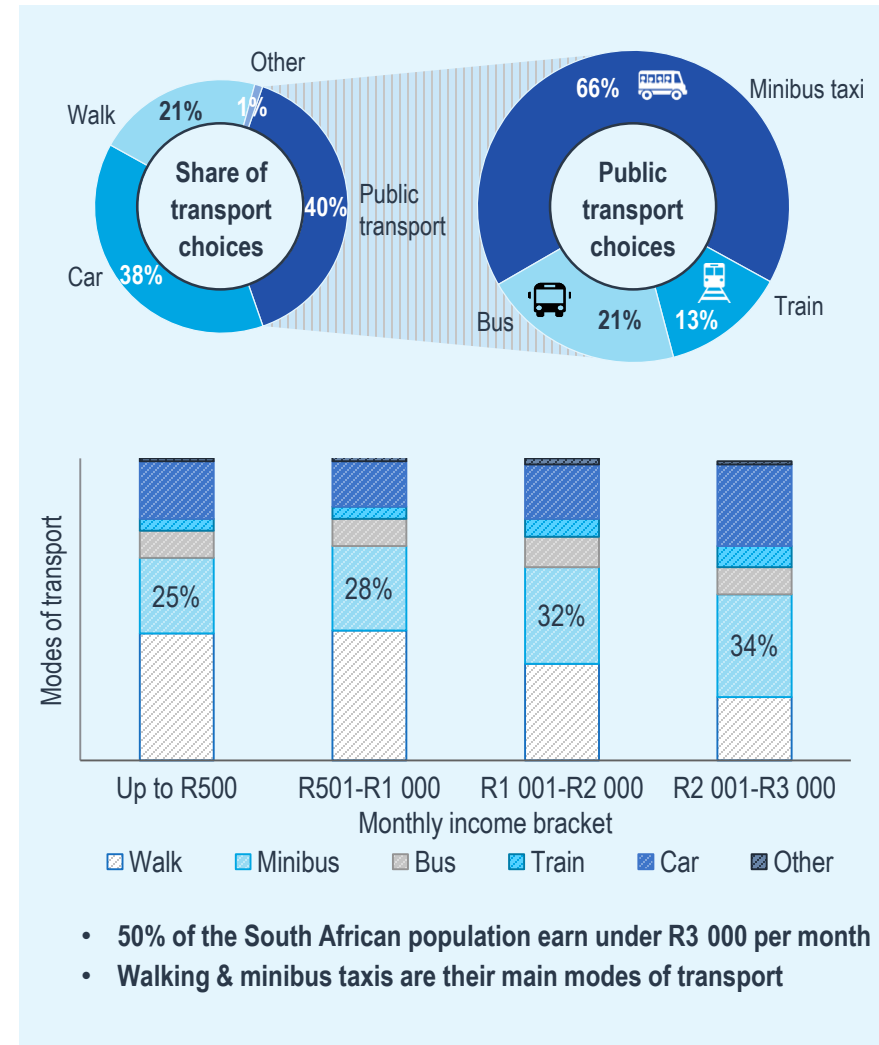
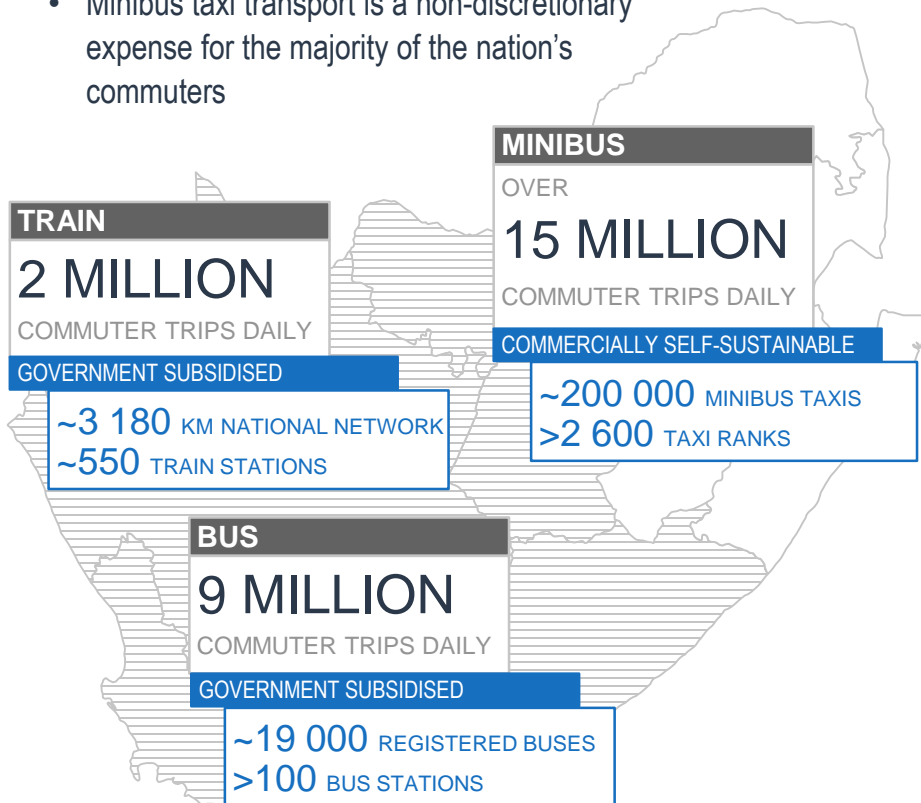


SA TAXI MARKET CONTEXT

MINIBUS TAXI INDUSTRY IS RESILIENT & DEFENSIVE DESPITE SA'S ECONOMIC CLIMATE

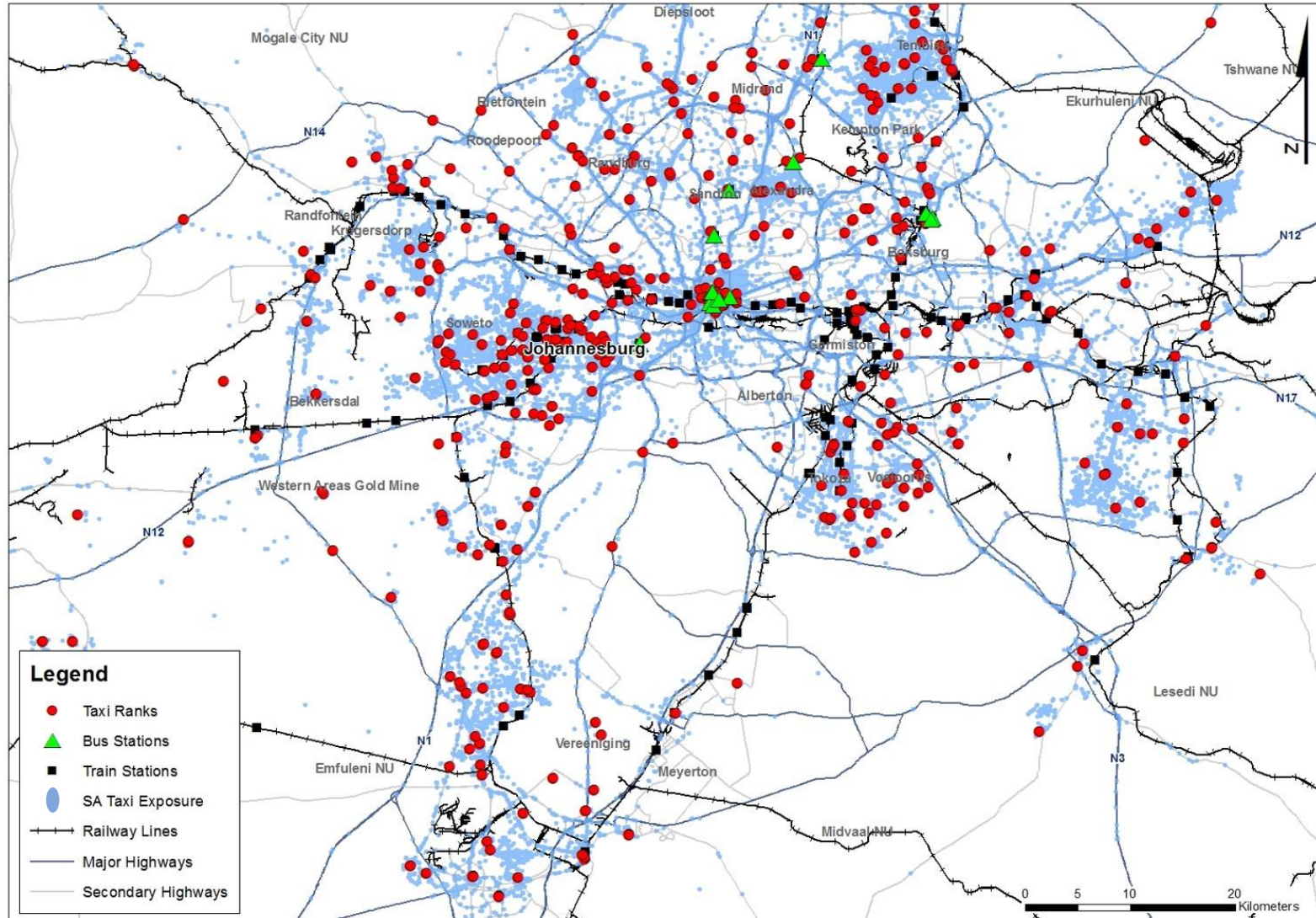
- Minibus taxis are the dominant form of public transport
- Majority of commuters who utilise public transport are heavily reliant on minibus taxis
- Usage of minibus taxis has been consistently high throughout the industry's existence & shows no sign of slowing
- Minibus taxi transport is a non-discretionary expense for the majority of the nation's commuters



SA TAXI MARKET CONTEXT

INTEGRATED PUBLIC TRANSPORT NETWORK - JOHANNESBURG

Bus & train rely on minibus taxis infrastructure



SA TAXI MARKET CONTEXT

STRUCTURALLY DEMAND FOR MINIBUS VEHICLES EXCEEDS SUPPLY

DEMAND: AN AGEING NATIONAL FLEET


IN SOUTH AFRICA THERE ARE


~200 000
MINIBUS TAXIS


- ON AVERAGE **OVER 9 YEARS OLD**
- AN AGEING FLEET THAT IS UNSAFE, **REQUIRING REPLACEMENT & RECAPITALISATION**
- **DRIVING HIGHER DEMAND** FOR VEHICLES, FINANCE & ALLIED SERVICES SUPPLIED BY SA TAXI


SUPPLY: MINIBUS TAXI SALES IN SOUTH AFRICA

MAJOR PREMIUM BRANDS

MINIBUS TAXIS VEHICLE SALES PER MONTH  **~1 380**

SA TAXI'S SHARE OF FINANCED VEHICLES  **38%**

CHINESE MANUFACTURED VEHICLES  **~140**

SA TAXI'S MARKET SHARE  **0%**

TOYOTA SESFIKILE

Most prevalent vehicle in the minibus taxi industry

TOYOTA PRE-OWNED

Predominantly SA Taxi refurbished vehicles

NISSAN NV350

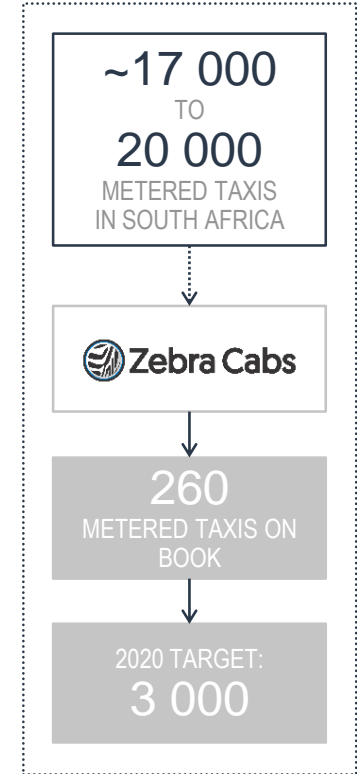
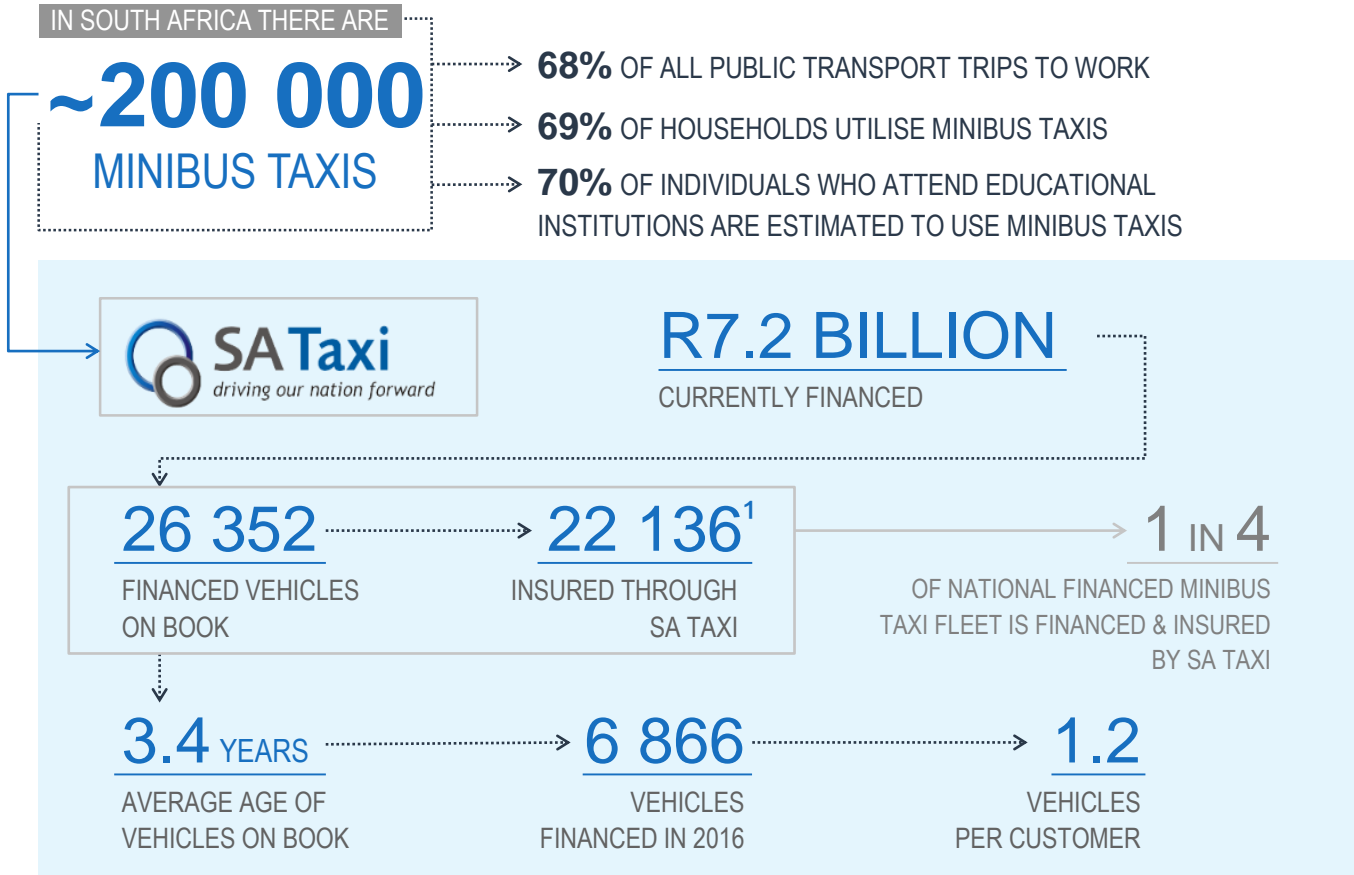
Although relatively new, steadily gaining market acceptance

MERCEDES SPRINTER

Mainly used for long-distance routes

- Improved credit performance as SA Taxi can be selective on credit risk, due to limited supply
- Improved recoveries as asset retains value due to demand exceeding supply
- Liquid market for high quality & affordable SA Taxi pre-owned vehicles

SA TAXI PROVIDES SUPPORT TO SMEs



ON AVERAGE EACH OF OUR VEHICLES TRAVELS **6 500KM** PER MONTH

OUR VEHICLES TRAVEL ON **6 500 ROUTES** COVERING OVER **~800 000KM**

~1.5 BILLION KM TRAVELLED BY SA TAXI'S FLEET IN 2016

1. 100% of taxis financed by SA Taxi are fully insured. 85% of SA Taxi's taxi owners choose to insure with SA Taxi. Additionally SA Taxi insures ~3 700 non-financed minibus taxis
Source: National Household Travel Survey 2013 | SA Taxi's best estimate through our engagement with the industry & extrapolation of internal data

SA TAXI CUSTOMER PROFILE

CUSTOMER PROFILE

DEMOGRAPHICS

100%

BLACK OWNED
SMEs

21%

WOMEN OWNED
SMEs

16%

UNDER THE AGE
OF 35 YEARS

46 YEARS

AVERAGE AGE
OF OWNER

VEHICLES ON BOOK

1.2

VEHICLES
PER CUSTOMER

83%

TOYOTA
VEHICLES

3.4 YEARS

AVERAGE AGE
OF VEHICLE

85%

INSURED WITH
SA TAXI

CREDIT PROFILE OF LOANS ON BOOK

67 MONTHS

AVERAGE LOAN TERM

>R6 000

MINIMUM MONTHLY PROFIT

17.3%

AVERAGE DEPOSIT¹

25.2%

WEIGHTED AVERAGE
INTEREST RATE
AT ORIGATION

44 MONTHS

WEIGHTED
AVERAGE
REMAINING TERM

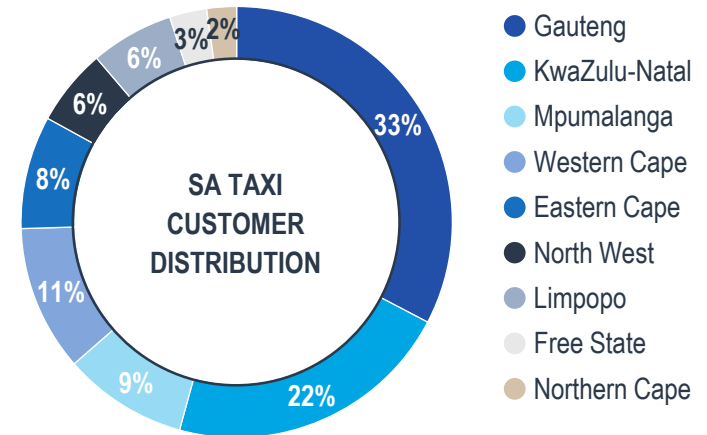
59%

AVERAGE
APPROVAL
RATE

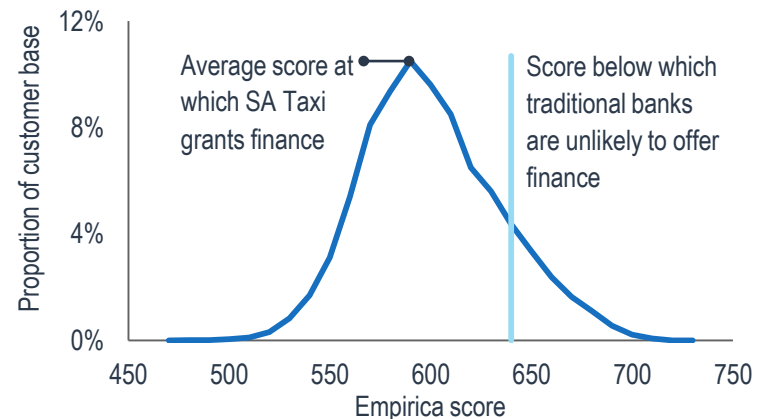
602

AVERAGE
EMPIRICA
SCORE

GEOGRAPHIC DISTRIBUTION



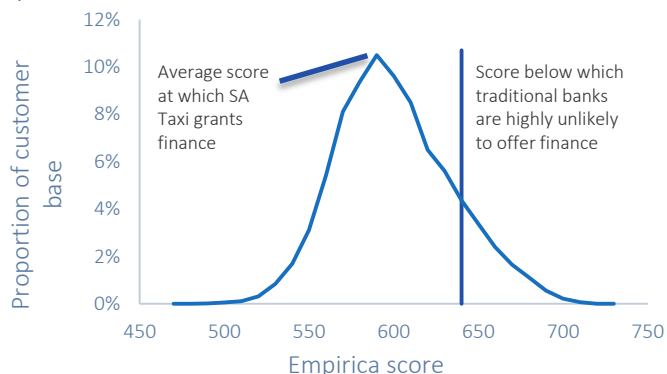
CREDIT DISTRIBUTION



As the primary form of public transport in South Africa, the minibus taxi industry has a significant impact on the environment, society and the economy. SA Taxi's unique market position enhances its ability to have a meaningful impact through inclusive economic growth and responsible environmental initiatives.

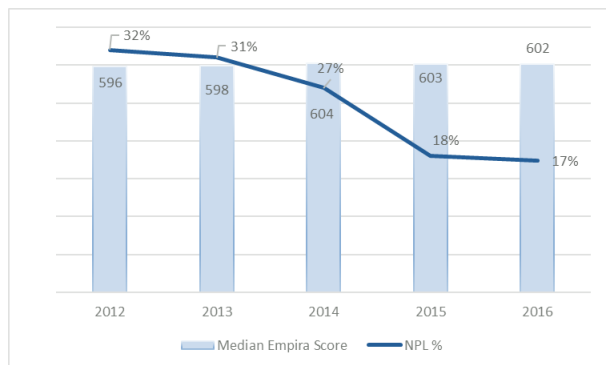
Financial inclusion	Public transport infrastructure	SME empowerment	Sustainable job creation	Environmental sustainability
<p>The minibus taxi industry is almost exclusively comprised of black individuals who are underserved by traditional credit providers.</p> <p>SA Taxi fills a critical funding gap, providing credit to entrepreneurs who would otherwise be excluded from the formal economy.</p>	<p>As highlighted, minibus taxis are an integral part of the South African public transport infrastructure in addition to servicing the rail and bus system.</p> <p>Currently SA Taxi finances over 25 000 minibus taxis in an estimated market of 200 000 representing a significant contribution to not only the industry but also public transport.</p>	<p>Since inception, SA Taxi has facilitated the creation of over 42 000 black-owned SMEs through providing access to financing an income generating asset, a taxi. SA Taxi's comprehensive offering supports a variety of taxi owners' business needs.</p> <p>SA Taxi further provides limited small business training, financial management courses and self help tools to SME owners.</p>	<p>Each minibus taxi financed by SA Taxi has a ripple effect for job creation. Minibus taxi businesses create direct employment for drivers and conductors whilst providing a livelihood for the taxi owner.</p> <p>Indirectly, minibus taxi nodes create a central marketplaces of goods and services where informal businesses including retail, food and car washers thrive. Further jobs are created due to the need for ancillary services such as mechanics.</p>	<p>SA Taxi is aware of its carbon footprint and has initiatives to minimise its impact. It enables the replacement of aged vehicles with reduced emission vehicles as well as extending the useful life of vehicles through refurbishment.</p> <p>SA Taxi also aims to offset its carbon footprint through reforestation, community greening and other carbon offset initiatives, responsible disposal of waste and ensuring efficient energy usage in facilities.</p>

SA TAXI PROVIDES ESSENTIAL FINANCIAL SERVICES TO UNDERSERVED SMALL BUSINESSES



SA Taxi fills a critical funding gap, providing credit to entrepreneurs who would otherwise be excluded from the formal economy given their credit profiles. With approximately 12 million South Africans classified as unbanked, this large portion of the population is exposed to a very limited number of channels in which to access capital from. Low credit-rated individuals are less likely to service their loans consistently, and hence are excluded by many commercial financial institutions.

Financial inclusion financing is often targeted at the consumer rather than sustainable business. This type of funding, such as unsecured lending, while promoting financial inclusion, has a negative contribution to the consumer's net wealth. In contrast, through financing an income producing asset and ensuring that the profits generated by the asset are substantial enough to pay off the financing as well as to yield a living for the owner SA Taxi creates a positive impact on both financial inclusion and the building of clients' net wealth.



As illustrated, SA Taxi has successfully extended credit to individuals who fall outside of the requirements of traditional credit providers. Assuming that individuals with an Empirica score of under 640 are unlikely to obtain credit from a traditional credit providers this means that 90% of the individuals that SA Taxi finances would be unable to get finance from a commercial institution.

SA Taxi's continually improving credit loss and non performing loan ratios in light of a consistent customer credit score are evidence of SA Taxi's thorough and informed understanding of the actual risk of these underserved individuals. This twinned with SA Taxi's extensive experience, proprietary data, vertical integration and all encompassing business offering has resulted in sustainable, responsible and successful lending and small business development.

SA Taxi's impact on financial inclusion for the Full Year September 2016

Proportion of customer base previously classified as financially excluded*

90%

Loans originated

6 866
6 005 in FY 2105

Gross loans & advances

R7.2bn

SOURCE: The World Bank Group, South Africa economic update, Focus on financial inclusion

NOTE: * Based on an assumption that an individual with an Empirica score of under 640 would unlikely be able to obtain traditional access to credit including thin file customers | Distribution graph of SA Taxi's book's Empirica score excludes thin file customers

SA TAXI ADDRESSES KEY PUBLIC TRANSPORT INFRASTRUCTURE NEEDS

Infrastructure needs	Minibus taxi industry	SA Taxi's contribution
Reliability and accessibility	<p>The reach of minibus taxis is pervasive and extends across all of South Africa including areas that would not otherwise have access to transportation services. The majority of South Africans can access a minibus taxi within a 5 minute walk from home.</p>	<p>Through its core business of providing development capital to the underserved, SA Taxi enables growth in the minibus taxi industry, ensuring that the industry is able to meet the demands of a growing population. SA Taxi originated over 6 000 new loans in the last financial year.</p>
Safety and efficiency	<p>Roadworthiness of minibus taxis is a significant contributor to the poor safety record of the minibus taxi industry. In addition, old and poorly maintained vehicles have higher emissions than newer vehicles.</p>	<p>SA Taxi's operations improve the roadworthiness of minibus taxis on South Africa's roads. This is done through replacing old vehicles with new quality vehicles, providing insurance and panel repair facilities and refurbishing vehicles. Replacing old vehicles also decreases the carbon emissions of the minibus taxi industry.</p>
Investment	<p>The time and investment required to extend or construct a new rail or bus network is significant. By contrast, minibus taxis are able to organically adapt to changing demand and operate without significant government funding. Further, minibuses do not require a large critical mass to be able to service a route.</p>	<p>SA Taxi originated over 6 000 new loans in 2015, and has enabled over 42 000 small business entrepreneurs to date. By reducing the barriers to entry for small business entrepreneurs, SA Taxi empowers the minibus taxi industry to react agilely to its dynamic environment. SA Taxi supports the longevity of the minibus taxi industry through vertical investment into the industry, integrating the industry into infrastructure, and providing new technology.</p>
Regulation	<p>Given the minibus taxi industry's roots in the informal sector the industry is consequently largely self-regulated, a structure which has proved sustainable to date. The minibus taxi industry does however have a legislative framework that includes standards such as vehicle specifications, minimum wages, hours of work and termination of employment, but these are often poorly enforced. Implementation of these standards is required to address safety and efficiency in the industry.</p>	<p>Through the loan origination process, taxi operators must show possession of a valid operating permit and affiliation with a taxi association. The specifications of SA Taxi's financed vehicles exceed regulatory requirements. As a result, SA Taxi's growing client base drives compliance with industry regulations. SA Taxi also plays a significant role in incorporating informal cash flow into the formal economy.</p>
Measurement	<p>Due to the informal nature of the industry, there is very limited data available on the minibus taxi industry, particular driver profiles, how many vehicles are in operation, and the routes these vehicles operate.</p>	<p>SA Taxi has a wealth of information on minibus taxi operators and how and where taxi drivers operate. The result is a rich source of data and a view into an otherwise poorly understood industry. This helps improve the transparency and accountability of the industry. Adjacently, SA Taxi's data on the patterns of mass transport could be of great use to town planners and other applications.</p>

The minibus taxi industry offers an opportunity for individuals to establish their own SMEs. This industry in itself has an eco-system where each minibus taxi placed on the road has a direct and indirect implication on job creation. According to the Department of Transport, the taxi industry as a whole has enabled over 960 000 direct and indirect jobs.

Job creation

Direct

The Department of Transport has identified approximately 360 000 jobs that are directly enabled by the minibus taxis in operation. Assuming a market size of 200 000, this would result in 1.8 jobs created per taxi which would include drivers and conductors. This extrapolated over ~26 000 vehicles financed by SA Taxi results in approximately 45 000 direct jobs sustained by SA Taxi.

Furthermore, SA Taxi currently employs 848 staff and invests in their continued upskilling and empowerment.

SME empowerment

SA Taxi prides itself in adding value to its customers through additional services. This has a mutual benefit of ensuring that customers maintain servicing their loans and promote sustainability of the SMEs and the related jobs. SA Taxi's financing activities are an important catalyst for empowerment and development of start-up SMEs in South Africa.

SA Taxi has facilitated the creation of over 42 000 black-owned SMEs that typically could not gain access to finance from traditional lenders. It further provides a means of empowering females and the unskilled youth to be able to enter the formal economy.

Additional services to our clients in order to increase their success including bespoke insurance, repairs, telematics and self help tools (including vehicle analytics and peer comparisons) and limited small business training.

Indirect

Taxi hubs

Minibus taxis operate out of nodes which are in numerous locations and operate as central points for commuters to access them. The large volume of commuters has attracted a variety of service providers, thereby converting these nodes into informal market places where a variety of textiles, food, beverages, and car wash services are offered. These nodes are thus burgeoning business hubs that offer a variety of employment opportunities.

Taxi services

There are a number of services that support the minibus taxi industry. For example, minibus taxis require maintenance and repairs services and car washing services.

The South African Department of Transport estimates that approximately 600 000 indirect jobs are enabled by the minibus taxi industry.

