



Transaction Capital Limited
(Incorporated in the Republic of South Africa)
Registration number: 2002/031730/06
JSE share code: TCP
ISIN: ZAE000167391
("Transaction Capital" or "the company" or
"the group")



TransCapital Investments Limited
(Incorporated in the Republic of South Africa)
Registration number: 2016/130129/06
Bond company code: TCII
LEI: 378900AA31160C6B8195

MARKET UPDATE, FURTHER TRADING STATEMENT AND NOTICE OF INVESTOR WEBINAR

Further to Transaction Capital's pre-close update in respect of the half year ending 31 March 2023, released on SENS on 13 March 2023, the board of directors ("the board") advises shareholders that core earnings per share ("EPS") from continuing operations are expected to be between 46% and 41% below the prior corresponding period.

For the 12 months ending 30 September 2023, core EPS from continuing operations are forecast to be between 24% to 19% below the prior corresponding period, based upon an anticipated stronger second half (refer to the trading statement at the end of this announcement).

Acquisition of additional 15% stake in WeBuyCars

Shareholders are referred to the announcement released on SENS on 8 September 2022 in terms of which shareholders were advised of Transaction Capital's strategic intent to increase its shareholding in WeBuyCars by a further 15%. The proposed terms of the accelerated transaction referred to therein requires that 30% of the purchase consideration be settled with an issuance of Transaction Capital shares to the vendors. In light of the current share price, the board has resolved not to issue Transaction Capital shares at this time. As such, the accelerated transaction will not be concluded as previously communicated to shareholders. This is in agreement with the vendors. A further consequence of this decision is the company retaining the cash portion of the purchase consideration.

The acquisition of the additional 15% stake in WeBuyCars will be effected in accordance with the existing put and call arrangements. This enables the purchase of this 15% stake in two equal tranches, in September 2023 and September 2024 (details are set out in the announcement released on SENS on 22 September 2021).

Funding update

The board confirms, there are no cross default clauses between Nutun, WeBuyCars and SA Taxi ("the subsidiaries") and there are no holding company guarantees to the subsidiaries. In addition, there are no repricing triggers on any funding in the group.

The board is currently not contemplating any issue of shares and is comfortable with the group's liquidity position.

Founders' shareholding

The founders of the company (Jonathan Jawno, Michael Mendelowitz and Roberto Rossi) are indirect beneficial holders of 109 million Transaction Capital shares through Pilatucom Holdings Limited (as stated in the annual financial statements for the period ended September 2022). These shares have been pledged as security against a general finance facility related to the founders. The last trade that the founders executed in relation to their Transaction Capital shareholding was in the accelerated bookbuild announced on SENS on 18 February 2020. The founders have further advised the board that there are no circumstances under which a reduction of the Transaction Capital share price will trigger a forced sale of shares based on unrelated security pledged in respect of the facility.

Further Trading Statement

Shareholders were advised in the pre-close update in respect of the half year ending 31 March 2023, released on SENS on 13 March 2023, that a further trading statement would be released once there was reasonable certainty on the specific ranges, in line with section 3.4 (b) (iii) of the JSE Listings Requirements. In this regard, a further trading statement is provided below.

It is management's view that the most appropriate metric to measure performance is core EPS from continuing operations.

	6 months ending		
	31-Mar-23	31-Mar-23	31-Mar-22
	Expected number range	Expected percentage range	Unaudited
Continuing Earnings for the 6 months ending 31 March 2023			
Core EPS	45.2 cents to 49.2 cents	-46% to -41%	83.7 cents
Basic EPS	-185.8 cents to -182.1 cents	-356% to -351%	72.6 cents
Headline EPS	-186 cents to -182.4 cents	-356% to -351%	72.6 cents
Total Earnings for the 6 months ending 31 March 2023			
Core EPS	31.6 cents to 35.7 cents	-62% to -57%	83.6 cents
Basic EPS	-199.3 cents to -195.8 cents	-375% to -370%	72.5 cents
Headline EPS	-199.5 cents to -196.1 cents	-375% to -370%	72.5 cents
NAV per share	1209.8 cents to 1476.9 cents	-14% to 6%	1405.6 cents

	12 months ending		
	30-Sep-23	30-Sep-23	30-Sep-22
	Expected number range	Expected percentage range	Audited
Continuing Earnings for the full year ending 30 September 2023			
Core EPS	131.1 cents to 139.3 cents	-24% to -19%	172.5 cents
Basic EPS	-120 cents to -108.7 cents	-152% to -147%	231.9 cents
Headline EPS	-120.1 cents to -109.2 cents	-154% to -149%	224.3 cents
Total Earnings for the full year ending 30 September 2023			
Core EPS	93.3 cents to 101.4 cents	-44% to -40%	167.9 cents
Basic EPS	-157.6 cents to -146.8 cents	-169% to -165%	227.4 cents
Headline EPS	-157.7 cents to -147.2 cents	-172% to -167%	219.8 cents
NAV per share	1206.0 cents to 1514.9 cents	-22% to -2%	1548.6 cents

1. Core headline earnings from continuing operations is a non-IFRS measure which excludes once-off non-recurring adjustments, adjustments on put and call options over non-controlling interests, acquisition costs as well as specified items if the gain/loss is not considered part of Transaction Capital's normal operations.
2. NAV per share has been defined as Equity attributable to ordinary equity holders of the parent adjusted for put and call options divided by number of ordinary shares in issue.
3. Full year forecasts are based on assumptions relating to the macroeconomic factors impacting each of our divisions discussed under the operational update in the pre-close SENS released on 13 March 2023.
4. The decision of the board to dispose of the SA Taxi auto business requires the auto business to be accounted for as discontinued operations in terms of IFRS 5. This disclosure imposes the requirement to restate prior period earnings to ensure appropriate comparative information. This restatement will be disclosed in the financial results announcement for the half year ending 31 March 2023 and is not material.

Shareholders are advised that the forecast information contained in this announcement has not been reviewed or reported on by the group's external auditors and is the responsibility of the board.

Notice of investor webinar

Shareholders are advised that Transaction Capital will host a investor conference webinar at 17h30 (South Africa time) on Thursday, 23 March 2023.

Please send an email to tc-investor-relations@transactioncapital.co.za to register. A replay will be available shortly after the end of the call on the Transaction Capital website:

<https://www.transactioncapital.co.za/investor-relations-overview/transaction-capital-limited/>

Rosebank
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