

**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

The definitions and interpretations commencing on page 11 of this Circular apply throughout this Circular, including this cover page.

**ACTION REQUIRED BY SHAREHOLDERS:**

1. This entire Circular is important and should be read with particular attention to the section entitled "Action required by Shareholders", commencing on page 6 of this Circular.
2. If you are in any doubt as to what action to take in relation to this Circular, please consult your CSDP, Broker, banker, attorney, accountant or other professional advisor immediately.
3. If you have disposed of all your Transaction Capital Shares, please forward this Circular and the attached Form of Proxy (*grey*) to the purchaser of such Transaction Capital Shares or to the CSDP, Broker, banker, attorney, accountant or other agent through whom the disposal was effected.



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")

**CIRCULAR TO SHAREHOLDERS**

**relating to:**

- the approval of the Unbundling, in terms of which Transaction Capital will distribute the WBC Distribution Shares to its Shareholders by way of a distribution *in specie pro rata* to their respective shareholdings in Transaction Capital, in terms of section 46 of the Companies Act and section 46 of the Income Tax Act. The Unbundling constitutes the disposal of the greater part of the assets or undertaking of Transaction Capital in terms of section 112 of the Companies Act, requiring the approval of Shareholders by way of a special resolution, in terms of section 115 of the Companies Act;
- the contemporaneous Listing of the WBC Shares on the JSE (subject to the approval of the JSE);
- the WeBuyCars Share Issue to Coronation, which constitutes a category 2, related party transaction for purposes of section 10 of the JSE Listings Requirements; and
- the Private Placement of WBC Shares.

**and incorporating:**

- a report prepared by the Independent Expert in terms of regulation 90 and regulation 110 of the Companies Regulations and the JSE Listings Requirements, attached as **Annexure 1**;
- extracts of section 115 of the Companies Act dealing with the approval requirements for fundamental transactions and section 164 of the Companies Act dealing with Dissenting Shareholders' Appraisal Rights, attached as **Annexure 2**;
- a Notice of General Meeting;
- an electronic participation meeting guide;
- an Electronic Participation Form; and
- a Form of Proxy (*grey*) for purposes of the General Meeting (only for use by Certificated Shareholders and Own Name Dematerialised Shareholders).

Transaction Advisor  
and Sponsor



PSG CAPITAL

Legal Advisor as to  
South African law



Independent Expert



Tax Advisor



Transfer Secretaries



Auditors and Independent  
Reporting Accountants



Legal Advisor as to  
US and UK law



**Date of issue:** Friday, 16 February 2024

This Circular is available in English only. Copies may be obtained during normal business hours from the registered office of Transaction Capital and from the offices of PSG Capital, whose addresses are set out in the "Corporate information" section of this Circular, from Friday, 16 February 2024 until the date of the General Meeting (both days inclusive). A copy of this Circular will also be available on Transaction Capital's website (<https://www.transactioncapital.co.za/>).

---

## CORPORATE INFORMATION

---

### Directors

Ian Kirk (Chairman)\*  
Jonathan Jawno (Chief executive officer)  
Sahil Samjowan (Chief financial officer)  
Mark Herskovits (Chief investment officer)  
Michael Mendelowitz  
Roberto Rossi  
Suresh Kana (Lead independent director)\*  
Christopher Seabrooke\*  
Buhle Hanise\*  
Albertinah Kekana\*  
Kuben Pillay\*  
Diane Radley\*  
Sharon Wapnick\*

\* Independent non-executive Directors

### Date and place of incorporation

18 December 2002  
South Africa

### Company Secretary and Registered Address

Lisa Lill  
115 West Street  
Sandown Sandton  
Johannesburg  
Gauteng  
2196

### Independent Expert

BDO Corporate Finance Proprietary Limited  
(Registration number 1983/002903/07)  
Wanderers Office Park  
52 Corlett Drive  
Illovo, 2196  
(Private Bag X60500, Houghton, 2041)

### Transfer Secretaries

Computershare Investor Services Proprietary Limited  
(Registration number 2004/003647/07)  
Rosebank Towers  
15 Biermann Avenue  
Rosebank  
Johannesburg, 2196  
(Private Bag X9000, Saxonwold, 2132)

### Transaction Advisor and Transaction Sponsor

PSG Capital Proprietary Limited  
(Registration number 2006/015817/07)  
1st Floor, Ou Kollege  
35 Kerk Street  
Stellenbosch, 7600  
(PO Box 7403, Stellenbosch, 7599)

and at:

Suite 1105,  
11th Floor,  
Sandton Eye Building,  
126 West Street, Sandton, 2196, South Africa

### Legal Advisor as to South African law

Edward Nathan Sonnenbergs Incorporated  
(Registration Number 2006/018200/21)  
The MARC | Tower 1  
129 Rivonia Road  
Sandton, Johannesburg, 2196, South Africa  
(PO Box 783347, Sandton, 2146)

### Tax Advisor

Werksmans Incorporated  
(Registration number 1990/007215/21)  
The Central, 96 Rivonia Road, Sandton,  
Johannesburg, 2196  
(Private Bag 10015, Sandton, 2146, South Africa)

### Auditor and Independent Reporting Accountant

Deloitte & Touche  
(Practice number 902276)  
5 Magwa Crescent  
Waterfall City, Waterfall, 2090  
South Africa  
(Private Bag X6, Gallo Manor, 2052)

### Legal Advisor as to US and UK law

Goodwin Procter LLP  
The New York Times Building  
620 Eighth Avenue  
New York, NY 10018  
United States

---

## TABLE OF CONTENTS

---

	<b>Page</b>
<b>CORPORATE INFORMATION</b>	Inside front cover
<b>IMPORTANT LEGAL NOTICES</b>	3
<b>ACTION REQUIRED BY SHAREHOLDERS</b>	6
<b>SALIENT DATES AND TIMES</b>	9
<b>DEFINITIONS AND INTERPRETATIONS</b>	11
<b>CIRCULAR TO SHAREHOLDERS</b>	17
<b>1. INTRODUCTION AND PURPOSE OF THIS CIRCULAR</b>	17
<b>2. RATIONALE FOR THE UNBUNDLING</b>	18
<b>3. TERMS OF THE UNBUNDLING</b>	19
<b>4. PRE-UNBUNDLING STEPS</b>	25
<b>5. WEBUYCARS SHARE ISSUE</b>	26
<b>6. THE PRIVATE PLACEMENT OF WBC SHARES</b>	30
<b>7. FINANCIAL INFORMATION</b>	31
<b>8. BUSINESS AND PROSPECTS OF TRANSACTION CAPITAL AFTER THE UNBUNDLING</b>	32
<b>9. BUSINESS AND PROSPECTS OF WEBUYCARS FOLLOWING THE UNBUNDLING</b>	36
<b>10. EXCHANGE CONTROL REGULATIONS</b>	37
<b>11. FURTHER INFORMATION RELATING TO TRANSACTION CAPITAL</b>	37
<b>12. INFORMATION RELATING TO DIRECTORS</b>	38
<b>13. GENERAL MEETING</b>	40
<b>14. THE VIEWS OF THE INDEPENDENT BOARD IN RELATION TO THE UNBUNDLING</b>	40
<b>15. RESPONSIBILITY STATEMENT</b>	40
<b>16. MATERIAL RISKS</b>	40
<b>17. MATERIAL CHANGES</b>	41
<b>18. MATERIAL AGREEMENTS</b>	41
<b>19. LITIGATION STATEMENT</b>	41
<b>20. EXPENSES</b>	41
<b>21. ADVISORS' CONSENTS</b>	41
<b>22. DOCUMENTS AVAILABLE FOR INSPECTION</b>	42
<b>ANNEXURE 1 INDEPENDENT EXPERT'S REPORT</b>	43
<b>ANNEXURE 2 EXTRACTS OF SECTION 115 AND SECTION 164 OF THE COMPANIES ACT</b>	51
<b>ANNEXURE 3 INFORMATION FOR FOREIGN SHAREHOLDERS</b>	56
<b>ANNEXURE 4 TAXATION CONSIDERATIONS FOR THE UNBUNDLING</b>	58
<b>ANNEXURE 5 EXCHANGE CONTROL CONSIDERATIONS FOR THE UNBUNDLING</b>	62
<b>ANNEXURE 6 <i>PRO FORMA</i> FINANCIAL INFORMATION OF TRANSACTION CAPITAL</b>	63

	<b>Page</b>
<b>ANNEXURE 7</b> INDEPENDENT REPORTING ACCOUNTANT’S REPORT ON THE <i>PRO FORMA</i> FINANCIAL INFORMATION OF TRANSACTION CAPITAL	75
<b>ANNEXURE 8</b> EXTRACTS OF THE AUDITED CONSOLIDATED HISTORICAL FINANCIAL INFORMATION OF TRANSACTION CAPITAL FOR THE FINANCIAL YEARS ENDED 30 SEPTEMBER 2021, 30 SEPTEMBER 2022 AND 30 SEPTEMBER 2023	77
<b>NOTICE OF GENERAL MEETING</b>	87
<b>ELECTRONIC PARTICIPATION MEETING GUIDE</b>	91
<b>ELECTRONIC PARTICIPATION FORM</b>	93
<b>FORM OF PROXY</b> ( <i>grey</i> ) for purposes of the General Meeting (only for use by Certificated Shareholders and Own-Name Dematerialised Shareholders)	Attached

---

## IMPORTANT LEGAL NOTICES

---

**The definitions and interpretations commencing on page 11 of this Circular apply to this section and throughout this Circular.**

### GENERAL

This Circular does not constitute or form part of any offer or invitation to purchase, subscribe for, sell or issue, or any solicitation of any offer to purchase, subscribe for, sell or issue, Transaction Capital Shares, any WBC Shares, or any other securities.

The release, publication or distribution of this Circular in jurisdictions other than South Africa may be restricted by law. The distribution of the WBC Distribution Shares to Foreign Shareholders in terms of the Unbundling may be affected by the laws of the relevant Foreign Shareholders' jurisdiction. In this regard, Foreign Shareholders are referred to the further detail set out on page 4 below and **Annexure 3** of this Circular.

### APPLICABLE LAWS

The Unbundling is proposed solely in terms of this Circular and this Circular sets out the salient terms and conditions on which the Unbundling is to be implemented.

The Unbundling involves: (i) the shares of a company registered in South Africa which are listed on the JSE insofar as it relates to Transaction Capital; and (ii) the shares of a company registered in South Africa which are to be contemporaneously listed on the Main Board of the JSE insofar as it relates to WBC, and is governed by, and must be construed in accordance with, the laws of South Africa including its procedural laws and disclosure requirements.

This Circular has been prepared for purposes of complying with the applicable disclosure requirements of the Companies Act, the Companies Regulations, the Takeover Regulations and the JSE Listings Requirements and the information disclosed may not be the same as that which would have been disclosed had this Circular been prepared in accordance with the laws and regulations of any jurisdiction outside of South Africa.

Any Shareholder who is in doubt as to their position regarding the contents of this Circular, including, without limitation, their ability to receive the WBC Distribution Shares contemplated in this Circular, or their tax status, should consult an appropriate independent professional advisor in the relevant jurisdiction without delay.

### SHAREHOLDER APPROVAL OF THE UNBUNDLING

The Unbundling constitutes a Section 112 Disposal and must be approved by a special resolution (the "**Unbundling Resolution**"), in accordance with sections 112 and 115(2)(a) of the Companies Act, at the General Meeting, at which meeting, for quorum purposes, at least 3 (three) Shareholders must be present, and such Shareholders present, in person or by proxy, must be entitled to exercise, in aggregate, at least 25% of all the voting rights that are entitled to be exercised on that matter.

### POTENTIAL COURT APPROVAL

Shareholders are advised that, in accordance with section 115(3) of the Companies Act, Transaction Capital may, in certain circumstances, not proceed to implement the Unbundling without the approval of the court, despite the fact that the Unbundling Resolution set out in the Notice of General Meeting will have been duly adopted at the General Meeting.

In this regard, a copy of section 115 of the Companies Act, which details the circumstances under which court approval may be required for implementation of the Unbundling, is set out in **Annexure 2** to this Circular.

### NOTICE TO TRANSACTION CAPITAL SHAREHOLDERS

Pursuant to the Unbundling, Shareholders recorded in the Register on the Unbundling Record Date, will participate in the Unbundling. Until such time as a reader of this Circular becomes a Shareholder, this Circular is available to them for information purposes only.

## TRP APPROVAL

The Company is a regulated company (as such term is defined in the Companies Act) for purposes of section 118(1) of the Companies Act. Due to the fact that the Unbundling constitutes a Section 112 Disposal, it will also constitute an “*affected transaction*” as defined in section 117(1)(c)(i) of the Companies Act. Accordingly it is regulated by, *inter alia*, the Companies Act and the Companies Regulations and requires the prior approval of the TRP. The Unbundling is subject to the statutory requirement that the TRP issues a compliance certificate as required in terms of section 115(1)(b) of the Companies Act.

Shareholders should take note that the TRP does not consider the commercial advantages or disadvantages of an “*affected transaction*” when it approves such a transaction.

## FOREIGN SHAREHOLDERS: GENERAL

No action has been taken by Transaction Capital to obtain any approval, authorisation or exemption to permit the distribution of the WBC Distribution Shares or the possession or distribution of this Circular (or any other publicity material relating to the WBC Distribution Shares) in any jurisdictions other than South Africa.

The Unbundling is being conducted under the procedural requirements and disclosure standards of South Africa which may be different from those applicable in other jurisdictions. The legal implications of the Unbundling on persons resident or located in jurisdictions outside of South Africa may be affected by the laws of the relevant jurisdiction. Such persons should consult their professional advisors and inform themselves about any applicable legal requirements, which they are obligated to observe. It is the responsibility of any such persons wishing to participate in the Unbundling to satisfy themselves as to the full observance of the laws of the relevant jurisdiction in connection therewith.

Foreign Shareholders should refer to and take into account the disclaimers set out in **Annexure 3** to this Circular in relation to those jurisdictions. Transaction Capital has been advised (without giving an opinion or advice) that Shareholders in these jurisdictions should be able to, subject to disclaimers, vote at the General Meeting and receive the WBC Distribution Shares in terms of the Unbundling.

Foreign Shareholders should consult their own professional advisors and satisfy themselves as to the applicable legal or other requirements in their jurisdiction.

Notwithstanding the foregoing, any WBC Distribution Shares to which Foreign Excluded Shareholders are entitled but are unable, as a result of applicable laws in their jurisdiction, to receive and/or hold, will be held in trust by the Transfer Secretaries on their behalf, aggregated and disposed of on the JSE by the Transfer Secretaries for the benefit of such Foreign Excluded Shareholders.

It is the responsibility of Dematerialised Shareholders to inform their CSDPs if they are Foreign Excluded Shareholders. CSDPs will then be responsible for informing the Transfer Secretaries of all Dematerialised Shares held by them on behalf of Foreign Excluded Shareholders. It is the responsibility of Certificated Shareholders to inform the Transfer Secretaries if they are Foreign Excluded Shareholders.

Foreign Excluded Shareholders will, in respect of their shareholdings, receive the average cash value of the relevant WBC Distribution Shares (net of costs), based on the average price at which such WBC Distribution Shares due to Foreign Excluded Shareholders were sold. The average cash value (net of costs) will be calculated and the consideration due to each Foreign Excluded Shareholder will be paid only once all these WBC Distribution Shares have been disposed of.

Shareholders who are not residents of South Africa or whose registered addresses fall outside of South Africa should contact their CSDP or Broker if they are uncertain of the impact of the Unbundling on them.

## CERTAIN FORWARD-LOOKING STATEMENTS

This Circular contains statements about Transaction Capital and/or WeBuyCars that are, or may be, forward-looking statements. All statements, other than statements of historical fact, are, or may be deemed to be, forward-looking statements. These forward-looking statements are not based on historical facts, but rather reflect current expectations concerning future results and events and generally may be identified by the use of forward-looking words or phrases such as “believe”, “aim”, “expect”, “anticipate”, “intend”, “foresee”, “forecast”, “likely”, “should”, “planned”, “may”, “estimated”, “potential” or similar words and phrases.

Examples of forward-looking statements include statements regarding a future financial position or future profits, expected profit or growth margins, cash flows, corporate strategy, estimates of capital expenditures, acquisition strategy, or future capital expenditure levels, and other economic, fiscal and political factors.

By their nature, forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. Transaction Capital cautions that forward-looking statements do not constitute any kind of guarantee of future performance. Actual results, financial and operating conditions, liquidity, capital maintenance and the developments within the relevant sectors in which Transaction Capital operates may differ materially from those made in, or suggested by, the forward-looking statements contained in this Circular.

Each of these forward-looking statements are based on estimates and assumptions, all of which, although Transaction Capital may believe them to be reasonable, are inherently uncertain. Such estimates, assumptions or statements may not eventuate. Many factors (including factors not yet known to Transaction Capital, or not currently considered material) could cause the actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied in those estimates, statements or assumptions.

Shareholders should keep in mind that any forward-looking statement made in this Circular or elsewhere, is applicable only as at the date on which such forward-looking statement is made. New factors that could cause the business of Transaction Capital, or other matters to which such forward-looking statements relate, not to develop as expected may emerge from time to time and it is not possible to predict all of them.

Further, the extent to which any factor or combination of factors may cause actual results to differ materially from those contained in any forward-looking statement, are not known. Transaction Capital has no duty to, and does not intend to, update or revise the forward-looking statements contained in this Circular after the date of this Circular, except as may be required by South African law.

Any forward-looking statements have not been reviewed nor reported on by the external auditor of Transaction Capital.

#### **DATE OF INFORMATION PROVIDED**

Unless the context clearly indicates otherwise, all information provided in this Circular is provided as at the Last Practicable Date.

---

## ACTION REQUIRED BY SHAREHOLDERS

---

This entire Circular is important and requires your immediate attention. Please take careful note of the following provisions regarding the action required by Shareholders. If you are in any doubt as to what action to take, please consult your CSDP, Broker, banker, attorney, accountant or other professional advisor immediately.

If you have disposed of all of your Shares, please forward this Circular and the attached Form of Proxy (*grey*) to the purchaser of such Shares or to the CSDP, Broker, banker, attorney, accountant or other agent through whom the disposal was effected.

### GENERAL MEETING

**Shareholders are advised that the General Meeting will be held in electronic format only.**

Shareholders are invited to attend the General Meeting, convened in terms of the Notice of General Meeting, which will only be accessible through electronic participation, as permitted by the JSE Listings Requirements, the provisions of the Companies Act and Transaction Capital's MOI, at 10:30 on Friday, 15 March 2024 or at any other adjourned or postponed time determined in accordance with the provisions of the Companies Act and the JSE Listings Requirements, at which General Meeting, Shareholders will be requested to consider and, if deemed fit, to pass, with or without modification, the resolutions set out in the Notice of General Meeting.

Shareholders are to attend the General Meeting utilising the details set out in the "*Electronic attendance and participation*" section below.

### 1. ELECTRONIC ATTENDANCE AND PARTICIPATION

#### 1.1 Connecting to the General Meeting electronically

- 1.1.1 The General Meeting will be held at 10:30 on Friday, 15 March 2024. Transaction Capital has retained the services of Computershare to host the General Meeting on an interactive electronic platform, in order to facilitate electronic participation and voting by Shareholders.
- 1.1.2 In order to attend the General Meeting and participate electronically at the General Meeting Shareholders must pre-register with the Transfer Secretaries by either:
  - 1.1.2.1 registering online using the online registration portal at [www.meetnow.global/za](http://www.meetnow.global/za), by no later than 10:30 on Wednesday, 13 March 2024, for administrative reasons, in order for the Transfer Secretaries to arrange the participation of the Shareholder at the General Meeting and for the Transfer Secretaries to provide the Shareholder with the details as to how to access the General Meeting by means of electronic participation. Shareholders may still register online to participate in and/or vote electronically at the General Meeting after this date, provided, however, that for those Shareholders to participate in and/or vote electronically at the General Meeting those Shareholders must be verified and registered (as required in terms of section 63(1) of the Companies Act by uploading their relevant verification documentation) before the commencement of the General Meeting; or
  - 1.1.2.2 making a written application (on the Electronic Participation Form) to so participate, by completing and delivering the Electronic Participation Form to the Transfer Secretaries at Rosebank Towers, 15 Biermann Avenue, Rosebank, 2196, or posting it to Private Bag X9000, Saxonwold, 2132 (at the risk of the Shareholder), or sending it by email to [proxy@computershare.co.za](mailto:proxy@computershare.co.za), so as to be received by the Transfer Secretaries by no later than 10:30 on Wednesday, 13 March 2024, for administrative reasons, in order for the Transfer Secretaries to arrange such participation for the Shareholder and for the Transfer Secretaries to provide the Shareholder with the details as to how to access the General Meeting by means of electronic participation. Shareholders may still register/apply to participate in and/or vote electronically at the General Meeting after this date, provided, however, that for those Shareholders to participate in and/or vote electronically at the General Meeting those Shareholders must be verified and registered (as required in terms of section 63(1) of the Companies Act) before the commencement of the General Meeting.



- 1.1.3 Shareholders will thereafter be required to connect to the General Meeting through [www.meetnow.global/za](http://www.meetnow.global/za) and follow the relevant prompts. Shareholders are referred to the “Electronic Participation Meeting Guide” attached to the Notice of General Meeting for further instructions for electronic participation.
- 1.1.4 The Transfer Secretaries will by no later than 17:00 on Thursday, 14 March 2024 notify eligible Shareholders of the username and password through which eligible Shareholders can participate electronically in and/or vote at the General Meeting.
- 1.1.5 In person registration of General Meeting participants will not be permitted.
- 1.1.6 Shareholders will be liable for their own network charges in relation to electronic participation in and/or voting at the General Meeting. Any such charges will not be for the account of Transaction Capital and/or Computershare. None of Transaction Capital and/or Computershare can be held accountable in the case of loss of network connectivity or other network failure due to insufficient airtime or data, internet connectivity, internet bandwidth and/or power outages which prevent any such Shareholder from participating in and/or voting at the General Meeting.

## 1.2 **Electronic voting at the General Meeting**

- 1.2.1 Shareholders attending the General Meeting electronically will be able to speak, vote and participate in the General Meeting. Voting will be conducted by poll and Shareholders will be able to cast their vote electronically at the General Meeting.
- 1.2.2 For expediency, Shareholders are also encouraged to submit any questions to Transaction Capital’s Company Secretary prior to the General Meeting, by no later than 10:30, Wednesday, 13 March 2024, at [lisal@transactioncapital.co.za](mailto:lisal@transactioncapital.co.za). These questions will be addressed at the General Meeting.
- 1.2.3 All eligible Shareholders will be entitled to speak, vote and participate in the General Meeting and to vote (or abstain from voting) on the resolutions set out in the Notice of General Meeting.

## 2. **DEMATERIALIZED SHAREHOLDERS WHO ARE NOT OWN-NAME DEMATERIALIZED SHAREHOLDERS**

### 2.1 **Voting at the General Meeting**

- 2.1.1 Your Broker or CSDP should contact you to ascertain how you wish to cast your vote at the General Meeting and should thereafter cast your vote in accordance with your instructions.
- 2.1.2 If your Broker or CSDP has not contacted you, it is advisable for you to contact your Broker or CSDP and furnish them with your voting instructions.
- 2.1.3 If your Broker or CSDP does not obtain voting instructions from you, it will be obliged to vote in accordance with the instructions contained in the custody agreement concluded between you and your Broker or CSDP.
- 2.1.4 **You must not complete the attached Form of Proxy (grey).**

### 2.2 **Attendance and representation at the General Meeting**

- 2.2.1 In accordance with the custody agreement between you and your CSDP or Broker, you must advise your CSDP or Broker if you wish to:
  - 2.2.1.1 participate electronically, speak and vote at the General Meeting; or
  - 2.2.1.2 send a proxy to represent you at the General Meeting.

2.2.2 If you wish to electronically attend the General Meeting in person, your CSDP or Broker should then issue the necessary letter of representation to you for you or your proxy to participate electronically, speak and vote at the General Meeting. In order to attend the General Meeting electronically you must pre-register with the Transfer Secretaries by following the procedure set out in paragraph 1 above and submit the letter of representation to the Transfer Secretaries, as follows:

2.2.2.1 participants pre-registering to participate in the General Meeting using the online registration method, by uploading the letter of representation via the online registration portal; or

2.2.2.2 participants pre-registering to participate in the General Meeting by submitting the written application (the form of which is attached to the Notice of General Meeting), by submitting the letter of representation by post or by e-mail, as the case may be.

You must also connect to the General Meeting electronically, as explained in paragraph 1 above.

### 3. **CERTIFICATED SHAREHOLDERS AND OWN-NAME DEMATERIALISED SHAREHOLDERS**

#### 3.1 **Voting and attendance at the General Meeting**

3.1.1 You may electronically attend the General Meeting (as explained in paragraph 1) and may vote (or abstain from voting) at the General Meeting. If you wish to be classified as attending the meeting electronically in person, you must pre-register with the Transfer Secretaries by following the procedure set out in paragraph 1 above. You must also connect to the General Meeting electronically, as explained in paragraph 1 above.

3.1.2 Alternatively, you may appoint a proxy to represent you at the General Meeting by completing the attached Form of Proxy (*grey*) in accordance with the instructions contained therein and lodging it, posting it or sending it via e-mail to the Transfer Secretaries to be received by them preferably by no later than 10:30 on Wednesday, 13 March 2024, provided that any Form of Proxy not delivered to the Transfer Secretaries by this time may be emailed to the Transfer Secretaries (who will provide same to the chairman of the General Meeting) at any time before the appointed proxy exercises any Shareholder rights at the General Meeting. The details of the Transfer Secretaries are as set out below:

#### **Transfer Secretaries**

Computershare Investor Services Proprietary Limited  
Rosebank Towers  
15 Biermann Avenue  
Rosebank  
Johannesburg, 2196  
(Private Bag X9000, Saxonwold, 2132)  
Email: proxy@computershare.co.za

### 4. **IDENTIFICATION**

4.1 In terms of section 63(1) of the Companies Act, all General Meeting participants will be required to provide identification reasonably satisfactory to the Transfer Secretaries, as follows:

4.1.1 participants pre-registering to participate in the General Meeting using the online registration method, by uploading the relevant documentation via the online registration portal; or

4.1.2 participants pre-registering to participate in the General Meeting by submitting the written application (the form of which is attached to the Notice of General Meeting), by submitting the relevant documentation by post or by e-mail, as the case may be.

4.2 The Transfer Secretaries must be reasonably satisfied that the right of that person to attend, participate in and vote at the General Meeting as a Shareholder or a proxy or representative of a Shareholder, has been reasonably verified. Acceptable forms of identification include valid and original South African drivers' licenses, green barcoded identity documents or barcoded identification smart cards issued by the South African Department of Home Affairs and passports.

---

## SALIENT DATES AND TIMES

---

*The definitions and interpretations commencing on page 11 apply to this “Salient dates and times” section.*

---

**2024**

Record date for Shareholders to be recorded in the Register in order to receive this Circular	Friday, 9 February
Circular incorporating the Notice of General Meeting and Form of Proxy ( <i>grey</i> ), distributed to Shareholders on	Friday, 16 February
Announcement of distribution of Circular and notice convening the General Meeting published on SENS on	Friday, 16 February
Announcement of distribution of Circular and notice convening the General Meeting published in the South African press on	Monday, 19 February
Last day to trade in Transaction Capital Shares in order to be recorded in the Register to vote at the General Meeting on	Tuesday, 5 March
Record date for a Shareholder to be registered in the Register in order to be eligible to attend and participate in the General Meeting and to vote at the General Meeting, by close of trade on	Friday, 8 March
WBC Pre-Listing Statement published (subject to the approval of the JSE)	Tuesday, 12 March
For administrative reasons, Forms of Proxy ( <i>grey</i> ) in respect of the General Meeting to be lodged at the Transfer Secretaries by 10h30 on	Wednesday, 13 March
Forms of Proxy ( <i>grey</i> ) not lodged timeously with the Transfer Secretaries, to be emailed to the Transfer Secretaries (who will provide same to the chairman of the General Meeting) before the proxy exercises the rights of the Shareholder at the General Meeting on	Friday, 15 March
Last day for Shareholders to give notice to Transaction Capital objecting, in terms of section 164(3) of the Companies Act, to the Unbundling Resolution to be able to invoke Appraisal Rights by 10:30	Friday, 15 March
General Meeting held at 10:30 on	Friday, 15 March
Results of the General Meeting published on SENS on	Friday, 15 March
Results of the General Meeting published in the South African press on	Monday, 18 March
Implementation of the WeBuyCars Share Issue	Tuesday, 19 March

---

### **If the Unbundling is approved by Shareholders at the General Meeting:**

Last date on which Shareholders who voted against the Unbundling Resolution may require Transaction Capital to seek court approval in terms of section 115(3)(a) of the Companies Act, but only if the Unbundling Resolution was opposed by at least 15% of the voting rights exercised thereon	Monday, 25 March
Last date on which Shareholders who voted against the Unbundling Resolution may make application to the court in terms of section 115(3)(b) of the Companies Act for leave to apply for a review of the Unbundling	Wednesday, 3 April
Last date for Transaction Capital to send objecting Shareholders notice of the adoption of the Unbundling Resolution, in terms of section 164 of the Companies Act	Wednesday, 3 April

---

**Assuming that all the Unbundling Conditions are fulfilled or waived (to the extent legally permissible) and that neither court approvals nor the review of the Unbundling are required:**

Finalisation announcement in respect of the Unbundling (including the final Distribution Ratio) published on SENS on	Wednesday, 3 April
Finalisation announcement in respect of the Unbundling (including the final Distribution Ratio) published in the South African press on	Thursday, 4 April
Last day to trade Shares in order to be recorded in the Register to participate in the Unbundling on	Wednesday, 10 April
Shares trade <i>ex right</i> to the WBC Distribution Shares	Thursday, 11 April
Subject to the approval of the JSE, WBC Shares listed on the JSE and shares commence trading on	Thursday, 11 April
Announcement in respect of the apportionment of base costs in relation to the Unbundling for taxation purposes by 11:00 on	Friday, 12 April
Announcement in respect of the cash value of fractional entitlements applicable to the Unbundling by 11:00 on	Friday, 12 April
Unbundling Record Date	Monday, 15 April
Announcement on SENS of closing price of a WBC Share after markets close	Monday, 15 April
Unbundling Completion Date on which Shareholders will have their accounts at their CSDP or Broker updated to reflect the WBC Distribution Shares	Tuesday, 16 April

---

**Notes:**

1. The above dates and times are subject to amendment at the discretion of Transaction Capital, subject to the approval of the TRP and/or the JSE, if required. Any such amendment will be published on SENS.
2. Shareholders should note that as transactions in Transaction Capital Shares are settled in the electronic settlement system used by Strate, settlement of trades takes place 3 (three) Business Days after such trade. Therefore, Shareholders who acquire Transaction Capital Shares after close of trade on Tuesday, 5 March 2024 will not be eligible to attend, participate in and vote at the General Meeting and Shareholders who acquire Transaction Capital Shares after close of trade on Wednesday, 10 April 2024 will not be eligible to participate in the Unbundling.
3. Share certificates may not be Dematerialised or re-materialised between Thursday, 11 April 2024 and Monday, 15 April 2024, both days inclusive.
4. All times indicated above and elsewhere in this Circular are in South African Standard Time.
5. In terms of the Unbundling, Shareholders will receive the WBC Distribution Shares in Dematerialised form only, which WBC Distribution Shares will be listed on the JSE. Certificated Shareholders wishing to receive their WBC Distribution Shares in Dematerialised form and Shareholders wishing to materialise their WBC Distribution Shares following the implementation of the Unbundling, are referred to paragraph 3 of this Circular, which details the steps to be taken by them in this regard.

---

## DEFINITIONS AND INTERPRETATIONS

---

In this Circular, unless the context indicates otherwise, reference to the singular shall include the plural and *vice versa*, words denoting one gender include the others, words and expressions denoting natural persons include juristic persons and associations of persons and the words and expressions in the first column have the meanings stated opposite them in the second column.

“AI”	artificial intelligence;
“Appraisal Rights”	the rights afforded to Shareholders in terms of section 115 and section 164 of the Companies Act, in relation to the Unbundling Resolution;
“Authorised Dealer”	a person authorised by the Financial Surveillance Department to deal in foreign exchange;
“Board” or “Directors”	the board of directors of Transaction Capital from time to time, comprising, as at the Last Practicable Date, those persons whose names appear in the “ <i>Corporate Information</i> ” section of this Circular;
“Broker”	any person registered as a “broking member (equities)” in accordance with the provisions of the Financial Markets Act;
“Business Day”	any day, other than a Saturday, Sunday or public holiday in South Africa;
“Certificated Shares”	Transaction Capital Shares which are not Dematerialised, title to which is represented by a share certificate or other Document of Title;
“Certificated Shareholders”	Shareholders who hold Certificated Shares;
“CGT”	capital gains tax as levied in terms of the Eighth Schedule to the Income Tax Act;
“Circular”	this document to Shareholders, including all annexures hereto, dated Friday, 16 February 2024;
“Common Monetary Area”	the countries comprising South Africa, the Republic of Namibia and the Kingdoms of Eswatini and Lesotho;
“Companies Act”	the Companies Act, 2008 (Act No. 71 of 2008), as amended from time to time;
“Companies Regulations”	the Companies Regulations, 2011, promulgated under the Companies Act, as amended from time to time;
“Coronation”	Coronation Asset Management Proprietary Limited (Registration No. 1993/002807/07), a private company duly incorporated in accordance with the laws of the South Africa, the beneficial owners of which are Coronation Fund Managers Limited (100%), acting in a representative capacity on behalf of its underlying client portfolios;
“CSDP”	a central securities depository participant registered in terms of the Financial Markets Act with whom a beneficial holder of shares holds a Dematerialised share account;
“Dematerialisation”	the process by which securities held in certificated form are converted to or held in electronic form as uncertificated securities and recorded as such in a sub-register of security holders maintained by a CSDP, and “Dematerialised” shall bear the corresponding meaning;
“Dematerialised Shares”	Transaction Capital Shares which have been Dematerialised and incorporated into the Strate system and which are no longer evidenced by physical Documents of Title;
“Dematerialised Shareholders”	those Shareholders who hold Dematerialised Shares;

“Disqualified Shareholder”	<p>those Shareholders who hold at least 5% in Transaction Capital immediately prior to the Unbundling and which fall within one or more of the following categories of persons, as contemplated in section 46(7)(b) of the Income Tax Act:</p> <ul style="list-style-type: none"> <li>• a person that is not a resident of South Africa;</li> <li>• the Government of South Africa in the national, provincial or local sphere;</li> <li>• a public benefit organisation that has been approved by SARS;</li> <li>• a recreational club as defined in section 30A of the Income Tax Act that has been approved by SARS;</li> <li>• a rehabilitation trust or company;</li> <li>• a pension fund, pension preservation fund, provident fund, provident preservation fund or retirement annuity fund or any other fund defined in section 10(1)(d) of the Income Tax Act; and</li> <li>• certain institutions, bodies or boards that amongst others conduct scientific, technical and industrial research and are exempt in terms of sections 10(1)(cA) or (t) of the Income Tax Act;</li> </ul>
“Dissenting Shareholder”	a Shareholder who timeously delivers written notice of objection in terms of the Companies Act to Transaction Capital in relation to the Unbundling Resolution and who votes against the Unbundling Resolution;
“Distribution Ratio”	the ratio which will be not less than 0.30241 WBC Shares for every 1 Transaction Capital Share held by a Shareholder on the Unbundling Record Date (following the subdivision referred to in paragraph 3.3.3), subject to the adjustments as set out in paragraph 3.4 of this Circular;
“Documents of Title”	share certificates, certified transfer deeds, balance receipts or any other documents of title to Certificated Shares acceptable to Transaction Capital;
“Electronic Participation Form”	the electronic participation form attached to the Notice of General Meeting;
“Exchange Control Regulations”	the South African Exchange Control Regulations, 1961, promulgated in terms of the South African Currency and Exchanges Act, 1933 (Act No. 9 of 1933), as amended from time to time;
“Financial Markets Act”	the Financial Markets Act, 2012 (Act No. 19 of 2012), as amended from time-to-time;
“Financial Surveillance Department”	the Financial Surveillance Department of the South African Reserve Bank;
“Foreign Excluded Shareholders”	any Foreign Shareholders to whom the distribution of the WBC Distribution Shares by Transaction Capital would or may infringe the laws of their jurisdiction, or would require Transaction Capital to comply with any governmental or other consent or any registration, filing or other formality with which Transaction Capital has not complied;
“Foreign Shareholders”	Shareholders that are registered in a jurisdiction outside of South Africa, or who are resident, domiciled or located in a jurisdiction other than South Africa;
“Form of Proxy”	for purposes of the General Meeting, the form of proxy ( <i>grey</i> ) for use only by Certificated Shareholders and Own-Name Dematerialised Shareholders;
“General Meeting”	the general meeting of Shareholders to be held in electronic format only at 10:30 on Friday, 15 March 2024, convened in terms of the Notice of General Meeting, together with any reconvened general meeting held as a result of the adjournment or postponement of that general meeting;

“GoBid”	Gobid Proprietary Limited (Registration No. 2018/617711/07), a private company incorporated under the laws of South Africa;
“Gomo”	Gomo Vehicle Solutions Holdings Proprietary Limited (Registration No. 2021/868112/07), a private company incorporated under the laws of South Africa, a wholly-owned subsidiary of Transaction Capital;
“Holding Company”	a “holding company” as defined in the Companies Act;
“Income Tax Act”	the Income Tax Act, 1962 (Act No. 58 of 1962), as amended from time to time;
“Independent Board”	collectively, Albertinah Kekana, Christopher Seabrooke, Ian Kirk and Diane Radley, being those independent non-executive Directors who have been appointed as the independent committee of the Board for purposes of the Companies Act and the Companies Regulations;
“Independent Expert”	BDO Corporate Finance Proprietary Limited (Registration No. 1983/002903/07), further particulars of which appear in the “ <i>Corporate Information</i> ” section of the Circular;
“Independent Expert’s Report”	the fair and reasonable opinion of the Independent Expert on the Unbundling and the WeBuyCars Share Issue, prepared in terms of regulation 90(1)(a) and regulation 90(2) (as read with section 114(2) and section 114(3) of the Companies Act and regulations 90 and 110 of the Companies Regulations and the JSE Listings Requirements, attached hereto as <b>Annexure 1</b> ;
“Independent Reporting Accountant”	Deloitte & Touche (practice number 902276), further particulars of which appear in the “ <i>Corporate Information</i> ” section of the Circular, being the external auditor and independent reporting accountant of Transaction Capital
“IFRS”	International Financial Reporting Standards as published by the International Accounting Standards Board from time to time;
“I VDW Holdings”	I VDW Holdings Proprietary Limited (Registration No. 2020/649884/07), a private company incorporated in accordance with the laws of South Africa; the beneficial owners of which are I Faan Proprietary Limited (50%) and I Dirk Proprietary Limited (50%);
“JSE”	JSE Limited (Registration No. 2005/022939/06), a public company incorporated under the laws of South Africa and which is licensed as an exchange in terms of the Financial Markets Act;
“JSE Listings Requirements”	the Listings Requirements of the JSE;
“Last Practicable Date”	the last practicable date before finalisation of this Circular, which date was Friday, 9 February 2024;
“Listing”	the contemporaneous listing of all of the WBC Shares on the Main Board of the JSE, the further terms and conditions of which will be set out in the Pre-Listing Statement (subject to the approval of the JSE);
“MOI”	memorandum of incorporation;
“Notice of General Meeting”	the notice of the General Meeting of Shareholders, forming part of this Circular;
“Nutun”	Nutun Holdings Proprietary Limited (Registration No. 2016/399014/07), a private company incorporated under the laws of South Africa, a wholly-owned subsidiary of Transaction Capital;
“Own-Name Dematerialised Shareholders”	Shareholders who hold Dematerialised Shares and are recorded by the CSDP in the sub-register kept by that CSDP in the name of such Shareholder;

“PIC”	the Government Employees Pension Fund, which is administered by the Public Investment Corporation SOC Limited, a state-owned company incorporated under the laws of South Africa;
“Private Placement of WBC Shares”	the anticipated sale of WBC Shares by each of Transaction Capital (once it becomes a shareholder of WeBuyCars following the distribution <i>in specie</i> of the WBC Shares held by TCMH to Transaction Capital) and I VDW Holdings prior to the Listing, pursuant to which Transaction Capital will receive approximately R140 million of the proceeds realised from the Sale of Shares;
“Pre-Listing Capital Raise”	a proposed pre-Listing bookbuild involving the issue of WBC Shares up to an aggregate amount of R750 million;
“Pre-Listing Statement”	the pre-listing statement of WBC to be published in terms of section 6 of the JSE Listings Requirements on or about Tuesday, 12 March 2024 (subject to the approval of the JSE);
“Purchasers”	the purchasers under the Sale Agreement, being Stockdale Street Investment Partnership V and Ellvest Proprietary Limited both of which are not related parties of Transaction Capital;
“Put Option Liability”	refers to the put options in respect of WBC Shares, the terms and conditions of which were announced on SENS on 22 September 2021 and 7 September 2023;
“Register”	the register of Certificated Shareholders maintained by the Transfer Secretaries and the sub-register of Dematerialised Shareholders maintained by the relevant CSDPs;
“Repurchase Unwind”	has the meaning ascribed to it in paragraph 5.6 of the Circular;
“Sale Agreement”	the written sale agreement concluded between the Purchasers, Transaction Capital, I VDW Holdings and WeBuyCars on 12 February 2024, in terms whereof, <i>inter alia</i> , the Purchasers will, subject to the fulfilment (or waiver where legally permissible) of certain suspensive conditions, acquire the Sale Shares for the Sale Price, on the further terms and conditions set out therein;
“Sale Price”	the aggregate purchase price payable for the Sale Shares by the Purchasers, being R500 million, of which R140.75 million will be attributable to Transaction Capital for the disposal by Transaction Capital of 65 541 WBC Shares, representing 2.09% of the issued WBC Shares (taking into account the issue of WBC Shares in terms of the scrip dividend referred to paragraph 4.4 below and the WeBuyCars Share Issue, but prior to the issue of WBC Shares in terms of the proposed Pre-Listing Capital Raise);
“Sale Shares”	282 828 WeBuyCars shares of which Transaction Capital will dispose of 65 541 WBC Shares, with the remainder of the Shares being disposed of by I VDW Holdings, in terms of the Sale Agreement;
“Sale of Shares”	the sale of the Sale Shares by Transaction Capital and I VDW Holdings to the Purchasers in terms of the Sale Agreement;
“SANTACO”	South African National Taxi Council;
“SARS”	the South African Revenue Services;
“SA Taxi”	SA Taxi Holdings Proprietary Limited (Registration No. 2004/001531/07), a private company incorporated under the laws of South Africa, being a subsidiary of Transaction Capital held as to 75%;
“SA Taxi Protect”	Mobalyz Risk Services Proprietary Limited (Registration No. 2005/044258/07), a private company incorporated under the laws of South Africa, a wholly-owned subsidiary of SA Taxi;



“Section 112 Disposal”	a disposal by a company of all or the greater part of its assets or undertaking as contemplated in section 112 of the Companies Act;
“SENS”	the Stock Exchange News Service of the JSE;
“Shareholders” or “Transaction Capital Shareholders”	registered holders of Transaction Capital Shares;
“Shares” or “Transaction Capital Shares”	no par value ordinary shares in the Company’s share capital;
“SOTP”	sum-of-the-parts;
“South Africa”	the Republic of South Africa;
“Strate”	Strate Proprietary Limited (Registration No. 1998/022242/07), a private company incorporated under the laws of South Africa, being a licensed central securities depository in terms of section 1 of the Financial Markets Act and the entity that manages the electronic custody, clearing and settlement environment for all share transactions concluded on the JSE and off-market, and in terms of which transactions in securities are settled and transfers of ownership in securities are recorded electronically;
“STT”	securities transfer tax levied under the STT Act;
“STT Act”	the Securities Transfer Tax Act, 2007 (Act No. 25 of 2007), as amended from time to time;
“Subscription Agreement”	the written subscription agreement concluded between Transaction Capital, Coronation, TCMH, I VDW Holdings and WeBuyCars on 12 February 2024, in terms of which, <i>inter alia</i> , Coronation, subject to the fulfilment of certain suspensive conditions, will subscribe for the Subscription Shares for the Subscription Price, subject to the further terms and conditions set out therein;
“Subscription Shares”	the 353 898 WBC Shares, constituting approximately 11.3% of the issued share capital of WeBuyCars as at the signature date of the Subscription Agreement (after taking into account the issue of additional WBC Shares in terms of the scrip dividend referred to paragraph 4.4 below);
“Subscription Price”	a subscription price of R760 000 000 payable by Coronation to WeBuyCars for the Subscription Shares;
“Subsidiary”	a “subsidiary” as defined in the Companies Act;
“the Group”	Transaction Capital and its Subsidiaries;
“TCMH”	Transaction Capital Motor Holdco Proprietary Limited (Registration No. 2020/640476/07), a private company incorporated under the laws of South Africa, a wholly-owned subsidiary of Transaction Capital and whom, as at the Last Practicable Date, is the registered holder of such number of WBC Shares as is equal to 74.9% of the issued WBC Shares, and which WBC Shares shall be distributed, <i>in specie</i> , to Transaction Capital, prior to the implementation of the Unbundling;
“Transaction Capital” or “the Company”	Transaction Capital Limited (Registration No. 2002/031730/06), a public company incorporated under the laws of South Africa, the Shares of which are listed on the JSE;
“TransCapital Investments”	TransCapital Investments Limited (Registration No. 2016/130129/06), a public company incorporated under the laws of South Africa;
“Transfer Secretaries” or “Computershare”	Computershare Investor Services Proprietary Limited (Registration No. 2004/003647/07), a private company incorporated under the laws of South Africa, the particulars of which are set out in the “ <i>Corporate Information</i> ” section of this Circular, being the transfer secretaries of Transaction Capital;

“TRP”	the Takeover Regulation Panel established in terms of section 196 of the Companies Act;
“UK”	the United Kingdom of Great Britain and Northern Ireland;
“Unbundling”	the proposed distribution <i>in specie</i> by Transaction Capital of the WBC Distribution Shares to its Shareholders in the Distribution Ratio and <i>pro rata</i> to their respective shareholdings in Transaction Capital, as detailed in paragraph 3 of this Circular;
“Unbundling Completion Date”	the date, which is anticipated to be Tuesday, 16 April 2024, on which the Unbundling will be completed and the WBC Distribution Shares will be acquired by the Shareholders, registered as such on the Unbundling Record Date;
“Unbundling Conditions”	the suspensive conditions to the Unbundling, as set out in paragraph 3.7 of this Circular;
“Unbundling Record Date”	the date on which a Shareholder must be registered in the Register in order to be eligible to participate in the Unbundling, which is anticipated as being Monday, 15 April 2024;
“Unbundling Resolution”	the special resolution required to be passed in terms of section 112 and section 115(2)(a) of the Companies Act in relation to the Unbundling;
“US”	the United States of America;
“US Securities Act”	the US Securities Act of 1933, as amended from time to time;
“WeBuyCars”	WBC Holdings Proprietary Limited (Registration No. 2020/632225/07), a private company incorporated under the laws of South Africa, which is in the process of being converted to a public company and changing its name to WeBuyCars Holdings Limited, currently being a subsidiary of TCMH and an indirect subsidiary of Transaction Capital held as to 74.9% as at the Last Practicable Date. The remaining 25.1% of the WBC Shares are held by IVDW Holdings as at the Last Practicable Date;
“WBC Distribution Shares”	all of the ordinary no par value shares held by Transaction Capital in WeBuyCars as at the Unbundling Record Date, anticipated to comprise not less than 57.5% of the total issued share capital of WeBuyCars, that will be distributed by Transaction Capital to Shareholders in terms of the Unbundling, should the Unbundling Conditions be fulfilled (or, where permissible, waived) and the Unbundling be implemented and which will be contemporaneously listed on the Main Board of the JSE pursuant to the Listing (subject to the approval of the JSE), subject to the adjustment on the basis set out in paragraph 3.4 of this Circular;
“WeBuyCars Share Issue”	the issue of the Subscription Shares to Coronation in terms of the Subscription Agreement, on the further terms and conditions set out in paragraph 5 of this Circular;
“WBC Shares”	all of the ordinary no par value shares in the issued share capital of WeBuyCars from time to time, being 2 071 797 ordinary shares as at the Last Practicable Date which will be subdivided prior to Listing. All references in this Circular to WBC Shares refers to WBC Shares in issue prior to subdivision, unless otherwise stated;
“Wholly-Owned Subsidiary”	a “wholly owned subsidiary” as defined in the Companies Act;
“ZAR” or “Rand” or “R”	South African Rand, the official currency of South Africa; and
“Zephyr Finance”	Zephyr Finance (RF) Proprietary Limited (Registration No. 2022/494658/07), a private company incorporated under the laws of South Africa.



## 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")

---

### Directors:

Ian Kirk (Chairman)\*  
Jonathan Jawno (Chief executive officer)  
Sahil Samjowan (Chief financial officer)  
Mark Herskovits (Chief investment officer)  
Michael Mendelowitz  
Roberto Rossi  
Suresh Kana (Lead independent director)\*  
Christopher Seabrooke\*  
Buhle Hanise\*  
Albertinah Kekana\*  
Kuben Pillay\*  
Diane Radley\*  
Sharon Wapnick\*

\* Independent non-executive Directors

---

## CIRCULAR TO SHAREHOLDERS

### 1. INTRODUCTION AND PURPOSE OF THIS CIRCULAR

- 1.1 Shareholders are referred to the announcement by Transaction Capital on SENS on Tuesday, 5 December 2023, advising shareholders that the Board was in the process of investigating, and considering, the potential unbundling of some or all of Transaction Capital's shareholding in WeBuyCars. Shareholders are referred further to the announcement by Transaction Capital on SENS on Tuesday, 13 February 2024 advising Shareholders, *inter alia*, that subject to the fulfilment (or where permissible, waiver) of the Unbundling Conditions, Transaction Capital intends to distribute the WBC Distribution Shares to Transaction Capital Shareholders by way of a *pro rata* distribution *in specie*, in the ratio of not less than 0.30241 WBC Shares for every 1 Transaction Capital Share held on the Unbundling Record Date. The remaining 25.1% of the issued WBC Shares held by I VDW Holdings as at the Last Practicable Date.
- 1.2 WeBuyCars was unlisted as at the Last Practicable Date, however all the WBC Shares will be listed on the Main Board of the JSE contemporaneously with the Unbundling of the WBC Distribution Shares to Transaction Capital Shareholders. Accordingly, in terms of paragraph 5.85 of the JSE Listings Requirements, the Unbundling will not require the approval of Shareholders in terms of the JSE Listings Requirements. However, as the Unbundling constitutes a Section 112 Disposal by Transaction Capital, it will require the approval of Shareholders by way of a special resolution, in compliance with the provisions of section 115(2)(a) of the Companies Act.
- 1.3 In addition, WeBuyCars, Transaction Capital and I VDW Holdings have considered various capital raising initiatives including the WeBuyCars Share Issue, the Private Placement of WBC Shares and a proposed Pre-Listing Capital Raise, the further details of which are set out in this Circular. The WeBuyCars Share Issue and the proposed Pre-Listing Capital Raise will enable WeBuyCars to make distributions to its shareholders, (which we be Transaction Capital once TCMH distributes, *in specie*, its WBC Shares to Transaction Capital, and I VDW Holdings (as more fully described in paragraph 4), to facilitate value realisation. The Private Placement of WBC Shares will also unlock value for Transaction Capital through the proceeds received from the sale.

- 1.4 The WeBuyCars Share Issue constitutes a transaction as contemplated in paragraph 3.35 of the JSE Listings Requirements given that WeBuyCars is a Subsidiary of Transaction Capital, held as to 74.9%. Coronation is a material shareholder of Transaction Capital given that it holds in excess of 10% of the Shares of Transaction Capital, on behalf of its underlying clients. Accordingly, the WeBuyCars Share Issue constitutes a category 2 related party transaction as contemplated in section 10 of the JSE Listings Requirements, which requires, *inter alia*, approval of the Shareholders.
- 1.5 The WeBuyCars Share Issue and the Private Placement of WBC Shares have been pursued with the respective parties at an early stage to provide certainty to all relevant stakeholders of the group, including Shareholders and funders, that sufficient capital will be raised and placed to underpin the Listing process.
- 1.6 The proceeds from the various capital raising initiatives will be utilised by Transaction Capital for the purposes set out in this Circular including the settlement of debt at holding company level.
- 1.7 The realisation of value by IVDW Holdings, alongside the Listing and Unbundling, will eliminate the contingent Put Option Liability of the Group. The existing shareholders agreement in place between, *inter alios*, WeBuyCars and its current shareholders will also terminate prior to Listing.
- 1.8 The Independent Expert has prepared the Independent Expert's Report in respect of the Unbundling and the WeBuyCars Share Issue, which is annexed to the Circular as **Annexure 1**.
- 1.9 The purpose of this Circular is to:
  - 1.9.1 provide Shareholders with the relevant information relating to the WeBuyCars Share Issue and the Unbundling to enable Shareholders to make an informed decision in respect of the resolutions set out in the Notice of General Meeting; and
  - 1.9.2 convene the General Meeting to consider and, if deemed fit, approve the resolutions authorising the Unbundling.

## 2. RATIONALE FOR THE UNBUNDLING

- 2.1 Transaction Capital owns majority stakes in 3 (three) underlying businesses: Mobalyz (SA Taxi and Gomo), WeBuyCars and Nutun. Given SA Taxi's disappointing performance in 2023 and the negative impact this had on the broader Transaction Capital group, Transaction Capital has undertaken to focus on unlocking shareholder value from its existing portfolio of companies.
- 2.2 It is noteworthy that as part of the value unlock initiatives, Transaction Capital aims to achieve the following at holding company level:
  - 2.2.1 significantly reduce debt and thereby remove the cross-default triggers currently in place; and
  - 2.2.2 cancel the contingent Put Option Liability of the group on the basis set out in paragraph 4.15 below.
- 2.3 WeBuyCars is uniquely positioned in South Africa's second-hand vehicle market and has great potential for growth. In FY2023, the company met its key performance metrics, including an increase in sales volume and an increase in market share. Although earnings were down in the first half of the year, there was a strong recovery in the second half, and this positive momentum has continued into the 2024 financial year despite market challenges. If the Unbundling is implemented, Shareholders will have direct access to a market leading asset. WeBuyCars stands out from other players in the local motor industry because of its proprietary artificial intelligence, data and analytics capabilities, which optimise the vehicle buying and selling process, and a prominent national footprint with 15 (fifteen) vehicle supermarkets augmented by 74 (seventy-four) buying pods. The listing of WeBuyCars, if implemented, will be founder led together with their experienced and longstanding management team.
- 2.4 For the reasons set out above, and having regard to, *inter alia*, the Independent Expert Report and the recommendations of the Independent Board, the Board believes that the Unbundling the WeBuyCars Share Issue, the Private Placement of WBC Shares and the proposed Pre-Listing Capital Raise are in the best interests of Shareholders, enabling an unlock of shareholder value. Furthermore, the aforesaid steps will allow for the settling of debt at the holding company level, as detailed further in this Circular.

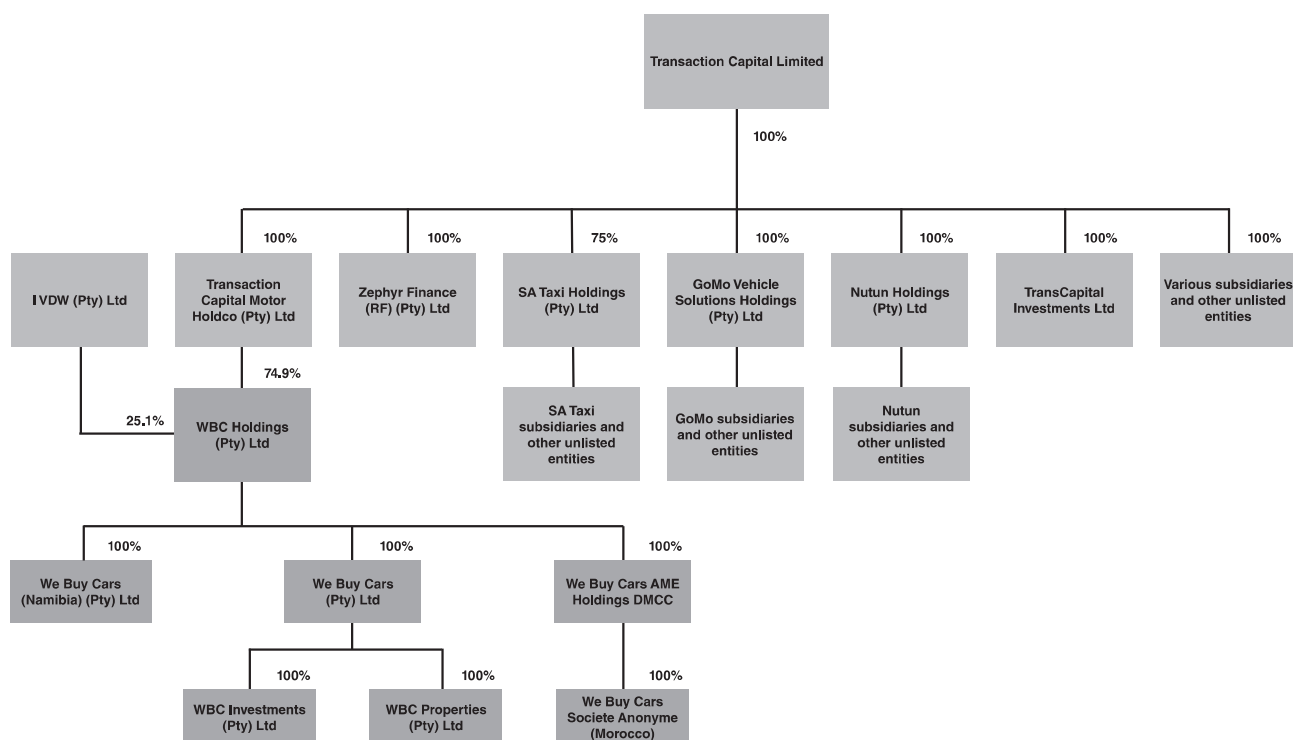
### 3. TERMS OF THE UNBUNDLING

#### 3.1 Overview

- 3.1.1 In terms of the Unbundling, following the internal restructuring described in paragraph 3.3 below, Transaction Capital will, subject to the fulfilment or waiver (to the extent legally permissible) of the Unbundling Conditions, unbundle the WBC Distribution Shares to Transaction Capital Shareholders, by way of a *pro rata* distribution *in specie* in terms of section 46 of the Companies Act and in accordance with section 46 of the Income Tax Act, and the WBC Shares will be contemporaneously listed on the Main Board of the JSE.
- 3.1.2 The Unbundling will be implemented based on the Distribution Ratio of not less than 0.30241 WBC Shares for every 1 Transaction Capital Share held on the Unbundling Record Date.
- 3.1.3 The Unbundling will result in Transaction Capital Shareholders holding a direct interest in WeBuyCars in the listed environment, rather than holding an indirect unlisted interest through Transaction Capital.
- 3.1.4 Transaction Capital will distribute all the WBC Shares which it holds on the Unbundling Record Date and, accordingly, Transaction Capital will not hold any further WBC Shares following the Unbundling.

#### 3.2 Corporate structure of Transaction Capital (as at the Last Practicable Date)

The simplified corporate structure of Transaction Capital and WeBuyCars prior to the Unbundling is set out below:



#### 3.3 Internal Restructuring

- 3.3.1 Transaction Capital is undertaking steps to reorganise its shareholding in WeBuyCars in preparation for and to facilitate implementation of the Listing and Unbundling, based on the assumption that Transaction Capital holds not less than 57.5% of the WBC Shares as at the Unbundling Record Date.
- 3.3.2 As Transaction Capital's 74.9% interest in WeBuyCars is currently held by TCMH (a wholly-owned subsidiary of Transaction Capital), TCMH will distribute of all the WBC Shares which it holds to Transaction Capital by way of a distribution *in specie* in terms of section 46 of the Companies Act and in accordance with section 46 of the Income Tax Act prior to the Unbundling. This unbundling will qualify for tax rollover relief as envisaged in section 46 of the Income Tax Act and will not trigger any tax consequences for TCMH and/or Transaction Capital.

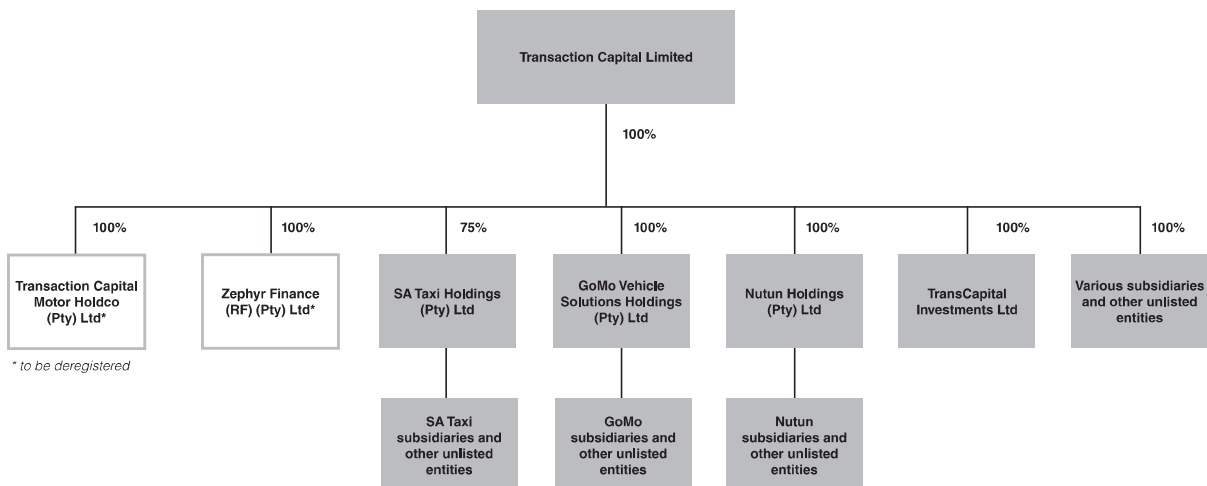
- 3.3.3 The WBC Shares in issue as at the Last Practicable Date will be subdivided into approximately 412 500 000 ordinary no par value shares prior to the Listing, to ensure compliance by WeBuyCars with the criteria for listing in terms of the JSE Listings Requirements.
- 3.3.4 The internal restructuring has been accounted for in the *pro forma* financial information in **Annexure 6**, with further details appearing in the notes thereto.

**3.4 Adjustment to the Distribution Ratio**

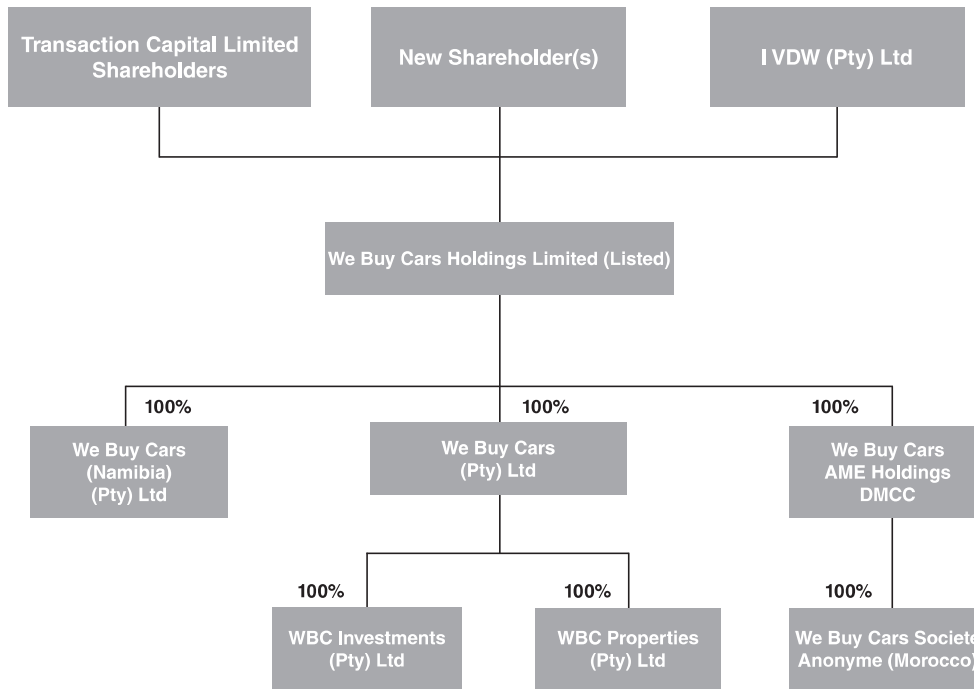
- 3.4.1 As set out in paragraph 4 of this Circular, WeBuyCars, Transaction Capital and IVDW Holdings are considering various capital raising initiatives to be concluded prior to the Unbundling Record Date. It is anticipated that as a result of such capital raising initiatives, Transaction Capital's shareholding in WeBuyCars will reduce prior to Listing. Accordingly, although Transaction Capital holds 74.9% of the issued share capital of WeBuyCars as at the Last Practicable Date, it is anticipated that Transaction Capital's holding in WeBuyCars will reduce to approximately between 57.5% to 67.5% prior to Unbundling and Listing. The current shareholding of IVDW Holdings in WeBuyCars will also be reduced from 25.1% to not less than approximately 10% of the issued share capital of WeBuyCars prior to Listing and Unbundling.
- 3.4.2 Accordingly, the Distribution Ratio may increase to above the aforesaid minimum Distribution Ratio based on the extent of the capital raising initiatives implemented by WeBuyCars and/or Transaction Capital prior to Listing and Unbundling. As at the Last Practicable Date, the minimum Distribution Ratio will be 0.30241 WBC Shares for every 1 Transaction Capital Share held by a Transaction Capital Shareholder on the Unbundling Record Date, based on the assumption that Transaction Capital holds not less than 57.5% of the WBC Shares as at the Unbundling Record Date.
- 3.4.3 Accordingly, the Distribution Ratio may increase to above the minimum Distribution Ratio depending on Transaction Capital's shareholding in WeBuyCars immediately prior to the Unbundling Record Date.
- 3.4.4 Transaction Capital will release update announcements timeously should any of the aforesaid capital raising initiatives be implemented. In addition, Transaction Capital will announce the final Distribution Ratio on Wednesday, 3 April 2024.

**3.5 Corporate Structure of Transaction Capital and WeBuyCars post the Unbundling**

**TRANSACTION CAPITAL GROUP**



## WEBUYCARS LISTED GROUP



### 3.6 Theoretical value unlock of the Unbundling

The Unbundling could theoretically unlock value for Transaction Capital Shareholders for the reasons set out below:

3.6.1 The Transaction Capital 30-day volume weighted average traded share price (“**30-Day VWAP**”) up to and including Tuesday, 30 January 2024, being the final trading day preceding the publication of the cautionary announcement in respect of the Unbundling by Transaction Capital on SENS, amounted to R7.52 (“**Transaction Capital VWAP Price**”). When compared to the “*most likely*” SOTP value of approximately R11.86 per Transaction Capital Share based on the valuation of the Independent Expert, the Transaction Capital VWAP Price represented a discount of approximately R4.34, or 36.60%, per Transaction Capital Share.

3.6.2 The Unbundling could theoretically unlock value for Shareholders given that the Unbundling will result in Transaction Capital Shareholders holding the WBC Distribution Shares directly, which will assist in eliminating the current discount applied to the WBC Distribution Shares amalgamated in the SOTP value of Transaction Capital.

### 3.7 Unbundling Conditions

3.7.1 Subject to the provisions of paragraph 3.7.2, the Unbundling is subject to the fulfilment of the following suspensive conditions (“**Unbundling Conditions**”), namely that –

3.7.1.1 by no later than Thursday, 28 March 2024:

3.7.1.1.1 the requisite majority of Shareholders pass the Unbundling Resolution approving the Unbundling, in term of section 112 of the Companies Act (read with section 115 of the Companies Act);

3.7.1.1.2 to the extent required in terms of section 115(2)(a) of the Companies Act, the court approves the implementation of the Unbundling Resolution;

3.7.1.1.3 if any person who voted against the Unbundling Resolution, applies to court for a review of the Unbundling Resolution in terms of section 115(3)(b) of the Companies Act, either:

3.7.1.1.3.1 leave to apply to court for any such review is refused; or

3.7.1.1.3.2 if leave is so granted, the court refuses to set aside the Unbundling Resolution;

- 3.7.1.1.4 no Transaction Capital Shareholders deliver a written notice objecting to the Unbundling Resolution on or before the time the Unbundling Resolution is to be voted on, as contemplated in section 164(3) of the Companies Act, or, if such an objection notice has been duly delivered, Transaction Capital has waived the fulfilment of this condition on or before the date set out in paragraph 3.7.1.1 above (read with the provisions of paragraph 3.7.2 below);
  - 3.7.1.1.5 the JSE approves the Listing of the WBC Shares on the Main Board of the JSE;
  - 3.7.1.1.6 the Financial Surveillance Department approves the Unbundling on terms and conditions acceptable to Transaction Capital;
  - 3.7.1.1.7 to the extent applicable, all consents, waivers and approvals are obtained from any third party for the Unbundling and the Listing, including, *inter alia*, from any other regulatory authority, third party funders of the Group and the shareholders of WeBuyCars;
  - 3.7.1.1.8 within 10 (ten) Business Days following the General Meeting, Disqualified Shareholders do not hold more than 15% in aggregate of Transaction Capital Shares in issue;
  - 3.7.1.1.9 the internal restructure described above becomes unconditional and is implemented in accordance with its terms;
  - 3.7.1.1.10 the implementation of the WeBuyCars Share Issue in accordance with the terms of the Subscription Agreement; and
  - 3.7.1.1.11 Transaction Capital realising value of not less than between approximately R900 million and R1.25 billion, by way of: (i) a Private Placement of WBC Shares; (ii) proceeds realised from the pre-Listing Capital Raise; and/or (iii) other capital raising initiatives.
- 3.7.2 The Unbundling Conditions in:
- 3.7.2.1 paragraphs 3.7.1.1.4, 3.7.1.1.8, 3.7.1.1.10 and 3.7.1.1.11 have been inserted for the benefit of Transaction Capital, which will be entitled, in its sole discretion, to waive fulfilment of such suspensive conditions, in whole or in part; and
  - 3.7.2.2 the remainder of the Unbundling Conditions cannot be waived.
- 3.7.3 Transaction Capital may in its sole and absolute discretion and at any time and subject to the approval of the JSE and TRP (if applicable), extend the date for fulfilment of the Unbundling Conditions or, to the extent legally permissible, waive, wholly or in part, any of the Unbundling Conditions.

### 3.8 Fractional Entitlements

- 3.8.1 Where a Shareholder's entitlement to the WBC Distribution Shares in terms of the Unbundling, calculated in accordance with the Distribution Ratio, gives rise to a fraction of a WBC Distribution Share, such fraction will be rounded down to the nearest whole number, resulting in allocations of whole WBC Distribution Shares and a cash payment for the fraction to Shareholders. The fractional entitlements will be delivered in aggregate to each CSDP and they will be responsible for the payment of the cash fractional payment to Shareholders, which will be funded through the disposal of the fractional entitlements on the market. In accordance with the JSE Listings Requirements, the weighted average traded price, or an approximate price in the absence of trading, for a WBC Distribution Share on the last day to trade, being Wednesday, 10 April 2024 plus one Business Day less 10% will be used to calculate the cash value in respect of the respective fractions of WBC Distribution Shares to be paid to the applicable Shareholders. The cash value applicable to fractions of WBC Distributions Shares will be announced on SENS on Friday, 12 April 2024. Certificated Shareholders whose bank account details are not held by the Transfer Secretaries, are requested to provide such details to the Transfer Secretaries to enable payment of the cash amount due for the aforementioned fraction of a WBC Distribution



Share. Should no details be on record, the funds will be held by the Company in trust until such time as the details have been provided and the cash fraction will thereafter be paid to the Shareholder upon its request without interest, provided that (in accordance with the provisions of Transaction Capital's MOI) such funds shall be held by the Company in trust until lawfully claimed by such Shareholder, or until the Shareholder's claim to such funds has prescribed in terms of the applicable laws of prescription.

- 3.8.2 The TRP has exempted Transaction Capital from complying with Regulations 111(4) and (5) of the Companies Regulations in respect of the payment of cash entitlements in respect of any fractional entitlements of Shareholders pursuant to the Unbundling.

### 3.9 The implementation date of the Unbundling

The Unbundling will be implemented after the Unbundling Conditions are fulfilled or waived (to the extent permissible), as the case may be, on the Unbundling Completion Date, which is anticipated to be Tuesday, 16 April 2024.

### 3.10 Classification of the Unbundling

As the WBC Shares will be listed on the Main Board of the JSE (subject to the approval of the JSE) on the implementation of the Unbundling, in terms of paragraph 5.85 of the JSE Listings Requirements the Unbundling will not require the approval of Shareholders in terms of the JSE Listings Requirements. The Unbundling, however, constitutes the disposal of the greater part of the assets or undertaking of Transaction Capital in terms of section 112 of the Companies Act and therefore requires the approval of the TRP and the approval of Shareholders by way of a special resolution, in terms of the provisions of section 115 of the Companies Act.

### 3.11 Shareholders' Appraisal Rights

- 3.11.1 In terms of section 164 of the Companies Act, Shareholders who are entitled to vote on the Unbundling Resolution in the notice of General Meeting, are advised of their Appraisal Rights. Shareholders are referred to section 164 of the Companies Act, a copy of which is set out in **Annexure 2** of this Circular.
- 3.11.2 Shareholders are advised that if there are any objections to the Unbundling, the Unbundling may fail as this will result in the Unbundling Condition stipulated in paragraph 3.7.1.1.4, not being met.
- 3.11.3 Before exercising their Appraisal Rights under section 164 of the Companies Act, in relation to the Unbundling, all Shareholders should have regard to:
- 3.11.3.1 section 164(9) of the Companies Act in terms of which upon sending the demand and thus exercising their Appraisal Rights, a Dissenting Shareholder shall have no further rights in respect of their Shares (including the right to participate in the Unbundling) (although if they subsequently withdraw their demand prior to a fair value offer being made by Transaction Capital, their Shareholder rights will be reinstated);
  - 3.11.3.2 the Independent Expert's Report set out in **Annexure 1** to this Circular, which concludes that the Unbundling is fair and reasonable to Shareholders, as each of these terms is defined in the Companies Act;
  - 3.11.3.3 the tax consequences of exercising their Appraisal Rights, which in the case of Shareholders resident in South Africa is outlined in **Annexure 4** to this Circular; and
  - 3.11.3.4 the fact that the court is empowered to grant a costs order in favour of, or against, a Dissenting Shareholder.

### 3.12 Implementation of the Unbundling

- 3.12.1 In terms of the Unbundling, Shareholders will receive the WBC Distribution Shares in Dematerialised form only.
- 3.12.2 Accordingly, all Certificated Shareholders wishing to receive their WBC Distribution Shares in Dematerialised form must appoint a CSDP under the terms of the Financial Markets Act, directly or through a Broker, to receive the WBC Distribution Shares on their behalf.
- 3.12.3 Should a Certificated Shareholder not appoint a CSDP under the terms of the Financial Markets Act, directly or through a Broker, to receive the WBC Distribution Shares on its behalf, such Shareholder will be issued with a statement of allocation, reflecting its WBC Distribution Shares, by the Transfer Secretaries. Such Shareholders can thereafter instruct the Transfer Secretaries to transfer their WBC Distribution Shares, represented by the statement of allocation, to their appointed CSDP or can instruct the Transfer Secretaries to issue them with a share certificate at any time following the Unbundling.
- 3.12.4 If a Shareholder is in any doubt as to what action to take in respect of the Unbundling, such Shareholder should consult its Broker, CSDP, banker, attorney, accountant or other professional advisor.

### 3.13 TRP

- 3.13.1 Due to the fact that the Company is a regulated company (as such terms is defined in the Companies Act) for the purposes of section 118(1) of the Companies Act, the Unbundling is a Section 112 Disposal, it constitutes an “affected transaction” as defined in section 117(1)(i) of the Companies Act.
- 3.13.2 Consequently, the Unbundling is regulated by, *inter alia*, the Companies Act and the Companies Regulations and requires the prior approval of the TRP.
- 3.13.3 Transaction Capital is exempt from complying with Regulations 111(4) and (5) of the Companies Regulations in respect of the payment of cash entitlements in respect of any fractional entitlements of Shareholders pursuant to the Unbundling.

### 3.14 Governing law and jurisdiction

- 3.14.1 The Unbundling will be governed by, and construed in accordance with, the laws of South Africa.
- 3.14.2 Each Shareholder shall be deemed to have irrevocably submitted to the exclusive jurisdiction of the courts of South Africa in relation to matters arising out of or in connection with the Unbundling.

### 3.15 Tax considerations relating to the Unbundling

- 3.15.1 It is expected that the distribution of the WBC Shares in terms of the Unbundling should qualify as an “unbundling transaction” for purposes of section 46(1) of the Income Tax Act and should, accordingly, be disregarded for tax purposes in South Africa for Transaction Capital and for its Shareholders, except to the extent of any distributions made to a Disqualified Shareholder. The tax consequences for Foreign Shareholders should be confirmed by such Foreign Shareholders with advisors in the relevant foreign jurisdictions.
- 3.15.2 Consequently, the receipt of the WBC Distribution Shares by Shareholders should qualify for tax relief in South Africa, and the resulting dividend will, save in regard to the Shares held by Disqualified Shareholders, be disregarded for dividends tax purposes.
- 3.15.3 Reference is made to paragraph 3.8 of this Circular headed “*Fractional Entitlements*”. As the fractional entitlements will constitute fractions of shares actually unbundled and then sold on the Shareholder’s behalf, the difference between the sale proceeds and the base cost of the fractions (such base cost being determined in terms of section 46 of the Income Tax Act) will be taken into account for the purpose of determining any taxable income of the Shareholder.
- 3.15.4 Shareholders are referred to **Annexure 4** to this Circular for information on the tax consequences relating to the Unbundling.

#### 4. PRE-UNBUNDLING STEPS

4.1 WeBuyCars, Transaction Capital and I VDW Holdings have considered various capital raising initiatives, the further details of which are set out below. Transaction Capital will realise value of approximately R885 million pursuant to proceeds to be received from: (i) WeBuyCars by way of various cash and other distributions received following capital raising initiatives and corporate actions being implemented by WeBuyCars; and (ii) sale proceeds to be realised by Transaction Capital from the Private Placement of WBC Shares, each as detailed further below. Transaction Capital may also raise additional cash to ultimately end up with value realisation of approximately between R900 million and R1.25 billion (in aggregate) prior to the Listing and Unbundling for the settlement of debt and other obligations. This, in turn, will further advance the value unlock initiatives for Transaction Capital Shareholders and other key stakeholders in the group's current operating context, including its lenders, on the basis set out in paragraph 4.14 below.

4.2 The pre-Unbundling steps have been accounted for in the *pro forma* financial information in **Annexure 6**, with further details appearing in the notes thereto.

##### WeBuyCars Distributions

4.3 WeBuyCars shall declare a cash dividend to its current shareholders in an aggregate amount of R750 million, which dividend will remain outstanding on loan account pending the implementation of the proposed Pre-Listing Capital Raise of R750 million. For purposes of the *pro forma* financial information in **Annexure 6**, the declaration of the R750 million cash dividend has been treated as "Step 1".

4.4 In addition, WeBuyCars shall declare a *pro rata* scrip dividend (as such term is defined in the JSE Listings Requirements) of approximately R2 300 796 813 to its current shareholders, in terms of which such shareholders are entitled to elect to receive WBC Shares or cash. As at the Last Practicable Date, TCMH intends to elect to receive WBC Shares (with a value of approximately R1 540.8 million) and cash (approximately R182.5 million), while the other shareholder in WeBuyCars (being I VDW Holdings) intends to elect to receive only cash (approximately R577.5 million). For purposes of the *pro forma* financial information in **Annexure 6**, the scrip dividend has been treated as "Step 2.1".

##### WeBuyCars Share Issue

4.5 The WeBuyCars Share Issue forms part of the capital raising initiatives which WeBuyCars, Transaction Capital and I VDW Holdings have considered prior to Listing and Unbundling. The further details of the WeBuyCars Share Issue are set out in paragraph 5 below.

4.6 The proceeds realised by WeBuyCars from the WeBuyCars Share Issue, being an amount equal to the Subscription Price, will be utilised by WeBuyCars to settle the cash portion of the distribution referred to in paragraph 4.4 above. For purposes of the *pro forma* financial information in **Annexure 6**, the WeBuyCars Share Issue has been treated as "Step 2.2".

##### Private Placement of WBC Shares

4.7 The Private Placement of WBC Shares of R500 million, from which Transaction Capital will realise approximately R140.8 million, forms part of the capital raising initiatives which WeBuyCars, Transaction Capital and I VDW Holdings have considered prior to Listing and Unbundling. The further details of the Private Placement of WBC Shares are set out in paragraph 6 below.

4.8 Transaction Capital may pursue further sell-downs of WBC Shares which it holds to ultimately realise value of approximately between R900 million and R1.25 billion (in aggregate) prior to the Listing and Unbundling to be utilised, for the settlement of debt and other obligations.

4.9 Given that the terms of any further sell-downs are not yet final and that Transaction Capital is at this stage considering its options, for purposes of the *pro forma* financial information in **Annexure 6**, Transaction Capital has assumed that the aggregate value of the sell-downs (including the Private Placement of WBC Shares) will amount to a minimum of R250 million. It should be noted, however, that the final value of the further sell-downs by Transaction Capital has not been finally determined as at the Last Practicable Date. For purposes of the *pro forma* financial information in **Annexure 6**, this has been treated as "Step 2.3".

### Pre-Listing Capital Raise

- 4.10 As mentioned above, Transaction Capital and WeBuyCars are also considering a Pre-Listing Capital Raise of up to an amount of R750 million. The proceeds realised by WeBuyCars from the proposed Pre-Listing Capital Raise will be applied by WeBuyCars to settle the cash distributions referred to in paragraph 4.3 above.
- 4.11 Given that the terms of the proposed Pre-Listing Capital Raise are not yet final and that WeBuyCars is at this stage considering its options, for purposes of the *pro forma* financial information in **Annexure 6**, Transaction Capital has assumed that the Pre-Listing Capital Raise will be implemented based on the “most likely valuation” of WeBuyCars as indicated by the Independent Expert in its Independent Expert Report attached hereto as **Annexure 1**. It should be noted, however, that the terms and conditions of the proposed Pre-Listing Capital Raise will be announced by Transaction Capital on SENS if pursued by WeBuyCars. Based on the indicative valuations assumed, it is anticipated that Pre-Listing Capital Raise will be categorised as a category 2 transaction in terms of the JSE Listings Requirements. For purposes of the *pro forma* financial information in **Annexure 6**, this has been treated as “Step 3”.

### Intended use of proceeds

- 4.12 The pre-Unbundling steps set out in this paragraph 4 will result in Transaction Capital realising value of approximately R885 million. The further sell-downs by Transaction Capital of the WBC Shares, referred to above, will achieve its desired realisation target of approximately between R900 million and R1.25 billion (in aggregate) prior to the Listing and Unbundling. All proceeds realised by Transaction Capital will be utilised for the settlement of debt and other obligations.
- 4.13 As mentioned above, the terms and conditions of certain of the capital raising initiatives are not yet final. However, based on the maximum desired realisation target of approximately R1.25 billion, all of the relevant steps, taken together, are anticipated to be categorised as a category 2 transaction in terms of the JSE Listings Requirements.
- 4.14 The aforesaid capital raising initiatives, will result in a net reduction of the current shareholders’ shareholding in WeBuyCars prior to the Unbundling and Listing, in the case of Transaction Capital to approximately between 57.5% to 67.5%, and in the case of I VDW Holdings not less than approximately 10% as at the Unbundling Record Date.
- 4.15 The existing put and call arrangements including the Put Option Liability will be cancelled upon the Listing and Unbundling being implemented and following I VDW Holdings realising value from its shareholding in WeBuyCars, as set out above.
- 4.16 Transaction Capital will utilise the net proceeds of the dividends received and any other value realised from WeBuyCars through the various capital raising initiatives (including the WeBuyCars Share Issue) of between R900 million to R1.25 billion, in addition to available cash resources to:
- 4.16.1 voluntarily redeem the preference shares issued by TCMH to Zephyr Finance of approximately R489 million. Zephyr Finance will in turn voluntarily redeem the preference shares which it has issued to two external funders;
  - 4.16.2 pay down the revolving credit facility totalling approximately R1.11 billion; and
  - 4.16.3 place Transaction Capital in a stronger liquidity position.
- 4.17 The note programme at TransCapital Investments will remain in place following the Unbundling for the time being.
- 4.18 Transaction Capital as guarantor for a subsidiary is required to procure the payment of R285 million into a security account on 7 March 2024, as part of the obligations that the Transaction Capital Group had assumed to support the acquisition by SANTACO of a 25% stake in SA Taxi during 2018 (as more fully described on the SENS published on 19 November 2018).

## 5. **WEBUYCARS SHARE ISSUE**

### 5.1 **Overview**

- 5.1.1 As part of the pre-unbundling steps, Transaction Capital, Coronation, TCMH, I VDW Holdings and WeBuyCars have concluded the Subscription Agreement in terms of which, *inter alia*, Coronation, subject to the fulfilment, or waiver (to the extent legally permissible) of certain suspensive conditions, will subscribe for the Subscription Shares at the Subscription Price, subject to the further terms and conditions set out in the Subscription Agreement.

## 5.2 Description of the Assets

- 5.2.1 The WeBuyCars Share Issue will involve the issue of WBC Shares constituting approximately 11.3% of the issued share capital at that time, which will have the effect of diluting Transaction Capital's shareholding in WeBuyCars to 72.2% (following the issue of WBC Shares pursuant to a scrip dividend to be declared by WeBuyCars as set out in paragraph 4.2 above).
- 5.2.2 The Subscription Price implies an equity valuation of R7.5 billion regard being had to the cash dividend declared (as referred to in paragraph 4.3 above), which will be settled from the proceeds of the proposed Pre-Listing Capital Raise (as referred to in paragraph 4.10 above).

## 5.3 Rationale for the WeBuyCars Share Issue

Transaction Capital and other stakeholders required certainty on the Listing and Unbundling in the event that the Independent Board agreed to proceed with the process for the Listing and Unbundling. Accordingly, Coronation has invested at an early stage to provide such certainty for the raising and the Listing process and the value realisation required pursuant thereto. Coronation believes in the future of WeBuyCars and is therefore desirous of this further investment.

## 5.4 Conditions Precedent

- 5.4.1 The WeBuyCars Share Issue is subject to the fulfilment of the following suspensive conditions ("**Conditions Precedent**"):
- 5.4.1.1 the requisite majority of Transaction Capital Shareholders approve entering into and implementation of the WeBuyCars Share Issue, as may be required in accordance with the provisions of section 10 of the JSE Listings Requirements;
- 5.4.1.2 the board of directors of WeBuyCars ("**WBC Board**") passes a resolution(s) in terms of section 46 of the Companies Act in terms of which the WBC Board authorises WeBuyCars to:
- 5.4.1.2.1 distribute a cash dividend in an amount of R750 million to the shareholders of WeBuyCars, *pro rata* and in proportion to their shareholding interests in the WeBuyCars ("**Pro Rata Entitlement**");
- 5.4.1.2.2 distribute a cash dividend of approximately between R170 million to R190 million to the shareholders of WeBuyCars in proportion to their respective *Pro Rata* Entitlements (this being a dividend declared in the ordinary course of business of WeBuyCars' dividend policy); and
- 5.4.1.2.3 distribute a cash dividend of R2 300 796 813 incorporating an election on the part of the shareholders of WeBuyCars, to receive either capitalisation shares or cash to the shareholders of WeBuyCars in proportion to their respective *Pro Rata* Entitlements;
- 5.4.1.3 the WBC Board and the WeBuyCars shareholders (in their capacity as shareholders of WeBuyCars) passing all resolutions in terms of section 48, as read with section 46 of the Companies Act, as may be required to implement the Repurchase Unwind;
- 5.4.1.4 TCMH provides written notice to the Company that it elects to have its *Pro Rata* Entitlement of the dividend referred to in paragraph 5.4.2.1.3 settled in both cash and capitalisation shares on the following basis:
- 5.4.1.4.1 R182 500 000.00 in cash; and
- 5.4.1.4.2 R1 540 796 813 in WBC Shares;
- 5.4.1.5 each of the parties to the shareholders agreement of WeBuyCars concluded between, *inter alios*, WeBuyCars, Transaction Capital and I VDW Holdings, conclude a written agreement in terms of which they each irrevocable and unconditionally waive any requirement for Coronation to accede to the shareholders agreement in respect of WeBuyCars;
- 5.4.1.6 TCMH unbundles its WBC Shares to Transaction Capital in terms of section 46 of the Companies Act and section 46 of the Income Tax Act;

- 5.4.1.7 WeBuyCars delivers to Coronation and the WeBuyCars shareholders a legal opinion from Edward Nathan Sonnenbergs Inc., on their standard terms and condition on whether implementation of the Listing and/or Unbundling will require any consent from the counterparties to and/or trigger a default in relation to certain funding agreements identified in the Subscription Agreement and that any such default can be cured by obtaining the prior consent of the relevant counterparties;
  - 5.4.1.8 the Pre-Listing Statement is approved by the shareholders of WeBuyCars and the JSE in writing and is published on SENS, which will include appropriate reporting accountant reports on the historical financial information of WeBuyCars; and
  - 5.4.1.9 no Material Adverse Change has occurred during the period commencing on the signature date of the Subscription Agreement and ending 3 (three) Business Days immediately preceding the fulfilment date of the Conditions Precedent (inclusive).
- 5.4.2 For purposes of the Subscription Agreement, “**Material Adverse Change**” means an adverse effect, fact or circumstance which has arisen or occurred or might reasonably be expected to arise or occur in the future and which is materially negative with regard to the business, condition, assets, liabilities, operations, financial performance, income and prospects of WeBuyCars, and/or which will or could reasonably be expected to materially reduce the actual or potential value of WeBuyCars, which is not and is not caused by:
- 5.4.2.1 the entering into or implementation of the Subscription Agreement itself;
  - 5.4.2.2 changes in interest rates, exchange rates or securities or commodity prices or in economic, financial, market or political conditions generally;
  - 5.4.2.3 changes in conditions generally affecting the industry in which WeBuyCars operates;
  - 5.4.2.4 any act or omission by Coronation; and
  - 5.4.2.5 any act or omission of WeBuyCars at the request or with the consent of Coronation or as required or permitted to be done under the terms of the Subscription Agreement.
- 5.4.3 For the purposes of the Material Adverse Change, to be material, the adverse effect or impact must have or be likely to have or have had a direct impact on, or must be reasonably likely adversely to directly affect, the WeBuyCars group EBITDA for the financial year ending 30 September 2024 by more than 20% compared to the WeBuyCars group EBITDA for the financial year ended 30 September 2023. The reference to the WeBuyCars group EBITDA refers to the consolidated earnings of the WeBuyCars group for any 12 (twelve) month period (covering any financial year) before interest, tax, depreciation and amortisation but specifically excluding costs directly or indirectly attributable to the Subscription, Listing, Unbundling and any related steps thereto and/or the impact of the derecognition of the call option derivative asset as determined in accordance with IFRS.
- 5.4.4 The Conditions Precedent must be fulfilled or waived (where capable of waiver) by not later than 26 March 2024, which date may be extended in accordance with the provisions of the Subscription Agreement.

## 5.5 Consideration and Implementation

- 5.5.1 The Subscription Price will be payable by Coronation on the second business day following the date on which the Conditions Precedent are fulfilled or waived (to the extent legally permissible) (“**Closing Date**”). The Subscription Price will be paid by Coronation into an escrow account, to be held in escrow and will be released from the escrow account to WeBuyCars upon the fulfilment of the Unbundling Conditions, on the date on which the last of the Unbundling Conditions (other than the implementation of the WBC Share Issue) is fulfilled, or waived (to the extent legally permissible) (“**Finalisation Date**”).
- 5.5.2 On the Closing Date, the Subscription Shares will be issued by WeBuyCars in terms of section 40(5) of the Companies Act and held in terms of a trust arrangement. Accordingly, on the Closing Date, Coronation will be the beneficial owner of the Subscription Shares, but the legal ownership of the Subscription Shares will be in the name of the section 40(5) trust.

- 5.5.3 The Subscription Price will be released from the escrow account to WeBuyCars on the 4th (fourth) Business Day following the Finalisation Date (“**Payment Date**”). The Subscription Shares will be released from the section 40(5) trust on the Payment Date, on which date Coronation will become the legal and beneficial owner of the Subscription Shares.
- 5.5.4 In the unlikely event that: (i) the Unbundling Conditions are not fulfilled or waived (where capable of waiver) by 28 March 2024 (or such later date as may be extended in accordance with the provisions of the Subscription Agreement); or (ii) any of the Unbundling Conditions become incapable of fulfilment at any time prior to 28 March 2024, (or such later date as may be extended in accordance with the provisions of the Subscription Agreement), (each, a “**Failure Event**”), then the Subscription Agreement shall be terminated and shall be *void ab initio* as if it had not been entered into and the parties to the Subscription Agreement shall restore each other to the position they were in before the Subscription Agreement was entered into. The effect will be that the Subscription Shares are cancelled in terms of section 40(6) of the Companies Act and returned to the authorised but unissued share capital of WeBuyCars and the Subscription Price refunded to Coronation.

## 5.6 **Resolutive Condition**

If the Listing and/or Unbundling fails to be implemented within 90 (ninety) days after the Finalisation Date, Coronation shall sell to WeBuyCars, which shall repurchase, all of the Subscription Shares, for an amount equal to the Subscription Price, on the terms and conditions set out in the Subscription Agreement (“**Repurchase Unwind**”). For the avoidance of doubt, Coronation shall not be entitled to dispose of the Subscription Shares until the Listing has been implemented, other than amongst and between the underlying portfolios of Coronation. The implementation of the Repurchase Unwind is subject to suspensive conditions, namely that: (i) all necessary authorising resolutions are passed by the board and shareholders of WeBuyCars; and (ii) to the extent applicable, Transaction Capital obtains all applicable regulatory approvals as may be required in terms of the JSE Listings Requirements and the Companies Act to implement the Repurchase Unwind.

## 5.7 **Financial Information**

- 5.7.1 The net asset value attributable to the Subscription Shares as at 30 September 2023, being the date of the last audited annual financial statements of Transaction Capital, was R358 million (post adjustment of any effects of the WeBuyCars call option).
- 5.7.2 The audited profits after tax attributable to the Subscription Shares was R74 million (post adjustment of any effects of the WeBuyCars call option), based on the audited annual financial statements of Transaction Capital for the year ending 30 September 2023, which were prepared in terms of IFRS.

## 5.8 **Warranties and other Significant Terms of the Subscription Agreement**

- 5.8.1 The Subscription Agreement contains representations and warranties by WeBuyCars’ shareholders in favour of Coronation which are standard for a transaction of this nature (set out in Annexure B of the Subscription Agreement), which representation and warranties are in turn subject to limitation of liability and other terms which are standard for a transaction of this nature.
- 5.8.2 For the period commencing on the date of Listing and ending 18 (eighteen) months thereafter, I VDW Holdings has agreed that its shareholding in WeBuyCars shall not be less than 10% (ten percent) of the issued ordinary no par value shares of WeBuyCars (“**Prescribed Minimum Shareholding**”), save in instances where WeBuyCars issues additional WBC Shares which, following the implementation thereof, results, I VDW Holdings shareholding falling below the Prescribed Minimum Shareholding during the aforementioned 18 (eighteen) month period.

## 5.9 **Related Party Considerations**

- 5.9.1 Coronation is a material shareholder of Transaction Capital and is considered to be a category 2, related party as defined in section 10.1(b)(i) of the JSE Listings Requirements. In terms of the Requirements, the issue of shares by a subsidiary of a listed issuer is deemed to be a disposal by that issuer. Given that WeBuyCars is a subsidiary of Transaction Capital, held as to 74.9%, the WeBuyCars Share Issue constitutes a category 2, related party transaction in terms of the JSE Listings Requirements.

5.9.2 In terms of Section 10.7 of the JSE Listings Requirements the Company is required to provide the JSE with written confirmation from an independent professional expert confirming whether the terms and conditions of the WeBuyCars Share Issue are fair insofar as the Shareholders are concerned and Shareholder approval is required for the WeBuyCars Share Issue.

#### 5.10 Independent Fairness Opinion

5.10.1 In compliance with paragraph 10.7(b) of the JSE Listings Requirements, BDO was appointed by the Company as the independent professional expert and has furnished the Board with its fairness opinion confirming that the terms of the WeBuyCars Share Issue is fair insofar as the Shareholders are concerned.

5.10.2 A copy of the fairness opinion is attached to this Circular as **Annexure 1**.

### 6. THE PRIVATE PLACEMENT OF WBC SHARES

6.1.1 In terms of the Sale Agreement, the Purchasers will, subject to the fulfilment (or waiver to the extent legally permissible) of the suspensive conditions to the Sale Agreement, purchase the Sale Shares from Transaction Capital and I VDW Holdings in the following proportions:

6.1.1.1 65 541 WBC Shares representing 2.09% from Transaction Capital of all issued WBC Shares on the Escrow Fulfilment Date for an aggregate amount of R140 750 000; and

6.1.1.2 217 287 WBC Shares representing 5.32% of all issued WBC Shares on the Escrow Fulfilment Date from I VDW Holdings for an aggregate amount of R359 250 000, the aforesaid percentages are as at the date following the scrip dividend referred to above and the WeBuyCars Share Issue, but prior to the proposed Pre-Listing Capital Raise. The Sale Price implies an equity valuation of R7.5 billion regard being had to the cash dividend declared (as referred to in paragraph 4.3 above), which will be settled from the proceeds of the proposed Pre-Listing Capital Raise (as referred to in paragraph 4.10 above).

6.1.2 The Sale Agreement is subject to the fulfilment (or waiver to the extent legally permissible) of the following suspensive conditions, including (amongst others):

6.1.2.1 Transaction Capital and I VDW Holdings provide written notice to the Purchasers that they have obtained all required approvals from all applicable third parties in order to implement the Sale Agreement, to the extent legally required;

6.1.2.2 the approval from the South African Reserve Bank for the conclusion and implementation of the Sale Agreement, to the extent required;

6.1.2.3 no Material Adverse Change has occurred during the period from the signature date of the Sale Agreement until certain of the suspensive conditions are fulfilled. The Material Adverse Change provisions are the same as those in the Subscription Agreement;

6.1.2.4 all the Unbundling Conditions are fulfilled (or waived, to the extent legally permissible), at any time prior to 28 March 2024 (or such later date as may be agreed by the parties to the Sale Agreement); and

6.1.2.5 by no later than 90 (ninety) days after the fulfilment of the Unbundling Conditions, the Listing occurs.

6.1.3 The Sale Price will be payable by the Purchasers into an escrow account on the second Business Day following the date on which the last of the suspensive conditions to the Sale Agreement are fulfilled or waived (to the extent legally permissible) (save for the suspensive conditions in paragraphs 6.1.2.4 and 6.1.2.5) ("**Escrow Fulfilment Date**"). On the Escrow Fulfilment Date, the Sale Shares will also be delivered by the Sellers to the escrow agent in terms of the relevant escrow arrangements.

6.1.4 On the fourth business day following the fulfilment of the last of the suspensive conditions to the Sale Agreement ("**Closing Date**"), the Sale Shares then held in escrow by the escrow agent will be released to the Purchasers (in their respective proportions). On the Closing Date, the escrow agent will also release the Sale Price from escrow to the Sellers (in their respective proportions).



- 6.1.5 The Sale Agreement contains warranties (set out in Annexure B to the Sale Agreement) by the sellers (being Transaction Capital and I VDW Holdings) in favour of the Purchasers which are standard for a transaction of this nature, which warranties are in turn subject to limitation of liability and other terms which are standard for a transaction of this nature.
- 6.1.6 For the period commencing on the Listing Date and ending 18 (eighteen) months thereafter, I VDW Holdings acknowledges and agrees that its shareholding in WeBuyCars shall not be less than the Prescribed Minimum Shareholding, it being recorded and agreed that I VDW Holdings shall not be in breach of the Sale Agreement in instances where WeBuyCars issues additional WBC Shares which, following the implementation thereof, results in I VDW Holdings' shareholding in WeBuyCars falling to below the Prescribed Minimum Shareholding during the aforementioned 18 (eighteen) month period.
- 6.1.7 The Sale of Shares is uncategorised in terms of the JSE Listings Requirements.

## 7. FINANCIAL INFORMATION

### 7.1 Consolidated historical financial information of Transaction Capital

- 7.1.1 Extracts of the consolidated historical financial information of Transaction Capital for the financial years ended 30 September 2021, 30 September 2022 and 30 September 2023 are annexed hereto as **Annexure 8**.
- 7.1.2 Transaction Capital has received dispensation from the TRP from including the complete set of consolidated historical financial information of Transaction Capital, accordingly the extracts of the consolidated historical financial information has been included in this Circular.
- 7.1.3 Copies of the aforementioned fully audited consolidated historical financial information of Transaction Capital will also be available for inspection by Shareholders during normal business hours at the registered office of Transaction Capital and at the offices of PSG Capital from Friday, 16 February 2024 until the date of the General Meeting (both days inclusive) and are also available on Transaction Capital's website (<https://www.transactioncapital.co.za>).

### 7.2 Pro forma financial information of Transaction Capital

- 7.2.1 The *pro forma* financial information of Transaction Capital is set out in **Annexure 6**. The *pro forma* consolidated statement of financial position and the *pro forma* consolidated income statement of Transaction Capital have been prepared for illustrative purposes only to show the *pro forma* financial effects of the WeBuyCars Share Issue, the Private Placement of WBC Shares, the proposed Pre-Listing Capital Raise and the Unbundling, as required in terms of the Companies Regulations and the JSE Listings Requirements. Due to the nature of the *pro forma* financial information, the *pro forma* consolidated statement of financial position and the *pro forma* consolidated income statement may not fairly present Transaction Capital's financial position or results of operations after the internal restructuring, WeBuyCars Share Issue, the Private Placement of WBC Shares, Unbundling and Listing have been implemented, subject to the assumptions and qualifications set out therein. Such report is included solely to comply with the requirements of the Companies Regulations and the Listings Requirements.
- 7.2.2 The *pro forma* financial information is presented in a manner that is consistent with the ruling accounting policies of Transaction Capital, IFRS and the basis on which the audited consolidated financial information for the year ended 30 September 2023 has been prepared. The *pro forma* financial information has been prepared in accordance with the Companies Regulations and the JSE Listings Requirements and in compliance with the SAICA Guide on *pro forma* Financial Information. The *pro forma* consolidated statement of financial position and the *pro forma* consolidated income statement as set out in **Annexure 6** should be read in conjunction with the report of the Independent Reporting Accountants which is included as **Annexure 7** to this Circular.

- 7.2.3 The Board is responsible for the preparation of the *pro forma* financial information.
- 7.2.4 It has been assumed for purposes of the *pro forma* financial information that the WeBuyCars Share Issue and Unbundling took place with effect from 1 October 2022 for purposes of the *pro forma* consolidated income statement and on 30 September 2023 for purposes of the *pro forma* consolidated statement of financial position.

## 8. BUSINESS AND PROSPECTS OF TRANSACTION CAPITAL AFTER THE UNBUNDLING

- 8.1 Over 11 years as a JSE listed company, Transaction Capital has invested in and operated high-potential businesses in markets with historically low levels of client service and trust. This has given the Group untapped opportunities for disruption, innovation and high returns.
- 8.2 The sharp deterioration in Transaction Capital's performance and market valuation in 2023 brought about by the aggressive restructure of SA Taxi's business model, prompted a re-evaluation and shift of Transaction Capital's corporate strategy. While the Group's past strategic levers have been a combination of acquisitive and organic growth levers, the strategic imperative in the short- to medium-term is to unlock value from the existing portfolio of companies. Transaction Capital is exploring initiatives at the holding company and individual subsidiary levels to create and maximise shareholder value.
- 8.3 Jonathan Jawno, a co-founder of Transaction Capital, has actively been driving the restructuring and repositioning of Transaction Capital and took up the chief executive officer position from 31 December 2023. The appointment of Jonathan Jawno demonstrates the commitment of the founders to Transaction Capital and all its stakeholders.
- 8.4 Transaction Capital will continue to be an active investor in its holdings in Nutun and SA Taxi, providing oversight and lending its expertise where required to support management in achieving its strategic goals. While SA Taxi requires a reset to reposition it for growth, Nutun remains a strong leader in its market and will continue to execute against its growth objectives.
- 8.5 A brief history of key milestones in Transaction Capital's journey to date is set out below:

<b>Year</b>	<b>Milestone</b>
June 2012	Transaction Capital is listed on the JSE.
November 2013	Paycorp disposal for R937 million (PE of 18.7x).
December 2013	Bayport disposal for R1.3 billion (PE of 6.7x).
March 2014	Special distribution of 210cps (R1.2 billion total).
June 2016	R665 million raised in inaugural note issue for Transsec (RF) Ltd.
November 2016	Established TransCapital Investments R2 billion domestic note programme.
November 2016	Acquisition of 100% of Recoveries Corporation Group in Australia.
February 2017	Issued 28.4 million shares raising R419 million.
March 2018	R1.2 billion raised through an accelerated bookbuild.
November 2018	SANTACO acquires a 25% stake in SA Taxi for R1.7 billion.
December 2018	Formation of joint venture to invest in European distressed debt.
September 2019	Secondary listing on A2X.
February 2020	R1.6 billion raised through an accelerated bookbuild.
June 2020	Issued 30.8 million shares raising R560 million in equity.
September 2020	Acquisition of 49.9% of WeBuyCars.

<b>Year</b>	<b>Milestone</b>
January 2021	Issued 12.4 million shares to Royal Bafokeng Holdings raising R248 million in equity.
May 2021	Increased shareholding in WeBuyCars to 74.9%.
July 2021	R1.17 billion raised through an accelerated bookbuild.
September 2021	Conclusion of put and call option arrangements to acquire remaining 25.1% in WeBuyCars Holdings.
September 2022	R1.28 billion raised through an accelerated bookbuild.
June 2023	Gomo concludes bank funding and operational agreements.

8.6 Transaction Capital will utilise the proceeds from the capital raising initiatives when received by it to significantly reduce its debt which will in turn remove the cross-default triggers currently in place at holding company level.

8.7 Immediately following the implementation of the Unbundling, the business of Transaction Capital and its Subsidiaries will comprise the following:

#### 8.7.1 **Nutun**

8.7.1.1 Over 25 years, Nutun has built a competitive advantage in providing efficient outsourced collection services, both as an agent and as a principal, acquiring and collecting on non-performing loan (“**NPL**”) portfolios through a combination of proprietary technology, data and analytics competencies. Leveraging these competencies, it has quickly positioned itself as a leader in Business Process Outsourcing (“**BPO**”) and was recently awarded “Top BPO Operator in South Africa” at the 2023 BPESA GBS and BPO Alchemy Awards.

8.7.1.2 The business operates in two distinct areas: customer experience management services (“**CX services**”) and capital-enabled services (“**CE services**”).

8.7.1.3 The CX services business comprises agency collections and customer experience BPO services branded Nutun CX. The agency collections business has blue-chip clients in South Africa and Australia and is serviced out of South Africa, Fiji and Australia. Nutun CX has blue-chip clients in the UK, USA, Australia and is wholly serviced by circa 2 990 call centre agents based in South Africa.

8.7.1.4 Through CE services, Nutun acts as a principal acquirer which collects on NPL portfolios in South Africa. At 30 September 2023, Nutun’s NPL portfolios were valued at R5 025 million. Management expects ongoing revenue streams of R7 650 million from this asset over the medium term, up 6% on the prior year.

8.7.1.5 The Nutun business is well poised to capitalise on its leading position in the BPO market with the ability to scale its CX services across both industries and geographies. Given the complexity of expanding into international markets, Nutun’s highly experienced management team closely manages costs, delivery and customer experience.

Access to capital for Nutun’s CE services remains a crucial component of funding the acquisition of NPL portfolios. Management is pursuing options to raise traditional and new alternative methods of funding. Key to Nutun’s FY2024 performance will be its ability to access funding similar to historical levels. Management continues to drive operational efficiencies in the collections business while maintaining the agility to ramp up in line with market conditions.

## 8.7.2 Mobalyz

Mobalyz houses the credit, insurance and funding intellectual property, datasets and technologies, making it the servicer and operator of SA Taxi and Gomo.

### 8.7.2.1 SA Taxi

- 8.7.2.1.1 The minibus taxi industry is the largest and most important pillar in South Africa's integrated public transport network. It is indispensable to South Africa's economy. SA Taxi has a more than 20-year history of successfully pioneering financing across the country's minibus taxi industry, primarily to taxi operators who do not qualify for traditional bank finance. In 2023 management noted an industry-wide structural shift as a consequence of the changing economics impacting taxi operators. This prompted the business' decision to move away from financing new minibus taxis to financing only pre-owned vehicles to create affordability in this market segment. Despite this decision requiring the additional write-down of repossessed vehicle stock, management believes this is crucial to successfully reposition SA Taxi as a financier of pre-owned minibus taxis. SA Taxi has, over time, built competencies and experience in the pre-owned minibus taxi environment and will now focus all its efforts on refining its offering and solidifying its position in this segment.
- 8.7.2.1.2 The structural shift follows a deterioration in taxi operators' ability to afford new minibus taxis exacerbated by:
- elevated fuel prices;
  - high interest rates;
  - increasing cost of parts and maintenance;
  - record levels of load shedding;
  - persistently lower commuter volumes as a result of depressed economic activity; and
  - taxi operators' inability to increase fares given already financially stretched consumers.
- 8.7.2.1.3 SA Taxi will focus on financing only pre-owned taxis. This will help limit the affordability pressures faced by the country's taxi operators. In addition, it will help SA Taxi reduce its repossessed vehicle stock and improve its liquidity.
- 8.7.2.1.4 The minibus taxi industry is also experiencing significant delays and inefficiencies in the legal system relating to the repossession of vehicles from defaulting clients. This has increased fraud and elevated losses across the industry, which have also significantly impacted SA Taxi. Management is building new strategies to mitigate the impact of these dynamics.
- 8.7.2.1.5 SA Taxi will continue to offer finance to clients for either a traditional quality renewed taxi ("**QRT**") (complete mechanical and panel repair) or pre-owned vehicles that are mechanically sound but not fully refurbished. This strategy is a clear differentiator from the traditional finance houses operating in this sector. The strategic investment into GoBid, a distribution channel for pre-owned and salvage vehicles, further enhances SA Taxi's unique position in this sector.
- 8.7.2.1.6 SA Taxi's operational restructure, driven by a new management team, is targeted for completion in March 2024 and is focused on stabilising the business through a combination of cost reductions and repositioning the business in the pre-owned taxi market.

- 8.7.2.1.7 With the strategic focus on pre-owned taxis at lower volumes, and the progress made in simplifying and downscaling SA Taxi's auto refurbishment and repair facilities, this business will no longer be sold. The auto refurbishment and repair business had been classified as a discontinued operation during 2023 and has now been reclassified as part of continuing operations.
- 8.7.2.1.8 Progress has been made in the restructuring of SA Taxi's balance sheet. This process is governed by an internal Debt Sustainability Committee and an external Informal Lender Forum, both chaired by Christopher Seabrooke and comprising group executives and external advisors. The committees are actively engaging debt funders to agree on a sustainable balance sheet restructure by June 2024. This is crucial to the viability of SA Taxi.
- 8.7.2.1.9 Furthermore, the restructuring will include a complete review of the insurance products offered by SA Taxi Protect. Where necessary, changes will be made to the product offering to ensure long-term profitability of the insurance business. This process will be concluded in parallel with the balance sheet restructure.
- 8.7.2.1.10 SANTACO currently owns 25% of the issued shares of SA Taxi through an industry special purpose vehicle. The intention is to restructure its shareholding with the support of SANTACO's funders and Transaction Capital. All parties are fully committed to ensuring the ongoing participation of SANTACO in the restructured SA Taxi business. It is envisaged that this process will follow the successful completion of the restructure of SA Taxi's balance sheet.
- 8.7.2.1.11 Following the successful execution of the restructuring initiated in 2023, SA Taxi will continue to drive change across the business in 2024 in order to achieve a sustainable base from which the business can grow. SA Taxi remains committed to supporting the minibus taxi sector but will deploy capital conservatively into lower-risk segments of the industry where the business can earn appropriate risk-adjusted returns.
- 8.7.2.1.12 Transaction Capital has already committed R2.2 billion of equity to support SA Taxi and has a contractual commitment of R285 million related to the SANTACO transaction as referred to in paragraph 4.18.
- 8.7.2.1.13 No further funding beyond March 2023 has been provided nor is envisaged going forward. Ongoing support from SA Taxi's existing debt funders in finding a timeous resolution on the balance sheet restructure is critical for SA Taxi to remain viable and continue to play a pivotal role in South Africa's minibus taxi industry.

## 8.7.2.2 **Gomo**

- 8.7.2.2.1 Gomo fulfils the need for finance and insurance solutions in the second-hand vehicle market which has historically been under-served by traditional financial institutions.
- 8.7.2.2.2 Gomo has a unique position in the second-hand vehicle market as it leverages industry-leading technology and data platforms that underpin both Mobalyz and WeBuyCars. Through its technology platform, Mobalyz can assess an individual's creditworthiness, and this, combined with WeBuyCars' unique ability to immediately value a second-hand vehicle at the older end of the spectrum, enables Gomo to underwrite secured credit in this market. This is both a compelling proposition and a clear competitive advantage resulting in Gomo being able to offer funding to clients not catered for by traditional vehicle asset finance ("**VAF**").

8.7.2.2.3 Gomo has moved from proof of concept in 2022, where it was providing finance as a principal, to now being live across all WeBuyCars' distribution platforms originating on a bank's balance sheet. Going forward, Gomo is positioned as a capital-light servicer with the offering gaining momentum, demonstrating its relevance and value in the market.

## 9. BUSINESS AND PROSPECTS OF WEBUYCARS FOLLOWING THE UNBUNDLING

9.1 WeBuyCars is a reputable primary dealer of second-hand vehicles, which holds a unique and leading position in this market given its scale and the following differentiating factors:

- With no brand affiliation, WeBuyCars buys and holds stock of any used vehicle type, offering an unmatched and diverse range of vehicles. As vehicle stockholders, the business has complete control over the consumer's buying and selling experience.
- WeBuyCars' commitment to providing peace of mind for buyers involves independent assessments of all its vehicles, ensuring full disclosure about the condition of the purchased vehicle. For sellers, peace of mind is derived from WeBuyCars' data and AI-driven pricing model, which ensures fair pricing and prompt cash settlements.
- WeBuyCars has a prominent national footprint with 15 vehicle supermarkets augmented by 74 buying pods. The buying pod strategy is an innovation which further enhances the overall customer experience through added convenience.
- Using lead generation to target high-quality online prospects, WeBuyCars buys cars almost exclusively from private sellers and has no reliance on OEMs or any other gatekeepers.

9.2 The second-hand vehicle environment in the 2022 comparative period was unusually robust, underpinned by constrained new vehicle supply due to chip shortages, vehicle price inflation and higher consumer confidence as the Covid-19 pandemic drew to a close. These supportive conditions have reversed over the past year with higher interest rates, fuel prices, and load shedding dampening consumer confidence and the supply of new vehicles having recovered to pre-pandemic levels.

9.3 WeBuyCars' agile business model and quick stock turn enabled it to respond quickly to these market changes during 2023, reducing trade in high-end vehicles to resume a greater focus on lower-priced second-hand vehicles. Although margins were initially negatively impacted by this response, they have since normalised, and the adjustment in stock and trading mix towards the lower end of the market aligns with current consumer demand. This agility, combined with a keen focus on extracting operational efficiencies across the business, resulted in WeBuyCars consistently gaining market share in FY2023 despite the tough trading conditions.

9.4 WeBuyCars continues to invest in its proprietary AI, data, and analytics capabilities which optimise the vehicle buying and selling process, continually improving the consumer experience and consistently driving efficiencies across the business. WeBuyCars' robust data and analytics capabilities empower the business to effectively assess market dynamics and make real-time pricing and inventory procurement adjustments, aligning them with market demand. This strategic approach ensures that the business achieves its desired margins while maintaining an efficient inventory turnover rate. This significantly mitigates price risk within WeBuyCars' operations. This formidable technology ecosystem is a significant differentiator for WeBuyCars in the second-hand vehicle industry and underpins robust growth expectations in the years ahead.

9.5 The structural elements supporting the medium- and long-term outlook for the second-hand vehicle market in South Africa remain positive. Trading across the whole car parc positions WeBuyCars to adjust its buying and selling patterns through fluctuating market conditions to meet market demand. As such, WeBuyCars is considered a uniquely positioned and exciting growth asset and is differentiated from any other players in the local second-hand vehicle market.

9.6 The Pre-listing Statement to be published on or about Tuesday, 12 March 2024 will include further details on WeBuyCars, including its management and prospects and historical financial information of WeBuyCars with the appropriate reporting accountant reports in respect thereof.

## 10. EXCHANGE CONTROL REGULATIONS

- 10.1 Transaction Capital has applied for and obtained the requisite exchange control approval from the Financial Surveillance Department for the Unbundling.
- 10.2 Shareholders who are not resident in, or whose registered addresses are outside the Common Monetary Area, will need to comply with the Exchange Control Regulations summarized in **Annexure 5** to this Circular.
- 10.3 If Shareholders are in any doubt as to what action to take, they should consult their professional advisors.

## 11. FURTHER INFORMATION RELATING TO TRANSACTION CAPITAL

### 11.1 Share capital

11.1.1 As at the Last Practicable Date, the authorised and issued Share capital of Transaction Capital was as follows:

	<b>Number of Shares</b>
<b>Authorised</b>	
Ordinary Shares with no par value	1 000 000 000
<b>Issued</b>	
Stated capital – ordinary Shares with no par value	784 313 142

**Note:** Transaction Capital does not hold treasury shares.

### 11.2 Major Shareholders and interests

As far as the Directors are aware, as at the Last Practicable Date, the following persons are the direct or indirect beneficial owners of 5% or more of the total Transaction Capital Shares in issue:

<b>Shareholder</b>	<b>Number of Shares</b>	<b>Percentage of total issued Share capital</b>
Coronation Fund Managers <sup>1</sup>	202 149 225	25.77%
Pilatucom Holdings Limited <sup>2</sup>	110 500 000	14.09%
Public Investment Corporation	85 550 070	10.91%
<b>Total</b>	<b>398 199 295</b>	<b>50.77%</b>

**Note:** Transaction Capital does not hold treasury shares.

<sup>1</sup> It is not anticipated that Coronation funds/client portfolios will be a Disqualified Shareholder on the Unbundling Record Date.

<sup>2</sup> The shares of Pilatucom Holdings Limited are ultimately held by trusts of which Jonathan Jawno, Michael Mendelowitz and Roberto Rossi are discretionary beneficiaries. The Pilatucom shareholding will be restructured into 3 separate shareholdings, each below 5%.

## 12. INFORMATION RELATING TO DIRECTORS

### 12.1 Directors' interests in the issued Shares of Transaction Capital

12.1.1 The table below sets out the direct and indirect interests in Transaction Capital's issued Shares as at the Last Practicable Date, of the Directors of the Group (and their associates) and for those persons who were Directors during the 18 (eighteen) month period immediately preceding the Last Practicable Date:

	Number of shares held	Percentage of shares held in Transaction Capital (%)
<b>Indirect beneficial holdings of directors</b>		
Pilatucom Holdings Limited <sup>1</sup>	1 10 500 000	14.09
Sabvest Limited <sup>2</sup>	6 000 000	< 1
Kubandiran Pillay Family Trust <sup>3</sup>	105 465	< 1
Upperway Investments Private Limited <sup>4</sup>	1 500 000	< 1
The Frank Kramer Trust <sup>5</sup>	138 900	< 1
Dovie Trust <sup>6</sup>	2 350 000	< 1
<b>Direct beneficial holdings of directors</b>		
Sean Doherty	41 296	< 1
Mark Herskovits	1 635 475	< 1
Albertinah Kekana	127 500	< 1
Diane Radley	120 000	< 1
Sharon Wapnick	60 000	< 1
<b>Total</b>	<b>122 578 636</b>	
<b>Percentage of all issued shares</b>		<b>15%</b>

**Notes:**

- <sup>1</sup> Jonathan Jawno, Michael Mendelowitz and Roberto Rossi are discretionary contingent beneficiaries of trusts which own of Pilatucom Holdings Limited. The shares have been pledged as security for a finance facility.
- <sup>2</sup> Christopher Seabrooke is the chief executive officer of Sabvest Limited.
- <sup>3</sup> Kuben Pillay is an associate of the Kubandiran Pillay Family Trust.
- <sup>4</sup> Jonathan Jawno, Michael Mendelowitz and Roberto Rossi are joint associates of Upperway Investments Private Limited.
- <sup>5</sup> An associate of Sharon Wapnick, controlled by her immediate family.
- <sup>6</sup> David Hurwitz is a discretionary beneficiary of Dovie Trust. The shares have been pledged as security for a finance facility.

12.1.2 There has been no change to the above interests between the preceding financial year end and the date of this Circular.

12.1.3 There have been no dealings in respect of beneficial interests in or, holdings of, Transaction Capital Shares by Directors over the six-month period commencing Friday, 25 August 2023, until the Last Practicable Date, other than as set out in the table below:

Director	Date	Nature of transaction	Number of Shares acquired/ options accepted	Price per share
Sahil Samjowan	14 December 2023	Acceptance of Transaction Capital Limited Conditional Share Plan ("CSP") award	507 374 Shares	R7.12 (deemed value)
Mark Herskovits	14 December 2023	Acceptance of CSP award	1 341 310 Shares	R7.12 (deemed value)



- 12.1.4 It is the intention of the Directors holding a beneficial interest in Transaction Capital Shares to vote in favour of the Unbundling Resolution to be proposed at the General Meeting.
- 12.1.5 The table below sets out rights to a Transaction Capital Share previously awarded to Directors, prescribed officers and persons who were Directors within the previous 12 (twelve) months, in terms of the Transaction Capital Conditional Share Plan (“**Share Plan**”), and which remain unvested as at the Last Practicable Date:

<b>Director</b>	<b>Number of conditional rights awarded but unvested prior to Unbundling</b>
Sahil Samjowan	1 008 601 shares in Nutun 507 374 Transaction Capital Shares
Mark Herskovits	1 687 573 Transaction Capital Shares
Sean Doherty	443 503 Transaction Capital Shares
John Watling	878 228 shares in Nutun

- 12.1.6 In terms of clause 11 of the Share Plan, upon the occurrence of the Unbundling, the participants of the Share Plan (save for the employees of WeBuyCars) shall remain participants of the Share Plan, but the remuneration committee of the Board (“**Rem Com**”) shall be entitled to take such action to place the participants in substantially the same position as they were prior to the Unbundling.
- 12.1.7 Accordingly, the Rem Com may resolve to increase the conditional share right awards under the Share Plan to ensure that the participants of the Share Plan are in substantially the same position as they were prior to the Unbundling and shall procure that the auditors of Transaction Capital provide written confirmation to the JSE confirming that the adjustments are reasonable and equitable as contemplated in the Share Plan and that any such adjustments are permitted in terms of the approved Share Plan.

## 12.2 Service contracts

- 12.2.1 The executive Directors have concluded service contracts with terms and conditions that are market-related and appropriate for their positions in Transaction Capital.
- 12.2.2 Service contracts have been concluded between Transaction Capital and all the non-executive Directors, on terms and conditions which are standard, market-related and appropriate for their positions in Transaction Capital.
- 12.2.3 Save for service contracts concluded with David Hurwitz (previous chief executive officer of Transaction Capital) concluded on 11 September 2023 and a service contract concluded with Jonathan Jawno (current chief executive officer of Transaction Capital) on 31 December 2023. No service contracts contemplated in Companies Regulation 106(7)(f) have been entered into or amended within six months before the date of this Circular.

## 12.3 Remuneration of the Board

- 12.3.1 Save for paragraph 12.3.2, the remuneration of the Board shall not be affected by the Unbundling.
- 12.3.2 Shareholders will be requested to approve, at the General Meeting, the payment of a market-related fee to the members of the Independent Board for the services rendered in respect of the Unbundling, as follows:

	<b>PROPOSED ONCE-OFF FEE (excluding value added tax, if applicable)</b>
Albertinah Kekana	R200 000
Diane Radley	R140 000
Christopher Seabrooke	R140 000
Ian Kirk	R140 000

### 13. GENERAL MEETING

- 13.1 The General Meeting of Shareholders will be held at 10:30 on Friday, 15 March 2024 in electronic format only, to consider and, if deemed fit, to pass, with or without modification, the requisite resolutions required to give effect to the Unbundling, as contained in the Notice of General Meeting.
- 13.2 Details of the action required by Shareholders are set out in the “*Action required by Shareholders*” section of this Circular.

### 14. THE VIEWS OF THE INDEPENDENT BOARD IN RELATION TO THE UNBUNDLING

- 14.1 In accordance with the Companies Regulations, the Board has appointed the Independent Board comprised of independent non-executive Directors of Transaction Capital. The Independent Board has appointed the Independent Expert to prepare a report on the Unbundling. The Independent Expert has determined that the Unbundling is fair and reasonable to Shareholders of Transaction Capital, for the reasons and on the basis set out in the Independent Expert’s Report.
- 14.2 The Independent Board, after due consideration of the Independent Expert’s Report, has determined that it will place reliance on the valuations performed by the Independent Expert for purposes of reaching its own opinion regarding the Unbundling, as contemplated in regulation 110(3)(b) of the Companies Regulations. The Independent Board has formed a view of the fair value range of a WBC Share, which accords with the range contained in the Independent Expert’s Report, in considering its opinion and recommendation.
- 14.3 The Independent Board is not aware of any factors which are difficult to quantify or are unquantifiable (as contemplated in Companies Regulation 110(6)) and has not taken any such factors into account, in forming its opinion.
- 14.4 The Independent Board, taking into account the Independent Expert’s Report in relation to the Unbundling, has considered the terms and conditions of the Unbundling and the members of the Independent Board are unanimously of the opinion that the terms and conditions thereof are fair and reasonable to Shareholders and, accordingly, recommend that Shareholders vote in favour of the resolutions to be proposed at the General Meeting relating to the approval of the Unbundling.
- 14.5 As at the Last Practicable Date, the Independent Board has not received any offers, as defined in section 117(1)(f) of the Companies Act.
- 14.6 The members of the Independent Board, in their personal capacities, who hold Transaction Capital Shares, intend to vote any such Transaction Capital Shares beneficially owned by them in favour of the resolutions to be proposed at the General Meeting.

### 15. RESPONSIBILITY STATEMENT

The Board and the Independent Board individually and collectively accepts full responsibility for the accuracy of the information contained in this Circular. In addition, the Board and the Independent Board certifies that to the best of its knowledge and belief, the information contained in this Circular is true and, where appropriate, does not omit anything that is likely to affect the importance of the information contained herein or which would make any statement false or misleading, and that all reasonable enquiries to ascertain such information have been made and the Circular contains all information required by law and the JSE Listings Requirements.

### 16. MATERIAL RISKS

Please refer to the integrated annual report of Transaction Capital for the year ended 30 September 2023 for further details of the material risks facing the Group. The integrated annual report is available on Transaction Capital’s website, accessible <https://www.transactioncapital.co.za/investor-relations-overview/transaction-capital-limited/>.

## 17. MATERIAL CHANGES

The Directors are not aware of any material changes in the financial or trading position of Transaction Capital or its Subsidiaries subsequent to the latest published annual financial statements for the year ended 30 September 2023, other than the changes noted in this Circular.

## 18. MATERIAL AGREEMENTS

Save for the Subscription Agreement and the Sale Agreement, no material contracts or restrictive funding arrangements have been entered into by Transaction Capital either orally or in writing during the two years preceding the Last Practicable Date or at any other time containing an obligation or settlement that is or may be material to the Company or its subsidiaries at the Last Practicable Date, otherwise than in the ordinary course of business and as disclosed in the Integrated Annual Report of Transaction Capital dated 30 January 2024.

## 19. LITIGATION STATEMENT

There are no legal or arbitration proceedings, including any proceedings that are pending or threatened for the Group, of which the Board is aware, that may have had, or have during the 12 (twelve) months preceding the Last Practicable Date had, material effect on the Group's financial position.

## 20. EXPENSES

20.1 There have been no preliminary expenses relating to the Unbundling incurred by Transaction Capital in the 3 (three) years immediately preceding the date of this Circular. The estimated expenses of Transaction Capital in relation to the Unbundling, including the fees payable to professional advisors, exclusive of value-added tax, are as follows:

<b>Item</b>	<b>Provider</b>	<b>R000</b>
Transaction Advisor and transaction sponsor fee	PSG Capital	10 500
Legal fees (South African counsel)	ENS	4 000
Legal fees (Foreign counsel)	Goodwin	200
Independent Expert fee	BDO	250
Printing, publication, distribution and advertising expenses	Ince	180
JSE documentation	JSE	63
Independent Auditor for Transaction Capital and Independent Reporting Accountant	Deloitte	750
TRP Fees	TRP	200
Transfer Secretaries	Computershare	150
Strate	Strate	25
Contingency	Other	1 000
<b>TOTAL</b>		<b>17 318</b>

20.2 It should be noted that aforementioned fees would largely be payable irrespective of whether the Unbundling is implemented.

## 21. ADVISORS' CONSENTS

Each of the advisors, whose name appears in the "Corporate information" section of this Circular, has consented in writing to act in the capacities stated and to the inclusion of its name and, where applicable, to the inclusion of its reports in this Circular in the form and context in which they appear and has not withdrawn its consent prior to the publication of this Circular.

## 22. DOCUMENTS AVAILABLE FOR INSPECTION

The following documents, or copies thereof, will be available for inspection by Shareholders during normal business hours at the registered office of Transaction Capital and at the offices of PSG Capital from Friday, 16 February 2024, until the date of the General Meeting (both days inclusive) and may be requested by email to [lisal@transactioncapital.co.za](mailto:lisal@transactioncapital.co.za):

- 22.1 the MOI of Transaction Capital and its major subsidiaries (as defined in the JSE Listings Requirements);
- 22.2 the published audited consolidated annual financial statements of Transaction Capital for the preceding three financial years ended 30 September 2021, 30 September 2022 and 30 September 2023;
- 22.3 copies of the service contracts of the Directors;
- 22.4 copies of all material contracts;
- 22.5 copies of the Sale Agreement and Subscription Agreement;
- 22.6 the Independent Expert's Report, as reproduced in **Annexure 1**;
- 22.7 the written consents from each of the advisors referred to in paragraph 21;
- 22.8 the approval letter issued by the TRP in respect of the Circular;
- 22.9 the independent reporting accountant's report on the *pro forma* financial information as reproduced at **Annexure 7**; and
- 22.10 a copy of this Circular and all annexures hereto.

**SIGNED ON 15 FEBRUARY 2024 BY ALBERTINAH KEKANA ON BEHALF OF THE INDEPENDENT BOARD OF TRANSACTION CAPITAL, IN TERMS OF POWERS OF ATTORNEYS SIGNED BY THE MEMBERS OF THE INDEPENDENT BOARD**

---

**ALBERTINAH KEKANA**

**Chairman of the Independent Board**

**SIGNED ON 15 FEBRUARY 2024 BY JONATHAN JAWNO ON BEHALF OF THE BOARD OF TRANSACTION CAPITAL, IN TERMS OF POWERS OF ATTORNEYS SIGNED BY THE MEMBERS OF THE BOARD**

---

**JONATHAN JAWNO**

**Chief Executive Officer**

---

**INDEPENDENT EXPERT’S REPORT**


---

Tel:	+27 011 488 1700	<b>Physical address</b>	<b>Postal address</b>
Web:	<a href="http://www.bdo.co.za">www.bdo.co.za</a>	52 Corlett Drive	Private Bag X5
		Wanderers Office	Northlands
		2196	2196

The Independent Board of Directors  
Transaction Capital Limited  
115 West Street  
Sandton  
Johannesburg  
2031

14 February 2024

Dear Sirs / Mesdames

**REPORT OF THE INDEPENDENT EXPERT ON THE PROPOSED SHARE ISSUE AND UNBUNDLING IN TERMS OF WHICH TRANSACTION CAPITAL WILL DISTRIBUTE THE WBC DISTRIBUTION SHARES TO TRANSACTION CAPITAL SHAREHOLDERS BY WAY OF A DISTRIBUTION *IN SPECIE***

**Introduction**

In terms of the cautionary announcement published by Transaction Capital Limited (“**Transaction Capital**” or the “**Company**”) on the Stock Exchange News Service of the JSE Limited (“**JSE**”) (“**SENS**”), on Tuesday, 30th January 2024 and in the announcement published on Tuesday, 13th February 2024, the Company advised that it intends to distribute not less than 237 187 500 ordinary shares with no par value in the issued share capital of WBC Holdings Proprietary Limited (“**WBC**”) (“**WBC Shares**”) (“**WBC Distribution Shares**”), comprising approximately not less than 57.50% of the total issued share capital of WBC, to registered holders of no par value ordinary shares in the Company’s share capital (“**Transaction Capital Shares**”) (“**Shareholders**” or “**Transaction Capital Shareholders**”) in respect of the unbundling by way of a *pro rata* distribution *in specie*, in the minimum ratio of c.0.30241 WBC Shares for every 1 Transaction Capital Share held on Friday, 5th April 2024 (“**Unbundling Record Date**”) (“**Distribution Ratio**”) (the “**Unbundling**”).

As a pre-condition of the Unbundling, the Company will undertake the internal restructuring steps as noted in paragraph 3.3 of the circular to be distributed to Transaction Capital Shareholders (“**Internal Restructuring**”) (“**Circular**”). Prior to the Unbundling the Company will, *inter alia*, issue c.11.3% of the total WBC Shares in issue to Coronation Asset Management Proprietary Limited (“**Coronation**”) (“**Subscription Shares**”) for a total subscription consideration of approximately R760 million, based on a WBC fair value of R7.5 billion (“**Subscription Price**”) (“**Share Issue**”).

Subsequent to the Share Issue and the Unbundling, WBC will be separately listed on the main board of the exchange operated by the JSE (the “**Listing**”).

Should the Unbundling and Listing not occur, Coronation has the right to instruct WBC to buy back the subscription shares on the same basis on which they were subscribed (i.e. the Subscription Price will be paid back to Coronation and Coronation and Transaction Capital Shareholders will be placed in the same position as if the Unbundling and Listing did not occur).

The authorised and issued share capital of Transaction Capital as at Friday, 9th February 2024, being the last practicable date prior to the finalisation of the Circular (“**Last Practicable Date**”) is set out below, which represents Transaction Capital’s securities affected by the Unbundling:

**Authorised**

Ordinary shares with no par value	1 000 000 000
-----------------------------------	---------------

**Issued**

Stated capital – ordinary shares with no par value	784 313 142
--	-------------

Treasury shares held	0
----------------------	---

The material interests of the directors are set out in paragraph 12.1.1 of the Circular and the effect of the Unbundling on those interest and persons are set out in this section of the Circular. A copy of section 115 and section 164 of the Companies Act is set out in **Annexure 2** of the Circular.

### **Fairness opinions required in terms of the Listings Requirements**

Coronation is a material shareholder of Transaction Capital and a related party in terms of paragraphs 10.1(b)(i) of the JSE Listings Requirements (“Listing Requirements”). In terms of section 10.1(a) of the Listing Requirements the Share Issue is a related party transaction.

In terms of Section 10.4 of the Listings Requirements, the board of directors of Transaction Capital (the “**Board**” and/or the “**Directors**”) must obtain a fairness opinion, prepared in accordance with Schedule 5 of the Listings Requirements, which must be included in the Circular, confirming whether the Share Issue is fair insofar as the Transaction Capital Shareholders are concerned (the “Fairness Opinion”).

BDO Corporate Finance Proprietary Limited (“**BDO Corporate Finance**”) has been appointed as the independent expert to provide the Fairness Opinion.

### **Independent Expert Report required in respect of the Unbundling**

The Unbundling constitutes the disposal of a greater part of the assets or undertaking of the Company in terms of section 112 of the Companies Act (No. 71 of 2008) as amended (“**Companies Act**”). The Unbundling constitutes an “affected transaction” as defined in section 117(1)(c)(i) of the Companies Act, which is subject to the provisions of the Companies Regulations, 2011 promulgated under the Companies Act (“**Companies Regulations**”). In terms of Regulation 90(1)(a) (as read with section 114(2) and section 114(3) of the Companies Act), the independent board of directors of Transaction Capital (“**Independent Board**”) is required to retain an independent expert to provide an independent expert report (in the form of a fair and reasonable opinion) as to how the Unbundling affects all holders of securities in Transaction Capital and whether the proposed terms and conditions of the Unbundling are fair and reasonable insofar as Shareholders are concerned (together with the Fairness Opinion, the “**Independent Expert Report**”).

BDO Corporate Finance has been appointed as the independent expert by the Company, acting through the Independent Board, to assess the terms and conditions of the Unbundling as well as the Distribution Ratio as required in terms of section 114 of the Companies Act and regulations 90 and 110 of the Companies Regulations which will be provided for the sole purpose of assisting the Independent Board in forming and expressing an opinion on the Unbundling and the Distribution Ratio for the benefit of the Shareholders, and for distribution of the opinion to Shareholders pursuant to the requirements of the Companies Act.

### **Responsibility**

Compliance with the Listings Requirements is the responsibility of the Board. Compliance with the Companies Act and the Companies Regulations is the responsibility of the Independent Board. Our responsibility is to:

- report on the fairness of the Share Issue; and
- report to the Independent Board on whether the terms and conditions of the proposed Unbundling are fair and reasonable to Shareholders and to advise in relation to the matters specified in section 114(3) of the Companies Act and regulations 90 and 110 of the Companies Regulations.

### **Explanation as to how the term “fair” applies in the context of the Share Issue**

Schedule 5.7 of the Listings Requirements states that the “fairness” of a transaction is based on quantitative issues. A transaction will typically be considered fair to a company’s shareholders if the benefits received by a company, as a result of a corporate action, are equal to or greater than the value ceded by a company.

The Share Issue will be considered fair if, the value attributed to 100% of the equity in WBC for the purposes of the Coronation subscription based on the Subscription Price is equal to or more than the fair value for 100% of the equity in WBC and not fair if the value attributed to 100% of the equity in WBC for the purposes of the Coronation subscription based on the Subscription Price is less than the fair value for 100% of the equity in WBC.

### **Definition of the terms “fair” and “reasonable” applicable in the context of the Unbundling**

The “fairness” of a transaction is based on quantitative issues. A transaction will generally be considered to be fair to a company’s shareholders if the benefits received, as a result of the transaction, are equal to or greater than the value given up.

The Unbundling will be considered fair if the fair value attributable to Shareholders after the Unbundling (“Post-Unbundling Fair Value”) is equal to or more than the fair value attributable to Shareholders before the Unbundling and any restructuring related thereto (“Pre-Unbundling Fair Value”) and not fair if, the Post-Unbundling Fair Value is less than the Pre-Unbundling Fair Value.

An assessment of reasonableness is generally based on factors other than quantitative considerations.

### **Details and sources of information**

In arriving at our opinions, we have relied upon the following principal sources of information:

- the terms and conditions of the Share Issue and the Unbundling, as set out in the Circular;
- the rationale for the Unbundling;
- audited annual financial statements of Transaction Capital and WBC for the years ended 30 September 2021, 2022 and 2023;
- financial information of Transaction Capital and its subsidiaries per principal operating segment (“**Operating Segment**”) (together the “**Group**”) for the period ended 30 September 2022 and 2023;
- year to date financial information per Operating Segment for the period ended 30 November 2023;
- budget and forecast financial information per Operating Segment for the financial years ending 30 September 2024 to 2028;
- discussions with executive management and directors of Transaction Capital regarding the historic and forecast financial information of the Group;
- discussions with executive management and directors of Transaction Capital on prevailing market, economic, legal and other conditions in the automotive and ecommerce sector which may affect underlying value;
- publicly available information relating to the automotive and ecommerce sector industry in general; and
- publicly available information relating to Transaction Capital and WBC that we deemed to be relevant, including announcements, media articles and analyst presentations.

### **Procedures**

In arriving at our opinions, we have undertaken the following procedures and taken into account the following factors:

- reviewed the terms and conditions of the Share Issue and the Unbundling;
- reviewed the audited and unaudited financial information related to the Group, as detailed above;
- reviewed and obtained an understanding from management as to the forecast financial information of the Group per Operating Segment. Considered the forecast cash flows and the basis of the assumptions therein including the prospects of each Operating Segment. This review included an assessment of the recent historical performance to date as well as the reasonableness of the outlook assumed based on discussions with the executive management and directors of Transaction Capital and assessed the achievability thereof by considering historical information as well as macro-economic and sector-specific data;
- determined the fair value of 100% of the equity in WBC;
- determined the Pre-Unbundling Fair Value and the Post-Unbundling Fair Value as detailed further in the ‘Valuation approach’ section below;
- evaluated the relative risks associated with the Group and the sectors in which the Operating Segments operate;
- held discussions with the executive directors and management of Transaction Capital as to Transaction Capital’s and WBC’s long-term strategies and the rationale for the Unbundling;
- considered certain publicly available information relating to the Group and the sectors in which the Operating Segments operate that we deemed relevant, including company announcements and media articles; and
- performed such other studies and analyses as we considered appropriate and have taken into account our assessment of general economic, market and financial conditions and our experience in other transactions, as well as our experience in securities valuation and knowledge of the sectors in which the Operating Segments operate generally.

## **Assumptions**

We arrived at our opinion based on the following assumptions:

- that all documents intended to have binding force that have been or will be issued or adopted in terms of the Unbundling are or will be legally enforceable as against the relevant parties thereto;
- that the Unbundling will have the legal, accounting and taxation consequences described in the Circular and discussions with, and materials furnished to us by representatives and advisors of the Transaction Capital; and
- that reliance can be placed on the financial information of the Group.

## **Key qualitative considerations**

In arriving at our opinion, we have considered, in addition to the procedures referred to above, other key factors, which are set out below:

- the rationale for the Unbundling as set out in the Circular in paragraph 2.

## **Appropriateness and reasonableness of underlying information and assumptions**

We satisfied ourselves as to the appropriateness and reasonableness of the information and assumptions employed in arriving at our opinion by determining the extent to which representations from management of Transaction Capital were confirmed by documentary evidence as well as our understanding of Transaction Capital and WBC and the economic environment in which the Operating Segments operate.

## **Limiting conditions**

This Independent Expert Report has been given to the Independent Board for the sole purpose of assisting the Independent Board in forming and expressing an opinion for the benefit of the Shareholders. The Independent Expert Report does not purport to cater for each individual Shareholder's perspective, but rather that of the general body of Shareholders. Should a Shareholder be in doubt as to what action to take, he or she should consult an independent adviser.

An individual Shareholder's decision as to whether to accept the Unbundling may be influenced by his particular circumstances. The assessment as to whether or not the Independent Board decides to recommend the Unbundling is a decision that can only be taken by the Independent Board of Transaction Capital.

We have relied upon and assumed the accuracy of the information used by us in deriving our opinion. While our work has involved an analysis of the annual financial statements and other information provided to us, our engagement does not constitute, nor does it include, an audit conducted in accordance with generally accepted auditing standards.

Where relevant, forward-looking information of the Group relates to future events and is based on assumptions that may or may not remain valid for the whole of the forecast period. Consequently, such information cannot be relied upon to the same extent as that derived from audited financial statements for completed accounting periods. We express no opinion as to how closely the actual future results of WBC will correspond to those projected. We have however compared the forecast financial information to past trends as well as discussing the assumptions inherent therein with management of WBC.

We have also assumed that the Unbundling will have the legal consequences described in discussions with, and materials furnished to us by representatives and advisors of Transaction Capital and we express no opinion on such consequences.

Our opinion is based on current economic, regulatory and market as well as other conditions. Subsequent developments may affect the opinion, and we are under no obligation to update, review or re-affirm our opinion based on such developments.

We have neither been a party to the negotiations entered into in relation to the Unbundling nor have we been involved in the deliberations leading up to the decision on the part of the Independent Board to enter into the Unbundling.

We do not, by this letter or otherwise, advise or form any judgement on the strategic, commercial or financial merits or risks of the Unbundling. All such evaluations, advice, judgements or comments remain the sole responsibility of the Independent Board and their advisors. We have however, drawn upon such evaluations, judgements and comments as we deem necessary and appropriate in arriving at our opinion.

It is also not within our terms of reference to compare the merits of the Unbundling to any alternative arrangements that were or may have been available to Transaction Capital. Such comparison and consideration remain the responsibility of the Independent Board and their advisors.



## Independence, competence and fees

We confirm that we have no direct or indirect interest in Transaction Capital Shares or in the Share Issue. We also confirm that we have the necessary qualifications and competence to provide the fairness opinion on the Share Issue.

We confirm that neither we nor any person related to us (as contemplated in the Companies Act) have a direct or indirect interest in the Unbundling, nor have or have had within the immediately preceding two years, any relationship as contemplated in section 114(2)(b) of the Companies Act, and specifically declare, as required by Regulations 90(6)(i) and 90(3)(a) of the Companies Regulations, that we are independent in relation to the Unbundling and will reasonably be perceived to be independent. We also confirm that we have the necessary competence to provide the Fair and Reasonable Opinion and meet the criteria set out in section 114(2)(a) of the Companies Act.

Furthermore, we confirm that our professional fees of R250 000 (excluding VAT) are not contingent upon the success of the Share Issue and the Unbundling. Our fees are payable in cash and not payable in shares.

## Approach to fairness and reasonableness of the Unbundling

In assessing the fairness and reasonableness of the Unbundling, BDO Corporate Finance considered the following:

- The context in which the Unbundling has been proposed; and
- The net benefits that accrue to each Shareholder as a result of the Unbundling.

We reviewed and considered the terms and conditions and consequences of the Unbundling.

## Valuation approach

BDO Corporate Finance performed the valuation of Transaction Capital on a Sum-of-the-parts ("**SOTP**") basis by applying either of the following methodologies and assumptions as per below, to the underlying investments in order to determine the Pre-Unbundling Fair Value and Post-Unbundling Fair Value. The principal Operating Segments comprise the attributable interest held by the Group in:

- Mobalyz, comprising SA Taxi, GoMo and Road Cover;
- Nutun comprising primarily Nutun CX, Nutun Transact, Nutun Business Services and Nutun Treasury;
- WBC;
- TCRS Australia; and
- Group Executive Office.

### *WBC fair value*

BDO Corporate Finance performed a valuation of a WBC on the following principal valuation methodology:

- We compiled forecast cash flows for WBC by using the forecast financial information as detailed above. We applied our assumptions of weighted average cost of capital ("**WACC**") to the forecast cash flows to produce a discounted cash flow ("**DCF**") valuation which was supplemented by a market approach valuation as a secondary valuation approach to support the result of the DCF valuation. In terms of the market approach, we applied our calculated multiples based on market comparables, adjusted for company specific factors for WBC. The multiple was applied to earnings before interest, tax, depreciation and amortisation ("**EBITDA**"); and
- We applied appropriate marketability and minority discounts to arrive at the fair value of WBC to reflect the fair value of the Subscription Shares and a small parcel of shares respectively.

Key internal value drivers and assumptions for the DCF valuation comprise; gross profit margins, EBITDA margins, working capital investment, capital expenditure (i.e. a function of the rollout of the number of new sites and parking bays available) and the discount rate (represented by the WACC).

Key external value drivers for the DCF valuation comprise the number of vehicles sold per annum over the forecast period in order to reach its anticipated target market share. The size of the market is a factor of forecast gross domestic product ("**GDP**") growth.

We performed a sensitivity analysis on key assumptions included in the DCF valuation. The sensitivity analysis was performed by:

- increasing and decreasing the terminal growth rate by a maximum of 1.0%; and
- increasing and decreasing WACC by a maximum of 1.0%.

The sensitivity analysis did not indicate a sufficient effect on the valuation of WBC to alter our opinion with respect to the Share Issue and the Subscription Price.

#### *Pre-Unbundling Fair Value*

Each entity within each Operating Segment was valued using a DCF approach as a primary approach supplemented by a market approach valuation as a secondary valuation approach or alternatively a Net asset value (“NAV”) methodology for dormant or loss-making operations to derive Group NAV.

We applied an appropriate discount to the Group NAV after considering “*the ability to convert the business ownership interest (at whatever ownership level) to cash quickly, with minimum transaction and administrative costs in so doing and with a high degree of certainty of realising the expected amount of net proceeds*” (Source: Pratt S, Reilley R and Schweighs R, Valuing a Business. McGraw-Hill, 2000) (the fair value of the Group’s underlying subsidiaries have been determined on a controlling marketable basis (i.e. each of the assets could be realised at that value if sold today), however as the Group comprises a portfolio of assets it would not be possible to realise those assets simultaneously and therefore Transaction Capital would not receive the marketable controlling value for each of the underlying subsidiaries, given the time, costs and uncertainties involved in disposing of a portfolio).

We applied an appropriate minority discount to arrive at the fair value of a Transaction Capital Share to reflect the fair value of a small parcel of shares.

The above valuations were performed taking cognisance of risk and other market and industry factors affecting the Operating Segments.

Key internal and external value drivers and assumptions for the valuations of the Operating Segments comprise; revenue growth, gross profit margins, EBITDA margins, working capital investment, capital expenditure and the discount rate (represented by the WACC).

#### *Post-Unbundling Fair Value*

The Post-Unbundling Fair Value reflects the fair value per Transaction Capital Share excluding the fair value of the c.57.50% shareholding in WBC which has been aggregated with the fair value of R6.22 WBC Distribution Shares to be received by each Shareholder.

### **Valuation results**

#### *Share Issue*

In opining on the fairness of the Share Issue, we compared the fair value attributable to 100% of the equity in WBC to the value attributed to 100% of the equity in WBC for the purposes of the Coronation subscription based on the Subscription Price.

The fair value for 100% of the equity in WBC, as determined by BDO, compared to the amount on which the Subscription Price payable by Coronation is based on (i.e. 100% of the equity in WBC based on the Coronation subscription), is detailed in the table below:

<b>Description</b>	<b>(R'm)</b>
Fair value for 100% of the equity in WBC as determined by BDO 1	R7 404
<b>Amount on which the Subscription Price payable by Coronation is based on</b>	<b>R7 500</b>
Premium/(discount) to fair value	1.3%

Note 1: The minimum number for purposes of expressing our opinion on the Share Issue is considered to be at the lower end of the valuation range.

#### *Pre-Unbundling*

In undertaking the valuation exercise above, we determined a Pre-Unbundling Fair Value range per Transaction Capital Share of R10.60 to R12.62 with a most likely value of R11.86 on a marketable minority basis.

## Post-Unbundling

In undertaking the valuation exercise above, we determined a Post-Unbundling Fair Value range on a marketable minority basis as follows:

Description	Most likely Valuation	Low Range Valuation	High Range Valuation
WBC fair value	R8 489 250 000	R7 404 375 000	R9 070 875 000
Number of shares to be issued	412 500 000	412 500 000	412 500 000
WBC Distribution Share fair value	R20.58	R17.95	R21.99
Transaction Capital	R5.66	R5.19	R6.09
<i>Distribution Ratio</i>	<i>0.30241</i>	<i>0.30241</i>	<i>0.30241</i>
<i>WBC Distribution Share fair value</i>	<i>R20.58</i>	<i>R17.95</i>	<i>R21.99</i>
WBC fair value attributable to Shareholders	R6.22	R5.43	R6.65
<b>Post-Unbundling Fair Value</b>	<b>R11.88</b>	<b>R10.62</b>	<b>R12.74</b>
<b>Pre-Unbundling Fair Value</b>	<b>R11.86</b>	<b>R10.60</b>	<b>R12.62</b>
Post-Unbundling Fair Value premium/(discount)	0.19%	0.20%	0.93%

The valuation range above is provided solely in respect of the Independent Expert Report and should not be used for any other purposes.

### Reasonableness of the Unbundling

In opining on the reasonableness of the Unbundling we have considered the rationale for the Unbundling as set out in paragraph 2 of the Circular. We have also considered other qualitative factors as set out in paragraph 3.6 of the Circular when opining on the reasonableness of the Unbundling.

### Opinion

#### Share Issue

BDO Corporate Finance has considered the terms and conditions of the Share Issue and, based on and subject to the conditions set out herein, is of the opinion that the terms and conditions of the Share Issue, based on quantitative considerations, are fair to Shareholders.

#### Unbundling

The Post-Unbundling Fair Value of R11.88 is at a premium of 0.19% to the most likely Pre-Unbundling Fair Value of R11.86.

BDO Corporate Finance has considered the terms and conditions of the Unbundling and, based on and subject to the conditions set out herein, is of the opinion that the terms and conditions of the Unbundling, based on quantitative considerations, are fair to Shareholders.

In terms of sections 46(5) and 46(5A) of the Income Tax Act, the distribution of the WBC Distribution Shares must be disregarded for dividends tax purposes and must also not be treated as a return of capital for the purposes of paragraph 76B of the Eighth Schedule to the Income Tax Act. Accordingly, the Unbundling will not give rise to dividends tax.

Based on qualitative factors, as noted in paragraph 3.6 of the Circular, we are of the opinion that the terms and conditions of the Unbundling are reasonable from the perspective of Shareholders.

Our Opinion is necessarily based upon the information available to us up to the Last Practicable Date, including in respect of the financial information as well as other conditions and circumstances existing and disclosed to us. We have assumed that all conditions precedent, including any material regulatory and other approvals or consents required in connection with the Unbundling have been fulfilled or obtained.

Accordingly, it should be understood that subsequent developments may affect this Opinion, which we are under no obligation to update, revise or re-affirm but BDO Corporate Finance reserves its rights to do so should any such developments arise.

**Consent**

We hereby consent to the inclusion of this opinion, in whole or in part, and references thereto in the Circular and any other announcement or document pertaining to the Unbundling, in the form and context in which they appear.

Yours faithfully

N Lazanakis

Director

**BDO Corporate Finance Proprietary Limited**

Wanderers Office Park

52 Corlett Drive

Illovo 2196

---

**EXTRACTS OF SECTION 115 AND SECTION 164 OF THE COMPANIES ACT**

---

**“Section 115: Required approval for transactions contemplated in Part A**

- (1) *Despite section 65, and any provision of a company’s Memorandum of Incorporation, or any resolution adopted by its board or holders of its securities, to the contrary, a company may not dispose of, or give effect to an agreement or series of agreements to dispose of, all or the greater part of its assets or undertaking, implement an amalgamation or a merger, or implement a scheme of arrangement, unless:*
- (a) *the disposal, amalgamation or merger, or scheme of arrangement:*
    - (i) *has been approved in terms of this section; or*
    - (ii) *is pursuant to or contemplated in an approved business rescue plan for that company, in terms of Chapter 6; and*
  - (b) *to the extent that Parts B and C of this Chapter and the Takeover Regulations, apply to a company that proposes to:*
    - (i) *dispose of all or the greater part of its assets or undertaking;*
    - (ii) *amalgamate or merge with another company; or*
    - (iii) *implement a scheme of arrangement,*
- the Panel has issued a compliance certificate in respect of the transaction, in terms of section 119(4)(b), or exempted the transaction in terms of section 119(6).*
- (2) *A proposed transaction contemplated in subsection (1) must be approved:*
- (a) *by a special resolution adopted by persons entitled to exercise voting rights on such a matter, at a meeting called for that purpose and at which sufficient persons are present to exercise, in aggregate, at least 25% of all of the voting rights that are entitled to be exercised on that matter, or any higher percentage as may be required by the company’s Memorandum of Incorporation, as contemplated in section 64(2); and*
  - (b) *by a special resolution, also adopted in the manner required by paragraph (a), by the shareholders of the company’s holding company if any, if:*
    - (i) *the holding company is a company or an external company;*
    - (ii) *the proposed transaction concerns a disposal of all or the greater part of the assets or undertaking of the subsidiary; and*
    - (iii) *having regard to the consolidated financial statements of the holding company, the disposal by the subsidiary constitutes a disposal of all or the greater part of the assets or undertaking of the holding company; and*
  - (c) *by the court, to the extent required in the circumstances and manner contemplated in subsections (3) to (6).*
- (3) *Despite a resolution having been adopted as contemplated in subsections (2)(a) and (b), a company may not proceed to implement that resolution without the approval of a court if:*
- (a) *the resolution was opposed by at least 15% of the voting rights that were exercised on that resolution and, within five business days after the vote, any person who voted against the resolution requires the company to seek court approval; or*
  - (b) *the court, on an application within 10 business days after the vote by any person who voted against the resolution, grants that person leave, in terms of subsection (6), to apply to a court for a review of the transaction in accordance with subsection (7).*

- (4) For the purposes of subsections (2) and (3), any voting rights controlled by an acquiring party, a person related to an acquiring party, or a person acting in concert with either of them, must not be included in calculating the percentage of voting rights:
- (a) required to be present, or actually present, in determining whether the applicable quorum requirements are satisfied; or
  - (b) required to be voted in support of a resolution, or actually voted in support of the resolution.
- (4A) In subsection (4), 'act in concert' has the meaning set out in section 117(1)(b).
- (5) If a resolution requires approval by a court as contemplated in terms of subsection (3)(a), the company must either:
- (a) within 10 business days after the vote, apply to the court for approval, and bear the costs of that application; or
  - (b) treat the resolution as a nullity.
- (6) On an application contemplated in subsection (3)(b), the court may grant leave only if it is satisfied that the applicant:
- (a) is acting in good faith;
  - (b) appears prepared and able to sustain the proceedings; and
  - (c) has alleged facts which, if proved, would support an order in terms of subsection (7).
- (7) On reviewing a resolution that is the subject of an application in terms of subsection (5)(a), or after granting leave in terms of subsection (6), the court may set aside the resolution only if:
- (a) the resolution is manifestly unfair to any class of holders of the company's securities; or
  - (b) the vote was materially tainted by conflict of interest, inadequate disclosure, failure to comply with the Companies Act, the Memorandum of Incorporation or any applicable rules of the company, or other significant and material procedural irregularity.
- (8) The holder of any voting rights in a company is entitled to seek relief in terms of section 164 if that person:
- (a) notified the company in advance of the intention to oppose a special resolution contemplated in this section; and
  - (b) was present at the meeting and voted against that special resolution.
- (9) If a transaction contemplated in this Part has been approved, any person to whom assets are, or an undertaking is, to be transferred, may apply to a court for an order to effect:
- (a) the transfer of the whole or any part of the undertaking, assets and liabilities of a company contemplated in that transaction;
  - (b) the allotment and appropriation of any shares or similar interests to be allotted or appropriated as a consequence of the transaction;
  - (c) the transfer of shares from one person to another;
  - (d) the dissolution, without winding-up, of a company, as contemplated in the transaction;
  - (e) incidental, consequential and supplemental matters that are necessary for the effectiveness and completion of the transaction; or
  - (f) any other relief that may be necessary or appropriate to give effect to, and properly implement, the amalgamation or merger.

**Section 164: Dissenting shareholders appraisal rights**

- (1) This section does not apply in any circumstances relating to a transaction, agreement or offer pursuant to a business rescue plan that was approved by shareholders of a company, in terms of section 152.

- (2) If a company has given notice to shareholders of a meeting to consider adopting a resolution to:
- (a) amend its Memorandum of Incorporation by altering the preferences, rights, limitations or other terms of any class of its shares in any manner materially adverse to the rights or interests of holders of that class of shares, as contemplated in section 37(8); or
  - (b) enter into a transaction contemplated in section 112, 113, or 114,
- that notice must include a statement informing shareholders of their rights under this section.
- (3) At any time before a resolution referred to in subsection (2) is to be voted on, a dissenting shareholder may give the company a written notice objecting to the resolution.
- (4) Within 10 business days after a company has adopted a resolution contemplated in this section, the company must send a notice that the resolution has been adopted to each shareholder who:
- (a) gave the company a written notice of objection in terms of subsection (3); and
  - (b) has neither:
    - (i) withdrawn that notice; or
    - (ii) voted in support of the resolution.
- (5) A shareholder may demand that the company pay the shareholder the fair value for all of the shares of the company held by that person if:
- (a) the shareholder:
    - (i) sent the company a notice of objection, subject to subsection (6); and
    - (ii) in the case of an amendment to the company's Memorandum of Incorporation, holds shares of a class that is materially and adversely affected by the amendment;
  - (b) the company has adopted the resolution contemplated in subsection (2); and
  - (c) the shareholder:
    - (i) voted against that resolution; and
    - (ii) has complied with all of the procedural requirements of this section.
- (6) The requirement of subsection (5)(a)(i) does not apply if the company failed to give notice of the meeting, or failed to include in that notice a statement of the shareholders rights under this section.
- (7) A shareholder who satisfies the requirements of subsection (5) may make a demand contemplated in that subsection by delivering a written notice to the company within:
- (a) 20 business days after receiving a notice under subsection (4); or
  - (b) if the shareholder does not receive a notice under subsection (4), within 20 business days after learning that the resolution has been adopted.
- (8) A demand delivered in terms of subsections (5) to (7) must also be delivered to the Panel, and must state:
- (a) the shareholder's name and address;
  - (b) the number and class of shares in respect of which the shareholder seeks payment; and
  - (c) a demand for payment of the fair value of those shares.
- (9) A shareholder who has sent a demand in terms of subsections (5) to (8) has no further rights in respect of those shares, other than to be paid their fair value, unless:
- (a) the shareholder withdraws that demand before the company makes an offer under subsection (11), or allows an offer made by the company to lapse, as contemplated in subsection (12)(b);
  - (b) the company fails to make an offer in accordance with subsection (11) and the shareholder withdraws the demand; or
  - (c) the company, by a subsequent special resolution, revokes the adopted resolution that gave rise to the shareholder's rights under this section.

- (10) *If any of the events contemplated in subsection (9) occur, all of the shareholder's rights in respect of the shares are reinstated without interruption.*
- (11) *Within five business days after the later of:*
- (a) the day on which the action approved by the resolution is effective;*
  - (b) the last day for the receipt of demands in terms of subsection (7)(a); or*
  - (c) the day the company received a demand as contemplated in subsection (7)(b), if applicable, the company must send to each shareholder who has sent such a demand a written offer to pay an amount considered by the company's directors to be the fair value of the relevant shares, subject to subsection (16), accompanied by a statement showing how that value was determined.*
- (12) *Every offer made under subsection (11):*
- (a) in respect of shares of the same class or series must be on the same terms; and*
  - (b) lapses if it has not been accepted within 30 business days after it was made.*
- (13) *If a shareholder accepts an offer made under subsection (12):*
- (a) the shareholder must either in the case of:*
    - (i) shares evidenced by certificates, tender the relevant share certificates to the company or the company's transfer agent; or*
    - (ii) uncertificated shares, take the steps required in terms of section 53 to direct the transfer of those shares to the company or the company's transfer agent; and*
  - (b) the company must pay that shareholder the agreed amount within 10 business days after the shareholder accepted the offer and:*
    - (i) tendered the share certificates; or*
    - (ii) directed the transfer to the company of uncertificated shares.*
- (14) *A shareholder who has made a demand in terms of subsections (5) to (8) may apply to a court to determine a fair value in respect of the shares that were the subject of that demand, and an order requiring the company to pay the shareholder the fair value so determined, if the company has:*
- (a) failed to make an offer under subsection (11); or*
  - (b) made an offer that the shareholder considers to be inadequate, and that offer has not lapsed.*
- (15) *On an application to the court under subsection (14):*
- (a) all dissenting shareholders who have not accepted an offer from the company as at the date of the application must be joined as parties and are bound by the decision of the court;*
  - (b) the company must notify each affected dissenting shareholder of the date, place and consequences of the application and of their right to participate in the court proceedings; and*
  - (c) the court:*
    - (i) may determine whether any other person is a dissenting shareholder who should be joined as a party;*
    - (ii) must determine a fair value in respect of the shares of all dissenting shareholders, subject to subsection (16);*
    - (iii) in its discretion may:*
      - (aa) appoint one or more appraisers to assist it in determining the fair value in respect of the shares; or*
      - (bb) allow a reasonable rate of interest on the amount payable to each dissenting shareholder from the date the action approved by the resolution is effective, until the date of payment;*
    - (iv) may make an appropriate order of costs, having regard to any offer made by the company, and the final determination of the fair value by the court; and*



(v) *must make an order requiring:*

(aa) *the dissenting shareholders to either withdraw their respective demands or to comply with subsection (13)(a); and*

(bb) *the company to pay the fair value in respect of their shares to each dissenting shareholder who complies with subsection (13)(a), subject to any conditions the court considers necessary to ensure that the company fulfils its obligations under this section.*

(15A) *At any time before the court has made an order contemplated in subsection (15)(c)(v), a dissenting shareholder may accept the offer made by the company in terms of subsection (11), in which case:*

(a) *that shareholder must comply with the requirements of subsection 13(a); and*

(b) *the company must comply with the requirements of subsection 13(b).*

(16) *The fair value in respect of any shares must be determined as at the date on which, and time immediately before, the company adopted the resolution that gave rise to a shareholder's rights under this section.*

(17) *If there are reasonable grounds to believe that compliance by a company with subsection (13)(b), or with a court order in terms of subsection (15)(c)(v)(bb), would result in the company being unable to pay its debts as they fall due and payable for the ensuing 12 months:*

(a) *the company may apply to a court for an order varying the company's obligations in terms of the relevant subsection; and*

(b) *the court may make an order that:*

(i) *is just and equitable, having regard to the financial circumstances of the company; and*

(ii) *ensures that the person to whom the company owes money in terms of this section is paid at the earliest possible date compatible with the company satisfying its other financial obligations as they fall due and payable.*

(18) *If the resolution that gave rise to a shareholder's rights under this section authorised the company to amalgamate or merge with one or more other companies, such that the company whose shares are the subject of a demand in terms of this section has ceased to exist, the obligations of that company under this section are obligations of the successor to that company resulting from the amalgamation or merger.*

(19) *For greater certainty, the making of a demand, tendering of shares and payment by a company to a shareholder in terms of this section do not constitute a distribution by the company, or an acquisition of its shares by the company within the meaning of section 48, and therefore are not subject to:*

(a) *the provisions of that section; or*

(b) *the application by the company of the solvency and liquidity test set out in section 4.*

(20) *Except to the extent:*

(a) *expressly provided in this section; or*

(b) *that the Panel rules otherwise in a particular case,*

*a payment by a company to a shareholder in terms of this section does not obligate any person to make a comparable offer under section 125 to any other person."*

---

## INFORMATION FOR FOREIGN SHAREHOLDERS

---

**The definitions and interpretations commencing on page 11 of this Circular apply to this section and throughout this Circular.**

### DISTRIBUTIONS TO FOREIGN SHAREHOLDERS

The distribution of WBC Distribution Shares to Foreign Shareholders, in terms of the Unbundling, may be affected by the laws of such Foreign Shareholders' relevant jurisdiction. Foreign Shareholders should consult their professional advisors as to whether they require any governmental or other consents or need to observe any other formalities to enable them to take up their rights.

This section sets out some of the restrictions applicable to Shareholders who have registered addresses outside South Africa, who are nationals, citizens or residents of countries other than South Africa, or who are persons (including, without limitation, custodians, nominees and trustees) who have a contractual or legal obligation to forward this document to a jurisdiction outside South Africa or who hold ordinary shares for the account or benefit of any such Foreign Shareholder.

It is the responsibility of any Foreign Shareholder (including, without limitation, nominees, agents and trustees for such persons) receiving this Circular and wishing to take up their entitlement to unbundled WBC Distribution Shares to satisfy themselves as to full observance of the applicable laws of any relevant territory, including obtaining any requisite governmental or other consents, observing any other requisite formalities and paying any issue, transfer or other taxes due in such territories. Foreign Shareholders are obliged to observe the applicable legal requirements of their relevant jurisdictions.

Accordingly, persons (including, without limitation, nominees, agents and trustees) receiving a copy of this Circular should not distribute or send the same to any person in, or citizen or resident of, or otherwise into any jurisdiction where to do so would or might contravene local securities laws or regulations. To the extent that this Circular is distributed by any person in contravention with applicable laws, Transaction Capital and its advisors shall bear no liability in respect thereof.

Transaction Capital reserves the right, but shall not be obliged, to treat as invalid any distribution of the WBC Distribution Shares, in terms of the Unbundling, which appears to Transaction Capital or its agents, in its sole and absolute discretion, to have been executed, effected or dispatched in a manner which may involve a breach of the laws of the jurisdiction of that Shareholder or if Transaction Capital believes or its agents believe, in its sole and absolute discretion, that the same may violate applicable legal or regulatory requirements.

A Foreign Excluded Shareholder includes any Foreign Shareholder who is unable to receive any of the WBC Shares constituting the WBC Distribution Shares to be distributed to him because of the laws of the jurisdiction of that Shareholder, or any Foreign Shareholder that Transaction Capital is not permitted to distribute any of the WBC Distribution Shares to because of the laws of the jurisdiction of that Shareholder. Notwithstanding the foregoing, any WBC Distribution Shares to which Foreign Excluded Shareholders are entitled but are unable, as result of applicable law in their jurisdiction, to receive and/or hold, will, in respect of their shareholdings, receive the average cash value of the relevant WBC Distribution Shares (net of costs), based on the average price at which such WBC Distribution Shares due to Foreign Excluded Shareholders were sold. The average cash value (net of costs) will be calculated and the consideration due to each Foreign Excluded Shareholder will be paid only once all these WBC Distribution Shares have been disposed of.

It is the responsibility of Dematerialised Shareholders to inform their CSDPs if they are Foreign Excluded Shareholders. CSDPs will then be responsible for informing the Transfer Secretaries of all Dematerialised Shares held by them on behalf of Foreign Excluded Shareholders. It is the responsibility of Certificated Shareholders to inform the Transfer Secretaries if they are Foreign Excluded Shareholders.

Foreign Excluded Shareholders will, in respect of their shareholdings, receive the average cash value of the relevant WBC Share(s) (net of costs) at which the relevant WBC Shares were disposed of. Accordingly, Foreign Excluded Shareholders will, in respect of their WBC Distribution Shares, receive the average consideration per unbundled WBC Distribution Share (net of transaction and currency conversion costs) received by the Transfer Secretaries pursuant to the sale process as set out in the preceding paragraph. The average consideration per WBC Shares constituting the WBC Distribution Share due to each Foreign Excluded Shareholder will only be paid once all such unbundled WBC Distribution Shares have been disposed of.

## **NOTICE TO FOREIGN SHAREHOLDERS LOCATED IN THE US**

This Circular is not an offer of securities for sale in the US. The WBC Distribution Shares have not been and will not be registered under the US Securities Act, or with any regulatory authority of any state or other jurisdiction in the US and may not be offered, sold, exercised, transferred or delivered, directly or indirectly, in or into the US at any time except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act and applicable state and other securities laws of the US.

The WBC Distribution Shares have not been and will not be listed on a US securities exchange or quoted on any inter-dealer quotation system in the US. Transaction Capital does not intend to take any action to facilitate a market in the WBC Distribution Shares in the US. Consequently, it is unlikely that an active trading market in the US will develop for the WBC Distribution Shares.

The WBC Distribution Shares have not been approved or disapproved by the US Securities and Exchange Commission, any state securities commission in the US or any other regulatory authority in the US, nor have any of the foregoing authorities passed comment upon, or endorsed the merit of, the Unbundling or the accuracy or the adequacy of this Circular or the information contained herein. Any representation to the contrary is a criminal offence in the US.

## **NOTICE TO FOREIGN SHAREHOLDERS LOCATED IN THE EUROPEAN ECONOMIC AREA (“EEA”) AND THE UK**

This Circular is not a prospectus, as such term is defined in the Prospectus Regulation (EU) 2017/1129, on the basis that the WBC Distribution Shares are not being admitted to trading on a regulated market situated or operating within the EEA or the UK, nor is there an offer to the public in respect of the WBC Distribution Shares in any member state of the EEA or in the UK. Accordingly, any person making or intending to make any offer for the WBC Distribution Shares should only do so in circumstances in which no obligation arises for Transaction Capital or WeBuyCars to produce a prospectus for such offer. Transaction Capital has not authorised the making of any offer for the WBC Distribution Shares through any financial intermediary.

---

## TAXATION CONSIDERATIONS FOR THE UNBUNDLING

---

The definitions and interpretations commencing on page 11 of this Circular apply to this section and throughout this Circular.

The summary below is a general guide and is not intended to constitute a complete analysis of the tax consequences of the Unbundling provisions in terms of South African tax law. It is not intended to be, nor should it be considered as legal or tax advice. Transaction Capital and its advisors cannot be held responsible for the tax consequences of the Unbundling and therefore Shareholders are advised to consult their own tax advisors in this regard.

The Unbundling will constitute a disposal by Transaction Capital of its WBC Distribution Shares to the Transaction Capital Shareholders. The disposal will be effected in accordance with the provisions of section 46 of the Income Tax Act.

The consequences of applying section 46 of the Income Tax Act are outlined below:

### 1. DISTRIBUTION OF WBC SHARES BY TRANSACTION CAPITAL

The distribution of the WBC Distribution Shares by Transaction Capital, in terms of the Unbundling, will, save as set out below, be disregarded in determining its taxable income or assessed loss in the tax year that the Unbundling takes place. This means that, save as set out below, Transaction Capital will not be subject to tax on the distribution of the WBC Distribution Shares in terms of the Unbundling.

### 2. DISQUALIFIED SHAREHOLDERS

To the extent that Transaction Capital makes any distribution in terms of the Unbundling to a “*disqualified person*”, who holds at least 5% of the equity shares in Transaction Capital immediately before the Unbundling, the Unbundling will be disregarded as contemplated in section 46 of the Income Tax Act. As a result, Transaction Capital may be subject to CGT and/or dividends tax in respect of those shares that are unbundled. It is noted that Transaction Capital holds all of the WBC Distribution Shares on capital account.

Section 46(7) of the Income Tax Act provides that the rollover relief afforded in terms of section 46 does not apply in respect of an equity share that is distributed by Transaction Capital to any Shareholder that –

- is a *disqualified person*; and
- holds at least 5% of the equity shares in Transaction Capital immediately before the Unbundling.

A “disqualified person” is effectively defined as –

- a person that is not a resident of South Africa;
- the Government of South Africa in the national, provincial or local sphere;
- a public benefit organisation that has been approved by SARS;
- a recreational club as defined in section 30A of the Income Tax Act that has been approved by SARS;
- a rehabilitation trust or company;
- a pension fund, pension preservation fund, provident fund, provident preservation fund or retirement annuity fund or any other fund defined in section 10(1)(d) of the Income Tax Act; and
- certain institutions, bodies or boards that amongst others conduct scientific, technical and industrial research and are exempt in terms of sections 10(1)(cA) or (t) of the Income Tax Act.

As at the Unbundling Record Date, it is anticipated that the PIC will be the only Disqualified Shareholder, regard being had to the shareholding of the PIC in Transaction Capital as at the Last Practicable Date (the “**PIC Unbundled Shares**”). Given the fact that the market value of the PIC Unbundled Shares exceeds the base cost thereof to Transaction Capital, Transaction Capital will realise a capital gain on the difference between the market value of the PIC Unbundled Shares and such base cost of those shares. 80% of this taxable capital gain will be included in Transaction Capital's taxable income in the year of assessment that the Unbundling takes place.

The amount of CGT, if any, for which Transaction Capital is liable in respect of distributions to Disqualified Shareholders, will result in, amongst others, the base cost of the Unbundled Shares in the hands of Shareholders being increased by the tax paid by Transaction Capital in the same ratio as the number of equity shares held by a Shareholder in Transaction Capital that acquires Unbundled Shares bears to the number of all the equity issued shares in Transaction Capital immediately after the Unbundling transaction. Given the PIC's tax-exempt status there will be no dividends tax payable by Transaction Capital on the distribution to it.

Transaction Capital will advise Transaction Capital Shareholders of the specified ratio at which the expenditure or base cost, as the case may be, must be allocated between the Transaction Capital Shares and the Unbundled Shares, by way of an announcement expected to be published on SENS. The allocated expenditure or base cost, as the case may be, must be used in the determination of any profits or losses or capital gains or losses, as the case may be, derived on any future disposals of the Transaction Capital Shares and/or the Unbundled Shares. Transaction Capital will also advise Shareholders of the amount, if any, to be added to the base cost of the Unbundled Shares in respect of any CGT paid by Transaction Capital in respect of the PIC Unbundled Shares.

### **3. SHARES HELD AS TRADING STOCK**

Any Shareholder holding Transaction Capital Shares as trading stock will be deemed to acquire the WBC Distribution Shares as trading stock. The Shareholder must allocate a portion of the expenditure in respect of and market value of the Transaction Capital Shares to the WBC Distribution Shares and reduce the expenditure in respect of and market value of the Transaction Capital Shares. The Shareholder will be deemed to have incurred the expenditure allocated to the WBC Distribution Shares on the same date that it was incurred in respect of the Transaction Capital Shares.

The expenditure to be allocated to the WBC Distribution Shares will be determined by applying the ratio that the market value of WBC Distribution Shares, as at the last day to trade, being Wednesday, 10 April 2024, plus one Business Day, bears to the sum of the market value, at the end of that day, of the WBC Distribution Shares and the Transaction Capital Shares.

Transaction Capital will advise Shareholders of the specified ratio at which expenditure must be allocated by way of an announcement to be published on SENS on or about Friday, 12 April 2024. The allocated expenditure must be used in the determination of any profits or losses derived on any future disposals of the Transaction Capital Shares or WBC Distribution Shares.

### **4. SHARES HELD AS CAPITAL ASSETS**

Any Transaction Capital Shareholder holding Shares as capital assets will be deemed to acquire the WBC Distribution Shares as capital assets. The Shareholder must allocate a portion of the original expenditure incurred in respect of the Transaction Capital Shares, and which forms part of the base cost of the Transaction Capital Shares as contemplated in paragraph 20 of the Eighth Schedule to the Income Tax Act and (where applicable) the CGT valuation of the Transaction Capital Shares, as contemplated in paragraph 29 of the Eighth Schedule to the Income Tax Act to the WBC Distribution Shares. Such allocation would also be done by applying the ratio that the market value of WBC Distribution Shares, as at the last day to trade, being Wednesday, 10 April 2024, plus one Business Day, bears to the sum of the market value, at the end of that day, of the WBC Distribution Shares and the Transaction Capital Shares.

### **5. SECURITIES TRANSFER TAX**

The distribution of the WBC Distribution Shares to Shareholders will be exempt from the payment of any Securities Transfer Tax.

## 6. **DIVIDENDS TAX**

In terms of sections 46(5) and 46(5A) of the Income Tax Act, the distribution of the WBC Distribution Shares must be disregarded for Dividends Tax purposes (other than in the case of any certain non-resident Disqualified Shareholders).

## 7. **NON-RESIDENT SHAREHOLDERS**

Shareholders who are non-resident for tax purposes in South Africa are advised to consult their own professional tax advisors regarding the tax treatment of the Unbundling in their respective jurisdictions, having regard to the tax laws in their jurisdiction and any applicable tax treaties between South Africa and their country of residence.

## 8. **APPRAISAL RIGHTS**

South African resident Shareholders who do not elect to exercise their Appraisal Rights and who receive WBC Distribution Shares pursuant to the Unbundling will not be liable for any tax (including Dividends Tax and Securities Transfer Tax) in respect of the WBC Shares distributed to them. Shareholders who elect to exercise their Appraisal Rights and, as a result, receive a cash payment equal to the fair value of the Shares, will be treated as having received a dividend from Transaction Capital. This dividend will be subject to a withholding of Dividends Tax at the rate of 20% unless a particular exemption applies or the rate is reduced in terms of a relevant double tax agreement.

## 9. **CERTAIN US FEDERAL INCOME TAX CONSIDERATIONS FOR US SHAREHOLDERS**

The following discussion describes certain US federal income tax consequences of the Unbundling to Transaction Capital's Shareholders that are subject to US federal income tax on a net income basis ("**US Shareholders**"). This discussion does not describe the tax consequences of the ownership and disposition of WBC Distribution Shares received in the Unbundling, nor does it address the tax consequences of the continuing ownership and possible disposition of Transaction Capital Shares following the Unbundling.

Except as specifically described below, Transaction Capital has not analysed the US tax consequences of the Unbundling and any pre-unbundling steps taken in connection with the transaction. In particular, US Shareholders should note that for purposes of the Unbundling Transaction Capital has not analysed, and has not sought advice to determine (i) whether Transaction Capital or WeBuyCars is or was a "passive foreign investment company" ("**PFIC**") for US federal income tax purposes for the current or any prior taxable year, (ii) whether Transaction Capital will be or may become a PFIC for the current or any future taxable year in light of the change in the composition of its income and assets following the Unbundling and (iii) the expected PFIC status of Transaction Capital and WeBuyCars for any future taxable year. If either Transaction Capital or WeBuyCars is a PFIC for any taxable year during which a US Shareholder owns the relevant shares, such US Shareholder generally would be subject to adverse tax consequences. For example, the US Shareholder would generally be subject to increased tax liability on the disposition of, and receipt of certain distributions on, the relevant shares (likely including the distribution of WBC Distribution Shares pursuant to the Unbundling, if Transaction Capital is a PFIC or is treated as a PFIC with respect to such Shareholder). In addition, the US Shareholder would be subject to reporting requirements with respect to the PFIC. US Shareholders should consult their tax advisors regarding Transaction Capital and WBC's PFIC status (in the case of Transaction Capital, taking into account the effect of the Unbundling), the consequences of owning shares in a PFIC and the availability of any election under the PFIC rules.

In addition, this discussion does not describe specific tax consequences that may be relevant to a US Shareholder in light of the Shareholder's particular circumstances (including exercising Appraisal Rights) or differing tax consequences applicable to US Shareholders subject to special rules, such as financial institutions, partnerships, dealers in securities, tax-exempt entities or Shareholders holding 10% or more of Transaction Capital's stock by vote or value. Moreover, this discussion does not address any aspect of state, local or non-US tax, or any US federal tax considerations other than income tax.

The distribution of the WBC Distribution Shares (including the value of entitlements for fractional shares bundled for purposes of their sales for the benefit of Shareholders) pursuant to the Unbundling will be taxable to Transaction Capital's US Shareholders as a dividend to the extent of Transaction Capital's current

or accumulated earnings and profits, as determined under US federal income tax principles. Because Transaction Capital does not maintain calculations of its earnings and profits under US federal income tax principles, it is expected that the entire distribution will be reported as a taxable dividend. The amount of the dividend should equal the fair market value of the WBC Distribution Shares received and the WBC fractional shares allocable to the Shareholder, determined in US dollars as of the date of the distribution. A US Shareholder's basis in the WBC Distribution Shares received (including any fractional WBC Distribution Share allocable to such Shareholder) will be equal to the fair market value of the shares on the date of distribution. US Shareholders should consult their tax advisors as to the amount of any short-term capital gain or loss that may be recognized with respect to the receipt of proceeds from the sale of fractional WBC Shares pursuant to the Unbundling (in addition to the dividend income recognized with respect to such fractional shares as described above). Any dividend income will be foreign-source. US Shareholders will not be eligible for the dividends-received deduction generally available to US corporations under the Internal Revenue Code of 1986, as amended. Non-corporate US Shareholders should consult their tax advisors as to whether any dividend income is eligible for the favourable rate applicable to "qualified dividend income" in general and in their particular circumstances. Non-corporate US Shareholders should note, however, that the favourable rate will not apply if Transaction Capital is a PFIC (or is treated as a PFIC with respect to the US Shareholder) for Transaction Capital's taxable year in which the WBC Distribution Shares are distributed or the preceding taxable year.

The discussion above is general in nature and does not constitute tax advice. Accordingly, US Shareholders are urged to consult their tax advisors concerning the US federal, state and local, and non-US Shareholders tax consequences of the Unbundling and the receipt, ownership and disposition of WBC Distribution Shares in their particular circumstances.

---

## EXCHANGE CONTROL CONSIDERATIONS FOR THE UNBUNDLING

---

**The definitions and interpretations commencing on page 11 of this Circular apply to this section and throughout this Circular.**

### EXCHANGE CONTROL

The unbundled WBC Distribution Shares are not freely transferable from the Common Monetary Area and must be dealt with in terms of the Exchange Control Regulations. The following is a summary of the Exchange Control Regulations, is not comprehensive and is intended as a guide only. In the event that Shareholders have any doubts in respect of their obligations in terms of the Exchange Control Regulations, they should consult their professional advisors without delay. This summary is based on the Exchange Control Regulations and Circulars issued by the Financial Surveillance Department as at the Last Practicable Date and may be impacted by any subsequent changes to such regulations or circulars.

#### 1. **Non-residents**

The unbundled WBC Distribution Shares received by the Shareholders who are non-residents and whose registered address is outside the Common Monetary Area will, in the case of Dematerialised Shareholders, be credited to their share accounts at the CSDP controlling their portfolios,

The CSDP or Broker will ensure that all requirements of the Exchange Control Regulations are adhered to in respect of their clients falling into this category of investor.

#### 2. **Emigrants**

Emigrants who have already externalised their Transaction Capital Shares in accordance with the relevant procedures will have their unbundled WBC Distribution Shares treated in a similar manner.

Emigrants that have not so externalised their Transaction Capital Shares will have their unbundled WBC Distribution Shares treated in the same manner as their current Transaction Capital Shares.

The CSDP or Broker will ensure that all requirements of the Exchange Control Regulations are adhered to in respect of their clients falling into this category of investor.



---

## PRO FORMA FINANCIAL INFORMATION OF TRANSACTION CAPITAL

---

The *pro forma* financial information of Transaction Capital is set out below. The *pro forma* consolidated statement of financial position and the *pro forma* consolidated income statement of Transaction Capital have been prepared for illustrative purposes only to show the *pro forma* financial effects of the Unbundling, as required in terms of the Companies Regulations. Due to the nature of the *pro forma* financial information, the *pro forma* consolidated statement of financial position and the *pro forma* consolidated income statement may not fairly present Transaction Capital's financial position or results of operations after the Unbundling and Listing has been implemented which is still to be approved by the JSE. For purposes of the *pro forma* financial information presented in this **Annexure 6**, the potential transaction steps are as follows:

Step 1: WBC Holding Proprietary Limited (“**WeBuyCars**”) declares a dividend to existing shareholders of WBC, to remain outstanding on loan account.

Step 2.1: WeBuyCars declares a scrip dividend, to be paid to existing shareholders either in cash or in shares (at the election of the shareholders).

Step 2.2: In addition, a new strategic investor namely, Coronation Fund Managers Limited (“**New Investor**”) subscribes for 353 898 shares in WeBuyCars.

Step 2.3: The sell-downs by Transaction Capital of a portion of the WBC Shares which it holds, up to an assumed minimum value of R250 million (which includes the Private Placement of WBC Shares by Transaction Capital).

Step 3: Capital is raised through a bookbuild to repay the loan account in Step 1 above.

The *pro forma* financial information is presented in a manner that is consistent with the current accounting policies of Transaction Capital, IFRS and the basis on which the audited consolidated financial information for the year ended 30 September 2023 has been prepared. The *pro forma* financial information has been prepared in accordance with the Companies Regulations and the JSE Listings Requirements and in compliance with the SAICA Guide on *pro forma* Financial Information. The *pro forma* consolidated statement of financial position and the *pro forma* consolidated income statement as set out below should be read in conjunction with the report of the Independent Reporting Accountants which is included as **Annexure 7** to this Circular.

The Board of Transaction Capital is responsible for the preparation of the *pro forma* financial information.

It has been assumed for the purposes of the *pro forma* financial effects that the Unbundling took place with effect from 1 October 2022 for purposes of the *pro forma* consolidated income statement and on 30 September 2023 for purposes of the *pro forma* consolidated statement of financial position.

Deloitte & Touche's unmodified independent reporting accountant's report on the *Pro Forma* Financial Information of Transaction Capital is set out in **Annexure 7** to this Circular. Such report is included solely to comply with the requirements of the Companies Regulations and Listings Requirements.

**Pro Forma Consolidated statement of financial position  
at 30 September 2023**

R millions	Pre-transaction steps					Derecog-				WBC Deconso- idation (n11)	WBC consol journals (n12)	Unbundling of WBC (n13)	Results after Pro forma effects
	Before (n1)	Step 1 (n2)	Step 2.1 and 2.2 (n3)	Step 3 (n4)	Step 2.3 (n5)	Derecog- nition of call option (n6)	Derecog- nition of put option reserve (n7)	Repayment of RCF + Zephyr (n8)	Transaction costs (n9)				
<b>Assets</b>													
Cash and cash equivalents	2 138	–	183	750	250		(1 602)		(15)		(164)	–	1 539
Other investments	850												850
Tax receivables	19												19
Trade and other receivables	1 813										(83)		1 730
Inventories	3 005										(2 187)		818
Assets classified as held for sale	119												119
Reinsurance contract assets	44										(44)		(0)
Leased assets	12												12
Loans and advances	15 427												15 427
Purchased book debts	5 025												5 025
Other loans receivable	101										(12)		89
Derivative assets	899					(426)							473
Equity accounted investments	1 063										(11)		1 052
Intangible assets	3 415										(1 754)	(1 044)	617
Property and equipment	2 077										(1 280)		797
Goodwill	5 250										–	(2 987)	2 263
Deferred tax assets	369										(44)		325
Assets associated with WBC	–										5 579	4 031	–
<b>Total assets</b>	<b>41 626</b>	<b>–</b>	<b>183</b>	<b>750</b>	<b>250</b>	<b>(426)</b>	<b>(1 602)</b>	<b>–</b>	<b>(15)</b>	<b>–</b>	<b>–</b>	<b>(9 610)</b>	<b>31 155</b>

R millions	Pre-transaction steps							Derecognition of				Results after <i>Pro forma</i> effects		
	Before (n1)	Step 1 (n2)	Step 2.1 and 2.2 (n3)	Step 3 (n4)	Step 2.3 (n5)	Derecognition of call option (n6)	Derecognition of put option reserve (n7)	Repayment of RCF + Zephyr (n8)	Transaction costs (n9)	Conditional share plan (n10)	WBC Deconsolidation (n11)		WBC consol journals (n12)	Unbundling of WBC (n13)
<b>Liabilities</b>														
Bank overdrafts	594													594
Other short-term borrowings	22													22
Tax payables	38							47			(23)		75	137
Trade and other payables	2 020	188									(322)			1 886
Provisions	2										(34)			(32)
Liabilities directly associated with assets held for sale	6													6
Insurance contract liabilities	994													994
Benefits ceded on insurance contracts relating to inventories	39													39
Benefits ceded on insurance contracts relating to loans and advances	798													798
Benefits accruing to insurance contract holders	157													157
Put option liability	2 352						(1 885)							467
Derivative liabilities	61													61



## Notes and assumptions

**n1.** Extracted, without adjustment, from the audited consolidated financial statements of Transaction Capital for the year ended 30 September 2023 as published on 5 December 2023.

**n2.** As per Step 1 above: WeBuyCars declares a dividend of R750 million to the existing shareholders, TCMH (a subsidiary of Transaction Capital) – 74.9% and I VDW Holdings – 25.1%. R562 million is attributable to TCMH (a subsidiary of Transaction Capital) and R188 million is attributable to NCI (I VDW Holdings). This amount relates to the NCI portion of the dividend, R188 million as per pre-transaction step 1 given that at a Transaction Capital group level, the dividends from WeBuyCars to TCMH will eliminate. The only portion of dividends in the consolidations relate to NCI.

**n3.** As per Step 2.1 above, WeBuyCars declares a scrip dividend (“**Scrip Dividend**”) for R2 300.80 million, to be paid to existing shareholders either in cash or in shares (at the election of the shareholder).

Step 2.2 above: A new strategic investor (“**New Investor**”) subscribes for 353 898 WBC Shares for R760 million (“**New Investor Subscription Proceeds**”).

The amount includes R578 million attributable to NCI (I VDW Holdings) and the subscription from the New Investor which is effectively an equity transaction, R399 million is recognised in NCI and R361 million is recognised in retained earnings.

The net cash inflow from the Steps 1 and 2.1 above is R182.50 million which is made up of the cash received of R760 million from the New Investor less the cash paid for dividends to NCI of R577.50 million.

The retained earnings amount of R361 million is the result of a 2.7% reduction in the shareholding of WeBuyCars by TCMH, which is R760 million (capital received from the New Investor), minus the NCI portion of R399 million.

The NCI impact of the Steps 1 and 2.1 above is a reduction of non-controlling interest balance by R179 million which is R578 million (further dividend attributable to NCI) less R399 million (which is the sum of R187 million effective disposal of 8.56% of the I VDW Holdings shareholding and NCI share of consideration of R212 million from the capital raised from the New Investor). The New Investor effectively acquires 11.26% of WeBuyCars. The effective date is assumed to be 30 September 2023.

**n4.** Step 3: WeBuyCars raises capital through a bookbuild to repay the loan account of R750 million. On the assumption that the capital is raised on the same basis “most likely” valuation as determined by the Independent Expert of R8.5 billion, 304 178 shares.

The retained earnings amount of R53 million is the result of a 6.37% reduction in the shareholding of WeBuyCars by TCMH, which is R750 million (capital received from the bookbuild), minus the NCI portion of R697 million. The NCI balance increase by R697 million is as a result of the R441 million effective disposal of NCI of 2.45% and the NCI portion of R256 million from the capital raised from the bookbuild. The shareholding of WeBuyCars by TCMH is reduced to 65.83%. The effective date is assumed to be 30 September 2023.

**n5.** Step 2.3: TCMH sells 101 393 shares through a secondary sale for R250 million based on the most likely value as per the independent expert. The sale takes place post the subscription of shares by the New Investor. The net cash inflow from the secondary sale of R250 million. The retained earnings amount of R46 million which is as a result of the 2.94% reduction in the shareholding of WeBuyCars by TCMH, which is R250 million (cash received from the sale proceeds less NCI portion of R204 million). The NCI balance increases by R204 million as a result of the increase in NCI by 2.94%.

**n6.** WeBuyCars held a call option over the remaining 25.1% shareholding in WeBuyCars. Under the call option arrangement, WeBuyCars had the option (“**call option**”) to require the non-controlling interests to dispose of its shares to WeBuyCars. However as a result of the pre unbundling steps and the unbundling, the rights under call option agreement in relation to WeBuyCars will be terminated (requiring the asset to be derecognised), given that the non-controlling shareholder would have realised a portion of their shareholding and received a commensurate amount of cash proceeds.

**n7.** TCMH concluded an agreement with the minority shareholders of WeBuyCars whereby TCMH has granted three put options in favour of the minority shareholders, which if exercised by the non-controlling shareholder, could result in TCMH acquiring, in various increments and at various intervals, additional shares in WeBuyCars up to a maximum of 25.1% (being all the shares in WeBuyCars held by the minority shareholders) and which, if implemented in full, will result in WeBuyCars becoming a wholly owned subsidiary of TCMH. As a result of the pre unbundling steps and the unbundling, the rights under put option agreement in relation to the non-controlling shareholder will be terminated (requiring the liability and reserve to be derecognised), given that the non-controlling shareholder would have realised a portion of their shareholding and received a commensurate amount of cash proceeds.

**n8.** The Zephyr preference shares are linked to WeBuyCars since the funds were used in the acquisition of WeBuyCars. The preference shares will be voluntarily redeemed and the Revolving Credit Facility (“**RCF**”) will be settled. The amount includes the preference share capital and accrued interest of R489 million, the RCF capital of R1 100 million plus assumed debt breakage costs of R13 million, together with interest costs savings of R187 million as if the transaction took place on 1 October 2022 (reflecting the interest saving for the full 12 months from the beginning of the 2023 financial year). The tax charge related to the interest costs savings is R47 million as presented in tax payables.

**n9.** These amounts relate to expenses incurred directly for the purposes of the unbundling. These costs are capital in nature and are considered as once-off costs.

**n10.** Transaction Capital group implemented a conditional share plan for executives and senior management of its subsidiaries. Upon unbundling of WeBuyCars, the conditional share plan for WeBuyCars staff will be converted from Transaction Capital shares to WBC Shares. As per the share scheme agreement with the employees, to the extent that the WBC Shares are not equal to Transaction Capital shares, WeBuyCars Holdings would need to issue additional shares so that the two equals. In terms of IFRS 2, the conversion is a deemed cancellation of the share plan which results in an acceleration of the vesting. The amount includes R35 million accelerated vesting expense and R18 million is the balance of the share based payment reserve which is reclassified to retained earnings. The effective date is assumed to be 30 September 2023.

**n11.** These amounts relate to WBC assets and liabilities included in the published Transaction Capital consolidated statement of financial statements (note 47) for the year ended 30 September 2023 adjusted for the call option balance of R426 million which is derecognised and shown separately. Refer to n6 for further details regarding the call option. These have been stripped out of the respective account balances and presented in total as “Assets associated with WeBuyCars” and “Liabilities associated with WeBuyCars”, respectively. Refer to note 11 and 12 for further details on the impact of the derecognition on other items in the financial statements.

**N12.** These amounts relate to Purchase Price Allocations “PPA” adjustments that were recognised when WeBuyCars was acquired and is deconsolidated as part of the unbundling which is made up of intangible assets of R1 044 million, goodwill of R2 987 million and deferred tax liability of -R282 million. These have been stripped out of the respective account balances and presented in total as “Assets associated with WeBuyCars” and “Liabilities associated with WeBuyCars”, respectively. Intangible assets include trademarks of R1 022 million which are not amortised because they have indefinite useful life and customer relationships with a carrying value of R22 million that are amortised over 6 years.

**N13.** These relate to the deemed disposal or deconsolidation of WeBuyCars as a result of the unbundling, as reflected in n11 and 12. The reduction in retained earnings of R5 370 million arising from unbundling of WeBuyCars assets of R9 610 (including consolidation journals as per n10 above) less related liabilities of R2 686 million, NCI of R1 629 million plus tax charge on degrouping of R75 million. This reduction in the retained earnings includes the profit on unbundling of R3 205 million which is the deemed WeBuyCars intrinsic value based on the “*most likely*” valuation as determined by the Independent Expert of R8.5 billion plus the NCI balance of R1 629 million less WeBuyCars net assets of R6 924 million. The effective date is assumed to be 30 September 2023. Note that the intrinsic market value of WeBuyCars is not determined with reference to any share price or market capitalisation.

**Additional notes:**

There are no other post-balance sheet events which require adjustments to the *Pro Forma* financial effects.

**Pro Forma Consolidated income statement  
for the year ended 30 September 2023**

R millions	Debt breakage costs and interest saving										Results after <i>pro forma</i> effects
	BEFORE (n1)	(n2)	(n3)	(n4)	(n5)	(n6)	(n7)	(n8)	(n9)		
<b>Gross profit from the provision of services and sale of goods</b>	3 886	-	-	-	-	-	(2 458)	-	-	-	1 428
Revenue	23 475	-	-	-	-	-	(19 965)	-	-	-	3 510
Cost of revenue	(19 589)	-	-	-	-	-	17 507	-	-	-	(2 082)
<b>Net interest income from provision of financing to customers</b>	1 256	-	-	-	-	-	-	-	-	-	1 256
Interest income, calculated using the effective interest rate method	3 180	-	-	-	-	-	-	-	-	-	3 180
Interest expense	(1 924)	-	-	-	-	-	-	-	-	-	(1 924)
Impairment loss on loans and advances	(3 751)	-	-	-	-	-	-	-	-	-	(3 751)
<b>Risk-adjusted net interest (expense)/income from provision of financing to customers</b>	(2 495)	-	-	-	-	-	-	-	-	-	(2 495)
<b>Net insurance result</b>	(68)	-	-	-	-	-	(65)	-	-	-	(133)
Insurance revenue	1 280	-	-	-	-	-	(179)	-	-	-	1 101
Insurance service expense	(1 364)	-	-	-	-	-	101	-	-	-	(1 263)
Insurance finance income	16	-	-	-	-	-	13	-	-	-	29
<b>Net income from purchased book debts</b>	984	-	-	-	-	-	-	-	-	-	984
Imputed interest income, calculated using the credit-adjusted effective interest rate	778	-	-	-	-	-	-	-	-	-	778
Interest expense	(329)	-	-	-	-	-	-	-	-	-	(329)
Impairment gain on principal book portfolios	216	-	-	-	-	-	-	-	-	-	216
Fair value movements on other financial assets	319	-	-	-	-	-	-	-	-	-	319
Operating costs	(4 715)	-	-	-	-	(35)	1 526	6	-	-	(3 219)
<b>Net finance charge – not relating to provision of financing to customers</b>	(395)	187	-	-	236	-	149	-	-	-	177
Finance income	213	-	-	-	-	-	(9)	-	-	-	204
Finance charges	(608)	187	-	-	236	-	158	-	-	-	(27)

	<b>BEFORE</b>	<b>Debt breakage costs and interest saving</b>	<b>Derecognition of call option</b>	<b>Transaction costs</b>	<b>Derecognition of put reserve</b>	<b>Conditional share plan</b>	<b>Deconsolidation</b>	<b>WBC consol journals</b>	<b>Unbundling of WBC</b>	<b>Results after pro forma effects</b>
<b>R millions</b>	<b>(n1)</b>	<b>(n2)</b>	<b>(n3)</b>	<b>(n4)</b>	<b>(n5)</b>	<b>(n6)</b>	<b>(n7)</b>	<b>(n8)</b>	<b>(n9)</b>	
Other income from provision of financing to customers	–									–
Net other income	80						(29)		3 205	3 256
Equity accounted (loss)/income	(53)									(53)
Fair value gain on previously held equity interest	–						(4)			(4)
Dividend income	–									–
<b>Operating (loss)/profit</b>	<b>(2 776)</b>	187	–	–	236	(35)	(881)	6	3 205	<b>(59)</b>
Non-operating profit	1 654	(13)	(426)	(15)	(1 754)		(161)			<b>(715)</b>
<b>(Loss)/profit before tax</b>	<b>(1 122)</b>	175	(426)	(15)	(1 518)	(35)	(1 042)	6	3 205	<b>(774)</b>
Income tax expense	(213)	(47)				10	224	(2)	(75)	<b>(103)</b>
<b>(Loss)/profit for the year from continuing operations</b>	<b>(1 335)</b>	127	(426)	(15)	(1 518)	(26)	(818)	4	3 130	<b>(877)</b>
Discontinued operations										
Loss for the year from discontinued operations	(9)									<b>(9)</b>
<b>(Loss)/Profit for the year</b>	<b>(1 344)</b>	127	(426)	(15)	(1 518)	(26)	(818)	4	3 130	<b>(886)</b>
<b>(Loss)/profit for the year from continuing operations attributable to:</b>										
Ordinary equity holders of the parent	(924)	127	(426)	(15)	(1 518)	(26)	(613)	3	3 130	<b>(262)</b>
Non-controlling interests	(411)		–				(205)	1		<b>(615)</b>
<b>Loss for the year from discontinued operations attributable to:</b>										
Ordinary equity holders of the parent	(9)									<b>(9)</b>
Non-controlling interests	–									–
<b>Earnings per share (cents)</b>										
<b>From continuing operations</b>										
Basic loss per share	(121,6)	16,8	(56,1)	(2,0)	(199,8)	(3,4)	(80,6)	0,4	411,9	<b>(34,5)</b>
Diluted basic loss per share	(121,6)	16,8	(56,1)	(2,0)	(199,8)	(3,4)	(80,6)	0,4	411,9	<b>(34,5)</b>
<b>From continuing and discontinued operations</b>										
Basic loss per share	(122,8)	16,8	(56,1)	(2,0)	(199,8)	(3,4)	(80,6)	0,4	411,9	<b>(35,6)</b>
Diluted basic loss per share	(122,8)	16,8	(56,1)	(2,0)	(199,8)	(3,4)	(80,6)	0,4	411,9	<b>(35,6)</b>



## Notes and assumptions

**n1.** Extracted, without adjustment, from the audited consolidated financial statements of Transaction Capital for the year ended 30 September 2023, as published on SENS on 05 December 2023.

**n2.** The Zephyr preference shares are linked to WeBuyCars since the funds were used in the acquisition of WeBuyCars. The preference shares will be voluntarily redeemed and the Revolving Credit Facility (“**RCF**”) will be settled. The amount includes the preference share capital and accrued interest of R489 million, the RCF capital of R1 100 million plus assumed debt breakage costs of R13 million, together with interest costs savings of R187 million as if the transaction took place on 1 October 2022 (reflecting the interest saving for the full 12 months from the beginning of the 2023 financial year). The tax charge related to the interest costs savings is R47 million as presented in tax payables.

**n3.** WeBuyCars held a call option over the remaining 25.1% shareholding in WeBuyCars. Under the call option arrangement, WeBuyCars had the option (“**call option**”) to require the non-controlling interests to dispose of its shares to WeBuyCars. However as a result of the pre unbundling steps and the unbundling, the rights under call option agreement in relation to WeBuyCars will be terminated (requiring the asset and reserve to be derecognised), given that the non-controlling shareholder would have realised a portion of their shareholding and received a commensurate amount of cash proceeds. The call option of R426 million is derecognised in full.

**n4.** This amounts relate to expenses incurred directly for the purposes of the unbundling. These costs are considered as once-off costs.

**n5.** TCMH concluded an agreement with the minority shareholders of WeBuyCars whereby TCMH has 3 put options in favour of the minority shareholders, which if exercised could result in TCMH acquiring, in various increments and at various intervals, additional shares in WeBuyCars up to a maximum of 25.1% (being all the shares in WeBuyCars held by the minority shareholders) and which, if implemented in full, will result in WeBuyCars becoming a wholly owned subsidiary of TCMH. As a result of the unbundling transaction, the put option falls away and is derecognised. The amount relates to the reversal of the put option liability re-measurement adjustment of R1 754 million and the related imputed interest saving of R236 million as if the transaction took place on 1 October 2022. The statement of financial position adjustment has two components, the equity portion and the liability portion. In the statement of financial position, the full liability is derecognised which includes these adjustments in the income statement. The put option equity reserve is also reversed with the net impact being recognised in retained earnings. These are considered as once off adjustments.

**n6.** This is the accelerated vesting expense as a result of the conversion of the conditional share plan from Transaction Capital Shares to WBC Shares. The conditional share plan was granted to WeBuyCars executives and senior employees before the unbundling and the share plan will be settled post unbundling in WeBuyCars shares only.

**n7.** These amounts relate to WeBuyCars as reported in published Transaction Capital consolidated financial statements (note 47) for the year ended 30 September 2023 financial year, without any adjustments.

**n8.** These amounts relates to the amortisation of PPA intangible assets amortised over a period of 6 years and the related tax impact. These entries are consolidation entries which do not have an impact on the underlying WeBuyCars reported separate financial information.

**n9.** This amount relates to the estimated profit of unbundling, taking into account the “most likely” valuation as determined by the Independent Expert of R8.5 billion which is deemed to be the consideration (intrinsic value based on the assumption at that time) plus NCI of R1 629 million less the WeBuyCars consolidated net asset value of R6 924 million and the related tax impact of R75 million. The profit is once off and non-recurring. Note that the intrinsic market value of WeBuyCars is not determined with reference to any share price or market capitalisation.

### Additional notes:

All adjustments have a continuing effect except for transaction costs, derecognition of the call option, derecognition of the put option reserve and profit on unbundling.

There are no other post-balance sheet events which require adjustments to the *Pro Forma* financial effects.

	BEFORE	Debit breakage costs	Derecog- nition of call option	Transaction costs	Reversal of put option	Conditional share plan	WBC Deconsol- idation	WBC consol journals	Unbundling of WBC	Results after <i>pro forma</i>
Earnings per share										
<b>From continuing and discontinued operations</b>										
Basic earnings per share	(122.8)	16.8	(56.1)	(2.0)	(199.8)	(3.4)	(80.6)	0.4	411.9	(35.6)
Diluted basic earnings per share	(122.8)	16.8	(56.1)	(2.0)	(199.8)	(3.4)	(80.6)	0.4	411.9	(35.6)
Headline earnings per share	(100.1)	16.8	(56.1)	(2.0)	(199.8)	(3.4)	(80.6)	0.4	-	(424.9)
Diluted headline earnings per share	(100.1)	16.8	(56.1)	(2.0)	(199.8)	(3.4)	(80.6)	0.4	-	(424.9)
The calculation of earnings per share is based on the following data:										
<b>Earnings</b>										
Earnings for the purposes of basic and diluted earnings per share	(933)	127	(426)	(15)	(1,518)	(26)	(613)	3	3 130	(271)
<i>Being profit for the year attributable to ordinary equity holders of the parent</i>										
Headline earnings adjustments:	172	-	-	-	-	-	-	-	(3 130)	(2 958)
Impairment of goodwill	52									52
Gain/(loss) on remeasurement to fair value of discontinued operations	-									-
Fair value gain on previously held interest	-									-
Gain on disposal of property and equipment	-									-
Impairment of property and equipment	1									1
Impairment of intangibles	-									-
Impairment of right of use assets	20									20
Impairment of investment in associate	43									43
Fair value adjustment on recognition of disposal group in associate	56									56
Profit on disposal of property, plant and equipment	-									-
Profit on deemed disposal of business	-								(3 130)	(3 130)
<b>Earnings for the purposes of headline and diluted headline earnings per share</b>	(761)	127	(426)	(15)	(1,518)	(26)	(613)	3	-	(3 229)

		<b>BEFORE</b>	Debit breakage costs	Derecog- nition of call option	Transaction costs	Reversal of put option	Conditional share plan	WBC Deconsol- idation	WBC consol journals	Unbundling of WBC	Results after <i>pro forma</i>
	Units										
<b>Number of shares</b>											
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	757.4	757.4	757.4	757.4	757.4	757.4	757.4	757.4	757.4	757.4
Effect of shares issued during the year	million	2.4	2.4	2.4	2.4	2.4	2.4	2.4	2.4	2.4	2.4
Weighted average number of ordinary shares for the purposes of basic and headline earnings per share	million	<b>759.8</b>	<b>759.8</b>	<b>759.8</b>	<b>759.8</b>	<b>759.8</b>	<b>759.8</b>	<b>759.8</b>	<b>759.8</b>	<b>759.8</b>	<b>759.8</b>
Effect of dilutive potential ordinary shares: Shares deemed to be issued for no consideration in respect of conditional share plan	million	–	–	–	–	–	–	–	–	–	–
Weighted average number of ordinary shares for the purposes of diluted basic and headline earnings per share	million	<b>759.8</b>	<b>759.8</b>	<b>759.8</b>	<b>759.8</b>	<b>759.8</b>	<b>759.8</b>	<b>759.8</b>	<b>759.8</b>	<b>759.8</b>	<b>759.8</b>

		2023								2022		
	Units			Debit breakage costs	Derecog nition of call option	Transaction costs	Reversal of put option	Conditional share plan	WBC Deconsol idation	WBC consol journals	Unbundling of WBC	
<b>From continuing operations</b>												
	cents	(121,6)		16,8	(56,1)	(2,0)	(199,8)	(3,4)	(80,6)	0,4	411,9	(34,5)
	cents	(121,6)		16,8	(56,1)	(2,0)	(199,8)	(3,4)	(80,6)	0,4	411,9	(34,5)
	cents	(99,0)		16,8	(56,1)	(2,0)	(199,8)	(3,4)	(80,6)	0,4	–	(423,7)
	cents	(99,0)		16,8	(56,1)	(2,0)	(199,8)	(3,4)	(80,6)	0,4	–	(423,7)
The calculation earnings per share is based on the following data:												
<b>Earnings</b>												
	Rm	(933)		127	(426)	(15)	(1 518)	(26)	(613)	3	3 130	(271)
Profit for the year attributable to ordinary equity holders of the parent												
Adjustments to exclude the loss for the year from discontinued operations attributable to equity holders of the parent												
	Rm	9		–	–	–	–	–	–	–	–	9
Earnings from continuing operations for the purposes of basic and diluted earnings per share excluding discontinued operations												
	Rm	(924)		127	(426)	(15)	(1 518)	(26)	(613)	3	3 130	(262)
	Rm	172		–	–	–	–	–	–	–	(3 130)	(2 958)
Headline earnings adjustments:												
	Rm	52		–	–	–	–	–	–	–	–	52
	Rm	1		–	–	–	–	–	–	–	–	1
	Rm	20		–	–	–	–	–	–	–	–	20
	Rm	43		–	–	–	–	–	–	–	–	43
	Rm	56		–	–	–	–	–	–	–	–	56
Fair value adjustment on recognition of disposal group in associate												
	Rm	–		–	–	–	–	–	–	–	–	–
	Rm	–		–	–	–	–	–	–	–	(3 130)	(3 130)
Profit on deemed disposal of business												
Earnings from continuing operations for the purposes of headline and diluted headline earnings per share excluding discontinued operations												
	Rm	(752)		127	(426)	(15)	(1 518)	(26)	(613)	3	–	(3 220)

---

## INDEPENDENT REPORTING ACCOUNTANT'S REPORT ON THE *PRO FORMA* FINANCIAL INFORMATION OF TRANSACTION CAPITAL

---

To the Directors of Transaction Capital Limited

115 West Street

Sandown Sandton

Johannesburg

Gauteng

2196

Dear Sirs/Mesdames

### **Report on the Assurance Engagement on the Compilation of *Pro Forma* Financial Information included in the Circular to Shareholders**

We have completed our assurance engagement to report on the compilation of *pro forma* financial information of Transaction Capital Limited by the directors. The *pro forma* financial information, as set out in paragraph 7.2 and **Annexure 6** of the circular (the "**circular**"), to be dated on or about, 16 February 2024, consists of the *pro forma* consolidated statement of financial position and the *pro forma* consolidated income statement and related notes. The *pro forma* financial information has been compiled on the basis of the applicable criteria specified in the JSE Limited (JSE) Listings Requirements and Regulation 106(7)(c)(ii) of the Companies Regulations, 2011 ("the Companies Regulations") and described in paragraph 7.2 and **Annexure 6**.

The *pro forma* financial information has been compiled by the directors to illustrate the impact of the corporate action or event, described in paragraph 3 of the circular, on the company's financial position as at 30 September 2023, and the company's financial performance for the period then ended, as if the corporate action or event had taken place at place with effect from 1 October 2022 for purposes of the *pro forma* consolidated income statement and on 30 September 2023 for purposes of the *pro forma* consolidated statement of financial position. As part of this process, information about the company's financial position and financial performance has been extracted by the directors from the company's financial statements for the period ended 30 September 2023, on which an auditor's report was issued on 5 December 2023 and contained an emphasis of matter paragraph.

#### *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 the Companies Regulations and described in paragraph 7.2 and **Annexure 6**.

#### *Our Independence and Quality Management*

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 Management 1, Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements, which requires the firm to design, implement and operate a system of quality management, including policies or 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 the Companies Regulations 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 the Companies Regulations.

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 included in a circular is solely to illustrate the impact of a significant corporate action or event on unadjusted financial information of the entity as if the corporate action or event had occurred or had been undertaken at an earlier date selected for purposes of the illustration, we do not provide any assurance that the actual outcome of the event or transaction at 30 September 2023 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 corporate action or event, 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.

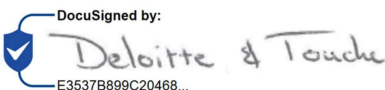
Our procedures selected depend on our judgment, having regard to our understanding of the nature of the company, the corporate action or event in respect of which the *pro forma* financial information has been compiled, and other relevant engagement circumstances.

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 the Companies Regulations and described in paragraph 7.2 and **Annexure 6**.

DocuSigned by:  
Deloitte & Touche  
E3537B899C20468...

### **Deloitte & Touche**

Registered Auditors

Per: Stephen Munro

Partner

15 February 2024

5 Magwa Crescent

Waterfall City

Waterfall 2090

South Africa

---

**EXTRACTS OF THE AUDITED CONSOLIDATED HISTORICAL FINANCIAL INFORMATION OF TRANSACTION CAPITAL FOR THE FINANCIAL YEARS ENDED 30 SEPTEMBER 2021, 30 SEPTEMBER 2022 AND 30 SEPTEMBER 2023**

---

**EXTRACTS OF THE AUDITED RESULTS FOR THE THREE FINANCIAL YEARS ENDED 30 SEPTEMBER 2021, 30 SEPTEMBER 2022 AND 30 SEPTEMBER 2023**

The full set of audited annual financial statements for the three financial years ended 30 September 2021, 30 September 2022 And 30 September 2023 are available on the Company's website at <https://www.transactioncapital.co.za/> and at its registered address.

**Consolidated statement of comprehensive income**

for the year ended 30 September 2023

	2023 Rm	2022 Rm	2022 Rm
<b>(Loss)/profit for the year</b>	(1 344)	2 003	2 406
<b>Other comprehensive income</b>			
<b>Items that may be reclassified subsequently to profit and loss:</b>			
Movement in cash flow hedging reserve	(29)	(15)	22
Fair value loss arising during the year	(40)	(21)	31
Deferred tax	11	6	(9)
Exchange gain on translation of foreign operations	91	26	(89)
<b>Total comprehensive (loss)/income for the year</b>	(1 282)	2 014	2 339
<b>Total comprehensive (loss)/income attributable to:</b>			
Ordinary equity holders of the parent	(871)	1 654	2 223
Non-controlling interests	(411)	360	116

**Consolidated statement of financial position**  
at 30 September 2023

	<b>2023</b>	2022	2021
	<b>Rm</b>	Rm	Rm
<b>Assets</b>			
Cash and cash equivalents	<b>2 138</b>	1 478	2 236
Other investments	<b>850</b>	1 426	–
Tax receivables	<b>19</b>	28	30
Trade and other receivables	<b>1 813</b>	1 923	1 376
Inventories	<b>3 005</b>	3 790	2 477
Assets classified as held for sale	<b>119</b>	371	98
Reinsurance contract assets	<b>44</b>	–	–
Leased assets	<b>12</b>	11	17
Loans and advances	<b>15 427</b>	14 962	13 305
Purchased book debts	<b>5 025</b>	4 208	3 441
Other loans receivable	<b>101</b>	126	65
Derivative assets	<b>899</b>	693	101
Equity accounted investments	<b>1 063</b>	1 097	301
Intangible assets	<b>3 415</b>	3 336	3 237
Property and equipment	<b>2 077</b>	1 900	1 075
Goodwill	<b>5 250</b>	4 754	4 377
Deferred tax assets	<b>369</b>	272	319
<b>Total assets</b>	<b>41 626</b>	40 375	32 455
<b>Liabilities</b>			
Bank overdrafts	<b>594</b>	818	364
Other short-term borrowings	<b>22</b>	23	81
Tax payables	<b>38</b>	58	41
Trade and other payables	<b>2 020</b>	1 605	2 426
Provisions	<b>6</b>	32	92
Liabilities directly associated with assets held for sale	<b>5</b>	21	14
Insurance contract liabilities	<b>994</b>	180	271
Benefits ceded on insurance contracts relating to inventories	<b>39</b>	31	46
Benefits ceded on insurance contracts relating to loans and advances	<b>798</b>	10	52
Benefits accruing to insurance contract holders	<b>157</b>	139	173
Put option liability	<b>2 352</b>	4 042	–
Derivative liabilities	<b>61</b>	19	57
Interest-bearing liabilities	<b>25 393</b>	21 862	16 139
Senior debt	<b>24 148</b>	20 762	15 349
Subordinated debt	<b>1 245</b>	1 100	790
Lease liabilities	<b>768</b>	715	420
Deferred tax liabilities	<b>1 378</b>	1 408	1 405
<b>Total liabilities</b>	<b>33 631</b>	30 783	21 310
<b>Equity</b>			
Ordinary share capital	<b>5 267</b>	5 179	3 464
Put option reserve	<b>(4 117)</b>	(4 307)	–
Other reserves	<b>370</b>	327	688
Retained earnings	<b>5 414</b>	6 757	5 591
<b>Equity attributable to ordinary equity holders of the parent</b>	<b>6 934</b>	7 956	9 743
Non-controlling interests	<b>1 061</b>	1 636	1 402
<b>Total equity</b>	<b>7 995</b>	9 592	11 145
<b>Total equity and liabilities</b>	<b>41 626</b>	40 375	32 455



**Consolidated income statement**  
for the year ended 30 September 2023

	2023 Rm	2022 Rm	Restated* 2021 Rm
<b>Gross profit from the provision of services and sale of goods</b>	<b>3 886</b>	3 206	1 039
Revenue	<b>23 475</b>	20 861	4 455
Cost of revenue	<b>(19 589)</b>	(17 655)	(3 415)
<b>Net interest income from provision of financing to customers</b>	<b>1 256</b>	1 635	1 587
Interest income, calculated using the effective interest rate method	<b>3 180</b>	2 875	2 583
Interest expense	<b>(1 924)</b>	(1 240)	(996)
Impairment loss on loans and advances	<b>(3 751)</b>	(856)	(563)
<b>Risk-adjusted net interest (expense)/income from provision of financing to customers</b>	<b>(2 495)</b>	779	1 024
<b>Net insurance result</b>	<b>(68)</b>	411	400
Insurance revenue	<b>1 280</b>	1 143	1 015
Insurance service expense	<b>(1 364)</b>	(738)	(620)
Insurance finance income	<b>16</b>	6	5
<b>Net income from purchased book debts</b>	<b>984</b>	1 160	852
Imputed interest income, calculated using the credit-adjusted effective interest rate	<b>778</b>	815	716
Interest expense	<b>(329)</b>	(187)	(150)
Impairment gain on principal book portfolios	<b>216</b>	281	106
Fair value movements on other financial assets	<b>319</b>	251	180
Operating costs	<b>(4 715)</b>	(3 756)	(2 228)
<b>Net finance charge – not relating to provision of financing to customers</b>	<b>(395)</b>	(197)	(14)
Finance income	<b>213</b>	78	72
Finance charges	<b>(608)</b>	(275)	(86)
Net other income	<b>80</b>	264	44
Equity accounted (loss)/income	<b>(53)</b>	47	213
Fair value gain on previously held equity interest	<b>–</b>	–	1 417
<b>Operating (loss)/profit</b>	<b>(2 776)</b>	1 914	2 747
Non-operating profit	<b>1 654</b>	533	(4)
<b>(Loss)/profit before tax</b>	<b>(1 122)</b>	2 447	2 743
Income tax expense	<b>(213)</b>	(411)	(325)
<b>(Loss)/profit for the year from continuing operations</b>	<b>(1 335)</b>	2 036	2 418
<b>Discontinued operations</b>			
Loss for the year from discontinued operations	<b>(9)</b>	(33)	(12)
<b>(Loss)/profit for the year</b>	<b>(1 344)</b>	2 003	2 406
<b>(Loss)/profit for the year from continuing operations attributable to:</b>			
Ordinary equity holders of the parent	<b>(924)</b>	1 676	2 302
Non-controlling interests	<b>(411)</b>	360	116
<b>Loss for the year from discontinued operations attributable to:</b>			
Ordinary equity holders of the parent	<b>(9)</b>	(33)	(12)
Non-controlling interests	<b>–</b>	–	–
<b>Earnings per share (cents)</b>			
<b>From continuing operations</b>			
Basic earnings per share	<b>(121,6)</b>	232,0	338,7
Diluted basic earnings per share	<b>(121,6)</b>	226,5	336,7
Headline earnings per share			
Diluted headline earnings per share			
<b>From continuing and discontinued operations</b>			
Basic earnings per share	<b>(122,8)</b>	227,4	336,9
Diluted basic earnings per share	<b>(122,8)</b>	222,1	334,9

\* The comparative period has been restated for the correction of the presentation of purchased book debts.

**Consolidated statement of changes in equity**  
for the year ended 30 September 2023

	Number of ordinary shares million	Share capital Rm	Put option reserve* Rm	Cash flow hedging reserve Rm	Share based payment reserve Rm	Foreign currency translation reserve Rm	Other non-distributable reserve Rm	Retained earnings Rm	Equity attributable to ordinary holders of the parent Rm	Non-controlling interests Rm	Total equity Rm
<b>Balance at 30 September 2020</b>	661,5	2 015	–	(27)	198	151	–	3 481	5 818	555	6 373
Total comprehensive income	–	–	–	22	–	(89)	–	2 290	2 223	116	2 339
Profit for the year	5 267	–	–	–	–	–	–	2 290	2 290	116	2 406
Other comprehensive income	–	–	–	22	–	(89)	–	–	(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
<b>Balance at 30 September 2021</b>	708,4	3 464	–	(5)	245	62	386	5 591	9 743	1 402	11 145
Total comprehensive income	–	–	–	(15)	–	26	–	1 643	1 654	360	2 014
Profit for the 5267	–	–	–	–	–	–	–	1 643	1 643	360	2 003
Other comprehensive income	–	–	–	(15)	–	26	–	–	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

	Number of ordinary shares million	Share capital Rm	Put option reserve* Rm	Cash flow hedging reserve Rm	Share based payment reserve Rm	Foreign currency translation reserve Rm	Other non-distributable reserve Rm	Retained earnings Rm	Equity attributable to ordinary holders of the parent Rm	Non-controlling interests Rm	Total equity Rm
<b>Balance at 30 September 2022</b>	757,4	5 179	(4 307)	(20)	259	88	–	6 757	7 956	1 636	9 592
Total comprehensive income	–	–	–	(29)	–	91	–	(933)	(871)	(411)	(1 282)
Loss for the year	–	–	–	–	–	–	–	(933)	(933)	(411)	(1 344)
Other comprehensive income	–	–	–	(29)	–	91	–	–	62	–	62
Transactions with non-controlling interests	–	–	–	–	–	–	–	(105)	(105)	(10)	(115)
Grant of conditional share plans	–	–	–	–	69	–	–	–	69	–	69
Settlement of conditional share plans	–	–	–	–	(88)	–	–	(24)	(112)	–	(112)
Derecognition of reserve to acquire non-controlling interests*	–	–	190	–	–	–	–	–	190	–	190
Dividends paid	–	–	–	–	–	–	–	(281)	(281)	(154)	(435)
Issue of shares	6	88	–	–	–	–	–	–	88	–	88
<b>Balance at 30 September 2023</b>	<b>763,3</b>	<b>5 267</b>	<b>(4 117)</b>	<b>(49)</b>	<b>240</b>	<b>179</b>	<b>–</b>	<b>5 414</b>	<b>6 934</b>	<b>1 061</b>	<b>7 995</b>

**Consolidated statement of cash flow**  
for the year ended 30 September 2023

	<b>2023</b>	2022	2021
	<b>Rm</b>	Rm	Rm
<b>Cash flow from operating activities</b>			
Cash generated by operations	<b>584</b>	267	(492)
Interest received	<b>2 470</b>	2 252	2 064
Interest paid	<b>(2 767)</b>	(1 688)	(1 148)
Income taxes paid	<b>(346)</b>	(351)	(201)
Dividends paid	<b>(435)</b>	(630)	(162)
<b>Cash flow from operating activities before changes in operating assets and working capital</b>	<b>(494)</b>	(150)	61
<b>Increase in operating assets</b>	<b>(2 795)</b>	(1 578)	(1 356)
Loans and advances	<b>(3 298)</b>	(1 842)	(1 586)
Decrease in leased assets	<b>7</b>	6	5
Purchased book debts	<b>496</b>	258	225
<b>Changes in working capital</b>	<b>1 075</b>	(2 114)	(691)
Decrease/(Increase) in inventories	<b>769</b>	(1 752)	(721)
Increase/(decrease) in trade and other receivables	<b>117</b>	(387)	(41)
Decrease in other loans receivable	<b>(11)</b>	(62)	(37)
Increase in trade and other payables	<b>200</b>	87	108
<b>Net cash utilised by operating activities</b>	<b>(2 214)</b>	(3 842)	(1 986)
<b>Cash flow from investing activities</b>			
Acquisition of property and equipment	<b>(304)</b>	(682)	(83)
Proceeds on disposal of property and equipment	<b>27</b>	6	1
Acquisition of intangible assets	<b>(135)</b>	(131)	(108)
Investment into equity accounted investment	<b>(10)</b>	(104)	(39)
Acquisition of subsidiaries	<b>(446)</b>	(1 100)	(23)
Proceeds from disposal of asset held for sale	<b>321</b>	–	–
Decrease/(Increase) in other investments	<b>531</b>	(1 428)	–
Proceeds on disposal of intangible assets	<b>2</b>	–	–
<b>Net cash utilised by investing activities</b>	<b>(14)</b>	(3 439)	(252)
<b>Cash flow from financing activities</b>			
Proceeds from interest-bearing liabilities	<b>9 907</b>	16 759	8 648
Settlement of interest-bearing liabilities	<b>(6 537)</b>	(11 759)	(7 185)
Settlement of other short-term borrowings	<b>(1)</b>	(58)	(21)
Repayment of lease liabilities	<b>(198)</b>	(132)	(61)
Additional interest acquired in a subsidiary	<b>(70)</b>	–	(82)
Issue of shares	<b>–</b>	1 259	1 407
<b>Net cash generated by financing activities</b>	<b>3 101</b>	6 069	2 706
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>873</b>	(1 212)	468
Cash and cash equivalents at the beginning of the year	<b>663</b>	1 874	1 422
Effects of exchange rate changes on the balance of cash held in foreign currencies	<b>9</b>	1	(16)
<b>Cash and cash equivalents at the end of year</b>	<b>1 545</b>	663	1 874

## RESTATEMENTS

### Net Income from purchased book debts

2021 financial information (as restated in the 2022 published financial statements) has also been restated for the purposes of the historical financial information for the circular in the income statement and statement of cash flow in terms of IAS 8: Accounting Policies, Changes in Accounting Estimates and Errors. The 2021 financial information to the extent that it relates to the income statement and the statement of cash flow will not agree to the 2021 published financial statements. The restatement does not have an impact on the prior year reported profit.

The group previously presented collections from purchased debt books as part of revenue and the related costs were included in cost of revenue. The amount of the change in lifetime expected credit losses was reflected as an amortisation expense also recognised as part of cost of revenue.

During the 2023 financial year, the group corrected the presentation of net income from purchased debt books to align to the presentation and disclosure requirements in terms of IFRS 9 – Financial Instruments. IFRS 9 requires interest revenue to be calculated and presented in the income statement by applying the credit-adjusted effective interest rate to the amortised cost of the financial assets from initial recognition. At each reporting date, the change in lifetime expected credit losses is recognised as an impairment gain or loss. Costs relating to the generation of collections from purchased book debts, which were previously included in cost of revenue, are now capitalised to the purchase book debts to the extent that they are both directly attributable and incremental, with the balance of only directly attributable costs presented as part of operating costs. In addition, interest expense related to purchased book debts that was previously included as part of finance charges is now presented as part of net income from purchased book debts.

	As previously presented Rm	Adjustments for net income from purchased book debt Rm	Restated Rm
<b>GROSS PROFIT FROM THE PROVISION OF SERVICES AND SALE OF GOODS</b>	1 879	(840)	1 039
Revenue	5 838	(1 383)	4 455
Cost of revenue	(3 959)	544	(3 415)
<b>NET INTEREST INCOME FROM PROVISION OF FINANCING TO CUSTOMERS</b>	1 587	–	1 587
Interest income, calculated using the effective interest rate method	2 583		2 583
Interest expense	(996)		(996)
Impairment of loans and advances	(563)	–	(563)
<b>RISK-ADJUSTED NET INTEREST INCOME FROM PROVISION OF FINANCING TO CUSTOMERS</b>	1 024		1 024
<b>NET INSURANCE RESULT</b>	400	–	400
Insurance revenue	1 015		1 015
Insurance service expense	(620)		(620)
Insurance finance (expense)/income	5		5
Other non-interest revenue	–		–

	As previously presented Rm	Adjustments for net income from purchased book debt Rm	Restated Rm
<b>NET INCOME FROM PURCHASED DEBT BOOKS</b>	–	852	852
Imputed interest income, calculated using the credit-adjusted effective interest rate		716	716
Interest expense		(150)	(150)
Impairment gain on principal book portfolios		106	106
Fair value movements on other financial assets		180	180
Operating costs	(2 066)	(162)	(2 228)
<b>NET FINANCE CHARGE – NOT RELATING TO PROVISION OF FINANCING TO CUSTOMERS</b>	(164)	150	(14)
Finance income	72		72
Finance charges	(236)	150	(86)
Other income	44	–	44
Equity accounted income	213		213
Fair value gain on previously held equity interest	1 417		1 417
Non-operating income	(4)		(4)
<b>CORE OPERATING PROFIT</b>	2 743	–	2 743
Core income tax expense	(325)		(325)
<b>Core profit from continuing operations</b>	2 418	–	2 418
<b>Discontinued operations</b>			
Loss from discontinued operations	(12)		(12)
Profit for the year	2 406	–	2 406
<b>Core profit attributable to:</b>			
Ordinary equity holders of the parent	2302		2 302
Non-controlling interests	116		116
<b>Loss on discontinued operations attributable to:</b>			
Ordinary equity holders of the parent	(12)		(12)
Non-controlling interests	–		–

	30 September 2021		
	As previously presented Rm	PBD Restatement	Restated Rm
<b>CASH GENERATED BY OPERATIONS</b>			
Profit before taxation from continuing operations:	2 743		2 743
Profit before tax from discontinued operations			
<b>Adjusted for:</b>			
Interest income*	(2 663)	–	(2 663)
Interest expense	1 204	–	1 204
Interest expense (lease liabilities)	28	–	28
Interest calculated using the credit adjusted effective interest rate	–	(716)	(716)
Amortisation of intangible assets	67		67
Amortisation of principal book portfolio	315	(315)	–
Impairment gain on principal book portfolio		(194)	(194)
Impairment of goodwill	5	–	5
Impairment of property plant and equipment	8	–	8
Impairment of right of use assets	15	–	15
Impairment of intangible assets	113	–	113
Impairment of investments	6	–	6
Bad debts written off	542	–	542
Movement in provisions	2	–	2
Depreciation (including right-of-use assets)	116	–	116
Fair value adjustment of other financial assets	(21)	(159)	(180)
Interest received	–	–	–
Interest paid	–	–	–
Decrease in deferred lease liabilities	–	–	–
Lease concessions	(7)	–	(7)
Movement in impairment of loans and advances	53	–	53
Impairment of trade receivables	30	–	30
Impairment of other loans receivable	15	–	15
Once-off transaction costs (before taxation)	–	–	–
Amortisation of prepaid funding costs	–	–	–
Movement in conditional share plan accrual	62	–	62
Settlement of vested share appreciation rights	–	–	–
Share of profit from associate	(213)	–	(213)
Movement in insurance contract liabilities	(103)	–	(103)
Fair value movement of loans and advances: entry-level vehicles	–	–	–
Loss from discontinued operations (before tax)	–	–	–
Profit on disposal of subsidiary	–	–	–
Fair value on previously held interest	(1 417)	–	(1 417)
Profit on disposal of property and equipment	(1)	–	(1)
Profit/loss on disposal of intangible assets	–	–	–
Gain on loan write off	(2)	–	(2)
Loss on derivatives	–	–	–
Fair value (gain)/loss recognised in other comprehensive income	–	–	–
Other income on recognition of sublease	(5)	–	(5)
Imputed interest charge – options over non-controlling interests	–	–	–
Remeasurement of put options over non-controlling interests	–	–	–
Fair value gain on call option derivative	–	–	–
Profit on sale of business	–	–	–
Fair value gain on contingent consideration	–	–	–
Non-cash adjustments relating to discontinued operations	–	–	–

	<b>30 September 2021</b>		
	<b>As previously presented Rm</b>	<b>PBD Restatement</b>	<b>Restated Rm</b>
<b>Cash generated by operations</b>	892	(1 384)	(492)
Interest received	2 064		2 064
Interest paid	(1 148)		(1 148)
Income taxes paid	(201)		(201)
Dividends paid	(162)		(162)
<b>CASH FLOW FROM OPERATING ACTIVITIES BEFORE CHANGES IN OPERATING ASSETS AND WORKING CAPITAL</b>	1 445	(1 384)	61
<b>INCREASE IN OPERATING ASSETS</b>	(2 740)	1 384	(1 356)
Loans and advances	(1 586)		(1 586)
Decrease in leased assets	5		5
Purchased book debts	(1 159)	1 384	225
<b>CHANGES IN WORKING CAPITAL</b>	(691)	–	(691)
Decrease/(Increase) in inventories	(721)		(721)
Increase in trade and other receivables	(41)		(41)
Increase in other loans receivable	(37)		(37)
(Decrease)/Increase in trade and other payables	108		108
<b>NET CASH UTILISED BY OPERATING ACTIVITIES</b>	(1 986)	0	(1 986)





## 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")

---

## NOTICE OF GENERAL MEETING

---

**All terms defined in the circular to which this Notice of General Meeting is attached ("Circular"), shall bear the same meanings where used in this Notice of General Meeting.**

The General Meeting will be held in electronic format only.

**NOTICE IS HEREBY GIVEN** that a General Meeting of Shareholders will be held and conducted entirely by electronic communication, at 10:30 on Friday, 15 March 2024, to consider and, if deemed fit, pass, with or without modification, the resolutions set out hereunder.

*Notes:*

- *For a special resolution to be approved by Shareholders, it must be supported by at least 75% of the voting rights exercised on such resolution in terms of section 65(9) of the Companies Act, as read with section 115(2)(a) of the Companies Act and Transaction Capital's MOI. The quorum for purposes of section 115(2)(a) is at least 25% of all of the voting rights that are entitled to be exercised on that matter.*
- *For an ordinary resolution to be approved by Shareholders, it must be supported by more than 50% of the voting rights exercised on such resolution.*

### **ORDINARY RESOLUTION NUMBER 1 – WEBUYCARS SHARE ISSUE**

**IT IS RESOLVED AS AN ORDINARY RESOLUTION** that the Company be and is hereby authorised to conclude, implement, and give effect to the Subscription Agreement, including the WeBuyCars Share Issue, the Repurchase Unwind (if applicable) and all related steps in terms of the Subscription Agreement, in terms of section 10 of the JSE Listings Requirements, read with section 3.35 of the JSE Listings Requirements.

#### **Reason for and effect of Ordinary Resolution Number 1**

*The reason for Ordinary Resolution Number 1 is that the conclusion and implementation of the Subscription Agreement, including the WeBuyCars Share Issue, Repurchase Unwind (if applicable) and related steps in terms of the Subscription Agreement constitutes a category 2, related party transaction in terms of section 10 of the JSE Listings Requirements, as read with section 3.35 of the JSE Listings Requirements, and therefore requires the approval of the Shareholders by way of an ordinary resolution.*

*The effect of Ordinary Resolution Number 1, if passed, will be to grant the Company the necessary approval for the implementation of the Subscription Agreement, including the WeBuyCars Share Issue and the Repurchase Unwind (if applicable).*

*Additional information relating to Ordinary Resolution Number 1 is set out in the Circular.*

*Coronation and its associates will be taken into account in determining a quorum at the General Meeting, but their votes will not be taken into account in determining the results of the voting on Ordinary Resolution Number 1 at the General Meeting.*

### **SPECIAL RESOLUTION NUMBER 1 – APPROVAL OF THE UNBUNDLING IN TERMS OF THE COMPANIES ACT**

**IT IS RESOLVED AS A SPECIAL RESOLUTION** that, subject to the approval of Ordinary Resolution 1 above, the Unbundling, (a written summary of the Unbundling setting out the precise terms of the Unbundling is set out in the Circular), involving the distribution *in specie* of the WBC Distribution Shares to Transaction Capital Shareholders *pro rata* to their shareholdings in the Company, be and is hereby approved in terms of section 112 read with section 115 of the Companies Act, on the terms and subject to the conditions set out in the Circular.

### **Reason for and effect of Special Resolution Number 1**

*The reason for Special Resolution Number 1 is that the Unbundling is the disposal of the greater part of the assets or undertaking of Transaction Capital in terms of section 112 of the Companies Act and therefore requires the approval of the Shareholders by way of a special resolution, in terms of section 112 as read with section 115 of the Companies Act.*

*The effect of Special Resolution Number 1, if passed, will be to grant the Company the necessary approval for the Unbundling in terms of section 112 read with section 115 of the Companies Act.*

*Additional information relating to Special Resolution Number 1 is set out in the Circular.*

### **SPECIAL RESOLUTION NUMBER 2 – REVOCATION OF SPECIAL RESOLUTION NUMBER 1**

**RESOLVED THAT**, in terms of section 164(9) of the Companies Act, if Special Resolution Number 1 is adopted, but thereafter the Unbundling otherwise lapses or fails, then Special Resolution Number 1 will be deemed to have been revoked; and accordingly each dissenting shareholder which has, pursuant to the adoption of the relevant revoked Special Resolution, sent a demand to Transaction Capital in terms of sections 164(5) to (8) of the Companies Act to be paid the fair value of its Transaction Capital Shares, shall cease to have, and be deemed not to have had, any right, pursuant to the adoption of the relevant revoked Special Resolution, to be paid under section 164 of the Companies Act.

### **Reason for and effect of Special Resolution Number 2**

*The reason for Special Resolution Number 2 is to revoke the approval of the Unbundling (as contemplated in section 164(9)(c) of the Companies Act) in the unlikely event that any of the Unbundling Conditions fails to be timeously fulfilled, or waived, as the case may be, with the consequence that dissenting shareholders' will not have a right to payment under section 164 of the Companies Act pursuant to the approval of the Unbundling.*

### **SPECIAL RESOLUTION NUMBER 3 – APPROVAL FOR THE PAYMENT OF FEES TO THE MEMBERS OF THE INDEPENDENT BOARD**

**IT IS RESOLVED AS A SPECIAL RESOLUTION** that the Company be and is hereby authorised, for the purposes of section 66(9) of the Companies Act, to pay the following fees to the members of the Independent Board for their services rendered as members of the Independent Board in relation to the Unbundling:

#### **PROPOSED ONCE-OFF FEE (excluding value added tax, if applicable)**

Albertinah Kekana	R200 000
Diane Radley	R140 000
Christopher Seabrooke	R140 000
Ian Kirk	R140 000

### **Reason for and effect of Special Resolution Number 3**

*The reason for and, if passed, the effect of Special Resolution Number 3 is, and will be, to authorise the Company to pay the above proposed fees to the members of the Independent Board for their services rendered as members of the Independent Board in respect of the Unbundling, in terms of section 66(9) of the Companies Act.*

### **ORDINARY RESOLUTION NUMBER 2 – DIRECTORS' AUTHORITY**

**IT IS RESOLVED AS AN ORDINARY RESOLUTION** that any Director of Transaction Capital be and is hereby authorised and empowered to do all such things, sign all such documents and take all such actions as may be necessary for or incidental to give effect to the resolutions set out above in this Notice of General Meeting and anything already done, any documents already signed and action already taken in this respect be and is hereby ratified.

### **Reason for and effect of Ordinary Resolution Number 2**

*The reason for and, if passed, the effect of Ordinary Resolution Number 2 is, and will be, to authorise any Director of Transaction Capital to do all such things and sign all such documents as are deemed necessary or desirable to implement the resolutions set out in the Notice of General Meeting.*

## **RECORD DATES, VOTING AND PROXIES**

The date on which Shareholders must have been recorded as such in the Register for purposes of being entitled to receive this notice is Friday, 9 February 2024.

The date on which Shareholders must be recorded in the Register for purposes of being entitled to participate electronically and vote at the General Meeting is Friday, 8 March 2024, with the last day to trade being Tuesday, 5 March 2024.

In terms of section 63(1) of the Companies Act, all General Meeting participants will be required to provide identification reasonably satisfactory to the Transfer Secretaries, as follows:

- participants pre-registering to participate in the General Meeting using the online registration method, by uploading the relevant documentation via the online registration portal; or
- participants pre-registering to participate in the General Meeting by submitting the written application (the form of which is attached to the Notice of General Meeting), by submitting the relevant documentation by post or by e-mail, as the case may be.

The Transfer Secretaries must be reasonably satisfied that the right of that person to participate in, speak and vote at the General Meeting as a Shareholder, as proxy or as a representative of a Shareholder, has been reasonably verified. Accepted forms of identification include original South African drivers' licenses, green barcoded identity documents or barcoded identification smart cards issued by the South African Department of Home Affairs, as well as passports.

Shareholders entitled to participate electronically and vote at the General Meeting may appoint one or more proxies to participate, speak and vote at the General Meeting in their stead. A proxy needs not be a Shareholder of Transaction Capital. A Form of Proxy (*grey*), which sets out the relevant instructions for its completion, is attached to this Circular for use by Certificated Shareholders or Own-Name Dematerialised Shareholders who wish to be represented at the General Meeting. Completion of a Form of Proxy (*grey*) will not preclude such Shareholder from participating electronically and voting (to the exclusion of that Shareholder's proxy) at the General Meeting.

The instrument appointing a proxy and the authority (if any) under which it is signed must reach the Transfer Secretaries, at the addresses given below, to be received by them preferably by no later than 10:30 on Wednesday, 13 March 2024, provided that any Form of Proxy not delivered to the Transfer Secretaries by this time may be emailed to the Transfer Secretaries (who will provide same to the chairman of the General Meeting) at any time before the appointed proxy exercises any Shareholder rights at the General Meeting.

Dematerialised Shareholders, other than Own-Name Dematerialised Shareholders, who wish to participate electronically in the General Meeting, will need to request their CSDP or Broker to provide them with the necessary letter of representation in terms of the custody agreement entered into between such Shareholders and the CSDP or Broker.

Dematerialised Shareholders, other than Own-Name Dematerialised Shareholders, who are unable to participate electronically in the General Meeting and who wish to be represented at the General Meeting, must provide their CSDP or Broker with their voting instructions in terms of the custody agreement entered into between themselves and the CSDP or Broker in the manner and time stipulated therein.

Shareholders participating electronically, or represented by proxy or authorised representative shall on a poll have one vote in respect of each Share held.

## **APPRAISAL RIGHTS**

Shareholders are hereby advised of their Appraisal Rights in terms of section 164 of the Companies Act. Their attention is drawn to the provisions of that section which are set out in **Annexure 2** to this Circular.

## **ELECTRONIC PARTICIPATION**

In order to attend the General Meeting and participate electronically at the General Meeting Shareholders must pre-register with the Transfer Secretaries by either:

- registering online using the online registration portal at [www.meetnow.global/za](http://www.meetnow.global/za), prior to the commencement of the General Meeting; or
- making a written application (on the Electronic Participation Form) to so participate, by delivering the Electronic Participation Form to the Transfer Secretaries at Rosebank Towers, 15 Biermann Avenue, Rosebank, 2196, or posting it to Private Bag X9000, Saxonwold, 2132 (at the risk of the Shareholder), or

sending it by email to proxy@computershare.co.za, so as to be received by the Transfer Secretaries by no later than 10:30 on Wednesday, 13 March 2024, in order for the Transfer Secretaries to arrange such participation for the Shareholder and for the Transfer Secretaries to provide the Shareholder with the details as to how to access the General Meeting by means of electronic participation. Shareholders may still register/apply to participate in and/or vote electronically at the General Meeting after this date, provided, however, that those Shareholders are verified (as required in terms of section 63(1) of the Companies Act) and are registered at the commencement of the General Meeting.

The Transfer Secretaries will by no later than 17:00 on Thursday, 14 March 2024 notify eligible Shareholders of the username and password through which eligible Shareholders can participate electronically in and/or vote at the General Meeting.

In person registration of General Meeting participants will not be permitted.

Shareholders will be liable for their own network charges in relation to electronic participation in and/or voting at the General Meeting. Any such charges will not be for the account of Transaction Capital and/or the Transfer Secretaries. None of Transaction Capital and/or the Transfer Secretaries can be held accountable in the case of loss of network connectivity or other network failure due to insufficient airtime, internet connectivity, internet bandwidth and/or power outages which prevent any such Shareholder from participating in and/or voting at the General Meeting.

### **Electronic voting at the General Meeting**

Shareholders connecting to the General Meeting electronically will be able to participate in the General Meeting. Voting will be conducted by poll and Shareholders will be able to cast their vote electronically at the General Meeting.

Shareholders are also encouraged to submit any questions to Transaction Capital's Company Secretary prior to the General Meeting, by no later than Wednesday, 13 March 2024, at lisal@transactioncapital.co.za. These questions will be addressed at the General Meeting.

All eligible Shareholders will be entitled to participate electronically in the General Meeting and to vote (or abstain from voting) on the resolutions proposed at the General Meeting.

**SIGNED ON 15 FEBRUARY 2024 BY ALBERTINAH KEKANA ON BEHALF OF THE INDEPENDENT BOARD OF TRANSACTION CAPITAL, IN TERMS OF POWERS OF ATTORNEYS SIGNED BY MEMBERS OF THE INDEPENDENT BOARD**

### **ALBERTINAH KEKANA**

***Chairman of the Independent Board***

#### **Company Secretary**

Lisa Lill  
115 West Street  
Sandown Sandton  
Johannesburg  
Gauteng  
2196

#### **Transfer Secretaries**

Computershare Investor Services Proprietary Limited  
(Registration number 2004/003647/07)  
Rosebank Towers  
15 Biermann Avenue  
Rosebank  
Johannesburg, 2196  
(Private Bag X9000, Saxonwold, 2132)

---

# ELECTRONIC PARTICIPATION MEETING GUIDE

---



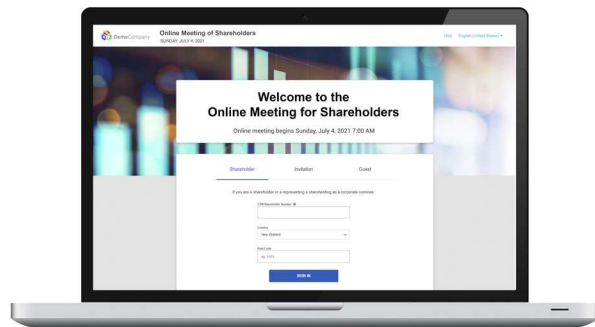
## HOW TO PARTICIPATE IN VIRTUAL MEETINGS

### Attending the meeting online

Our online meetings provide you with the opportunity to participate online using your smartphone, tablet or computer.

You will be able to view a live webcast of the meeting, ask questions and submit your votes in real time.

**You will need the latest version of Chrome, Safari, Edge or Firefox. Please ensure your browser is compatible.**



Visit <https://meetnow.global/za>



#### Access

Access the online meeting at <https://meetnow.global/za>, select the applicable meeting from the drop down option. Click 'JOIN MEETING NOW'.

#### If you are a shareholder:

Select 'Invitation' on the login screen and enter the applicable information as per your invitation. Accept the Terms and Conditions and click Continue.

#### If you are a guest:

Select 'Guest' on the login screen. As a guest, you will be prompted to complete all the relevant fields, including title, first name, last name and email address.

Please note, guests will not be able to ask questions or vote at the meeting.

#### If you are a proxy holder:

You will receive an email invitation the day before the meeting to access the online meeting. Click on the link in the invitation to access the meeting.

#### Contact



If you have any issues accessing the website please email [proxy@computershare.co.za](mailto:proxy@computershare.co.za).



#### Navigation



When successfully authenticated, the home screen will be displayed. You can watch the webcast, vote, ask questions, and view meeting materials in the documents folder. The image highlighted blue indicates the page you have active.

The webcast will appear and begin automatically once the meeting has started.



#### Voting

Resolutions will be put forward once voting is declared open by the Chair. Once the voting has opened, the resolution and voting options will appear.

To vote, simply select your voting direction from the options shown on screen. You can vote for all resolutions at once or by each resolution.

Your vote has been cast when the green tick appears. To change your vote, select 'Change Your Vote'.



#### Q&A

Any eligible shareholder/proxy attending the meeting remotely is eligible to ask a question.

Select the Q&A tab and type your question into the box at the bottom of the screen and press 'Send'.



---

## ELECTRONIC PARTICIPATION FORM

---

*Participation in the General Meeting via electronic communication: **For use by Transaction Capital Shareholders who do not register to participate and/or vote at the General Meeting using the online portal.***

**Capitalised terms used in this Electronic Participation Form shall bear the meanings ascribed thereto in the Circular to which this Electronic Participation Form is attached.**

**1. Shareholders or their duly appointed proxy(ies) that wish to participate in the General Meeting via electronic communication and who do not register using the online portal at [www.meetnow.global/za](http://www.meetnow.global/za) (“Participants”), must apply to Computershare, by delivering this duly completed Electronic Participation Form to:**

- 1.1 Rosebank Towers, 15 Biermann Avenue, Rosebank 2196, or posting it to Private Bag x9000, Saxonwold, 2132 (at the risk of the Participant), or by email to [proxy@computershare.co.za](mailto:proxy@computershare.co.za) so as to be received by Computershare by no later than 10:30 on Wednesday, 13 March 2024, for administrative reasons, in order for the Transfer Secretaries to arrange such participation for the Shareholder and for the Transfer Secretaries to provide the Shareholder with the details as to how to access the General Meeting by means of electronic participation.
- 1.2 Shareholders may still register/apply to participate in and/or vote electronically at the General Meeting after the aforementioned date, provided, however, that those Shareholders are verified (as required in terms of section 63(1) of the Companies Act) and are registered at the commencement of the General Meeting.

**2. Important notice**

- 2.1 The Transfer Secretaries shall, by no later than 17:00 on Thursday, 14 March 2024, notify Participants that have delivered valid notices in the form of this Electronic Participation Form, by email of the relevant details through which Participants can participate electronically, subject to such Shareholders delivering this Electronic Participation Form by 10:30 on Wednesday, 13 March 2024.
- 2.2 The cut-off time to participate in the General Meeting via electronic communication will be 10:30 on Wednesday, 13 March 2024 provided that those Shareholders wishing to participate are verified (as required in terms of section 63(1) of the Companies Act) and are registered at the commencement of the General Meeting.

**Electronic Participation Form**

Full name of Participant:

---

ID number:

---

Email address:

---

Cell number:

---

Telephone number:

(code):

(number):

---

Name of CSDP or broker (if Transaction Capital Shares are held in dematerialised format):

---

Contact number of CSDP/broker:

---

Contact person of CSDP/broker:

---

Number of share certificate (if applicable):

---

Signature:

---

Date:

---

**Terms and conditions for participation in the General Meeting via electronic communication**

1. The cost of electronic participation in the General Meeting is for the expense of the Participant and will be billed separately by the Participant's own service provider.
2. The Participant acknowledges that the electronic communication services are provided by a third parties and indemnifies Transaction Capital and/or the Transfer Secretaries against any loss, injury, damage, penalty or claim arising in any way from the use or possession of the electronic services, whether or not the problem is caused by any act or omission on the part of the Participant or anyone else. In particular, but not exclusively, the Participant acknowledges that he/she will have no claim against Transaction Capital and/or the Transfer Secretaries, whether for consequential damages or otherwise, arising from the use of the electronic services or any defect in it or from total or partial failure of the electronic services and connections linking the Participant via the electronic services to the General Meeting.
3. The application to participate in the General Meeting electronically will only be deemed successful if this Electronic Participation Form has been completed fully and signed by the Participant.

Participant's name

---

Signature

Date

---





## 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")

### FORM OF PROXY – FOR USE BY CERTIFICATED AND OWN-NAME DEMATERIALISED SHAREHOLDERS ONLY

All terms defined in the Circular, to which this Form of Proxy is attached, shall bear the same meanings when used in this Form of Proxy.

I/We

(print names in full)

of (address)

being the registered holder of

ordinary Shares, hereby appoint

1. or failing him/her,

2. or failing him/her,

3. the chairman of the General Meeting,

as my/our proxy to attend, speak and vote for me/us at the General Meeting for purposes of considering and, if deemed fit, passing, with or without modification, the resolutions to be proposed at the General Meeting and at any adjournment thereof and to vote for and/or against the resolutions and/or abstain from voting in respect of the Shares registered in my/our name(s), in accordance with the following instructions (see notes):

		Number of Shares		
		In favour of	Against	Abstain
1	<b>Ordinary Resolution Number 1</b> Approval of the Subscription Agreement, including the implementation of the WeBuyCars Share Issue and the Repurchase Unwind (if applicable)			
2	<b>Special Resolution Number 1</b> Approval of the Unbundling			
3	<b>Special Resolution Number 2</b> Approval of revocation resolution			
4	<b>Special Resolution Number 3</b> Approval of fees for Independent Board members			
5	<b>Ordinary Resolution Number 2</b> Granting of Directors' authority			

Please indicate your voting instructions by way of inserting the number of Shares or by a cross in the spaces provided should you wish to vote all of your Shares.

Signed on this \_\_\_\_\_ day of \_\_\_\_\_ 2024

Signature (s)

Assisted by (where applicable) (state capacity and full name)

Each Transaction Capital Shareholder is entitled to appoint one or more proxy(ies) (who need not be a shareholder(s) of the Company) to attend, speak and vote in his/her stead at the General Meeting.

**Please read the notes on the reverse side hereof.**

**Notes:**

1. A Shareholder may insert the name of a proxy or the names of two alternative proxies of the Shareholder's choice in the space(s) provided, with or without deleting "the chairman of the General Meeting". The person whose name appears first on the Form of Proxy and who is present at the General Meeting will be entitled to act as proxy to the exclusion of those whose names follow.
2. A Shareholder's instructions to the proxy must be indicated by the insertion of the relevant number of Shares to be voted on behalf of that Shareholder in the appropriate box provided or by the insertion of a cross if all Shares should be voted on behalf of that Shareholder. Failure to comply with the above will be deemed to authorise the chairman of the General Meeting, if he/she is the authorised proxy, to vote in favour of the resolutions at the General Meeting, or any other proxy to vote or to abstain from voting at the General Meeting as he/she deems fit, in respect of all the Shares concerned. A Shareholder or his/her proxy is not obliged to use all the votes exercisable by the Shareholder or his/her proxy, but the total of the votes cast and in respect whereof abstentions are recorded may not exceed the total of the votes exercisable by the Shareholder or his/her proxy.
3. When there are joint registered holders of any Shares, any one of such persons may vote at the General Meeting in respect of such Shares as if he/she is solely entitled thereto, but, if more than one of such joint holders are present or represented at any General Meeting, that one of the said persons whose name stands first in the Register in respect of such Shares or his/her proxy, as the case may be, shall alone be entitled to vote in respect thereof. Several executors or administrators of a deceased Shareholder, in whose name any Shares are registered, shall be deemed joint holders thereof.
4. Forms of proxy must be completed and lodged at or posted to the Transfer Secretaries (Rosebank Towers, 15 Biermann Avenue, Rosebank, 2196 or Private Bag X9000, Saxonwold, 2132), or emailed to proxy@computershare.co.za so as to be received by the Transfer Secretaries by not later than 10:30 on Wednesday, 13 March 2024, provided that any Form of Proxy not delivered to the Transfer Secretaries by this time may be emailed to the Transfer Secretaries (who will provide same to the chairman of the General Meeting), at any time before the appointed proxy exercises any Shareholder rights at the General Meeting.
5. Any alteration or correction made to this Form of Proxy must be initialled by the signatory(ies).
6. Documentary evidence establishing the authority of a person signing this Form of Proxy in a representative capacity must be attached to this form of proxy unless previously recorded by the Transfer Secretaries or waived by the chairman of the General Meeting.
7. The completion and lodging of this Form of Proxy will not preclude the relevant Shareholder from connecting electronically to the General Meeting and speaking and voting electronically, at the General Meeting to the exclusion of any proxy appointed in terms hereof, should such Shareholder wish to do so.