



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

## DISPOSAL OF NUTUN TRANSACT (PTY) LTD, ACCSYS (PTY) LTD AND NUTUN CREDIT HEALTH (PTY) LTD TO Q LINK HOLDINGS (PTY) LTD

### 1. INTRODUCTION

Shareholders are referred to the SENS announcement issued by Transaction Capital on 21 May 2024. The announcement stated that Nutun Transact (Pty) Ltd ("Nutun Transact") had been identified as non-core and was undergoing a sale process.

Shareholders are advised that Nutun Business Services South Africa (Pty) Ltd ("Nutun Business Services") and Generow Investments (Pty) Ltd ("Generow") (collectively the "Sellers"), Nutun Transact and Transaction Capital have entered into a sale of shares and subscription agreement ("the Agreement") with Q Link Holdings (Pty) Ltd ("Q Link" or "the Purchaser"). Q Link is wholly-owned by QRM1 (RF) (Pty) Ltd – which is majority owned by the SPE Mid-Market Fund I Partnership, with management and 27Four Investment Managers (Pty) Ltd (in its capacity as asset manager on behalf of its client), as the remaining shareholders.

In terms of the Agreement Nutun Business Services will dispose of 100% of its shareholding interest in (i) Nutun Transact and (ii) Accsys (Pty) Ltd ("Accsys") and Generow will dispose of 100% of its shareholding interest in Nutun Credit Health (Pty) Ltd ("NCH") to the Purchaser, by way of a subscription for and sale of shares (collectively "the Transaction").

Nutun Transact, Accsys and NCH ("target group") are subsidiaries of Nutun Holdings (Pty) Ltd ("Nutun") which is a wholly owned subsidiary of Transaction Capital.

### 2. BACKGROUND INFORMATION

Nutun Transact is a prominent B2B transaction processing and HR management solutions platform in South Africa. Nutun Transact, along with the other target group companies, comprising Accsys and NCH, offers four primary services: a payments platform, risk management services, HR management and collections services.

Q Link is a prominent financial services and fintech company specializing in advanced payment and collection solutions. Renowned for its innovative approach, Q Link's specialized services maximize the success rate of collections for companies with high volumes of monthly consumer payments, primarily within the financial services sector. The company orchestrates a diverse range of payment collection channels, managing over R 100 billion in annual collections. Q Link remains at the forefront of emerging payment technologies, actively engaging and ensuring clients are prepared to make use of innovative solutions like PayShap, Request To Pay (RTP), digital wallets, and QR codes. Q Link also provides secure SWIFT connectivity infrastructure, ensuring reliable global financial transactions for the South African market.

### 3. RATIONALE FOR THE DISPOSAL

Nutun Transact (along with the other target group companies) has been identified as non-core to the operations of Nutun. The sale will strengthen Nutun's balance sheet, improve liquidity and fund ongoing growth.

### 4. TERMS OF THE AGREEMENT

The signature of the Agreement follows the completion of a due diligence conducted by the Purchaser.

The Agreement is subject to the fulfillment or waiver (where applicable) of the following suspensive conditions: (i) the Purchaser obtaining such board and shareholder authorities in terms of the Companies Act, 2008 authorising it to provide the financial assistance contemplated by the Agreement (ii) the amendment of key employees employment agreements (on terms to be agreed); (iii) consent to the change in control of Nutun Transact pursuant to the Transaction from material counterparties; (iv) the conclusion of arrangements under which Nutun Transact continues to receive certain business support services for a period of time from Nutun; (v) the implementation of a pre-Transaction restructure on terms reasonably acceptable to the Purchaser; (vi) amendment of intra-group service agreements on terms and conditions acceptable to the Purchaser; (vii) the release of Nutun Transact and Accsys from any security obligations and/or arrangements granted in favour of third-party funders of the Nutun group of companies; (viii) relevant competition authority approval for the Transaction; and (ix) obtaining all other regulatory approvals as may be necessary for the implementation of the Transaction ("Conditions Precedent").

The long stop date for the fulfilment or waiver of the Conditions Precedent is by no later than 180 days following the signature date of the Agreement, being 13 August 2024.

The effective date of the Agreement will be the first business day of the calendar month immediately following the calendar month during which the Conditions Precedent are fulfilled or waived, where applicable, ("Conditions Fulfilment Date") or such other date as the parties may agree to in writing. The Agreement will be implemented on the effective date ("Closing Date").

The Purchaser is entitled to cancel the Agreement at any time between the Signature Date and the Closing Date in the event that a material adverse change occurs. The right of the Purchaser to terminate the Agreement for a material adverse change is on terms typical for a transaction of this nature.

The aggregate purchase price for Generow's shareholding interest in NCH is R6,4 million ("NCH Purchase Consideration"), to be discharged in cash on the Closing Date.

The aggregate purchase price for Nutun Business Services' shareholding interest in Accsys is R1.00 ("Accsys Purchase Consideration"), to be discharged in cash on the Closing Date.

The aggregate purchase price for Nutun Business Services' shareholding interest in Nutun Transact is R403,6 million, subject to adjustments typical for a transaction of this nature, including an upwards or downwards adjustment (as the case may be) with reference to the agreed required level of working capital of the target group as at the Closing Date, amongst other adjustments ("Nutun Transact Purchase Consideration").

Prior to the Closing Date, Nutun Business Services is required to deliver to the Purchaser a certificate setting out its good faith calculation of Nutun Transact Purchase Consideration as at the last day of the month immediately preceding the month on which the Conditions Fulfilment Date occurs ("Initial Nutun Transact Purchase Price") and the Purchaser shall be required to discharge the Initial Nutun Transaction Purchase Price in cash on the Closing Date. Thereafter, once adjustment accounts for the target group as at the Closing Date are prepared, delivered and fully settled between the Purchaser and Nutun Business Services in accordance

with the terms of the Agreement, the Nutun Transact Purchase Consideration shall be calculated and a further payment made to Nutun Business Services in the event of an underpayment or, alternatively, a refund made to the Purchaser in the event of an overpayment, in accordance with the terms of the Agreement.

The NCH Purchase Consideration, the Accsys Purchase Consideration and the Nutun Transact Purchase Consideration (collectively the "Sale Consideration") is subject to a cap in the sum of R 510 million.

The Agreement contains warranties and indemnities, given by the Sellers, on a joint and several basis, in favour of the Purchaser that are typical for a transaction of this nature, which warranties and indemnities are in turn subject to limitations of liability and other terms which are also typical for a transaction of this nature.

Transaction Capital has agreed to guarantee to the Purchaser the performance of the Sellers' payment obligations in terms of the Agreement.

## **5. USE OF PROCEEDS**

The proceeds from the Sale Consideration will be utilised to strengthen Nutun's balance sheet and liquidity.

## **6. FINANCIAL INFORMATION**

The value of the net assets of Nutun Transact as at 31 March 2024, being the date of the most recent published unaudited half year financial results, amounted to R146 million. The profits after tax of Nutun Transact for that period is an amount of R11.2 million, with a rolling 12-months EBITDA (pre management fees) of R83 million.

Accsys is currently dormant and does not generate any turnover or hold any assets.

The value of the net assets of NCH as at 31 March 2024, being the date of the most recent published unaudited half year financial results, amounted to R0.4 million. The profits after tax of NCH for that period is an amount of R0.5 million, with a rolling 12-months EBITDA (pre management fees) of R1 million.

## **7. CATEGORISATION OF THE PROPOSED TRANSACTION**

The Transaction has been categorised as a category 2 transaction in terms of the JSE Limited Listings Requirements and accordingly will not require Transaction Capital shareholder approval.

## **8. FURTHER ANNOUNCEMENT AND INFORMATION**

Shareholders will be notified once the Transaction has become unconditional in accordance with its terms.

Sandton  
14 August 2024

**JSE equity sponsor:**  
Investec Bank Limited

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

**Lead Transaction Advisor to the Sellers**  
Deloitte Capital (Pty) Limited

**Legal Advisor to the Sellers**  
ENS

**Enquiries:**

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