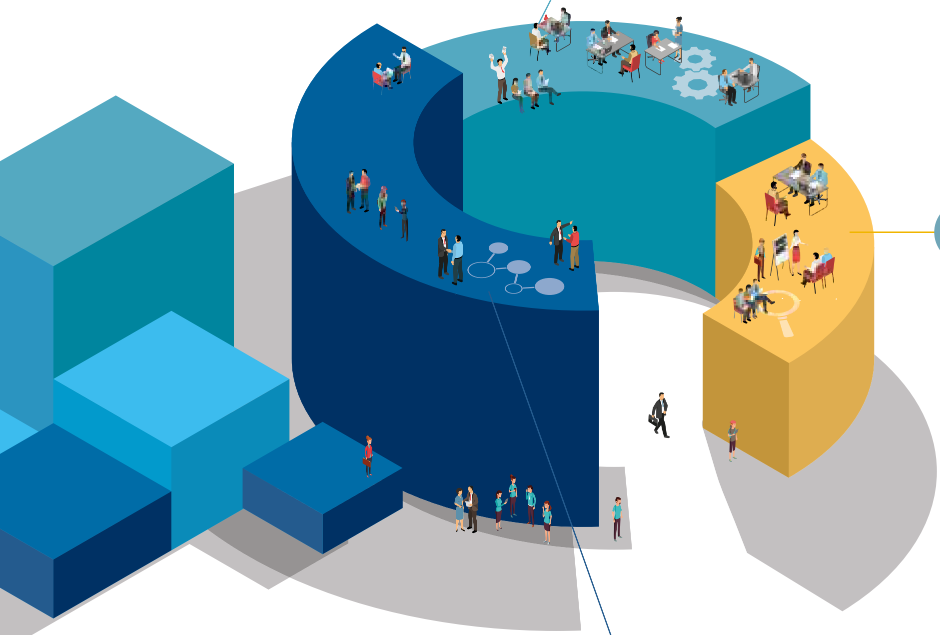
Barloworld
Leading brands

Sustainable growth through transformation

Annual results

for the year ended 30 September 2021

One Barloworld



1

Our purpose

To inspire a world of difference, enabling growth and progress in society

2

Our vision

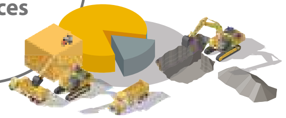
We create enduring economic and social value for our stakeholders by building businesses that serve industrial customers.

3

Our sustainability commitment

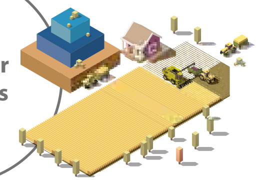
To be a responsible corporate delivering products, services and solutions that generate sustainable outcomes.

Industrial Equipment and Services



Our industrial equipment and services offer earthmoving equipment, industrial services and power systems that enable a large array of mining, construction and power solutions for our customers through deep relationships built on trust.

Consumer Industries

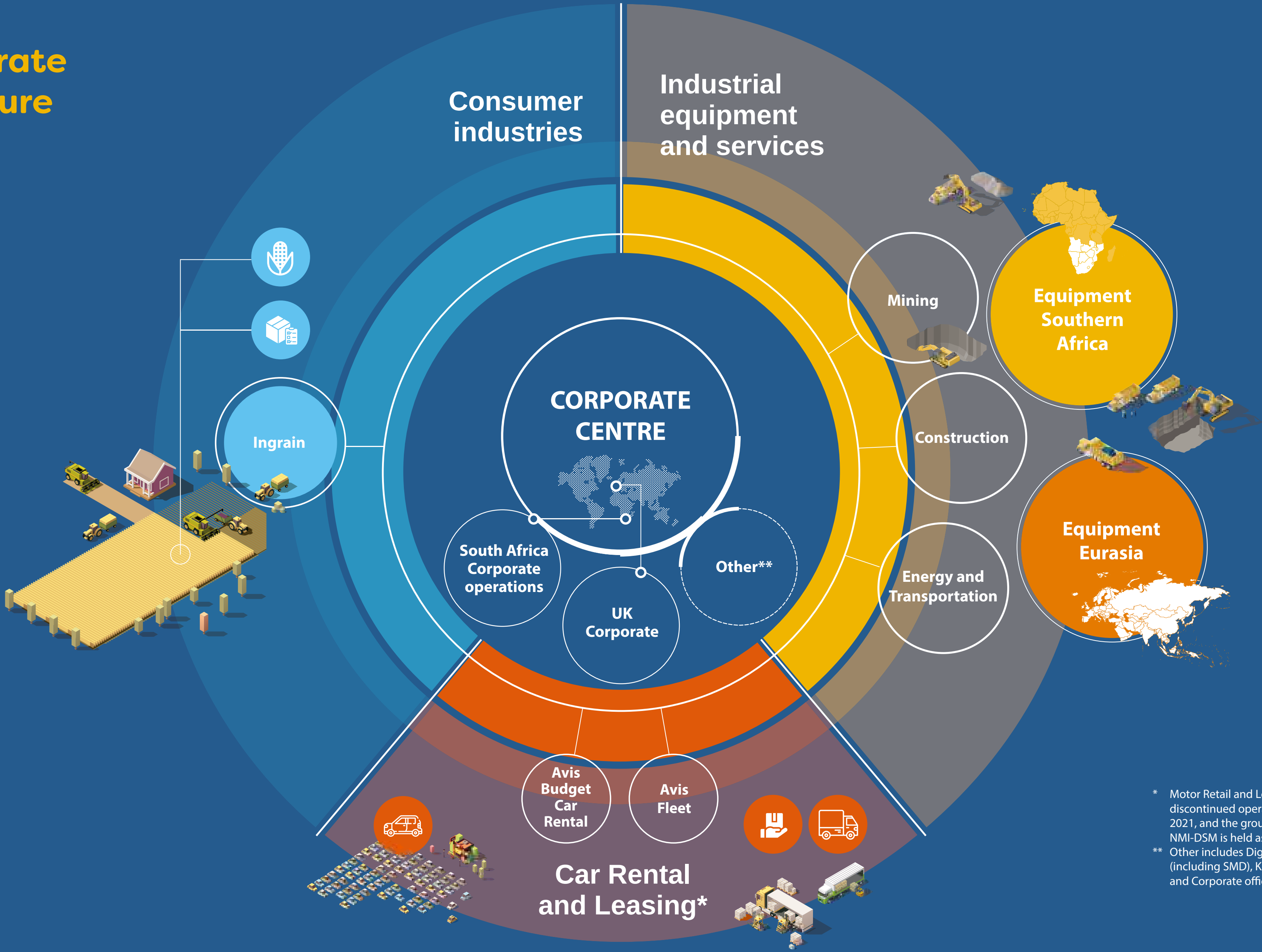


Through our Consumer Industries business we provide businesses with the ingredients essential to the manufacturing of, among others, food and beverages, paper, pharmaceuticals, building materials and adhesives.

Automotive

In a changing automotive world, our automotive products include car rental, fleet services, used vehicle and disposal solutions.

Our corporate structure



* Motor Retail and Logistics are discontinued operations from 1 February 2021, and the group's 50% holding in NMI-DSM is held as an associate.

** Other includes Digital Disposal Solutions (including SMD), Khula Sizwe, Handling and Corporate office.

Key features of our performance in 2021

Progress against our strategy

Pivoting our portfolio into relatively asset light and defensive businesses:

- Sale of Motor Retail complete
- Logistics disposal in progress

The acquisition of Ingrain and Mongolia successfully contributing to our growth

Our social performance

- Mbewu has benefited 29 social entrepreneur cohorts with a proven income stream
- 111 beneficiaries of our Siyakhula ESD programme of which 39% are black female-owned and 93% are EMEs

50% of CSI spend directed to health and welfare initiatives

Our people

- >40% of employees are vaccinated
- 63% response to our first Employee Engagement Pulse Survey conducted during the year
- 43% of our employees are women (target 40%)
- Diversity and inclusion targets included in the divisional business unit balanced scorecards

Our LTIFR is 0.36

Our environmental performance

- Group is setting new five-year environmental efficiency targets after previous five-year cycle completed
- On a like-for-like basis; energy consumption declined by 8% (349 748 GJ vs FY2020: 379 249 GJ)

18% decrease in water withdrawal (municipal sources) to 287 ML (FY2020: 349 ML)

Our financial performance

- EBITDA from continuing operations up 54.1%
- Operating from continuing operations profit up 119.4%
- Group HEPS of 1 195cps up significantly over prior year headline earnings loss of 268cps
- Business resilience protected from Covid-19 lockdowns by swift implementation of austerity measures

Revenue from continuing operations grew 22.5%

> Notwithstanding the challenging environment, Barloworld delivered an impressive set of results. I am pleased that the decisions we have made in the past have been value accretive to shareholders and have positioned us to remain agile to the changing operating environment.

Group Chief Executive Officer
Dominic Sewela

Group Chief Executive Officer's review

AT A GLANCE

We have executed on our strategy

Ordinary dividend 300 cps
Special dividend 1 150 cps

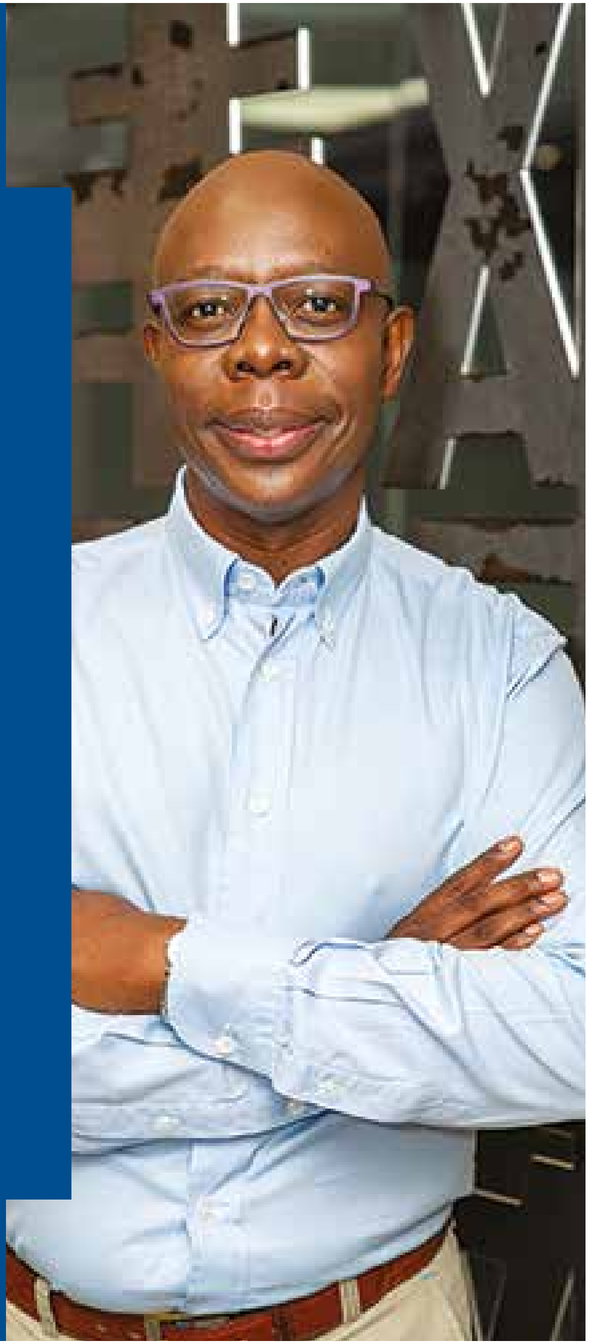
Group HEPS is 1 195 cents compared to the prior year 268 cents loss

Net cash generated from operating activities before dividends of R6.4 billion

Group revenue (including discontinued operations) was

R53.8bn

up 8.4%



Performance review

The group has delivered an exceptional set of results despite the challenges we withstood in the preceding year. Group HEPS for the year under review was 1 195 cents, compared to the 268 cents loss in the previous year. Our results have benefited from the acquisitive growth provided by Equipment Mongolia and Ingrain, the exceptional performance from the southern African and Russian Equipment businesses, and the impressive turnaround of the Car Rental business.

We have also been able to successfully accelerate the execution of our strategy since FY2020. We integrated two new businesses into the group, Equipment Mongolia and Ingrain, both of which have done far better than we anticipated; sold our Motor Retail assets in our quest to move to relatively asset light and defensive businesses; and commenced with the sale of the Logistics business.

Revenue from continuing operations grew 22.5% to R41.6 billion during the period, with Mongolia and Ingrain combined contributing R6.6 billion to revenue, while revenue from our existing businesses grew by 2.6%. Group revenue was R53.8 billion for the year, up 8.4% from the prior period (note that group revenue only includes eight months of Motor Retail).

Operating profit showed a 119% improvement to R4.3 billion compared to the prior year, with the growth supported by the decisive actions we took to cut costs out of the business without negatively impacting future growth prospects. Our operating margin increased by 450bps to 10.3%.

The group has maintained a solid balance sheet and continues to practice strong working capital management, with free cash flow for the period, excluding acquisitions and disposals, positive at R6.6 billion (compared to the prior year inflow of R3.3 billion). We approach liquidity management prudently with a clear focus on cash preservation, supported by a careful and agile funding strategy. The group's net borrowings decreased to R2.3 billion as at 30 September 2021 (R2.7 billion at 30 September 2020) after acquiring Ingrain. When taking into consideration the R5.3 billion Ingrain acquisition, the group's cash generation was exceptional, resulting in a 13% reduction in net debt year-on-year.

Given the strong balance sheet, healthy cash generation and proceeds from the disposals, the group resumed payment of a dividend this year. The board has approved a final dividend of 300 cps, bringing our total dividend to 437 cps, as well as a special dividend of 1 150 cps. This is in line with the group's stated dividend cover of 2.5 to 3.0 times normalised headline earnings.

The group is focused on capital allocation and therefore one of the group's key measures is return on invested capital (ROIC^). This improved to 11.3% compared to the 1.0% generated in the prior year.

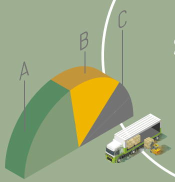
We prioritise the safety of our people and we continue to monitor the effects of Covid-19 on our employees, encouraging them to get vaccinated and offering interactive vaccination awareness sessions, presented by medical professionals, to educate and create awareness about the benefits of getting the Covid-19 vaccine. To date more than 40% of our employees are vaccinated, and we continue to encourage those eligible to do so.

Progress against strategy

OUR AMBITION
Sustainably double the intrinsic value created every four years

Deliver top quartile shareholder returns | **Drive profitable growth** | **Instil a high-performance culture**

Sustainable development



STRATEGIC LEVERS

A **Fix and optimise** existing business portfolio to get to full potential or exit

B **Active shareholder operating model** A key strategic enabler

C **Acquisitive growth** in identified growth verticals – programmatic or bolt-on M&A

Barloworld is an industrial processing, distribution and services company with two primary areas of focus: Industrial Equipment and Services and Consumer Industries (food and ingredient solutions).

Our strategy is based on a clear and ambitious outcome, which is to double the group's intrinsic value every four years. This means that we need to be forward-looking in how we approach our business. The group is actively pivoting its portfolio towards defensive, relatively asset light and cash generative industrial sectors, based on a business-to-business operating model.

As we strengthen our position in our chosen verticals, our strategic focus will remain using our strategic levers:

A Fix and Optimise

In line with our focus on optimally deploying capital within the group, we exited our Motor Retail business during the period under review and are in the process of selling our Logistics businesses. We have also indicated we will exit our Car Rental and Leasing business in the medium term. Our focus will remain on reviewing and improving businesses with low operating performance and on implementing the identified disposal actions intended to simplify the group's portfolio.

B Active shareholder operating model

The role of our Corporate Centre remains one of an active shareholder operating model. This is a key component of our 'managing for value' model and centres on:

- setting strategy and driving transactions through a centralised mergers and acquisitions (M&A) function
- a centralised management team and the deployment of leadership and talent to the best suited opportunities within the group
- monitoring, measuring and rewarding performance that contributes to the achievement of the group's strategic priorities
- allocating organisational resources to support performance and deliver on strategy
- responsible corporate citizenship and ethical and effective leadership that ensure socio-economic and environmental outcomes that meet stakeholder expectations.

C Acquisitive growth and portfolio changes

We successfully executed two significant acquisitions in 2020, Equipment Mongolia and Ingrain. The integration of these acquisitions into the group is progressing well and both businesses are delivering ahead of our initial expectations. Our short-term priorities are to complete these integrations and extract further value.

Future acquisitive growth, in line with our identified strategic growth segments, will be considered once we have completed the remaining portfolio changes.

Our environmental, social and governance (ESG) performance

We apply the principle of materiality in assessing what information to include in our reporting. This is a groupwide process which includes input from all our stakeholders. It allows us to focus our reporting by identifying those issues, opportunities and challenges that materially impact the group's ability to be a sustainable business that consistently creates and protects value for its stakeholder, and minimises any erosion of value. To ensure we address stakeholder concerns, we benchmark and report on our environmental, social and governance performance.

The Barloworld board, through its social ethics and transformation committee, exercises oversight and provides guidance on our sustainability strategy and performance. Sustainability-related risks are incorporated into the group's entrenched risk management processes and are overseen by the audit and risk committee.

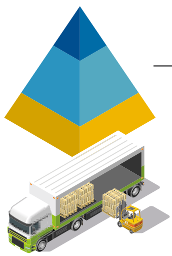
Our environmental performance

The group's focus in terms of our natural environment is on:

- the efficient use of non-renewable energy and switching to renewable energy sources wherever practical to reduce our greenhouse gas emissions (GHGs) and our impact on climate change
- reducing our impact on limited water sources through the efficient use of water
- implementing responsible waste management practices, including waste generation reduction, recycling and disposal.

The integration of the Ingrain business (effective 31 October 2020) introduced an energy-intensive manufacturer to the group's environmental footprint, which also makes substantial use of water in its processes. This has increased the group's energy and water consumption and consequently its GHG emissions. Our focus going forward will be on ensuring our use of both energy and water is as efficient as possible. We are currently busy with environmental target-setting across the group, focusing on finding ways to reduce our environmental footprint by 2025.

For the purpose of providing a like-for-like comparison we have excluded Ingrain from the information that follows: The group's non-renewable energy consumption of 349 748 GJ (FY2020: 379 249 GJ) declined by 8%, its Scope 1 and 2 emissions 43 749 tCO_2e (FY2020: 44 521 tCO_2e) decreased by 2% and its water withdrawal (municipal sources) 287 ML (FY2020: 349 ML) decreased by 18% against FY2020. (For environmental data for continuing operations including Ingrain, please refer to the key features of our performance in this booklet).



Scope 1 and 2 emissions decreased by
2.0%

our water consumption was down
18.0%

Our social performance

Barloworld's approach to enabling growth and progress in society focuses on creating meaningful positive change. To achieve this, its community initiatives are divided into wealth builders and social impact enablers.

The wealth builders include our broad-based black economic empowerment scheme (B-BBEE), Khula Sizwe a property holdings company, which is advancing economic transformation by facilitating the participation of black people in the mainstream economy; our enterprise and supplier development (ESD) programme, Siyakhula, which focuses on the development of sustainable SMMEs; and our preferential procurement spend with the previously disadvantaged and beneficiaries of Siyakhula. Through Siyakhula, a total of 50 beneficiaries were supported and 359 jobs sustained. During this financial year, we enabled the inception of 32 new SMMEs, which includes 17 former employees who were impacted by the prior year section189 process. The new SMMEs will contribute toward our supplier and enterprise development goals and enable the creation of 45 jobs.

Our **social impact enablers** include Mbewu, which drives economic sustainability, transformation and growth through its support of social enterprises.

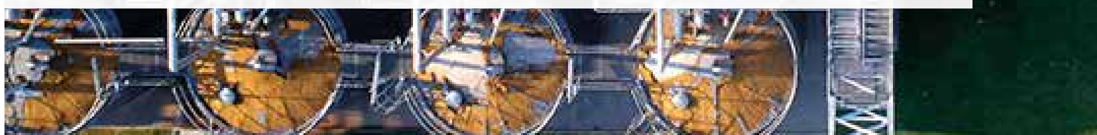
Mbewu has benefited 29 social entrepreneur cohorts with a proven income stream that demonstrates their ability to be scalable; with the first cohort provided with business leadership training and combined funding of R13 million. They will be further assisted with access to markets and other development funders in future. The Barloworld Trust focused on education initiatives and food security. Our employee volunteerism is an important part of our social impact.

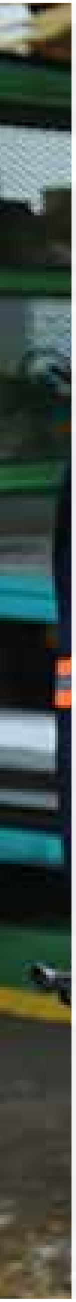
Our board and management is committed to transforming our society by driving economic inclusion, social cohesion and building resilient communities. Following the success of the Barloworld Mbewu Programme, the Mbewu programme has been registered as a non-profit company (NPC) geared towards supporting social entrepreneurship through its own governance structure.

Mbewu has benefited

R

29 social entrepreneur cohorts





Our people

It is our ambition to be a Top Employer whose people delight customers and inspire a world of difference. We want to provide talent solutions that drive employee engagement through great everyday experiences and build engaged, high performing leaders and teams. To achieve this our key human capital priorities are embedding the Barloworld Business System (BBS) leadership transformation journey; improving employee engagement, the gender mix and employee representation and employee wellness; and providing our employees with easy access to self-service human capital systems.

Ensuring the overall wellness of our employees during the Covid-19 pandemic was and remains a key focus for Barloworld. Key to the fight against Covid-19 is the encouragement of employees to vaccinate, including paid leave to enable our people to be vaccinated. To date more than 40% of our employee base is vaccinated. Sadly, we lost 29 of our employees to Covid-19 during this financial year period. Counselling sessions have been provided to directly affected employees and their families through our Geared for Living Employee Wellness Programme.

We reacted swiftly to the potential impact of the Covid-19 lockdowns by introducing a salary sacrifice for certain employees in May 2020. By December 2020 the lifting of some Covid-19 restrictions and the gradual resumption of economic activity in most of our operating regions made it possible for the group to reinstate full salary payments and recommence pension fund contributions for all impacted employees.

We have also progressed well in integrating both the Ingrain and Equipment Mongolia teams into Barloworld and implementing BBS in these organisations.

Talent management

To support our efforts to retain key talent and encourage performance we have implemented various leadership, talent growth and employee experience-focused initiatives that enhance employee engagement. To ascertain the effectiveness of these actions, we implemented our first Employee Engagement Pulse Survey in February 2021. The outcomes of the survey will inform our efforts towards achieving set engagement targets.

Health and safety

At Barloworld our health and safety policies and practical programmes assist our people, our customers and stakeholders to safeguard themselves. We monitor the work environment throughout the group and ensure that we comply with the relevant health and safety regulations and guidelines, including Covid-19 regulations. All health and safety incidents are investigated through in-depth root cause analysis that helps us put in place preventative measures. We continue to monitor the impact of Covid-19 on our employees. Our group* lost-time injury frequency rate (LTIFR) for the period was 0.36 (FY2020 0.38).

Our ongoing focus on safety across the group is unrelenting and we continue to target zero harm. Tragically, there was one work-related fatality within the group's Logistics operations as result of a motor vehicle accident.

Barloworld extends its sincere condolences to the family, friends and colleagues of the deceased. We will continue to maintain our vigilant approach towards ensuring the safety of all our employees by complying with legislation and implementing best practices in a safe working environment.

* including Ingrain

LTIFR FOR THE PERIOD WAS 0.36

FY2020: 0.38

OUR FIRST EMPLOYEE ENGAGEMENT PULSE SURVEY

Governance

Our board of directors, committed to maintaining the highest standards of corporate governance, considers all the elements of the value creation process when steering and setting Barloworld's strategic direction.

Eighty percent of our board members are independent non-executive directors and 60% of our directors are women, which exceeds our target of 50%, and 60% of our board members are black South Africans.

Changes to our board and succession planning

Sango Ntsaluba, an independent non-executive director of the Barloworld board, retired at the annual general meeting (AGM) on 11 February 2021.

The board appointed Neo Mokhesi as lead independent director, effective 22 February 2021.

On 22 February 2021, the board advised shareholders that Ms Neo Dongwana would be retiring as non-executive director and Chair of the board, and at the end of the 2021 financial year she relinquished her roles on the board. She joined the board in May 2012 and had therefore served as a non-executive director for nine years by May 2021.

Dr Nolulamo (Lulu) Gwagwa was appointed to the board of directors of Barloworld as an independent non-executive director and the Chair of the board, with effect from 1 October 2021.

Dominic Sewela
Group Chief Executive Officer

Prospects

Our focus will remain on value extraction from our new acquisitions, with programmatic "bolt-on" mergers and acquisitions focused on our Industrial Equipment and Services and Consumer Industries verticals.

We continue to be concerned about the effects of Covid-19, particularly in supply chain constraints experienced globally and for our Car Rental business which remains the most affected by constraints to travel and the impact of lockdowns.

We remain encouraged by the performance of our Industrial Equipment and Services businesses and their opportunities in the year ahead.

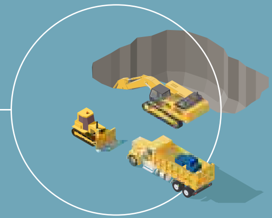
Equipment southern Africa's firm order book remains strong supported by a positive outlook for mining. The construction industry is also expected to recover as infrastructure and energy projects gather momentum.

Equipment Eurasia's outlook for 2022 also remains positive as the recovery in the coal market is expected to continue and we expect to realise further benefits from the integration of Mongolia into the Eurasia division.

In Ingrain, the outlook is for maize prices trading closer to international prices, which will support margins going forward, with international starch and glucose prices remaining high. Given the impact of the purchase price allocation on pre-acquisition comparatives, it is better to focus on EBITDA numbers when looking at the comparatives against the prior year.

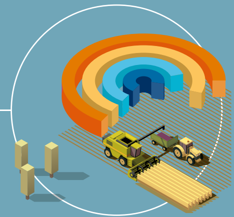
Our outlook for the FY2022 financial year is therefore positive.

MINING ACTIVITY IS EXPECTED TO STEADILY IMPROVE

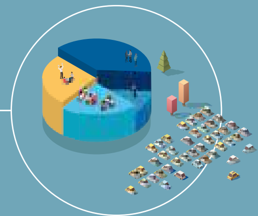


VALUE EXTRACTION FROM OUR NEW ACQUISITIONS

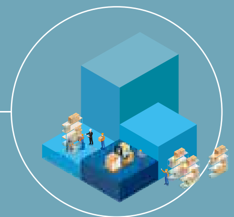
GOOD OUTLOOK FOR MAIZE



THE USED CAR MARKET IS EXPECTED TO REMAIN STRONG



VIGILANT APPROACH TOWARDS ENSURING THE SAFETY OF ALL OUR EMPLOYEES



Group financial review

Accounting presentation changes

Logistics and Motor Retail are reported as discontinued operations and the comparatives have been restated to reflect this change in presentation. Motor Retail traded for eight months until it was sold on 1 June 2021; and thereafter is accounted for as an associate.

Ingrain is included as a new operating segment and reported for the first time for 11 months since acquisition on 31 October 2021.

Following the restructuring of the Automotive and Logistics businesses during the current financial year, the segments including Handling, Automotive Trading (remaining out of Motor Retail disposal), and including Corporate and Khula Sizwe are combined as an 'Other segment'. The comparatives have been restated to reflect this.

Continuing operations

Normalised^ continuing operations HEPS which excludes net B-BBEE costs and the impact of IFRS16 was 1 323 cents. This was due to the improved performance from Equipment southern Africa and Eurasia businesses which contributed 984 cents of total headline earnings and the impressive turnaround of the Car Rental business.

The improvement in other segments mainly relates to the raising of deferred tax assets in Corporate and improved earnings in the remaining Automotive Trading business, Digital Disposal Solutions (DDS), which includes SMD. The results are a remarkable achievement considering the macro-economic environment and validate the necessity of the austerity measures carried out in the prior financial year.

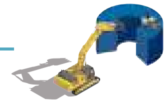
Acquisitive growth saw the group report revenue of R41.6 billion from continuing operations, which was 22.5% above the prior year of R33.9 billion. New acquisitions added R6.6 billion of revenue, while existing businesses grew revenue at 2.6% above the prior year.

EBITDA of R6.9 billion was 54.1% up from R4.5 billion in the prior period owing to improved margins in the business and the turnaround in those businesses which were negatively affected by Covid-19. Amortisation on intangible assets was up as a result of the newly acquired businesses taking into account the intangibles raised at acquisition. Depreciation however, remains well managed at a marginal 3% increase, despite the depreciation arising from the asset uplift from fair valuing the acquired assets.

Operating profit more than doubled to R4.3 billion as we began to accrue the benefits of the newly acquired Mongolia and Ingrain businesses, robust mining activity and austerity measures taken in the prior year. The operating margin increased by 450 bps to 10.3%.

- **Equipment southern Africa** operating profit was R1.9 billion (FY2020: R1.2 billion) with the operating margin improving to 10.7% boosted by the sales mix and cost reduction.

R1.9bn
(63.3% UP)



- **Equipment Eurasia** operating profit was R1.2 billion (FY2020: R834 million) mainly due to the acquisitive growth of Mongolia which contributed R289 million. Operating margin was slightly higher than last year's levels at 11.0% in USD terms as a result of cost control and improved gross profit margin realisation.

MONGOLIA CONTRIBUTED
R289m

- **Ingrain** recorded an operating profit of R534 million for the 11 months of trading translating into an operating margin of 12.2%. Recovery in sales volumes and improved margin realisation driven by higher international agriculture commodity prices benefited the results.

INGRAIN OPERATING PROFIT OF
R534m

- **Car Rental** showed a commendable operating profit of R348 million compared to a R142 million loss in 2020 despite local and international travel restrictions impacting the car rental industry adversely. Maintaining the rationalised cost base, robust used vehicle sale margins and the agile operating model implemented resulted in the turnaround.

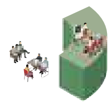
OPERATING PROFIT OF
R348m

- **Avis Fleet** operating profit of R503 million was higher than the prior year at R444 million, positively impacted by a restructured cost base and enhanced used vehicle sales contributions due to a buoyant used vehicle sales market.

OPERATING PROFIT OF
R503m

- **The other segment** operating loss reduced to R207 million compared to a R370 million loss in the prior year. SMD recorded improved profits, B-BBEE costs reduced and Khula Sizwe earned external rental income from NMI-DSM.

SMD IMPROVED PROFIT



Loss from fair value adjustments on financial instruments totalled R190 million (FY2020: R335 million) driven by negative currency movements and forward exchange contract costs impacting Equipment southern Africa, of which R68 million related to South Africa and R14m million related to rest of Africa. The UK also realised a loss of R45 million due to the strengthening of the British Sterling against the US Dollar. Khula Sizwe incurred a R45 million fair value loss on an interest rate hedge, fixed on the loan funding for financing property purchases.

Net finance costs of R820 million were marginally lower than the prior year of R833 million on the back of reduced interest rates in South Africa and a strong cash generation by the business.

Gains from non-operating and capital items of R195 million was an improvement on the prior year's loss of R1.7 billion which included significant impairments due to the impact of Covid-19. The profit in the current year includes gains realised on the sale of properties of R30 million in Botswana and a R40 million reversal of impairment of the BHBW joint venture investment, partially offset by various other asset impairments.

The effective tax rate before non-operating and capital items, and prior year adjustments of 25.2% was positively impacted by R233 million of a deferred tax asset raised in the UK on tax losses previously not recognised and partial release of the deferred tax liability raised in terms of IAS12.41 in Equipment southern Africa in light of the appreciation of local currencies against the US Dollar.

Losses in associate and joint ventures of R13 million were lower than the prior year of R43 million. Bartrac, our joint venture in the Katanga province of the Democratic Republic of Congo remained under pressure and generated a loss of R112 million (FY2020: R41 million loss). The loss was due to low activity, once off restructuring costs and impairments included in non-operating and capital items. The losses were partially offset by the results of NMI-DSM who generated an impressive R104 million profit (FY2020: R52 million). The BHBW joint venture recorded a reduced loss of R15 million for the year (FY2020: R58 million loss) from the turnaround strategy underway.

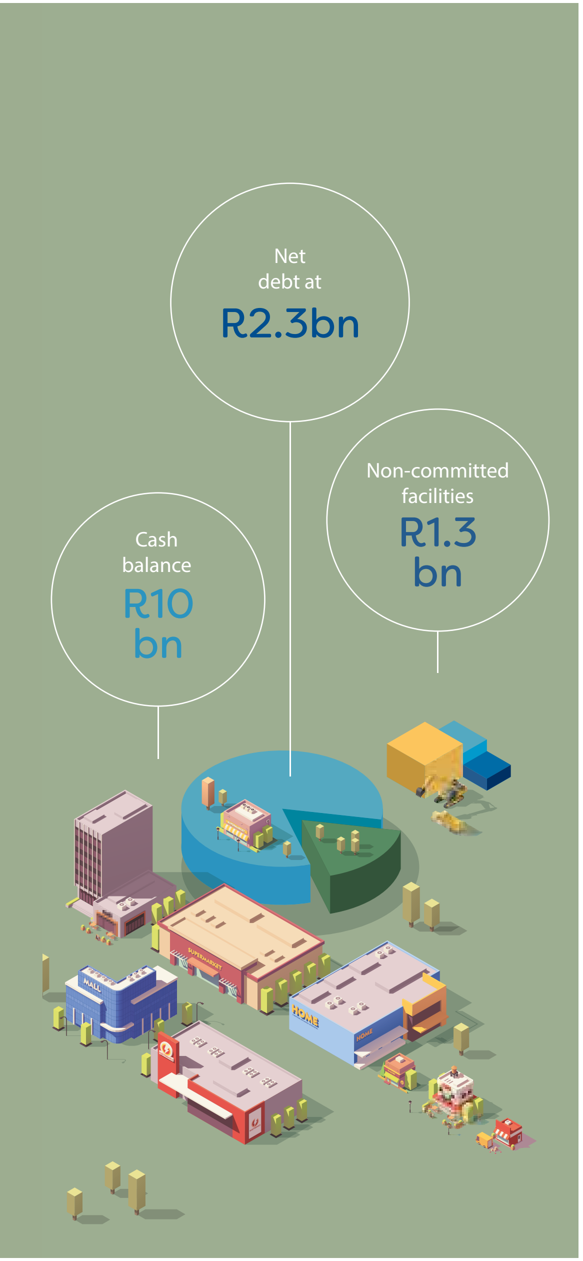
Cash flow

Net cash generated from operating activities before dividends to September 2021 of R6.4 billion inflow was R2.9 billion higher than the prior year at R3.5 billion, this was despite the significant defleeting of vehicles experienced in the prior year. Activity levels were overall better than last year and the working capital levels significantly improved due to the reduction in inventory balances and increase in payables.

Investments in the vehicle rental fleet has increased compared to the prior year due to increased demand and a low base in the beginning of the financial year, but remains well contained based on the demand for used vehicles.

Net cash used in investing activities of R4.3 billion includes the Ingrain acquisition of R5.3 billion partially offset by the proceeds on the disposal of Motor Retail into NMI-DSM of R878 million and and the maturity of the investment in USD-linked Angolan bonds of R389 million.

The free cash flow for the period excluding acquisitions and disposals was positive at R6.6 billion, which when compared to the prior year at an inflow of R3.3 billion is an exceptional effort in tough trading conditions.



Financial position, gearing and liquidity

Group total assets increased by R5 billion to R52.8 billion compared to the prior year. The increase was driven by the acquisition of Ingrain carrying a total asset base of R6.9 billion at end September 2021 (including goodwill and intangible assets) together with increased cash levels and vehicle rental fleet, but partially offset by a reduction in working capital in the rest of the businesses and the sale of Motor Retail.

The Logistics assets and liabilities were disclosed as held for sale at the end of September 2021 in line with the requirements of IFRS5.

The UK pension scheme net liability has decreased significantly from R1.9 billion (GBP88.9 million) in the prior year to a R173 million (GBP8.5 million) at 30 September 2021, largely driven by a recovery plan contribution of R675 million (GBP33.6m) in the year, changes in the financial and demographic assumptions used in the valuation of the liability and changes in the fair value of the scheme assets.

The group unutilised facilities for both local and offshore operations remain substantial at R10 billion which consists of R 8.7 billion committed facilities and R1.3 billion uncommitted facilities. This includes the UK syndicated loan of £100 million (R2.1 billion), and the South African syndicated loan of R3.3 billion. A R5.4 billion bridge facility which was ringfenced to acquire Ingrain in 2020 has now been utilised, resulting in a decrease in our available facilities and an increase in debt. In terms of our debt maturity profile, liquidity remains strong, with total interest-bearing debt up by R3.8 billion to R13.1 billion (FY2020: R9 billion) after the Ingrain purchase amounting to R5.3 billion.

Net debt for September 2021 is reported at R2.3 billion, R350 million less than 2020 at R2.7 billion. However, if we exclude the Ingrain purchase consideration, the net debt at year end would have been a net cash position of R2.7 billion.

The September 2021 headroom in South Africa, Eurasia and rest of Africa facilities of R10 billion remain sufficient based on working capital forecast projections. Headroom in South Africa amounts to R6.2 billion, and the group received a dividend from Eurasia to the sum of R684 million. The R4.9 billion offshore facilities are also considered sufficient based on working capital forecast projections for Eurasia.

As at 30 September 2021, the group's ratio of long- to short-term debt was 57:43 long-term compared to 56:44 at September 2020. Cash and cash equivalents currently amount to R10.8 billion (FY2020: R6.7 billion) highlighting our strong and liquid balance sheet position.

Free cash flow before the Ingrain acquisition and Motor Retail disposal equals R6.6 billion and R2.2 billion including acquisitions and disposals. The group actively reviews and monitors all facilities on an ongoing basis and we remain confident of our good liquidity position.

Group facilities (R billion)	Sep 2021
Utilised	**13 145**
Unutilised	**9 956**
Total Facilities	**23101**
Unutilised – committed	**8 662**
Unutilised – uncommitted	**1 294**
Total unutilised facilities	**9 956**

Debt covenants	Sep 2021
EBITDA: Interest cover > 3.0 times	**9.2 times**
Net Debt: EBITDA < 3.0 times	**0.3 times**

^ Certain information presented in this announcement is regarded as additional performance measures. These measures are not defined by IFRS, not uniformly defined or used by all entities and may not be comparable with similar labelled measures and disclosures provided by other entities. This information has been included to further illustrate the performance of the business and align with measures the board and management have selected to monitor performance against set targets. Because of its nature, such information may not fairly present the financial position of the company; and is the responsibility of the directors of the company. A disclosure document is included in the 2021 Annual Financial Statements and on the company's website.

Divisional performance

Industrial Equipment and Services

Rm	Revenue Year ended Audited		Operating profit/(loss) Year ended Audited		Invested capital Year ended Audited	
	30 Sep 2021	30 Sep 2020	30 Sep 2021	30 Sep 2020	30 Sep 2021	30 Sep 2020
Southern Africa	**18 230**	17 592	**1 945**	1 191	**7 186**	9 167
Eurasia	**10 677**	7 540	**1 172**	834	**4 272**	5 594
	28 907	25 130	**3 117**	2 025	**11 458**	14 761
Share of joint venture and associate loss			**(105)**	(39)		

RECORD OPERATING MARGIN OF

10.7%

strong order book at

R3.2bn

Equipment southern Africa

Equipment southern Africa operates in 11 African countries, including the Democratic Republic of Congo's Katanga Province through the Bartrac joint venture. The business sells, services and rents an unmatched range of Caterpillar equipment for surface, underground, construction and energy, transportation, including engines and power systems.

Equipment southern Africa delivered exceptional performance despite overall revenue being at 89.2% of pre-Covid-19 pandemic levels. The results reflect the diligence in the execution of the strategic initiatives.

Total revenue was up 3.6% at R18.2 billion (FY2020: R17.6 billion), driven by improved mining activity on the back of strong commodity prices.

Parts sales was up 16.5% on prior year, with South Africa, Namibia, Zambia and Botswana recording double-digit growth on parts sales. This was partially offset by a reduction in machine and engine sales largely impacted by global supply chain and port challenges. Total aftersales contribution was up 200 basis points compared to prior year resulting in improved gross margins.

Operating profit was up 63.3% at R1.9 billion (FY2020: R1.2 billion), while operating margin increased by 390bps at 10.7%. The improvement in operating margin was due to lower cost to serve, positive impact of exchange rate movements on cost of goods sold and stronger aftersales contribution. EBITDA margin at 14.3% was up 400bps from prior year.

Due to the appreciation of most currencies in the region against the USD, losses on financial instruments were 60.3% lower than prior year at a charge of R83 million (FY2020: R210m). EBIT increased by 89.7% to R1.9 billion (FY2020: R982 million). The robust focus on working capital management contributed to a decrease of 36.2% in net interest to R184 million (FY2020: R287 million). A gain in non-operating capital items of R29 million was realised mainly from the sale of property, compared to a loss of R898 million in the prior year driven by Covid-19 related impairment of goodwill and intangibles. The effective tax rate for the period was 21.9% (FY2020: -208%). The lower effective tax rate was mainly due to the recognition of a deferred tax asset on the back of a positive profitability outlook, this was not recognised in the previous year due to Covid-19 related uncertainties.

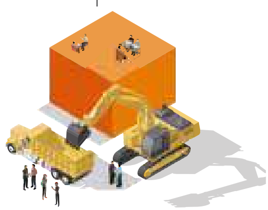
The Bartrac Joint Venture remained under pressure, with a share of loss of R112 million (FY2020: R41 million loss). The loss in Bartrac was influenced by low trading activity, once off restructuring costs and impairment of non-operating capital items. Overall share of joint venture and associate loss was R105 million (FY2020: R39 million loss). As a results of balance sheet optimisation strategies, invested capital reduced by 21.6% to R7.2 billion (FY2020: R9.2 billion). These initiatives contributed to a very strong free cash generation of R3.0 billion (FY2020: R3.4 billion). Overall return on invested capital was 15.2% (FY2020: 3.8%). Equipment southern Africa's total firm order book at the end of September remained strong at R3.2 billion (FY2020: R2.3 billion), supported by a positive outlook for mining. The construction industry is also expected to recover as infrastructure and energy projects gather momentum. The work done to fix and optimise this business has positioned it for growth.

Equipment Eurasia

The Eurasia division sells, services, and rents mainly Caterpillar equipment and engines in Russia and Mongolia. Our markets include mining, construction, forestry, rental, and power systems, with mining dominating the revenue portfolio in both countries. The strengthening rand has impacted the conversion of the dollar operating results to the rand on average negatively by 9.3%.

REVENUE AT
USD718m
WAS UP
54.0%

Russia contributing
78.0%
of total Eurasia revenue



Equipment Eurasia built on its strong start to the year, delivering a 17% improved revenue performance in the second half versus the first half of the financial year. This was underpinned by the continuation of robust mining activity supported by a strong gold sector. In addition, the encouraging signs of recovery in the coal sector that started in Russia during March 2021, manifested itself further during the second half.

Total revenue at R10.7 billion (USD718 million) was up 54% on the prior period in dollar terms with Russia contributing 78% of total Revenue.

In rand terms, total Eurasia revenue was up 42% from the prior period. This increase was mainly driven by the acquisition of the Mongolian business, further supported by revenue growth of 13% in rand terms from Russia (23% in USD terms). Although gold is continuing to be the main contributor to revenue (44%), coal remains an important contributor in the Eurasia region and has increased its contribution from 15% in the prior year to 19%. Significant contributions to revenue from other commodities like diamonds (4%), Copper/Nickel (10%) and Construction (9%) also supported the overall growth.

Aftermarket contribution remained healthy at 43% of total revenue for the Eurasia Division, although slightly down as a result of Russia increasing prime product sales by 38% compared to prior year. In Russia aftermarket revenue showed a good turnaround since H1 recording an 8% increase in parts sales for the full year compared to the same period in 2020, largely due to the recovery in the coal sector. Aftermarket contributed 45% to Mongolia's revenue despite some customer sites being closed for extended periods due to Covid.

Both businesses are still relatively young in their development cycle. We anticipate some fluctuation in the aftermarket contribution to total revenue year on year, influenced by the timing of major new greenfield opportunities ahead. The expectation is that this contribution range will fluctuate depending on the revenue cycle.

Operating profit at USD79 million was up 55% in dollar terms compared to 2020, driven by the acquisition of Mongolia, with Russia increasing operating profit by 17% compared to prior year. In rand terms, total Eurasia operating profit was up 41% at R1.172 billion (PY: R834 million). The performance of both regions is very pleasing with Russia recording the second-best result since inception.

Cost remains well controlled throughout both businesses, resulting in a good operating margin for the division at 11.0% compared to 11.1% in 2020 in rand terms. Operating margin was slightly diluted due to the increased mix of prime product sales. Our Mongolian business generated a solid 12.3% operating margin in rand terms.

EBITDA was USD96.9 million compared to USD62.8 million in 2020 (Prior year figures relate to Russia and include one month trading from Mongolia) and EBITDA as a percentage of net revenue was maintained at 13.5%.

The Eurasian operations generated positive cash flow through profitable results and sound working capital management. Strong EBITDA to free cash flow conversion resulted in free cash flow of USD136 million for the period, well ahead of the prior year.

The ROIC^ in dollar terms of 18.3% for the Eurasia Division continues to be well above the group threshold of 13%. ROIC^ for the Russian business was excellent at 21.1% (14% prior year) with Mongolia generating a solid 12.8% in the first full year.

The total firm order book at the end of September 2021 was USD224 million (FY2020: USD105 million), with further firm orders to the value of USD55 million secured after 30 September 2021. The book is driven by Gold 31%, Coal 28%, Diamonds 15%; 88% of the firm order book relates to Russia.

Commodity prices are expected to remain stable; our customers are increasing their capital expenditure to benefit from the commodity cycle, and government stimulus spending is supporting infrastructure projects. We expect to realise further benefits from the integration of Mongolia into the Eurasia division.

Consumer Industries

The acquisition of Ingrain positions Barloworld for growth in the industrial and food ingredient markets which are focused on business-to-business customers. The business has established a strong base for the development of the Consumer Industries pillar. The acquisition of Ingrain closed on 31 October 2020 and the reported results are therefore for the eleven months to 30 September 2021.

Rm	Revenue	Operating profit	EBITDA	Invested capital
	11 months ended	11 months ended	11 months ended	11 months ended
	30 Sep **2021**	30 Sep **2021**	30 Sep **2021**	30 Sep **2021**
Southern Africa	**4 217**	**522**	**760**	**4 846**
Australia	**168**	**12**	**12**	**29**
Total	**4 385**	**534**	**772**	**4 875**

Ingrain

Ingrain's operating profit for the eleven months ended September 2021 increased to R534 million (pro forma comparative period September 2020: R452 million) benefiting from an improvement in operating margins and sales mix, and a recovery in sales volumes. This performance includes the impact of the acquisition-related intangible asset amortisation and depreciation on the fair valuation of property, plant and equipment which resulted in an additional R125 million charge in the current year. EBITDA for the period increased to R772 million (comparative period September 2020: R565 million). EBITDA margins increased to 17,6% (September 2020: 15,3%) and were impacted by certain once off costs relating to the acquisition of Ingrain and the initial investments made in the establishment of the Barloworld Business Systems methodology. Strong cash generation of R768 million on the back of improved operating results and decreased working capital requirements was realised.

Sales volumes in the domestic market increased by 8.7% over the comparative period, supported by increased demand in the coffee creamer and paper making sectors. Volumes in the alcoholic beverage sector reflected growth of 28.5% over the prior period, with the sector demand recovering quickly following the December 2020/January 2021 and June/July 2021 lockdowns which imposed restrictions on alcohol sales. Export sales volumes were 3.1% ahead of the prior period. Volumes during the period were also impacted by a combination of a five-week long industrial action during February and March, which curtailed production during the period, and by the restricted availability of food grade containers and shipping space from South African ports.

An ongoing focus on increasing sales of powdered glucose has seen improvements in the sales mix of the operation, whilst the performance of modified starches was curtailed by the availability of a key raw material due to the global supply chain interruptions and industrial action during the period. Margins for the period were supported by the large maize crop harvested in South Africa in June 2020 of 15.3 million tonnes (2019: 11.3 million tonnes), improved co-product realisations and higher international agricultural commodity prices.

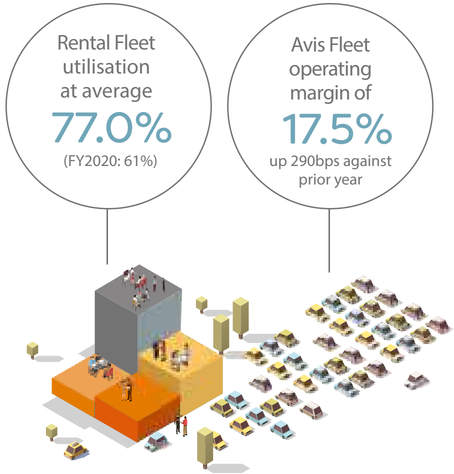
Whilst the macro-economic outlook remains uncertain, the increased levels of Covid vaccinations are likely to reduce the severity of future lockdowns and this will be positive for the resumption of activity in schools and tourism. The increased activity will be beneficial to the alcoholic beverage, confectionery, paper making and paper converting sectors. Ingrain is currently working with customers on new business development activities in the paper converting and alcoholic beverage sectors. Sales volumes are expected to benefit from further increases in sales of powdered glucose and recapture of volumes previously lost to imports. A recovery in modified starch product sales and a focus on pursuing opportunities in the regional market are expected to provide a further boost to sales volumes going forward. Ingrain's diverse customer base is expected to continue providing support to sales in the domestic market.

The current high international agricultural commodity prices have encouraged an increase in domestic maize plantings, which combined with favourable weather conditions during the summer rainfall period, has seen latest estimates indicating an increase of 5.9% in the maize crop for the current season to 16.2 million tonnes.

The outlook for the new season remains encouraging with high international prices likely to support South Africa maize plantings and the current long term seasonal weather forecasts indicating a normal summer rainfall season. This has resulted in local maize prices trading closer to international prices, which will continue to support margins going forward. International starch and glucose prices remain supportive and have increased on the back of Covid-19 supply chain constraints, increased freight rates and higher energy costs.

Car Rental and Leasing

We reassessed our options and during the prior period, management and the board took a decision to integrate the Car Rental and Avis Fleet businesses to unlock synergies and value. This operating model is centred on the ever-evolving needs and requirements of customers and presents an opportunity to offer integrated end-to-end mobility solutions to customers, while creating further efficiencies through the consolidation of common processes.



	Revenue		Operating profit/(loss)		Invested capital	
	Year ended		Year ended		Year ended	
	Audited		Audited		Audited	
Rm	30 Sep **2021**	30 Sep **2020**	30 Sep **2021**	30 Sep **2020**	30 Sep **2021**	30 Sep **2020**
Car Rental	**5 302**	5 123	**348**	(142)	**2 753**	2 803
Avis Fleet	**2 128***	3 047	**502**	444	**2 643**	3 191
	7 430	8 170	**850**	302	**5 396**	5 994
Share of associate profit			**3**	2		

* Total revenue inclusive of internal revenue was R2 864 million, this is comparable to the prior year before the integration of businesses

Car Rental

The car rental industry continues to be adversely impacted by local and international travel restrictions constraining travel for individuals, corporate and government. The safety of employees and customers has been of paramount importance to the business during this period, with a number of initiatives having been implemented. Despite these trading conditions, the Car Rental business, at a top line, traded at 3.5% above 2020 levels. The swift repositioning strategy towards off-airport business that Avis Budget has embarked on since the onset of the pandemic has yielded positive results; particularly in the growth of the subscription products, with longer length rentals and lower direct costs. The combination of the operating model agility to de-fleet, strategic disposal channel selection, the bullish used vehicle market and the ability to maintain the rationalised cost base, have positively impacted operating profit.

Fleet utilisation at an average of 77% (FY2020: 61%) showed a 25% improvement against the prior year as management continues to closely manage vehicles out of service and respond swiftly to changes in demand and customer segment mix.

The global fleet shortage, as a result of the semi-conductor deficit and slow new vehicle production, remains a constraint for the car rental industry at large. The impact of lockdowns is pronounced in this industry where South Africa moves to Level 4 or higher, or when there are restrictions in inter-provincial travel. The drive for increasing the number of Covid-19 vaccinations remains critical for the recovery of the car rental industry. Management continues to focus on operational efficiencies through the deployment of the Barloworld Business System while maintaining a fixed cost base that is fit for purpose.

Leasing

The Leasing business continued to show resilience despite the ongoing market challenges experienced as a result of the Covid-19 pandemic. Revenue (including internal revenue) is down 6.0% as a result of natural attrition of large public sector contracts and the slowdown in operating activities from the private sector. Notwithstanding the decline in revenue; the operating results were positively impacted by the sustained restructured cost base, enhanced used vehicle contributions, and improved practices around managing the maintenance fund, resulting in an operating profit increase of 13.4% compared to the prior year. Used vehicle margins benefited from the integrated operating model using common infrastructure with Avis Car Sales, coupled with a buoyant used vehicle market. Management's strategy on diversifying the portfolio and capabilities into medium and heavy commercial fleets is yielding good results.

The business has seen an overall superior operating margin of 17.5% (FY2020: 14.6%). Despite large contract lead out, the business continues to respond to both private and public sector tenders. Increased corporate activity can be seen in the firm order book and the number of renewed facility approvals that are in the system; however, the global vehicle shortage has been an impediment on delivery.

Management will continue to maintain disciplined focus on sustaining the reduced fixed cost base to ensure we maintain operating agility, generating cash, growing the commercial Leasing business and providing best in class customer experience.

We will also continue to develop and deploy technologies which enable the integration of systems and digitisation of processes to ensure the business in future fit.

Other segments

Revenue from other segments, which includes the Digital Disposal Solutions business, was up 36.4% year-on-year mainly due to higher recovery ratios in SMD and an increase in salvage units as well as a 24.8% increased online trading revenue compared to the prior period. The business has shown resilience growing operating profit through increased recovery ratios on units sold, despite the impacts of an uncertain trading environment in SA.

The other segment operating loss was R207 million compared to a R370 million loss in the prior year. The improved operating loss resulted from an increased operating profit from SMD, the reduction in B-BBEE costs, and Khula Sizwe external rental income from NMI-DSM.

Share of associate and joint venture profits of R89 million (FY2020: (R6 million) loss) includes increased profits from NMI-DSM of R104 million (FY2020: R55 million) partially offset by reduced losses of BHBW of R15 million (FY2020: R58 million loss) due to the turnaround strategy in progress.

The increase in invested capital was as a result of the R7.7 billion cash (FY2020: R3.4 billion) held in South Africa and in the UK Corporate operations from the cash generated during the year.

	Revenue		Operating (loss)/profit		Invested capital	
	Year ended		Year ended		Year ended	
	Audited		Audited		Audited	
R million	30 Sep **2021**	30 Sep **2020**	30 Sep **2021**	30 Sep **2020**	30 Sep **2021**	30 Sep **2020**
Southern Africa	**831**	609	**(127)**	(255)	**2 410**	32
Europe			**(80)**	(115)	**75**	(1 578)
	831	609	**(207)**	(370)	**2 485**	(1 546)
Share of associate profit/(loss)			**89**	(6)		

Discontinued operations

During the year under review the board approved the sale of the group's wholly owned Motor Retail business to NMI-DSM, an associate in which Barloworld holds a 50% interest. All substantive conditions were met and the transaction closed on 1 June 2021.

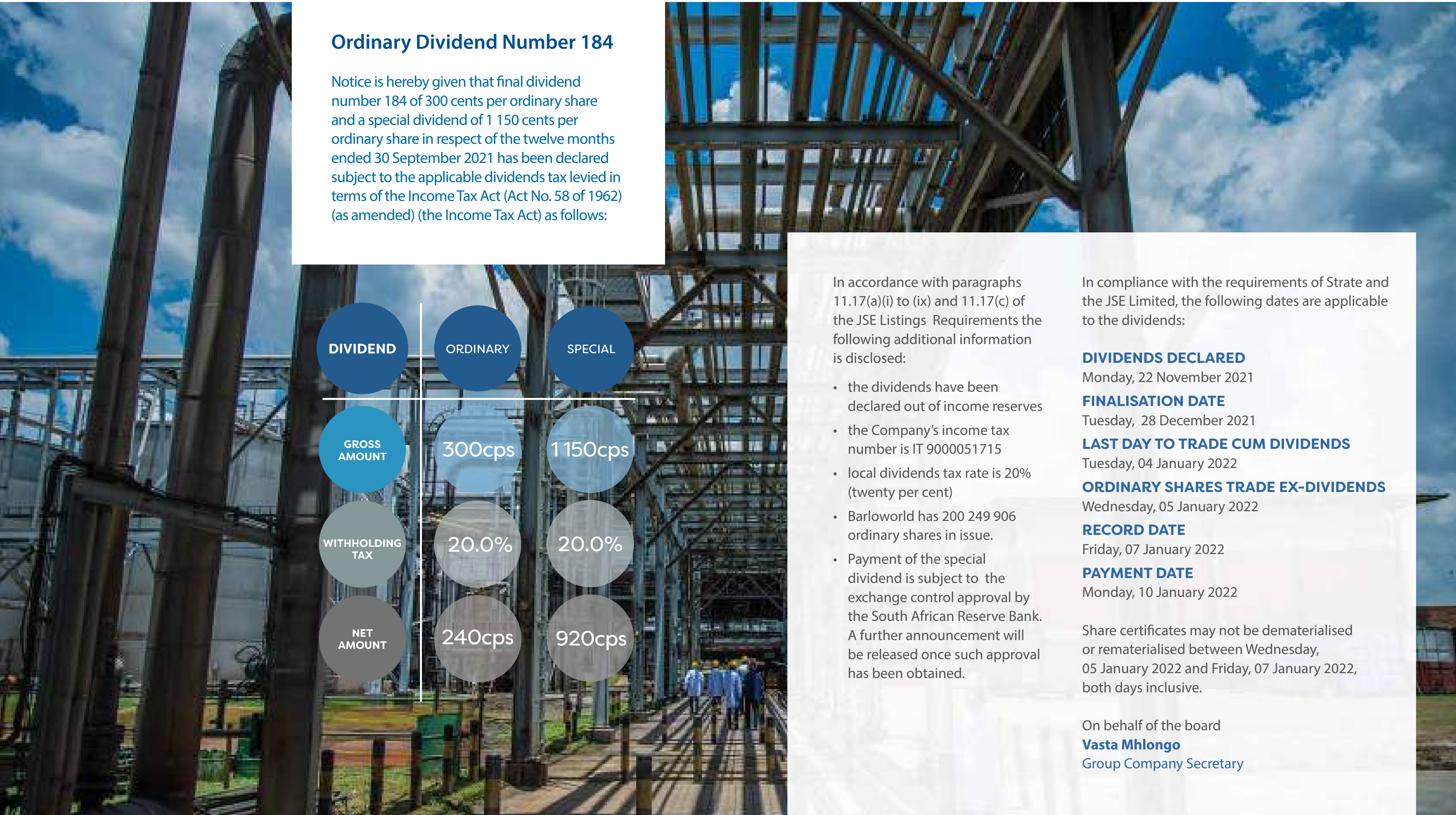
The board also approved a formal disposal process to exit the Logistics business after receiving several expressions of interest. The formal disposal process is underway and the group is assessing various offers. The group is now negotiating the piecemeal disposal of various sections of Logistics in response to high levels of interest in smaller business units. Focus remains on sales transactions that continue to support our customer requirements and protect value for the group. In light of this approach the group has entered into a sale agreement in respect of its 51% controlling interest in Aspen Logistics. The transaction is subject to the competition commission approval in Botswana. The sale of the Transport division of Barloworld Logistics was concluded on 19 November 2021and is now subject to regulatory approvals. The remaining business, consisting largely of Supply Chain Solutions, is anticipated to be concluded in the next few months.

Motor Retail

The Motor Retail division recorded revenue of R8.9 billion (FY2020: R12.0 billion) for the 8 months to May before being sold to NMI-DSM on 1 June 2021. The operating profit for this period amounted to R180 million (before IFRS 5 and group adjustments) compared to the prior year loss of R93 million; due to lower operating expenses and an improvement in gross margins. The disposal of the business also triggered an acceleration of Khula Sizwe IFRS2 charges of R13 million. The net profit on sale of the business to NMI-DSM was R388 million.

Logistics

The Logistics division recorded a decrease in revenue to R3.4 billion (FY2020: R3.8 billion) as a result of subdued trading due to the impact of Covid-19 on the South African market demand for logistics services and the overall impact of the July unrest, coupled with customer contracts not renewed. Consequently the Logistics division recorded an operating loss of R285 million for the period before IFRS 5 and group adjustments (FY2020: R153 million). Included in the operating loss were once off costs in preparation for the sale of the full Logistics group and further restructuring costs in relation to the subdued activity levels. Losses from non-operating and capital items of R278 million includes goodwill impairments of R115 million.



Ordinary Dividend Number 184

Notice is hereby given that final dividend number 184 of 300 cents per ordinary share and a special dividend of 1 150 cents per ordinary share in respect of the twelve months ended 30 September 2021 has been declared subject to the applicable dividends tax levied in terms of the Income Tax Act (Act No. 58 of 1962) (as amended) (the Income Tax Act) as follows:

DIVIDEND	ORDINARY	SPECIAL
GROSS AMOUNT	300cps	1 150cps
WITHHOLDING TAX	20.0%	20.0%
NET AMOUNT	240cps	920cps

In accordance with paragraphs 11.17(a)(i) to (ix) and 11.17(c) of the JSE Listings Requirements the following additional information is disclosed:

- the dividends have been declared out of income reserves
- the Company's income tax number is IT 9000051715
- local dividends tax rate is 20% (twenty per cent)
- Barloworld has 200 249 906 ordinary shares in issue.
- Payment of the special dividend is subject to the exchange control approval by the South African Reserve Bank. A further announcement will be released once such approval has been obtained.

In compliance with the requirements of Strate and the JSE Limited, the following dates are applicable to the dividends:

DIVIDENDS DECLARED
Monday, 22 November 2021

FINALISATION DATE
Tuesday, 28 December 2021

LAST DAY TO TRADE CUM DIVIDENDS
Tuesday, 04 January 2022

ORDINARY SHARES TRADE EX-DIVIDENDS
Wednesday, 05 January 2022

RECORD DATE
Friday, 07 January 2022

PAYMENT DATE
Monday, 10 January 2022

Share certificates may not be dematerialised or rematerialised between Wednesday, 05 January 2022 and Friday, 07 January 2022, both days inclusive.

On behalf of the board
Vasta Mhlongo
Group Company Secretary

Independent auditor's report to the shareholders of Barloworld Limited

Report on the Audit of the Summarised Preliminary Consolidated Financial Statements

Opinion

The summarised preliminary consolidated financial statements of Barloworld Limited, set out on pages 20 to 58, contained in the accompanying summarised preliminary report, which comprise the summarised preliminary consolidated statement of financial position as at 30 September 2021, the summarised preliminary consolidated statements of comprehensive income, summarised preliminary changes in equity and cash flows for the year then ended, and related notes, are derived from the audited consolidated and separate financial statements of Barloworld Limited for the year ended 30 September 2021.

In our opinion, the accompanying summarised preliminary consolidated financial statements are consistent, in all material respects, with the audited consolidated financial statements, in accordance with the requirements of the JSE Limited Listings Requirements for preliminary reports, set out in note 1 to the summarised preliminary consolidated financial statements, and the requirements of the Companies Act of South Africa as applicable to summary financial statements.

Summary Consolidated Financial Statements

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

The Audited Financial Statements and Our Report Thereon

We expressed an unmodified audit opinion on the audited consolidated financial statements in our report dated 22 November 2021. That report also includes the communication of key audit matters. Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period.

A member firm of Ernst & Young Global Limited.
A full list of Directors is available on the website.
Chief Executive: Ajen Sita

SNG Grant Thornton is a member firm of Grant Thornton International Ltd (GTIL).
A comprehensive list of all Directors is available at the Company offices or registered office.
SizweNtsalubaGobodo Incorporated. Registration Number: M2005/034639/21
Victor Sekese (Chief Executive)

Director's Responsibility for the Summary Consolidated Financial Statements

The directors are responsible for the preparation of the summarised preliminary consolidated financial statements in accordance with the requirements of the JSE Limited Listings Requirements for preliminary reports, set out in note 1 to the summarised preliminary consolidated financial statements, and the requirements of the Companies Act of South Africa as applicable to summary financial statements and for such internal control as the directors determine is necessary to enable the preparation of summary consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

EY
Building a better working world

Ernst & Young Inc.

Ernst & Young Inc.
Director: Sifiso Sithebe
Registered Auditor
Chartered Accountants (SA)

22 November 2021

SNG Grant Thornton
An instinct for growth

SizweNtsalubaGobodo Grant Thornton Inc.

SizweNtsalubaGobodo Grant Thornton Inc.
Director: Collins Mashishi
Registered Auditor
Chartered Accountants (SA)

22 November 2021

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Financial statements

Summarised consolidated income statement

for the year ended 30 September 2021

R million	Notes	Audited 2021	Audited Restated* 2020
CONTINUING OPERATIONS			
Revenue	3	**41 553**	33 909
Operating profit before items listed below		**6 942**	4 711
Impairment losses on financial assets and contract assets		**(59)**	(245)
Depreciation		**(2 312)**	(2 241)
Amortisation of intangible assets		**(181)**	(87)
Operating profit before B-BBEE transaction charge		**4 390**	2 138
B-BBEE transaction charge		**(95)**	(180)
Operating profit	4	**4 295**	1 958
Fair value adjustments on financial instruments		**(190)**	(335)
Finance costs		**(944)**	(971)
Income from investments		**124**	138
Profit before non-operating and capital items		**3 285**	790
Non-operating and capital items comprising of:			
Reversal of impairment/(Impairment) of investments		**52**	(194)
Impairment of goodwill			(687)
Impairment of indefinite life intangible assets			(708)
Impairment of property plant and equipment intangibles and other assets		**(49)**	(210)
Other non-operating and capital items		**192**	36
Profit/(loss) before taxation		**3 480**	(973)
Taxation	5	**(644)**	(1 068)
Profit/(loss) after taxation		**2 836**	(2 041)
Loss from associates and joint ventures		**(13)**	(43)
Profit/(loss) for the year from continuing operations		**2 823**	**(2 084)**

R million	Notes	Audited 2021	Audited Restated* 2020
DISCONTINUED OPERATIONS			
Loss from discontinued operations	10	**(23)**	(415)
Profit/(loss) for the year		**2 800**	(2 499)
Owners of Barloworld Limited		**2 756**	(2 476)
Non-controlling interests in subsidiaries		**44**	(23)
		2 800	(2 499)
Earnings/(loss) per share from group (cents)			
– basic		**1 390.9**	(1 236.0)
– diluted		**1 375.8**	(1 236.0)
Earnings/(loss) per share from continuing operations (cents)			
– basic		**1 395.6**	(1 033.8)
– diluted		**1 380.5**	(1 033.8)
Loss per share from discontinued operation (cents)			
– basic		**(4.7)**	(202.2)
– diluted		**(4.7)**	(202.2)

* The restatement is due to discontinued operation of Motor Retail and Logistics (Refer to note 19).

Summarised consolidated statement of financial position

for the year ended 30 September 2021

R million	Notes	Audited 2021	Audited 2020
ASSETS			
Non-current assets		**21 237**	20 470
Property plant and equipment		**11 417**	12 239
Investment property		**1 000**	
Right-of-use assets	6	**634**	1 611
Goodwill	7	**2 756**	1 352
Intangible assets	8	**2 370**	1 632
Investment in associates and joint ventures	9	**1 880**	2 148
Long-term trade and other receivables*		**134**	187
Long-term financial assets		**198**	287
Deferred taxation assets		**848**	1 014
Current assets		**29 220**	27 379
Vehicle rental fleet		**2 819**	1 889
Inventories		**8 111**	10 170
Trade and other receivables		**6 949**	7 916
Contract assets		**424**	514
Taxation		**196**	147
Cash and cash equivalents		**10 721**	6 743
Assets classified as held for sale	10	**2 387**	29
Total assets		**52 844**	**47 878**

R million	Notes	Audited 2021	Audited 2020
EQUITY AND LIABILITIES			
Capital and reserves			
Share capital and premium		**(1 200)**	(1 121)
Other reserves		**4 911**	5 856
Retained income		**17 711**	14 769
Interest of shareholders of Barloworld Limited		**21 422**	19 504
Non-controlling interest		**283**	246
Interest of all shareholders		**21 705**	19 750
Non-current liabilities		**10 139**	11 251
Interest-bearing		**7 401**	5 897
Deferred taxation liabilities		**1 186**	806
Lease liabilities	11	**770**	1 977
Provisions and other accruals		**140**	129
Contract liabilities		**445**	436
Other non-current liabilities^		**197**	2 006
Current liabilities		**19 214**	16 877
Trade and other payables		**10 441**	11 096
Contract liabilities		**2 131**	1 272
Lease liabilities	11	**133**	351
Provisions and other accruals		**859**	622
Taxation		**155**	38
Amounts due to bankers and short-term loans		**5 495**	3 498
Liabilities directly associated with assets classified as held for sale	10	**1 786**	
Total equity and liabilities		**52 844**	**47 878**

* Long-term trade and other receivables was previously referred to as Long-term finance lease receivables. The current year amount includes long-term trade receivables.

^ Other non-current liabilities reduced as a result of additional pension fund contributions made during the financial year as well as changes to the underlying assumptions resulting in a reduction to the net liability.

Summarised consolidated statement of other comprehensive income

for the year ended 30 September 2021

	Audited	
R million	2021	2020
Profit/(loss) for the year	**2 800**	(2 499)
Items that may be reclassified subsequently to profit or loss:	**(1 069)**	1 190
Exchange (loss)/gain on translation of foreign operations	**(1 252)**	1 244
Translation reserves realised on liquidation/disposal of subsidiaries	**135**	(41)
Gain/(loss) on cash flow hedges	**62**	(24)
Deferred taxation on cash flow hedges	**(14)**	11
Items that will not be reclassified to profit or loss:	**826**	(139)
Actuarial gain/(loss) on post-retirement benefit obligations	**1 020**	(172)
Taxation effect of actuarial gain/(loss)	**(194)**	33
Other comprehensive (loss)/income for the year net of taxation	**(243)**	1 051
Total other comprehensive income/(loss) for the year	**2 557**	(1 448)
Total other comprehensive income/(loss) attributable to:		
Barloworld Limited shareholders	**2 513**	(1 425)
Non-controlling interest in subsidiaries*	**44**	(23)
	2 557	**(1 448)**

* Non-controlling interest includes R14 million (2020: R10 million) related to discontinued operations.

Summarised consolidated statement of changes in equity

for the year ended 30 September 2021

	Audited					
R million	Share capital and premium	Other reserves	Retained income	Attributable to Barloworld Limited shareholders	Non-controlling interest	Interest of all shareholders
Balance at 1 October 2019	441	4 523	18 659	23 623	272	23 895
Cumulative adjustments for new standards			(281)	(281)		(281)
Adjusted opening balance for IFRS 16	441	4 523	18 378	23 342	272	23 614
Other comprehensive income		1 190	(139)	1 051		1 051
Loss for the year			(2 476)	(2 476)	(23)	(2 499)
Total comprehensive income for the year*		1190	(2 615)	(1 425)	(23)	(1 448)
Share buy back	(1 562)			(1 562)		(1 562)
Khula Sizwe B-BBEE charges		223		223		223
Equity settled IFRS 2 charges		60		60		60
Share scheme receipts		(88)		(88)		(88)
Acquisition of subsidiary					8	8
Disposal of subsidiaries		16	75	91		91
Transfer of reserves		(54)	54			
Other reserve movements		(14)	(9)	(23)		(23)
Other changes in non-controlling interest					2	2
Dividends			(1 114)	(1 114)	(13)	(1 127)
Balance at 30 September 2020	**(1 121)**	**5 856**	**14 769**	**19 504**	**246**	**19 750**

* The prior year disclosure included a formula error on the Total comprehensive income for the year which has been corrected in the current year. This has no impact on any closing balances

Amounts as previously stated	441	5 713	15 763	21 917	249	22 166
Restated amounts		1 190	(2 615)	(1 425)	(23)	(1 448)

Summarised consolidated statement of changes in equity continued

for the year ended 30 September 2021

	Audited					
R million	Share capital and premium	Other reserves	Retained income	Attributable to Barloworld Limited shareholders	Non-controlling interest	Interest of all shareholders
Other comprehensive income		**(1 069)**	**826**	**(243)**		**(243)**
Profit for the year			**2 756**	**2 756**	**44**	**2 800**
Total comprehensive income for the year		**(1 069)**	**3 582**	**2 513**	**44**	**2 557**
Share buy back	**(79)**			**(79)**		**(79)**
Khula Sizwe B-BBEE charges		**137**		**137**		**137**
Equity settled IFRS 2 charges		**89**		**89**		**89**
Share scheme receipts		**(99)**		**(99)**		**(99)**
Transfer of reserves		**(15)**	**15**			
Other reserve movements		**12**	**1**	**13**		**13**
Other changes in non-controlling interest					**(1)**	**(1)**
Dividends			**(656)**	**(656)**	**(6)**	**(662)**
Balance at 30 September 2021	**(1 200)**	**4 911**	**17 711**	**21 422**	**283**	**21 705**

Summarised consolidated statement of cash flows

for the year ended 30 September 2021

R million	Notes	Audited 2021	Audited 2020
CASH FLOWS FROM OPERATING ACTIVITIES			
Operating cash flows before movements in working capital		**7 834**	5 210
Movement in working capital		**2 831**	670
Cash generated from operations before investment in rental fleets and leasing receivables		**10 665**	5 880
Inflow of investment in leasing receivables		**60**	65
Fleet leasing and equipment rental fleet		**(445)**	(673)
Additions		**(2 484)**	(2 347)
Proceeds on disposal		**2 039**	1 674
Vehicles rental fleet		**(1 745)**	524
Additions		**(3 785)**	(2 192)
Proceeds on disposal		**2 040**	2 716
Cash generated from operations		**8 535**	5 796
Finance costs		**(1 092)**	(1 274)
Realised adjustments on financial instruments		**(114)**	(223)
Dividends received from investments associates and joint ventures		**173**	20
Interest received		**140**	155
Taxation paid		**(1 196)**	(933)
Cash inflow from operations		**6 446**	3 541
Dividends paid (including non-controlling interest)		**(657)**	(1 127)
Cash retained from operating activities		**5 789**	**2 414**

R million	Notes	Audited 2021	Audited 2020
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of subsidiaries	12	**(5 329)**	(2 766)
Proceeds on disposal of subsidiaries	13	**878**	14
Investments realised		**389**	367
Acquisition of intangible assets		**(51)**	(84)
Acquisition of property, plant and equipment		**(521)**	(536)
Replacement capital expenditure		**(415)**	(254)
Expansion capital expenditure		**(106)**	(282)
Proceeds on disposal of property, plant and equipment		**338**	39
Net cash used in investing activities		**(4 296)**	**(2 966)**
CASH FLOWS FROM FINANCING ACTIVITIES			
Net cash inflow before financing activities		**1 493**	552
Shares repurchased for equity-settled share-based payments		**(98)**	(87)
Share buy back		**(79)**	(1 562)
Proceeds from long-term borrowings		**4 552**	2 760
Repayment of long-term borrowings		**(1 439)**	(1 978)
Movement in short-term interest-bearing liabilities		**316**	444
Repayments of lease liabilities		**(399)**	(343)
Net cash received from (used in) financing activities		**2 853**	**(766)**
Net increase/(decrease) in cash and cash equivalents		**4 346**	(1 318)
Cash and cash equivalents at beginning of year		**6 743**	7 274
Cash and cash equivalents held for sale at the beginning of year			29
Effect of foreign exchange rate movement on cash balance		**(250)**	443
Effect of foreign exchange rate movement on USD denominated cash			(187)
Cash balance held in Escrow			502
Effect of cash balances classified as held for sale		**(118)**	
Cash and cash equivalents at end of year		**10 721**	**6 743**
Cash balances not available for use due to reserving restrictions		**79**	911

Notes to the summarised consolidated financial statements

for the year ended 30 September 2021

1. Basis of preparation

The summarised consolidated financial statements are prepared in accordance with the requirements of the JSE Limited Listings Requirements for preliminary reports, and the requirements of the Companies Act, 71 of 2008 applicable to financial statements.

The JSE Listings Requirements require preliminary reports to be prepared in accordance with the framework concepts and the measurement and recognition requirements of International Financial Reporting Standards(IFRS) and the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and the Financial Pronouncements as issued by the Financial Reporting Standards Council and to also as a minimum contain the information required by IAS 34 Interim Financial Reporting. The accounting policies applied in the preparation of the summarised consolidated financial statements are derived in terms of International Financial Reporting Standards and are consistent with those accounting policies applied in the preparation of the annual financial statements for the year ended 30 September 2021.

The summarised consolidated financial statements are presented in South African rand which is Barloworld Limited's functional and presentation currency. The summarised consolidated financial statements do not include all the disclosures required for complete annual financial statements prepared in accordance with IFRS as issued by the International Accounting Standards Board. The Board is satisfied that the group companies are sufficiently liquid and solvent to be able to support the current operations for the next 12 months. Accordingly the summarised consolidated financial statements are prepared on a going concern basis.

Barloworld Limited ("Barloworld") entered into a Sale and Purchase Agreement ("SPA") with Tongaat Hulett Limited on 28 February 2020 to acquire 100% ownership interest in Tongaat Hulett Starch ("Ingrain"). The transaction was completed on 31 October 2020 being the transaction effective date.

The disposal of Motor Retail to NMI DSM was concluded on the 1 June 2021 and therefore 8 months of trading is reported in the discontinued operations for Motor Retail. The plans to dispose of the Logistics business is progressing well. As a result Logistics is presented as discontinued and all assets and liabilities are reflected as being held for sale.

The summarised consolidated financial statements appearing in this announcement are the responsibility of the directors. The directors take full responsibility for the preparation of the summarised consolidated financial statements.

This preliminary report and the complete set of the consolidated financial statements were prepared by T Plews CA(SA) (Group general manager finance) under the supervision of NV Lila CA(SA) (Group Finance Director).

Notes to the summarised consolidated financial statements continued

for the year ended 30 September 2021

2. Reconciliation of net profit to headline earnings

R million	Audited 2021	Restated* 2020
Profit /(loss) for the year attributable to Barloworld Limited shareholders	**2 756**	(2 476)
Adjusted for the following:		
Remeasurements excluded from headline earnings	**(388)**	1 940
(Profit)/loss on disposal of subsidiaries and investments	**(515)**	6
Tax impact of profit on disposal of subsidiaries and investments	**127**	
Profit on disposal of plant property equipment and intangible assets	**(55)**	(13)
Capital gain tax on profit on disposal of property	**6**	99
Tax charge on profit on disposal of property plant and equipment and intangible assets		2
Impairment of goodwill	**115**	702
Tax impact on impairment of goodwill	**(4)**	(3)
Foreign currency translation on liquidation of subsidiaries	**(147)**	
Impairment of property plant and equipment right of use assets intangible and other assets	**226**	303
Tax impact on impairment on plant and equipment right of use assets intangibles and other assets	**(6)**	(14)
Non-controlling interest in remeasurements related to impairment of property plant and equipment		(2)
Impairment of indefinite life intangible assets		708
Tax benefit of impairment of indefinite life intangible assets	**(76)**	(48)
Tax impact of reversal on impairment of investment	**(5)**	
(Reversal)/Impairment of investments in associates and joint ventures	**(52)**	194
Impairment of property plant and equipment – associate and joint venture share	**20**	8
Profit on sale of property – associate and joint venture share	**(2)**	(2)
Deferred tax on acquisition of business related to associate and joint venture share	**(14)**	
Non-controlling shareholders interest on share of non-operating and capital items	**(6)**	
Headline earnings/(loss)	**2 368**	**(536)**

* The restatement is due to discontinued operation of Motor Retail and Logistics (Refer to note 19).

R million	Audited 2021	Restated* 2020
Profit/(Loss) from continuing operations	**2 823**	(2 084)
Non-controlling shareholder's interest in net profit from continuing operations	**(58)**	13
Profit/(loss) from continuing operations attributable to Barloworld Limited shareholders	**2 765**	(2 071)
Adjusted for the following items in:		
Gross remeasurements excluded from headline earnings from continuing operations	**(266)**	1 811
Profit on disposal of subsidiaries and investments		(18)
Profit on disposal of plant property equipment and other assets excluding rental assets	**(45)**	(19)
Capital gain tax on profit on disposal of property	**6**	99
Tax charge/(benefit) on profit of disposal of property plant and equipment and intangible assets		3
Tax benefit of impairment of goodwill		687
Tax benefit of impairment of goodwill		(3)
Impairment of indefinite life intangible assets		708
Tax benefit of impairment of indefinite life of intangible assets	**(76)**	(48)
Foreign currency translation on liquidation of subsidiaries	**(147)**	
Impairment of plant and equipment and intangibles and other assets	**49**	210
Tax impact of Impairment of plant and equipment and intangibles and other assets		(6)
Non-controlling interest in remeasurements related to impairment of property plant and equipment		(2)
Tax impact of reversal on impairment of investment	**(5)**	
(Reversal)/Impairment of investments in associates and joint ventures	**(52)**	194
Impairment of property plant and equipment – associate and joint venture share	**20**	8
Tax benefit of impairment on property plant and equipment – associate and joint venture share		(2)
Profit on sale of property – associate and joint venture share	**(2)**	
Deferred tax on acquisition of business related to associate and joint venture share	**(14)**	
Headline earnings /(loss) from continuing operations	**2 499**	**(260)**

Notes to the summarised consolidated financial statements continued

for the year ended 30 September 2021

2. Reconciliation of net profit to headline earnings continued

R million	Audited 2021	Audited Restated* 2020
Profit from discontinued operation attributable to Barloworld Limited shareholders	**(23)**	(415)
Non-controlling shareholders interest in net profit from discontinued operations	**14**	10
Profit from discontinued operations attributable to Barloworld Limited shareholders	**(9)**	(405)
Adjusted for the following:		
Gross remeasurements excluded from headline earnings from discontinuing operations	**(122)**	129
(Profit)/loss on disposal of subsidiaries and investments	**(515)**	24
Tax impact of profit on disposal of subsidiaries and investments	**127**	
(Profit)/loss on disposal of plant property equipment and other assets excluding rental assets	**(10)**	6
Tax impact on profit on disposal of plant property equipment and other assets excluding rental assets		(1)
Impairment of goodwill	**115**	15
Tax impact on impairment of goodwill	**(4)**	
Impairment of plant and equipment and intangibles and other assets	**177**	93
Tax impact on Impairment of plant and equipment and intangibles and other assets	**(6)**	(8)
Non-controlling shareholders interest on share of non-operating and capital items	**(6)**	
Headline loss from discontinued operations	**(131)**	**(276)**

R million	Audited 2021	Audited Restated* 2020
Weighted average number of ordinary shares		
in issue during the period (000)		
– basic	**198 158**	200 330
– diluted	**200 330**	200 725
Headline earnings/(loss) per share (cents)		
– basic	**1 194.8**	(268.0)
– diluted	**1 181.8**	(268.0)
Headline earnings/(loss) per share from continuing operations (cents)		
– basic	**1 261.2**	(130.0)
– diluted	**1 247.5**	(130.0)
Headline loss per share from discontinuing operations (cents)		
– basic	**(65.9)**	(138.5)
– diluted	**(65.9)**	(138.5)

* The restatement is due to discontinued operation of Motor Retail and Logistics (Refer to note 19).

Notes to the summarised consolidated financial statements continued

for the year ended 30 September 2021

3. Revenue disaggregation

R million	Audited 2021	Audited Restated* 2020
The Group revenue disaggregation has been determined as follows:		
Revenue recognised in terms of IFRS 15: Revenue from contracts with customers		
Sale of goods (earned at a point in time)	**31 506**	23 681
Equipment (new and used)	**12 801**	10 979
Vehicles (new and used)	**3 886**	4 261
Parts (new and used)	**10 434**	8 441
Starch and glucose – local markets	**3 020**	
Starch and glucose – export markets	**460**	
Starch and glucose – co-products	**905**	
Rendering of services (earned over time)	**8 320**	**8 450**
Parts revenue earned over time as services maintenance and repairs under contracts are performed	**1 381**	1 189
Service	**3 934**	4 118
– Workshop and in-field service	**2 838**	2 958
– Fitment and repairs	**1 096**	1 159
Commissions	**326**	307
Rental (outside the scope of IFRS 16)	**2 679**	2 836
	39 826	**32 131**
Revenue recognised in terms of IFRS 16: Leases		
Fixed leasing income	**1 585**	1 586
Variable leasing income+	**142**	192
Total leasing income	**1 727**	**1 778**
Total continuing operations	**41 553**	**33 909**

R million	Audited 2021	Audited Restated* 2020
Discontinued operations (note 10)		
Sale of goods	**8 060**	10 853
Vehicles (new and used)	**6 959**	9 323
Parts (new and used)	**1 101**	1 530
Rendering of services	**4 225**	**4 921**
Parts revenue earned over time as services maintenance and repairs under contracts are performed	**36**	49
Service	**579**	952
– Workshop and in-field service	**497**	846
– Aftersales	**82**	106
Commissions	**242**	330
Freight forwarding	**53**	117
Supply chain support solutions	**1 120**	1 164
Transportation	**2 195**	2 309
Total discontinued operations	**12 285**	**15 774**
Total group	**53 838**	**49 683**

\+ Variable leasing income earned mainly relates to excess kilometres and additional maintenance costs invoiced.
* The restatement is due to discontinued operation of Motor Retail and Logistics (Refer to note 19).

Notes to the summarised consolidated financial statements continued

for the year ended 30 September 2021

4. Operating profit

R million	Audited 2021	Restated* 2020
Revenue	**41 553**	33 909
Less: Net expenses	**37 258**	31 951
Cost of goods sold	**30 151**	25 370
Other operating costs	**7 107**	6 581
Total continuing operations	**4 295**	1 958
Discontinued operations operating profit/(loss)	**128**	(161)
Total group	**4 423**	**1 797**
Expenses include the following:		
Amortisation of intangible assets arising from acquisitions	**105**	14
Continuing operations**	**104**	11
Discontinued operations	**1**	3
Operating leases – low value assets equipment IT plant and vehicles	**122**	306
Continuing operations	**112**	276
Discontinued operations	**10**	30
Operating leases – low value assets property	**34**	54
Continuing operations	**31**	54
Discontinued operations	**3**	
Expense relating to short-term leases	**43**	42
Continuing operations	**24**	16
Discontinued operations	**19**	26
Expenses relating to variable lease payments not included in measure of lease liability	**42**	49
Continuing operations	**42**	49
Income from subleasing right-of-use assets	**(2)**	(2)
Continuing operations	**(1)**	(1)
Discontinued operations	**(1)**	(1)

R million	Audited 2021	Restated* 2020
Auditors' remuneration:	**93**	73
Audit fees	**74**	69
Continuing operations	**62**	57
Discontinued operations	**12**	12
Fees for other services	**19**	4
Continuing operations	**17**	3
Discontinued operations	**2**	1
Staff costs (excluding directors' emoluments)	**7 014**	7 126
Continuing operations	**5 280**	5 440
Discontinued operation	**1 734**	1 686
Restructuring costs (excluding staff costs)	**22**	304
Continuing operations		259
Discontinued operations	**22**	45
Amounts recognised in respect of retirement benefit plans (note 24):		
Defined contribution funds	**606**	692
Continuing operations	**476**	550
Discontinued operation	**130**	142
Defined benefit funds	**27**	17
Continuing operations	**27**	17
Inventory movements	**61**	116
Amount of write-down of inventory to net realisable value and losses of inventory	**162**	131
Amount of reversals of inventory previously written down	**(101)**	(15)
Impairment losses on financial assets and contract assets	**57**	292
Continuing operations	**59**	245
Discontinued operations	**(2)**	47
Total IFRS 2 B-BBEE charges (4.1)	**137**	236
Continuing operations#	**95**	180
Discontinued operation	**42**	56

includes other B-BBEE charges related to the Khula Sizwe transaction
* The restatement is due to Motor Retail and Logistics being classified as discontinued operations (Refer to note 10 and 19).
** The amortisation amount includes R62 million relating to customer relationship arising from acquisition of Ingrain on 31 October 2020.

Notes to the summarised consolidated financial statements continued

for the year ended 30 September 2021

4. Operating profit continued

4.1 The Group's B-BBEE deal Khula Sizwe was implemented on 1 October 2019.
At 30 September 2021 63 (2020: 57) of the 64 properties had transferred to Khula Sizwe.
The IFRS 2 Share Based Payment charges for the employee trust has been fully accounted for.
The IFRS 2 Share Based Payment charges expected to be incurred for the remaining management grant is R90 million over the next 3 years in line with the service conditions attached to these shares. Khula Sizwe shares awarded to employees that were retrenched remained with the employees.

5. Taxation

R million	Audited 2021	Audited Restated* 2020
Taxation per income statement	**(644)**	(1 068)
Prior year taxation	**45**	(35)
Taxation on impairment of indefinite life intangible assets impairment of property plant and equipment and other non-operating and capital items	**75**	(46)
Attributable to a change in the rate of income tax	**65**	(7)
Taxation on profit before prior year taxation non-operating and capital items and rate change	**(829)**	(981)
Discontinued operations (note 10)		
Normal taxation	**(26)**	63
Deferred taxation	**(70)**	116
Normal taxation on disposal of business	**(40)**	
Deferred taxation on disposal of business	**(87)**	
Taxation from discontinued operations	**(222)**	179
Total group	**(867)**	**(889)**

%	Audited 2021	Audited Restated* 2020
South Africa normal taxation rate	**28.0**	28.0
Foreign rate differential	**(2.0)**	(9.0)
Reduction in rate of taxation	**(16.8)**	**19.2**
Exempt income and special allowances+	**(1.6)**	16.8
Taxation losses of prior periods	**(5.9)**	0.9
Non-operating and capital items taxation+	**(2.8)**	
IAS12.41 adjustment**	**(3.2)**	
Rate change adjustment	**(1.9)**	1.5
Prior year taxation	**(1.4)**	
Increase in rate of taxation	**9.3**	**(147.9)**
Disallowable charges***	**3.8**	(40.7)
Non-operating and capital items taxation++		(59.3)
Prior year taxation		(3.6)
IAS12.41 adjustment**		(10.4)
Withholding tax	**5.1**	(17.8)
Current year losses not utilised	**0.4**	(16.1)
Taxation as a percentage of profit/(loss) before taxation	**18.5**	**(109.6)**
Taxation (excluding prior year taxation and non-operating and capital items taxation) as a percentage of profit before taxation (excluding non-operating and capital items)******	**25.2%**	**123.8%**

* The restatement is due to discontinued operation of Motor Retail and Logistics (Refer to note 19).

Notes to the summarised consolidated financial statements continued

for the year ended 30 September 2021

5. Taxation continued

\+ Exempt income and special allowances largely comprise learnerships allowances dividends investment income taxed at lower rates and other capital income/gains.

** This amount represents a recognition in deferred tax of the effect of the movement of the exchange rate on the USD equivalent of the local currency tax base of non-monetary assets (i.e. inventories and fixed assets) and the reversals of deferred tax previously raised when the related items of inventory of fixed assets are sold. It applies to the Group's companies in Zambia Angola Mozambique Malawi Mongolia and Russia where the functional currency and tax reporting currency is not the same.

*** Disallowable charges relate largely to non deductible legal and consulting fees incurred in implementing the Group's revised strategy expenses incurred in the production of dividend income unproductive interest and capital gains on the sale of rental assets.

++ Non-operating and capital items taxation refer to expenses/income that are unrelated to Barloworld's core operations and fall outside the normal course of business. This would include items excluded from the headline earnings of the group, refer to note 2.

**** The effective tax rate is below the statutory rate of 28% largely because of tax losses previously not recognized in deferred tax now being utilised mainly in the UK group (5 9%) a partial release of the deferred tax liability raised in terms of IAS12.41 in light of the appreciation of local currencies against the USD in Malawi Mozambique Zambia Angola Russia and Mongolia (3.2%) the measurement of deferred tax assets that will unwind post the UK tax rate increase from 19% to 25% effective 1 April 2023 (1.9%) and the recognition of deferred tax asset on the intangible impairments that were included in non-operating and capital items in 2020. In addition to disallowable expenses withholding taxes on dividends declared and provided for through deferred tax in relation to retained earnings as well as withholding taxes on management fees interest and license fees increased the tax rate (5.1%).

6. Right of use assets

	Audited	
R million	2021	2020
COST		
At 1 October	**2 092**	
Adoption on 1 October 2019 upon transition to IFRS 16 Standard		1 759
Subsidiaries acquired	**26**	
Subsidiaries disposed+	**(622)**	(1)
Additions	**122**	286
Lease Modifications	**(73)**	
Lease retirements	**(104)**	(45)
Reclassifications	**(4)**	62
Translation differences	**(24)**	31
At 30 September	**1 413**	**2 093**
ACCUMULATED AMORTISATION AND IMPAIRMENT		
At 1 October	**481**	
Adoption on 1 October 2019 upon transition to IFRS 16 Standard		27
Depreciation	**229**	402
Subsidiaries acquired		
Subsidiaries disposed+	**(84)**	(1)
Reclassifications		13
Lease Modifications	**(110)**	
Lease retirements	**(71)**	(3)
Impairment*	**23**	38
Translation differences	**(7)**	6
At 30 September	**461**	**482**
Net balance reflected as Right of use assets	**952**	
Less: Classified as held for sale	**(318)**	
Balance reflected as Right of use assets	**634**	**1 611**

* Impairments resulted from the underlying CGU's indicating an impairment. There were several properties which became vacant or were exited due to locations being consolidated in the financial period.

\+ Relates to the disposal of Motor Retail. Refer note 10 and 13.

Notes to the summarised consolidated financial statements continued

for the year ended 30 September 2021

7. Goodwill

	Audited	
R million	2021	2020
COST		
At 1 October	2 241	1 957
Subsidiaries acquired*	1 640	328
Other disposals	(3)	
Business/Subsidiary disposed#	(95)	(70)
Translation differences	(60)	26
At 30 September	3 723	2 241
ACCUMULATED IMPAIRMENT LOSSES		
At 1 October	889	258
Business/Subsidiary disposed#	(33)	(70)
Impairment	115	702
Translation differences	(4)	(1)
At 30 September	967	889
CARRYING AMOUNT	2 756	1 352

* Refer to note 12 for details of the acquisition of Ingrain during the current year.
\# Relates to the disposal of Motor Retail businesses.

Notes to the summarised consolidated financial statements continued

for the year ended 30 September 2021

7. Goodwill continued

Goodwill is allocated to the following cash generating units for impairment testing purposes:

Significant cash-generating units (CGUs)	Geographical Location	Reportable segment to which the CGU belong	Carrying amount of Goodwill 2021 R million	Carrying amount of Goodwill 2020 R million	Accumulated impairments 2021 R million	Accumulated impairments 2020 R million
Avis Rent a Car southern Africa	Southern Africa	Car Rental southern Africa	**176**	176	**(619)**	(619)
Avis Fleet southern Africa	Southern Africa	Leasing	**282**	282	**(11)**	(11)
Equipment Russia	Russia	Equipment Russia	**217**	240		
Equipment Botswana Zambia Angola Mozambique Malawi (BZAMM)	Rest of Africa	Equipment southern Africa			**(57)**	(57)
Equipment Mongolia	Mongolia	Equipment Mongolia	**289**	324		
Ingrain[&]	South Africa	Ingrain	**1 640**			
Other[+]	Various	Various	**152**	330	**(130)**	(15)
CARRYING AMOUNT			**2 756**	**1352**	**(817)**	**(702)**

\+ The aggregate of the remaining immaterial goodwill balances consists of 2 cash generating units in 2021 (2020: 10).
& Refer to note 20 for details of the acquisition of Ingrain during the current year.

Goodwill is allocated to the appropriate CGUs based on which CGU is expected to benefit from the synergies arising in a business combination. External and internal factors surrounding the business operations play a role in determining an indication of impairment. In addition the carrying amount of goodwill is subject to an annual impairment test.

Impairment of goodwill arises when the recoverable amount of the CGU including goodwill is less than the carrying value. The recoverable amount is determined as the greater of the fair value less costs to sell or the value in use.

The current year trading results for the three Logistics CGU's reflected poor performance, due to number of factors, loss making contracts and reduced activity. The goodwill in all three CGU's within the Logistics division were written off as at 30 September 2021 based on the above testing. Refer note 10.

Notes to the summarised consolidated financial statements continued

for the year ended 30 September 2021

7. Goodwill continued

The key assumptions used in the value in use calculation for the CGU's shown above are as follows:

The discount rate applied to the five year forecast period has been outlined for each cash generating unit in the table below. Discount rates applied to cash flow projections are based on a country or region-specific discount rate dependent upon the location of cash-generating operations.

At each impairment testing interval a discounted cash flow valuation model is applied using a five-year strategic plan as approved by the board. The financial plans are the quantification of strategies derived from the use of a common strategic planning process followed across the group adjusted for the estimated impact of Covid-19 on the various businesses in the medium term and the expected prolonged recovery from this global crisis which has impacted long term growth rates across our businesses. The process ensures that significant risks and sensitivities are appropriately considered and factored into strategic plans.

The pre-tax nominal discount rates applied are as follows:

Significant cash-generating units (CGUs)	Geographical Location	Currency	2021	2020
Avis Rent a Car southern Africa	Southern Africa	ZAR	**26.9%**	25.3%
Avis Fleet southern Africa	Southern Africa	ZAR	**26.1%**	23.3%
Equipment Russia	Russia	USD	**13.2%**	13.3%
Equipment Mongolia	Mongolia	USD	**14.7%**	
Ingrain	Russia	USD	**16.5%**	
Other	Various	Various	**14.5% to 14.6%**	14.6% to 28%

Long term growth rates applied to extrapolate cash flows are as follows:

Significant cash-generating units (CGUs)	Geographical Location	Currency	2021	2020
Avis Rent a Car southern Africa	South Africa	ZAR	**4.6%**	4.7%
Avis Fleet southern Africa	South Africa	ZAR	**4.6%**	4.7%
Equipment Russia	Russia	USD	**2.0%**	1.9%
Equipment Mongolia	Mongolia	USD	**2.0%**	
Ingrain	South Africa	ZAR	**4.6%**	
Other	Various	Various	**4.6%**	4.7%

Key operating assumptions:

Sales growth rates: sales growth rates have been derived by analysing historical data considering growth rates projected by the senior management teams which includes price and volumes and considering the economic and trading conditions of each area within South Africa and the rest of the world.

Gross margins: gross margins have been derived by analysing historical data approved forecast gross margins for the forecast period and considering the impact of currency fluctuations.

Operating costs have been derived by analysing historical data considering economic and trading conditions committed and uncommitted capital expenditure and operating requirements coupled by various operational improvement initiatives.

Working capital: working capital requirements are driven by required stock turn ratios credit terms and capital expenditure requirements.

Long-term growth rates: long-term growth rates are based on the longer term inflation and currency expectations for the various industries in South Africa and the rest of the world.

As at 30 September 2021, management have performed sufficient sensitivity analyses to conclude that a reasonably possible change in key assumptions would not cause the carrying amount of the group's individual cash-generating units to exceed their value in use.

Notes to the summarised consolidated financial statements continued

for the year ended 30 September 2021

8. Intangible assets

	Audited	
R million	2021	2020
COST		
At 1 October	**3 723**	2 920
Subsidiaries acquired#	**1 063**	782
Additions	**52**	83
Business/Subsidiary disposed	**(59)**	(8)
Disposals	**(228)**	(143)
Reclassification		3
Translation differences	**(171)**	86
At 30 September	**4 380**	**3 723**
ACCUMULATED AMORTISATION AND IMPAIRMENT		
At 1 October	**2 091**	1 360
Charge for the year	**189**	136
Business/Subsidiary disposed	**(37)**	(5)
Disposals	**(197)**	(137)
Impairment+	**5**	735
Translation differences	**(72)**	4
At 30 September	**1 979**	**2 091**
CARRYING AMOUNT		
At 30 September	**2 401**	1 632
Less: Classified as held for sale (note 10)	**(31)**	
Total Group	**2 370**	**1 632**

Acquisition of Ingrain in the current financial year included customer relationships that arose from non-contractual customer relation ships which represent loyal customers that will continue their relationship after the acquisition. Refer to note 20 for more detail on the Ingrain acquisition.

* Impairments in the current year relate to licenses in Mongolia and software and minor customer relationships in South Africa.

Notes to the summarised consolidated financial statements continued

for the year ended 30 September 2021

8. Intangible assets continued

Significant cash-generating units (CGUs)	Useful life	Geographical Location	Reportable segment to which the CGUs belong	Carrying value 2021 Rm	Carrying value 2020 Rm	Accumulated impairments 2021 Rm	Accumulated impairments 2020 Rm
Equipment Russia	Indefinite	Russia	Equipment Russia	**193**	214		
Equipment South Africa	Indefinite	South Africa	Equipment South Africa	**277**	277		
Equipment Mongolia	Definite	Mongolia	Equipment Russia	**655**	764		
Equipment BZAMM	Indefinite	Rest of Africa	Equipment Southern Africa			**708**	708
Other	Indefinite	Various	Various		21		
Supplier Relationship intangible assets				**1 125**	**1 276**	**708**	708
Ingrain				**949**			
Other				**14**	50		
Customer relationships and order backlog intangible assets				**963**	**50**		

The Equipment South Africa and Russia indefinite life intangible assets classified as Supplier Relationships are in relation to a dealer agreement which has no fixed termination date. The indefinite useful life is supported by Barloworld's long standing relationship with Caterpillar Incorporated (CAT) as the exclusive CAT mining equipment dealer in South Africa BZAMM and parts of Russia and Mongolia.

Customer relationships arose in Ingrain from non-contractual customer relationships, which represent loyal customers that will continue their relationship after the acquisition. The write off period is 15 years.

The key assumptions used in the value in use calculation for the CGU's shown above are as follows:

At each impairment testing interval a discounted cash flow valuation model is applied using a five-year strategic plan as approved by the board. The financial plans are the quantification of strategies derived from the use of a common strategic planning process followed across the group adjusted for the estimated impact of COVID-19 on the various businesses in the medium term and the expected prolonged recovery from this global crisis which has impacted long term growth rates across our businesses. The process ensures that significant risks and sensitivities are appropriately considered and factored into strategic plans.

The discount rate applied to the five year forecast period has been outlined for each cash generating unit in the table below. Discount rates applied to cash flow projections are based on a country or region-specific discount rate dependent upon the location of cash-generating segment operations.

Notes to the summarised consolidated financial statements continued

for the year ended 30 September 2021

8. Intangible assets continued

The pre-tax nominal discount rates applied are as follows:

Significant cash-generating units (CGUs)	Geographical Location	Currency	2021 %	2020 %
Equipment Russia	Russia	USD	**13.2%**	13.3%
Equipment South Africa	South Africa	ZAR	**18.9%**	17.7%

Long term growth rates applied to extrapolate cash flows are as follows:

Significant cash-generating units (CGUs)	Geographical Location	Currency	2021 %	2020 %
Equipment Russia	Russia	USD	**2.0%**	1.9%
Equipment South Africa	South Africa	ZAR	**4.6%**	4.7%

As at 30 September 2021, management have performed the appropriate sensitivity analyses to conclude that a reasonably possible change in key assumptions would not cause the carrying amount of the group's individual cash-generating units to exceed their recoverable amount.

9. Investment in associates and joint ventures

	(Loss)/Income per Profit and Loss		Carrying value of Investment	
R million	2021 Rm	2020 Rm	2021 Rm	2020 Rm
Joint ventures	**(121)**	(95)	**1 102**	1 403
Associates	**108**	47	**778**	745
Total continuing operations	**(13)**	(49)	**1 880**	2 148
Discontinued operations (note 10)	**(2)**	(5)		
Total group	**(15)**	**(54)**	**1 880**	**2 148**

(Reversal)/Impairments recognised in the year	Location	Reportable segment	Rm	Rm
BHBW South Africa (Pty) Limited+	South Africa	Equipment and Handling	**(40)**	187
BHBW Zambia Limited*	Zambia	Equipment and Handling	**(12)**	7
Barloworld Maponya (Pty) Limited**	South Africa	Automotive	**2**	16
Total			**(50)**	**210**

\+ It should be noted that the impairment of the investment in BHBW South Africa (Pty) Ltd was partially reversed by R40 million in the current financial year. Management has embarked on a turnaround business strategy that will improve future operations and thus improve working capital. Securing additional funders has already lead to increased sales and will further enhance the opportunity for growth. The business continues to identify complementary product lines to drive growth and diversify the revenue.

* Relates to (reversal) of impairments of loans to joint venture.

** The impairment of loan in Barloworld Maponya (Pty) Ltd in the current year is recognised in operating expenses.

Notes to the summarised consolidated financial statements continued

for the year ended 30 September 2021

9. Investment in associates and joint ventures continued

The following key assumptions have been used in determining the fair value less costs to sell of each investment at 30 September 2021:

%	Bartrac Equipment Limited*	BHBW South Africa (Pty) Limited	NMI Durban South Motors (Pty) Ltd
Pretax nominal discount rate	**16.0%**	**19.4%**	**15.4%**
Terminal growth rate	**2.0%**	**4.6%**	**4.6%**

The following key assumptions have been used in determining the fair value less costs to sell of each investment at 30 September 2020:

%	Bartrac Equipment Limited*	BHBW South Africa (Pty) Limited	NMI Durban South Motors (Pty) Ltd
Pretax nominal discount rate	**19.7%**	**17.4%**	**15.3%**
Terminal growth rate	**1.9%**	**4.7%**	**4.7%**

* US Dollar based

As at 30 September 2021 management have performed the appropriate sensitivity analyses to conclude that a reasonably possible change in key assumptions would not cause the carrying amount of the group's individual cash-generating units to exceed their recoverable amount (fair value less costs to sell).

10. Discontinued operations

In January 2021 Barloworld announced that the Motor Retail business will be sold to NMI DSM effective 1 June 2021 and in February 2021 the board took a firm decision to dispose of the Logistics business. Motor Retail and Logistics represents significant lines of business and have therefore been disclosed as discontinued operations at 30 September 2021 with the comparative September 2020 restated for the income statement and cash flow information only. The statement of financial position is not restated in terms of IFRS 5 non-current assets held-for-sale and discontinued operations. The disposal of 50% of Motor Retail to NMI DSM was concluded on the 1st of June 2021 and therefore 8 months of trading is reported in the discontinued operations for Motor Retail. Further details regarding the progress of the Logistics disposal are disclosed in note 20.

Notes to the summarised consolidated financial statements continued

for the year ended 30 September 2021

10. Discontinued operations continued

Results from discontinued operations as reported are as follows:

R million	Notes	Audited 2021 Rm	Restated* 2020 Rm
Revenue		**12 285**	15 774
Operating profit before items listed below		**299**	411
Impairment losses on financial assets and contract assets		**2**	(47)
Depreciation		**(123)**	(420)
Amortisation of intangible assets		**(8)**	(49)
Operating profit/(loss) before B-BBEE transaction charge		**170**	(105)
B-BBEE transaction charge		**(42)**	(56)
Operating profit/(loss)		**128**	(161)
Fair value adjustments on financial instruments		**(1)**	(5)
Finance costs excluding finance charges on group debt (note 2 below)		**(176)**	(303)
Income from investments		**18**	17
Loss before non-operating and capital items		**(31)**	(452)
Non-operating and capital items comprising of:			
Impairment of goodwill	7	**(115)**	(15)
Impairment of property, plant and equipment, intangibles and other assets	6, 8	**(177)**	(93)
Non-operating and capital items		**9**	(30)
Loss before taxation		**(314)**	(589)
Taxation		**(95)**	179
Net loss of after taxation		**(409)**	(410)
Loss from associates		**(2)**	(5)
Loss from discontinued operations per income statement		**(411)**	(415)
Profit on disposal of Motor Retail businesses**		**515**	
Taxation on disposal of Motor Retail businesses		**(127)**	
Loss from discontinued operations per income statement		**(23)**	**(415)**
Loss on discontinued operations to the owners of Barloworld Limited after non-controlling interest		**(9)**	(405)
Taxation on trading loss		**(95)**	179
Tax on disposal of Motor Retail businesses		**(127)**	
Total discontinued taxation (note 5)		**(222)**	**179**

** On 1 June 2021 all conditions precedent to the disposal of Motor Retail to NMI-Durban South Motors had been fulfilled or waived. The total proceeds of the Disposal subject to customary closing mechanics was R1 062 million. Of this amount R912 million was paid in various tranches until 31 July 2021. A further R150 million will be paid in two tranches in equal instalments of R75 million each on the first and second anniversary of the closing date of the disposal on 1 June each year. The net profit on disposal includes R12 million that relates to the recycling of the foreign currency translation reserves since acquisition.

The cash flows from the discontinued operation are as follows:

R million	2021	2020
Cash flows from operating activities	**(64)**	172
Cash flows from investing activities	**870**	311
Cash flows from financing activities	**(999)**	(392)

* The restatement is due to discontinued operation of Motor Retail and Logistics (Refer to note 19).

Notes to the summarised consolidated financial statements continued

for the year ended 30 September 2021

10. Discontinued operations continued

When entering into the sale of Logistics management believed they could sell the businesses as a whole as a going concern. The disposal process commenced with a broad set of interested parties. Non-binding proposals from the interested parties were received however due to the riots in July the overall sale of the business as a whole were impacted. Subsequently, management have identified three separate transactions to different buyers. Strong buyer interest has emerged through the process for the underlying discrete businesses. Each of the disposal group's have a single coordinated plan to dispose of the businesses in Logistics. The table below depicts the disposal groups reported at 30 September.

2021	Total	Motor Retail	Logistics disposal group 1	Logistics disposal group 2	Logistics disposal group 3
Revenue	12 285	8 915	354	983	2,033
Operating profit/(loss)	128	213	20	(22)	(83)
Loss before taxation	(314)	125	(21)	(93)	(325)
Taxation	(95)	(1)	(8)	(58)	(28)
Net (loss) profit after taxation	(409)	124	(29)	(151)	(353)

The impairments related to the fair value less costs to sell the business are listed below:

2021	Total	Motor Retail	Logistics disposal group 1	Logistics disposal group 2	Logistics disposal group 3
Goodwill	115			53	62
Property, plant and equipment	95		36	20	39
Right of use assets	53		1		52
Intangibles	4		1	2	1
Provisions	25				25
Total impairments	292		38	75	179

The valuation techniques used to determine the fair value less costs to sell is a combination of the discounted cashflows, market multiple technique and offer prices received

2020	Total	Motor Retail	Logistics disposal group 1	Logistics disposal group 2	Logistics disposal group 3
Revenue	15 774	11 988	357	966	2 463
Operating profit/(loss)	(161)	(15)	2	(65)	(83)
Loss before taxation	(589)	(173)	(24)	(105)	(288)
Taxation	179	81	6	43	49
Net loss after taxation	(410)	(92)	(18)	(62)	(239)

Logistics disposal group 1: Refrigerated transport business
Logistics disposal group 2: Manline and Timber transport business that run the hazardous fuel, chemicals and forestry industry
Logistics disposal group 3: Conglomerate of the warehouse and distribution, managed solutions, industrial projects and global solutions businesses.

Notes to the summarised consolidated financial statements continued

for the year ended 30 September 2021

10. Discontinued operations continued

The major classes of assets and liabilities classified as held for sale are as follows:

R million	Total Held for Sale Rm	Logistics[1]	Other Segments[2]
Property plant and equipment	**751**	**606**	**145**
Right of use assets	**318**	**318**	
Intangible assets	**31**	**31**	
Long term finance lease receivables	**37**	**37**	
Long term financial assets	**4**	**4**	
Deferred tax asset	**141**	**133**	**8**
Inventories	**29**	**29**	
Trade and other receivables	**804**	**804**	
Taxation	**126**	**126**	
Contract assets	**28**	**28**	
Cash and cash equivalents	**118**	**118**	
Total assets classified as held for sale*	**2 387**	**2 234**	**153**
Deferred tax liability	**128**	**128**	
Interest-bearing	**155**	**155**	
Short and long term contract liabilities	**423**	**423**	
Bank overdraft and short term loans	**94**	**94**	
Total current payables	**681**	**681**	
Short term provisions	**179**	**179**	
Tax provision	**126**	**126**	
Total liabilities associated with assets classified as held for sale**	**1 786**	**1 786**	
Net assets classified as held for sale	**601**	**448**	**153**

Note 1: This represents the assets and liabilities of the Logistics business classified as held for sale and a discontinued operation.
Note 2: The assets held for sale within the Other segments related to various properties that are in the process of being sold.
* Includes financial assets of R 990 million.
** Includes financial liabilities measured at amortised cost of R1 352 million.

The valuation techniques used to determine the fair value less costs to sell is a combination of the discounted cashflows, market multiple technique and offer prices received. In terms of the valuation techniques the fair value of assets held for sale will be classified as level 3 as the valuation techniques are based on unobservable market data and adjusted for based on management's experience and knowledge of the business. Management have considered and concluded that no reasonable change in the significant unobservable inputs would result in a material change in the fair value.

11. Lease liabilities

R million	Audited 2021	Audited 2020
At 1 October	**2 328**	
Adoption on 1 October 2019 upon transition to IFRS 16 Standard		2 302
Liability arising on new leases entered into during the year	**149**	295
Business/Subsidiary disposed*	**(778)**	
Acquisition of subsidiary	**29**	
Reclassifications		67
Repayments of lease obligation (cash flow excluding interest component)	**(399)**	(342)
Liability adjustments upon entering into modifications of lease terms during the year	**5**	(10)
Translation differences	**(8)**	16
Gross lease liabilities	**1 326**	2 328
Less: Payable within one year included in current liabilities	**(133)**	(351)
Total group long term portion of lease liabilities	**1 193**	1 977
Less: Classified as held for sale	**(423)**	
Long term portion of lease liabilities	**770**	**1 977**

* Relates to the disposal of Motor Retail. Refer note 10 and 13.

Notes to the summarised consolidated financial statements continued

for the year ended 30 September 2021

12. Acquisition of subsidiaries

R million	Audited 2021	Audited 2020
Inventories acquired	**(787)**	(1 386)
Receivables acquired	**(749)**	(463)
Trade and other payables acquired	**837**	539
Cash	**(24)**	(162)
Intangible assets	**(53)**	(8)
Property, plant and equipment, non-current assets and goodwill	**(2 611)**	(548)
Lease liabilities	**29**	
Non-controlling interest		8
Total net assets acquired	**(3 358)**	(2 020)
Goodwill arising on acquisitions	**(1 640)**	(328)
Supplier relationship intangible arising on acquisition in terms of IFRS 3 Business Combinations		(773)
Customer relationship intangible arising on acquisition in terms of IFRS 3 Business Combinations	**(1 011)**	
Deferred taxation on acquisition	**704**	193
Cash amounts paid to acquire subsidiaries	**(5 305)**	(2 928)
True up payment on Mongolia acquisition	**(48)**	
	(5 353)	(2 928)
Bank balances and cash in subsidiaries acquired	**24**	162
Total acquisitions	**(5 329)**	**(2 766)**

Refer to note 20 for more details of the Ingrain acquisition.

13. Proceeds on disposal of subsidiaries

R million	Audited 2021	Audited 2020
Inventories disposed	**1 617**	15
Receivables disposed	**446**	62
Payables, taxation and deferred taxation balances disposed and settled	**(1 718)**	(74)
Borrowings net of cash	**(744)**	10
Property, plant and equipment, non-current assets, goodwill and intangibles	**911**	18
Investment in cell captives	**32**	
Deferred tax	**4**	
Net assets disposed	**548**	31
Profit/(loss) on disposal	**515**	(32)
Non-cash translation reserves realised on disposal of foreign subsidiary		41
Payments to be received in future	**(150)**	
Net cash proceeds on disposal of subsidiaries	**913**	40
Bank Balances and cash in subsidiaries disposed	**(35)**	(26)
Cash proceeds on disposal of subsidiaries	**878**	**14**

Effective 1 June 2021 the group divested in the Motor Retail businesses to NMI Durban South Motors. Refer to note 10 for more detail.

Notes to the summarised consolidated financial statements continued

for the year ended 30 September 2021

14. Commitments

R million	Audited 2021	Audited 2020
Capital expenditure commitments to be incurred:		
Contracted – Property, plant and equipment	**87**	94
Contracted – Intangible assets	**9**	56
Contracted – Vehicle rental fleet^	**3 094**	702
Approved but not yet contracted*	**618**	65
Total group	**3 808**	**917**

^ The increase in the capital commitments for vehicle rental fleet compared to the prior year is due to the return of capacity post Covid-19. The prior year was also lower due to the strategy to not replace luxury vehicles and the mixture of smaller vehicles as part of our Covid-19 response strategy. The group has long standing contracts with the OEM's and commitment is based on orders made with OEM's.

* The group has approved R434 million for the revised Barlow Park development plan which will be carried out in different phases over an estimated 5 year period.

Capital expenditure will be financed by funds generated by the business, existing cash resources and borrowing facilities available to the group.

15. Dividends

R million	Audited 2021	Audited 2020
Ordinary shares		
No dividend payment during January 2021(2020: No 182 - 297 cents per share)		631
Special dividend No 183 paid on 28 June 2021: 200 cents per share (2020: No 182 - 228 cents per share)	**389**	483
Interim dividend No 183 paid on 28 June 2021: 137 cents per share (2020: Nil)	**267**	
Paid to Barloworld Limited shareholders	**656**	1 114
Paid to non-controlling shareholders	**6**	13
	662	**1 127**

Analysis of dividends declared in respect of current year's earnings:

Cents	Audited 2021	Audited 2020
Ordinary dividends per share		
Interim dividend	**137**	
Final dividend	**300**	
	437	
Special dividend per share		
Interim dividend	**200**	
Final dividend	**1 150**	
	1 350	

Notes to the summarised consolidated financial statements continued

for the year ended 30 September 2021

16. Contingent liabilities

	Audited	
R million	**2021**	**2020**
Performance guarantees given to customers and other guarantees and claims	**193**	110
Buy-back and repurchase commitments not reflected on the statement of financial position	**18**	85

17. Related party transactions

There were no related party transactions outside the ordinary course of business requiring separate disclosure in the consolidated financial statements other than the sale of the Motor retail businesses.

Barloworld South Africa Proprietary Limited, a wholly-owned subsidiary of Barloworld, entered into an agreement dated 21 January 2021 with NMI Durban South Motors Proprietary Limited ("NMI-DSM"), to dispose of the Barloworld Group's Motor Retail business as a going concern to NMI-DSM. NMI-DSM is an associate of the Barloworld Group in which Barloworld holds a 50% interest and Velvet Gold Proprietary Limited and HAK Holdings Proprietary Limited each holding 25%.

The disposal of 50% of Motor Retail to NMI DSM was concluded on the 1st of June 2021 and therefore 8 months of trading was reported in the discontinued operations for Motor Retail. The entire Motor Retail interests is now housed within NMI-DSM and Barloworld retained its 50% interest in NMI-DSM.

18. Financial instruments

	Audited	
R million	**2021**	**2020**
ASSETS		
Non Current		
Long-term finance lease receivables	**162**	187
Long-term financial assets	**185**	278
Current		
Trade and other receivables	**6 208**	6 238
Cash and cash equivalents	**10 839**	6 743
Total assets	**17 394**	**13 446**
LIABILITIES		
Non Current		
Interest-bearing non-current liabilities	**7 493**	5 897
Lease liabilities non-current	**1 193**	1 977
Other non-current liabilities	**23**	525
Current		
Lease liabilities current	**133**	351
Trade and other payables	**9 441**	10 077
Amounts due to bankers and short-term loans	**5 589**	3 498
Total liabilities	**23 872**	**22 324**

All financial instruments are carried at fair value or amounts that approximate fair value, except for the non-current portion of fixed rate receivables, payables and interest-bearing borrowings, which are carried at amortised cost. The carrying amounts for investments, cash, cash equivalents as well as the current portion of receivables, payables and interest-bearing borrowings approximate fair value due to the short-term nature of these instruments. The fair values have been determined using available market information and discounted cash flows.

For all of the above mentioned financial asset categories the carrying value approximates the fair value with the exception of the Angolan Bonds included within Trade and Other Receivables where the fair value as at 30 September 2021 exceeds the carrying value by R9 million (30 September 2020: R22 million). Note that the Angolan Bonds are measured at amortised cost however had they been measured at fair value they would represent a level 2 financial instruments valued in line with comparable hedging instruments.

Notes to the summarised consolidated financial statements continued

for the year ended 30 September 2021

18. Financial instruments continued

For all of the above mentioned categories the carrying value approximates the fair value with the exception of non-current interest bearing liabilities where the fair value as at 30 September 2021 has been calculated as R7 534 million (2020: R5 992 million).

Fair value measurements recognised in the statement of financial position

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which the fair value is observable.

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets. The markets from which these quoted prices are obtained are the bonds market, the stock exchange as well other similar markets.
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices). The valuation techniques used in deriving level 2 fair values are consistent with valuing comparable hedging instruments (foreign exchange contracts and interest rate swaps). The primary input into these valuations are foreign exchange rates and prevailing interest rates which are derived from external sources of information.
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs). The valuation techniques used in deriving level 3 fair values are discounted cash flows as well as the net asset value approach of the investment that is being valued. This information is based on unobservable market data, and adjusted for based on management's experience and knowledge of the investment.

	2021			
	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss				
Long term financial assets	**2**		**19**	**21**
Trade and other receivables		**7**		**7**
Financial assets irrevocably designated at FVOCI* **				
Trade and other receivables		**82**		**82**
Total	**2**	**89**	**19**	**110**
Financial liabilities at fair value through profit or loss				
Other non-current liabilities		**23**		**23**
Trade and other payables		**9**	**41**	**50**
Total		**32**	**41**	**73**

	2020			
	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss				
Long term financial assets	2		78	80
Trade and other receivables		15		15
Total	2	15	78	95
Financial liabilities at fair value through profit or loss				
Other non-current liabilities**			84	84
Trade and other payables		9		9
Financial liabilities at FVOCI++				
Trade and other payables		151		151
Total		**161**	**84**	**244**

++ This relates to forward exchange contracts that are part of a cash flow hedging relationship (of which the effective portion has been recognised through OCI and the ineffective portion has been recognised through profit and loss).
** At September 2020 the Mongolia earn out was disclosed as a level 2 financial liability instead of a level 3 financial liability. The 2020 disclosure was updated for this.
*** Fair Value Other Comprehensive Income

Refer to note 10 regarding assets and liabilities held for sale as level 3 fair value measurements.

Notes to the summarised consolidated financial statements continued

for the year ended 30 September 2021

18. Financial instruments continued

Reconciliation of Level 3 Fair Value Measurements

	Fair Value through profit and loss:			
	Unlisted shares Note 1	Investment in cell captives Note 2	Earn out liability Note 3	Total
Balance as at 1 Oct 2019	5	57		62
Total gains recognised in profit and loss	11	5		16
Acquired			(84)	(84)
Balance 30 September 2020	16	62	(84)	(6)
Balance as at 1 Oct 2020	16	62	(84)	(6)
Disposals		(32)		(32)
Total gains recognised in profit and loss		(27)	43	16
Balance 30 September 2021	**16**	**3**	**(41)**	**(22)**

Note 1
Unlisted shares are measured at fair value considering the latest arm's length share trade information available for this investment. Sensitivity to inputs is considered immaterial for further disclosure.

Note 2
The valuation techniques used in deriving fair value of investments in cell captures are based on Net asset value approach of the underlying cell captives. Sensitivity to inputs is considered immaterial for further disclosure.

Note 3
This relates to the earn-out liability as a result of the Mongolia acquisition. This is a liability for an amount to potentially be paid to the sellers in the future (4 years from acquisition) should revenues and profits of Mongolia exceed certain thresholds as per the sales agreement. The unobservable inputs in this valuation thus relates to estimation of future profits to measure against thresholds as per the sales agreement. Sensitivity to these inputs are considered immaterial for further disclosure.

FINANCIAL RISK MANAGEMENT

Market risk

i) Currency risk

Trade commitments
Currency risk arises because the group enters into financial transactions denominated in the functional currency of the transacting entity. The group's currency exposure management policy for the southern African operations is to hedge substantially all material foreign currency trade commitments in which customers have or will not be accepting the currency risk. In respect of offshore operations, where there is a traditionally stable relationship between the functional and transacting currencies, the need to take foreign exchange cover is at the discretion of the divisional board. Each division manages its own trade exposure within the overall framework of the group policy. In this regard the group has entered into certain forward exchange contracts which do not relate to specific items appearing in the statement of financial position, but were entered into to cover foreign commitments not yet due or proceeds not yet received. The risk of having to close out these contracts is considered to be low.

Net currency exposure and sensitivity analysis
The following table represents the extent to which the Group has monetary assets and liabilities in currencies other than the group companies' functional currency. The information is shown inclusive of the impact of forward contracts and options in place to hedge the foreign currency exposures. There has been no change to the Group's exposure to market risks or the manner in which these risks are managed and measured. Based on the net exposure below it is estimated that a simultaneous 10% change in all foreign currency exchange rates against divisional functional currency will impact the fair value of the net monetary assets/liabilities of the group to the extent of R102 million (2020: R58 million), of which R10 million (2020: R13 million) will impact other comprehensive income and R92 million (2020: R45 million) will impact profit or loss.

ii) Interest rate risk

Interest rate risk arises when the absolute level of interest rates the group is exposed to fluctuates. The group manages the exposure to interest rate risk by maintaining a balance between fixed and floating rate borrowings. The interest rate characteristics of new borrowings and the refinancing of existing borrowings are structured according to expected movements in interest rates. There has been no change in the current year to this approach.

Notes to the summarised consolidated financial statements continued

for the year ended 30 September 2021

18. Financial instruments continued

ii) Interest rate risk

Interest rate risk arises when the absolute level of interest rates the group is exposed to fluctuates. The group manages the exposure to interest rate risk by maintaining a balance between fixed and floating rate borrowings. The interest rate characteristics of new borrowings and the refinancing of existing borrowings are structured according to expected movements in interest rates. There has been no change in the current year to this approach.

R million	September 2021	September 2020
Interest rate sensitivity analysis		
Impact of a 1% increase in South African interest rates		
– charge to profit or loss,	**118**	97
Impact of a 1% increase in offshore interest rates		
– charge to profit or loss	**13**	13

Credit risk management

Credit risk arises from the risk that a counter-party may default or not meet its obligations timeously as contracted. Credit risk is managed on a Group-wide basis. Potential areas of credit risk relate primarily to trade receivables and cash on deposit. Trade receivables consist mainly of a large and widespread customer base. Where considered appropriate, use is made of credit guarantee insurance. The granting of credit is controlled by a thorough application process based factors specific and unique to each operating division which includes creditworthiness checks using the reputable ITC institutions, the credit quality of the customer, its financial position, upfront deposits received etc. Group companies monitor the financial position of their customers on an on-going basis. It is group policy to deposit cash with major banks and financial institutions with strong credit ratings.

The following table details the risk profile of trade receivables based on the Group's provision matrix. As the group's historical credit loss experience shows significantly different loss patterns for the different customer segments, the provision for loss allowance is further distinguished between the Group's different operations.

	Gross carrying amount R million	Lifetime ECL R million	Average ECL/ Impairment ratio (%)
Division			
Equipment	**4 137**	**(340)**	**8.2%**
Ingrain	**602**	**(1)**	**0.2%**
Car Rental and Leasing	**1 311**	**(542)**	**41.4%**
Logistics	**777**	**(61)**	**7.8%**
Other segments	**65**	**(3)**	**4.0%**
Balance 30 September 2021	**6 892**	**(947)**	**13.7%**
Division			
Equipment	4 270	(678)	15.9%
Car Rental and Leasing	1 317	(575)	43.7%
Logistics	866	(49)	5.6%
Other segments	143	(1)	0.4%
Balance 30 September 2020	**6 596**	**(1 027)**	**15.6%**

[1] The above breakdown has been adjusted in line with the new operating segments refer note 22

iii) Liquidity risk

Liquidity risk arises when the group cannot meet its contractual cash outflows as they fall due and payable. The group manages liquidity risk by monitoring forecast cash flows, maintaining a balance between long term and short term debt and ensuring that adequate unutilised borrowing facilities are maintained. Unutilised bank facilities amounted to R9.5 billion (2020: R15.7 billion). There has been no change to this approach during the current year .

Notes to the summarised consolidated financial statements continued

for the year ended 30 September 2021

18. Financial instruments continued

Maturity profile of financial liabilities

The maturity profile of the financial instruments is summarised as follows (based on contractual undiscounted cash flows):

	Repayable during the year ending 30 September **2021**			
R million	**Total owing**	Within one year	two to five years	greater than five years
Interest-bearing liabilities	**16 893**	**7 806**	**7 479**	**1 608**
Trade payables and other non-interest bearing liabilities	**9 432**	**9 432**		
Lease liabilities	**1 942**	**416**	**1 049**	**477**
FEC's	**32**	**32**		

	Repayable during the year ending 30 September **2020**			
R million	**Total owing**	Within one year	two to five years	greater than five years
Interest-bearing liabilities	7 278	1 771	5 507	
Trade payables and other non-interest bearing liabilities	9 917	9 917		
Lease liabilities	7 034	748	2 564	3 722
FEC's	243	243		

	Maturity profile of financial guarantees contracts as at 30 September **2021**		
R million	**Total owing**	Within one year	two to five years
Risk share debtors	**378**	**93**	**285**
Financial guarantees on behalf of joint ventures and associates	**1 234**	**1 234**	

	Maturity profile of financial guarantees contracts as at 30 September **2020**		
R million	**Total owing**	Within one year	two to five years
Risk share debtors	275	12	263
Financial guarantees on behalf of joint ventures and associates	679	679	

During 2018 the Barloworld Equipment division entered into a Risk Share Agreement with Caterpillar Financial Corporation Financeira, S.A., E.F.C. – Sucursal em Portugal and Barloworld Equipment UK Limited. The Risk Share Agreement only relates to certain agreed upon customer risk profiles and relates to exposure at default less any recoveries. As at 30 September 2021 the maximum exposure of this guarantee was estimated to be R189 million (2020: R106 million) representing 25% of the capital balance outstanding.

During 2018 the Barloworld Equipment division entered into Risk Share Agreement with Caterpillar Financial Services South Africa (Pty) Ltd. The Risk Share Agreement only relates to certain agreed upon customer risk profiles and relates to exposure at default less any recoveries. As at 30 September 2021 the gross maximum exposure of this guarantee was estimated to be R139 million (2020: R148 million) representing 25% of the capital balance outstanding.

During 2018 the Vostochnaya Technica Equipment division entered into a Risk Share Agreement with Caterpillar Financial LLC. The Risk Share Agreement only relates to certain agreed upon customer risk profiles and relates to exposure at default less any recoveries. As at 30 September 2021 the maximum exposure of this guarantee was estimated to be R49 million (2020: R54 million) representing 40% - 60% of the capital balance outstanding.

Barloworld also provides certain guarantees on behalf of NMI, Maponya, Bartrac and BHBW of which non-performance by these associates & joint ventures will result in contractual cashflows to be made by Barloworld which has been included in above-mentioned maturity analysis.

As these risk share agreements relate to a contractual payment in the event of default they are accounted for as financial instruments (Financial Guarantee contracts).

Notes to the summarised consolidated financial statements continued

for the year ended 30 September 2021

19. Re-presentations of prior year results

1. Motor Retail disposal

Barloworld entered into an agreement dated 21 January 2021 with NMI Durban South Motors (Pty) Ltd, to dispose of the Barloworld Group's motor retail business as a going concern to NMI-DSM. As a result of the sale the trading results of the Retail business for September 2020 have been re-presented as discontinuing operations. The sale was subsequently concluded on the 1st of June 2021. Refer to note 13 discontinued operations for further details of the disposal.

2. Logistics

The board of Barloworld resolved that the Company is authorised to formally proceed with the sale of the Barloworld Logistics segment. A SENS announcement was issued on the 31st of March 2021 confirming that the Barloworld Logistics segment will be accounted for as a discontinued operation and therefore the trading results for September 2020 have been re-presented to reflect this. Refer to note 13 discontinued operations and assets classified as held for sale.

CONSOLIDATED INCOME STATEMENT

R million	30 September 2020	1. Motor Retail disposal	2. Logistics	Restated
Revenue	49 683	(11 988)	(3 786)	33 909
Operating profit before items listed below	5 122	(100)	(310)	4 711
Impairment losses on financial assets and contract assets	(292)	14	33	(245)
Depreciation	(2 661)	75	344	(2 241)
Amortisation of intangible assets	(136)	2	46	(87)
Operating profit before B-BBEE transaction charge	2 033	(9)	113	2 138
B-BBEE transaction charge	(236)	23	33	(180)

R million	30 September 2020	1. Motor Retail disposal	2. Logistics	Restated
Operating profit	1 797	15	146	1 958
Fair value adjustments on financial instruments	(340)	2	3	(335)
Finance costs	(1 274)	151	152	(971)
Income from investments	155	(1)	(16)	138
Profit before non-operating and capital items	338	167	285	790
Non-operating and capital items comprising of:				
Impairment of investments	(194)			(194)
Impairment of goodwill	(702)		15	(687)
Impairment of indefinite life intangible assets	(708)			(708)
Impairment of property, plant and equipment, intangibles and other assets	(303)	8	85	(210)
Other non-operating and capital items	7	(7)	36	36
Loss before taxation	(1 562)	168	421	(973)
Taxation	(889)	(81)	(98)	(1 068)
Loss after taxation	(2 451)	87	323	(2 041)
Loss from associates and joint ventures	(48)	5		(43)
Net loss from continuing operations for the period	(2 499)	92	323	(2 084)
DISCONTINUED OPERATIONS				
Loss from discontinued operation		(92)	(323)	(415)
Net loss for the period	**(2 499)**	**(0)**	**(0)**	**(2 499)**
Attributable to:				
Owners of Barloworld Limited	(2 476)			(2 476)
Non-controlling interests in subsidiaries	(23)			(23)
	(2 499)			**(2 499)**

Notes to the summarised consolidated financial statements continued

for the year ended 30 September 2021

20. Acquisition of Business

20.1 Ingrain

Barloworld Limited ("Barloworld") entered into a Sale and Purchase Agreement ("SPA") with Tongaat Hulett Limited on 28 February 2020 to acquire 100% ownership interest in Tongaat Hulett Starch ("Ingrain"). The transaction was completed on 31 October 2020, being the transaction effective date. This purchase was done through Barloworld's wholly owned subsidiary, KLL Group (Proprietary) Limited, which houses the assets and liabilities of Ingrain.

Ingrain is Africa's largest producer of starch, glucose and related products, and produces a wide range of high quality products for customers across Africa and around the World using maize as raw material.

Barloworld acquired Ingrain, being a different business to its existing business portfolio, to balance out the seasonality of its existing business to deliver a consistent return to shareholder.

Refer to consolidated financial statements (the group) accounting policies for significant judgements and estimations.

Assets acquired and liabilities assumed on 31 October 2020

R million	Previously reported 2020	Adjustment 2020	2021
Non-current assets	2 205	1 471	**3 676**
Property plant and equipment[1]	709	1 273	**1 982**
Land and buildings[2]	366	238	**604**
Right-of-use assets	21	5	**26**
Other intangible assets	38	15	**53**
Intangible assets[3]	1 071	(60)	**1 011**
Current assets	1 616	(56)	**1 560**
Fair value Trade and other receivables	709	24	**733**
Derivative financial instruments	15	1	**16**
Inventory	878	(91)	**787**
Cash	14	10	**24**
Total assets	**3 821**	**1 415**	**5 236**

R million	Previously reported 2020	Adjustment 2020	2021
Non-current liabilities	191	534	**725**
Right-of-use liability	17	4	**21**
Provisions	8	(8)	
Deferred tax	166	538	**704**
Current liabilities	1 180	(335)	**845**
Trade and other payables	455	382	**837**
Right-of-use liability	6	2	**8**
Short term borrowings	715	(715)	
Current tax	4	(4)	
Total liabilities	1 371	199	**1 570**
Net asset	**2 450**	**1 216**	**3 666**
Property plant and equipment is made up as follows:[1]			
Transport and vehicles	1	6	7
Plant and machinery	632	1 199	1 831
Office equipment	1	1	2
Other fixed assets	36	52	88
Capital work in progress	39	15	54
	709	**1 273**	**1 982**
Land and buildings comprises of the following properties hosting the Mills:[2]			
Bellville Mill	88	57	145
Germiston Mill	72	81	153
Kliprivier Mill	64	50	114
Meyerton Mill	142	50	192
	366	**238**	**604**

Notes to the summarised consolidated financial statements continued

for the year ended 30 September 2021

20. Acquisition of Business continued

Note 3: Intangible assets

Intangible asset comprise of Customer relationships that arose from non-contractual customer relationships, which represent loyal customers that are expected to continue their relationship after the acquisition by a market participant. This is the only intangible asset, which meets the IFRS recognition criteria.

R million	Previously reported 2020	Adjustment 2020	2021
Excess of consideration transferred over net asset acquired			
Consideration transferred	4 986	320	**5 306**
Less: Fair value of identifiable assets and liabilities	(2 450)	(1 216)	**(3 666)**
Goodwill[4]	**2 536**	**(896)**	**1 640**
Net cash flows on acquisition			
Initial cash consideration	4 536	450	**4 986**
Top-up payment	450	(176)	**274**
Final purchase consideration	4 986	274	**5 260**
Derivative and bank accounts reimbursement		46	**46**
Consideration paid in cash (note 5)	4 986	320	**5 306**
Less: cash and cash equivalents acquired	(14)	(10)	**(24)**
	4 972	**309**	**5 282**

Note 4

Goodwill represents synergies/improvements whereby Barloworld expects that through product development and specialisation (into modified starches) it will be able to create immediate margin uplift and optimise the product mix, whilst the ability to leverage Barloworld's core competencies in distribution within its existing businesses will create additional value. Goodwill is accounted for in terms of the Group policy where it will be tested for impairment annually with impairment losses recognised in profit or loss but excluded from headline earnings. Goodwill is not tax deductible.

Note 5

The acquisition was funded by external debt.'The purchase consideration of R5 306 million includes the contingent payment of R450 million together with a top-up and reimbursement payment of R320 million adjusted for the stock valuation movements and cash refunds.

The R450 million contingent payment relates to cash held in escrow for 12 months for any claims not covered by warranty and indemnity insurance cover. The funds in escrow were released to the sellers on the 31 October 2021. The total cost of the acquisition of Ingrain over the last three years was R74 million. The costs were included in operating expenses in the current year R18 million and prior years R53 million.

Purchase price allocation

The group has completed the Purchase price allocation of all assets before 12 months per the IFRS 3 measurement period to finalise the accounting for the acquisition of the business. Due to the specialised nature of Ingrain's operations, being the only wet miller in Southern Africa, there was limited valuation expertise in dealing with assets such as Ingrain's. An international designer and installer of wet mill plants were appointed to assist with the determination of the assets' fair values by providing replacement costs of technologically modern equivalents of Ingrain's assets. Non-manufacturing assets not covered in the wet mill valuations were assigned fair values based on depreciated inflation-adjusted historical cost.
The useful lives and residual values for land, buildings , property , plant and equipment were revised based on the equipment's current condition; operating conditions; maintenance history; number of years similar equipment in use at other mills; engineers' close experience with, and knowledge of, the equipment; and years already in use were among factors that were considered. Significant judgement was used in determining the useful lives of assets using a combination of specialists and plant engineers at Ingrain; the useful lives of assets acquired and fully depreciated were considered taking into account history of breakdown, maintenance and replacements; The useful lives of plants were limited to 40 years except for old assets that were already 40 years old where a nominal useful live was assigned. The impact of the determined fair values on the non-contractual customer relationships was similarly finalised and the goodwill adjusted accordingly.

Impact of acquisition on the results of the group post acquisition 31 October 2020

R million	2021
Revenue	**4 385**
Operating profit	**534**

Notes to the summarised consolidated financial statements continued

for the year ended 30 September 2021

20. Acquisition of Business continued

Impact of acquisition on the results of the group, had the acquisition taken place on 1 October 2020

R million	2021
Revenue	4 833
Operating profit	617

20.2 Barloworld Mongolia Limited acquisition update

Further true-up items and fair value adjustments were identified after 30 September 2020 which resulted in an adjustment to the at acquisition net asset value as well an adjustment to goodwill. These adjustments to the various assets and liabilities that were identified and incorporated into the final adjustment of the at acquisition net assets consequently increased the purchase price by R29 million ($1.9million). These were mainly driven by a combination of deferred tax assets (relating to realised forex losses on payables to the sellers), understated liabilities (including corporate income tax accrual) and overstated assets.

The earn-out estimate was also finalised which resulted in a R54 million ($3.6 million) reduction to goodwill. This was largely offset by a R51 million ($3.4 million) increase to goodwill as a result of fair value adjustments to deferred taxation liabilities as well as fixed assets to the value of R54 million ($3.6 million). No adjustment will be required to the Supplier Relationship intangible identified and remains as disclosed at 30 September 2020. As at 30 September 2021 R67 million was paid with R 41 million remaining.

R million	2021
True-up payment outstanding	60
Additional investment	29
Payment outstanding	(41)
Cash payment current year	**48**
Cash payment made	67
Refund received from seller	(19)

21. Events after the reporting period

Logistics Disposal

As per the SENS announcement on 31 March 2021 and the pre-closing update issued on SENS on 28 September 2021, the Board had approved a formal sale process to exit the Logistics business after receiving several expressions of interest, effective 1 February 2021. While the riots in July had a negative impact on the overall sale process, strong buyer interest has emerged through the process for the underlying discrete businesses in the Transport division. As such, the sale and purchase agreement of Aspen, which was a 51% subsidiary of Barloworld Logistics was concluded on 2 November 2021, selling the 51% interest to the existing 49% minority shareholder Aspen Logistics. The transaction is subject to the competition commission approval in Botswana.

The sale of the Transport division of Barloworld Logistics was concluded on 19 November 2021 and is now subject to regulatory approvals. The remaining business, consisting largely of Supply Chain Solutions, is anticipated to be concluded in the next few months.

Covid-19

The impact of Covid-19 has been considered up to 30 September 2021. Subsequent to the year end reporting there have been no significant changes in the Covid-19 restrictions impacting our businesses and thus no subsequent events related to the Covid-19 crisis have occurred.

To the knowledge of the directors no further material events have occurred between the reporting date and the date of approval of these financial statements that would affect the ability of the users of the financial statements to make proper evaluations and decisions.

Dividend declared

Refer to note 15 for detail regarding dividends declared post year end.

Notes to the summarised consolidated financial statements continued

for the year ended 30 September 2021

22. Business and geographical segments

	Continuing operations														Discontinued operation			
	Consolidated		Eliminations		Equipment		Ingrain		Automotive				Other segments^		Motor Retail		Logistics	
									Car rental Southern Africa		Leasing							
R million	30 Sep **2021**	30 Sep 2020	30 Sep **2021**	30 Sep 2020	30 Sep **2021**	30 Sep 2020	30 Sep **2021**	30 Sep 2020	30 Sep **2021**	30 Sep 2020	30 Sep **2021**	30 Sep 2020	30 Sep **2021**	30 Sep 2020	30 Sep **2021**	30 Sep 2020	30 Sep **2021**	30 Sep 2020
Operating and geographical segments**																		
Revenue																		
Southern Africa	**30 708**	26 369			**18 230**	17 590	**4 217**		**5 302**	5 123	**2 128**	3 046	**831**	609	**8 915**	11 988	**3 371**	3 785
Europe																		
Australia	**168**						**168**											
Eurasia	**10 677**	7 540			**10 677**	7 540												
	41 553	33 909			**28 907**	25 130	**4 385**		**5 302**	5 123	**2 128**	3 046	**831**	609	**8 915**	11 988	**3 371**	3 785
Inter-segment revenue***			**(3 234)**	(3 065)	**2 332**	1 943			**3**	3	**91**	154	**808**	964		1	**376**	328
	41 553	33 909	**(3 234)**	(3 065)	**31 239**	27 074	**4 385**		**5 305**	5 126	**2 219**	3 200	**1 639**	1 573	**8 915**	11 989	**3 747**	4 113
EBITDA	**6 883**	4 466			**4 066**	2 879	**772**		**975**	636	**1 260**	1 280	**(189)**	(330)	**254**	86	**47**	277
Depreciation	**(2 312)**	(2 241)			**(834)**	(764)	**(171)**		**(615)**	(751)	**(754)**	(832)	**61**	106	**(20)**	(75)	**(103)**	(344)
Amortisation of intangibles	**(181)**	(87)			**(89)**	(57)	**(67)**		**(1)**	(2)			**(24)**	(29)		(2)	**(8)**	(46)
Operating profit/(loss)	**4 390**	2 138			**3 144**	2 058	**534**		**359**	(116)	**506**	448	**(152)**	(253)	**234**	9	**(64)**	(113)
Southern Africa	**3 287**	1 417			**1 972**	1 224	**522**		**359**	(116)	**506**	448	**(72)**	(138)	**234**	9	**(64)**	(113)
Europe	**(80)**	(114)											**(80)**	(115)				
Australia	**12**						**12**											
Eurasia	**1 171**	834			**1 171**	834												
Operating profit before B-BBEE transaction charge	**4 390**	2 138			**3 143**	2 058	**534**		**359**	(116)	**506**	448	**(152)**	(253)	**234**	9	**(64)**	(113)
B-BBEE transaction charge	**(95)**	(180)			**(26)**	(33)			**(11)**	(26)	**(3)**	(4)	**(55)**	(117)	**(21)**	(23)	**(21)**	(33)
Fair value adjustments on financial instruments	**(190)**	(334)			**(86)**	(141)	**(8)**		**(1)**	(1)	**(7)**	(10)	**(88)**	(182)	**(2)**	(2)	**1**	(3)
Total segment result	**4 105**	1 624			**3 031**	1 884	**526**		**347**	(143)	**496**	434	**(295)**	(552)	**211**	(17)	**(84)**	(149)

Notes to the summarised consolidated financial statements continued

for the year ended 30 September 2021

22. Business and geographical segments continued

	Continuing operations														Discontinued operation			
	Consolidated		Eliminations		Equipment		Ingrain		Automotive				Other segments^		Motor Retail		Logistics	
									Car rental Southern Africa		Leasing							
R million	30 Sep **2021**	30 Sep 2020	30 Sep **2021**	30 Sep 2020	30 Sep **2021**	30 Sep 2020	30 Sep **2021**	30 Sep 2020	30 Sep **2021**	30 Sep 2020	30 Sep **2021**	30 Sep 2020	30 Sep **2021**	30 Sep 2020	30 Sep **2021**	30 Sep 2020	30 Sep **2021**	30 Sep 2020
By geographical region																		
Southern Africa	**3 048**	**1 006**			**1 862**	**982**	**515**		**347**	**(143)**	**496**	**434**	**(172)**	**(268)**	**211**	**(17)**	**(84)**	**(149)**
Europe	**(123)**	**(284)**											**(123)**	**(284)**				
Australia	**11**						**11**											
Eurasia	**1 169**	**902**			**1 169**	**902**												
Total segment result	**4 105**	**1 624**			**3 031**	**1 884**	**526**		**347**	**(143)**	**496**	**434**	**(295)**	**(552)**	**211**	**(17)**	**(84)**	**(149)**
Income from associates and joint ventures	**(13)**	**(43)**			**(105)**	**(39)**					**3**	**2**	**89**	**(6)**	**(2)**	**(5)**		
Finance costs	**(944)**	**(971)**			**(370)**	**(502)**	**(151)**		**(118)**	**(257)**	**(179)**	**(273)**	**(126)**	**61**	**(81)**	**(151)**	**(95)**	**(152)**
Income from investments	**124**	**138**			**137**	**175**	**2**			**1**	**5**	**2**	**(20)**	**(40)**	**2**	**1**	**16**	**16**
Non-operating and capital items	**195**	**(1 763)**			**16**	**(898)**	**(2)**		**6**	**(654)**	**(2)**	**(16)**	**177**	**(194)**	**(5)**	**(1)**	**(278)**	**(136)**
Taxation	**(644)**	**(1 068)**			**(684)**	**(769)**	**(63)**		**(87)**	**141**	**(95)**	**(40)**	**285**	**(401)**	**(1)**	**81**	**(94)**	**98**
Profit on disposal of Motor Retail businesses*															**515**			
Taxation on disposal of Motor Retail businesses															**(127)**			
Profit from discontinued operation	**(23)**	**(415)**																
Net profit	**2 800**	**(2 499)**			**2 025**	**(149)**	**312**		**148**	**(913)**	**228**	**110**	**110**	**(1 132)**	**512**	**(92)**	**(535)**	**(323)**
Assets																		
Property, plant and equipment	**11 417**	**12 239**			**4 010**	**4 869**	**2 475**		**119**	**137**	**3 464**	**3 675**	**1 349**	**2 263**		**515**		**780**
Investment property	**1 000**												**1 000**					
Right of use assets	**634**	**1 611**			**1 089**	**1 244**	**19**		**322**	**353**	**9**	**10**	**(805)**	**(2 374)**		**1 902**		**476**
Intangible assets	**2 370**	**1 632**			**1 249**	**1 425**	**999**		**8**	**9**	**54**	**54**	**60**	**16**		**87**		**41**
Investment in associates and joint ventures	**1 880**	**2 148**			**1 054**	**1 387**						**3**	**826**	**54**		**704**		

Notes to the summarised consolidated financial statements continued

for the year ended 30 September 2021

22. Business and geographical segments continued

	Continuing operations														Discontinued operation			
	Consolidated		Eliminations		Equipment		Ingrain		Automotive				Other segments^		Motor Retail		Logistics	
									Car rental Southern Africa		Leasing							
R million	30 Sep **2021**	30 Sep 2020	30 Sep **2021**	30 Sep 2020	30 Sep **2021**	30 Sep 2020	30 Sep **2021**	30 Sep 2020	30 Sep **2021**	30 Sep 2020	30 Sep **2021**	30 Sep 2020	30 Sep **2021**	30 Sep 2020	30 Sep **2021**	30 Sep 2020	30 Sep **2021**	30 Sep 2020
Long-term finance lease receivables	134	187			9						125	137						50
Long-term financial assets	198	287			11								187	101		64		9
Vehicle rental fleet	2 819	1 889							2 819	1 889								
Inventories	8 111	10 170			6 681	7 895	1 098		288	438	19	90	25	(4)		1 713		38
Trade and other receivables	6 949	7 916			5 372	5 643	676		485	258	460	616	(44)	(265)		627		1 037
Contract assets	424	514			424	466												48
Assets classified as held for sale	2 387	29				29			13				(29)				2 403	
Segment assets	38 323	38 623			19 899	23 072	5 267		4 052	3 084	4 132	4 585	2 569	(209)		5 612	2 403	2 479
By geographical region																		
Southern Africa	30 819	30 751			12 556	15 360	5 190		4 052	3 084	4 132	4 585	2 485	(369)		5 612	2 403	2 479
Europe	84	160											84	160				
Australia	77						77											
Eurasia	7 343	7 712			7 343	7 712												
Total segment assets	38 323	38 623			19 899	23 072	5 267		4 052	3 084	4 132	4 585	2 569	(209)		5 612	2 403	2 479
Goodwill	2 756	1 352			506	564	1 640		176	176	282	282	152			215		115
Taxation	196	147																
Deferred taxation assets	848	1 014																
Cash and cash equivalents	10 721	6 743																
Consolidated total assets	52 844	47 878																
Liabilities																		
Long-term non-interest bearing including provisions	782	2 135			63	100					469	23	250	1 989		6		16
Trade and other payables including provisions	11 300	11 718			7 108	7 544	1 397		1 623	642	817	700	355	(274)		2 349		759
Lease liabilities	903	2 327			1 264	1 345	22		533	552	30	30	(946)	(2 671)		2 365		707
Contract liabilities	2 131	1 708			1 801	963					330	744						

Notes to the summarised consolidated financial statements continued

for the year ended 30 September 2021

22. Business and geographical segments continued

	Continuing operations														Discontinued operation			
	Consolidated		Eliminations		Equipment		Ingrain		Automotive				Other segments^		Motor Retail		Logistics	
									Car rental Southern Africa		Leasing							
R million	30 Sep 2021	30 Sep 2020	30 Sep 2021	30 Sep 2020	30 Sep 2021	30 Sep 2020	30 Sep 2021	30 Sep 2020	30 Sep 2021	30 Sep 2020	30 Sep 2021	30 Sep 2020	30 Sep 2021	30 Sep 2020	30 Sep 2021	30 Sep 2020	30 Sep 2021	30 Sep 2020
Liabilities directly associated with assets classified as held for sale	1 786												(928)				2 714	
Segment liabilities	16 902	17 888			10 236	9 952	1 419		2 156	1 194	1 647	1 497	(1 272)	(956)		4 720	2 714	1 482
By geographical region																		
Southern Africa	13 068	13 251			6 785	7 467	1 371		2 156	1 194	1 647	1 497	(1 605)	(3 108)		4 720	2 714	1 482
Europe	335	2 152											335	2 152				
Australia	47						47											
Eurasia	3 451	2 485			3 451	2 485												
Segment liabilities	16 902	17 888			10 236	9 952	1 419		2 156	1 194	1 647	1 497	(1 272)	(956)		4 720	2 714	1 482
Interest-bearing liabilities (excluding held for sale amounts)	12 896	9 395																
Deferred taxation liabilities	1 186	806																
Taxation	155	38																
Consolidated total liabilities	31 139	28 126																
Invested capital																		
Southern Africa	20 961	20 713			7 186	9 167	4 846		2 753	2 803	2 643	3 191	2 410	32		3 604	1 123	1 916
Europe	75	(1 578)											75	(1 578)				
Australia	29						29											
Eurasia	4 272	5 594			4 272	5 594												
	25 336	24 729			11 458	14 761	4 874		2 753	2 803	2 643	3 191	2 485	(1 546)		3 604	1 123	1 916

* The consolidated total excludes discontinued operations for income statement items but includes it for the statement of financial position.
** The geographical segments are determined by the location of assets.
*** Inter segment revenue is priced on an arm's-length basis.
Effective 31 October 2020 the group acquired the assets of Tongaat Hulett Starch ("Ingrain") which is separately disclosed as a new segment for the group.

^ Due to the restructure of the Automotive and Logistics businesses during the current year, management have decided to review the operating segments and have included Handling, Automotive Trading (remainder), Corporate and Khula Sizwe into a combined segment reflected as Other segments. The prior year has been restated

Notes to the summarised consolidated financial statements continued

for the year ended 30 September 2021

23. Independent audit

The summarised preliminary consolidated financial statements have been derived from the audited Group financial statements. The directors of the company take full responsibility for the preparation of the summarised preliminary consolidated financial statements and that the financial information has been correctly derived and are in all material respects with the underlying audited group financial statements.

The summarised preliminary consolidated financial statements for the year ended 30 September 2021 have been audited by our joint auditors Ernst & Young Inc. and SizweNtsalubaGobodo Grant Thornton Inc., who have expressed an unmodified opinion thereon. The auditors also expressed an unmodified opinion on the consolidated financial statements from which the summarised preliminary consolidated financial statements were derived. A copy of the auditors' report on the group financial statements is available for inspection on the Barloworld website, together with the financial statements identified in the auditors' report.

Salient features

for the year ended 30 September 2021

R million	2021	Restated* 2020
Financial		
Normalised headline earnings per share from continuing operations – (cents)#	**1 323**	70
Headline earnings per share from continuing operations – (cents)	**1 261**	(130)
Group Headline earnings per share – (cents)	**1 195**	(268)
Group Return on invested capital (ROIC) (%)**	**11.3%**	1.0%
Group – Economic profit (R millions)	**(673)**	(3 037)
Dividends per share (cents)	**437**	
Operating margin from continued operations – including B-BBEE (%)*	**10.3**	5.8
Group rolling EBITDA/Interest paid (times) – excluding IFRS 16	**9.2**	5.9
Group net debt/equity (%)	**16.7**	25.2
Group return on net operating assets (RONOA) (%)	**20.4**	9.0%
Group return on ordinary shareholders' funds (%)	**12.2**	(1.5%)
Net asset value per share (cents)	**10 704**	9 736
Number of ordinary shares in issue (000)	**200 250**	201 025

R million	2021	Restated* 2020
Non-financial (Continuing operations+)		
Natural Capital[1α]		
Non-renewable energy consumption (GJ)[β] – Continuing Operations[α]	**3 893 793**	379 249
Non-renewable energy consumption (GJ)[β] – Group[1]	**5 350 062**	2 119 291
Greenhouse gas emissions (tCO_2e)[Δ] – Continuing Operations[α]	**468 810**	44 521
Greenhouse gas emissions (tCO_2e)[Δ] – Group[1]	**593 923**	194 931
Water withdrawals (municipal sources) (ML) – Continuing Operations[α]	**2 756**	349
Water withdrawals (municipal sources) (ML) – Group[1]	**2 819**	451
Human Capital[α]		
Number of employees – Continuing Operations[α]	**7 998**	8 027
Number of employees – Group[1]	**10 229**	10 549
Lost-time injury frequency rate (LTIFR)[†] – Continuing Operations[α]	**0.36**	0.38
Lost-time injury frequency rate (LTIFR)[†] – Group[1]	**0.44**	0.46
Number of work-related fatalities – Continuing Operations[α]	**0**	0
Number of work-related fatalities – Group[1]	**1**	2
Social and Relationship Capital		
Corporate social investment (R million)	**16**	16
dti[^] B-BBEE rating (level)	**3**	**3**

Normalise headline earnings is adjusted for the B-BBEE charges and impact of IFRS 16 and the USD denominated cash in the UK in September 2020 only.

** Return on invested capital (ROIC) is calculated by a rolling 12 month net Group operating profit after tax over total equity, plus net debt and IFRS 16 lease liabilities.

* The restatement is due to discontinued operation of Motor Retail and Logistics (Refer to note 19).

α Included within ISAE 3000 Limited Assurance scope for the year ended 30 September 2021. Refer to limited assurance conclusion https://www.barloworld-reports.co.za/integrated-reports/ir-2021/assurance-report-for-selected-non-financial-indicators.php

β Excludes rental fleets.

1 Group includes continuing and discontinued operations.

Δ Scope 1 and 2.

† Lost-time injuries multiplied by 200 000 divided by total hours worked.

^ Department of Trade and Industry (South Africa).

Salient features continued

for the year ended 30 September 2021

	Closing rate		Average rate	
	2021	2020	**2021**	2020
United States Dollar	**15.05**	16.68	**14.89**	16.27
British Sterling	**20.29**	21.56	**20.35**	20.86

Exchange rates used:

- Balance sheet – closing rate (rand)
- Income statement and cash flow statement- average rate (rand)

Normalised headline earnings per share from continuing operations:

R million	2021	2020
Headline earnings – Continuing operations	**2 499**	(260)
Adjusted for:		
BEE charges net of tax	**81**	163
IFRS 16 impact net of tax	**41**	86
USD denominated cash (only applicable in FY2020)		151
Normalised Headline earnings – Continued operations	**2 621**	**140**
Normalised Headline EPS – Continued operations (cents)	**1 323**	**70**

Corporate information

Barloworld Limited
(Incorporated in the Republic of South Africa)
(Registration number 1918/000095/06) (Income Tax Registration number 9000/051/71/5)
(JSE Share code: BAW) (JSE ISIN: ZAE000026639)
(Share code: BAWP)
(JSE ISIN: ZAE000026647)
(Bond issuer code: BIBAW) (Namibian Stock Exchange share code: BWL)
("Barloworld" or the "company" or the "group")

Registered office and business address

Barloworld Limited
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PO Box 782248
Sandton, 2146, South Africa
T +27 11 445 1000
E bawir@barloworld.com

Directors

Non-executive
NN Gwagwa (Chairman), FNO Edozien^, HH Hickey, MD Lynch-Bell*,
NP Mnxasana, NV Mokhesi, H Molotsi, P Schmid

^ Nigeria * UK

Executive directors
DM Sewela (Group Chief Executive), N Lila (Group Finance Director)

Group Company Secretary

Vasta Mhlongo

Group Investor Relations

Nwabisa Piki

Enquiries

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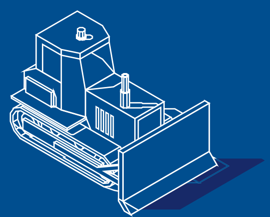
Sponsor

Nedbank Corporate and Investment Banking
a division of Nedbank Limited



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