

MEDIA RELEASE

Transaction Capital hit by SA Taxi restructure but subsidiaries WeBuyCars and Nutun holding their own despite the tough economic environment.

Johannesburg, 11th September 2023 - Transaction Capital today issued a trading statement and pre-close operational update for the year ending 30 September 2023. The company expects a decline in core, basic, and headline earnings per share from continuing operations for the full year, primarily due to ongoing macroeconomic challenges faced by South Africa's minibus taxi industry since the onset of the Covid-19 pandemic in March 2020.

The restructuring of SA Taxi, aimed at right-sizing the business and addressing the challenges posed by the industry, continues to impact Transaction Capital's full-year earnings. As a result, core EPS, HEPS, and basic EPS are expected to be lower than the ranges reported in the trading statement released on SENS on 20 March 2023. The company will provide specific guidance through a further trading statement once there is reasonable certainty regarding the full year earnings.

Management has made significant progress in restructuring SA Taxi's operations and balance sheet, resulting in a more stable business. However, this restructuring process and the related non-recurring costs incurred to get the business to a sustainable base, will impact Transaction Capital's full year core EPS, HEPS and basic EPS. The successful implementation of management changes, aggressive cost reduction measures, and a focus on higher quality credit risk have also contributed to improved stability within SA Taxi. Collection strategies have been enhanced through the appointment of Nutun as an outsourced partner, resulting in improved collection efficiency. Engagement with debt funders has been constructive and positive to date.

Beyond SA Taxi, Transaction Capital's subsidiaries namely WeBuyCars and Nutun are all holding their own despite the tough economic environment.

WeBuyCars has gained market share and improved its stock and trading mix towards cheaper vehicles, aligning with current consumer demand despite the challenging operating landscape and the increased supply of new vehicles. The company is prioritizing growth within its existing infrastructure to increase cost efficiencies and improve unit economics. WeBuyCars is expected to report an approximately 20% decrease in earnings for FY2023 compared to the prior year, in line with the business' half year performance.

Nutun has experienced strong growth in customer experience services revenue, primarily from UK-based clients but also from South Africa, Australia, and the USA. The company sees an opportunity to acquire non-performing loan portfolios at appropriate prices.

Following an agreement with Standard Bank, Gomo is expected to scale substantially in the coming years. The partnership has facilitated increased volumes and positioned Gomo for significant growth opportunities.

Transaction Capital will host a pre-close investor webinar on Tuesday, 12 September at 12h00, to provide further insights and address any questions from shareholders. Details and registration for the webinar can be found on the Transaction Capital website.

Transaction Capital's full-year results for the year ending 30 September 2023 will be released on SENS on or about Tuesday, 5 December 2023.

ENDS

Please see attached the full SENS announcement.

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