



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

### **Update on the Acquisition of Tongaat Hulett Starch ("Sale Business") and Cautionary Announcement**

Further to the voluntary trading update released on 23 April 2020 and in light of the continued rapidly evolving environment arising from the COVID-19 global pandemic and the South African nationwide lock down, shareholders are advised that Barloworld, through its wholly-owned subsidiary KLL Group (Proprietary) Limited ("KLL"), has issued a material adverse change ("MAC") notice to Tongaat Hulett Limited ("THL") in terms of the Sale and Purchase Agreement between THL, Barloworld and KLL dated 28 February 2020, as amended (the "SPA"), the conclusion of which was announced on that day.

Shareholders are advised to refer to that announcement and all definitions and abbreviations contained therein apply to this announcement.

Barloworld is of the view that COVID-19 global pandemic and the consequences thereof constitute an event that is reasonably likely to cause the EBITDA of the Sale Business for the financial year ending 31 March 2021 to be 82.5% or less of the EBITDA of the Sale Business for the financial year ended on 31 March 2020, and that, therefore, a MAC has occurred.

In accordance with the SPA, Barloworld and THL have met in an attempt to agree whether a MAC has occurred or not. The parties were unable to reach agreement.

The SPA provides that if THL and KLL are unable to agree whether or not a MAC has occurred, either party can refer the matter to an independent accountant who will determine if a MAC has taken place, after receiving submissions from KLL and THL. It is anticipated that this process will now be followed, and that the process will take approximately 6 to 8 weeks.

Barloworld will update shareholders in due course.

Resultantly, shareholders are advised to exercise caution when dealing in the Company's securities until a further announcement is made.

Sandton  
12 May 2020

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