ZEDA
Connecting humanity

ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2024

2024

Zeda Limited
Incorporated in the Republic of South Africa
Registration number: 2022/493042/06
JSE share code: ZZD
ISIN: ZAE000315768
Zeda Limited ("**Zeda**" or the "**Company**" or the "**Group**")

Disclaimer

This statement contains forward-looking statements. All statements, other than statements of historical facts, including, among others, statements regarding our strategy, future financial position and plans, objectives, projected costs and anticipated cost savings and financing plans and projected levels of growth in the communications markets, are forward-looking statements. Forward-looking statements can be identified by terminology such as "may", "might", "should", "expect", "envisage", "intend", "plan", "project", "estimate", "anticipate", "believe", "hope", "can", "is designed to", or similar phrases. However, the absence of such words does not necessarily mean a statement is not forward-looking. Forward-looking statements involve several known and unknown risks, uncertainties and other factors that could cause our actual results and outcomes to be materially different from historical results or any future results expressed or implied by such forward-looking statements. Factors that could cause our actual results or outcomes to differ materially from our expectations include, but are not limited to, those risks identified in Zeda financial reports available at **www.zeda.co.za**

Zeda cautions readers not to place undue reliance on these forward-looking statements. All written and verbal forward-looking statements attributable to Zeda, or persons acting on behalf of Zeda, are qualified in their entirety by these cautionary statements. Unless we are required by law to update these statements, we will not necessarily update any of these statements after the date of publication of this document so that they conform either to the actual results or to changes in our expectations.

Any forward-looking information disclosed in these annual results for the year ended 30 September 2024 ("results announcement") has not been reviewed, audited, or otherwise reported on by our independent external auditors.

Administration

Board of Directors
Lwazi Bam (Chairman)

Independent Non-Executive Directors
Xoliswa Kakana
Yolanda Miya
Sibani Mngomezulu
Ngao Motsei
Marna Roets
Donald Wilson

Executive Directors
Ramasela Ganda
(Group Chief Executive Officer)

Thobeka Ntshiza
(Group Finance Director)

Company Secretary
Chioneso Sakutukwa – appointed 1 October 2024

Acorim, a division of Merchantec Proprietary Limited – appointed 1 December 2023, resigned 1 October 2024

William Radcliffe – resigned 31 January 2024

JSE Sponsor
Nedbank Corporate and Investment Banking, a division of Nedbank Limited

Auditors
SizweNtsalubaGobodo Grant Thornton Inc.
(SNG Grant Thornton)

Investor Relations & Corporate Affairs
Babalwa George

CONTENTS

Overview of the business

Zeda Limited ("**Zeda**" or "**the Group**") is a leading integrated mobility solutions provider in sub-Saharan Africa. Zeda is a publicly traded company on the JSE Limited ("**JSE**"). Its headquarters are in Johannesburg, South Africa, with additional operations in 10 sub-Saharan African countries. Zeda operates the widely recognised Avis and Budget global brands under a long-term licence agreement with the Avis Budget Group ("**ABG**"). Our integrated mobility solutions include:

- Short-term vehicle rental
- Vehicle leasing and fleet management solutions
- Used vehicle sales

OUR PURPOSE, VISION AND ASPIRATION

PURPOSE

Connecting humanity

VISION

Trusted mobility solutions provider leading in its chosen markets

ASPIRATION

Drive greater adoption of usership economy

OUR CULTURE AND VALUES

We strive to cultivate a culture of inclusivity, diversity and respect across all levels. We are committed to celebrating our team members' unique perspectives, experiences and talent, and fostering a workplace that values and honours Africa's rich cultural heritage. In doing so, we create an environment that connects humanity and serves as a beacon of hope for a united prosperous Africa.

- One team
- Ownership
- Customer-obsessed
- Excellence-driven
- Empowering
- Purpose-aligned

OUR MARKET

Geography

Current presence in southern Africa plus Ghana

Current sub-licensees:
Angola, Malawi and Zimbabwe

Customers

A balanced portfolio consisting of:

Business to Business (“**B2B**”)

Business to Consumer (“**B2C**”)

Offering

Integrated mobility solutions:

Car rental

Leasing and fleet management solutions

Car sales

Where we operate

11 countries

- **Zeda managed**
- **Sub-licensed**
  We collect royalties from licensees
- **Dual**
  (some Zeda managed and some sub-licensees)

WE CREATE VALUE BY

2024

Positively contributing to livelihoods

Enabling individuals to get to their places of work

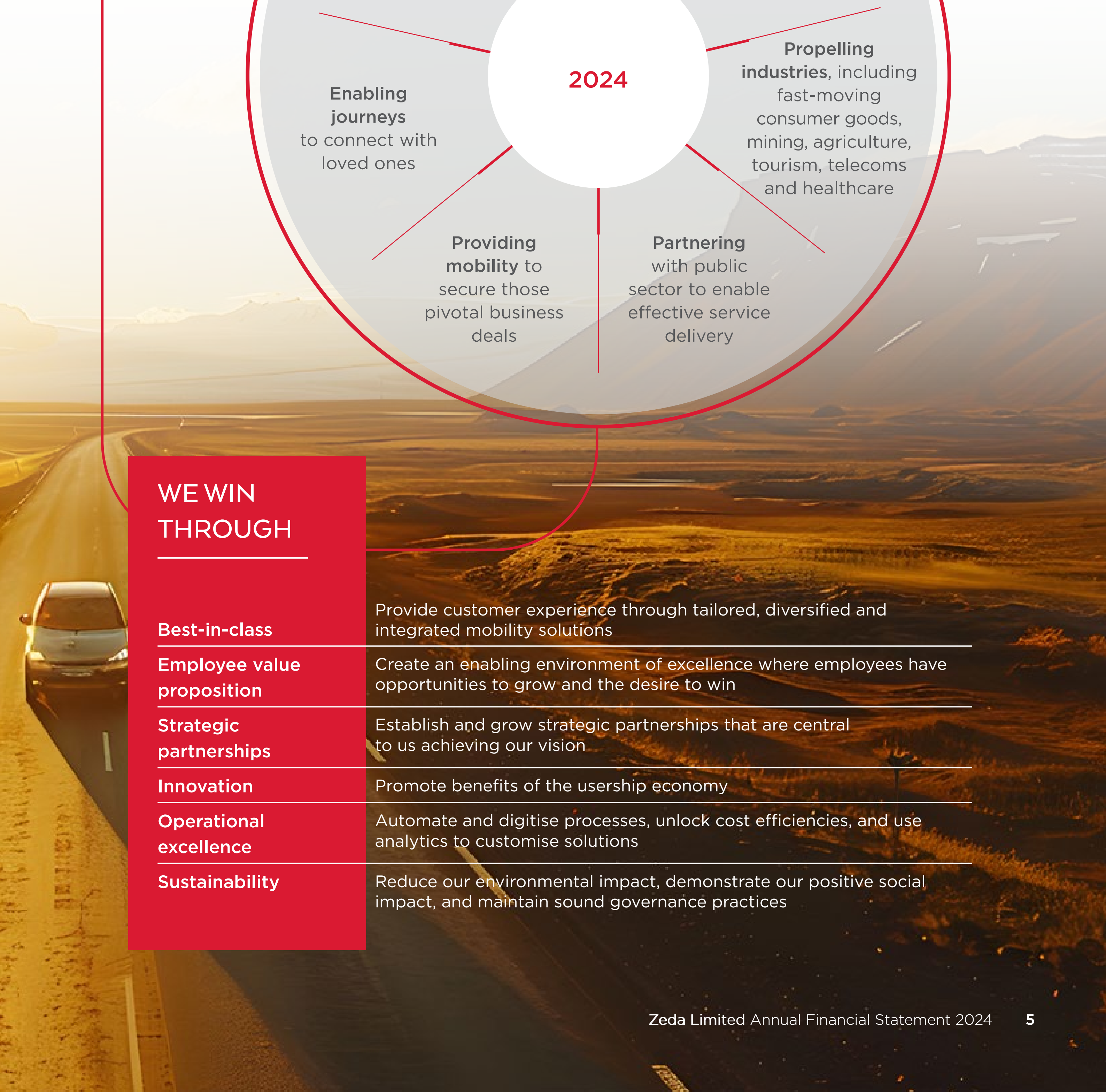
Propelling industries, including fast-moving consumer goods, mining, agriculture, tourism, telecoms and healthcare

Partnering with public sector to enable effective service delivery

Providing mobility to secure those pivotal business deals

Enabling journeys to connect with loved ones

Supporting small and medium enterprises ("SMEs") with mobility tools of trade



WE WIN THROUGH

Best-in-class	Provide customer experience through tailored, diversified and integrated mobility solutions
Employee value proposition	Create an enabling environment of excellence where employees have opportunities to grow and the desire to win
Strategic partnerships	Establish and grow strategic partnerships that are central to us achieving our vision
Innovation	Promote benefits of the usership economy
Operational excellence	Automate and digitise processes, unlock cost efficiencies, and use analytics to customise solutions
Sustainability	Reduce our environmental impact, demonstrate our positive social impact, and maintain sound governance practices

INTEGRATED MOBILITY BUSINESS

Car Rental Business

AVIS Budget

This business segment trades under the Avis and Budget brand names and creates revenue from short-term car rental services to a broad customer base.

The Group has on average over **20 000** vehicles in its fleet in Southern Africa. The Car Rental Business operates under the Avis and Budget brands and focuses exclusively on rentals that do not exceed 12 months. The customer segment base is diversified and consists of the private sector, public sector, insurance business (replacement), inbound market, domestic leisure market and subscription. This business provides a range of self-drive and driven products and services, including car and van rental, chauffeur services and luxury vehicle services.

Rental offering

Comprehensive offering

- Self-drive services
- Driven services
- eSIM cards for inbound customers
- Avis Safe Drive
- Bicycle racks
- Car seats
- Delivery and collection services
- Key locker (self-service)
- Roadside assistance
- Telematics
- Vehicle recovery
- Waivers
- Wi-Fi

Across a range of vehicle types

- Passenger vehicles
- Luxury cars
- Light delivery vehicles
- People carriers
- Medium commercial vehicles

With a diversified customer base

- Commercial partners: financial services
- Commercial partners: hotel groups
- Commercial partners: loyalty programmes
- Commercial partners: travel aggregators
- Commercial partners: airlines
- Corporate travel
- Film industry
- Inbound leisure
- Insurance replacement
- Local: leisure
- Public sector
- Subscription customers

Leasing Business

AVIS FLEET

Avis Fleet is Africa's largest fleet management company, which manages just under 200 000 vehicles.

Avis Fleet provides a full spectrum of outsourced mobility solutions to private and public sector entities and individuals. These solutions include leasing, fleet management, maintenance and service plan solutions, fuel management, traffic fine management, accident management, vehicle telematics, and the iLease subscription offering. The offering is across passenger vehicles, light delivery vehicles, and commercial vehicles (up to extra heavy) for all fleet users in countries where we operate. The holistic and modular offering allows customers to focus on their core operations, while Avis Fleet takes care of their mobility needs and ensures maximum up-time for their operations.

Leasing offering

Comprehensive offering

- Full maintenance lease
- Operating lease
- Accident management
- Bulk fuel management
- Fuel card management
- Intelligent fuel management
- Insurance
- Traffic fine management
- Telematics
- Stolen vehicle recovery
- Service and maintenance plan
- Roadside assistance
- Managed maintenance

Across a range of vehicle types

- Light delivery vehicles
- People carriers
- Medium commercial vehicles
- Modified vehicles
- Specialised vehicles
- Heavy and extra heavy commercial vehicles
- Luxury vehicles
- Passenger vehicles
- Motorcycles

With a diversified customer base

- Agriculture
- Construction
- Distillery
- Education
- Electronic technology
- Energy
- Fast-moving consumer goods
- Telecommunications
- Security
- Public sector
- Mining
- Individuals (iLease)
- Healthcare
- Financial services

CAR SALES BUSINESS

AVIS | CAR SALES

Avis Car Sales is an integral part of the Car Rental Business. The entire process from buying, financing and defleeting of car rental is not made in isolation of the Car Sales Business. In addition, car sales also sells vehicles from our Leasing Business to retail customers and wholesalers. This is done through the 14 Avis Car Sales dealerships, wholesale outlets, our online channel, or the independent auction site, www.avisauction.co.za. Retail vehicles are advertised on the company's online sales portal and third-party websites. Wholesale stock is sold through our online auction trading platform or bulk deal offerings directly to the market. Avis Car Sales accepts trade-ins and buy-ins, allowing for market competitiveness and an alternative car stock source.

Customer value proposition

Avis Car Sales offers additional value to customers:

01 Vehicle finance options

02 Warranties, service, and maintenance plans

03 Comprehensive insurance cover

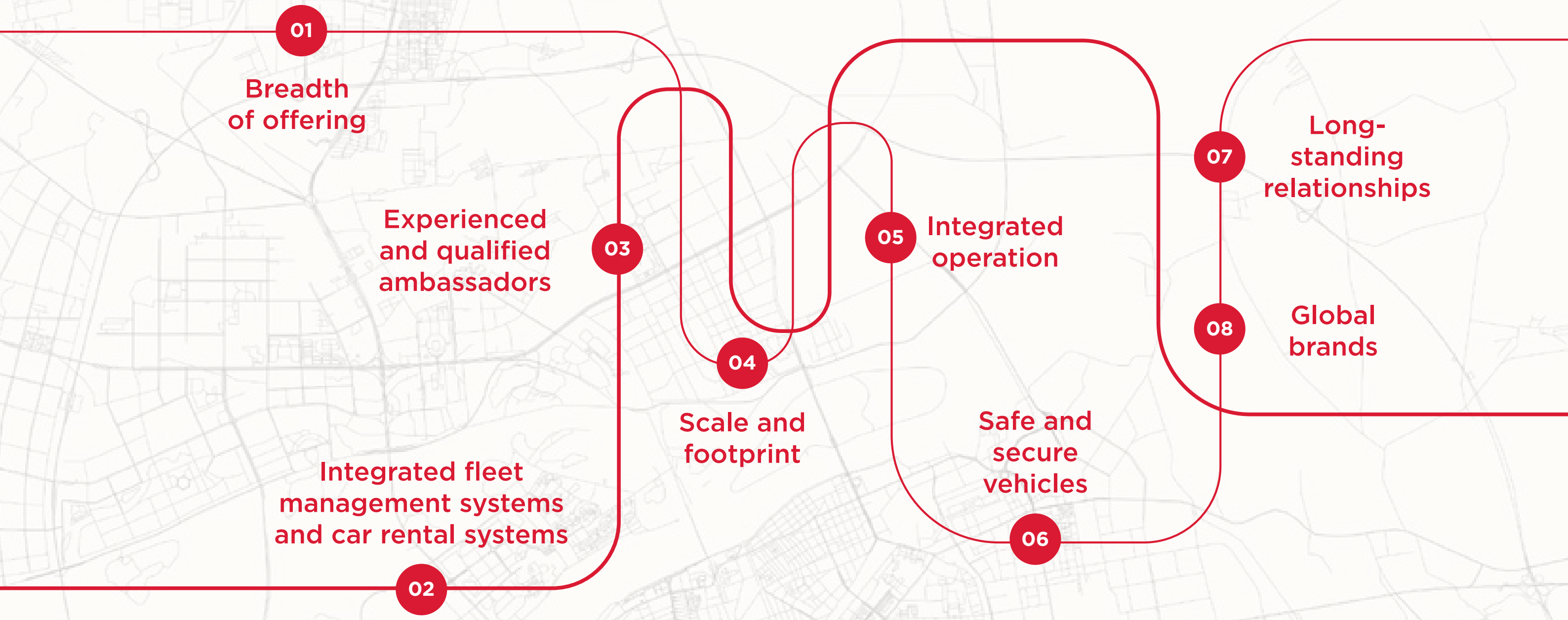
04 Anti-smash-and-grab window film, dent cover and tracking devices

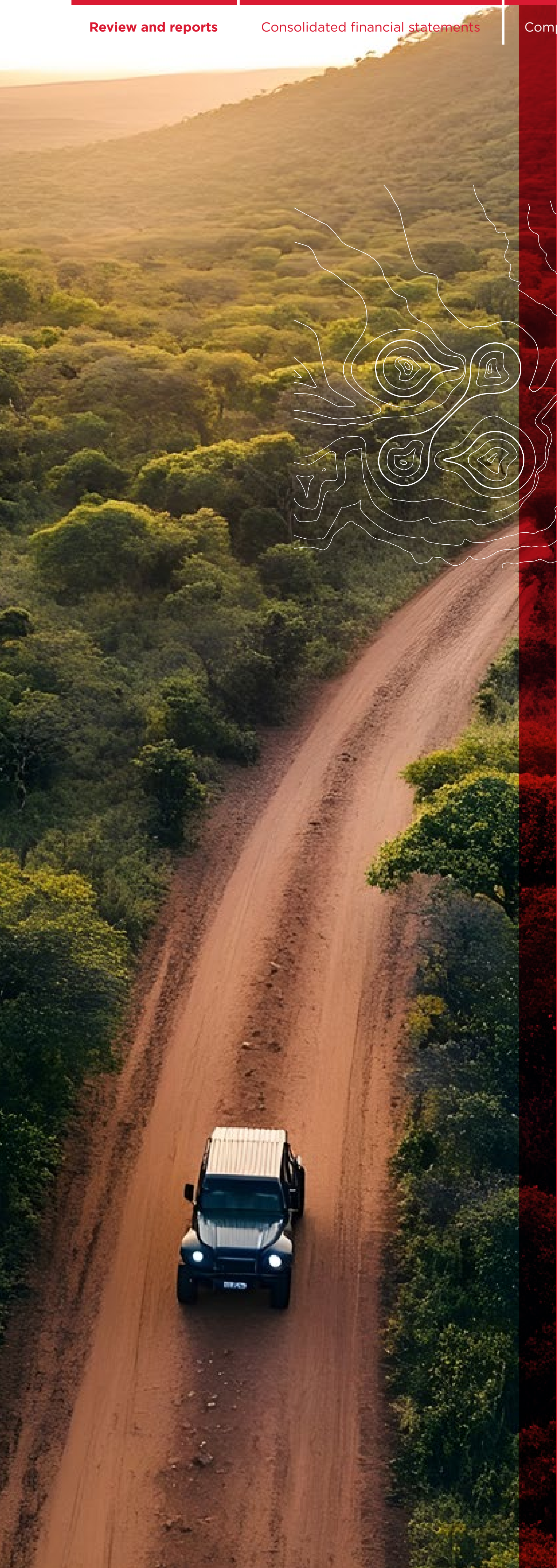
05 Aftermarket accessories

OUR COMPETITIVE ADVANTAGE

After 57 years in this business, we are experts in managing a vehicle throughout its life. We proactively anticipate and respond to the evolving customer needs. We deploy and extract optimal value from mobility assets for us and our customers.

As an integrated mobility provider, we have the following competitive advantages that put us in a market leader position.





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Review and reports

Ramasela
Ganda

MESSAGE FROM THE GROUP CHIEF EXECUTIVE OFFICER (GCEO)

Zeda remained resolute in the execution of its integrated mobility strategy despite the tough trading conditions. The 2024 financial year ("**FY2024**") was characterised by high interest rates, inflation, fuel hikes, a challenging competitive landscape, and the end of super profits in the used car market. Notwithstanding these challenges, the fundamentals of the business remained strong, and this was demonstrated by FY2024 annual results which produced double-digit top-line growth, a healthy financial position and solid returns from the capital deployed in the business, albeit with reduced profitability.

KEY DRIVERS SHAPING OUR PERFORMANCE

Group financial highlights

Financial performance

Record high revenue of **R10.5 billion**, up **14.5%** compared to prior year

EBITDA up by **0.8%** with **EBITDA margin** at **32%**

Operating profit down by **5.6%** with operating margin of **14%**

Shareholder returns

ROIC of **14.3%** > WACC of **11.8%**

ROE of **23.1%** (FY2023: 36.7%)

TSR of **24.6%**

Final dividend declared of **50 cents**, taking **total annual dividend** to **100 cents**

Financial position

Net debt to EBITDA improved to **1.4x** (FY2023: 1.5x)

Net debt of **R4 669 million** (FY2023: 4 826 million)

Cash and cash equivalent of **R1.2 billion** (FY2023: 842 million)

KEEPING BRAND AMBASSADORS SAFE

Safety is a top priority for Zeda and we are pleased to report that we have once again had zero fatalities this year.

A diversified business and strategy execution mitigated against tough trading conditions

The strategy to drive integrated mobility, which is centered around diversified mobility solutions, continues to pay off by mitigating against the changing market conditions, which are more pronounced in the short term mobility businesses and geographies.

The Group generated revenue of **R10 468 million**, an increase of **14.5%** compared to the prior year, driven by strong performance in the Leasing Business and the quality of vehicles and market intelligent in car sales to drive the volumes.

The long-term Leasing Business delivered double-digit revenue growth of **12.3%.** This was in line with the strategic focus on growing the corporate sector, heavy commercial and Greater Africa. The adoption of iLease in its first year of operation was rather slow, but it continues to be a key growth element as it disrupts the status quo.

From a short-term rental business perspective, we reported a **15.2%** growth in revenue driven by double-digit growth in used car sales across the retail and wholesale channels. The rental business revenue increased by **4%** driven by growth in the corporate business, inbound, and local businesses. This was, however, negatively impacted by the replacement market, which is highly price-sensitive. The subscription business is down **5.6%**. We have taken note of customer feedback on the system challenges when subscribing to the offering. We have started seeing an increase in volume and revenue as we address these challenges towards the end of the financial year.

Despite the strong top-line performance, the challenging used car market, driven by big discounts on new vehicles and declining consumer disposable income, continues to put pressure on used car sales. This environment constrained profitability, with the Group's EBITDA margin reducing to **32%** (FY2023: 36.3%) and the operating profit margin declining to **14%**.

We view FY2025 as a year of rebasing used car margins across the industry, signalling the end of the exceptional profits seen since the pandemic. To address this shift, Zeda remains agile in the size of outright acquisitions and the make range model in these changing times. Other efficiency measures, such as the launch of a digital dealership in November 2024, are being implemented to enhance the market reach.

Earnings were further impacted by the normalisation of the effective tax rate to **26.2%** compared to last year's significantly lower rate of **21%,** coupled with sustained high interest rates. Additionally, the impact of foreign exchange fluctuations related to the significant depreciation of the Ghana Cedi also affected Group earnings. Basic earnings per share ("**BEPS**") and Headline Earnings Per Share ("**HEPS**") declined by **17.3%** and **18.1%** respectively.

Our capital allocation methodology continues to bear fruit. Capital deployed to the business generated solid returns, achieving a return on equity ("**ROE**") of **23.1%** for the year. In FY2024, Zeda grew its equity much faster than debt, shifting the capital structure to **67:33** debt to equity ratio compared to **70:30** in FY2023. The return on invested capital ("**ROIC**") of **14.3%** was higher than the weighted average cost of capital ("**WACC**") of **11.8%**, generating returns for shareholders.

The positive shareholder returns were also demonstrated in the equity capital markets, with Zeda generating a Total Shareholder Return ("**TSR**") of **24.6%**, consisting of capital appreciation and the dividend. This follows the end of the unbundling flowback and reinstating the dividend policy. The Board declared a final dividend of **50** cents, taking the annual dividend to **100** cents for FY2024.

Net debt improved to **R4 669 million** (FY2023: R4 826 million) with net debt to EBITDA improving to **1.4x** (FY2023: 1.5x). During FY2024, the Board approved the registration of a Domestic Medium-Term Note ("**DMTN**") programme for up to **R5 billion** with the JSE and the development of sustainability finance fundraising framework for Zeda, in line with our strategy to diversify funding.

CAR RENTAL BUSINESS

Revenue from the Car Rental Business grew by **15.2%** to **R7 665 million** compared to the prior year, driven by a strong growth in car sales volumes, which increased by **17.3%** across both retail and wholesale channels. The rental business saw a **10.1%** increase in the corporate business and a **7.5%** rise in inbound travel segments. Additionally, the total number of rentals increased year-on-year, although this was partially offset by a reduction in the average rental duration within the replacement segment.

The year was more heavily weighted towards discretionary business, characterised by shorter rental durations negatively impacting utilisation, especially over weekends. Utilisation levels fell below our target range of **73%** to **75%**. Despite this negative impact, we sustained an average utilisation rate of **71%** with a 3.1% increase in the fleet size for the year.

The profitability of the business declined due to the end of the super profits in the used car market, which reduced margins. The excess supply of new vehicles led to heavy discounts in the retail market, putting pressure on used car sales. In addition, we introduced a higher mix of rental vehicles obtained on short-term operating leases versus those financed through short-term facilities.

All this culminated in EBITDA declining to **R1 712 million** with an EBITDA margin of **22%**, while the operating profit declined to **R707 million** with operating margins at **9%.** The fleet procurement and funding strategy positively affected our net debt and fleet size as it allowed the Group to acquire vehicles for the rental market without facing disposal risk.

LEASING BUSINESS

The long term leasing business continues its top-line growth trajectory, delivering double-digit revenue growth of **12.3%** to **R2 803 million**. This performance was underpinned by growth within our Corporate sector and our strategy of growing our heavy commercial fleet and increasing the penetration and contribution of our Greater Africa businesses. As we continue to diversify our fleet mix and revenue, our strategy has consistently delivered improved results, with units in the heavy commercial segment growing by **30%** compared to FY2023.

Revenue from the Greater Africa businesses grew by **16%** compared to FY2023, contributing **22%** to total leasing revenue. This is in line with our strategy to increase the top-line contribution from Greater Africa. The improved performance is due to the portfolio review conducted in the prior year which led to focused growth strategies, particularly the pleasing results that were delivered by Zambia, Lesotho, Mozambique and Namibia. Ghana remains a challenge, generating net losses for the year and posting foreign exchange losses of **R46 million** due to the significant depreciation of the Ghana Cedi. Ghana was placed on portfolio review for the past two years. The Board resolved to explore options to disinvest from the Ghana investment, as capital allocation to Ghana no longer fits the Group's growth focus, given its isolation within the West African market, and to effectively allocate the Group's resources to stable and profitable operations.

EBITDA grew by **11.5%** to **R1 635 million** compared to FY2023, with a strong EBITDA margin of **58.3%**. The operating margin remained constant at **27%**.

The profitability of the Leasing Business continues to be underpinned by our diversified client base, fleet mix and improvements in operational efficiencies.

DELIVERING ON OUR STRATEGIC GOALS

Zeda pursues an integrated mobility strategy that seeks to grow the business. The integrated business model provides a natural hedge ensuring that the Group delivers its growth ambitions.

For FY2024, we focused on executing on our strategy in line with our strategic pillars to grow the business and unlock more value for shareholders. We lowered our cost of funding through diversification, delivered strong top-line growth and made good progress in innovation and customer-centricity.

Funding

- **Cost of funding** improved
- **Funding sources** have been diversified from a limited set to a variety of funding sources
- **Negotiated terms** and lengthened our debt maturity

Growth

- **Growth** in Leasing book and improved the mix to increase revenue by **12.3%** (in line with the previous section)
- Heavy Commercial units up **30%**
- Used car sales volumes up **17.3%**
- Greater Africa up **16%** to contribute **22%** of Group's Leasing revenue
- Inbound and Corporate segments up **7.5%** and **10.1%** respectively

Innovation

- **Enhancing iLease** value proposition to access the right market for long-term subscription
- Through technology, we enhanced three customer service channels to improve customers' experience when transacting with Zeda:
  - Launched Quick Pass
  - Launched the Reservation Bot on WhatsApp for the Car Rental Business
  - Introduced the cashless payment system to streamline customer transactions
  - Launched a digital dealership in November 2024

Customer centricity

- **Completed the customer journey proposition** that is aligned with our customer-centric model
- We improved the offering of Avis Preferred, our loyalty programme, to increase customer value

DELIVERING ON OUR ESG GOALS

Driving a safety culture remains an imperative to our business, supported by the safety programme we continue to pursue in line with our ESG strategy.

In FY2024, we focused on reducing our environmental footprint, particularly for water management. The initiatives relating to reduced energy consumption remain in progress as we roll out our renewable energy programme.

We remain committed to creating an environment that supports diversity, equity, inclusion and belonging. This approach reflects a proactive commitment to fostering a workplace where every individual feels valued and empowered. The Board is committed to corporate stewardship and a proactive approach to understanding potential risks to matters of ethics, fraud, and internal controls.

Environment

- Carbon emissions intensity decreased by **5%** against the target due to the increased demand for car rentals
- Water consumption is **19%** lower than the FY2023 consumption
- Exceeded our recycling target of **62%** for our solid waste. Recycled **64%** of our recorded waste collection through our partnership with a waste service provider
- Installed **10** water and energy smart meters at top consuming sites, providing real-time monitoring, improved accuracy and enabling directed effort for further sustainability efforts

Social

- Maintained zero fatalities and recorded a lost-time injury frequency rate of **0.22**, higher than the prior year of **0.15**
- Safety collaboration programme and proactive risk management initiatives
- The company demonstrates its committment to diversity, equity, inclusivity, and belonging through strong representation in both senior management (59.6% female) and Exco (71.4% black females)
- Black representation, with **71.4%** being black women, surpassing the National Economically Active Population of black women, which stands at 36%.
- **2.08%** disability representation against the required **2%**
- Invested **R20 million** in enterprise supplier development ("ESD") beneficiaries through the provision of **66** vehicles

Governance

- Independent fraud risk assessment was conducted
- The tip-off anonymous mechanism is monitored and has shown improvement in how quickly whistleblowing cases are concluded
- Training and awareness was conducted on ethics policies, the anti-money laundering policy and cybersecurity
- Approval of the sustainability reporting framework
- Approval of the sustainability-linked financial framework

OUTLOOK STATEMENT

The fundamentals of this business remain strong, despite the challenging trading environment. Our recipe for success is a strong operating model that covers the full value chain of integrated mobility, which is anchored in the digital transformation of the business.

Following the approval of the five-year strategy, we developed the sustainability finance fundraising framework (i.e. use of proceeds and sustainability-linked) to support our ESG strategy and commitment to sustainability, while pursuing an integrated mobility solutions strategy. The framework aligns Zeda's sustainability strategy with its fundraising strategy.

The DMTN programme and sustainable finance framework provides cost and execution-efficient access to the debt capital markets. These initiatives will allow Zeda to access various funding sources, lengthen its debt maturity profile and bring about cost of funding savings to meet the Group's funding requirements. The first issuance in the debt capital markets is planned to be in the first half of FY2025.

Our key strategic pillars for growth remain intact; the bedrock of our growth pillars is subscription, long-haul and last- mile business, Greater Africa, Asset light business, with focus on service and maintenance plans and the used car business. These growth pillars will be elevated by investments in technology as part of Zeda's Digital Transformation Journey.

With the growth in equity and the capital allocation framework, the business is well-positioned to seize value-accretive opportunities in the market.

From a subscription perspective, we are seeing an improved performance in short-term subscriptions as a result of enhanced customer experiences. We have implemented targeted initiatives to address challenges encountered in the first year of iLease to ensure that we attract the right market.

Growth in the leasing book will be driven by heavy commercial and last mile, Corporate South Africa and Greater Africa.

We are seeing an increase in public sector activities, and this bodes well for growing our leasing book. We expect to launch in Zimbabwe through corporatising a short-term rental business and launching a leasing business.

We expect the used car market to normalise after years of elevated profits while economic growth is expected to remain subdued. The expected decline in interest rates bodes well for the industry outlook. As we continue to invest in technology to drive growth, the launch of the Digital Dealership earlier this month has attracted good quality customers. We expect to grow the business, which has its genesis in cost efficiency and digital process.

Our strategy is underpinned by technology. We will continue to deploy technology to drive innovation in our business. We have generated solid equity and given ourselves a good buffer on our gearing levels to consider inorganic growth that is in line with our core and market.

DIVIDEND DECLARATION

On 25 November, the Board has declared an annual dividend (dividend number 2) of **50.00000** cents per share in respect of the gross annual dividend for the year ended 30 September 2024, subject to the applicable dividend withholding tax rate of 20% levied in terms of the Income Tax Act (Act No. 58 of 1962) (as amended). Accordingly, for those shareholders that are not exempt from paying dividend withholding tax, the net ordinary dividend will be **40.00000** cents per share. The dividend has been declared out of income reserves and the number of ordinary shares in issue at the date of this declaration is 189 641 787, and the Company tax number is 9042025305.

The following dates are applicable to the dividend:

Last date to trade cum dividend	**Tuesday, 4 February 2025**
Ordinary shares trade ex-dividend	**Wednesday, 5 February 2025**
Record date	**Friday, 7 February 2025**
Payment date	**Monday, 10 February 2025**

Share certificates may not be dematerialised or rematerialised between Wednesday, 5 February 2025, and Friday, 7 February 2025, both days inclusive.

CHANGE IN DIVIDEND POLICY

Shareholder reward is considered in the context of a holistic capital allocation framework wherein capital is allocated in reinvesting in the business and return cash to shareholders. Our dividend policy is designed in line with Zeda's capital allocation framework that considers its long-term strategic growth and its ability to generate cash. Based on Zeda's growth ambitions and expected cash to be generated by the business in the medium term, the Board has resolved to increase the dividend policy from **20%** to **30%** of profit after tax to accumulative annual pay-out ratio within a range of **30%** to **50%** of profit after tax subject to sufficient cash available. The dividend policy is effective from the financial year 2025.

Notwithstanding its adopted dividend policy and intention, the Board retains absolute discretion to determine actual dividend declarations, and the Company may revise its dividend policy from time to time.

FLEET SERVICES GHANA LIMITED

The Board of Directors has been considering strategic options for the Group's subsidiary, Fleet Services Ghana Limited, in which the Group has a controlling interest of 100% through its subsidiary, Avis Southern Africa Proprietary Limited.

Subsequent to the report date, but prior to the approval of the Group's annual financial statements, the Board resolved to explore options to disinvest from its Ghana investment, as capital allocation to Ghana no longer fits the Group's growth focus, given its isolation within the West African market, and to effectively allocate the Group's resources to stable and profitable operations.

To the knowledge of the directors, no material events have occurred, apart from the three stated above, 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.

RAMASELA GANDA
Group Chief Executive Officer

Thobeka Ntshiza
Group Finance Director

FINANCIAL OVERVIEW

FOR THE YEAR ENDED 30 SEPTEMBER 2024

PRODUCING RESILIENT FINANCIAL RESULTS

Report from the Group Finance Director

We are striving to sustain operational efficiencies and embedding a cost awareness and cost-containing culture – spending in the right areas to generate revenue.

This year, we focused on several areas to enhance Zeda's financial competitiveness and ensure we have the right skills and processes in place for a robust operating control environment.

Zeda's operations are crucial, and it is critical that we diversify our funding facilities and reduce interest rates to provide competitive rates for our customers and rewards to our shareholders.

QUICK VIEW OF THE FINANCIAL OUTCOMES

We successfully grew our revenue by **14.5%**, despite a challenging economic environment marked by high interests rates and rising inflation. Group EBITDA remained flat at **R3 347 million**, while the EBITDA margin reduced from **36.3%** to **32.0%**, predominantly from lower margins on used car sales and a decline in rental period in the Car Rental business.

Our diversified revenue streams, combined with our growth strategy for the heavy commercial fleet, corporate, and Greater Africa business, supported by a strong cost-containment culture, continue to deliver positive results. This enabled Zeda to achieve an operating margin of **14%**, notwithstanding the impact of margin declines in used car sales and foreign exchange losses.

Foreign exchange losses amounted to **R46 million** for the 2024 financial year. These mainly arose from the Group's operations in Ghana as the Ghanaian Cedi depreciated by **26.5%** compared to the US Dollar since October 2023.

Revenue	**R10 468 million** (FY2023: R9 145 million)	+14.5% growth
EBITDA	**R3 347 million** (FY2023: R3 321 million)	EBITDA margin: 32.0% (FY2023: 36.3%)
Operating profit	**R1 465 million** (FY2023: R1 552 million)	Operating margin: 14.0% (FY2023: 17.0%)
Basic earnings per share	**320 cents** (FY2023: 387 cents)	-17.3% decline
Headline earnings per share	**312 cents** (FY2023: 381 cents)	-18.1% decline
Dividend per share	**50 cents** (FY2023: 0)	50 cents
Net debt to EBITDA	**1.4 times** (FY2023: 1.5 times)	Equity is 38.3% of capital structure (FY2023: 33.2%)
Return on equity	**23.1%** (FY2023: 36.7%)	13.6pps decline
Return on invested capital	**14.3%** (FY2023: 18.7%)	Return on invested capital of 14.3% above weighted average cost of capital of 11.8%
Net asset value per share	**1525.37 cents** (FY2023: 1262.88 cents)	+20.8% growth

EXCEPTIONAL REVENUE PERFORMANCE

We improved revenue performance during a time when customers' disposable income came under significant pressure.

Rental and leasing revenue

	Year-on-year growth (%)	FY2024 R'million	FY2023 R'million
Insurance, commissions and other	10.2	173	157
Leasing	12.3	2 435	2 168
Rental	4.6	3 521	3 367
Car sales	25.7	4 339	3 453
Total revenue	14.5	**10 468**	9 145

The Car Sales revenue grew by an impressive **25.7%** in the face of tight consumer spending and increasing competition from new vehicle price points. Our quality used cars inventory continues to be highly regarded in the market. The car rental revenue growth has slowed down compared to the prior financial year. It is pleasing that the business has sustained its daily rental rate year-on-year and increased the numbers of rentals. The growth in the car leasing business is attributed to the corporate segments, heavy commercial and leasing businesses in the Greater African regions.

PROFITABILITY

Profitability was impacted by reduced margins in used car sales, a reduction in rental duration, persistent high interest rates and inflationary pressures.

EBITDA and EBITDA margin

	Year-on-year growth (%)	FY2024 R'million	FY2023 R'million
Leasing	11.5%	**1 635**	1 467
Car rental	(7.6%)	**1 712**	1 854
Total EBITDA	0.8%	**3 347**	3 321
EBITDA margin	(4.3)pps	**32.0%**	36.3%

Operating profit and operating profit margin

	Year-on-year growth (%)	FY2024 R'million	FY2023 R'million
Leasing	13.6%	**758**	667
Car rental	(20.1%)	**707**	885
Total operating profit	(5.6%)	**1 465**	1 552
Operating margin	(3.0)pps	**14.0%**	17.0%

The growth rate of our cost of sales outpaced the growth rate of our revenue. The pricing pressures in the used cars market led to reduced gross margins compared to the prior year. Our fleet utilisation at **71%**, which is lower than our target of **73%** to **75%,** resulted in higher input costs. To protect the profitability of the business, various initiatives were implemented. We optimised the fleet size to minimise holding costs and responded swiftly to changes in demand. We continued to position our value proposition in the market. Protecting and maintaining a loyal customer base helped to grow revenue in the face of fluctuating economic conditions. We reintroduced Point-2-Point services to expand product lines and cater to the growing market trend of using driven services. We continuously reviewed and optimised processes to reduce waste and enhance efficiencies.

In the Leasing Business, the cost base remained relatively unchanged despite the increasing revenue. The business also realised the increase in maintenance profit of **R42 million**.

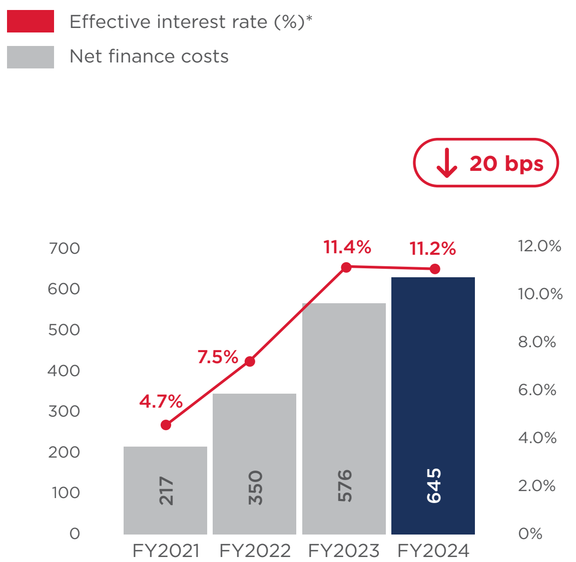
MANAGING NET FINANCE COSTS

Elevated prime interest rates and higher average debt have increased net finance costs*, which is up **12.0%** compared to last year.

The effective interest rate (excl. IFRS 16) has reduced by **20** basis points compared to 2023. We sought to renegotiate credit terms for more favourable terms and lower interest rates on the existing debt.

Despite the profitability constraints, we have a healthy interest cover ratio of **4.9** times, indicating that our operating model is resilient to fluctuations in interest rates. Our diversified revenue stream and robust cash flow management practices have enabled the business to better respond to the impact of adverse macro-economic factors. Our scenario planning and risk management philosophies allowed management to anticipate potential changes in demand and costs and prepare contingency plans.

Net finance costs* (Rm)



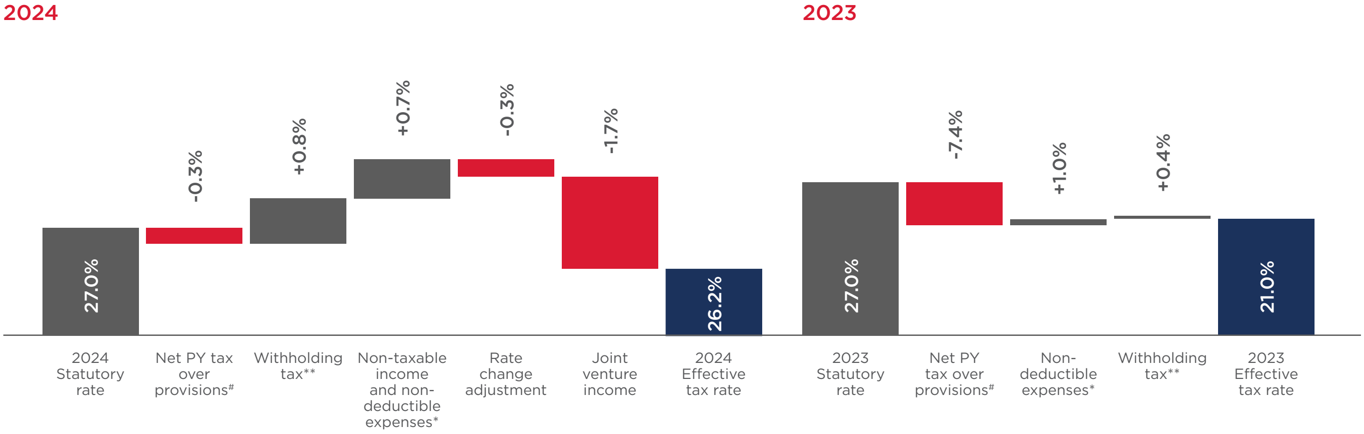
* *Net finance costs excludes interest paid on IFRS 16 lease liabilities*

RESPONSIBLE TAX MANAGEMENT

Zeda manages effective compliance across different territories through diligent tax forecasting, planning and key controls. We use tax experts in each territory to assist us to comply with each country's tax legislation and keep abreast of changes in tax legislation. There is also a specific focus on ensuring that the risk associated with transfer pricing is managed appropriately.

The effective tax rate for FY2024 was **26.2%** (FY2023: 21.0%).

Tax rate (%)



* *Non-taxable income mainly relates to the portion of the selling price of the de-fleeted vehicles that is more than the cost price.*

Non-deductible expenses comprise traffic fines, IFRS 2 share costs that are equity-settled, donations and foreign exchange differences. We also have companies that operate in Greater Africa jurisdictions with different tax rates.

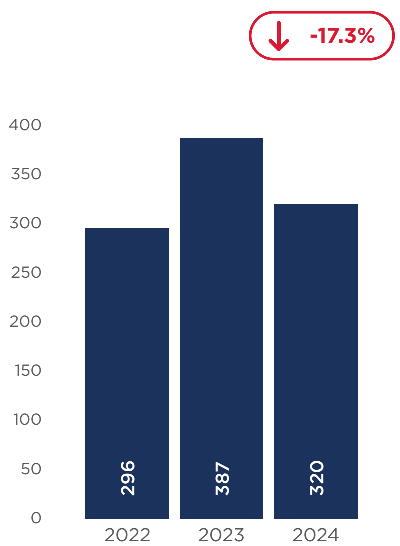
** *Withholding tax is applicable when royalties are paid to ABG for the licence to operate the global brands, Avis and Budget.*

\# *Prior year overprovisions relate to adjustments that arise due to variances in estimated tax liabilities and the actual final tax liabilities.*

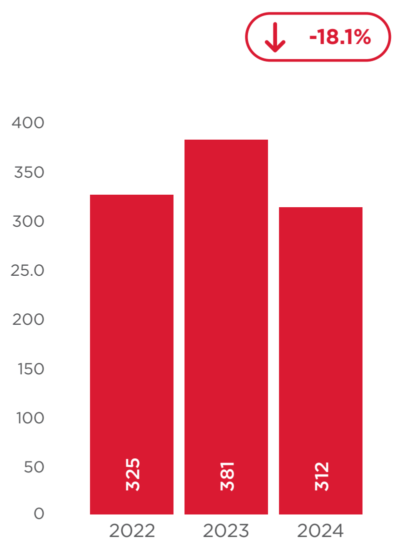
UNDERSTANDING OUR EARNINGS PER SHARE

Earnings were affected by the high cost of funding that prevailed in the economies in which we operate, and the contraction of used car sales margins. The difference between BEPS and HEPS is due to capital items, relating to the disposal of property in the 2023 and 2024 financial years.

Basic earnings per share (BEPS) (cents)



Headline earnings per share (HEPS) (cents)



Statement of financial position summary

Due to the nature of our business, our funding is a strategic enabler and directly linked to the investment in our operating assets.

	FY2024	FY2023
ASSETS		
Total non-current assets	5 515	4 836
Total current assets	7 892	7 977
Total assets	13 407	12 813
EQUITY AND LIABILITIES		
Equity attributable to equity holders	2 841	2 355
Non-controlling interest	53	48
Total equity	2 894	2 403
LIABILITIES		
Total non-current liabilities	3 188	3 052
Total current liabilities	7 325	7 358
Total liabilities	10 513	10 410
Total equity and liabilities	13 407	12 813

OPERATING ASSETS SUPPORTING THE BUSINESS

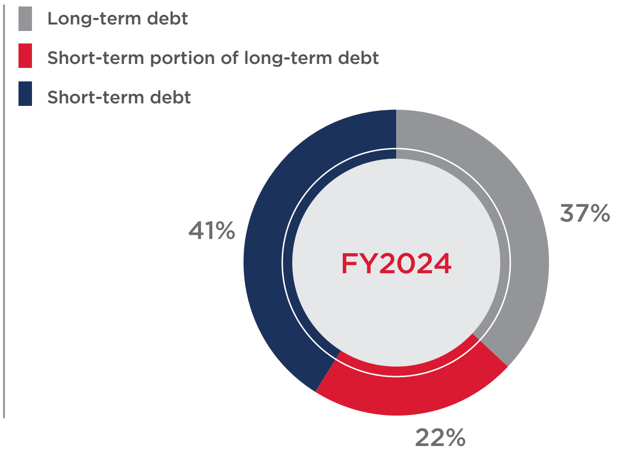
Long-term rental fleet has grown by **R545 million**, while the short-term rental fleet value has reduced by **R1 127 million**. To optimise our funding structure, Zeda increased the use of operating leases for the car rental business, resulting in reduced debt levels required to fund the rental fleet and a corresponding reduction in fleet size, as reflected on the statement of financial position. The mix of vehicles on lease against vehicles on the statement of financial position is continuously reassessed in line with our business fundamentals of buy right, utilise right and dispose right. The growth in the leasing revenue, based on the strategy of retaining our corporate segment, growing heavy commercial and Greater Africa, has resulted in an increase in required fleet investment to support the growth.

Despite challenging economic conditions, Car Sales sold over **3 000** vehicles compared to the prior year. The used cars inventory included a diverse range of makes and models, some which experienced more sensitivity in sales due to market activity and seasonality. The overall slowdown in new and used vehicle sales, intensified by aggressive competition from new entrants offering significant incentives, placed a downward pressure on resale values. Management mitigated these challenges by strategically pacing the sale of high-volume models to safeguard margins and prevent erosion.

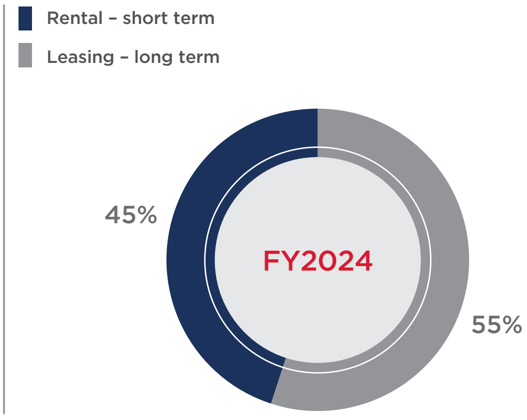
OPERATING ASSETS AND WORKING CAPITAL

	FY2024 R'million	FY2023 R'million
Property, plant and equipment (excluding vehicles)	46	106
Fleet assets – Leasing	4 645	4 100
Fleet assets – Rental	3 860	4 987
Other assets	1 132	941
Net working capital	(639)	(1 256)
– Receivables	1 558	1 292
– Inventory	972	545
– Payables	(3 169)	(3 093)

Financing split



Fleet assets split



FOCUSING ON FUNDING

Net debt has reduced from **R4.8 billion** to **R4.7 billion** due to the decrease in total fleet value of **R582 million** and increase in cash and cash equivalents of **R352 million**. Equity represents **38.3%** (33.2% in prior year) of the capital structure due to attributable earnings of **R614 million** generated in the financial year.

We have a balanced funding mix as graphically presented above. The focus in the year was to diversify our sources of funding and lengthen the debt maturity profile. Zeda has solidified relationships with our financiers, and we value their continuous support. We have met all financial covenants at year end.

We will be registering by the end of 2024 calendar year a **R5 billion** DMTN programme with the JSE, after significant groundwork was done during the year. This included a non-deal roadshow in June 2024 to understand debt investors' appetite and input regarding the programme. The engagements were successful, and we expect to do the first issuance in Quarter 1 of 2025.

Key messages from the roadshow

- Zeda's return profiles are attractive
- Zeda's ability to invest debt to grow revenue and earnings is well received
- Disruptions in the mobility sector is seen as a positive
- There is confidence in Zeda's management

Zeda' credit rating from Moody's

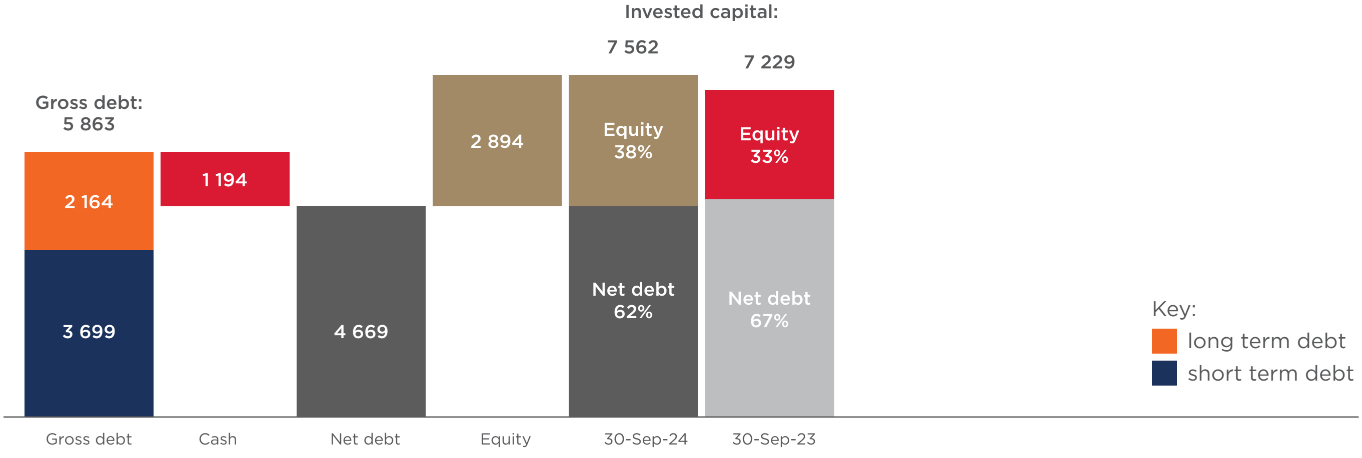
The last review date was October 2024:

Long-term scale: Ba3 | **Long-term national scale:** A1.za | **Outlook:** Stable

We have established a Sustainable Finance Fundraising Framework to align our financial activities to Zeda's sustainability objectives. The Sustainability-Linked Framework contains three KPIs focusing on material areas such as small, medium and micro enterprises, water and renewable energy.

The framework will provide access to different debt markets, while leveraging the integral work Zeda is doing in the ESG space. The framework has been approved by the Board and will be used to issue sustainable finance bond and/or loan instruments.

Capital structure at 30 September 2024*
(Rm/times)



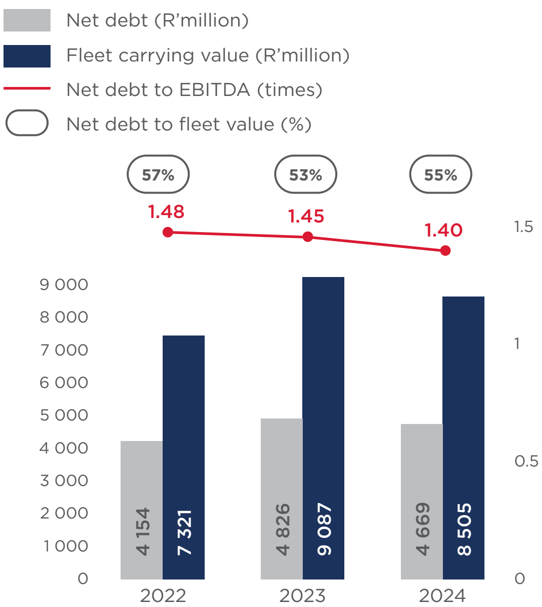
** Excluding IFRS 16 liabilities.*

Financial leverage levels maintained

Despite the high interest rates, we maintained net debt to EBITDA of **1.4** times (2023: 1.5 times) and interest cover at **4.9** times. This is well within the financial covenants set by the debt capital providers.

Prime interest rates remained at elevated levels of **11.75%** in the financial year and reduced by **25** basis points on the 20 September 2024. The overall net finance costs (excl IFRS16) increased by **12.0%**, driven by higher market interest rates and debt levels. The net debt to fleet value increased marginally from **53.1%** to **54.9%**, demonstrating the business' continued strength to generate positive cash flows to invest in new fleet.

Debt ratios



Capital allocation approach

Our capital allocation framework seeks to reinvest and grow the business, manage our balance sheet and reward shareholders. The capital expenditure focus areas for FY2024 included:

- Safety to protect our brand ambassadors and our operations
- Replacement of assets to protect our revenue base, with a net fleet investment of **R5 466 million** (2023: R6 365 million)
- Growth in new segments and Greater Africa
- Technology to improve the mobility experience for our customers

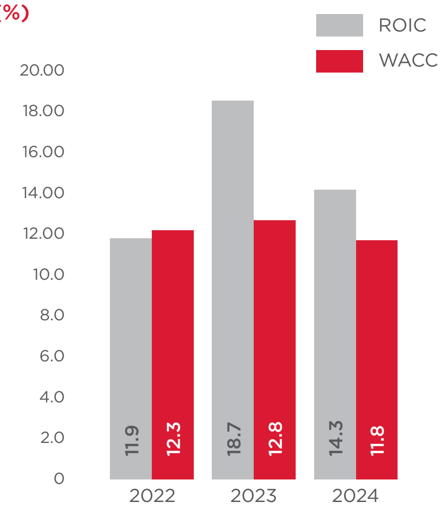
Our capital allocation considers shareholder rewards through dividends. We declared an interim dividend of **50** cents per share, and a full year-year dividend of **50** cents per share (total: R190 million, 31.2% of net profit after tax). Zeda's dividend policy is a payout ratio of **20-30%** of net profit after tax.

Delivering robust returns

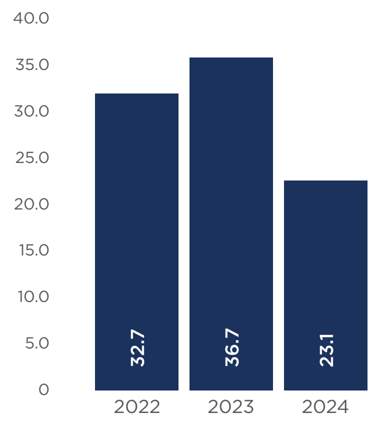
Our capital deployment strategy returned a ROIC above WACC, with ROIC of **14.3%** achieved in the 2024 financial year.

The return on equity was impacted by net finance costs and lower profitability compared to the prior year.

Return on invested capital vs WACC (%)



Return on equity (%)



Enhancing cash flow management

We focused on ensuring we have the right policies, systems and controls in place to improve our cash management. We introduced a treasury risk management framework, a cash management policy, a foreign exchange risk policy and an investment policy. These policies provide the terms and thresholds for all our investments and are part of ensuring a robust control environment.

Cash flow after dividends

	FY2024 R'million	FY2023 R'million
Operating cash flows before working capital	**3 476**	3 341
Working capital movements	**3 284**	3 508
Net investment in fleet assets	**(5 466)**	(6 365)
Finance lease receivable movement	**(238)**	(153)
Net tax paid	**(30)**	(284)
Net interest and foreign exchange losses	**(691)**	(598)
Cash generated (utilised) from operations before dividends	**335**	(551)
Cash flow (utilised) generated in investing activities	**(12)**	5
Cash inflow (outflow) before dividends	**323**	(546)
Dividends paid (including minorities)	**(99)**	(4)
Cash inflow (outflow) after dividends	**224**	(550)

Looking toward FY2025, and beyond

- Continue to diversify our funding and drive down the cost of funding
- Execute the first bond auction in Quarter 1 of the 2025 calendar year
- Improve technological platforms to enhance insights, decision-making and finance support of Zeda
- Continue with the cost containment culture and driving operational excellence

THOBEKA NTSHIZA
Group Finance Director

DIRECTORS' REPORT

The Board is pleased to present the consolidated and separate annual financial statements of Zeda Limited (the "**Group**") for the year ended 30 September 2024.

Compliance

The Board is satisfied that the Group has complied with and operates in conformity with the provisions of the South African Companies Act ("**Companies Act**"), the Company's Memorandum of Incorporation ("**MOI**") and any other applicable laws relating to its incorporation.

Nature of business

The Group is a non-manufacturing integrated vehicle mobility solutions business, providing car rental, fleet management and leasing solutions in South Africa and 10 other countries in sub-Saharan Africa. It is a services company with two primary areas of focus: car rental and leasing activities. Zeda Limited acquired a primary listing on the Main Board of the JSE on 13 December 2022.

Financial results and review

R'million	**2024**	(Restated) 2023	% change
Revenue	**10 468**	9 145	14.5
Operating profit	**1 465**	1 552	(5.6)
Basic earnings per share (cents)	**320**	387	(17.3)
Headline earnings per share (cents)	**312**	381	(18.1)
Net cash derived from financing activities	**142**	1 091	(87.0)

Revenue of **R10.47 billion** (FY2023: R9.15 billion) was up **14.5%** from the prior year. The operating profit of the Group was down **5.6%** to **R1.47 billion** (FY2023: R1.55 billion). Group headline earnings per share of **312** cents was **69** cents below the headline earnings per share of **381** cents in the prior year. Net cash inflow from financing activities was **R0.14 billion** compared to the inflow of **R1.09 billion** in the prior year.

DIRECTORS' REPORT continued

Stated capital

The Company was incorporated on 17 May 2022 with an authorised share capital of 2 000 000 000 Zeda Limited shares of no par value. No Zeda Limited Shares were issued on incorporation. 200 Zeda Limited Shares were subsequently issued to Barloworld. A further 189 641 687 Zeda Limited Shares were issued to Barloworld as the consideration for the investment in the Avis Southern Africa Proprietary Limited ("**Avis Southern Africa**") Group (collectively "**Avis Southern Africa Group**").

For the purposes of the consolidated financial statements, the share capital is presented as being in issue from the first period presented. Further details of the authorised and issued stated capital of the Zeda Limited Group and Company are provided in note 24 and note 13, respectively.

Major shareholders*

Beneficial shareholdings 5% or more

Shareholder Name	Total shareholding	% of issued capital
Zahid Tractor & Heavy Machinery Co. Limited	**36 067 299**	19.02%
Zarclear Securities Lending Proprietary Limited	**14 066 637**	7.42%
Abax Investments Proprietary Limited	**10 102 797**	5.33%
Total	**60 236 733**	31.77%

* *As per the Share Register from Strate Proprietary Limited, dated 15 November 2024*

Borrowing powers

The Company's borrowing powers exercisable by the directors are unlimited. The MOI does not provide for the borrowing powers of the directors to be varied and any variation of such powers would accordingly require Zeda Limited ordinary shareholders ("**Zeda Limited Shareholders**") to approve a special resolution amending the MOI.

DIRECTORS' REPORT continued

Capital expenditure and commitments

Details of the Group's capital commitments on property, plant and equipment, motor vehicles as well as intangible assets are set out in note 38 of the accompanying Group annual financial statements. Capital commitments will be financed by cash generated from operations and borrowing facilities.

Special resolutions

In the 2024 financial year, the shareholders of Zeda Limited passed the following special resolutions:

- a special resolution valid for a period of two years authorising the payment of remuneration to Non-Executive Directors for their services as Directors for the 2024 financial year by the Company;
- a special resolution authorising the Company to provide financial assistance as contemplated by section 45 of the Companies Act;
- a special resolution granting the Company the general authority to acquire or repurchase up to 5% of the ordinary shares issued by the Company.

Subsidiaries, associates and other investments

Details of interests in subsidiaries are disclosed on page 60 of the consolidated annual financial statements of the Company.

Details of interests in joint venture are outlined in note 15 of the consolidated annual financial statements of the Zeda Limited Group. Refer to note 26 on non-controlling interest.

During the current financial year, the Group disposed of its 60% interest in Vuswa Fleet Services Proprietary Limited for proceeds amounting to R2.3 million and a profit of R0.3 million. Refer to note 44.

Going concern

The consolidated and separate annual financial statements of Zeda Limited are prepared on the going concern basis.

The going concern assumption was approved by the Board on recommendation from the Audit Committee, after taking into consideration its available information about the profitability of the operations and the accessibility to financial resources for at least the next 12 months from 30 September 2024.

The Board has considered both near-term and longer-term funding requirements and is comfortable that Zeda Limited will have sufficient liquidity and funding sources to continue operating in the foreseeable future.

Liquidity and solvency

The Board reviewed the working capital report prepared by management to support the solvency and liquidity tests required in terms of section 4 of the Companies Act for all distributions.

Events after the reporting period

Events occurring after the reporting date, which are considered material to the consolidated and separate annual financial statements of Zeda Limited, are detailed in note 46.

DIRECTORS' REPORT continued

Directors

The Company is governed by the Board, which is responsible for ensuring that the Company complies with all its statutory and regulatory obligations, as specified in the Companies Act, the MOI, the JSE Listings Requirements, and the South African Financial Markets Act, among other applicable laws. The Board has constituted several Committees to assist the Board in discharging its duties, with the particulars of such Committees appearing below.

The composition of the Board, for the year under review and up to the date of this report, is as follows:

Directors	Position	Appointment date	Sub-Committees as reconstituted on 1 December 2023					
Lwazi Bam (Chairman)	Independent non-executive	12 December 2022				NOM*	ITC*	
Xoliswa Kakana	Independent non-executive	1 August 2023	AC	REM		NOM		ITRC*
Yolanda Miya	Independent non-executive	10 June 2022	AC	REM*		NOM		
Sibani Mngomezulu	Independent non-executive	10 June 2022		REM	SET*		ITC	
Ngao Motsei	Independent non-executive	10 June 2022			SET	NOM		ITRC
Marna Roets	Independent non-executive	1 October 2023	AC				ITC	ITRC
Donald Wilson	Independent non-executive	10 June 2022	AC*	REM			ITC	
Ramasela Ganda (Group Chief Executive Officer)	Executive	17 May 2022			SET			
Thobeka Ntshiza (Group Finance Director)	Executive	17 May 2022						

* *Chairman*
- *AC: Audit Committee*
- *RemCo: Remuneration Committee*
- *SETC: Social, Ethics and Transformation Committee*
- *NomCo: Nomination Committee*
- *ITC: Investment and Transactions Committee*
- *ITRC: Information Technology and Risk Committee*

The remuneration paid to directors is disclosed in note 41: Directors' remuneration to the consolidated annual financial statements of the Group.

Directors' and prescribed officers' interest in Zeda Limited Shares

As detailed in the remuneration report, Ramasela Ganda (Group Chief Executive Officer) and Thobeka Ntshiza (Group Finance Director) were granted retention awards. The shares are subject to a minimum shareholding requirement ("**MSR**") policy, which requires certain executives to build up and hold a minimum number of shares, as set out in the remuneration report).

Interest of directors and prescribed officers of the Company in share capital

The aggregate beneficial holdings as of 30 September 2024 of the directors of the Company and their immediate families (none of which has a holding in excess of 1%) in the issued ordinary shares of the Company are detailed below. There has been no change in the beneficial holdings between the end of the financial year and the date of the approval of the annual financial statements for the 2024 financial year.

DIRECTORS' REPORT continued

Directors' and prescribed officers' interest in Zeda Limited Shares continued

Name	2024 Direct beneficial	2024 Indirect beneficial	2024 Total	2024 % of issued Zeda Limited ordinary share capital
Zeda Limited ordinary shares				
Lwazi Bam	–	–	–	–
Xoliswa Kakana	–	–	–	–
Yolanda Miya	–	–	–	–
Sibani Mngomezulu	1 385	–	1 385	**
Ngao Motsei	–	–	–	–
Marna Roets	–	–	–	–
Donald Wilson	69 997	–	69 997	0.04
Ramasela Ganda	76 474	489 431	565 905	0.30
Thobeka Ntshiza	56 620	234 873	291 493	0.15
Tlhabi Ntlha	45 105	–	45 105	0.02
Litha Nkombisa	100 781	–	100 781	0.05
Total	**350 362**	**724 304**	**1 074 666**	**0.57**

** *Less than 0.01%.*

Name	2023 Direct beneficial	2023 Indirect beneficial	2023 Total	2023 % of issued Zeda Limited ordinary share capital
Zeda Limited ordinary shares				
Lwazi Bam	–	–	–	–
Xoliswa Kakana	–	–	–	–
Yolanda Miya	–	–	–	–
Sibani Mngomezulu	1 000	–	1 000	**
Ngao Motsei	–	–	–	–
Marna Roets	–	–	–	–
Donald Wilson	119 997	–	119 997	0.06
Ramasela Ganda	76 474	382 673	459 147	0.24
Thobeka Ntshiza	56 620	191 336	247 956	0.13
Tlhabi Ntlha	17 300	–	17 300	**
Litha Nkombisa	94 325	–	94 325	0.05
Total	365 716	574 009	939 725	0.49

** *Less than 0.01%.*

Auditors

SNG Grant Thornton was appointed as external auditor of the Zeda Limited Group and will continue in office in accordance with section 94(7) of the Companies Act. At the forthcoming Annual General Meeting, shareholders will be requested to approve the appointment of SNG Grant Thornton as the registered independent external auditors of Zeda Limited for the 2025 financial year and to confirm M Joosub as the lead designated independent external auditor.

Approval of the audited consolidated and separate annual financial statements

Based on the recommendation of the Audit Committee, the Board has approved the audited consolidated and separate annual financial statements of the Zeda Limited Group for the year ended 30 September 2024.

DIRECTORS' RESPONSIBILITY AND APPROVAL

The Board has the pleasure of presenting the consolidated and separate financial statements of the Zeda Limited Group and the Company for the year ended 30 September 2024.

The Board is responsible for the maintenance of adequate accounting records and the preparation, integrity and fair presentation of the audited consolidated and separate annual financial statements of the Group. The audited consolidated and separate annual financial statements have been prepared in accordance with IFRS® Accounting Standards as issued by the International Accounting Standards Board ("IASB"), ("IFRS Accounting Standards") the Companies Act, the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council ("**FRSC**"), the Companies Act and the JSE Listings Requirements.

The Group Finance Director's report discussed the results of operations for the year and those matters which are material for an appreciation of the state of affairs and business of the Company and of the Group.

The Board is also responsible for the oversight of the Zeda Limited Group's system of internal controls. This responsibility includes designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error. The systems are implemented and monitored by suitably trained employees with appropriate segregation of authority and duties. Nothing has come to the attention of the Board to indicate that any material breakdown in the functioning of these controls, procedures and systems has occurred during the current year.

The Board has reviewed the appropriateness of the accounting policies and concluded that estimates and judgements are prudent. The Board is of the opinion that the financial statements fairly present in all material respects the state of affairs and business of the Zeda Limited Group and Company at 30 September 2024 and of the profit for the year to that date.

In addition, the Board has also reviewed the cash flow forecast for the year to 30 September 2024 and is satisfied that the Company and its subsidiaries have adequate resources to continue in operational existence for the foreseeable future. Accordingly, the financial statements have been prepared on a going concern basis.

The Zeda Limited Group's independent external auditors, SizweNtsalubaGobodo Grant Thornton Inc., have audited the consolidated and separate annual financial statements for the year ended 30 September 2024, in conformity with International Standards on Auditing. Refer to their unmodified report on pages 35 to 38.

The financial statements were approved by the Board, issued on 25 November 2024 and were signed on its behalf by:

Ramasela Ganda
Group Chief Executive Officer
Authorised director
25 November 2024

Thobeka Ntshiza
Group Finance Director
Authorised director
25 November 2024

PREPARER OF FINANCIAL STATEMENTS

for the year ended 30 September 2024

These financial statements have been prepared by the Zeda Limited finance team under the supervision of Thobeka Ntshiza, Group Finance Director, CA(SA).

Thobeka Ntshiza
Group Finance Director
25 November 2024

CERTIFICATE BY COMPANY SECRETARY

To the Shareholders of Zeda Limited

In my capacity as the Company Secretary, I hereby certify that, to the best of my knowledge and belief, Zeda Limited has lodged with the Companies and Intellectual Property Commission all such returns and notices as are required of a public company in terms of the Companies Act, 71 of 2008 (as amended).

Further, I certify that such returns and notices are, to the best of my knowledge and belief, true, correct and up to date.

Chioneso Sakutukwa
Group Company Secretary
25 November 2024

GROUP CHIEF EXECUTIVE OFFICER AND GROUP FINANCE DIRECTOR'S RESPONSIBILITY STATEMENT

Each of the directors, whose names are stated below, hereby confirm that:

(a) the annual financial statements on pages 47 to 126, fairly present in all material respects, the financial performance and cash flows of Zeda Limited in terms of IFRS Accounting Standards;
(b) to the best of our knowledge and belief, no facts have been omitted or untrue statements made that would make the annual financial statements false or misleading;
(c) internal financial controls have been put in place to ensure that material information relating to Zeda Limited and its consolidated subsidiaries have been provided to effectively prepare the financial statements of Zeda Limited;
(d) the internal financial controls are adequate and effective and can be relied upon in compiling the annual financial statements, having fulfilled our role and function as executive directors with primary responsibility for implementation and execution of controls;
(e) where we are not satisfied, we have disclosed to the Audit Committee and the auditors any deficiencies in design and operational effectiveness of the internal financial controls, and have taken steps to remedy the deficiencies; and
(f) we are not aware of any fraud involving directors.

Ramasela Ganda
Group Chief Executive Officer
25 November 2024

Thobeka Ntshiza
Group Finance Director
25 November 2024

INDEPENDENT AUDITOR'S REPORT

SNG Grant Thornton

To the Shareholders of Zeda Limited
Report on the Audit of the Consolidated and Separate Financial Statements

Opinion

We have audited the consolidated and separate financial statements of Zeda Limited (the group and company) set out on pages 47 to 126, which comprise the consolidated and separate statements of financial position as at 30 September 2024, and the consolidated and separate statements of profit or loss and other comprehensive income, consolidated and separate statements of changes in equity and the consolidated and separate statements of cash flows for the year then ended, and notes to the consolidated and separate financial statements, including material accounting policy information.

In our opinion, the consolidated and separate financial statements present fairly, in all material respects, the consolidated and separate financial position of Zeda Limited and its subsidiaries as at 30 September 2024, and its consolidated and separate financial performance and consolidated and separate cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board and the requirements of the Companies Act of South Africa.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements section of our report. We are independent of the group and company in accordance with the Independent Regulatory Board for Auditors' Code of Professional Conduct for Registered Auditors (IRBA Code) and other independence requirements applicable to performing audits of financial statements in South Africa. We have fulfilled our other ethical responsibilities in accordance with the IRBA Code and in accordance with other ethical requirements applicable to performing audits in South Africa. The IRBA Code is consistent with the corresponding sections of the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards). We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated and separate financial statements of the current period. These matters were addressed in the context of our audit of the consolidated and separate financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined that there are no key audit matters to communicate in respect of the separate financial statements.

The key audit matters below apply to the audit of the Consolidated Financial Statements:

Key Audit Matter	How the matter was addressed in the audit
Valuation of contract liabilities and recognition of Revenue from long term maintenance and repair contracts. The Group is contractually obliged to provide the maintenance and services on its Full Maintenance Lease (FML-type) contracts and on its Manufacturer Upfront contracts over a future specified period. At 30 September 2024 the value of the liability is R664 million (2023: R774 million).	Our audit procedures included, among others: • Obtaining an understanding of the contracts, including the nature of the services to be provided to the customer; • Together with the assistance of our technical reporting specialists, we considered the following matters: – The appropriateness of the application of the IFRS Accounting Standards in determining whether these contracts, including the goods and services promised to the customer are within the scope of IFRS 15 *Revenue from Contracts with Customers*;

INDEPENDENT AUDITOR'S REPORT continued

SNG Grant Thornton

Key Audit Matter	How the matter was addressed in the audit
The determination of the contract liabilities and the recognition of the related revenue in accordance with *IFRS 15 – Revenue from Contracts with Customers* is complex and requires significant judgements and assumptions. The contract liabilities' carrying amount is calculated as the present value of premiums (the allocated consideration) less present value of future costs to fulfill the contractual obligations. Future expected costs are determined based on the following key assumptions: • Inflation on: – vehicle parts, consumables, and tyres; – Labour rates; • Foreign exchange rates; • Loading rate (based on actual termed vehicles); and • Discount rates applied. The complexity in applying the accounting standards include the following: • Determining whether the services rendered fall within the scope of IFRS 15 *Revenue from Contracts with Customers*; • Identifying the performance obligations of the group; and • Determining the timing of when the performance obligation has been met in order to recognise revenue. Due to the complex nature of the transactions, external actuarial valuation specialists are engaged by management to perform valuation of the maintenance fund. Valuation of contract liabilities and recognition of revenues has been determined to be a Key Audit Matter (KAM) due to complexity of the actuarial assumptions together with the quantum of the contract liabilities and consequential revenue recognised. The disclosure related to the contract liabilities is contained in note 29 of the consolidated financial statements.	– Whether the performance obligations and the timing of revenue recognition is appropriate and in accordance with the requirements of the IFRS Accounting Standards; – Whether the judgements made by management are appropriate and reflects the substance of the arrangements; and – Whether the disclosures included in the financial statements are appropriate and in accordance, in all material aspects, with the requirements of the IFRS Accounting Standards. • Together with the assistance of our Actuarial specialists, we assessed the reasonableness of the key assumptions that management made in determining the carrying value of the contract liabilities. • Our Actuarial specialists focused on the adequacy of the liability in respect of the future obligations of the group in fulfilling its contractual performance obligations. These procedures included: – Assessing the independence, objectivity, competence, and experience of management's specialists; – Assessing the appropriateness of the financial models utilised by management's specialists; – Testing the forecasted burn rates which are derived from key assumptions used in the financial models; and – Verifying the reasonableness of the ranges applied to sensitivities of the key assumptions. • We further tested the design, implementation, and operating effectiveness of the following controls which management has in place over the valuation of the contract liabilities: – Capturing of new contracts; – The authorisation of the claims; – Termination of lapsed contracts; and – The review of unearned fund monthly reconciliations. • Tested mathematical accuracy of the contract liabilities.

INDEPENDENT AUDITOR'S REPORT continued

SNG Grant Thornton

Other Information

The directors are responsible for the other information. The other information comprises the information included in the document titled "Zeda Limited Financial Statements for the year ended 30 September 2024", which includes the Audit Committee Report, Directors' Reports, and the Certificate by Company Secretary as required by the Companies Act of South Africa. The other information does not include the consolidated or the separate financial statements and our auditor's reports thereon.

Our opinion on the consolidated and separate financial statements does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the consolidated and separate financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated and separate financial statements, or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Consolidated and Separate Financial Statements

The directors are responsible for the preparation and fair presentation of the consolidated and separate financial statements in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board and the requirements of the Companies Act of South Africa, and for such internal control as the directors determine is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated and separate financial statements, the directors are responsible for assessing the group and company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group and/or company or to cease operations or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated and separate financial statements are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken based on these consolidated and separate financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal controls relevant to the audit to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the group and the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

INDEPENDENT AUDITOR'S REPORT continued

SNG Grant Thornton

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group's and/or company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the group and/or company to cease to continue as a going concern.
- Evaluate the overall presentation, structure, and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision, and review of the audit work performed for the purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the consolidated and separate financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

Audit Tenure

In terms of the IRBA Rule published in Government Gazette Number 39475 dated 4 December 2015, we report that SizweNtsalubaGobodo Grant Thornton Inc. has been the auditor of Zeda Limited for 3 years.

SizweNtsalubaGobodo Grant Thornton Inc.
Neridha Moodley
Director
Registered Auditor
25 November 2024
Building 4, Summit Place Office Park
221 Garstfontein Road
Menlyn

Victor Sekese [Chief Executive]

A comprehensive list of all Directors is available at the Company offices or registered office

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SizweNtsalubaGobodo Grant Thornton Incorporated Registration Number: 2005/034639/21

Donald Wilson
Chairman:
Audit
Committee

AUDIT COMMITTEE REPORT

Introduction and mandate

The Zeda Group Audit Committee is pleased to present its report for the year ended 30 September 2024, in accordance with the requirements of the South African Companies Act, 71 of 2008, as amended ("Companies Act"), the JSE Listings Requirements, and the principles of the King Report on Corporate Governance™ for South Africa, 2016 ("King IV")*.

During the year under review, effective 1 December 2023, the Board took the decision to separate the previously combined Audit and Risk Committee into two distinct Committees: the Audit Committee ("**the Committee**") and the Information Technology and Risk Committee ("**ITRC**"). This strategic decision was made to ensure dedicated oversight and focus on both financial and risk-related matters within the organisation. As a result, the Audit Committee's responsibilities are now solely concentrated on the financial reporting process, internal controls, and compliance with legal and regulatory standards. Meanwhile, the IT and Risk Committee has assumed responsibility for overseeing the Company's risk management framework, IT governance, and cybersecurity.

This restructuring allows each Committee to provide enhanced governance and more detailed attention to these critical areas, aligning with the Board's Commitment to uphold transparency, accountability, and robust governance practices.

AUDIT COMMITTEE REPORT continued

The updated Audit Committee terms of reference were reviewed and approved by the Board. The terms of reference ensure that the Committee performs its duties in line with King IV, the Companies Act, and the JSE Listings Requirements for FY2024.

The Board believes that the members of the Committee collectively possess the knowledge and experience to consider the following matters:

- Preparation and presentation of the consolidated and separate annual financial statements
- Integrated report
- Internal financial controls
- External and internal audit processes and governance
- Corporate governance processes within the Group relating to financial reporting
- Financial risk management

Roles and responsibilities

The Committee is primarily responsible for overseeing the Group's:

- Financial reporting processes and the financial risks that may affect the integrity of financial reporting
- Internal controls, including evaluating and approving the combined assurance framework as prepared by the ITRC
- The relationship with the external auditors, including assessing the auditor's expertise and independence
- Assessment of the effectiveness and independence of the internal auditors.

Through these responsibilities, the Committee ensures robust financial governance, transparent reporting, and compliance with relevant legal and regulatory requirements across the Group.

Composition

The Committee consists of four Independent Non-Executive Directors elected annually at the Annual General Meeting for one year.

Composition at 30 September 2024

Name	Position
Donald Wilson	Chair, Independent Non-Executive Director
Xoliswa Kakana	Independent Non-Executive Director
Yolanda Miya	Independent Non-Executive Director
Marna Roets	Independent Non-Executive Director

Ngao Motsei (an Independent Non-Executive Director) stepped down on 1 December 2023 to join the ITRC.

AUDIT COMMITTEE REPORT continued

Meeting attendance

The Committee met six times this year.

	Meeting attendance				
Meeting dates	**Donald Wilson**	**Yolanda Miya**	**Xoliswa Kakana[1]**	**Marna Roets**	**Ngao Motsei[2]**
20 November 2023	X	X	n/a	X	X
15 January 2024[3]	X	Apologies	X	X	n/a
15 February 2024	X	X	X	X	n/a
16 May 2024	X	X	X	X	n/a
23 May 2024	X	X	X	X	n/a
11 September 2024	X	X	X	X	n/a

[1] *Joined the Committee on 1 December 2023.*
[2] *Stepped down on 1 December 2023 to join the ITRC.*
[3] *Joint sitting with SETC to recommend the Integrated Report.*

The Committee Chairman holds regular discussions with the management team, allowing for a direct exchange of relevant information and updates on ongoing matters. To further support the Committee's oversight, both the Head of Internal Audit and the external auditors have direct and unrestricted access to the Audit Committee Chairman and the Committee. This includes closed sessions without management present, conducted throughout the year, where they can freely discuss any concerns or observations relevant to the Committee's mandate. These sessions provide a platform for open dialogue, reinforcing the independence and effectiveness of the Committee's oversight role.

Board committees' evaluation

The performance of the Committee was reviewed as part of the Board's effectiveness review.

Acorim Proprietary Limited facilitated the evaluation of the Board and Committee effectiveness. All directors participated in the process, which included completing a tailored questionnaire. The evaluation was conducted fairly, comprehensively, and on time.

The evaluation of the Audit Committee covered the following areas:

- Board focus and business strategy
- Board composition, skills, and performance
- Board contribution and participation
- Roles, duties, and responsibilities of directors
- Management and Committee support
- Independence, conflicts of interest, and directors' capacity.

The evaluation findings were presented to the Board, revealing no matters of material concern. The evaluation concluded that the Audit Committee is functioning effectively.

AUDIT COMMITTEE REPORT continued

External audit

The Committee, among other matters:

- Performed its responsibilities in assessing the suitability of the external auditor and the designated individual auditor as required by paragraph 3.84(g)(iii) of the JSE Listings Requirements. It was also provided with all decision letters/explanations issued by the Independent Regulatory Board for Auditors ("**IRBA'**") and any summaries relating to monitoring procedures/deficiencies issued by the IRBA. In particular, the Committee reviewed the internal quality assurance reviews performed by SNG Grant Thornton in terms of it's quality strategy.
- Confirmed that Neridha Moodley, the designated individual audit partner, is appropriate for the FY2024 audit.
- Considered and is satisfied with the independence and effectiveness of the external auditor. They have confirmed that the criteria for independence, as set out in the rules of IRBA and other relevant international bodies, have been followed.
- Received confirmation from the external auditors that SNG Grant Thornton is independent of the Zeda Group and that its independence was not in any way impaired.
- Considered section 92 of the Act, which provides for an Audit Partner rotation every five years, and concluded that Neridha Moodley is up for rotation as her tenure with Zeda Group started in the 2020 financial year.
- Will recommend to shareholders that SNG-Grant Thornton be reappointed as independent external auditors and Muhammad Joosub be appointed as the designated audit partner of Zeda and its subsidiaries for FY2025. This complies with the Companies Act, the JSE Listings Requirements and other applicable legal and regulatory requirements.
- Considered and confirmed the proposed external audit fees and approved the engagement letter for FY2024.
- Considered and confirmed Zeda's compliance with its non-audit services policy. Non-audit services comprised of less than 5% of the audit fees in FY2024.
- Considered any reported control weaknesses and management's response for the mitigation and improvement and assessed the impact of such weaknesses on the general control environment.
- Met separately with both management and external auditors.

AUDIT COMMITTEE REPORT continued

Accounting practices and key audit matters

The Committee reviewed the accounting policies, including significant areas of judgement and estimation in the Group, and consolidated annual financial statements for FY2024 for compliance with the provisions of the Companies Act, IFRS Accounting Standards and the JSE Listings Requirements.

The Committee considered all new standards applicable and interpretations and amendments to standards that are not yet adopted but are likely to affect the financial reporting in future years. The Committee also reviewed the related disclosure in the annual financial statements.

The Committee also ensured that all comments and recommendations made in JSE Proactive Monitoring reports, were appropriately considered, and addressed in the preparation of the financial statements for the financial year ended 30 September 2024.

The external auditors have confirmed the following key audit matter for 2024:

- **Valuation of contract liabilities**

  The Group is contractually obliged to provide the maintenance and services on its Full Maintenance Lease (FML-type) contracts and on its Manufacturer Upfront contracts over a future specified period. The determination of the adequacy of the contract liabilities and the recognition of the related revenue are in accordance with IFRS 15 *Revenue from Contracts with Customers.* Management has engaged specialists to assist with determining the adequacy of the liabilities.

Refer to the SNG Grant Thornton Inc. audit report for further details on key audit matters.

Internal audit

The internal audit function is outsourced to KPMG. The Committee reviewed and approved the internal audit charter. The Committee also approved the appointment of the internal auditors, the internal audit plan for FY2024, and the internal audit fees.

The scope of internal audit work encompasses examining and evaluating the adequacy and effectiveness of the Zeda internal financial controls system. An internal audit is required to assess and assure the Committee of the effectiveness of the internal financial controls and governance processes.

The Committee considered the outcome of all reviews conducted during 2024 and is satisfied with the management commitments to address noted findings.

The internal audit partner, Ashley Smith, reports functionally to the Committee Chairman and administratively to the Group Finance Director ("**GFD**"). The Committee is satisfied that the internal audit partner and his team are independent and have the appropriate qualifications, expertise and experience to fulfil their duties.

AUDIT COMMITTEE REPORT continued

Combined assurance

The Committee approved Zeda's combined assurance framework, as was prepared by the ITRC, having satisfied itself that it meets best practice as recommended by the Institute of Internal Auditors and King IV requirements.

Based on the Group risk analysis, the Committee approved the FY2024 combined assurance model and considered the work of the internal and external auditors as the third-line assurance providers and evaluated the impact of deficiencies identified on the control environment and management's response to weaknesses identified. The Committee has also considered management reports in respective areas as first and second-line assurers.

Expertise and experience of the GFD and the finance function

The Committee:

- Reviewed the performance and confirmed the suitability and expertise of the GFD, Thobeka Ntshiza
- Considered and is satisfied with the appropriateness of the expertise, diversity, and adequacy of resources of the Group's finance function and the effectiveness of the senior members of management responsible for the finance function

Adequacy and functioning of the internal controls

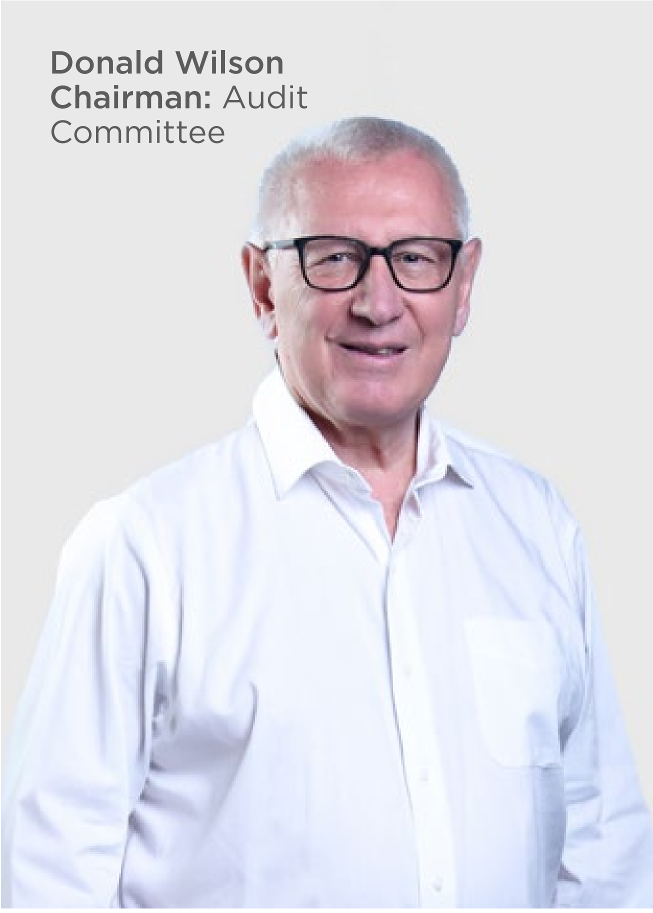
The Committee noted various reports from the internal and external auditors. Based on these reports, the Committee is satisfied that the control environment is stable and that there were no material matters which would have resulted in a misstatement of the audited consolidated and separate annual financial statements. The Committee is satisfied that the internal financial controls are adequate for preparing the audited Company and consolidated annual financial statements.

The Committee noted findings reported and management's proposed remedial actions to address any shortcomings in the control environment. The Committee is satisfied that these actions will improve the control environment.

For FY2024, the internal auditors confirmed that, in their opinion, the operations had a system of internal controls that were adequate to enable the preparation of financial information compliant with IFRS Accounting Standards and in the manner required by the Companies Act. The Committee confirmed there is no reason to believe there were any material breakdowns in the design and operating effectiveness of the internal controls system during the year.

The Committee received assurance from the internal audit, which confirmed that the internal financial controls for reporting were assessed and found to be adequate to support the responsibility statement by the Group CEO and the GFD, as required by paragraph 3.84(k) of the JSE Listings Requirements relating to the responsibility statement.

AUDIT COMMITTEE REPORT continued



Financial reporting

Regarding financial reporting, the Committee discharged its responsibilities as contained in the mandate, including but not limited to:

- Reviewed the assessment prepared by management to support the Board's going concern statement at reporting dates in terms of the financial reporting requirements. The Committee confirmed and recommended to the Board that the going concern basis of preparation is appropriate for the consolidated and separate financial statements of Zeda Limited.
- Reviewed the working capital report prepared by management to support the solvency and liquidity tests required in terms of section 4 of the Companies Act for all distributions.
- Reviewed the appropriateness of the accounting policies, financial controls, records, and financial reporting processes.
- Reviewed the Zeda Group tax reporting framework and tax management processes for adequacy and appropriateness to meet the regulatory requirements in the various geographic areas we operate in.
- Reviewed the appropriateness of the adoption and subsequent implementation of IFRS 17 *Insurance contracts* as applicable to the Zeda Group cell captive which houses the products sold from the Car Rental and Car Sales businesses.
- Considered the IFRS S1 and S2 standards and interpretations and amendments to standards that are not yet adopted. Arranged specific training for Audit Committee members to increase their understanding of the requirements and implications for Zeda Group reporting.
- Reviewed and recommended to the Board for approval:
  - The interim results and the SENS announcement for the period ended 31 March 2024
  - The Zeda Limited Company and consolidated financial statements for FY2024
  - The SENS Short-form Announcement
  - Zeda Limited summarised financial statements for FY2024

I would like to thank all my fellow Committee members for their dedicated contributions and guidance throughout the past financial year.

Donald Wilson
Chairman: Audit Committee
For and on behalf of the Zeda Limited
Audit Committee
25 November 2024

2

Consolidated Financial Statements

CONSOLIDATED STATEMENT OF PROFIT OR LOSS
for the year ended 30 September 2024

R'000	Note	2024	(Restated)[1,2] 2023
Revenue		**10 468 451**	9 144 637
Revenue from sale of goods and services[1]	3	**10 449 249**	9 130 343
Insurance revenue[1]	3	**19 202**	14 294
Cost of sales		**(6 280 028)**	(5 020 150)
Gross profit		**4 188 423**	4 124 487
Other operating income[2]	4	**194 166**	124 828
Impairment of receivables	21	**(43 571)**	(22 085)
Adminstrative and other operating expenses[2]	5	**(2 833 241)**	(2 667 089)
Insurance service expenses[2]	16	**(10 249)**	(8 876)
Foreign exchange losses	8	**(46 257)**	(14 293)
Operating profit before capital items		**1 449 271**	1 536 972
Capital items	9	**16 194**	14 931
Operating profit	5	**1 465 465**	1 551 903
Finance income	6	**43 035**	29 758
Finance costs	7	**(729 650)**	(652 135)
Share of joint venture profit after tax	15	**53 626**	10 208
Profit before taxation		**832 476**	939 734
Taxation	10	**(218 215)**	(197 654)
Profit for the year		**614 261**	742 080
Attributable to:			
Owners of Zeda Limited		**598 974**	731 883
Non-controlling interest	26	**15 287**	10 197
		614 261	742 080
Earnings per share			
Basic earnings per share (cents)	11	**320.23**	387.24
Diluted earnings per share (cents)	11	**320.23**	387.24

1 *Due to the adoption of IFRS 17 in the current financial year, the Group restated revenue from the sale of goods and services and recognised insurance revenue in terms of IFRS 17. The comparative amounts have been restated to align with the new disclosure requirements. Refer to note 16 for additional information.*

2 *Amounts paid to the cell captive included in administrative and operating expenses and the fair value adjustment included in other operating income have been reallocated to insurance service expenses and have been recognised as a result of IFRS 17. The comparative amounts for insurance service expenses have been restated to align with the disclosure requirements. Refer to note 16 for additional information.*

CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME
for the year ended 30 September 2024

R'000	2024	2023
Profit for the year	**614 261**	742 080
Other comprehensive income		
Items that may be reclassified subsequently to profit and loss:		
Foreign currency translation reserves	**(14 447)**	14 343
Total comprehensive income for the year	**599 814**	756 423
Total comprehensive income attributable to:		
Owners of Zeda Limited	**584 527**	746 226
Non-controlling interest	**15 287**	10 197
	599 814	756 423

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
as at 30 September 2024

R'000	Note	2024	(Restated)[1] 2023	(Restated)[1] 2022
ASSETS				
Non-current assets				
Property, plant and equipment	12	**4 690 534**	4 206 244	3 624 656
Right-of-use-assets	13	**251 560**	289 947	295 834
Intangible assets	14	**32 976**	25 623	25 100
Investment in joint venture	15	**66 830**	18 308	8 100
Insurance contract asset[1]	16	**14 834**	5 881	463
Deferred tax asset	17	**73 716**	58 438	117 842
Finance lease receivable	18	**384 440**	231 620	125 905
Total non-current assets		**5 514 890**	4 836 061	4 197 900
Current assets				
Rental vehicles	19	**3 859 898**	4 986 764	3 812 005
Finance lease receivable	18	**204 216**	124 059	76 766
Inventories	20	**971 625**	544 532	471 039
Trade and other receivables	21	**1 557 937**	1 292 317	1 498 707
Income tax receivable[2]		**30 549**	186 870	197 804
Cash and cash equivalents	22	**1 193 876**	842 331	306 526
Non-current asset held for sale	23	**74 100**	–	–
Total current assets		**7 892 201**	7 976 873	6 362 847
Total assets		**13 407 091**	12 812 934	10 560 747
Invested equity				
Stated capital	24	**4 462 747**	4 462 753	4 500 000
Merger reserve	25	**(4 474 011)**	(4 474 011)	(4 474 011)
Retained earnings		**2 783 698**	2 279 587	1 546 352
Foreign currency translation reserve	25	**35 012**	49 459	35 116
Other reserves	25	**33 181**	37 187	24 027
Equity attributable to owners of Zeda Limited		**2 840 627**	2 354 975	1 631 484
Non-controlling interest	26	**52 941**	48 444	42 188
Equity		**2 893 568**	2 403 419	1 673 672
LIABILITIES				
Non-current liabilities				
Long-term interest-bearing borrowings	27	**2 164 111**	1 941 511	1 908 131
Lease liabilities	28	**375 720**	432 920	434 790
Contract liabilities	29	**396 134**	459 837	500 457
Deferred tax liability	17	**252 658**	217 596	174 427
Provisions and other accruals	30	**–**	–	21 019
Total non-current liabilities		**3 188 623**	3 051 864	3 038 824
Current liabilities				
Bank overdraft	31	**44 563**	356 634	240 202
Short-term interest-bearing borrowings	31	**1 499 459**	1 098 774	1 437 648
Lease liabilities	28	**78 764**	72 029	88 280
Floorplans from suppliers	32	**2 155 268**	2 271 300	874 299
Trade and other payables	33	**3 168 985**	3 092 788	2 503 422
Contract liabilities	29	**268 303**	314 842	346 679
Provisions and other accruals	30	**84 702**	138 423	144 463
Income tax payable		**24 856**	12 861	213 258
Total current liabilities		**7 324 900**	7 357 651	5 848 251
Total liabilities		**10 513 523**	10 409 515	8 887 075
Equity and liabilities		**13 407 091**	12 812 934	10 560 747

[1] *The insurance contract asset was recognised as a result of the adoption of IFRS 17. The comparative amounts have been restated to align with the new disclosure requirements. Refer to note 16 for additional information.*

[2] *The decrease in income tax receivable during the current financial year is due to the 2022 refund being paid during the 2024 financial year.*

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended 30 September 2024

R'000	Stated capital	Merger reserve*	Retained earnings	Foreign currency translation reserves	Other reserves	Equity attributable to equity holders	Non-controlling interest	Total equity
Balance at 30 September 2022	4 500 000	(4 474 011)	1 546 352	35 116	24 027	1 631 484	42 188	1 673 672
Total comprehensive income for the year	–	–	731 883	14 343	–	746 226	10 197	756 423
Profit for the year	–	–	731 883	–	–	731 883	10 197	742 080
Foreign currency translation reserve	–	–	–	14 343	–	14 343	–	14 343
Transactions with shareholders recorded directly in equity								
IFRS 2 equity-settled	–	–	–	–	13 043	13 043	–	13 043
Elimination of treasury shares	(37 247)	–	1 352	–	–	(35 895)	–	(35 895)
Dividends declared	–	–	–	–	–	–	(3 941)	(3 941)
Other movements	–	–	–	–	117	117	–	117
Balance at 30 September 2023	4 462 753	(4 474 011)	2 279 587	49 459	37 187	2 354 975	48 444	2 403 419
Total comprehensive income for the year	–	–	598 974	(14 447)	–	584 527	15 287	599 814
Profit for the year	–	–	598 974	–	–	598 974	15 287	614 261
Foreign currency translation reserve	–	–	–	(14 447)	–	(14 447)	–	(14 447)
Transactions with shareholders recorded directly in equity								
IFRS 2 equity-settled	–	–	–	–	8 753	8 753	–	8 753
Elimination of treasury shares	(6)	–	–	–	–	(6)	–	(6)
Dividends declared	–	–	(94 863)	–	–	(94 863)	(9 514)	(104 377)
Disposal of subsidiary	–	–	–	–	–	–	(1 276)	(1 276)
Treasury shares vested	–	–	–	–	(12 759)	(12 759)	–	(12 759)
Balance at 30 September 2024	**4 462 747**	**(4 474 011)**	**2 783 698**	**35 012**	**33 181**	**2 840 627**	**52 941**	**2 893 568**

* *In terms of the book value accounting, as detailed in the basis of preparation, the difference between the acquiree's share capital and the cost of investment is represented as a merger reserve directly in equity in the consolidated statement of financial position.*

CONSOLIDATED STATEMENT OF CASH FLOWS
for the year ended 30 September 2024

R'000	Note	**2024**	2023
Cash generated from operations	34	**1 056 171**	330 592
Interest paid on interest-bearing borrowings and lease liability	36	**(730 670)**	(629 778)
Realised foreign exchange (losses)/gains		**(3 148)**	2 082
Interest received[1]	6	**43 035**	29 758
Taxation paid	35	**(30 471)**	(283 744)
Dividends paid (including non-controlling interest and joint venture)	37	**(99 273)**	(3 941)
Cash generated from/(utilised in) operations		**235 644**	(555 031)
Cash flows from investing activities			
Acquisition of property, plant and equipment, excluding leasing vehicles	12	**(14 776)**	(11 886)
Proceeds on disposal of property, plant and equipment, excluding leasing vehicles		**53**	18 855
Acquisition of intangible assets		**–**	(2 080)
Proceeds from the disposal of a business[2]	44	**2 257**	–
Net cash (utilised in)/generated from investing activities		**(12 466)**	4 889
Cash flows from financing activities			
Share scheme purchases		**(14 117)**	(37 428)
Repayment of long-term interest-bearing borrowings	36	**(1 086 059)**	(2 103 079)
Long-term interest-bearing borrowings raised	36	**1 891 277**	1 639 220
Floorplans from suppliers raised	36	**2 934 555**	1 718 545
Repayment of floorplans from suppliers	36	**(3 049 567)**	(340 962)
(Decrease)/increase in bank overdraft	36	**(309 906)**	113 493
Short-term interest-bearing borrowings raised	36	**16 130**	439 427
Short-term interest-bearing borrowings repaid	36	**(177 078)**	(281 062)
Repayments of lease liabilities	36	**(63 396)**	(57 381)
Net cash generated from financing activities		**141 839**	1 090 773
Increase in cash and cash equivalents for the year		**365 017**	540 631
Cash and cash equivalents at the beginning of the year		**842 331**	306 526
Effect of foreign currency exchange fluctuations		**(13 472)**	(4 826)
Cash and cash equivalents at the end of the year	22	**1 193 876**	842 331

[1] *Interest received includes interest received from SARS refund.*

[2] *The Zeda Group disposed of its 60% holding in Vuswa Fleet Services Proprietary Limited. Refer to note 44 Disposal of business.*

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 30 September 2024

Segmental information

Operating segments

The Executive Committee, as chief operating decision maker, has determined the operating segments based on the information it uses to allocate resources and assess segmental performance.

Segments are analysed by operating activities. No operating segments have been aggregated in arriving at the reportable segments of the business as presented in the Segmental information.

In determining the Group's operating segments, the Group considered that the vehicles are purchased from OEMs (original equipment manufacturers), used for rentals, depreciated, and de-fleeted within 12 months based on age and mileage. De-fleeted vehicles are transferred to Car Sales at their carrying amount for disposal through wholesale auctions or retail channels, depending on factors such as demand, condition, and reconditioning costs. From an accounting perspective, vehicles are reclassified from property, plant, and equipment and rental vehicles to Inventory.

The operating model's profitability relies on an integrated value chain; procuring vehicles wisely, optimising utilisation, efficient disposal, and minimising costs through shared operations.

The activities of Zeda Limited (the "**Company**") and its direct and indirect subsidiaries' ("**Zeda Limited Group**") operating segments are described below:

- Car Rental Business:

  The business of providing car rental solutions to a broad range of customers for periods ranging from one day up to 12 months. This is carried on by the Group through its network of directly-operated, agency-operated and sub-licensee-operated branches (as applicable), in South Africa and other countries in sub-Saharan Africa (including Angola, Botswana, Lesotho, Malawi, Mozambique, Namibia, eSwatini, Zambia and Zimbabwe) under the "Avis" and "Budget" brands, and includes, as the context requires, the revenue generated from de-fleeting cars through Car Sales.

- Leasing Business:

  The business of providing long-term fleet leasing solutions for periods of longer than 12 months to corporate and public sector customers carried on by the Group in South Africa and other countries in sub-Saharan Africa (including Botswana, Lesotho, Mozambique, Namibia, Ghana and Zambia) under the "Avis" brand, and includes, as the context requires, the revenue generated from de-fleeting vehicles through Car Sales.

  The aggregated revenue earned from sub-Saharan African countries above is considered to be insignificant in comparison to the Group's aggregated revenue. It is therefore not disclosed separately on the segmental revenue and expenses.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 30 September 2024 continued

Segmental information continued

Operating segments continued

Segmental assets and liabilities

R'000	Leasing 2024	Car Rental 2024	Total 2024	Leasing (Restated)* 2023	Car Rental (Restated)* 2023	Total (Restated)* 2023
Property, plant and equipment	**4 646 162**	**44 372**	**4 690 534**	4 103 152	103 092	4 206 244
Right-of-use assets	**3 210**	**248 350**	**251 560**	5 815	284 132	289 947
Intangible assets	**1 855**	**31 121**	**32 976**	–	25 623	25 623
Investment in joint venture	**66 830**	**–**	**66 830**	18 308	–	18 308
Insurance contract asset*	**14 834**	**–**	**14 834**	5 881	–	5 881
Finance lease receivable	**588 656**	**–**	**588 656**	355 679	–	355 679
Rental vehicles	**–**	**3 859 898**	**3 859 898**	–	4 986 764	4 986 764
Inventories	**42 526**	**929 099**	**971 625**	42 322	502 210	544 532
Trade and other receivables	**666 392**	**891 545**	**1 557 937**	493 547	798 770	1 292 317
Non-current asset held for sale	**–**	**74 100**	**74 100**	–	–	–
Operating assets	**6 030 465**	**6 078 485**	**12 108 950**	5 024 704	6 700 591	11 725 295
Non-operating assets	**690 068**	**608 073**	**1 298 141**	346 137	741 502	1 087 639
Total assets	**6 720 533**	**6 686 558**	**13 407 091**	5 370 841	7 442 093	12 812 934
Lease liabilities	**(5 545)**	**(448 939)**	**(454 484)**	(8 752)	(496 197)	(504 949)
Contract liabilities	**(664 437)**	**–**	**(664 437)**	(774 679)	–	(774 679)
Provisions	**(84 702)**	**–**	**(84 702)**	(138 423)	–	(138 423)
Trade and other payables	**(1 212 972)**	**(1 956 013)**	**(3 168 985)**	(929 010)	(2 163 778)	(3 092 788)
Operating liabilities	**(1 967 656)**	**(2 404 952)**	**(4 372 608)**	(1 850 864)	(2 659 975)	(4 510 839)
Non-operating liabilities	**(3 610 830)**	**(2 530 085)**	**(6 140 915)**	(3 253 480)	(2 645 196)	(5 898 676)
Total liabilities	**(5 578 486)**	**(4 935 037)**	**(10 513 523)**	(5 104 344)	(5 305 171)	(10 409 515)
Net assets	**1 142 047**	**1 751 521**	**2 893 568**	266 498	2 136 922	2 403 419

* *The insurance contract asset was recognised as a result of the adoption of IFRS 17. The comparative amounts have been restated to align with the new disclosure requirements. Refer to note 16 for additional information.*

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 30 September 2024 continued

Segmental information continued

Operating segments continued

Segmental revenue and expenses

R'000	Leasing 2024	Car Rental 2024	Total 2024	Leasing 2023 (Restated)[1]	Car Rental 2023 (Restated)[1]	Total 2023 (Restated)[1]
External revenue by nature	**2 803 414**	**7 665 037**	**10 468 451**	2 488 461	6 656 176	9 144 637
Leasing revenue	**2 434 727**	**–**	**2 434 727**	2 167 649	–	2 167 649
Car Rental revenue	**–**	**3 548 098**	**3 548 098**	–	3 402 866	3 402 866
Revenue from sale of vehicles	**275 850**	**4 063 446**	**4 339 296**	249 196	3 204 147	3 453 343
Rendering of services	**73 604**	**–**	**73 604**	57 323	–	57 323
Commissions	**31**	**53 493**	**53 524**	–	49 163	49 163
Insurance contract revenue[1]	**19 202**	**–**	**19 202**	14 294	–	14 294
Cost of sales	**(1 524 055)**	**(4 755 973)**	**(6 280 028)**	(1 363 727)	(3 656 423)	(5 020 150)
Gross profit	**1 279 359**	**2 909 064**	**4 188 423**	1 124 735	2 999 753	4 124 488
Expenses included in operating profit						
Impairment of receivables	**(12 306)**	**(31 265)**	**(43 571)**	–	(22 085)	(22 085)
Insurance contract service expenses	**(10 249)**	**–**	**(10 249)**	(8 876)	–	(8 876)
Foreign exchange losses	**(31 954)**	**(14 303)**	**(46 257)**	(12 628)	(1 665)	(14 293)
Depreciation	**(876 730)**	**(1 017 145)**	**(1 893 875)**	(799 686)	(982 444)	(1 782 130)
Amortisation of intangible assets	**(841)**	**(3 051)**	**(3 892)**	–	(1 557)	(1 557)
Operating lease costs	**(20 508)**	**(127 931)**	**(148 439)**	(5 048)	(121 816)	(126 864)
Staff costs	**(248 416)**	**(538 517)**	**(786 933)**	(269 071)	(473 838)	(742 909)
Operating profit before capital items	**757 778**	**691 493**	**1 449 271**	667 095	869 877	1 536 972
Capital items[2]	**344**	**15 850**	**16 194**	–	14 931	14 931
Operating profit	**758 122**	**707 343**	**1 465 465**	667 095	884 808	1 551 903
Finance income	**30 591**	**12 444**	**43 035**	23 512	6 246	29 758
Finance costs	**(354 307)**	**(375 343)**	**(729 650)**	(183 231)	(468 904)	(652 135)
Share of joint venture profit after tax	**53 626**	**–**	**53 626**	10 208	–	10 208
Profit before taxation	**488 032**	**344 444**	**832 476**	517 584	422 150	939 734
Taxation	**(149 407)**	**(68 809)**	**(218 215)**	(157 027)	(40 627)	(197 654)
Profit for the year	**338 626**	**275 636**	**614 261**	360 557	381 523	742 080
Key measures:						
EBITDA[3]	**1 635 347**	**1 711 689**	**3 347 036**	1 466 781	1 853 877	3 320 658
Operating profit margin[4]	**27%**	**9%**	**14%**	27%	13%	17%

[1] *The insurance contract asset was recognised as a result of the adoption of IFRS 17. The comparative amounts have been restated to align with the new disclosure requirements. Refer to note 16 for additional information.*

[2] *Included in the 2024 capital items is the reversal of impairment relating to land that was reclassified to held for sale. Refer to property, plant and equipment note 12.*

[3] *EBITDA is calculated as operating profit before capital items plus depreciation and amortisation.*

[4] *Operating profit margin is determined by dividing operating profit before capital items by revenue.*

R'000	Leasing 2024	Car Rental 2024	Elimination 2024	Group 2024	Leasing 2023	Car Rental 2023	Elimination 2023	Group 2023
Intersegmental revenue*	**466 235**	**53 964**	**(520 199)**	**–**	494 155	11 844	(505 999)	–

* *Intersegmental revenue is eliminated when calculating the Group's revenue shown above as External revenue by nature.*

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 30 September 2024 continued

1. Basis of preparation

1.1. Accounting framework

The Consolidated financial statements of the Zeda Limited Group, comprising the Consolidated statement of financial position as at 30 September 2024, and the Consolidated statements of profit or loss, Consolidated statement of other comprehensive income, Consolidated statement of changes in equity and Consolidated statement of cash flows for the year ended 30 September 2024, and material accounting policies and accompanying notes, have been prepared in accordance with the framework concepts and the measurement and recognition requirements of IFRS Accounting Standards and the Companies Act. They are also prepared in accordance with the interpretations adopted by the IASB, the South African Institute of Chartered Accountants' Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Reporting Pronouncements as issued by the FRSC.

The Consolidated financial statements were authorised for issue by the Company's Board of Directors on 25 November 2024.

The Consolidated financial statements have been prepared on the historical cost basis except as otherwise described in the notes.

The Group's presentation currency is the South African Rand ("**R**"), which is also the functional currency of the Company. Amounts are rounded to the nearest thousand ("**R'000**"), unless otherwise indicated.

1.2. Underlying concepts

The Consolidated financial statements have been prepared on the going concern basis. The Board and management have assessed the Group's ability to continue as a going concern, considering the availability of financial resources, operational profitability, and other relevant information for at least 12 months beyond the reporting date and stress-tested for longer periods according to the facts and circumstances present at the reporting date.

Assets, liabilities, income and expenses are not offset unless specifically permitted by an accounting standard. Financial assets and financial liabilities are offset, and the net amount reported only when there is a legally enforceable right to offset, and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Current vs non-current

The Group presents assets and liabilities in the Consolidated statement of financial position based on current/non-current classification. An asset is classified as current if it meets any of the following criteria:

- expected to be realised or intended to be sold or consumed in the normal operating cycle;
- held primarily for the purpose of trading;
- expected to be realised within 12 months after the reporting period; or
- cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period.

All other assets are classified as non-current.

A liability is classified as current when it is:

- expected to be settled in the normal operating cycle;
- held primarily for the purpose of trading;
- due to be settled within 12 months after the reporting period; or
- there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period.

The Group classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 30 September 2024 continued

2. Material accounting policies

2.1. New standards and interpretations adopted

Adoption of IFRS 17 *Insurance Contracts*
IFRS 17 was introduced to replace IFRS 4, which is an interim statement that permitted entities to apply a wide range of accounting practices for insurance contracts. The new standard aims to provide more transparent reporting of the financial position and related risks associated with insurance contracts.

The Group has applied IFRS 17 retrospectively to its cell captive arrangement with the insurance company for the current financial year. The Group offers insurance products to its customers through a non-life cell captive arrangement with a registered insurance company (the cell captive insurer) which transfers the insurance risks and rewards to the Group. In terms of IFRS 17, the cell captive arrangement is considered to transfer significant insurance risk to the Group due to the obligations requiring the Group to maintain the capital requirements of the cell captive and settle existing insurance liabilities. This creates an insurance contract relationship between the Group and the cell insurers, where the Group effectively acts as the insurer in the arrangement.

Refer to the Insurance contract asset accounting policy 2.3.24, the restatement due to the adoption of IFRS 17 in note 16.

Amendment to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2: Making Materiality Judgements
In accordance with the IAS 1 amendments relating to material accounting policy information, the Group adopted the amendments from 1 October 2023. The amendments require the disclosure of material accounting policies rather than significant accounting policies. The Group has amended the accounting policies in accordance with the amendments.

2.2. Accounting policies involving significant estimates and judgements by management

The preparation of financial information in conformity with IFRS Accounting Standards requires management to make estimates and assumptions that affect reported amounts and related disclosures. Actual results may differ from these estimates.

Accounting policies which have been identified as involving particularly complex or subjective judgements or assessments are as follows:

2.2.1. Expected credit losses

The Group recognises a loss allowance for expected credit losses (ECL) on financial assets measured at amortised cost which include trade and other receivables and finance lease receivables. The recoverability of a financial asset is determined from the date it is recognised with a loss allowance recognised for expected losses determined at initial recognition. The Group initially measures the loss allowance at an amount equal to the 12-month expected losses. However, the Group measures the loss allowance at an amount equal to the lifetime expected losses if credit risk on the financial asset has increased significantly since initial recognition.

The Group calculates the allowance for credit losses based on the ECL model to assess whether financial assets measured at amortised cost and finance lease receivables collectively referred to as receivables (for impairment purposes only) are impaired.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 30 September 2024 continued

2. Material accounting policies continued

2.2. Accounting policies involving significant estimates and judgements by management continued

2.2.1. Expected credit losses continued

The Group has rebutted the presumption that credit risk significantly increases when financial assets are more than 30 days past due. Credit risk is considered to have significantly increased when supportable forward-looking information, such as inflation and gross domestic product forecasts, the counterparty's reputation and estimated financial position, and the market conditions in which the counterparty operates, indicate that the financial asset would not be recoverable as contracted and/or the debtor has been handed over to debt collectors. In determining the ECL, receivables are grouped based on similar risks and ECLs are calculated using the historic loss ratio adjusted for forward-looking information.

For financial assets where the Group determines that recoverability is unlikely, such that the credit quality has significantly deteriorated and the assets are credit impaired, a lifetime ECL is recognised, and interest income only accrues on the net amount (gross carrying amount less credit impairment). Default is considered to have occurred when a customer does not meet their contractual payment obligations and the account is handed over to debt collectors.

The Group considered this a sound basis as, in management's view, financial assets are credit impaired when the Group has not received contractual cash flows as contracted, efforts to recover the asset have not been successful and the customer's ability to pay is questionable. Where the Group determines there are no prospects of a customer meeting its contractual repayments, the related receivable is written off.

The Group recognises a loss allowance using a simplified approach as a lifetime ECL on:

- Finance lease receivables
- Trade and other receivables

The Group reassesses the lifetime ECLs at each reporting period and recognises any changes as an impairment gain or loss.

2.2.2 Property, plant and equipment

The residual value of lease vehicles determines the lease income and recoverability on resale at the end of the lease term. Residual values are constantly reviewed for accuracy based on the status of the used car market, the current and historical value of vehicles sold, and the specific application of the vehicle.

An asset's useful life is defined in terms of its expected utility to the Group, which is the period of time over which the Group expects to use the asset. Property, plant and equipment that have a finite useful life are depreciated to their residual values. Because it is an estimate, management is required to review the basis of depreciation, useful life and residual value at each annual reporting date as a minimum.

Management considers all of the below factors when determining or reviewing the useful life of an item of property, plant and equipment:

- Expected use of the asset
- Expected wear and tear
- Technical obsolescence arising from changes or improvements in technology
- Commercial obsolescence arising from a change in market demand for the product or service output of the asset

2.2.3 Inventory: used cars

A provision is raised against used cars, classified as inventory, for losses which are likely to be incurred through obsolescence and damage to used cars. The net realisable value is calculated by comparing the carrying value of the car to the expected sales value, which is assessed based on the recent sales history and market acceptance for the vehicle less its cost to sell.

2. Material accounting policies continued

2.2 Accounting policies involving significant estimates and judgements by management continued

2.2.4 Contract liability and maintenance fund provision

The business manages a maintenance fund, this fund raises an obligation on the Company to provide servicing and maintenance of fleet. This gives rise to a contract liability in our books.

The contract liability is treated in terms of IFRS 15. The subjectivity relates to the future expected costs to be incurred, the number of vehicles contracted, and the risk profile taken by the original equipment manufacturer (OEM) (which impacts Zeda Limited risk) that underpins the adequacy of the liability to be recorded. Actuarial valuations are conducted periodically throughout the year in order to recognise the contract liability on a basis commensurate with the risk profile of each leased motor vehicle. The valuations take into account each individual vehicle's actual maintenance costs and income, and a projection of expected future costs and income streams. The key assumptions used in this calculation are determined by management in conjunction with the internal and external actuaries, and are updated for changes in actual experience and economic indicators.

In order to estimate the split of contract liability between long and short-term portions, management considered the average life of the relevant lease vehicles.

2.2.5 Revenue recognition

The percentage of completion method is applied to recognise revenue on long-term maintenance and repair contracts ("**MARC**") as performance obligations are fulfilled over time. Management exercises judgement in calculating the contract liabilities, which are based on the anticipated cost of repairs over the life cycle of the motor vehicles, applied to the total expected future revenue arising from MARC.

The significant assumptions made to determine the stage of completion of contracts include:

- costs incurred to date to fulfil the performance obligations for MARC contracts;
- estimated costs to be incurred in fulfilling the performance obligations for MARC contracts;
- contract duration and mileage;
- contract expiry date;
- parts price and labour inflation; and
- projected income stream.

2.2.6 Share-based payments

Share incentive schemes – Equity-settled

The Group operates an equity-settled share-based payment arrangement in which certain employees participate. The fair value of the equity-settled instruments is measured by reference to the fair value of the equity instrument granted. Fair value is based on the market prices of the equity-settled instruments granted, if available, taking into account the terms and conditions upon which those equity-settled instruments were granted. Non-market vesting conditions are not taken into account when estimating the fair value of the equity-settled instruments at grant date. Market conditions are taken into account in determining the fair value at grant date.

2.2.7 Insurance contract asset

The Group has entered into a cell captive agreement with a cell captive insurer to offer non-life insurance products to the Group's customers. The cell captive arrangement gives rise to an in-substance insurance contract for the Group. The insurance contract consists of an asset for remaining coverage ("**ARC**") and liability for incurred claims ("**LIC**").

The LIC includes the fulfilment cash flows for incurred claims and expenses that have not yet been paid, including claims that have been incurred but not yet reported.

The fulfilment cash flows are measured at the reporting date using current estimates of future cash flows, current discounts and current estimates of the risk adjustment for non-financial risk.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 30 September 2024 continued

2. Material accounting policies continued

2.2 Accounting policies involving significant estimates and judgements by management continued

2.2.8 Impairment of non-financial assets

Determining whether non-financial assets, excluding inventories and deferred tax assets, are impaired requires an estimation of the recoverable amount of the individual assets. The recoverable amount calculation requires the Group to estimate the future cash flows expected to arise from the individual asset and a suitable discount rate in order to calculate the present value. The recoverable amount is calculated as the higher of value in use or fair value less cost to dispose.

The management of the Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the recoverable amount of the asset. When the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount, which is fair value less costs to sell in the case of used vehicles and value in use in the case of right-of-use assets and intangibles. The Group's intangible assets with indefinite useful lives are assessed for impairment annually and whenever an indication that the intangible asset has been impaired, by comparing its recoverable amount with its carrying amount.

For the Group's assets, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Group estimates the recoverable amount of the asset. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

2.2.9 Intangible assets

Future cash flows expected to be generated by the assets are projected, taking into account market conditions and the expected useful lives of the assets. The present value of these cash flows, determined using an appropriate pre-tax discount rate, is compared to the carrying amount and, if lower, the assets are impaired to the present value.

Cash flows, which are utilised in these assessments, are extracted from formal five-year business plans which are updated annually. The Group utilises a discounted cash flow valuation model to determine asset values supplemented, where appropriate, by other valuation techniques.

2.2.10 Deferred tax assets

Deferred taxation assets are only recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised.

Five-year business plans are prepared annually and approved by the management of the Group and its major operating entities. These plans include estimates and assumptions regarding economic growth, interest rates, inflation, and competitive forces. The plans contain profit forecasts and cash flows, and these are utilised in the assessment of the recoverability of deferred tax assets. Management also exercises judgement in assessing the likelihood that business plans will be achieved and that the deferred tax assets are recoverable. In certain circumstances, further corroborative evidence is used, such as tax planning opportunities within the control of management to support the recovery of the tax asset.

2.2.11 Lease term

Leases arise predominately from the right of use of properties. Management will consider the original lease term and the renewal options for purposes of reporting. In addition the following factors are considered in determining whether it is reasonably certain the options will be exercised, thus whether there is an economic incentive to exercise:

- The strategic objectives of the Group and annual business plans that observe a five-year cycle
- Whether the terms and conditions of the current lease are more favourable than the current market conditions

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 30 September 2024 continued

2. Material accounting policies continued

2.2 Accounting policies involving significant estimates and judgements by management continued

2.2.11 Lease term continued

- The proximity of the leased premises to core customers and other business hubs
- Specifics for the premises/assets leased and any leasehold improvements, such as workshops or office building, undertaken by the Group which are optimised to business needs
- Costs relating to the termination of the lease
- The availability of similar/alternative assets in the market suitable to the business needs
- All relevant facts and circumstances that create an economic incentive for the lessee to exercise, or not to exercise, the option, including any expected changes in facts and circumstances from the commencement date until the exercise date of the option

2.2.12 Uncertain tax positions

The Group is subject to income tax in several jurisdictions and significant judgement is required in determining the provision for income taxes. During the ordinary course of business, there are transactions and calculations for which the ultimate tax determination is uncertain. As a result, the Group recognises tax liabilities based on estimates of whether additional taxes and interest will be due.

These tax liabilities are recognised when, despite the Group's belief that its tax return positions are supportable, the management of the Group believes it is more likely than not that a taxation authority would not accept its filing position. In these cases, the Group records its tax balances based on either the most likely amount or the expected value, in accordance with the Group tax risk policy, which weights multiple potential scenarios. The management of the Group believes that its accruals for tax liabilities are adequate for all open audit years based on its assessment of many factors including past experience and interpretations of tax law.

2.3 Other accounting policies

2.3.1 Employee benefit costs

The cost of providing employee benefits is accounted for in the period in which the benefits are earned by employees. The cost of short-term employee benefits is recognised in the period in which the service is rendered and is not discounted.

The expected cost of profit-sharing and bonus payments is recognised as an expense when there is a legal or constructive obligation to make such payments as a result of past performance and a reliable estimate of the obligation can be made.

2.3.2 Deferred taxation assets and liabilities

Deferred tax is provided for all temporary differences arising between the tax bases of assets and liabilities and their carrying amount for financial reporting purpose.

Deferred tax liabilities are recognised for all taxable temporary differences, and deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which deductible temporary differences can be utilised.

The Group has companies where deferred taxes are recognised for temporary differences that arise when an entity's taxable profit or losses (and thus the tax basis of its non-monetary assets and liabilities) are measured in a currency different from its functional currency.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 30 September 2024 continued

2. Material accounting policies continued

2.3 Other accounting policies continued

2.3.3 Foreign currencies

Functional and presentation currency

The South African Rand ("**R**") is the functional currency for the Group's operations in South Africa.

The functional currencies of foreign operations include the Botswana Pula, Namibian Dollar, Ghanaian Cedi, Mozambican Metical, Swazi Lilangeni, Lesotho Loti, Angolan Kwanza, Malawian Kwacha and Zambian Kwacha.

Transactions and balances

Transactions in foreign currencies are accounted for at rates of exchange ruling on the date of the transactions. Gains and losses arising from the settlement of such transactions are recognised in profit or loss. Monetary assets and liabilities denominated in foreign currencies are translated at the rates of exchange ruling at the reporting date. Unrealised translation differences on such monetary assets and liabilities are recognised in profit or loss in the year in which they occur. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the initial transaction. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

Foreign operations

The results and financial position of all the entities within the Group that have a functional currency different from the Group presentation currency are translated into the presentation currency. When the Group disposes of any part of its interest in a subsidiary that includes a foreign operation while retaining control, the relevant portion of the cumulative foreign currency translation reserve is reallocated to non-controlling interests.

2.3.4 Hyperinflation Economies

The Group uses the guidance issued by the International Practices Task Force to identify countries that are considered to be hyperinflationary. The Group applies IAS 29 to account for operations in hyperinflationary countries.

2.3.5 Basis of consolidation

The consolidated financial statements include the results and financial position of Zeda Limited, its subsidiaries and joint venture. Total comprehensive income of the subsidiary is attributed to owners of the Group and to the non-controlling interests even if this results in the non-controlling interests having a negative balance.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 30 September 2024 continued

2. Material accounting policies continued

2.3 Other accounting policies continued

2.3.5 Basis of consolidation continued

The Group holds 50% of the shares in Daysun Proprietary Limited and has joint control. The investment is classified as a joint venture, measured on the equity accounting method. Additionally, the Group holds 100% of the shares in Avis Southern Africa Proprietary Limited which has controlling interests in the following companies:

Group controlling interest	% Holding
Zenith Proprietary Limited	100%
Zeda Car Leasing Proprietary Limited	100%
Vuswa Fleet Services Proprietary Limited[1]	–
Phakisaworld Fleet Solutions Proprietary Limited	100%
Zeda Car Rental Namibia Proprietary Limited	75%
Zeda Namibia Proprietary Limited	75%
Amalgamated Fleet Services Ghana Limited	90%
Dreamworks Technologies Proprietary Limited	100%
Car Rental Holdings Proprietary Limited	100%
Car Rental Botswana Proprietary Limited	100%
Zeda Auto Proprietary Limited	100%
Zeda Financing Proprietary Limited	100%
Zeda Mobility Proprietary Limited	100%
Auto Fleet Services Proprietary Limited	100%
Fleet Services Botswana Proprietary Limited	100%
Fleet Services Ghana Limited	100%
Seahlolo Transport Services Proprietary Limited	100%
Barloworld Auto Proprietary Limited*	100%
Tanzuk Limited*	100%
Mozambique Car Rental Limitada	100%
Zeda Fleet Services Zambia Limited	100%
Zeda Swaziland Proprietary Limited	100%
Fleet Accident: Management Proprietary Limited*	100%
Chartered Auto Rental Services Proprietary Limited*	100%
Barloworld Motor Proprietary Limited	100%
Zeda Lesotho Proprietary Limited*	100%
Masterdrive Proprietary Limited*	100%
The Car Mall Proprietary Limited	100%

[1] *The Group disposed of its 60% holding in Vuswa Fleet Services Proprietary Limited. Refer to note 44 for the disclosure on the Disposal of a business.*

* *Dormant entities.*

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 30 September 2024 continued

2. Material accounting policies continued

2.3 Other accounting policies continued

2.3.6 Investments in subsidiaries

Investments in subsidiaries are recognised at cost less accumulated impairment losses in the Company's separate financial statements.

2.3.7 Share capital

Ordinary shares are classified as equity instruments when there is no contractual obligation to deliver cash or other assets to another entity on terms that may be unfavourable. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds.

2.3.8 Treasury shares

Where any group company purchases the Company's equity share capital (treasury shares), the consideration paid (including any directly attributable incremental costs) is deducted from equity attributable to the Company's shareholders until the shares are cancelled, reissued or disposed of. Where such shares are subsequently sold or reissued, any consideration received (net of any directly attributable incremental transaction costs) is included in equity.

2.3.9 Revenue

The Group recognises revenue from the following major sources:

- Rentals received
- Sale of used vehicles
- Commissions
- Value added services

Transaction price allocation

The transaction price for bundled services is allocated to each performance obligation based on the relative standalone selling price of each component. For full maintenance leases, the total monthly instalment is split between the lease component, administrative fees, interest, and maintenance services. Revenue is recognised for each component as the respective service is delivered over the contract period.

Rentals received

Rentals received is revenue recognised on the leasing of vehicles which is categorised into three categories, namely rental income earned on contracts outside the scope of IFRS 16, full maintenance lease and manufacture upfront payment.

Rental income earned on contracts outside the scope of IFRS 16 *Leases*

Rental income from operating leases (net of any incentives given to the lessees) is recognised on straight-line basis over the lease term. Leases outside the scope of IFRS 16 relate to rentals for contracts where the leased asset is not identifiable.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 30 September 2024 continued

2. Material accounting policies continued

2.3 Other accounting policies continued

2.3.9 Revenue continued

Full maintenance lease

Full maintenance lease is a product whereby the Group provides a vehicle for use by a customer.

Throughout the contract period, the Group remains the title holder of the vehicle and the customer will be the owner. The Group assumes all risk involved with the operating of the vehicle including maintenance and residual risk for the period of the contract, with a single monthly instalment paid by the customer.

The customer pays a monthly instalment to the Group, which includes an administration fee, interest in respect of capital outlay, as well as a maintenance amount, as defined in the signed full maintenance contract.

As the maintenance services are performed after a specified period, a portion of the monthly rental is deferred and recognised as revenue, when the maintenance services are performed (revenue is recognised over time).

Manufacture upfront payment

There are four manufacture upfront payment product options that the Group currently manages, namely:

- Standard OEM service plan: A service plan that comes standard with a new vehicle, which is the plan on a vehicle that is included in the purchase price of a vehicle
- Standard OEM maintenance plan is a maintenance plan that comes standard with a new vehicle, which is the plan on a vehicle that is included in the purchase price of a vehicle
- Added on service plan
- Added on maintenance plan

Revenue is recognised over time when the maintenance services are carried out and the performance obligation has been satisfied.

Sale of used vehicles

Performance obligations from the sale of vehicles are satisfied at a point in time. The point of delivery is where the selling price has been agreed with the purchaser and control over the goods is transferred to the purchaser and therefore the performance obligation is satisfied. Any adjustments to the transaction price, such as discounts or rebates, are recognised at the point of sale.

Commissions

Commissions are earned through a dealer incentive commission. This occurs when customers finance their vehicles through certain banks and a referral commission is earned.

Value added services

Value added services comprises added on service plans and added on maintenance plans.

Added on service plans are service plans that are added on to a vehicle, either when the vehicle is new, or when it is used. Added on maintenance plans are maintenance plans that are added on to a vehicle, either when the vehicle is new, or when it is used.

The Group will bear the costs for those service and maintenance items as the Group will be responsible to maintain the vehicle of the end-user customer from a services perspective or maintenance perspective based on agreed parameters.

As the service or maintenance is provided to the customers based on the agreed parameters throughout the contract, the revenue is recognised in line with the cost incurred by the Group on services and maintenance of those vehicles.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 30 September 2024 continued

2. Material accounting policies continued

2.3 Other accounting policies continued

2.3.9 Revenue continued

Value added services continued

Projection of the expected difference between the maintenance fund provided upfront per vehicle and the actual expenses incurred on a particular vehicle are determined by the actuaries during the quarterly actuarial valuations.

The actuarial valuation process determines the Group contractual obligation to service and maintain vehicles during the life of the contract. The changes in the actuarial assumptions will lead to adjustment of revenue (value and timing) reflecting the Group's changes in contractual liabilities.

Revenue is recognised when the maintenance services are carried and the performance obligation has been satisfied (revenue is recognised over the period of the maintenance or service agreement), this is faithful depiction of the transfer of services in revenue recognition as the customer simultaneously receives and consumes the service as the Group performs the service.

The Group provides maintenance contracts as part of a full maintenance vehicle lease solution. Contract liabilities represent income received in terms of maintenance contracts to customers, which will be recognised on a systematic basis over the life of the contract. Contract liability is split into non-current and current portions in terms of management's best estimate of the expected maintenance expenditure to be incurred.

2.3.10 Finance costs

Interest on financial liabilities measured at amortised cost is calculated using the effective interest rate method.

2.3.11 Finance income

Interest income is accrued on a time basis on financial assets measured at amortised costs using the effective interest method.

2.3.12 Taxation

Current taxation

The tax payable is based on taxable income for the year. Taxable income differs from profit before tax as reported in the statement of comprehensive income because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are not taxable or deductible. The Group liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting date.

Deferred taxation

Deferred taxation is provided using the financial liability method, for all temporary differences between the tax bases of assets and liabilities and their carrying values for financial reporting purposes, at the tax rates enacted or substantively enacted at period end. Deferred taxation assets are only recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 30 September 2024 continued

2. Material accounting policies continued

2.3 Other accounting policies continued

2.3.13 Property, plant and equipment

Items of property, plant and equipment are initially stated at cost, which includes all costs that are directly attributable to the purchase and to bringing the assets to their initial working condition for their intended use. Subsequently property, plant and equipment is measured at cost less accumulated depreciation and any accumulated impairment losses.

Motor vehicles leased out in terms of lease agreements are depreciated on a straight-line basis to the anticipated residual value over the term of the lease. Property, plant and equipment (with the exception of leasing vehicles) are depreciated over their useful lives, taking into account residual values, where appropriate.

The actual lives and usage of the assets and residual values are assessed annually and may vary depending on a number of factors. In reassessing asset lives and usage, factors such as technological innovation, product life cycles and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.

The following methods and rates were used during the year to depreciate property, plant and equipment to estimated residual values:

Freehold and leasehold buildings	Straight line	50 years
Vehicles	Straight line	5 to 10 years
Leasing vehicles	Straight line	5 to 10 years
Plant, equipment, computers and furniture	Straight line	3 to 5 years

Freehold and leasehold land is not depreciated.

Leasing vehicles

Vehicles for leasing, which are leased to customers for periods ranging from 12 to 72 months, are accounted for as part of property, plant and equipment. Once a vehicle is no longer utilised as part of the leasing fleet, it is transferred to inventory. This accounting treatment is applied where it is in the ordinary course of the Group's activities to routinely sell vehicles which have reached the end of their useful lives or the end of the related contracts. The transfer of such vehicles to inventories is done at the vehicle's carrying amount. The proceeds from the sale of such vehicles are recognised as revenue and carrying amount as cost of sales.

Gains and losses on disposal of other items of property, plant and equipment are determined by comparing proceeds with the carrying amount and are included in profit or loss.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 30 September 2024 continued

2. Material accounting policies continued

2.3 Other accounting policies continued

2.3.14 Non-current asset held for sale

A non-current asset is classified as held for sale if it is expected that its carrying amount will be recovered principally through sale rather than through continuing use, it is available for immediate sale, and the sale is highly probable to occur within one year. For the sale to be highly probable, the appropriate level of management must be committed to a plan to sell the asset or disposal group. Non-current assets held for sale are measured at the lower of their carrying amount and fair value less costs of disposal, with any impairment losses recognised in profit or loss.

2.3.15 Intangible assets

Intangible assets are initially recognised at cost. Intangible assets are not revalued.

Computer software

Costs that are directly associated with identifiable and unique software products controlled by the Group and that will probably generate economic benefits exceeding costs beyond one year are recognised as intangible assets. All other expenditure associated with developing or maintaining computer software programs is recognised as an expense in profit or loss when incurred. Computer software and development costs recognised as assets are amortised using the straight-line method over their useful lives once the computer software has been brought into use.

The carrying amount of computer software and development costs is reviewed annually and adjusted for impairment when there are indications of impairment.

Intangible asset useful lives are reviewed, and adjusted if appropriate, at each reporting date. The useful life of computer software is considered to be seven years from when it is brought into use.

Capitalised licence fee

Costs associated with the right to conduct business activities under a recognised brand is capitalised and recognised as an expense over the period that the right to conduct business endures.

The licensee agreement covers the period up to 2035.

Brand development costs

Brand development costs, which include marketing-related intangible assets are capitalised only when and if it results in an asset that can be identified, it is probable that the asset will generate future economic benefits and the development cost can be reliably measured. Otherwise the development cost is recognised in profit or loss. The brand development costs have an indefinite useful life.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 30 September 2024 continued

2. Material accounting policies continued

2.3 Other accounting policies continued

2.3.16 Investment in joint venture

The Group has an investment in a joint venture in which it holds 50% equity interests. This investment is not controlled because the Group does not have the power to direct the relevant activities, but rather through unanimous consent. Furthermore, there are no other arrangements granting the Group this power over the relevant activities or, which are decided through majority vote of the Board.

The joint venture is measured using the equity method of accounting, applying the Group's accounting policies, from the acquisition date to the disposal date. The most recent audited annual financial statements of the joint venture are used, which are within three months of the year end of the Group. Adjustments are made to the joint venture's financial results for material transactions and events in the intervening period.

When the Group's share of losses or reversal of unrealised gains equals or exceeds its interest in the entity, the Group does not recognise further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the joint venture.

2.3.17 Rental vehicles

Vehicles for rental purposes are held for a period of up to 12 months and are generally transferred to inventory at their calculated residual values. The depreciation of rental vehicles is reassessed yearly based on the residual values. The Group classifies rental vehicles as current assets since they are held for rental for a period of less than 12 months in terms of the novated licence agreements with Avis Budget Group and are then subsequently sold in the ordinary course of business. The transfer of such assets to inventories is done at the assets' carrying amount. The proceeds from the sale of such assets are recognised as revenue and the carrying amount as cost of sales.

These assets are primarily realised through sale after being rented to customers for less than 12 months.

2.3.18 Inventories

Inventories consist of the following:

- Used vehicles
- Consumables – tracking units
- Other inventory, including spare parts
- Work in progress or specialised inventory

Inventories are stated at the lower of cost or net realisable value. Net realisable value is the net selling price in the ordinary course of business, less selling expenses.

Specific identification basis is used to arrive at the cost (carrying amount) of motor vehicles as the items are not interchangeable. The first in, first out method is used to arrive at the cost of consumables and other inventory. Work in progress includes the cost of spares, consumables and allocation of labour and overhead costs.

Allowance for net realisable value of inventory is assessed at every reporting date, taking into account the ageing and the current market demand for such items.

Rental vehicles and leasing vehicles that become available for sale after being removed from rental vehicles and leasing vehicles are transferred to inventories at their carrying amount. Sale proceeds from such rental assets are recognised as revenue.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 30 September 2024 continued

2. Material accounting policies continued

2.3 Other accounting policies continued

2.3.19 Provisions and other accruals

Provisions are recognised when the Group has a present legal or constructive obligation as a result of a past event, and it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

Maintenance cost: A provision is raised for the estimation of maintenance and repair costs. Assumptions include the estimation of maintenance and repair costs over the life cycle of the assets concerned. The timing of these cash flows is an element of judgement. During the prior year, the maintenance cost was aggregated with contract liabilities as they relate to transactions of a similar nature.

Included in other provisions

Leave pay: Employee entitlements to annual leave are recognised when these accrue to employees. A provision is made for the estimated liability, limited to the specified days in accordance with the Group's leave policy, for annual leave as a result of services rendered by employees up to the reporting date.

Profit share: The Group has agreements with some of its strategic customers to share maintenance profits and profits generated from selling the vehicle under the lease, that were operated by the customer under the full maintenance lease contract. At reporting date, the Group determines the expected profit to be paid to the customer based on the performance of the maintenance contracts and average profits on sale under the lease.

Licence fees: Licence fees are collected on a monthly basis from the customer for the duration of the lease. These fees are recorded in a provision for licence account, and payments for the annual renewal of the vehicle licence are recorded against the provision. At the end of the contract, any over or under recovery is recognised in profit or loss.

2.3.20 Financial assets and financial liabilities (financial instruments)

The Group's financial instruments comprise:

Financial assets

- Trade and other receivables
- Cash and cash equivalents
- Finance lease receivables

Financial liabilities

- Bank overdrafts
- Short-term loans
- Floorplans from suppliers
- Trade and other payables
- Long-term loans

Classification of financial assets

Financial assets are classified in their entirety based on how their performance is managed and evaluated (business model), and the characteristics of their contractual cash flows. The Group measures financial assets initially at fair value plus transaction costs for instruments measured at amortised cost, and subsequently at amortised cost.

Financial assets at amortised cost are classified and subsequently measured using the effective interest method.

Trade and other receivables are initially recognised when the business becomes party to a contract, and are subsequently measured at amortised cost less expected credit losses.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 30 September 2024 continued

2. Material accounting policies continued

2.3 Other accounting policies continued

2.3.20 Financial assets and financial liabilities (financial instruments) continued

Expected credit losses

The Group applies the ECL model to financial assets measured at amortised cost, including trade receivables, finance lease receivables, and cash equivalents. The ECL model is forward-looking and incorporates both historical loss experience and future economic conditions.

General approach

At initial recognition, the Group recognises a loss allowance for 12-month ECL, which represents the portion of lifetime ECL that is expected to result from default events possible within 12 months.

If the credit risk of a financial asset has increased significantly since initial recognition, the Group recognises a loss allowance for the lifetime ECL, which reflects all potential default events over the remaining life of the asset.

Simplified approach for trade receivables and lease receivables

For trade receivables and lease receivables, the Group applies the simplified approach, measuring the loss allowance at an amount equal to lifetime ECLs from initial recognition. This approach eliminates the need to assess whether there has been a significant increase in credit risk.

Assessment of credit risk

The Group evaluates credit risk based on a combination of factors, including:

- Historical loss rates
- Forward-looking information, such as economic forecasts and changes in market conditions
- Counterparty-specific factors, such as the customer's financial position and payment history

Write-offs

A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows. Indicators of a write-off include significant financial difficulty of the debtor, insolvency, or prolonged default despite recovery efforts in the recognition of leases.

Cash and cash equivalents comprise cash on hand, deposits held on call with banks, short-term money market instruments and other short-term highly liquid investments with original maturities of three months or less. Cash and cash equivalents are measured at amortised cost. Foreign cash balances are translated using the exchange rate at the reporting date. For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and cash equivalents as defined above.

Finance lease receivables: The accounting policy for finance lease receivables is included in the accounting policy for leasing.

Derecognition of financial assets

The Group derecognises financial asset only when contractual rights to the asset's cash flows have expired or the asset has been transferred to a third party (along with the risks and rewards of ownership). If the risks and rewards of ownership have not passed, the Group still recognises the entire financial asset and treats any consideration received as a liability.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 30 September 2024 continued

2. Material accounting policies continued

2.3 Other accounting policies continued

2.3.20 Financial assets and financial liabilities (financial instruments) continued

Financial liabilities and equity instruments issued by the Group

The classification depends on the nature and purpose of the financial liabilities and is determined at the time of initial recognition. All financial liabilities are initially recognised at fair value net of directly attributable transaction costs, in the case of instruments initially measured at amortised cost and subsequently measured at amortised cost.

Financial liabilities at amortised cost are measured using the effective interest rate method.

All financial liabilities are classified and measured at amortised cost unless they meet the criteria for classification at fair value through profit or loss.

Financial liabilities are stated at their carrying amount, which is considered to approximate fair value because of the short-term duration or market-related interest rates.

Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or they expire, or when they are converted to equity.

2.3.21 Post-employment benefit obligations

It is the policy of the Group to encourage, facilitate and contribute to the provision of retirement benefits for all permanent employees. To this end, the Group's permanent employees are usually required to be members of either a pension or provident fund, depending on their preference and local legal requirements.

Payments to defined contribution plans are recognised as an expense as they fall due. Payments made to industry-managed retirement benefit schemes are dealt with as defined contribution plans where the Group's obligations under the schemes are equivalent to those arising in a defined contribution retirement benefit plan.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 30 September 2024 continued

2. Material accounting policies continued

2.3 Other accounting policies continued

2.3.22 Leases

The Group applied the exemption for short-term leases (lease term of less than 12 months) and leases of low-value assets (R85 000) in the recognition of lease assets.

In terms of IFRS 16 Leases, the Group assesses whether a contract is or contains a lease, at inception of the contract.

- In the capacity of a lessor

  Vehicles leased to customers for periods ranging from 12 to 72 months are classified as finance leases. Rental income from shorter-term fleet management solutions and short-term vehicle rentals (rental income from operating leases, net of any incentives given to the lessees) is recognised on a straight-line basis over the lease term.

- In the capacity of a lessee

  A right-of-use asset is initially measured at cost, comprising the initial measurement of the lease liability, adjusted for any lease payments made at, or before the commencement date, plus any initial direct costs incurred and less any lease incentives received. The Group recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee. For these leases, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

  Right-of-use assets are carried at their cost less any accumulated depreciation and any impairment losses.

Lease term

The lease term is the non-cancellable period of the lease plus any optional renewal period less any optional early terminations where it is reasonably certain that the options will be exercised. The lease term was determined considering these options, where applicable, and involves judgement to determine whether the options will be exercised on a lease-by-lease basis.

Lease payments are allocated between finance costs and the capital repayments, using the effective interest method.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the lessee uses its incremental borrowing rate. Right-of-use assets are depreciated over the shorter of the lease term or their useful lives using the following methods and rates:

Land and buildings (properties)	Straight line	20 to 50 years
Plant, equipment, computers and furniture	Straight line	5 years
Licence and software	Straight line	13 years

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 30 September 2024 continued

2. Material accounting policies continued

2.3 Other accounting policies continued

2.3.23 Contract liabilities

A contract liability incurs contractual costs of service, maintenance, and warranty work to be carried out in the future and the unearned margin to be recognised over the life of the plans. Actuarial experts are used to determine the inputs required to establish the adequacy of the liability and the resulting revenue to be recognised. This valuation takes into account the future usage; maintenance, tyres and service costs of each vehicle, projected based on the estimated future usage; and the experience-adjusted maintenance tables. Funds for which there are insufficient claims history are recognised in profit or loss to the extent of the claims cost incurred, without any profits being attributed.

At the end of the plan, any remaining profits are recognised in profit or loss.

2.3.24 Insurance contract asset

The Group has entered into an agreement with a cell captive insurer. The Group holds preference shares in the cell captive which entitles it to the profits of the insurance business that is housed in the cell.

The insurance risk of the cell captive arrangement lies with cell captive, however, the Group is exposed to insurance risk to the extent that the cell captive requires an additional capital injection if the solvency and capital adequacy ratios fall below the prescribed levels.

The Cell Captive Shareholder Participation Agreement is seen as an in-substance insurance arrangement and therefore falls within the scope of IFRS 17 which is applicable in the current year. The Group is exposed to the credit quality of the cell captive insurer, as it will be required to make payment to the Group of the residual interest in the cell on the redemption of the preference shares. The cell captive meets the Solvency Capital Requirement as at 30 September 2024.

The Group offers non-life insurance products to customers, through the cell captive.

The Group has entered into agreements (binder and intermediary agreements) with the cell captive insurer whereby the Group undertakes to perform the policy administrative functions such as:

- Enter into, vary or renew policies
- Determine the wording of the policies
- Determine premiums payable
- Determine the value of the benefits

The Group's insurance contract is recognised at the commencement of the coverage period.

The contract boundary was determined based on the Group's substantive rights and obligations outlined in the cell captive arrangement.

2. Material accounting policies continued

2.3 Other accounting policies continued

2.3.24 Insurance contract asset continued

The Group applies the premium allocation approach (PAA) to measure its contract liability.

The Group has applied the PAA methodology when measuring the cell captive arrangement. However, it does market products that extend for more than one year. The Group has however considered these contracts and reasonably expects that such simplification would produce a measurement of the liability that would not differ materially from the liability determined using the general measurement model (GMM).

Insurance revenue is earned from insurance contracts in the form of premiums received. The premiums are recognised over the coverage period.

Insurance service expenses include the incurred claims and other directly attributable expenses incurred in the current financial year and changes relating to past service (i.e. changes in the fulfilment cash flows relating to the liability for remaining coverage (LIC) for prior periods).

Concentration risk

The Group offers non-life insurance products in the automotive industry; while this creates concentration risk, it complements the automotive value chain offering of the Group.

Financial risk

Credit risk

The non-payment of premiums by policyholders could indirectly impact the Group through lower profitability and dividend income receivable from the cell captive arrangement.

The Group exerts some control over the credit management policies and processes used by cell captive insurers to reduce the risk of non-payment. This involves underwriting guidelines in terms of the intermediary and binder agreements.

Liquidity risk

Liquidity risk for the Group stems from risk that the cell captive arrangement may require additional funding as the Group has the obligation to recapitalise and maintain the solvency capital requirements of the cell captive.

Interest rate risk

The Group is exposed to insignificant interest rate risk on financial assets held in the cell captive.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 30 September 2024 continued

2. Material accounting policies continued

2.3 Other accounting policies continued

2.3.25 Group classification of cash flow activities

For the purposes of the cash flow statement, the following are classified as operating activities due to the nature of the operations they relate to:

- Investment in rental vehicles
- Investment in leasing vehicles
- Disposal of rental vehicles
- Disposal of leasing vehicles

The bank overdraft has been classified as a financing activity.

2.3.26. Non-IFRS measures

EBITDA

EBITDA refers to earnings before interest, taxation, depreciation, amortisation, and impairment of property, plant and equipment, intangible assets and rental vehicles.

Capital items

Capital items refer to expenses/income that are unrelated to the Group's core operations and falls outside the normal course of business. Items of expenses/income included in capital items are consistent with items that are 'out of' (excluded from) headline earnings per share ("HEPS") in accordance with the JSE Listings Requirements and guidance published by SAICA relating to HEPS.

2.4 New standards and interpretations effective during the current financial year

The Group's accounting policies are consistent with those applied at 30 September 2023, except for revisions made as a result of the amendments to IAS 1, IAS 8, and IAS 12 and the adoption of IFRS 17. The amendments to IAS 8, and IAS 12 had no material impact on the Group's results. The amendment of IAS 1 required only material accounting policies to be disclosed. The impact of IFRS 17 is outlined in the note 16 restatement.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 30 September 2024 continued

2. Material accounting policies continued

2.5 New standards and interpretations not yet effective

The following new and amended standards are expected to have no or minimal impact on presentation, recognition and measurement in future years, except for the new standards relating to IFRS 18 and IFRS 19:

Standard/ amendment	Effective date*	Executive summary
Classification of Liabilities as Current or Non-current (Amendment to IAS 1)	1 January 2024	Classification of Liabilities as Current or Non-current clarifies a criterion in IAS 1 *Presentation of Financial Statements* for classifying a liability as non-current: the requirement for an entity to have the right to defer settlement of the liability for at least 12 months after the reporting period.
Lease Liability in a Sale and Leaseback (Amendment to IFRS 16)	1 January 2024	Lease Liability in a Sale and Leaseback amends IFRS 16 by adding subsequent measurement requirements for sale and leaseback transactions.
Non-current Liabilities with Covenants (Amendments to IAS 1)	1 January 2024	Non-current Liabilities with Covenants amends IAS 1 *Presentation of Financial Statements*. The amendments improve the information an entity provides when its right to defer settlement of a liability for at least 12 months is subject to compliance with covenants. The amendments also respond to stakeholders' concerns about the classification of such a liability as current or non-current.
Supplier Finance Arrangements (Amendments to IAS 7 and IFRS 7)	1 January 2024	Supplier Finance Arrangements amends IAS 7 *Statement of Cash Flows* to require an entity to provide additional disclosures about its supplier finance arrangements. The amendments also add supplier finance arrangements as an example within the liquidity risk disclosure requirements of IFRS 7 *Financial Instruments: Disclosures*.
Lack of Exchangeability (Amendments to IAS 21)	1 January 2025	Lack of Exchangeablity amends IAS 21 *The Effects of Changes in Foreign Exchange Rates* to require an entity to apply a consistent approach to assessing whether a currency is exchangeable into another currency and, when it is not, to determining the exchange rate to use and the disclosures to provide.
Classification and Measurement of Financial Instruments – Amendments to IFRS 9 and IFRS 7	1 January 2026	These amendments: • Clarify the date of recognition and derecognition of some financial assets and liabilities, with a new exception for some financial liabilities settled through an electronic cash transfer system • Clarify and add further guidance for assessing whether a financial asset meets the solely payments of principal and interest ("**SPPI**") criterion • Add new disclosures for certain instruments with contractual terms that can change cash flows (such as some financial instruments with features linked to the achievement of environment, social and governance targets) • Update the disclosures for equity instruments designated at fair value through other comprehensive income ("**FVOCI**")

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 30 September 2024 continued

2. Material accounting policies continued

2.5 New standards and interpretations not yet effective continued

Standard/ amendment	Effective date*	Executive summary
IFRS 19 *Subsidiaries without Public Accountability: Disclosures*	1 January 2027	IFRS 19 allows for certain eligible subsidiaries of parent entities that report under IFRS Accounting Standards to apply reduced disclosure requirements.
IFRS 18 *Presentation and Disclosure in Financial Statements*	1 January 2027	IFRS 18 will replace IAS 1 *Presentation of Financial Statements*, introducing new requirements that will help to achieve comparability of the financial performance of similar entities and provide more relevant information and transparency to users. Even though IFRS 18 will not impact the recognition or measurement of items in the financial statements, its impacts on presentation and disclosure are expected to be pervasive, in particular those related to the statement of financial performance and providing management-defined performance measures within the financial statements. Management will assess the detailed implications of applying the new standard on the Consolidated financial statements.

* *Effective for annual periods beginning on or after this date.*

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 30 September 2024 continued

3. Revenue

R'000	2024	(Restated) 2023
Recognised at a point of time		
Sale of vehicles	**4 339 296**	3 453 343
Recognised over time		
Rendering of service-value added products*	**73 604**	57 322
Rentals	**3 520 821**	3 367 476
Licensing fee	**27 277**	35 390
Commissions	**53 524**	49 163
Leasing income and maintenance revenue	**2 134 544**	1 918 317
Variable leasing income – drop off and excess kilometres	**300 183**	249 332
Revenue from sale of goods and services	**10 449 249**	9 130 343
Revenue recognised in terms of IFRS 17		
Insurance revenue*	**19 202**	14 294
	10 468 451	9 144 637

* *The restatement is due to the adoption of IFRS 17. Refer to the restatement disclosure in note 16.*

Refer to the segmental revenue and expenses disclosure for the disaggregation of revenue per operating segment.

4. Other operating income

R'000	2024	(Restated) 2023
Rental-related recoveries	**99 994**	76 243
Leasing-related recoveries	**30 631**	34 267
Other income	**63 541**	14 318
	194 166	124 828

Rental-related recoveries includes items such as parking income and petrol recoveries. Leasing-related income mainly constitutes fuel rebates and recoveries for damages from leasing customers on termed vehicles. Other income mainly relates to Compensation for Occupational Injuries and Diseases Act (COIDA) and bad debt recoveries. Other income has been restated due to the adoption of IFRS 17. Refer to the restatement disclosure in note 16.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 30 September 2024 continued

5. Operating profit

R'000	2024	(Restated) 2023***
Operating expenses excluding capital items include the following:		
Employee expenses		
IFRS 2 charges	**(8 753)**	(13 052)
Staff costs	**(786 933)**	(742 909)
Contributions to retirement and medical funds	**(101 926)**	(95 140)
Depreciation, amortisation, impairments and write-offs of non-financial assets		
Depreciation	**(74 556)**	(75 027)
Buildings	**(2 990)**	(4 775)
Plant, equipment, computer and furniture	**(12 500)**	(12 944)
Vehicles	**(26)**	(202)
Rental assets	**(196)**	–
Right-of-use assets	**(58 844)**	(57 106)
Amortisation on intangible assets	**(3 892)**	(1 557)
Computer software	**(3 046)**	(710)
Trademarks and other	**(846)**	(847)
Other expenses		
Net loss on rental vehicles*	**(99 521)**	(87 709)
Operating lease charges	**(148 439)**	(126 864)
Audit fee	**(12 005)**	(17 238)
Fees for other services	**(116 211)**	(103 411)
Corporate social investment spend	**(25 622)**	(21 290)
Motor vehicle expense	**(498 399)**	(539 579)
Sales and advertising	**(281 514)**	(206 795)
Other office expenses	**(91 191)**	(110 683)
Licence fees	**(206 569)**	(169 310)
Other operating expenses**	**(377 710)**	(356 525)
Total administration and other operating expenses	**(2 833 241)**	(2 667 089)
Number of employees at year end	**2 004**	2 008

* *The net loss arises when there are vehicles stolen, hijacked and vehicles written off while they are moving within the cycle.*

** *Other operating expenses mainly includes bad debt written off, other employee-related costs and repairs and maintenance costs.*

*** *Restated for the adoption of IFRS 17. Refer to restatement disclosure in note 16.*

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 30 September 2024 continued

6. Finance income

R'000	2024	2023
Interest received		
Deposits	**39 805**	26 358
Banks	**3 174**	2 579
SARS	**–**	775
Other	**56**	46
	43 035	29 758

7. Finance costs

R'000	2024	2023
Interest paid		
Long-term borrowings	**(352 656)**	(217 320)
Lease liabilities	**(42 103)**	(46 589)
Floorplans from suppliers	**(271 388)**	(202 550)
Overdraft and short-term loans	**(63 503)**	(185 676)
	(729 650)	(652 135)

8. Foreign exchanges losses

R'000	2024	2023
Realised	**(3 148)**	2 082
Unrealised	**(43 109)**	(16 375)
	(46 257)	(14 293)

9. Capital items

R'000	2024	2023
Profit on disposal of plant and equipment excluding rental assets	**–**	14 931
Impairment reversal of property, plant and equipment*	**15 850**	–
Profit on disposal of business	**344**	–
	16 194	14 931

* *During the 2020 financial year, the property, plant and equipment (land) was impaired based on the independent valuation performed. In the current financial year, as a result of the sale offer, an impairment reversal of R15.9 million was recognised. The recoverable amount was determined as proceeds amounts excluding VAT based on the purchase offer of R74 million.*

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 30 September 2024 continued

10. Taxation

R'000	2024	2023
South African normal taxation		
Current taxation		
Current year	(167 210)	(120 417)
Prior year	6 549	57 596
	(160 661)	(62 821)
Deferred taxation		
Current year	6 417	(100 600)
Prior year	(3 871)	12 832
	2 546	(87 768)
Withholding tax	(5 621)	(2 927)
Foreign normal taxation		
Current taxation		
Current year	(28 185)	(29 760)
Prior year	(140)	–
	(28 325)	(29 760)
Deferred taxation		
Current year	(28 699)	(14 288)
Prior year	253	485
Rate change*	2 767	–
	(25 679)	(13 803)
Withholding tax	(475)	(575)
Total taxation charge	**(218 215)**	(197 654)

** The rate changes relate to tax rate changes in Namibia and Swaziland.*

Zeda Limited operates across several countries in Africa and is subject to and complies with the income tax laws in each of the jurisdictions in which it operates. The Group has consistently filed all required income tax returns and paid taxes as determined to be due, in accordance with local tax regulations.

The tax laws and regulations in many of these countries are highly complex and open to interpretation. As a result, the Group may occasionally be subject to reviews of its historical income tax filings. During such reviews, disputes may arise with tax authorities regarding the interpretation or application of specific tax rules as they relate to the Group's operations in those jurisdictions.

Determining the appropriate worldwide provisions for income taxes involves significant judgement from tax experts, given the complexity of local and international tax legislation.

Reconciliation of the effective tax rate to the statutory tax rate:

R'000	2024	2023
Effective tax rate	26.2%	21.0%
Prior year adjustment	0.3%	7.4%
Reversal of impairment of property	(0.5%)	0.0%
Non-deductible expenses	(0.8%)	0.0%
Non-taxable income	0.2%	(1.0%)
IFRS 2 share-based payment adjustments	(0.3%)	(0.1%)
Dividends received	0.0%	(0.1%)
Foreign rate differential	0.7%	0.1%
Rate change adjustment	0.3%	0.0%
Movement in tax losses not accounted for in deferred tax	0.0%	0.1%
Share of joint venture income	1.7%	0.0%
Withholding tax	(0.8%)	(0.4%)
Tax at statutory tax rate	**27.0%**	27.0%

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 30 September 2024 continued

11. Earnings and headline earnings per share

Basic earnings per share is derived by dividing profit or loss attributable to the equity holders of Zeda Limited for the period by the weighted average number of ordinary shares in issue during the financial year, net of treasury shares. Appropriate adjustments are made in calculating diluted and headline earnings per share.

Headline earnings has been calculated and disclosed in accordance with the JSE Listings Requirements, and in terms of circular 1/2023 issued by SAICA. Disclosure of headline earnings is not a requirement of IFRS Accounting Standards, but it is a commonly used measure of earnings in South Africa that is more closely aligned with the operating activities of the entity. The items excluded from the calculation of headline earnings meet the definition of separately identifiable remeasurements as defined in circular 1/2023. The table below reconciles the profit for the financial year to headline earnings:

R'000	**2024**	2023
Reconciliation of headline earnings		
Profit attributable to the shareholders	**598 974**	731 883
Adjusted for:		
Impairment reversal of property, plant and equipment	**(15 850)**	–
Loss/(profit) on disposal of property, plant and equipment	**65**	(14 931)
Profit on disposal of business	**(343)**	–
Tax effects of the above items:		
(Loss)/profit on disposal of property, plant and equipment	**(14)**	3 265
Profit on disposal of business	**488**	–
Headline earnings	**583 320**	720 217

	2024 Number of shares	2023 Number of shares
Issued shares (000)	**189 642**	189 642
Weighted average number of treasury shares held by group entities (000)	**(2 598)**	(642)
Weighted average number of ordinary shares in issue (000)	**187 044**	189 000
Diluted weighted average number of ordinary shares (000)	**187 044**	189 000

	2024 cents	2023 cents
Earnings per share		
Basic	**320.23**	387.24
Diluted	**320.23**	387.24
Headline earnings per share		
Basic	**311.86**	381.07
Diluted	**311.86**	381.07

The weighted average number of ordinary shares in issue and diluted weighted average number of shares in issue are the same as there are no dilutive instruments in issue.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 30 September 2024 continued

12. Property, plant and equipment

	2024			2023		
R'000	**Cost**	**Accumulated depreciation and impairment**	**Carrying amount**	Cost	Accumulated depreciation and impairment	Carrying amount
Freehold and leasehold land	**29 837**	**(15 501)**	**14 336**	110 175	(37 058)	73 117
Freehold and leasehold buildings	**147 551**	**(131 262)**	**16 289**	144 764	(128 557)	16 207
Plant, equipment, computers and furniture	**160 283**	**(145 497)**	**14 786**	150 616	(133 894)	16 722
Vehicles	**4 273**	**(4 273)**	**–**	4 273	(4 247)	26
Leasing vehicles	**6 395 529**	**(1 750 406)**	**4 645 123**	5 782 303	(1 682 131)	4 100 172
	6 737 473	**(2 046 939)**	**4 690 534**	6 192 131	(1 985 887)	4 206 244

	2024					
R'000	**Freehold and leasehold land**	**Freehold and leasehold buildings**	**Plant, equipment, computers and furniture**	**Vehicles**	**Leasing vehicles**	**Total**
At the beginning of the year	**73 117**	**16 207**	**16 722**	**26**	**4 100 172**	**4 206 244**
Additions	**–**	**4 063**	**10 713**	**–**	**2 260 489**	**2 275 265**
Disposals	**–**	**(65)**	**(55)**	**–**	**(70 117)**	**(70 237)**
Transfers to inventory**	**–**	**–**	**–**	**–**	**(713 804)**	**(713 804)**
Transfer to non-current assets held for sale	**(74 100)***	**–**	**–**	**–**	**–**	**(74 100)**
Depreciation	**–**	**(2 990)**	**(12 500)**	**(26)**	**(874 197)**	**(889 713)**
Reversal of impairment	**15 850**	**–**	**–**	**–**	**–**	**15 850**
Translation difference	**(531)**	**(926)**	**(94)**	**–**	**(57 420)**	**(58 971)**
At the end of the year	**14 336**	**16 289**	**14 786**	**–**	**4 645 123**	**4 690 534**

** Included in the R74 million is the cost of the asset of R79 million and its accumulated depreciation of R5 million. During the 2020 financial year, the asset was impaired based on the independent valuation performed. In the current financial year, as result of the sale offer, an impairment reversal of R15.9 million was recognised. The recovervable amount was determined to be the proceeds amount excluding VAT based on the purchase offer of R74 million.*

	2023					
R'000	Freehold and leasehold land	Freehold and leasehold buildings	Plant, equipment, computers and furniture	Vehicles	Leasing vehicles	Total
At the beginning of the year	73 821	23 520	17 973	228	3 509 114	3 624 656
Additions	–	76	11 810	–	1 992 823	2 004 709
Disposals	(1 073)	(2 713)	(138)	–	(56 458)	(60 382)
Transfers to inventory**	–	–	–	–	(561 523)	(561 523)
Depreciation	–	(4 775)	(12 944)	(202)	(795 891)	(813 812)
Translation difference	369	99	21		12 107	12 596
At the end of the year	73 117	16 207	16 722	26	4 100 172	4 206 244

*** In the normal course of business, reclassifications within leasing assets relates to assets that are recognised as property, plant and equipment and reclassified to inventory for resale.*

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 30 September 2024 continued

13. Right-of-use assets

	2024			2023		
R'000	**Cost**	**Accumulated depreciation, amortisation and Impairment**	**Carrying amount**	Cost	Accumulated depreciation, amortisation and Impairment	Carrying amount
Properties	**452 756**	**(226 977)**	**225 779**	451 224	(191 361)	259 863
Plant, equipment, computers, furniture and software	**32 543**	**(6 762)**	**25 781**	32 543	(2 459)	30 084
	485 299	**(233 739)**	**251 560**	483 767	(193 820)	289 947

	2024		
R'000	**Properties**	**Plant, equipment, computers, furniture and software**	**Total**
At the beginning of the year	**259 863**	**30 084**	**289 947**
Additions	**21 391**	**–**	**21 391**
Disposals	**(613)**	**–**	**(613)**
Depreciation and amortisation	**(54 541)**	**(4 303)**	**(58 844)**
Translation difference	**(321)**	**–**	**(321)**
At the end of the year	**225 779**	**25 781**	**251 560**

	2023		
R'000	Properties	Plant, equipment, computers, furniture and software	Total
At the beginning of the year	295 834	–	295 834
Additions	19 824	32 543	52 367
Disposals	(1 427)	–	(1 427)
Depreciation and amortisation	(54 647)	(2 459)	(57 106)
Translation difference	279	–	279
At the end of the year	259 863	30 084	289 947

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 30 September 2024 continued

14. Intangible assets

R'000	2024 Cost	2024 Accumulated depreciation and impairment	2024 Carrying amount	2023 Cost	2023 Accumulated depreciation and impairment	2023 Carrying amount
Computer software	102 782	(93 936)	8 846	93 110	(90 891)	2 219
Capitalised licence fee	12 698	(8 113)	4 585	13 910	(8 478)	5 432
Brand development	30 369	(10 824)	19 545	28 796	(10 824)	17 972
	145 849	(112 873)	32 976	135 816	(110 193)	25 623

R'000	2024 Computer software	Capitalised licence fee	Brand development	Total
At the beginning of the year	2 220	5 431	17 972	25 623
Additions	9 672	–	1 573	11 245
Amortisation	(3 046)	(846)	–	(3 892)
At the end of the year	8 846	4 585	19 545	32 976

R'000	2023 Computer software	Trademark and others	Brand development	Total
At the beginning of the year	2 033	6 278	16 789	25 100
Additions	897	–	1 183	2 080
Amortisation	(711)	(846)	–	(1 557)
At the end of the year	2 219	5 432	17 972	25 623

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 30 September 2024 continued

15. Investment in joint venture

R'000	2024	2023
Daysun Proprietary Limited: Investment in ordinary shares	50%	50%
Investment		
At the beginning of the year	18 308	8 100
Share of undistributed profits	48 522	10 208
Share of profit for the year	53 626	10 208
Dividends	(5 104)	–
At the end of the year	**66 830**	18 308
Statement of financial position		
Non-current assets	19 636	9 352
Current assets	314 186	205 521
Non-current liabilities	(87 993)	(102 268)
Current liabilities	(112 169)	(75 988)
Net assets (100%)	**133 660**	36 617
Group's share of net assets (50%)	**66 830**	18 308
Income statement		
Revenue	167 169	42 592
Operating profit	126 659	16 211
Net interest received	20 260	11 756
Profit before tax	146 919	27 967
Income tax expense	(39 667)	(7 551)
Profit and total comprehensive income (100%)	**107 252**	20 416
Group's share of profit and total comprehensive income (50%)	**53 626**	10 208

Daysun Proprietary Limited is a joint venture that derives its income from rendering administrative services for maintenance contracts in South Africa.

There are no restrictions on the ability of the joint venture to transfer funds in the Group in the form of cash dividends or to repay amounts owing to the Group.

The Group has no commitments arising from its involvement with the joint venture.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 30 September 2024 continued

16. Insurance contract asset

Restatements due to the adoption of IFRS 17

In the prior periods, the investment in the cell captive was accounted at fair value in terms of IFRS 9. Due to the adoption of IFRS 17, the investment has been reclassified to an insurance contract asset.

The comparative Consolidated statement of financial position and Consolidated statement of profit or loss have been restated retrospectively using the full retrospective approach outlined in IFRS 17. The restatements relate to the new lines presented and related notes.

R'000	2023	2022
Previously disclosed as: Investments	5 881	463
Now disclosed as: Insurance contract asset*	5 881	463

** The transition from IFRS 9 relating to the investment to IFRS 17 Insurance Contracts was insignificant and no remeasurement adjustment was made.*

In addition to the above, the adoption of IFRS 17 had the below reclassification impact on the Consolidated statement of profit or loss.

Revenue earned on the initial sale of insurance products and policy administration has been reallocated to insurance revenue from revenue from the sale of goods and services as a result of IFRS 17.

Amounts paid to the cell captive included in administrative and operating expenses and the fair value adjustment included in other operating income have been reallocated to insurance service expenses and have been recognised as a result of IFRS 17. The comparative amounts for insurance service expenses have been restated to align with the disclosure requirements.

There was no material impact on the Consolidated statement of profit or loss.

R'000	Note	As previously disclosed 2023	Restatement	(Restated) 2023
Revenue from the sale of goods and services	3	9 144 637	(14 294)	9 130 343
Insurance revenue		–	14 294	14 294
		9 144 637	–	9 144 637

R'000	Note	As previously disclosed 2023	Restatement	(Restated) 2023
Other operating income	4	130 246	(5 418)	124 828
Administration and other operating expenses	5	(2 681 383)	14 294	(2 667 089)
Insurance service expenses		–	(8 876)	(8 876)
		(2 551 137)	–	(2 551 137)

The restatement has no impact on the earnings per share and diluted earnings per share, which is disclosed in note 11.

The investment in the cell captive was previously disclosed as a level 3 financial instrument measured at fair value. However, under the requirements of IFRS 17, this investment is measured as part of the insurance contract asset.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 30 September 2024 continued

16. Insurance contract asset continued

The insurance contract asset consists of two components, the asset for remaining coverage (ARC) and the liability of incurred claims (LIC) as follows:

	2024			2023		
R'000	ARC[1]	LIC[2]	Total	ARC	LIC	Total
Carrying amount at the beginning of the year	5 881	–	5 881	463	–	463
Movement recognised in profit or loss	9 704	(751)	8 953	5 998	(580)	5 418
Insurance revenue	19 202	–	19 202	14 294		14 294
Insurance expenses:	(9 498)	(751)	(10 249)	(8 296)	(580)	(8 876)
Incurred claims expenses	–	(473)	(473)	–	(384)	(384)
Expenses incurred	(9 498)	–	(9 498)	(8 296)	–	(8 296)
Changes that relates to past service – adjustment to the LIC	–	(278)	(278)	–	(196)	(196)
Transfer between reserves	(751)	751	–	(580)	580	–
Carrying amount at the end of the year	**14 834**	**–**	**14 834**	5 881	–	5 881

[1] *ARC consists of the original investment and premiums collected by the cell captive insurer, minus all non-directly attributable expenses related to the LIC. These expenses are mainly binder fees, underwriting, administrative and management fee.*

[2] *The LIC represents the Group's obligation to pay valid insurance claims for insured events that have already occurred.*

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 30 September 2024 continued

17. Deferred taxation

R'000	2024	2023
Movement of deferred taxation		
At the beginning of the year		
– Deferred taxation assets	58 438	117 842
– Deferred taxation liabilities	(217 596)	(174 427)
Net deferred tax liability at the beginning of the year	(159 158)	(56 585)
Recognised in statement of profit or loss	(23 132)	(101 572)
– Current movements	(22 282)	(114 888)
– Prior year charge	(3 617)	13 317
– Rate change	2 767	–
Translation differences	3 213	(1 002)
Disposal of subsidiary	135	–
Net deferred tax liability at the end of the year	(178 942)	(159 158)
– Deferred taxation assets	73 716	58 438
– Deferred taxation liabilities	(252 658)	(217 596)
Analysis of deferred taxation by type of temporary difference		
Deferred taxation assets		
Property, plant and equipment	(89 997)	(123 832)
Right-of-use assets	45 990	44 932
Receivables	5 909	5 513
Prepayments	(1 245)	(708)
Other current assets*	23 079	10 941
Lease liabilities	2 113	11 766
Provisions and other non-current assets	72 165	93 021
Short-term loans	168	35
Provisions and other current assets	1 336	1 286
Tax losses	6 573	15 465
Other**	7 648	19
Non-operating capital items	(23)	–
	73 716	58 438
Deferred taxation liabilities		
Property, plant and equipment	(247 139)	(232 282)
Financial assets	(139 681)	(95 378)
Right-of-use assets	(5 223)	(2 597)
Receivables	19 585	19 081
Prepayments	(658)	(292)
Other current assets	101	101
Long-term loans	(461)	(461)
Lease liabilities	11 986	3 604
Provisions and other short-term payables	9 851	12 746
Short-term loans	334	93
Provisions and other current assets	75 113	66 982
Tax losses	23 534	10 807
	(252 658)	(217 596)
Tax losses available for offset against future taxable income	121 271	117 470
Tax losses accounted for in deferred tax	(72 015)	(63 625)
Tax losses not accounted for in deferred tax	**49 256**	53 845

* *Included in other current assets is mainly car rental assets and Avis Car Sales inventory held as closing stock.*
** *Included in other is Zeda Limited deferred tax movement on assessed losses.*

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 30 September 2024 continued

17. Deferred taxation continued

Zeda Limited recognises a deferred tax asset in respect of all deductible temporary differences between the carrying amounts of assets and liabilities for accounting purposes and the tax base for taxation purposes to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised in the future.

The following transactions gave rise to a deferred tax asset in Zeda Limited:

Some of the companies in the Group are currently in an assessed loss position; therefore, a deferred tax asset has been recognised for the carrying forward of the assessed loss to the extent that it is probable that future taxable profit will be available against which the assessed tax losses can be utilised.

The carrying amount of the IFRS 16 right-of-use asset, together with the lease liability movement, provisions for doubtful debt and other provisions that have an unconditional liability to settle at the end of the financial year, exceed the tax base, which gives rises rise to a deductible temporary difference that can be utilised in the future.

Based on the five-year forecast, Zeda Limited is expected to be profitable in the future, therefore the deferred tax asset will be utilised to offset future profits.

Deferred taxation is calculated at 27% in South Africa and the respective tax rate applicable in the other African countries.

18. Finance lease receivable

R'000	2024	2023
Amounts receivable under finance leases		
Advances for instalment sales, leases, rentals and loans	738 892	440 832
Unearned finance charges	(150 236)	(85 153)
Finance lease receivables	**588 656**	355 679
Current portion of finance lease receivable	204 216	124 059
Non-current portion of finance lease receivable	384 440	231 620
Finance lease receivables	**588 656**	355 679
Finance lease receivables are recoverable as follows:		
Present value		
Year one	204 216	124 059
Year two	166 596	104 480
Year three	121 024	67 571
Year four	71 446	46 948
Year five	23 467	11 401
More than five years	1 907	1 221
	588 656	355 679
Minimum lease payments		
Year one	217 808	132 001
Year two	197 032	117 893
Year three	163 973	98 459
Year four	110 624	70 384
Year five	45 766	19 800
More than five years	3 689	2 295
	738 892	440 832
Less: Unearned finance income	(150 236)	(85 153)
	588 656	355 679
Unguaranteed residual values of assets leased under finance leases at the end of the lease term	125 129	25 716

Long-term vehicle fleet is leased to customers for periods ranging from 12 to 72 months. The average lease term is 45 months (2023: 45 months) and the majority of these leases are at interest rates linked to the South African prime rate. The Group remains the title holder of the vehicles under finance lease. Investment income earned on the net investment in the leases amounts to R8.0 million (2023: R4.2 million).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 30 September 2024 continued

19. Rental vehicles

	2024			2023		
R'000	**Cost**	**Accumulated depreciation and impairment**	**Carrying amount**	Cost	Accumulated depreciation and impairment	Carrying amount
Rental fleet	**4 218 402**	**(358 504)**	**3 859 898**	5 505 786	(519 022)	4 986 764

R'000	**2024**	2023
At the beginning of the year	**4 986 764**	3 812 005
Additions	**3 277 649**	4 428 988
Disposals	**(101 460)**	(91 421)
Depreciation	**(945 318)**	(911 244)
Transfers to inventory*	**(3 355 378)**	(2 252 285)
Translation differences	**(2 359)**	721
At the end of the year	**3 859 898**	4 986 764

* *Transfers to inventory relates to rental fleet reclassified to inventory for resale.*

Rental fleet consists mainly of short-term rental vehicles. The Group uses a combination of cash and debt to fund the purchasing of rental vehicles. Vehicles purchased through debt are held as security by the financier for the duration of the debt period.

For additional information relating to rental fleet vehicles encumbered as security for "Floorplans from suppliers" refer to note 32.

20. Inventories

R'000	**2024**	2023
Used vehicles	**957 583**	529 356
Work in progress	**–**	5 727
Consumable stores	**20 686**	3 425
Other inventory*	**116**	16 364
Total	**978 385**	554 872
Inventory provisions	**(6 760)**	(10 340)
Inventories	**971 625**	544 532
Inventory stated at net realisable value	**48 835**	42 963
Inventory charged to cost of sales	**3 613 508**	2 682 788
The value of inventories has been determined on the following basis:		
First in, first out	**–**	21 820
Specific identification	**952 155**	505 480
Weighted average	**19 470**	17 232
	971 625	544 532

* *Other inventory comprises mainly of fuel, uniforms, car seats and other promotional items.*

For additional information relating to used vehicle inventories encumbered as security for "Trade and other payables" refer to note 33.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 30 September 2024 continued

21. Trade and other receivables

R'000	2024	2023
Trade receivables	1 780 577	1 496 252
Expected credit losses	(437 426)	(398 207)
Net trade and other receivables	1 343 151	1 098 044
Other financial assets		
Other short-term receivables*	175 168	170 649
	1 518 319	1 268 693
Non-financial assets classified as other receivables		
Prepayments	39 618	23 624
	1 557 937	1 292 317
Movement in the allowance for expected credit loss is as follows:		
At the beginning of the year	(398 207)	(442 891)
Increase in allowance for expected credit loss	(51 011)	(31 882)
Allowance reversed to profit or loss	7 440	9 797
Unrecoverable credit losses written off	(181)	68 835
Translation differences	4 521	(2 066)
Disposal of subsidiary	12	–
At the end of the year	(437 426)	(398 207)

* *Other short-term receivables include VAT, sundry debtors and deposits.*

The following table details the risk profile of trade receivables based on the Group's provision matrix.

R'000	Gross carrying amount	2024 Lifetime ECL	Effective impairment
Not due	790 445	(9 882)	1%
0 to 30 days past due	290 455	(9 373)	3%
31 to 60 days past due	37 469	(1 984)	5%
61 to 90 days past due	68 360	(10 533)	15%
91 to 120 days past due	108 610	(26 178)	24%
Greater than 121 days past due	485 238	(379 476)	78%
	1 780 577	(437 426)	25%

R'000	Gross carrying amount	2023 Lifetime ECL	Effective impairment
Not due	669 965	(1 793)	–
0 to 30 days past due	248 137	(2 690)	1%
31 to 60 days past due	53 273	(2 251)	4%
61 to 90 days past due	30 853	(3 228)	10%
91 to 120 days past due	58 869	(25 927)	44%
Greater than 121 days past due	435 155	(362 318)	83%
	1 496 252	(398 207)	27%

Refer to note 42.2 for credit risk managment strategies.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 30 September 2024 continued

22. Cash and cash equivalents

R'000	2024	2023
Cash on hand	**2 034**	1 775
Cash in bank	**1 191 842**	840 556
Total cash and cash equivalents	**1 193 876**	842 331
Restricted cash held in terms of the Absa and Nedbank loan facility*	**199 353**	210 312
Unrestricted cash	**994 523**	632 019
	1 193 876	842 331

* *Zeda Car Leasing Proprietary Limited ("**ZCL**") received a loan from Absa bank of R1.8 billion (refer note 27). The terms of the loan agreement state that ZCL must ensure that, at all times, an amount equal to interest payable by ZCL for a period of four months is deposited and maintained in the Security Deposit Account (owned by ZCL) and must ensure that, at all times, an amount equal to 5% of the loan is deposited and maintained in the Maintenance Account (owned by ZCL).*

These requirements also prevent the deposit accounts from being used for any purpose other than providing the lender (Absa) with a right of offset to secure repayment of the loan should ZCL default on scheduled payments.

The funds have been placed in an investment account to optimise interest income and ZCL has access to the interest earned monthly.

*During the current financial year, Auto Fleet Services Proprietary Limited ("**Auto fleet**") obtained new Absa and Nedbank loans signed in November 2023 of R2 billion (refer to note 27 for the long-term portion and note 31 for the short-term portion of the loan utilised). The terms of the loan agreement require that Auto Fleet, at all times, to have an amount equal to interest payable for a period of four months deposited and maintained in the security deposit account owned by Auto Fleet.*

Credit quality of cash and cash equivalents

It is Group policy to deposit cash with major banks and financial institutions with strong credit ratings. The calculated ECL on cash and cash equivalents is immaterial and thus not accounted for.

23. Non-current asset classified as held for sale

R'000	2024	2023
Land	**74 100**	–

During the current financial year, the Group entered into an agreement to dispose off vacant land situated in Isando. The sale offer agreement was concluded on 30 September 2024, for proceeds amounting to R74.1 million excluding VAT. The land was previously impaired during the 2020 financial year and as result of this sale offer, an impairment reversal of R15.9 million was recognised. The transfer and disposal of the property is expected to be concluded in the next 12 months. The non-current asset held for sale is disclosed as part of the Car Rental segment in the segmental assets and liabilities disclosure.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 30 September 2024 continued

24. Stated capital

R'000	2024	2023
Authorised		
2 000 000 000 ordinary shares of no par value		
189 641 787 (2023: 189 641 787) ordinary shares of no par value	4 500 000	4 500 000
3 416 096 (2023: 3 165 929) treasury shares held by group entities	(37 253)	(37 247)
	4 462 747	4 462 753

Rights and restrictions related to stated capital

All shares rank equally with regard to the Company's residual assets. The holders of ordinary shares are entitled to receive dividends as declared and are entitled to one vote per share at meetings of the Company.

R'000	2024	2023
Reconciliation of treasury shares:		
Balance at the beginning of the year	37 247	–
Acquisition of shares for employees share-based scheme	14 117	37 247
Shares vested and exercised	(14 111)	–
Balance at the end of the year	**37 253**	37 247

Treasury shares

Zenith Car Rental Proprietary Limited holds treasury shares which will be utilised by the Group to facilitate awards under the share incentive scheme. The average price of the shares purchased in the current financial year was R12.37 (2023: R11.82).

The above mentioned entity is consolidated by the Group and the shares held by this entity are accounted for as treasury shares and eliminated against the Group's share capital.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 30 September 2024 continued

25. Reserves

R'000	2024	2023
Merger reserve In terms of the book value accounting as detailed in the basis of preparation, the difference between the acquiree's share capital and the cost of investment is presented as a merger reserve directly in equity.	(4 474 011)	(4 474 011)
Foreign currency translation reserve The foreign currency translation reserve represents the exchange differences arising from the translation of the financial statements of foreign subsidiaries.	35 012	49 459
Other reserves		
Legal reserve*	24 144	24 124
IFRS 2 Equity-settled	9 037	13 043
	33 181	37 167

* *The legal reserve comprises a reserve created in terms of legislation in Mozambique.*

26. Non-controlling interest

The following table summarises the information relating to each of the Group's subsidiaries that has non-controlling interest.

R'000	Zeda Car Rental Namibia Proprietary Limited	Zeda Namibia Proprietary Limited	Vuswa Fleet Services Proprietary Limited*	Total
2024				
Non-controlling percentage	25%	25%	40%	
Non-current assets	10 784	384 635	–	395 419
Current assets	224 331	103 096	–	327 427
Non-current liabilities	(136 282)	(218 884)	–	(355 166)
Current liabilities	(59 012)	(96 904)	–	(155 916)
Net assets	**39 821**	**171 943**	**–**	**211 764**
Net assets attributable to non-controlling interest	**9 955**	**42 986**	**–**	**52 941**
Revenue	(216 374)	(205 209)	(180)	(421 763)
Profit for the year	(17 036)	(43 706)	(254)	(60 996)
Other comprehensive income	–	–	–	–
Total comprehensive income	**(17 036)**	**(43 076)**	**(254)**	**(60 996)**
Profit allocated to non-controlling interest	**(4 259)**	**(10 927)**	**(101)**	**15 287**
Cash flows from operating activities	53 332	(2 225)	15 160	66 267
Cash flows from investment activities	54	97	40	191
Cash flows from financing activities	(39 166)	(11 514)	(15 200)	(65 880)
Net increase/(decrease) in cash and cash equivalents	**14 220**	**(13 642)**	**–**	**578**

* *The Group disposed of its 60% holding in Vuswa Fleet Services Proprietary Limited. Refer to note 44 for the disclosure on the Disposal of a business.*

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 30 September 2024 continued

26. Non-controlling interest continued

R'000	Zeda Car Rental Namibia Proprietary Limited	Zeda Namibia Proprietary Limited	Vuswa Fleet Services Proprietary Limited	Total
2023				
Non-controlling percentage	25%	25%	40%	–
Non-current assets	12 577	329 524	135	342 233
Current assets	239 757	60 347	2 295	302 399
Non-current liabilities	(176 898)	24 073	18 294	(134 531)
Current liabilities	(46 371)	(272 730)	(6 039)	(325 140)
Net assets	29 065	141 214	14 685	184 962
Net assets attributable to non-controlling interest	(7 266)	(35 304)	(5 874)	(48 444)
Revenue	(170 195)	(173 836)	(1 061)	(345 092)
Profit for the year	(12 566)	(25 942)	(1 426)	(39 933)
Other comprehensive income	–	–	–	–
Total comprehensive income	(12 566)	(25 942)	(1 426)	(39 933)
Profit allocated to non-controlling interest	(3 141)	(6 486)	(570)	(10 197)
Cash flows from operating activities	(85 222)	(2 036)	(4 871)	(92 129)
Cash flows from investment activities	(257)	–	–	(257)
Cash flows from financing activities	104 234	11 660	4 871	120 765
Net increase in cash and cash equivalents	18 755	9 624	–	28 379

Amalgamated Fleet Services Ghana Limited, which is disclosed in the Basis of consolidation accounting policy, has a 10% non-controlling interest, and is dormant with no trading assets and liabilities.

27. Long-term interest-bearing borrowings

R'000	2024	2023
Absa/Nedbank syndicated loan The Absa/Nedbank syndicated loan bears interest at the three-month JIBAR linked rate and is repayable by 2026. It is secured by a special notarial bond over vehicles in ZCL and the cession of the ZCL shares held by Avis Southern Africa Proprietary Limited.	**621 764**	1 576 902
Absa/Nedbank Autofleet Growth Fund The Absa/Nedbank Autofleet Growth Fund loan bears interest at the one-month JIBAR rate and is repayable in September 2028. It is secured by a guarantee from ZCL.	**1 249 313**	–
Sanlam Group The loan bears interest at the three-month JIBAR linked rate and is repayable quarterly by 30 September 2026.	**181 667**	364 609
Standard Bank Namibia Limited Fleet Saver Facility The loan bears interest at a prime-linked rate and is repayable in 2027.	**111 367**	–
	2 164 111	1 941 511

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 30 September 2024 continued

28. Lease liabilities

R'000	2024	2023
At the beginning of the year	504 949	523 070
Liability arising on new leases entered into during the year	17 302	54 322
Repayments of lease obligation (cash flow excluding interest component)	(63 396)	(57 381)
Translation differences	(407)	2 662
Liability adjustments upon entering into modifications of lease items during the year	(3 964)	(17 724)
At the end of the year	454 484	504 949
Payable within one year included in current liabilities	(78 764)	(72 029)
Long-term portion of lease liabilities	375 720	432 920
Lease liabilities are made up of the following asset classes:		
Land and buildings	427 274	471 673
Plant, equipment, computer and furniture	27 210	33 276
	454 484	504 949
The undiscounted maturity analysis of lease liabilities is as follows:		
Within one year	104 159	112 027
Between two to five years	386 164	398 308
Five years and beyond	65 271	151 076
	555 594	661 411

The Group entered into lease agreements for the lease of various assets. Refer to right-of-use assets, note 13 for the assets leased.

The properties are often embedded with renewal options which are factored into the calculation of lease liabilities and the right-of-use assets. Upon renewal, an addendum is added to the original lease agreeement.

For more information on the Company's liquidity risk and interest rate risk management, refer to note 42.

Short-term and low-value asset lease payments	63 546	33 854

29. Contract liabilities

R'000	2024	2023
Current portion	268 303	314 842
Non-current portion	396 134	459 837
	664 437	774 679
Movement in contract liabilities during the year:		
At the beginning of the year	774 679	847 136
New contracts	645 132	642 476
Amounts recognised in revenue-administrative fee	(11 289)	(12 888)
Disposal of subsidiary	(434)	–
Amounts recognised in revenue-maintenance fee*	(526 619)	(590 938)
Amounts reversed – unused drop-off**	(215 163)	(111 733)
Translation differences	(2 169)	905
Other movements	300	(279)
At the end of the year	664 437	774 679

* *This relates to services, maintenance and warranty plans that are sold to customers.*

** *In line with IFRS Accounting Standards requirements, we have reviewed the estimates and inputs as at 30 September 2024. The Group has revised the estimate of future costs that are incurred to meet their obligations in terms of the maintenance contract mainly due to the stability in the automotive industry, particularly concerning vehicle supply chain, which was previously necessitated by disruptions with COVID-19 pandemic.*

In the prior year an amount of R 60 million of the overlay was released to profit and loss and the remaining overlay of R 102 million was released in the current year.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 30 September 2024 continued

29. Contract liabilities continued

R'000	2024	2023
The unsatisfied performance obligations relating to contract liabilities consists of:		
Full maintenance lease	55 239	116 038
Management maintenance agreements	609 063	658 580
Other	135	71
	664 437	774 689

Contract liabilities comprise contractual costs of service, maintenance, and warranty work to be carried out in the future.

30. Provisions and other accruals

R'000	2024	2023
Provision for maintenance cost		
At the beginning of the year	–	35 033
Utilised during the year	–	(35 033)
At the end of the year	**–**	–
Provision for retirement benefits		
At the beginning of the year	1 017	925
Additional provision recognised	659	92
At the end of the year	**1 676**	1 017
Other provisions and accruals		
At the beginning of the year	137 406	129 524
Additional provision recognised	60 740	43 413
Utilised during the year	(17 657)	(27 008)
Amounts released to income	(94 105)	(8 724)
Reclassification	(2 678)	–
Translation movements	(680)	201
At the end of the year	**83 026**	137 406
Total provisions and accruals balance at year end	**84 702**	138 423
Disclosed as:		
Current	84 702	138 423
Provisions and accruals to be utilised as follows:		
Within one year	84 702	138 423
	84 702	138 423

Other provisions and accruals

Provisions and other accruals mainly consists of licensing fees of R34.8 million and strategic customer profit share of R45.4 million.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 30 September 2024 continued

31. Bank overdraft and short-term interest-bearing borrowings

R'000	2024	2023
Bank overdrafts	**44 563**	356 634
Short-term interest-bearing borrowings	**172 331**	354 264
Rand Merchant Bank – bearing interest at three-month JIBAR linked rate and is repayable on demand	**172 331**	188 387
Standard Bank Limited Courtesy Plan – bearing interest at prime-linked rate	**–**	165 877
Current portion of long-term interest-bearing borrowings	**1 327 128**	744 510
Absa/Nedbank syndicated loan	**776 754**	542 481
Autofleet Growth Fund	**338 361**	–
Daimler Truck Financial Services Proprietary Limited – bears interest at prime-linked rate	**8 339**	20 362
Sanlam Group	**181 667**	181 667
Standard Bank Namibia Limited Fleet Saver Facility	**22 007**	–
Total	**1 499 459**	1 098 774

32. Floorplans from suppliers

R'000	2024	2023
Standard Bank Limited The facility bears interest at prime-linked rate	**578 505**	744 647
Toyota Financial Services (South Africa) Limited The facility bears interest at prime-linked rate	**553 044**	336 189
Wesbank, a division of FirstRand Limited The facility bears interest at prime-linked rate	**83 363**	508 517
Volkswagen Financial Services South Africa Proprietary Limited The facility bears interest at prime-linked rate	**661 316**	620 158
Mercedes-Benz Financial Services Master Credit Agreement The facility bears interest at prime-linked rate	**191 142**	61 789
Standard Bank Namibia Fleet Saver Facility The facility bears interest at prime-linked rate	**87 898**	–
Total	**2 155 268**	2 271 300

Floorplans from suppliers consist of interest-bearing facilities provided by the finance provider. The floorplans are secured by the vehicles that have been purchased using these facilities and are included under the rental fleet (refer to note 19).

The facilities have variable interest rates linked to prime.

Refer to note 42 – Liquidity risk for further details on liquidity.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 30 September 2024 continued

33. Trade and other payables

R'000	2024	2023
Trade payables*	2 206 929	2 326 955
Trade accruals	810 385	530 460
Payroll expenses	84 491	174 137
Audit fees	8 048	6 964
	3 109 853	3 038 516
Non-financial liabilities		
Leave pay	46 543	43 476
VAT payable	4 407	3 321
Other business taxes	8 182	7 475
	3 168 985	3 092 788

* *Included in trade payables is the Absa floorplan facility of R143 million (2023: R140 million, prime- linked). This will be settled within the operating cycle and forms part of the business working capital to finance vehicles.*

34. Cash generated by operations

R'000	2024	2023
Profit before taxation	832 476	939 734
Operating cash flows adjustments for:		
Amortisation	3 892	1 557
Depreciation of property, plant and equipment	889 713	813 812
Depreciation of rental vehicles	945 318	911 244
Depreciation and amortisation of right-of-use assets	58 844	57 106
Interest received	(43 035)	(29 758)
Foreign exchange losses	46 257	14 293
Interest paid on interest-bearing borrowings and floorplans from suppliers	687 547	605 546
Interest paid on lease liabilities	42 103	46 589
Loss on rental and leasing vehicles	99 521	87 709
Loss/(profit) on disposal of property, plant and equipment (excluding rental and leasing vehicles)	65	(14 931)
Property, plant and equipment impairment reversal	(15 850)	–
Gain on modification of leases	(7 438)	(17 724)
Decrease in provisions	(53 041)	(27 059)
Share of joint venture profit after tax	(53 626)	(10 208)
Increase/(decrease) in provision for ECL	43 764	(44 684)
Increase in insurance contract asset	(8 953)	(5 418)
Profit on disposal of a business	(343)	–
IFRS 2 charge	8 753	13 043
Operating cash flows before movements in working capital	3 475 967	3 340 851
Working capital movements		
Decrease in inventories	3 640 149	2 740 315
(Increase)/decrease in trade and other receivables	(344 802)	251 074
Decrease in contract liabilities	(108 073)	(72 457)
Increase in trade and other payables	96 929	589 366
Cash generated from operations before investing in rental and leasing fleet	6 760 170	6 849 149
Investment in leasing vehicles	(2 260 489)	(1 992 823)
Proceeds on disposal of leasing vehicles	72 056	56 271
Investment in rental vehicles	(3 277 649)	(4 428 988)
Increase in finance lease receivable	(237 917)	(153 017)
Cash generated from operations	**1 056 171**	330 592

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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35. Taxation paid

R'000	2024	2023
Net income tax receivable/(payable) at the beginning of the year	**174 009**	(13 625)
Charged to profit or loss during the year	**(194 274)**	(96 110)
Net income tax receivable at the end of the year	**(5 693)**	(174 009)
Translation difference	**(4 513)**	–
	(30 471)	(283 744)

36. Cash flow from financing activities

R'000	At the beginning of the year	Advanced during the year	Repaid during the year	Interest charged	Interest paid	Other*	At the end of the year
2024							
Long-term interest-bearing borrowings	**2 686 021**	**1 891 277**	**(1 086 059)**	**352 656**	**(352 656)**	**–**	**3 491 239**
Lease liability	**504 949**	**17 302****	**(63 396)**	**42 103**	**(42 103)**	**(4 371)**	**454 484**
Bank overdraft	**356 634**	**–**	**(309 906)**	**50 463**	**(50 463)**	**(2 165)**	**44 563**
Short-term loans	**354 264**	**16 130**	**(177 078)**	**13 040**	**(13 040)**	**(20 985)**	**172 331**
Floorplans from suppliers	**2 271 300**	**2 934 555**	**(3 049 567)**	**271 388**	**(272 408)**	**–**	**2 155 268**
	6 173 168	**4 859 264**	**(4 686 006)**	**729 650**	**(730 670)**	**(27 521)**	**6 317 885**
2023							
Long-term interest-bearing borrowings	3 149 880	1 639 220	(2 103 079)	217 320	(217 320)	–	2 686 021
Lease liability	523 070	54 322**	(57 381)	46 589	(46 589)	(15 062)	504 949
Bank overdraft	240 202	113 493	–	185 676	(182 737)	–	356 634
Short-term loans	195 899	439 427	(281 062)	–	–	–	354 264
Floorplans from suppliers	874 299	1 718 545	(340 962)	202 550	(183 132)	–	2 271 300
	4 983 350	3 965 007	2 782 484	652 135	(629 778)	(15 062)	6 173 168

* *Other constitutes lease modification and foreign exchange movements.*

** *Non-cash flow movement recognised on the initial recognition of the lease liability.*

37. Dividend (paid)/received

R'000	2024	2023
Dividends paid by the Group	**(94 863)**	–
Dividends paid by non-controlling interest	**(9 514)**	(3 941)
Dividends received from joint venture	**5 104**	–
	(99 273)	(3 941)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 30 September 2024 continued

38. Commitments

R'000	2024	2023
Contracted capital commitments		
Motor vehicles	752 117	473 333
	752 117	473 333

Capital commitments will be financed by cash generated from operations and borrowing facilities.

39. Contingent liabilities

As at September 2024, the Group has a contingent liability of R12.7 million due to the Minister of Finance Namibia relating to bonds for VAT on imports.

Zenith Car Rental Proprietary Limited purchases vehicles which are registered in South Africa. The vehicles are temporarily imported to Zeda Car Rental Namibia Proprietary Limited, Namibia's Rental Business unit. As this is not a permanent import, there is a relaxation of the import VAT due in Namibia. This relaxation is only applicable provided that the vehicles do not remain in Namibia for a period exceeding six months.

A contingent liability is raised in the event that the vehicles are situated in Namibia for a period exceeding six months.

40. Retirement funds

The Group contributes for post-retirement benefits to the Alexander Forbes Fund which is governed by the Pension Funds Act. Membership to the provident fund is compulsory for all full-time permanent employees. This provident fund is a defined contribution fund and is designed to provide lump sum benefits to members on retirement and not a guaranteed pension. Members' share of the provident fund is dependent upon the performance of the fund. There were 1 329 (2023: 1 416) employee members of the fund.

Fixed term contract employees are not members of the Group's retirement fund, in terms of the Rules of the fund, however the employee receives an allowance towards retirement funding.

R'000	2024	2023
Amounts contributed	**69 338**	72 323

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 30 September 2024 continued

41. Related party transactions and balances

Directors' remuneration:

The Group remuneration philosophy and basis for determining performance bonuses is set out in the remuneration report. Other benefits determined below include share purchase trust loans, expatriate benefits, retention payments, redundancy and termination payments and any other non-pensionable allowances or fringe benefits.

The directors' remuneration for the year ended 30 September 2024 was as follows:

Directors and prescribed officers

	2024							
R'000	**Salary**	**Retirement and medical contributions**	**Car benefit**	**Other benefits**	**Short-term Incentive**	**Long-term Incentive**	**Directors' fees**	**Total**
Executive Directors								
Ramasela Ganda	**6 102**	**1 149**	**355**	**15**	**8 767**	**1 324**	**–**	**17 712**
Thobeka Ntshiza	**4 068**	**753**	**327**	**15**	**5 140**	**540**	**–**	**10 843**
Prescribed officers								
Tlhabi Ntlha	**2 710**	**516**	**276**	**511**	**2 320**	**345**	**–**	**6 678**
Litha Nkombisa	**3 307**	**631**	**382**	**14**	**4 034**	**147**	**–**	**8 515**
Non-Executive Directors								
Lwazi Bam (Chairman)	**–**	**–**	**–**	**–**	**–**	**–**	**1 258**	**1 258**
Xoliswa Kakana	**–**	**–**	**–**	**–**	**–**	**–**	**845**	**845**
Yolanda Miya	**–**	**–**	**–**	**–**	**–**	**–**	**797**	**797**
Sibani Mngomezulu	**–**	**–**	**–**	**–**	**–**	**–**	**728**	**728**
Ngao Motsei	**–**	**–**	**–**	**–**	**–**	**–**	**666**	**666**
Marna Roets	**–**	**–**	**–**	**–**	**–**	**–**	**756**	**756**
Donald Wilson	**–**	**–**	**–**	**–**	**–**	**–**	**881**	**881**
Total	**16 187**	**3 049**	**1 340**	**555**	**20 261**	**2 356**	**5 931**	**49 679**

	2023							
R'000	Salary	Retirement and medical contributions	Car benefit	Other benefits	Short-term Incentive	Long-term Incentive	Directors' fees	Total
Executive Directors								
Ramasela Ganda	5 592	1 053	132	73	3 888	2 923	–	13 662
Thobeka Ntshiza	3 802	703	120	113	2 193	1 185	–	8 116
Prescribed officers								
Tlhabi Ntlha	1 963	381	228	514	1 567	462	–	5 114
Litha Nkombisa	3 150	600	315	19	2 952	1 527	–	8 564
Non-Executive Directors								
Lwazi Bam (Chairman)	–	–	–	–	–	–	866	866
Xoliswa Kakana	–	–	–	–	–	–	88	88
Yolanda Miya	–	–	–	–	–	–	993	993
Sibani Mngomezulu	–	–	–	–	–	–	1 065	1 065
Ngao Motsei	–	–	–	–	–	–	831	831
Donald Wilson	–	–	–	–	–	–	964	964
Total	14 507	2 737	795	719	10 600	6 097	4 807	40 263

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 30 September 2024 continued

42. Financial instruments

The Group's financial instruments consist mainly of deposits with banks, trade and other receivables, finance lease receivables, bank and other borrowings, trade and other payables, floorplans from suppliers and lease liabilities. These financial instruments arise directly from the Group's operations. The Group's activities expose it to a variety of financial risks, including the effects of credit, interest rate, liquidity risk and currency risk.

The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Group. The Group finances its operations from a mixture of long-term and short-term borrowings.

42.1 Categories of financial instruments

The following summarises the valuation methods and assumptions used in estimating the fair values of financial instruments reflected in the table below.

Financial assets at amortised cost

The carrying amount of financial assets at amortised cost with a remaining life of less than 12 months reasonably approximates its fair value due to the short-term period to maturity.

Financial liabilities at amortised cost

The carrying amount of financial liabilities with a maturity of less than 12 months reasonably approximates their fair value due to their short-term period to maturity. For longer maturities, fair value is calculated based on the present value of future principal and interest cash flow.

All financial instruments are accounted for at amortised cost.

The following table shows the carrying amounts of financial assets and financial liabilities.

	2024				
R'000	Amortised cost	Finance lease receivable	Total financial assets	Non-financial assets	Total amount
Assets					
Trade and other receivables	1 518 319	–	1 518 319	39 618	1 557 937
Finance lease receivables	–	588 656	588 656	–	588 656
Cash and cash equivalents	1 193 876	–	1 193 876	–	1 193 876
Total assets	**2 712 195**	**588 656**	**3 300 851**	**39 618**	**3 340 469**

	2024			
R'000	Amortised cost	Total financial liabilities	Non-financial liabilities	Total amount
Liabilities				
Long-term loans	2 164 111	2 164 111	–	2 164 111
Floorplans from suppliers	2 155 268	2 155 268	–	2 155 268
Trade and other payables	3 109 853	3 109 853	59 132	3 168 985
Lease liabilities	454 484	454 484	–	454 484
Short-term loans	1 499 459	1 499 459	–	1 499 459
Bank overdraft	44 563	44 563	–	44 563
Total liabilities	**9 427 738**	**9 427 738**	**59 132**	**9 486 870**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 30 September 2024 continued

42. Financial instruments continued

42.1 Categories of financial instruments continued

	2023*				
R'000	Amortised cost	Finance lease receivables	Total financial assets	Non-financial assets	Total amount
Assets					
Trade and other receivables	1 268 693	–	1 268 693	23 624	1 292 317
Finance lease receivables	–	355 679	355 679	–	355 679
Cash and cash equivalents	842 331	–	842 331	–	842 331
Total assets	2 111 024	355 679	2 466 703	23 624	2 490 327

* *The investment disclosed in the 2023 annual financial statements has been reclassified as a result of the adoption of IFRS 17. Refer to the restatement disclosure in note 16.*

	2023			
R'000	Amortised cost	Total financial liabilities	Non-financial liabilities	Total amount
Liabilities				
Long-term loans	1 941 511	1 941 511	–	1 941 511
Floorplans from suppliers	2 271 300	2 271 300	–	2 271 300
Trade and other payables	3 038 516	3 038 516	54 272	3 092 788
Lease liabilities	504 949	504 949	–	504 949
Short-term loans	1 098 774	1 098 774	–	1 098 774
Bank overdraft	356 634	356 634	–	356 634
	9 211 684	9 211 684	54 272	9 265 956

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 30 September 2024 continued

42. Financial instruments continued

42.2 Credit risk

Credit risk is the risk that a counterparty will not honour its contractual commitments when these are due per contractual agreements. The Group's exposure to credit risk is from its operating activities including deposits with banks, finance lease receivables and trade and other receivables.

The carrying amount of the financial assets set out in the table of categories of financial instruments represents the business's maximum exposure to credit risk without taking into consideration any collateral provided. Each of the Group's operating segments has credit terms appropriate for their industry. The average credit period ranges between 30 and 90 days. The measures used to minimise credit risk are managed by a monthly review of trade receivables ageing and stringent background checks and credit limits for customers, continuous review of credit limits as well as legal action against defaulting customers. The average credit period on these sales is 30 to 90 days however extended credit terms may be negotiated during the account application process. No single customer represents more than 10% of the business's total revenue for the years ended 30 September 2024 and 30 September 2023.

No credit guarantee insurance is held against the carrying amount of trade and other receivables within the Group therefore expected credit losses are considered across all operating debtors.

Any credit risk arising from cash deposits is deemed to be insignificant on the basis that all relevant counterparties are investment grade financial institutions.

The following forward-looking and past information was utilised to estimate the ECL:

- The geography and industry in which the customer operates. Sales to entities based in other African countries outside of South Africa as well as sales related to parts and services are considered riskier.
- Period overdue and time taken to settle underlying receivables. The older accounts are considered a higher risk.
- Past default experiences of the operating segments, such as the direct billing segment, represent the extra charges that are billed to the customer (mainly individuals) after the return of the vehicle. This segment generally has a high default experience, and as such, we hold higher expected credit losses compared to our corporate book.

There has been no material change in the estimation techniques applied in determining the ECLs from the prior year. The gross receivables, disclosed below, are inclusive of VAT applicable to various jurisdictions and the allowance for credit losses excludes VAT.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 30 September 2024 continued

42. Financial instruments continued

42.2 Credit risk continued

The following table details the risk profile of trade receivables of the Car Leasing and Car Rental segments based on the Group's provision matrix.

R'000	2024 Gross carrying amount of trade receivables	2024 Lifetime ECL	2024 %
Car leasing			
Not due	245 062	(3 173)	1%
0 to 30 days past due	224 294	(4 336)	2%
31 to 60 days past due	4 029	(111)	3%
61 to 90 days past due	19 242	(1 768)	9%
91 to 120 days past due	13 798	(2 808)	20%
Greater than 121 days past due	188 607	(150 462)	80%
Total losses age analysis	**695 032**	**(162 658)**	**23%**
Car rental			
Not due	545 383	(6 709)	1%
0 to 30 days past due	66 161	(2 037)	3%
31 to 60 days past due	33 440	(1 873)	6%
61 to 90 days past due	49 118	(6 265)	13%
91 to 120 days past due	94 812	(21 870)	23%
Greater than 121 days past due	296 631	(236 014)	80%
Total losses age analysis	**1 085 545**	**(274 768)**	**25%**
Total	**1 780 577**	**(437 426)**	**25%**

R'000	2023 Gross carrying amount of trade receivables	2023 Lifetime ECL	2023 %
Car leasing			
Not due	225 869	(1 146)	1%
0 to 30 days past due	124 789	(1 572)	1%
31 to 60 days past due	5 053	(376)	7%
61 to 90 days past due	8 812	(946)	11%
91 to 120 days past due	4 789	(2 328)	49%
Greater than 121 days past due	193 092	(146 169)	76%
Total losses age analysis	562 404	(152 537)	27%
Car rental			
Not due	444 096	(648)	0%
0 to 30 days past due	123 348	(1 118)	1%
31 to 60 days past due	48 220	(1 874)	4%
61 to 90 days past due	22 041	(2 281)	10%
91 to 120 days past due	54 080	(23 600)	44%
Greater than 121 days past due	242 063	(216 149)	89%
Total losses age analysis	933 848	(245 670)	26%
Total	1 496 252	(398 207)	27%

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 30 September 2024 continued

42. Financial instruments continued

42.3 Market risk

Capital risk management

Management meets on an ongoing basis to review the capital structure based on the cost of capital and the risks associated with each class of capital, to analyse currency and interest rate exposure and to re-evaluate treasury management strategies in the context of the most recent economic conditions and forecasts. The Group has targeted gearing ratios for each major business segment. The Group's various treasury operations provide the Group with access to local money markets and provide the group entities with the benefit of bulk financing and depositing.

i) Currency risk

The Group is headquartered in South Africa, with offshore operations in sub-Saharan Africa (including, Zambia, Mozambique and Lesotho). The Group seeks to mitigate foreign currency exposures by borrowing, where cost effective, in the same currencies as the currencies of the main operating units.

Currency risk arises on intergroup transactions between the sub-Saharan Africa operations and the resulting balances owing to or by the group entities. The Group does not hedge these exposures.

Sensitivity analyses
A 1% change in any of the functional currencies of the operating units in sub-Saharan African would not have a material impact on equity or profit or loss.

ii) Interest rate risk

Interest rate risk arises when the absolute level of interest rates on the Group's interest-bearing borrowings are subject to fluctuations. 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.

The Group's interest-bearing borrowings arise from the purchase of rental vehicles and leasing vehicles and, together with its leases to customers, is linked to the prime interest rate and consequently there is limited exposure to fluctuations in interest rates. The interest-bearing financial assets and liabilities are as follows:

R'000	2024	2023
Financial assets		
Finance lease receivable	588 656	355 679
Cash and cash equivalents	1 193 876	842 331
Total financial assets linked to variable interest rate	**1 782 532**	1 198 010
Financial liabilities		
Long-term interest-bearing borrowings	(2 164 111)	(1 941 511)
Floorplans from suppliers	(2 155 268)	(2 271 300)
Bank overdraft	(44 563)	(356 634)
Short-term interest-bearing borrowings	(1 499 459)	(1 098 774)
Total financial liabilities linked to variable interest rate	**(5 863 401)**	(5 668 219)
Net interest-bearing financial liabilities	**(4 080 869)**	(4 470 209)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 30 September 2024 continued

42. Financial instruments continued

42.3 Market risk continued

Capital risk management continued

ii) Interest rate risk continued

The interest rate profile of interest-bearing financial liabilities is as follows:

R'000	Currency	Year of redemption/ repayment	Interest rate (%)	2024	2023
Liabilities in foreign currencies					
Short-term loan	USD	Revolving	Prime linked	**89 612**	85 716
Bank overdraft	NAD	Revolving	Prime linked	**–**	240 000
Short-term loan	USD	Revolving	Prime linked	**82 719**	102 671
Bank overdraft	BWP	Revolving	Prime linked	**44 563**	50 619
Short and long-term loan	NAD	Revolving	Prime linked	**133 374**	-
Floorplan from suppliers	NAD	Revolving	Prime linked	**87 898**	-
Total foreign liabilities				**438 166**	479 006
Liabilities in South African Rand					
Long-term loans				**3 349 526**	2 665 659
Absa/Nedbank Syndicated Long-Term Loan		2029	3 Month Jibar linked	**1 398 518**	2 119 383
Absa/Nedbank Autofleet Growth Fund		2026	1 Month Jibar linked	**1 587 674**	-
Sanlam Limited Long-Term loan		2026	3 Month Jibar linked	**363 334**	546 276
Bank overdrafts and short-term loans		Revolving	Prime linked	**–**	66 015
Daimler Truck Financial Service Proprietary Limited		Revolving	Prime linked	**8 339**	20 362
Standard Bank Limited Courtesy Plan		Revolving	Prime linked	**–**	165 877
Floorplan from suppliers				**2 067 370**	2 271 300
Toyota Financial Services		Revolving	Prime linked	**553 044**	336 189
Standard Bank Wholesale Fleet Saver		Revolving	Prime linked	**578 505**	744 647
Wesbank		Revolving	Prime linked	**83 363**	508 517
Volkswagen Financial Services		Revolving	Prime linked	**661 316**	620 158
Mercedes Benz Financial Services Master Credit Agreement		Revolving	Prime linked	**191 142**	61 789
Total South African Rand interest-bearing borrowings				**5 425 235**	5 189 213
Total South African Rand and foreign currency liabilities					
Interest-bearing borrowings				**5 863 401**	5 668 219
Facilities included in trade and other payables					
Absa Group Limited floorplan				**142 925**	140 833
Standard bank Limited				**–**	131 665
Total Group interest-bearing borrowings				**6 006 326**	5 940 717

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 30 September 2024 continued

42. Financial instruments continued

42.3 Market risk continued

Capital risk management continued

ii) Interest rate risk continued

	2024	2023
Total interest-bearing liabilities		
South Africa – Floating interest rates	5 425 235	5 189 213
Rest of Africa – Floating interest rates	438 166	479 006
Total Group Interest-bearing borrowings	**5 863 401**	5 668 219

Interest rate sensitivity analysis

An interest rate sensitivity analysis is based on the increase or decrease of 1% (100 basis points) in the South African market interest rates. The analysis assumes that other variables remain constant.

R'000	2024	2023
Impact of a 1% change in South African prime interest rates Charge to profit or loss and equity	44 204	37 881
Impact of a 1% change in non-South African prime interest rates Charge to profit or loss and equity	4 382	3 592

42.4 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.

Maturity profile of financial liabilities

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

	Repayable during the year ending 30 September 2024				
R'000	Carrying amount	Contractual outflows	Within one year	Two to five years	Greater than five years
Long-term interest-bearing borrowings (including current portion)	3 491 239	3 848 671	1 335 729	2 512 942	–
Floorplans from suppliers	2 155 268	2 155 268	2 155 268	–	–
Trade and other payables	3 109 853	3 109 853	3 109 853	–	–
Lease liabilities	454 484	555 594	104 159	386 164	65 271
Bank overdraft	44 563	44 563	44 563	–	–
Short-term interest-bearing borrowings	172 331	187 955	187 955	–	–

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 30 September 2024 continued

42. Financial instruments continued

42.4 Liquidity risk continued

Maturity profile of financial liabilities continued

R'000	Carrying amount	Contractual outflows	Within one year	Two to five years	Greater than five years
	Repayable during the year ending 30 September 2023				
Long-term interest-bearing borrowings (including current portion)	2 686 021	2 874 408	932 897	1 941 511	–
Floorplans from suppliers	2 271 300	2 271 300	2 271 300	–	–
Trade and other payables	3 038 516	3 038 516	3 038 516	–	–
Lease liabilities	504 949	661 411	112 027	398 308	151 076
Bank overdraft	356 634	356 634	356 634	–	–
Short-term interest-bearing borrowings	354 264	372 397	372 397	–	–

The Group has the following banking facilities available:

R'000		**2024 Facility**	2023 Facility	**2024 Utilised**	2023 Utilised	**2024 Unutilised**	2023 Unutilised
Absa Group Limited	Term loan	**1 398 518**	2 718 471	**1 398 518**	2 119 383	**–**	599 088
Absa Group Limited	Growth fund	**2 000 000**	–	**1 587 674**	–	**412 326**	–
Rand Merchant Bank	Working capital facility	**172 331**	257 293	**172 331**	188 387	**–**	68 906
Standard Bank Limited	Car scheme facility	**184 967**	131 665	**184 967**	131 665	**–**	–
Sanlam	Term loan	**363 334**	545 000	**363 334**	546 276	**–**	–
Standard Bank Wholesale Finance facility Namibia	Revolving credit facility	**240 000**	–	**133 374**	–	**106 626**	–
Standard Bank Limited	Term loan	**–**	445 000	**–**	165 877	**–**	279 123
Daimler Truck Financial Services	Revolving credit facility	**100 000**	100 000	**8 339**	20 362	**91 661**	79 638
Various	Overdraft	**366 130**	650 000	**44 563**	356 634	**321 567**	293 366
Other banking facilities							
First National Bank	Fuel car facility	**323 000**	323 000	**309 000**	–	**14 000**	323 000
Floorplan facility							
Standard Bank Wholesale Fleet Saver		**1 450 000**	1 000 000	**578 505**	744 647	**871 495**	255 353
Toyota Financial Services Franchise Floorplan		**1 000 000**	500 000	**553 044**	336 189	**446 956**	163 811
Volkswagen Financial Services Rental Floorplan		**1 000 000**	670 000	**661 316**	620 158	**338 684**	49 842
Standard Bank Wholesale Finance facility Namibia rental		**110 000**	–	**87 898**	–	**22 102**	–
Wesbank Franchise Floorplan		**750 000**	580 000	**83 363**	508 517	**666 637**	71 483
Mercedez Benz Financial Services		**350 000**	350 000	**191 142**	61 789	**158 858**	288 211
Absa Group Limited		**200 000**	200 000	**142 925**	140 833	**57 075**	59 167
		10 008 280	8 470 429	**6 500 293**	5 940 716	**3 507 987**	2 530 989

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 30 September 2024 continued

43. Share incentive schemes and share-based payments

43.1 Financial effect of share-based payment transactions

R'000	2024	2023
Income statement effect		
Compensation expense arising from equity forfeitable share plan	8 753	13 043
Share-based payment expense included in operating profit	8 753	13 043
Taxation benefit on forfeitable share plan (FSP)	(2 363)	(3 521)
Net share-based payment expense after taxation	**6 390**	9 522

Valuation model inputs and assumptions

Award	Grant date	Vesting date	Spot price	Risk-free interest rate	Dividend yield
Replacement awards	26 May 2023	5 December 2024	R10.00	8.89%	17.61%
Zeda long-term incentive – 2023	27 May 2023	6 December 2025	R10.00	8.87%	27.96%
Zeda long-term incentive – 2024	8 May 2024	6 December 2026	R11.55	7.84%	28.57%

43.1.1 Replacement awards

Barloworld operated a long-term incentive plan under which a number of Zeda employees were entitled to prior to the unbundling and separate listing of Zeda. These awards were in the form of a forfeitable share plan. In terms of the rules of the previously existing Barloworld FSP, all Barloworld shares vested pro rata ("no fault termination" rules applied) to Zeda employees following the unbundling of Zeda.

The proportionate unvested units under the Barloworld FSP on date of unbundling were replaced with Zeda shares to the equivalent value, under the Zeda 2023 forfeitable share plan. The vesting of the shares is subject to specific performance conditions, Broad-Based Black Economic Empowerment, Improved Employee Value Propositions rating and Improved Customer Experience. The shares vest annually over two years (vesting will therefore occur in 2023 and 2024). On resignation, the employee will forfeit any unvested shares; on death or retirement, only a portion of the shares will vest based on the number of days worked over the total vesting period subject to the performance condition being met. The scheme is settled in shares and therefore equity-settled.

Fair value estimates

In terms of IFRS 2, the transaction is measured at fair value of the equity instruments at the grant date. The fair value of the equity-settled shares subject to non-market conditions is the closing share price at grant date.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 30 September 2024 continued

43. Share incentive schemes and share-based payments continued

43.1 Financial effect of share-based payment transactions continued

43.1.1 Replacement awards continued

The number of shares allotted in terms of the award scheme are:

	2023	**Granted during the year**	**Forfeited**	**Vested**	**2024**
Ramasela Ganda	**265 570**	**–**	**(26 026)**	**(106 759)**	**132 785**
Thobeka Ntshiza	**108 299**	**–**	**(10 613)**	**(43 536)**	**54 150**
Tlhabi Nthla	**69 166**	**–**	**(6 778)**	**(27 805)**	**34 583**
Litha Nkombisa	**228 891**	**–**	**(22 432)**	**(92 014)**	**114 445**
Other employees	**117 399**	**–**	**(11 504)**	**(47 195)**	**58 700**
	789 325	**–**	**(77 353)**	**(317 309)**	**394 663**

	2022	Granted during the year	Forfeited	Vested	2023
Ramasela Ganda	–	265 570	–	–	265 570
Thobeka Ntshiza	–	108 299	–	–	108 299
Tlhabi Nthla	–	69 166	–	–	69 166
Litha Nkombisa	–	228 891	–	–	228 891
Other employees	–	117 399	–	–	117 399
	–	789 325	–	–	789 325

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 30 September 2024 continued

43. Share incentive schemes and share-based payments continued

43.1.2 Zeda Long-term Incentive Plan

During the 2023 financial year, the Group introduced the Zeda Long-term Forfeitable Share Plan Scheme.

The objective of the scheme is to attract, retain, motivate and reward executives, senior employees and key talent who are able to influence the performance of the Zeda Group, on a basis which aligns their interests with those of the Group and the Zeda shareholders. The vesting of the shares are subject to specific performance conditions:

- Based on return on invested capital, headline earnings per share growth and net debt to EBITDA
- Continued employment for a period of three years

On resignation, the employee will forfeit any unvested shares. On death or retirement, only a portion of the shares will vest based on the number of days worked over the total vesting period subject to the performance condition being met. The scheme is settled in shares and therefore equity-settled.

Fair value estimates

In terms of IFRS 2, the transaction is measured at fair value of the equity instruments at the grant date. The fair value of the equity-settled shares subject to non-market conditions is the closing share price at grant date.

The number of shares allotted in terms of the award scheme are:

	2023	Granted during the year	Forfeited	Vested	2024
Ramasela Ganda	833 107	784 118	–	–	1 617 225
Thobeka Ntshiza	215 589	342 618	–	–	558 207
Tlhabi Nthla	79 818	177 738	–	–	257 556
Litha Nkombisa	227 308	213 495	–	–	440 803
Other employees	375 264	765 002	–	–	1 140 266
	1 731 086	**2 282 971**	**–**	**–**	**4 014 057**

	2022	Granted during the year	Forfeited	Vested	2023
Ramasela Ganda	–	833 107	–	–	833 107
Thobeka Ntshiza	–	215 589	–	–	215 589
Tlhabi Nthla	–	79 818	–	–	79 818
Litha Nkombisa	–	227 308	–	–	227 308
Other employees	–	446 773	(71 509)*	–	375 264
	–	1 802 595	(71 509)	–	1 731 086

* *The forfeited shares relate to an employee that resigned during the previous financial year.*

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 30 September 2024 continued

43. Share incentive schemes and share-based payments continued

43.1.3 Retention awards

In order to ensure alignment between Zeda's executives and Zeda's shareholder interests post the unbundling, Barloworld approved a bonus award of shares in Zeda to the Zeda Chief Executive Officer (Ramasela Ganda) and Group Finance Director (Thobeka Ntshiza) (the "retention awards"), resulting in a once-off equity-settled IFRS 2 charge of approximately R7.2 million. The number of shares that vested for the Chief Executive Officer were 382 673 and Group Finance Director were 191 336, respectively. The awards were granted pre-Unbundling and vested upon the Unbundling on the on 13 of December 2022. The shares are subject to a minimum shareholding policy which require certain executives to build up and hold a minimum number of shares. The scheme is settled in shares and therefore equity-settled.

44. Disposal of interest in a business

During the current financial year, the Group disposed of its interest in Vuswa Fleet Services Proprietary Limited for proceeds amounting to R2.3 million.

The disposal of the business was not considered to be a significant component of the Group to be regarded as a Discontinued operation.

The assets and liabilities as at the disposal date are presented below.

R'000	2024
Assets	
Trade and other receivables	5 709
Deferred taxation	135
Equity	
Non-controlling interest	(1 276)
Liabilities	
Trade payables (including contract liabilities)	(2 654)
Carrying value of net asset disposed	1 914
Cash proceeds received	2 257
Profit on disposal of business	**343**

45. Hyperinflation economies

The Group has identified Ghana to be a hyperinflationary country, as the three-year cumulative inflation for Ghana, effective 31 December 2023, exceeded 100%. The Group concluded that the impact of hyperinflation is insignificant to the Group's operations.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 30 September 2024 continued

46. Events after the reporting date

Declaration of cash dividend

On Thursday, 21 November 2024, the Board of Directors declared a final gross cash dividend of 50.00000 cents (40.0000 cents net of dividend withholding tax) per ordinary share, out of the income reserves of the Company. A dividend withholding tax of 20% will be applicable to all shareholders who are not exempt.

The number of ordinary shares in issue at the date of declaration is 189 641 787.

The salient dates for the dividend will be as follows:

Last day of trade to receive a dividend	Tuesday, 4 February 2025
Shares commence trading "ex" dividend	Wednesday, 5 February 2025
Record date	Friday, 7 February 2025
Payment date	Monday, 10 February 2025

Ordinary share certificates may not be dematerialised or rematerialised between Wednesday, 5 February 2025 and Friday, 7 February 2025, both days inclusive.

Change in dividend policy

Shareholder reward is considered in the context of a holistic capital allocation framework wherein capital is allocated in reinvesting in the business and cash returned to shareholders. Our dividend policy is designed in line with Zeda's capital allocation framework that considers its long-term strategic growth and its ability to generate cash. Based on Zeda's growth ambitions and expected cash to be generated by the business in the medium term, the Board has resolved to increase the dividend policy from 20% to 30% of profit after tax to accumulative annual pay-out ratio within a range of 30% to 50% of profit after tax subject to sufficient cash available. The dividend policy is effective from the financial year 2025. Notwithstanding its adopted dividend policy and intention, the Board retains absolute discretion to determine actual dividend declarations, and the Company may revise its dividend policy from time to time.

Fleet Services Ghana Limited

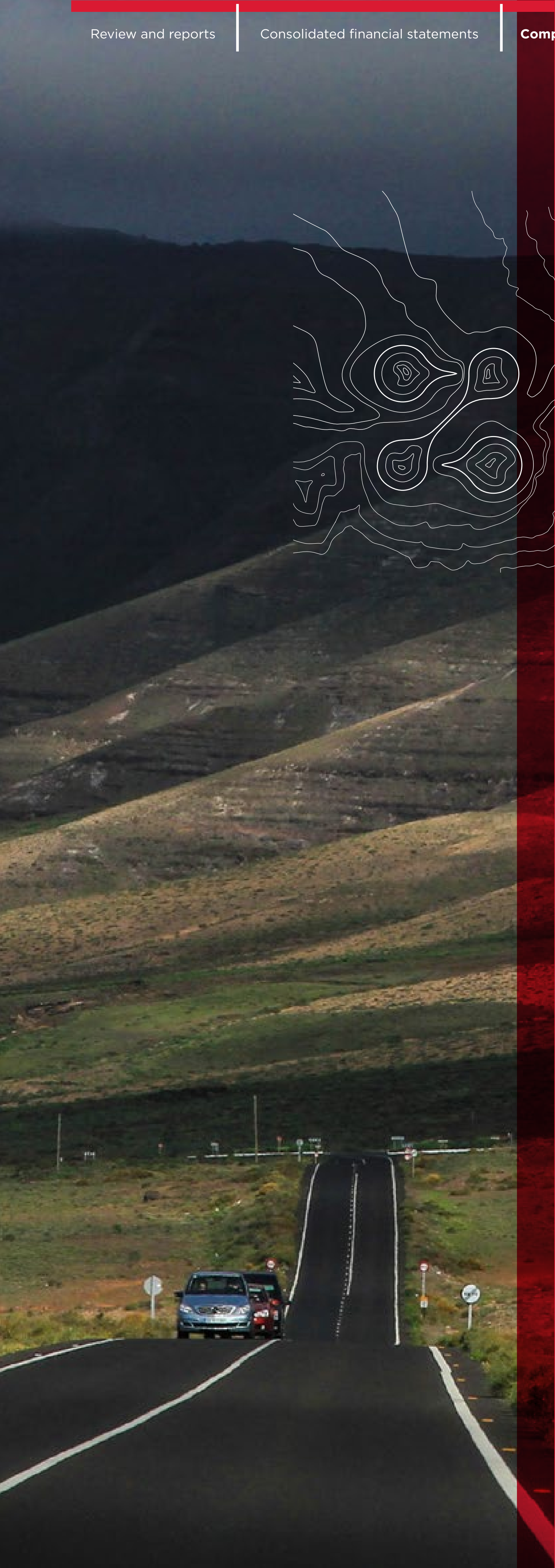
The Board of Directors has been considering strategic options for the Group's subsidiary, Fleet Services Ghana Limited, in which the Group has a controlling interest of 100% through its subsidiary, Avis Southern Africa Proprietary Limited.

Subsequent to the report date, but prior to the approval of the Group's annual financial statements, the Board resolved to explore options to disinvest from its Ghana investment, as capital allocation to Ghana no longer fits the Group's growth focus, given its isolation within the West African market, and to effectively allocate the Group's resources to stable and profitable operations.

To the knowledge of the directors, no material events have occurred, apart from the three stated above, 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.

47. Going concern

The financial statements are prepared on the going concern basis. The going concern assumption was assessed by management and the directors as appropriate after taking into consideration its available information about the future, the profitability of the operations and the accessibility to financial resources for at least the next 12 months from the end of the last reporting date.



3

Company Financial Statements

COMPANY STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

for the year ended 30 September 2024

R'000	Note	2024	2023
Revenue	6	111 575	–
Operating costs	7	(11 292)	(12 432)
Loss on financial instrument	8	–	(744)
Profit/(loss) before taxation		100 283	(13 176)
Taxation	9	(3 915)	3 557
Profit/(loss) for the year		96 368	(9 619)
Total comprehensive income/(loss) for the year		96 368	(9 619)

COMPANY STATEMENT OF FINANCIAL POSITION
as at 30 September 2024

R'000	Note	2024	2023
Assets			
Investment in subsidiary	11	**4 500 000**	4 500 000
Deferred tax asset*	12	**451**	3 557
Non-current assets		**4 500 451**	4 503 557
Trade and other receivables		**1 778**	–
Cash and cash equivalents	10	**16 493**	339
Current assets		**18 271**	339
Total assets		**4 518 722**	4 503 896
Equity and liabilities			
Equity			
Share capital	13	**4 500 000**	4 500 000
Accumulated loss		**(8 144)**	(9 691)
Total equity		**4 491 856**	4 490 309
Liabilities			
Group trade and other payables	14	**11 595**	5 105
Group loans payable	14	**12 160**	6 888
Provisions and other accruals		**477**	–
Trade and other payables	15	**2 634**	1 594
Total current liabilities		**26 866**	13 587
Total liabilities		**26 866**	13 587
Total equity and liabilities		**4 518 722**	4 503 896

** The deferred tax asset was previously classified as a current asset in 2023; in the current financial year this has been correctly classified as a non-current asset.*

COMPANY STATEMENT OF CHANGES IN EQUITY
for the year ended 30 September 2024

R'000	Stated capital	Retained earnings	Total equity
Balance at 30 September 2022	4 500 000	(72)	4 499 928
Total comprehensive income for the year			
Loss for the year	–	(9 619)	(9 619)
Balance at 30 September 2023	4 500 000	(9 691)	4 490 309
Total comprehensive income for the year			
Profit for the year	–	96 368	96 368
Transactions with shareholders recorded directly in equity			
Dividend paid	–	(94 821)	(94 821)
Balance at 30 September 2024	**4 500 000**	**(8 144)**	**4 491 856**

COMPANY STATEMENT OF CASH FLOWS
for the year ended 30 September 2024

R'000	2024	2023
Profit/(loss) before taxation	**100 283**	(13 176)
Loss on financial instruments	**–**	744
Cash generated from/(utilised) operations before working capital movements	**100 283**	(12 432)
Increase in trade receivables	**(1 778)**	–
Increase in intercompany payables	**6 490**	5 105
Increase in trade and other payables	**1 040**	850
Taxation paid	**(332)**	–
Dividend paid	**(94 821)**	–
Cash generated from/(utilised in) operations	**10 882**	(6 477)
Cash inflow from financing activities		
Increase in intercompany loans	**5 272**	6 816
Net cash generated from financing activities	**5 272**	6 816
Net increase in cash and cash equivalents for the year	**16 154**	339
Cash and cash equivalents at the beginning of the year	**339**	–
Cash and cash equivalents at the end of the year	**16 493**	339

NOTES TO THE COMPANY FINANCIAL STATEMENTS

1. Reporting entity

The Company is registered and incorporated in South Africa. The registered address and head office of the Company is 2 Sysie Road, Croydon, 1691.

2. Accounting framework

The accounting policies of the Company are the same as those of the Group, where applicable (refer to the consolidated annual financial statements accounting policies). The policies detailed below are those specifically applicable to the Company.

Accounting policies for which no choice is permitted in terms of IFRS Accounting Standards have been included only if management and the directors concluded that the disclosure would assist users in understanding the financial statements as a whole, taking into account the materiality of the item.

3. Underlying concepts

The financial statements are prepared on the going concern basis. Assets and liabilities and income and expenses are not offset unless specifically permitted by an accounting standard. Financial assets and financial liabilities are offset and the net amount reported only when a legally enforceable right to set off the amounts exists and the intention is either to settle on a net basis or to realise the asset and settle the liability simultaneously.

4. Functional and presentation currency

The financial statements are presented in South African Rand, which is the Company's functional and reporting currency. All amounts have been rounded to the nearest thousand unless otherwise stated.

5. Significant accounting policies:

Stated capital

Ordinary shares are classified as equity instruments when there is no contractual obligation to deliver cash or other assets to another entity on terms that may be unfavourable. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds.

Revenue

The Company earns revenue from services it renders to its subsidiaries Zenith Car Rental Proprietary Limited and Zeda Car Leasing Proprietary Limited in accordance with the management fee agreement. The management fee is accounted for in terms of IFRS 15 *Revenue from Contracts with Customers* and is recognised over time during the duration of the contract as the subsidiaries obtain services that the Company renders.

Investments in subsidiaries

Investments in subsidiaries are recognised at cost less accumulated impairment losses in the companies' separate financial statements.

Investment income

Dividend income earned from the investing activities is recognised when the Company establishes the right to receive the dividend and is classified under revenue. Interest income and expenses are accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable.

Taxation

The tax expense includes the current tax and deferred tax charge recognised in the statement of comprehensive income. The Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised.

NOTES TO THE COMPANY FINANCIAL STATEMENTS continued

5. Significant accounting policies continued

Taxation continued

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries, and joint arrangements except where the Company can control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

6. Revenue

R'000	2024	2023
Revenue recognized in terms of IFRS 15:		
Revenue recognised over time:		
Management fees	16 575	–
Revenue recognise at a point in time:		
Dividend income	95 000	–
	111 575	–

7. Operating costs

R'000	2024	2023
Audit fees	1 555	3 792
JSE fees and securities	2 471	1 317
Directors' fees	4 832	4 809
Advisory fees	1 591	1 861
Other non-disclosable items	843	653
	11 292	12 432

8. Financial instruments

R'000	2024	2023
Loss on financial instruments	–	744

This relates to long-term loan guarantees. At initial recognition a financial guarantee is measured at fair value. A discount rate was applied taking the time value of money, risk premium and own credit risk. The loss will amortise over the length of the guarantee period. Refer to note 17 for guarantees.

9. Taxation

R'000	2024	2023
South African normal taxation		
Current taxation		
Current year	(809)	–
	(809)	–
Deferred taxation		
Current year	(3 106)	3 557
Total taxation charge	**(3 915)**	3 557

NOTES TO THE COMPANY FINANCIAL STATEMENTS continued

9. Taxation continued

Reconciliation of the effective tax rate to the statutory tax rate:	2024	2023
Effective tax rate	**3.9%**	27.0%
Non-taxable income*	**25.6%**	–
Non-deductible expenses**	**(2.5%)**	–
Tax at statutory tax rate	**27.0%**	27.0%

* *This relates to dividend received*

** *This relates to expenses incurred such as professional fees, membership and subscription fees and bank charges. These expenses were incurred to produce exempt dividend income.*

10. Cash and cash equivalents

R'000	2024	2023
Cash in bank	**16 493**	339

11. Investment in subsidiary

R'000	% 2024	% 2023	2024	2023
Avis Southern Africa Proprietary Limited	**100**	100	**4 500 000**	4 500 000

Refer to the accounting policy on Basis of consolidation in the consolidated annual financial statements for details of principal subsidiary companies.

12. Deferred tax asset

R'000	2024	2023
Movement of deferred taxation		
Balance at the beginning of the year		
– deferred taxation assets	**3 557**	–
Deferred tax at the beginning of the year	**3 557**	–
Recognised in statement of profit or loss	**(3 106)**	3 557
Assessed loss	**(3 232)**	3 557
Provision for audit fees	**126**	–
Deferred tax asset at the end of the year	**451**	3 557

The deferred tax asset is due to the assessed losses incurred by the Company.

13. Share capital

R'000	2024	2023
Authorised 2 000 000 000 ordinary shares of par value		
Issued 189 641 787 ordinary shares of no par value	**4 500 000**	4 500 000
	4 500 000	4 500 000

NOTES TO THE COMPANY FINANCIAL STATEMENTS continued

14. Related party transactions and balances

R'000	2024	2023
Group loans payable	**12 160**	6 888
Zeda Car Leasing Proprieatary Limited (unsecured loan, interest-bearing and payable on demand)	10 202	5 900
Zenith Car Rental Proprietary Limited (unsecured, floating interest rate linked to prime and repayable on demand)	1 958	988
Group trade and other payables		
Zenith Car Rental Proprietary Limited	11 595	5 105
Dividends received		
Avis Southern Africa Proprietary Limited	95 000	–
Management fee revenue	**16 575**	–
Zeda Car Leasing Proprietary Limited	4 286	–
Zenith Car Rental Proprietary Limited	12 289	–

Directors' remuneration:

The directors' fees for the year ended 30 September were paid as follows:

R'000	2024	2023
Non-executive	**Total**	
Lwazi Bam (Chairman)	1 258	866
Xoliswa Kakana	845	88
Yolanda Miya	797	993
Sibani Mngomezulu	728	1 065
Ngao Motsei	666	831
Marna Roets	756	–
Donald Wilson	881	964
Total	**5 931**	**4 807**

Full details of remuneration paid to Executive Directors, principal officers and Non-Executive Directors is included on note 41 in the Consolidated financial statements

15. Trade and other payables

R'000	2024	2023
Audit fees	1 806	850
Other	828	744
	2 634	**1 594**

NOTES TO THE COMPANY FINANCIAL STATEMENTS continued

16. Financial risk management

The Company's financial instruments consist mainly of deposits with banks, trade and other receivables, trade and other payables, and amounts owing to group companies. These financial instruments arise directly from the Company's operations. The Company's activities expose it to a variety of financial risks, including the effects of credit, interest rate and liquidity risk. The Group's approach to the risks related to financial instruments is set out on note 42 to the consolidated financial statements.

The following table shows the carrying amounts of financial assets and liabilities which are stated at amortised cost:

	2024	2023
Assets		
Trade and other receivables	**1 778**	–
Cash and cash equivalents	**16 493**	339
Total assets	**18 271**	339

Liabilities		
Group loans payable	**12 160**	6 888
Group trade and other payables	**11 595**	5 105
Trade and other payables	**2 634**	1 594
Total liabilities	**26 389**	13 587

The carrying amount of financial assets and financial liabilities approximates the fair value because of the short term to maturity.

Credit risk

The maximum exposure to credit risk is set out under assets in the table above.

Liquidity risk

Financial liabilities are set out in the table above under liabilities. These liabilities will be settled within the next 12 months and as a consequence the contractual outflows are equivalent to the carrying amounts:

Interest rate risk

The interest rate profile of the Company is as follows:

Variable rate instruments		
Financial assets	**16 493**	339
Financial liabilities	**(12 160)**	(6 888)
Net interest-bearing financial assets/(liabilities)	**4 333**	(6 549)

A 1% change in the South African prime interest rate would have an immaterial effect on profit and loss and equity for the year.

NOTES TO THE COMPANY FINANCIAL STATEMENTS continued

17. Guarantees

R'000	**2024**	2023
Nedbank Limited	**50 000**	50 000
Standard Bank Group Limited	**–**	164 213
	50 000	214 213

The guarantees are for the overdraft and short-term interest-bearing borrowings that are in Zenith Proprietary Limited.

18. Going concern

For the disclosure regarding going concern, refer to note 47 in the consolidated financial statements.

19. Events after the reporting period

For the disclosure regarding events after the reporting period, refer in note 46 in the consolidated financial statements.

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ZEDA Limited shareholders

SHAREHOLDER INFORMATION*

Beneficial shareholdings 5% or more

Shareholder name	Total shareholding	% of issued capital
Zahid Tractor & Heavy Machinery Co. Limited	36 067 299	19.02%
Zarclear Securities Lending Proprietary Limited	14 066 637	7.42%
Abax Investments Proprietary Limited	10 102 797	5.33%
Total	**60 236 733**	31.77%

Geographic split of beneficial shareholders

Region	Total shareholding	% of issued capital
South Africa	135 258 502	71.32%
United Kingdom	42 428 524	22.37%
United States	7 360 182	3.88%
Rest of the world	4 594 579	2.43%
Total	**189 641 787**	100.00%

Registered shareholder spread

Shareholder type	Number of holders	% of total shareholders	Number of shares	% of issued capital
1 – 1 000 shares	6 927	79.33%	1 227 788	0.65%
1 001 – 10 000 shares	1 356	15.53%	4 776 572	2.52%
10 001 – 100 000 shares	341	3.91%	9 942 656	5.24%
100 001 – 1 000 000 shares	74	0.85%	25 510 310	13.45%
1 000 001 shares and above	34	0.38%	148 184 461	78.14%
Total	**8 732**	100.00%	**189 641 787**	100.00%

* *As per the Share Register from Strate Proprietary Limited, dated 15 November 2024.*

Public holding and non-public holding

Shareholder type	% of issued capital
Public	97.62%
Non-public	2.38%
Total	**100.00%**

NOTES

CORPORATE INFORMATION

Directors

Independent Non-Executive Directors
Lwazi Bam (Chairman)
Xoliswa Kakana
Yolanda Miya
Sibani Mngomezulu
Ngao Motsei
Marna Roets
Donald Wilson

Executive Directors
Ramasela Ganda (Group Chief Executive Officer)
Thobeka Ntshiza (Group Finance Director)

Company's Registered Office

2 Sysie Road
Croydon, 1691
Johannesburg
South Africa
(PO Box 221, Isando, 1600)

Company Secretary

Chioneso Sakutukwa
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Croydon, 1691
Johannesburg
South Africa
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Financial Reporting Consultant to Zeda Limited

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(Registration number: 1999/012876/07)
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South African Legal Advisor to the Company

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Sponsor to Zeda Limited

Nedbank Limited, acting through its Nedbank Corporate and Investment Banking Division
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