



Transaction Capital Limited
(Incorporated in the Republic of South Africa)
Registration number: 2002/031730/06
JSE share code: TCP
ISIN: ZAE000167391
("Transaction Capital" or the "Company" or the
"Group")



TransCapital Investments Limited
(Incorporated in the Republic of South Africa)
(Registration No. 2016/130129/06)
Bond Company code: TCII

ROYAL BAFOKENG HOLDINGS INVESTMENT IN TRANSACTION CAPITAL THROUGH A SPECIFIC ISSUE OF SHARES

EXECUTIVE SUMMARY

Transaction Capital is pleased to announce Royal Bafokeng Holdings Proprietary Limited's ("RBH") intention to invest, through its wholly owned subsidiary company Royal Bafokeng Resources Holdings Proprietary Limited, an initial R500 million in the Company as a long-term strategic shareholder. To this end, 12 million ordinary shares (representing 1.8% of existing ordinary shares in issue) were acquired via a secondary purchase in an off-market transaction on 19 November 2020. Furthermore, Transaction Capital and RBH will enter into a Subscription Agreement in terms of which RBH is expected to increase its holding in the Company, in terms of a specific issue for cash (the "Specific Issue"), by subscribing for a further 12.4 million ordinary shares at R20 per share (representing a 7,4% discount to the 30-day VWAP of Transaction Capital up to and including 23 November 2020) in January 2021, subject to shareholder approval. A circular to shareholders and notice of general meeting will be distributed in due course.

RATIONALE FOR THE TRANSACTION

RBH is a highly regarded and respected South African investment firm and thus the board of the Company is fully supportive of the Specific Issue which will be the start of a long-term strategic relationship between RBH and Transaction Capital.

RBH strives to continually improve the economic wellbeing and quality of life of the Royal Bafokeng Nation community by investing in businesses that will generate exceptional returns over the long term, thus enabling it to contribute directly to the upliftment of the Royal Bafokeng Nation community, both today and into the future.

INTENDED USE OF THE FUNDS

Transaction Capital continues to leverage its high-IP, technologies and low-cost operational infrastructure to grow in adjacent market segments, related alternative asset classes and new geographies. As market dynamics in the aftermath of COVID-19 become clearer, certain strategic growth initiatives in the TCRS Group and TC Global Finance provide unprecedented opportunities to accelerate capital deployment for attractive risk-adjusted returns.

The Group's financial position is robust, with ample access to liquidity. However, given the protracted impact of COVID-19, Transaction Capital believes it is prudent at this time to enhance the Group's financial flexibility and strategic agility. The capital raised pursuant to the Specific Issue will support these strategic initiatives.

Hyde Park

24 November 2020

Transaction Capital Limited

Investor Relations – Phillipe Welthagen +27 (0) 84 512 5393

Sponsor

Rand Merchant Bank (A division of FirstRand Bank Limited)

South African Legal Counsel to the Company

ENSafrica