19 ENABLED SIGNIFICANT STRATEGIC PROGRESS IN 2021

ESTABLISHED & RELEVANT BUSINESS MODELS

- SA Taxi, TCRS & WeBuyCars business models established over **>20 years**
  - Proven track record & strong market positions
- Demonstrated their resilience & responsiveness to COVID-19
  - Decisive recovery
  - Entrepreneurial agility | Quick alignment of operating models, financial structures & strategic initiatives to market realities & emerging opportunities
  - Operational activity recovered | Nearing or exceeding pre-lockdown levels
- Business models gain relevance in COVID-19 environment
  - SA Taxi | Minibus taxis remain largest & most vital service in public transport network, whilst other modes of public transport flounder
  - TCRS | COVID-19 ▲ indebtedness & impaired consumers' ability to service debt, creating larger NPL Portfolios to manage or acquire
  - WeBuyCars | As disposable income is under strain & new vehicle price ▲ , consumers opt for used vehicles, driving growth in this sector
- Return to long-term track record of growth in FY21 & beyond
  - Applying FY19 as a base

PROVEN RESILIENT & PRUDENT CAPITAL STRATEGY

- Robust balance sheet, underpinned by conservative equity capital strategy
- Equity base bolstered by **R1.1bn** in last 12 months
  - **R248m** | January 2021
  - **R329m** | September 2020
  - **R560m** | June 2020
  - Enabled acquisition of 49.9% in WeBuyCars | Immediately value & earnings accretive
- **R7.6bn** of capital | **29.6%** capital adequacy ratio **| 26.7%** tier 1 capital adequacy
- Divisional balance sheets conservatively capitalised
- Unfettered access to liquidity from debt capital markets
  - **~R900m** of approved facilities at holding company for strategic growth initiatives
- Undrawn facilities at divisional level covering funding requirements into **FY22**
  - Loan origination in SA Taxi
  - Acquisition of NPL Portfolios in TCRS
- Ample capacity to fund strategic organic growth initiatives
- Dividend payment resumed | Interim dividend of **19 cps**
  - Enabled by strong earnings recovery, robust balance sheet & high cash conversion rates

TRANSACTION CAPITAL PERFORMANCE HIGHLIGHTS

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POSITIONING TRANSACTION CAPITAL FOR LONG-TERM GROWTH AT RATES IN LINE WITH PRE COVID-19 TRACK RECORD

ENHANCED DIGITAL INITIATIVES & TRANSFORMATION

- Digital adoption accelerated by COVID-19
- WBC | Consumer buying patterns shifting
  - Greater e-commerce adoption
  - **~40%** vehicles sold via online auction on e-commerce platform (HY20: **~4%**; HY19: **0%**)
- SA Taxi | Apply leading-edge analytics to real-time vehicle mobility datasets
  - Mitigates credit & insurance risk
  - Monitor industry recovery | Adjust operations in line with industry activity
- TCRS | Implemented highly effective WFH capabilities
  - WFH yielding higher productivity | Flexible working hours

FURTHER ENHANCED ECONOMIC, SOCIAL & ENVIRONMENTAL **(ESE)** FRAMEWORK

- Sustainability report issued in January 2021 | Available on TC's website
- Measurable ESE reporting | Refer to **slide 73 – 77**
  - Objective view of corporate impact | Informs strategic & operational initiatives
    - Ensure TC's impacts are appropriately managed
    - Enhance value creation for TC & its stakeholders
- Shared value model delivering commercial returns & social benefits

INVESTMENT INTO INNOVATION | TC VENTURES

- Introduction & establishment of TC Ventures
  - Partner with & invest in innovative entrepreneurial businesses
  - Provide platform to expand strategy of growth ventures
  - Targeting digitally enabled fintech disruptors requiring leadership skills & financial capacity

TC GLOBAL FINANCE

- **£8.4m** invested to date | **£2.0m** invested in HY21
- Differentiated approach to TC's international development, investing in:
  - Sectors aligned with TC's growth strategy
  - Assets not capable of immediate integration into TC's existing divisions
- Co-investment with off-shore based founders:
  - Provides close proximity to international investments
  - Achieves natural alignment with TC founders
  - Supports quality deal origination
  - Provides on-going risk management & risk sharing
  - Results in a more favourable outcome for TC (than investing alone)
- Where target investment can be managed by or integrated into TC's existing divisions
  - Investment to be made & managed directly by TC
- Maintain cautious & selective approach

FURTHER AUGMENTED ACUMEN & DIVERSITY OF THE BOARD

- Ms Albertinah Kekana **appointed** 1 April 2021 as independent non-executive director
- Mr Paul Miller **resigned** 1 April 2021 as alternate non-executive director to Roberto Rossi
- Enhanced board of directors
  - **5** executive directors
  - **10** non-executive directors | **9** independent

WeBuyCars PERFORMANCE HIGHLIGHTS

ACCELERATING TRANSACTION CAPITAL'S EARNINGS GROWTH RATE

VALUE & EARNINGS ACCRETIVE INVESTMENT IN WeBuyCars

- South Africa's trusted trader of used vehicles through its vertically integrated, data & technology-led e-commerce & physical infrastructure
- Uniquely positioned in South Africa's large & resilient used vehicle market
- Investment effective 11 September 2020
- Quality standalone business
  - Well established, **~20 year** growth track record
  - Entrepreneurial & owner managed
  - Delivering predictable earnings with high cash conversion rates

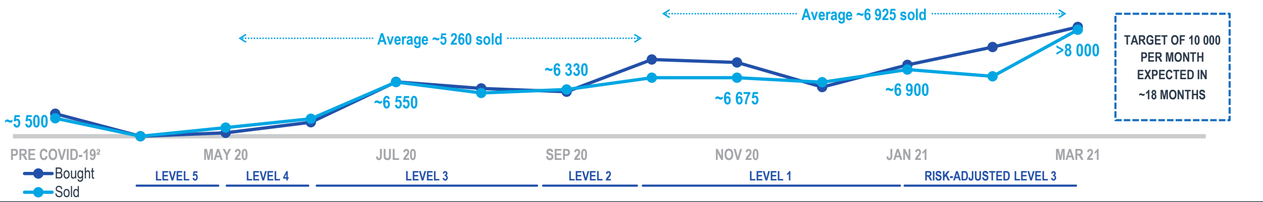
ROBUST PERFORMANCE | HEADLINE EARNINGS ▲ **38%** (HY21 vs HY19 ▲ **84%**)

- Quick alignment of operating models & growth plans
- New heights reached in several categories during HY21
  - Units bought & sold, total revenue, e-commerce trading, total bays & profitability
- Headline earnings attributable to group **R113m**

BUSINESS MODEL GAINED RELEVANCE IN COVID-19 ENVIRONMENT

- More consumers opting to trade ▼ from new to used vehicles
- New vehicle sales per year ▼ **36.3%** for the 12 months ended 31 March 2021
  - Consumers' disposable income under strain
  - Weakening Rand driving new vehicle prices ▲
- COVID-19 has heightened consumers' preference for on-line channels
- E-commerce adoption in SA leap-frogged 5 years, with spend ▲ **30%** in H1 2021[1]

NUMBER OF UNITS BOUGHT & SOLD



1. FNB Report
2. Average number of vehicles sold | January 2020 to March 2020

SA TAXI PERFORMANCE HIGHLIGHTS

LONG-TERM TRACK RECORD OF GROWTH RESUMED

ROBUST PERFORMANCE | PRE-PROVISION PROFIT FLAT (HY21 vs HY19 ▲ **22%**)

- Quick alignment of operating models, financial structures & growth plans
- Headline earnings attributable to group ▲ **15%** to **R188m** (HY20: **R164m**; HY19: **R202m**)

CONSERVATIVELY CAPITALISED WITH UNFETTERED ACCESS TO LIQUIDITY

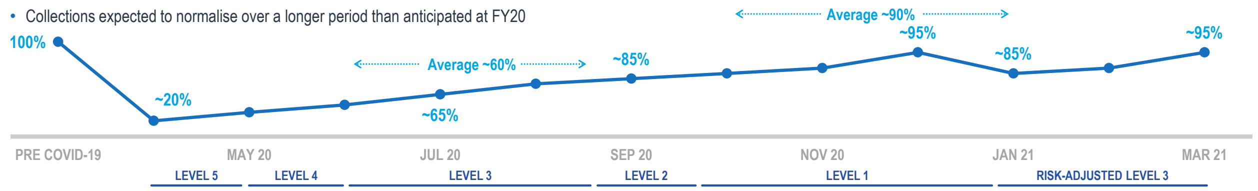
- **R3.2bn** of equity | **R3.8bn** total capital | Capital adequacy ratio of **21.0%**
- Undrawn facilities covering funding requirements for loan origination into **FY22**
- Protecting the balance sheet | Adequately provided for COVID-19 impact
  - Provision coverage at **6.0%** (FY20: **6.7%**; HY20: **5.4%**; HY19: **4.7%**)

LONG-TERM TRACK RECORD OF GROWTH RESUMED

- Business model gained relevance in COVID-19 environment
  - Minibus taxi industry indispensable to South Africa's economic activity
    - **>16%** ▲ in minibus taxi use from 2013 to 2020
    - **~28%** ▼ in bus & **~64%** ▼ in rail use from 2013 to 2020
- Track record & vertically integrated business model positions SA Taxi well to serve clients
- Strong recovery in loan originations
  - Applications in line with pre COVID-19 levels
  - Continued momentum in sale & finance of pre-owned vehicles
  - Refurbishment capacity ▲
- Medium-term strategic initiative | Transaction-based account for minibus taxi industry

LOAN COLLECTIONS RECOVERED TO **~95%** OF PRE COVID-19 LEVELS BY MARCH 2021 (EXPRESSED AS A % OF PRE COVID-19 LEVELS)

- Collections expected to normalise over a longer period than anticipated at FY20



TCRS PERFORMANCE HIGHLIGHTS

Transaction Capital 12

LONG-TERM TRACK RECORD OF GROWTH RESUMED

ROBUST PERFORMANCE | PRE-PROVISION PROFIT ▲ 21% (HY21 vs HY19 ▲ 44%)

- Quick alignment of operating models, financial structures & growth plans
- Collection services proved resilient in current conditions
  - HY21 collections revenue ▲ **7%** (HY21 vs HY19 ▲ **29%**)
  - Expected cost savings **~R90m** (FY21)
- Headline earnings attributable to group ▲ **27%** to **R131m** (HY20: **R103m**; HY19: **R118m**)

STRATEGIC REALIGNMENT OF TCRS COMPLETED

- Transaction Capital Transactional Services (TCTS) established July 2020
  - Integration of TCPS, Fihrst & Accsys
  - Creation of single scaled Transactional Services platform
  - CEO & COO appointed
- RoadCover positioned in SA Taxi to augment its growth prospects
- Disposal of non-core & sub-scale businesses concluded

LONG-TERM TRACK RECORD OF GROWTH RESUMED

- Business model has gained relevance in COVID-19 environment
  - Effective functioning of consumer credit sector critical to economic recovery
  - ▲ indebtedness & impaired consumer ability to service debt | ▲ NPL Portfolios to manage/acquire
- Positioned to focus on strategic growth initiatives as market conditions settle
  - Capital flexibility
  - Highly effective world-class WFH capabilities
  - Proactively restructured staff compliment & infrastructure
- Medium-term strategic initiatives
  - Co-invest in European NPL Portfolios with local partners
  - Established business outsourcing services division | Leveraging TCRS's low-cost SA infrastructure

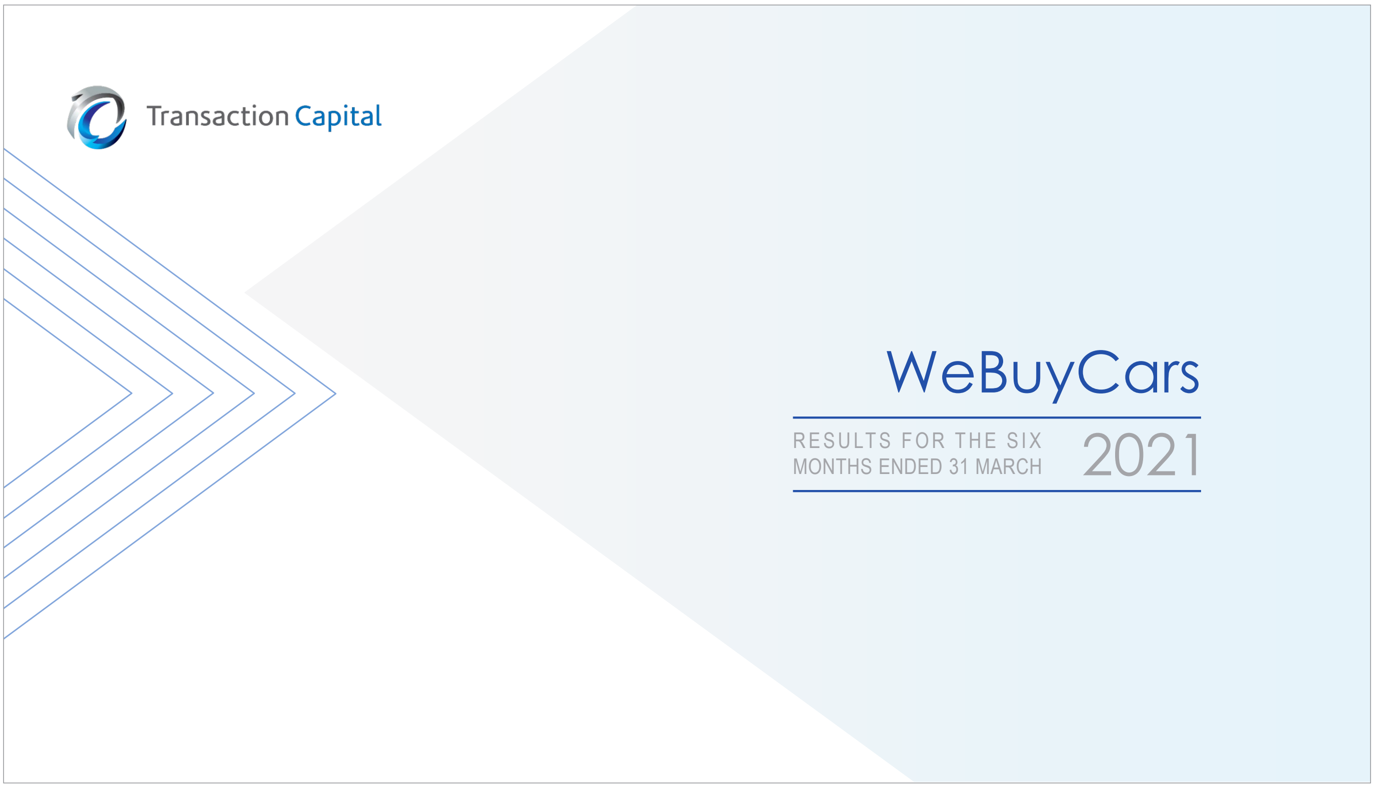
ROBUST BALANCE SHEET WITH AMPLE ACCESS TO LIQUIDITY

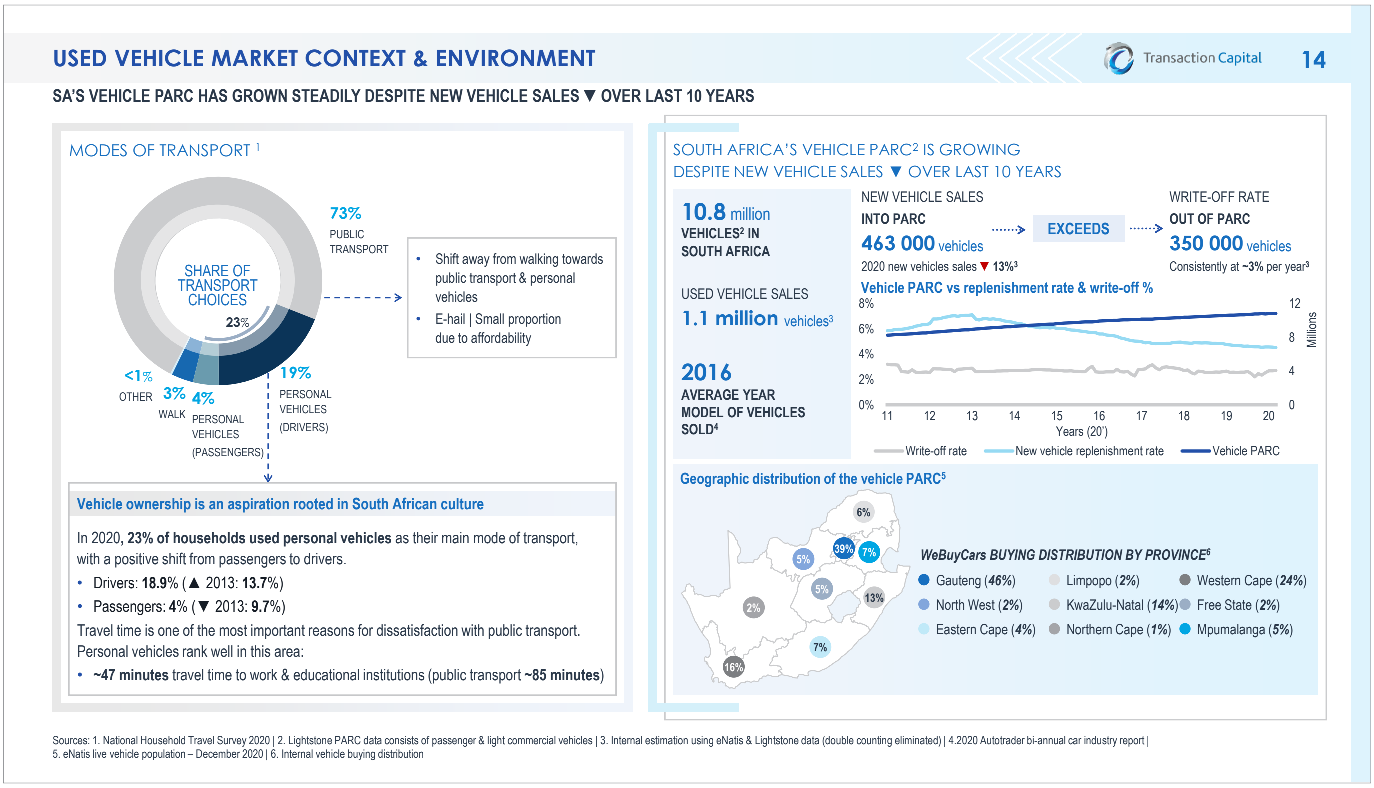
- **R5.0bn** of assets | **R2.0bn** of senior debt | Underpinned by **R1.6bn** of equity
- Undrawn facilities covering funding requirements for acquisition of NPL Portfolios into **FY22**

COLLECTIONS[1] ON NPL PORTFOLIOS OWNED AS A PRINCIPAL PERFORMED BETTER THAN EXPECTED (EXPRESSED AS A % OF PRE COVID-19 LEVELS)

1. Collections on NPL Portfolios owned as a principal in South Africa

NOTES


Transaction Capital
WeBuyCars
RESULTS FOR THE SIX MONTHS ENDED 31 MARCH
2021


USED VEHICLE MARKET CONTEXT & ENVIRONMENT
Transaction Capital
14
SA'S VEHICLE PARC HAS GROWN STEADILY DESPITE NEW VEHICLE SALES ▼ OVER LAST 10 YEARS
MODES OF TRANSPORT 1
SHARE OF TRANSPORT CHOICES
73% PUBLIC TRANSPORT
23%
19% PERSONAL VEHICLES (DRIVERS)
4% PERSONAL VEHICLES (PASSENGERS)
3% WALK
<1% OTHER
Shift away from walking towards public transport & personal vehicles
E-hail | Small proportion due to affordability
Vehicle ownership is an aspiration rooted in South African culture
In 2020, 23% of households used personal vehicles as their main mode of transport, with a positive shift from passengers to drivers.
Drivers: 18.9% (▲ 2013: 13.7%)
Passengers: 4% (▼ 2013: 9.7%)
Travel time is one of the most important reasons for dissatisfaction with public transport. Personal vehicles rank well in this area:
~47 minutes travel time to work & educational institutions (public transport ~85 minutes)
SOUTH AFRICA'S VEHICLE PARC2 IS GROWING DESPITE NEW VEHICLE SALES ▼ OVER LAST 10 YEARS
10.8 million VEHICLES2 IN SOUTH AFRICA
USED VEHICLE SALES 1.1 million vehicles3
2016 AVERAGE YEAR MODEL OF VEHICLES SOLD4
NEW VEHICLE SALES INTO PARC 463 000 vehicles
2020 new vehicles sales ▼ 13%3
EXCEEDS
WRITE-OFF RATE OUT OF PARC 350 000 vehicles
Consistently at ~3% per year3
Vehicle PARC vs replenishment rate & write-off %
8%
6%
4%
2%
0%
12
8
4
0
Millions
11 12 13 14 15 16 17 18 19 20
Years (20')
Write-off rate
New vehicle replenishment rate
Vehicle PARC
Geographic distribution of the vehicle PARC5
6% 5% 39% 7% 5% 2% 13% 7% 16%
WeBuyCars BUYING DISTRIBUTION BY PROVINCE6
Gauteng (46%)
Limpopo (2%)
Western Cape (24%)
North West (2%)
KwaZulu-Natal (14%)
Free State (2%)
Eastern Cape (4%)
Northern Cape (1%)
Mpumalanga (5%)
Sources: 1. National Household Travel Survey 2020 | 2. Lightstone PARC data consists of passenger & light commercial vehicles | 3. Internal estimation using eNatis & Lightstone data (double counting eliminated) | 4.2020 Autotrader bi-annual car industry report | 5. eNatis live vehicle population – December 2020 | 6. Internal vehicle buying distribution

USED VEHICLE MARKET CONTEXT & ENVIRONMENT

USED VEHICLE MARKET IS RESILIENT, DEFENSIVE & GROWING DESPITE SOUTH AFRICA's ECONOMIC CLIMATE

STRONG RECOVERY IN USED VEHICLE SALES | ALREADY AT PRE COVID-19 LEVELS

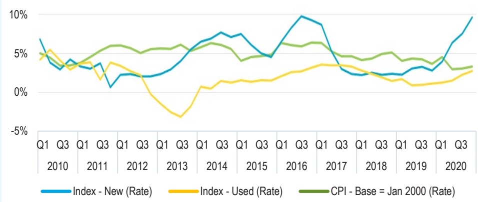
VEHICLE SALES & PRICES IN SOUTH AFRICA

~**463 000**
NEW VEHICLES | **46%** FINANCED[1]

2.4 times[2]
TOTAL USED-TO-NEW SALES RATIO

~**1.1** million[2]
USED VEHICLES | **32%** FINANCED[1]
▼ in financed deals below **R200 000**[3]
▲ in financed deals above **R300 000**[3]

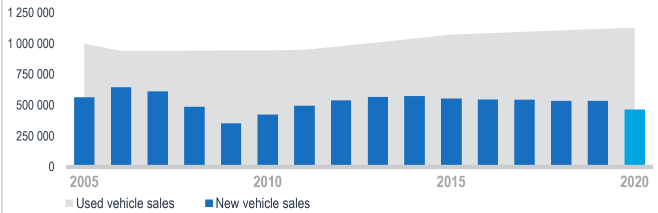
Vehicle Pricing Index (VPI) & Consumer Price Index (CPI)[3]



9.6%[3]
Q4 2020 New vehicle price increase > inflation
Q4 2019 | **2.9%**

2.9%[3]
Q4 2020 Used vehicle price increase < inflation
Q4 2019 | **1.2%**

NEW VS. USED ANNUAL VEHICLE SALES[4]

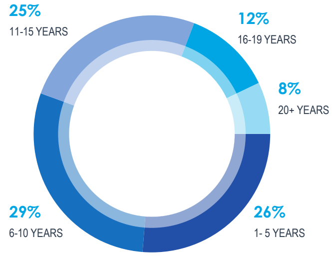


CAGR (2020)	
New vehicles	
10 year	▲ **0.9%**
5 year	▼ **3.6%**
Used vehicles	
10 year	▲ **1.8%**
5 year	▲ **1.0%**

SHIFT FROM NEW TO USED VEHICLES

- **New vehicle sales ▼**
  - Economic environment
  - Price ▲ | Driven by exchange rates (~**70%** imported)
- **Used vehicle sales ▲**
  - More affordable option to a new vehicle
    - COVID-19 stressed disposable income
  - Banks adding liquidity into used vehicle market as they seek growth

USED VEHICLE SALES BY AGE OF PARC (YEARS)[5]

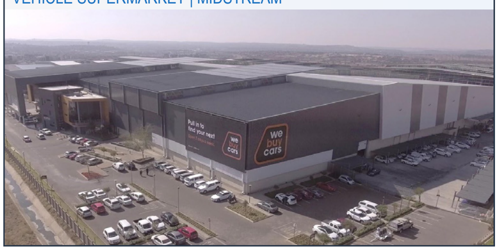


Sources: 1. Consumers financed per the NCR in 2019, excluding B2B; WeBuyCars ~20% to ~30% of sales to customers (excluding dealerships) are financed | 2. Internal estimation using eNatis & Lightstone data (double counting eliminated) | 3. TransUnion VPI Q4 2020 | 4. Pre 2020 figures: Estimate applying Transunion, E-natis (double counting eliminated) & Lightstone data, 2020 figures: based on adjustment to eNatis data (double counting eliminated) | 5. Based on internal estimation using Lightstone data

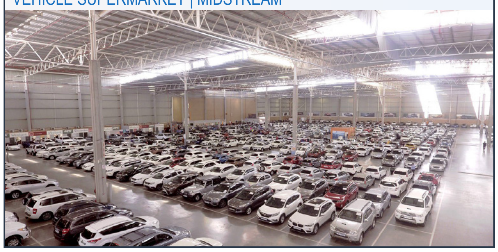
WeBuyCars STRATEGIC GROWTH INITIATIVES

FAVOURABLE STRUCTURAL MARKET CONDITIONS | BUSINESS MODEL MORE RELEVANT IN COVID-19 ENVIRONMENT

VEHICLE SUPERMARKET | MIDSTREAM



VEHICLE SUPERMARKET | MIDSTREAM



MEDIUM-TERM TARGET TO ▲ VOLUME OF VEHICLES TRADED TO **10 000** PER MONTH

- Harness data, technology & e-commerce potential
  - ▲ penetration of e-commerce | **~40%** online sales in HY21 (HY20: **~4%**)
    - Established **B2B** e-commerce activities including vehicle dealerships
    - Early stage **B2C** e-commerce activities | Desire for contactless services on credible digital platforms ▲
- Three further vehicle supermarkets in next **18 months** | Gauteng, Western Cape, Eastern Cape (relocate to larger facility)
- Continued enhancement of brand awareness & trust

ENHANCE UNIT ECONOMICS & MARGIN POTENTIAL

- Optimising vehicle acquisition & stock turn
- ▲ unit economics per vehicle sold via ▲ take-up rate of F&I products (currently **~13%** of vehicles sold)
- Enhance existing arrangements with providers of F&I products
- Add relevant new allied products
- Offering finance as principal
- Enhance insurance & allied products offering to improve annuity income

WELL PLACED TO BUILD ON LONG-TERM TRACK RECORD OF GROWTH

WeBuyCars FINANCIAL PERFORMANCE

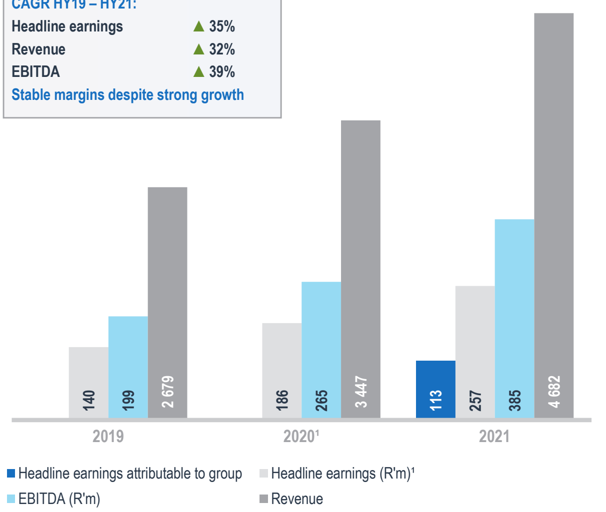
Transaction Capital 17

HIGH GROWTH BUSINESS | WELL PLACED TO BUILD ON LONG-TERM TRACK RECORD OF GROWTH

Strong growth rate & operating leverage
CAGR HY19 – HY21:

Headline earnings	▲ 35%
Revenue	▲ 32%
EBITDA	▲ 39%

Stable margins despite strong growth



Headline earnings ▲**38%** to **R257m** (HY21 vs HY19 ▲**84%**)

Headline earnings attributable to the group **R113m** (FY20: **R19m**)

- Initial **49.9%** investment into WeBuyCars effective 11 September 2020

Revenue ▲**36%** to **R4.7bn** (HY21 vs HY19 ▲**75%**)

Unit economics per vehicle sold

- Stable margins despite strong growth in volumes
  - Opportunity to ▲ unit economics per vehicle sold from greater take-up of F&I products[2]
  - **1%** ▲ in penetration = ▲ **~R11.6m** in headline earnings
  - Finance & Insurance product margin earned on **~13%** of vehicles sold

Established infrastructure facilitating operational leverage

- Fixed vs. variable cost
  - **~40%** fixed
  - **~60%** variable (**~20%** semi-variable)

Capital light business model

- Robust balance sheet
- Minimal leverage
- High cash conversion rates

1. Includes adoption of IFRS 16 Leases
2. WeBuyCars earns margin on trading vehicles (vehicle margin), with additional gross margin earned on finance, insurance based, tracking & other allied products (product margin)

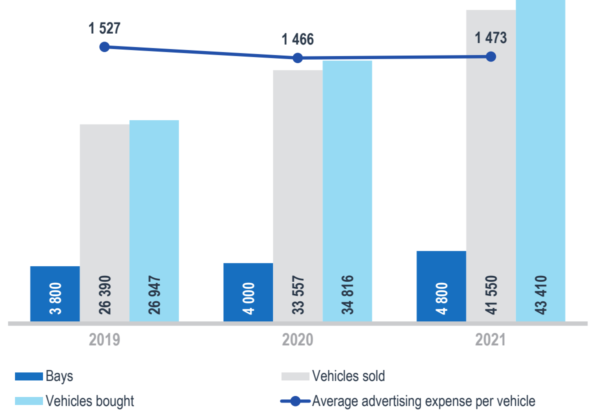
WeBuyCars OPERATIONAL PERFORMANCE

Transaction Capital 18

HIGH GROWTH BUSINESS | WELL PLACED TO BUILD ON LONG-TERM TRACK RECORD OF GROWTH

CAGR HY19 – HY21:

Vehicles bought	▲ 27%
Vehicles sold	▲ 25%
Vehicle bays	▲ 12%
Advertising expense per vehicle[1]	▼ 2%



Strong COVID-19 recovery with favourable structural market conditions

Vehicles sold per month

- **~5 510** vehicles per month | January to March 2020
- **>5 900** vehicles per month | June to September 2020
- **~6 925** vehicles per month | October 2020 to March 2021
- Average selling price per vehicle ▲ to **>R112 000** (HY20: **~R103 000**; HY19: **~R101 500**)

Vehicles bought per month

- Currently at **~7 250** vehicles per month ▲ from **~5 800** vehicles per month in HY20

Vehicle bays

- **~4 800** parking bays in **7** vehicle supermarkets (HY20: **~4 000**; HY19: **~3 800**)
- New vehicle supermarket opening in Gauteng **on 1 June 2021** | ▲ **~700** additional bays
- Three further vehicle supermarkets opening in next **18 months**
  - Gauteng, Western Cape, Eastern Cape (relocating to larger facility)

1. Advertising expense per vehicle bought

Transaction Capital

SA TAXI

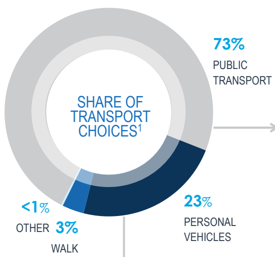
RESULTS FOR THE SIX MONTHS ENDED 31 MARCH 2021

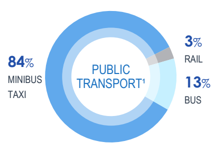
ENVIRONMENT & MARKET CONTEXT

MINIBUS TAXI INDUSTRY IS DEFENSIVE & GROWING DESPITE CHALLENGING ENVIRONMENT

STRUCTURAL ELEMENTS SUPPORT MINIBUS TAXI INDUSTRY RESILIENCE

MINIBUS TAXI IS THE LARGEST & MOST VITAL MODE OF TRANSPORT WITHIN INTEGRATED PUBLIC TRANSPORT NETWORK





Personal vehicles
- New passenger vehicle sales
  - ▼ 13% in 2020[2]

E-hail small proportion due to affordability

Minibus taxi ▲ **>16% since 2013**[1]
- Preferred form of transport due to accessibility & flexibility
- ~**15 million** commuter trips daily[3]
- Essential service with spend non-discretionary
- No government subsidy[7]

Bus ▼ **>28% since 2013**[1]
- Increased dissatisfaction around bus stop facilities
- **~780 000** commuter trips daily[4]
- Receives **56%** of government subsidy[7]

Rail ▼ **~64% since 2013**[1]
- Dwindling operating capacity & long travel times
- **< 250 000** commuter trips daily[4]
- Receives **44%** of government subsidy[7]

COMMUTERS RELY ON MINIBUS TAXIS GIVEN THEIR ACCESSIBILITY, RELIABILITY, CONVENIENCE & FLEXIBILITY

TOTAL ADDRESSABLE MARKET

>250 000
MINIBUS TAXIS

~80 000
FINANCED &/OR INSURED

~170 000
UNENCUMBERED & AGED

AVERAGE AGE **>10 YEARS**
AGEING FLEET REQUIRING **REPLACEMENT & RECAPITALISATION**

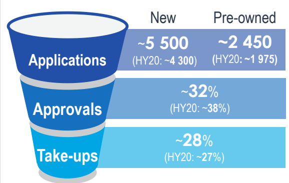
MONTHLY SUPPLY[5] < MONTHLY DEMAND[6]

~1 600
TOTAL MARKET SUPPLY
▲ (FY20: ~**1 300**)

~1 300
▲ NEW[5] (FY20: ~**1 100**)

~300
▲ PRE-OWNED[5] (FY20: ~**200**)

~7 950
SA TAXI'S TOTAL APPLICATIONS
▲ (HY20: ~**6 275**)



Sources: 1. National Households Travel Survey 2020 (conducted before start of COVID-19 pandemic) | 2. Internal estimation using eNatis & Lightstone data (double counting eliminated) | 3. Reuters http://www.reuters.com/article/safrica-taxis/south-africas-rattletrap-taxis-move-millions-and-an-economy-idUSL6N0LQ3BL20140310 | 4. Bus & rail as per Stats SA, BRT Fin 24 article on the BRT by Christo Venter (Associate professor at University of Pretoria, & Gary Hayes from CSIR) | 5. Total monthly market supply of minibus taxis comprises Toyota, Nissan & Mercedes vehicles, SA Taxi's best estimate based on monthly NAAMSA reports, internal data & Lightstone data | 6. SA Taxi internal information | 7. As per the Public Transport & Infrastructure System Report conducted for the National Treasury

ENVIRONMENT & MARKET CONTEXT

Transaction Capital 21

MINIBUS TAXI INDUSTRY IS DEFENSIVE & GROWING WITH RESILIENT OPERATORS

ENVIRONMENT & LOWER COMMUTER MOBILITY IMPACTING PROFITABILITY

VEHICLE PRICES

R493 900
TOYOTA HIACE (DIESEL) PRICE[1]
Since FY15: ▲36%
Last 12 months: ▲7%

~R4 699 ▲
IMPACT ON MONTHLY INSTALMENT SINCE 2015[2]

REPO RATE

3.5%
AVERAGE REPO RATE[3]
HY20: **6.3%**

REPO RATE CURRENTLY AT **FIVE DECADE LOW**
3% ▼ IN 2020

FARES

9.3% ▲
MONTHLY COST OF USING MINIBUS FROM 2013 TO 2020 SUPPORTS AFFORDABILITY OF INSTALLMENT[7]

SA TAXI'S INTEREST RATES[4]

20.6%
AVERAGE INTEREST RATE AT ORIGINATION
Since FY15 ▼ **3.7%**

~R1 050 ▼
IMPACT ON MONTHLY INSTALMENT
Since 2015[2]

19.5% to 23.75%
RISK BASED PRICING INTEREST RATE RANGE

SUPPORTS AFFORDABILITY OF INSTALMENTS, INCLUDING EXISTING LOANS ON BOOK

FUEL PRICES INCLUDING FUEL LEVIES

R14.37 per litre
AVERAGE PETROL PRICE[5]
APRIL 21: **R17.01**

R12.42 per litre
AVERAGE DIESEL PRICE[5]
APRIL 21: **R14.47**

*PETROL & DIESEL PRICES ▼ **R0.09** & **R0.31** PER LITRE RESPECTIVELY IN MAY 2021*

*FUEL PRICES CURRENTLY ▼**~1.3%** FROM ALL-TIME HIGH RECORD IN APRIL 2021*

~2 to **~3** billion litres
USED BY TAXI INDUSTRY PER YEAR[6]

~R30 billion
FUEL SPEND BY TAXI INDUSTRY PER YEAR[6]

EFFECT ON SA TAXI

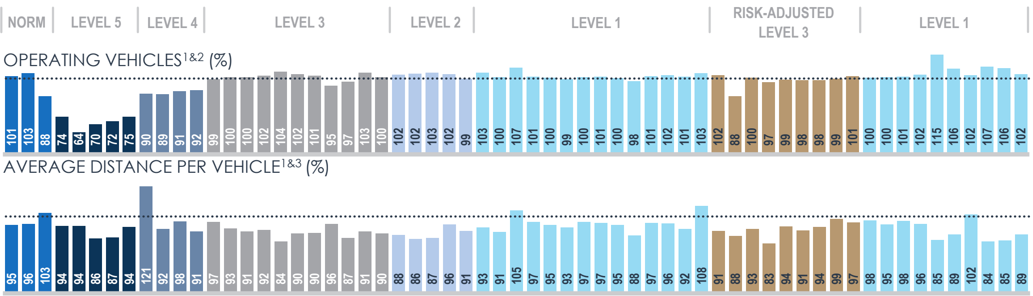
- Challenging environment for minibus taxi operators
- **Demand for minibus taxis** exceeding pre COVID-19 levels (strong recovery & organic growth)
- Conservative strategies adopted in response to COVID-19 resulting in lower approval rates:
  - Stricter credit granting criteria
  - Targeting experienced minibus taxi operators
- **Liquid market** for SA Taxi's high-quality & affordable pre-owned refurbished vehicles
- Resulting in **strong recoveries** as asset value retains value due to demand > supply

Sources: 1.Toyota recommended retail price, including VAT, as at 31 March 2021 | 2. Calculated only for new originations | 3. Average repo rate for half year ending 31 March 2020 & 2021 | 4. SA Taxi internal information | 5. www.energy.gov.za 12-month rolling average fuel price (April 2020 to March 2021) 6.Internal estimates unchanged from prior period | 7. NHTS 2020, average monthly costs for travel to work

VEHICLE MOBILITY ANALYTICS USED TO MANAGE CREDIT & INSURANCE RISK

Transaction Capital 22

TELEMATICS DATA SHOWS RECOVERY IN AVERAGE ACTIVITY OF MINIBUS TAXI FLEET, COLLECTIONS & PROFITABILITY BENCHMARKED AGAINST PRE COVID-19 LEVELS



SA TAXI LOAN COLLECTIONS[4] (%)

100%	~23%	~40%	~45% - ~75%	~80%	~80% - >90%	~85% - ~90%	~95%

MINIBUS TAXI OPERATOR LOAN INSTALMENT & INSURANCE PREMIUM AFFORDABILITY (%)

✔	✕[6]	✕[7]	✔	✔	✔	✔	✔

MINIBUS TAXI OPERATOR PROFITABILITY PER MONTH[5] (%)

100%	~25% Payment relief required	~30%	~45%	~75%	>90%	~75%	>95%

1. Each 'bar' represents a week (Benchmarked week 14 onwards in 2021 to the 2019 activity due to lockdown level 5 & 4 in April & May 2020)
2. Vehicles in the fleet that have travelled more than 10 kilometres during a day (SA Taxi's imperical telematics data)
3. Total kilometres travelled by the fleet / number of operating vehicles (SA Taxi's imperical telematics data)
4. Collections activity expressed as a percentage of pre-COVID-19 levels
5. Calculations are based on a new Toyota HiAce diesel & average profitability after all expenses
6. Loan instalment & insurance payment relief provided during lockdown level 5 due to COVID-19 restrictions
7. Loan instalment & insurance payment unaffordable during lockdown level 4 due to COVID-19 restrictions

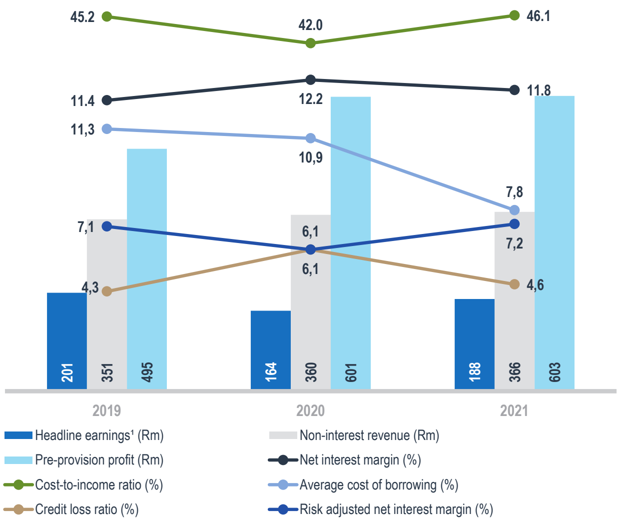
COVID-19 HAS PROVEN THAT MINIBUS TAXI INDUSTRY IS INDISPENSABLE TO SA'S PRODUCTIVITY & EARLY BENEFICIARY OF ECONOMIC RECOVERY

- As the dominant mode of public transport, minibus taxi industry is an essential service & operated during level 5 lockdown
  - Bus & rail services floundering
- Restrictions resulted in
  - ▼ Activity per vehicle
  - ▼ Passenger loads
- Minibus taxi industry has recovered quickly & is transitioning closer to normal activity
- Commuter mobility is a precursor to economic activity
- Spending on minibus taxi is non-discretionary, making industry defensive
- Minibus taxi operators able to afford loan & insurance instalments supported by fares ▲ & ▼ interest rates

SA TAXI FINANCIAL PERFORMANCE

Transaction Capital 23

DEMONSTRATED STRONG FINANCIAL PERFORMANCE



Headline earnings

- ▲ 13% to R228m (HY21 vs HY19 ▲ 4%) | TC's attributable portion ▲ 15% to R188m
  - › After consolidating 82.1% (HY20: 81.4%; HY19: 98.5%)
- Pre-provision profit flat (HY21 vs HY19 ▲ 22%)

Net interest margin[2] at 11.8% (HY20: 12.2%; HY19: 11.4%)

- Weighted average interest rate at origination 20.6% (HY20: 23.0%; HY19: 23.7%)[3]
  - › NCA max rate at 27.7%
- Historical low repo rate at 3.5%[4] (HY20: 5.25%; HY19: 6.75%)
- Funding costs ▼ to 7.8% (HY20: 10.9%; HY19: 11.3%)

Credit loss ratio ▼ to 4.6% (FY20: 7.3%; HY20: 6.1%; HY19: 4.3%)

- Remains slightly above upper limit of 3% to 4% target range
- Risk adjusted NIM ▲ 7.2% (HY20: 6.1%; HY19: 7.1%)

Non-interest revenue ▲ 2% to R366m (HY21 vs HY19 ▲ 4%)

- Gross written premium ▲ 8% to R497m (HY20: R462m; HY21 vs HY19 ▲ 25% from R398m)
  - › ▲ loan origination | Stable penetration of SA Taxi's growing financed portfolio
  - › ▲ customer acquisition in open market | Offset by ▲ lapse rates as COVID-19 affected affordability

Cost-to-income ratio ▲ to 46.1% (HY20: 42.0%; HY19: 45.2%)

- Investment to ▲ refurbishment capacity

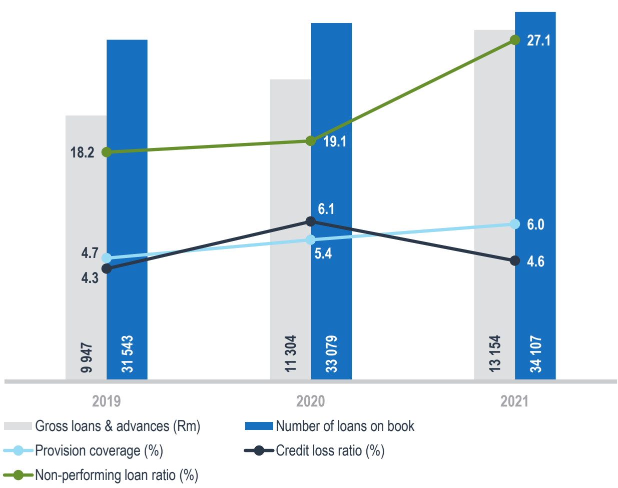
Effective tax rate at 26.0% (HY20: 24.0%; HY19: 23.9%)

1. Based on core headline earnings attributable to the group
2. The group adopted IFRS 16 based on the modified retrospective approach from 1 October 2019. Net interest margin includes the effect of interest expense relating to IFRS 16
3. National Credit Act maximum rate for developmental credit small & medium business loans at Repo rate x 2.2 plus 20% HY21: 27.7% (HY20: 34.3%) | 4. Repo rate as at 31 March 2021

NOTES

SA TAXI CREDIT PERFORMANCE

DEMONSTRATED STRONG CREDIT PERFORMANCE



Gross loans & advances ▲16% to R13.2bn

- Vehicle demand > Vehicle supply | Applications in line with pre COVID-19 levels
- Number of loans originated ▲ **12%** (HY21 vs HY19 ▲ **2%**)
  - Lower loan approval rates | Conservative credit quality focused on experienced taxi operators
  - Constrained originations in January 2021 due to ▼ business sentiment
- ▲ in sale & finance of pre-owned vehicles | Refurbishment capacity ▲
  - Pre-owned vehicle loan originations ▲ **47%** | New vehicle loan originations ▼ **3%**
- Market share maintained[1]
- Toyota vehicle prices ▲ **3.5%** in HY21 | Further ▲ expected in FY21
- Repossessions recovered to pre COVID-19 levels

NPL ratio at 27.1% (FY20: 32.3%; HY20: 19.1%; HY19: 18.2%)

- ▲ collections month-on-month from April to December 2020
- Collections disrupted in January 2020 to **~87%** when risk-adjusted level 3 restrictions implemented
- ▲ collections month-on-month from January to March 2021 from **<90%** to **~95%** | Refer slide **11**

Credit loss ratio ▼ to 4.6% (FY20: 7.3%; HY20: 6.1%; HY19: 4.3%)

- Recovery on repossession **>75%** of settlement value | Limits loss in event of default
  - Improved efficiencies in refurbishment centre | Cost efficient part procurement via SA Taxi Auto Parts

Provision coverage ▲ 6.0% (FY20: 6.7%; HY20: 5.4%; HY19: 4.7%)

- Protecting balance sheet

1. Toyota production remain below pre-COVID-19 levels | HY21: ~950 new Toyota vehicles compared to ~1 250 new Toyota vehicles pre COVID-19

Transaction Capital

TRANSACTION CAPITAL RISK SERVICES

RESULTS FOR THE SIX MONTHS ENDED 31 MARCH 2021

ENVIRONMENT & MARKET CONTEXT | SOUTH AFRICA

Transaction Capital 26

DEFENSIVELY POSITIONED IN A CHALLENGING CONSUMER CREDIT ENVIRONMENT

MACRO- & SOCIO-ECONOMIC ENVIRONMENT PLACING PRESSURE ON CONSUMERS | COVID-19 WILL ADVERSELY IMPACT CONSUMER CREDIT SECTOR FURTHER

~**39** million
ADULTS[1]

27 million
CREDIT ACTIVE CONSUMERS IN SA[2]

10.6 million
(~39%) NON-PERFORMING CREDIT CONSUMERS[2]
▼ FROM **42%** IN DEC 2019

ELEVATED LEVELS OF **UNEMPLOYMENT**
- **32.5**% (Q4 2020[3]) Highest in **12 years**
- **61.3**% of youth unemployment in Q4 2020[9]
  ▲ from **59**% in Q4 2019

2.93 million
▲ DISCOURAGED WORK-SEEKERS[3]
(Q4 2019: **2.85** million)

RECOVERY OF CREDIT ACTIVITY & PERFORMANCE

▲ CREDIT EXTENSION[11]
- Gross loans & advances grew marginally by **2.4**%
- Retail advances grew by **2.9**%

HOUSEHOLD DEBT TO INCOME[4] **AT 77.1%**
(▲from **72.8%** in HY20)

COST OF SERVICING DEBT AT 8.5% in 2020
(▼from **9.4%** in 2019)

INFLATION BENIGN[5]
▼to **2.9**% (Feb 19: **4.6%**)

INTEREST RATES ▼| AVERAGE REPO RATE[6] **3.5**% (HY20: **6.3%**)
Last decreased in July 2020 from **3.8**[6] | **5 decade low**

ALTHOUGH CONSUMER SECTOR REMAINS UNDER STRAIN, CREDIT ACITVTY IS BEGINNING TO RECOVER WITH CONSUMERS BENEFITTING FROM LOWER CREDIT COSTS DRIVEN BY A DECLINE IN INTEREST RATES

Overdue debt balances continue to increase[7]

R33 BILLION INCREASE IN OVERDUE BALANCES IN 2020,
WITH 38% OF LOANS NOT IN GOOD STANDING IN Q4 2020

UNSECURED LENDING
- **>13**m loans
- **23%** ▲ in value y-o-y

MORTGAGE LENDING
- **R12**bn in overdue balances | Doubled in 2020
- **18%** ▲ in Q4 2020
- **1** in **10** mortgages overdue

Monthly household income deteriorating compared to 2017[12]

Monthly earnings	<R8 000	R8 000 - R22 000	>R22 000
JUNE 2020	~ 73% adults	~ 19% adults	~ 8% adults
	▲	▼	▼
JUNE 2017	~ 56% adults	~ 28% adults	~ 16% adults

~**34%** OF HOUSEHOLDS EXPECTED TO EXIT MIDDLE CLASS INTO VULNERABLE GROUP DUE TO COVID-19[8]

Employee earnings growth in the formal sector has been below inflation over the past year[10]

~**3.2** MILLION PEOPLE IMPACTED

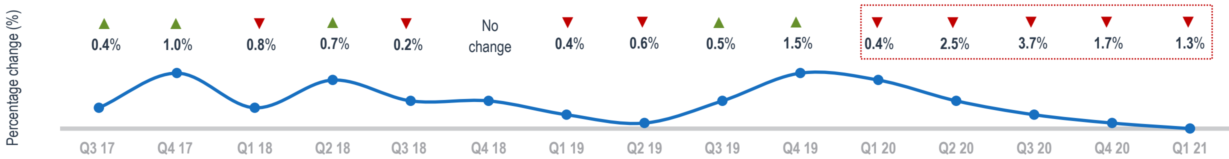
Sources: 1. Stats SA, adults aged 15 to 64 | 2. NCR data at Dec 2020 | 3. Stats SA: Quarterly Labour Force Survey Q4 2020: ▲ from 30.8% (Q4 2019) | 4. SARB: December 2020 vs 2019 | 5. Stats SA: Rate of inflation reported February 2021 | 6. SARB: Average Repo rate for the half year ending 31 March 2021 & 2020 |7. XDS Credit Stress Report: Q4 2020 | 8. UNDP - COVID 19 socioeconomic impact | 9. Youth unemployment: Trading economics | 10. Stats SA: Quarterly employment stats | 11. BA900: Feb 2021 | 12. UCT Liberty Institute of strategic marketing: Impact of COVID on household income

TCRS'S BUSINESS MODEL GAINS RELEVANCE IN COVID-19 ENVIRONMENT

Transaction Capital 27

TRANSACTION CAPITAL'S CONSUMER CREDIT REHABILITATION INDEX (CCRI)
CONSUMER'S PROPENSITY TO REPAY DEBT DETERIORATING WITH WEAK ECONOMIC CONDITIONS EXACERBATED BY COVID-19

SOUTH AFRICA's NATIONAL CONSUMER CREDIT REHABILITATION PROSPECT TRENDS | QUARTER ON QUARTER



- TCRS algorithm to score propensity to repay debt
- Empirically based sample of ~**4 million** SA consumers in credit default
- National rehabilitation prospects deteriorating since COVID-19
  - Y-on-Y: Q1 2021 ▼ **2.8**% compared to Q1 2020 | Continued decline since COVID-19 in March 2020

Economic impact of COVID-19 on consumers | Impairs consumers ability to service debt
- ▲ Unemployment & discouraged work-seekers, with growing overdue debt balances
- ▲ Increased reliance on debt due to pressure on disposable income
- ▼ Cost of servicing credit

Credit rehabilitation is crucial in growing an inclusive & efficient credit economy
- TCRS facilitates effective functioning of consumer credit markets
- Rehabilitates indebted consumers
- Support clients' ability to extend credit by freeing up their operational & balance sheet capacity

Economic impact of COVID-19 on TCRS's clients
- Recovery in value of credit extension from financial institutions
- Larger NPL Portfolios
  (**BA 900** returns February 2021 | Provisions Y-on-Y ▲ ~35.8%; Credit extension ▲ only ~2.4%)
- Balance sheets & operations under pressure
- ▲ appetite to sell NPL Portfolios
- Clients seek to shift from fixed to variable cost structures, via outsourced collection services

TCRS strongly positioned to accelerate the acquisition of NPL Portfolios & win agency collection mandates
- **~20 years** experience in acquiring & collecting NPL Portfolios
- Ability to adjust pricing methodology to the prevailing environment, to achieve targeted returns & collection multiples
- Omni-channel & data analytics to continue contacting & transacting with consumers
- Implemented highly effective WFH capabilities
  - **>1 200** agents working from home | ▲ efficiency & productivity due to flexible working hours

ENVIRONMENT & MARKET CONTEXT | AUSTRALIA

Transaction Capital 28

AUSTRALIAN CONSUMER CREDIT ENVIRONMENT

AUSTRALIAN CONSUMER EMPLOYED BUT HIGHLY LEVERAGED

- **5.6%** unemployment | ▼ to pre-pandemic levels (April 2021)
- Historically low interest rates & higher property prices drive credit extension
- Persistently high levels of household debt to disposable income at ~**210%**
- Economy forecast to grow strongly post COVID-19 at **4.5%**
- Government support programs completed end of March 2021
- Effect of Royal Commission into Banking:
  - ▼ Sale of NPL Portfolios restricted
  - ▲ Compliance costs

AUSTRALIAN DEBT COLLECTION ENVIRONMENT

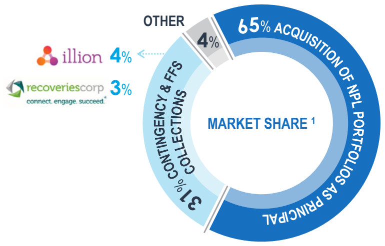
CONSUMERS

- Predominantly employed, but some risk post completion of government support programs
- Positive response to non-voice & digital channels | High levels of right party contact

MARKET PARTICIPANTS

- ▼ Access to funding for acquisition of NPL portfolios
- ▲ Regulatory compliance & focus on treating customers fairly
- ▼ Sale of NPL portfolios
- ▲ Shift towards FFS

AUSTRALIAN COLLECTIONS MARKET | FRAGMENTED MARKET COMPRISING ~550 MARKET PARTICIPANTS | EARLY-STAGE MARKET CONSOLIDATION



FY20 MARKET SHARE OF NPL'S ACQUIRED

- >40% Credit Corp Group
- ~5% Collection House
- ~10% pioneer credit
- ~10% PANTHERA
- <2% recoveriescorp

PRICE PAID FOR NPL PORTFOLIOS ACQUIRED PER YEAR

		FY20	FY19
Credit Corp	▲	~A$246m	~A$229m
Collection House	▼	~A$25m	~A$133m
Pioneer Credit Limited	▼	~A$60m	~A$77m
Panthera	▼	~A$44m	~A$58m
Recoveries Corp (TCRS)	▼	A$7m	A$12m
Other smaller players in fragmented market	▼	~A$126m	~A$150m
Total NPL portfolios Australia[2]	▼	**~A$510m**	**~A$650m**
Vs. South Africa	▼	**~R1.1bn**	**~R1.5bn**

~75% of sales done on a forward flow basis

TC's estimates per analysis of reported results by companies mentioned above
1. IBIS World report Debt collection in Australia 2020, market share based on revenue

TCRS MARKET POSITIONING | DIVERSIFIED BUSINESS MODEL

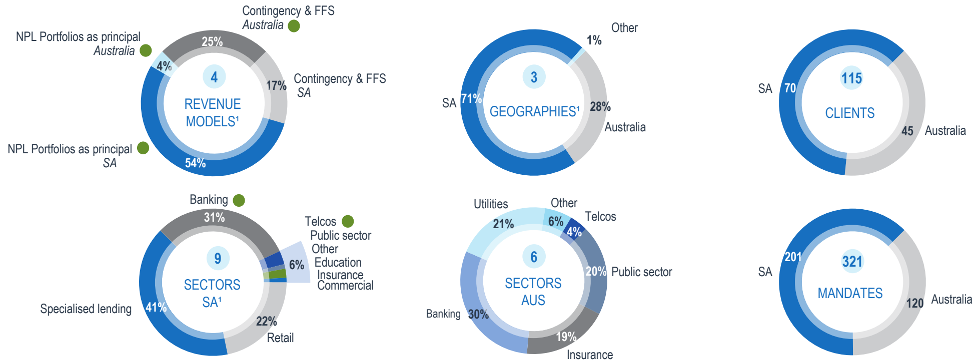
Transaction Capital 29

BY BUSINESS ACTIVITY, REVENUE MODEL, GEOGRAPHY, SECTOR, CLIENT & MANDATE

BUSINESS ACTIVITIES

COLLECTION SERVICES	TRANSACTIONAL SERVICES	BUSINESS OUTSOURCE SERVICES
~95%	~5%	<1%

COLLECTION SERVICES DIVERSIFICATION



DIVERSIFICATION SUPPORTS PERFORMANCE IN VARYING MARKET CONDITIONS & REDUCES CONCENTRATION RISK

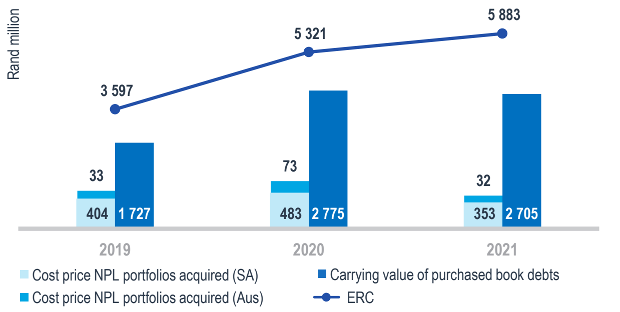
● Significant & strategic growth opportunity

1. Approximate revenue composition as at 31 March 2021

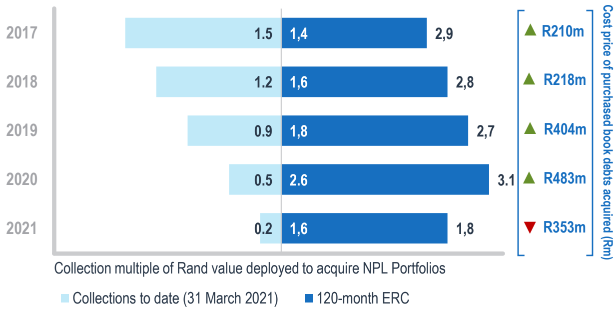
TCRS STRATEGIC GROWTH INITIATIVES TO CREATE VALUE

ACQUISITION OF NPL PORTFOLIOS AS PRINCIPAL IN SOUTH AFRICA & AUSTRALIA

GROWTH TRAJECTORY TO SUPPORT FUTURE POSITIVE PERFORMANCE



COLLECTION MULTIPLE VINTAGE PERFORMANCE[1] AS AT 31 MARCH 2021



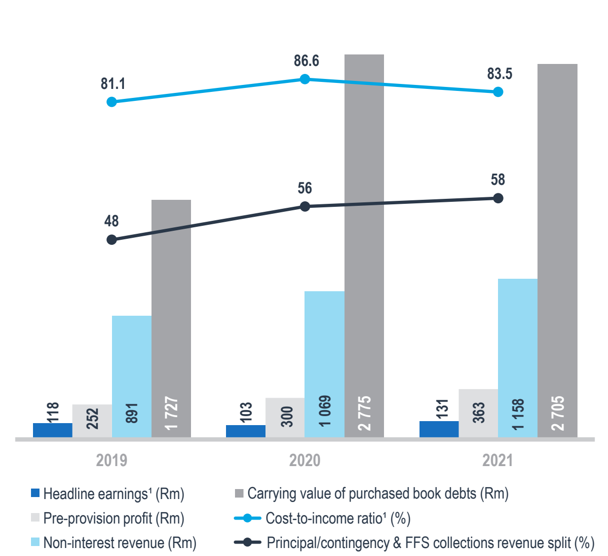
- **R353m** invested into SA NPL Portfolios | Near recovery to pre COVID-19 levels (HY20: **R483m**)
- Investment into Australia NPL Portfolios ▼ to **R32m** (HY20: **R73m**; HY19: **R33m**)
- NPL Portfolios owned have a face value of **R24.9bn**
- Carrying value of purchased book debts at **R2.7bn** (HY20: **R2.8bn**; HY21 vs HY19 ▲ **57%**)
- Revenue from principal collections ▲ **12%** (HY21 vs HY19 ▲ **58%**)
  - Revenue from principal collections on NPL Portfolios in Australia ▲ **31%** (HY21 vs HY19 ▲ **>100%**)
- ERC ▲ **11%** to **R5.9bn** supporting strong annuity cash flows & predictable growth in future
  - Average life of ERC **~4.4 years**
- Collection multiple targets when pricing NPL Portfolios for acquisition
  - SA | Pre write-off & legal debt **~1.4 to ~1.8 times** | Faster activation, lower collection cost, earlier recovery
  - SA | Written off debt **>2 times** | Extended activation time, higher collection cost, longer recovery
  - Australia | **<2 times** | Shorter collection period, lower activation risk (high level of employment & 'right party contact'), lower cost of capital

TCRS HAS ABILITY TO ADJUST PRICING METHODOLOGY TO PREVAILING ENVIRONMENT
THIS ENSURES FUTURE NPL PORTFOLIOS ARE PRICED TO ACHIEVE TARGETED RETURNS & COLLECTION MULTIPLES

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

TCRS FINANCIAL PERFORMANCE

DEMONSTRATED STRONG FINANCIAL PERFORMANCE



Pre-provision profit ▲**21%** to **R363m** (HY21 vs HY19 ▲**44%**)

Headline earnings[1] ▲**27%** to **R131m** (HY21 vs HY19 ▲**11%**)

Non-interest revenue ▲**8%** to **R1.2bn** (HY21 vs HY19 ▲**30%**)

- Revenue from collection services ▲ **7%** (HY21 vs HY19 ▲ **29%**)
  - Despite difficult consumer environment
- **SA collections revenue** ▲ **8%** (HY21 vs HY19 ▲ **29%**)
- **Australia collections revenue** ▲ **5%** (HY21 vs HY19 ▲ **29%**)

Core operating costs ▲**3%**

- Proactively restructured staff complement & infrastructure
  - Implemented highly effective WFH capabilities
  - **>1 200** agents working from home
  - ▲ efficiency & productivity due to flexible working hours
  - Yielding ~**R90m** cost savings into **FY21**
- Enabled higher adjustment to carrying value of purchased book debt **R184m** (HY20: **R161m**; HY19: **R84m**)

Cost-to-income ratio improved to **83.5%** from **86.6%**

Balance sheet is robust

- Continued strong free cash flow generation
- **R5.0bn** of assets; **R2.0bn** of senior debt underpinned by **R1.6bn** of equity

1. Based on core headline earnings from continuing operations attributable to the group

Transaction Capital

CONCLUSION

RESULTS FOR THE SIX MONTHS ENDED 31 MARCH 2021

CONCLUSION

Transaction Capital 33

Strong operational recovery | Current operational activity near to or exceeding pre COVID-19 levels

- Agile & flexible response to COVID-19, driven by entrepreneurial management teams
- No further operational adjustments required to accommodate pandemic-related restrictions
- SA Taxi, TCRS & WeBuyCars demonstrate resilience & growth potential

Decisive earnings recovery

- Combination of organic growth from existing divisions (SA Taxi & TCRS), plus acquisitive growth from investment in WeBuysCars

Resumed dividend payments | Dividend policy unchanged

Resilient balance sheet with ample capacity to fund organic & acquisitive growth

Business models demonstrated resilience & responsiveness to COVID-19

- Gained in relevance in COVID-19 environment
- Enhanced digital adoption | Accelerated by COVID-19

Continue to enhance ESE frameworks, including measurable ESE reporting

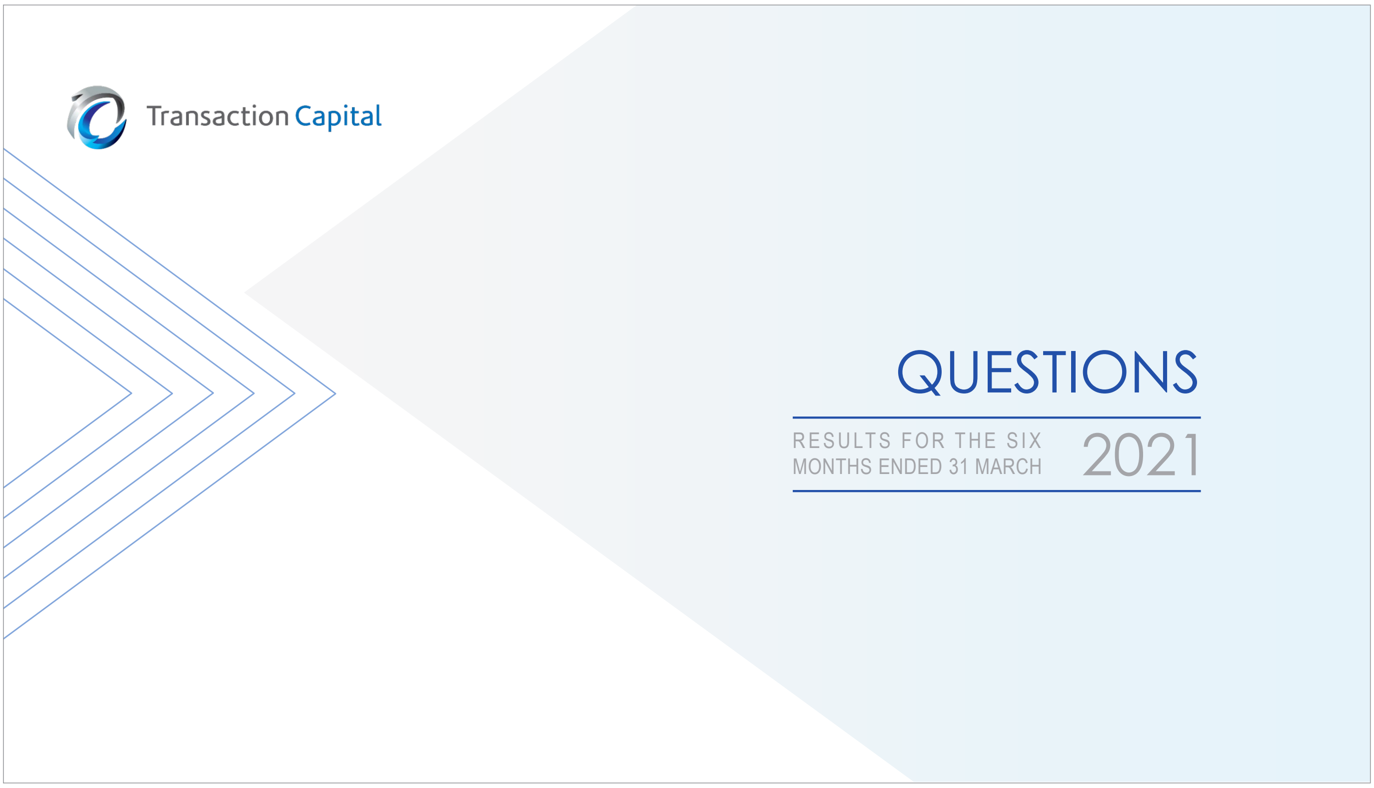
Further augmented skills & independence of board

Negotiating increased shareholding in WeBuyCars from 49.9% to 74.9%

- Enhancing TC's future value & earnings trajectory
- Future earnings from WeBuyCars at least in line with expectations
- TC to consolidate a greater proportion of WeBuyCars earnings

Transaction Capital strategically well placed to:

- Build on its long-term track record of growth in FY21
- in line with pre COVID-19 levels
- applying FY19 as pre COVID-19 base


Transaction Capital
QUESTIONS
RESULTS FOR THE SIX
MONTHS ENDED 31 MARCH
2021

NOTES

Transaction Capital

APPENDIX

RESULTS FOR THE SIX MONTHS ENDED 31 MARCH 2021

Transaction Capital

Actively identifies, invests in & operates, **high-potential, digitally advantaged & context-relevant** businesses, in **defensive** market sectors with **historically low levels of stakeholder trust**

Identifies, develops & partners with **expert, co-invested & entrepreneurial founders & managers** of businesses, in building & scaling highly competitive, efficient & **decentralised** operating platforms that manage its assets

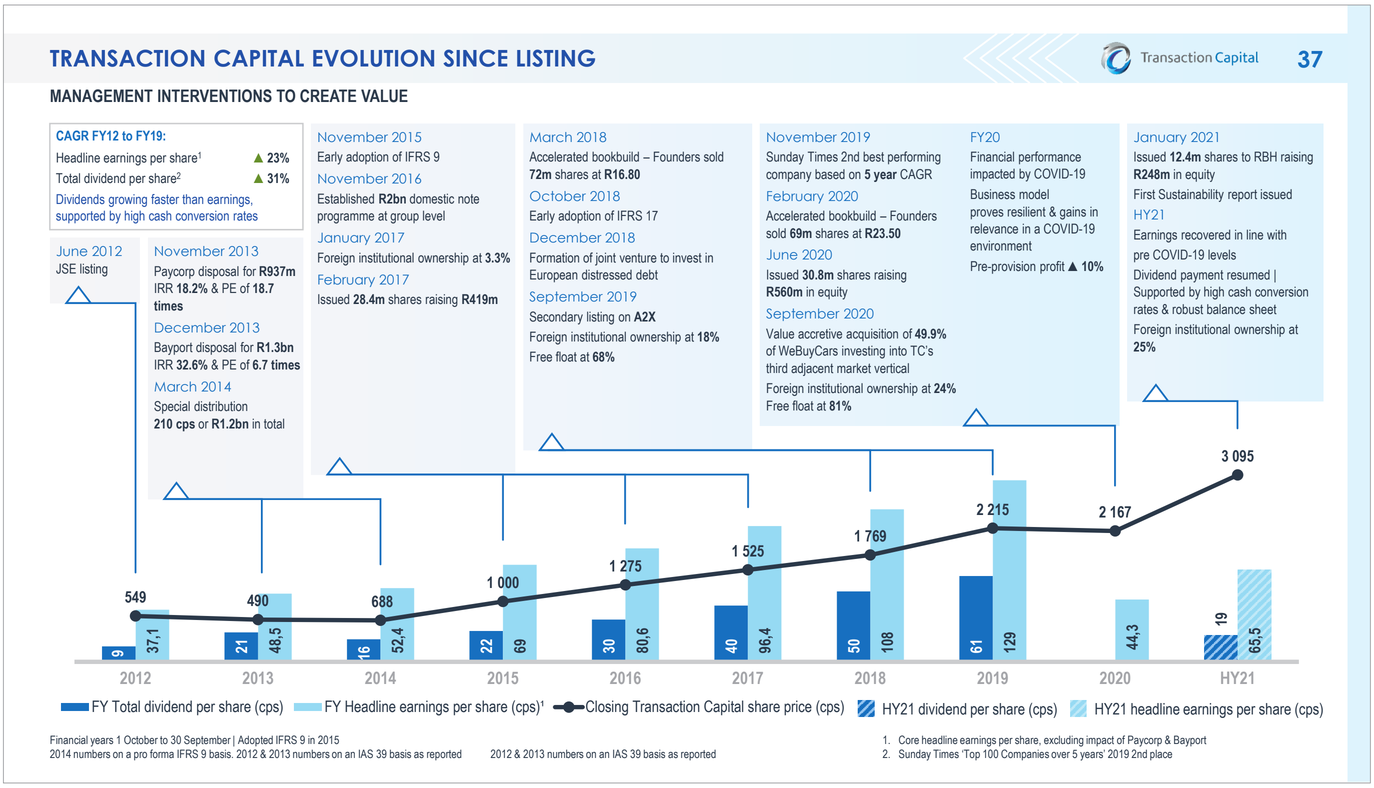
Develops its business platforms with unique value propositions, **diversified & resilient revenue streams**, & best-of-breed **data, technology & processing capability** to provide distinct competitive advantages

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

Overlays an **institutionalised governance framework** & sound governance practices

As business platforms are established for organic growth, **identifies new opportunities** to redirect capital resources to deepen **vertical integration** & expand into **adjacent market segments, related asset classes & new geographic markets**, thereby **growing its addressable market** & earnings base

Which positions the group for **sustainable high-quality earnings growth**, & the delivery of a **meaningful social impact**


TRANSACTION CAPITAL EVOLUTION SINCE LISTING
Transaction Capital 37
MANAGEMENT INTERVENTIONS TO CREATE VALUE
CAGR FY12 to FY19:
Headline earnings per share[1] ▲ 23%
Total dividend per share[2] ▲ 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
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%
FY20
Financial performance impacted by COVID-19
Business model proves resilient & gains in relevance in a COVID-19 environment
Pre-provision profit ▲ 10%
January 2021
Issued 12.4m shares to RBH raising R248m in equity
First Sustainability report issued
HY21
Earnings recovered in line with pre COVID-19 levels
Dividend payment resumed | Supported by high cash conversion rates & robust balance sheet
Foreign institutional ownership at 25%
549
490
688
1 000
1 275
1 525
1 769
2 215
2 167
3 095
9
37,1
21
48,5
16
52,4
22
69
30
80,6
40
96,4
50
108
61
129
44,3
19
65,5
2012
2013
2014
2015
2016
2017
2018
2019
2020
HY21
FY Total dividend per share (cps)
FY Headline earnings per share (cps)[1]
Closing Transaction Capital share price (cps)
HY21 dividend per share (cps)
HY21 headline earnings per share (cps)
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 2nd place

NOTES

Transaction Capital

APPENDIX
WeBuyCars

RESULTS FOR THE SIX MONTHS ENDED 31 MARCH 2021

POSITIONING STATEMENT

we buy cars

Is South Africa's trusted trader of used vehicles through its data & technology-led vertically integrated physical & e-commerce infrastructure

Entrepreneurial, founder-led & proudly South African; leveraging **~20 years of experience** in proprietary vehicle, price & consumer data with artificial intelligence

In an industry characterised by low levels of consumer trust, WeBuyCars' consistently **high satisfaction levels** have built a trusted brand

WeBuyCars uses **artificial intelligence technology** to adjust pricing according to the value & demand of a vehicle

A **differentiated buyer & seller** of used vehicles, serving clients through e-commerce & physical infrastructure

WeBuyCars has **no brand affiliation** & offers a diverse range of vehicles for sale

Sellers receive a **fair offer price**, driven by proprietary market data with immediate cash settlement. Buyers have access to **full disclosure** on the condition of the vehicle

WeBuyCars extends its offering beyond buying & selling vehicles as a principal, & offers **finance, insurance, tracking & other allied products** as an agent

E-Commerce activities include an established **B2B** e-commerce offering with proven, but nascent **B2C** e-commerce activities commenced

WeBuyCars | MARKET POSITIONING

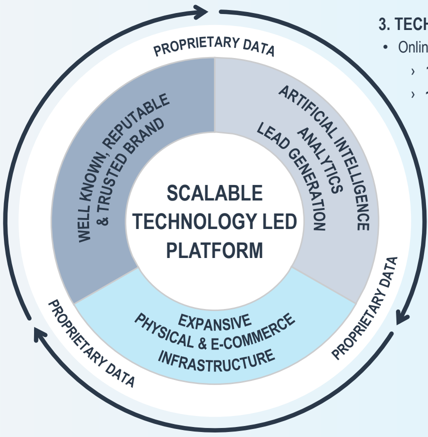
Transaction Capital 40

COMPETITIVE ADVANTAGES

2. ARTIFICIAL INTELLIGENCE (AI), ANALYTICS & LEAD GENERATION
- AI & machine learning applied to
  - Ensure vehicles bought & sold at a fair price
  - Adjust pricing according to value & demand, preserving margins & high stock turn
- Lead generation to target high-quality online prospects

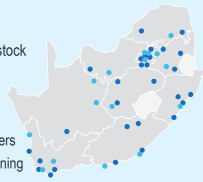
1. PROPRIETARY DATA
- Leveraging ~**20 years** of vehicle, price, consumer & other data with AI & machine learning
- Continuously enriched with buying & selling transactional data obtained from internal & external sources

5. WELL-KNOWN, REPUTABLE & TRUSTED BRAND
- In an industry where trust & customer satisfaction has been low
- Effective advertising campaigns (spend **>R100m** per year)
- Consistently high satisfaction levels
- Peace of mind transacting
  - Buyers have access to full disclosure
    - Vehicle condition report (e.g. DEKRA[1])
    - High resolution photos
  - Sellers receive a fair price
    - On-line channel
    - Instant offer driven by AI, & not buyer sentiment
    - Immediate cash settlement
- Reputation, brand & trust enhances lead generation



3. TECHNOLOGY
- Online channel & e-commerce infrastructure enhances customer experience
  - 1st mover advantage in used vehicle e-commerce market
  - **~40%** of sales online in HY21
    - Improves efficiency & reliability of service
    - Scalable technology led platform reducing costs per unit

4. EXPANSIVE INFRASTRUCTURE
- Holding a large variety & quantum of stock
- **PHYSICAL INFRASTRUCTURE**
  - Nationwide presence
  - **7** vehicle supermarkets, **22** buying pods, **>170** national buyers
  - **New** (8th) vehicle supermarket opening in Gauteng on **1 June 2021**
- **E-COMMERCE PLATFORM**
  - Trusted brand facilitating peace of mind transacting via online auctions
  - Established **B2B** platform with vehicle dealerships
  - Early stage **B2C** activities commenced



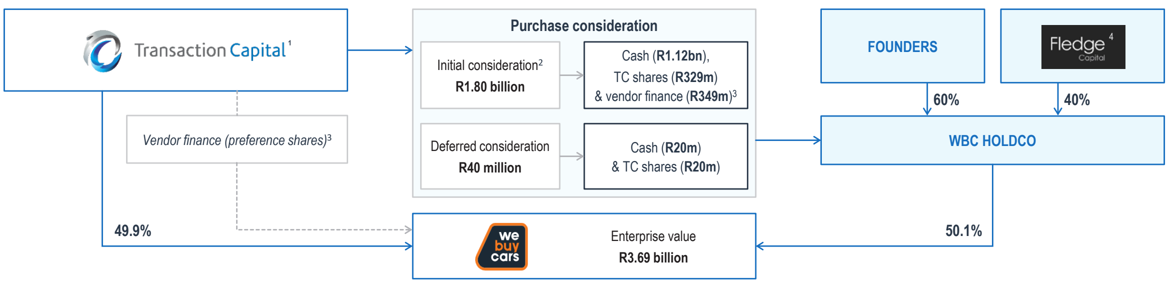
1. Independent DEKRA report, a vehicle inspection certification providing information on the mechanical & technical status of the vehicle

TRANSACTION CAPITAL SUBSCRIBED FOR A NON-CONTROLLING 49.9% IN WeBuyCars

Transaction Capital 41

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



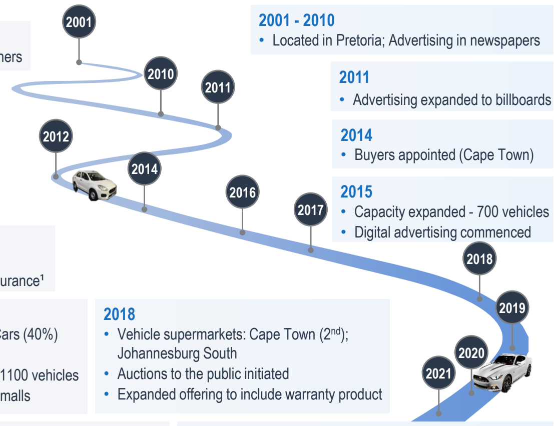
INITIAL INVESTMENT TERMS | 11 September 2020
- TC subscribed for a non-controlling **49.9%** in WeBuyCars effective 11 September 2020
- Enterprise value of **R3.69 billion**
- Initial purchase consideration of **R1.80 billion**[2]
  - **R1.12bn** of cash (~**R900m** of undeployed capital & ~**R220m** from existing debt facilities)
  - **R350m** of vendor finance via issue of preference shares
  - **R329m** of new TC equity (**16.47m** shares at **R20** per share)
- Deferred consideration of **R40 million**
  - **R20m** cash
  - **R20m** TC shares
- PE multiple **~10x**
- Put option[5] to sell additional **10.0%** to TC at end of year 1
- Call option[6] to acquire up to **74.9%** by TC at end of year 3

1. Simplified transaction structure. TC via TC 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

Transaction Capital 42

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



2001
- WeBuyCars founded by van der Walt brothers

2010
- 1st vehicle supermarket (branch) built in Pretoria - capacity 100 vehicles

2012
- 1st buyers appointed (Gauteng)

2016
- Cape Town vehicle supermarket opened
- Expanded offering to include finance & insurance[1]

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

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 (2nd); Johannesburg South
- Auctions to the public initiated
- Expanded offering to include warranty product

2019
- Vehicle supermarkets: Durban (2nd), 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

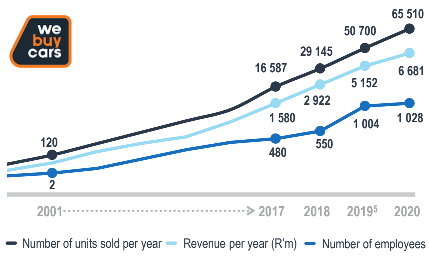
2020
- Vehicle condition report on all vehicles (e.g. DEKRA Report)
- Public e-commerce auctions launched 'B2C'[2] & 'B2B'[3]
- A non-controlling 49.9% in WeBuyCars acquired by TC

2021
- Vehicle Supermarket opened in Gauteng (3rd); Johannesburg

HIGHLIGHTS AS AT FY20

Infrastructure in all **9** provinces	**R6.7**bn Revenue for FY2020
62.1% ROE in FY2020	**~15x** Inventory turns per year[4]
2.8 million 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 MARKET CONTEXT & ENVIRONMENT

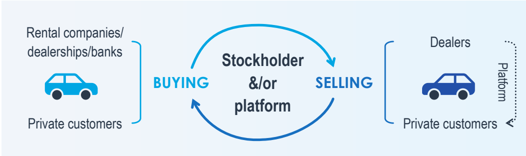
Transaction Capital 43

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



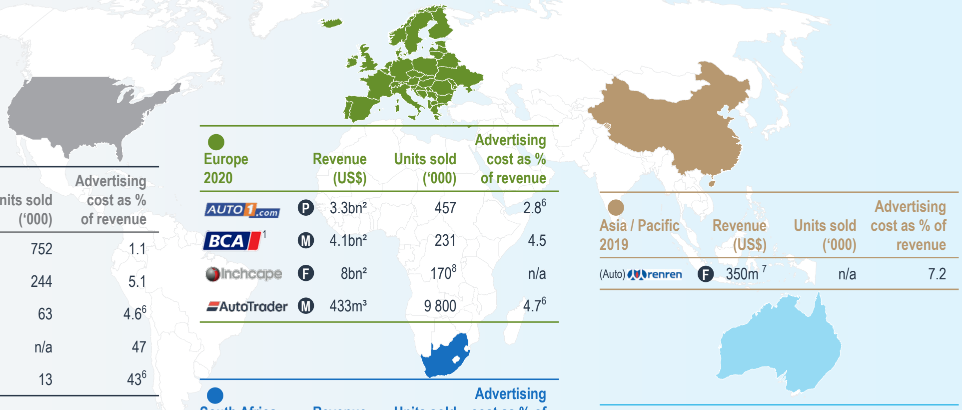
- Sells to dealerships & private customers
- Offers online experience & has physical presence (vehicle supermarkets & pods)
- Buys & sells variety of vehicles
  - › Many brands & models
  - › Age | 1 year old to over **20 years**
  - › Price | ~**R40 000** to > **R1 million**
- Majority of vehicles sold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

GROWTH OPPORTUNITIES IN A LARGE FRAGMENTED & DISRUPTED SOUTH AFRICAN MARKET

GLOBAL LISTED PEERS

A MIX OF MARKET PARTICIPANTS INCLUDING ONLINE PLATFORMS; MARKET PLACES; FRANCHISE DEALERS; E-COMMERCE WITH VEHICLE SUPERMARKETS

WeBuyCars BUSINESS MODEL UNIQUE IN SA WITH COMPARABLE INTERNATIONAL PEERS



United States 2020/1		Revenue (US$)	Units sold ('000)	Advertising cost as % of revenue
CarMax [9]	E	19bn	752	1.1
Carvana	E	5.6bn	244	5.1
Vroom	E	1.36bn	63	4.6[6]
CarGurus	M	551m	n/a	47
Shift	E	73m	13	43[6]

Europe 2020		Revenue (US$)	Units sold ('000)	Advertising cost as % of revenue
AUTO1.com	P	3.3bn²	457	2.8[6]
BCA [1]	M	4.1bn²	231	4.5
Inchcape	F	8bn²	170[8]	n/a
AutoTrader	M	433m³	9 800	4.7[6]

Asia / Pacific 2019		Revenue (US$)	Units sold ('000)	Advertising cost as % of revenue
(Auto) renren	F	350m [7]	n/a	7.2

South Africa 2020		Revenue (US$)	Units sold ('000)	Advertising cost as % of revenue
We Buy Cars	E	457m⁴	67	1.4
Motus	F	3.4bn⁴	n/a	n/a
Bidvest Automotive	F	1.2bn⁴	n/a	n/a

Australia 2020		Revenue (US$)	Units sold ('000)	Advertising cost as % of revenue
carsales	M	300m⁵	n/a	n/a

- P Online Platform
- M Market Place
- F Franchise Dealer
- E E-commerce with vehicle supermarkets

Source: Euromonitor e-commerce sales excluding sales taxes for FY 2019, Company data is sourced from company financials
1. BCA Group was delisted in 2019, figures as of March 2019
2. EUR amounts translated at a EUR/US FX rate of 0.8528 as of 31 March 2021
3. GBP amounts translated at a GBP/USD FX rate of 0.7254 as of 31 March 2021
4. Rand amounts converted at a ZAR/US FX rate of 14.77 as of 31 March 2021. Motus revenue reported for new & used vehicle sales. Bidvest as at June 2020
5. AUS amounts converted at a AUS/US FX rate of 1.317 31 Marchl 2021, FY ended 30 June 2020
6. Selling, general & admin expense as % of revenue
7. 31 December 2019 as 2020 results not released
8. Units calculated as 1% of 17m units per annum
9. Carmax information reported as at 28 February 2021

WeBuyCars STACKS UP WELL AGAINST COMPARABLE INTERNATIONAL PEERS

PROFITABILITY SURPASSES COMPARABLE PEERS, SUPPORTED BY EFFICIENT INVENTORY MANAGEMENT & EFFECTIVE ADVERTISING SPEND

	We Buy Cars	Vroom	Carvana	CarMax
BUSINESS MODEL	• Hybrid model including e-commerce & physical infrastructure • F&I products offered as an agent • Stockholder	• Hybrid model including e-commerce & physical infrastructure • Finance & other products offered as an agent • Stockholder	• Hybrid model including e-commerce & physical infrastructure • Vertically integrated • On-balance sheet financing • Stockholder	• Hybrid model including e-commerce & physical infrastructure • Vertically integrated • On-balance sheet financing • Stockholder
UNITS SOLD ON THE PLATFORM	**67 170**	**62 981**	**244,111**	**751 862**
PHYSICAL PRESENCE¹	• South Africa • **7** vehicle supermarkets; **22** buying pods • No refurbishment activities	• United States • **1** vehicle supermarket • **1** refurbishment centre (in-progress)²	• United States • **27** branches⁶ • **21** refurbishment centres	• United States • **216** branches • **96** refurbishment centres
REVENUE 3-YEAR CAGR⁴	**38.0%**	**16.6%**	**41.9%**	**1.4%**
RETURN ON SALES⁵	**5.2%**	**5.3%**	**14.2%**	**4.4%**
ADVERTISING COST AS % OF REVENUE	**1.4%**	**4.6%**	**5.1%**	**1.1%**
MEASUREMENT PERIOD	**12** months ended 31 March 2021	**12** months ended 31 December 2020	**12** months ended 31 December 2020	**12** months ended 29 February 2021

1. Company website & latest investor presentations
2. Vroom's business model currently relies on outsourcing refurbishment centres through partnerships throughout the United States
3. Margin on trading vehicles (vehicle margin), not additional gross margin earned on selling other products
4. WeBuyCars revenue CAGR for the half year ended 31 March 2018 to 31 March 2021, Carvana revenue CAGR for the year ended 31 December 2018 to 31 December 2020, Vroom revenue CAGR for 2018 to 2019
5. Return on sales calculated as profit after tax divided by revenue
6. Car vending machines

FRICTIONLESS, VERTICALLY INTEGRATED E-COMMERCE PLATFORM

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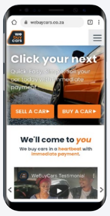
DATA & TECHNOLOGY LED | CREATING DIFFERENTIATED EXPERIENCE

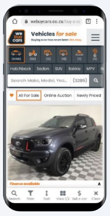
THE BUYING JOURNEY



CLICK

VISIT

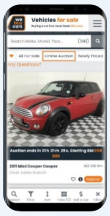
BROWSE
- National presence
- Holding large variety & quantum of stock
- Seamless experience
- Test drives welcome



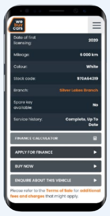
CHOOSE

CHOOSE

CHOOSE
- Access to full disclosure:
- Independent vehicle condition report (DEKRA)
- High resolution 360 degrees photos



AUCTION
- Bid live



BUY
- Apply for finance online
- Reserve vehicle with online deposit

FINANCE & INSURANCE
- Finance
- Insurance
- Tracking
- Warranty cover
- Value-added products

COLLECT

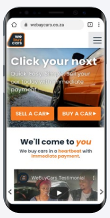
DRIVE
- Trusted brand facilitating peace of mind transacting
- Paperless sales process (digital contract)
- Drive away with your new vehicle

FRICTIONLESS, VERTICALLY INTEGRATED E-COMMERCE PLATFORM

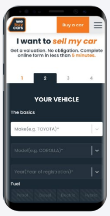
Transaction Capital 47

DATA & TECHNOLOGY LED | CREATING DIFFERENTIATED EXPERIENCE

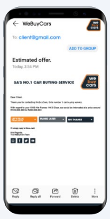
THE SELLING JOURNEY



CLICK
- Apply online



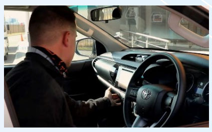
COMPLETE
- Seamless experience



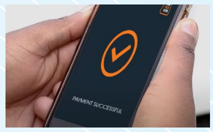
ESTIMATED OFFER
- Easy obligation-free application
- Quick response time
- Customer convenience
- Sellers receive fair price
- Instant offer supported by AI

WE COME TO YOU

VISIT
- National presence
- Visit supermarket or buying pod



EVALUATION
- Obligation free evaluation
- Exterior & interior gets inspected
- Quick test drive
- Completed in 15 minutes



IMMEDIATE PAYMENT
- Immediate cash settlement
- Hassle-free & convenient process

Transaction Capital

APPENDIX
SA TAXI

RESULTS FOR THE SIX MONTHS ENDED 31 MARCH 2021

SA TAXI

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**

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

Empowering SMEs & **creating shared value** opportunities by providing services to the minibus taxi industry

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

SA TAXI EVOLUTION SINCE LISTING

Transaction Capital 50

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[1]	▲ 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:
▲ **33%** (HY21) from **26%** (FY12)

Recovery on repossession:
▲ **>75%** (HY21) 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
Chinese vehicles comprise **<1%** of loans & advances (**~20%** 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[nd] dealership in Polokwane

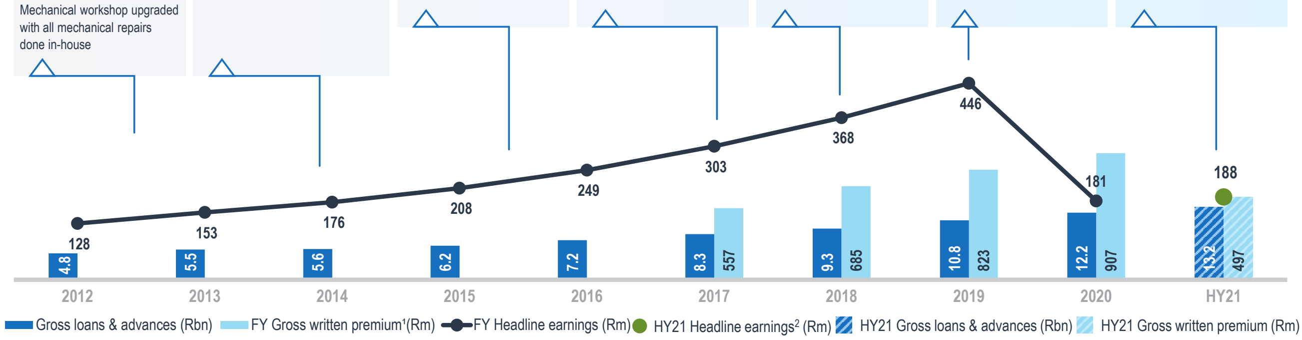
February 2019
SANTACO acquires a **25%** stake in SA Taxi for **R1.7bn**

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 COVID-19 loan & insurance repayment relief granted

HY21
Initiative to sell pre-owned minibus taxis through WeBuyCars
RoadCover positioned in SA Taxi



Financial years 1 October to 30 September | Adopted IFRS 9 in 2015 | Adopted IFRS 17 in 2018 | Adopted IFRS 16 in 2019 | 1. Gross written premium FY17 to FY19, prior to FY17 insurance operations not consolidated | 2. Includes RoadCover

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

Transaction Capital 51

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

OVERALL

Top 3 factors influencing choice of mode of transport

2013		2020
1	Travel time	1
2	Travel costs	2
3	Flexibility	3

FINANCIAL PRESSURE FELT BY CONSUMERS ACROSS RURAL & URBAN GEOGRAPHIES

TRAVEL FOR WORK PURPOSES[1]

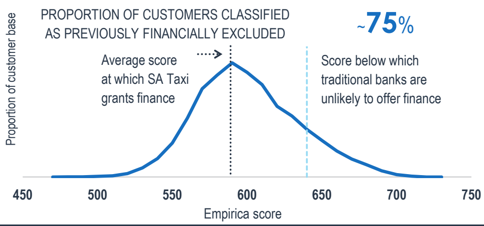
	Minibus taxi	Bus	Train	Personal vehicles (drivers)	Walk
% using as main mode of transport[2]	28%	6%	1%	43%[3]	21%
2020 Monthly cost	R960	R745	R581	R2 180	-
7-year CAGR	9.3%	6.7%	6.6%	9.7%	-
Accessibility[4]	89.8%	89.3%	59.1%	-	-
	88.5% of people **walked for less than 15 minutes** to access public transport (▲ from 85.3% in 2013)				
Reliability[5]	93.7%	95.3%	73.5%	-	-
	93.3% of people **waited for less than 15 minutes** for public transport (▼ from 89.7% in 2013)				
Passenger load during COVID-19	>70%	0% - 50%	0% - 50%	-	-
Efficiency (travel time minutes)	63	84	107	44	31

1. National Household Travel Survey | 2. Other accounts for 1.2% | 3. NHTS – Sum of personal vehicle drivers and passengers | 4. NHTS - % of workers that walked for less than 15 minutes to access transport | 5. NHTS - % of workers that waited for less than 15 minutes for transport

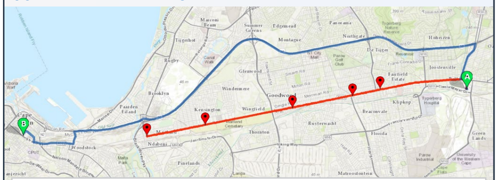
SA TAXI MARKET POSITIONING

VERTICALLY INTEGRATED BUSINESS MODEL

DEVELOPMENTAL CREDIT DRIVING POSITIVE SOCIAL IMPACT INCLUSIVE GROWTH | ECONOMIC TRANSFORMATION



PROPRIETARY DATA & ANALYTICS ENHANCES SA TAXI'S COMPETITIVE ADVANTAGE



Proprietary data continuously accumulated & applied to credit underwriting, collections & repossessions

SA TAXI FINANCE

13.2 billion GROSS LOANS & ADVANCES ▲16%	**34 107** LOANS ON BOOK ▲3%	**~1.3** VEHICLES PER CLIENT HY20: ~1.3
12.5% to **26.75%** RISK BASED PRICING INTEREST RATE RANGE	**7.8%** AVERAGE COST OF BORROWING HY20: 10.9%	**11.8%** NET INTEREST MARGIN HY20: 12.2%
27.1% NON-PERFORMING LOAN RATIO HY20: 19.1%	**4.6%** CREDIT LOSS RATIO HY20: 6.1%	**7.2%** RISK-ADJUSTED NET INTEREST MARGIN HY20: 6.1%

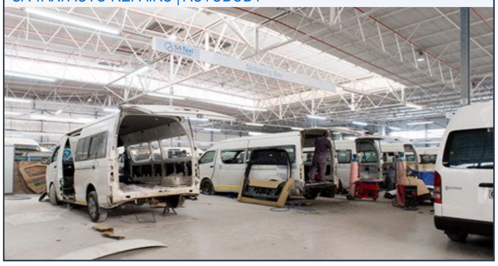
- Book growth ▲ 16% to **R13.2bn**
- Vehicle demand > Vehicle supply | Applications in line with pre COVID-19 levels
- Number of loans originated ▲ 12% (HY21 vs HY19 ▲ 2%)
  - Lower loan approval rates | Conservative credit quality focused on experienced taxi operators
  - Constrained originations in January 2021 due to ▼ business sentiment
- ▲ in sale & finance of pre-owned vehicles | Refurbishment capacity ▲
  - Pre-owned vehicle loan originations ▲ 47% | New vehicle loan originations ▼ 3%
- Market share maintained
- Toyota vehicle prices ▲ 3.5% in HY21 | Further ▲ expected in FY21
- Repossessions recovered to pre COVID-19 levels

SA Taxi FINANCE

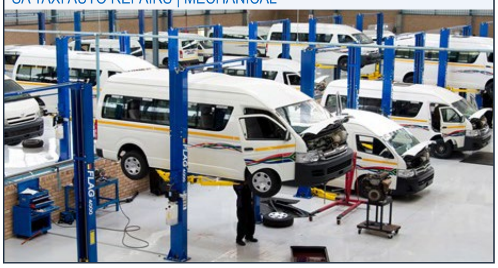
SA TAXI MARKET POSITIONING

VERTICALLY INTEGRATED BUSINESS MODEL

SA TAXI AUTO REPAIRS | AUTOBODY



SA TAXI AUTO REPAIRS | MECHANICAL



SA TAXI AUTO REPAIRS

~20 000m² WORKSHOP FACILITIES	**>2 600** per year MINIBUS TAXIS REBUILT	**>75%** RECOVERY RATES ON REPOSSESSION, REFURBISHMENT & RESALE
>42 REFURBISHMENT LIFTS	**~400** EMPLOYEES	**~40** TRAINED MECHANICS

- 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 remain low
    - ▲ efficiencies in SA Taxi Auto Repairs
    - ▲ efficient parts procurement via SA Taxi Auto Parts
  - ▲ quality of repair
  - ▲ value of repossessed vehicles
  - ▲ recovery on repossession
- Refurbishment capacity ▲
  - Support ▲ pre-owned vehicle supply to SA Taxi's dealerships

SA Taxi AUTO REPAIRS

SA TAXI MARKET POSITIONING

VERTICALLY INTEGRATED BUSINESS MODEL

NEW MINIBUS TAXI

PRE-OWNED MINIBUS TAXIS | WeBuyCars' VEHICLE SUPERMARKET

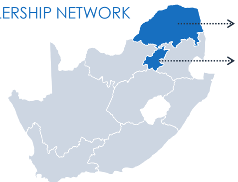
SA TAXI DIRECT

- 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)

~R900 million	~R470 million ▲ 46%	~6%
VEHICLE TURNOVER PER YEAR	VEHICLE TURNOVER IN HY20	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

DEALERSHIP NETWORK



POLOKWANE opened in October 2018

Established in **MIDRAND** in 2015

SA Taxi DIRECT

SA TAXI MARKET POSITIONING

VERTICALLY INTEGRATED BUSINESS MODEL

TELEMATICS & TECHNOLOGY

Telematics utilised for insurance underwriting, premium pricing & prevention & detection of loss events

SA TAXI AUTO REPAIRS

SA Taxi's competitive advantage
Manage its cost of claim ▼ allowing for competitive premium pricing

SA TAXI PROTECT

~33 000 INSURANCE CLIENTS	**MAJORITY** OF FINANCED CLIENTS CHOOSE TO BE INSURED BY SA TAXI[1]	**CELL CAPTIVE** THROUGH GAURDRISK
>2.0 PRODUCTS PER CLIENT	>100 BROKER NETWORK to expand total addressable market	

~R900 million
GROSS WRITTEN PREMIUM PER YEAR

R497 million
GROSS WRITTEN PREMIUM IN HY21 ▲ 8%

- Competitive priced insurance premiums
  - Premiums increased marginally
- ▲ customer acquisition in open market via direct marketing & >**100** broker network
- Stable penetration of SA Taxi's growing financed portfolio
- Broadened product offering (credit life & other)

COST OF CLAIM REMAIN LOW VIA SA TAXI AUTO REPAIRS & SA TAXI AUTO PARTS

- 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)

SA Taxi PROTECT

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

SA TAXI MARKET POSITIONING

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

COST OF REFURBISHMENT REMAINS LOW
- Import & locally procure new parts from source at lower cost
- Salvage used parts from vehicles not economically viable to repair
- ▼ credit losses & cost of insurance claims

SUPPLY TO SA TAXI AUTO REPAIRS → ~**R131** million per year
SUPPLIED TO SA TAXI AUTO REPAIRS (HY20: ~**R144m** per year)

SUPPLY TO EXTERNAL AUTOBODY REPAIRERS → ~**R100** million per year
RETAIL SALES REVENUE (HY20: ~**R30m** per year)
OPPORTUNITY TO ▼ COST OF INSURANCE CLAIM BY SUPPLYING PREFERRED AUTOBODY REPAIRERS SERVICING SA TAXI PROTECT

RETAIL TO MINIBUS TAXI OPERATORS → ~**R43** million per year
RETAIL SALES REVENUE (HY20: ~**R36m** per year)

Targeting existing clients & open market minibus taxi operators
- Exposes SA Taxi's brand & services to wider open market operators
- Cross sell organic growth opportunities

RETAIL OF SALAVGE PARTS → ~**R52** million per year
SALES REVENUE

~**600** vehicles per year
STRIPPED FOR SALVAGE PARTS

SA Taxi AUTO PARTS

SA TAXI MARKET POSITIONING

VERTICALLY INTEGRATED BUSINESS MODEL | ULTIMATE INTENTION TO COMBINE TELEMATICS, REWARDS, FINANCE & CREDIT INTO TRANSACTION-BASED ACCOUNT FOR OPERATORS

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 transaction-based account to be used to drive behavioural change in the industry
  - Positive social impact enhancing commuter safety

SA TAXI TRANSACTION-BASED ACCOUNT

- Continue to assess opportunities for ▲ vertical integration to broaden addressable market
- Provides tailored rewards programmes within minibus taxi ecosystem
- Further programmes aimed at parts procurement under consideration
- Ultimate intention | Combine telematics, rewards, finance & credit into single transaction-based account relevant to SA's **250 000** minibus taxi operators

SA TAXI TRANSACTION-BASED ACCOUNT

FUEL PROGRAMME

Shell: **LAUNCHED APRIL 2018**
bp: **JOINED DECEMBER 2020**

\>**8 500**
CARDS ISSUED IN HY21

~**8.1** million
LITRES OF FUEL PURCHASED IN HY21

TYRE PROGRAMME

BRIDGESTONE: **LAUNCHED OCTOBER 2019**

~**R1 800**
ORIGINAL RETAIL PRICE

~**R1 449**
REDUCED PRICE FOR TAXI OPERATORS[1]

~**21 000**
NUMBER OF TYRES SOLD IN HY21

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

PARTS PROGRAMME

autoZONE right part right price: **LAUNCHED DECEMBER 2020**

\>**200**
NUMBER OF STORES NATIONWIDE

\>**5 000**
UNIQUE PARTS SOLD

- Distributor of auto parts, spares & vehicle accessories

GUD FILTERS
- brake pads

SA Taxi REWARDS

1. Price agreed per contract

SA TAXI OPERATIONAL PERFORMANCE

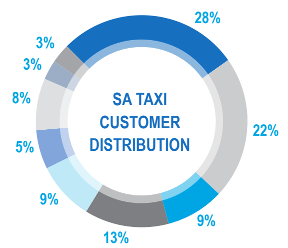
SA TAXI OPERATOR PROFILE

- **~1.3** VEHICLES PER CUSTOMER
- **4.5 years** AVERAGE AGE OF VEHICLE
- **48 years** AVERAGE AGE OF CUSTOMER
- **89%** TOYOTA VEHICLES
- **~27%** LOANS ORIGINATED TO REPEAT CUSTOMERS (DURING HY21)

CREDIT PROFILE OF LOANS ON BOOK

- **71 months** AVERAGE LOAN TERM[1]
- **27.1%** NON-PERFORMING LOAN RATIO
- **~7 950** APPLICATIONS PER MONTH
- **>R6 000** MINIMUM MONTHLY OPERATOR PROFIT
- **49 months** AVERAGE REMAINING LOAN TERM
- **32%** AVERAGE APPROVAL RATE
- **4.6%** CREDIT LOSS RATIO
- **>75%** RECOVERY RATE ON REPOSSESSION
- **~725** LOANS ORIGINATED PER MONTH

SA TAXI GEOGRAPHIC DISTRIBUTION



- Gauteng
- Western Cape
- Limpopo
- KwaZulu-Natal
- Eastern Cape
- Free State
- Mpumalanga
- North West
- Northern Cape

TYPICAL NEW CREDIT AGREEMENT[2]

Recommended retail price[2] *(Toyota diesel incl. VAT)*	R493 900
Interest charged	20.2%
Term in months[1]	71
Origination fee (incl. VAT)	R2 990

Finance instalment	R12 125
Insurance instalment *(Comprehensive, credit life & other)*	R3 143
Administration fee (incl. VAT)	R69
Telematics fee	R294
Total monthly instalment	R15 631

1. Weighted average loan term at origination is 71 months
2. Recommended retail price of a new Toyota HiAce diesel

Transaction Capital

APPENDIX TRANSACTION CAPITAL RISK SERVICES

RESULTS FOR THE SIX MONTHS ENDED 31 MARCH 2021

TRANSACTION CAPITAL RISK SERVICES

POSITIONING STATEMENT

TRANSACTION CAPITAL RISK SERVICES

TCRS combines its unique technology, data & analytics competencies to provide a range of digitally enabled business services as a trusted partner to a global client base contributing to the financial sustainability of the communities we serve

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

Supporting our clients' **commercial success** through collaboration with their stakeholders, creating **shared-value partnerships** that will enable **financially sustainable communities**

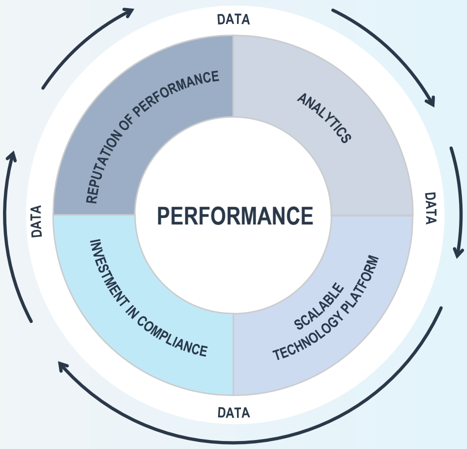
Investing into **best-in-class technology** to enhance our **hard-to-replicate digital backbone**, provide **data-driven insights** & create alternative revenue opportunities in adjacent market sectors

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

TCRS MARKET POSITIONING

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 2nd best in **86%** of mandates in SA[1]
- 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 | **>1 200** WFH
    - Implemented highly effective WFH capabilities
    - No comprise 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
  - › **~37 million** outbound calls per month (HY20: **~44 000**)
  - › **~6.3 million** voice interactions per month (HY20: **~7.5 million**)
  - › **~584 000** payments received per month (HY20: **~660 000**)

1. In South Africa TCRS ranks 1st or 2nd in 86% of our ranked mandates. In Australia Recoveries Corp is ranked 1st or 2nd by clients in 70% of or ranked mandates

TCRS EVOLUTION SINCE LISTING

MANAGEMENT INTERVENTIONS TO CREATE VALUE

CAGR 2012 to 2019:
- Non-interest revenue ▲ 14%
- Headline earnings[1] ▲ 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

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

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

January 2017
Entered Australian debt recoveries market via 100% acquisition of Recoveries Corporation

March 2017
Initiated implementation of workforce management technologies

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

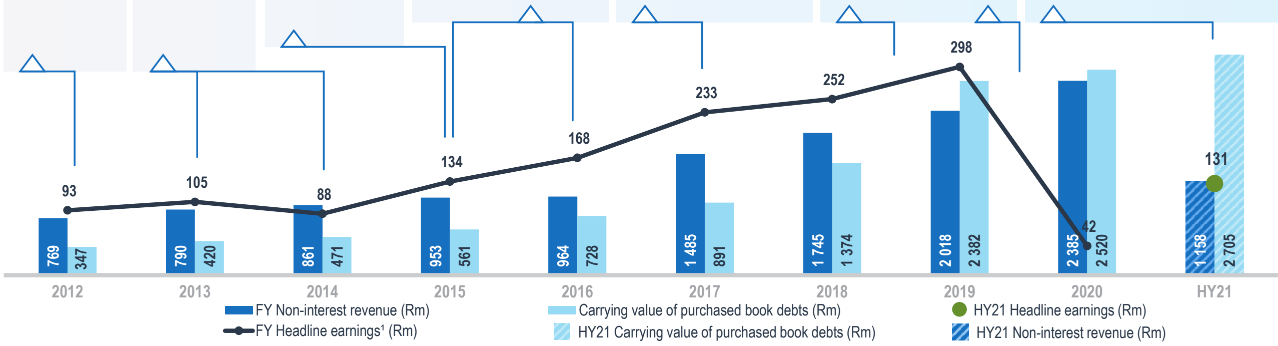
March 2020
Implemented highly effective WFH capabilities, proactively restructured staff complement & infrastructure

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

HY21
Established business outsourcing services
Long-term track record of growth resumed
Acquired remaining **25%** of RoadCover



1. Headline earnings attributable to the group | 2020 financial year restated

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

TCRS MARKET POSITIONING

COMPETITIVE ADVANTAGES

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

Data is current, relevant & accurate as per:
- **CREDIT BUREAU DATA**
- **OTHER DATA SOURCES** such as the Department of Home Affairs & the Deeds Office
- Data from **PRINCIPAL PORTFOLIOS ACQUIRED**
  - Opportunity to monetise data
  - POPI compliant

MASTER DATA UNIVERSE

- **>12 million** UNIQUE & VALID ID NUMBERS. Each uniquely scored with a TCRS propensity to pay score
- **>15 million** UNIQUE & VALID POSTAL ADDRESSES
- WIDE COVERAGE OF SOUTH AFRICA'S NON-PERFORMING CREDIT CONSUMERS
  - **2 in 5** SOUTH AFRICAN ADULTS
  - **2 in 3** CREDIT-ACTIVE PEOPLE
- **~3.6 million** UNIQUE & VALID COMPANY REGISTRATION NUMBERS. Each uniquely scored with a TCRS propensity to pay score
- **Up to 4** ASSOCIATED TELEPHONE NUMBERS per unique ID number

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

Data sourced from MDU for **maximised contactability**
- **WHEN** to contact
- **HOW** to contact
- **WHICH** address/number to use

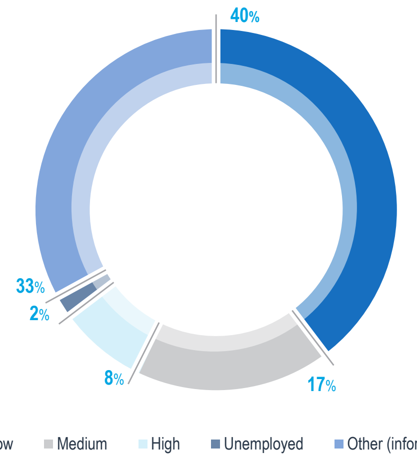
Transactional data enriched with collection & ContactAbility results
- **Propensity to pay**

TCRS COLLECTIONS RISK SEGMENTATION

Transaction Capital 64

PROPORTION OF COLLECTIONS FROM EMPLOYER SEGMENTS

DISTRIBUTION OF MONTHLY COLLECTIONS PER EMPLOYMENT RISK SEGMENT



Relatively low exposure to COVID-19 impacted industries

Monthly collections received from consumers not formally employed ~**33%**

- Indicating resilience of SA's informal section
- ~**2%** monthly collections received from unemployed consumers

Low risk employment segment collections ~**40%**

- Low risk sectors include:
  - Security services, government, education & training, telecommunication, healthcare

Medium risk employment segment collections ~**17%**

- Medium risk sectors include:
  - Real estate, manufacturing, financial services, metals & mining, shipping

High risk employment segment collections ~**8%**

- High risk sectors include:
  - Leisure & tourism, airlines, automotive, legal services, engineering & consulting

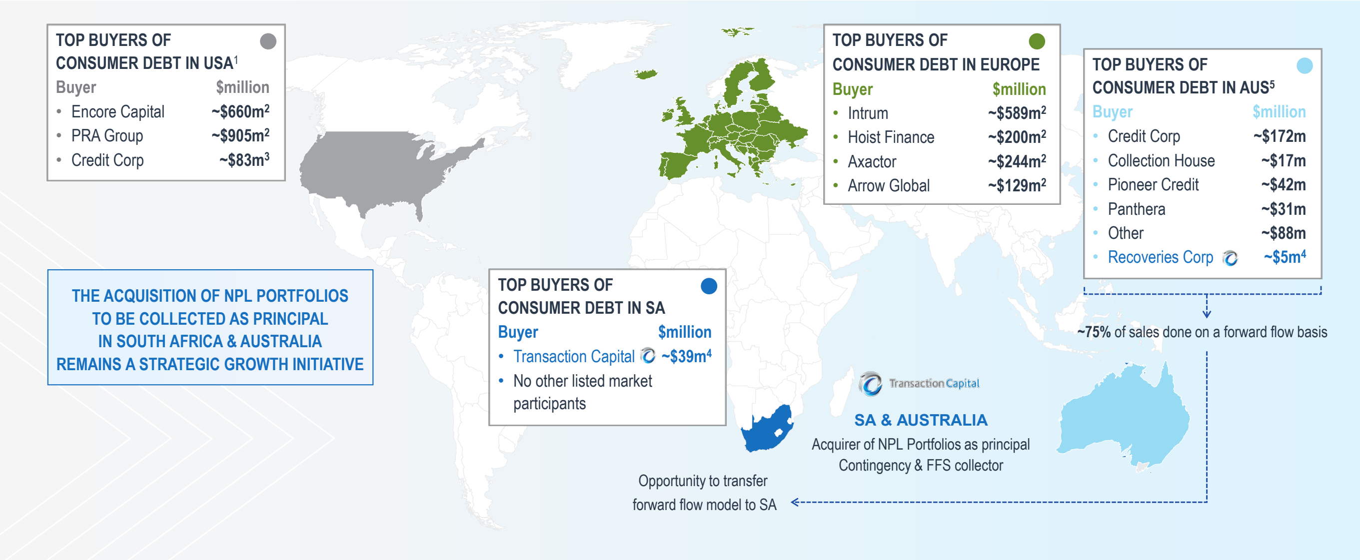
Collections received through monthly debit orders ~**30%**

NOTES

TCRS STRATEGIC GROWTH INITIATIVES TO CREATE VALUE

Transaction Capital 65

AS MARKET DYNAMICS POST COVID-19 BECOME CLEARER, THE ACQUISITION OF NPL PORTFOLIOS IN SOUTH AFRICA & AUSTRALIA PROVIDE OPPORTUNITIES TO ACCELERATE CAPITAL DEPLOYMENT FOR ATTRACTIVE RISK-ADJUSTED RETURNS



TOP BUYERS OF CONSUMER DEBT IN USA[1]

Buyer	$million
Encore Capital	~$660m[2]
PRA Group	~$905m[2]
Credit Corp	~$83m[3]

TOP BUYERS OF CONSUMER DEBT IN EUROPE

Buyer	$million
Intrum	~$589m[2]
Hoist Finance	~$200m[2]
Axactor	~$244m[2]
Arrow Global	~$129m[2]

TOP BUYERS OF CONSUMER DEBT IN AUS[5]

Buyer	$million
Credit Corp	~$172m
Collection House	~$17m
Pioneer Credit	~$42m
Panthera	~$31m
Other	~$88m
Recoveries Corp	~$5m[4]

~75% of sales done on a forward flow basis

THE ACQUISITION OF NPL PORTFOLIOS TO BE COLLECTED AS PRINCIPAL IN SOUTH AFRICA & AUSTRALIA REMAINS A STRATEGIC GROWTH INITIATIVE

TOP BUYERS OF CONSUMER DEBT IN SA

Buyer	$million
Transaction Capital	~$39m[4]
No other listed market participants	

Transaction Capital

SA & AUSTRALIA

Acquirer of NPL Portfolios as principal
Contingency & FFS collector

Opportunity to transfer forward flow model to SA

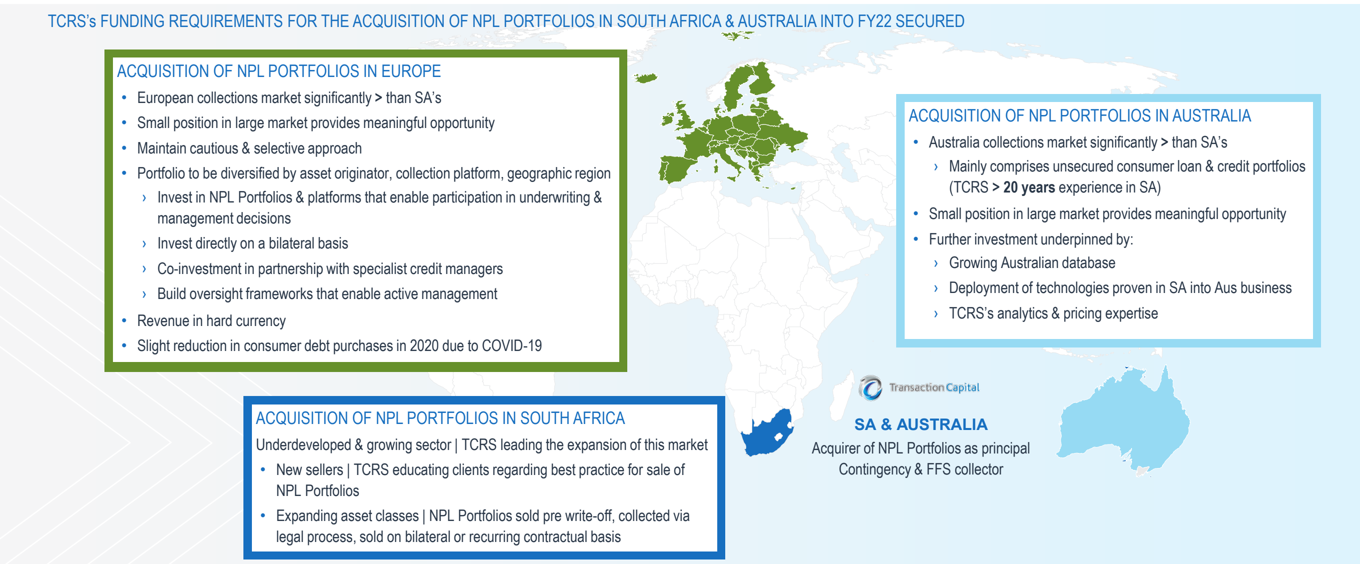
All amounts reflected in $ millions unless stated otherwise | 1.17 EUR to 1 USD conversion rate as at 31 March 2021| 0.76 AUD to 1 USD conversion rate as at 31 March 2021 | 1 SEK = 0.1145 USD conversion on 31 March 2021
Sources: 1.TC's approach to enter into the select international markets excludes the USA | 2. Company annual report for the full year ended 31 December 2020 | 3. Company annual report for the full year ended 30 June 2020 | 4. Transaction Capital results for the full year ended 30 September 2020 | 5. Debt Sale Market Updated by Bravure Group 2020

TCRS STRATEGIC GROWTH INITIATIVES TO CREATE VALUE

Transaction Capital 66

AS MARKET DYNAMICS POST COVID-19 BECOME CLEARER, THE ACQUISITION OF NPL PORTFOLIOS IN SOUTH AFRICA & AUSTRALIA PROVIDE OPPORTUNITIES TO ACCELERATE CAPITAL DEPLOYMENT FOR ATTRACTIVE RISK-ADJUSTED RETURNS

TCRS's FUNDING REQUIREMENTS FOR THE ACQUISITION OF NPL PORTFOLIOS IN SOUTH AFRICA & AUSTRALIA INTO FY22 SECURED



ACQUISITION OF NPL PORTFOLIOS IN EUROPE

- European collections market significantly > than SA's
- Small position in large market provides meaningful opportunity
- Maintain cautious & selective approach
- Portfolio to be diversified by asset originator, collection platform, geographic region
  - Invest in NPL Portfolios & platforms that enable participation in underwriting & management decisions
  - Invest directly on a bilateral basis
  - Co-investment in partnership with specialist credit managers
  - Build oversight frameworks that enable active management
- Revenue in hard currency
- Slight reduction in consumer debt purchases in 2020 due to COVID-19

ACQUISITION OF NPL PORTFOLIOS IN AUSTRALIA

- Australia collections market significantly > than SA's
  - Mainly comprises unsecured consumer loan & credit portfolios (TCRS > **20 years** experience in SA)
- Small position in large market provides meaningful opportunity
- Further investment underpinned by:
  - Growing Australian database
  - Deployment of technologies proven in SA into Aus business
  - TCRS's analytics & pricing expertise

ACQUISITION OF NPL PORTFOLIOS IN SOUTH AFRICA

Underdeveloped & growing sector | TCRS leading the expansion of this market

- New sellers | TCRS educating clients regarding best practice for sale of NPL Portfolios
- Expanding asset classes | NPL Portfolios sold pre write-off, collected via legal process, sold on bilateral or recurring contractual basis

Transaction Capital

SA & AUSTRALIA

Acquirer of NPL Portfolios as principal
Contingency & FFS collector

NOTES

Transaction Capital

APPENDIX
CAPITAL MANAGEMENT

RESULTS FOR THE SIX MONTHS ENDED 31 MARCH 2021

CAPITAL & FUNDING EVOLUTION SINCE LISTING

February 2012
>R1bn raised from European DFIs since 2010

June 2014
Transsec: **R4bn** S&P rated & listed securitisation established
Initial issuance **R665m**

April 2015
Transsec tap issuance: Privately placed **R528m**

November 2015
Transsec 2: **R4bn** S&P rated & listed securitisation established
Initial issuance **R396m**

November 2015
Early adoption of IFRS 9

August 2016
Transsec 2 tap issuance: **R451m** raised

November 2016
Established a **R2bn** domestic note programme at TC group level

January 2017
First local DFI: **R100m** debt facility.

February 2017
Issued **28.4m** shares raising **R419m**
Secured **>R2bn** of debt facilities from US-based impact investors for the first time.
Funding base includes all the major SA banks

March 2017
Accessed **>R2bn** of debt funding from European DFIs since 2010

November 2017
- Dividend policy amended to **2 to 2.5 times cover** (**4 to 5 times** at listing)
- Transsec 3: R2.5bn Moody's rated & listed securitisation established
- Initial issuance R505m; >**3 times** oversubscribed

May 2018
Transsec 3 received deal of the year award

December 2018
Transsec 1 note holders fully repaid

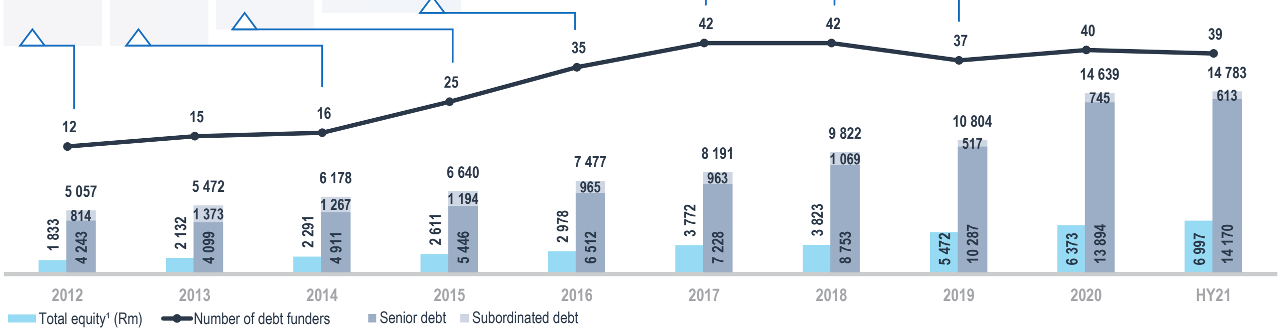
March 2019
Transsec 4 initial issuance noted as the largest single issuance to date

July 2019
New passthrough structure Transflow established

October 2019
Transsec 4 tap issuance noted as the cheapest cost of funding to date

April – September 2020
- African Development Bank approves **$100m** debt facility
- Resilience of capital strategy tested & proven as a result of COVID-19
- **>R4.5bn** raised since April 2020

HY21
DFC approves **$150m** new debt facility
~R3.5bn raised since October 2020



Financial years 1 October to 30 September | 2012 & 2013 excludes Bayport & Paycorp

1. Adopted IFRS 9 in 2015. 2014 numbers on a pro forma IFRS 9 basis. 2012 & 2013 numbers on an IAS 39 basis as reported

CONSERVATIVE FUNDING PHILOSOPHY

FUNDING PHILOSOPHY

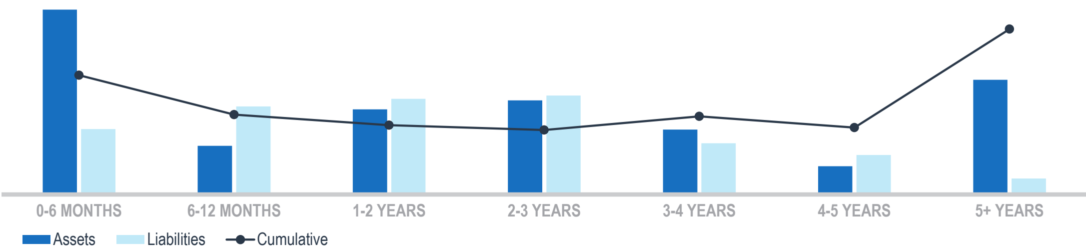
INNOVATIVE THINKING
Innovative thinking is encouraged & cultivated to develop pioneering funding solutions

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 MISMATCH

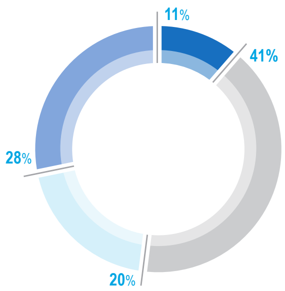


At HY21 a positive asset-liability gap was observed for the group

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

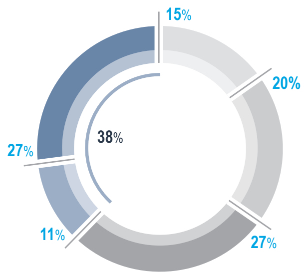
DIVERSIFIED DEBT FUNDING STRATEGY

DIVERSIFICATION BY DEBT INVESTOR CATEGORY & CAPITAL POOL



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

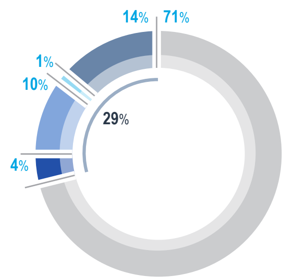
DIVERSIFICATION BY FUNDING STRUCTURE & INSTRUMENT



- Warehousing facilities
- On-balance sheet & syndicated loans
- Securitisation & pass-through structures

PRIVATE STRUCTURED FINANCE
- Local commercial finance
- DFIs (majority international)

DIVERSIFICATION BY GEOGRAPHY



- LOCAL

INTERNATIONAL
- Rest of Africa
- Europe
- Australia
- US

STRONG BALANCE SHEET POSITION WITH UNFETTERED ACCESS TO LIQUIDITY

	Transaction Capital	SA Taxi	Transaction Capital Risk Services	We Buy Cars
ASSETS	R24.0 billion TOTAL ASSETS	R16.8 billion TOTAL ASSETS R12.4 billion NET LOANS & ADVANCES	R5.0 billion TOTAL ASSETS R2.7 billion PURCHASED BOOK DEBTS	R1.9 billion TOTAL ASSETS INVENTORIES R600 million PROPERTIES R620 million
LIABILITIES	R17.0 billion TOTAL LIABILITIES R14.8 billion SENIOR & SUBORDINATED DEBT	R13.6 billion TOTAL LIABILITIES R12.2 billion SENIOR & SUBORDINATED DEBT	R3.4 billion TOTAL LIABILITIES R2.0 billion SENIOR DEBT	R1.0 billion TOTAL LIABILITIES MAJORITY RELATES TO PROPERTY BACKED MORTGAGE LOANS & TRADE CREDITORS
AVAILABLE DEBT FACILITIES	*R1bn approved undrawn facilities at holding company level to fund strategic growth initiatives*	*Available undrawn facilities covering loan origination requirements into FY22*	*Available undrawn facilities covering acquisition of NPL Portfolios into FY22*	*Undrawn facilities available*
EQUITY	R7.0 billion TOTAL EQUITY 29.6% CAPITAL ADEQUACY RATIO Equity 26.7% | Subordinated debt 2.9%	R3.2 billion TOTAL EQUITY 21.0% CAPITAL ADEQUACY RATIO Equity 16.9% | Subordinated debt 4.1%	R1.6 billion TOTAL EQUITY 3.1 times LEVERAGE	R0.9 billion TOTAL EQUITY 68.3% RETURN ON EQUITY

Robust balance sheet with ample capacity to fund organic growth

Group liquidity position remains robust underpinned by a conservative capital strategy

- Well capitalised balance sheets
- Positive liquidity mismatch
- Unfettered access to liquidity
- Growth initiatives to acquire NPL Portfolios in South Africa & Australia, & credit related alternative assets in Europe remain valid & fully funded

Capital light business model

- Robust balance sheet with minimal leverage
- High cash conversion rates

DIVERSIFIED DEBT FUNDING STRATEGY

DEBT STRUCTURE	PASS THROUGH STRUCTURES	WAREHOUSING FACILITIES	PRIVATE STRUCTURED FINANCE (MAJORITY INTERNATIONAL DFIs)	ON BALANCE SHEET & SYNDICATED LOANS
FY20 BALANCE OUTSTANDING	R3.7 billion	R2.1 billion	R5.3 billion	R2.7 billion
COMPOSITION	~27%	~15%	~38%	~20%
DEBT INVESTORS	**16 debt investors** • Banks • Institutional investors • Fixed income funds & asset managers	**2 debt investors** • Banks	**16 debt investors** • DFIs & impact funders • Banks • Fixed income funds & asset managers	**10 debt investors** • Banks • Institutional investors • Fixed income funds & asset managers
INSTRUMENTS	• Rated & listed securitisation notes • Private or bilateral loans & debentures • Transsec 5 auction on 19 May 2021	• Asset-backed loans	• Private bilateral	• Syndicated loans • Overdraft & working capital facilities
COVENANTS	• No accelerated repayment covenant • Interest rate step-up after **year 5** • No fixed repayment profile • Debt repayment matched to collections on asset pool	• No accelerated repayment covenant • Revolving structure • No fixed repayment profile • Debt serviced from collection on or sale of asset pool	• Fixed repayment profile • Debt serviced from collection on asset pool ***Capital repayment relief provided*** 2 quarterly payments between 1 April 2020 – 30 September 2020	
	Transsec 2, Transsec 3, Transsec 4, SA Taxi Finance Solutions, Transflow	Potpale	SA Taxi Impact Fund, SA Taxi Development Finance	SA Taxi Holdings, Transaction Capital Risk Services

Transaction Capital

ECONOMIC, SOCIAL & ENVIRONMENTAL IMPACT

RESULTS FOR THE SIX MONTHS ENDED 31 MARCH 2021

TRANSACTION CAPITAL'S COMMITMENT TO DELIVERING SHARED VALUE

VALUE CREATION FOR STAKEHOLDERS BY GENERATING GOOD COMMERCIAL RETURNS & POSITIVE SOCIAL IMPACT

DELIVERING SHARED VALUE

- Transaction Capital's **business model operationalises our commitment to sustainable & inclusive growth** of the industries we serve through positive social impact
- Embedded **economic, social & environmental (ESE) framework** in our divisions
  - Clear societal purpose cascades into defined impact areas & supporting metrics, developed through extensive stakeholder engagement
  - Informs strategic & operational initiatives to ensure the group's impacts are appropriately managed to enhance value creation for TC & its stakeholders
  - Sustainability targets included as a qualitative component of short-term incentives for key executives
- Commitment to **enhanced reporting** over time
  - **First sustainability report** issued in January 2021
    - Sets out detailed data-led ESE disclosures
  - **Human rights policy** adopted in FY2021
  - **Environmental policy & climate change statement** adopted in FY2021
    - Sustainability report & policies available on Transaction Capital's website

SA Taxi – *driving our nation forward*

Our societal purpose is to enable mobility access for millions of minibus taxi commuters through tailored developmental financing & support services for SMEs

Transaction Capital Risk Services

Our societal purpose is to promote stable, functioning credit markets, facilitate financial rehabilitation & enable efficient payment systems

By targeting only the following Sustainable Development Goals (SDGs) that are aligned to our core operations & strategy, we are able to focus our efforts to make a significant impact. SDG 17 *Partnerships for the goals* newly introduced in FY2021

8 DECENT WORK AND ECONOMIC GROWTH | 10 REDUCED INEQUALITIES | 11 SUSTAINABLE CITIES AND COMMUNITIES | 13 CLIMATE ACTION | 16 PEACE, JUSTICE AND STRONG INSTITUTIONS | 17 PARTNERSHIPS FOR THE GOALS

INVESTMENT IN WeBuyCars

Transaction Capital acquired 49.9% non-controlling interest in WeBuyCars on 11 September 2020

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE | 12 RESPONSIBLE CONSUMPTION AND PRODUCTION

- Investment matched all applicable acquisition criteria & aligned to TC's long-standing proposition to deliver good commercial returns & meaning social impact
- WeBuyCars is a trusted & reputable brand in an industry where trust & customer satisfaction have traditionally been low
- TC stands to bring greater transparency & accountability to this market through enhanced governance
- WeBuyCars supports consumers as they opt to trade down from new to used vehicles, & directly supports a circular economy through the trading of used vehicles
- In addition to the six SDGs set out above, TC will consider WeBuyCars' sustainability performance against SDGs 9 & 12

ECONOMIC IMPACT

Transaction Capital 75

FACILITATING ECONOMIC DEVELOPMENT

Transaction Capital's focus on traditionally under-served market segments where it can make a meaningful social impact supports economic growth & development

SA Taxi driving our nation forward

We empower SMEs through financial inclusion

We promote financial inclusion by providing sustainable & responsible loans to SMEs who might otherwise be denied access to credit

R28.6 billion Loans originated since 2008, creating **87 264 SMEs**

~80% Proportion of SA Taxi's clients classified as previously under-banked or financially excluded

~580 Average credit score for loans granted by SA Taxi *versus* **~640** Average credit score for loans granted by banks

11 250 Direct jobs created by SA Taxi's financed fleet in FY2020

18 750 Indirect jobs created by SA Taxi's financed fleet in FY2020

We invest in previously excluded groups & under-served demographics

100% Loans provided to black-owned SMEs

26% Loans provided to female-owned SMEs

18% Loans provided to SME owners under the age of 35

We provide support services to SMEs across the value chain

26 399 Financed SME clients

29 630 & 11 228 Insurance policies for financed clients & open market clients

34 547 SA Taxi Rewards customers

Transaction Capital Risk Services

We drive economic growth by promoting credit market stability

We support a sustainable supply of credit by unlocking value from our clients' non-performing loans

R2.6 billion in South Africa | **R5.3 billion** in Australia

Value recovered for clients through contingency & fee-for-service collections in FY2020

Selling their non-performing loan portfolios frees up operational capacity & capital within TCRS's client base, enabling them to resume lending. **Our support for financial institutions:**

R32.3 billion Original face value	**R22.9 billion** Remaining face value	**R3.5 billion** Capital outlay
~R14 billion Provision release	**~R7 billion** Risk-weighted asset release	**~R0.8 billion** Regulatory capital release

TCRS's non-performing loan portfolios acquired to collect as principal in FY2020 related to 85 181 consumers, with an average outstanding balance of R25 344, which, according to our estimates, resulted in an average consumer credit provision & risk-weighted release of R13 594 & R11 710 respectively.

We do not service clients who participate in reckless lending

Data as reported for the financial year ended 30 September 2020

ECONOMIC IMPACT | CONTINUED

Transaction Capital 76

SUPPORTING SOCIAL INCLUSION

SA Taxi promotes social inclusion by helping millions of commuters to access services & economic opportunities

We support a critical public transport service

1.9 billion kilometres Distance travelled by SA Taxi's financed fleet in FY2020

2 million Commuter trips per day provided by SA Taxi's financed fleet

75% Proportion of work & educational public transport trips made via minibus taxi

We are a trusted & respected partner

28% Proportion of repeat customers (indicating financed operator satisfaction levels)

TCRS rehabilitates debtors ethically & responsibly

We focus on the rehabilitation & education of debtors to enable expedited re-entry into the credit markets

280 000 Average number of rehabilitated debtors in FY2020, to the value of **R325 million**

Our monthly payment plans balance rehabilitation with affordability:

- **R986** Average payment amount before defaulting
- **R720** Promise to pay
- **R378** Amount finally agreed

We rehabilitate debtors ethically & collect responsibly

R109 TCRS average fees per account *versus* **R1 176** Maximum permitted per Debt Collection Act

We are a trusted & respected partner

In South Africa, we are ranked **1st (69%) or 2nd (18%)** in 87% of **191** mandates on client panels where TCRS is represented

BETTERING THE INDUSTRIES WE SERVE

SA Taxi works to better the public transport industry for all stakeholders

We form partnerships that promote inclusivity & safety of the industry

R68.5 million Total value of SANTACO dividend to date

35 547 Number of SA Taxi Rewards cards

R1.8 million Rewards earned by the industry through SA Taxi's reward programmes

39 298 Bridgestone tyres sold to the industry at a reduced rate

3.4 million Investments in taxi infrastructure

We promote formalisation of the industry

R1.7 billion Value of SA Taxi's VAT contribution

R181.6 million Tax contributed to fuel levies by SA Taxi's fleet

TCRS works to better financial intermediation for all stakeholders

We provide a range of services that support financial intermediation, which facilitates payment & salary flows

100% Percentage of claims paid by RoadCover to its clients through the road accident benefits scheme

R37.1 billion Value of electronic transactions processed by Transaction Capital Payment Solutions

Data as reported for the financial year ended 30 September 2020

SOCIAL & ENVIRONMENTAL IMPACT

WE HIRE INCLUSIVELY

Our employment practices contribute to socioeconomic transformation

The **Transaction Capital board** comprises 15 directors, of whom 10 are non-executive directors & five are executive directors. Of the non-executive directors, nine are independent

Five
Number of female directors

Five
Number of black directors

Transaction Capital is **committed to job creation & driving transformation in its workforce**, including increasing the representation of previously under-represented groups & contributing to youth employment

3 965 Total number of employees	**59%** Female employees	**88%** Black employees (South Africa)
52% Employees under the age of 35	**48%** Female employees as a % of total promotions	**61%** Low-skilled employees (South Africa)

We empower our people

We value our employees & invest in our staff's potential

16% Voluntary employee turnover rate	**17** Average training hours per employee per year	Implemented occupational health & safety (OH&S) management system as per **clear OH&S policy**

WE UNDERSTAND OUR IMPORTANT ROLE IN PROMOTING CLIMATE RESILIENCE

We understand our important role in promoting climate resilience

Consolidated group consumption & waste (South Africa)

Electricity consumption	**12 065 946** kilowatt hours
Water consumption	**32 056** kilolitres
Weight of waste disposal	**203.6** tonnes

We improve the environmental impact of the industry

763 392 tCO_2e
Emissions of SA Taxi's financed fleet

9.9%
GHG emissions abatement

The different approaches to reducing carbon emissions is set out in the four mitigation cases below:

Mitigation case	Emissions abatement FY2020 (tCO_2e)
1 Improved fuel efficiency due to SA Taxi financed new vehicles replacing old vehicles	38 114
2 Improved fuel efficiency due to replacement of 14 seaters with 16 seaters	26 654
3 Improved fuel efficiency due to replacement of petrol vehicles with diesel vehicles	17 746
4 Improved fuel efficiency due to vehicle refurbishments	771

Data as reported for the financial year ended 30 September 2020. The TC board composition & metrics reflect the position at the time of interim reporting for the six months ended 31 March 2021

NOTES

Transaction Capital

GLOSSARY

RESULTS FOR THE SIX MONTHS ENDED 31 MARCH 2021

GLOSSARY

AUS	Australia
ACCSYS	Accsys, a 100% owned subsidiary of TCRS now part of Transaction Capital Transactional Services (TCTS)
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
EBITDA	Earnings Before Interest, Taxes, Depreciation, and Amortisation
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
GEO	Group executive office
HEPS	Headline earnings per share
LSM	Living Standards Measure
NPL Portfolio	Non-performing consumer loan portfolios acquired by TCRS to be collected as principal
Open market taxi operator	Minibus taxi operator not previously an SA Taxi client
Principa	Principa Decisions, previously a 100% owned subsidiary of TCRS

GLOSSARY

Product margin	Additional gross margin earned on value-added products & allied services including finance, insurance, tracking & other revenue
RBH	Royal Bafokeng Holdings
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 Parc	Total number of vehicles in the market
Vehicle supermarket	WeBuyCars vehicle warehouse & showroom
WFH	Work from home
1H20	First half of the 2020 financial year
2H20	Second half of the 2020 financial year
1H21	First half of the 2021 financial year
2H21	Second half of the 2021 financial year

DISCLAIMER

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. The TC Group includes any entity, the financial results of which are or are required to be wholly or partially consolidated in Transaction Capital Limited's annual financial statements from time to time in accordance with Transaction Capital Limited's accounting policies.

NOTES

TRANSACTION CAPITAL
Interim results and dividend declaration

2021

For the six months ended 31 March

Transaction Capital

Contents

COMMENTARY

HIGHLIGHTS

For the six months ended 31 March

2021

TRANSACTION CAPITAL NEGOTIATING TO INCREASE ITS SHAREHOLDING IN WeBuyCars TO 74.9%.

Refer cautionary announcement released on SENS on 12 May 2021 for more detail.

CORE HEADLINE EARNINGS FROM CONTINUING OPERATIONS ATTRIBUTABLE TO THE GROUP[1,2,3]

R437 million

2021 vs 2020: 56% (2020: R281 million)

2021 vs 2019: 29% (2019: R338 million)

Strong recovery in earnings positions the group to return to its long-term track record of growth in the 2021 financial year (FY2021), applying FY2019 as the pre COVID-19 base.

CORE HEADLINE EARNINGS PER SHARE FROM CONTINUING OPERATIONS ATTRIBUTABLE TO THE GROUP[1,2]

65.5 cents

2021 vs 2020: 43% (2020: 45.8 cents)

2021 vs 2019: 18% (2019: 55.3 cents)

Growth of 18% in core headline earnings per share, applying the six months ended 31 March 2019 (HY2019) as a base, in line with the group's long-term growth rate.

CORE PRE-PROVISION PROFIT

R1 077 million

2021 vs 2020: 17% (2020: R921 million)

2021 vs 2019: 39% (2019: R773 million)

INTERIM DIVIDEND PER SHARE

19 cents

2020: Nil 2019: 27 cents

Resumed dividend payments at 3.4 times dividend cover.

CORE RETURN ON AVERAGE EQUITY FROM CONTINUING OPERATIONS

13.9%

2020: 11.4%
2019: 17.3%

CORE RETURN ON AVERAGE ASSETS FROM CONTINUING OPERATIONS

4.0%

2020: 3.2%
2019: 4.6%

ROBUST BALANCE SHEET WITH AMPLE CAPACITY TO FUND ORGANIC GROWTH

R1.1 billion of **new equity raised** over the past 12 months to part fund the group's **value and earnings accretive investment in WeBuyCars**.

R900 million in undrawn holding company debt facilities to fund strategic growth initiatives.

Undrawn divisional debt facilities available to fund loan originations at SA Taxi, and the acquisition of non-performing consumer loan portfolios as principal (NPL Portfolios) at TCRS, into FY2022.

1. *Earnings from continuing operations excludes results from discontinued operations as reported on SENS on 13 May 2020.*
2. *Core financial ratios exclude once-off transaction costs and are used by management as key metrics in the business. Refer to the Basis of preparation section for further detail.*
3. *Transaction Capital's core headline earnings from continuing operations attributable to the group includes R113 million from WeBuyCars, R188 million from SA Taxi, R131 million from TCRS, and R5 million from the group executive office.*
4. *The investment in WeBuyCars was effective from 11 September 2020 and is accounted for as an associate of the group in accordance with IAS 28 – Investments in Associates and Joint Ventures, applying the equity method. Core headline earnings prior to this effective date are reported for illustrative purposes only, and do not form part of Transaction Capital's consolidated financial results.*

BUSINESS MODELS MORE RELEVANT IN THE COVID-19 ENVIRONMENT

We Buy Cars

With disposable income under strain, new vehicle prices increasing and constraints in new vehicle supply, more consumers are opting for used vehicles. This is driving growth in this market segment.

SA Taxi – *driving our nation forward*

The minibus taxi industry has operated throughout the pandemic, while other modes of public transport faltered. This has consolidated the industry's position as the largest and most vital service in South Africa's public transport network. More commuters are choosing minibus taxis over bus and rail, due to convenience and accessibility, especially as economic strain intensifies. Spending on minibus taxi transport is largely non-discretionary.

Transaction Capital Risk Services

As COVID-19 effects drive up indebtedness and impair consumers' ability to service debt, significant opportunity exists to manage and selectively acquire NPL Portfolios.

CORE HEADLINE EARNINGS FROM CONTINUING OPERATIONS[1,2]

	WeBuyCars	SA Taxi	Transaction Capital Risk Services
Core headline earnings	R257 million	R228 million	R131 million
2021 vs 2020	Up 38% (2020: R186 million)	Up 13% (2020: R202 million)	Up 27% (2020: R103 million)
2021 vs 2019	Up 84% (2019: R140 million)	Up 4% (2019: R220 million)	Up 11% (2019: R118 million)

CORE HEADLINE EARNINGS FROM CONTINUING OPERATIONS ATTRIBUTABLE TO THE GROUP[1,2]

	WeBuyCars	SA Taxi	Transaction Capital Risk Services
Core headline earnings attributable to the group	R113 million[4]	R188 million	R131 million
2021 vs 2020	Not applicable	Up 15% (2020: R164 million)	Up 27% (2020: R103 million)
2021 vs 2019		2021 vs 2019*: Down 7% (2019: R202 million)	Up 11% (2019: R118 million)

CORE PRE-PROVISION PROFIT

	WeBuyCars	SA Taxi	Transaction Capital Risk Services
Core pre-provision profit	Not applicable	R603 million	R363 million
2021 vs 2020		Flat vs 2020 (2020: R601 million)	Up 21% (2020: R300 million)
2021 vs 2019		Up 22% (2019: R495 million)	Up 44% (2019: R252 million)

PERFORMANCE DEMONSTRATES RESILIENCE AND GROWTH POTENTIAL

A strong recovery in vehicles bought and sold underpinned an excellent performance. WeBuyCars' strategy to grow its e-commerce offering, expand geographically and enhance unit economics by higher penetration of finance, insurance and allied products (F&I products) continues to yield results. Should the proposed transaction to acquire control of WeBuyCars be concluded, the group is well placed to drive these and other strategic growth initiatives and synergies.

Despite recent COVID-19 related disruptions, SA Taxi posted a strong and resilient operational, credit and financial performance. This was evident both in gross written premium and gross loans and advances growth, achieved while preserving credit quality.

TCRS posted a resilient performance, with strong acquisition of NPL Portfolios and robust collection revenues in South Africa and Australia allowing it to recover to its historic growth trajectory. Effective work-from-home capability and the proactive restructuring of its staff complement and infrastructure supported high efficiency.

* SA Taxi's core headline earnings for the six months ended 31 March 2021 grew 4% applying 2019 as a base, with Transaction Capital's attributable portion decreasing 7% over the corresponding period. The reduction relates to a lower proportion of SA Taxi's earnings being consolidated in FY2021. From 6 February 2019 (the effective date of the ownership transaction with the South African National Taxi Council (SANTACO)), Transaction Capital consolidated 81.4% of SA Taxi's headline earnings (98.5% were consolidated prior to this effective date). From 7 December 2020, Transaction Capital consolidates 82.13% of SA Taxi's headline earnings.

GROUP PROSPECTS, PERFORMANCE AND LIQUIDITY

Prospects

Robust earnings recovery in the period supports our view that the group will return to its strong organic growth trend in FY2021. Based on our current assessment of operating conditions and growth prospects, headline earnings per share for the full year should exceed FY2019 levels in line with pre pandemic growth rates, with the group resuming dividend payments this year.

Our divisions, SA Taxi and Transaction Capital Risk Services (TCRS), and our investment in WeBuyCars continue to demonstrate resilience, relevance and responsiveness to their stakeholders, despite the effects of COVID-19. Notwithstanding uneven rates of recovery in their markets, they are well positioned to drive organic growth. Their highly relevant business models and leading positions in defensive market sectors, alongside the diversification across and within each of them, underpin our expectations for growth and returns in FY2021, and beyond.

Over the medium term, we are confident the group will maintain a sustainable trajectory of superior high-quality earnings and dividend growth. The group's agile responses to the strategic, financial and operational implications of the pandemic have shown the calibre of our management teams and their ability to navigate volatile dynamics. Underpinned by our prudent capital management approach, and deeply embedded culture of entrepreneurship and integrity, the group is well placed to weather the difficult conditions ahead, and to grow.

We expect our additional investment of 25% in WeBuyCars, which is subject to Competition Commission approval, to be immediately value and earnings accretive. Should the acquisition of a greater shareholding in WeBuyCars be concluded, the group will be able to consolidate a greater proportion of WeBuyCars' high-growth earnings. We believe the exceptional growth prospects of this business will accelerate and support a sustainably higher growth trajectory for the group.

Our divisions have quickly aligned their operating models, financial structures and growth plans to prevailing market realities and emerging opportunities. No further operational adjustments have been required to accommodate pandemic-related restrictions. The group executive office continues to support them in refining their competitive value propositions, diversifying their revenues, expanding their total addressable markets and securing the capital required to implement their medium-term growth strategies.

Importantly, our divisions are focused on strengthening their stakeholder relationships and delivering measurable economic, social and environmental (ESE) value in their sectors. We have made good progress implementing ESE frameworks in SA Taxi and TCRS. This is providing stakeholders with an objective view of the group's consolidated impacts, and informs our strategies to enhance the longer-term growth, risk and sustainability profiles of our businesses.

Gathering momentum in vaccine rollouts should reduce the risk of further global economic shocks. However, further sharp downturns in socioeconomic conditions in South Africa remain the primary downside risk to our medium-term expectations for growth and returns.

Performance overview

The group made a strong recovery and returned to its track record of high-quality organic earnings growth in the six months ended 31 March 2021. Core headline earnings from continuing operations attributable to the group were up 56% to R437 million. Core headline earnings per share from continuing operations attributable to the group grew at a lower rate of 43% to 65.5 cents, due to the value and earnings accretive issue of 59.6 million shares in the past 12 months.

Our investment in a non-controlling 49.9% interest in WeBuyCars in September 2020 has been immediately value and earnings accretive, contributing R113 million to core headline earnings for the period. SA Taxi grew core headline earnings 13% to R228 million, with the group's attributable portion growing 15% to R188 million. TCRS grew core headline earnings from continuing operations 27% to R131 million.

Applying HY2019 as a base, the group's core headline earnings and core headline earnings per share from continuing operations attributable to the group were 29% and 18% higher respectively for the period, in line with pre COVID-19 growth rates.

Balance sheet and liquidity

In FY2020, we raised R560 million of new capital via an accelerated bookbuild and issued R329 million of new share capital to part fund our investment in WeBuyCars. In January 2021, we raised R248 million of new share capital from Royal Bafokeng Holdings. These share issues have bolstered our equity base by approximately R1.1 billion, enhancing the group's financial flexibility and strategic agility.

Our conservative capital management strategy, tested and validated during FY2020, has ensured a robust group balance sheet. The undeployed capital held prior to COVID-19, together with the equity raised and debt facilities secured at holding company level, allowed us to enter an attractive market vertical with strong growth prospects. After the investment in WeBuyCars, the group's balance sheet remains well capitalised.

Undrawn debt facilities of R900 million at holding company level provide ample liquidity to fund our growth aspirations, including further investment in our TC Global Finance (TCGF) strategy. Available facilities at SA Taxi and TCRS provide the capacity and liquidity to fund the organic growth initiatives underway in both divisions. Moreover, the group's capital structure, and the long-term nature of our assets, provide sufficient financial flexibility and headroom should recessionary conditions intensify.

SA Taxi is adequately capitalised, with a Tier I capital adequacy ratio of 16.9% and R3.1 billion of equity. Its access to liquidity remains unfettered, with more than R1.8 billion of new debt facilities concluded in the period. Ample liquidity is available in undrawn debt facilities to fund expected loan origination into FY2022.

TCRS's balance sheet is robust, with R5.0 billion of assets and R2.0 billion of senior debt underpinned by R1.6 billion of equity at 31 March 2021. As market dynamics become clearer, the acquisition of NPL Portfolios in South Africa, Australia and Europe may provide opportunities to accelerate capital deployment for attractive risk-adjusted returns. The division's funding requirements for the acquisition of NPL Portfolios in South Africa and Australia into FY2022 are already secured.

WeBuyCars has a strong balance sheet with low levels of debt, supported by the capital-light nature of its operations and resulting in high cash conversion rates.

In light of the group's strong recovery in earnings, robust balance sheet and medium-term prospects, the board resolved to declare a dividend to shareholders of 19 cents per share, albeit at a more conservative rate of 3.4 times cover.

New investment performance

WeBuyCars

For the six months ended 31 March		**2021**	2020	2019	**Movement 2021 vs 2020**	Movement 2021 vs 2019
Financial performance						
Core headline earnings	Rm	**257**	186	140	**38%**	84%
Core headline earnings attributable to the group[1]	Rm	**113**	N/A	N/A	**N/A**	N/A
Operational performance						
Number of vehicles purchased	Number	**43 410**	34 816	26 947	**25%**	61%
Number of vehicles sold	Number	**41 550**	33 557	26 390	**24%**	57%
Advertising expense per vehicle bought	R	**1 473**	1 466	1 527	**0%**	(4%)

1 *The investment in WeBuyCars was effective from 11 September 2020 and is accounted for as an associate of the group in accordance with IAS 28 – Investments in Associates and Joint Ventures, applying the equity method. Core headline earnings prior to this effective date are reported for illustrative purposes only, and do not form part of Transaction Capital's consolidated financial results.*

OPERATING CONTEXT AND MARKET POSITIONING

WeBuyCars leverages its proprietary data sets and artificial intelligence (AI) to dynamically adjust pricing in response to vehicle value and market demand, which conserves margin. Digital lead generation and AI-led pricing, alongside human touch points, create a unique, trustworthy and satisfying customer experience, driving WeBuyCars' brand value. It has applied its digital capabilities to respond to shifting buying patterns, driven by COVID-19, with significantly higher e-commerce adoption and online trading. In the medium term, WeBuyCars' digital capabilities and credible e-commerce platform will support even higher growth.

Private vehicles remain a necessity and an aspiration for many South Africans, given long travel distances and limited public transport options. In South Africa, a total of around 11 million passenger vehicles are in circulation. This vehicle 'car parc' has grown steadily, increasing the overall market by 5% to 6% a year over the last decade.

As disposable incomes come under added strain and new vehicle prices rise, consumers will continue to trade down from new to used vehicles. Besides the constraints to affordability, the disruption of global vehicle production during the pandemic has led to stock shortages in certain new vehicles, driving demand for used vehicles up even further. Average new vehicle sales of 31 731 for the 12 months ended 31 March 2021 showed a 36% decrease compared to the prior comparative period. As new vehicles prices climb, further upside for the used vehicle segment will come from increased pricing power, lifting profit potential per vehicle sold.

Larger vehicle dealers, who rely mostly on rental vehicle stock to meet the demand for used vehicles, are facing dwindling inventory levels as rental companies complete their widescale de-fleeting in response to the downturn in their markets. This places vehicle traders who source stock directly from consumers, such as WeBuyCars, in a favourable stock position.

WeBuyCars is a trusted principal trader of used vehicles through its vertically integrated e-commerce and physical infrastructure, offering finance, insurance and other allied products. This uniquely composed offering, which combines customer convenience and competitive pricing, positions it well to benefit from the current market context.

WeBuyCars buys more than 7 000 vehicles a month from private consumers, allowing it to offer a large variety of vehicles for sale. Approximately 40% of these vehicles are sold directly to dealerships via online auction on its e-commerce platform, with the majority sold to private consumers. Buyers are not restricted to any one brand or limited in their choice of vehicle.

WeBuyCars earns an acceptable gross margin on vehicle sales (vehicle margin), with additional gross margin earned on F&I products (product margin). The latter includes agency fees and commissions earned from F&I products. These are sold on behalf of major banks providing asset-backed and unsecured vehicle finance, leading insurance providers and vehicle tracking businesses.

FINANCIAL AND OPERATIONAL PERFORMANCE

WeBuyCars' revenue and profit have shown strong compound annual growth rates of 38% and 43% respectively in the last three years. Headline earnings grew 38% to R257 million in the six months ended 31 March 2021, with the group's attributable portion at R113 million.

Its strategy to expand geographically, grow its e-commerce offering and drive higher penetration of F&I products continues to yield results. WeBuyCars reached new heights in several categories during the period, including total revenue and units bought and sold. It bought a total of 43 410 vehicles, up 25%, and sold 41 550 vehicles, up 24%. This strong recovery in volumes traded, exceeding levels seen in the second half of FY2020, underpinned an excellent performance.

Its medium-term target to increase the volume of vehicles traded to 10 000 vehicles per month remains on track. Plans to develop additional vehicle supermarkets and buying pods in select high-demand locations across South Africa are underway. A new site will open in Gauteng in June 2021, with a further two to come in Gauteng and Western Cape. Relocation to a larger site in the Eastern Cape is planned within the next 18 months.

Trading mostly in older used vehicles with an average age of five to nine years, WeBuyCars is differentiated from other used vehicle dealers who focus on newer vehicles. Its average selling price per vehicle has risen to over R112 000 in the period, from R103 000 a year ago.

WeBuyCars' e-commerce platform facilitates business-to-business (B2B) trading with vehicle dealerships. Sales to dealerships via this platform continued to grow in the period and now account for some 40% of total vehicle sales (HY2020: 4%). Its e-commerce platform also offers early-stage business-to-consumer (B2C) capabilities that will support WeBuyCars' growth in the years ahead, as the demand for contactless services on credible digital platforms escalates.

Optimising its vehicle acquisition and stock turn efficiency continues to be a key focus for WeBuyCars. Higher take-up of F&I products (currently at around 13%) will enhance unit economics and margins per vehicle sold. It also plans to enhance existing arrangements with providers of F&I products and to add relevant new products. In the longer term, WeBuyCars will seek to offer F&I products as principal.

CONCLUSION

We expect future earnings from this investment to be at least in line with our expectations at the time of making our initial investment, given favourable market trends and WeBuyCars' compelling competitive advantages. We are confident this business will accelerate and support a sustainably higher growth trajectory for the group.

Should the acquisition of a greater shareholding in WeBuyCars be concluded, this will provide the group with a greater share of earnings in a highly relevant business with exceptional growth prospects. As majority owners working alongside the founders and management of WeBuyCars, we will seek to maximise its growth potential, specifically through:

- Enhancing unit economics and margins per vehicle sold by improving existing commercial arrangements with providers of F&I products and to add relevant new products.
- Leveraging SA Taxi's expertise and capabilities to enable WeBuyCars to extend its services to include a credit offering (as principal as opposed to an intermediary).
- Harnessing data and technology advantages to drive its e-commerce offering.
- The potential to expand internationally, as WeBuyCars compares well against its international peers and given the growth trajectory of the global used vehicle industry.

Refer to the cautionary announcement released on 12 May 2021 for more detail.

Divisional performance

SA Taxi

For the six months ended 31 March		**2021**	2020	2019	**Movement 2021 vs 2020**	Movement 2021 vs 2019
Financial performance						
Core pre-provision profit	Rm	**603**	601	495	**0%**	22%
Core headline earnings	Rm	**228**	202	220	**13%**	4%
Core headline earnings attributable to the group	Rm	**188**	164	202	**15%**	(7%)
Non-interest revenue	Rm	**366**	360	351	**2%**	4%
Net interest income	Rm	**752**	676	553	**11%**	36%
Net interest margin	%	**11.8**	12.2	11.4		
Core cost-to-income ratio	%	**46.1**	42.0	45.2		
Credit performance						
Gross loans and advances	Rm	**13 154**	11 304	9 947	**16%**	32%
Non-performing loan (NPL) ratio	%	**27.1**	19.1	18.2		
Credit loss ratio	%	**4.6**	6.1	4.3		
Provision coverage	%	**6.0**	5.4	4.7		

Note: Comparative information has been restated for the application of IFRS 8 – Operating Segments.

OPERATING CONTEXT AND MARKET POSITIONING

SA Taxi's business model enables safer and more reliable mobility access for millions of commuters through tailored developmental finance, insurance and allied services to minibus taxi operators. Foundational to its business model are propriety data sets and analytics capabilities that allow SA Taxi to predict risk and manage it in real time. This, in turn, promotes the sustainability of the minibus taxi industry.

The industry is indispensable to South Africa's economic productivity and is an early beneficiary of economic and social recovery. Most South Africans rely on public transport, with the minibus taxi industry being the largest and most vital service in the integrated public transport network. Spending on minibus taxi transport is largely non-discretionary, making the industry defensive in tough economic conditions.

More commuters are choosing minibus taxis over bus and rail services due to convenience and accessibility. The National Household Travel Survey released in March 2021 indicates a decline in commuter use of bus and rail services from 2013 to 2020 (down 28% and 64%, respectively), compared to a 16% increase in the use of minibus taxis over the same period. With bus and rail services floundering during the COVID-19 pandemic, this shift is likely to continue.

Retail prices for minibus taxis have risen 3.5% since October 2020, with further increases expected this calendar year. The recommended retail price of a Toyota HiAce diesel vehicle is now R493 900, compared to R360 000 six years ago. Furthermore, with passenger loads per trip down due to the impact of COVID-19, the industry's profitability will remain under strain. In this context, SA Taxi's fully refurbished pre-owned minibus taxis provide an affordable yet reliable alternative to buying a new vehicle.

Factors supporting industry profitability in the period included lower interest rates and fuel prices. At 31 March 2021, the 12-month average for petrol and diesel prices were, respectively, 9% and 14% lower than a year ago. The fuel price hike in April 2021, however, resulted in the highest fuel price in recent years. Due to the profitability impact of lower passenger loads per trip due to pandemic-related restrictions combined with increased vehicle prices, the industry may need to increase fares in the coming months.

SA Taxi applies leading-edge analytics to its real-time vehicle mobility datasets to manage credit and insurance risk. SA Taxi's telematics data (tabled below) shows the recovery in average activity of its minibus taxi fleet, and associated collections, benchmarked against pre COVID-19 levels. The impact of the 'risk-adjusted level 3' lockdown, implemented from 28 December 2020 to 28 February 2021 in response to a severe resurgence in COVID-19 infections, is indicated.

The restrictions had a moderate impact on SA Taxi's recovery to pre COVID-19 levels of business activity in the period. While its minibus taxis were able to operate, average distance travelled per minibus taxi reduced, with a subsequent impact on collections. Although SA Taxi's telematics systems are not able to measure passenger load, these are also likely to have declined.

Government's more nuanced approach to the last COVID-19 resurgence was well balanced between saving lives, protecting the national healthcare system and ensuring the least possible disruption to economic recovery. This has lowered the risk of returning to more severe restrictions on the industry, and should minimise the economic damage of any further resurgences in infections before population immunity is reached. With the marked improvement in COVID-19 infections allowing the easing of restrictions on 1 February 2021 and again on 1 March 2021, minibus taxi activity had recovered to 100% in March 2021. This trend should continue in the coming months.

As the industry consolidates its recovery, SA Taxi's strong reputation, its track record as a pioneer in the industry and its vertically integrated business model position it well to serve clients along the full minibus taxi value chain.

SA TAXI FINANCE, SA TAXI AUTO REPAIRS AND SA TAXI AUTO PARTS

SA Taxi Finance grew gross loans and advances 16% to R13.2 billion. Retained market share and higher retail prices for new vehicles supported this growth. Despite these price increases and generally difficult conditions for operators, demand for new and pre-owned vehicles is in line with pre COVID-19 levels, and remains far higher than supply. SA Taxi continues to grow its loan book and preserve credit quality in the current environment. To this end, it is targeting better quality and experienced minibus taxi operators, indicated in lower loan approvals.

Loan originations showed a strong recovery, growing 12% despite constrained originations in January 2021 due to generally low business confidence. New vehicle loan originations for the period declined 3% (2 591 loans) compared to a 48% increase (1 766 loans) in pre-owned vehicle loan originations. This indicates continued strong momentum in the sale and finance of SA Taxi's fully refurbished pre-owned minibus taxis. SA Taxi Auto Repairs' increased refurbishment capacity supported higher pre-owned vehicle supply to its dealerships and, in turn, loan originations.

	Level 5 27 Mar – 30 Apr 2020	Level 4 May 2020	Level 3 1 Jun – 17 Aug 2020	Level 2 18 Aug – 20 Sep 2020	Level 1 21 Sep – 27 Dec 2020	**Risk-adjusted Level 3 28 Dec 2020 – 28 Feb 2021**	**Level 1 1 Mar – 30 Apr 2021**
Operating vehicles	69%	90%	100%	100%	100%	**100%**	**100%**
Average distance travelled per vehicle	65%	88%	87%	88%	97%	**92%**	**100%**
Collections	~20%	~40%	~60%	~75%	~90%	**~90%**	**~95%**

The growth in gross loans and advances translated into net interest income growth of 11% to R752 million. Historically low interest rates contributed to a lower average cost of borrowing and held the net interest margin at 11.8%, in the upper range of SA Taxi's target of 11% to 12%.

Collections on SA Taxi's gross loans and advances portfolio showed a steady month-on-month recovery from April 2020 until risk-adjusted level 3 restrictions were implemented in December 2020. Although collections dipped slightly in January 2021, they have shown month-on-month improvement in February and March. We still expect collections to recover over a longer period than initially envisaged, and loan settlements in the period were lower than expected. Repossessions have recovered to pre COVID-19 levels.

SA Taxi has provided adequately for the impact on collections, with provision coverage of 6.0% protecting the balance sheet. The NPL ratio improved to 27.1% from 32.3% at 30 September 2020, while the credit loss ratio of 4.6% is likely to remain slightly above the upper limit of its 3% to 4% target range.

SA Taxi's integrated business model effectively mitigates credit risk. Its ability to refurbish repossessed vehicles to provide high-quality income generating minibus taxis, enables it to recover more than 75% of the loan value on the sale of these pre-owned vehicles. This limits SA Taxi's loss in the event of default. Improved recoveries on repossessed vehicles are due to efficiencies in SA Taxi Auto Repairs and SA Taxi Auto Parts' cost-efficient procurement of parts. This will continue to support the recovery of the credit loss ratio. Higher new vehicle prices will also enable some increase in the prices of pre-owned vehicles, further improving credit recoveries.

SA TAXI PROTECT

SA Taxi Protect's competitive advantage is its ability to reduce its cost of claim through efficiencies in SA Taxi Auto Repairs and SA Taxi Auto Parts, which supports competitively priced insurance premiums. Premiums across all products increased marginally in the period.

With most of SA Taxi Finance's clients choosing to insure their vehicles through SA Taxi Protect, gross written premiums again showed strong growth of 8% to R497 million. SA Taxi's strategy to broaden its client base via direct marketing and its broker network, targeting open market clients (insurance clients not financed by SA Taxi Finance), continued to yield positive results.

Comprehensive vehicle insurance claims remained stable in line with past performance, with higher credit life claims. As expected, higher lapse rates were experienced as COVID-19 affected the affordability of insurance cover.

An initiative to expand SA Taxi's refurbishment capacity specifically dedicated to SA Taxi Protect is set for the second half of 2021, with additional premises secured. This will increase the proportion of SA Taxi Protect insurance claims processed internally, further improving claims ratios.

The development of other bespoke products for the industry remains a strategic focus.

CONCLUSION

Despite recent COVID-19 related disruptions, SA Taxi posted a strong and resilient operational, credit and financial performance. This was evident in gross loans and advances growth of 16%, while preserving credit quality. Ongoing investment in the business, specifically the expansion of SA Taxi's refurbishment capacity in support of its pre-owned vehicle loan growth and insurance strategies, resulted in a cost-to-income ratio of 46.1% for the period.

SA Taxi's strong recovery and organic growth lifted core headline earnings 13%, growing the group's attributable portion 15% to R188 million. The division's core headline earnings grew 4% when applying HY2019 as a base, indicating a return to pre COVID-19 growth rates.

As part of the strategic realignment of TCRS, its value-added services business, RoadCover, has been placed under SA Taxi's management. We believe this will position it effectively for higher growth, given the potential synergies.

SA Taxi will continue to assess opportunities for further vertical integration to broaden its addressable market and support future organic growth. To this end, establishing a transactional business that combines its telematics capabilities, rewards programmes, client data and finance offerings into a single transactional account relevant to South Africa's 250 000 minibus taxi operators is planned. With SANTACO as a strategic partner, SA Taxi will leverage its unique position in the market to drive growth over the medium term, to the benefit of minibus taxi operators and the broader industry.

Transaction Capital Risk Services

For the six months ended 31 March		**2021**	2020	2019	**Movement 2021 vs 2020**	Movement 2021 vs 2019
Financial performance						
Core pre-provision profit	Rm	**363**	300	252	**21%**	44%
Core headline earnings from continuing operations	Rm	**131**	103	118	**27%**	11%
Non-interest revenue	Rm	**1 158**	1 069	891	**8%**	30%
Purchased book debts						
Cost price of purchased book debts acquired	Rm	**385**	556	437	**(31%)**	(12%)
Carrying value of purchased book debts	Rm	**2 705**	2 775	1 727	**(3%)**	57%
Estimated remaining collections	Rm	**5 883**	5 321	3 597	**11%**	64%

Note: Comparative information has been restated for the application of IFRS 8 – Operating Segments.

OPERATING CONTEXT AND MARKET POSITIONING

TCRS combines its unique technology, data and analytics competencies to provide a range of digitally driven business services as a trusted partner to a global client base. This contributes to the financial sustainability of the communities it serves. TCRS helps facilitate the effective functioning of consumer credit markets, supporting its clients' ability to extend credit to their customers by freeing up their operational and balance sheet capacity and rehabilitating indebted consumers. In its transactional services business, it enables efficient payment and transaction processing platforms.

In anticipation of the medium-term effects of COVID-19, TCRS implemented world-class work-from-home capabilities and proactively restructured its staff complement, which largely comprises call centre agents. The work-from-home operating model is yielding higher productivity per agent due to more flexible working hours. Importantly, this has been achieved without compromising data security or staff access to its technology suite and databases.

Furthermore, TCRS's omni-channel capability and leading-edge technology, data and analytics enabled it to continue contacting and transacting with consumers in an effective and optimised manner. The positive response of consumers to non-voice and digital channels, specifically in Australia, is supporting high levels of right party contact and online payments. Ongoing digital optimisation will enable the division to reach even higher levels of efficiency, deepening TCRS's resilience further as it seeks to drive earnings growth in tough market conditions.

TCRS's business model will gain relevance as the protracted effects of COVID-19 drive up indebtedness and impair consumers' ability to service their debt. This will leave consumer-facing entities with significantly larger NPL Portfolios to manage. To illustrate the pressure on these entities, the February 2021 BA900 Regulatory Returns submitted by South African banks show that provisions were 35.8% higher year on year, while total credit extension grew an average of only 2.4%. Furthermore, the disruption to the collection infrastructures and capabilities of consumer-facing entities has made it more difficult for them to collect on their NPL Portfolios.

As their balance sheets and operations come under pressure, we believe their appetite to sell NPL Portfolios will increase significantly. Also, they are likely to reduce fixed cost infrastructure and shift to the variable cost structures enabled by outsourcing collection services. TCRS's sophisticated and proven ability to price NPL Portfolios for prevailing conditions, together with its extensive collections infrastructure, position it strongly to accelerate the acquisition of NPL Portfolios to be collected as principal and to win agency collection mandates over the medium term.

SOUTH AFRICA

Of the 27.4 million credit-active South African consumers at 31 December 2020, almost 40% (10.6 million) had impaired credit records. Transaction Capital's Consumer Credit Rehabilitation Index, which measures consumers' propensity to repay debt, had deteriorated 2.8% by March 2021 compared to the prior year and 1.3% compared to the prior quarter.

Despite the lowest interest rate in five decades, erosion of household income and increasing over-indebtedness will persist. While credit extension has begun to grow recently, critically high unemployment will escalate the economic strain in the consumer sector as payment relief and government support measures come to an end. It is interesting to note, however, that around one third of consumers making monthly repayments on their debt via TCRS are not formally employed, reflecting some resilience in South Africa's informal sector.

AUSTRALIA

With the significant government stimulus programme ending in March this year, the real test for the Australian economy lies ahead. Historically low interest rates and higher job creation, with unemployment recovering to pre-pandemic levels of 5.6%, should however support strong economic growth, with gross domestic product growth of 4.5% forecast for 2021. The Australian consumer is still likely to face increased economic pressure as government support programmes, debt moratoria and insolvency suspensions are lifted. We expect credit growth to continue, with household debt to disposable income likely to climb over the medium term from its already high base of 210%.

COLLECTION SERVICES

In its most significant business activity, TCRS acts either as a principal in acquiring and then collecting on NPL Portfolios, or as a service provider on an outsourced contingency or fee-for-service (FFS) basis. These business activities are diversified across sectors, clients and geographies. This lowers concentration risk and underpins positive performance and returns in different market conditions.

TCRS's collection revenue grew 7% in the period, with collection rates recovering in line with levels anticipated and provided for in our FY2020 financial results. The division will continue to amortise the carrying value of its purchased book debts at a more conservative rate than before COVID-19, further strengthening its balance sheet and improving its quality of earnings.

ACQUISITION OF NPL PORTFOLIOS AS PRINCIPAL

In South Africa, we still expect growth in the market for NPL Portfolios to accelerate as the impact of COVID-19 plays out over the medium term. The pressure on consumer facing entities will escalate as their credit experience deteriorates. These adverse conditions augur well for TCRS, as its clients deal with larger NPL Portfolios and increased strain on their collection capabilities.

In the first half of FY2020, TCRS invested R483 million in South Africa and R73 million in Australia in acquiring NPL Portfolios, indicating pre COVID-19 levels of book buying activity. With fewer NPL Portfolios coming to market, and in line with its lower risk appetite in volatile conditions, this fell to R177 million in the second half of FY2020.

However, high activity levels allowed TCRS to invest R353 million in South Africa and R32 million in Australia in acquiring NPL Portfolios in the period. In FY2021, TCRS plans to invest more than in FY2020, although we do not expect this to reach FY2019 levels. As market dynamics become clearer, there may be unprecedented opportunity to accelerate capital deployment in this strategic growth initiative over the medium term.

In Australia, TCRS's acquisition of NPL Portfolios in the period was restricted as a material decline in delinquencies, associated with the government stimulus programmes and debt moratoria, resulted in fewer NPL Portfolios coming to market. Those that did come to market attracted strong pricing as demand outweighed supply, and the division maintained its disciplined approach. Furthermore, the appetite of banks to sell their NPL Portfolios continued to decline in favour of contingency and FFS collection mandates. TCRS's diversified business model positions it well to respond to this shift.

TCRS has almost 20 years of experience in acquiring NPL Portfolios at attractive risk-adjusted returns. To this end, TCRS has the ability to adjust its pricing methodology to the prevailing environment to ensure NPL Portfolios are priced accurately, to achieve targeted returns and collection multiples. At 31 March 2021, TCRS's NPL Portfolios were valued at R2 705 million. We expect annuity revenue of R5 883 million from this asset over the medium term, up 11% from R5 321 million a year ago.

Collections on NPL Portfolios owned as a principal in South Africa were in line with our expectations, while collections on NPL Portfolios owned as a principal in Australia performed satisfactorily. Australian collection agents were fully enabled to work from home, while the Fiji based call centre operated efficiently with flexible working hours, supporting a strong result.

CONTINGENCY AND FEE-FOR-SERVICE REVENUE

Recoveries Corporation in Australia continued to see lower volumes of matters handed over for collection as credit providers implemented debt moratoria and more conservative collection strategies.

In contrast, clients in South Africa are opting for variable cost structures via outsourced collection services. While retail sales and credit extension remain muted, we are seeing higher volumes of matters handed over for collection on larger NPL Portfolios. Cost efficiencies from TCRS's work-from-home capabilities lent further support to a good performance from the South African business.

TRANSACTIONAL SERVICES

The integration of Transaction Capital Payment Solutions, Accsys and Fihrst to create a more resilient and effective payment and transaction processing platform, is progressing well. Transaction Capital Transactional Services, established in July 2020, performed in line with our expectations in the period, supported by efficiencies gained through the integration. Growing this more focused and substantial payment and transaction processing platform, diversified by payment activity, client and sector, remains a key strategic focus, with an executive team appointed to drive this initiative.

CONCLUSION

TCRS posted a resilient performance in a challenging operating environment, with robust collection revenues in South Africa and Australia allowing the division to recover to its historic growth trajectory. TCRS grew core headline earnings from continuing operations 27% to R131 million for the period. The division's core headline earnings grew 11% when applying HY2019 as a base, indicating a return to pre COVID-19 growth rates. The implementation of effective work-from-home capability and the proactive recalibration of its staff complement and infrastructure in South Africa resulted in efficient cost structures, with its core cost-to-income ratio improving to 83.5%.

The strategic realignment of TCRS has been completed. This included the disposal of non-core businesses with limited opportunity for scale, the accounting of Transaction Capital Business Solutions as a discontinued operation and the transfer of its value-added services businesses to SA Taxi. TCRS now consists of three divisions, being collection services, transactional services and a newly established business process outsourcing services division. TCRS intends to leverage its scale, flexible technology, data and analytical capabilities to drive the growth of these businesses.

TCRS is well positioned to manage difficult conditions and capture emerging opportunities in the medium term, braced by its proven operational agility and enduring cashflows.

Group Executive Office and TC Global Finance

The group executive office added R5 million (HY2020: R14 million) to the group's core headline earnings in the period. The lower contribution was due to higher interest on debt given the net gearing at holding company level to facilitate the investment in WeBuyCars. It also reflects higher employee costs to ensure sufficient capability at group level to drive strategic growth initiatives.

The group has to date invested £8.4 million in the higher-yielding niche of the international specialised credit market, with £2 million invested in the period. We believe our strategy remains appropriate and will remain a focus over the medium term. We will however maintain our cautious and selective approach to opportunities in this market. As a result, this initiative will make a relatively small contribution to earnings over the short term as we grow the portfolio to scale.

TCGF's performance was in line with expectations in the period given the market environment in Europe. Transaction Capital's investment in TCGF is accounted for as an associate of the group in accordance with IAS 28 – Investments in Associates and Joint Ventures, applying the equity method.

TCGF leverages the group's unique relationship with its founders to identify and grow value accretive transformational investments that otherwise would not be available to Transaction Capital. The venture brings together the specialised skills, relationship networks, proven technological and capital management capabilities, and the good standing of the group and its founders. Underpinned by 25 years of experience in developing high-potential businesses around unconventional assets, our ultimate intention is to create an international platform of scale, mirroring the group's development and aligning to its growth strategy in South Africa.

Several features differentiate our approach. As TCGF targets specialised assets that invariably cannot be immediately integrated into or managed by our existing divisions, we co-invest alongside our founders who are based in or close to the jurisdictions showing the best market opportunities. This aligns the interests of Transaction Capital and our founders; it ensures high-quality deal origination and allows appropriate risk management control over our investments, to generate considerably better outcomes than if we were to invest alone. Where the risk and opportunity of a specific international investment can be effectively managed by one of our divisions, it will be acquired, funded and managed by that division.

Dividend declaration

Transaction Capital's ordinary dividend policy remains 2 to 2.5 times cover. In light of the group's strong recovery in earnings, robust balance sheet and medium-term prospects, the board resolved to resume dividend payments to shareholders, albeit at a more conservative rate of 3.4 times cover. This aims to safeguard the group's financial capacity and strategic flexibility.

The board has declared an interim gross cash dividend of 19 cents per share (HY2020: nil) for the six months ended 31 March 2021 to those members on the record date below. The dividend has been declared out of income reserves. A dividend withholding tax of 20% will be applicable to the dividend for all shareholders that are not exempt from the dividend withholding tax, resulting in a net dividend of 15.2 cents per share.

The salient features applicable to the dividend are as follows:

Issued shares as at declaration date	674 531 743
Declaration date	Wednesday 12 May 2021
Last day to trade cum dividend	Tuesday 1 June 2021
Ex-dividend	Wednesday 2 June 2021
Record date	Friday 4 June 2021
Payment date	Monday 7 June 2021

Board changes

We are pleased to announce the appointment of Ms Albertinah Kekana as an independent non-executive director from 1 April 2021. The appointment of Ms Kekana strengthens the independence of the board, and further augments its acumen and diversity. Mr Paul Miller resigned as an alternate non-executive director to Roberto Rossi with effect from the same day. The board now comprises 10 non-executive directors, nine of whom are independent, and five executive directors.

About Transaction Capital

Transaction Capital actively identifies and invests in alternative asset classes, in which our best-in-class technology, proprietary data and analytics capabilities enable us to generate outstanding returns.

This extends to operating unique, high-potential businesses in market sectors where historically low levels of stakeholder trust provide compelling opportunities for disruption. We partner with expert, entrepreneurial and co-invested management teams to scale, grow and position these highly specialised, digitally advantaged and vertically integrated businesses to offer market-leading value propositions.

Our diversified businesses are strategically relevant, operationally resilient and robustly governed, which underpin their ability to respond effectively and ethically to complex market dynamics. As trusted partners, they support their clients' commercial viability and collaborate with their stakeholders to drive meaningful, long-term socioeconomic impact. This enhances their growth, risk and sustainability profiles and secures the group's ability to consistently deliver exceptional shared value outcomes.

Basis of preparation

The condensed consolidated financial results for the six months ended 31 March 2021 have been prepared under the supervision of Sean Doherty CA(SA), chief financial officer. The financial information on which this announcement is based has not been reviewed and reported on by Transaction Capital's auditors.

The condensed consolidated financial results for the six months ended 31 March 2021 have been prepared in accordance with the requirements of the JSE Limited Listings Requirements for interim reports and the requirements of the Companies Act, 71 of 2008.

The Listings Requirements require interim reports to be prepared in accordance with, and containing the information required by, IAS 34 – Interim Financial Reporting, the SAICA Financial Reporting Guides (issued by the Accounting Practices Committee), and the Financial Pronouncements (issued by the Financial Reporting Standards Council). The accounting policies and their application are in terms of International Financial Reporting Standards (IFRS) and are consistent, in all material respects, with those detailed in Transaction Capital's annual financial statements for the 2020 financial year.

CORE RESULTS

As a measure of maintainable performance, Transaction Capital has presented non-IFRS measures referred to as core financial ratios, as these are used by management as key metrics in the business. These may be referenced to headline earnings from continuing operations by excluding once-off transaction costs which, in terms of the JSE Listings Requirements, constitute pro forma financial information.

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

RECONCILIATION FROM HEADLINE EARNINGS TO CORE HEADLINE EARNINGS

	Effective transaction date	31 March 2021 Unaudited Rm	31 March 2020 Unaudited Rm	31 March 2019 Unaudited Rm	30 September 2020 Audited Rm
Headline earnings from continuing operations attributable to group		**435**	277	254	262
Adjusted for once-off transaction costs relating to:					
Investment in non-controlling 49.9% interest in WeBuyCars	11 Sep 2020	**2**	–	–	9
Acquisition of Fihrst	1 Dec 2019	**–**	4	–	5
SA Taxi's ownership transaction with SANTACO	6 Feb 2019				
– Non-cash, IFRS 2 – Share-based Payment adjustment		**–**	–	100	–
– Non-controlling interest portion on above adjustment		**–**	–	(19)	–
– Early debt settlement costs at holding company level, net of tax		**–**	–	3	–
Core headline earnings from continuing operations attributable to group		**437**	281	338	276

Approval by the board of directors

Stakeholders should note that any forecast financial information, including the prospects statement, has not been reviewed or reported on by the group's auditors.

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

David Hurwitz
Chief executive officer

Sean Doherty
Chief financial officer

Hyde Park
12 May 2021

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JSE Sponsor and Equity Markets Broker: Investec Bank Limited
Debt Sponsor: RAND MERCHANT BANK (A division of FirstRand Bank Limited)

Condensed consolidated statement of financial position

AT 31 MARCH 2021

	Notes	31 March 2021 Unaudited Rm	31 March 2020 Unaudited Rm	30 September 2020 Audited Rm
Assets				
Cash and cash equivalents		**1 509**	1 055	1 794
Tax receivables		**17**	22	32
Trade and other receivables		**1 298**	1 716	1 522
Inventories		**1 103**	975	1 032
Loans and advances		**12 510**	10 816	11 545
Leased assets		**19**	–	–
Purchased book debts		**2 705**	2 775	2 520
Other loans receivable		**52**	49	55
Equity accounted investments	1	**2 292**	260	2 153
Intangible assets		**500**	468	505
Property and equipment		**409**	448	439
Goodwill		**1 327**	1 299	1 354
Deferred tax assets		**334**	298	344
Assets classified as held for sale		**143**	666	262
Total assets		**24 218**	20 847	23 557
Liabilities				
Bank overdrafts		**184**	316	387
Other short-term borrowings		**45**	56	102
Tax payables		**21**	34	46
Trade and other payables		**790**	437	686
Provisions		**60**	53	66
Insurance contract liabilities		**361**	441	374
Benefits ceded on insurance contracts relating to inventories		**38**	47	45
Benefits ceded on insurance contracts relating to loans and advances		**139**	127	124
Benefits accruing to insurance contract holders		**184**	267	205
Interest-bearing liabilities	2	**14 783**	13 014	14 639
Senior debt		**14 170**	12 350	13 894
Subordinated debt		**613**	664	745
Lease liabilities		**410**	416	417
Deferred tax liabilities		**553**	495	455
Liabilities directly associated with assets held for sale		**14**	48	12
Total liabilities		**17 221**	15 310	17 184
Equity				
Ordinary share capital	3	**2 277**	1 121	2 015
Other reserves		**327**	254	322
Retained earnings		**3 832**	3 589	3 481
Equity attributable to ordinary equity holders of the parent		**6 436**	4 964	5 818
Non-controlling interests		**561**	573	555
Total equity		**6 997**	5 537	6 373
Total equity and liabilities		**24 218**	20 847	23 557

Condensed consolidated income statement

FOR THE HALF YEAR ENDED 31 MARCH 2021

	Notes	31 March 2021 Unaudited Rm	31 March 2020 Unaudited Rm	30 September 2020 Audited Rm
Interest income		**1 263**	1 328	2 555
Interest expense		**(593)**	(681)	(1 291)
Net interest income		**670**	647	1 264
Impairment of loans and advances		**(295)**	(338)	(836)
Risk-adjusted net interest income		**375**	309	428
Non-interest revenue	4	**1 528**	1 429	2 987
Net insurance result	4	**237**	228	440
Insurance revenue		**497**	462	907
Insurance service expense		**(261)**	(234)	(468)
Insurance finance income		**1**	–	1
Other non-interest revenue	4	**1 291**	1 201	2 547
Operating costs		**(1 434)**	(1 324)	(3 083)
Non-operating (loss)/profit		**(1)**	–	5
Equity accounted income	1	**128**	4	32
Profit before tax		**596**	418	369
Income tax expense		**(127)**	(105)	(79)
Profit for the period from continuing operations		**469**	313	290
Discontinued operations				
Loss for the period from discontinued operations		**(8)**	(16)	(87)
Profit for the period		**461**	297	203
Profit for the period from continuing operations attributable to:				
Ordinary equity holders of the parent		**429**	275	245
Non-controlling interests		**40**	38	45
Loss for the period from discontinued operations attributable to:				
Ordinary equity holders of the parent		**(8)**	(16)	(87)
Earnings per share (cents)				
From continuing operations				
Basic earnings per share	5	**64.3**	44.8	39.3
Diluted basic earnings per share	5	**63.4**	44.2	39.2
From continuing and discontinued operations				
Basic earnings per share	5	**63.1**	42.2	25.3
Diluted basic earnings per share	5	**62.3**	41.6	25.3

Condensed consolidated statement of comprehensive income

FOR THE HALF YEAR ENDED 31 MARCH 2021

	31 March 2021 Unaudited Rm	31 March 2020 Unaudited Rm	30 September 2020 Audited Rm
Profit for the period	**461**	297	203
Other comprehensive income			
Movement in cash flow hedging reserve	**50**	(3)	(22)
Fair value gain/(loss) arising during the period	**69**	(4)	(31)
Deferred tax	**(19)**	1	9
Exchange (loss)/gain on translation of foreign operations	**(64)**	80	145
Total comprehensive income for the period	**447**	374	326
Total comprehensive income attributable to:			
Ordinary equity holders of the parent	**407**	336	281
Non-controlling interests	**40**	38	45

Condensed consolidated statement of changes in equity

FOR THE HALF YEAR ENDED 31 MARCH 2021

	Number of ordinary shares million	Share capital Rm	Reserves Rm	Retained earnings Rm	Equity attributable to ordinary equity holders of the parent Rm	Non-controlling interests Rm	Total equity Rm
Balance at 30 September 2019	612.7	1 103	179	3 614	4 896	576	5 472
Adjustment on initial adoption of IFRS 16*	–	–	–	(51)	(51)	–	(51)
Restated balance at 1 October 2019 – audited	612.7	1 103	179	3 563	4 845	576	5 421
Total comprehensive income	–	–	77	259	336	38	374
Profit for the period	–	–	–	259	259	38	297
Other comprehensive income	–	–	77	–	77	–	77
Grant of share appreciation rights and conditional share plans	–	–	31	–	31	–	31
Settlement of share appreciation rights and conditional share plans	–	–	(33)	(24)	(57)	–	(57)
Dividends paid	–	–	–	(209)	(209)	(41)	(250)
Issue of shares	2.8	60	–	–	60	–	60
Repurchase of shares	(2.0)	(42)	–	–	(42)	–	(42)
Balance at 31 March 2020 – unaudited	613.5	1 121	254	3 589	4 964	573	5 537
Total comprehensive income	–	–	46	(101)	(55)	7	(48)
Profit for the period	–	–	–	(101)	(101)	7	(94)
Other comprehensive income	–	–	46	–	46	–	46
Grant of share appreciation rights and conditional share plans	–	–	30	–	30	–	30
Settlement of share appreciation rights and conditional share plans	–	–	(8)	(7)	(15)	–	(15)
Dividends paid	–	–	–	–	–	(25)	(25)
Issue of shares	48.0	894	–	–	894	–	894
Balance at 30 September 2020 – audited	**661.5**	**2 015**	**322**	**3 481**	**5 818**	**555**	**6 373**
Total comprehensive income	**–**	**–**	**(14)**	**421**	**407**	**40**	**447**
Profit for the period	**–**	**–**	**–**	**421**	**421**	**40**	**461**
Other comprehensive income	**–**	**–**	**(14)**	**–**	**(14)**	**–**	**(14)**
Transactions with non-controlling interests**	**–**	**–**	**–**	**(66)**	**(66)**	**(28)**	**(94)**
Grant of share appreciation rights and conditional share plans	**–**	**–**	**28**	**–**	**28**	**–**	**28**
Settlement of share appreciation rights and conditional share plans	**–**	**–**	**(9)**	**(4)**	**(13)**	**–**	**(13)**
Transfer to retained earnings	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Dividends paid	**–**	**–**	**–**	**–**	**–**	**(6)**	**(6)**
Issue of shares	**13.0**	**262**	**–**	**–**	**262**	**–**	**262**
Balance at 31 March 2021 – unaudited	**674.5**	**2 277**	**327**	**3 832**	**6 436**	**561**	**6 997**

* *The group adopted IFRS 16 – Leases during the prior financial year.*

** *Transactions with non-controlling interests consist of two transactions in which the group acquired shares from non-controlling interests as follows:*

- *On 1 October 2020, the group, through its subsidiary Transaction Capital Risk Services (Pty) Ltd (TCRS), acquired an additional 25% of RC VAS Holdings (Pty) Ltd (Road Cover) for a purchase consideration of R40 million. Following the transaction, the group owns 100% of Road Cover.*
- *On 7 December 2020, the group acquired an additional 1 990 343 ordinary shares in its subsidiary SA Taxi Holdings (Pty) Ltd (SA Taxi) from the Empire Family Trust, representing 0.67% of SA Taxi's ordinary shares, for a purchase consideration of R54 million. Following the transaction, the group owns 82.13% of the ordinary shares of SA Taxi.*

Condensed consolidated statement of cash flows

FOR THE HALF YEAR ENDED 31 MARCH 2021

	Notes	31 March 2021 Unaudited Rm	31 March 2020 Unaudited Restated* Rm	30 September 2020 Audited Rm
Cash flow from operating activities				
Cash generated by operations		**390**	296	610
Interest received		**1 026**	1 135	2 039
Interest paid		**(560)**	(645)	(1 194)
Income taxes paid		**(45)**	(35)	(115)
Dividends paid		**(6)**	(250)	(275)
Cash flow from operating activities before changes in operating assets and working capital		**805**	501	1 065
Increase in operating assets		**(1 302)**	(1 027)	(1 838)
Loans and advances		**(925)**	(489)	(1 118)
Leased assets		**3**	–	–
Purchased book debts		**(380)**	(538)	(720)
Changes in working capital		**(128)**	(585)	(462)
Increase in inventories		**(71)**	(143)	(200)
Increase in trade and other receivables		**(47)**	(156)	(76)
Increase in other loans receivable		**(13)**	(4)	(25)
Increase/(decrease) in trade and other payables		**3**	(282)	(161)
Net cash utilised by operating activities		**(625)**	(1 111)	(1 235)
Cash flow from investing activities				
Acquisition of property and equipment		**(21)**	(12)	(57)
Proceeds on disposal of property and equipment		**–**	–	4
Acquisition of intangible assets		**(38)**	(131)	(214)
Investment into equity accounted investment	1	**(28)**	(131)	(1 604)
Acquisition of subsidiary		**–**	(175)	(175)
Additional interest acquired in subsidiary		**(82)**	–	–
Proceeds on disposal of subsidiary		**–**	–	30
Net cash utilised by investing activities		**(169)**	(449)	(2 016)
Cash flow from financing activities				
Proceeds from interest-bearing liabilities		**3 362**	4 589	10 797
Settlement of interest-bearing liabilities		**(2 802)**	(2 672)	(7 163)
(Settlement)/proceeds in other short-term borrowings		**(57)**	(20)	26
Repayment of lease liabilities		**(39)**	(44)	(52)
Repurchase of shares		**–**	(42)	(42)
Issue of shares		**248**	–	550
Net cash generated by financing activities		**712**	1 811	4 116
Net decrease in cash and cash equivalents		**(82)**	251	865
Cash and cash equivalents at the beginning of the period		**1 422**	538	538
Effects of exchange rate changes on the balance of cash held in foreign currencies		**(12)**	3	19
Cash and cash equivalents at the end of period**		**1 328**	792	1 422

* *Restated to present interest received and interest paid separately on the face of the statement of cash flow in line with IAS 7 – Statement of cash flows paragraph 31. Refer to note 6.*

** *Cash and cash equivalents are presented net of bank overdrafts and includes R3 million (31 March 2020: R52 million, 30 September 2020: R15 million) of cash transferred as part of assets held for sale.*

Notes to the condensed consolidated financial statements

FOR THE YEAR ENDED 31 MARCH

1 EQUITY ACCOUNTED INVESTMENTS

1.1 DETAILS OF THE GROUP'S SIGNIFICANT INVESTMENTS AT 31 MARCH 2021 ARE AS FOLLOWS:

	Principal activity	Place of incorporation and principal place of business	Proportion of ownership interest held by the group %
We Buy Cars (Pty) Ltd (WeBuyCars)*	Buying and selling of second-hand motor vehicles	South Africa	49.9%
TC Global Finance Limited (TC Global Finance)**	Distressed debt	Europe	50%
Lanyana Financial Group (Pty) Ltd (Lanyana)	Debt advisory	Australia	25%

* *The investment is accounted for as an associate as the group does not have substantive rights sufficient to give it the ability to control the investment.*
** *The investment is accounted for as an associate as the group does not have the unilateral ability to control, direct or govern how the independent directors may vote on decisions that impact the variable returns of the investment, therefore significant influence exists opposed to unanimous consent.*

Dividends received from the associates below represent the actual amounts attributable and hence received by the group. The other summary information that precedes the reconciliation to the group's carrying amount represents amounts included in the IFRS financial statements of the associate, not the share of these amounts. Furthermore the periods reflected are the 6 months ended 31 March for the current and prior periods, and the 12 months ended 30 September.

Summarised financial information in respect of each of the group's material associates is set out below. The summarised financial information below represents amounts in associates' financial statements prepared in accordance with IFRS.

	WeBuyCars		
	31 March 2021 Unaudited Rm	31 March 2020 Unaudited Rm	30 September 2020 Audited Rm
Current assets	**813**	–	611
Non-current assets	**1 034**	–	836
Current liabilities	**(393)**	–	(367)
Non-current liabilities	**(575)**	–	(459)
Equity attributable to owners of the company	**879**	–	621
Non-controlling interest	**–**	–	–
Revenue	**4 682**	–	6 302
Profit for the period	**257**	–	306
Other comprehensive income attributable to the owners of the company	**–**	–	–
Total comprehensive income	**257**	–	306
Dividends received from the associate during the period	**–**	–	–

Notes to the condensed consolidated financial statements

FOR THE SIX MONTHS ENDED 31 MARCH

1 EQUITY ACCOUNTED INVESTMENTS continued

1.2 CARRYING AMOUNT OF EQUITY ACCOUNTED INVESTMENTS

	WeBuyCars			TC Global Finance		
	31 March 2021 Unaudited Rm	31 March 2020 Unaudited Rm	30 September 2020 Audited Rm	**31 March 2021 Unaudited Rm**	31 March 2020 Unaudited Rm	30 September 2020 Audited Rm
Net assets of investment	**879**	–	621	**403**	349	368
Proportion of the group's ownership interest in the investment	**438**	–	310	**201**	175	184
Goodwill	**1 565**	–	1 565	**–**	–	–
Shareholder loan	**–**	–	–	**–**	–	–
Other adjustments*	**–**	–	–	**–**	–	–
Carrying amount of the group's interest in investment	**2 003**	–	1 875	**201**	175	184

* *Other adjustments include intangible assets and payables raised in terms of IAS 28 – Investment in associates and Joint Ventures.*

1.2.1 THE CARRYING AMOUNT OF THE GROUP'S INTEREST IN THE INVESTMENT COMPRISES:

	WeBuyCars			TC Global Finance		
	31 March 2021 Unaudited Rm	31 March 2020 Unaudited Rm	30 September 2020 Audited Rm	**31 March 2021 Unaudited Rm**	31 March 2020 Unaudited Rm	30 September 2020 Audited Rm
Carrying amount at the beginning of the period	**1 875**	–	–	**184**	22	22
Investment into equity accounted investment	**–**	–	1 860	**32**	127	131
Share of profit after tax	**128**	–	15	**(3)**	(1)	8
Dividend received	**–**	–	–	**–**	–	–
Effect of foreign currency exchange difference	**–**	–	–	**(12)**	27	23
Balance at the end of the period	**2 003**	–	1 875	**201**	175	184

	Lanyana			Total		
	31 March 2021 Unaudited Rm	31 March 2020 Unaudited Rm	30 September 2020 Audited Rm	**31 March 2021 Unaudited Rm**	31 March 2020 Unaudited Rm	30 September 2020 Audited Rm
	22	20	26	**1 304**	369	1 015
	5	5	7	**644**	180	501
	73	71	76	**1 638**	71	1 641
	–	–	5	**–**	–	5
	10	9	6	**10**	9	6
	88	85	94	**2 292**	260	2 153

	Lanyana			Total		
	31 March 2021 Unaudited Rm	31 March 2020 Unaudited Rm	30 September 2020 Audited Rm	**31 March 2021 Unaudited Rm**	31 March 2020 Unaudited Rm	30 September 2020 Audited Rm
	94	70	70	**2 153**	92	92
	–	4	4	**32**	131	1 995
	3	5	9	**128**	4	32
	(4)	–	(3)	**(4)**	–	(3)
	(5)	6	14	**(17)**	33	37
	88	85	94	**2 292**	260	2 153

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FOR THE SIX MONTHS ENDED 31 MARCH

1 EQUITY ACCOUNTED INVESTMENTS continued

1.2 CARRYING AMOUNT OF EQUITY ACCOUNTED INVESTMENTS continued

1.2.2 CASH FLOW FROM INVESTMENT INTO EQUITY INVESTMENTS:

	31 March 2021 Unaudited Rm	31 March 2020 Unaudited Rm	30 September 2020 Audited Rm
The cash flow movement in investment into equity accounted investments is calculated as follows:			
Increase in equity accounted investment	**(139)**	(168)	(2 061)
Share of profit after tax	**128**	4	32
Ordinary shares in Transaction Capital Limited	**–**	–	329
Deferred consideration	**–**	–	37
Derivative liability	**–**	–	22
Effect of foreign currency exchange difference	**(17)**	33	37
Net investment into equity accounted investments	**(28)**	(131)	(1 604)

2 INTEREST-BEARING LIABILITIES

	31 March 2021 Unaudited Rm	31 March 2020 Unaudited Rm	30 September 2020 Audited Rm
Type of loan			
Securitisation notes, debentures and loans	**5 063**	3 784	4 966
Loans	**9 720**	9 230	9 673
Total interest-bearing liabilities	**14 783**	13 014	14 639
Classes of interest-bearing liabilities			
Senior debt	**14 170**	12 350	13 894
Subordinated debt	**613**	664	745
Total interest-bearing liabilities	**14 783**	13 014	14 639
Maturity profile			
Payable within 12 months	**5 366**	4 593	3 384
Payable thereafter	**9 417**	8 421	11 255
Total interest-bearing liabilities	**14 783**	13 014	14 639

Given the pressures caused by COVID-19 on the collections of the business' portfolios, the capital markets team took several steps during the previous financial year to strengthen the group's financial position and maintain financial liquidity and flexibility. This included the following:

- The restructuring of various debt repayments, specifically the deferment of mandatory capital repayments for June 2020 and September 2020 in two structures within the group where these obligations exist as well as the extension of these facilities by six months; and
- In addition, a third structure within the group was converted to a pass-through structure.

In all cases, these amendments were assessed as modifications in terms of IFRS 9 during the previous financial year resulting in funding costs being amortised over the remaining term of the respective debt.

For further updates on the management of liquidity risk – refer to note 7.2.

	31 March 2021 Unaudited Rm	31 March 2020 Unaudited Rm	30 September 2020 Audited Rm
3 ORDINARY SHARE CAPITAL			
Authorised			
1 000 000 000 ordinary shares			
Issued			
674 531 743 (31 March 2020: 613 486 932, 30 September 2020: 661 496 331) ordinary shares			
Ordinary share capital	**2 277**	1 121	2 015
Ordinary share capital	**2 277**	1 121	2 015

	31 March 2021 Unaudited		31 March 2020 Unaudited		30 September 2020 Audited	
	Number of shares million	Share capital Rm*	Number of shares million	Share capital Rm*	Number of shares million	Share capital Rm*
3.1 RECONCILIATION OF ORDINARY SHARE CAPITAL						
Balance at the beginning of the period	**661.5**	**2 015**	612.7	1 103	612.7	1 103
Shares issued in settlement of the Share Appreciations Rights Plan obligation and Conditional Share Plan (Note 3.1.1)	**0.6**	**14**	2.8	60	3.6	75
Shares issued to subsidiaries	**–**	**–**	–	–	16.5	329
Equity raised through accelerated bookbuild	**–**	**–**	–	–	30.7	550
Equity raised through the open market (Note 3.1.2)	**12.4**	**248**	–	–	–	–
Shares repurchased in the open market and cancelled	**–**	**–**	(2.0)	(42)	(2.0)	(42)
Balance at the end of the period	**674.5**	**2 277**	613.5	1 121	661.5	2 015

* *Net of share issue costs*

3.1.1 In terms of specific authority received from shareholders on the adoption of the Transaction Capital Share Appreciation Rights Plan and Transaction Capital Conditional Share Plan, a total of 635 412 shares were issued to participants/employees as part of respective vestings at an average price of R21.53 per share.

3.1.2 On 19 November 2020 Transaction Capital limited issued 12 400 000 shares to Royal Bafokeng Holdings Limited at a price of R20 per share.

PREFERENCE SHARE CAPITAL

Authorised

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

Issued

Nil (31 March 2020: Nil, 30 September 2020: Nil) preference shares.

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4 NON-INTEREST REVENUE

Revenue earned from the group's vehicle insurance offering (net insurance result) mainly includes insurance premiums and commission income earned from insurance contracts, all of which are accounted for in accordance with IFRS 17 – Insurance Contracts, and therefore fall outside the scope of IFRS 15 – Revenue from Contracts with Customers.

The recognition of revenue earned from collecting on purchased credit-impaired loan portfolios as principal (revenue from purchased book debts) is in accordance with the amortised cost model under IFRS 9 – Financial Instruments, and therefore fall outside the scope of IFRS 15.

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

	31 March 2021 Unaudited Rm	31 March 2020 Unaudited Rm	30 September 2020 Audited Rm
4.1 NON-INTEREST REVENUE COMPRISES:			
Net insurance result	**237**	228	440
Revenue from purchased book debts	**628**	559	1 111
Other non-interest revenue	**663**	642	1 436
Fee-for-service revenue	**446**	445	960
Commission income	**34**	38	72
Fee income	**130**	112	234
Revenue from sale of goods	**34**	29	60
Other insurance service related income*	**1**	4	7
Other income	**18**	14	103
Total non-interest revenue	**1 528**	1 429	2 987

* *Other insurance service related income includes roadside assist and roadcover which is excluded from the net insurance result as they are not considered insurance contracts per IFRS 17.*

		31 March 2021 Unaudited	31 March 2020 Unaudited	30 September 2020 Audited
5 EARNINGS PER SHARE				
5.1 FROM CONTINUING AND DISCONTINUED OPERATIONS				
Basic earnings per share	cents	**63.1**	42.2	25.3
Diluted basic earnings per share	cents	**62.3**	41.6	25.3
Headline earnings per share	cents	**64.2**	42.6	33.1
Diluted headline earnings per share	cents	**63.3**	42.0	33.0
The calculation of earnings per share is based on the following data:				
Earnings				
Earnings for the purposes of basic and diluted basic earnings per share	Rm	**421**	259	158
Being profit for the year attributable to ordinary equity holders of the parent				
Headline earnings adjustments:		**7**	2	48
Impairment of goodwill	Rm	**–**	2	2
Impairment of property, and equipment	Rm	**–**	–	4
Impairment of intangibles	Rm	**–**	–	1
Impairment of right of use assets	Rm	**1**	–	16
Impairment of investment	Rm	**2**	–	–
Loss from changes in foreign exchange rates from equity accounted investments	Rm	**4**	–	–
Profit on disposal of subsidiary	Rm	**–**	–	25
Earnings for the purposes of headline and diluted headline earnings per share	Rm	**428**	261	206
Number of shares				
Weighted average number of ordinary shares for the purposes of basic and headline earnings per share				
Number of ordinary shares in issue at the beginning of the period	million	**661.5**	612.7	612.7
Effect of shares issued during the period	million	**5.3**	1.9	12.1
Effect of shares repurchased during the period	million	**–**	(0.8)	(1.4)
Weighted average number of ordinary shares for the purposes of basic and headline earnings per share	million	**666.8**	613.8	623.4
Effect of dilutive potential ordinary shares:				
Shares deemed to be issued for no consideration in respect of Share Appreciation Rights Plan and Conditional Share Plan	million	**8.8**	8.3	0.9
Portion of WeBuyCars deferred consideration to be settled in Transaction Capital Limited ordinary shares	million	**0.6**	–	1.0
Weighted average number of ordinary shares for the purposes of diluted basic and headline earnings per share	million	**676.2**	622.1	625.3

Notes to the condensed consolidated financial statements

FOR THE SIX MONTHS ENDED 31 MARCH

5 EARNINGS PER SHARE continued

5.2 FROM CONTINUING OPERATIONS

		31 March 2021 Unaudited	31 March 2020 Unaudited	30 September 2020 Audited
Basic earnings per share	cents	**64.3**	44.8	39.3
Diluted basic earnings per share	cents	**63.4**	44.2	39.2
Headline earnings per share	cents	**65.2**	45.2	42.0
Diluted headline earnings per share	cents	**64.3**	44.2	41.9
The calculation earnings per share is based on the following data:				
Earnings				
Profit for the period attributable to ordinary equity holders of the parent	Rm	**421**	259	158
Adjustments to exclude the loss for the period from discontinued operations	Rm	**8**	16	87
Earnings from continuing operations for the purposes of basic and diluted basic earnings per share excluding discontinued operations	Rm	**429**	275	245
Headline earnings adjustments:				
Impairment of goodwill	Rm	**–**	2	2
Impairment of property, and equipment	Rm	**–**	–	4
Impairment of right of use of assets	Rm	**–**	–	11
Impairment of investment	Rm	**2**	–	–
Loss from changes in foreign exchange rates from equity accounted investments	Rm	**4**	–	–
Earnings from continuing operations for the purposes of headline and diluted headline earnings per share excluding discontinued operations	Rm	**435**	277	262

The denominators used are the same as those detailed above for both basic and diluted earnings per share from continuing and discontinued operations.

6 PRIOR PERIOD RESTATEMENT

Management has previously not been able to present interest paid and received in accordance with the requirements of IAS 7 – Statement of Cash flows due to system limitations. In the previous financial year a solution was implemented for the disclosure to be corrected. The cashflow for the period ended 31 March 2020 has been restated to present interest paid and interest received on the face of the cash flow statement. Included below is the impact on the relevant presentation and disclosures.

	31 March 2020		
	As previously presented Rm	Adjustment Rm	Restated* Rm
Cash generated by operations is calculated as follows:			
Profit before tax from continuing operations	418	–	418
Adjusted for:			
Other non-cash flow movements	525	–	525
Interest income*	–	(1 328)	(1 328)
Interest expense*	–	681	681
Cash generated by operations	943	(647)	296
Cash flow from operating activities			
Cash generated by operations	943	(647)	296
Interest received*	–	1 135	1 135
Interest paid*	–	(645)	(645)
Income taxes paid	(35)	–	(35)
Dividends paid	(250)	–	(250)
Cash flow from operating activities before changes in operating assets and working capital	658	(157)	501
Cash flow from loans and advances			
The cash flow movement in loans and advances is calculated as follows:			
Decrease in loans and advances	174	–	174
Tranferred to assets held for sale	(514)	–	(514)
Impairment of loans and advances	(340)	–	(340)
Accrued interest*	–	191	191
Net increase in loans and advances	(680)	191	(489)
Changes in working capital			
Increase in inventories	(143)	–	(143)
Increase in trade and other receivables	(156)	–	(156)
Increase in other loans receivable	(4)	–	(4)
Decrease in trade and other payables	(248)	(34)	(282)
Net changes in working capital	(551)	(34)	(585)
Net cash utilised by operating activities	(1 111)	–	(1 111)

* *Not previously presented*

Notes to the condensed consolidated financial statements

FOR THE SIX MONTHS ENDED 31 MARCH

7 FINANCIAL RISK MANAGEMENT

7.1 CREDIT RISK

IMPACTS OF COVID-19

SA Taxi

The outbreak of COVID-19 (first wave of COVID-19) had a significant impact on the collections performance across all portfolios during the prior year. Given the restriction on public movement and public transport operation, a large portion of our clients were placed under both operational and financial strain regarding their ability to generate income and service instalment payments on their loans. In light of this strain, the group gave payment relief covering a one-month period (April 2020) to the majority of its client base provided that the clients account was in good standing and their vehicles had a fully functioning telematics device. Additional payment relief measures were provided over the months of May, June, July and August 2020 – however these were provided on an adhoc basis and affected a small number of accounts of the portfolio (those affected by ongoing restrictions).

These relief measures extended the term of the contracts, as it resulted in a partial capitalisation of arrears for the affected accounts in the month where the respective client qualified for payment relief (capitalisation applied to the instalments that were raised during the relief time and did not include all arrears). The interest rate remained unchanged and the term extension did not change the present value of the remaining cash flows.

The second wave of COVID-19, which occurred during the current period, also resulted in restrictions on public movement and public transport operations and placed further pressure on a large portion of our clients. This in turn slowed the expected recovery of the overall book to normalised levels. No further payment relief measures were provided to clients during the current period.

The impact of the 'risk-adjusted level 3' lockdown on collections, implemented from 28 December 2020 to 28 February 2021 in response to a resurgence in COVID-19 infections, was less severe than anticipated with collections at 89% during risk-adjusted level 3 compared to 88% during level 1 (21 September to 27 December 2020). Government's more nuanced approach to the last COVID-19 resurgence was well balanced between saving lives, protecting the national healthcare system and ensuring the least possible disruption to economic recovery. This has lowered the risk of returning to more severe restrictions on the industry and should minimise the economic damage of any further resurgences in infections before population immunity is reached. With the marked improvement in COVID-19 infections allowing the easing of restrictions on 1 February 2021 and again on 1 March 2021, collections had recovered to 96% during March 2021.

The collections performance off the portfolio has a significant impact on several of the assumptions driving the loan book provisioning which include the PD, EAD, and LGW. The impact of the adverse collection experience since April 2020 (which continued into the current financial year (apart from the part capitalisation discussed above), has been considered on our impairment model parameters – (ie. we have not modified arrears and as a result have allowed accounts to age and roll forward without modification). These impairment model parameters have been applied in determining expected cash shortfalls arising from non-payment in the best estimate provision on the loan book as at 31 March 2021, which are currently anticipated to extend to the end of the third quarter of our financial year.

Credit impaired financial assets are determined considering both the ageing and recency of payments. Our customers are mostly cash payers given that they earn their fares from commuters in cash. Recency enables us to understand the cashflow that is generated from the underlying asset which is indicative of a customers' ability to make payment on the underlying loan. The shape of the book and stage distribution of the portfolio has shifted due to the impact of the lockdown on underlying collections activity. Management continues to support the rebuttals of the 30- and 90- day presumptions and the collateral values applied in the modelling.

Historically, SA Taxi has not applied a curing mechanism in measuring the expected credit loss of the portfolio. As disclosed in the prior year annual financial statements, a curing mechanism would only be implemented once management are comfortable that customers can demonstrate an extended period of corrective payment behaviour. Management are currently assessing potential curing mechanisms which would re-set the stage distribution of the portfolio, however as at 31 March 2021, no formal mechanisms have been approved or implemented. Assessments will continue into the second half of this financial year, and will consider the extent to which COVID-19 has further impacts on our credit losses going forward. This impact will depend on the duration and severity of future waves experienced, which are highly uncertain and cannot be predicted with confidence.

If the strain on the underlying collections of the portfolio extend past the end of the third quarter of this financial year, the estimated credit losses and overall results of operations will be adversely affected.

The group has performed a detailed statistical analysis on a multitude of macro-economic factors, namely prime rate, unemployment rate, petrol price, USD/ZAR exchange rate, GDP and CPI. Regression analysis shows that the economic factors do not add explanatory power to the model, hence they are not included. We have incorporated a forward-looking forecast for the mechanical repair costs and resale values as these have shown consistent trends over time. Current investment into parts procurement is expected to manage any inflationary effect on mechanical repair cost in the foreseeable future.

Transaction Capital Risk Services

The outbreak of COVID-19 had a significant impact on the operations of the business and the debtors from which we collect. In the immediate weeks following the initial lock-down on 27 March 2020 the business' operations were not able to work from the office (WFO). The rapid and effective mobilisation of a fully functioning remote work-from-home capability (WFH) resulted in all call centre agents being able to effectively work remotely. The success of this forced change from WFO to WFH has had a fundamental change on the operating model of the business as the effectiveness of the WFH execution has resulted in agent productivity metrics improving to above pre COVID-19 levels. Going forward, a balance between WFH and WFO will be maintained.

TCRS has almost 20 years of experience in acquiring NPL Portfolios at attractive risk-adjusted returns. To this end, TCRS has the ability to adjust its pricing methodology to the prevailing environment to ensure NPL Portfolios are priced accurately, to achieve targeted returns and collection multiples. TCRS's collection rates recovered for the period ended 31 March 2021, in line with levels anticipated and provided for in our FY2020 financial results, but does note that the economic impact of the pandemic has been factored into the carrying value of purchase book debts. The business has relatively low exposure to heavily COVID-19 impacted industries (wholesale lending to key COVID-19 impacted industries as a percentage of total loans being approximately 10% across each of the impacted industries being property, manufacturing, retail (non-food), hospitality, construction, aviation, healthcare and automotive).

The business continues to amortise the carrying value of its purchased book debts at a more conservative rate than before COVID-19, and has incorporated the impact of thirteen probability weighted scenarios into its amortisation models. These models recognise the potential future impact of curtailed government support and unemployment increasing in the near term and the resultant impact on collection activity. To illustrate these pressures, the February 2021 BA900 Regulatory Returns submitted by South African banks show that provisions were 35.8% higher year on year, while total credit extension grew an average of only 2.4%. Furthermore, the disruption to the collection infrastructures and capabilities of consumer-facing entities has made it more difficult for them to collect on their NPL Portfolios. Should collection activity sustainably return to pre COVID-19 levels these adjustments will reverse in future periods via reduced amortisation costs.

7.1.1 FINANCIAL ASSETS SUBJECT TO RISK

	Loans and advances* Rm	Other loans receivable Rm	Trade and other receivables** Rm	Purchased book debts Rm	Total Rm
31 March 2021 – Unaudited					
Neither past due nor impaired	**4 302**	**52**	**778**	**–**	**5 132**
Past due but not impaired	**5 988**	**–**	**60**	**–**	**6 048**
Impaired	**2 703**	**–**	**67**	**–**	**2 770**
Purchased credit-impaired financial assets	**–**	**–**	**–**	**2 705**	**2 705**
Impairment allowance	**(579)**	**–**	**(23)**	**–**	**(602)**
Performing loans and advances	**(168)**	**–**	**–**	**–**	**(168)**
Non-performing loans and advances	**(411)**	**–**	**–**	**–**	**(411)**
Non-performing trade and other receivables	**–**	**–**	**(23)**	**–**	**(23)**
Carrying value of financial assets	**12 414**	**52**	**882**	**2 705**	**16 053**

	Loans and advances* Rm	Other loans receivable Rm	Trade and other receivables** Rm	Purchased book debts Rm	Total Rm
31 March 2020 – Unaudited					
Neither past due nor impaired	5 482	49	1 105	–	6 636
Past due but not impaired	3 769	–	98	–	3 867
Impaired	1 928	–	88	–	2 016
Purchased credit-impaired financial assets	–	–	–	2 775	2 775
Impairment allowance	(437)	–	(17)	–	(454)
Performing loans and advances	(78)	–	–	–	(78)
Non-performing loans and advances	(257)	–	–	–	(257)
Additional COVID-19 general provision	(102)				(102)
Non-performing trade and other receivables	–	–	(17)	–	(17)
Carrying value of financial assets	10 742	49	1 274	2 775	14 840

* *IFRS 7 disclosures relate to loans and advances and exclude the impact of repossessed vehicles on hand and ceded insurance contract liabilities. Comparative information for March 2020 has been restated to be presented on a consistent basis.*
For the purposes of both 31 March 2021 and 30 September 2020, the impact of COVID-19 is embedded into the underlying impairment provision built on the portfolio and reflected across the stages to which they relate. For the purposes of 31 March 2020, in addition to the impairment provision built on the portfolio, management included a general impairment provision for the effects of COVID-19 amounting to R102 million which represented management's best estimate of the expected future losses to be incurred at that point in time.

** *Dealer incentive commission, prepayments and VAT receivables are not financial assets and therefore have been excluded from trade and other receivables.*

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FOR THE SIX MONTHS ENDED 31 MARCH

7 FINANCIAL RISK MANAGEMENT continued

7.1 CREDIT RISK continued

7.1.1 FINANCIAL ASSETS SUBJECT TO RISK continued

	Loans and advances* Rm	Other loans receivable Rm	Trade and other receivables** Rm	Purchased book debts Rm	Total Rm
30 September 2020 – Audited					
Neither past due nor impaired	3 015	55	1 039	–	4 109
Past due but not impaired	5 908	–	95	–	6 003
Impaired	3 146	–	26	–	3 172
Purchased credit-impaired financial assets	–	–	–	2 520	2 520
Impairment allowance	(624)	–	(23)	–	(647)
Performing loans and advances	(119)	–	(1)	–	(120)
Non-performing loans and advances	(505)	–	–	–	(505)
Non-performing trade and other receivables	–	–	(22)	–	(22)
Carrying value of financial assets	11 445	55	1 137	2 520	15 157

* *IFRS 7 disclosures relate to loans and advances and exclude the impact of repossessed vehicles on hand and ceded insurance contract liabilities. Comparative information for March 2020 has been restated to be presented on a consistent basis.*
For the purposes of both 31 March 2021 and 30 September 2020, the impact of COVID-19 is embedded into the underlying impairment provision built on the portfolio and reflected across the stages to which they relate. For the purposes of 31 March 2020, in addition to the impairment provision built on the portfolio, management included a general impairment provision for the effects of COVID-19 amounting to R102 million which represented management's best estimate of the expected future losses to be incurred at that point in time.

** *Dealer incentive commission, prepayments and VAT receivables are not financial assets and therefore have been excluded from trade and other receivables.*

7 FINANCIAL RISK MANAGEMENT continued

7.1 CREDIT RISK continued

7.1.2 VALIDATION OF COLLATERAL

The group typically holds vehicles (taxis), bonds over residential property and debtor books in the case of invoice discounting as collateral against secured advances. Any security taken as part of the credit decision is valued according to the applicable credit policies at the time of credit approval and at regular intervals thereafter. The group uses a number of approaches for the valuation of collateral, including:

- SA Taxi values collateral at the expected pre-owned sales value minus costs to repair; and
- The outbreak of COVID-19 has had no impact on our average collateral values applied.

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

	31 March 2021 Unaudited Rm	31 March 2020 Unaudited Rm	30 September 2020 Audited Rm
Related credit risk exposure and enhancements			
Maximum exposure to credit risk of loans and advances	**12 993**	11 179	12 069
Impairment allowance	**(579)**	(437)	(624)
Maximum exposure to credit losses of loans and advances	**12 414**	10 742	11 445
Ceded insurance contract liabilities	**(139)**	(127)	(124)
Maximum exposure to credit losses of loans and advances (after the effect of ceded insurance contract liabilities)	**12 275**	10 615	11 321
Credit risk exposure mitigated through unguaranteed residual asset values held as collateral			
Total	**17 236**	15 727	16 324
Vehicles	**17 236**	15 727	16 324
Total	**17 236**	15 727	16 324
Fair value of collateral held for impaired financial assets	**2 469**	1 952	3 263
Fair value of collateral held for financial assets past due but not specifically impaired	**8 347**	5 537	8 294
Fair value of collateral held for financial assets neither past due nor impaired	**6 324**	8 164	4 667
Fair value of collateral held for impaired non-financial assets	**96**	74	100
Collateral attached comprises vehicles.			

* *Collateral values are shown excluding the impact of ceded insurance contract liabilities and repossessed vehicles on hand. The associated collateral value has been provided on a consistent basis.*

Notes to the condensed consolidated financial statements

FOR THE SIX MONTHS ENDED 31 MARCH

7 FINANCIAL RISK MANAGEMENT continued

7.1 CREDIT RISK continued

7.1.3 LOANS AND ADVANCES THAT ARE NEITHER PAST DUE NOR IMPAIRED

	31 March 2021 Unaudited Rm	31 March 2020 Unaudited Rm	30 September 2020 Audited Rm
Carrying amount of loans and advances that are neither past due nor impaired	**4 302**	5 482	3 015
Credit quality			
High	**1 646**	5 223	1 002
Medium	**1 141**	248	635
Low	**1 515**	11	1 378

* *During the prior year, the credit application scorecard was redeveloped. In line with best practice, application scorecards were recalibrated to ensure the scorecards remain statistically accurate at ranking and predicting default risk. The change in scorecard had no impact on the CD state distribution of the portfolio, it simply represents management's view of credit quality. Credit quality disclosures for the prior period have been restated to remove the impact of ceded insurance contract liabilities.*

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

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

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

7 FINANCIAL RISK MANAGEMENT continued

7.1 CREDIT RISK continued

7.1.4 FINANCIAL ASSETS THAT ARE PAST DUE BUT NOT IMPAIRED

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

Credit impaired financial assets are determined considering both ageing and recency of payments. SA Taxi customers are mostly cash payers given that they earn their fares from commuters in cash. Recency enables us to understand the cashflow that is generated from the underlying asset which is indicative of a customers' ability to make payment on the underlying loan. The impairment provision calculated on loans and advances disclosed as past due but not impaired are measured applying lifetime expected credit losses. Of the R2.66 billion (31 March 2020: R900 million, 30 September 2020: R1.46 billion) reflected as part of past due but not impaired, a qualifying payment was received on accounts reflecting an exposure balance of R1.95 billion (73%) (31 March 2020: R504 million (56%), 30 September 2020: R1 billion (68%)) in the most recent month, with the remaining 27% (31 March 2020: 44%, 30 September 2020: 32%) being collected in the two months prior to the most recent month.

The impact of the adverse collection experience since April 2020 caused by COVID-19, has been considered on our impairment model parameters – (ie. we did not modify arrears and as a result we allowed accounts to age and roll forward without modification). These impairment model parameters have been applied in determining expected cash shortfalls arising from non-payment in the best estimate provision on the loan book as at 31 March 2021.

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

	Past due up to 1 month Rm	Past due up to 1 – 2 months Rm	Past due up to 2 – 3 months Rm	Past due up to 3 – 4 months Rm	Past due older than 4 months Rm	Total Rm
31 March 2021 – Unaudited						
Loans and advances	**1 071**	**905**	**697**	**654**	**2 661**	**5 988**
Trade and other receivables	**13**	**14**	**11**	**3**	**19**	**60**
Financial assets that are past due but not impaired	**1 084**	**919**	**708**	**657**	**2 680**	**6 048**
31 March 2020 – Unaudited						
Loans and advances*	1 338	814	430	288	899	3 769
Trade and other receivables	49	5	5	22	17	98
Financial assets that are past due but not impaired	1 387	819	435	310	916	3 867
30 September 2020 – Audited						
Loans and advances*	1 234	1 312	1 135	763	1 465	5 909
Trade and other receivables	19	9	7	10	51	96
Financial assets that are past due but not impaired	1 253	1 321	1 142	773	1 516	6 005

* *IFRS 7 disclosures relate to loans and advances and exclude the impact of repossessed vehicles on hand and ceded insurance contract liabilities. Comparative information for March 2020 has been restated to be presented on a consistent basis.*

Notes to the condensed consolidated financial statements

FOR THE SIX MONTHS ENDED 31 MARCH

7 FINANCIAL RISK MANAGEMENT continued

7.1 CREDIT RISK continued

7.1.5 IMPAIRMENT PROVISION RECONCILIATION

Loans and advances	12 month expected credit losses Rm	Lifetime expected credit losses Rm	Credit impaired financial assets Rm	Total Rm
31 March 2021 – Unaudited				
Balance at the beginning of the year	**33**	**85**	**506**	**624**
Originations	**23**	**6**	**2**	**31**
Existing book movements	**(10)**	**45**	**(56)**	**(21)**
Write-offs	**(1)**	**(6)**	**(39)**	**(46)**
Derecognition (settlements in the ordinary course of business)	**(5)**	**(2)**	**(2)**	**(9)**
Balance at the end of the period*	**40**	**128**	**411**	**579**
31 March 2020 – Unaudited				
Balance at the beginning of the year	24	84	228	336
Originations	7	6	5	18
Existing book movements	(8)	11	64	67
Write-offs	(3)	(23)	(34)	(60)
Derecognition (settlements in the ordinary course of business)	–	–	(1)	(1)
Transferred to assets held for sale	(1)	(19)	(5)	(25)
Additional COVID-19 general overlay provision**	–	–	–	102
Balance at the end of the period*	19	59	257	437
30 September 2020 – Audited				
Balance at the beginning of the year	24	84	228	336
Originations	15	37	59	111
Existing book movements	4	26	261	291
Write-offs	(3)	(12)	(41)	(56)
Derecognition (settlements in the ordinary course of business)	(1)	–	(1)	(2)
Transferred to assets held for sale	–	(50)	–	(50)
Disposal of subsidiary	(6)	–	–	(6)
Balance at the end of the period*	33	85	506	624

* *IFRS 7 disclosures relate to loans and advances and exclude the impact of repossessed vehicles on hand and ceded insurance contract liabilities. Comparative information for March 2020 has been restated to be presented on a consistent basis.*

** *For the purposes of both 31 March 2021 and 30 September 2020, the impact of COVID-19 is embedded into the underlying impairment provision built on the portfolio and reflected across the stages to which they relate. For the purposes of 31 March 2020, in addition to the impairment provision built on the portfolio, management included a general impairment provision for the effects of COVID-19 amounting to R102 million which represented management's best estimate of the expected future losses to be incurred at that point in time.*

7 FINANCIAL RISK MANAGEMENT continued

7.1 CREDIT RISK continued

7.1.5 IMPAIRMENT PROVISION RECONCILIATION continued

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

Loans and advances	12 month expected credit losses Rm	Lifetime expected credit losses Rm	Credit impaired financial assets Rm	Total Rm
31 March 2021 – Unaudited				
Neither past due nor impaired	**4 282**	**20**	**–**	**4 302**
Past due not impaired	**868**	**5 120**	**–**	**5 988**
Impaired	**–**	**–**	**2 703**	**2 703**
Impairment allowance	**(40)**	**(128)**	**(411)**	**(579)**
Performing loans and advances	**(40)**	**(128)**	**–**	**(168)**
Non-performing loans and advances	**–**	**–**	**(411)**	**(411)**
Carrying value of financial assets*	**5 110**	**5 012**	**2 292**	**12 414**
31 March 2020 – Unaudited				
Neither past due nor impaired	5 463	19	–	5 482
Past due not impaired	949	2 820	–	3 769
Impaired	–	–	1 928	1 928
Impairment allowance	(19)	(59)	(257)	(335)
Performing loans and advances	(19)	(59)	–	(78)
Non-performing loans and advances	–	–	(257)	(257)
Additional COVID-19 general provision	–	–	–	(102)
Carrying value of financial assets*	6 393	2 780	1 671	10 742
30 September 2020 – Audited				
Neither past due nor impaired	3 004	11	–	3 015
Past due not impaired	1 065	4 843	–	5 908
Impaired	–	–	3 146	3 146
Impairment allowance	(36)	(83)	(505)	(624)
Performing loans and advances	(36)	(83)	–	(119)
Non-performing loans and advances	–	–	(505)	(505)
Carrying value of financial assets*	4 033	4 771	2 641	11 445

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

Comparative information for March 2020 has been restated to be presented on a consistent basis.

For the purposes of both 31 March 2021 and 30 September 2020, the impact of COVID-19 is embedded into the underlying impairment provision built on the portfolio and reflected across the stages to which they relate. For the purposes of 31 March 2020, in addition to the impairment provision built on the portfolio, management included a general impairment provision for the effects of COVID-19 amounting to R102 million which represented management's best estimate of the expected future losses to be incurred at that point in time.

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7 FINANCIAL RISK MANAGEMENT continued

7.2 LIQUIDITY RISK MANAGEMENT

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

	On demand Rm	**Within 1 year Rm**	**From 1 – 5 years Rm**	**More than 5 years Rm**	**Total Rm**
31 March 2021 – Unaudited					
Liabilities					
Bank overdrafts	**184**	**–**	**–**	**–**	**184**
Other short-term borrowings	**45**	**–**	**–**	**–**	**45**
Trade and other payables*	**185**	**431**	**–**	**–**	**616**
Interest-bearing liabilities	**–**	**6 286**	**10 388**	**809**	**17 483**
Lease liabilities	**–**	**92**	**303**	**43**	**438**
Financial liabilities	**414**	**6 809**	**10 691**	**852**	**18 766**
Non-financial liabilities	**361**	**822**	**–**	**–**	**1 183**
Total liabilities	**775**	**7 631**	**10 691**	**852**	**19 949**

	On demand Rm	Within 1 year Rm	From 1 – 5 years Rm	More than 5 years Rm	Total Rm
31 March 2020 – Unaudited					
Liabilities					
Bank overdrafts	316	–	–	–	316
Other short-term borrowings	56	–	–	–	56
Trade and other payables*	178	156	–	–	334
Interest-bearing liabilities	–	5 203	9 243	112	14 558
Lease liabilities	2	147	354	32	535
Financial liabilities	552	5 506	9 597	144	15 799
Non-financial liabilities	36	621	–	–	657
Total liabilities	588	6 127	9 597	144	16 456

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

7 FINANCIAL RISK MANAGEMENT continued

7.2 LIQUIDITY RISK MANAGEMENT continued

	On demand Rm	Within 1 year Rm	From 1 – 5 years Rm	More than 5 years Rm	Total Rm
30 September 2020 – Audited					
Liabilities					
Bank overdrafts	387	–	–	–	387
Other short-term borrowings	102	–	–	–	102
Trade and other payables*	185	427	16	–	628
Interest-bearing liabilities	50	4 050	11 694	978	16 772
Lease liabilities	–	99	358	49	506
Financial liabilities	724	4 576	12 068	1 027	18 395
Non-financial liabilities	369	769	5	–	1 143
Total liabilities	1 093	5 345	12 073	1 027	19 538

The group has access to financing facilities as described below, of which R5 130 million were unused as at 31 March 2021 (March 2020: R4 201 million, September 2020: R3 597 million). The group expects to meet its other obligations from operating cash flows and proceeds of maturing financial assets.

	31 March 2021 Unaudited Rm	31 March 2020 Unaudited Rm	30 September 2020 Audited Rm
Unsecured bank overdraft facility, reviewed annually and payable on demand:			
Amount used	**184**	175	185
Amounts unused	**116**	137	15
Total	**300**	312	200
Secured bank overdraft and other short term facilities:			
Amount used	**45**	197	305
Amounts unused	**458**	248	246
Total	**503**	445	551
Secured bank loan facilities which may be extended by mutual agreement:			
Amount used	**14 783**	13 014	14 639
Amounts unused	**4 556**	3 816	3 336
Total	**19 339**	16 830	17 975

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FOR THE SIX MONTHS ENDED 31 MARCH

7 FINANCIAL RISK MANAGEMENT continued

7.3 FAIR VALUE DISCLOSURE

	31 March 2021				
	Carrying value Unaudited Rm	Total fair value Unaudited Rm	Level 1 Rm	Level 2 Rm	Level 3 Rm
Assets					
Loans and advances*	12 414	12 414	–	–	12 414
Purchased book debts	2 705	2 705	–	–	2 705
Other loans receivable	52	52	–	–	52
Trade and other receivables**	882	882	–	–	882
Cash and cash equivalents	1 509	1 509	1 509	–	–
Total	17 562	17 562	1 509	–	16 053
Liabilities					
Interest-bearing liabilities***	14 783	14 914	–	355	14 559
Fixed rate liabilities	600	605	–	–	605
Floating rate liabilities	14 183	14 309	–	355	13 954
Trade and other payables****	616	616	–	39	577
Other short-term borrowings	45	45	–	–	45
Bank overdrafts	184	184	184	–	–
Total	15 628	15 759	184	394	15 181
Net exposure	1 934	1 803	1 325	(394)	872

* *IFRS 7 disclosures relate to loans and advances and exclude the impact of repossessed vehicles on hand and ceded insurance contract liabilities. Comparative information for March 2020 has been restated accordingly.*

** *Prepayments and VAT receivables are not financial assets and therefore have been excluded from trade and other receivables.*

*** *Lease liabilties are excluded from the scope of IFRS 13 – Fair value measurement.*

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

31 March 2020					30 September 2020				
Carrying value Unaudited Rm	Total fair value Unaudited Rm	Level 1 Rm	Level 2 Rm	Level 3 Rm	Carrying value Audited Rm	Total fair value Audited Rm	Level 1 Rm	Level 2 Rm	Level 3 Rm
10 742	10 841	–	–	10 841	11 445	11 436	–	–	11 436
2 775	2 775	–	–	2 775	2 520	2 520	–	–	2 520
49	49	–	–	49	55	55	–	–	55
1 274	1 274	–	–	1 274	1 137	1 137	–	–	1 137
1 055	1 055	1 055	–	–	1 794	1 794	1 794	–	–
15 895	15 994	1 055	–	14 939	16 951	16 942	1 794	–	15 148
13 014	13 090	–	–	13 090	14 639	14 858	–	350	14 508
426	428	–	–	428	441	351	–	–	351
12 588	12 662	–	–	12 662	14 198	14 507	–	350	14 157
318	318	–	–	318	553	556	–	56	500
56	56	–	–	56	102	102	–	–	102
316	316	316	–	–	387	387	387	–	–
13 704	13 780	316	–	13 464	15 681	15 903	387	406	15 110
2 191	2 214	739	–	1 475	1 270	1 039	1 407	(406)	38

Notes to the condensed consolidated financial statements

FOR THE SIX MONTHS ENDED 31 MARCH

7 FINANCIAL RISK MANAGEMENT continued

7.3 FAIR VALUE DISCLOSURE continued

VALUATION METHODS AND ASSUMPTIONS:

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

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

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

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

7.4 LEVEL DISCLOSURE

31 March 2021 – Unaudited	Level 1 Rm	Level 2 Rm	Level 3 Rm	Total Rm
Financial assets at fair value through profit and loss				
Loans and advances: entry-level vehicles	–	–	17	17
Other Financial Assets	–	–	214	214
Derivatives**	–	22	–	22
Financial assets at fair value through other comprehensive income				
Derivatives	–	86	–	86
Total financial assets	–	108	231	339
Financial liabilities at fair value through profit and loss				
Derivatives***	–	7	–	7
Interest bearing liabilities (vendor finance)	–	355	–	355
Deferred consideration*	–	39	–	39
Financial liabilities at fair value through other comprehensive income				
Derivatives**	–	90	–	90
Total financial liabilities	–	491	–	491

* *The deferred consideration and vendor finance relate to the investment into WeBuyCars.*

Derivatives:

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

*** *The group provided an equity underpin to WeBuyCars in the prior year which has been valued using the Black-Scholes model.*

7 FINANCIAL RISK MANAGEMENT continued

7.4 LEVEL DISCLOSURE continued

31 March 2020 – Unaudited	Level 1 Rm	Level 2 Rm	Level 3 Rm	Total Rm
Financial assets at fair value through profit and loss				
Loans and advances: entry-level vehicles	–	–	20	20
Other Financial Assets	–	–	130	130
Derivatives**	–	11	–	11
Financial assets at fair value through other comprehensive income				
Derivatives	–	475	–	475
Total financial assets	–	486	150	636
Financial liabilities at fair value through profit and loss				
Financial liabilities at fair value through other comprehensive income				
Derivatives**	<1	–	–	<1
Total financial liabilities	<1	–	–	<1

30 September 2020 – Audited	Level 1 Rm	Level 2 Rm	Level 3 Rm	Total Rm
Financial assets at fair value through profit and loss				
Loans and advances: entry-level vehicles	–	–	17	17
Other Financial Assets	–	–	170	170
Derivatives**	–	24	–	24
Financial assets at fair value through other comprehensive income				
Derivatives	–	348	–	348
Total financial assets	–	372	187	559
Financial liabilities at fair value through profit and loss				
Derivatives***	–	16	–	16
Interest bearing liabilities (vendor finance)*	–	350	–	350
Deferred consideration*	–	40	–	40
Financial liabilities at fair value through other comprehensive income				
Derivatives**	–	19	–	19
Total financial liabilities	–	425	–	425

* *The deferred consideration and vendor finance relate to the investment into WeBuyCars.*

Derivatives:

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

*** *The group provided an equity underpin to WeBuyCars in the prior year which has been valued using the Black-Scholes model.*

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7 FINANCIAL RISK MANAGEMENT continued

7.4 LEVEL DISCLOSURE continued

VALUATION METHODS AND ASSUMPTIONS:

Loans and advances for entry-level vehicles: The fair value was calculated using an expected income approach (estimating and discounting future cashflow) as well as the average collateral value. These represent the significant unobservable parameters applied in the fair value model. The expected cash flows were estimated using a lifetime expected loss model which is consistent with the IFRS 9 provision methodology. The expected cashflows were then discounted at the market related discount rate of 25% to yield a fair value of the total loans and advances for entry level-vehicles. The outbreak of COVID-19 has had no impact on the average collateral values applied.

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

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

7 FINANCIAL RISK MANAGEMENT continued

7.4 LEVEL DISCLOSURE continued

RECONCILIATION OF LEVEL 3 FAIR VALUE MEASUREMENTS OF FINANCIAL ASSETS

31 March 2021 – Unaudited	Fair value through profit or loss Rm	Fair value through other comprehensive income Rm	Total Rm
Opening balance	**187**	**–**	**187**
Total gains or losses			
In profit or loss	**(19)**	**–**	**(19)**
Other movements*	**63**	**–**	**63**
Closing balance of fair value measurement	**231**	**–**	**231**

31 March 2020 – Unaudited	Fair value through profit or loss Rm	Fair value through other comprehensive income Rm	Total Rm
Opening balance	118	–	118
Total gains or losses			
In profit or loss	1	–	1
Other movements*	31	–	31
Closing balance of fair value measurement	150	–	150

30 September 2020 – Audited	Fair value through profit or loss Rm	Fair value through other comprehensive income Rm	Total Rm
Opening balance	118	–	118
Total gains or losses			
In profit or loss	(18)	–	(18)
Other movements*	87	–	(87)
Closing balance of fair value measurement	187	–	187

* *Other movements include charges on accounts less collections received and write-off's on loans for entry-level vehicles as well as movements in Other Financial Assets.*

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7 FINANCIAL RISK MANAGEMENT continued

7.4 LEVEL DISCLOSURE continued

SENSITIVITY ANALYSIS OF VALUATIONS USING UNOBSERVABLE INPUTS

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

Movement in fair value given the 10% change in significant assumptions.

	31 March 2021		31 March 2020		30 September 2020	
Loans and advances: entry-level vehicles	**10% Favourable Rm**	**10% Unfavourable Rm**	10% Favourable Rm	10% Unfavourable Rm	10% Favourable Rm	10% Unfavourable Rm
Significant unobservable input and description of assumption						
Average collateral value	**1**	**(1)**	1	(1)	1	(1)
Discount rate: the rate used to discount projected future cash flows to present value	**<1**	**<(1)**	1	(1)	<1	<(1)
Total	**1**	**(1)**	2	(2)	1	(1)

	31 March 2021		31 March 2020		30 September 2020	
Other Financial Assets	**10% Favourable Rm**	**10% Unfavourable Rm**	10% Favourable Rm	10% Unfavourable Rm	10% Favourable Rm	10% Unfavourable Rm
Significant unobservable input and description of assumption						
Cash flows: change in the expected revenue	**5**	**(5)**	7	(7)	9	(9)
Cash flows: change in expected costs	**1**	**(1)**	1	(1)	1	(1)
Discount rate: the rate used to discount projected future cash flows to present value	**3**	**(3)**	3	(3)	4	(4)
Total	**9**	**(9)**	11	(11)	14	(14)

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

8 SEGMENT REPORT

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

SA TAXI

- ▷ A vertically integrated taxi platform incorporating a unique blend of vehicle procurement, retail, repossession and refurbishment capabilities with asset-backed developmental finance and insurance competencies for focused vehicle types.
- ▷ Revenue is mainly derived from interest earned on financing of vehicles and non-interest revenue streams, including revenue from the sale of vehicles, telematics services and insurance products.
- ▷ The composition of reportable segments changed during the current financial year. Value-Added Services (Road Cover), previously reported as part of the Transaction Capital Risk Services segment, is now reported as part of the SA Taxi segment. Comparative data has been restated accordingly. Value-added services generate a stable source of subscription income, whilst providing access to greater market depth. SA Taxi has the potential to unlock further value through synergies with Road Cover to be realized from cost efficiencies and revenue uplift, gaining access to SA Taxi's client base.

TRANSACTION CAPITAL RISK SERVICES

- ▷ Transaction Capital Risk Services acts both as an agent on an outsourced contingency or fee-for-service (FFS) basis, and as a principal in acquiring and then collecting on credit-impaired loan portfolios.
- ▷ Revenue from credit-impaired loans comprises payments received from debtors including amounts in respect of interest and cost recoveries.
- ▷ To support the broader working capital life cycle of Small and Medium-Sized Enterprises (SMEs), Transaction Capital Risk Services (TCRS) also provides payment solutions, payroll-related services and financing solutions.

Transaction Capital Business Solutions (TCBS), Principa Decisions (Principa) and Company Unique Finance (CUF) were classified as discontinued operations during the previous financial year. Principa and CUF were disposed in the prior year.

WEBUYCARS

- ▷ Transaction Capital Motor HoldCo (Pty) Ltd holds a 49.9% non-controlling interest in We Buy Cars (Pty) Ltd.
- ▷ Buyer, distributor and retailer of vehicles, which also offers financial and other allied products.
- ▷ Revenue comprises mainly of risk adjusted gross margin on vehicle sales (vehicle margin), with additional gross margin earned on add-on products (product margin). The latter includes agency fees earned from finance, insurance related and allied products (F&I products) sold on behalf of major banks providing asset-backed and unsecured vehicle finance, leading insurance providers as well as vehicle tracking businesses.

GROUP EXECUTIVE OFFICE

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

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8 SEGMENT REPORT continued

	SA Taxi*			Transaction Capital Risk Services*		
	31 Mar 2021 Unaudited Rm	31 Mar 2020 Unaudited Restated* Rm	30 Sep 2020 Audited Restated* Rm	**31 Mar 2021 Unaudited Rm**	31 Mar 2020 Unaudited Restated* Rm	30 Sep 2020 Audited Restated* Rm
Condensed income statement						
Net interest income/(expense)	**752**	676	1 358	**(84)**	(68)	(158)
Impairment of loans and advances	**(295)**	(338)	(836)	**–**	–	–
Non-interest revenue	**366**	360	686	**1 158**	1 069	2 308
Operating costs	**(515)**	(435)	(901)	**(897)**	(871)	(2 129)
Non-operating profit	**–**	–	–	**(1)**	–	–
Equity accounted income/(loss)	**–**	–	–	**3**	5	9
Profit before tax	**308**	263	307	**179**	135	30
Profit for the period from continuing operations	**228**	200	237	**131**	99	22
Discontinued operations						
Loss for the period from discontinued operations	**–**	–	–	**(8)**	(16)	(87)
Profit for the period	**228**	200	237	**123**	83	(65)

* *Restated for a change in the composition of reportable segments per IFRS 8 –Segment Reporting.*
** *Group executive office numbers are presented net of recoveries and inter-group dividends.*
*** *Profit before tax from WeBuyCars comprises:*

	31 Mar 2021 Unaudited Rm	31 Mar 2020 Unaudited Rm	30 Sep 2020 Audited Rm
Share of operating profit after tax	**128**	–	10
Share of mark-to-market of 16 467 000 Transaction Capital ordinary shares	**–**	–	5
Mark-to-market of derivative liability	**(5)**	–	5
Interest expense on preference share liability (vendor finance) and deferred consideration	**(10)**	–	(1)
Profit before tax	**113**	–	19

WeBuyCars***			Group executive office**			Intergroup eliminations			Group		
31 Mar 2021 Unaudited Rm	31 Mar 2020 Unaudited Rm	30 Sep 2020 Audited Rm	**31 Mar 2021 Unaudited Rm**	31 Mar 2020 Unaudited Rm	30 Sep 2020 Audited Rm	**31 Mar 2021 Unaudited Rm**	31 Mar 2020 Unaudited Rm	30 Sep 2020 Audited Rm	**31 Mar 2021 Unaudited Rm**	31 Mar 2020 Unaudited Rm	30 Sep 2020 Audited Rm
(15)	–	(1)	**17**	39	65	**–**	–	–	**670**	647	1 264
–	–	–	**–**	–	–	**–**	–	–	**(295)**	(338)	(836)
–	–	–	**9**	4	4	**(5)**	(4)	(11)	**1 528**	1 429	2 987
–	–	–	**(27)**	(22)	(64)	**5**	4	11	**(1 434)**	(1 324)	(3 083)
–	–	5	**–**	–	–	**–**	–	–	**(1)**	–	5
128	–	15	**(3)**	(1)	8	**–**	–	–	**128**	4	32
113	–	19	**(4)**	20	13	**–**	–	–	**596**	418	369
113	–	19	**(3)**	14	12	**–**	–	–	**469**	313	290
–	–	–	**–**	–	–	**–**	–	–	**(8)**	(16)	(87)
113	–	19	**(3)**	14	12	**–**	–	–	**461**	297	203

Notes to the condensed consolidated financial statements

FOR THE SIX MONTHS ENDED 31 MARCH

8 SEGMENT REPORT continued

	SA Taxi*			Transaction Capital Risk Services*		
	31 Mar 2021 Unaudited Rm	31 Mar 2020 Unaudited Restated* Rm	30 Sep 2020 Audited Restated* Rm	**31 Mar 2021 Unaudited Rm**	31 Mar 2020 Unaudited Restated* Rm	30 Sep 2020 Audited Restated* Rm
Condensed statement of financial position						
Assets						
Cash and cash equivalents	**1 119**	770	1 436	**318**	89	321
Trade and other receivables	**985**	1 394	1 203	**307**	317	317
Inventories	**1 101**	973	1 030	**2**	2	2
Loans and advances	**12 510**	10 816	11 545	**–**	–	–
Purchased book debts	**–**	–	–	**2 705**	2 775	2 520
Equity accounted investments	**–**	–	–	**88**	86	94
Other assets	**1 218**	1 185	1 262	**1 539**	2 029	1 697
Total assets	**16 933**	15 138	16 476	**4 959**	5 298	4 951
Liabilities						
Bank overdrafts	**184**	175	186	**–**	141	201
Trade and other payables	**458**	212	318	**241**	203	252
Insurance contract liabilities	**361**	441	374	**–**	–	–
Interest-bearing liabilities	**12 379**	11 064	12 334	**2 417**	2 581	2 222
Senior debt	**11 587**	10 293	11 435	**1 952**	2 057	1 893
Subordinated debt	**613**	664	745	**–**	–	–
Group loans	**179**	107	154	**465**	524	329
Lease liabilities	**189**	168	172	**217**	248	245
Other liabilities	**216**	193	217	**474**	492	462
Total liabilities	**13 787**	12 253	13 601	**3 349**	3 665	3 382
Total equity	**3 146**	2 885	2 875	**1 610**	1 633	1 569

* *Restated for a change in the composition of reportable segments per IFRS 8 – Segment Reporting.*

GEOGRAPHICAL INFORMATION

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

	Total revenue			Non-current assets		
	31 March 2021 Unaudited Rm	31 March 2020 Unaudited Rm	30 Sep 2020 Audited Rm	**31 March 2021 Unaudited Rm**	31 March 2020 Unaudited Rm	30 Sep 2020 Audited Rm
South Africa	**2 480**	2 463	4 744	**19 189**	15 167	18 062
Australia	**311**	294	798	**901**	812	931
Europe	**–**	–	–	**201**	174	184
Total	**2 791**	2 757	5 542	**20 291**	16 153	19 177

WeBuyCars			Group executive office			Intergroup eliminations			Group		
31 Mar 2021 Unaudited Rm	31 Mar 2020 Unaudited Rm	30 Sep 2020 Audited Rm	31 Mar 2021 Unaudited Rm	31 Mar 2020 Unaudited Rm	30 Sep 2020 Audited Rm	31 Mar 2021 Unaudited Rm	31 Mar 2020 Unaudited Rm	30 Sep 2020 Audited Rm	31 Mar 2021 Unaudited Rm	31 Mar 2020 Unaudited Rm	30 Sep 2020 Audited Rm
–	–	–	72	196	37	–	–	–	1 509	1 055	1 794
–	–	–	18	24	17	(12)	(19)	(15)	1 298	1 716	1 522
–	–	–	–	–	–	–	–	–	1 103	975	1 032
–	–	–	–	–	–	–	–	–	12 510	10 816	11 545
–	–	–	–	–	–	–	–	–	2 705	2 775	2 520
2 003	–	1 875	201	174	184	–	–	–	2 292	260	2 153
–	–	–	4 001	2 434	3 751	(3 957)	(2 398)	(3 719)	2 801	3 250	2 991
2 003	–	1 875	4 292	2 828	3 989	(3 969)	(2 417)	(3 734)	24 218	20 847	23 557
–	–	–	–	–	–	–	–	–	184	316	387
39	–	54	62	38	75	(10)	(16)	(13)	790	437	686
–	–	–	–	–	–	–	–	–	361	441	374
355	–	350	276	–	216	(644)	(631)	(483)	14 783	13 014	14 639
355	–	350	276	–	216	–	–	–	14 170	12 350	13 894
–	–	–	–	–	–	–	–	–	613	664	745
–	–	–	–	–	–	(644)	(631)	(483)	–	–	–
–	–	–	4	–	–	–	–	–	410	416	417
4	–	–	4	3	2	(5)	(2)	–	693	686	681
398	–	404	346	41	293	(659)	(649)	(496)	17 221	15 310	17 184
1 605	–	1 471	3 946	2 787	3 696	(3 310)	(1 768)	(3 238)	6 997	5 537	6 373

Notes to the condensed consolidated financial statements

FOR THE SIX MONTHS ENDED 31 MARCH

9 GOING CONCERN

The condensed consolidated financial statements were prepared on a going concern basis. Based on their assessment, the directors have no reason to believe that the company will not continue as a going concern in the foreseeable future. This assessment considered the impact of both the first and second waves of COVID-19 and included an assessment of the relevance of its business models; the nature of the primary assets and the cash-flows generated from these assets as well as the company's balance sheet.

BUSINESS MODEL RELEVANCE

Most South Africans rely on public transport, with the minibus taxi industry being the largest and most vital service in the integrated public transport network. More commuters choose minibus taxis over bus or rail services due to competitive pricing, convenience and accessibility, with the industry providing more than 15 million trips a day. Over the past few months, COVID-19 has highlighted the indispensable nature of the minibus taxi industry as the dominant form of public transport. Spending on minibus taxi transport is non-discretionary for most South Africans, making this a defensive industry with minibus taxi operators remaining resilient in challenging economic conditions.

TCRS supports the effective functioning of consumer credit markets, the rehabilitation of indebted consumers and the freeing up of operational capacity and capital within its client-base to enable the ongoing advancement of consumer-credit. The TCRS business model, which operationalises this social contract, is highly relevant in the post-COVID-19 environment. With disposable income coming under pressure and escalated consumer debt levels becoming more prevalent, more consumers in South Africa and Australia will experience acute hardship. TCRS's clients will consequentially experience larger NPL flows combined with operational challenges arising from COVID-related restrictions and practicalities. TCRS's extensive collections infrastructure, including its comprehensive remote-working capability and scalable data and analytics platforms, positions it well to secure and grow agency collections and to acquire NPL Portfolios as the economic impact of COVID-19 unfolds and matures into the NPL space.

NATURE OF PRIMARY ASSETS

The absolute value of the primary balance sheet asset, gross loans and advances and the amount of cash to be collected will be preserved even if there is a need to collect on these assets over an extended period. This is evidenced by (i) the useful life of a minibus taxi which is in excess of nine years (108 months) versus an average loan term at origination of six years (72 months), and (ii) the fact that the company has an operational ability to further extend this life through its internal refurbishment capabilities.

Similarly, the absolute amount of cash emanating from our purchased book debts (PBDs) will not dimish but rather be collected over an extended period as short term collections are anticipated to reduce.

BALANCE SHEET AND LIQUIDITY

Along with the additional measures implemented to preserve liquidity in response to COVID-19, the group has sufficient liquidity and financial flexibility to support underlying business operations as at 31 March 2021.

Refer to the liquidity risk management in note 7.2.

TRANSACTION CAPITAL
Group data sheet

2021

For the six months ended
31 March

Transaction Capital

Transaction Capital group data sheet

Core financial numbers and ratios presented in this data sheet exclude once-off transaction costs (2021: R2 million; 2020: R14 million; 2019: R84 million). Transaction costs for the period ended 31 March 2021 relate to the acquisition of a non-controlling 49.9% interest in We Buy Cars (Pty) Ltd (WeBuyCars) during the previous financial year. Transaction costs for the prior period consist of once-off costs of R5 million relating to the acquisition of Net1 Fihrst Holdings (Fihrst) and R9 million relating to the acquisition of a non-controlling 49.9% interest in We Buy Cars (Pty) Ltd (WeBuyCars) on 11 September 2020. Transaction costs for 2019 consist of once-off costs of R84 million attributable to the group relating to SA Taxi's ownership transaction with the South African National Taxi Council (SANTACO), which arose in the first half on the 2019 financial period. R81 million of these costs were non-cash and in accordance with IFRS2 – Share-based Payment, and a further R3 million related to early debt settlement costs.

Financial results incorporate the consolidated results of acquisitions and disposals from the effective transaction dates, as follows:

2021: The acquisition of an additional 25% of RC VAS Holdings (Pty) Ltd (Road Cover) by Transaction Capital Risk Services (Pty) Ltd on 1 October 2020

The acquisition of 0.67% of SA Taxi's ordinary shares from the Empire Family Trust on 7 December 2020. Following the transaction, Transaction Capital consolidates 82,13% of SA Taxi's total headline earnings.

2020: The acquisition of Fihrst (effective 1 December 2019).

The investment in 49.9% of WeBuyCars shares (effective 11 September 2020).

2019: The disposal of a 25% shareholding in SA Taxi to SANTACO (effective 6 February 2019). Prior to the transaction, Transaction Capital consolidated 98.5% of SA Taxi's total headline earnings. For the period 6 February 2019 to 31 March 2019, and until 6 December 2020, Transaction Capital consolidated 81.4% of SA Taxi's total headline earnings.

Comparative data presented in this data sheet has been restated for the following:

1) A change in the composition of reportable segments for the period ended 31 March 2021. Road Cover, previously reported as part of Transaction Capital Risk Services, will now be reported as part of the SA Taxi segment (Prior period numbers have been restated in accordance with IFRS 8 – Operating Segments).
2) The numbers presented in the Group Executive Office segment exclude group consolidation entries. These entries are, however, included in the Transaction Capital Group consolidated results below.

		Half year ended 31 March			Movement		30 September
		2021	2020 Restated	2019 Restated	**2021**	2020	2020 Restated
Transaction Capital Group							
Condensed consolidated income statement							
Interest income	Rm	**1 263**	1 328	1 114	**(5%)**	19%	2 555
Interest expense	Rm	**(593)**	(681)	(570)	**(13%)**	19%	(1 291)
Net interest income	Rm	**670**	647	544	**4%**	19%	1 264
Impairment of loans and advances	Rm	**(295)**	(338)	(206)	**(13%)**	64%	(836)
Risk-adjusted net interest income	Rm	**375**	309	338	**21%**	(9%)	428
Non-interest revenue	Rm	**1 528**	1 429	1 242	**7%**	15%	2 987
Net insurance result	Rm	**237**	228	201	**4%**	13%	440
Insurance revenue	Rm	**497**	462	398	**8%**	16%	907
Insurance service expense	Rm	**(261)**	(234)	(194)	**12%**	21%	(468)
Insurance finance income/(expense)	Rm	**1**	–	(3)	**100%**	(100%)	1
Other non-interest revenue	Rm	**1 291**	1 201	1 041	**7%**	15%	2 547

Transaction Capital Group *continued*

Condensed consolidated income statement

		Half year ended 31 March			Movement		30 September
		2021	2020 Restated	2019 Restated	**2021**	2020	2020 Restated
Core operating costs	Rm	**(1 432)**	(1 320)	(1 105)	**8%**	19%	(3 069)
Advertising, marketing and public relations	Rm	**(7)**	(11)	(10)	**(36%)**	10%	(12)
Amortisation of intangible assets	Rm	**(36)**	(29)	(20)	**24%**	45%	(53)
Adjustments to carrying value of purchased book debts	Rm	**(184)**	(161)	(84)	**14%**	92%	(588)
Audit fees	Rm	**(12)**	(10)	(9)	**20%**	11%	(20)
Bank charges	Rm	**(14)**	(12)	(11)	**17%**	9%	(23)
Commissions paid	Rm	**(23)**	(16)	(20)	**44%**	(20%)	(35)
Communication costs	Rm	**(40)**	(36)	(37)	**11%**	(3%)	(77)
Consulting fees	Rm	**(19)**	(11)	(11)	**73%**	0%	(30)
Depreciation	Rm	**(55)**	(52)	(19)	**6%**	>100%	(109)
Electricity and water	Rm	**(14)**	(15)	(12)	**(7%)**	25%	(29)
Employee expenses	Rm	**(694)**	(691)	(601)	**0%**	15%	(1 428)
Fees paid	Rm	**(17)**	(22)	(17)	**(23%)**	29%	(44)
Handing, logistics and storage	Rm	**(79)**	(51)	(45)	**55%**	13%	(121)
Impairment of goodwill	Rm	**–**	(3)	–	**(100%)**	100%	(3)
Impairment of property, plant and equipment	Rm	**–**	–	–	**n/a**	n/a	(5)
Impairment of right-of-use asset	Rm	**–**	–	–	**n/a**	n/a	(16)
Information technology	Rm	**(36)**	(26)	(23)	**38%**	13%	(62)
Non-executive directors' emoluments	Rm	**(5)**	(4)	(3)	**25%**	33%	(7)
Operating lease rentals and storage costs	Rm	**(4)**	(5)	(45)	**(20%)**	(89%)	(8)
Professional fees	Rm	**(4)**	(14)	(10)	**(71%)**	40%	(2)
Risk management	Rm	**(15)**	(13)	(11)	**15%**	18%	(27)
Staff welfare	Rm	**(11)**	(16)	(13)	**(31%)**	23%	(26)
Travel	Rm	**(2)**	(9)	(9)	**(78%)**	0%	(10)
Training and seminars	Rm	**(7)**	(4)	(5)	**75%**	(20%)	(6)
Other	Rm	**(154)**	(109)	(90)	**41%**	21%	(328)
Core operating income	Rm	**471**	418	475	**13%**	(12%)	346
Non-operating (loss)/profit	Rm	**(1)**	–	8	**100%**	(100%)	5
Equity accounted income	Rm	**128**	4	–	**>100%**	100%	32
Core profit before tax	Rm	**598**	422	483	**42%**	(13%)	383
Core income tax expense	Rm	**(127)**	(105)	(118)	**21%**	(11%)	(79)
Core profit for the period from continuing operations	Rm	**471**	317	365	**49%**	(13%)	304
Discontinued operations							
(Loss)/profit for the period from discontinued operations	Rm	**(8)**	(16)	6	**(50%)**	<(100%)	(87)
Core profit for the period	Rm	**463**	301	371	**54%**	(19%)	217
Core profit for the period from continuing operations attributable to:	Rm	**471**	317	365	**49%**	(13%)	304
Ordinary equity holders of the parent	Rm	**431**	279	346	**54%**	(19%)	259
Non-controlling interests	Rm	**40**	38	19	**5%**	100%	45
Core (loss)/profit for the period from discontinued operations attributable to:	Rm	**(8)**	(16)	6	**(50%)**	<(100%)	(87)
Ordinary equity holders of the parent	Rm	**(8)**	(16)	6	**(50%)**	<(100%)	(87)
Non-controlling interests	Rm	**–**	–	–	**n/a**	n/a	–

		Half year ended 31 March			Movement		30 September
		2021	2020 Restated	2019 Restated	**2021**	2020	2020 Restated
Transaction Capital Group *continued*							
Condensed consolidated income statement *continued*							
Core headline earnings from continuing operations for the period							
Core profit from continuing operations for the period attributable to ordinary equity holders of the parent	Rm	**431**	279	346	**54%**	(19%)	259
Adjusted for:							
Impairment of goodwill	Rm	**–**	2	–	**(100%)**	100%	2
Impairment of property, plant and equipment	Rm	**–**	–	–	**n/a**	n/a	4
Impairment of investment	Rm	**2**	–	–	**100%**	n/a	–
Impairment of right-of-use asset	Rm	**–**	–	–	**n/a**	n/a	11
Foreign currency translation in equity accounted investment	Rm	**4**	–	–	**100%**	n/a	–
Profit on disposal of subsidiary	Rm	**–**	–	(8)	**n/a**	(100%)	–
Core headline earnings from continuing operations for the period attributable to ordinary equity holders of the parent	Rm	**437**	281	338	**56%**	(17%)	276
Core headline earnings from discontinued operations for the period							
Core (loss)/profit from discontinued operations for the period attributable to ordinary equity holders of the parent	Rm	**(8)**	(16)	6	**(50%)**	<(100%)	(87)
Adjusted for:							
Impairment of intangibles	Rm	**–**	–	–	**n/a**	n/a	1
Impairment of right-of-use asset	Rm	**1**	–	–	**100%**	n/a	5
Loss on disposal of subsidiary	Rm	**–**	–	–	**n/a**	n/a	25
Core headline earnings from discontinued operations for the period attributable to ordinary equity holders of the parent	Rm	**(7)**	(16)	6	**(56%)**	<(100%)	(56)
Core headline earnings for the period							
Core profit for the period attributable to ordinary equity holders of the parent	Rm	**423**	263	352	**61%**	(25%)	172
Adjusted for:							
Impairment of goodwill	Rm	**–**	2	–	**(100%)**	100%	2
Impairment of investment	Rm	**2**	–	–	**100%**	n/a	–
Impairment of property, plant and equipment	Rm	**–**	–	–	**n/a**	n/a	4
Impairment of intangibles	Rm	**–**	–	–	**n/a**	n/a	1
Impairment of right-of-use asset	Rm	**1**	–	–	**100%**	n/a	16
Foreign currency translation in equity accounted investment	Rm	**4**	–	–	**100%**	n/a	–
Loss/(profit) on disposal of subsidiary	Rm	**–**	–	(8)	**n/a**	(100%)	25
Core headline earnings for the period attributable to ordinary equity holders of the parent	Rm	**430**	265	344	**62%**	(23%)	220
Core pre-provision profit	Rm	**1 077**	921	773	**17%**	19%	1 807
Once-off transaction costs	Rm	**2**	4	84	**(50%)**	(95%)	14

Transaction Capital Group *continued*
Condensed consolidated statement of financial position

		Half year ended 31 March			Movement		30 September
		2021	2020 Restated	2019 Restated	**2021**	2020	2020 Restated
Assets							
Cash and cash equivalents	Rm	**1 509**	1 055	1 539	**43%**	(31%)	1 794
Trade and other receivables	Rm	**1 298**	1 716	1 149	**(24%)**	49%	1 522
Inventories*	Rm	**1 065**	928	550	**15%**	69%	987
Loans and advances*	Rm	**12 371**	10 689	10 004	**16%**	7%	11 421
Purchased book debts	Rm	**2 705**	2 775	1 727	**(3%)**	61%	2 520
Equity accounted investments	Rm	**2 292**	260	19	**>100%**	>100%	2 153
Intangible assets	Rm	**500**	468	285	**7%**	64%	505
Property and equipment	Rm	**409**	448	173	**(9%)**	>100%	439
Goodwill	Rm	**1 327**	1 299	1 155	**2%**	12%	1 354
Assets classified as held for sale	Rm	**143**	666	–	**(79%)**	100%	262
Other assets	Rm	**422**	369	416	**14%**	(11%)	431
Total assets	Rm	**24 041**	20 673	17 017	**16%**	21%	23 388
Liabilities							
Bank overdrafts	Rm	**184**	316	316	**(42%)**	0%	387
Trade and other payables	Rm	**790**	437	522	**81%**	(16%)	686
Insurance contract liabilities**	Rm	**184**	267	319	**(31%)**	(16%)	205
Interest-bearing liabilities	Rm	**14 783**	13 014	10 310	**14%**	26%	14 639
Senior debt	Rm	**14 170**	12 350	9 758	**15%**	27%	13 894
Subordinated debt	Rm	**613**	664	552	**(8%)**	20%	745
Lease liabilities	Rm	**410**	416	3	**(1%)**	>100%	417
Liabilities directly associated with assets classified as held for sale	Rm	**14**	48	–	**(71%)**	100%	12
Other liabilities	Rm	**679**	638	441	**6%**	45%	669
Total liabilities	Rm	**17 044**	15 136	11 911	**13%**	27%	17 015
Equity							
Equity attributable to ordinary equity holders of the parent	Rm	**6 436**	4 964	4 559	**30%**	9%	5 818
Non-controlling interests	Rm	**561**	573	547	**(2%)**	5%	555
Total equity	Rm	**6 997**	5 537	5 106	**26%**	8%	6 373
Total equity and liabilities	Rm	**24 041**	20 673	17 017	**16%**	21%	23 388
Shareholder statistics							
Number of shares	m	**674.5**	613.5	611.7	**10%**	0%	661.5
Weighted average number of shares in issue	m	**666.8**	613.8	611.4	**9%**	0%	623.4
Core headline earnings per share	cents	**64.5**	43.2	56.3	**49%**	(23%)	35.3
Core headline earnings per share from continuing operations	cents	**65.5**	45.8	55.3	**43%**	(17%)	44.3
Net asset value per share	cents	**954.2**	809.1	745.3	**18%**	9%	879.5
Interim dividend per share	cents	**19.0**	nil	27.0	**n/a**	n/a	nil
Core dividend cover	times	**3.4**	nil	2.1	**n/a**	n/a	nil

* *Presented net of benefits ceded on insurance contracts relating to inventories and loans and advances.*
** *Benefits accruing to insurance contract holders.*

		Half year ended 31 March			Movement		30 September
		2021	2020 Restated	2019 Restated	2021	2020	2020 Restated
Transaction Capital Group *continued*							
Capital adequacy							
Equity	Rm	**6 997**	5 537	5 106	**26%**	8%	6 373
Subordinated debt	Rm	**613**	664	552	**(8%)**	20%	745
Total capital	Rm	**7 610**	6 201	5 658	**23%**	10%	7 118
Less: goodwill	Rm	**(1 327)**	(1 299)	(1 155)	**2%**	12%	(1 354)
Total capital less goodwill	Rm	**6 283**	4 902	4 503	**28%**	9%	5 764
Total assets less goodwill and cash and cash equivalents	Rm	**21 205**	18 319	14 323	**16%**	28%	20 240
Capital adequacy ratio	%	**29.6**	26.7	31.5			28.5
Equity	%	**26.7**	23.1	27.6			24.8
Subordinated debt	%	**2.9**	3.6	3.9			3.7
Performance indicators							
Total income	Rm	**2 198**	2 076	1 786	**6%**	16%	4 251
Core cost-to-income ratio	%	**65.2**	63.6	61.9			72.2
Core pre-provision profit	Rm	**1 077**	921	773	**17%**	19%	1 807
Average cost of borrowing	%	**7.7**	10.7	11.4			9.6
Core return on average assets*	%	**4.0**	3.2	4.6			1.5
Core return on average equity*	%	**13.9**	11.4	17.3			5.0
Average assets	Rm	**23 747**	19 723	16 172	**20%**	22%	20 616
Average equity attributable to ordinary equity holders of the parent	Rm	**6 204**	4 882	4 008	**27%**	22%	5 131
Average interest-bearing liabilities	Rm	**15 378**	12 722	10 494	**21%**	21%	13 438
Leverage	times	**3.4**	3.7	3.3			3.7
Debt funders	number	**39**	39	38	**0%**	3%	40
Credit ratings							
Transaction Capital R2 billion Domestic Note Programme (GCR rated)							
Long-term		**A-(za)**	A-(za)	A-(za)			A-(za)
Short-term		**A2(za)**	A2(za)	A1-(za)			A2(za)
Employees	number	**3 821**	4 681	4 527	**(18%)**	3%	3 965
SA Taxi & Road Cover							
Condensed income statement							
Interest income	Rm	**1 250**	1 272	1 103	**(2%)**	15%	2 478
Interest expense	Rm	**(498)**	(596)	(550)	**(16%)**	8%	(1 120)
Net interest income	Rm	**752**	676	553	**11%**	22%	1 358
Impairment of loans and advances	Rm	**(295)**	(338)	(206)	**(13%)**	64%	(836)
Non-interest revenue	Rm	**366**	360	351	**2%**	3%	686
Net insurance result	Rm	**237**	228	201	**4%**	13%	440
Insurance revenue	Rm	**497**	462	398	**8%**	16%	907
Insurance service expense	Rm	**(261)**	(234)	(194)	**12%**	21%	(468)
Insurance finance income/(expense)	Rm	**1**	–	(3)	**100%**	(100%)	1
Other non-interest revenue	Rm	**129**	132	150	**(2%)**	(12%)	246
Core operating costs	Rm	**(515)**	(435)	(409)	**18%**	6%	(901)
Core profit before tax	Rm	**308**	263	289	**17%**	(9%)	307
Core profit for the period	Rm	**228**	200	220	**14%**	(9%)	237

* *Core return on average assets and core return on average equity are based on earnings from continuing operations.*

		Half year ended 31 March			Movement		30 September
		2021	2020 Restated	2019 Restated	2021	2020	2020 Restated
SA Taxi & Road Cover *continued*							
Condensed income statement *continued*							
Core profit for the period attributable to:	Rm	**228**	200	220	**14%**	(9%)	237
Ordinary equity holders of the parent	Rm	**188**	162	202	**16%**	(20%)	192
Non-controlling interests	Rm	**40**	38	18	**5%**	>100%	45
Core headline earnings for the period							
Core profit for the period	Rm	**228**	200	220	**14%**	(9%)	237
Adjusted for:							
Impairment of goodwill	Rm	**–**	2	–	**(100%)**	100%	2
Core headline earnings for the period	Rm	**228**	202	220	**13%**	(8%)	239
Core profit for the period attributable to ordinary equity holders of the parent	Rm	**188**	162	202	**16%**	(20%)	192
Adjusted for:							
Impairment of goodwill	Rm	**–**	2	–	**(100%)**	100%	2
Core headline earnings for the period attributable to ordinary equity holders of the parent	Rm	**188**	164	202	**15%**	(19%)	194
Core pre-provision profit	Rm	**603**	601	495	**0%**	21%	1 143
Once-off transaction costs	Rm	**–**	–	100	**n/a**	(100%)	–
Once-off transaction costs attributable to ordinary equity holders of the parent	Rm	**–**	–	81	**n/a**	(100%)	–
Other information							
Depreciation	Rm	**22**	21	9	**5%**	>100%	44
Amortisation of intangible assets	Rm	**18**	15	10	**20%**	50%	22

		Half year ended 31 March			Movement		30 September
		2021	2020 Restated	2019 Restated	**2021**	2020	2020 Restated
SA Taxi & Road Cover *continued*							
Condensed statement of financial position							
Assets							
Cash and cash equivalents	Rm	**1 119**	770	851	**45%**	(10%)	1 436
Trade and other receivables	Rm	**985**	1 394	776	**(29%)**	80%	1 203
Inventories*	Rm	**1 063**	926	550	**15%**	68%	985
Loans and advances*	Rm	**12 371**	10 689	9 481	**16%**	13%	11 421
Intangible assets	Rm	**217**	165	71	**32%**	>100%	217
Property and equipment	Rm	**163**	168	92	**(3%)**	83%	172
Goodwill	Rm	**606**	606	609	**0%**	(0%)	606
Other assets	Rm	**232**	246	271	**(6%)**	(9%)	267
Total assets	Rm	**16 756**	14 964	12 701	**12%**	18%	16 307
Liabilities							
Bank overdrafts	Rm	**184**	175	150	**5%**	17%	186
Trade and other payables	Rm	**458**	212	334	**>100%**	(37%)	318
Insurance contract liabilities**	Rm	**184**	267	319	**(31%)**	(16%)	205
Interest-bearing liabilities	Rm	**12 379**	11 064	9 145	**12%**	21%	12 334
Senior debt	Rm	**11 587**	10 293	8 593	**13%**	20%	11 435
Subordinated debt	Rm	**613**	664	552	**(8%)**	20%	745
Group loans	Rm	**179**	107	–	**67%**	100%	154
Lease liabilities	Rm	**189**	168	–	**13%**	100%	172
Other liabilities	Rm	**216**	193	70	**12%**	>100%	217
Total liabilities	Rm	**13 610**	12 079	10 018	**13%**	21%	13 432
Segment net assets	Rm	**3 146**	2 885	2 683	**9%**	8%	2 875
Capital adequacy							
Equity	Rm	**3 146**	2 885	2 683	**9%**	8%	2 875
Group loans***	Rm	**–**	–	–	**n/a**	n/a	–
Subordinated debt	Rm	**613**	664	552	**(8%)**	20%	745
Total capital	Rm	**3 759**	3 549	3 235	**6%**	10%	3 620
Less: goodwill	Rm	**(606)**	(606)	(609)	**0%**	(0%)	(606)
Total capital less goodwill	Rm	**3 153**	2 943	2 626	**7%**	12%	3 014
Total assets less goodwill and cash and cash equivalents	Rm	**15 031**	13 588	11 241	**11%**	21%	14 265
Capital adequacy ratio	%	**21.0**	21.7	23.3			21.1
Equity	%	**16.9**	16.8	18.4			15.9
Subordinated debt	%	**4.1**	4.9	4.9			5.2

* *Presented net of benefits ceded on insurance contracts relating to inventories and loans and advances.*
** *Benefits accruing to insurance contract holders.*
*** *SA Taxi's group loans are not permanent facilities and have been excluded from the capital adequacy calculation (31 March 2021: R179 million; 31March 2020: R107 million; 31 March 2019: Rnil million; 30 September 2020: R154 million).*

		Half year ended 31 March			Movement		30 September
		2021	2020 Restated	2019 Restated	**2021**	2020	2020 Restated
SA Taxi *continued*							
Financial measures							
Total income	Rm	**1 118**	1 036	904	**8%**	15%	2 044
Core pre-provision profit	Rm	**603**	601	495	**0%**	21%	1 143
Net interest margin	%	**11.8**	12.2	11.4			11.8
Risk-adjusted net interest margin	%	**7.2**	6.1	7.1			4.6
Core cost-to-income ratio	%	**46.1**	42.0	45.2			44.1
Average cost of borrowing	%	**7.8**	10.9	11.3			9.8
Leverage	times	**5.3**	5.2	4.7	**2%**	11%	5.7
Debt funders	number	**37**	38	37	**(3%)**	3%	38
Core return on average assets	%	**2.7**	2.7	3.6			1.6
Core return on average equity	%	**15.1**	13.9	24.5			8.3
Weighted average interest rate at origination	%	**20.6**	23.0	23.7			22.4
Average assets	Rm	**16 640**	14 629	12 266	**14%**	19%	15 054
Average equity attributable to ordinary equity holders	Rm	**3 015**	2 870	1 795	**5%**	60%	2 872
Average gross loans and advances	Rm	**12 708**	11 102	9 615	**14%**	15%	11 469
Average interest-bearing liabilities	Rm	**12 791**	10 916	9 713	**17%**	12%	11 433
Employees	number	**1 348**	1 275	1 186	**6%**	8%	1 276
Operational measures							
Status							
Number of loans	number	**34 107**	33 079	31 543	**3%**	5%	32 890
Gross loans and advances*	Rm	**13 154**	11 304	9 947	**16%**	14%	12 243
Impairment provision*	Rm	**(783)**	(615)	(466)	**27%**	32%	(822)
Net loans and advances*	Rm	**12 371**	10 689	9 481	**16%**	13%	11 421
Originations							
Number of loans originated	number	**4 357**	3 876	4 262	**12%**	(9%)	6 250
Value of loans originated	Rm	**2 093**	1 751	1 872	**20%**	(6%)	2 852
Average loan term at origination	months	**71**	71	71	**0%**	0%	71
Average remaining loan term	months	**49**	47	48	**4%**	(1%)	50
New/repeat clients (on value)	%	**75/25**	72/28	70/30			72/28
Average origination value	Rm	**480 402**	451 867	439 119	**6%**	3%	456 391
Credit performance							
Credit loss ratio	%	**4.6**	6.1	4.3			7.3
Provision coverage	%	**6.0**	5.4	4.7			6.7
Non-performing loans	Rm	**3 562**	2 163	1 814	**65%**	19%	3 954
Non-performing loan ratio	%	**27.1**	19.1	18.2			32.3
Insurance performance							
Gross written premium	Rm	**497**	462	398	**8%**	16%	907
Products per insured clients	number	**>2.0**	>2.0	2.1			>2.0

		Half year ended 31 March			Movement		30 September
		2021	2020 Restated	2019 Restated	**2021**	2020	2020 Restated
SA Taxi *continued*							
Credit ratings							
Transsec 2 R4 billion Asset Backed Note Programme (S&P rated)							
Class A Notes		**n/a**	zaAAA(sf)	zaAA+(sf)			zaAAA(sf)
Class B Notes		**n/a**	zaAAA(sf)	zaAA+(sf)			zaAAA(sf)
Class C Notes		**n/a**	zaAA+(sf)	zaA(sf)			zaAA+(sf)
Transsec 3 R2.5 billion Asset Backed Note Programme (Moody's rated)							
Class A2 Notes		**n/a**	Aaa.za(sf)	Aaa.za(sf)			Aaa.za(sf)
Class A3 Notes		**Aaa.za(sf)**	Aaa.za(sf)	Aaa.za(sf)			Aaa.za(sf)
Class A4 Notes		**Aaa.za(sf)**	Aaa.za(sf)	Aaa.za(sf)			Aaa.za(sf)
Class A5 Notes		**n/a**	n/a	P-1.za(sf)			n/a
Class A6 Notes		**n/a**	Aaa.za(sf)	Aaa.za(sf)			Aaa.za(sf)
Class A7 Notes		**Aaa.za(sf)**	Aaa.za(sf)	Aaa.za(sf)			Aaa.za(sf)
Class B Notes		**A2.za(sf)**	Aa1.za(sf)	Aa3.za(sf)			A2.za(sf)
Transsec 4 R2.5 billion Asset Backed Note Programme (Moody's rated)							
Class A1 Notes		**n/a**	P-1.za(sf)	P-1.za(sf)			n/a
Class A2 Notes		**Aaa.za(sf)**	Aaa.za(sf)	Aaa.za(sf)			Aaa.za(sf)
Class A3 Notes		**Aaa.za(sf)**	Aaa.za(sf)	Aaa.za(sf)			Aaa.za(sf)
Class A4 Notes		**Aaa.za(sf)**	Aaa.za(sf)	Aaa.za(sf)			Aaa.za(sf)
Class A5 Notes		**n/a**	P-1.za(sf)	n/a			P-3.za(sf)
Class A6 Notes		**Aaa.za(sf)**	Aaa.za(sf)	n/a			Aaa.za(sf)
Class A7 Notes		**Aaa.za(sf)**	Aaa.za(sf)	n/a			Aaa.za(sf)
Class A8 Notes		**Aaa.za(sf)**	Aaa.za(sf)	n/a			Aaa.za(sf)
Class B Notes		**Baa3.za(sf)**	Aa3.za(sf)	Aa3.za(sf)			Baa3.za(sf)
Environment							
Estimated minibus taxi market ('000)	vehicles	**>250**	>250	~250			>250
Price of a new Toyota HiAce (petrol)**	R	**466 100**	437 000	419 100	**7%**	4%	450 200
Price of a new Toyota HiAce (diesel)**	R	**493 900**	463 000	444 200	**7%**	4%	477 000
Average repo rate	%	**3.50**	6.34	6.67			5.05
Average petrol price per litre***	R	**14.37**	15.85	15.20	**(9%)**	4%	14.84
Average diesel price per litre***	R	**12.42**	14.37	13.95	**(14%)**	3%	13.23

* *Presented net of benefits ceded on insurance contracts related to loans and advances.*
** *Including value added tax (VAT).*
*** *12-month rolling average.*

		Half year ended 31 March			Movement		30 September
		2021	2020 Restated	2019 Restated	**2021**	2020	2020 Restated
Transaction Capital Risk Services (TCRS)							
Condensed income statement							
Interest income	Rm	**18**	57	7	**(68%)**	>100%	72
Interest expense	Rm	**(102)**	(125)	(51)	**(18%)**	>100%	(230)
Net interest income	Rm	**(84)**	(68)	(44)	**24%**	55%	(158)
Non-interest revenue	Rm	**1 158**	1 069	891	**8%**	20%	2 308
Core operating costs	Rm	**(897)**	(867)	(687)	**3%**	26%	(2 124)
Non-operating (loss)/profit	Rm	**(1)**	–	8	**100%**	(100%)	–
Equity accounted income	Rm	**3**	5	–	**(40%)**	100%	9
Core profit before tax	Rm	**179**	139	168	**29%**	(17%)	35
Core profit for the period from continuing operations	Rm	**131**	103	126	**27%**	(18%)	27
Discontinued operations							
(Loss)/profit for the period from discontinued operations	Rm	**(8)**	(16)	6	**(50%)**	<(100%)	(87)
Core profit for the period	Rm	**123**	87	132	**41%**	(34%)	(60)
Core headline earnings from continuing operations for the period							
Core profit from continuing operations for the period attributable to ordinary equity holders of the parent	Rm	**131**	103	126	**27%**	(18%)	27
Adjusted for:							
Impairment of property, plant and equipment	Rm	**–**	–	–	**n/a**	n/a	4
Impairment of right-of-use asset	Rm	**–**	–	–	**n/a**	n/a	11
Profit on disposal of subsidiary	Rm	**–**	–	(8)	**n/a**	(100%)	–
Core headline earnings from continuing operations attributable to ordinary equity holders of the parent	Rm	**131**	103	118	**27%**	(13%)	42
Core headline earnings from discontinued operations for the period							
Core (loss)/profit from discontinued operations for the period attributable to ordinary equity holders of the parent	Rm	**(8)**	(16)	6	**(50%)**	<(100%)	(87)
Adjusted for:							
Impairment of intangibles	Rm	**–**	–	–	**n/a**	n/a	1
Impairment of right-of-use asset	Rm	**1**	–	–	**100%**	n/a	5
Loss on disposal of subsidiary	Rm	**–**	–	–	**n/a**	n/a	25
Core headline earnings from discontinued operations attributable to ordinary equity holders of the parent	Rm	**(7)**	(16)	6	**(56%)**	<(100%)	(56)
Core headline earnings for the period							
Core (loss)/profit for the period attributable to ordinary equity holders of the parent	Rm	**123**	87	132	**41%**	(34%)	(60)
Adjusted for:							
Impairment of property, plant and equipment	Rm	**–**	–	–	**n/a**	n/a	4
Impairment of intangibles	Rm	**–**	–	–	**n/a**	n/a	1
Impairment of right-of-use asset	Rm	**1**	–	–	**100%**	n/a	16
Profit/(loss) on disposal of subsidiary	Rm	**–**	–	(8)	**n/a**	(100%)	25
Core headline earnings attributable to ordinary equity holders of the parent	Rm	**124**	87	124	**43%**	(30%)	(14)
Core pre-provision profit	Rm	**363**	300	252	**21%**	19%	623
Once-off transaction costs	Rm	**–**	4	–	**(100%)**	100%	5
Other information							
Depreciation	Rm	**32**	31	9	**3%**	>100%	65
Amortisation of intangible assets	Rm	**18**	14	10	**29%**	40%	32

		Half year ended 31 March			Movement		30 September
		2021	2020 Restated	2019 Restated	**2021**	2020	2020 Restated
Transaction Capital Risk Services (TCRS) *continued*							
Condensed statement of financial position							
Assets							
Cash and cash equivalents	Rm	**318**	89	99	**>100%**	(10%)	321
Trade and other receivables	Rm	**307**	317	372	**(3%)**	(15%)	317
Loans and advances	Rm	**–**	–	523	**n/a**	(100%)	–
Purchased book debts	Rm	**2 705**	2 775	1 727	**(3%)**	61%	2 520
Equity accounted investments	Rm	**88**	86	–	**2%**	100%	94
Intangible assets	Rm	**284**	303	214	**(6%)**	42%	288
Property and equipment	Rm	**239**	279	79	**(14%)**	>100%	264
Goodwill	Rm	**724**	696	549	**4%**	27%	751
Assets classified as held for sale	Rm	**143**	666	–	**(79%)**	100%	262
Other assets	Rm	**151**	87	105	**74%**	(17%)	134
Total assets	Rm	**4 959**	5 298	3 668	**(6%)**	44%	4 951
Liabilities							
Bank overdrafts	Rm	**–**	141	166	**(100%)**	(15%)	201
Trade and other payables	Rm	**241**	203	166	**19%**	22%	252
Interest-bearing liabilities	Rm	**2 417**	2 581	1 566	**(6%)**	65%	2 222
Senior debt	Rm	**1 952**	2 057	1 165	**(5%)**	77%	1 893
Group loans*	Rm	**465**	524	401	**(11%)**	31%	329
Lease liabilities	Rm	**217**	248	3	**(13%)**	>100%	245
Liabilities directly associated with assets classified as held for sale	Rm	**14**	48	–	**(71%)**	100%	12
Other liabilities	Rm	**460**	444	366	**4%**	21%	450
Total liabilities	Rm	**3 349**	3 665	2 267	**(9%)**	62%	3 382
Segment net assets	Rm	**1 610**	1 633	1 401	**(1%)**	17%	1 569
Financial measures							
Total income	Rm	**1 074**	1 001	847	**7%**	18%	2 150
Non-interest revenue net of adjustment to carrying value of purchased book debts	Rm	**974**	908	807	**7%**	13%	1 720
Core pre-provision profit	Rm	**363**	300	252	**21%**	19%	623
Core cost-to-income ratio	%	**83.5**	86.6	81.1			98.8
Average cost of borrowing	%	**7.8**	9.4	7.6			8.5
Leverage	times	**3.1**	3.2	2.6			3.2
Core return on average assets**	%	**5.4**	4.2	7.4			0.5
Core return on average equity**	%	**16.5**	12.9	18.9			1.7
Average assets	Rm	**4 880**	4 937	3 441	**(1%)**	43%	5 012
Average equity attributable to ordinary equity holders	Rm	**1 588**	1 599	1 346	**(1%)**	19%	1 624
Average interest-bearing liabilities	Rm	**2 610**	2 665	1 346	**(2%)**	98%	2 695
Average book value of purchased book debts	Rm	**2 616**	2 586	1 537	**1%**	68%	2 641
Employees	number	**2 434**	3 376	3 315	**(28%)**	2%	2 649

* *Group loans are not permanent facilities.*
** *Core return on average assets, core return on average equity and core return on sales are based on earnings from continuing operations.*

		Half year ended 31 March			Movement		30 September
		2021	2020 Restated	2019 Restated	**2021**	2020	2020 Restated
Transaction Capital Risk Services (TCRS) *continued*							
Operational measures							
Contingency and fee-for-service (FFS)/principal collections revenue split	%	**42/58**	44/56	52/48			46/54
Face value of purchased book debt acquired	Rb	**4.0**	4.1	2.4	**(2%)**	71%	6.4
Cost price of purchased book debts acquired	Rm	**385**	556	437	**(31%)**	27%	733
Asset turnover ratio	%	**48.0**	43.2	51.7			42.1
Estimated remaining collections	Rm	**5 883**	5 321	3 597	**11%**	48%	5 181
TCRS South Africa							
Number of contingency and FFS clients	number	**70**	77	79	**(9%)**	(3%)	72
Number of direct staff	number	**1 519**	2 240	2 192	**(32%)**	2%	1 625
Call centres	number	**4**	5	5	**(20%)**	0%	4
Assets under management	Rb	**46.2**	51.0	54.3	**(9%)**	(6%)	48.3
Contingency and FFS	Rb	**21.3**	26.7	31.4	**(20%)**	(15%)	24.0
Principal	Rb	**24.9**	24.3	22.9	**2%**	6%	24.3
TCRS Australia							
Number of contingency and FFS clients	number	**45**	49	45	**(8%)**	9%	46
Number of direct staff	number	**546**	542	590	**1%**	(8%)	626
Call centres	number	**3**	3	3	**0%**	0%	3
Assets under management	Rb	**12.6**	12.4	12.0	**2%**	3%	13.0
Contingency and FFS	Rb	**10.7**	10.6	11.4	**1%**	(7%)	11.1
Principal	Rb	**1.9**	1.8	0.6	**6%**	>100%	1.9
Servicer ratings							
Primary Servicer (GCR rated)		**SQ1-(za)**	SQ1-(za)	SQ1-(za)			SQ1-(za)
Special Servicer (GCR rated)		**SQ1 (za)**	SQ1 (za)	SQ1 (za)			SQ1 (za)
Environment: South Africa*							
Credit active consumers (million)	number	**27.4**	25.2	25.9	**9%**	(3%)	27.0
Non-performing credit consumers (million)	number	**10.6**	10.7	10.2	**(1%)**	5%	10.0
Household debt to income	%	**77.1**	72.8	72.7			72.8
Unemployment rate	%	**32.5**	29.1	27.1			30.8
Average consumer price inflation	%	**3.2**	4.1	4.6			3.0

* *Latest available published information at time of reporting.*

		Half year ended 31 March			Movement		30 September
		2021	2020 Restated	2019 Restated	**2021**	2020	2020 Restated
WeBuyCars							
Condensed income statement							
Net interest income	Rm	**(15)**	n/a	n/a	**n/a**	n/a	(1)
Equity accounted income	Rm	**128**	n/a	n/a	**n/a**	n/a	15
Non-operating profit	Rm	**–**	n/a	n/a	**n/a**	n/a	5
Core profit before tax	Rm	**113**	n/a	n/a	**n/a**	n/a	19
Core profit for the period	Rm	**113**	n/a	n/a	**n/a**	n/a	19
Core headline earnings	Rm	**113**	n/a	n/a	**n/a**	n/a	19
Equity accounted income comprises:							
Operational income	Rm	**128**	n/a	n/a	**n/a**	n/a	10
Fair valuation of financial assets	Rm	**–**	n/a	n/a	**n/a**	n/a	5
Condensed statement of financial position							
Assets							
Equity accounted investments	Rm	**2 003**	n/a	n/a	**n/a**	n/a	1 875
Total assets	Rm	**2 003**	n/a	n/a	**n/a**	n/a	1 875
Liabilities							
Trade and other payables	Rm	**39**	n/a	n/a	**n/a**	n/a	54
Interest-bearing liabilities	Rm	**355**	n/a	n/a	**n/a**	n/a	350
Senior debt	Rm	**355**	n/a	n/a	**n/a**	n/a	350
Other liabilities	Rm	**4**	n/a	n/a	**n/a**	n/a	–
Total liabilities	Rm	**398**	n/a	n/a	**n/a**	n/a	404
Segment net assets	Rm	**1 605**	n/a	n/a	**n/a**	n/a	1 471

		Half year ended 31 March			Movement		30 September
		2021	2020 Restated	2019 Restated	**2021**	2020	2020 Restated
Group Executive Office							
Condensed income statement							
Net interest income	Rm	**17**	39	35	**(56%)**	11%	65
Non-interest revenue	Rm	**9**	4	4	**>100%**	0%	4
Equity accounted income	Rm	**(3)**	(1)	–	**>100%**	100%	8
Core operating costs	Rm	**(25)**	(22)	(13)	**14%**	69%	(55)
Core profit before tax	Rm	**(2)**	20	26	**<(100%)**	(23%)	22
Core profit for the period	Rm	**(1)**	14	18	**<(100%)**	(22%)	21
Core headline earnings for the period							
Core profit for the period	Rm	**(1)**	14	18	**<(100%)**	(22%)	21
Adjusted for:							
Foreign currency translation in equity accounted investment	Rm	**4**	–	–	**100%**	n/a	–
Impairment of investment	Rm	**2**	–	–	**100%**	n/a	–
Core headline earnings	Rm	**5**	14	18	**(64%)**	(22%)	21
Once-off transaction costs	Rm	**2**	–	3	**100%**	(100%)	9
Other information							
Depreciation	Rm	**1**	–	1	**100%**	(100%)	–
Condensed statement of financial position							
Assets							
Cash and cash equivalents	Rm	**72**	196	589	**(63%)**	(67%)	37
Trade and other receivables	Rm	**18**	24	26	**(25%)**	(8%)	17
Equity accounted investments	Rm	**201**	174	19	**16%**	>100%	184
Property and equipment	Rm	**7**	1	2	**>100%**	(50%)	3
Other assets	Rm	**3 994**	2 433	2 092	**64%**	16%	3 748
Total assets	Rm	**4 292**	2 828	2 728	**52%**	4%	3 989
Liabilities							
Trade and other payables	Rm	**62**	38	48	**63%**	(21%)	75
Interest-bearing liabilities	Rm	**276**	–	–	**100%**	n/a	216
Senior debt	Rm	**276**	–	–	**100%**	n/a	216
Other liabilities	Rm	**8**	3	2	**>100%**	50%	2
Total liabilities	Rm	**346**	41	50	**>100%**	(18%)	293
Segment net assets	Rm	**3 946**	2 787	2 678	**42%**	4%	3 696
Employees	number	**39**	30	26	**30%**	15%	40

Formulae and definitions

ITEM	DEFINITION
Asset turnover ratio	Gross principal book revenue expressed as a percentage of average carrying value of purchased book debts.
Average equity attributable to ordinary equity holders	Sum of equity attributable to ordinary equity holders at the end of each month from September to March divided by 7.
Average gross loans and advances	Sum of gross loans and advances at the end of each month from September to March divided by 7.
Average interest-bearing liabilities	Sum of interest-bearing liabilities at the end of each month from September to March divided by 7.
Average assets	Sum of assets at the end of each month from September to March divided by 7.
Average cost of borrowing	Interest expense expressed as a percentage of average interest-bearing liabilities.
Capital adequacy ratio	Total equity plus subordinated debt capital less goodwill expressed as a percentage of total assets less goodwill and cash and cash equivalents.
Core cost-to-income ratio	Core operating costs expressed as a percentage of total income.
Core dividend cover	Core headline earnings per share divided by dividends per share expressed in times.
Core headline earnings	Headline earnings excluding once-off transaction costs.
Core headline earnings per share	Core headline earnings divided by weighted average number of ordinary shares in issue.
Core operating costs	Operating costs excluding once-off transaction costs.
Core pre-provision profit	Core profit before tax excluding impairment of loans and advances and adjustments to carrying value of purchased book debts.
Core profit for the period	Profit for the period excluding once-off transaction costs.
Core profit before tax	Profit before tax excluding once-off transaction costs.
Core return on average assets	Core profit for the period expressed as a percentage of average assets.
Core return on average equity	Core profit for the period attributable to ordinary equity holders expressed as a percentage of average equity attributable to ordinary equity holders.
Credit loss ratio	Impairment of loans and advances expressed as a percentage of average gross loans and advances.
Days to sale per vehicle	Average inventory for the period divided by annualised cost of sales multiplied by 365 days.
Effective tax rate	Income tax expense expressed as a percentage of profit before tax.
Estimated remaining collections	Estimated undiscounted value of remaining gross cash collections of NPL portfolios, estimated to be recovered over the next 120 months.
Gross loans and advances	Gross loans and advances exclude the value of the written-off book brought back onto the balance sheet.
Headline earnings	Headline earnings is defined and calculated per the circular titled Headline Earnings as issued by the South African Institute of Chartered Accountants (SAICA) as amended from time to time, currently being basic earnings attributable to ordinary shareholders adjusted for goodwill impairments, capital profits and losses and other non-headline items.
Headline earnings per share	Headline earnings divided by weighted average number of ordinary shares in issue.
Impaired loans and advances	Default has been defined as the balance outstanding of loans and advances that is 75 days past due (more than 2.5 missed instalments), with no qualifying payment received in the past three months. *Qualifying payment: a payment made which is more than 50% of the monthly instalment due.*
Leverage	Total assets divided by total equity expressed in times.

ITEM	DEFINITION
Net asset value per share	Equity attributable to ordinary equity holders of the parent divided by number of ordinary shares in issue.
Net interest margin	Net interest income as a percentage of average gross loans and advances.
Non-performing loan coverage	Impairment provision expressed as a percentage of non-performing loans.
Non-performing loan ratio	Non-performing loans expressed as a percentage of gross loans and advances.
Non-performing loans	a) The balance outstanding of loans and advances where the applicable obligor is: ▷ At least 3.5 monthly instalments in arrears; ▷ In respect of which a qualifying payment/s has not been made during the reference period; and ▷ Where such arrears are due to obligor delinquency. *Qualifying payment: a payment made which is more than 50% of the cumulative instalments due during the reference period.* *Reference period: The preceding three-month period ending at the reporting date.* b) The value of repossessed stock on hand that has not yet entered the refurbishment facilities.
NPL portfolios	Non-performing consumer loan portfolios acquired by TCRS as principal.
Operational income attributable to the group	Profit after tax from associate excluding any purchase price allocation adjustments attributable to the group.
Provision coverage	Impairment provision expressed as a percentage of gross loans and advances.
Return on average assets	Profit for the period expressed as a percentage of average assets.
Return on average equity	Profit for the period attributable to ordinary equity holders expressed as a percentage of average equity attributable to ordinary equity holders.
Return on sales	Profit for the period expressed as a percentage of total income.
Risk-adjusted net interest margin	Net interest margin less credit loss ratio.
Structurally subordinated debt	Senior debt issued by a holding company within the group.
Subordinated debt	Debt subordinated by agreement with the lender plus structurally subordinated debt.
Total income	Net interest income plus non-interest revenue.
Weighted average interest rate at origination	Interest rate at origination weighted on initial capital advanced for the period.
Weighted average number of ordinary shares in issue	The number of ordinary shares in issue at the beginning of the period increased by shares issued during the period, weighted on a time basis for the period during which they have participated in the income of the group, excluding treasury shares.

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