

TRANSACTION CAPITAL

RESULTS
PRESENTATION

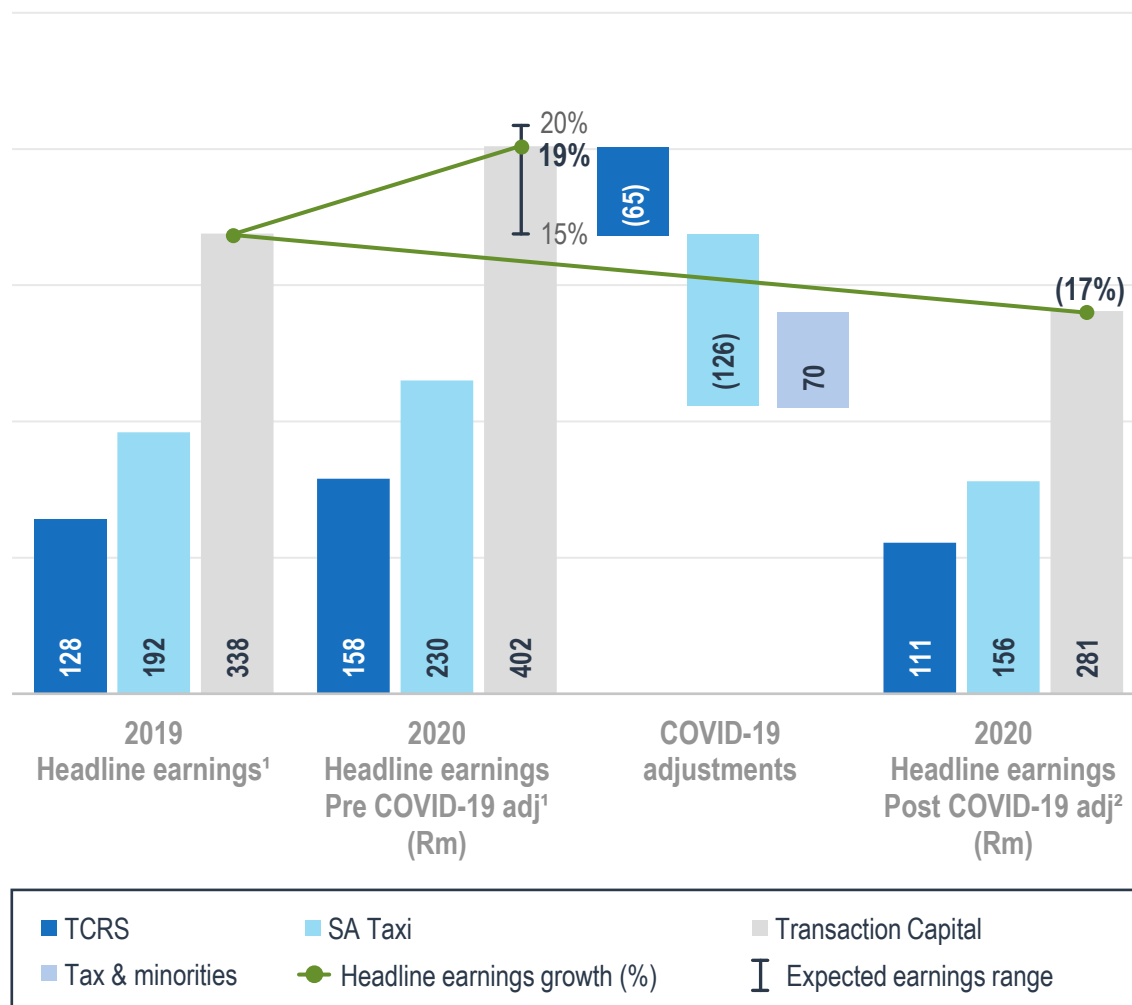
2020

FOR THE HALF YEAR ENDED 31 MARCH



GROUP HIGHLIGHTS

2 0 2 0 RESULTS FOR THE HALF
YEAR ENDED 31 MARCH



ROBUST OPERATIONAL, FINANCIAL & CREDIT PERFORMANCE IN LINE WITH EXPECTATION OF HIGH-TEEN % GROWTH

Pre COVID-19 adjustments

- Headline earnings **▲ 19%** to **R402m** (HY19: **R338m**)
- Headline earnings per share **▲ 18%** to **65.4 cents** (HY19: **55.3 cents**)

COVID-19 adjustments

- Expected short-term disruption on future cashflows from assets in existence at 31 March 2020
- Based on limited information available at present
- Conservative approach at TC's election
- Non-cash & before tax

SA Taxi

- **R126m ▲** in impairment provisions
- Short-term disruption in clients' ability to afford loan instalment repayments, due to
 - › COVID-19 related restrictions impinging clients' ability to operate
 - › Impact of April 2020 loan repayment & insurance premium relief programme
- Should payment patterns normalise | **provision to unwind to profit**
- Should COVID-19 disruption manifest as credit risk | **provision to be utilised to write-off loans**

TCRS

- **R65m ▼** to carrying value of purchased NPL Portfolios
- Short-term disruption in collections on NPL Portfolios

Post COVID-19 adjustments

- Headline earnings **▼ 17%** to **R281m** (HY19: **R338m**)
- Headline earnings per share: **▼ 17%** to **45.8 cents** (HY19: **55.3 cents**)

Comparative information has been restated for the change in the composition of reportable segments as per IFRS 8 – Operating Segments, the recognition of discontinued operations as per IFRS 5 – Non-current Assets Held for Sale & Discontinued Operations & for the adoption of IFRS 17 – Insurance Contracts & IFRS 15 – Revenue from Contracts with Customers | 1. Financial ratios *pre COVID-19 adjustments* exclude, Discontinued operations: TCBS, Principa & Company Unique Finance, which collectively made a loss of R16m (HY19: R6m profit), Once-off acquisition costs of R4m incurred in HY20, relating to the acquisition of Fihrst on 1 December 2019, Once-off costs of R84m, which arose in HY19 relating to SA Taxi's ownership transaction with SANTACO, of which R81m was non-cash & in accordance with IFRS 2 & a further R3m related to early debt settlement costs, Non-cash adjustments to SA Taxi's credit provisioning model of R126m & TCRS's carrying value of purchased book debt of R65m relating to the anticipated COVID-19 effects on cashflow from assets held at 31 March 2020, given information available at present | 2. Financial ratios post COVID-19 adjustments exclude discontinued operations & once-off costs but include the COVID-19 adjustments to SA Taxi's credit provisioning model & TCRS's carrying value of purchased book debt relating to COVID-19 per note 1



PERFORMANCE PRE COVID-19 ADJUSTMENTS

ROBUST OPERATIONAL,
FINANCIAL & CREDIT
PERFORMANCE

R402 million
HEADLINE EARNINGS

↑ 19%

65.4 cps
HEADLINE EARNINGS PER SHARE

↑ 18%

16.3%
RETURN ON EQUITY
HY19 | 17.3%

REPORTED PERFORMANCE POST COVID-19 ADJUSTMENTS

- SA Taxi | ▲ R126m in credit provisions
- TCRS | ▼ R65m adjustment to carrying value of NPL Portfolios

R281 million
HEADLINE EARNINGS

↓ 17%

45.8 cps
HEADLINE EARNINGS PER SHARE

↓ 17%

11.4%
RETURN ON EQUITY
HY19 | 17.3%

DIVIDEND

NO INTERIM DIVIDEND DECLARED |
PRESERVING FINANCIAL FLEXIBILITY
& LIQUIDITY

~**R800** million
UNDEPLOYED CAPITAL
HY19 | R1.0 billion

809.1 cps
NET ASSET VALUE PER SHARE

↑ 9%

24.0%
FOREIGN INVESTOR BASE
HY19 | 17.0%



PERFORMANCE PRE COVID-19 ADJUSTMENT

R230 million
HEADLINE EARNINGS ATTRIBUTABLE TO GROUP
↑ **20%**

R282 million
HEADLINE EARNINGS
↑ **36%**

R11.3 billion
GROSS LOANS & ADVANCES
↑ **14%**

19.1%
NON-PERFORMING LOAN RATIO
HY19 | 18.2%

3.8%
CREDIT LOSS RATIO
HY19 | 4.3%

R321 million
NON-INTEREST REVENUE
↑ **4%**

20.5%
RETURN ON EQUITY
HY19 | 25.3%

PERFORMANCE POST COVID-19 ADJUSTMENT

R156 million
HEADLINE EARNINGS ATTRIBUTABLE TO GROUP
↓ **19%**

R191 million
HEADLINE EARNINGS
↓ **8%**

R11.3 billion
GROSS LOANS & ADVANCES
↑ **14%**

19.1%
NON-PERFORMING LOAN RATIO
HY19 | 18.2%

6.1%
CREDIT LOSS RATIO
HY19 | 4.3%

R321 million
NON-INTEREST REVENUE
↑ **4%**

14.0%
RETURN ON EQUITY
HY19 | 25.3%



PERFORMANCE PRE COVID-19 ADJUSTMENT

R158 million
HEADLINE EARNINGS ATTRIBUTABLE TO GROUP
↑ **23%**

R556 million
COST PRICE PURCHASED BOOK DEBTS ACQUIRED
↑ **27%**

R2 840 million
CARRYING VALUE OF PURCHASED BOOK DEBTS
↑ **64%**

R5.3 billion
ESTIMATED REMAINING COLLECTIONS
↑ **48%**

R1.1 billion
NON-INTEREST REVENUE
↑ **19%**

79.4%
COST-TO-INCOME RATIO
HY19 | 80.1%

18.6%
RETURN ON EQUITY
HY19 | 18.6%

PERFORMANCE POST COVID-19 ADJUSTMENT

R111 million
HEADLINE EARNINGS ATTRIBUTABLE TO GROUP
↓ **13%**

R556 million
COST PRICE PURCHASED BOOK DEBTS ACQUIRED
↑ **27%**

R2 775 million
CARRYING VALUE OF PURCHASED BOOK DEBTS
↑ **61%**

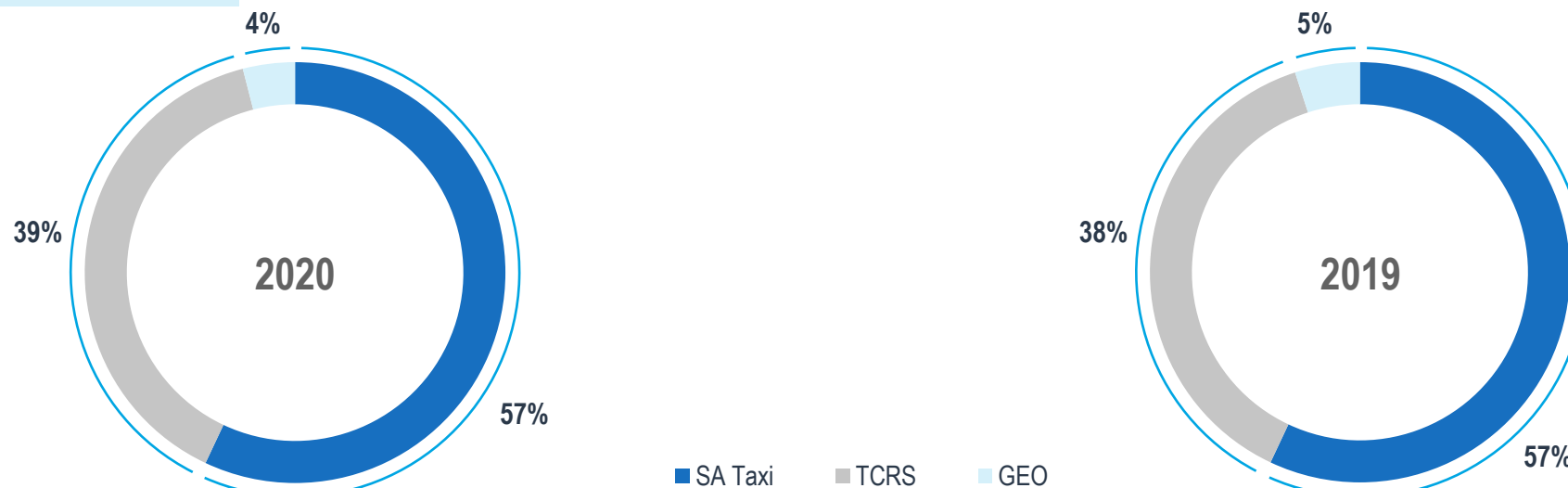
R5.3 billion
ESTIMATED REMAINING COLLECTIONS
↑ **48%**

R1.1 billion
NON-INTEREST REVENUE
↑ **19%**

85.7%
COST-TO-INCOME RATIO
HY19 | 80.1%

13.2%
RETURN ON EQUITY
HY19 | 18.6%

COMPOSITION OF EARNINGS



Headline earnings

	2020 Rm	2019 Rm	Growth 2020
SA Taxi ¹	230	192	▲ 20%
TCRS ¹	158	128	▲ 23%
GEO	14	18	▼ 22%
TOTAL	402	338	▲ 19%
Cents per share	65.4	55.3	▲ 18%

1. Based on core headline earnings from continuing operations pre COVID-19 adjustments for the period attributable to the group

EARNINGS GROWTH & RETURNS TRACK RECORD

- Track record proven over **~20 years**
- HEPS CAGR of **20%** over past five years
- Prior to COVID-19 adjustment | Earnings growth in line with expectations & past performance
- Strategic initiatives remain valid | Certain deferred to FY21

ESTABLISHED & RELEVANT BUSINESS MODELS

- SA Taxi & TCRS businesses established over **~20 years**
- Business models remain relevant in post COVID-19 environment
- Adjusting business models to “best fit” post COVID-19 “new norm”
- Highly defensive businesses | Able to withstand difficult economic conditions
- Vertically integrated, diversified & scalable financial services platforms
- Led by experienced entrepreneurial management teams
- Leverage proprietary data & technology to develop new products & expand into new markets

PROGRESSIVE COVID-19 INITIATIVES

- Board of Directors
 - › **30%** salary & fee reduction from 1 April to 30 June 2020 | Donated to Solidarity Fund
- SA Taxi | Minibus taxi industry, commuter & client support | Refer to slide 14
- TCRS | Refer to slide 14

WELL CAPITALISED & LIQUID BALANCE SHEET

- Conservative equity capital structure
 - › **R6.2bn** of capital | **23.1%** tier I capital adequacy
 - › Divisional balance sheets conservatively capitalised
- Robust access to liquidity
 - › Undeployed capital of **~R800 million**
 - **~R300m** immediately available | **~R500m** invested in TCRS
 - › Approved undrawn **R400m** liquidity facility at group level for divisional support
 - › SA Taxi & TCRS | Refer to slide 18
- No interim dividend declared | Preserving financial flexibility & liquidity
- Early adoption of IFRS 17 in 2019 (prior to January 2021 deadline) | Aligning with IFRS 9

ADVANCED ESG PROGRAMMES

- Enhanced ESG reporting | Online impact report released January 2020
- Shared value model delivering commercial returns & social benefits
- Enhanced board of directors
 - › 5 executive directors
 - › 7 non-executive directors | 6 independent
 - › Active process to identify additional NEDs to augment existing board

EARNINGS GROWTH & RETURNS TRACK RECORD

- Track record proven over ~20 years
- Headline earnings CAGR of 21% over past five years
- Prior to COVID-19 adjustment | Earnings growth in line with expectation & past performance
- Strategic initiatives remain valid

SA TAXI PROTECT

- Gross written premiums ▲ 16%
 - › No. of insurance clients ▲ 18% (HY19: ▲ 11%)
 - Despite number of loans originated ▼ 9%
 - › ▲ Customer acquisition in open market via broker network (>100)
- Reduced cost of claim via efficiencies (SA Taxi Auto Repairs & SA Taxi Auto Parts)
- Dedicated insurance refurbishment facility in development

SA TAXI DIRECT

- Newly located premises in Midrand | Q4 FY20

SA TAXI REWARDS

- Medium-term strategy
 - › Combine telematics, rewards & credit into transaction-based account for minibus taxi industry

SA TAXI FINANCE

- Gross loans & advances ▲ 14% | Number of loans originated ▼ 9% (HY19: ▲ 9%)
 - › Toyota production ▼ | Industrial action in January 2020
 - › COVID-19 disruption at end of March 2020
 - ▼ Number of loan originations | Dealerships & licensing departments closed
 - › Toyota prices ▲ 2.5% in HY20 | Further ▲ 3% in April 2020
- Demand for pre-owned vehicles continues | Increasing refurbishment capacity
- Conservatively capitalised | R3.4bn of capital | 16.5% tier I capital adequacy
- **Unfettered access to liquidity** | Refer to slide 18

SA TAXI AUTO REPAIRS & SA TAXI AUTO PARTS

- Repairs | ▲ total refurbishment capability
 - › Dedicated refurbishment facility in development for Nissan & warranty repairs
- Finance | Cost of refurbishment ▼ ~4% to 6%¹; ▼ loss given default; ▲ recovery on repossession
- Insurance | ▼ cost of claim
- Developed new & pre-owned auto parts sales channels
 - › Wholesale to SA Taxi Auto Repairs & external auto repairers | ▼ cost of repair
 - › Retail to SA Taxi clients & open market operators | Majority of clients new to SA Taxi yielding cross-sell opportunities

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1. Reduction in the cost of refurbishment is dependent on the nature of the refurbishment or repair

DELIVERING SHARED VALUE FOR THE MINIBUS TAXI INDUSTRY

- Progressive COVID-19 initiatives | Refer to slide 14
 - › Minibus taxi industry & commuter support
 - › SA Taxi client support
- SANTACO | 25% shareholder in SA Taxi
- Rewards programmes
 - › Sustain taxi owner & enhance vehicle safety
- Refer to slide 57

SA TAXI | LOOKING FORWARD OVER NEAR-TERM

- Continued support for minibus taxi industry, commuters & clients
- ▼ Number of loans to be originated | New & pre-owned vehicles
 - › ▼ Vehicle supply | Toyota & SA Taxi Auto Repair closure
- ▼ Vehicles sold in dealership | SA Taxi Direct closure
- Continued disruption to collections
 - › Requiring COVID-19 adjustment
 - › Should COVID-19 payment disruption regularise
 - Provision to unwind
 - › Should COVID-19 payment disruption convert to credit stress
 - Provision to be utilised



EARNINGS GROWTH & RETURNS TRACK RECORD

- Track record proven over ~20 years
- Headline earnings CAGR of 29% over past five years
- Prior to COVID-19 adjustment | Earnings growth in line with expectation & past performance
- Strategic initiatives remain valid | Certain deferred to FY21

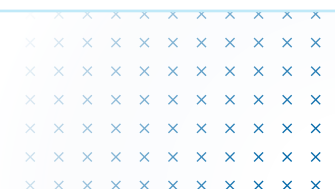
ROBUST PERFORMANCE FROM RECOVERIES CORPORATION IN AUSTRALIA

- Collections revenue stable | Despite difficult consumer environment, bushfires & COVID-19
 - › Won new clients & mandates | Sold new services
 - › Resilience of business model proven
- Operating costs well managed
 - › Deployment of technologies proven in SA into Australia business
- Acquisition of NPL Portfolios | Potential to establish meaningful position in sizeable market
 - › Invested **R73m** (HY19: **R33m**)

COLLECTIONS REVENUE IN SOUTH AFRICA ▲~20% DESPITE CHALLENGING ENVIRONMENT

EXCELLENT REVENUE GROWTH IN COLLECTION OF SA NPL PORTFOLIOS, POSITIVELY OFFSET EXPECTED SLOW-DOWN IN CONTINGENCY COLLECTION REVENUES

- **Acquisition of NPL Portfolios**
 - › Invested **R483m** (HY19: **R404m**)
 - › Underdeveloped & growing sector with TCRS leading expansion
 - › Introducing new sellers & expanding asset classes
 - › Structural market shift | Clients selling NPL Portfolios earlier to focus on core business & optimise balance sheets
- **Contingency collection services performed in line with expectations**
 - › Difficult consumer credit environment
- Medium-term COVID-19 opportunities | Clients may require additional support
 - › Strained consumer environment
 - › Disruption within clients' call centres
 - › ▲ NPL Portfolios to acquire or collect as agent

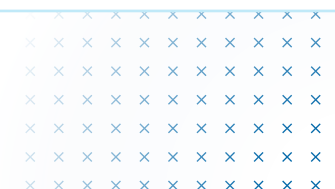


REALIGNMENT OF TCSR

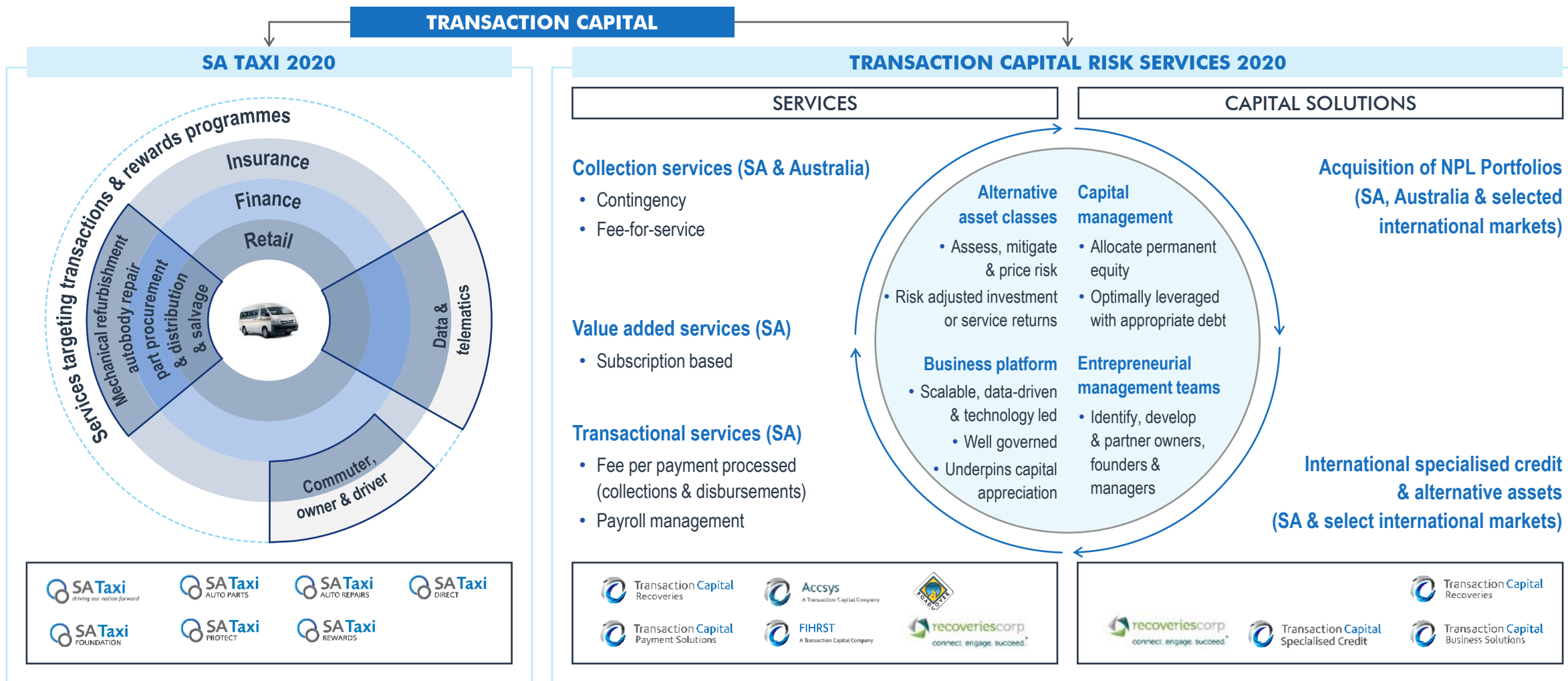
- Creation of single scaled Transactional Services platform
 - › Fihrst acquired in December 2019 | Accsys acquired in December 2017
 - › Integration & combination of TCPS, Fihrst & Accsys
 - › ~**R160bn** 3rd party payment, disbursement & payroll management service provider
 - › PASA & NPS registered
- Disposal of Principa concluded April 2020 | Non-core division & sub-scale
- Wind-down of TCBS portfolio
 - › Reduce capital risk to vulnerable SME sector
 - › Bolster liquidity | Extract ~**R600m** of capital previously allocated to TCBS
- TC Global Finance to be managed by GEO
 - › **€8.7m** deployed to date | Initial returns in line with expectations
 - › Appointed CEO to lead strategy
 - › Strategy remains valid | Deferred to FY21 | Prudent to retain liquidity while European market stabilises

TCSR | LOOKING FORWARD OVER NEAR-TERM

- ▼ Acquisition of NPL Portfolios in SA, Australia & Europe
 - › Cautious approach over short-term
 - › Focus on bilateral arrangements where risk can be managed
 - › Strategy remains valid over medium to long-term
 - › Undeployed capital allocated to NPL Portfolios now available to bolster liquidity
- Continued disruption to collection of NPL Portfolios
 - › Requiring COVID-19 adjustment to carrying value
- ▼ Contingency revenue
 - › Stressed consumer credit environment
 - › Contracted credit extension
 - › Lower retail sales & retail client handovers



GROWING EARNINGS BASE BY EXPANDING EXISTING TOTAL ADDRESSABLE MARKET & ENTERING ADJACENT MARKET SEGMENTS VIA VERTICAL INTEGRATION



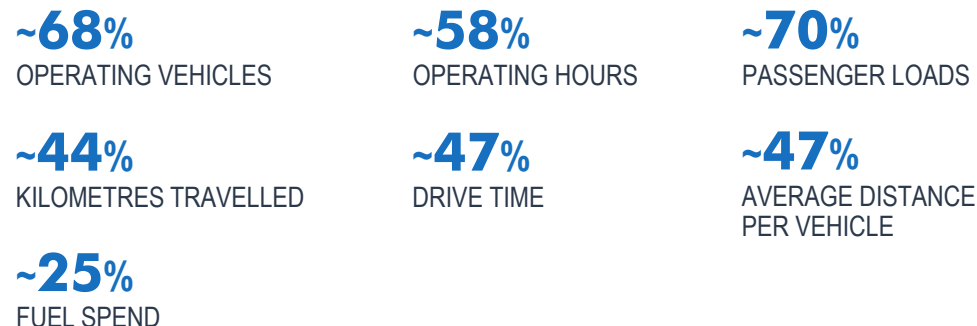


COVID-19 INITIATIVES, IMPACT & RESPONSES

2 0 2 0 RESULTS FOR THE HALF
YEAR ENDED 31 MARCH



COVID-19 IMPACT ON SA TAXI'S FLEET ACTIVITY¹



LOWER COMMUTER MOBILITY & COVID-19 RESTRICTIONS CONSTRAIN MINIBUS TAXI ACTIVITY IN THE SHORT-TERM, RESULTING IN REDUCED TRIPS & REDUCED PROFITABILITY PER TRIP

OPERATIONS DISRUPTED SINCE MID-MARCH 2020



COVID-19 IMPACT ON COLLECTION ACTIVITY¹



WORK FROM HOME (WFH) IMPLEMENTED WITH NO COMPROMISE TO DATA SECURITY & TECHNOLOGY CAPABILITY



A FLEXIBLE OPERATING INFRASTRUCTURE ADAPTING WELL TO CONTINUOUSLY CHANGING COVID-19 RESTRICTIONS

1. Compared to the benchmark & measured during the 35 day national lockdown from 27 March 2020 to 30 April 2020



SA TAXI SUPPORT

- Minibus taxi industry, drivers & commuters
 - › **>R3m** donation towards health & safety
 - › Hand sanitisers & facial masks at ranks
 - › Sanitisation of drivers, commuters & minibus taxis
- SA Taxi clients
 - › Loan repayment relief for April 2020
 - › Insurance premium relief for April 2020 | Retaining cover
 - › Minimise economic impact of COVID-19 on taxi owners



TCRS SUPPORT

- TCRS clients & employees
 - › Continued employment to **>1 000** call centre staff on WFH
 - › No compromise to data security or tech capability
 - › Successfully implemented WFH to support our clients
- Our operations
 - › **3-month** pay cut of up to **30%** for executive & senior management

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BUSINESS MODEL

- Business model remains highly relevant in post COVID-19 environment
- SA Taxi
 - › Industry to recover quickly, as demand for minibus taxi services will be 1st to benefit from reopening of economy
- TCRS
 - › Effective functioning of credit critical to economic recovery
 - › Clients will have larger levels of NPL Portfolios to manage

OPERATIONS

- Flexible operating infrastructure
 - › Phased easing of restrictions
 - › Continued WFH for staff
 - › Expanded health & safety for those on site (social distancing & sanitation)
- Changing COVID-19 regulations
 - › Management & staff flexibility in relation to changing regulations

ASSETS & CASHFLOW

- Short-term disruption to collections
- SA Taxi
 - › Loan repayment & insurance premium relief
 - › COVID-19 adjustment to credit provisioning model
 - › Absolute value of cash still collected over extended loan term
 - › Supported by long-term income producing ability of minibus taxi (>9 years)
- TCRS
 - › ▲ Pressure on consumers | Extend time to collect / rehabilitate
 - › COVID-19 adjustment to carrying value of purchased book debts
 - › Absolute value of cash collected over extended term
 - › Supported by long-term cashflow producing ability of NPL Portfolios (>10 years)

LIQUIDITY

- Short-term disruption to cashflows requiring
 - › Flexible capital structure
 - › Access to liquidity
- Unfettered access to liquidity | Refer to slide 18

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CAPITAL MANAGEMENT

2 0 2 0 RESULTS FOR THE HALF
YEAR ENDED 31 MARCH

FUNDING PHILOSOPHY

INNOVATIVE THINKING

Innovative thinking is encouraged & cultivated to develop pioneering funding solutions

ENGAGED DEBT INVESTORS

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

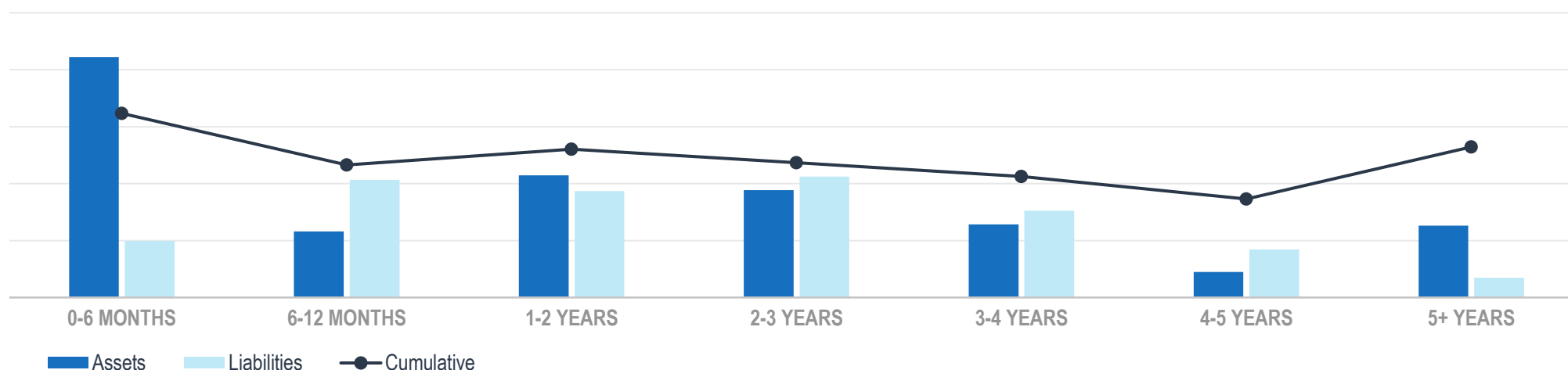
JUDICIOUS RISK MITIGATION

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

OPTIMAL CAPITAL STRUCTURES

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

POSITIVE LIQUIDITY MISMATCH



At HY20 a positive asset-liability gap was observed for the group

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

WELL CAPITALISED BALANCE SHEETS

UNDERPINNED BY A CONSERVATIVE APPROACH TO STRUCTURING DEBT

WITH STRONG ACCESS TO LIQUIDITY FACILITIES



R2.7 billion

TOTAL EQUITY

21.4%

CAPITAL ADEQUACY RATIO

Equity **16.5%** | Subordinated debt **4.9%**

R14.8 billion

TOTAL ASSETS

R11.0 billion

SENIOR & SUBORDINATED DEBT

DFIs **supportive & positioned** to provide financial stability & liquidity in dislocated financial markets

12 months funding

for loan originations secured

Capital repayment relief available within relevant SA Taxi debt arrangements



R5.5 billion

TOTAL EQUITY

26.7%

CAPITAL ADEQUACY RATIO

Equity **23.1%** | Subordinated debt **3.6%**

R20.7 billion

TOTAL ASSETS

R13.0 billion

SENIOR & SUBORDINATED DEBT

~**R800 million**
UNDEPLOYED CAPITAL



~**R300 million**
IMMEDIATELY AVAILABLE

~**R400 million**
APPROVED UNDRAWN LIQUIDITY FACILITY FOR DIVISIONAL SUPPORT



R1.8 billion

TOTAL EQUITY

3.1 times

LEVERAGE

R5.5 billion

TOTAL ASSETS

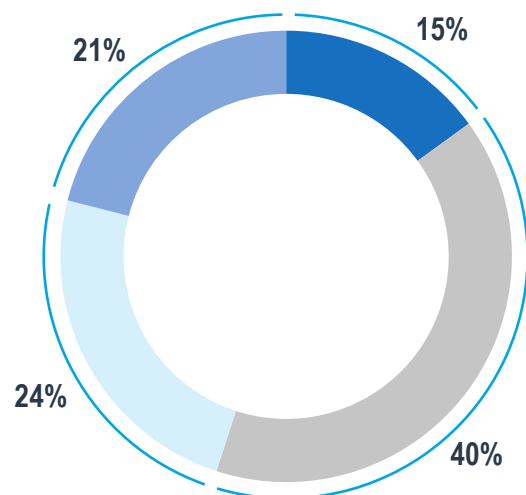
R2.1 billion

SENIOR DEBT

~**R500 million**
CAPITAL FROM GROUP INVESTED IN TCRS

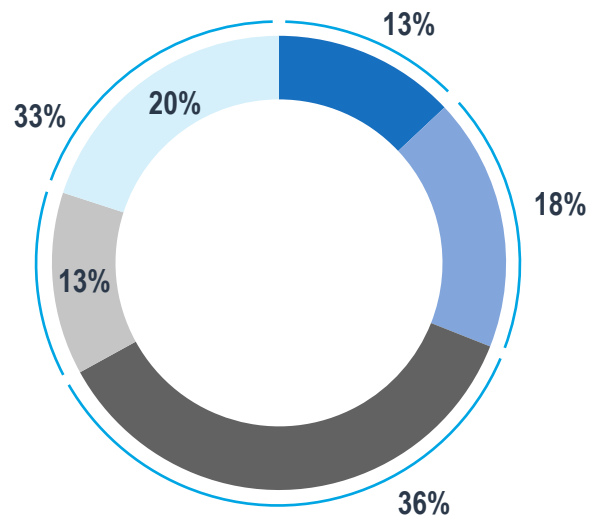
CONSERVATIVE LEVEL OF LEVERAGE

DIVERSIFICATION BY DEBT INVESTOR CATEGORY & CAPITAL POOL



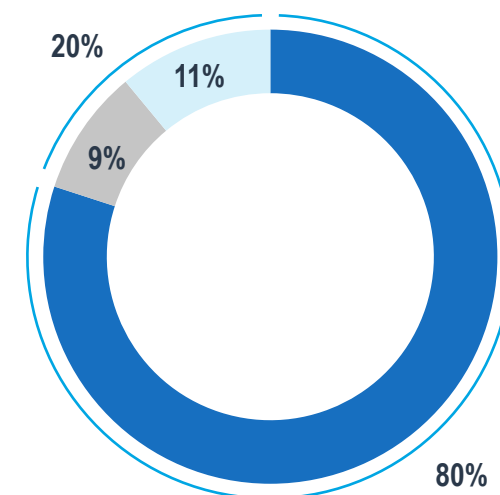
- Institutional investors
- Banks
- Fixed income funds & asset managers
- DFIs & impact investors

DIVERSIFICATION BY FUNDING STRUCTURE & INSTRUMENT



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

DIVERSIFICATION BY GEOGRAPHY



- Local
- INTERNATIONAL
- Europe
- US

DEBT STRUCTURE

HY20 BALANCE
OUTSTANDING

COMPOSITION

DEBT INVESTORS

INSTRUMENTS

COVENANTS

PASS THROUGH STRUCTURES

R4.6 billion

~**36%**

22 debt investors

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

- Rated & listed securitisation notes
- Private or bilateral loans

- No accelerated repayment covenant
- Interest rate step-up after year 5
- Debt is serviced from collections on underlying asset pool. No fixed repayment profile



WAREHOUSING FACILITIES

R1.7 billion

~**13%**

2 debt investors

- Banks

- Asset-backed loans

- No accelerated repayment covenant
- Interest rate step-up after year 5
- Revolving structure
- No fixed repayment profile
- Debt serviced from collection or sale of assets



PRIVATE STRUCTURED FINANCE (MAJORITY INTERNATIONAL DFIs)

R4.2 billion

~**33%**

18 debt investors

- DFIs & impact funders
- Banks
- Fixed income funds & asset managers

- Private bilateral

Capital repayment relief
available

- DFIs are supportive & positioned to provide financial stability & liquidity in dislocated financial markets



ON BALANCE SHEET & SYNDICATED LOANS

R2.4 billion

~**18%**

6 debt investors

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

- Syndicated loans



SA TAXI

2 0 2 0 RESULTS FOR THE HALF
YEAR ENDED 31 MARCH

STRUCTURAL ELEMENTS SUPPORT MINIBUS TAXI INDUSTRY RESILIENCE

DOMINANT & GROWING MODE OF INTEGRATED PUBLIC TRANSPORT NETWORK

40%
OF SOUTH AFRICANS USE PUBLIC TRANSPORT

69%
OF HOUSEHOLDS USE MINIBUS TAXIS (**59%** in 2003)

~15 million
MINIBUS TAXI COMMUTER TRIPS DAILY

-> Accessible
-> Convenient
-> Affordable & competitively priced
-> Reliable
-> Currently no government subsidy

.....> Bus & Rail ▼ | subsidised | together account for **<1.5 million** trips daily

.....> New passenger vehicle sales ▼ **22%** (HY13 to HY20)

.....> Increasing commuter density due to **urbanisation**

.....> Continued high levels of unemployment **~29%**

.....> Spend by commuters on public transport is **non-discretionary**

MINIBUS TAXIS ARE AN ESSENTIAL SERVICE WITH SPEND BY COMMUTERS ON PUBLIC TRANSPORT BEING NON-DISCRETIONARY

DEMAND FOR MINIBUS TAXIS > SUPPLY IN SOUTH AFRICA

TOTAL DEMAND

>250 000
MINIBUS TAXIS

~80 000
FINANCED &/OR INSURED

~170 000
UNENCUMBERED & AGED

AVERAGE AGE >9 YEARS | AGEING FLEET REQUIRING REPLACEMENT & RECAPITALISATION

TOTAL MONTHLY MARKET SUPPLY VS SA TAXI'S MONTHLY DEMAND

>1 800
TOTAL MARKET SUPPLY¹
HY19 to HY20 ▼



~5 600
SA TAXI'S TOTAL APPLICATIONS
HY19 to HY20 ▲

MAJOR PREMIUM BRAND MINIBUS TAXIS SUPPLIED & DEMAND PER MONTH

TOTAL MONTHLY MARKET SUPPLY²

~1 600 NEW ¹	~220 PRE-OWNED ¹
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SA TAXI'S MONTHLY APPLICATIONS

~4 300 NEW	~1 900 PRE-OWNED
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~43% APPROVAL RATE	~27% TAKE-UP RATE
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EFFECT ON SA TAXI

- Driving higher demand for minibus taxis, finance & other services
- Liquid market for SA Taxi's high quality & affordable pre-owned refurbished vehicles
- Resulting in higher recoveries as asset retains value due to demand > supply

Source: Stats SA Land Transport Survey 2018 | NAAMSA Sales Results | National Treasury Public Transport & Infrastructure system report | Department of Transport -Transport Infrastructure report | Passenger Rail Agency of SA |

SA Bus Operators Association | Websites: Rea Vaya, MyCiTi, Rustenberg Rapid Transport

1. Includes Toyota, Nissan & Mercedes | SA Taxi's best estimate based on monthly NAAMSA reports, internal data & Lightstone data

2. Total monthly market supply of minibus taxis comprises of ~1 250 Toyota vehicles with the rest made up of Nissan & Mercedes (excluding Chinese vehicles)

ENVIRONMENT FOR MINIBUS TAXI OPERATORS

INDUSTRY IS DEFENSIVE & GROWING WITH RESILIENT OPERATORS DESPITE CHALLENGING ECONOMIC ENVIRONMENT

CHALLENGING ENVIRONMENT FOR MINIBUS TAXI OPERATORS

INTEREST RATES

6.3%

AVERAGE REPO RATE¹
HY19 | 6.7%

23.0%

AVERAGE INTEREST RATE
AT ORIGIN
Since HY15 ▼ 1.4%

~R370 ▼

IMPACT ON MONTHLY
INSTALMENT

5.25%

REPO RATE²
HY19 | 6.75%

16.0% to 26.75%

SA TAXI RISK BASED PRICING
INTEREST RATE RANGE

TAXI RECAPITALISATION PROGRAMME (TRP)

R124 000

▲ 36% IN APRIL 2019

MINIBUS TAXI SCRAPPING ALLOWANCE

TRP INITIATED BY
GOVERNMENT IN 2006

VEHICLE PRICES

R463 000

TOYOTA HIACE (DIESEL) PRICE³
Since HY15 | ▲ 30%

R877 135

MERCEDES SPRINTER PRICE³
Since HY15 | ▲ 53%

R443 100

NISSAN NV350 PRICE³
Since HY15 | ▲ 33%

2.5% ▲

TOYOTA VEHICLE PRICES IN HY20

~R3 650 ▲

IMPACT ON MONTHLY INSTALMENT SINCE 2015

FURTHER 3% ▲ IN TOYOTA VEHICLE PRICE IN APRIL & INCREASES EXPECTED IN FY20

FUEL PRICES INCLUDING FUEL LEVIES

R15.85 per litre

PETROL PRICE⁴ ▲ 4%

R14.37 per litre

DIESEL PRICE⁴ ▲ 3%

FUEL PRICES CURRENTLY AT FOUR-YEAR LOW | MAY 2020 ▼ ~R2.00 per litre

~2 billion litres

USED BY TAXI INDUSTRY PER YEAR⁵

~R30 billion

FUEL SPEND BY TAXI INDUSTRY PER YEAR⁵

MINIBUS TAXI INDUSTRY'S TAX CONTRIBUTION⁶

~R1 billion

VAT CONTRIBUTION ON
VEHICLE SALES PER YEAR

~R7 billion

FUEL LEVIES PAID
PER YEAR

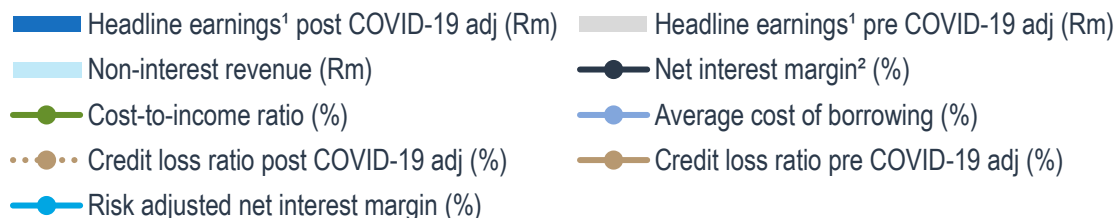
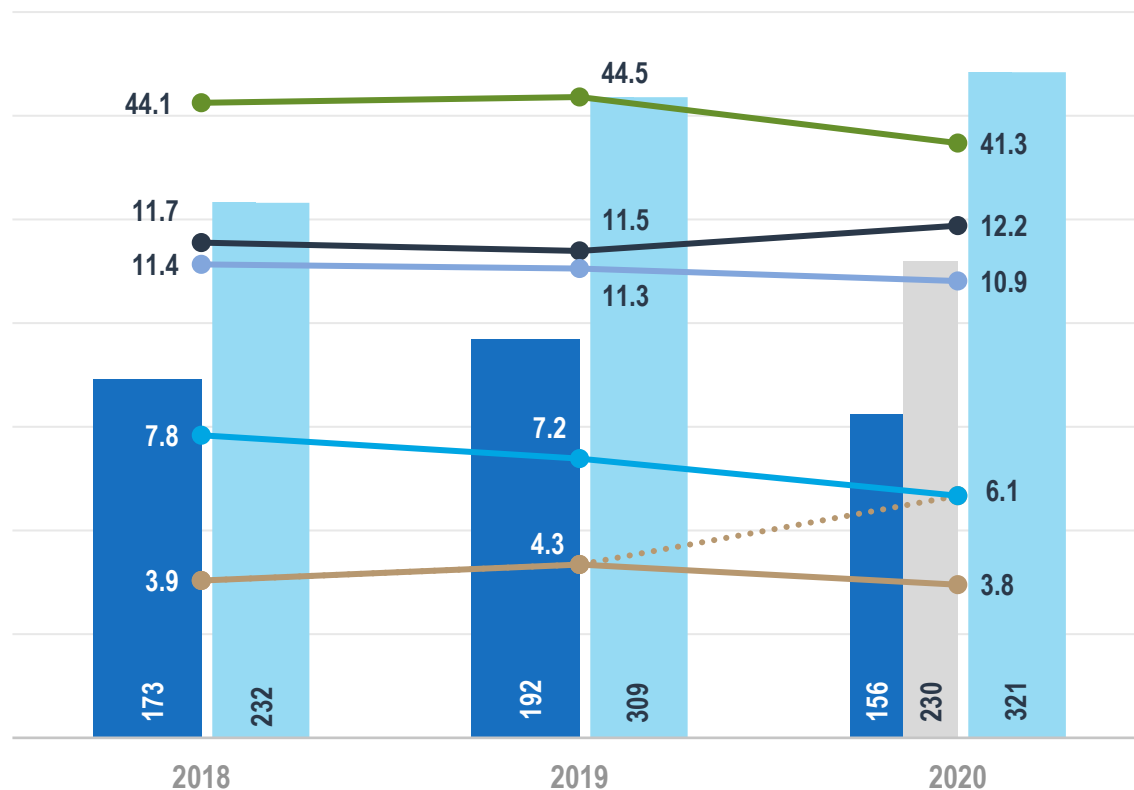
~R4 billion

ROAD ACCIDENT FUND
CONTRIBUTION PER YEAR

FARES

Despite inelastic demand for minibus taxi services the industry kept fare increases muted in 2019, with increases in 2020 unlikely mindful of the current hardship of commuters

1. Average Repo rate for year ending 31 March 2019 & 2020 | 2. Repo rate as at 31 March 2019 & 2020 | 3. Toyota, Mercedes & Nissan recommended retail price, including VAT, as at 31 March 2020 | 4. www.energy.gov.za | 12-month rolling average fuel price (March 2019 to March 2020) | 5. 12-month rolling average petrol & diesel price (March 2019 to March 2020) multiplied by SA Taxi's estimates for number of litres used | 6. SA Taxi's internal estimate



1. Based on core headline earnings attributable to the group

2. The group adopted IFRS 16 based on the modified retrospective approach from 1 October 2019. Net interest margin includes the effect of interest expense relating to IFRS 16

3. National Credit Act maximum rate for developmental credit small & medium business loans | Repo rate x 2.2 plus 20% | 4. Repo rate as at 31 March 2020

Headline earnings

- ▲ 36% to R282m (pre COVID-19 adjustment) | ▼ 8% to R191m (post COVID-19 adjustment)

TC's attributable portion

- ▲ 20% to R230m (pre COVID-19 adjustment) | ▼ 19% to R156m (post COVID-19 adjustment)
 - › All organic growth
 - › After consolidating only 81.4% (previously 98.5%)
 - › Settled approximately ~R1bn of interest-bearing debt on 6 February 2019
 - Yielding ~R45m after tax interest expense saving for HY20

Net interest margin² at 12.2%

- Weighted average interest rate on origination 23.0% (HY19: 23.7%) | NCA max rate³ at 31.6%
- Repo rate ▼ by 1.25% to 5.25%⁴, resulting in pressure on net interest margin
- Funding costs ▼ to 10.9% (HY19: 11.3%)

Credit loss ratio

- ▼ to 3.8% (pre COVID-19 adjustment) | ▲ to 6.1% (post COVID-19 adjustment)

Risk-adjusted net interest margin

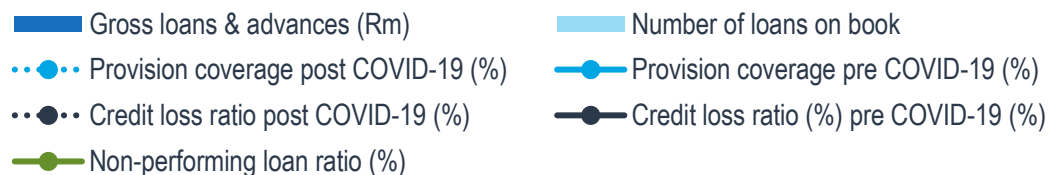
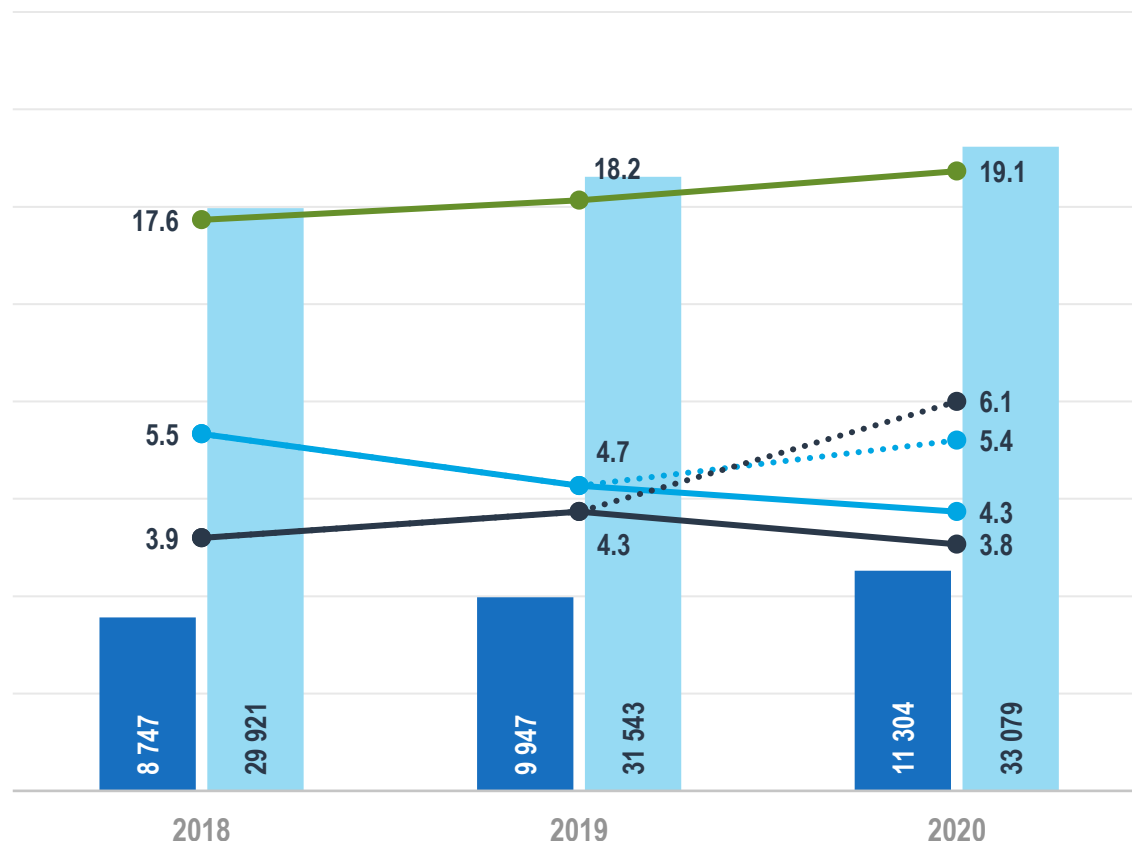
- ▲ to 8.4% (pre COVID-19 adjustment) | ▼ to 6.1% (post COVID-19 adjustment)

Non-interest revenue ▲ 4% to R321m

- Gross written premium ▲ 16%
- Offset by lower direct vehicle sales
 - › Supply constraints of new Toyota vehicles due to industrial action
 - › SA Taxi Direct closed due to COVID-19

Cost-to-income ratio improved to 41.3% (HY19: 44.5%)

Effective tax rate marginally increased to 23.8% (HY19: 23.5%)



Gross loans & advances ▲ 14% to R11.3bn

- Momentum in sale & finance of pre-owned vehicles | Expanded refurbishment facility in development
- Launch of a lower interest rate product for lower risk clients
- Toyota vehicle prices ▲ 2.5% in HY20
- Offset by number of loans originated ▼ 9%
 - › Toyota production ▼ due to industrial action
 - › SA Taxi Direct & other dealerships closed due to COVID-19

NPL ratio at 19.1% (HY19: 18.2%)

- Number of loans originated ▼ 9%
- March 2020 collections ▼ due to COVID-19 disruptions
- ▲ credit provisions by R126m

Credit loss ratio

- ▼ to 3.8% (pre COVID-19 adjustment) | within 3% to 4% risk tolerance
- ▲ to 6.1% (post COVID-19 adjustment)
- Recovery on repossession >75% of settlement value
 - › Cost of refurbishment¹ ▼ ~4% to 6%
 - › Improved quality & efficiencies in refurbishment centre
 - › Cost efficient part procurement

Provision coverage

- 4.3% (Pre COVID-19 adjustment) | 5.4% (Post COVID-19 adjustment) | HY19: 4.7%

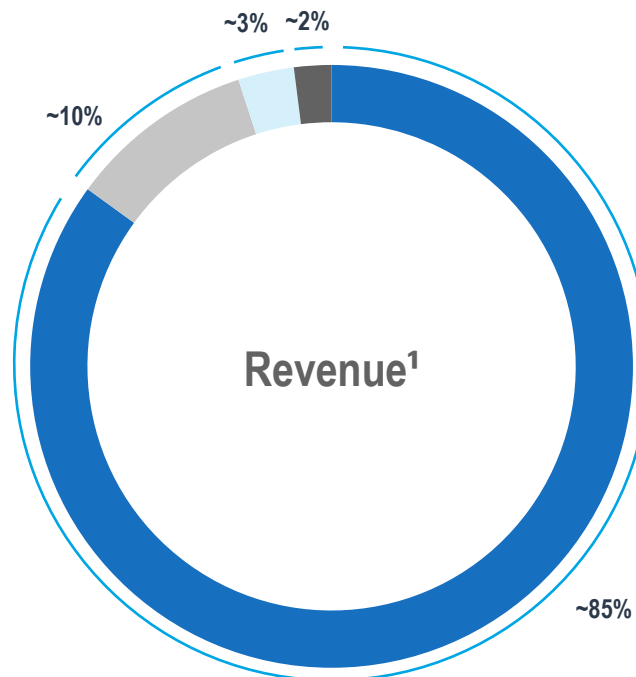
1. Reduction in the cost of refurbishment is dependent on the nature of the refurbishment or repair



TRANSACTION CAPITAL RISK SERVICES

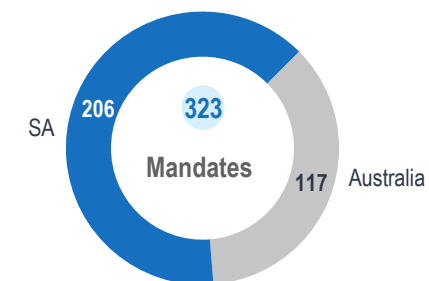
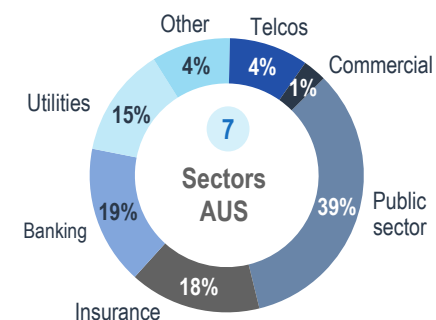
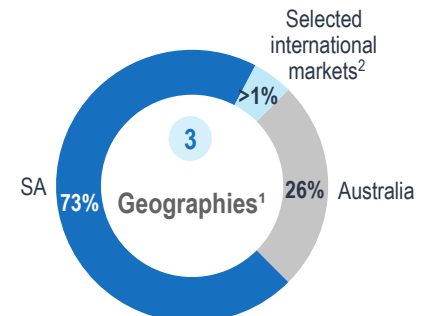
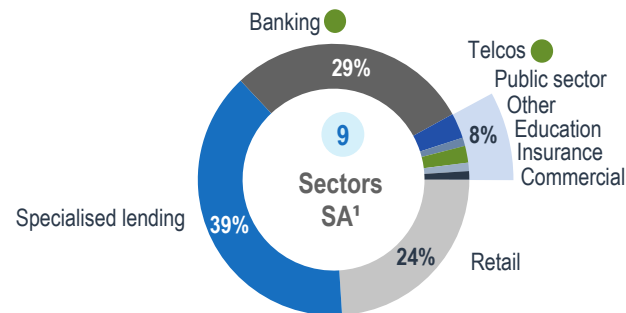
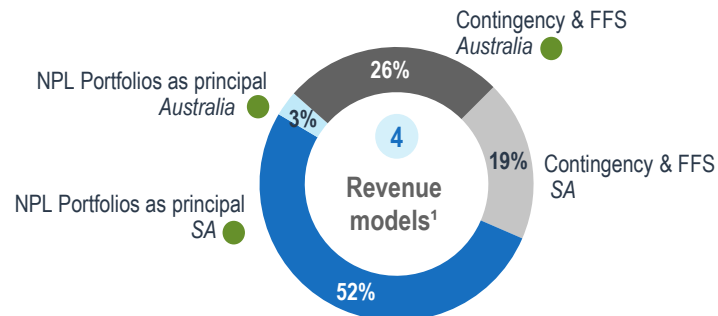
2 0 2 0 RESULTS FOR THE HALF
YEAR ENDED 31 MARCH

BUSINESS ACTIVITIES



● Strategic growth initiatives remain valid, with certain deferred to FY21

COLLECTION SERVICES DIVERSIFICATION



1. Approximate revenue composition as at 31 March 2020

2. Profit share included in revenue as at 31 March 2020

MACRO- & SOCIO-ECONOMIC ENVIRONMENT IN SA PLACING PRESSURE ON CONSUMERS OVER THE MEDIUM-TERM

HIGHLY RELEVANT BUSINESS MODEL IN A POST COVID-19 ENVIRONMENT

37 million

ADULTS¹

25 million

CREDIT ACTIVE
CONSUMERS
IN SA²



→ **10.7** million

(~40%) NON-PERFORMING CREDIT CONSUMERS²

→ **HOUSEHOLD DEBT TO INCOME³ AT 72.7%** (▲ from 71.6% Q2 2018)

→ **ELEVATED LEVELS OF UNEMPLOYMENT⁴**

- Total at **29.1%** in Q3 2019 (▲ from 27.5% Q3 2018)
- Youth at **58.2%** in Q3 2019 (▲ from 52.8% Q3 2018)

→ **INFLATION⁵ ▼ to 4.1%** > WAGE GROWTH⁴ AT <**4.0%**
Inflationary pressure an emerging risk

→ **INTEREST RATES ▼ | AVERAGE REPO RATE⁶ 6.3%** (HY19: 6.7%)

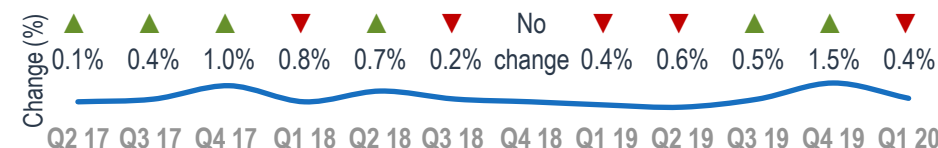
- Repo rate 5.25% at 31 March 2020, 4.25% at April 2020

→ **CREDIT EXTENSION**

- Challenging environment strained by COVID-19

Transaction Capital's consumer credit rehabilitation index

NATIONAL REHABILITATION PROSPECT TRENDS | QUARTER-ON-QUARTER



Expected COVID-19 effect on TCRS (medium-term)

- Constrained credit extension
- More consumers roll into NPL status
 - › ▲ value & number of NPL Portfolios offered for sale
 - › Conservative approach to acquisition of NPL Portfolios as a principal
 - › ▼ yield in contingency collection mandates
 - › Shift from contingency to FFS

COVID-19

2 April 2020 - Changes to regulations of Disaster Management Act stated that “debt collection services” no longer considered “essential service”

- TCRS closed all its call centers to comply with regulations on this date
- The regulations do not preclude “debt collection services” conducted remotely via WFH
- >1 000 agents currently WFH | No compromise to personal safety, data security & technology capability

Credit rehabilitation is crucial in growing an inclusive & efficient credit economy

- TCRS is committed to supporting the healthy functioning of credit markets by continuing to restructure & recover NPL portfolios
- COVID-19 will adversely impact consumer credit sector
 - › Lower expected credit yields & reduced credit extension
 - › Place pressure on consumer's disposable income
 - › “No work – no pay” policies & ▲ unemployment

AUSTRALIAN CONSUMER CREDIT ENVIRONMENT

AUSTRALIAN CONSUMER EMPLOYED BUT HIGHLY LEVERAGED

- 5.2% unemployment (March 2020), ▲ unemployment an emerging risk
- Persistently high levels of household debt to disposable income at ~190%, exacerbated by decreasing house prices
- Monthly debt servicing costs at >50% (excluding home loans)
- Aus bush fires placing strain on an already indebted consumer
- ▼ Economic activity due to COVID-19
- Effect of Royal Commission into Banking:
 - › ▼ Sale of NPL Portfolios
 - › ▼ Credit extension

AUSTRALIAN DEBT COLLECTION ENVIRONMENT

- Consumers:
- Predominantly employed, with risk of ▲ unemployment
 - Respond well to non-voice & digital channels & high levels of right party contact
- Market participants:
- ▼ Access to funding
 - ▲ Regulatory compliance
 - ▼ Sale of NPL portfolio
 - Shift towards FFS

FRAGMENTED MARKET COMPRISING ~550 MARKET PARTICIPANTS | EARLY STAGE MARKET CONSOLIDATION

AUSTRALIAN COLLECTIONS MARKET | MARKET SHARE CONCENTRATION

ACQUISITION OF NPL PORTFOLIOS AS PRINCIPAL	61.4%	CONTINGENCY & FFS COLLECTIONS	34.3%
• Credit Corp	14.0%	• illion (formerly Dun & BradStreet)	3.5%
• Collection House	12.3%	• Recoveries Corp (TCRS)	3.4%
• Pioneer Credit Limited	7.9%		
• Panthera	4.1%		
• Recoveries Corp (TCRS)	1.2%		
		OTHER COLLECTIONS	4.3%

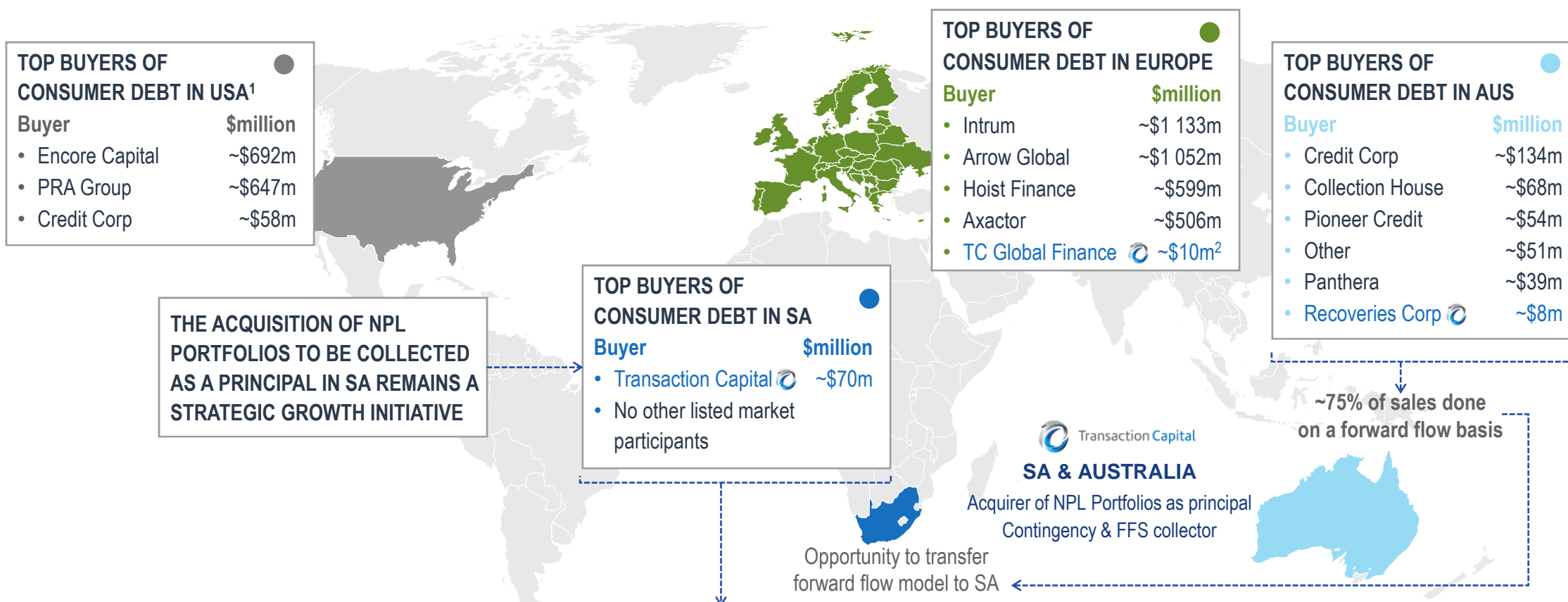
PRICE OF NPL PORTFOLIOS ACQUIRED PER YEAR

BUYERS OF CONSUMER DEBT IN AUSTRALIA



TCRS STRATEGIC GROWTH INITIATIVES TO CREATE VALUE

GROWTH OPPORTUNITIES IN AN UNDERDEVELOPED & GROWING SA MARKET



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

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

Current SA economic context

- Difficult consumer credit environment leading to constrained credit extension & lower volumes handed over
- Consumers expected to go into non-performing loan status post COVID-19, presenting an opportunity to collect as an agent or acquire NPL portfolios to be collected as a principal

Last updated FY19:

- Source: Debt Sale Market Update - the changing buying landscape report by Bravure Group 21 August 2019
- All amounts reflected in \$ millions unless stated otherwise | 1.47 AUD to 1 USD conversion rate as at 18 August 2019 | 15.17 ZAR to 1 USD conversion rate as at 30 September 2019 | 0.91 EUR to 1 USD conversion rate as at 30 September 2019
 1. Transaction Capital's approach to enter into the select international markets excludes the USA
 2. Total invested to date as at 31 March 2020 | 1.10 EUR to 1 USD conversion rate as at 31 March 2020

TCRS STRATEGIC GROWTH INITIATIVES TO CREATE VALUE

OPPORTUNITIES FOR CAUTIOUS ORGANIC GROWTH IN SIGNIFICANTLY LARGER SELECT MARKETS STILL REMAIN VALID

Expect ▼ in acquisition of NPL Portfolios over short-term

- Cautious & selective approach in SA, Australia & Europe
- Focus on bilateral arrangements where risk can be managed
- Strategy remains valid over medium- to long-term
- Undeployed capital allocated to SA, Australia & European NPL Portfolios, **now available to bolster liquidity**

FRAGMENTED SEGMENT OF EUROPEAN DISTRESSED DEBT & SPECIALISED CREDIT MARKET

- **€8.7m** invested to date | **€7.4m** invested in HY20
- Portfolio to be diversified by asset class, asset originator, collection platform, geographic region
- Invest directly on a bilateral basis
- Co-investment in partnership with specialist credit managers

ACQUISITION OF AUSTRALIA NPL PORTFOLIOS

- **R73m** invested in Aus NPL Portfolios in 2020 (HY19: **R33m**)
- Further investment underpinned by:
 - › Growing Australia database
 - › Deployment of technologies proven in SA into Aus business
 - › TCRS's analytics & pricing expertise

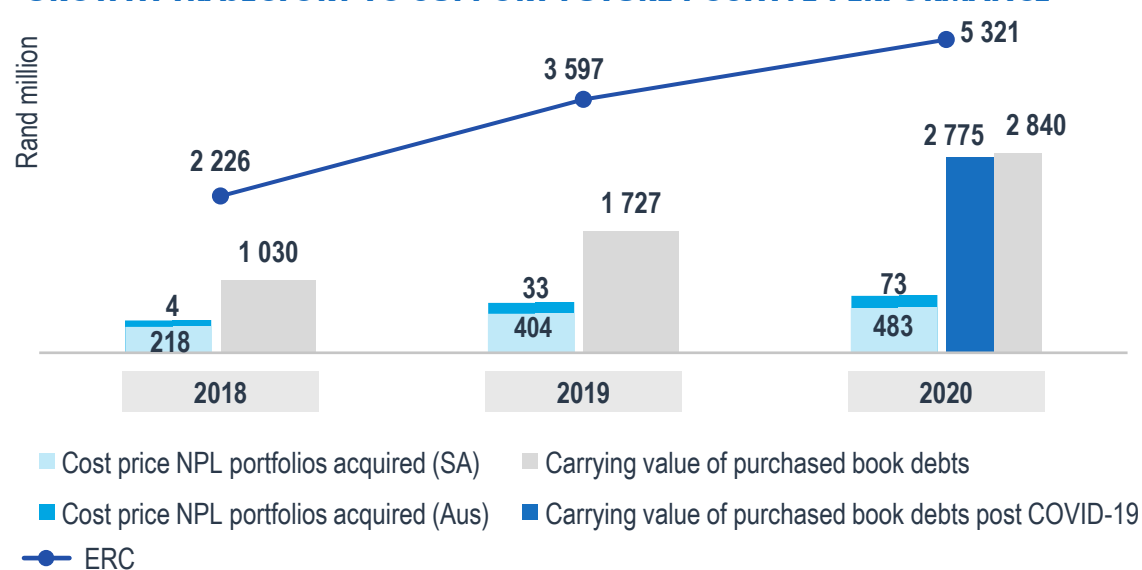


SA & AUSTRALIA

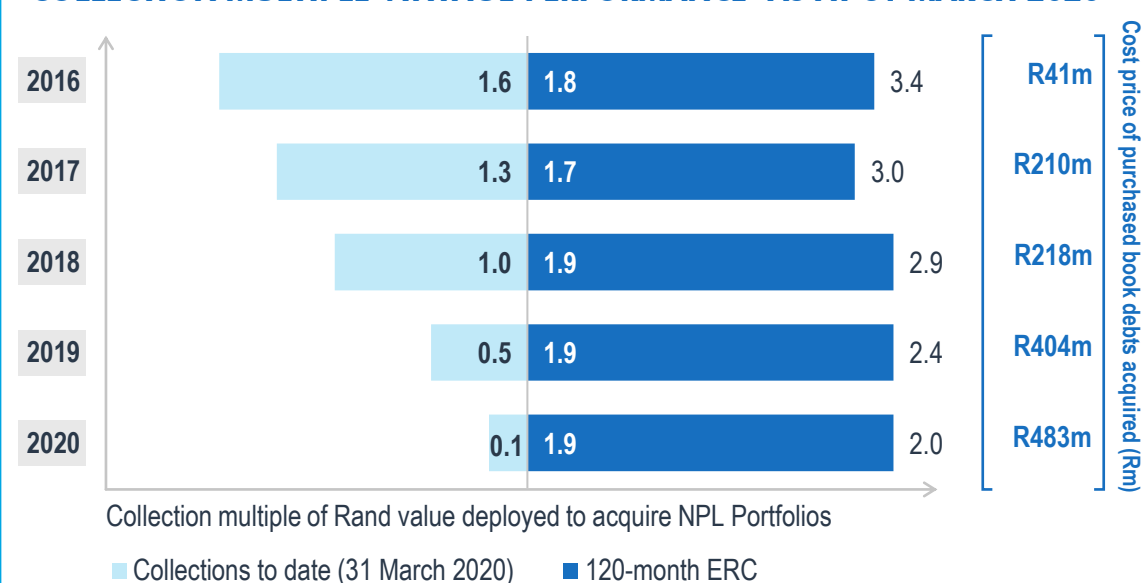
Acquirer of NPL Portfolios as principal
Contingency & FFS collector

- Opportunity to leverage TCRS SA's high-IP & low-cost infrastructure
- Intention to replicate TC's business model building scalable servicing platforms leveraging TC's IP
- Small position in these sizeable markets provides a meaningful growth opportunity
- Additional revenue model by entering adjacent market sectors
- Within TCRS's skill set & competencies
- Revenue in hard currency | € & A\$ in addition to ZAR

GROWTH TRAJECTORY TO SUPPORT FUTURE POSITIVE PERFORMANCE

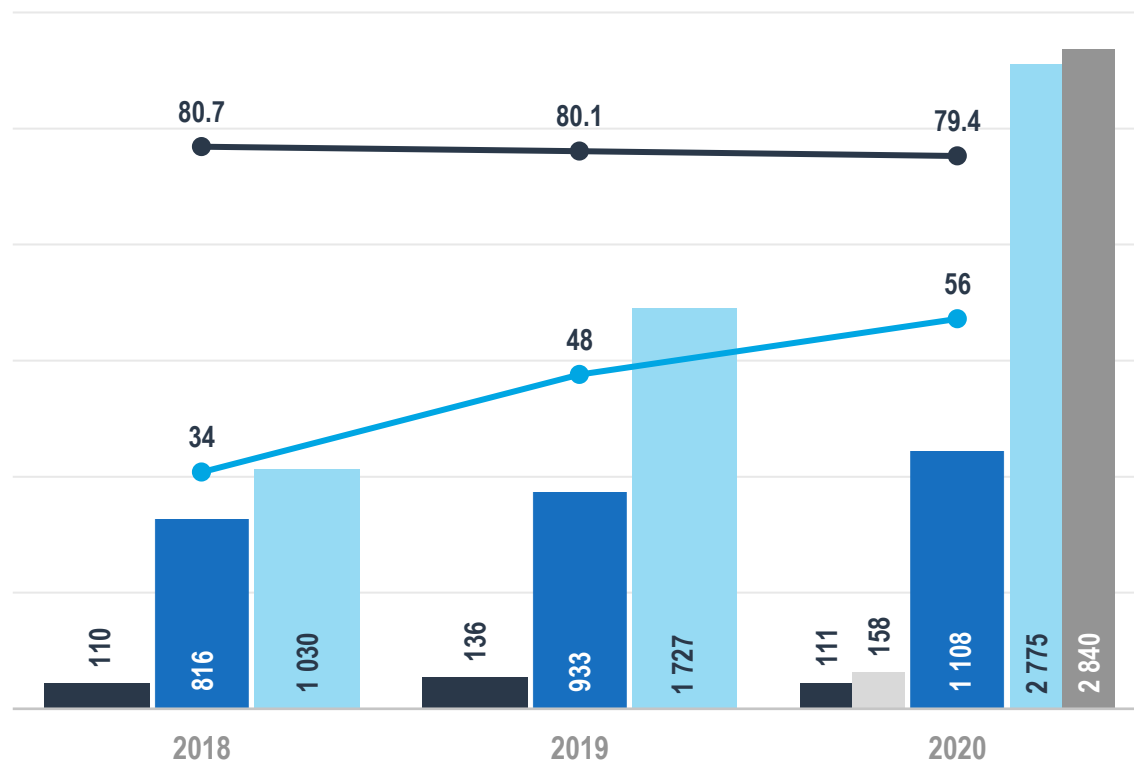


COLLECTION MULTIPLE VINTAGE PERFORMANCE¹ AS AT 31 MARCH 2020



- Invested **R483m** into SA NPL Portfolios (HY19: **R404m**)
- Invested **R73m** into Australia NPL Portfolios (HY19: **R33m**)
- NPL Portfolios owned in total with face value of **R26.1bn**
- Carrying value of purchased book debts **▲ 64%** to **R2 840** pre COVID-19 adjustment | **▲ 61%** to **R2 775m** post COVID-19 adjustment
- Revenue from principal collections **▲ >20%**
- Collection multiple targets when pricing NPL Portfolios for acquisition
 - › SA | Pre write-off & legal debt **~1.8 times** | Faster activation, lower collection cost, earlier recovery
 - › SA | Written off debt **>2.2 times** | Extended activation time, higher collection cost, longer recovery
 - › Australia | **<2.0 times** | Shorter collection period, lower activation risk (high level of employment & 'right party contact'), lower cost of capital
- Estimated remaining collections (ERC) **▲ 48%** to **R5.3bn** supporting strong annuity cash flows & predictable growth in future collections & revenue
 - › Average life of ERC **~3.9 years**

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



- Headline earnings¹ post COVID-19 (Rm)
- Headline earnings¹ pre COVID-19 (Rm)
- Carrying value of purchased book debts post COVID-19 (Rm)
- Carrying value of purchased book debts pre COVID-19 (Rm)
- Non-interest revenue
- Cost-to-income ratio¹ (%)
- Principal/contingency & FFS collections revenue split (%)

Headline earnings

- ▲ 23% to R158m (Pre COVID-19 adjustment) | ▼ 13% to R111m (Post COVID-19 adjustment)

Non-interest revenue ▲ 19% to R1.1bn

- Organic revenue from collection services ▲ 23%
- SA | Excellent revenue growth in collection of NPL Portfolios positively offset expected slow down in contingency collection revenues
 - › SA collections revenue ▲ >20%
 - › Collections lower | R65m ▼ in carrying value of NPL Portfolios
- Australia | Collections revenue ▲ double-digit percentages | Despite difficult consumer environment, bushfires & COVID-19
 - › Won new clients & mandates | Sold new services
 - › Operating cost well managed | Deployment of technologies proven in SA into Australia business

Cost-to-income ratio² improved to 79.4% from 80.1%

- Continued investment in data (MDU), technologies & analytics yielding efficiencies
- Transactional & value-added services adversely impacted by challenging operating environment

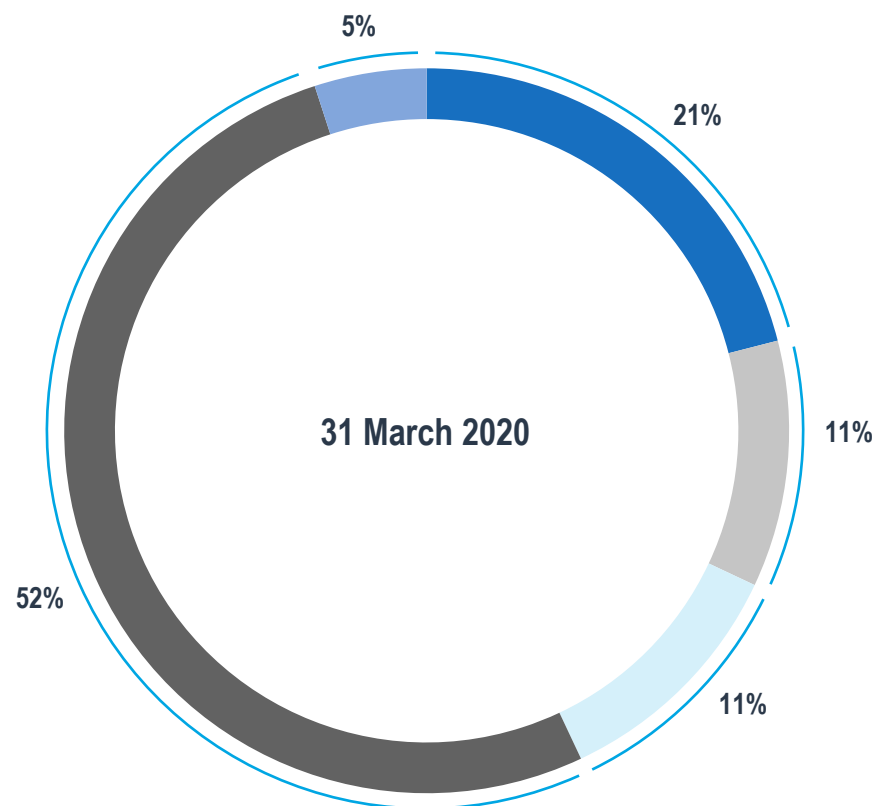
Discontinued operations of non-core business

- Principa | Disposed in April 2020
- TCBS | Wind-down of portfolio to free-up liquidity & reduce risk



SHAREHOLDING DIVIDEND & BOARD OF DIRECTORS

2 0 2 0 RESULTS FOR THE HALF
YEAR ENDED 31 MARCH



- Directors of Transaction Capital & its subsidiaries
- Old Mutual Investment Group
- Public Investment Corporation
- Remaining institutional shareholders
- Retail investors

Dividend

- No interim dividend declared | Preserving financial flexibility & liquidity

Accelerated bookbuild enhancing liquidity & daily trade

- Free float ▲ to **79%** (HY19: **68%**)
- Average daily number of shares traded ▲ **>100%** to **1.5m** (HY19: **0.4m**)
- Average daily value traded ▲ **>100%** to **R 27.8m | USD 1.8m** (HY19: **R7.6m | USD 0.5m**)
- Founders remain active & financially vested in TC
 - › **5.9%** owned by each founder
 - › **17.7%** in total (previously **29%**)

Foreign institutional ownership ▲ to **24%** (HY19: **17%**)

- **80%** of bookbuild taken up by international investors

Enhanced board of directors

- Sharon Wapnick appointed 12 March 2020 as independent non-executive director
- 5 executive directors
- 7 non-executive directors (6 independent)
- Active process to identify additional NEDs to augment existing board



QUESTIONS

2 0 2 0 RESULTS FOR THE HALF
YEAR ENDED 31 MARCH



APPENDIX

2 0 2 0 RESULTS FOR THE HALF
YEAR ENDED 31 MARCH

TRANSACTION CAPITAL

As a listed entity, to extend our track record of high-quality earnings growth, we identify opportunities to leverage our high IP, leading technologies & low-cost operational infrastructure to expand into attractive adjacent market segments, related alternative asset classes & geographic markets

We apply our highly specialised expertise in distressed debt, specialty credit & other alternative assets to assess, mitigate, underwrite & price credit risk, in originating new assets or acquiring existing assets

We seek an investment outcome that combines attractive risk-adjusted interest returns from our asset portfolios, enhanced by capital appreciation in the value of the operating platforms

**IS AN ACTIVE INVESTOR IN
& OPERATOR OF
CREDIT-ORIENTATED ALTERNATIVE ASSETS
MANAGED BY EXPERIENCED
ENTREPRENEURIAL MANAGEMENT TEAMS
EMPLOYING A RIGOROUS
VALUE-LED INVESTMENT APPROACH
TO GENERATE RISK-ADJUSTED
INTEREST RETURNS & CAPITAL APPRECIATION
WHILST DELIVERING SOCIAL VALUE**

Our capital management approach supports the sustainable delivery of growth through an optimal balance of equity & debt

We identify, assess, develop & partner with entrepreneurial, innovative & experienced founders, owners & managers of businesses, in building & scaling highly competitive, efficient, technology-driven operating platforms, which manage our assets

Our investment approach emphasises exhaustive due diligence investigation, data analysis & risk quantification, enabling us to add value to the design & implementation of operational strategy & to ensure that risk is kept within tolerance levels, thereby creating value for shareholders in a unique manner

Our businesses are deliberately positioned to deliver shared value, through commercial returns & meaningful positive social impact

TRANSACTION CAPITAL COMPRISES A DIVERSIFIED PORTFOLIO OF FINANCIAL SERVICES ASSETS

WITH A BESPOKE & ROBUST CAPITAL STRUCTURE INCORPORATING ~R800 MILLION OF UNDEPLOYED CAPITAL

ESTABLISHED AS A SCALABLE FINANCIAL SERVICES PLATFORM

- Two **well established, autonomous & unique** financial services businesses: **SA Taxi & TCRS**
- Positioned in attractive market segments occupying leading market positions
- Highly defensive, context relevant businesses able to withstand difficult economic conditions, even COVID-19
- Socially & commercially relevant business models (in a pre & post COVID-19 environment)
- Deep vertical integration enabling application of specialised expertise to mitigate risk, participate in margin & provide a broader service to clients
- Superior data & leading-edge technology & analytics capabilities differentiate our offerings, inform business decisions & mitigate risk
- Via a diversified business model
 - › Unique blend of highly cash generative & capital related businesses
 - › Diversified revenue model across adjacent market segments & geographies
- **Conservative funding philosophy** to fund organic growth & acquisition activity
- Unfettered access to liquidity; proven ability to raise debt & equity from a diversified range of local & international investors
- An **optimal balance of debt & equity**, with limited exposure to liquidity & refinancing risk
- **Well capitalised & liquid** at holding company & divisional levels
- Positive asset-liability gap maintained
- **Decentralised businesses** that are self-sustaining & scalable in their own right
- **Technology-driven, market leading** operating platforms, which manage our assets
- Develop **new products** & expand into **new markets** (SA Taxi & TCRS)
- **Innovate by introducing new organic & acquisitive growth opportunities** (Transaction Capital)

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

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

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

- Experienced, diverse & **independent directors** at group & subsidiary level
- **Institutionalised governance**, regulatory & risk management practices
- **Conservative accounting policies** (including the early adoption of **IFRS 9 & IFRS 17**)

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

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

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

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

- **Value-led** investment approach
- Investment objective that yields:
 - › Attractive risk-adjusted interest returns from our asset portfolios
 - › Enhanced by capital appreciation of the operating platform values
- Businesses deliberately positioned in relation to demographic & socio-economic trends, to deliver shared value, through **commercial returns & meaningful positive social impact**
- Environmental, Social, Economic & Governance principles embedded in our operations operations
- SA Taxi facilitates
 - › **Asset ownership by black owned SMEs, financial inclusion, SME empowerment, & sustainable job creation**
 - › **Improved public transport infrastructure**
 - › **Environmental sustainability measured by fleet footprint & CO₂ abatement**
 - › **Supporting the sustainability** of the minibus taxi industry including minibus taxi operators, drivers & other stakeholders
- TCRS facilitates
 - › Support the **functioning & efficiency of Australian & South African** credit markets
 - › **Credit rehabilitation** of over-indebted consumers
 - › Lenders to maintain cleaner balance sheets to **continue extending credit affordably**

CAPITAL INPUTS

INTELLECTUAL CAPITAL

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

RELATIONSHIP CAPITAL

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

FINANCIAL CAPITAL

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

SOCIAL CAPITAL

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

REPUTATIONAL CAPITAL

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

BUSINESS ACTIVITIES

1 2

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

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

6

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



3

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

5 4

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

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

CAPITAL OUTCOMES

INTELLECTUAL CAPITAL

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

RELATIONSHIP CAPITAL

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

FINANCIAL CAPITAL

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

SOCIAL CAPITAL

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

REPUTATIONAL CAPITAL

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



APPENDIX SA TAXI

2 0 2 0 RESULTS FOR THE HALF
YEAR ENDED 31 MARCH

SA TAXI

IS A VERTICALLY INTEGRATED

MINIBUS TAXI PLATFORM

UTILISING SPECIALIST CAPABILITIES,

ENRICHED PROPRIETARY DATA

& TECHNOLOGY TO PROVIDE

DEVELOPMENTAL FINANCE, INSURANCE

& OTHER SERVICES

TO EMPOWER SMEs &

CREATE SHARED VALUE OPPORTUNITIES

THUS ENABLING THE SUSTAINABILITY

OF THE MINIBUS TAXI INDUSTRY

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

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

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

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

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

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

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

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

ENVIRONMENT & MARKET CONTEXT

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

TRAIN

< 500 000 ▼ 33%
COMMUTER TRIPS DAILY

RECEIVES 44%
OF GOVERNMENT SUBSIDY

~3 100 km NATIONAL NETWORK
~500 TRAIN STATIONS

MINIBUS TAXI

> 15 million ▲
COMMUTER TRIPS DAILY

CURRENTLY
NO GOVERNMENT SUBSIDY

>250 000 MINIBUS TAXIS
>2 600 TAXI RANKS
~18 billion km TRAVELLED (per year)

BUS

< 800 000 ▼ 2%
COMMUTER TRIPS DAILY

RECEIVES 56% OF GOVERNMENT SUBSIDY

>19 000 REGISTERED BUSES
>100 BUS STATIONS
~1 billion km TRAVELLED (per year)

BUS RAPID TRANSPORT (BRT)¹

> 120 000 *no change*
COMMUTER TRIPS DAILY

4 METROPOLITANS
~650 REGISTERED BUSES
~130 BUS STATIONS; ~70 ROUTES

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

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

COVID-19

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

GROWING MINIBUS TAXI USAGE






- Since 2013, minibus taxi usage (▲ >20%)
- 69% of all households use minibus taxis (59% in 2003)
- 75% of all work & educational public transport trips
- Population growth since 2013 (▲ 11%)
- Increasing commuter density due to urbanisation
- Transformation of minibus taxi industry due to ▲ regulation & capitalisation, attracting a more sophisticated taxi operator
- New passenger vehicle sales ▼ 22% (HY13 to HY20)

ENVIRONMENT FOR MINIBUS TAXI OPERATORS

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





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

SHORT DISTANCE ROUTE | SOWETO TO JOHANNESBURG: 23KM

	Minibus taxi	Train	Bus	BRT	Uber
Accessibility	On route	Station & scheduled	Scheduled stops	Scheduled stops	E-hail
Affordability 2018	R16.00	R9.50	R17.80	R15.00	~R280.00
Increase	6%	0%	0%	0%	7%
Affordability 2019	R17.00	R9.50	R17.80	R15.00	~R300.00
Reliability	1 association with ~1 400 members	Every 10 to 20 minutes Stops at 7pm	A few buses operating on the route	Volume of buses < peak capacity required	On demand
Efficiency					

AVERAGE MINIBUS TAXI OPERATOR PROFITABILITY¹
~R28 000 PER MONTH

LONG DISTANCE ROUTE | JOHANNESBURG TO DURBAN: 595KM

	Minibus taxi	Train	Bus - Eldo	Bus - Greyhound
Accessibility	On route	Station & scheduled	Scheduled stops	Scheduled stops
Affordability 2018	R300.00	R390.00	R240.00	R395.00
Increase	7%	0%	0%	0%
Affordability 2019	R320.00	R390.00	R240.00	R395.00
Reliability	3 associations with ~900 members	3x per week	7 departures each per day (fewer on a Saturday & Sunday)	
Efficiency				

AVERAGE MINIBUS TAXI OPERATOR PROFITABILITY¹
~R38 000 PER MONTH

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

Factors include: new vs. pre-owned vehicle, loan term, deposit paid, region, association, route dynamics & demand, insurance products taken-up | SA Taxi's model measuring operator profitability remains conservative

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

FARES DETERMINED BY EACH ASSOCIATION PER ROUTE

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

FARE INCREASE CONSIDERATIONS INCLUDE

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

DESPITE INELASTIC DEMAND FOR MINIBUS TAXI SERVICES, THE INDUSTRY KEPT FARE INCREASES MUTED IN 2019, WITH NO INCREASES EXPECTED IN 2020 BEING MINDFUL OF THE ECONOMIC HARDSHIP OF COMMUTERS, NOW EXACERBATED FURTHER BY COVID-19



MPUMALANGA

~ **80** routes selected

FY19 | NO FARE INCREASE

▲ **0%**

FY18 | ▲ **9%**

NORTH WEST

~ **65** routes selected

FY19 | NO FARE INCREASE

▲ **0%**

FY18 | ▲ **23%**

GAUTENG INCLUDING SOWETO

~ **240** routes selected

FY19 | NO FARE INCREASE

▲ **0%**

FY18 | ▲ **15%**

EASTERN CAPE

~ **130** routes selected

FY19 | AVERAGE FARE INCREASE

▲ **6%**

FY18 | ▲ **14%**

KWA-ZULU NATAL

~ **260** routes selected

FY19 | AVERAGE FARE INCREASE

▲ **7%**

FY18 | ▲ **10%**

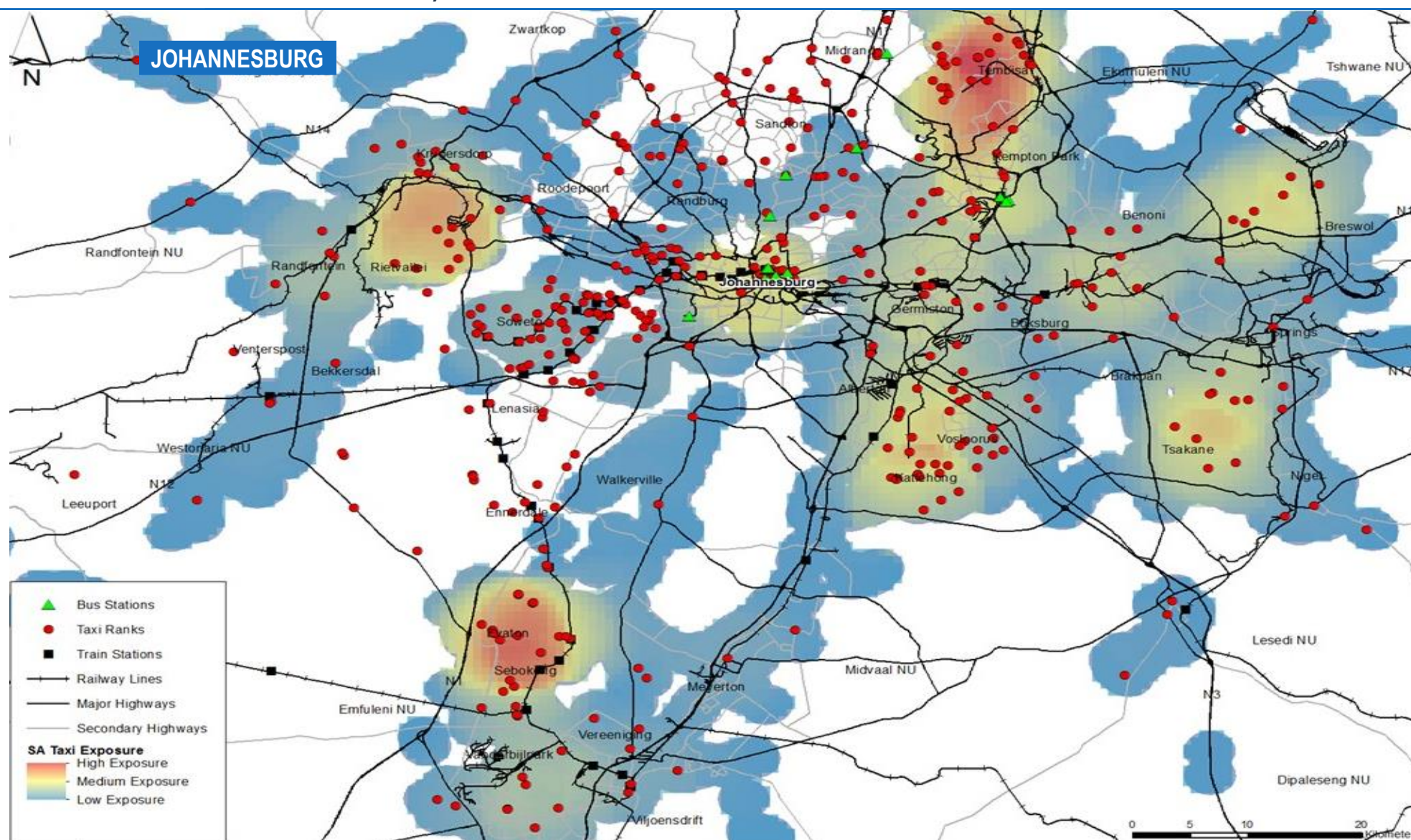
ENVIRONMENT & MARKET CONTEXT

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



Transaction Capital

48



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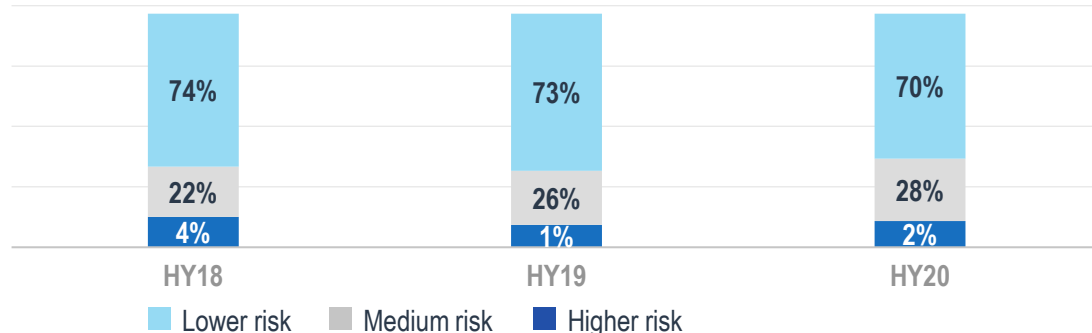
SME EMPOWERMENT

100% BLACK OWNED SMEs **27%** WOMEN OWNED SMEs¹ **20%** UNDER THE AGE OF 35 YEARS¹

SUSTAINABLE JOB CREATION

~1.8 DIRECT JOBS PER TAXI VEHICLE **>150 000** DIRECT JOBS CREATED BY SA TAXI'S FLEET SINCE 2008
~600 000 INDIRECT JOBS ENABLED BY THE MINIBUS TAXI INDUSTRY² **~7 000** DIRECT JOBS CREATED BY SA TAXI'S FLEET IN HY20

SERVING HIGHER QUALITY TAXI OPERATORS TO CREATE A MORE SUSTAINABLE MINIBUS TAXI INDUSTRY NEW ORIGATION VOLUMES BY RISK GRADE



ECONOMIC TRANSFORMATION & INCLUSIVE GROWTH

DEVELOPMENTAL CREDIT ACHIEVING INCLUSIVE GROWTH

R1.8 billion
LOANS ORIGINATED CREATING
3 876
SMEs IN HY20

R27.5 billion
LOANS ORIGINATED CREATING
84 890
SMEs SINCE 2008

FACILITATES ASSET OWNERSHIP BY BLACK SMEs

~80% SA TAXI CUSTOMERS CLASSIFIED AS PREVIOUSLY FINANCIALLY EXCLUDED & UNDER-BANKED **~640** SCORE BELOW WHICH BANKS ARE UNLIKELY TO OFFER FINANCE **~595** AVERAGE SCORE AT WHICH SA TAXI GRANTS FINANCE

ROAD SAFETY PROJECTS LED BY SANTACO

MAJORITY OF FIRST **TRICKLE DIVIDEND** INVESTED INTO **ROAD SAFETY PROJECTS**

TYRE REWARDS | HIGHER SAFETY SPECIFICATIONS AT LOWER COST

ENVIRONMENTAL SUSTAINABILITY

9.8%
ABATEMENT ON CARBON EMISSIONS³

DEVELOPING PUBLIC TRANSPORT INFRASTRUCTURE

3 876
RELIABLE NEW & PRE-OWNED MINIBUS TAXIS ON THE ROAD IN HY20

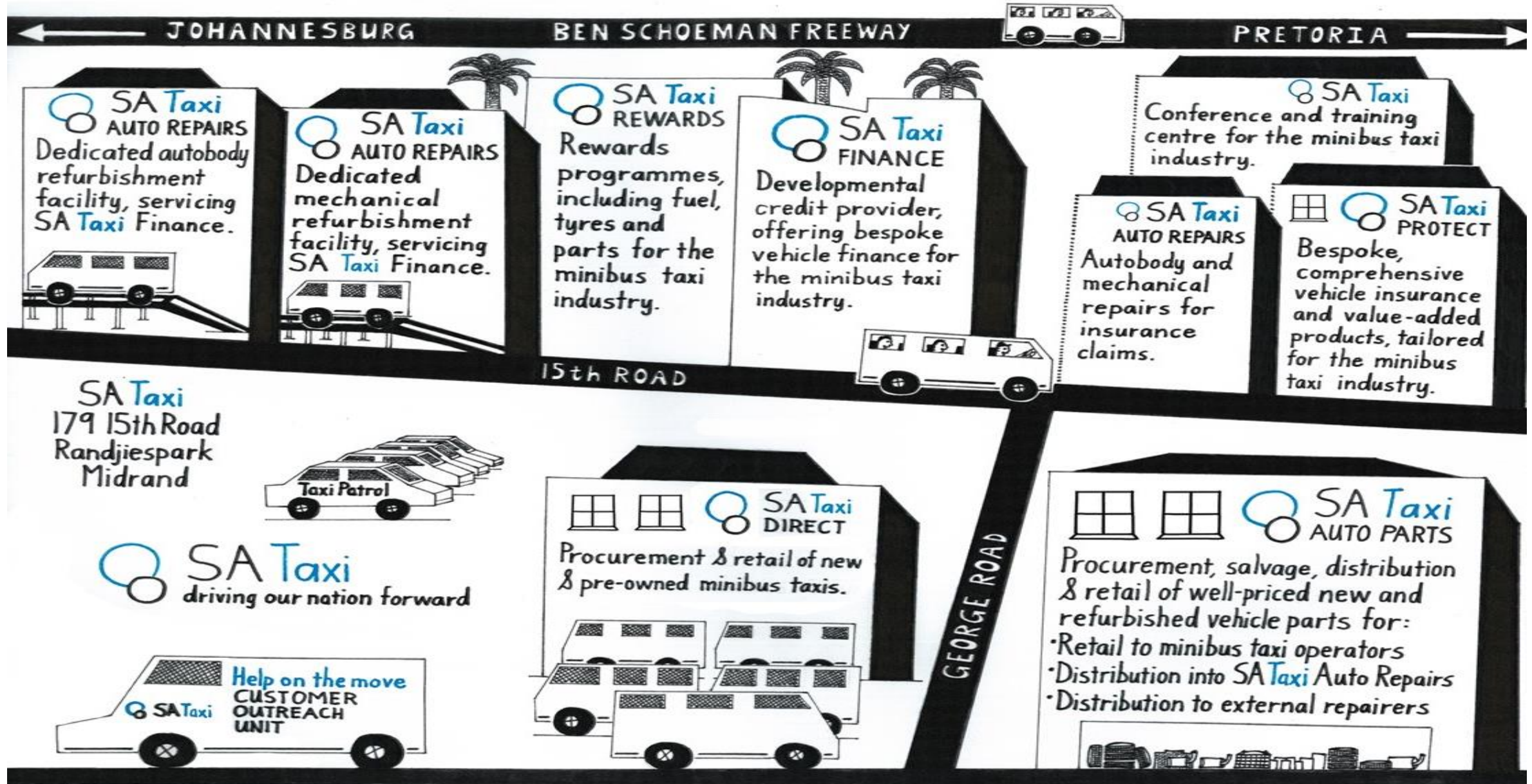
COMMUTER EXPERIENCE

REPLACEMENT OF AGED MINIBUS TAXI FLEET

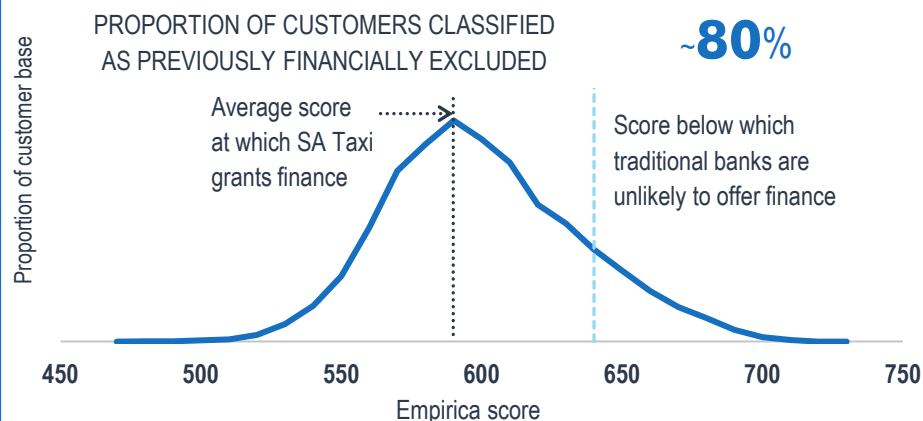
1. On HY20 originations

2. Department of Transport Minister Dipuo Peters address at National Council of Provinces Budget vote NCOP 2014/15

3. Percentage of tCO2e abatement saved in 2019 through SA Taxi's financing activities



DEVELOPMENTAL CREDIT DRIVING POSITIVE SOCIAL IMPACT INCLUSIVE GROWTH | ECONOMIC TRANSFORMATION



PROPRIETARY DATA & ANALYTICS ENHANCES SA TAXI'S COMPETITIVE ADVANTAGE



SA TAXI FINANCE

11.3 billion
GROSS LOANS & ADVANCES

▲ 14%

16.0% to 26.75%
RISK BASED PRICING
INTEREST RATE RANGE

19.1%
NON-PERFORMING LOAN RATIO
HY19 | 18.2%

33 079
LOANS ON BOOK

▲ 5%

10.9%
AVERAGE COST OF BORROWING
HY19 | 11.3%

3.8% Pre COVID-19
6.1% Post COVID-19
CREDIT LOSS RATIO
HY19 | 4.3%

~1.3
VEHICLES PER CLIENT
HY19 ~1.2

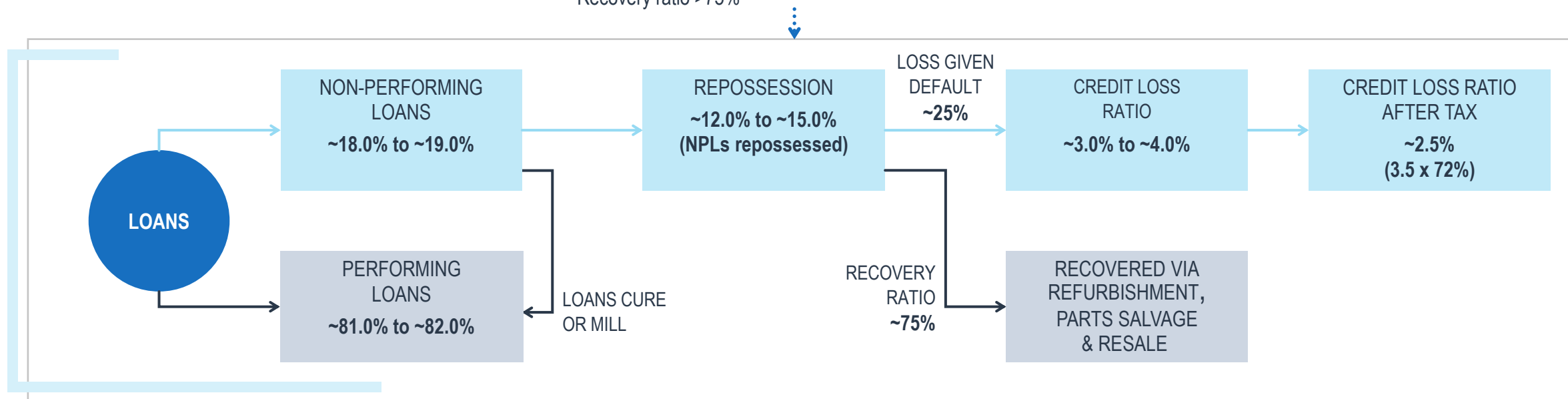
12.2%
NET INTEREST MARGIN
HY19 | 11.5%

8.4% Pre COVID-19
6.1% Post COVID-19
RISK-ADJUSTED
NET INTEREST MARGIN
HY19 | 7.2%

- Book growth ▲ 14% to R11.3bn | number of loans originated ▼ 9% (HY19: ▲ 9%)
 - › Toyota production ▼ due to industrial action in January 2020
 - › Toyota vehicle prices ▲ 2.5% in HY20 | further ▲ 3% in April 2020
 - › COVID-19 disruption end of March 2020
 - No loan originations | dealerships & licensing department closed
 - Collections lower | R126m ▲ in provisions
- Demand for pre-owned vehicles continue | increasing refurbishment capacity
- Conservatively capitalised | R3.4bn of capital | 16.5% tier I capital adequacy

SA Taxi's vertically integrated business model

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



VS

Traditional vehicle financing model

- Repossess & auction
- Loss given default¹ ~70%
- Recovery ratio¹ ~30%

SA TAXI AUTO REPAIRS | AUTOBODY



SA TAXI AUTO REPAIRS

~**20 000m²**

WORKSHOP
FACILITIES

~**220** per month

INTERNAL VEHICLE
REFURBISHMENT CAPACITY

~**400**

EMPLOYEES

>**75%**

RECOVERY RATES ON REPOSSESSION,
REFURBISHMENT & RESALE

↓ ~**4%** to ~**6%**

AVERAGE REFURBISHMENT COST¹

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

SA TAXI AUTO REPAIRS | MECHANICAL



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

NEW MINIBUS TAXI



PRE-OWNED MINIBUS TAXIS



SA TAXI DIRECT

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

~**R320** million ↓ **36%**

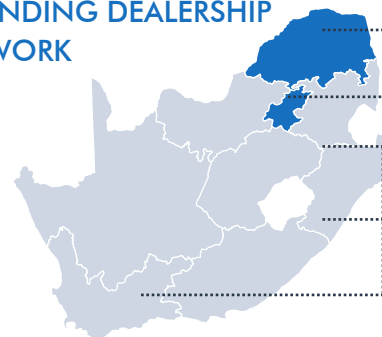
VEHICLE TURNOVER IN HY20

>**7%**

AVERAGE RETAIL MARGIN PER VEHICLE

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

EXPANDING DEALERSHIP NETWORK



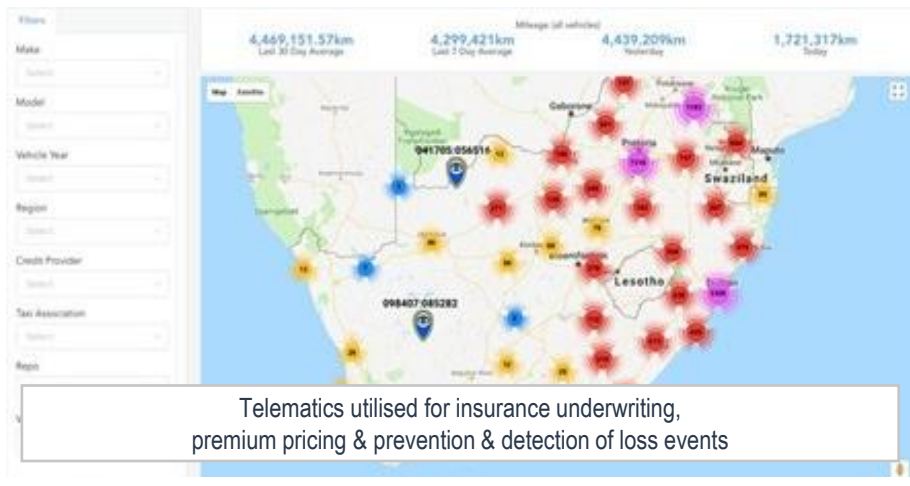
→ **POLOKWANE** opened in October 2018

→ Established in **MIDRAND** in 2015

→ **NEWLY LOCATED PREMISES**
in **MIDRAND** in Q4 FY20

→ **KZN, WESTERN CAPE & MPUMALANGA**
under consideration in the medium-term

TELEMATICS & TECHNOLOGY



SA TAXI AUTO REPAIRS



SA TAXI PROTECT

>**31 000**
INSURANCE CLIENTS

MAJORITY OF FINANCED CLIENTS
CHOOSE TO BE INSURED BY SA TAXI¹

>**2.0**
PRODUCTS PER CLIENT

>**100**
BROKER NETWORK
to expand total addressable market

R462 million
GROSS WRITTEN PREMIUM
IN HY20 **↑ 16%**

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

COST OF CLAIM **↓**
VIA SA TAXI AUTO REPAIRS

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

NEW INSURANCE POLICY & CLAIMS ADMINISTRATION SYSTEM | ENHANCED VALUE PROPOSITION

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



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

SA TAXI AUTO PARTS | SALVAGE



SA TAXI AUTO PARTS | RETAIL



SA TAXI AUTO PARTS

LAUNCHED MARCH 2018 | SALVAGE OPERATIONS ESTABLISHED THEREAFTER

↓ COST OF REFURBISHMENT

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

SUPPLY TO SA TAXI
AUTO REPAIRS

~**R12** million per month
SUPPLIED TO SA TAXI AUTO REPAIRS IN HY20

SUPPLY TO EXTERNAL
AUTOBODY REPAIRERS

~**R2.5** million per month
RETAIL SALES REVENUE IN HY20

OPPORTUNITY TO ▼ COST OF INSURANCE CLAIM BY SUPPLYING
PREFERRED AUTOBODY REPAIRERS SERVICING SA TAXI PROTECT

RETAIL TO MINIBUS
TAXI OPERATORS

>**R3** million per month
RETAIL SALES REVENUE IN HY20

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

~**7 500m²**
WORKSHOP | STORAGE | RETAIL

>**2 000**
UNIQUE PARTS SOLD

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

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

SA TAXI REWARDS

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

SA TAXI REWARDS

FUEL PROGRAMME



LAUNCHED APRIL 2018

>8 000

CARDS ISSUED IN HY20

~14 million

LITRES OF FUEL PURCHASED IN HY20

TYRE PROGRAMME



LAUNCHED OCTOBER 2019

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

~R1 800

ORIGINAL RETAIL PRICE

~R1 350

REDUCED PRICE FOR TAXI OPERATORS¹

~25 500

NUMBER OF TYRES SOLD IN HY20



1. Price agreed per contract

SA TAXI OPERATOR PROFILE

1.3

VEHICLES PER CUSTOMER

4.0 years

AVERAGE AGE OF VEHICLE

47 years

AVERAGE AGE OF CUSTOMER

88%

TOYOTA VEHICLES

~28%

LOANS ORIGINATED TO REPEAT CUSTOMERS (DURING HY20)

CREDIT PROFILE OF LOANS ON BOOK

71 months

AVERAGE LOAN TERM¹

43%

AVERAGE APPROVAL RATE

>R6 000

MINIMUM MONTHLY OPERATOR PROFIT

47 months

AVERAGE REMAINING LOAN TERM

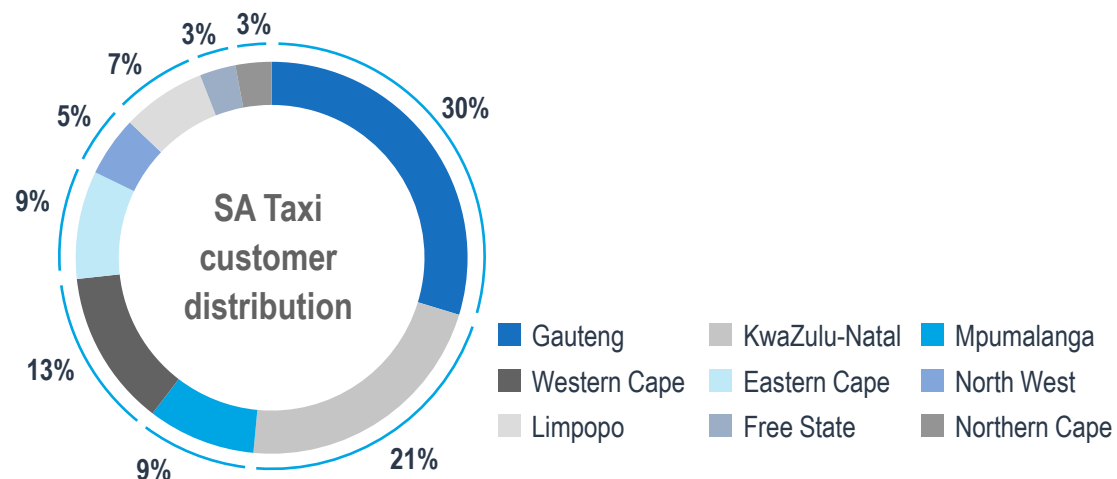
3.8%

CREDIT LOSS RATIO²

>75%

RECOVERY RATE ON REPOSSESSION

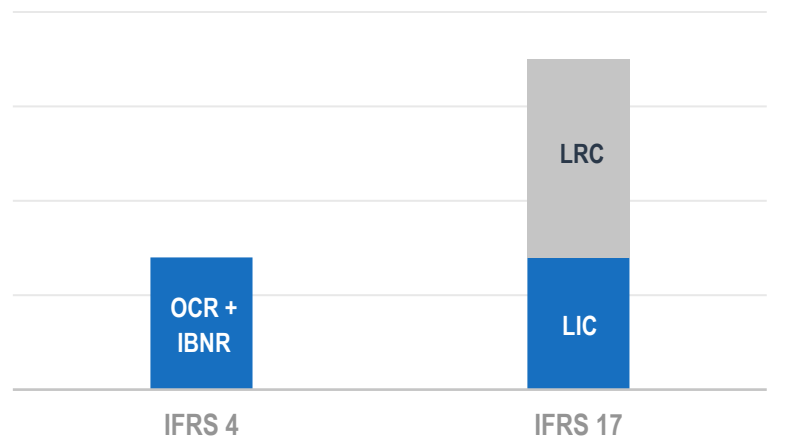
SA TAXI GEOGRAPHIC DISTRIBUTION



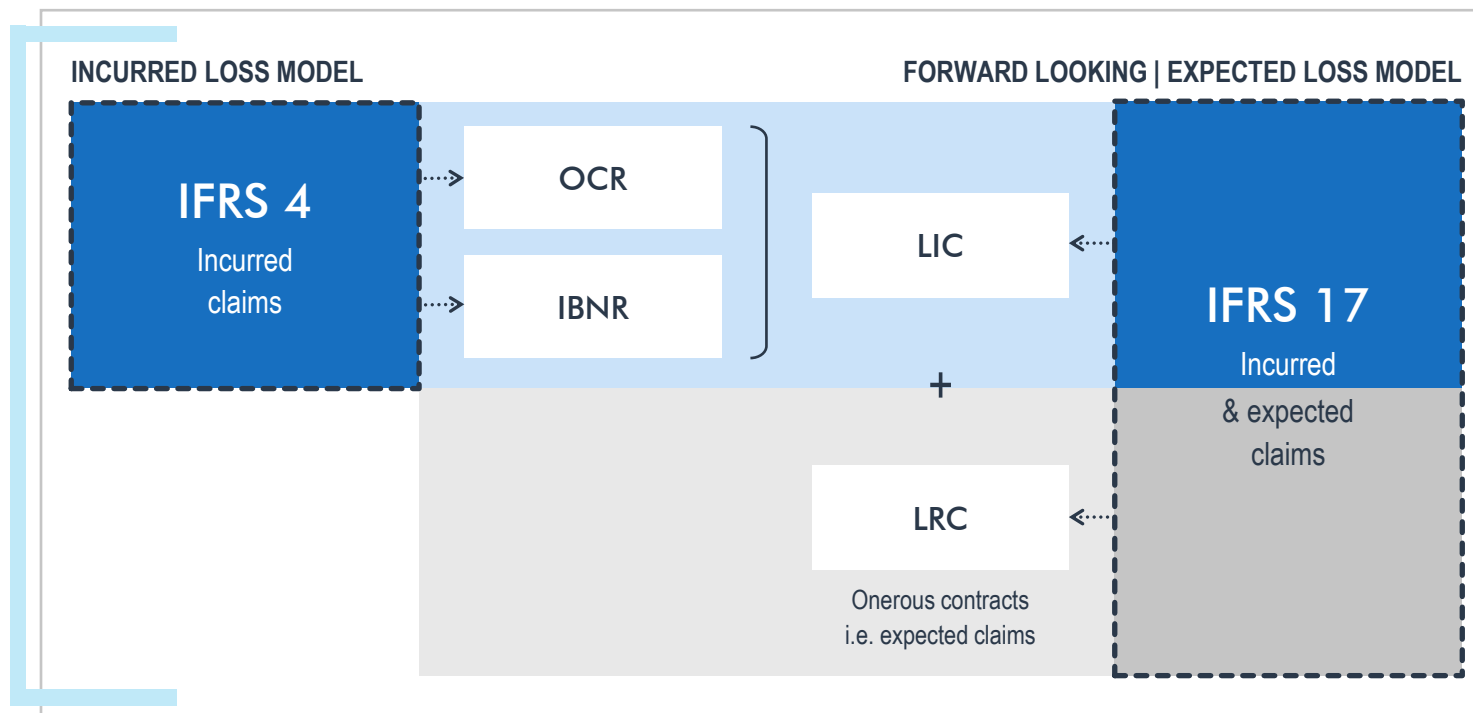
TYPICAL NEW CREDIT AGREEMENT³

• Recommended retail price ³ (Toyota diesel incl. VAT)	R465 000	• Finance instalment	R12 300
• Interest charged	23.4%	• Insurance instalment (Comprehensive, credit life & other)	R2 850
• Term in months	71	• Administration fee (incl. VAT)	R69
• Origination fee (incl VAT)	R2 990	• Telematics fee	R300
		• Total monthly instalment	<u>R15 519</u>

INCURRED VS. EXPECTED LOSS



OCR | Outstanding claims reserve
 IBNR | Incurred but not reported
 LIC | Liability for incurred claims
 LRC | Liability for remaining coverage

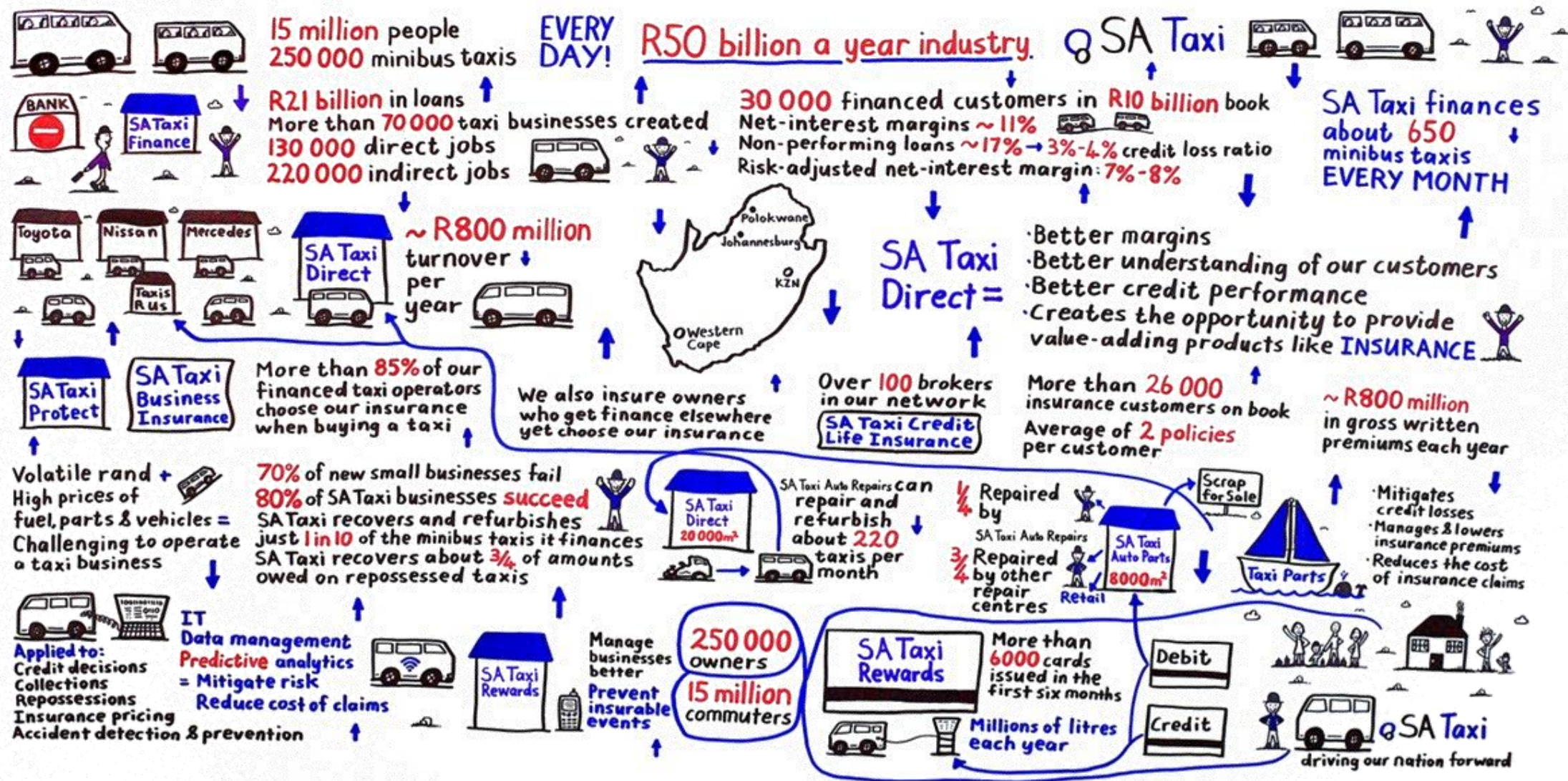


ELECTED TO EARLY ADOPT IFRS 17

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

SA TAXI VERTICALLY INTEGRATED BUSINESS MODEL

BUSINESS PLATFORM SERVICING MINIBUS TAXI OPERATORS ACROSS THE VALUE CHAIN





APPENDIX TRANSACTION CAPITAL RISK SERVICES

2 0 2 0 RESULTS FOR THE HALF
YEAR ENDED 31 MARCH

TRANSACTION CAPITAL RISK SERVICES

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

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

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

IS A TECHNOLOGY-LED,

DATA-DRIVEN

PROVIDER OF SERVICES

& CAPITAL SOLUTIONS

RELATING TO CREDIT-ORIENTATED

ALTERNATIVE ASSETS

ORIGINATED & MANAGED THROUGH

SCALABLE & BESPOKE PLATFORMS

OPERATING IN SOUTH AFRICA, AUSTRALIA

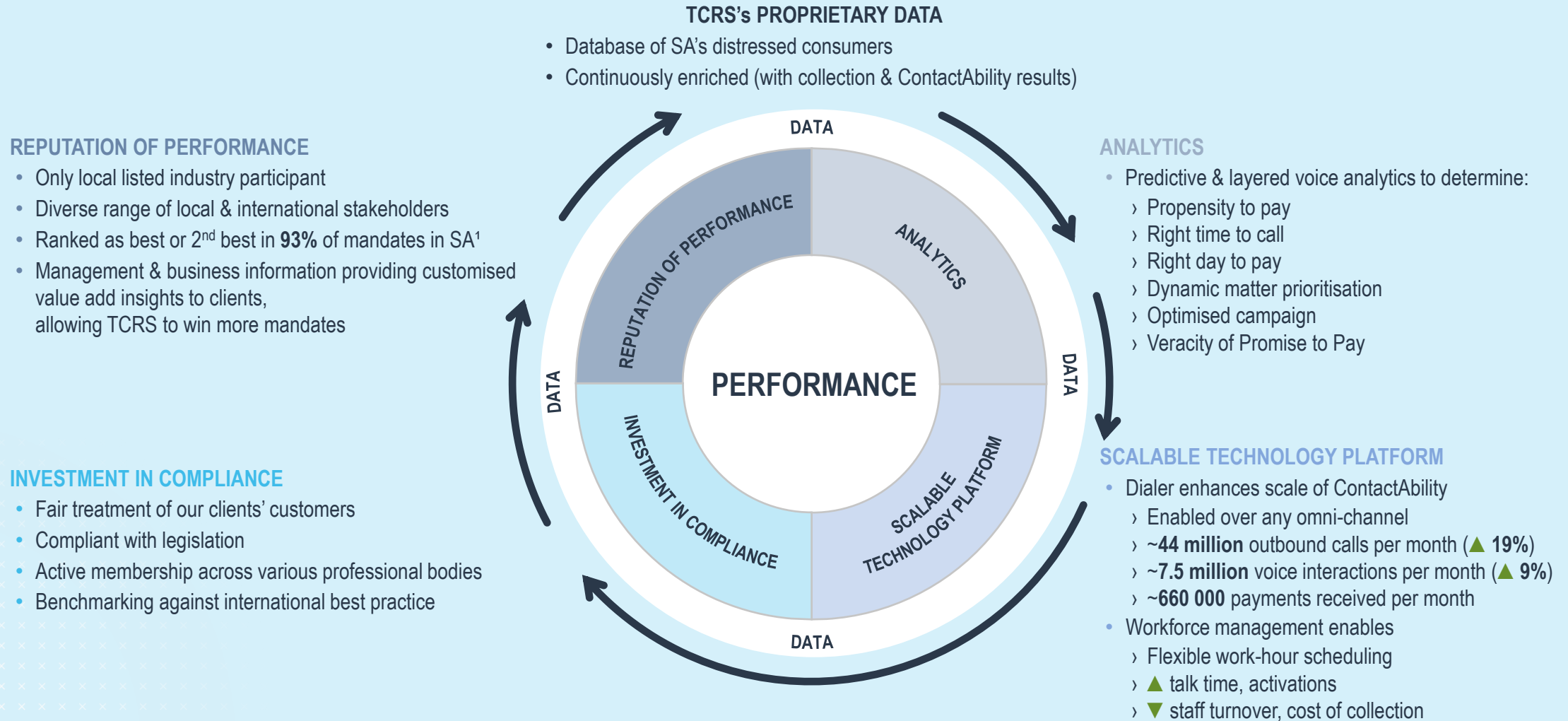
& SELECT INTERNATIONAL MARKETS

Innovative & bespoke technology systems that drive superior performance & efficiency

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

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

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



1. In South Africa TCRS ranks 1st or 2nd in 93% of our ranked mandates. In Australia Recoveries Corp is ranked 1st or 2nd by clients in 86% of banking, government & commercial mandates

CREDIT REHABILITATION IS A CRUCIAL ELEMENT IN GROWING AN INCLUSIVE ECONOMY

TRANSACTION CAPITAL'S CONSUMER CREDIT REHABILITATION INDEX

% CHANGE IN REHABILITATION PROSPECT FOR Q1 2020

QUARTER ON QUARTER

Q1 2020 with Q4 2019

▼ by 0.4%

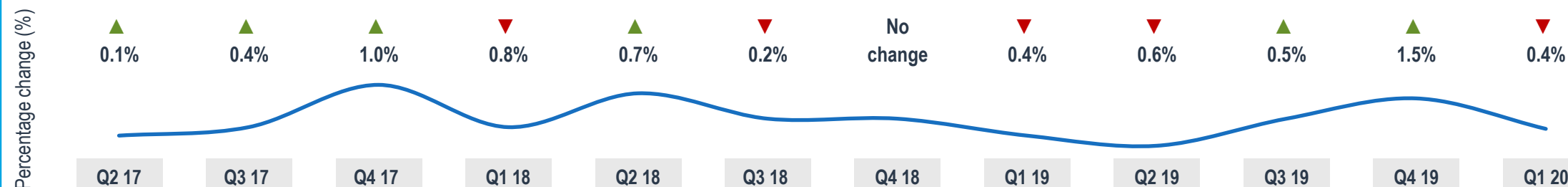
YEAR ON YEAR

Q1 2020 with Q1 2019

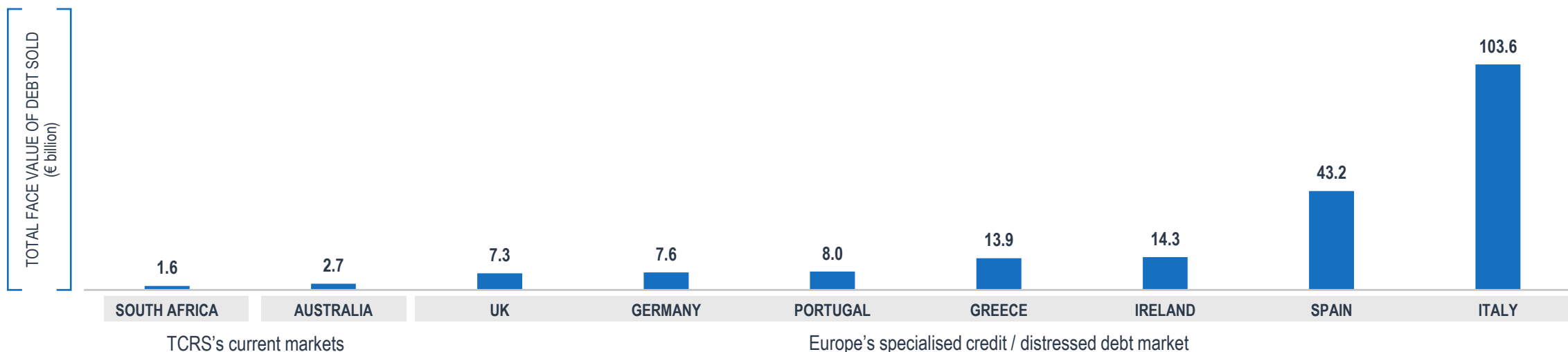
▲ by 1.5%

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

NATIONAL REHABILITATION PROSPECT TRENDS



- High levels of competition
- Many participants of scale (credit management platforms, private equity funds & asset managers)
- Access to cheap capital & leverage deployed for moderate returns
- Priced to yield ~8% to ~12% IRRs
- Participants outsource to or own collection platforms
- Multiple times larger than SA & Australian markets
- 2018 record year for non-performing loan portfolio sales in Europe
 - › Face value of non-performing debt sold **€205 billion**



TCRS's SELECTIVE & CAUTIOUS INVESTMENT APPROACH

- Target select off-market investment opportunities
- Target corporate & consumer non-performing loan portfolios, distressed debt, special situations & specialised credit asset classes
- Invest directly on a bilateral basis
- Co-investment in partnership with specialist credit managers

**INTEND REPLICATING TC's BUSINESS MODEL
BY BUILDING SCALABLE SERVICING PLATFORMS
LEVERAGING TC's HIGH IP & LOW-COST INFRASTRUCTURE**

DIVERSIFICATION SUPPORTS PERFORMANCE IN VARYING MARKET CONDITIONS

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

SOUTH AFRICA

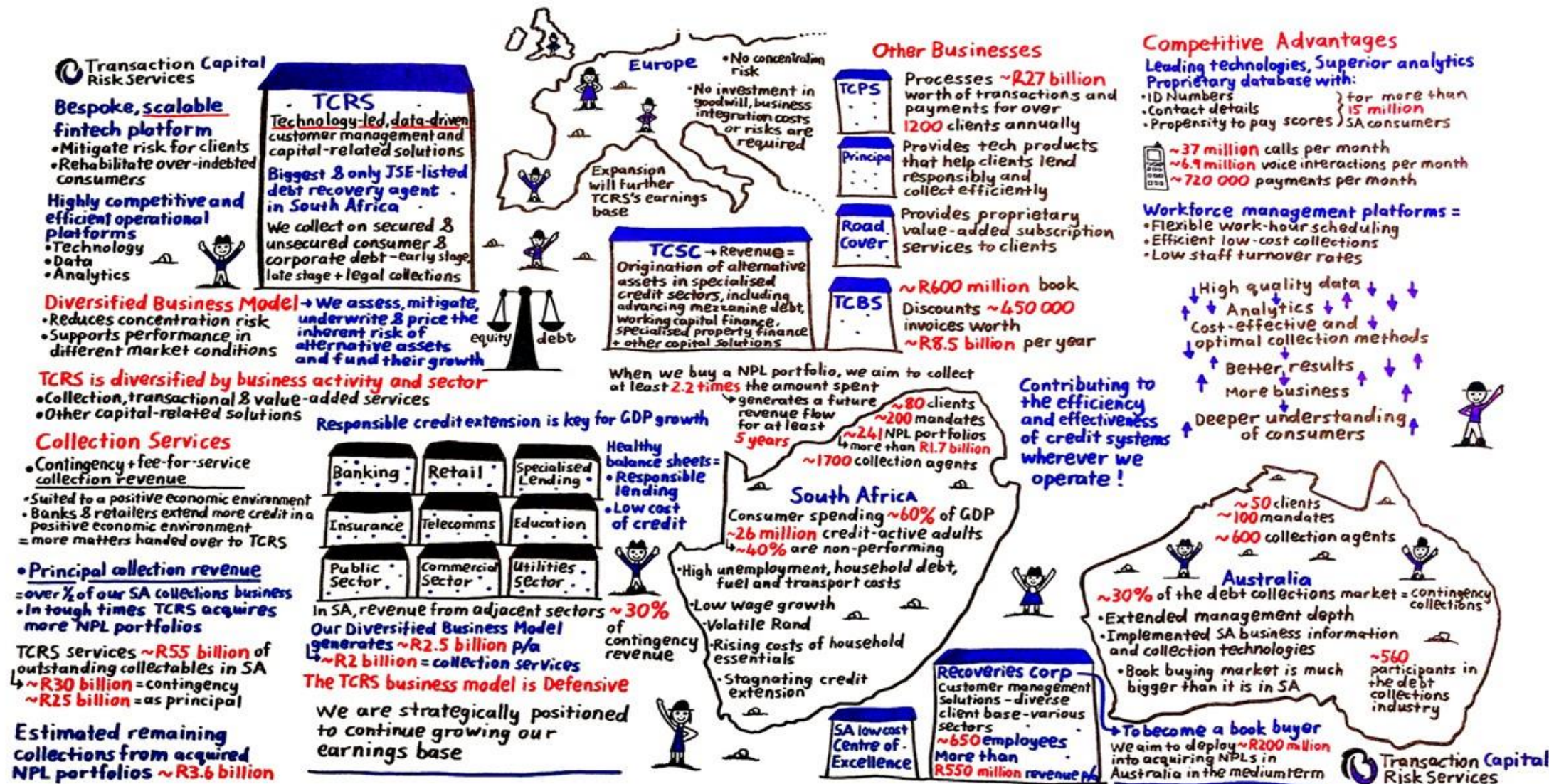
Price paid by TCRS
for NPL Portfolios
in FY19
R1 064 million
€61.7 million¹

AUSTRALIA

Price paid by TCRS
for NPL Portfolios
in FY19
R122 million
€7.4 million¹

EUROPE

TCRS invested
to date
€8.7 million²

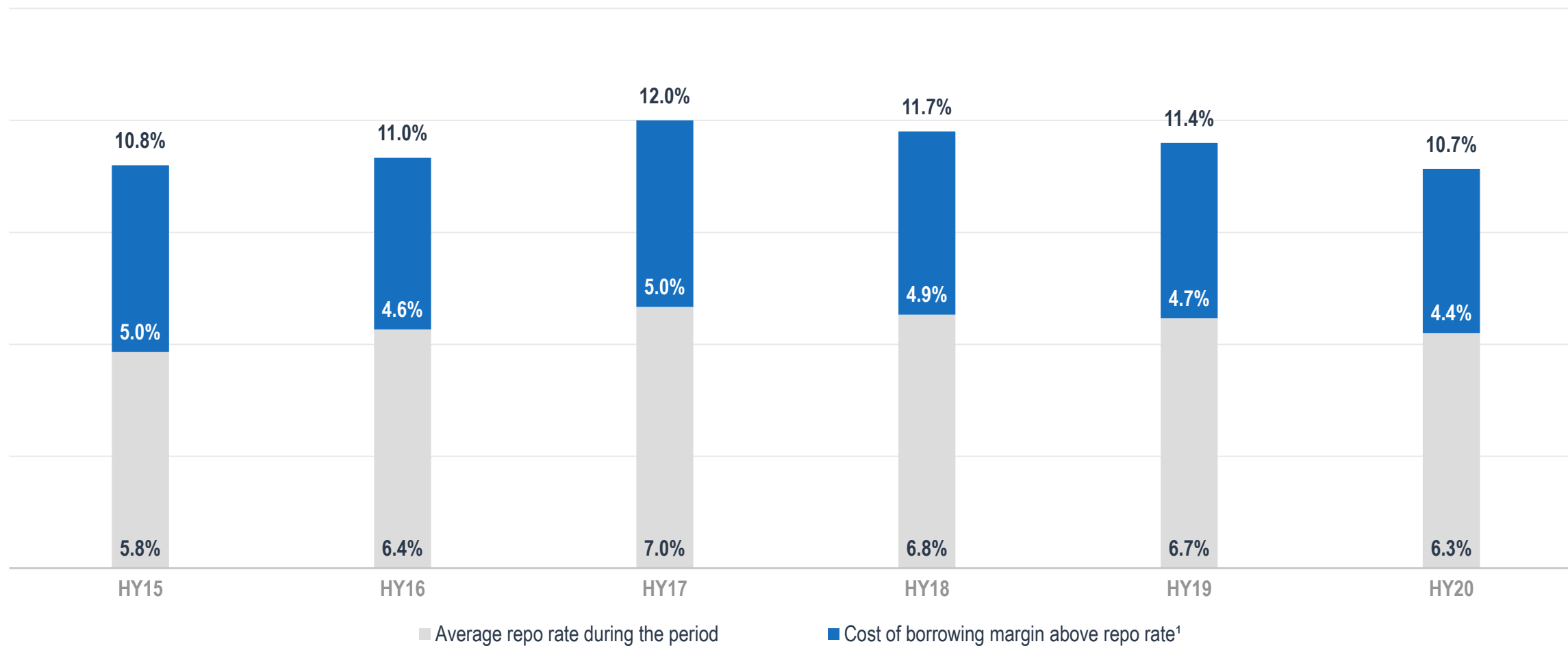




APPENDIX CAPITAL MANAGEMENT

2 0 2 0 RESULTS FOR THE HALF
YEAR ENDED 31 MARCH

Cost of borrowing



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



GLOSSARY

2 0 2 0 RESULTS FOR THE HALF
YEAR ENDED 31 MARCH

AUS	Australia
ACCSYS	Accsys, a 100% owned subsidiary of TCRS
BPS	Basis points
CAGR	Compound annual growth rate
CPS	Cents per share
DFI	Developmental finance institution
DMA	Disaster Management Act 2020
DPS	Dividend per share
ERC	Estimated undiscounted remaining gross cash collections from NPL Portfolios over the next 120 months
FFS	Fee-for-service
Fhirst	Net1 Fhirst Holdings (Pty) Ltd, a 100% owned subsidiary of TCRS
GEO	Group executive office
GDP	Gross domestic product
HEPS	Headline earnings per share

JIBAR	The Johannesburg Interbank Average Rate
NPL	Non-performing loans within SA Taxi's loans & advances portfolio
NPL Portfolio	Non-performing consumer loan portfolio acquired by TCRS to be collected as principal
NTA	National Taxi Alliance
Open market taxi operator	Minibus taxi operators not previously being a SA Taxi client
COVID-19 Adjustment	A non-cash adjustment to the value of SA Taxi's loans & advances (via its credit provisioning model) & the valuation of TCRS's NPL Portfolios, in anticipation of the expected COVID-19 impact on future cashflows from assets in existence at 31 March 2020, given the information available to us at present, resulting in a R126 million increase in SA Taxi's impairment provisions, & a R65 million reduction to the carrying value of TCRS's purchased book debts NPL Portfolios
PRINCIPA	Principa Decisions, previously a 100% owned subsidiary of TCRS
Recoveries Corp	Recoveries Corporation, an Australian 100% owned subsidiary of TCRS
REPO	Rate at which the South African Reserve Bank lends money to banks
SA	South Africa
SANTACO	South African National Taxi Council
TC	Transaction Capital

TCBS	Transaction Capital Business Solutions, a 100% owned subsidiary of TCRS
TCRS	Transaction Capital Risk Services
TRP	Taxi Recapitalisation programme
WFH	Work from home



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