



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

UNAUDITED INTERIM RESULTS FOR THE HALF YEAR ENDED 31 MARCH 2024

The key highlight of the half year ended 31 March 2024 ("H1 2024") was the successful unbundling, placement and separate listing of WeBuyCars on the main board of the JSE Limited ("JSE"). This allowed Transaction Capital to return R5.2 billion to shareholders through the distribution of 256.3 million WeBuyCars shares. The group further raised R1.0 billion via the placement. This allowed Transaction Capital to materially pay down its debt (shortly after the H1 2024 period) and move to a net cash position at a holding company level.

The results below primarily reflect the consolidation of the losses incurred at SA Taxi, its subsidiaries and funding entities. These losses, while consolidated in accordance with IFRS at a group level, are not funded by Transaction Capital nor do they impact the equity of Transaction Capital at a holding company level. Accordingly, management believes that it is important to assess these results against the progress made towards the strategic goals set in December 2023 and the performance and prospects of Nutun and Mobalyz.

The group's results for H1 2024 are as follows:

- Basic loss per share from continuing operations attributable to the group decreased 20.7% to 178.3 cents (H1 2023 loss per share restated¹: 224.9 cents).
- Headline loss per share from continuing operations attributable to the group decreased 26.6% to 164.9 cents (H1 2023 loss per share restated¹: 224.6 cents).
- Core earnings per share from continuing operations attributable to the group decreased by >100% to a loss per share of 186.9 cents (H1 2023 earnings per share restated¹: 0.1 cents).
- Total basic loss per share (including discontinued operations) decreased by 19.6% to 178.4 cents (H1 2023 loss per share restated¹: 221.9 cents)
- Total headline loss per share (including discontinued operations) decreased by 22.3% to 172.5 cents (H1 2023 loss per share restated¹: 222.1 cents)
- Total core earnings per share (including discontinued operations) decreased by >100% to a loss per share of 142.2 cents (H1 2023 earnings per share restated: 32.0 cents)

In H1 2024, Mobalyz made a core loss from continuing operations of R1.8 billion, driven primarily by the reduction of the absconsion, violation and credit shortfall cover ("AVCS") in SA Taxi's insurance business, which has resulted in a once-off net loss of R966 million. Despite the adverse impact that the decision to reduce the AVCS cover has had on the period's earnings, it is necessary to create a sustainable insurance business, which has now been achieved.

Mobalyz's management team, under Sean Doherty, has been overhauled and strengthened. Significant progress has been made in developing Mobalyz's service offering as well as the restructuring and rightsizing of SA Taxi's operations. We have proposed a detailed business plan on the SA Taxi balance sheet restructure to the funders. If accepted by the funders the plan will allow originations to continue uninterrupted. It will also significantly reduce the losses on the existing loan portfolio as well as support the operating businesses within Mobalyz which will in

¹ Comparative information for 31 March 2023 has been restated for the correction of the Nutun CX put option liability, reversal of the classification of the SA Taxi auto refurbishment and repair business as discontinued operations due to the reversal of the decision to sell, and the classification of WeBuyCars, Nutun Australia and Nutun Transact as discontinued operations.

turn create further equity value. This has, in principle, been well received. Although nothing has been concluded, we continue to engage with funders to establish the terms under which this proposal could be supported.

As a result of the fact that SA Taxi has not yet achieved a balance sheet restructure, the business is currently being managed with a priority on preserving and generating cash as opposed to optimising profit. Management believes this is the appropriate strategy for where the business finds itself and expects that this will continue to weigh on the full year earnings outlook to September 2024.

Transaction Capital continues to rationalise its board and head office structures. The group has merged the Chief Financial Officer and Chief Investment Officer roles, has reduced the board from 14 directors to 10 and further consolidated 6 board committees into 3 to improve operating efficiencies at a holding company level.

After an intensive review of Nutun's operations, Nutun Australia has been successfully sold and Nutun Transact has been identified as non-core and is in a sales process. These transactions will materially strengthen Nutun's balance sheet and liquidity which support the capital-enabled business ("CE services"). In addition, a major operational restructure is underway to streamline Nutun into two distinct businesses namely: the CE business and a global business process outsourcing ("BPO") business through the merger of the customer experience management ("CX") and recoveries businesses. This has come at a short-term operating cost. Despite this, we are confident that this strategy is correct and will unlock shareholder value in the medium term. Transaction Capital's executive will continue to work closely with Nutun's enhanced management team to deliver on our ambitious growth plans.

As a consequence of the corporate activities in H1 2024, Transaction Capital can now be viewed as an unencumbered investment holding company comprising: 100% of Nutun, 75% of Mobalyz and net cash of approximately R120 million.

For Further Information

This short-form announcement is the responsibility of the directors and is only a summary of the information in the full announcement and does not contain full or complete details. Any investment decisions by investors and/or shareholders should be based on consideration of the full announcement, published on SENS and available for viewing at <https://senspdf.jse.co.za/documents/2024/JSE/ISSE/TCP/HY24SENS.pdf> and on the Transaction Capital website <https://www.transactioncapital.co.za/investor-relations-overview/transaction-capital-limited/>

Any forecast financial information, including the prospects statement, has not been reviewed or reported on by the Transaction Capital's external auditors and is the responsibility of the directors.

The full announcement is also available at our registered office for inspection, at no charge, during office hours. Copies of the full announcement may be requested by contacting Lisa Lill on telephone +27 (0) 11 049 6700 or email: LisaL@transactioncapital.co.za.

Sandton
21 May 2024

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Directors:

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

(*Independent non-executive)

Company secretary: Lisa Lill

Auditors: PwC

JSE equity sponsor: Investec Bank Limited

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

Transfer secretaries: Computershare Investor Services Proprietary Limited