

TRANSSEC 4 (RF) LIMITED

Issuer Code: TSLI

ZAR2 500 000 000 ASSET BACKED NOTE PROGRAMME:

AVAILABILITY OF THE ANNUAL FINANCIAL STATEMENTS

Date: 27 January 2021

Noteholders are advised that the annual financial statements (“the financial statements”) of the Issuer for the year ended 30 September 2020, are available for inspection on the following website at [\[http://www.transactioncapital.co.za/transsec4.php.\]](http://www.transactioncapital.co.za/transsec4.php)

Noteholders are also advised that the audit report on the financial statements of the Issuer is unqualified, with no modifications applicable.

Noteholders are further advised of amendments to the financial statements in accordance with the requirements of IAS 7 - Statement of Cash Flows. Management has previously not been able to present interest paid and received in accordance with the requirements of IAS 7 - Statement of Cash Flows (IAS 7). In the current period a solution was implemented in order for the disclosure to be corrected.

This resulted in interest paid and received being presented as operating activities. Other areas impacted are cash generated from operations, settlement of interest-bearing liabilities and loans and advances.

When cash is collected off the loans and advances portfolio within the entity (interest income received), the current loan management system functionality does not allow for an allocation of cash flow between interest, other third-party charges, fees and repayments of principal, and therefore the calculations of these balances on a loan by loan basis have historically not been readily available at a company level. Such calculations have been performed outside of the loan system for operational purposes with the use of internally developed web-based software. Given certain limitations of the web-based software, the management of the company have developed reports in the current year that are derived from data from the loan management system. These reports calculate the allocation of cash

receipts to interest income and therefore the current year disclosure has been updated accordingly to disclose interest received and interest paid separately on the face of the cash flow statement as per IAS 7.

In addition to the above, we have also adjusted the presentation of bad debts written off (which was previously included in the movement in gross loans and advances) on the face of the cashflow statement to rather be appropriately adjusted for as part of the removal of non-cash flow items reflected within cash generated from operations. This adjustment had an impact on the cash generated from operations and the movement in loans and advances reflected on the face of the financial statements.

The impact of these restatements are disclosed in note 24 of the financial statements of the issuer for the year ended 30 September 2020.

Debt Sponsor

The Standard Bank of South Africa Limited