Transaction
Capital

Audited RESULTS & dividend declaration

For the year ended
30 September 2022

10 YEARS
AS A LISTED ENTITY

Contents

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 group")

TransCapital Investments Limited
(Incorporated in the Republic of South Africa)
Registration number: 2016/130129/06
Bond company code: TCII

Group **highlights**

for the financial year ended 30 September 2022

Transaction capital delivered strong operational performance with earnings growth in line with historical rates

Core earnings from continuing operations attributable to the group[1,2,3]

R1 246 million

▲ **24%**

FY2021: R1 005 million

The group delivered earnings growth in line with historical earnings CAGR.

Core earnings per share from continuing operations attributable to the group[1,2]

172.5 cents

▲ **17%**

FY2021: 147.9 cents

Core continuing return on average equity[4]

14.0%

FY2021: 15.1%

Core continuing return on average assets[4]

4.4%

FY2021: 4.4%

Returns remain robust as earnings composition tilts towards capital light revenues from WeBuyCars and Nutun.

Total dividend per share

70 cents

FY2021: 52 cents

Final dividend of 37 cents per share at 2.5 times cover, bringing the total dividend per share for FY2022 to 70 cents per share.

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1. Earnings from continuing operations excludes results from discontinued operations.
2. Headline earnings is calculated as basic earnings in terms of IAS33 – Earnings Per Share less all re-measurements as defined in the SAICA Revised IFRS Circular 1/2021 – Headline Earnings. FY2021 basic earnings included a non-recurring fair value gain of R1 403 million on the previously held minority interest in WeBuyCars. FY2022 basic earnings include adjustments relating to put and call options over non-controlling interests of R470 million as well as 12 months performance consolidated for WeBuyCars (FY2021: 2 months).
3. It is management's view that the most appropriate metric to measure performance for the full year ended 30 September 2022 is Core EPS from continuing operations. Core earnings exclude adjustments on put and call options over non-controlling interests, acquisition costs as well as specified items if the gain/loss is considered part of Transaction Capital's normal operations. FY2022 core earnings exclude adjustments on put and call options of R470 million, once off transaction costs of R16 million and specified items of R79 million.
4. Core return on average assets and core return on average equity are based on earnings from continuing operations.

Divisional highlights

Our business models adapt and evolve, as we identify opportunities to accelerate and augment growth

Global digital business services

As a trusted partner to a global client base, Nutun combines its unique technology, data and analytics competencies to provide a range of digitally enabled business services.

Mobility platform

WeBuyCars, SA Taxi and GoMo enable and continue to disrupt private and public commuter mobility access in South Africa through a range of mobility services including vehicle trading, finance, insurance and other allied products.

nutun
Digital Business Services

Nutun (previously Transaction Capital Risk Services) performed exceptionally in FY2022, with earnings growth exceeding historic growth rates. We anticipate this earnings trajectory to continue over the medium-term, driven by Nutun's new high growth revenue streams.

Leveraging its South African low-cost infrastructure and technology, Nutun now delivers an augmented suite of digital business services diversified across geographies, sectors and clients, lowering concentration risk and underpinning positive performance in different market conditions.

we buy cars

WeBuyCars gained market share, growing total revenue, as well as units bought and sold. Its strategy to grow its e-commerce offering, expand geographically and enhance unit economics through economies of scale and higher penetration of finance and insurance ("F&I") products continues to drive business growth.

Over the medium-term, we expect earnings growth from WeBuyCars to exceed Transaction Capital's historic growth rates, given its strategic positioning as a provider of innovative mobility products in a market supported by favourable structural elements.

SA Taxi
driving our nation forward

gomo
buy | insure | maintain

SA Taxi's FY2022 earnings remained below that of FY2021. The floods in KwaZulu-Natal ("KZN") temporarily suspended Toyota's production of new taxis, affecting our ability to originate new loans and allied products. Furthermore, continued macro-economic headwinds, including high fuel prices and lower commuter activity, place pressure on minibus taxi industry profitability.

During FY2023, SA Taxi will seek to grow its earnings base and expand its total addressable market as it enters the consumer used vehicle mobility sector through GoMo. The repositioning of SA Taxi as a mobility platform leverages its competencies, provides better risk allocation optionality, and diversifies its revenues, providing a compelling medium-term growth opportunity.

Core earnings from continuing operations

R434 million
▲ 36%
FY2021: R320 million

R762 million
▲ 41%
FY2021: R541 million

R369 million
▼ 26%
FY2021: R499 million

Core earnings from continuing operations attributable to the group

R409 million
▲ 28%
FY2021: R320 million

R540 million
(incl. GoMo)
▲ 100%
FY2021: R270 million

R304 million
▼ 26%
FY2021: R413 million

Economic, social and environmental (ESE) highlights

By targeting only the following Sustainable Development Goals (SDGs), which are aligned to our core operational strategies, we are able to focus our efforts on making a significant positive impact.

8 DECENT WORK AND ECONOMIC GROWTH
10 REDUCED INEQUALITIES
11 SUSTAINABLE CITIES AND COMMUNITIES
12 RESPONSIBLE CONSUMPTION AND PRODUCTION
13 CLIMATE ACTION
17 PARTNERSHIPS FOR THE GOALS

NUTUN
Digital Business Services

- Nutun's work-from-home capabilities, established over the past 2 years, have enabled the successful implementation of a sustainable hybrid work model. This has allowed Nutun to consolidate its Johannesburg locations into one green building, which will reduce its environmental footprint from FY2023.
- Nutun won the silver award in the Global Investors in People 2022 Awards.

we buy cars

- Developed and implemented an ESE framework for WeBuyCars, allowing them to measure and report on progress made on their ESEG strategy. WeBuyCars also completed its first carbon footprint assessment.
- Continued roll out of solar PV and water harvesting at vehicle supermarkets. Currently WeBuyCars has solar power at 8 of its supermarkets and rainwater harvesting at 11 supermarkets. The rainwater harvesting allows branches in Gauteng to wash vehicles with rainwater for 9 months based on the province's rainfall patterns.

SA Taxi
driving our nation forward

- SA Taxi won the **"Social Bond of the year – corporate"** award in the 2022 Environmental Finance Bond Awards, for its Transsec 5 issuance. These awards celebrate the leading green, social, sustainability and sustainability-linked (GSSS) bond and loan deals.
- SA Taxi won the **"Most Sustainable Company in the Mobility Industry"** in the World Finance Sustainability Awards. This was in recognition of its social purpose of enabling mobility access for millions of commuters through tailored developmental financing and support services to SMEs, its alignment to the SDGs and the resilience of its operations during the COVID-19 pandemic.

Group prospects **and performance**

Prospects

In the 2022 financial year ("FY2022") our divisions have put the building blocks in place to materially enhance their competitive value propositions, diversify their revenues and expand their total addressable markets. Based on this strategic repositioning, our current assessment of operating conditions and our growth prospects, we expect Transaction Capital's organic earnings growth over the medium-term to be in line with historic rates.

In the short-term, Transaction Capital has the opportunity to accelerate its earnings growth through the exponential growth prospects in WeBuyCars and Nutun's ability to leverage its local technology platform and ZAR-denominated resources to generate capital-light local and foreign revenues. The repositioning of SA Taxi as a mobility platform across the public transport and private used vehicle sectors, leverages its competencies to broaden its total addressable market, providing better risk allocation optionality, and diversifying its revenue streams, which provide a compelling medium-term growth opportunity while the minibus taxi industry continues to recover.

Transaction Capital remains well capitalised, with adequate access to liquidity to execute on our divisions' organic growth initiatives and access to additional equity to respond to non-organic opportunities arising from market dynamics. SA Taxi has adequate liquidity available in undrawn debt facilities to fund expected loan originations for the next year, while Nutun's short-term funding requirements for capital-enabled services (comprising mainly the acquisition of non-performing loan ("NPL") portfolios) are also secured. WeBuyCars has a strong balance sheet with low levels of debt, and high cash conversion rates.

Our divisions are deliberately positioned in their markets to benefit from structural socio-economic realities, enabling them to deliver good commercial returns and meaningful social impact in variable economic conditions. We remain confident that the group can continue to generate strong shareholder returns in the medium-term, while creating positive, long-term value for all our stakeholders and broader society.

Performance overview and trading environment

In FY2022, Transaction Capital extended its track record of organic earnings growth. Core earnings from continuing operations attributable to the group increased 24% to R1 246 million, and core earnings per share from continuing operations attributable to the group grew by 17% to 172.5 cents. Basic earnings per share from continuing operations attributable to the group decreased 31% to 232.0 cents (FY2021: 338.7 cents), due to a non-recurring fair value gain of R1 403 million in FY2021 relating to the revaluation of the minority interest previously held in WeBuyCars. Headline earnings per share from continuing operations attributable to the group increased to 224.4 cents (FY2021: 147.0 cents).

The global macro-economic environment in FY2022 was characterised by rising fuel and energy prices, inflationary pressures, and rising interest rates resulting from geopolitical tensions and withdrawal of monetary and fiscal stimulus. In South Africa, this was combined with frequent power outages and persistently high unemployment. Although commuter activity is increasing in South Africa, it is not anticipated to reach pre-pandemic levels in the short-term. These macro-economic headwinds continue to place pressure on minibus taxi operator profitability, causing finance and insurance instalment affordability constraints. This was compounded by the extended impact of the KZN floods on Toyota's production capability which constrained our ability to grow gross loans and advances in the second half of the year, resulting in SA Taxi's earnings in FY2022 remaining below FY2021 levels. WeBuyCars and Nutun continue to perform in line with our expectations delivering high earnings growth which supported robust growth in group earnings.

In light of the group's strong financial performance, robust balance sheet and medium-term prospects, the board resolved to declare a final gross cash dividend to shareholders of 37 cents per share, at a rate of 2.5 times cover based on the FY2022 earnings.

Economic, social and environmental (ESE) impact

In FY2022 Transaction Capital made significant progress in embedding ESE into the group's organisational culture. This has taken shape through operationalising the ESE frameworks within the divisions, resulting in increased rigour around the management of our sustainability-related data, with progress made towards monthly data capturing and exploring data automation. As part of the process of fully integrating WeBuyCars into the Transaction Capital group, an ESE framework was developed bottom-up through engagement with multiple stakeholders to define the division's societal purpose, which cascades into defined impact areas linked to supporting metrics.

In 2022 Transaction Capital conducted two Economic, Social, Environmental and Governance ("ESEG") roadshows, with the objective of proactively engaging with shareholders on sustainability-related matters. Following feedback from our ESEG investor roadshows in 2021, the board considered enhancements to our remuneration practices and approved the inclusion of an additional ESEG hurdle in the long-term incentives of executives. This hurdle links to meeting our emission reduction targets as well as our transformation targets.

Transaction Capital acknowledges the numerous sustainability frameworks and standards available globally and seeks to enhance its ESEG disclosures in an efficient and effective manner. To meet stakeholder demands and move towards more standardised and frequent sustainability reporting, in FY2022 the group focused its efforts on adopting the IFRS International Sustainability Standards Board's ("ISSB") draft Sustainability and Climate-related Disclosure Standards along with the JSE's Sustainability and Climate Disclosure Guidance. These will ensure that the group communicates holistically on the various aspects of sustainability and climate change and that stakeholders can track our metrics over time in a consistent manner.

Divisional **performance**

Nutun (previously Transaction Capital Risk Services)

For the year ended 30 September		2022	2021	Movement
Financial performance				
Core earnings from continuing operations	Rm	**434**	320	36%
Core earnings from continuing operations attributable to the group	Rm	**409**	320	28%
Revenue	Rm	**2 978**	2 357	26%
Capital-enabled services (CE services)	Rm	**1 792**	1 383	30%
Customer experience management services (CXM services)	Rm	**1 186**	974	22%
Core cost-to-income ratio	%	**70.6%**	69.1%	
Purchased book debts				
Cost of purchased book debts acquired	Rm	**1 442**	1 240	16%
Carrying value of purchased book debts	Rm	**4 208**	3 441	22%
Estimated remaining collections	Rm	**7 224**	6 370	13%

Operating context and market positioning

Over the last two decades, Nutun (pronounced Newton, in recognition of the data driven science of Sir Isaac Newton) has built a competitive advantage to provide highly efficient outsourced collection services to a broad range of clients through a combination of unique technology, data and analytics competencies. As our clients expanded their requirements to outsource non-core services, Nutun recognised an opportunity to create a broader range of digitally driven business services as a trusted partner to a global client base. These collection and customer experience management services ("CXM services") may be delivered in a capital-light manner as an agent on a contingency or fee-for-service ("FFS") basis. Alternatively, services are enabled and secured through the deployment of capital, hereinafter referred to as capital-enabled services ("CE services"), which mainly encompass the acquisition of NPL portfolios to be collected as a principal.

Services are diversified across geographies, sectors, and clients, which lowers concentration risk enabling Nutun to earn returns in different market conditions. Leveraging off our South African technology platform and call centre intellectual property, Nutun is now positioned to drive growth through its digital customer engagement platform. This market positioning is yielding new revenue streams, with Nutun's earnings in the current year growing at a rate higher than historic levels and are expected to continue growing at this rate over the medium-term.

Financial and operational performance

Nutun posted an excellent performance with core earnings from continuing operations attributable to the group growing by 28% to R409 million, driven by robust levels of investment in, and collection of, acquired NPL portfolios in South Africa, and new revenues from our global CXM services. The implementation of effective work-from-home capabilities and technologies, together with the proactive recalibration of its staff complement and infrastructure in South Africa over the past two years continues to yield higher productivity whilst driving cost efficiencies. This is evident in a consistently low core cost-to-income ratio (excluding amortisation) of 70.6% in FY2022, and an improved core continuing return on equity of 21.9% in FY2022 (FY2021: 19.9%).

Capital-enabled services ("CE services")

Through CE services, Nutun mainly acts as a principal in acquiring and then collecting on NPL portfolios. With over 20 years of experience in acquiring NPL portfolios at attractive risk-adjusted returns, Nutun adjusts its pricing methodology to the prevailing environment to ensure targeted returns are achieved. CE services revenue grew by 30% in FY2022 and remains a significant growth opportunity into the future. During this year, Nutun acquired larger NPL portfolios more frequently in South Africa through bilateral forward flow agreements, which provide a secured contractual pipeline of NPL portfolio acquisitions. In South Africa R1 349 million was invested in the acquisition of NPL portfolios, up 28% from the investment level of R1 052 million in FY2021.

Transaction Capital's Consumer Credit Rehabilitation Index, which measures consumers' propensity to repay overdue debt, had deteriorated 0.4% by September 2022 compared to the previous quarter ended 30 June 2022. This provides opportunity for Nutun, as consumer-facing entities deal with larger NPL portfolios due consumers' inability to service debt.

In Australia, fewer NPL portfolios are being offered for sale, as banks and other credit providers continue to be lenient on outstanding credit through debt moratoria programs. These market dynamics have resulted in low supply and high demand for NPL portfolios, yielding sub-optimal returns in relation to the risk assumed. Given these market conditions, Nutun has sold its Australian NPL portfolio at book value and will focus on expanding its CXM services which will deliver better margins. We are positioned to re-enter the international book buying market should market conditions offer more appropriate risk adjusted returns.

As at 30 September 2022, Nutun's NPL portfolios were valued at R4 208 million. We expect ongoing revenue streams of R7 224 million from this asset over the medium-term, up 13% from R6 370 million a year ago.

Customer experience management services ("CXM services")

Nutun's expansion into global CXM services is an exciting opportunity to leverage off South Africa's growing popularity as an outsourced customer engagement services destination, to earn international revenue and create sustainable employment locally. In anticipation of the medium-term effects of the COVID-19 pandemic, Nutun implemented a world-class technology-led operating model, which includes hybrid work, real-time omni-channel, voice analytics and business intelligence systems. These capabilities, position the business to deliver on client expectations for high quality 'always-on' customer engagement services and also assists clients to mitigate the impact of the global shortage of human resources and skills. Whilst the unemployment rate in South Africa stands at 33.9%[5] in Q3 2022, in contrast, there is a significant shortage of skilled labour across Australia, UK, Europe and the USA. The 'great resignation' which is an ongoing global economic trend beginning in early 2021 has resulted in global skills shortages as employees have voluntarily resigned from their jobs *en masse*.

In line with our strategy to drive capital-light CXM services revenue from diversified geographies, sectors, and clients off a ZAR cost-base, CXM services earnings grew 22% year-on-year, making up 40% of revenue. Earnings from CXM services are primarily generated from contingency based collection services, FFS mandates and other customer-engagement services, generated from mandates in South Africa, Australia, Europe and the UK.

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5. Stats SA: Quarterly Labour Force Survey Q3 2022.

Outlook

The evolution of Nutun into a global digital services business leverages the competitive advantage that we have built over the last two decades and offers distinct avenues for local and international organic revenue growth, particularly as South Africa is positioned as a top destination for outsourced CXM services.

In Australia, the sale of the NPL portfolio and the subsequent acquisition of a substantial contingency collections business, positions our platform as one of the largest providers of capital-light services in the region, with a significant opportunity for an expanded range of outsourced CXM services to be delivered from South Africa.

In FY2023 our strategic focus will be to continue acquiring NPL portfolios in South Africa at the current run rate. Additionally, CXM services revenue growth is expected to outpace CE services (principal collections) revenue growth over the medium-term, accelerating Nutun's earnings growth above historical rates.

WeBuyCars

For the year ended 30 September		2022	2021	Movement
Financial performance				
Core earnings from continuing operations[6]	Rm	**762**	541	41%
Core earnings from continuing operations attributable to the group[6]	Rm	**540**	270	100%
Operational performance				
Vehicles purchased	Number	**130 177**	91 527	42%
Vehicles sold	Number	**125 812**	88 271	43%
F&I products penetration on units sold	%	**18.2**	13.6	
Total e-commerce sales	Number	**34 300**	26 810	28%
Total e-commerce sales	%	**27**	30	
Business-to-business	%	**77.5**	91.6	
Business-to-consumer	%	**22.5**	8.4	
Vehicle parking bays	Number	**8 580**	5 807	48%

6. Transaction Capital Motor Holdco (Pty) Ltd (TCMH) acquired a 49.9% non-controlling interest in We Buy Cars (Pty) Ltd and accounted for the investment as an associate with effect from 11 September 2020. On 3 August 2021, TCMH increased its shareholdings in the WBC group (WeBuyCars), following which TCMH holds a controlling shareholding of 74.9% in the issued shares in the WBC Holdings (Pty) Ltd (WBC Holdings). Transaction Capital holds an effective 74.2% shareholding in the WBC Holdings group which is consolidated as an effective 74.2% subsidiary with effect from 3 August 2021.

Operating context and market positioning

WeBuyCars continues to disrupt used vehicle ownership and trade in South Africa, through a unique combination of vehicle trading via its e-commerce and physical infrastructure, together with finance, insurance and other ancillary products. As a leading mobility platform, this uniquely composed offering which combines a convenient, trustworthy and satisfying customer experience with competitive pricing, drives WeBuyCars' brand value. Foundational to its business model are proprietary data sets and artificial intelligence ("AI") led pricing that enable WeBuyCars to dynamically adjust pricing in response to vehicle value and market demand, allowing it to maintain targeted margins.

The outlook for the used vehicle market in South Africa remains positive. In South Africa, a total of around 11 million[7] passenger vehicles are in circulation. This vehicle 'car parc' has grown steadily, increasing the overall market by 2%[7] to 5%[7] per year over the last decade. Global supply of new vehicles has recovered which supports continued growth of the car parc and in turn benefits used vehicle trading. Structural support for the resilience and future growth of this market includes cash-strapped consumers trading down to more affordable used vehicles. Vehicle ownership remains an aspiration deeply rooted in South African culture, and mobility trends have shown that more people are moving from using public transport and being passengers in personal vehicles to owning their first car. Trading across the whole car parc, including older used vehicles, positions WeBuyCars to benefit from the South African population's shift to being first-time private vehicle owners.

Sales of new passenger and light commercial vehicles in South Africa for the 12 months to 30 September 2022, showed an increase of 10%[8] year-on-year, recovering to levels seen before the pandemic. The number of used vehicles traded continues to exceed the number of new vehicles traded by more than 2 times[8], consistent with prior years. Unlike the exaggerated used vehicle price increases and subsequent reductions experienced in markets such as the USA over the past year, South Africa's used vehicle price inflation at the end of Q2 2022 was 8.3%[9] year-on-year, up slightly from 7.9%[9] in the previous quarter. This is significantly lower than the 40.5%[10] average increase of used vehicle prices experienced in the USA between January 2021 and January 2022. In this context WeBuyCars, through its proprietary data, tech and AI capabilities, has the ability to adjust rapidly to shifts in market pricing; which combined with its high inventory turnover rate reduces the impact of adverse vehicle price movements.

Financial and operational performance

Transaction Capital increased its effective shareholding in WeBuyCars in August 2021 to 74.2%, and as a result, the group consolidated a greater component of WeBuyCars' earnings in FY2022. Core earnings grew 41% to R762 million in FY2022, with the group's attributable portion increasing by 100% to R540 million. WeBuyCars is now Transaction Capital's largest business, generating approximately 43% of core earnings attributable to the group.

As announced on 8 September 2022, Transaction Capital is considering various mechanisms with the founders of WeBuyCars to increase our shareholding by a further 15% through the accelerated implementation of the put and call arrangement agreed in September 2021. We envisage that any mechanism ultimately pursued would be accretive and a low-risk deployment of capital, as WeBuyCars is well known to Transaction Capital as a high-quality growth business.

WeBuyCars continues to gain market share, driven by its strategy to expand geographically, grow its e-commerce offering, and drive higher penetration of F&I products. In FY2022, we exceeded the target of 10 000 vehicle sales per month, reaching an aggregate of circa 12 000 sales per month in the last quarter of the financial year. During FY2022 WeBuyCars launched 5 new branches including our largest vehicle supermarket (being the Dome in Johannesburg with a total capacity of 1 400 bays), and smallest dealership in Polokwane with 250 bays. This is in line with our geographic expansion strategy to establish physical dealerships across South Africa, which will vary in size and structure based on market demand per jurisdiction. In the next 12 months, we plan to pilot further dealerships across South Africa using different operating models that enable market share growth in a cost-efficient manner. New dealerships, although profitable within the first few months of trading, take between 12 to 18 months to achieve efficiencies and stock turn levels in line with established dealerships. This growth strategy is augmented by 54 nationwide buying pods, which are capital-light and conveniently located in high traffic areas such as shopping centres.

The COVID-19 lockdown irreversibly accelerated digital adoption as well as a shift to purchasing goods and services online. WeBuyCars continues to invest significantly in brand marketing and online lead generation. Online sales via our e-commerce platform grew by 28%, decreasing marginally as a proportion of total sales (on higher volumes) to approximately 27%, with business-to-consumer (B2C) e-commerce capabilities, which were introduced in 2021, now accounting for approximately 22.5% of total online sales, up from circa 8.4% at the end of the FY2021. WeBuyCars' e-commerce capabilities will enable the optimisation of vehicle sales, improve stock turn efficiency and support growth in the years ahead, as the demand for contactless services on credible digital platforms continues to grow.

WeBuyCars earns a gross margin on vehicle sales, with additional margin earned on F&I products. The latter includes commissions earned from F&I products sold on behalf of banks, insurance companies and a vehicle tracking business. Take-up of F&I products continues to increase, with 18.2% of all sales now including F&I products, up from 13.6% in FY2021, and on significantly higher volumes. In the first half of FY2022 WeBuyCars launched GoMo, a proprietary vehicle finance, insurance and allied mobility product provider. With GoMo strategically positioned alongside SA Taxi, it continues to facilitate vehicle sales and drive incremental F&I income for WeBuyCars. Higher take-up of F&I products will enhance unit economics and margins per vehicle sold.

Outlook

Over the medium-term, we anticipate future earnings from WeBuyCars to continue to grow at rates higher than Transaction Capital's historical earnings growth rates. Given its strategic positioning as a provider of mobility services in a market supported by favourable structural elements, we are confident this business will support Transaction Capital's earnings growth trajectory.

As majority shareholders, working alongside the founders and management team of WeBuyCars, we will seek to maximise growth potential and market share gains through our physical and e-commerce platforms by driving a differentiated customer experience enhanced by data, technology and analytical advantages. The recent launch of GoMo is expected to be value accretive to WeBuyCars. GoMo should increase volumes traded and drive higher penetration of F&I products, particularly on older vehicles which are not traditionally financed by banks, thus resulting in incremental revenues earned by WeBuyCars. Over the medium-term we also anticipate greater efficiencies as our strong brand stimulates growth into our expanding infrastructure. Our data and analytics capabilities are expected to drive further optimisation improvements to achieve operational leverage.

WeBuyCars' expansion into Morocco in FY2022 has been the first step towards our international expansion aspirations. The business has achieved profitability and continues to grow organically. WeBuyCars will explore further organic and acquisitive expansion opportunities in select markets.

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7. eNatis: PARC data consists of passenger and light commercial vehicles. Vehicle stats: internal estimation using eNatis and Lightstone data (double counting eliminated).
8. Passenger and light commercial new vehicle sales in South Africa as obtained from NAAMSA (The Automotive Business Council).
9. Transunion VPI Q2 2022.
10. USA Today.

SA Taxi

For the year ended 30 September		2022	2021	Movement
Financial performance				
Core earnings from continuing operations	Rm	**369**	499	(26%)
Core earnings from continuing operations attributable to the group	Rm	**304**	413	(26%)
Core pre-provision profit	Rm	**1 280**	1 241	3%
Net interest margin	%	**10.8**	12.1	
Core cost-to-income ratio	%	**50.6**	45.5	
Credit performance				
Gross loans and advances	Rm	**15 354**	14 044	9%
Stage 1	%	**49.0**	44.5	
Stage 2	%	**30.0**	36.0	
Stage 3	%	**21.0**	19.5	
Credit loss ratio	%	**5.7**	4.3	
Provision coverage	%	**4.2**	5.6	
Insurance performance				
Gross written premiums	Rm	**1143**	1015	13%
Claims ratio				
Comprehensive vehicle insurance claims	%	**77.1**	67.2	
Credit life claims	%	**48.7**	83.3	

Operating context and market positioning

SA Taxi's business model has over the past 20 years enabled safer and more reliable mobility access for South Africa's 15 million public commuters on a daily basis, by facilitating minibus taxi ownership through a tailored mobility offering incorporating developmental finance, insurance, and allied services to taxi operators. Foundational to its business model are proprietary mobility data sets and analytics capabilities that allow SA Taxi to predict risk and manage it in real time. This business model promotes public commuter mobility in the minibus taxi industry in a sustainable manner.

The minibus taxi industry remains indispensable to South Africa's economic productivity, with most South Africans relying on public transport. It is the largest and most vital service in the country's integrated public transport network, with more commuters choosing minibus taxis over bus and rail services due to convenience, flexibility and accessibility. Spending on minibus taxi transport is largely non-discretionary, making the industry defensive in tough economic conditions.

The unprecedented floods in KZN in April 2022 temporarily disrupted public transport services and severely damaged Toyota's manufacturing plant, resulting in its closure from mid-April 2022 to August 2022. Although the production of Toyota minibus taxis has recommenced, supply of new taxis remained significantly constrained for longer than initially anticipated, impacting SA Taxi's ability to originate new loans and grow gross loans and advances in the second half of this year. Linked to this, revenues relating to insurance and other allied services were also negatively impacted.

Retail prices for minibus taxis have risen on average 6.5%[11] since September 2021 and the recommended retail price of a Toyota HiAce diesel vehicle in September 2022 was R528 800[11]. At 30 September 2022, the 12-month average for petrol and diesel prices were, respectively, 28%[12] and 29%[12] higher than a year ago. Petrol prices are anticipated to remain elevated in the coming months, driven by the Russia-Ukraine war although recessionary fears have resulted in some fuel price reduction. As detailed earlier in this announcement, although commuter activity is increasing, it remains lower than pre-pandemic levels and is not expected to reach these levels in the short-term. The combination of the aforementioned factors has placed the minibus taxi industry's profitability under strain, exerting pressure on taxi operators' ability to afford their finance instalments and insurance premiums. After no fare increases were levied over the two-year COVID-19 period, a fare increase was passed in July 2022 which has not sufficiently offset this financial pressure. In this context, SA Taxi's fully refurbished Quality Renewed Taxis ("QRTs") provide an affordable yet reliable alternative to buying a new vehicle.

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11. Toyota recommended retail price, including VAT, as at 30 September 2022.
12. www.energy.gov.za (12-month rolling average fuel price – October 2021 to September 2022).

Financial and operational performance

Due to the extended impact of the KZN floods on the production of new taxis and the abovementioned headwinds faced by the minibus taxi industry, FY2022 headline earnings attributable to the group from SA Taxi were R304 million, 26% below FY2021 earnings. Core earnings attributable to the group from SA Taxi now comprise approximately 24% of Transaction Capital's earnings, making it our smallest business.

Minibus taxi division

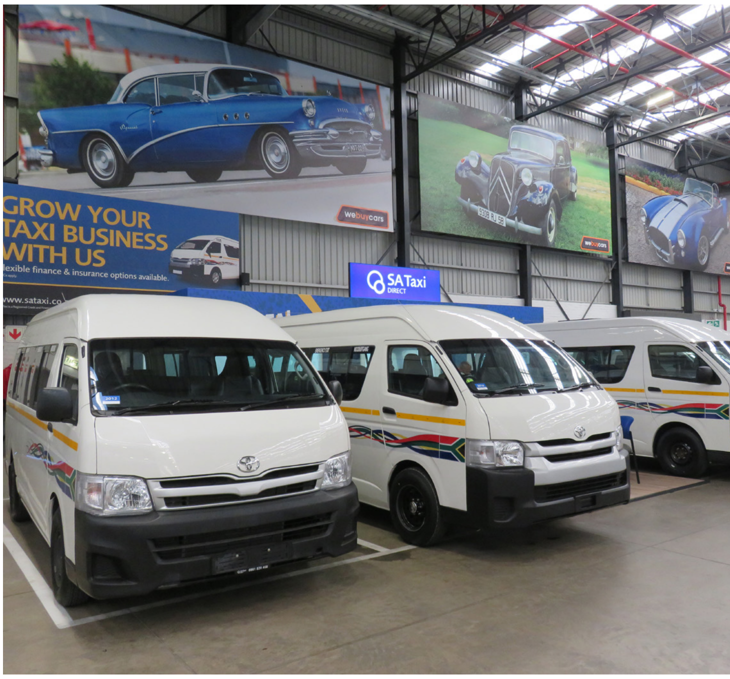
SA Taxi Finance grew gross loans and advances 9% to R15.4 billion, with loans originated growing by 7% year-on-year. Due to pressure on loan instalment and insurance premium affordability in the current environment, preserving credit quality is a priority. SA Taxi is targeting higher quality and experienced minibus taxi operators, resulting in lower loan approvals and lower net interest margins.

Demand for new minibus taxis and QRTs continues to exceed pre COVID-19 levels and remains far higher than supply. SA Taxi has built capacity to refurbish QRTs from 280 per month in 2020 to approximately 400 per month currently, whilst increasing access to spare parts by enhancing its import processes. This increased refurbishment capacity will support higher QRT vehicle supply, and in turn, grow QRT loan origination. This strategy partially buffered the impact of the Toyota plant closure but was not able to fully absorb the loss in new vehicle loan originations.

In the second half of FY2022 SA Taxi invested in an e-commerce auction platform, that specialise in the online sale of salvage vehicles. This investment provides an alternative channel for disposal of salvaged vehicles which is expected to increase efficiencies within the mobility platform over the medium-term.

We anticipate collection ratios to recover over a longer period than we initially envisaged, causing the credit loss ratio to remain above our 3% to 4% target range, at 5.7%. This was also due to slower origination in the second half of FY2022 due to Toyota supply shortages, accelerated repossessions, and a higher cost of procuring parts associated with the refurbishment of higher QRT volumes. Stage 1 and Stage 2 loans and advances improved as we actively managed the book whilst Stage 3 loans and advances increased marginally.

In our insurance offering, SA Taxi's competitive advantage is its ability to reduce its cost of claim through efficiencies in our auto repairs and parts businesses, which in turn supports competitively priced premiums. With most of SA Taxi's finance clients choosing to also insure their vehicles through SA Taxi, gross written premium income grew by 13% in FY2022. Credit life claims have largely normalized to pre-pandemic levels, however, inflation has increased the cost of repairs which has resulted in comprehensive vehicle insurance claims ratios remaining slightly elevated. As a result, net insurance income grew by 3% in FY2022.



GoMo

Pursuant to Transaction Capital's strategic intent to leverage off WeBuyCars' and SA Taxi's platform value, GoMo was launched in FY2022 to build a scalable mobility platform that aims to disrupt and capture market share in an under-penetrated used vehicle F&I sector. GoMo leverages SA Taxi's competencies and systems to underwrite, fund, collect, repossess and design F&I products; and WeBuyCars' access to low-cost distribution at scale and ability to value and liquidate collateral efficiently. Since its launch, GoMo has received an overwhelmingly positive market response, with the number of loan applications being significantly higher than anticipated. This product is strategically better positioned alongside SA Taxi, as the nature of WeBuyCars' operations is capital-light with high cash conversion rates.

Although fully owned by Transaction Capital but strategically positioned alongside SA Taxi, GoMo will continue to facilitate vehicle sales and drive incremental F&I income for WeBuyCars. We expect this business to operate at near break-even levels before starting to generate profits in FY2024.

Outlook

SA Taxi's business model has, over two decades, evolved from a speciality financier within the minibus taxi sector into a vertically integrated mobility platform offering access to minibus taxi ownership, finance, insurance, maintenance and other allied services. The business' success in creating value from a niche asset demonstrates the potential it has to sustainably expand its addressable market.

Our strategic focus in FY2023 will be on optimising our core minibus taxi business lines, whilst developing GoMo into a profitable business of scale. We believe that GoMo has the potential to match the size of the SA Taxi loan book over the medium-term. To take advantage of this, we are exploring alternative symbiotic funding arrangements. As the recovery in the minibus taxi sector progresses, the strategic positioning of SA Taxi as a mobility platform leverages its competencies to broaden its total addressable market, provide better risk allocation optionality, and diversify its revenue, providing a compelling medium-term growth opportunity.

Dividend declaration

Transaction Capital's ordinary dividend policy remains 2 to 2.5 times cover. Following the interim dividend of 33 cents per share (HY2021: 19 cents per share) at a rate of 2.5 times cover, the board has declared a final gross cash dividend of 37 cents per share (FY2021: 33 cents per share) at a rate of 2.5 times cover for the financial year ended 30 September 2022.

The dividend is declared out of income reserves. A dividend withholding tax of 20% will be applicable to the dividend for all shareholders that are not exempt from the dividend withholding tax, resulting in a net final dividend of 29.6 cents per share.

The salient features applicable to the dividend are as follows:

Issued shares as at declaration date	757 367 333
Declaration date	Tuesday 15 November 2022
Last day to trade cum dividend	Tuesday 29 November 2022
Ex-dividend	Wednesday 30 November 2022
Record date	Friday 2 December 2022
Payment date	Monday 5 December 2022

Tax reference number: 9466/298/15/6

Share certificates may not be dematerialised or rematerialised between Wednesday 30 November 2022 and Friday 2 December 2022, both dates inclusive.

The cash dividend will be electronically transferred to the bank accounts of all certificated shareholders, where this facility is available, on Monday 5 December 2022. Where electronic fund transfer is not available or desired, cheques dated Monday 5 December 2022 will be posted on that date. Shareholders who have dematerialised their share certificates will have their accounts at their CSDP or broker credited on Monday 5 December 2022.

Change to board of directors

As announced on 26 November 2021 Mr Christopher Seabrooke will retire from his role as independent non-executive chairman of the Transaction Capital Board on 31 December 2022, and will also step down as chairman of the Nominations Committee and as a member of the Asset and Liability Committee. He will continue on the Board as a non-executive director, and as a member of the Nominations and Remuneration Committees. Mr Seabrooke will be appointed as a member of the Audit Committee with effect from 31 December 2022. The Board extends its sincere gratitude to Mr Seabrooke for his significant and invaluable contribution, astute leadership and expansive experience and wishes him well in his continued contribution to the progress of Transaction Capital.

Mr Ian Kirk has been appointed as chairman of the Board of Transaction Capital with effect from 31 December 2022, and will also assume the role of chairman of the Nominations Committee. Mr Kirk will step down as a member of the Audit Committee and will be an invitee to this Committee with effect from 31 December 2022.

Basis of preparation

The consolidated financial statements and summarised consolidated financial statements have been prepared under the supervision of Sean Doherty (CA)SA. These results represent a summary of the complete set of audited consolidated financial statements of Transaction Capital approved on 15 November 2022. The directors take full responsibility and confirm that this information has been correctly extracted from the consolidated financial statements. The complete set of consolidated financial statements is available for inspection on the group's website www.transactioncapital.co.za and at Transaction Capital's registered office.

The summarised consolidated financial statements have been prepared in accordance with the requirements of the JSE Limited Listings Requirements for abridged reports, and the requirements on the Companies Act of South Africa, 71 of 2008, applicable to summary financial statements. The JSE Listings Requirements require abridged reports to be prepared in accordance with the framework concepts and the measurement and recognition requirements of IFRS, the SAICA Financial Reporting Guides (as issued by the Accounting Practices Committee), Financial Pronouncements (as issued by the Financial Reporting Standards Council) and to also as a minimum contain the information required by IAS 34: Interim Financial Reporting.

The accounting policies applied in the preparation of the consolidated financial statements, from which the summarised consolidated financial statements for the year ended 30 September 2022 were derived, are in terms of IFRS and are consistent, in all material respects, with those details in Transaction Capital's prior year consolidated financial statements.

The group's auditors, Deloitte & Touche, have issued unmodified audit opinions on both the consolidated and summarised financial statements for the year ended 30 September 2022. The audit was conducted in accordance with International Standards on Auditing (ISA).

The auditor's report does not report on all the information contained in this announcement. Shareholders are therefore advised that to obtain a full understanding of the nature of the auditor's engagement, they should read the unmodified International Standards on Auditing (ISA) 810 (Revised), Engagements to Report on Summary Financial Statements audit report, included in these summarised consolidated financial statements.

Any forecast financial information, including the prospects statement, has not been reviewed or reported on by the company's auditors.

Core results

Transaction Capital assesses its performance using core continuing earnings, an alternative non-IFRS profit measure, alongside its IFRS profit which, in terms of the JSE Listings Requirements, constitute 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 starting with headline earnings and adjusting for material items that are not considered to be part of Transaction Capital's normal operations as follows:

- Once-off transaction costs (mostly legal and consulting costs)
- Adjustments on put and call options over non-controlling interests
- Specified items if the gain / loss is considered part of Transaction Capital's normal operations, for example "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 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 & Touche independent reporting accountants' report, in terms of International Standard on Assurance Engagements (ISAE 3420) on pages 12 and 13.

Reconciliation from headline earnings to core continuing earnings

	30 September		
	2022 Audited Rm	**2021 Audited Rm**	**2020 Audited Rm**
Headline earnings from continuing operations attributable to group	**1 621**	999	262
Adjusted for:			
Once off transaction costs	**16**	6	14
Adjustments relating to written put and call options over WBC Holdings non-controlling interests*:			
Imputed interest charge**	**259**	–	–
Fair value adjustment on call option derivative***	**(200)**		
Re-measurement of put option liability	**(563)**	–	–
Adjustments relating to written put and call options over Synergy non-controlling interests*:			
Imputed interest charge**	**19**	–	–
Re-measurement of put option liability**	**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**	–	–
Core earnings from continuing operations attributable to group	**1 246**	**1 005**	**276**
Core earnings per share from continuing operations (cents)	**172.5**	**147.9**	**44.3**

* The adjustments relating to the put and call options are made in terms of the relevant option agreements, and will therefore continue for the duration of the agreements. Refer to note 34 of the consolidated financial statements for a description of the exercise dates for the options.

** Refer to note 26 of the consolidated financial statements.

*** Refer to note 13 of the consolidated financial statements.

**** The gain on the conversion of ownership of the salvage operation is once off, with the group's core salvage activity continuing, but with the future benfit coming through equity accounted income, which will be included in headline earnings. Refer to note 14 of the consolidated financial statements for a description of the GoBid transaction.

Approval by the board of directors

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

David Hurwitz
Chief executive officer

Sean Doherty
Chief financial officer

Rosebank
15 November 2022

Enquiries: Nomonde Xulu – Investor Relations
Email: nomondex@transactioncapital.co.za
JSE Sponsor and Equity Markets Broker: Investec Bank Limited
JSE Debt Sponsor: Rand Merchant Bank (A division of FirstRand Bank Limited)

Independent Reporting Accountants' Assurance Report on the **Compilation of Pro Forma Financial Information included in the financial results announcement**

for the year ended 30 September 2022

To the Directors of Transaction Capital Limited
The Bank 12th Floor, 24 Cradock Avenue, Rosebank 2196

Report on the Assurance Engagement on the Compilation of Pro Forma Financial Information included in the financial results announcement for the year ended 30 September 2022

We have completed our assurance engagement to report on the compilation of pro forma financial information of Transaction Capital Limited (the Group) by the directors. The pro forma financial information, as set out on page 11 of the financial results announcement consists of the reconciliation from headline earnings from continuing operations attributable to the group to core earnings from continuing operations attributable to the group, being non-IFRS information. The pro forma financial information has been compiled on the basis of the applicable criteria specified in the JSE Listings Requirements and described in the basis of preparation section of the financial results announcement.

The pro forma financial information has been compiled by the directors to illustrate the impact of material items that are not considered to be part of the group's normal operations, described in the Core Results paragraph of the financial results announcement, for the year ended 30 September 2022. As part of this process, information about the Group's financial performance has been extracted by the directors from the Group's financial statements for the period ended 30 September 2022, on which our unmodified auditor's report was issued on 15 November 2022.

Directors' Responsibility for the Pro Forma Financial Information

The directors are responsible for compiling the pro forma financial information on the basis of the applicable criteria specified in the JSE Listings Requirements and described in the basis of preparation section of the financial results announcement.

Our Independence and Quality Control

We have complied with the independence and other ethical requirements of the Code of Professional Conduct for Registered Auditors issued by the Independent Regulatory Board for Auditors (IRBA Code), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour. The IRBA Code is consistent with the corresponding sections of the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards).

The firm applies the International Standard on Quality Control 1, Quality Control for Firms that Perform Audits and Reviews of Financial Statements and Other Assurance and Related Services Engagements and accordingly maintains a comprehensive system of quality control, including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Reporting Accountant's Responsibility

Our responsibility is to express an opinion about whether the pro forma financial information has been compiled, in all material respects, by the directors on the basis specified in the JSE Listings Requirements and described in the basis of preparation section of the financial results announcement and based on our procedures performed.

We conducted our engagement in accordance with the International Standard on Assurance Engagements (ISAE) 3420, Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus which is applicable to an engagement of this nature. This standard requires that we comply with ethical requirements and plan and perform our procedures to obtain reasonable assurance about whether the pro forma financial information has been compiled, in all material respects, on the basis specified in the JSE Listings Requirements and described in the basis of preparation section of the financial results announcement.

For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the pro forma financial information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the pro forma financial information.

The purpose of pro forma financial information is solely to provide users with relevant information and measures used by the Group to assess performance and to illustrate the impact of the once-off transaction costs on the Group's financial performance. Accordingly, we do not provide any assurance that the actual outcome of the events or transactions would have been as presented.

A reasonable assurance engagement to report on whether the pro forma financial information has been compiled, in all material respects, on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used in the compilation of the pro forma financial information provides a reasonable basis for presenting the significant effects directly attributable to the events or transactions, and to obtain sufficient appropriate evidence about whether:

- The related pro forma adjustments give appropriate effect to those criteria; and
- The pro forma financial information reflects the proper application of those adjustments to the unadjusted financial information.

Our procedures selected depend on our judgment, having regard to our understanding of the nature of the Group, the transactions or events in respect of which the pro forma financial information has been compiled, and other relevant engagement circumstances.

Our engagement also involves evaluating the overall presentation of the pro forma financial information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion, the pro forma financial information has been compiled, in all material respects, on the basis of the applicable criteria specified by the JSE Listings Requirements and described in the basis of preparation section of the financial results announcement.

DocuSigned by:
Deloitte & Touche
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Deloitte & Touche
Registered Auditor
Per: Stephen Munro
Partner

15 November 2022

5 Magwa Crescent, Waterfall City, Waterfall, South Africa

Independent **auditor's report on summarised financial statements**

To the Shareholders of Transaction Capital Limited

Opinion

The summarised consolidated financial statements of Transaction Capital Limited, set out on pages 16 to 42 of the accompanying summarised consolidated financial statements, which comprise the summarised consolidated statement of financial position as at 30 September 2022, the summarised consolidated income statement, the summarised consolidated statement of comprehensive income, the summarised consolidated statement of changes in equity and the summarised consolidated statement of cash flows for the year then ended, and related notes, are derived from the audited consolidated financial statements of Transaction Capital Limited for the year ended 30 September 2022.

In our opinion, the accompanying summarised consolidated financial statements are consistent, in all material respects, with the audited consolidated financial statements of Transaction Capital Limited, in accordance with the requirements of the JSE Limited Listings Requirements for abridged reports, set out in the Basis for Preparation to the summarised consolidated financial statements, and the requirements of the Companies Act of South Africa as applicable to summary financial statements.

Other Matter

We have not audited future financial performance and expectations by management included in the accompanying summarised consolidated financial statements and accordingly do not express any opinion thereon.

Summarised Consolidated Financial Statements

The summarised consolidated financial statements do not contain all the disclosures required by the International Financial Reporting Standards and the requirements of the Companies Act of South Africa as applicable to annual financial statements. Reading the summarised consolidated financial statements and the auditor's report thereon, therefore, is not a substitute for reading the audited consolidated financial statements of Transaction Capital Limited and the auditor's report thereon.

The Audited Consolidated Financial Statements and Our Report Thereon

We expressed an unmodified audit opinion on the audited consolidated financial statements in our report dated 15 November 2022. That report also included the communication of key audit matters as reported in the auditor's report of the audited consolidated financial statements.

Directors’ Responsibility for the Summarised Consolidated Financial Statements

The directors are responsible for the preparation of the summarised consolidated financial statements in accordance with the requirements of the JSE Limited Listings Requirements for abridged reports, set out in the Basis for Preparation to the summarised consolidated financial statements, and the requirements of the Companies Act of South Africa as applicable to summary financial statements.

The Listings Requirements require abridged reports to be prepared in accordance with the framework concepts and the measurement and recognition requirements of International Financial Reporting Standards (IFRS), the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee, the Financial Pronouncements as issued by the Financial Reporting Standards Council, and to also, as a minimum, contain the information required by IAS 34, *Interim Financial Reporting*.

Auditor’s Responsibility

Our responsibility is to express an opinion on whether the summarised consolidated financial statements are consistent, in all material respects, with the audited consolidated financial statements based on our procedures, which were conducted in accordance with International Standard on Auditing (ISA) 810 (Revised), *Engagements to Report on Summarised Financial Statements*.

DocuSigned by:
Deloitte & Touche
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Deloitte & Touche
Registered Auditor
Per: Stephen Munro
Partner

15 November 2022

5 Magwa Crescent, Waterfall City, Waterfall, South Africa

Summarised consolidated **statement of financial position**

at 30 September 2022

	Notes	2022 Audited Rm	2021 Audited Restated* Rm
Assets			
Cash and cash equivalents		**1 478**	2 236
Other investments		**1 426**	–
Tax receivables		**28**	30
Trade and other receivables**		**1 923**	1 376
Inventories		**3 790**	2 477
Assets classified as held for sale		**371**	98
Leased assets		**11**	17
Loans and advances		**14 962**	13 305
Purchased book debts		**4 208**	3 441
Other loans receivable		**126**	65
Derivative assets**		**693**	101
Equity accounted investments		**1 097**	301
Intangible assets		**3 336**	3 237
Property and equipment		**1 900**	1 075
Goodwill		**4 754**	4 377
Deferred tax assets		**272**	319
Total assets		**40 375**	32 455
Liabilities			
Bank overdrafts		**818**	364
Other short-term borrowings		**23**	81
Tax payables		**58**	41
Trade and other payables**		**1 506**	2 426
Provisions		**131**	92
Liabilities directly associated with assets held for sale		**21**	14
Insurance contract liabilities		**180**	271
Benefits ceded on insurance contracts relating to inventories		**31**	46
Benefits ceded on insurance contracts relating to loans and advances		**10**	52
Benefits accruing to insurance contract holders		**139**	173
Put option liability		**4 042**	–
Derivative liabilities**		**19**	57
Interest-bearing liabilities		**21 862**	16 139
Senior debt		**20 762**	15 349
Subordinated debt		**1 100**	790
Lease liabilities		**715**	420
Deferred tax liabilities		**1 408**	1 405
Total liabilities		**30 783**	21 310
Equity			
Ordinary share capital	1	**5 179**	3 464
Put option reserve		**(4 307)**	–
Other reserves		**327**	688
Retained earnings		**6 757**	5 591
Equity attributable to ordinary equity holders of the parent		**7 956**	9 743
Non-controlling interests		**1 636**	1 402
Total equity		**9 592**	11 145
Total equity and liabilities		**40 375**	32 455

* *In terms of IFRS 3: Business Combinations, the provisional accounting applied to the acquisition of WBC Holdings (Pty) Ltd was finalised during the current financial year. As a result, the contingent consideration from the business combination was increased by R24 million, and goodwill increased by R24 million. Comparative information has been restated accordingly.*

** *The group reclassified the presentation of trade and other receivables and trade and other payables in the current year. To enhance disclosure, the derivative assets and liabilities, which were previously presented as part of trade and other receivables and trade and other payables are now disclosed separately.*

Summarised consolidated **income statement**

for the year ended 30 September 2022

	Notes	2022 Audited Rm	2021 Audited Reclassified* Rm
Gross profit from the provision of services and sale of goods		**4 316**	1 879
Revenue	3	**22 652**	5 838
Cost of revenue		**(18 336)**	(3 959)
Net interest income from provision of financing to customers		**1 635**	1 587
Interest income, calculated using the effective interest rate method		**2 875**	2 583
Interest expense		**(1 240)**	(996)
Impairment loss on loans and advances		**(856)**	(563)
Risk-adjusted net interest income from provision of financing to customers		**779**	1 024
Net insurance result		**411**	400
Insurance revenue		**1 143**	1 015
Insurance service expense		**(738)**	(620)
Insurance finance (expense)/income		**6**	5
Operating costs		**(3 519)**	(2 066)
Net finance charge – not relating to provision of financing to customers		**(384)**	(164)
Finance income		**78**	72
Finance charges		**(462)**	(236)
Other income		**264**	44
Equity accounted income		**47**	213
Fair value gain on previously held equity interest		**–**	1 417
Operating profit		**1 914**	2 747
Non-operating profit		**533**	(4)
Imputed interest charge – options over non-controlling interests		**(280)**	–
Remeasurement of put options over non-controlling interests		**553**	–
Fair value adjustment on call option derivative		**269**	–
Transaction costs		**(16)**	(6)
Other non-operating profit		**7**	2
Profit before tax		**2 447**	2 743
Income tax expense		**(411)**	(325)
Profit for the year from continuing operations		**2 036**	2 418
Discontinued operations			
Loss for the year from discontinued operations		**(33)**	(12)
Profit for the year		**2 003**	2 406
Profit for the year from continuing operations attributable to:			
Ordinary equity holders of the parent		**1 676**	2 302
Non-controlling interests		**360**	116
Loss for the year from discontinued operations attributable to:			
Ordinary equity holders of the parent		**(33)**	(12)
Non-controlling interests		**–**	–
Earnings per share (cents)			
From continuing operations			
Basic earnings per share	4	**232.0**	338.7
Diluted basic earnings per share	4	**226.5**	336.7
From continuing and discontinued operations			
Basic earnings per share	4	**227.4**	336.9
Diluted basic earnings per share	4	**222.1**	334.9

* *In the current year, the group reclassified the presentation of the income statement. This resulted in a reclassification of the comparative period. Refer to note 2 for further information.*

Summarised consolidated **statement of comprehensive income**

for the year ended 30 September 2022

	2022 Audited Rm	2021 Audited Rm
Profit for the year	**2 003**	2 406
Other comprehensive income		
Items that may be reclassified subsequently to profit and loss:		
Movement in cash flow hedging reserve	**(15)**	22
Fair value(loss) / gain arising during the year	**(21)**	31
Deferred tax	**6**	(9)
Exchange gain / (loss) on translation of foreign operations	**26**	(89)
Total comprehensive income for the year	**2 014**	2 339
Total comprehensive income attributable to:		
Ordinary equity holders of the parent	**1 654**	2 223
Non-controlling interests	**360**	116

Summarised consolidated **statement of changes in equity**

for the year ended 30 September 2022

	Number of ordinary shares Audited million	Share capital Audited Rm	Put option reserve* Audited Rm	Other reserves Audited Rm	Retained earnings Audited Rm	Equity attributable to ordinary equity holders of the parent Audited Rm	Non-controlling interests Audited Rm	Total equity Audited Rm
Balance at 30 September 2020	661.5	2 015	–	322	3 481	5 818	555	6 373
Total comprehensive income	–	–	–	(67)	2 290	2 223	116	2 339
Profit for the year	–	–	–	–	2 290	2 290	116	2 406
Other comprehensive income	–	–	–	(67)	–	(67)	–	(67)
Transactions with non-controlling interests	–	–	–	–	(46)	(46)	765	719
Grant of conditional share plans	–	–	–	62	–	62	–	62
Settlement of conditional share plans	–	–	–	(15)	(6)	(21)	–	(21)
Recognition of reserve relating to forward contract to issue shares	–	–	–	386	–	386	–	386
Dividends paid	–	–	–	–	(128)	(128)	(34)	(162)
Issue of shares	46.9	1 449	–	–	–	1 449	–	1 449
Balance at 30 September 2021	**708.4**	**3 464**	**–**	**688**	**5 591**	**9 743**	**1 402**	**11 145**
Total comprehensive income	**–**	**–**	**–**	**11**	**1 643**	**1 654**	**360**	**2 014**
Profit for the year	**–**	**–**		**–**	**1 643**	**1 643**	**360**	**2 003**
Other comprehensive income	**–**	**–**	**–**	**11**	**–**	**11**	**–**	**11**
Transactions with non-controlling interests	**–**	**–**	**–**	**–**	**–**	**–**	**28**	**28**
Grant of conditional share plans	**–**	**–**	**–**	**74**	**–**	**74**	**–**	**74**
Settlement of conditional share plans	**–**	**–**	**–**	**(60)**	**(31)**	**(91)**	**–**	**(91)**
Derecognition the reserve relating to forward contract to issue shares**	**–**	**–**	**–**	**(386)**	**30**	**(356)**	**–**	**(356)**
Recognition of reserve relating to the put option to acquire non-controlling interests*	**–**	**–**	**(4 307)**	**–**	**–**	**(4 307)**	**–**	**(4 307)**
Dividends paid		**–**	**–**	**–**	**(476)**	**(476)**	**(154)**	**(630)**
Issue of shares	**49.0**	**1 715**	**–**	**–**	**–**	**1 715**	**–**	**1 715**
Balance at 30 September 2022	**757.4**	**5 179**	**(4 307)**	**327**	**6 757**	**7 956**	**1 636**	**9 592**

* *This reserve arose during the current year on recognition of financial liabilities relating to the put options for the acquisition of shares held by the non-controlling interests in WBC Holdings (Pty) Ltd, Synergy Contact Centre (Pty) Ltd and Synergy Outsourcing Limited.*

** *During the 2021 financial year, a reserve was recognised in relation to the forward contract to issue Transaction Capital Limited shares in settlement of a portion of the purchase price for the acquisition of a controlling interest in the WBC group. The reserve was derecognised when the group issued the shares in settlement of the purchase price in October 2021. The difference between the fair value of the forward contract on initial recognition of the reserve and the value of shares that were issued has been transferred to retained earnings.*

Summarised consolidated **statement of cash flow**

for the year ended 30 September 2022

	Notes	2022 Audited Rm	2021 Audited Rm
Cash flow from operating activities			
Cash generated by operations		**1 967**	892
Interest received		**2 252**	2 064
Interest paid		**(1 688)**	(1 148)
Income taxes paid		**(351)**	(201)
Dividends paid		**(630)**	(162)
Cash flow from operating activities before changes in operating assets and working capital		**1 550**	1 445
Increase in operating assets		**(3 278)**	(2 740)
Loans and advances		**(1 842)**	(1 586)
Decrease in leased assets		**6**	5
Purchased book debts		**(1 442)**	(1 159)
Changes in working capital		**(2 114)**	(691)
Increase in inventories		**(1 752)**	(721)
Increase in trade and other receivables		**(387)**	(41)
Increase in other loans receivable		**(62)**	(37)
Increase in trade and other payables		**87**	108
Net cash utilised by operating activities		**(3 842)**	(1 986)
Cash flow from investing activities			
Acquisition of property and equipment		**(682)**	(83)
Proceeds on disposal of property and equipment		**6**	1
Acquisition of intangible assets		**(131)**	(108)
Investment into equity accounted investment		**(104)**	(39)
Acquisition of subsidiaries*	6	**(1 100)**	(23)
Increase in other investments		**(1 428)**	–
Net cash utilised by investing activities		**(3 439)**	(252)
Cash flow from financing activities			
Proceeds from interest-bearing liabilities		**16 759**	8 648
Settlement of interest-bearing liabilities		**(11 759)**	(7 185)
Settlement of other short-term borrowings		**(58)**	(21)
Repayment of lease liabilities		**(132)**	(61)
Additional interest acquired in subsidiaries		**–**	(82)
Issue of shares		**1 259**	1 407
Net cash generated by financing activities		**6 069**	2 706
Net (decrease)/increase in cash and cash equivalents		**(1 212)**	468
Cash and cash equivalents at the beginning of the year		**1 874**	1 422
Effects of exchange rate changes on the balance of cash held in foreign currencies		**1**	(16)
Cash and cash equivalents at the end of year**		**663**	1 874

* *Cash flows from the acquisition of subsidiaries consists of the acquisition of Synergy Contact Centre (Pty) Ltd (SCC) and Synergy Outsourcing Limited (SOL) in the current year, as well as the cash flows relating to the acquisition of WBC Holdings in the prior year. Refer to note 6 for the detail of the SCC and SOL cash flows. The cash consideration for the WBC Holdings acquisition of R870 million was settled during the current financial year on 5 October 2021.*

** *Cash and cash equivalents are presented net of bank overdrafts and include R3 million (2021: R2 million) of cash transferred as part of assets held for sale.*

Notes to the summarised **consolidated financial statements**

for the year ended 30 September 2022

		2022 Audited Rm	2021 Audited Rm
1	**Ordinary share capital**		
	Authorised		
	1 000 000 000 ordinary shares		
	Issued		
	757 367 333 (30 September 2021: 708 431 319) ordinary shares		
	Ordinary share capital	**5 179**	3 464
	Ordinary share capital	**5 179**	3 464

		2022 Audited		2021 Audited	
		Number of shares million	Share capital Rm*	Number of shares million	Share capital Rm*
1.1	**Reconciliation of ordinary share capital**				
	Balance at the beginning of the year	**708.4**	**3 464**	661.5	2 015
	Shares issued in settlement of the Conditional Share Plan (Note 1.1.1)	**2.4**	**96**	0.9	22
	Equity raised through the open market	**–**	**–**	12.4	248
	Equity raised through accelerated bookbuild (Note 1.1.2)	**36.1**	**1 263**	33.1	1 159
	Shares issued to subsidiaries (Note 1.1.3)	**10.5**	**356**	0.5	20
	Balance at the end of the year	**757.4**	**5 179**	708.4	3 464

* *Net of share issue costs*

1.1.1 In terms of specific authority received from shareholders on the adoption of the Transaction Capital Conditional Share Plan, a total of 2 353 523 shares were issued to participants/employees as part of respective vestings at an average price of R40.85 per share.

1.1.2 On 9 September 2022 Transaction Capital raised equity in the form of 36 055 520 shares through the issue of new ordinary shares to qualifying investors through an accelerated bookbuild. The ordinary shares were priced at R35.50 per share (before share issue costs), a 3.9% and 7.5% discount to the pre-launch close price of R36.95 and the 30 business day volume weighted average price of R38.36 respectively, as at the market close on 8 September 2022. The equity raise was completed under the company's general authority to issue shares for cash approved by Transaction Capital shareholders at the annual general meeting of the company held on 10 March 2022.

1.1.3 On 5 October 2021 Transaction Capital issued 10 526 971 shares to Transaction Capital Motor Holdco Proprietary Limited (TCMH) at an average price of R33.83 per share (before share issue costs) in respect of the acquisition of the additional 25% interest in the WBC group. The 10 526 971 shares were in turn transferred to WBC Holdings (Pty) Ltd (WBC Holdings) and certain of the previous shareholders in WBC Holdings as part of the settlement by TCMH of the purchase price. We Buy Cars Holdings distributed the shares paid to it to previous shareholders through a dividend declared which was declared prior to TCMH's acquisition of the investment.

Preference share capital

Authorised

10 000 000 cumulative, non-participating, non-convertible preference shares of no par value

Issued

Nil (2021: nil) preference shares

2 Reclassifications

The group reassessed the classification principles on the income statement during the current financial year, to ensure that the information presented on the face of the income statement remained reliable and relevant and to improve how information is communicated following the material contribution of WBC to the group. This resulted in a reclassification of the comparative income statement and related notes for the year ended 30 September 2021.

The reclassification is not considered to be a restatement, error or a change in accounting policy as defined in IAS 8: Accounting Policies, Changes in Accounting Estimates and Errors. This reclassification enhances the group's disclosure and provides users of the financial statements with more relevant information. It does not impact the statement of financial position, the statement of changes in equity or the cashflow statement.

Included below is the impact of the reclassifications discussed above on the income statement.

	30 September 2021	Reclassifications			
	As previously presented Audited Rm	**Disaggregation of non-interest revenue (note 2.1) Rm**	**Categorisation of net interest income (note 2.2) Rm**	**Presentation of non-operating items as non-operating profit/(loss) (note 2.3) Rm**	**Reclassified Audited Rm**
Gross profit from the provision of services and sale of goods	**–**	**1 879**	**–**	**–**	**1 879**
Revenue	**–**	**5 838**	**–**	**–**	**5 838**
Cost of revenue	**–**	**(3 959)**	**–**	**–**	**(3 959)**
Net interest income from provision of financing to customers	**1 431**	**–**	**156**	**–**	**1 587**
Interest income, calculated using the effective interest rate method	**2 663**	**–**	**(80)**	**–**	**2 583**
Interest expense	**(1 232)**	**–**	**236**	**–**	**(996)**
Impairment of loans and advances	**(563)**	**–**	**–**	**–**	**(563)**
Risk-adjusted net interest income from provision of financing to customers	**868**	**–**	**156**	**–**	**1 024**
Net insurance result	**392**	**–**	**8**	**–**	**400**
Insurance revenue	**1 015**	**–**	**–**	**–**	**1 015**
Insurance service expense	**(620)**	**–**	**–**	**–**	**(620)**
Insurance finance income	**(3)**	**–**	**8**	**–**	**5**
Other non-interest revenue	**2 973**	**(2 973)**	**–**	**–**	**–**
Operating costs	**(3 122)**	**1 050**	**–**	**6**	**(2 066)**
Net finance charge – not relating to provision of financing to customers	**–**	**–**	**(164)**	**–**	**(164)**
Finance income	**–**	**–**	**72**	**–**	**72**
Finance charges	**–**	**–**	**(236)**	**–**	**(236)**
Other income	**–**	**44**	**–**	**–**	**44**
Equity accounted income	**213**	**–**	**–**	**–**	**213**
Fair value gain on previously held equity interest	**–**	**–**	**–**	**1 417**	**1 417**
Non-operating profit	**1 419**	**–**	**–**	**(1 419)**	**–**
Operating profit	**2 743**	**–**	**–**	**4**	**2 747**
Non-operating loss	**–**	**–**	**–**	**(4)**	**(4)**
Once off transaction costs	**–**	**–**	**–**	**(6)**	**(6)**
Other non-operating profit	**–**	**–**	**–**	**2**	**2**
Profit before tax	**2 743**	**–**	**–**	**–**	**2 743**
Income tax expense	**(325)**	**–**	**–**	**–**	**(325)**
Profit for the year from continuing operations	**2 418**	**–**	**–**	**–**	**2 418**

2 Reclassifications continued

The three main categories of reclassifications made in the income statement are as follows:

2.1 **Disaggregation of non-interest revenue:** The group previously presented non-interest revenue as a single line item on the income statement. Given recent changes in the group's structure, most notably, the acquisition of WBC in the prior year, it has become necessary to amend this presentation. WBC is a retailer of second-hand vehicles, and a presentation which reflects gross revenue less the costs incurred to generate the revenue is more relevant for users of the financial statements. This has resulted in the group disaggregating the non-interest revenue line into various line items and reallocating costs previously allocated as operating expenses into cost of revenue.

2.2 **Categorisation of net interest income:** The group previously reflected all interest income and interest expenses in a single section on the income statement. Management is of the view that users of the financial statements will benefit from a view that separates the net interest income from provision of financing to customers from the net finance income/expense not relating to provision of financing to customers.

2.3 **Presentation of non-operating items as non-operating profit/(loss):** The group previously presented items of income and expenditure which were not of an operating nature to the business as part of its operating expenses and income. These items are now reflected below the operating profit line to give users of the financial statements a more accurate view of the operating results of the group.

3 Revenue

Through Capital-enabled services (CE services), Nutun mainly acts as a principal in acquiring and then collecting on NPL portfolios. Capital enabled revenue is measured in accordance with the amortised cost model under IFRS 9 – Financial Instruments, and therefore fall outside the scope of IFRS 15.

Other revenue streams are disaggregated into the following major revenue streams in accordance with IFRS 15:

	2022 Audited Rm	**2021 Audited Restated* Rm**
Revenue comprises:		
Capital enabled revenue	**1 792**	1 383
Other revenue	**20 860**	4 455
Commission income	**384**	101
Customer experience management	**1 186**	974
Dividend and rebate income from insurance related activities	**26**	2
Fee income	**143**	125
Revenue from sale of goods	**19 101**	3 237
Other income	**20**	16
Total revenue	**22 652**	5 838

* *In the current year, the group reclassified the presentation of the income statement. This resulted in a reclassification of the comparative period. Refer to note 2 for further information.*

4 Earnings per share

4.1 From continuing and discontinued operations

	Units	2022 Audited	2021 Audited
Basic earnings per share	cents	**227.4**	336.9
Diluted basic earnings per share	cents	**222.1**	334.9
Headline earnings per share	cents	**219.8**	145.5
Diluted headline earnings per share	cents	**214.6**	144.7
The calculation of earnings per share is based on the following data:			
Earnings			
Earnings for the purposes of basic and diluted earnings per share	Rm	**1 643**	2 290
Being profit for the year attributable to ordinary equity holders of the parent			
Headline earnings adjustments:	Rm	**(55)**	(1 301)
Impairment of goodwill	Rm	**3**	4
Fair value gain on previously held interest	Rm	**–**	(1 403)
Impairment of property, and equipment	Rm	**5**	7
Impairment of intangibles	Rm	**–**	67
Impairment of right of use assets	Rm	**16**	12
Impairment of investment	Rm	**–**	10
Loss from changes in foreign exchange rates from equity accounted investments	Rm	**–**	2
Profit on disposal of salvage business	Rm	**(79)**	–
Earnings for the purposes of headline and diluted headline earnings per share	Rm	**1 588**	989
Number of shares			
Weighted average number of ordinary shares for the purposes of basic and headline earnings per share			
Number of ordinary shares in issue at the beginning of the year	million	**708.4**	661.5
Effect of shares issued during the year	million	**14.0**	18.2
Weighted average number of ordinary shares for the purposes of basic and headline earnings per share	million	**722.4**	679.7
Effect of dilutive potential ordinary shares:			
Shares deemed to be issued for no consideration in respect of conditional share plan	million	**17.5**	4.0
Weighted average number of ordinary shares for the purposes of diluted basic and headline earnings per share	million	**739.9**	683.7

4 Earnings per share continued

4.2 From continuing operations

	Units	2022 Audited	2021 Audited
Basic earnings per share	cents	**232.0**	338.7
Diluted basic earnings per share	cents	**226.5**	336.7
Headline earnings per share	cents	**224.4**	147.0
Diluted headline earnings per share	cents	**219.1**	146.1
The calculation earnings per share is based on the following data:			
Earnings			
Profit for the year attributable to ordinary equity holders of the parent	Rm	**1 643**	2 290
Adjustments to exclude the loss for the year from discontinued operations	Rm	**33**	12
Earnings from continuing operations for the purposes of basic and diluted earnings per share excluding discontinued operations	Rm	**1 676**	2 302
Headline earnings adjustments:	Rm	**(55)**	(1 303)
Impairment of goodwill	Rm	**3**	4
Fair value gain on previously held interest	Rm	**–**	(1 403)
Impairment of property, and equipment	Rm	**5**	7
Impairment of intangibles	Rm	**–**	67
Impairment of right of use of assets	Rm	**16**	10
Impairment of investment	Rm	**–**	10
Loss from changes in foreign exchange rates from equity accounted investments	Rm	**–**	2
Loss from changes in foreign exchange rates from equity accounted investments	Rm	**(79)**	–
Earnings from continuing operations for the purposes of headline and diluted headline earnings per share excluding discontinued operations	Rm	**1 621**	999

The denominators used are the same as those detailed above for both basic and diluted earnings per share from continuing and discontinued operations.

5 Financial risk management

5.1 Fair value disclosure continued

The following represents the fair values of financial instruments not carried at fair value on the statement of financial position, but for which fair value is required to be disclosed. For all other financial instruments, the carrying value is equal to or a reasonable approximation of the fair value.

	2022				
	Carrying value Rm	**Total fair value Rm**	**Level 1 Rm**	**Level 2 Rm**	**Level 3 Rm**
Assets					
Loans and advances*	**14 818**	**14 824**	–	–	**14 824**
Purchased book debts	**4 208**	**4 208**	–	–	**4 208**
Financial assets at amortised cost	**19 026**	**19 032**	–	–	**19 032**
Liabilities					
Interest-bearing liabilities	**21 862**	**22 139**	–	–	**22 139**
Fixed rate liabilities	**671**	**672**	–	–	**672**
Floating rate liabilities	**21 191**	**21 467**	–	–	**21 467**
Put option liability	**4 042**	**3 758**	–	–	**3 758**
Financial liabilities at amortised cost	**25 904**	**25 897**	–	–	**25 897**

* *IFRS 7 disclosures relate to loans and advances and exclude the impact of repossessed vehicles on hand and ceded insurance contract liabilities.*

2021				
Carrying value Rm	Total fair value Rm	Level 1 Rm	Level 2 Rm	Level 3 Rm
13 244	13 244	–	–	13 244
3 441	3 441	–	–	3 441
16 685	16 685	–	–	16 685
16 139	16 220	–	–	16 220
904	933	–	–	933
15 235	15 287	–	–	15 287
–	–	–	–	–
16 139	16 220	–	–	16 220

5 **Financial risk management** continued

5.1 Fair value disclosure continued

Valuation methods and assumptions:

Loans and advances for premium vehicles entered into at variable interest rates approximate fair value as the estimated future cash flows are already considered in the expected loss model. The fair value of loans and advances for premium vehicles at fixed interest rates, which is a small component of the loan book, is determined by adjusting the discount rate from the effective interest rate of the contract to a current effective lending rate. Loans and advances for entry-level vehicles and the shortfall book are carried at fair value, refer "level disclosure" on note 5.2 for additional information in this regard.

Purchased book debt is held at amortised cost. The balance at year end is calculated based on the expected future cash flows which are adjusted for risk as it takes historical cash flows into account to predict forecasted cash flows. The fair value of purchased book debt is determined by adjusting the discount rate from the credit-adjusted effective interest rate to a current market related discount rate and adjusting the expected cash flows for risk, therefore the carrying value approximates the fair value.

The fair value of interest-bearing liabilities is calculated based on future cash flows, discounted using a forward rate curve plus a valuation margin. The valuation margin is a consensus margin at which deals with similar remaining cash profiles could be secured in the market at the valuation date.

The put option liabilities over non-controlling interests are carried at amortised cost. The fair values of the put option liabilities are calculated by applying a price earnings multiple to the profits of Synergy and the adjusted profits of WBC for the 12 months ending on the date in which the put option is exercised. The re-measured value is calculated by adjusting the discount rate to a current effective lending rate.

The carrying value of trade and other receivables, cash and cash equivalents, trade and other payables and bank overdrafts approximates fair value as they are short-term in nature and not subject to material changes in credit risk and fair value.

5 **Financial risk management** continued

5.2 Level disclosure

	Level 1 Audited Rm	Level 2 Audited Rm	Level 3 Audited Rm	Total Audited Rm
2022				
Financial assets at fair value through profit and loss				
Loans and advances: entry-level vehicles	–	–	18	18
Loans and advances: shortfall book*	–	–	25	25
Other Financial Assets	–	–	423	423
Other investments**	1 381	–	45	1 426
Derivatives***	–	2	269	271
Financial assets at fair value through other comprehensive income				
Derivatives***	–	422	–	422
Total financial assets	1 381	424	780	2 585
Financial liabilities at fair value through profit and loss				
Derivatives***	–	13	–	13
Contingent consideration****	–	–	272	272
Financial liabilities at fair value through other comprehensive income				
Derivatives***	–	7	–	7
Total financial liabilities	–	20	272	292

	Level 1 Audited Rm	Level 2 Audited Rm	Level 3 Audited Rm	Total Audited Rm
2021				
Financial assets at fair value through profit and loss				
Loans and advances: entry-level vehicles	–	–	17	17
Loans and advances: shortfall book	–	–	25	25
Other Financial Assets	–	–	296	296
Derivatives ***	–	13	–	13
Financial assets at fair value through other comprehensive income				
Derivatives***	–	88	–	88
Total financial assets	–	101	338	439
Financial liabilities at fair value through profit and loss****				
Derivatives***	–	4	–	4
Contingent consideration****	–	–	166	166
Financial liabilities at fair value through other comprehensive income				
Derivatives***	–	53	–	53
Total financial liabilities	–	57	166	223

* *The shortfall book is classified as a financial asset at fair value through profit or loss as its value will only be recovered through a sales transaction to collection agents by the group. The group continues to pursue a sales transaction.*

** *Other investments which have been categorised in level 1 comprise money market fund investments. The balance of other investments is categorised as level 3.*

*** *Derivatives consist of the following:*

- *The group enters into derivative financial instruments with respective counterparties. Interest rate swaps and cross-currency swaps are valued using valuation techniques, which employ the use of market observable inputs. The most frequently applied valuation techniques include forward pricing and swap models using present value calculations. The models incorporate various inputs including the foreign exchange spot and forward rates, yield curves of the respective currencies, currency basis spreads between the respective currencies and interest rate curves. These are categorised as level 2.*
- *The group, through WBC Holdings is party to a call option over the 25.1% shareholding in WBC Holdings. The call option is valued using a Black Scholes model taking into account the market value of WBC Holdings as well as the exercise price per the formula included in the WBC Holdings shareholders agreement. The call option derivative is categorised as level 3.*

**** *R118 million (2021: R156 million) of the contingent consideration relates to the investment into the WBC group, R3 million (2021: R10 million) relates to the investment in the Prushka group of entities and R151 million (2021: nil) relates to the investment in Synergy. In terms of IFRS 3: Business Combinations, the provisional accounting applied to the acquisition of WBC Holdings (Pty) Ltd was finalised during the current financial year. As a result, the contingent consideration from the WBC Holdings business combination was increased by R24 million, and goodwill increased by R24 million. Comparative information has been restated accordingly.*

Amounts less than R500 000 are reflected as "<1"

5 **Financial risk management** continued

5.2 Level disclosure continued

Valuation methods and assumptions:

Loans and advances for entry-level vehicles: The fair value was calculated using an income approach (estimating and discounting future cashflow) as well as the average collateral value. These represent the significant unobservable parameters applied in the fair value model. The expected cash flows were estimated using a lifetime expected loss model which is consistent with the IFRS 9 provision methodology. The expected cashflows were then discounted at the market related discount rate of 25% to yield a fair value of the total loans and advances for entry level-vehicles.

Loans and advances for the shortfall book: the fair value is based on the valuation reports received from potential debt collection agents as the value will only be recovered through a sales transaction.

Other Financial Assets: The valuation of Other Financial Assets is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. These represent the significant unobservable parameters applied in the fair value model. The group estimates the expected cash flows by considering all the contractual terms of the financial instrument. The discount rate applied to the expected future cash flows reflects specific risk premiums relating to the asset. This includes government risk, single project customer, no previous experience with client and small stock premium for valuations less than R250 million. The discount rate applied to the additional purchase price is based on the current South African prime interest rate.

Other investments: The following valuation methods are used for other investments:

- The value of money market investments is determined by fund managers on a net asset value basis, which is the total value of all assets in the portfolio including any income accrual and less permissible deductions from portfolio divided by the number of participatory interests in issue. Unit prices as calculated by fund managers and published daily.
- The value of other investments excluding money market investments are determined using applicable valuation techniques (commonly used by market participants for a similar investment) which use relevant observable inputs to the extent these are available and where unavailable, unobservable inputs are used.

Interest rate and cross currency swaps: The group enters into derivative financial instruments with respective counterparties. Interest rate swaps and cross-currency swaps are valued using valuation techniques, which employ the use of market observable inputs. The most frequently applied valuation techniques include forward pricing and swap models using present value calculations. The models incorporate various inputs including the foreign exchange spot and forward rates, yield curves of the respective currencies, currency basis spreads between the respective currencies and interest rate curves.

Call option derivative: The call option derivative is initially recognised by the Group at fair value and subsequently measured at fair value through profit or loss. The call option derivative is a level 3 instrument in the fair value hierarchy. The call derivative is not traded in an active market and therefore the fair value is determined using a valuation technique. The valuation was performed using a Black Scholes model taking into account the spot price of WBC Holdings as well as the exercise price per the formula included in the WBC Holdings shareholders agreement. The spot price has been determined per independent valuation of WBC Holdings performed as at 30 September 2022. Other inputs into the valuation model include time to expiration, risk free rate, expected dividend yield for WBC Holdings as well as the expected volatility.

Contingent consideration: The group is party to acquisitions of subsidiaries which contain contingent payments arrangements. The valuation of the contingent considerations is based on the estimated future cash flows as determined in terms of the specific purchase agreement. The fair values of the contingent liabilities are remeasured at each reporting date.

5 **Financial risk management** continued

5.2 Level disclosure continued

Reconciliation of level 3 fair value measurements of financial assets and liabilities

	Fair value through profit or loss Audited Rm	Fair value through other comprehensive income Audited Rm	Total Audited Rm
2022			
Financial assets			
Opening balance	**338**	**–**	**338**
Total gains or losses			
In profit or loss	**312**	**–**	**312**
Other movements*	**130**	**–**	**130**
Closing balance of fair value measurement for financial assets	**780**	**–**	**780**
Financial liabilities			
Opening balance	**166**	**–**	**166**
Initial recognition of additional liabilities			
Total gains or losses			
In profit or loss	**(46)**	**–**	**(46)**
Other movements*	**152**	**–**	**152**
Closing balance of fair value measurement for financial liabilities	**272**	**–**	**272**

	Fair value through profit or loss Audited Rm	Fair value through other comprehensive income Audited Rm	Total Audited Rm
2021			
Financial assets			
Opening balance	187	–	187
Total gains or losses			
In profit or loss	46	–	46
Other movements*	105	–	105
Closing balance of fair value measurement	338	–	338
Financial liabilities			
Total gains or losses			
Other movements*	166	–	166
Closing balance of fair value measurement for financial liabilities	166	–	166

* *Other movements include the following:*

- *charges on accounts less collections received and write-off's on loans for entry-level vehicles as well as movements in Other Financial Assets;*
- *the recognition of contingent liabilities resulting from business combinations in terms of IFRS 3: Business Combinations and the recognition of other investments classified as level 3.*

The financial liabilities as disclosed in the previous financial year have been restated for the effects of the finalisation of the provisional accounting for the WBC Holdings acquisition.

5 Financial risk management continued

5.2 Level disclosure continued

Sensitivity analysis of valuations using unobservable inputs

As part of the group's risk management processes, stress tests are applied on the significant unobservable parameters to generate a range of potentially possible alternative valuations. The financial instruments that are most impacted by this sensitivity analysis are those with the more illiquid and/or structured portfolios. The stresses are applied independently and do not take account of any cross correlation between separate asset classes that would reduce the overall effect on the valuations. A significant parameter has been deemed to be one which may result in a change in the fair value of the asset or liability of more than 10%. This is demonstrated by the following sensitivity analysis, which includes a reasonable range of possible outcomes.

Below is an assessment of the impact that a 10% increase or a 10% decrease in the significant inputs would have on the fair values of level 3 financial assets and liabilities:

	2022		2021	
Loans and advances: entry-level vehicles	**10% Increase Audited Rm**	**10% Decrease Audited Rm**	**10% Increase Audited Rm**	**10% Decrease Audited Rm**
Significant unobservable input and description of assumption				
Average collateral value	**1**	**(1)**	1	<1
Discount rate: the rate used to discount projected future cash flows to present value	**1**	**(<1)**	<1	<1
Total	**2**	**(1)**	1	–

Amounts less than R500 000 are reflected as "<1".

	2022		2021	
Loans and advances: shortfall book*	**10% Increase Audited Rm**	**10% Decrease Audited Rm**	**10% Increase Audited Rm**	**10% Decrease Audited Rm**
Significant unobservable input and description of assumption				
Cent in the Rand	**3**	**(3)**	3	(3)
Total	**3**	**(3)**	3	(3)

* *In the prior period, the shortfall portfolio was recognised at a fair value based on the valuation reports received from potential debt collection agents, as the value will only be recovered through a sales transaction. No further fair value adjustment has been recognised during the current year.*

5 Financial risk management continued

5.2 Level disclosure continued

Sensitivity analysis of valuations using unobservable inputs

Other Financial Assets	2022 10% Increase Audited Rm	2022 10% Decrease Audited Rm	2021 10% Increase Audited Rm	2021 10% Decrease Audited Rm
Significant unobservable input and description of assumption				
Cash flows: change in the expected revenue	**34**	**(34)**	8	(11)
Cash flows: change in expected costs	**3**	**(3)**	1	(1)
Discount rate: the rate used to discount projected future cash flows to present value	**15**	**(14)**	4	(4)
Total	**52**	**(51)**	13	(16)

Contingent consideration – WBC Holdings acquisition	2022 10% Increase Audited Rm	2022 10% Decrease Audited Rm	2021* 10% Increase Audited Rm	2021* 10% Decrease Audited Rm
Significant unobservable input and description of assumption				
Cash flows: change in the earnings growth on which the contingent consideration is based**	**n/a**	**n/a**	22	(22)
Total	**n/a**	**n/a**	22	(22)

* *Restated for the effect of the finalisation of the provisional accounting for the WBC Holdings acquisition.*

** *The contingent consideration is based on WBC Holdings earnings for the 2022 financial year. In the current year, the contingent consideration has been calculated based on the actual earnings, therefore the earnings input is not considered unobservable in the current year.*

Contingent consideration – Synergy Contact Centre	2022 10% Increase Audited Rm	2022 10% Decrease Audited Rm	2021* 10% Increase Audited Rm	2021* 10% Decrease Audited Rm
Significant unobservable input and description of assumption				
Cash flows: change in the EBIT on which the contingent consideration is based	**36**	**(4)**	n/a	n/a
Total	**36**	**(4)**	n/a	n/a

Call option derivative	2022 10% Increase Audited Rm	2022 10% Decrease Audited Rm	2021 10% Increase Audited Rm	2021 10% Decrease Audited Rm
Significant unobservable input and description of assumption				
Change in the spot rate on which the valuation is based	**105**	**(89)**	n/a	n/a
Change in the risk free rate on which the valuation is based	**15**	**(14)**	n/a	n/a
Change in the dividend yield on which the valuation is based	**(9)**	**9**	n/a	n/a
Total	**111**	**(94)**	n/a	n/a

6 Business combinations

Subsidiaries acquired

Subsidiary	Acquirer	Principal activity	Date of acquisition	Proportion of voting equity interests held %	Consideration Rm
Synergy Contact Centre (Pty) Ltd (SCC) (Refer to note 6.1)	Nutun Corporate Ventures Pty Ltd (a subsidiary of Nutun Holdings (Pty) Ltd)	Business Process Outsourcing (BPO)	01/04/2022	**65**	**360**
Synergy Outsourcing Limited (SOL) (Refer to 6.2)	Tyco Holdings Ltd (a subsidiary of Nutun Holdings (Pty) Ltd	Business Process Outsourcing (BPO)	01/04/2022	**65**	**41**

6.1 Acquisition of Synergy Contact Centre (Pty) Ltd (SCC)

Nutun Corporate Ventures, a wholly-owned subsidiary of Nutun Holdings acquired 65% of the issued shares of Synergy contact Centre (Pty) Ltd (SCC) on 1 April 2022.

SCC is an owner managed contact centre business, operating in the international business process outsourcing ("BPO") sector. SCC operates from its customer service centre located in Umhlanga, Kwa-Zulu Natal and provides the following customer lifecycle management services to its clients:

- Customer retention;
- Debt collection; and
- Complaint resolution.

Prior to the acquisition of SCC, Nutun Holdings was diversified across the business services collection, transactional and value added services sectors. The acquisition of SCC establishes the Transactional Capital group's BPO service offering.

6.1.1 Consideration for IFRS 3 purposes

	2022 Audited Rm
Cash	**207**
Contingent consideration	**153**
Total consideration	**360**

The contingent consideration payable will be settled in several tranches during the 2023 to 2025 financial years. The contingent consideration bears interest at 3-month JIBAR.

6.1.2 Assets acquired and liabilities recognised at the date of acquisition

	2022 Audited Rm
Current assets	
Cash and cash equivalents	**5**
Trade and other receivables	**75**
Non-current assets	
Other financial assets	**1**
Property, plant and equipment	**43**
Current liabilities	
Bank overdraft	**(3)**
Tax payables	**(5)**
Trade and other payables	**(14)**
Provisions	**(4)**
Lease liabilities	**(36)**
Other financial liabilities	**(10)**
Net assets acquired and liabilities recognised	**52**

The initial accounting for the acquisition of SCC has been provisionally determined at the end of the financial year.

The receivables acquired in this transaction have a fair value of R75 million. The receivables acquired comprise principally of trade receivables. Of the R75 million trade and other receivables at acquisition date, R69 million relates to the gross contractual value of trade receivables, which were fully collected before year end.

6 Business combinations continued

6.1 Acquisition of Synergy Contact Centre (Pty) Ltd (SCC) continued

6.1.3 Goodwill arising on acquisition

	2022 Audited Rm
Consideration for IFRS 3 purposes	**360**
Less: intangible assets identified from business combinations	**(22)**
Plus: deferred tax on intangible assets identified from business combinations	**6**
Plus: Other payables raised in terms of IFRS 3	**31**
Less: fair value of identifiable net assets recognised	**(52)**
Plus: Non-controlling interests in 35% of SCC	**13**
Goodwill arising on acquisition	**336**

The consideration transferred for the business combination effectively included amounts in relation to the benefit of expected synergies, revenue growth and future market development and the assembled workforce of the SCC group. These benefits are not recognised separately from goodwill because they do not meet the recognition criteria for identifiable intangible assets.

None of the goodwill arising on this acquisition is expected to be deductible for tax purposes.

The non-controlling interest (35% ownership interest in SCC) recognized at the acquisition date was measured with reference to the proportionate share in the recognized amounts of SCC's identifiable net assets including intangible assets, deferred tax thereon and payables identified at acquisition, of R37 million and amounted to R13 million.

6.1.4 Net cash outflow on acquisition of subsidiary

	2022 Audited Rm
Consideration paid in cash	**207**
Less: cash and cash equivalents balance acquired	**(5)**
Add: overdraft balance acquired	**3**
Net cash outflow from the transaction	**205**
Analysis of cash flows on acquisition	
Transaction costs of the acquisition (included in cash flows from operating activities)	**3**
Net cash acquired with the business (included in cash flows from investing activities)	**2**

6.1.5 Impact of acquisition on the results of the group

Included in profit attributable to ordinary shareholders of the group for the year ended 30 September 2022 is R36 million attributable to SCC since acquisition date. Revenue for the period includes R255 million in respect of SCC.

Had the business combination been effected at 1 October 2021, SCC would have contributed additional revenue to the group of R191 million and additional profit attributable to ordinary equity holders of the group of R18 million. As a result, revenue for the group would have been R26 861 million and profit attributable to ordinary equity holders of the group from continuing operations would have been R1 694 million.

6 Business combinations continued

6.2 Acquisition of Synergy Outsourcing Limited (SOL)

Tyco Holdings (Pty) Ltd (Tyco), a wholly-owned subsidiary of Nutun Holdings acquired 65% of the issued shares of Synergy Outsource Limited (SOL) on 1 April 2022.

SOL and SCC entered into a joint venture agreement in 2018. In terms of the joint venture agreement, SCC will provide the call centre facilities and operatives and ensure its staff and contractors are suitably qualified and adequately trained and SOL will contract with clients for the supply of call centre services and supervise and manage SCC's supply of those services SOL will invoice clients and pay a set fee to SCC as per the Joint Venture Agreement. SOL is therefore a strategic acquisition for the Transaction Capital group.

6.2.1 Consideration for IFRS 3 purposes

	2022 Audited Rm
Cash	**41**
Total consideration	**41**

6.2.2 Assets acquired and liabilities recognised at the date of acquisition

	2022 Audited Rm
Current assets	
Cash and cash equivalents	**16**
Trade and other receivables	**57**
Current liabilities	
Tax payables	**(6)**
Trade and other payables	**(52)**
Net assets acquired and liabilities recognised	**15**

The initial accounting for the acquisition of SOL has been provisionally determined at the end of the financial year.

The receivables acquired in this transaction have a fair value of R57 million. The receivables acquired comprise principally of trade receivables with a gross contractual amount of R57 million at acquisition date, with the full amount collected before year end.

6.2.3 Goodwill arising on acquisition

	2022 Audited Rm
Consideration for IFRS 3 purposes	**41**
Less: intangible assets identified from business combinations	**(32)**
Plus: deferred tax on intangible assets identified from business combinations	**6**
Less: fair value of identifiable net assets recognised	**(15)**
Plus: Non-controlling interests in 35% of SO	**14**
Goodwill arising on acquisition	**14**

The consideration transferred for the business combination included amounts in relation to the benefit of expected cost and technology synergies, revenue growth, future market development and the complementary skills within the assembled workforce of the SOL. These benefits are not recognised separately from goodwill because they do not meet the recognition criteria for identifiable intangible assets.

None of the goodwill arising on this acquisition is expected to be deductible for tax purposes.

The non-controlling interest (35% ownership interest in SOL) recognised at the acquisition date was measured with reference to the proportionate share in the recognized amounts of SOL's identifiable net assets, including intangible assets, deferred tax thereon and payables identified at acquisition, of R41 million and amounted to R14 million.

6 Business combinations continued

6.2 Acquisition of Synergy Outsourcing Limited (SOL) continued

6.2.4 Net cash outflow on acquisition of subsidiary

	2022 Audited Rm
Consideration paid in cash	**41**
Less: cash and cash equivalents balance acquired	**(16)**
Net cashflow	**25**
Transaction costs of the acquisition (included in cash flows from operating activities)	**1**
Net cash acquired with the business (included in cash flows from investing activities)	**16**

6.2.5 Impact of acquisition on the results of the group

Included in profit attributable to ordinary shareholders of the group for the year ended 30 September 2022 is R10 million attributable to SOL since acquisition date. Revenue for the period includes R43 million in respect of SOL.

Had the business combination been effected at 1 October 2021, SOL would have contributed additional revenue to the group of R31 million and additional profit attributable to ordinary equity holders of the group of R16 million. As a result, revenue for the group would have been R26 701 million and profit attributable to ordinary equity holders of the group from continuing operations would have been R1 692million.

7 Segment report

The group is organised on the basis of products and services and the segments have been identified on this basis as reported to the chief executive officer (considered the chief operating decision maker). The principal business units in the group are as follows:

SA Taxi

- A vertically integrated taxi platform incorporating a unique blend of vehicle procurement, retail, repossession and refurbishment capabilities with asset-backed developmental finance and insurance competencies for focused vehicle types.
- Revenue is mainly derived from interest earned on financing of vehicles and non-interest revenue streams, including revenue from the sale of vehicles, telematics services and insurance products.
- The SA Taxi segment includes Value-Added Services (Road Cover). Road Cover generates a stable source of subscription income, whilst providing access to greater market depth. SA Taxi has the potential to unlock further value through synergies with Road Cover to be realised from cost efficiencies and revenue uplift, gaining access to SA Taxi's client base.

Nutun

- Nutun (previously Transaction Capital Risk Services) delivers an augmented suite of digital customer services comprising capital-enabled services ("CE services") and capital-light customer experience management services ("CXM services").
- Through CE services, Nutun mainly acts as a principal in acquiring and then collecting on NPL portfolios.
- Earnings from CXM services primarily comprise revenue from contingency based collection services and fee-for-service income generated in South Africa, Australia and the UK.

WeBuyCars

- The WeBuyCars segment includes the WBC group and Gomo (Pty) Ltd (Gomo).
- Transaction Capital Motor HoldCo (Pty) Ltd (TCMH) holds a 74.9% controlling interest in the WBC group (WeBuyCars). TCMH previously held a 49.9% non-controlling interest in We Buy Cars (Pty) Ltd which was accounted for as an associate for the period from 1 October 2020 to 2 August 2021 prior to acquisition of the controlling interest in the prior financial year.
- Buyer, distributor and retailer of vehicles, which also offers financial and other allied products.
- Revenue comprises mainly gross margin on vehicle sales (vehicle margin), with additional gross margin earned on add-on products (product margin). The latter includes agency fees earned from finance, insurance related and allied products (F&I products) sold on behalf of major banks providing asset-backed and unsecured vehicle finance, leading insurance providers, as well as vehicle tracking businesses.
- Gomo is a newly established entity that will be entering into instalment sale agreements and rental agreements with individuals looking to finance the purchase of vehicles from WeBuyCars or pay for the right of use of vehicles sourced by Gomo from WeBuyCars.

Group executive office

- The group executive office provides an efficient capital management and treasury function for entities within the group, in addition to administrative and management services.
- Revenue comprises mainly of interest income and management fees from subsidiaries, the majority of which is eliminated on group consolidation.
- The numbers presented in the group executive office segment exclude group consolidation entries.

7 Segment report continued

	SA Taxi		Nutun	
	30 September 2022 Audited Rm	30 September 2021 Audited Rm	**30 September 2022 Audited Rm**	30 September 2021 Audited Rm
Summarised income statement				
Revenue from sale of goods and provision of services	**1 789**	1 268	**2 988**	2 365
Net interest income from the provision of financing to customers	**1 631**	1 587	**–**	–
Impairment of loans and advances	**(852)**	(563)	**–**	–
Net insurance result	**411**	400	**–**	–
Total operating expenses and cost of revenue	**(2 688)**	(2 128)	**(2 303)**	(1 788)
Net finance charge – not relating to provision of financing to customers	**(68)**	(15)	**(235)**	(172)
Finance income	**34**	27	**31**	36
Finance charge	**(102)**	(42)	**(266)**	(208)
Other income	**201**	11	**76**	26
Equity accounted income/ (loss)	**–**	–	**6**	5
Fair value gain on previously held equity interest	**–**	–	**–**	–
Other non-operating (expenses)/income	**–**	–	**(39)**	–
Profit before tax	**424**	560	**493**	436
Income tax expense	**(59)**	(147)	**(124)**	(133)
Profit for the year from continuing operations	**365**	413	**369**	303
Discontinued operations				
Loss for the period from discontinued operations	**–**	–	**(33)**	(12)
Profit for the year	**365**	413	**336**	291

* *Group executive office numbers are presented net of recoveries and inter-group dividends.*

** *Profit after tax from WeBuyCars comprises:*

	2022 Audited Rm	2021 Audited Rm
Share of equity accounted earnings after tax	**–**	215
Consolidated operating profit for the WBC group	**762**	112
Consolidated operating loss for Gomo	**(26)**	–
Operating profit for TCMH (excluding vendor finance and transaction costs)	**6**	–
Mark-to-market of derivative liability	**–**	(6)
Fair value gain on previously held interest	**–**	1 417
Interest expense on preference share liability (vendor finance) and deferred consideration	**–**	(18)
Imputed interest charge – put option liability over NCI	**(261)**	–
Re-measurement of put option liability over NCI	**569**	–
Fair value gain on call option derivative from NCI	**269**	–
Transaction costs relating to the acquisition of the controlling interest in the WBC group	**(5)**	(6)
Amortisation of intangible assets acquired in business combination	**(5)**	(2)
Profit after tax	**1 309**	1 712

WeBuyCars**		Group executive office*		Intergroup eliminations		Group	
30 September 2022 Audited Rm	30 September 2021 Audited Rm	**30 September 2022 Audited Rm**	30 September 2021 Audited Rm	**30 September 2022 Audited Rm**	30 September 2021 Audited Rm	**30 September 2022 Audited Rm**	30 September 2021 Audited Rm
17 875	2 205	–	–	–	–	**22 652**	5 838
4	–	–	–	–	–	**1 635**	1 587
(4)	–	–	–	–	–	**(856)**	(563)
–	–	–	–	–	–	**411**	400
(16 869)	(2 049)	**(70)**	(71)	**75**	11	**(21 855)**	(6 025)
(93)	(24)	**12**	47	–	–	**(384)**	(164)
6	1	**114**	78	**(107)**	(70)	**78**	72
(99)	(25)	**(102)**	(31)	**107**	70	**(462)**	(236)
62	(4)	–	22	**(75)**	(11)	**264**	44
–	215	**41**	(7)	–	–	**47**	213
–	1 417	–	–	–	–	–	1 417
572	(6)	–	2	–	–	**533**	(4)
1 547	1 754	**(17)**	(7)	–	–	**2 447**	2 743
(238)	(42)	**10**	(3)	–	–	**(411)**	(325)
1 309	1 712	**(7)**	(10)	–	–	**2 036**	2 418
				–			
–	–	–	–	–	–	**(33)**	(12)
1 309	1 712	**(7)**	(10)	–	–	**2 003**	2 406

7 **Segment report** continued

	SA Taxi		Nutun	
	30 September 2022 Audited Rm	30 September 2021 Audited Rm	**30 September 2022 Audited Rm**	30 September 2021 Audited Rm
Summarised statement of financial position				
Assets				
Cash and cash equivalents	**1 126**	1 054	**126**	176
Other investments	**120**	–	**44**	–
Trade and other receivables	**1 213**	934	**520**	249
Inventories	**1 936**	1 577	**1**	2
Loans and advances	**14 725**	13 305	**–**	–
Purchased book debts	**–**	–	**4 208**	3 441
Equity accounted investments	**656**	–	**90**	81
Other assets	**1 477**	1 223	**2 509**	1 503
Total assets	**21 253**	18 093	**7 498**	5 452
Liabilities				
Short-term borrowings	**195**	183	**525**	131
Trade and other payables	**578**	463	**485**	304
Insurance contract liabilities	**180**	271	**–**	–
Interest-bearing liabilities	**16 725**	13 536	**3 145**	2 506
Senior debt	**14 326**	12 284	**2 832**	2 024
Subordinated debt	**950**	790	**150**	–
Group loans	**1 449**	462	**163**	482
Lease liabilities	**149**	171	**393**	199
Put option liability	**–**	–	**639**	–
Other liabilities	**130**	278	**702**	547
Total liabilities	**17 957**	14 902	**5 889**	3 687
Total equity	**3 296**	3 191	**1 609**	1 765

* *Restated for the finalisation of the provisional accounting for the WBC Holdings acquisition.*

WeBuyCars*		Group Executive Office		Intergroup Eliminations		Group*	
30 September 2022 Audited Rm	30 September 2021 Audited Rm	30 September 2022 Audited Rm	30 September 2021 Audited Rm	30 September 2022 Audited Rm	30 September 2021 Audited Rm	30 September 2022 Audited Rm	30 September 2021 Audited Rm
130	165	**96**	841	**–**	–	**1 478**	2 236
1	–	**1 261**	–	**–**	–	**1 426**	–
202	232	**53**	11	**(65)**	(50)	**1 923**	1 376
1 853	898		–	**–**	–	**3 790**	2 477
237			–	**–**	–	**14 962**	13 305
–			–	**–**	–	**4 208**	3 441
8	–	**343**	220	**–**	–	**1 097**	301
7 419	6 523	**7 473**	5 505	**(7 387)**	(5 435)	**11 491**	9 319
9 850	7 818	**9 226**	6 577	**(7 452)**	(5 485)	**40 375**	32 455
–	–	**98**	50	**–**	–	**818**	364
396	2 025	**107**	912	**(60)**	(1 278)	**1 506**	2 426
–				**–**	–	**180**	271
2 104	865	**1 891**	273	**(2 003)**	(1 041)	**21 862**	16 139
1 713	768	**1 891**	273	**–**	–	**20 762**	15 349
–	–	**–**	–	**–**	–	**1 100**	790
391	97	**–**	–	**(2 003)**	(1 041)	**–**	–
171	44	**2**	6	**–**	–	**715**	420
3 403	–	**–**	–	**–**	–	**4 042**	–
824	864	**11**	5	**(7)**	(4)	**1 660**	1 690
6 898	3 798	**2 109**	1 246	**(2 070)**	(2 323)	**30 783**	21 310
2 952	4 020	**7 117**	5 331	**(5 382)**	(3 162)	**9 592**	11 145

7 **Segment report** continued

Geographical information

The group operated in three principal geographical areas, South Africa, Australia and Europe. The group's total revenue by location and non-current assets by location are detailed below:

	Total revenue*		Non-current assets	
	2022 Rm	**2021 Rm**	**2022 Rm**	**2021 Rm**
South Africa*	**26 039**	8 840	**30 080**	24 861
Australia	**607**	585	**895**	1 053
Europe	**24**	11	**384**	220
Total	**26 670**	9 436	**31 359**	26 134

* *In the current year, the group reclassified the presentation of the income statement. This resulted in a reclassification of the revenue presented in the comparative period. Refer to note 2 for further information.*

Revenue comprises gross revenue as presented on the income statement, gross interest income from financing of customers and the gross insurance revenue.

The significant increase in revenue in South Africa from the prior year is due to the prior year including only 2 months of revenue from WBC, while the current year includes WBC revenue for the full financial year.

8 Subsequent events

Transaction Capital, through its wholly-owned subsidiary Recoveries Corporation Holdings (Pty) Ltd ("RCH") acquired the receivable collections business of Milton Graham ("MG") from Illion with effect from 2 November 2022. MG is a leading collection services platform with complimentary operations in both Australia and New Zealand. Provisional accounting for the business acquisition had not been concluded prior to the issue of these consolidated financial statements.

No other events which would have a material impact on either the financial position or operating results of the company have taken place between 30 September 2022 and the date of release of this report.

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