



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")



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

AMENDMENT TO JOINT VENTURE AGREEMENT

INTRODUCTION

Shareholders are referred to the circular dated 6 August 2019 ("the Circular") regarding the joint venture agreement dated 29 July 2019 between Transaction Capital Risk Services International Proprietary Limited (2016/403162/07) ("TCRSI"), a wholly owned subsidiary of Transaction Capital, and Genki Group Limited (registration number 1983821, incorporated in the BVI) ("Genki Group") owned by the respective foreign trusts of Jonathan Jawno, Michael Mendelowitz and Roberto Rossi ("the Founders") ("the Joint Venture") to invest abroad in credit orientated alternative assets, including value driven credit related investments through TC Global Finance Limited ("TCGF") ("the Agreement"). The Circular also required shareholder approval regarding the further allocation of EUR 80 million (in addition to the initial allocation amount of EUR 20 million allocated to the Joint Venture and as announced on SENS on 19 December 2018).

Shareholders are referred to the Circular, available on the Company's website, for full details. Terms and definitions in the Circular shall have the same meaning in this announcement unless otherwise defined.

On 5 September 2019, shareholders (excluding the Founders respective entities) approved the additional allocation amount for investment in the Joint Venture (wherein TCRSI and Genki participate equally), as a category 2 transaction in terms of paragraph 9(5)(a) of the JSE Listings Requirements ("the JSE LR's") and a related party transaction in terms of paragraph 10 of the JSE LR, together with the terms and conditions of the Agreement.

AMENDMENT TO DEFINITION OF "TARGET ASSETS"

Shareholders are hereby advised that the Agreement between TCRSI and the Genki Group was amended in writing on 12 May 2021, in respect of the definition of "Target Assets".

The definition of Target Assets, including the amendment which is underlined reads as follows:

"...means credit-orientated alternative assets. 'Assets' include but are not limited to bilateral and multi-lateral loans, corporate and consumer related distressed debt, non-performing loans, insolvency claims, and other Special Situation Opportunities, as well as equity, partnerships, securitisation or other interests

in any of the foregoing or in any business with a principal focus on any of the foregoing or in any business outside the Republic of South Africa whose assets and/or activities fall within the scope of, or are ancillary to, the assets and/or activities of Transaction Capital and its subsidiaries or other entities (which fall within the ambit of the expertise, knowledge and infrastructure of the Genki Group and its associates), the financial results of which are or are required to be consolidated in Transaction Capital's annual financial statements in accordance with Transaction Capital's accounting policies from time to time."

RATIONALE FOR THE AMENDMENT - NEW BUSINESS OPPORTUNITIES

The Transaction Capital Group actively identifies and invests in alternative asset classes, in which our best-in-class technology, proprietary data and analytics capabilities enable us to generate outstanding returns. This extends to operating unique, high-potential businesses in market sectors where historically low levels of stakeholder trust provide compelling opportunities for disruption. We partner with expert, entrepreneurial and co-invested management teams to scale, grow and position these highly specialised, digitally advantaged and vertically integrated businesses to offer market-leading value propositions. The Transaction Capital strategy has continued to evolve in line with business opportunities and market dynamics and has broadened since the date of the Circular beyond the narrow focus of credit-orientated alternative assets. An example of this evolution was the investment of a 49.9% stake in WeBuyCars in September 2020.

TCGF aims to identify transformational deals that may launch the Transaction Capital Group on an international stage, especially in circumstances where investing in international assets may not necessarily be seamlessly managed and/or integrated into any of the Transaction Capital Group's existing businesses. This investment approach differs from many other South African companies. Having the founders based offshore via an established London office and an associated infrastructure and IP base is an essential component not only of quality deal origination but also of ongoing risk management of the investment assets. In addition, the Founders' close proximity to an international investment, together with their direct financial exposure, should result in a lower risk, better outcome for Transaction Capital and its shareholders.

Shareholders should note the following, amongst other factors:

1. The maximum investment amount of EUR 100 million by TCRSI has not changed;
2. The Agreement contains formal processes and protections for both Joint Venture parties;
3. The Company (through TCRS and ultimately through the Joint Venture) is able to proactively pursue opportunities in Target Assets presented;
4. The allocated amount has been and will be invested cautiously over time in Target Assets which meet the Joint Venture mandate;
5. The Company will continue to report back to shareholders on progress made as regards investments by the Joint Venture at interim and year-end results presentations; and
6. Save for the amendment referred to above, all the terms and conditions of the Agreement will continue to be of full force and effect.

As the amendment is not considered material or in conflict with the Agreement, and further has no impact on the financial effects previously reported. The JSE has no objection with the amendment proceeding without the necessity for a circular.

Hyde Park
28 May 2021

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