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 number: 2016/130129/06
Bond company code: TCII
LEI: 378900AA31160C6B8195

AUDITED RESULTS FOR THE YEAR ENDED 30 SEPTEMBER 2023

Salient Features

- SA Taxi recorded a headline loss from continuing operations of R3.7 billion for the year, up from the R2.1 billion loss reported in H1 2023. This was driven primarily by a R1.1 billion increase in repossessed vehicle stock write-downs as further material changes were made to SA Taxi in H2 2023.
- Subsequent to these once-off provisions, the net asset value of SA Taxi was R1.6 billion at year end including a R2.2 billion non-interest bearing shareholder loan to be capitalised.
- SA Taxi's operational restructure, focused on stabilising the business through cost reductions and repositioning the business in the pre-owned minibus taxi market, is on track for completion in March 2024.
- With the strategic focus on the origination of pre-owned taxis at lower volumes, and the progress made in simplifying and downscaling SA Taxi's auto refurbishment and repair facilities, management has decided not to proceed with the sale of this business. The auto refurbishment and repair business had been classified as a discontinued operation in H1 2023 and has now been reclassified in continuing operations.
- SA Taxi's balance sheet restructure is critical to SA Taxi's viability. A successful and timely resolution with SA Taxi's existing debt funders is targeted to be completed by March 2024.
- The successful restructuring of SA Taxi is predicated on existing debt funders remaining committed. Transaction Capital remains supportive of SA Taxi, however no shareholder funding beyond March 2023 has been provided nor is any envisaged going forward.
- WeBuyCars' earnings were R658 million, down 14% on the prior year. Notably, in H2 2023, WeBuyCars recovered momentum, with earnings only 4% down from H2 2022. Volumes of vehicles sold grew by 13% to 141 851. This strong momentum has continued into the new year.
- Nutun's FY2023 earnings grew to R479 million, up 10% compared to FY2022, driven by solid growth in customer experience management services ("CX services").
- Nutun's capital-enabled services ("CE services") deployed capital conservatively during the year. This was on account of current non-performing loan ("NPL") market pricing dynamics as well as negative sentiment surrounding SA Taxi impacting Nutun's access to funding.

- Headline earnings per share from continuing operations attributable to the group decreased 144% to a loss per share of 99.0 cents (FY2022: profit of 224.4 cents).
- Basic earnings per share from continuing operations attributable to the group decreased 152% to a loss per share of 121.6 cents (FY2022: profit of 232.0 cents).
- Core EPS from continuing operations(1) attributable to the group decreased by 81% to 32.2 cents (FY2022: 172.5 cents).

1. For core earnings definition refer to the section on 'group core results'.

Balance sheet funding and liquidity

At the holding company level, Transaction Capital is well capitalised. WeBuyCars and Nutun combined adequately cover the net debt (circa R1.1 billion) from both a dividend flow and asset cover perspective. Despite the aforementioned, management is actively pursuing restructuring or reducing the debt.

There are no holding company guarantees to the subsidiaries and no repricing triggers on any funding in the group. Nutun and WeBuyCars' balance sheets are conservatively geared and supported by high cash conversion rates. The capital and funding structures of these businesses are isolated from the effects of SA Taxi's restructuring, as there are no cross-default clauses between Nutun, WeBuyCars and SA Taxi. Notwithstanding this, Nutun's CE services business has deployed capital conservatively during the year. Given the current market pricing dynamics in the NPL market and the impact of the negative sentiment surrounding SA Taxi reducing Nutun's access to funding, management is pursuing options to raise traditional and new alternative funding.

DIVISIONAL PERFORMANCE

Mobalyz

Mobalyz houses the credit, insurance and funding intellectual property, datasets and technologies, making it the servicer and operator of SA Taxi and Gomo.

SA Taxi

For the year ended 30 September		2023	2022	Movement
Financial performance				
Headline (loss)/earnings from continuing operations(2)	Rm	(3 695)	369	< (100%)
Adjustments relating to the re-basing of SA Taxi	Rm	3 120	-	> 100%
Core earnings from continuing operations(2)	Rm	(575)	369	< (100%)
Core earnings from continuing operations attributable to the group(2)	Rm	(472)	304	< (100%)
Core pre-provision profit	Rm	384	1 280	(70%)
Non-interest revenue(2)	Rm	554	963	(44%)
Net interest margin	%	7.3	10.8	
Core cost-to-income ratio	%	78.8	50.6	
Credit performance				
Gross loans and advances	Rm	16 409	15 354	7%
Loans originated	Number	6 387	9 178	(30%)
Stage 1	%	34%	49%	
Stage 2	%	25%	30%	
Stage 3	%	41%	21%	
Core credit loss ratio	%	6.6	5.7	
Provision coverage	%	13.7	4.2	

2. SA Taxi earnings include Roadcover.

OPERATING CONTEXT AND MARKET POSITIONING

The minibus taxi industry is the largest and most important pillar in South Africa's integrated public transport network. It is indispensable to South Africa's economy. SA Taxi has a more than 20-year history of successfully pioneering financing across the country's minibus taxi industry, primarily to taxi operators who do not qualify for traditional bank finance. Management notes an industry-wide structural shift as a consequence of the changing economics impacting taxi operators. This has necessitated a move away from financing new minibus taxis to financing only pre-owned vehicles to create affordability in this market segment. Despite this decision requiring the additional write-down of repossessed vehicle stock, management believes this is crucial to successfully reposition SA Taxi as a financier of pre-owned minibus taxis. SA Taxi has, over time, built competencies and experience in the pre-owned minibus taxi environment and will now focus all its efforts on refining its offering and solidifying its position in this segment.

The structural shift follows a deterioration in taxi operators' ability to afford new minibus taxis exacerbated by:

- elevated fuel prices,
- high interest rates,
- increasing cost of parts and maintenance,
- record levels of load shedding,
- persistently lower commuter volumes as a result of depressed economic activity, and
- taxi operators' inability to increase fares given already financially stretched consumers.

SA Taxi will focus on financing only pre-owned taxis. This will help limit the affordability pressures faced by the country's taxi operators. In addition, it will help SA Taxi reduce its repossessed vehicle stock and improve its liquidity.

The minibus taxi industry is also experiencing significant delays and inefficiencies in the legal system relating to the repossession of vehicles from defaulting clients. This has increased fraud and elevated losses across the industry, which have also significantly impacted SA Taxi. Management is building new strategies to mitigate the impact of these dynamics.

SA Taxi will continue to offer finance to clients for either a traditional quality renewed taxi ("QRT") (complete mechanical and panel repair) or pre-owned vehicles that are mechanically sound but not fully refurbished. This strategy is a clear differentiator from the traditional finance houses operating in this sector. The strategic investment into GoBid, a distribution channel for pre-owned and salvage vehicles, further enhances SA Taxi's unique position in this sector.

RESTRUCTURE AND REBASE OF SA TAXI BUSINESS MODEL

SA Taxi's operational restructure, driven by a new management team, is targeted for completion in March 2024 and is focused on stabilising the business through a combination of cost reductions and repositioning the business in the pre-owned taxi market.

With the strategic focus on pre-owned taxis at lower volumes, and the progress made in simplifying and downscaling SA Taxi's auto refurbishment and repair facilities, this business will no longer be sold. The auto refurbishment and repair business had been classified as a discontinued operation in H1 2023 and has now been reclassified as part of continuing operations.

Progress has been made in the restructuring of SA Taxi's balance sheet. This process is governed by an internal Debt Sustainability Committee and an external Informal Lender Forum, both chaired by Christopher Seabrooke and comprising group executives and external advisors. The committees are actively engaging debt funders to agree on a sustainable balance sheet restructure by March 2024. As already stated, this is crucial to the viability of SA Taxi.

Furthermore, the restructuring will include a complete review of the insurance products offered by SA Taxi Protect. Where necessary, changes will be made to the product offering to ensure long-term profitability of the insurance business. This process will be concluded in parallel with the balance sheet restructure.

SANTACO currently owns 25% of SA Taxi through an industry SPV. The intention is to restructure this holding with the support of SANTACO's funders and Transaction Capital. Transaction Capital has a contractual commitment of R285 million in this regard. All parties are fully committed to ensuring the ongoing participation of SANTACO in the restructured SA Taxi business. It is envisaged that this process will follow the successful completion of the restructure of SA Taxi's balance sheet.

FINANCIAL AND OPERATIONAL PERFORMANCE

In FY2023, SA Taxi made a headline loss from continuing operations of R3.7 billion, driven primarily by a further R1.1 billion of repossessed vehicle write-downs in H2 2023. Additional material changes to SA Taxi's business model have proved necessary in the second half of the year in line with the aggressive restructuring initiated by management in March 2023. After once-off adjustments, SA Taxi made a core loss from continuing earnings of R575 million, with a core loss of R472 million attributable to the group.

The reconciliation below outlines the impact of the increase in provisions, impairments, and once-off costs on SA Taxi's loss for the year ended 30 September 2023.

	FY2023	
	Total after tax adjustment (Rm)	Attributable to the group (Rm)
Profit after tax	(3 811)	(3 130)
Adjusted for:		
Investment impairment	53	43
Goodwill impairment	60	49
Tangible and intangible asset impairments and disposal losses	3	3
Headline (loss) from continuing operations	(3 695)	(3 035)
Change in provision methodologies*:		
- Once-off remeasurement of IFRS 9 and IFRS 17 provisions	1 541	1 266
- IAS 2	1 213	996
Once-off transaction and restructure costs	107	88
Deferred tax write-off	259	213
Core earnings from continuing operations after tax	(575)	(472)

* Detailed explanatory notes provided after group headline earnings reconciliation.

SA Taxi's gross loans and advances increased by 7% to R16.4 billion, however, the number of loans originated declined by 30% year-on-year as the business implemented the revised loan origination strategy.

SA Taxi has focused on originating loans of a higher credit quality while also managing the credit performance of the existing loan portfolio. Although stable, collection ratios have lagged pre-Covid levels, resulting in continued loan portfolio deterioration. Management anticipates that the loan portfolio will only show improvement over the medium to long term as underperforming credit is worked out and new, materially better quality credit, becomes a meaningful proportion of gross loans and advances.

Net interest margin was 7.3%, down from 10.8% in FY2022, largely driven by the inability to pass on interest rate increases to taxi operators.

Non-interest revenue for FY2023, at R554 million, was significantly lower than the prior year of R963 million due to a lower level of loans originated, lower direct sales generated by the dealership, and a net loss in the insurance division.

OUTLOOK

Following the successful execution of the restructuring initiatives implemented during this financial year, SA Taxi will continue to drive change across the business in FY2024 in order to achieve a sustainable base from which the business can grow. SA Taxi remains committed to supporting the minibus taxi sector but will deploy capital conservatively into lower-risk segments of the industry where the business can earn appropriate risk-adjusted returns.

Transaction Capital has already committed R2.2 billion of equity to support SA Taxi and has a contractual commitment of R285 million related to the SANTACO transaction. No further funding beyond March 2023 has been provided nor is envisaged going forward. Ongoing support from SA Taxi's existing debt funders in finding a timeous resolution on the balance sheet restructure is critical for SA Taxi to remain viable and continue to play a pivotal role in South Africa's minibus taxi industry.

Gomo

Gomo was launched in response to a need for finance and insurance solutions for older cars at the low-end of the second-hand vehicle market, where traditional vehicle asset finance ("VAF") is unavailable.

Gomo has a unique position in the lower end of the second-hand vehicle market as it leverages industry-leading technology and data platforms that underpin both Mobalyz and WeBuyCars. Through its technology platform, Mobalyz can assess an individual's creditworthiness, and this, combined with WeBuyCars' unique ability to immediately value and sell a second-hand vehicle at the older end of the spectrum, enables Gomo to underwrite secured credit in this market. This is both a compelling proposition and a clear competitive advantage resulting in Gomo being able to offer funding to clients not catered for by the traditional banks.

Gomo has moved from proof of concept in 2022 to now being live across all WeBuyCars' distribution platforms. Gomo is already gaining momentum, demonstrating its relevance and value in this market.

WeBuyCars

For the year ended 30 September		2023	2022	Movement
Financial performance				
Core earnings	Rm	658	762	(14%)
Core earnings attributable to the group	Rm	488	565	(14%)
Core cost-to-income ratio	%	65.7	56.8	
Operational performance				
Vehicles purchased	Number	142 337	130 177	9%
Vehicles sold	Number	141 851	125 812	13%
F&I products penetration on units sold	%	20.9	18.2	
Total e-commerce sales	Number	31 874	34 300	
Total e-commerce sales	%	22.4	27.2	
Business-to-business (B2B)	%	15.4	21.1	
Business-to-consumer (B2C)	%	7.0	6.1	
Vehicle parking bays	Number	10 339	8 580	21%
Pods	Number	69	56	23%

OPERATING CONTEXT AND MARKET POSITIONING

The structural elements supporting the medium and long-term outlook for the second-hand vehicle market in South Africa remain positive.

The second-hand vehicle environment in the 2022 comparative period was unusually robust, underpinned by constrained new vehicle supply due to chip shortages, vehicle price inflation and higher consumer confidence as the Covid-19 pandemic drew to a close. These supportive conditions have reversed over the past year with higher interest rates, fuel prices, and load shedding dampening consumer confidence and the supply of new vehicles having recovered to pre-pandemic levels.

WeBuyCars' agile business model and quick stock turn enabled it to respond quickly to these market changes in H1 2023, reducing trade in high-end vehicles to resume a greater focus on lower-priced second-hand vehicles. Although margins were initially negatively impacted by this response, they have since normalised, and the adjustment in stock and trading mix towards the lower end of the market aligns with current consumer demand. This agility, combined with a keen focus on extracting operational efficiencies across the business, resulted in WeBuyCars consistently gaining market share over FY2023 despite the tough trading conditions.

WeBuyCars continues to invest in its proprietary AI, data, and analytics capabilities which optimise the vehicle buying and selling process, continually improving the consumer experience and consistently driving efficiencies across the business. This formidable technology ecosystem is a significant differentiator for WeBuyCars in the second-hand vehicle industry and underpins robust growth expectations in the years ahead.

FINANCIAL AND OPERATIONAL PERFORMANCE

WeBuyCars' earnings of R658 million in FY2023 contracted 14% compared to a notably high base in FY2022. In H2 2023, WeBuyCars recovered momentum with earnings only 4% lower when compared to H2 2022. Management sees this momentum, combined with increased volumes and consistently improving unit economics, gaining traction during FY2024.

In H1 2023, 1 759 bays were added to the national footprint, bringing the national capacity to 10 339 parking bays. Given the focus on leveraging existing strategic infrastructure investments, no further branch expansion has occurred in H2 2023. WeBuyCars' innovative pod strategy enables the business to leverage its vehicle buying footprint in a capital-light manner and further enhances the overall customer experience through added convenience.

The number of vehicles bought and sold continues to increase, with an average number of vehicles sold monthly of approximately 12,000 in H2 2023. Overall, vehicles sold grew by 13% to 141 851 units in FY2023. The increase in sales volumes over the past year has primarily been driven by sales to private individuals, facilitating an increase in finance and insurance ("F&I") income. F&I income will continue increasing as WeBuyCars evolves its offering through Gomo and other third-party providers.

WeBuyCars invests heavily in its brand, marketing, and online lead generation. B2B sales via its e-commerce platform fell from 21.1% of total sales in FY2022 to 15.4% of total sales in FY2023 due to the impact of the challenging economic environment on smaller dealerships. In contrast, B2C online sales continue to grow and now account for 7% (9 972 units) of total sales up from 6.1% (7 714 units) of total sales in FY2022.

OUTLOOK

Management is confident that the structural elements supporting the medium and long-term outlook for the second-hand vehicle market in South Africa remain positive. Trading across the whole car parc positions WeBuyCars to adjust its buying and selling patterns through fluctuating market conditions to meet market demand. As such, WeBuyCars is considered a uniquely positioned and exciting growth asset and is differentiated from any other players in the local second-hand vehicle market.

Nutun

For the year ended 30 September		2023	2022	Movement
Financial performance				
Core earnings from continuing operations	Rm	479	434	10%
Core earnings from continuing operations attributable to the group	Rm	436	409	7%
Revenue	Rm	4 152	2 988	39%
Capital-enabled services ("CE services")	Rm	1 733	1 791	(3%)
South Africa	Rm	1 733	1 617	7%
Australia(3)	Rm	-	174	
Customer experience management services ("CX services")	Rm	2 410	1 186	>100%
Core cost-to-income ratio excluding amortisation	%	78.1%	70.6%	
Purchased book debts				
Cost of purchased book debts acquired	Rm	1 141	1 442	(21%)
South Africa	Rm	1 141	1 349	(15%)
Australia	Rm	-	93	
Carrying value of purchased book debts	Rm	5 025	4 208	19%
Estimated remaining collections	Rm	7 650	7 224	6%

3. The Australia NPL portfolio was sold in October 2022.

OPERATING CONTEXT AND MARKET POSITIONING

Over 25 years, Nutun has built a competitive advantage in providing efficient outsourced collection services, both as an agent and as a principal, acquiring and collecting on NPL portfolios through a combination of proprietary technology, telephony, data and analytics competencies. Leveraging these competencies, it has quickly positioned itself as a leader in Business Process Outsourcing ("BPO") and was recently awarded "Top BPO Operator in South Africa" at the 2023 BPESA GBS and BPO Alchemy Awards.

The business operates in two distinct areas: customer experience management services ("CX services") and capital-enabled services ("CE services").

The CX services business comprises agency collections and customer experience BPO services branded Nutun CX. The agency collections business has blue-chip clients in South Africa and Australia and is serviced out of South Africa, Fiji, and Australia. Nutun CX has blue-chip clients in the UK, USA, Australia and is wholly serviced by circa 2 990 call centre agents based in South Africa.

Through CE services, Nutun acts as a principal acquirer which collects on NPL portfolios in South Africa. At 30 September 2023, Nutun's NPL portfolios were valued at R5 025 million. Management expects ongoing revenue streams of R7 650 million from this asset over the medium term, up 6% on the prior year.

FINANCIAL AND OPERATIONAL PERFORMANCE

In FY2023, Nutun grew core earnings from continuing operations by 10% to R479 million, with core earnings from continuing operations attributable to the group increasing by 7% to R436 million.

Revenue from CE services in South Africa increased by 7% in FY2023, which is lower than initially anticipated due to the lower levels of NPL portfolio acquisitions. In FY2023, Nutun invested R1.1 billion in acquiring NPL portfolios in South Africa, down 15% from FY2022. Over this period, CE services deployed capital conservatively, given current NPL market pricing dynamics and the negative sentiment around SA Taxi impacting access to Nutun's funding.

Revenue from CX services doubled from R1.2 billion to R2.4 billion due to strong organic growth and a full year of Nutun CX earnings. CX services revenue now comprises 58% of Nutun's total revenue, up from 40% a year ago. International revenue from CX in FY2023 accounted for 47% of Nutun's total revenue, up from 31% in FY2022.

OUTLOOK

The Nutun business is well poised to capitalise on its leading position in the BPO market with the ability to scale its CX services across both industries and geographies. Given the complexity of expanding into international markets, Nutun's highly experienced management team closely manages costs, delivery and customer experience.

Access to capital for Nutun's CE services remains a crucial component of funding the acquisition of NPL portfolios. Management is pursuing options to raise traditional and new alternative methods of funding. Key to Nutun's FY2024 performance will be its ability to access funding similar to historical levels. Management continues to drive operational efficiencies in the collections business while maintaining the agility to ramp up in line with market conditions.

LOOKING AHEAD

The past year has undoubtedly been the most challenging and disappointing in Transaction Capital's history. A great deal of learning and introspection has taken place. The outlook for FY2024 is focused on unlocking shareholder value, restoring credibility, stringent cost-cutting and cash generation. Management will not allow tough decisions to stand in the way of achieving these objectives.

Jonathan Jawno, a co-founder of Transaction Capital, has actively been driving the restructuring and repositioning of Transaction Capital and will formally take up the CEO position on 31 December 2023.

Transaction Capital will migrate from an operational group to an active investment holding company with its holdings run on a fully decentralised basis and assessed against investment criteria. Accordingly, the group's head office has been significantly reduced.

Transaction Capital is considering various alternatives to reduce net debt at a holding company level. At an individual company level, alongside other initiatives, the following options are currently being explored:

- SA Taxi will be restructured and stabilised with a view to introducing an appropriate equity partner once the restructuring has been completed.
- Transaction Capital, together with the WeBuyCars founders, is exploring the merits of unbundling Transaction Capital's shareholding in WeBuyCars together with its subsequent listing on the main board of the Johannesburg Stock Exchange.
- Nutun is undergoing an intensive review of its operations with a view to establishing whether certain non-core operations can be disposed of or repositioned. In addition, management is exploring options to raise traditional and new alternative methods of funding.

No decisions, in respect of the above initiatives, have been made.

Transaction Capital has no intention of pursuing a rights offer, and dividends have been suspended until such time as the group has been successfully restructured.

The appointment of Jonathan Jawno demonstrates the commitment of the founders to Transaction Capital and all its stakeholders.

GROUP CORE RESULTS

Transaction Capital assesses its performance using core continuing earnings, an alternative non-IFRS profit measure, alongside IFRS profit. This, in terms of the JSE Listings Requirements, constitutes pro forma financial information. Management considers that core continuing earnings is an appropriate alternative performance measure to enhance the comparability and understanding of the financial performance of Transaction Capital.

Non-IFRS measures are not uniformly defined nor used by all entities and may not be comparable with similarly labelled measures and disclosures provided by other entities. Transaction Capital has set out its policy to calculate core continuing earnings below.

Transaction Capital calculates headline earnings in accordance with the latest SAICA Circular 'Headline Earnings'. Core continuing earnings is calculated by adjusting headline earnings for the following:

- Once-off transaction costs which are directly attributable to corporate activity (which comprises mostly legal and consulting fees).
- Adjustments on put and call options over non-controlling interests, namely imputed interest on the put option liability, re-measurements of the put option liability and fair value adjustments on the call option derivative.
- Once-off or accelerated items, where these are reasonably expected not to re-occur in the ordinary course of business in future reporting periods. In the current period, this relates to a fundamental restructure of the SA Taxi business and the reassessment of material provision inputs.
- Adding back specific headline earnings exclusions if the gain / loss is considered part of Transaction Capital's normal operations. In the prior financial year, this included the gain on conversion of ownership of the salvage operation from a division to a 40% equity stake in an entity that conducts similar salvage operations.

These adjustments are considered annually based on the transforming nature of Transaction Capital. Management is responsible for the calculation of core continuing earnings and determining the inclusions and exclusions in accordance with the policy. The Transaction Capital Limited audit committee reviews the core continuing earnings for transparency and consistency.

This pro forma financial information, which is the responsibility of the group's directors, has been prepared for illustrative purposes to reflect operational performance more accurately. Due to its nature, it may not fairly present, in terms of IFRS, the group's financial position, changes in equity, and results of operations or cash flows. Details of the nature of these adjustments can be found in the reconciliation of headline earnings to core continuing earnings that follows. The pro forma financial information should be read in conjunction with the unmodified Deloitte and Touche independent reporting accountants' report in terms of International Standard on Assurance Engagements (ISAE 3420), which is available for inspection at the registered office and at the following link on Transaction Capital's website: https://www.transactioncapital.co.za/investor-relations-overview/transaction-capital-limited/.

Reconciliation from headline earnings to core continuing earnings

	30 September 2023 Rm	30 September 2022 Rm
Headline earnings from continuing operations attributable to group	(752)	1 621
Adjusted for:		
Once-off transaction costs (Refer to note 1)	63	16
Adjustments relating to written put and call options over WBC Holdings non-controlling interests:		
Imputed interest charge (Refer to Note 2)	234	259
Fair value adjustment on call option derivative (Refer to Note 2)	(117)	(200)
Remeasurement of put option liability (Refer to Note 2)	(1 737)	(563)
Adjustments relating to written put and call options over Synergy non-controlling interests:		
Imputed interest charge (Refer to Note 2)	30	19
Remeasurement of put option liability (Refer to Note 2)	(39)	15
Gain realised on the conversion of ownership of the salvage operation from a division to a 40% equity stake in an entity that conducts similar salvage operations	-	79
Adjustments relating to the re-basing of SA Taxi's business:		
Once-off remeasurement of IFRS 9 and IFRS 17 provisions (Refer to Note 3):	1 266	-
Once-off remeasurements of stock to net realisable value (Refer to Note 4):	996	-
Deferred tax asset write-off (Refer to Note 5):	213	-
Once-off transaction and restructure costs (Refer to Note 6):	88	-
Core continuing earnings attributable to group	245	1 246
Weighted average number of shares	759.8	722.4
Core continuing earnings per share (cents)	32.2	172.5

Note 1: The transaction costs in the current year were incurred in relation to the Milton Graham merger effective on 2 November 2023, as well as consulting fees payable for the group's debt restructure.

Note 2: These adjustments are made in terms of the relevant option agreements and will therefore continue for the duration of the agreements. Please refer to Transaction Capital's consolidated financial statements for detail relating to the option adjustments.

Note 3: Relates to the rebasing of forward-looking IFRS 9 provisioning on the existing debtors' book which has aged past 90 days, which is indicative of higher lifetime expected credit losses (ECL). The group has also rebased its IFRS 9 and IFRS 17 forward-looking provisioning due to the recalibrated business model across the portfolio. SA Taxi's strategy is to reduce originations of QRTs and utilise alternative disposal channels, which will result in lower future recovery rates.

Note 4: Relates to the write-off on certain repossessed vehicle stock that will no longer be repaired given the change in the QRT strategy.

Note 5: Relates to the re-assessment of the recoverability of deferred tax assets in accordance with IAS 12, given the change in strategy on origination which impact on future book build, overall expected performance of credit providers as well as the SA Taxi dealership. These factors impact on the recoverability of tax losses, where the timing of earning future taxable income to support the quantum of deferred tax assets is uncertain at this stage and will continue to be closely monitored.

Note 6: Relates to retrenchment costs as a result of the restructure of SA Taxi's business and once of transaction costs linked to the debt restructure.

Other information

Shareholders and noteholders are advised that this announcement represents a summary of the information contained in the audited financial statements for the year ended 30 September 2023 and does not contain full or complete details. The annual financial statements have been audited by the group's auditors Deloitte & Touche, who expressed an unmodified opinion thereon and included an emphasis of matter paragraph relating to the material uncertainty of SA Taxi. This announcement is extracted from audited results but is itself not audited, other than the group core results as disclosed above. Any investment decisions by investors and/or shareholders should be based on a consideration of the full audited financial statements which are available on https://senspdf.jse.co.za/documents/2023/JSE/ISSE/TCP/FY23SENS.pdf and on Transaction Capital's website: https://www.transactioncapital.co.za/investor-relations-overview/transaction-capital-limited/.

This short form announcement, including any forecast financial information, has not been reviewed or reported on by the Transaction Capital's external auditors and is the responsibility of the directors.

Approval by the board of directors

The information in this announcement has been reviewed and approved by the board of directors on 4 December 2023, and is signed on its behalf by:

David Hurwitz Chief executive officer	Sahil Samjowan Chief financial officer

Rosebank

Date of release on SENS: 5 December 2023

Registered office:
The Bank, 12th Floor, 24 Cradock and Tyrwhitt Avenue, Rosebank, Gauteng, 2196
P.O. Box 41888, Craighall, 2024, Republic of South Africa
Tel: +27 (0) 11 049 6700
Fax: +27 (0) 11 049 6899

Directors:
Ian Kirk (Chairman)*, David Hurwitz (Chief executive officer), Sahil Samjowan (Chief financial officer), Mark Herskovits, Jonathan Jawno, Michael Mendelowitz, Roberto Rossi, Suresh Kana (Lead independent director)*, Buhle Hanise*, Albertinah Kekana*, Christopher Seabrooke*, Kuben Pillay*, Diane Radley*, Sharon Wapnick*

* Independent non-executive.

Company secretary:
Lisa Lill

Auditors:
Deloitte & Touche

JSE sponsor and equity markets broker:
Investec Bank Limited

JSE Debt sponsor:
Rand Merchant Bank (a division of FirstRand Bank Limited)

Transfer secretaries:
Computershare Investor Services Proprietary Limited

Investor Relations:
Nomonde Xulu - Email: nomondex@transactioncapital.co.za