

BARLOWORLD LIMITED

Incorporated in the Republic of South Africa

Registration Number: 1918/000095/06

Share code: BAW ISIN: ZAE000026639

Share code: BAWP ISIN: ZAE000026647

Bond issuer code: BIBAW

“Barloworld” or the “Barloworld Group”

## PROPOSED UNBUNDLING OF ZEDA LIMITED (“ZEDA”) BY BARLOWORLD LIMITED (“BARLOWORLD”) AND SEPARATE LISTING OF ZEDA ON THE MAIN BOARD OF THE JSE LIMITED (“JSE”)

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### 1. INTRODUCTION

Shareholders are advised that the board of directors of Barloworld (the **Board**) has resolved to unbundle and separately list the entire ordinary share capital of Zeda, a wholly-owned subsidiary of Barloworld, which currently houses Barloworld’s investment in its car rental and vehicle leasing business (the **Unbundling**). Zeda trades under the market leading “Avis” and “Budget” brands in South Africa and 10 other sub-Saharan African countries.

Subject to the approval of the JSE Limited (**JSE**), the Unbundling will be implemented by way of the listing of 189,641,787 Zeda ordinary shares (the **Zeda Distribution Shares**), comprising 100% of the issued ordinary share capital of Zeda, on the Main Board of the JSE (the **Listing**) on Tuesday, 13 December, 2022 (the **Listing Date**) and a *pro rata* distribution *in specie* of such JSE-listed Zeda Distribution Shares for no consideration, in terms of section 46 of the South African Companies Act, No. 71 of 2008 (the **Companies Act**) and section 46 of the South African Income Tax Act, No. 58 of 1962 (the **Income Tax Act**), to holders of Barloworld ordinary shares (**Barloworld Ordinary Shares**) entitled to receive this distribution (**Barloworld Ordinary Shareholders**) on Monday, 19 December, 2022 (the **Unbundling Operative Date**).

Moreover, the Unbundling will be implemented on the basis that Barloworld Ordinary Shareholders recorded on the Barloworld share register at 17:00 (SAST) on Thursday, 15 December, 2022 (the **Unbundling Record Date**) will receive 1 Zeda Distribution Share for every 1 Barloworld Ordinary Share held.

The *pro rata* distribution *in specie* of the Zeda Distribution Shares will be paid from sources other than “*contributed tax capital*” as contemplated in the Income Tax Act and shall accordingly constitute a “*dividend*” for purposes of the Income Tax Act.

### 2. BACKGROUND AND RATIONALE FOR THE UNBUNDLING

In line with its communicated strategy, Barloworld is actively pivoting its portfolio towards defensive, relatively asset-light and cash generative industrial sectors, based on a business-to-business operating model. To date, Barloworld has divested of a number of businesses identified as non-core to its strategic ambition. The Unbundling is in line with this strategy.

The Board believes that the decision to separate the business and operations of Barloworld and Zeda through the Unbundling will enable Zeda to execute on its own strategy and allow it to operate in a more focused and efficient manner, unshackled by the umbrella of Barloworld’s capital allocation framework. With competing demands of a geographically and technically diversified organisation, Zeda will benefit from a fully dedicated executive management team directly accountable to a dedicated board of directors. Consequently, the Board has approved the separation of Zeda from Barloworld.

It is anticipated that the Unbundling will:

- for Zeda:
  - position Zeda as a distinct sub-Saharan African focused integrated mobility solutions provider;
  - enable Zeda to pursue its growth strategy, with autonomy on accessing and allocating capital;
  - improve management focus and flexibility to anticipate and react to changes within its market segment and economic landscape;
  - provide enhanced governance and accountability regarding the formulation and implementation of Zeda’s strategy;
  - optimize Zeda’s cost of capital and ability to drive a market leading return profile; and
  - provide enhanced disclosure and transparency on Zeda’s activities and geographical presence;
- for Barloworld:
  - complete Barloworld’s non-core divestiture programme;
  - streamline the activities of Barloworld;
  - allow Barloworld to focus on its Industrial Equipment & Services and Consumer Industries pillars;
  - deliver significant de-leveraging of the Barloworld balance sheet; and
  - allow Barloworld to appropriately allocate resources in keeping with its strategy.

The Unbundling will provide Barloworld Ordinary Shareholders with the opportunity to participate directly in the long-term prospects of both Zeda and Barloworld.

Following the Unbundling, both Barloworld and Zeda will remain South African domiciled companies with their primary listings on the JSE.

### 3. INFORMATION ABOUT BARLOWORLD

Barloworld was founded in 1902 and currently has operations in 16 countries around the world. Barloworld has a proven track record of maintaining long-term relationships with global principals and customers. Barloworld has an ability to develop and grow businesses in multiple geographies including challenging territories with high growth prospects.

Barloworld has two primary operating divisions: (i) Industrial Equipment & Services; and (ii) Consumer Industries (food and ingredient solutions).

Barloworld Equipment is the official dealer for the Cat® construction, mining and industrial machine range in eleven Southern African countries, and Equipment Eurasia represents our combined UK, Russian and Mongolian Caterpillar® operations.

Barloworld’s Consumer Industries business, Ingrain, is Africa’s largest producer of unmodified and modified starch, glucose and related products. Ingrain produces a wide range of high-quality products for customers across Africa and around the world using maize as raw material. The products manufactured at Barloworld’s mills are essential ingredients in the manufacturing processes of various different products, in many industries such as food and beverages, paper manufacturing, pharmaceuticals, building materials and adhesives.

For more information, please visit [www.barloworld.com](http://www.barloworld.com).

#### 4. INFORMATION ABOUT ZEDA

With over 55 years of experience and a diversified customer base, Zeda is an integrated vehicle mobility solutions provider, operating in South Africa and 10 other countries across sub-Saharan Africa under the well-established, highly recognisable “Avis” and “Budget” global brands pursuant to a long-term licence secured from Avis Budget Group, Inc.

The business of Zeda is structured around the following two integrated business segments:

- *Car Rental Business* – being the Zeda Group’s business segment that trades under the brand names “Avis” and “Budget” and generates rental revenue from offering short-term car rentals to a broad range of customers (including local leisure travelers, international inbound travellers, corporates, commercial partnerships, public sector entities, monthly subscribers, and short-term insurance and original equipment manufacturer (OEM) replacements) for periods ranging from one day up to (but less than) 12 months through an extensive network of 139 directly-operated, agency-operated and sub-licensee operated branches across South Africa and 9 other Sub-Saharan African countries (namely, Botswana, Namibia, Mozambique, Lesotho, Malawi, Angola, eSwatini, Zimbabwe and Zambia). This business segment offers the following options to its customers: (i) self-drive; (ii) chauffeur driven services; and (iii) corporate shuttle services in specific key locations. In addition to a customer’s car rental needs, complementary products and services (such as baby seats, GPS, bike racks and the Avis Safe Drive product) are available to a customer; and
- *Leasing Business* – being the Zeda Group’s business segment that trades as “Avis Fleet” and generates leasing revenue from offering long-term vehicle leasing solutions for periods of longer than 12 months to corporate customers, SMMEs and public sector entities (including national, provincial and local government) across South Africa and 6 other sub-Saharan African countries (namely, Namibia, Botswana, Mozambique, Lesotho, Zambia and Ghana). Services include the leasing of vehicles (from motorcycles to heavy commercial vehicles) with an average duration of 44 months and the sale of value-added products and services such as telematics, intelligent fuel management, fleet accident management, roadside assistance, insurance and managed maintenance. In addition, this business segment offers the administration of service and maintenance plans (either as Avis-branded plans or as OEM-branded plans).

#### 5. THE PRE-LISTING STATEMENT AND ZEDA FY22 ANNUAL RESULTS PRESENTATION

Further information regarding Zeda, the Unbundling and the Listing will be set out in a pre-listing statement (the **Pre-Listing Statement**) which is anticipated to be published by the Zeda board of directors on Monday, 28 November 2022 and will be accessible on Barloworld’s website at <https://www.barloworld.com/investors/sens/> and Zeda’s website at [www.zeda.co.za](http://www.zeda.co.za).

In addition to the financial information included in the Pre-Listing Statement, and in order to provide Barloworld Ordinary Shareholders with the most current financial information available in respect of Zeda, Zeda intends to publish, simultaneously with the publication of the Pre-Listing Statement, reviewed condensed consolidated financial statements for the year ended 30 September 2022. The reviewed condensed consolidated financial statements for the year ended 30 September 2022 will be available on Zeda’s website: [www.zeda.co.za](http://www.zeda.co.za).

#### 6. EXPECTED TIMETABLE OF PRINCIPAL EVENTS

The following indicative timetable sets out expected dates for the implementation of the Unbundling and the Listing.

	2022
<b>Publication of the Pre-Listing Statement and declaration information</b>	Monday, 28 November
Abridged Pre-Listing Statement published on SENS	Monday, 28 November
Pre-Listing Statement posted to Barloworld Ordinary Shareholders	Monday, 28 November
Publication of Zeda’s reviewed condensed consolidated financial statements for the year ended 30 September 2022 on Zeda’s website: <a href="http://www.zeda.co.za">www.zeda.co.za</a>	Monday, 28 November
Last day to trade for Barloworld Ordinary Shareholders to be entitled to participate in the Unbundling	Monday, 12 December
<b>Listing of Zeda Distribution Shares on the JSE under the share code ZZD and ISIN ZAE000315768 expected at commencement of trade</b>	Tuesday, 13 December
Barloworld Ordinary Shares commence trading “ex” entitlement to Zeda Distribution Shares	Tuesday, 13 December
Announcement of specified ratio in respect of apportionment of costs/base costs of Zeda Distribution Shares for taxation/CGT purposes released on SENS	by 11:00 on Wednesday, 14 December
Unbundling Record Date to receive JSE-listed Zeda Distribution Shares pursuant to the Unbundling	17:00 on Thursday, 15 December
Publish the closing prices of Barloworld Ordinary Shares and Zeda Shares after market close on SENS	Thursday, 15 December
Unbundling Operative Date, being the date on which JSE-listed Zeda Distribution Shares are unbundled to Barloworld Ordinary Shareholders	Monday, 19 December
Barloworld Ordinary Shareholders’ CSDP and/or Broker Accounts expected to be updated and credited with JSE-listed Zeda Distribution Shares	Monday, 19 December

##### Notes:

1. The expected dates and times listed above may be subject to change. Any material changes to the above dates and times will be released on SENS.
2. All references to times shown in this announcement are to South African standard time.
3. There may be no rematerialisation or dematerialisation of Barloworld Ordinary Shares between Tuesday, 13 December, 2022 and Thursday, 15 December, 2022, both days inclusive.

#### 7. APPROVALS

Barloworld shareholder approval is not required for the Unbundling under the Companies Act and the listings requirements of the JSE (the **Listings Requirements**).

Barloworld has obtained approval from the South African Reserve Bank for the Unbundling and the Listing.

Barloworld and Zeda have made an application to the JSE for the Listing under the abbreviated name “Zeda”, share code ZZD and ISIN ZAE000315768, with the Listing anticipated to take place with effect from the commencement of business on Tuesday, 13 December, 2022.

#### 8. TRADING AND SETTLEMENT

Barloworld Ordinary Shareholders will be delivered their respective JSE-listed Zeda Distribution Shares in dematerialised form only. Accordingly, all Barloworld Ordinary Shareholders must appoint a CSDP under the terms of the South African Financial Markets Act, No. 19 of 2012, directly or through a broker, to receive Zeda Distribution Shares on their behalf.

Should a Barloworld Ordinary Shareholder require a physical share certificate for its Zeda Distribution Shares, it will have to materialise its Zeda Distribution Shares following the Unbundling and should contact its CSDP or Zeda’s transfer secretaries, namely JSE Investor Services South Africa Proprietary Limited to do so.

Documents of title in respect of Barloworld Ordinary Shares held are not required to be surrendered in order to receive the Zeda Distribution Shares.

#### 9. TAX AND EXCHANGE CONTROL REGULATIONS

The Unbundling and the Listing are governed by the laws of South Africa and are subject to applicable South African laws and regulations, including the exchange control regulations. Any Barloworld Ordinary Shareholder who is in doubt as to their position with respect to the Unbundling and/or the Listing in any jurisdiction, including, without limitation, their tax status, should consult an appropriate independent professional advisor in the relevant jurisdiction without delay.

## 10. FOREIGN SHAREHOLDERS

No action has been taken by Barloworld or Zeda to obtain any approval, authorisation or exemption to permit the distribution of the Zeda Distribution Shares or the possession or distribution of the Pre-Listing Statement (or any other publicity material relating to the Zeda Distribution Shares) in any jurisdictions other than South Africa, the United States of America (**US**) and the United Kingdom of Great Britain and Ireland (**UK**).

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

In respect of Foreign Shareholders resident in the US, the distribution of the Zeda Distribution Shares in terms of the Unbundling meets the conditions of Staff Legal Bulletin No. 4 of the staff of the SEC for "spin-off" transactions and accordingly the distribution of the Zeda Distribution Shares is being conducted without registration under the US Securities Act and Foreign Shareholders resident in the US are eligible, if the Unbundling is implemented, to receive Zeda Distribution Shares.

The Pre-Listing Statement will not constitute a prospectus for the purposes of Regulation (EU) 2017/1129 as it forms part of domestic law in the UK by virtue of the European Union (Withdrawal) Act 2018, as amended (as amended or supplemented, the **UK Prospectus Regulation**). In terms of the Unbundling, the Zeda Distribution Shares will not: (i) be admitted to trading on a regulated market situated or operating in the United Kingdom; and (ii) be "offered to the public" in the UK (other than pursuant to one or more of the exemptions set out in Article 1(4) of the UK Prospectus Regulation).

The Pre-Listing Statement will not constitute a prospectus for the purposes of Regulation (EU) 2017/1129 (as amended or supplemented) (the **EU Prospectus Regulation**). In terms of the Unbundling, the Zeda Distribution Shares will not: (i) be admitted to trading on a regulated market situated or operating in the European Economic Area; and (ii) be offered to the public in the European Economic Area (other than pursuant to one or more of the exemptions set out in Article 1(4) of the EU Prospectus Regulation).

Foreign Shareholders are reminded that they may dispose of their Barloworld Ordinary Shares prior to the last date to trade, anticipated to be Tuesday, 12 December 2022, in which case they will not participate in the Unbundling.

Foreign Shareholders are referred to the Pre-Listing Statement for further detail regarding treatment of Foreign Shareholders in connection with the Unbundling.

## 11. DISCLAIMER

The release, publication or distribution of this announcement in certain jurisdictions may be restricted by law and therefore persons into whose possession this announcement comes should inform themselves about and observe any such applicable restrictions and requirements. Any failure to comply with these restrictions or requirements may constitute a violation of the securities laws of any such jurisdiction. To the fullest extent permitted by applicable law, Barloworld disclaims any responsibility or liability for violation of such restrictions or requirements by any person. No action has been taken or will be taken to permit an offering of any shares or the possession or distribution of this document (or any other offering or publicity materials relating to the Zeda Distribution Shares) in any jurisdiction where action for that purpose may be required or doing so is restricted or prohibited by law.

This announcement does not constitute an offer or form part of any offer or invitation to purchase, subscribe for, sell or issue, or a solicitation of any offer to purchase, subscribe for, sell or issue, any securities including the Zeda Distribution Shares (whether pursuant to this announcement or otherwise) in any jurisdiction, including an offer to the public or section of the public in any jurisdiction. Consequently, this announcement does not comprise a prospectus or a prospectus equivalent announcement in any jurisdiction, nor does it constitute an advertisement of an offer as envisaged in the Companies Act or in any jurisdiction.

Certain statements contained in this announcement, other than historical facts, constitute or may be deemed to constitute, 'forward-looking statements'. These forward-looking statements are not based on historical facts, but rather reflect current expectations concerning future results and events and generally may be identified by the use of forward-looking words or phrases such as 'believes', 'expects', 'aims', 'estimates', 'anticipates', 'may', 'should', 'could', 'intends', 'plans', 'seeks' or words of similar import. Examples of forward-looking statements include statements regarding a future financial position or future profits, dividends, cash flows, corporate strategy, estimates of capital expenditures, acquisition strategy, or future capital expenditure levels, and other economic factors, such as, amongst other things, interest and exchange rates. By their nature, forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. Barloworld cautions that forward-looking statements are not guarantees of future performance or results. Actual results, performance or achievements of Zeda, or industry results, may be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Barloworld expressly disclaims any duty, and do not intend to release publicly any updates or revisions to these forward-looking statements to reflect events, circumstances or unanticipated events occurring after the date of this announcement except as required by law or by any appropriate regulatory authority. In light of these risks and uncertainties, there can be no assurance that the results and events contemplated by the forward-looking statements contained in this announcement will in fact transpire.

Sandton

21 November 2022

Corporate and Transaction Sponsor

Nedbank Corporate and Investment Banking, a division of Nedbank Limited

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