



Transaction
Capital

NOTICE of annual general meeting

& summarised
consolidated
financial statements

for the year ended
30 September 2022

10 YEARS
AS A LISTED ENTITY

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Our reports



Available at
www.transactioncapital.co.za



This notice



Integrated report



Governance report



Risk report



Sustainability report



Annual financial statements

Frameworks applied

International <IR> Framework	✓				
Companies Act, 71 of 2008, as amended (Companies Act)	✓	✓	✓		✓
JSE Limited Listings Requirements	✓	✓	✓	✓	✓
King IV Report on Corporate Governance™ for South Africa, 2016 (King IV)*	✓	✓	✓	✓	✓
International Financial Reporting Standards (IFRS)	✓	✓			✓
United Nations Sustainable Development Goals (SDGs)		✓		✓	
Recommendations of the Task Force on Climate-related Financial Disclosures (TCFD)		✓		✓	

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Letter to shareholders

Dear Shareholder

On behalf of the board, you are invited to attend, participate in and vote at the annual general meeting ('AGM') of shareholders of Transaction Capital Limited, which will be held and conducted entirely by electronic communication on Thursday, 9 March 2023, at 09:00 (South African Standard Time), or any other adjourned or postponed date and time determined in accordance with the provisions of section 64 of the South African Companies Act, No. 71 of 2008, as amended, (the 'Companies Act') and the company's memorandum of incorporation, as read with the JSE Limited Listings Requirements. The detailed notice of AGM and supporting documentation are attached. The notice of AGM is accompanied, where necessary, by the voting requirements and explanatory notes in respect of the proposed ordinary and special resolutions. This will assist you in your deliberations regarding attendance, participation and voting at the AGM.

Included with the notice of AGM are the summarised consolidated financial statements of Transaction Capital Limited for the financial year ended 30 September 2022. The summarised consolidated financial statements comprise a summary of the audited annual financial statements of the group for the year ended 30 September 2022. The annual financial statements of the group have been audited by Deloitte & Touche in compliance with the applicable requirements of the Companies Act and an unmodified audit opinion has been expressed thereon.

Transaction Capital Limited's integrated report and audited annual financial statements are available on the company's website at www.transactioncapital.co.za. Printed copies may be obtained from the registered office of the company.

Yours sincerely

Lisa Lill

Company secretary

17 January 2023

Notice of annual general meeting

This document is important and requires your immediate attention

Action required

If you are in any doubt as to what action you should take arising from this notice of annual general meeting ('AGM'), please consult with your broker, central securities depository participant ('CSDP'), representative, agent, manager, banker, accountant, attorney or other professional advisor immediately.

If you have disposed of all of your ordinary shares, please forward this notice to the purchaser of such ordinary shares or to the broker, CSDP, representative, agent, manager, banker, accountant, attorney or other professional advisor through whom the disposal of your ordinary shares was effected.

Transaction Capital does not accept any responsibility, and will not be held liable, for any action or omission including, without limitation, any failures on the part of the broker or CSDP or other representative of any holder of ordinary shares to notify such shareholder of this notice and/or the AGM.



**Transaction
Capital**

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

Notice to shareholders of annual general meeting

Convened in terms of section 61(7) of the South African Companies Act, No. 71 of 2008, as amended (the 'Companies Act')

Notice is hereby given to shareholders that the AGM of company shareholders will be held electronically on Thursday, 9 March 2023, at 09:00 (South African Standard Time), or any other adjourned or postponed date and time determined in accordance with the provisions of section 64 of the Companies Act and the company's memorandum of incorporation ('MOI'), as read with the JSE Limited ('JSE') Listings Requirements (the 'JSE Listings Requirements') for the purposes of transacting the business set out below and considering (and, if deemed fit, passing, with or without modification) the ordinary and special resolutions contained in this notice in the manner required by the MOI and the Companies Act, as read with and subject to the JSE Listings Requirements.

Record date to receive notice of the AGM	Friday, 6 January 2023
Posting date of notice of the AGM	Tuesday, 17 January 2023
Last date to trade to be eligible to attend, participate in and vote at the AGM	Tuesday, 28 February 2023
Record date to be eligible to attend, participate in and vote at the AGM	Friday, 3 March 2023
Forms of proxy to be lodged, preferably by 09:00*, on	Tuesday, 7 March 2023
Electronic notice to be submitted, preferably by 09:00, on	Tuesday, 7 March 2023
AGM to be held at 09:00 on	Thursday, 9 March 2023
Results of the AGM released on SENS on	Thursday, 9 March 2023

* Forms of proxy and the authority (if any) under which they are signed should be (but are not required to be) lodged with or posted to the transfer secretaries: Computershare Investor Services Proprietary Limited, Rosebank Towers, 15 Biermann Avenue, Rosebank, 2196 (Private Bag X9000, Saxonwold, 2132) to be received preferably by no later than 09:00 on Tuesday, 7 March 2023 (48 hours prior to the AGM) to allow for processing of such proxies and the orderly arrangement of matters in respect of the AGM, provided that any form of proxy not delivered to the transfer secretary by this time and date may be emailed to the transfer secretary (who will provide same to the chairman of the AGM) at any time prior to the AGM, with the understanding that such form of proxy, authority (if any) and proof of identification requirements must be verified and registered before the commencement of the AGM.

Shareholders' attention is drawn to the notes in this notice, which contain important information regarding shareholders' attendance, participation and voting at the AGM.

This notice and copies thereof are available in English only and may be obtained from the date of issue of this notice until the date of the AGM, both days inclusive, during normal business hours, from the registered office of the company and the offices of the transfer secretaries, the addresses of which are set out in the "Administration" section on inside back cover.

The AGM will be conducted entirely by way of electronic communication (including voting) via an interactive electronic platform, in accordance with section 63(2)(a) of the Companies Act and clause 20.7 of the MOI and in compliance with, inter alia, the quorum requirements contained in the MOI and the Companies Act. The first AGM conducted entirely via an interactive electronic platform was held in 2020 due to the COVID-19 pandemic and associated restrictions imposed by the South African government on travel, the holding of public gatherings and the implementation of social distancing measures. While most of these restrictions have subsequently eased, the decision was taken by the board of directors ('the board') that it remains appropriate to hold the AGM entirely by electronic communication in accordance with the aforementioned provisions.

For more information about the electronic platform and how it can be accessed, please see the section titled "Electronic participation at the AGM" starting on page 3.

Dematerialised shareholders without "own-name" registration

If you have dematerialised your ordinary shares without "own-name" registration, then the following actions are relevant to you with regard to the AGM.

If you wish to attend or participate in the AGM then you must request your CSDP or broker to provide you or your proxy with the necessary authority (i.e. letter of representation) in terms of the custody agreement entered into between you and your CSDP or broker.

If you do not wish to or are unable to attend or participate in the AGM, but wish to vote thereat, you should:

- ▷ Provide your CSDP or broker with your voting instructions in terms of the custody agreement entered into between you and your CSDP or broker; and
- ▷ Contact your CSDP or broker regarding the cut-off time for submitting your voting instructions to them.

If your CSDP or broker does not obtain voting instructions from you, they will be obliged to vote in accordance with the instructions contained in the custody agreement concluded between you and your CSDP or broker.

Please DO NOT complete the attached form of proxy if you have dematerialised ordinary shares without "own-name" registration.

You are strongly urged to ensure the timely receipt by the transfer secretaries of the documents referred to in this notice, due to the exigencies of the necessary verification exercise that must be completed to ensure that all attendees are lawful participants. It may not be possible to promptly verify a dematerialised shareholder without "own-name" registration once the AGM has commenced.

Certificated shareholders and dematerialised shareholders with "own-name" registration

If you are a certificated shareholder or you have dematerialised your ordinary shares with "own-name" registration, then the following actions are relevant to you in connection with the AGM.

You may attend or participate in the AGM as outlined in the paragraphs below.

If you do not wish to or are unable to attend or participate in the AGM but wish to be represented thereat, you should complete the form of proxy and return same, together with proof of identification (i.e. South African identity document, driver's licence or passport) and authority to do so (where acting in a representative capacity), to the transfer secretary, as follows:

- ▷ By email: proxy@computershare.co.za;
- ▷ By hand: Rosebank Towers, 15 Biermann Avenue, Rosebank; or
- ▷ By post: Private Bag X9000, Saxonwold, 2132.

These should be received by the transfer secretary preferably by no later than 09:00 on Tuesday, 7 March 2023 (48 hours prior to the AGM) to allow for processing of such proxies and the orderly arrangement of matters in respect of the AGM, provided that any form of proxy not delivered to the transfer secretary by this time and date may be emailed to the transfer secretary (who will provide same to the chairman of the AGM) at any time prior to the AGM, with the understanding that such form of proxy, authority (if any) and proof of identification requirements must be verified and registered before the commencement of the AGM.

You are encouraged to appoint a proxy if you do not intend to attend or participate in the AGM yourself.

Electronic participation at the AGM

The AGM will be conducted entirely through electronic communication.

The interactive electronic platform will permit all shareholders to communicate concurrently with each other without an intermediary, and to effectively participate in the meeting. Voting via the electronic platform will be the only method available to holders of ordinary shares to vote at the AGM. The electronic platform selected for the purposes of the AGM is Lumi AGM, which may be accessed using a smartphone, tablet device or computer.

Notice of annual general meeting continued

Registration

Should you wish to attend or participate in the AGM you will be required to pre-register your personal details by taking the following actions:

- ▷ Register online at www.smartagm.co.za by no later than 09:00 on Tuesday, 7 March 2023. While registration after this date and time to participate in and/or vote electronically at the AGM is permitted, you must be verified and registered before the commencement of the AGM; and
- ▷ Upload proof of identification (e.g. identity document, driver's licence or passport), and provide the following details: your name, surname, email address and contact number.

If you have dematerialised your ordinary shares without "own-name" registration then you must request your CSDP or broker to provide you or your proxy with the necessary authority (i.e. letter of representation) in terms of the custody agreement entered into between you and your CSDP or broker and upload same, in addition to the actions listed above.

Shareholders' attention is drawn to requirements set forth in the section titled "Electronic Notice and Identification" starting on page 5.

Participation

Following successful completion of the registration process outlined above, you will be required to connect to the AGM by using the link below and follow the relevant prompts:



<https://web.lumiagm.com>.

Access and navigation

Visit <https://web.lumiagm.com> by entering this address into your web browser. You will need the latest versions of Chrome, Safari, Edge or Firefox, or Internet Explorer 11. Please ensure your browser is compatible. Smartphone or tablet device users can also participate via this link.

Once you have entered <https://web.lumiagm.com> into your web browser, you will be prompted to enter the meeting ID, which will be emailed to you (or your representative or proxy) following completion of the registration process outlined above.

Once you have successfully entered the meeting ID, you will be required to enter your username and password, both of which will be emailed to you following completion of the registration process outlined above.


When you are successfully authenticated, the information screen will be displayed where you can view company information, ask questions and start the webcast. If you would like to watch the webcast, press the broadcast icon at the bottom of the screen. If viewing on a computer, the webcast will appear at the side automatically once the meeting has started.

Voting

Shareholders will be able to attend, participate and vote on the electronic platform described above during the AGM.

Equity securities held by a share trust or scheme, and unlisted securities, will not have their votes taken into account at the AGM for the purposes of resolutions proposed in terms of the JSE Listings Requirements.

In terms of clause 20.30 of the MOI, voting at the AGM is by way of a show of hands, unless certain categories of people demand a poll, one of whom is the chairman. As it will not be possible for votes to be taken by a show of hands, the chairman will demand a poll on all the proposed resolutions at the start of the AGM.

The chairman will open voting on the proposed resolutions. Once voting has opened, the polling icon  will appear on the navigation bar at the bottom of the screen. From there, the proposed resolutions and voting choices will be displayed.

To vote, simply select the requisite voting direction from the options shown on screen. A confirmation message will appear to show that the vote has been received. The confirmation of the vote being received will be depicted as follows: 'For – Vote received' or 'Against – Vote received'.

To change the vote, simply select another direction. If you wish to cancel the vote, press "Cancel".

Once the chairman has opened voting, voting can be performed at any time during the AGM until the chairman closes the voting on the proposed resolutions. At that point your last choice will be submitted.

You will still be able to send messages and view the webcast while the poll is open.

Shareholders who are participating via the electronic platform or by proxy at the AGM will have one (1) vote for every ordinary share held or represented.

Although voting will be permitted by way of electronic communication, if you are a certificated shareholder or you have dematerialised your ordinary shares with "own-name" registration you are strongly encouraged to submit your votes by proxy before the AGM.

Assistance

If you experience any difficulty with (i) the registration process outlined above or (ii) logging into the AGM you should request an agent of the transfer secretaries to assist you with this difficulty by emailing the following email address: proxy@computershare.co.za.

Electronic notice and identification

IMPORTANT NOTE: As required in terms of section 63(1) of the Companies Act, before any person may attend or participate in the AGM, that person must present reasonably satisfactory identification, and the presiding person at the meeting must be reasonably satisfied that the right of that person to attend, participate in and vote, either as a shareholder or as a proxy for a shareholder, has been reasonably verified.

To comply with this verification procedure, if you wish to participate electronically in the AGM you are strongly encouraged to email a written notice to the transfer secretary at proxy@computershare.co.za by no later than 09:00 on Tuesday, 7 March 2023 confirming that you wish to participate via electronic communication (the 'electronic notice') at the AGM. The electronic notice must contain a valid email address for the person wishing to participate and must be accompanied by:

- ▷ If you are a natural person, a copy of your original South African identity document and/or passport and/or South African driver's licence;
- ▷ If you are not a natural person, a copy of a resolution by the relevant entity and a certified copy of the South African identity documents and/or passports of the persons who passed the relevant resolution, which resolution must stipulate who from the relevant entity is authorised to represent it at the AGM via electronic communication; and
- ▷ In all cases, a valid email address and/or mobile telephone number (the 'contact email address/number').

If you have dematerialised your ordinary shares without "own-name" registration then your electronic notice must also contain your letter of representation.

Providing the above information to the transfer secretary is necessary for you to obtain a username and unique nine-digit meeting identity code, without which it will not be possible to participate in the AGM. Sufficient time is needed for the transfer secretary to verify the participant and then assign the username and meeting identity code, which reflects the number of ordinary shares in respect of which voting is permitted. If the number of ordinary shares reflected is nil, you will be able to attend the AGM and view the proceedings as a guest but will not be able to ask questions, make comments or vote.

If you do not send an electronic notice recording your intention to participate in the AGM to the transfer secretaries by 09:00 on Tuesday, 7 March 2023, you may still participate via electronic communication at the AGM and may email the electronic notice to the transfer secretaries at any time prior to the commencement of the AGM. However, for the purpose of effective administration, you (and your proxies and representatives) are strongly urged to send the electronic notice by 09:00 on Tuesday, 7 March 2023.

The electronic platform available via Lumi AGM is available for the duration of the AGM at no cost to you. However, any third-party costs relating to the use or access of the webcast facilities will be for your own account, including network charges incurred while participating electronically. Any such charges will not be for the account of the JSE, Transaction Capital and/or the transfer secretaries.

Neither the JSE, Transaction Capital nor the transfer secretaries will be held accountable in the case of loss of network connectivity or other network failure due to insufficient airtime, internet connectivity, internet bandwidth and/or power outages which prevent you from participating in and/or voting at the AGM.

The provisions of the above paragraphs, in particular the procedures and actions to be taken in order to participate electronically in the AGM, apply equally to your representative and/or proxy (if any).

The purpose of the AGM is for the following business to be transacted and for the ordinary and special resolutions set out below to be proposed:

A. Audited financial statements

To present the audited financial statements of the group as envisaged in section 30 of the Companies Act, including the directors' report, external auditor's report and the audit committee report, for the year ended 30 September 2022. Such audited annual financial statements are available on the company's website at www.transactioncapital.co.za while printed copies may be obtained from the registered office of the company. Summarised annual financial statements are included with this notice of AGM.

B. Ordinary and special resolutions

To consider and, if deemed fit, to pass, with or without modification, the following ordinary and special resolutions:

1. Ordinary resolution number 1

Re-election of director

Resolved that:

C Seabrooke, who retires in terms of the MOI, and who, being eligible, has offered himself for re-election, be re-elected in terms of section 68(2)(a) of the Companies Act.

2. Ordinary resolution number 2

Re-election of director

Resolved that:

B Hanise, who retires in terms of the MOI, and who, being eligible, has offered herself for re-election, be re-elected in terms of section 68(2)(a) of the Companies Act.

3. Ordinary resolution number 3

Re-election of director

Resolved that:

I Kirk, who retires in terms of the MOI, and who, being eligible, has offered himself for re-election, be re-elected in terms of section 68(2)(a) of the Companies Act.

4. Ordinary resolution number 4

Re-election of director

Resolved that:

D Radley, who retires in terms of the MOI, and who, being eligible, has offered herself for re-election, be re-elected in terms of section 68(2)(a) of the Companies Act.

Voting requirement and explanatory note in respect of ordinary resolutions numbers 1 to 4 – re-election of directors:

In order for each of ordinary resolutions numbers 1 to 4 to be approved, it must be supported by more than 50% of the voting rights exercised by shareholders, participating at the AGM or represented by proxy, and who are entitled to exercise voting rights, on such resolutions.

In terms of clause 22.2 of the MOI, one-third of non-executive directors shall retire from office at each AGM. If the number of non-executive directors is not a multiple of three, then the number nearest to, but not less than one-third, will retire. The non-executive directors to retire at each AGM shall be those with the longest tenure in office since their last election. Where non-executive directors have equal tenure, the non-executive directors to retire shall, in the absence of agreement, be selected from among them by lot. Notwithstanding the aforementioned provisions, if at the date of any AGM, any non-executive director will have held office for a period of three years since her/his last election or appointment, then she/he shall retire at such meeting either as one of the non-executive directors to retire in pursuance of clause 22.2 of the MOI or additionally thereto.

A retiring director shall act as a director throughout the AGM at which she/he retires. The length of time a director has been in office shall be calculated from the date of her/his last election or appointment. Retiring directors may be re-elected provided that they are eligible for re-election. If the place of any retiring director is not filled at any AGM, she/he shall, if willing, continue in office until the dissolution of the AGM in the next year from year to year until her/his place is filled, unless it is determined at such AGM not to fill such vacancy.

Each of the directors shall be elected to serve as a director for a specified term. In the case of a non-executive director, the term shall be three years. Life directorships and directorships for an indefinite period are not permissible.

The directors have reviewed the composition of the board and recommend the re-election or election of each of the above-mentioned directors, which will enable the company, inter alia, to:

- ▷ Responsibly maintain a combination of business skills and experience relevant to the company and the group, and balance the requirements of transformation, continuity and succession planning; and
- ▷ Comply with corporate governance requirements, in respect of the balance of executive, non-executive and independent directors on the board.

A brief curriculum vitae for each of the company directors standing for re-election or election is included in Annexure A.

5. Ordinary resolution number 5

Appointment of members of audit committee

Section 94(2) of the Companies Act

Resolved that:

D Radley, as an independent non-executive director of the company, who meets the required criteria for a member of the audit committee stipulated in the MOI, be elected as a member (and shall also act as chairperson) of the audit committee, until the next AGM of the shareholders of the company, subject to the provisions of the MOI and the Companies Act (and subject to D Radley being re-elected as a director in terms of the ordinary resolution number 4 above).

6. Ordinary resolution number 6

Appointment of members of audit committee

Section 94(2) of the Companies Act

Resolved that:

B Hanise, as an independent non-executive director of the company, who meets the required criteria for a member of the audit committee stipulated in the MOI, be elected as a member of the audit committee, until the next AGM of the shareholders of the company, subject to the provisions of the MOI and the Companies Act (and subject to B Hanise being re-elected as a director in terms of the ordinary resolution number 2 above).

7. Ordinary resolution number 7

Appointment of members of audit committee

Section 94(2) of the Companies Act

Resolved that:

S Kana, as an independent non-executive director of the company, who meets the required criteria for a member of the audit committee stipulated in the MOI, be elected as a member of the audit committee, until the next AGM of the shareholders of the company, subject to the provisions of the MOI and the Companies Act.

8. Ordinary resolution number 8

Appointment of members of audit committee

Section 94(2) of the Companies Act

Resolved that:

C Seabrooke, as an independent non-executive director of the company, who meets the required criteria for a member of the audit committee stipulated in the MOI, be elected as a member of the audit committee, until the next AGM of the shareholders of the company, subject to the provisions of the MOI and the Companies (and subject to C Seabrooke being re-elected as a director in terms of the ordinary resolution number 1 above).

Voting requirement and explanatory note in respect of ordinary resolutions numbers 5 to 8 – appointment of members of the audit committee:

In order for each of ordinary resolutions numbers 5 to 8 to be approved, it must be supported by more than 50% of the voting rights exercised by shareholders, participating at the AGM or represented by proxy, and who are entitled to exercise voting rights, on such resolutions.

All public companies are required to have an audit committee comprising at least three persons who are independent non-executive directors and eligible in terms of section 94 of the Companies Act. In terms of section 94(2) of the Companies Act, an audit committee must be elected annually at the AGM of a public company. The requirements prescribed in section 94 of the Companies Act are fulfilled by the audit committee.

9. Ordinary resolution number 9

Appointment of auditors

Sections 90 and 94(7) of the Companies Act

Resolved that:

On recommendation of the audit committee, as envisaged in section 94(7)(a) of the Companies Act, Deloitte & Touche (with S Munro as the individual classified as the designated auditor) be reappointed as the independent external auditors of the company until the conclusion of the next AGM of the company, it being recorded that such appointment is in accordance with the provisions of clause 19 of the MOI.

Voting requirement and explanatory note in respect of ordinary resolution number 9 – appointment of auditors:

In order for ordinary resolution number 9 to be approved, it must be supported by more than 50% of the voting rights exercised by shareholders, participating at the AGM or represented by proxy, and who are entitled to exercise voting rights, on such resolution.

In terms of section 90(1) of the Companies Act, a public company is to appoint an auditor each year at its AGM. The effect of this ordinary resolution will be to reappoint Deloitte & Touche as auditors for the company, with S Munro as the individual classified as the designated auditor, in accordance with the terms of the MOI.

10. Ordinary resolution number 10

Non-binding advisory vote on remuneration policy

Resolved that:

The company's remuneration policy as set out in the integrated report on pages 72 to 76 be and is hereby endorsed by way of a non-binding advisory vote.

11. Ordinary resolution number 11

Non-binding advisory vote on remuneration implementation report

Resolved that:

The company's remuneration implementation report as set out in the integrated report on pages 77 to 88 be and is hereby endorsed by way of a non-binding advisory vote.

Voting requirement and explanatory note in respect of ordinary resolution numbers 10 and 11 – non-binding advisory vote on remuneration policy and remuneration implementation report:

In accordance with the recommendations of the King IV Report on Corporate Governance™ for South Africa, 2016, as well as the JSE Listings Requirements, the board (with the assistance of the remuneration committee) presents the remuneration policy and implementation report to shareholders in two separate non-binding advisory votes. The vote allows shareholders to express their views on the remuneration policy and implementation report presented but will not be binding on the company.

In the event that 25% or more of the votes cast are recorded against either the remuneration policy resolution or the remuneration implementation report resolution, or both, then pursuant to paragraphs 3.84(j) and 3.91 of the JSE Listings Requirements, the company will extend an invitation to dissenting shareholders to engage with the company to discuss the reason for their dissenting votes.

12. Ordinary resolution number 12

Issue of securities for acquisitions in circumstances other than those covered by special resolution number 5

Resolved that:

The authorised but unissued ordinary shares in the capital of the company be and are hereby placed under the control and authority of the board until the conclusion of the next AGM, and that the board be and is hereby authorised and empowered to issue such unissued ordinary shares as consideration for acquisitions, from time to time, and upon such terms and conditions as the Board may determine, subject to:

- a) The MOI, the Companies Act and the JSE Listings Requirements, where applicable;
- b) Such issue being an issue only for securities of a class already in issue; and
- c) The board's authority in terms hereof being limited to a maximum of 37 951 632 ordinary shares, representing approximately 5% of the ordinary shares in issue as at the date of issue of this notice of AGM.

Voting requirement and explanatory note in respect of ordinary resolution number 12 – issue of securities for acquisitions in circumstances other than those covered by special resolution number 5:

In order for ordinary resolution number 12 to be approved, it must be supported by more than 50% of the voting rights exercised by shareholders, participating at the AGM or represented by proxy, and who are entitled to exercise voting rights, on such resolution.

Ordinary resolution number 12 seeks to obtain annual general authority from shareholders to authorise the directors to issue authorised (but unissued) ordinary shares as consideration for acquisitions in circumstances other than those covered by special resolution number 5, in compliance with the MOI, the Companies Act and the JSE Listings Requirements, where applicable. The proposed resolution to issue up to 37 951 632 ordinary shares represents approximately 5% of the issued share capital of the company as at the date of the issue of this notice of AGM.

13. Ordinary resolution number 13

Authority to act

Resolved that:

Any director of the company or the company secretary, all with the power of substitution, be and is hereby authorised to carry out and to do all such things and matters as may be or are necessary in connection with all resolutions set out in this notice and/or approved at the AGM, and which may be required to give effect to such resolutions, including, without limitation, being authorised to make, amend and sign all and any such necessary documents, letters, applications, announcements and affidavits as may be required for purposes of and in connection with the resolutions and giving effect to them, including all Companies and Intellectual Property Commission forms that may be required.

Voting requirement and explanatory note in respect of ordinary resolution number 13 – authority to act:

In order for ordinary resolution number 13 to be approved, it must be supported by at more than 50% of the voting rights exercised by shareholders, participating at the AGM or represented by proxy, and who are entitled to exercise voting rights, on such resolution.

Ordinary resolution number 13 grants authority to any director or the company secretary to carry out and execute all documents and do all such things as she/he may in her/his discretion consider necessary or appropriate in connection with and to implement and give effect to the ordinary and special resolutions set out in this notice and/or approved at the AGM.

14. Special resolution number 1

Approval of non-executive directors' and committee members' fees

Sections 65(11)(h), 66(8) and 66(9) of the Companies Act

Resolved that:

The following annual fees shall be paid to non-executive directors of the company for their services as directors and as members of the audit committee and other board committees, which have been determined by the board through the remuneration committee on a market-related basis (with no additional meeting attendance fees):

	Proposed annual fees* 2022/2023 R	Existing annual fees 2021/2022 R
Directors		
Chairman (including membership of three committees)	1 929 331	1 828 750
Lead independent non-executive director**	137 809	130 625
Other directors	452 015	428 450
Alternate director (75% of directors' fee)	339 012	321 338
Audit committee***		
Chairperson	479 577	454 575
Member	192 933	182 875
Other board committees***		
Chairperson	319 718	303 050
Member	147 732	140 030
Tax sub-committee****		
Chairperson	159 859	
Member	73 866	
Non-executive directors of subsidiaries		
Non-executive director of a group subsidiary company (in conjunction with being a non-executive director of Transaction Capital)	141 117	133 760

* The proposed fees are paid quarterly and are exclusive of VAT, which may become payable thereon depending on the status of the individual director's tax position.

** The fee for the lead independent director is in addition to board member and board committee fees.

*** Save as otherwise provided, fees for the audit committee and other board sub-committee members are in addition to board member fees.

**** With effect from 1 October 2022, the board resolved to establish the tax sub-committee as a sub-committee of the audit committee.

Voting requirement and explanatory note in respect of special resolution number 1 – approval of non-executive directors' and committee members' fees:

In order for special resolution number 1 to be approved, it must be supported by at least 75% of the voting rights exercised by shareholders, participating at the AGM or represented by proxy, and who are entitled to exercise voting rights, on such resolution.

In terms of section 65(11)(h) of the Companies Act, read with sections 66(8) and 66(9) of the Companies Act, remuneration may only be paid to directors for their services as directors in accordance with a special resolution approved by shareholders within the previous two years, and only if this is not prohibited in terms of the MOI, which isn't the case.

The proposed non-executive directors' fees for 2023 have increased by 5.5% compared to the prior year and is based on best practice aimed at ensuring fair and competitive remuneration. It is important for the company to attract and retain directors with the relevant experience and skills to effectively lead the company.

15. Special resolution number 2

Authority to provide financial assistance in terms of section 44 of the Companies Act

Section 44 of the Companies Act

Resolved that:

The board may, subject to compliance with the requirements of the MOI and the Companies Act (including but not limited to the board being satisfied that immediately after providing the financial assistance, the company will satisfy the solvency and liquidity test (as contemplated in section 4 of the Companies Act) and that the terms under which the financial assistance is proposed to be given are fair and reasonable to the company), authorise the company to provide, at any time and from time to time during the period of two (2) years commencing on the date of approval of this special resolution, financial assistance, by way of a loan, guarantee, the provision of security or otherwise, to:

- ▷ any related or interrelated company of Transaction Capital;
- ▷ any member of a related or interrelated company of Transaction Capital;
- ▷ any person related to any such company or member;
- ▷ any financier or bookrunner (and the like) of Transaction Capital or a related or interrelated company of Transaction Capital; and/or
- ▷ any counterparty to corporate actions and/or transactions (not being a director or prescribed officer of Transaction Capital or a director or prescribed officer of a related or interrelated company of Transaction Capital and not being a person related to any such director or prescribed officer) for the benefit of Transaction Capital or a related or interrelated company of Transaction Capital, subject to the Companies Act and the JSE Listings Requirements, as the case may be,

for the purpose of, or in connection with, the subscription of any option, or any securities, issued or to be issued by the company or a related or interrelated company, or for the purchase of any securities of the company or a related or interrelated company.

Voting requirement and explanatory note in respect of special resolution number 2 – authority to provide financial assistance in terms of section 44 of the Companies Act:

In order for special resolution number 2 to be approved, it must be supported by at least 75% of the voting rights exercised by shareholders, participating at the AGM or represented by proxy, and who are entitled to exercise voting rights, on such resolution.

Special resolution number 2 seeks to obtain approval from the shareholders to enable the company to provide financial assistance, as envisaged in section 44 of the Companies Act, which includes, without limitation, the making of loans, the giving of guarantees, the provision of security, the giving of warranties, the giving of indemnities, or otherwise, when the need arises, to any of the persons referenced in the resolution, for the purpose of or in connection with the subscription of any option, or any securities, issued or to be issued by the company or a related or interrelated company (as defined in section 1 of the Companies Act) or for the purchase of any securities of the company or a related or interrelated company in accordance with the provisions of section 44 of the Companies Act.

The effect of special resolution number 2 is that the company will have the necessary authority to provide financial assistance as contemplated in section 44 of the Companies Act to any of the persons referenced in the resolution, when required, provided that the board will not approve a resolution to authorise such financial assistance unless the directors are satisfied that:

- ▷ immediately after providing the financial assistance, the company will satisfy the solvency and liquidity test as contemplated in the Companies Act; and
- ▷ the terms under which the financial assistance is proposed to be given in terms of section 44 of the Companies Act are fair and reasonable to the company.

A general authority from shareholders avoids the need to refer each instance to the shareholders for approval with the resulting time delays and expense. If approved, this general authority will expire at the end of two (2) years from the date on which this resolution is passed. There is, however, the intention to renew the authority annually at the company's future AGMs.

16. Special resolution number 3

Authority to provide financial assistance in terms of section 45 of the Companies Act

Section 45 of the Companies Act

Resolved that:

The board may, subject to compliance with the requirements of the MOI and the Companies Act (including but not limited to the board being satisfied that immediately after providing the financial assistance, the company will satisfy the solvency and liquidity test (as contemplated in section 4 of the Companies Act) and that the terms under which the financial assistance is proposed to be given are fair and reasonable to the company), authorise the company to provide, at any time and from time to time during the period of two (2) years commencing on the date of approval of this special resolution, any direct or indirect financial assistance as envisaged in section 45 of the Companies Act (including lending money, guaranteeing a loan or other obligation, and securing any debt or obligation) to:

- ▷ any related or interrelated company or corporation of Transaction Capital;
- ▷ any member of a related or interrelated company or corporation of Transaction Capital; and/or
- ▷ any person related to any such company, corporation or member,

provided that:

- ▷ such financial assistance may be granted up to a limit of R6 billion per transaction on the basis that the aggregate net outstanding financial assistance provided in terms of this special resolution or authority will not at any time exceed in aggregate (and determined on a cumulative basis) R12 billion during any 12 month period; and

16. Special resolution number 3 continued

- ▷ nothing in this authority will limit the provision by the company of financial assistance that does not require approval by way of a special resolution of the shareholders in terms of sections 45 of the Companies Act and/or compliance with the provisions of section 45 of the Companies Act by virtue of any relevant amendment to section 45 of the Companies Act and/or exemptions contained therein.

Voting requirement and explanatory note in respect of special resolution number 3 – authority to provide financial assistance in terms of section 45 of the Companies Act:

In order for special resolution number 3 to be approved, it must be supported by at least 75% of the voting rights exercised by shareholders, participating at the AGM or represented by proxy, and who are entitled to exercise voting rights, on such resolution.

Special resolution number 3 seeks to obtain approval from shareholders to enable the company to provide financial assistance, when the need arises, to any of the persons referenced in the resolution in accordance with the provisions of section 45 of the Companies Act and subject to the constraints, including limits, prescribed in the resolution.

The effect of special resolution number 3 is that the company will have the necessary authority to provide financial assistance to the category of potential recipients listed in the resolution as and when required but provided that the board will not approve a resolution to authorise such financial assistance unless the directors are satisfied that:

- ▷ immediately after providing the financial assistance, the company will satisfy the solvency and liquidity test as contemplated in the Companies Act; and
- ▷ the terms under which the financial assistance is proposed to be given in terms of section 45 are fair and reasonable to the company.

The general authority from shareholders in special resolution number 3 will allow the company to continue giving financial assistance, including, without limitation, making loans to subsidiaries (for so long as such authority in respect of financial assistance to subsidiaries is required) as well as granting letters of support and guarantees in appropriate circumstances, to one or more related or interrelated companies, subject to the limits on the amount of such financial assistance which may be granted, as contemplated in the special resolution. If approved, this general authority will expire at the end of 2 (two) years from the date on which this resolution is passed. There is, however, the intention to renew the authority annually at the company's future AGMs.

17. Special resolution number 4

Annual general authority to repurchase securities

Paragraph 5.72, 5.68, 5.79 and 11.26 of the JSE Listings Requirements

Resolved that:

The company and/or a present or future subsidiary company are hereby authorised as an annual general authority, and as permitted in terms of clause 36 of the MOI, to repurchase securities issued by the company on such terms and conditions as may be determined by the directors from time to time, subject to the restrictions placed by the Companies Act and the following provisions of the JSE Listings Requirements:

- 17.1 That the repurchase of securities be effected through the order book operated by the JSE trading system and be done without any prior understanding or arrangement between the company and the counterparty (reported trades are prohibited);
- 17.2 That this annual general authority be valid only until the next AGM or for fifteen months from the date of the passing of this resolution, whichever period is shorter;
- 17.3 That when a company has cumulatively repurchased 3% of the initial number (being the number of that class of shares in issue at the time that the general authority from shareholders is granted) of the relevant class of securities, and for each 3% in aggregate of the initial number of that class acquired thereafter, an announcement must be made. Such announcement must be made as soon as possible and, in any event, by not later than 08h30 on the second business day following the day on which the relevant threshold is reached or exceeded, and must contain the information prescribed by paragraph 11.27 of the JSE Listing Requirements;
- 17.4 At any point in time the company may only appoint one agent to effect any repurchase on the company's behalf;
- 17.5 Repurchases may not be made by the company and/or its subsidiaries during a prohibited period as defined in paragraph 3.67 of the JSE Listings Requirements unless, *inter alia*, a repurchase programme is in place where the dates and quantities of securities to be traded during the relevant period are fixed (not subject to variation), the commencement and the termination date of the repurchase programme have been provided, and have been submitted to the JSE in writing prior to the commencement of the prohibited period. The company will instruct an independent third party, which makes its investment decision in relation to the company's securities independently of, and uninfluenced by, the company prior to the commencement of the prohibited period to execute the repurchase programme submitted to the JSE;
- 17.6 The annual general repurchase of securities shall not, in the aggregate, in any one financial year, exceed 20% of the company's issued capital of that class in any one financial year;
- 17.7 In terms of the Companies Act, a maximum of 10% in aggregate of the company's issued capital may be repurchased by the subsidiaries of the company;
- 17.8 Repurchase of securities may not be made at a price greater than 10% above the weighted average of the market value of the securities as determined over the five business days immediately preceding the date on which the transaction is effected. The JSE will be consulted for a ruling if the company's securities have not traded in such five business days;

17. Special resolution number 4 continued

- 17.9 The directors undertake that the company will not commence an annual general repurchase of securities as contemplated above unless, for a period of 12 months following the date of the repurchase, the following criteria can be met:
- 17.9.1 The company and the group will be able to pay its debts in the ordinary course of business;
- 17.9.2 The company and the group's assets will be in excess of the liabilities of the company and the group. For this purpose, the assets and liabilities will be recognised and measured in accordance with the accounting policies used in the latest audited consolidated annual financial statements which comply with the Companies Act;
- 17.9.3 The share capital and reserves of the company and the group will be adequate for ordinary business purposes; and
- 17.9.4 The working capital of the company and the group will be adequate for ordinary business purposes.
- 17.10 The board must pass a resolution that it authorised the repurchase and that the company and its subsidiaries have passed the solvency and liquidity test as set out in section 4 of the Companies Act, and that since the test was done there have been no material changes to the financial position of the group;
- 17.11 After the company has acquired shares which constitute, on a cumulative basis, 3% (three percent) of the number of shares in issue (at the time that authority from shareholders for the repurchase is granted), the company shall publish an announcement containing full details of such repurchases; and
- 17.12 Any annual general repurchase is subject to exchange control regulations and approvals in place at that point in time.

Voting requirement and explanatory note in respect of special resolution number 4 – annual general authority to repurchase securities:

In order for special resolution number 4 to be approved, it must be supported by at least 75% of the voting rights exercised by shareholders, participating at the AGM or represented by proxy, and who are entitled to exercise voting rights, on such resolution.

Special resolution number 4 seeks to grant the board annual general authority and requisite approval to enable and facilitate the acquisition by the company and/or a present or future subsidiary of the company of the company's own securities, subject to the provisions of the MOI, the Companies Act and the JSE Listings Requirements.

The effect of special resolution number 4 is that the company and/or a present or future subsidiary company is authorised to repurchase the company's securities at any time while the annual general authority exists, in compliance with the provisions of the JSE Listings Requirements, the Companies Act and the MOI. Please see additional information to consider in respect of this special resolution in the section marked "Additional information" on page 13 of this notice of annual general meeting.

This annual general authority to acquire the company's securities replaces the annual general authority granted by the shareholders at the previous annual general meeting of the company held on 10 March 2022.

It is recorded that, at present, the board has no specific intention with regard to the utilisation of the annual general authority which is the subject of special resolution number 4.

18. Special resolution number 5

Annual general authority to allot and issue authorised but unissued securities for cash

Paragraph 5.52 of the JSE Listings Requirements

Resolved that:

The directors are hereby authorised, as an annual general authority, to allot and issue the authorised but unissued securities for cash, upon such terms and conditions and to such persons as they in their discretion may determine, subject to the provisions of the Companies Act, the MOI and the JSE Listings Requirements, provided that:

- 18.1 The securities which are the subject of the general issue for cash must be of a class already in issue or, where this is not the case, must be limited to such securities or rights that are convertible into a class already in issue;
- 18.2 Subject to paragraph 18.3 below, securities may only be issued to public shareholders as defined in the JSE Listings Requirements, and not to related parties;
- 18.3 Related parties may participate in a general issue for cash through a bookbuild process provided:
- 18.3.1 related parties may only participate with a maximum bid price at which they are prepared to take-up ordinary shares or at book close price. In the event of a maximum bid price and the book closes at a higher price the relevant related party will be "out of the book" and not be allocated ordinary shares; and
- 18.3.2 securities must be allocated equitably "in the book" through the bookbuild process and the measures to be applied must be disclosed in the SENS announcement launching the bookbuild;
- 18.4 The securities which are the subject of the general issue for cash in the aggregate may not exceed 5% (being 37 951 632 ordinary shares) of the company's equity securities of that class in issue as at the date of the issue of this notice of AGM, provided that this general authority shall be valid only until the next AGM or fifteen months from the date of passing the resolution, whichever is the earlier date;
- 18.5 In the event of a subdivision or consolidation of the issued equity securities during the period contemplated in paragraph 18.4 above, the existing authority must be adjusted accordingly to represent the same allocation ratio;

- 18.6 Any equity securities issued under this general authority during the period contemplated in paragraph 18.4 above must be deducted from the number in paragraph 18.4 above;
- 18.7 The calculation of the listed equity securities is a factual assessment of the listed equity securities as at the date of this notice of AGM, and excludes treasury shares;
- 18.8 The maximum discount at which such securities may be issued is 10% of the weighted average traded price of such securities on the JSE over the 30 business days preceding the date that the price of the issue is agreed on between the company and the party subscribing for the securities. The JSE will be consulted for a ruling if the company's securities have not traded in such 30 business days;
- 18.9 Any such annual general issues are subject to exchange control regulations and approval at that point in time;
- 18.10 In accordance with the requirements prescribed by paragraph 11.22 of the JSE Listings Requirements, an announcement will be published at the time of any issue representing, on a cumulative basis within a financial year, 5% of the number of securities in issue prior to the issue; and
- 18.11 This authority also authorises the issue of any options/convertible securities that are convertible into an existing class of securities, pursuant to paragraph 5.53 of the JSE Listings Requirements.

Voting requirement and explanatory note in respect of special resolution number 5 – annual general authority to allot and issue authorised but unissued securities:

In terms of the JSE Listings Requirements, in order to be approved, this special resolution is ordinarily passed as an ordinary resolution approved by achieving a 75% majority of the votes cast. However, for so long as the company's securities are listed on the JSE, if any of the JSE Listings Requirements require an ordinary resolution to be passed with a 75% majority, the resolution shall instead be required to be passed by a special resolution. Accordingly, the general authority in special resolution number 5 to allot and issue authorised but unissued securities is being obtained as a special resolution and in order for such special resolution to be approved, it must be supported by at least 75% of the voting rights exercised by shareholders, participating at the AGM or represented by proxy, and who are entitled to exercise voting rights, on such resolution.

Special resolution number 5 seeks to authorise and approve the company's allotment and issue of authorised but unissued securities and/or the issue of options or convertible securities that are convertible into an existing class of equity securities by the board upon such terms and conditions and to such persons as they, in their discretion, may determine, subject to limitations and other provisions contained herein, in the Companies Act, the MOI and the JSE Listings Requirements.

C. Social and ethics committee report to the annual general meeting

The social and ethics committee report is contained on page 12 of the audited consolidated annual financial statements and is available at www.transactioncapital.co.za. The chairperson of the committee will be available at the AGM to answer any questions thereon.

D. Trading update

A verbal trading update, to be presented by the chief executive officer of the company at the AGM, will simultaneously be released on SENS.

E. Other business

To transact any other business that may be transacted at an AGM.

Additional information

For the purpose of considering special resolution number 4, and in compliance with paragraph 11.26 of the JSE Listings Requirements, the information listed below has been included in the integrated report and annual financial statements, both available at www.transactioncapital.co.za, at the places indicated:

- ▷ Major shareholders – refer to page 146 of the integrated report; and
- ▷ Share capital of the company – refer to page 69 of the annual financial statements.

The directors, whose names are set out on page 50 of the integrated report, collectively and individually accept full responsibility for the accuracy of the above information as contemplated in paragraph 11.26 of the JSE Listings Requirements, for the purpose of special resolution number 4, and certify that to the best of their knowledge and belief, there are no other facts, the omission of which would make any statement false or misleading, and that they have made all reasonable enquiries in this regard to ascertain such facts, and that all information required by law and the JSE Listings Requirements is contained herein.

As at the last practicable date prior to publishing this notice, being Tuesday, 17 January 2023, there have been no material changes in the financial or trading position of the group that have occurred since 30 September 2022, other than as disclosed in the integrated report.

Record dates

The record date on which shareholders must be recorded as such in the register of shareholders for the purposes of receiving this notice of AGM is Friday, 6 January 2023. Accordingly, the last day to trade in the company's ordinary shares for the purpose of being entitled to attend, participate in and vote at the AGM is Tuesday, 28 February 2023.

The record date on which shareholders must be recorded as such in the register of shareholders for the purposes of being entitled to attend, participate in and vote at the AGM is Friday, 3 March 2023.

Lisa Lill

Company secretary

Transaction Capital Limited

17 January 2023

Annexure A: Curricula vitae of directors

at 30 September 2022

Brief curricula vitae of directors standing for election and re-election

IAN KIRK (64)

Chairman

Independent non-executive director

Qualifications: HDip BDP (University of the Witwatersrand),
FCA (Ireland), CA(SA)

Appointed: November 2020

Ian was admitted as a partner at PwC in 1986 and has since held various leadership positions at executive and non-executive level, including at industry associations such as the South African Insurance Association and the Association of Savings and Investment South Africa, where he is currently the deputy chairman. Ian served as CEO of Sanlam Limited from 2015 to December 2020 and was a director on various subsidiary boards of the Sanlam Group, including Santam Limited, Shriram Capital Limited, Afrocentric Investment Corp Limited and Sanlam Life Insurance Limited. Prior to this, he served as CEO at Santam Limited and Capital Alliance Holdings, and as deputy CEO of Liberty Group Limited. Ian was appointed to the Presidential State-owned Enterprises Council in June 2020, which is mandated to reposition South Africa's state-owned enterprises. Ian serves on the Boards of the JSE Limited and Pepkor Holdings Limited.

DIANE RADLEY (56)

Independent non-executive director

Qualifications: BCom (Rhodes University), BCom (Hons) (University of South Africa), CA(SA), MBA (Wits Business School), AMP (Harvard Business School)

Appointed: July 2018

Diane was admitted as a partner at PwC in 1999, where she led the Transaction Services division that advised on local and international listings and corporate transactions. In 2001, she joined Allied Electronics Corporation Limited as its CFO and was also appointed as a non-executive director at Allied Technologies Limited, Bytes Technology Group Limited, Omnia Holdings Limited and Women Investment Portfolio Holdings Limited. In 2008, Diane served as Old Mutual South Africa's group finance director and in 2010 she was appointed as Old Mutual Investment Group's CEO until the end of 2016. Diane is currently a non-executive director of JSE-listed Redefine Properties Limited, Australian Securities Exchange-listed Base Resources Limited and London Securities Exchange-listed Network International plc. Diane serves as a trustee on the DG Murray Trust, a public innovator committed to developing South Africa's potential through strategic investment.

CHRISTOPHER SEABROOKE (70)

Independent non-executive director

Qualifications: BCom, BAcc (University of KwaZulu-Natal), MBA (Wits Business School), FCMA (UK)

Appointed: June 2009

Chris is a financier and investor with extensive experience in financial services, including credit-orientated and speciality finance assets, which enhances the board's ability to provide strategic counsel. He is currently CEO of Sabvest Capital Limited and a director of Metrofile Holdings Limited, and has served on the boards of over 25 listed companies over the years, including Brait S.E., Datatec Limited, Massmart Holdings Limited and Net1 U.E.P.S. Technologies Inc. He is also a director of other unlisted companies locally and internationally. Chris is a former chairman of the South African State Theatre and former deputy chairman of the inaugural National Arts Council and the founding board of Business & Arts South Africa.

BUHLE HANISE (40)

Independent non-executive director

Qualifications: BCom (University of Transkei), BCom (Hons) (University of KwaZulu-Natal), CA(SA)

Appointed: January 2019

After completing her articles with KPMG, Buhle held credit management positions at The Standard Bank of South Africa Limited, Nedbank Limited and most recently as a senior business rescue specialist at the Industrial Development Corporation (IDC). In January 2020, Buhle was appointed as chief financial officer of BAIC South Africa, a subsidiary of the IDC. She is a non-executive director of OUTsurance Holdings Limited and the South African Forestry Company Limited. She is also president of African Women Chartered Accountants. In addition to her primary qualifications, Buhle holds advanced certificates in Business Rescue Practice from the Law Society of South Africa, and in Insolvency Law and Practice from the University of Johannesburg, as well as Emerging Markets and Country Risk Analysis from Fordham University. She has completed the Development Finance Programme at the University of Stellenbosch Business School.

SURESH KANA (68)

Lead independent non-executive director of the board

Qualifications: BCom, BCompt (Hons), MCom, PhD (Honorary) (University of the Witwatersrand), CA(SA)

Appointed: November 2020

Suresh was admitted as a partner at PwC in 1986, and subsequently appointed as CEO and Senior Partner of PwC Africa. He currently chairs the Murray & Roberts Holdings Limited board and is lead independent non-executive director of the JSE Limited. Suresh serves as a trustee of the IFRS Foundation based in London. Suresh is the deputy chair of the Integrated Reporting Committee of South Africa and the ex-chair of the King Committee on Corporate Governance. Suresh has previously served as board chair of the South African Institute of Chartered Accountants and deputy chair of the Independent Regulatory Board for Auditors. Past non-executive directorships include Illovo Sugar Limited, Quilter Plc and board chair of Imperial Holdings Limited.

Summarised **consolidated financial statements**

Basis of preparation

The consolidated financial statements and summarised consolidated financial statements have been prepared under the supervision of Sean Doherty (CA)SA. These results represent a summary of the complete set of audited consolidated financial statements of Transaction Capital approved on 15 November 2022. The directors take full responsibility and confirm that this information has been correctly extracted from the consolidated financial statements. The complete set of consolidated financial statements is available for inspection on the group's website www.transactioncapital.co.za and at Transaction Capital's registered office.

The summarised consolidated financial statements have been prepared in accordance with the requirements of the JSE Limited Listings Requirements for abridged reports, and the requirements on the Companies Act of South Africa, 71 of 2008, applicable to summary financial statements. The JSE Listings Requirements require abridged reports to be prepared in accordance with the framework concepts and the measurement and recognition requirements of IFRS, the SAICA Financial Reporting Guides (as issued by the Accounting Practices Committee), Financial Pronouncements (as issued by the Financial Reporting Standards Council) and to also as a minimum contain the information required by IAS 34: Interim Financial Reporting.

The accounting policies applied in the preparation of the consolidated financial statements, from which the summarised consolidated financial statements for the year ended 30 September 2022 were derived, are in terms of IFRS and are consistent, in all material respects, with those details in Transaction Capital's prior year consolidated financial statements.

The group's auditors, Deloitte & Touche, have issued unmodified audit opinions on both the consolidated and summarised financial statements for the year ended 30 September 2022. The audit was conducted in accordance with International Standards on Auditing (ISA).

The auditor's report does not report on all the information contained in this announcement. Shareholders are therefore advised that to obtain a full understanding of the nature of the auditor's engagement, they should read the unmodified International Standards on Auditing (ISA) 810 (Revised), Engagements to Report on Summary Financial Statements audit report, included in these summarised consolidated financial statements.

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

Independent auditor's report on summarised consolidated financial statements

To the Shareholders of Transaction Capital Limited

Opinion

The summarised consolidated financial statements of Transaction Capital Limited, set out on pages 18 to 44 of the AGM Notice and summarised consolidated financial statements, which comprise the summarised consolidated statement of financial position as at 30 September 2022, the summarised consolidated income statement, the summarised consolidated statement of comprehensive income, the summarised consolidated statement of changes in equity and the summarised consolidated statement of cash flows for the year then ended, and related notes, are derived from the audited consolidated financial statements of Transaction Capital Limited for the year ended 30 September 2022.

In our opinion, the accompanying summarised consolidated financial statements are consistent, in all material respects, with the audited consolidated financial statements of Transaction Capital Limited, in accordance with the requirements of the JSE Limited Listings Requirements for abridged reports, set out in the Basis for Preparation to the summarised consolidated financial statements, and the requirements of the Companies Act of South Africa as applicable to summary financial statements.

Other Matter

We have not audited future financial performance and expectations by management included in the accompanying summarised consolidated financial statements and accordingly do not express any opinion thereon.

Summarised Consolidated Financial Statements

The summarised consolidated financial statements do not contain all the disclosures required by the International Financial Reporting Standards and the requirements of the Companies Act of South Africa as applicable to annual financial statements. Reading the summarised consolidated financial statements and the auditor's report thereon, therefore, is not a substitute for reading the audited consolidated financial statements of Transaction Capital Limited and the auditor's report thereon.

The Audited Consolidated Financial Statements and Our Report Thereon

We expressed an unmodified audit opinion on the audited consolidated financial statements in our report dated 15 November 2022. That report also included the communication of key audit matters as reported in the auditor's report of the audited consolidated financial statements.


Directors' Responsibility for the Summarised Consolidated Financial Statements

The directors are responsible for the preparation of the summarised consolidated financial statements in accordance with the requirements of the JSE Limited Listings Requirements for abridged reports, set out in the Basis for Preparation to the summarised consolidated financial statements, and the requirements of the Companies Act of South Africa as applicable to summary financial statements.

The Listings Requirements require abridged reports to be prepared in accordance with the framework concepts and the measurement and recognition requirements of International Financial Reporting Standards (IFRS), the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee, the Financial Pronouncements as issued by the Financial Reporting Standards Council, and to also, as a minimum, contain the information required by IAS 34, *Interim Financial Reporting*.

Auditor's Responsibility

Our responsibility is to express an opinion on whether the summarised consolidated financial statements are consistent, in all material respects, with the audited consolidated financial statements based on our procedures, which were conducted in accordance with International Standard on Auditing (ISA) 810 (Revised), *Engagements to Report on Summarised Financial Statements*.

DocuSigned by:

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Deloitte & Touche

Registered Auditor
 Per: Stephen Munro
 Partner

17 January 2023

5 Magwa Crescent, Waterfall City, Waterfall, South Africa

Summarised consolidated statement of financial position

at 30 September 2022

	Note	2022 Audited Rm	2021 Audited Restated* Rm
Assets			
Cash and cash equivalents		1 478	2 236
Other investments		1 426	–
Tax receivables		28	30
Trade and other receivables**		1 923	1 376
Inventories		3 790	2 477
Assets classified as held for sale		371	98
Leased assets		11	17
Loans and advances		14 962	13 305
Purchased book debts		4 208	3 441
Other loans receivable		126	65
Derivative assets**		693	101
Equity accounted investments		1 097	301
Intangible assets		3 336	3 237
Property and equipment		1 900	1 075
Goodwill		4 754	4 377
Deferred tax assets		272	319
Total assets		40 375	32 455
Liabilities			
Bank overdrafts		818	364
Other short-term borrowings		23	81
Tax payables		58	41
Trade and other payables**		1 506	2 426
Provisions		131	92
Liabilities directly associated with assets held for sale		21	14
Insurance contract liabilities		180	271
Benefits ceded on insurance contracts relating to inventories		31	46
Benefits ceded on insurance contracts relating to loans and advances		10	52
Benefits accruing to insurance contract holders		139	173
Put option liability		4 042	–
Derivative liabilities**		19	57
Interest-bearing liabilities		21 862	16 139
Senior debt		20 762	15 349
Subordinated debt		1 100	790
Lease liabilities		715	420
Deferred tax liabilities		1 408	1 405
Total liabilities		30 783	21 310
Equity			
Ordinary share capital	1	5 179	3 464
Put option reserve		(4 307)	–
Other reserves		327	688
Retained earnings		6 757	5 591
Equity attributable to ordinary equity holders of the parent		7 956	9 743
Non-controlling interests		1 636	1 402
Total equity		9 592	11 145
Total equity and liabilities		40 375	32 455

* In terms of IFRS 3: Business Combinations, the provisional accounting applied to the acquisition of WBC Holdings (Pty) Ltd was finalised during the current financial year. As a result, the contingent consideration from the business combination was increased by R24 million, and goodwill increased by R24 million. Comparative information has been restated accordingly.

** The group reclassified the presentation of trade and other receivables and trade and other payables in the current year. To enhance disclosure, the derivative assets and liabilities, which were previously presented as part of trade and other receivables and trade and other payables are now disclosed separately.

Summarised consolidated income statement

for the year ended 30 September 2022

	Notes	2022 Audited Rm	2021 Audited Reclassified* Rm
Gross profit from the provision of services and sale of goods		4 316	1 879
Revenue	3	22 652	5 838
Cost of revenue		(18 336)	(3 959)
Net interest income from provision of financing to customers		1 635	1 587
Interest income, calculated using the effective interest rate method		2 875	2 583
Interest expense		(1 240)	(996)
Impairment loss on loans and advances		(856)	(563)
Risk-adjusted net interest income from provision of financing to customers		779	1 024
Net insurance result		411	400
Insurance revenue		1 143	1 015
Insurance service expense		(738)	(620)
Insurance finance (expense)/income		6	5
Operating costs		(3 519)	(2 066)
Net finance charge – not relating to provision of financing to customers		(384)	(164)
Finance income		78	72
Finance charges		(462)	(236)
Other income		264	44
Equity accounted income		47	213
Fair value gain on previously held equity interest		–	1 417
Operating profit		1 914	2 747
Non-operating profit		533	(4)
Imputed interest charge – options over non-controlling interests		(280)	–
Remeasurement of put options over non-controlling interests		553	–
Fair value adjustment on call option derivative		269	–
Transaction costs		(16)	(6)
Other non-operating profit		7	2
Profit before tax		2 447	2 743
Income tax expense		(411)	(325)
Profit for the year from continuing operations		2 036	2 418
Discontinued operations			
Loss for the year from discontinued operations		(33)	(12)
Profit for the year		2 003	2 406
Profit for the year from continuing operations attributable to:			
Ordinary equity holders of the parent		1 676	2 302
Non-controlling interests		360	116
Loss for the year from discontinued operations attributable to:			
Ordinary equity holders of the parent		(33)	(12)
Non-controlling interests		–	–
Earnings per share (cents)			
From continuing operations			
Basic earnings per share	4	232.0	338.7
Diluted basic earnings per share	4	226.5	336.7
From continuing and discontinued operations			
Basic earnings per share	4	227.4	336.9
Diluted basic earnings per share	4	222.1	334.9

* In the current year, the group reclassified the presentation of the income statement. This resulted in a reclassification of the comparative period. Refer to note 2 for further information.

Summarised consolidated statement of comprehensive income

for the year ended 30 September 2022

	2022 Audited Rm	2021 Audited Rm
Profit for the year	2 003	2 406
Other comprehensive income		
Items that may be reclassified subsequently to profit and loss:		
Movement in cash flow hedging reserve	(15)	22
Fair value (loss)/gain arising during the year	(21)	31
Deferred tax	6	(9)
Exchange gain/(loss) on translation of foreign operations	26	(89)
Total comprehensive income for the year	2 014	2 339
Total comprehensive income attributable to:		
Ordinary equity holders of the parent	1 654	2 223
Non-controlling interests	360	116

Summarised consolidated statement of changes in equity

for the year ended 30 September 2022

	Number of ordinary shares Audited million	Share capital Audited Rm	Put option reserve* Audited Rm	Other reserves Audited Rm	Retained earnings Audited Rm	Equity attributable to ordinary equity holders of the parent Audited Rm	Non- controlling interests Audited Rm	Total equity Audited Rm
Balance at 30 September 2020	661.5	2 015	–	322	3 481	5 818	555	6 373
Total comprehensive income	–	–	–	(67)	2 290	2 223	116	2 339
Profit for the year	–	–	–	–	2 290	2 290	116	2 406
Other comprehensive income	–	–	–	(67)	–	(67)	–	(67)
Transactions with non- controlling interests	–	–	–	–	(46)	(46)	765	719
Grant of conditional share plans	–	–	–	62	–	62	–	62
Settlement of conditional share plans	–	–	–	(15)	(6)	(21)	–	(21)
Recognition of reserve relating to forward contract to issue shares	–	–	–	386	–	386	–	386
Dividends paid	–	–	–	–	(128)	(128)	(34)	(162)
Issue of shares	46.9	1 449	–	–	–	1 449	–	1 449
Balance at 30 September 2021	708.4	3 464	–	688	5 591	9 743	1 402	11 145
Total comprehensive income	–	–	–	11	1 643	1 654	360	2 014
Profit for the year	–	–	–	–	1 643	1 643	360	2 003
Other comprehensive income	–	–	–	11	–	11	–	11
Transactions with non- controlling interests	–	–	–	–	–	–	28	28
Grant of conditional share plans	–	–	–	74	–	74	–	74
Settlement of conditional share plans	–	–	–	(60)	(31)	(91)	–	(91)
Derecognition the reserve relating to forward contract to issue shares**	–	–	–	(386)	30	(356)	–	(356)
Recognition of reserve relating to the put option to acquire non-controlling interests*	–	–	(4 307)	–	–	(4 307)	–	(4 307)
Dividends paid	–	–	–	–	(476)	(476)	(154)	(630)
Issue of shares	49.0	1 715	–	–	–	1 715	–	1 715
Balance at 30 September 2022	757.4	5 179	(4 307)	327	6 757	7 956	1 636	9 592

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

** During the 2021 financial year, a reserve was recognised in relation to the forward contract to issue Transaction Capital Limited shares in settlement of a portion of the purchase price for the acquisition of a controlling interest in the WBC group. The reserve was derecognised when the group issued the shares in settlement of the purchase price in October 2021. The difference between the fair value of the forward contract on initial recognition of the reserve and the value of shares that were issued has been transferred to retained earnings.

Summarised consolidated statement of cash flow

for the year ended 30 September 2022

	Note	2022 Audited Rm	2021 Audited Rm
Cash flow from operating activities			
Cash generated by operations		1 967	892
Interest received		2 252	2 064
Interest paid		(1 688)	(1 148)
Income taxes paid		(351)	(201)
Dividends paid		(630)	(162)
Cash flow from operating activities before changes in operating assets and working capital		1 550	1 445
Increase in operating assets		(3 278)	(2 740)
Loans and advances		(1 842)	(1 586)
Decrease in leased assets		6	5
Purchased book debts		(1 442)	(1 159)
Changes in working capital		(2 114)	(691)
Increase in inventories		(1 752)	(721)
Increase in trade and other receivables		(387)	(41)
Increase in other loans receivable		(62)	(37)
Increase in trade and other payables		87	108
Net cash utilised by operating activities		(3 842)	(1 986)
Cash flow from investing activities			
Acquisition of property and equipment		(682)	(83)
Proceeds on disposal of property and equipment		6	1
Acquisition of intangible assets		(131)	(108)
Investment into equity accounted investment		(104)	(39)
Acquisition of subsidiaries*	6	(1 100)	(23)
Increase in other investments		(1 428)	–
Net cash utilised by investing activities		(3 439)	(252)
Cash flow from financing activities			
Proceeds from interest-bearing liabilities		16 759	8 648
Settlement of interest-bearing liabilities		(11 759)	(7 185)
Settlement of other short-term borrowings		(58)	(21)
Repayment of lease liabilities		(132)	(61)
Additional interest acquired in subsidiaries		–	(82)
Issue of shares		1 259	1 407
Net cash generated by financing activities		6 069	2 706
Net (decrease)/increase in cash and cash equivalents		(1 212)	468
Cash and cash equivalents at the beginning of the year		1 874	1 422
Effects of exchange rate changes on the balance of cash held in foreign currencies		1	(16)
Cash and cash equivalents at the end of year**		663	1 874

* Cash flows from the acquisition of subsidiaries consists of the acquisition of Synergy Contact Centre (Pty) Ltd (SCC) and Synergy Outsourcing Limited (SOL) in the current year, as well as the cash flows relating to the acquisition of WBC Holdings in the prior year. Refer to note 6 for the detail of the SCC and SOL cash flows. The cash consideration for the WBC Holdings acquisition of R870 million was settled during the current financial year on 5 October 2021.

** Cash and cash equivalents are presented net of bank overdrafts and include R3 million (2021: R2 million) of cash transferred as part of assets held for sale.

Notes to the summarised consolidated financial statements

for the year ended 30 September 2022

	2022 Audited Rm	2021 Audited Rm
1 Ordinary share capital		
Authorised		
1 000 000 000 ordinary shares		
Issued		
757 367 333 (30 September 2021: 708 431 319) ordinary shares		
Ordinary share capital	5 179	3 464
Ordinary share capital	5 179	3 464

	2022 Audited		2021 Audited	
	Number of shares million	Share capital Rm*	Number of shares million	Share capital Rm*
1.1 Reconciliation of ordinary share capital				
Balance at the beginning of the year	708.4	3 464	661.5	2 015
Shares issued in settlement of the Conditional Share Plan (Note 1.1.1)	2.4	96	0.9	22
Equity raised through the open market	–	–	12.4	248
Equity raised through accelerated bookbuild (Note 1.1.2)	36.1	1 263	33.1	1 159
Shares issued to subsidiaries (Note 1.1.3)	10.5	356	0.5	20
Balance at the end of the year	757.4	5 179	708.4	3 464

* Net of share issue costs

- 1.1.1** In terms of specific authority received from shareholders on the adoption of the Transaction Capital Conditional Share Plan, a total of 2 353 523 shares were issued to participants/employees as part of respective vestings at an average price of R40.85 per share.
- 1.1.2** On 9 September 2022 Transaction Capital raised equity in the form of 36 055 520 shares through the issue of new ordinary shares to qualifying investors through an accelerated bookbuild. The ordinary shares were priced at R35.50 per share (before share issue costs), a 3.9% and 7.5% discount to the pre-launch close price of R36.95 and the 30 business day volume weighted average price of R38.36 respectively, as at the market close on 8 September 2022. The equity raise was completed under the company's general authority to issue shares for cash approved by Transaction Capital shareholders at the annual general meeting of the company held on 10 March 2022.
- 1.1.3** On 5 October 2021 Transaction Capital issued 10 526 971 shares to Transaction Capital Motor Holdco Proprietary Limited (TCMH) at an average price of R33.83 per share (before share issue costs) in respect of the acquisition of the additional 25% interest in the WBC group. The 10 526 971 shares were in turn transferred to WBC Holdings (Pty) Ltd (WBC Holdings) and certain of the previous shareholders in WBC Holdings as part of the settlement by TCMH of the purchase price. We Buy Cars Holdings distributed the shares paid to it to previous shareholders through a dividend declared which was declared prior to TCMH's acquisition of the investment.

Preference share capital

Authorised

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

Issued

Nil (2021: nil) preference shares

2 Reclassifications

The group reassessed the classification principles on the income statement during the current financial year, to ensure that the information presented on the face of the income statement remained reliable and relevant and to improve how information is communicated following the material contribution of WBC to the group. This resulted in a reclassification of the comparative income statement and related notes for the year ended 30 September 2021.

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

Included below is the impact of the reclassifications discussed above on the income statement.

30 September 2021 Reclassifications					
	As previously presented Audited Rm	Disaggregation of non-interest revenue (note 2.1) Rm	Categorisation of net interest income (note 2.2) Rm	Presentation of non-operating items as non-operating profit/(loss) (note 2.3) Rm	Reclassified Audited Rm
Gross profit from the provision of services and sale of goods	–	1 879	–	–	1 879
Revenue	–	5 838	–	–	5 838
Cost of revenue	–	(3 959)	–	–	(3 959)
Net interest income from provision of financing to customers	1 431	–	156	–	1 587
Interest income, calculated using the effective interest rate method	2 663	–	(80)	–	2 583
Interest expense	(1 232)	–	236	–	(996)
Impairment of loans and advances	(563)	–	–	–	(563)
Risk-adjusted net interest income from provision of financing to customers	868	–	156	–	1 024
Net insurance result	392	–	8	–	400
Insurance revenue	1 015	–	–	–	1 015
Insurance service expense	(620)	–	–	–	(620)
Insurance finance income	(3)	–	8	–	5
Other non-interest revenue	2 973	(2 973)	–	–	–
Operating costs	(3 122)	1 050	–	6	(2 066)
Net finance charge – not relating to provision of financing to customers	–	–	(164)	–	(164)
Finance income	–	–	72	–	72
Finance charges	–	–	(236)	–	(236)
Other income	–	44	–	–	44
Equity accounted income	213	–	–	–	213
Fair value gain on previously held equity interest	–	–	–	1 417	1 417
Non-operating profit	1 419	–	–	(1 419)	–
Operating profit	2 743	–	–	4	2 747
Non-operating loss	–	–	–	(4)	(4)
Once off transaction costs	–	–	–	(6)	(6)
Other non-operating profit	–	–	–	2	2
Profit before tax	2 743	–	–	–	2 743
Income tax expense	(325)	–	–	–	(325)
Profit for the year from continuing operations	2 418	–	–	–	2 418

2 Reclassifications continued

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

- 2.1 Disaggregation of non-interest revenue:** The group previously presented non-interest revenue as a single line item on the income statement. Given recent changes in the group's structure, most notably, the acquisition of WBC in the prior year, it has become necessary to amend this presentation. WBC is a retailer of second-hand vehicles, and a presentation which reflects gross revenue less the costs incurred to generate the revenue is more relevant for users of the financial statements. This has resulted in the group disaggregating the non-interest revenue line into various line items and reallocating costs previously allocated as operating expenses into cost of revenue.
- 2.2 Categorisation of net interest income:** The group previously reflected all interest income and interest expenses in a single section on the income statement. Management is of the view that users of the financial statements will benefit from a view that separates the net interest income from provision of financing to customers from the net finance income/expense not relating to provision of financing to customers.
- 2.3 Presentation of non-operating items as non-operating profit/(loss):** The group previously presented items of income and expenditure which were not of an operating nature to the business as part of its operating expenses and income. These items are now reflected below the operating profit line to give users of the financial statements a more accurate view of the operating results of the group.

3 Revenue

Through Capital-enabled services (CE services), Nutun mainly acts as a principal in acquiring and then collecting on NPL portfolios. Capital enabled revenue is measured in accordance with the amortised cost model under IFRS 9 – Financial Instruments, and therefore fall outside the scope of IFRS 15.

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

	2022 Audited Rm	2021 Audited Restated* Rm
Revenue comprises:		
Capital enabled revenue	1 792	1 383
Other revenue	20 860	4 455
Commission income	384	101
Customer experience management	1 186	974
Dividend and rebate income from insurance related activities	26	2
Fee income	143	125
Revenue from sale of goods	19 101	3 237
Other income	20	16
Total revenue	22 652	5 838

* In the current year, the group reclassified the presentation of the income statement. This resulted in a reclassification of the comparative period. Refer to note 2 for further information.

Notes to the summarised consolidated financial statements continued

	Units	2022 Audited	2021 Audited
4 Earnings per share			
4.1 From continuing and discontinued operations			
Basic earnings per share	cents	227.4	336.9
Diluted basic earnings per share	cents	222.1	334.9
Headline earnings per share	cents	219.8	145.5
Diluted headline earnings per share	cents	214.6	144.7
The calculation of earnings per share is based on the following data:			
Earnings			
Earnings for the purposes of basic and diluted earnings per share	Rm	1 643	2 290
Being profit for the year attributable to ordinary equity holders of the parent			
Headline earnings adjustments:	Rm	(55)	(1 301)
Impairment of goodwill	Rm	3	4
Fair value gain on previously held interest	Rm	–	(1 403)
Impairment of property, and equipment	Rm	5	7
Impairment of intangibles	Rm	–	67
Impairment of right of use assets	Rm	16	12
Impairment of investment	Rm	–	10
Loss from changes in foreign exchange rates from equity accounted investments	Rm	–	2
Profit on disposal of salvage business	Rm	(79)	–
Earnings for the purposes of headline and diluted headline earnings per share	Rm	1 588	989
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 year	million	708.4	661.5
Effect of shares issued during the year	million	14.0	18.2
Weighted average number of ordinary shares for the purposes of basic and headline earnings per share	million	722.4	679.7
Effect of dilutive potential ordinary shares:			
Shares deemed to be issued for no consideration in respect of conditional share plan	million	17.5	4.0
Weighted average number of ordinary shares for the purposes of diluted basic and headline earnings per share	million	739.9	683.7

4 Earnings per share continued

4.2 From continuing operations

	Units	2022 Audited	2021 Audited
Basic earnings per share	cents	232.0	338.7
Diluted basic earnings per share	cents	226.5	336.7
Headline earnings per share	cents	224.4	147.0
Diluted headline earnings per share	cents	219.1	146.1

The calculation earnings per share is based on the following data:

Earnings

Profit for the year attributable to ordinary equity holders of the parent	Rm	1 643	2 290
Adjustments to exclude the loss for the year from discontinued operations	Rm	33	12

Earnings from continuing operations for the purposes of basic and diluted earnings per share excluding discontinued operations

	Rm	1 676	2 302
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Headline earnings adjustments:

	Rm	(55)	(1 303)
Impairment of goodwill	Rm	3	4
Fair value gain on previously held interest	Rm	–	(1 403)
Impairment of property, and equipment	Rm	5	7
Impairment of intangibles	Rm	–	67
Impairment of right of use of assets	Rm	16	10
Impairment of investment	Rm	–	10
Loss from changes in foreign exchange rates from equity accounted investments	Rm	–	2
Loss from changes in foreign exchange rates from equity accounted investments	Rm	(79)	–

Earnings from continuing operations for the purposes of headline and diluted headline earnings per share excluding discontinued operations

	Rm	1 621	999
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The denominators used are the same as those detailed above for both basic and diluted earnings per share from continuing and discontinued operations.

5 Financial risk management

5.1 Fair value disclosure

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

2022					
	Carrying value Rm	Total fair value Rm	Level 1 Rm	Level 2 Rm	Level 3 Rm
Assets					
Loans and advances*	14 818	14 824	–	–	14 824
Purchased book debts	4 208	4 208	–	–	4 208
Financial assets at amortised cost	19 026	19 032	–	–	19 032
Liabilities					
Interest-bearing liabilities	21 862	22 139	–	–	22 139
Fixed rate liabilities	671	672	–	–	672
Floating rate liabilities	21 191	21 467	–	–	21 467
Put option liability	4 042	3 758	–	–	3 758
Financial liabilities at amortised cost	25 904	25 897	–	–	25 897

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

2021

Carrying value Rm	Total fair value Rm	Level 1 Rm	Level 2 Rm	Level 3 Rm
13 244	13 244	–	–	13 244
3 441	3 441	–	–	3 441
16 685	16 685	–	–	16 685
16 139	16 220	–	–	16 220
904	933	–	–	933
15 235	15 287	–	–	15 287
–	–	–	–	–
16 139	16 220	–	–	16 220

5 Financial risk management continued

5.1 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 and the shortfall book are carried at fair value, refer "level disclosure" on note 5.2 for additional information in this regard.

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

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

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

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

5 Financial risk management continued

5.2 Level disclosure

	Level 1 Audited Rm	Level 2 Audited Rm	Level 3 Audited Rm	Total Audited Rm
2022				
Financial assets at fair value through profit and loss				
Loans and advances: entry-level vehicles	–	–	18	18
Loans and advances: shortfall book*	–	–	25	25
Other Financial Assets	–	–	423	423
Other investments**	1 381	–	45	1 426
Derivatives***	–	2	269	271
Financial assets at fair value through other comprehensive income				
Derivatives***	–	422	–	422
Total financial assets	1 381	424	780	2 585
Financial liabilities at fair value through profit and loss				
Derivatives***	–	13	–	13
Contingent consideration****	–	–	272	272
Financial liabilities at fair value through other comprehensive income				
Derivatives***	–	7	–	7
Total financial liabilities	–	20	272	292
	Level 1 Audited Rm	Level 2 Audited Rm	Level 3 Audited Rm	Total Audited Rm
2021				
Financial assets at fair value through profit and loss				
Loans and advances: entry-level vehicles	–	–	17	17
Loans and advances: shortfall book	–	–	25	25
Other Financial Assets	–	–	296	296
Derivatives ***	–	13	–	13
Financial assets at fair value through other comprehensive income				
Derivatives***	–	88	–	88
Total financial assets	–	101	338	439
Financial liabilities at fair value through profit and loss****				
Derivatives***	–	4	–	4
Contingent consideration****	–	–	166	166
Financial liabilities at fair value through other comprehensive income				
Derivatives***	–	53	–	53
Total financial liabilities	–	57	166	223

* The shortfall book is classified as a financial asset at fair value through profit or loss as its value will only be recovered through a sales transaction to collection agents by the group. The group continues to pursue a sales transaction.

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

*** Derivatives consist of the following:

- The group enters into derivative financial instruments with respective counterparties. Interest rate swaps and cross-currency swaps are valued using valuation techniques, which employ the use of market observable inputs. The most frequently applied valuation techniques include forward pricing and swap models using present value calculations. The models incorporate various inputs including the foreign exchange spot and forward rates, yield curves of the respective currencies, currency basis spreads between the respective currencies and interest rate curves. These are categorised as level 2.
- The group, through WBC Holdings is party to a call option over the 25.1% shareholding in WBC Holdings. The call option is valued using a Black Scholes model taking into account the market value of WBC Holdings as well as the exercise price per the formula included in the WBC Holdings shareholders agreement. The call option derivative is categorised as level 3.

**** R118 million (2021: R156 million) of the contingent consideration relates to the investment into the WBC group, R3 million (2021: R10 million) relates to the investment in the Prushka group of entities and R151 million (2021: nil) relates to the investment in Synergy. In terms of IFRS 3: Business Combinations, the provisional accounting applied to the acquisition of WBC Holdings (Pty) Ltd was finalised during the current financial year. As a result, the contingent consideration from the WBC Holdings business combination was increased by R24 million, and goodwill increased by R24 million. Comparative information has been restated accordingly.

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

5 Financial risk management continued

5.2 Level disclosure continued

Valuation methods and assumptions:

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

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

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

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

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

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

Call option derivative: The call option derivative is initially recognised by the Group at fair value and subsequently measured at fair value through profit or loss. The call option derivative is a level 3 instrument in the fair value hierarchy. The call derivative is not traded in an active market and therefore the fair value is determined using a valuation technique. The valuation was performed using a Black Scholes model taking into account the spot price of WBC Holdings as well as the exercise price per the formula included in the WBC Holdings shareholders agreement. The spot price has been determined per independent valuation of WBC Holdings performed as at 30 September 2022. Other inputs into the valuation model include time to expiration, risk free rate, expected dividend yield for WBC Holdings as well as the expected volatility.

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

5 Financial risk management continued

5.2 Level disclosure continued

Reconciliation of level 3 fair value measurements of financial assets and liabilities

	Fair value through profit or loss Audited Rm	Fair value through other comprehensive income Audited Rm	Total Audited Rm
2022			
Financial assets			
Opening balance	338	–	338
Total gains or losses			
In profit or loss	312	–	312
Other movements*	130	–	130
Closing balance of fair value measurement for financial assets	780	–	780
Financial liabilities			
Opening balance	166	–	166
Initial recognition of additional liabilities			
Total gains or losses			
In profit or loss	(46)	–	(46)
Other movements*	152	–	152
Closing balance of fair value measurement for financial liabilities	272	–	272
	Fair value through profit or loss Audited Rm	Fair value through other comprehensive income Audited Rm	Total Audited Rm
2021			
Financial assets			
Opening balance	187	–	187
Total gains or losses			
In profit or loss	46	–	46
Other movements*	105	–	105
Closing balance of fair value measurement	338	–	338
Financial liabilities			
Total gains or losses			
Other movements*	166	–	166
Closing balance of fair value measurement for financial liabilities	166	–	166

* Other movements include the following:

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

The financial liabilities as disclosed in the previous financial year have been restated for the effects of the finalisation of the provisional accounting for the WBC Holdings acquisition.

5 Financial risk management continued

5.2 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.

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

	2022		2021	
	10% Increase Audited Rm	10% Decrease Audited Rm	10% Increase Audited Rm	10% Decrease Audited Rm
Loans and advances: entry-level vehicles				
Significant unobservable input and description of assumption				
Average collateral value	1	(1)	1	<1
Discount rate: the rate used to discount projected future cash flows to present value	1	(<1)	<1	<1
Total	2	(1)	1	–

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

	2022		2021	
	10% Increase Audited Rm	10% Decrease Audited Rm	10% Increase Audited Rm	10% Decrease Audited Rm
Loans and advances: shortfall book*				
Significant unobservable input and description of assumption				
Cent in the Rand	3	(3)	3	(3)
Total	3	(3)	3	(3)

* In the prior period, the shortfall portfolio was recognised at a fair value based on the valuation reports received from potential debt collection agents, as the value will only be recovered through a sales transaction. No further fair value adjustment has been recognised during the current year.

5 Financial risk management continued

5.2 Level disclosure continued

Sensitivity analysis of valuations using unobservable inputs

	2022		2021	
	10% Increase Audited Rm	10% Decrease Audited Rm	10% Increase Audited Rm	10% Decrease Audited Rm
Other Financial Assets				
Significant unobservable input and description of assumption				
Cash flows: change in the expected revenue	34	(34)	8	(11)
Cash flows: change in expected costs	3	(3)	1	(1)
Discount rate: the rate used to discount projected future cash flows to present value	15	(14)	4	(4)
Total	52	(51)	13	(16)

	2022		2021*	
	10% Increase Audited Rm	10% Decrease Audited Rm	10% Increase Audited Rm	10% Decrease Audited Rm
Contingent consideration – WBC Holdings acquisition				
Significant unobservable input and description of assumption				
Cash flows: change in the earnings growth on which the contingent consideration is based**	n/a	n/a	22	(22)
Total	n/a	n/a	22	(22)

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

** The contingent consideration is based on WBC Holdings earnings for the 2022 financial year. In the current year, the contingent consideration has been calculated based on the actual earnings, therefore the earnings input is not considered unobservable in the current year.

	2022		2021*	
	10% Increase Audited Rm	10% Decrease Audited Rm	10% Increase Audited Rm	10% Decrease Audited Rm
Contingent consideration – Synergy Contact Centre				
Significant unobservable input and description of assumption				
Cash flows: change in the EBIT on which the contingent consideration is based	36	(4)	n/a	n/a
Total	36	(4)	n/a	n/a

	2022		2021	
	10% Increase Audited Rm	10% Decrease Audited Rm	10% Increase Audited Rm	10% Decrease Audited Rm
Call option derivative				
Significant unobservable input and description of assumption				
Change in the spot rate on which the valuation is based	105	(89)	n/a	n/a
Change in the risk free rate on which the valuation is based	15	(14)	n/a	n/a
Change in the dividend yield on which the valuation is based	(9)	9	n/a	n/a
Total	111	(94)	n/a	n/a

6 Business combinations

Subsidiaries acquired

Subsidiary	Acquirer	Principal activity	Date of acquisition	Proportion of voting equity interests held %	Consideration Rm
Synergy Contact Centre (Pty) Ltd (SCC) (Refer to note 6.1)	Nutun Corporate Ventures Pty Ltd (a subsidiary of Nutun Holdings (Pty) Ltd)	Business Process Outsourcing (BPO)	01/04/2022	65	360
Synergy Outsourcing Limited (SOL) (Refer to 6.2)	Tyco Holdings Ltd (a subsidiary of Nutun Holdings (Pty) Ltd)	Business Process Outsourcing (BPO)	01/04/2022	65	41

6.1 Acquisition of Synergy Contact Centre (Pty) Ltd (SCC)

Nutun Corporate Ventures, a wholly-owned subsidiary of Nutun Holdings acquired 65% of the issued shares of Synergy contact Centre (Pty) Ltd (SCC) on 1 April 2022.

SCC is an owner managed contact centre business, operating in the international business process outsourcing ("BPO") sector. SCC operates from its customer service centre located in Umhlanga, Kwa-Zulu Natal and provides the following customer lifecycle management services to its clients:

- ▷ Customer retention;
- ▷ Debt collection; and
- ▷ Complaint resolution.

Prior to the acquisition of SCC, Nutun Holdings was diversified across the business services collection, transactional and value added services sectors. The acquisition of SCC establishes the Transactional Capital group's BPO service offering.

6.1.1 Consideration for IFRS 3 purposes

	2022 Audited Rm
Cash	207
Contingent consideration	153
Total consideration	360

The contingent consideration payable will be settled in several tranches during the 2023 to 2025 financial years. The contingent consideration bears interest at 3-month JIBAR.

6.1.2 Assets acquired and liabilities recognised at the date of acquisition

	2022 Audited Rm
Current assets	
Cash and cash equivalents	5
Trade and other receivables	75
Non-current assets	
Other financial assets	1
Property, plant and equipment	43
Current liabilities	
Bank overdraft	(3)
Tax payables	(5)
Trade and other payables	(14)
Provisions	(4)
Lease liabilities	(36)
Other financial liabilities	(10)
Net assets acquired and liabilities recognised	52

The initial accounting for the acquisition of SCC has been provisionally determined at the end of the financial year.

The receivables acquired in this transaction have a fair value of R75 million. The receivables acquired comprise principally of trade receivables. Of the R75 million trade and other receivables at acquisition date, R69 million relates to the gross contractual value of trade receivables, which were fully collected before year end.

6 Business combinations continued

6.1 Acquisition of Synergy Contact Centre (Pty) Ltd (SCC) continued

6.1.3 Goodwill arising on acquisition

	2022 Audited Rm
Consideration for IFRS 3 purposes	360
Less: intangible assets identified from business combinations	(22)
Plus: deferred tax on intangible assets identified from business combinations	6
Plus: Other payables raised in terms of IFRS 3	31
Less: fair value of identifiable net assets recognised	(52)
Plus: Non-controlling interests in 35% of SCC	13
Goodwill arising on acquisition	336

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

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

The non-controlling interest (35% ownership interest in SCC) recognized at the acquisition date was measured with reference to the proportionate share in the recognized amounts of SCC's identifiable net assets including intangible assets, deferred tax thereon and payables identified at acquisition, of R37 million and amounted to R13 million.

6.1.4 Net cash outflow on acquisition of subsidiary

	2022 Audited Rm
Consideration paid in cash	207
Less: cash and cash equivalents balance acquired	(5)
Add: overdraft balance acquired	3
Net cash outflow from the transaction	205
Analysis of cash flows on acquisition	
Transaction costs of the acquisition (included in cash flows from operating activities)	3
Net cash acquired with the business (included in cash flows from investing activities)	2

6.1.5 Impact of acquisition on the results of the group

Included in profit attributable to ordinary shareholders of the group for the year ended 30 September 2022 is R36 million attributable to SCC since acquisition date. Revenue for the period includes R255 million in respect of SCC.

Had the business combination been effected at 1 October 2021, SCC would have contributed additional revenue to the group of R191 million and additional profit attributable to ordinary equity holders of the group of R18 million. As a result, revenue for the group would have been R26 861 million and profit attributable to ordinary equity holders of the group from continuing operations would have been R1 694 million.

6 Business combinations continued

6.2 Acquisition of Synergy Outsourcing Limited (SOL)

Tyco Holdings (Pty) Ltd (Tyco), a wholly-owned subsidiary of Nutun Holdings acquired 65% of the issued shares of Synergy Outsource Limited (SOL) on 1 April 2022.

SOL and SCC entered into a joint venture agreement in 2018. In terms of the joint venture agreement, SCC will provide the call centre facilities and operatives and ensure its staff and contractors are suitably qualified and adequately trained and SOL will contract with clients for the supply of call centre services and supervise and manage SCC's supply of those services SOL will invoice clients and pay a set fee to SCC as per the Joint Venture Agreement. SOL is therefore a strategic acquisition for the Transaction Capital group.

6.2.1 Consideration for IFRS 3 purposes

	2022 Audited Rm
Cash	41
Total consideration	41

6.2.2 Assets acquired and liabilities recognised at the date of acquisition

	2022 Audited Rm
Current assets	
Cash and cash equivalents	16
Trade and other receivables	57
Current liabilities	
Tax payables	(6)
Trade and other payables	(52)
Net assets acquired and liabilities recognised	15

The initial accounting for the acquisition of SOL has been provisionally determined at the end of the financial year.

The receivables acquired in this transaction have a fair value of R57 million. The receivables acquired comprise principally of trade receivables with a gross contractual amount of R57 million at acquisition date, with the full amount collected before year end.

6.2.3 Goodwill arising on acquisition

	2022 Audited Rm
Consideration for IFRS 3 purposes	41
Less: intangible assets identified from business combinations	(32)
Plus: deferred tax on intangible assets identified from business combinations	6
Less: fair value of identifiable net assets recognised	(15)
Plus: Non-controlling interests in 35% of SO	14
Goodwill arising on acquisition	14

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

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

The non-controlling interest (35% ownership interest in SOL) recognised at the acquisition date was measured with reference to the proportionate share in the recognized amounts of SOL's identifiable net assets, including intangible assets, deferred tax thereon and payables identified at acquisition, of R41 million and amounted to R14 million.

6 Business combinations continued

6.2 Acquisition of Synergy Outsourcing Limited (SOL) continued

6.2.4 Net cash outflow on acquisition of subsidiary

	2022 Audited Rm
Consideration paid in cash	41
Less: cash and cash equivalents balance acquired	(16)
Net cashflow	25
Transaction costs of the acquisition (included in cash flows from operating activities)	1
Net cash acquired with the business (included in cash flows from investing activities)	16

6.2.5 Impact of acquisition on the results of the group

Included in profit attributable to ordinary shareholders of the group for the year ended 30 September 2022 is R10 million attributable to SOL since acquisition date. Revenue for the period includes R43 million in respect of SOL.

Had the business combination been effected at 1 October 2021, SOL would have contributed additional revenue to the group of R31 million and additional profit attributable to ordinary equity holders of the group of R16 million. As a result, revenue for the group would have been R26 701 million and profit attributable to ordinary equity holders of the group from continuing operations would have been R1 692million.

7 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 SA Taxi segment includes Value-Added Services (Road Cover). Road Cover generates a stable source of subscription income, whilst providing access to greater market depth. SA Taxi has the potential to unlock further value through synergies with Road Cover to be realised from cost efficiencies and revenue uplift, gaining access to SA Taxi's client base.

Nutun

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

WeBuyCars

- ▷ The WeBuyCars segment includes the WBC group and Gomo (Pty) Ltd (Gomo).
- ▷ Transaction Capital Motor HoldCo (Pty) Ltd (TCMH) holds a 74.9% controlling interest in the WBC group (WeBuyCars). TCMH previously held a 49.9% non-controlling interest in We Buy Cars (Pty) Ltd which was accounted for as an associate for the period from 1 October 2020 to 2 August 2021 prior to acquisition of the controlling interest in the prior financial year.
- ▷ Buyer, distributor and retailer of vehicles, which also offers financial and other allied products.
- ▷ Revenue comprises mainly gross margin on vehicle sales (vehicle margin), with additional gross margin earned on add-on products (product margin). The latter includes agency fees earned from finance, insurance related and allied products (F&I products) sold on behalf of major banks providing asset-backed and unsecured vehicle finance, leading insurance providers, as well as vehicle tracking businesses.
- ▷ Gomo is a newly established entity that will be entering into instalment sale agreements and rental agreements with individuals looking to finance the purchase of vehicles from WeBuyCars or pay for the right of use of vehicles sourced by Gomo from WeBuyCars.

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.

7 Segment report continued

	SA Taxi		Nutun	
	30 September 2022 Audited Rm	30 September 2021 Audited Rm	30 September 2022 Audited Rm	30 September 2021 Audited Rm
Summarised income statement				
Revenue from sale of goods and provision of services	1 789	1 268	2 988	2 365
Net interest income from the provision of financing to customers	1 631	1 587	–	–
Impairment of loans and advances	(852)	(563)	–	–
Net insurance result	411	400	–	–
Total operating expenses and cost of revenue	(2 688)	(2 128)	(2 303)	(1 788)
Net finance charge – not relating to provision of financing to customers	(68)	(15)	(235)	(172)
Finance income	34	27	31	36
Finance charge	(102)	(42)	(266)	(208)
Other income	201	11	76	26
Equity accounted income/ (loss)	–	–	6	5
Fair value gain on previously held equity interest	–	–	–	–
Other non-operating (expenses)/income	–	–	(39)	–
Profit before tax	424	560	493	436
Income tax expense	(59)	(147)	(124)	(133)
Profit for the year from continuing operations	365	413	369	303
Discontinued operations				
Loss for the period from discontinued operations	–	–	(33)	(12)
Profit for the year	365	413	336	291

* Group executive office numbers are presented net of recoveries and inter-group dividends.

** Profit after tax from WeBuyCars comprises:

	2022 Audited Rm	2021 Audited Rm
Share of equity accounted earnings after tax	–	215
Consolidated operating profit for the WBC group	762	112
Consolidated operating loss for Gomo	(26)	–
Operating profit for TCMH (excluding vendor finance and transaction costs)	6	–
Mark-to-market of derivative liability	–	(6)
Fair value gain on previously held interest	–	1 417
Interest expense on preference share liability (vendor finance) and deferred consideration	–	(18)
Imputed interest charge – put option liability over NCI	(261)	–
Re-measurement of put option liability over NCI	569	–
Fair value gain on call option derivative from NCI	269	–
Transaction costs relating to the acquisition of the controlling interest in the WBC group	(5)	(6)
Amortisation of intangible assets acquired in business combination	(5)	(2)
Profit after tax	1 309	1 712

	WeBuyCars**		Group executive office*		Intergroup eliminations		Group	
	30 September 2022 Audited Rm	30 September 2021 Audited Rm	30 September 2022 Audited Rm	30 September 2021 Audited Rm	30 September 2022 Audited Rm	30 September 2021 Audited Rm	30 September 2022 Audited Rm	30 September 2021 Audited Rm
	17 875	2 205	–	–	–	–	22 652	5 838
	4	–	–	–	–	–	1 635	1 587
	(4)	–	–	–	–	–	(856)	(563)
	–	–	–	–	–	–	411	400
	(16 869)	(2 049)	(70)	(71)	75	11	(21 855)	(6 025)
	(93)	(24)	12	47	–	–	(384)	(164)
	6	1	114	78	(107)	(70)	78	72
	(99)	(25)	(102)	(31)	107	70	(462)	(236)
	62	(4)	–	22	(75)	(11)	264	44
	–	215	41	(7)	–	–	47	213
	–	1 417	–	–	–	–	–	1 417
	572	(6)	–	2	–	–	533	(4)
	1 547	1 754	(17)	(7)	–	–	2 447	2 743
	(238)	(42)	10	(3)	–	–	(411)	(325)
	1 309	1 712	(7)	(10)	–	–	2 036	2 418
	–	–	–	–	–	–	(33)	(12)
	1 309	1 712	(7)	(10)	–	–	2 003	2 406

7 Segment report continued

	SA Taxi		Nutun	
	30 September 2022 Audited Rm	30 September 2021 Audited Rm	30 September 2022 Audited Rm	30 September 2021 Audited Rm
Summarised statement of financial position				
Assets				
Cash and cash equivalents	1 126	1 054	126	176
Other investments	120	–	44	–
Trade and other receivables	1 213	934	520	249
Inventories	1 936	1 577	1	2
Loans and advances	14 725	13 305	–	–
Purchased book debts	–	–	4 208	3 441
Equity accounted investments	656	–	90	81
Other assets	1 477	1 223	2 509	1 503
Total assets	21 253	18 093	7 498	5 452
Liabilities				
Short-term borrowings	195	183	525	131
Trade and other payables	578	463	485	304
Insurance contract liabilities	180	271	–	–
Interest-bearing liabilities	16 725	13 536	3 145	2 506
Senior debt	14 326	12 284	2 832	2 024
Subordinated debt	950	790	150	–
Group loans	1 449	462	163	482
Lease liabilities	149	171	393	199
Put option liability	–	–	639	–
Other liabilities	130	278	702	547
Total liabilities	17 957	14 902	5 889	3 687
Total equity	3 296	3 191	1 609	1 765

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

	WeBuyCars*		Group executive office		Intergroup eliminations		Group*	
	30 September 2022 Audited Rm	30 September 2021 Audited Rm	30 September 2022 Audited Rm	30 September 2021 Audited Rm	30 September 2022 Audited Rm	30 September 2021 Audited Rm	30 September 2022 Audited Rm	30 September 2021 Audited Rm
	130	165	96	841	–	–	1 478	2 236
	1	–	1 261	–	–	–	1 426	–
	202	232	53	11	(65)	(50)	1 923	1 376
	1 853	898		–	–	–	3 790	2 477
	237			–	–	–	14 962	13 305
	–			–	–	–	4 208	3 441
	8	–	343	220	–	–	1 097	301
	7 419	6 523	7 473	5 505	(7 387)	(5 435)	11 491	9 319
	9 850	7 818	9 226	6 577	(7 452)	(5 485)	40 375	32 455
	–	–	98	50	–	–	818	364
	396	2 025	107	912	(60)	(1 278)	1 506	2 426
	–				–	–	180	271
	2 104	865	1 891	273	(2 003)	(1 041)	21 862	16 139
	1 713	768	1 891	273	–	–	20 762	15 349
	–	–	–	–	–	–	1 100	790
	391	97	–	–	(2 003)	(1 041)	–	–
	171	44	2	6	–	–	715	420
	3 403	–	–	–	–	–	4 042	–
	824	864	11	5	(7)	(4)	1 660	1 690
	6 898	3 798	2 109	1 246	(2 070)	(2 323)	30 783	21 310
	2 952	4 020	7 117	5 331	(5 382)	(3 162)	9 592	11 145

7 Segment report continued

Geographical information

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

	Total revenue*		Non-current assets	
	2022 Rm	2021 Rm	2022 Rm	2021 Rm
South Africa*	26 039	8 840	30 080	24 861
Australia	607	585	895	1 053
Europe	24	11	384	220
Total	26 670	9 436	31 359	26 134

* In the current year, the group reclassified the presentation of the income statement. This resulted in a reclassification of the revenue presented in the comparative period. Refer to note 2 for further information.

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

The significant increase in revenue in South Africa from the prior year is due to the prior year including only 2 months of revenue from WBC, while the current year includes WBC revenue for the full financial year.

8 Subsequent events

Transaction Capital, through its wholly-owned subsidiary Recoveries Corporation Holdings (Pty) Ltd ("RCH") acquired the receivable collections business of Milton Graham ("MG") from Illion with effect from 2 November 2022. MG is a leading collection services platform with complimentary operations in both Australia and New Zealand. Provisional accounting for the business acquisition had not been concluded prior to the issue of these consolidated financial statements.

No other events which would have a material impact on either the financial position or operating results of the company have taken place between 30 September 2022 and the date of release of this report.

Administration

Share code: **TCP**

ISIN: **ZAE000167391**

JSE Limited sector: **Financial Services**

Listing date: **7 June 2012**

Year end: **30 September**

Company registration number: **2002/031730/06**

Country of incorporation: South Africa

Directors

Executive

David Hurwitz (CEO)

Sean Doherty (CFO)

Mark Herskovits (CIO)

Jonathan Jawno

Michael Mendelowitz

Roberto Rossi

Independent non-executive

Ian Kirk (chairman)

Suresh Kana (lead independent director)

Buhle Hanise

Albertinah Kekana

Kuben Pillay

Diane Radley

Christopher Seabrooke

Sharon Wapnick

Company secretary and registered office

Lisa Lill

The Bank, 12th Floor,

24 Cradock & Tyrwhitt Avenue.

Rosebank, Johannesburg, 2196

(PO Box 41888, Craighall, 2024)

JSE sponsor and equity markets broker

Investec Bank Limited

(Registration number 1925/002833/06)

100 Grayston Drive

Sandton, 2196

(PO Box 785700, Sandton, 2146)

Debt sponsor

Rand Merchant Bank (a division of FirstRand Bank Limited)

(Registration number 1929/001225/06)

1 Merchant Place

Corner Fredman Drive and Rivonia Road

Sandton, 2196

(PO Box 786273, Sandton, 2146)

Legal advisers

Edward Nathan Sonnenbergs Inc.

(Registration number 2006/018200/21)

150 West Street

Sandton, 2196

(PO Box 783347, Sandton, 2146)

Transfer secretaries

Computershare Investor Services Proprietary Limited

(Registration number 2004/003647/07)

Rosebank Towers

15 Biermann Avenue

Rosebank, 2196

(Private Bag X9000, Saxonwold, 2132)

Independent auditors

Deloitte & Touche

(Practice number 902276)

5 Magwa Crescent

Waterfall City, 2090

(Private Bag X6, Gallo Manor, 2052)

www.transactioncapital.co.za

The Bank, 12th Floor, 24 Cradock and Tyrwhitt Avenue,
Rosebank, Gauteng, 2196
P.O. Box 41888, Craighall, 2024, South Africa
tel +27 (0) 11 049 6700 fax +27 (0) 11 049 6899



Form of proxy

Transaction Capital Limited

(Incorporated in the Republic of South Africa)

Registration number: 2002/031730/06

JSE code: TCP ISIN: ZAE000167391

('Transaction Capital' or the 'company' or the 'group')

For use by certificated shareholders and own-name dematerialised shareholders only. All other dematerialised shareholders must contact their the CSDP, broker, banker, accountant, attorney or other agent to make the relevant arrangements concerning voting and/or attendance at the annual general meeting.

I/We (Full names in BLOCK LETTERS)

of (address in BLOCK LETTERS)

being (a) registered shareholder(s) of the company holding

ordinary shares in the company hereby appoint:

(i) (full names in BLOCK LETTERS)

of (address in BLOCK LETTERS)

or, failing him/her,

(ii) (full names in BLOCK LETTERS)

of (address in BLOCK LETTERS)

or, failing her/him, the chairman of the annual general meeting,

as my/our proxy to participate in, speak and vote for me/us and on my/our behalf at the annual general meeting of the company to be conducted entirely by electronic communication on Thursday, 9 March 2023, and/or at any adjournment(s) or postponement(s) thereof, and to vote for and/or against or abstain from voting on the ordinary and special resolutions to be proposed at such meeting as follows:

Resolutions

	In favour	Against	Abstain
Ordinary resolution number 1 – Re-election of C Seabrooke as a director			
Ordinary resolution number 2 – Re-election of B Hanise as a director			
Ordinary resolution number 3 – Re-election of I Kirk as a director			
Ordinary resolution number 4 – Re-election of D Radley as a director			
Ordinary resolution number 5 – Appointment of D Radley as a member (and shall also act as chairperson) of the audit committee			
Ordinary resolution number 6 – Appointment of B Hanise as a member of the audit committee			
Ordinary resolution number 7 – Appointment of S Kana as a member of the audit committee			
Ordinary resolution number 8 – Appointment of C Seabrooke as a member of the audit committee			
Ordinary resolution number 9 – Appointment of Deloitte & Touche as auditors			
Ordinary resolution number 10 – Non-binding advisory vote on remuneration policy			
Ordinary resolution number 11 – Non-binding advisory vote on remuneration implementation report			
Ordinary resolution number 12 – Issue of securities for acquisitions in circumstances other than those covered by special resolution 5			
Ordinary resolution number 13 – Authority to act			
Special resolution number 1 – Approval of non-executive directors' and committee members' fees			
Special resolution number 2 – Authority to provide financial assistance in terms of section 44 of the Companies Act			
Special resolution number 3 – Authority to provide financial assistance in terms of section 45 of the Companies Act			
Special resolution number 4 – Annual general authority to repurchase securities			
Special resolution number 5 – Annual general authority to allot and issue authorised but unissued securities for cash			

Please indicate with an 'x' in the appropriate spaces above how you wish your votes and/or abstentions to be cast.

If you return this form duly signed without any specific directions indicated with an 'x' in the appropriate spaces above, the proxy will be entitled to vote or abstain as she/he thinks fit at her/his discretion.

A proxy may not delegate her/his authority to act on your behalf to another person.

Signed at

on

2023

Name in BLOCK LETTERS:

Signature:

Please refer to the notes overleaf for instructions on the use of this form of proxy and a summary of the rights of the shareholder and the proxy.

Notes to the form of proxy

Including a summary of rights in terms of section 58 of the South African Companies Act, No. 71 of 2008, as amended (the 'Companies Act')

In terms of section 58 of the Companies Act:

- 1.1 A shareholder may, at any time and in accordance with the provisions of section 58 of the Companies Act, appoint any individual (including an individual who is not a shareholder) as a proxy to participate in, and speak and vote at the annual general meeting on behalf of such shareholder (section 58(1)(a));
- 1.2 A proxy may delegate her or his authority to act on behalf of a shareholder to another person, subject to any restriction set out in the instrument appointing such proxy ('Proxy Instrument') (section 58(3)(b)) (but see note 17);
- 1.3 Irrespective of the form of the Proxy Instrument:
 - 1.3.1 The appointment of a proxy is suspended at any time and to the extent that the relevant shareholder chooses to act directly and in person in the exercise of any of such shareholder's rights as a shareholder (see note 6) (section 58(4)(a));
 - 1.3.2 Any appointment by a shareholder of a proxy is revocable, unless the Proxy Instrument states otherwise (section 58(4)(b)); and
 - 1.3.3 If an appointment of a proxy is revocable, a shareholder may revoke the proxy appointment by: (i) cancelling it in writing or making a later inconsistent appointment of a proxy and (ii) delivering a copy of the revocation instrument to the proxy and to the company (section 58(4)(c)).
- 1.4 A proxy appointed by a shareholder is entitled to exercise, or abstain from exercising, any voting right of such shareholder without direction, except to the extent that the company's memorandum of incorporation, or the Proxy Instrument, provides otherwise (section 58(7)) (see note 3).
- 1.5 The revocation of a proxy appointment constitutes a complete and final cancellation of the proxy's authority to act on behalf of the shareholder as of the later of the date stated in the revocation instrument, if any, or the date on which the revocation instrument was delivered as contemplated in paragraph 1.3.3 above (section 58(5));
- 1.6 If the Proxy Instrument has been delivered to a company, as long as that appointment remains in effect, any notice required by the Companies Act or the company's memorandum of incorporation to be delivered by the company to the shareholder must be delivered by the company to the shareholder (section 58(6)(a)), or the proxy or proxies, if the shareholder has directed the company to do so in writing and paid any reasonable fee charged by the company for doing so (section 58(6)(b));
- 1.7 If the company issues an invitation to shareholders to appoint one or more persons named by the company as a proxy, or supplies a form of Proxy Instrument:
 - 1.7.1 The invitation must be sent to every shareholder entitled to notice of the annual general meeting at which the proxy is intended to be exercised (section 58(8)(a)); and
 - 1.7.2 The invitation or form of Proxy Instrument supplied by the company must:
 - 1.7.2.1 Bear a reasonably prominent summary of the rights established in section 58 of the Companies Act (section 58(8)(b)(i));
 - 1.7.2.2 Contain adequate blank space, immediately preceding the name(s) of any person(s) named in it, to enable a shareholder to write the name, and if desired, an alternative name of a proxy chosen by the shareholder (section 58(8)(b)(ii)); and
 - 1.7.2.3 Provide adequate space for the shareholder to indicate whether the appointed proxy is to vote in favour of or against any resolution(s) to be put at the annual general meeting, or is to abstain from voting (section 58(8)(b)(iii));
- 1.8 The company must not require that the proxy appointment be made irrevocable (section 58(8)(c)); and
- 1.9 The proxy appointment remains valid only until the end of the annual general meeting at which it was intended to be used, subject to paragraph 1.5 above (section 58(8)(d)).

Notes:

1. Each shareholder is entitled to appoint one proxy (who need not be a shareholder of Transaction Capital) to participate in, speak and vote (or abstain from voting) in place of that shareholder at the annual general meeting.
2. A shareholder may insert the name of a proxy or the names of two alternative proxies of the shareholder's choice (in the event that the appointed proxy is unable to act) in the space(s) provided with or without deleting "the chairman of the annual general meeting", but the shareholder must initial any such deletion. The person whose name appears first on this form of proxy and who is present at the annual general meeting will be entitled to act as proxy to the exclusion of those whose names follow, it being recorded that the memorandum of incorporation of the company prohibits a shareholder from appointing more than one (1) proxy.
3. A shareholder's instructions to the proxy must be indicated by the insertion of the relevant number of votes exercisable by the shareholder in the appropriate space provided.

4. Failure to comply with the above will be deemed to authorise and direct the chairman of the annual general meeting, if the chairman is the authorised proxy, to vote in favour of the resolutions, or the proxy to vote or abstain from voting at the annual general meeting as he/she deems fit, in respect of all the shareholder's votes exercisable at the annual general meeting.
5. Completed forms of proxy and the authority (if any) under which they are signed should be (but are not required to be) lodged with or posted to the transfer secretaries: Computershare Investor Services Proprietary Limited, Rosebank Towers, 15 Biermann Avenue, Rosebank, 2196 (Private Bag X9000, Saxonwold, 2132) to be received preferably by no later than 09:00 on Tuesday, 7 March 2023 (48 hours prior to the annual general meeting) to allow for processing of such proxies and the orderly arrangement of matters in respect of the annual general meeting, provided that any form of proxy not delivered to the transfer secretary by this time and date may be emailed to the transfer secretary (who will provide same to the chairman of the annual general meeting) at any time prior to the annual general meeting, with the understanding that such form of proxy, authority (if any) and proof of identification requirements must be verified and registered before the commencement of the annual general meeting.
6. The completion and lodging of this form of proxy will not preclude the relevant shareholder from attending the annual general meeting and speaking and voting in person thereat to the exclusion of the proxy appointed in terms hereof, should such shareholder wish to do so.
7. The chairman of the annual general meeting may accept or reject any form of proxy not completed and/or received in accordance with these notes or with the memorandum of incorporation of the company.
8. Any alteration or correction made to this form of proxy must be initialled by the signatory(ies). Any insertion, deletion, alteration or correction made to the form of proxy but not complying with the foregoing will be deemed not to have been validly effected.
9. Documentary evidence establishing the authority of a person signing this form of proxy in a representative capacity (e.g. for a company, close corporation, trust, pension fund, deceased estate, etc.) must be attached to this form of proxy, unless previously recorded by Transaction Capital or the transfer secretaries.
10. Section 63(1) of the Companies Act requires that meeting participants provide reasonably satisfactory identification. The company will regard presentation of a participant's original valid driver's licence, identity document or passport to be satisfactory identification.
11. Where this form of proxy is signed under power of attorney, such power of attorney must accompany this form of proxy, unless it has been registered by Transaction Capital or the transfer secretaries or waived by the chairman of the annual general meeting.
12. Where ordinary shares are held jointly, all joint shareholders are required to sign this form of proxy.
13. A shareholder who is a minor must be assisted by his/her parent/guardian, unless the relevant documents establishing his/her legal capacity are produced or have been registered by Transaction Capital or the transfer secretaries.
14. Dematerialised shareholders who do not own ordinary shares in 'own-name' dematerialised form and who wish to attend the annual general meeting, or to vote by way of proxy, must contact their CSDP representative/ agent/manager, broker or nominee who will furnish them with the necessary letter of representation to attend the annual general meeting or to be represented thereat by proxy. This must be done in terms of the agreement between the shareholder and his/her CSDP, broker or nominee.
15. This form of proxy shall be valid at any resumption of an adjourned or postponed annual general meeting to which it relates, although this form of proxy shall not be used at the resumption of an adjourned or postponed annual general meeting if it could not have been used at the annual general meeting from which it was adjourned or postponed for any reason other than it was not lodged timeously for the meeting from which the adjournment or postponement took place. This form of proxy shall, in addition to the authority conferred by the Companies Act, except insofar as it provides otherwise, be deemed to confer the power generally to act at the annual general meeting, and subject to any specific direction contained in this form of proxy as to the manner of voting.
16. A vote given in accordance with the terms of an instrument of proxy shall be valid, notwithstanding the death or mental disorder of the principal or revocation of the proxy or of the authority under which the proxy was executed, provided that no notification in writing of such death, mental disorder, revocation or transfer as aforesaid shall have been received by the transfer secretaries before the commencement of the annual general meeting or adjourned annual general meeting at which the proxy is used.
17. Any proxy appointed in terms of this form of proxy may not delegate his/her authority to act on behalf of the relevant shareholder. In terms of the memorandum of incorporation of the company, unless revoked, an appointment of a proxy pursuant to this form of proxy remains valid for one (1) year from the date upon which it was signed.