WE BUY CARS HOLDINGS LIMITED

(previously WBC Holdings Proprietary Limited)
Incorporated in the Republic of South Africa
Registration number 2020/632225/06
JSE Share code: WBC
ISIN: ZAE000332789
("**WeBuyCars**" or "**the Company**")

PRE-LISTING STATEMENT

The definitions and interpretations commencing on page 9 of this Pre-listing Statement apply to this cover page.

This Pre-listing Statement is prepared and issued in terms of the JSE Listings Requirements and is not an offer to the public to subscribe for Shares. This Pre-listing Statement has been issued in compliance with the JSE Listings Requirements for the purpose of providing information in respect of the Group to the public and to potential investors.

Subject to the fulfilment or waiver, as the case may be, of the Unbundling Conditions, the JSE has granted the Company a primary listing by way of introduction of all its issued Shares on the Main Board of the JSE under the abbreviated name "WeBuyCars", share code "WBC" and ISIN ZAE000332789 with effect from the commencement of trade on Thursday, 11 April 2024. The Company will be listed in the "Specialty Retailers" sector of the Main Board of the JSE. The Company will comply with all the rules and requirements of the JSE following Listing.

Immediately following the Listing and Unbundling, the authorised share capital of the Company will comprise 10 billion Shares and the issued share capital of the Company will consist of approximately 413.7 million Shares. The number of Shares in issue and the resulting stated capital per Share will depend on the Share issuances leading up to Listing (including the Pre-listing Capital Raise), the details of which are set out in this Pre-listing Statement, save for the terms of the Pre-listing Capital Raise which will be announced to the market by way of separate SENS announcements (refer to the *pro forma* financial information in **Annexure 16** for more information). The final number of issued Shares on Listing will be announced by WeBuyCars on SENS prior to the Listing. No Shares will be held in treasury on the Listing Date. On the Listing Date, all issued Shares shall rank *pari passu* with each other in all respects, including in respect of voting rights and dividends.

It is anticipated that the market capitalisation of the Company will be approximately between R8.7 billion and R10 billion as at the Listing Date.

Immediately following the Listing and Unbundling, it is anticipated that the shareholder spread of the Company will be:

- approximately 169.4 million Shares held by non-public Shareholders on the JSE (as such term is contemplated in the JSE Listings Requirements), comprising approximately 41% of all of the issued Shares; and
- approximately 244.3 million Shares held by public Shareholders on the JSE (as such term is contemplated in the JSE Listings Requirements), comprising approximately 59% of all of the issued Shares.

Following the Listing and Unbundling, the Company will have sufficient shareholder spread as contemplated in the JSE Listings Requirements.

Shareholders are advised that their Shares will be traded on the JSE in Dematerialised form only.

Lead Transaction Advisor and Sponsor

PSG CAPITAL

Joint Transaction Advisor and Sponsor

Pallidus
CONNECTING CAPITAL

Independent Reporting Accountant and Auditor

pwc

Independent Auditor

Deloitte.

Legal Advisor to WeBuyCars

CDH
CLIFFE DEKKER HOFMEYR

Legal Advisor to Transaction Capital

ens.

The Directors, whose names appear in the *"Corporate Information"* section of this Pre-listing Statement, collectively and individually accept full responsibility for the accuracy of the information given and certify that, to the best of their knowledge and belief, there are no facts that have been omitted which would make any statement false or misleading, and that all reasonable enquiries to ascertain such facts have been made and that this Pre-listing Statement contains all information required by applicable law and the JSE Listings Requirements.

Each of the Company's advisors, whose names appear on the cover page and in the *"Corporate Information"* section of this Pre-listing Statement, has consented in writing to act in the capacity stated and to its name appearing in this Pre-listing Statement, and has not withdrawn its consent prior to the publication of this Pre-listing Statement.

An abridged version of this Pre-listing Statement will be released on SENS on Tuesday, 12 March 2024 and published in the press on Wednesday, 13 March 2024.

Date of issue: Tuesday, 12 March 2024

This Pre-listing Statement is available in English only. Copies may be obtained during normal business hours from the registered office of the Company and from the offices of PSG Capital and Pallidus, whose addresses are set out in the "Corporate Information" section of this Pre-listing Statement, from Tuesday, 12 March 2024 until the Listing Date (both days inclusive). A copy of this Pre-listing Statement will also be available on the Company's website (https://www.webuycars.co.za/).

IMPORTANT LEGAL NOTES

The definitions and interpretations commencing on page 9 of this Pre-listing Statement apply to this section.

This Pre-listing Statement is not an invitation to the public in South Africa to subscribe for securities, but is issued in compliance with the JSE Listings Requirements, for the purpose of providing information in respect of the Company to the public. Neither this Pre-listing Statement nor the Pre-listing Capital Raise constitutes, envisages or represents an offer to the public in South Africa, as envisaged in the Companies Act, nor does it constitute a prospectus registered in terms of the Companies Act.

ISSUED IN SOUTH AFRICA ONLY

This Pre-listing Statement has been issued in South Africa only. The distribution of this Pre-listing Statement may be restricted by law. Persons into whose possession this Pre-listing Statement comes must inform themselves about and observe any and all such restrictions. This Pre-listing Statement does not constitute an offer of or invitation to subscribe for and/or purchase any Shares in any jurisdiction. For the avoidance of doubt, the terms of the Pre-listing Capital Raise will be announced to the market by way of separate SENS announcements at the relevant time and, accordingly, the full terms and conditions thereof are not included in this Pre-listing Statement.

The release, publication or distribution of this Pre-listing Statement in certain jurisdictions other than South Africa may be restricted by law and therefore any persons who are subject to the laws of any jurisdiction other than South Africa should inform themselves about, and observe, any applicable requirements. Any failure to comply with the applicable requirements may constitute a violation of the securities laws of any such jurisdiction. It is the responsibility of the non-resident Shareholder to satisfy himself as to the full observance of the laws and regulatory requirements of the relevant jurisdiction in connection with this Pre-listing Statement.

Any Shareholder who is in doubt as to his position, including, without limitation, his tax status, should consult an appropriate independent professional advisor in the relevant jurisdiction without delay.

FORWARD-LOOKING STATEMENTS

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

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. The Company cautions that forward-looking statements are not guarantees of future performance. Actual results, financial and operating conditions, liquidity and the developments within the industries in which the Group operates may differ materially from those made in, or suggested by, the forward-looking statements contained in this Pre-listing Statement.

All these forward-looking statements are based on estimates and assumptions made by the Company. Although the Company believes them to be reasonable, they are inherently uncertain. Such estimates, assumptions or statements may not eventuate. Factors which may cause the actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied in those statements or assumptions include other matters not yet known to the Company or not currently considered material by the Company.

Shareholders should keep in mind that any forward-looking statement made in this Pre-listing Statement or elsewhere is applicable only at the date on which such forward-looking statement is made. New factors that could cause the business of the Company or the Group not to develop as expected may emerge from time to time and it is not possible to predict all of them. Further, the extent to which any factor or combination of factors may cause actual results to differ materially from those contained in any forward-looking statement is not known. The Company has no duty to, and does not intend to, update or revise the forward-looking statements contained in this Pre-listing Statement after the date of this Pre-listing Statement, except as may be required by law.

CORPORATE INFORMATION

Directors
ASS van der Walt (Chief Executive Officer)
CJ Rein (Chief Financial Officer)
DJF van der Walt (Executive Director)
JA Holtzhausen* (Chairman)
NAS Kruger@*
S Totaram*
B Mathews*
WT Roos*
MP Mendelowitz*
KB Amoils^

* Independent Non-executive Director
@ Lead Independent Director
^ Alternate Director to MP Mendelowitz

Date and place of incorporation
17 August 2020
South Africa

Registered office
Building 7
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6 Byls Bridge Boulevard
Centurion
Gauteng, 0046

Independent Reporting Accountant and Auditor
PricewaterhouseCoopers Inc
(Registration number 1998/012055/21)
4 Lisbon Lane
Waterfall City
Jukskei View, 2090
(Private Bag X36, Sunninghill, 2157)
Audit Partner: Johan Potgieter

Independent Auditor
Deloitte & Touche
(Practice number 902276)
5 Magwa Crescent
Waterfall City, Waterfall, 2090
(Private Bag X6, Gallo Manor, 2052)
Audit Partner: Patrick Kleb

Transaction Capital Limited
(Ultimate holding company)
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Sandown, Sandton
Johannesburg
Gauteng, 2196

Lead Transaction Advisor and Sponsor
PSG Capital Proprietary Limited
(Registration number 2006/015817/07)
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35 Kerk Street
Stellenbosch, 7600
(PO Box 7403, Stellenbosch, 7599)

and at:

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11th Floor
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126 West Street
Sandton, 2196

Joint Transaction Advisor and Sponsor
Pallidus Capital Proprietary Limited
(Registration number 2015/030782/07) and
Pallidus Exchange Services Proprietary Limited
(Registration number 2019/060500/07)
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Company Secretary
PJC Vorster
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6 Byls Bridge Boulevard
Centurion
Gauteng, 0046

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

Legal Advisor to WeBuyCars
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Legal Advisor to Transaction Capital
Edward Nathan Sonnenbergs Incorporated
(Registration number 2006/018200/21)
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SALIENT FEATURES

The definitions and interpretations commencing on page 9 of this Pre-listing Statement apply to these salient features.

1. **INTRODUCTION**

1.1 On 30 January 2024, Transaction Capital announced that its board of directors had resolved, in principle, to distribute the WBC Shares held by Transaction Capital to TC Shareholders by way of a *pro rata* distribution *in specie* and to list the Shares on the Main Board of the JSE. On 13 February 2024, Transaction Capital released an announcement regarding the unlocking of value for TC Shareholders, comprising: the firm intention to unbundle its Shares in WeBuyCars and its separate Listing on the Main Board of the JSE, the WeBuyCars Share Issue of R760 million, the Private Placement of WBC Shares of R500 million, a Pre-listing Capital Raise of R750 million and the withdrawal of the cautionary announcement issued by Transaction Capital on 30 January 2024. The full terms and conditions of the Unbundling are set out in the Unbundling Circular.

1.2 The Unbundling will be implemented by way of a distribution *in specie* to TC Shareholders *pro rata* to their respective shareholdings in Transaction Capital as at the Unbundling Record Date, in terms of section 46 of the Companies Act and section 46 of the Income Tax Act, together with the contemporaneous Listing of the WBC Shares on the Main Board of the JSE.

1.3 This Pre-listing Statement is issued in terms of the JSE Listings Requirements for the purposes of providing information in respect of the Company to the public and potential investors, in anticipation of the Listing.

2. **BRIEF OVERVIEW OF THE GROUP**

2.1 In the early 2000s, brothers Faan and Dirk van der Walt observed that for individual consumers, selling an older vehicle in the South African market was a lengthy and difficult process. They established the WeBuyCars brand in 2001 to provide vehicle owners with a quick, easy and trusted solution to sell their vehicles. The Company recognised a gap in the market to facilitate efficient vehicle sales which it was able to achieve through formalising the pre-owned motor vehicle market, on the basis described further below. The ability of customers to efficiently sell or buy a vehicle or to sell their vehicle to a reputable, trusted company, quickly grew the customer base of WeBuyCars.

2.2 Historically, sellers of older vehicles often experienced lengthy waiting periods for potential buyers to respond to their advertisements for vehicles for sale. Faan and Dirk van der Walt had well-placed advertisements on billboards and newspapers, offering their vehicle buying services. Customers preferred selling their vehicles to the van der Walt brothers as they personally evaluated vehicles at the vehicle sellers' workplace or home and made immediate payment to their customers. In the early years Faan and Dirk van der Walt were personally evaluating, buying and auctioning off vehicles based on their extensive knowledge of the pricing of vehicles.

2.3 What started as a modest venture soon became a household name amongst South Africans. With gaining popularity, WeBuyCars developed a diverse marketing strategy which ranged from modest newspaper advertisements to mega billboards and radio and digital marketing campaigns.

2.4 Soon the demand was too large for Faan and Dirk van der Walt to be the only buyers in the business. In response, WeBuyCars appointed a network of individual buyers to operate across the South African landscape, with an on-road presence, to buy cars throughout the country. This step led to a surge in vehicles available for resale, leading to a need for vehicle supermarkets. WeBuyCars established its vehicle supermarkets where it stores and sells vehicles to individuals, traders and dealers. WeBuyCars' investment in these vehicle supermarkets enhanced its national footprint and accessibility for its clientele.

2.5 In 2017 WeBuyCars introduced buying pods at retail malls across South Africa, providing yet another convenient avenue for customers to sell vehicles, whilst also serving as a strategic marketing tool to the many mall visitors. WeBuyCars now buys and sells vehicles from 15 supermarkets, has 74 buying pods and has more than 340 buyers nationwide.

2.6 During 2018, automation was introduced into the business when WeBuyCars started developing its own purpose-built system and technology infrastructure. Data is collected on each vehicle, which together with market and customer behaviour data, informs pricing inputs on both the buying and the selling side of the business. These internal data sets and pricing mechanisms are designed to leverage economies of scale. This enables the Group to successfully manage a high number of customer leads every month. WeBuyCars values developing and improving its internal systems, therefore it utilises its resources efficiently to continuously adapt and improve its pricing strategies and respond to market changes and external factors dynamically.

2.7 WeBuyCars' system facilitates smooth and efficient transactions for customers when selling their vehicle. Customers can easily sell their vehicle within a few hours and receive immediate payment for their vehicle. The entire transaction is characterised by speed, simplicity and safety.

2.8 WeBuyCars' offering extends beyond the buying and selling of vehicles. Finance and insurance managers are available at all its vehicle supermarkets, creating a one-stop shopping experience for customers seeking finance, insurance cover and vehicle tracking devices. WeBuyCars also assists in the sale of warranty and extended warranty products, service plans, tyre and rim cover, and scratch and dent cover. Every vehicle has an independently generated DEKRA used vehicle condition and roadworthy relevant report, ensuring transparency and building trust with customers.

2.9 WeBuyCars now has more than 2 800 employees and trades approximately 14 000 vehicles per month. The Company remains committed to growth, guided by determined leaders who continuously aim to enhance customer service and create career opportunities for employees.

2.10 WeBuyCars stands out from other players in the local motor industry because of its prominent national footprint and its proprietary AI, data and analytics capabilities, which optimise the vehicle buying and selling process. The Company's success is a testament to its entrepreneurial spirit, innovation and continuous progress in the ever-changing automotive market. WeBuyCars does not view itself as having any direct competitors of size in the market, but only competitors on aspects of its business.

2.11 For further information in this regard, please refer to paragraph 3.2 (*History*) under section 1 of this Pre-listing Statement.

3. **RATIONALE FOR THE LISTING**

3.1 WeBuyCars' performance over the last two decades has continually surpassed expectations as the Company has since 2018, driven innovation, through the use of its proprietary data and IT, whilst expanding its physical footprint. WeBuyCars has exciting growth prospects with ambitions of consistently expanding market share.

3.2 Given that WeBuyCars has a proven track record of strong performance, brand recognition and having regard to the current positioning of WeBuyCars in the context of its life cycle, Transaction Capital and the WBC Founders have taken the strategic decision to separately list WeBuyCars on the Main Board of the JSE. The intention is to allow the retail market additional exposure to a high-performing and well-known business which has good growth prospects and generates strong cash flows.

3.3 The Board believes that the competitive advantages of WeBuyCars, as set out in paragraph 3.7 under section 1 of this Pre-listing Statement, provides the underpin for the prospects of WeBuyCars in the listed environment *(see Prospects – paragraph 4 under section 1 of this Pre-listing Statement)*.

3.4 Furthermore, the Listing will have the effect of providing WeBuyCars with direct access to equity markets. This, in turn, will facilitate WeBuyCars' access to deeper and more expansive pools of capital, which will allow the Group to be more agile and to act opportunistically to pursue expansion opportunities, while optimising its capital structure.

4. PURPOSE OF THIS PRE-LISTING STATEMENT

The purpose of this Pre-listing Statement is to:

4.1 provide Shareholders and potential investors with the relevant information relating to the Group as prescribed in the JSE Listings Requirements;

4.2 communicate the strategy and the objectives of the Group;

4.3 provide details of the various capital raising initiatives being pursued by WeBuyCars, Transaction Capital and I VDW Holdings; and

4.4 set out the salient details of the Listing (as required in terms of the JSE Listings Requirements).

5. STATEMENT AS TO LISTING ON THE JSE

5.1 Subject to the fulfilment or waiver, as the case may be, of the Unbundling Conditions, the JSE has granted the Company a listing of all its issued Shares on the Main Board of the JSE under the abbreviated name "WeBuyCars", share code "WBC" and ISIN ZAE000332789 with effect from the commencement of trade on Thursday, 11 April 2024. The Company will be separately listed in the "Specialty Retailers" sector of the Main Board of the JSE.

5.2 Shareholders are advised that their Shares may be traded on the JSE in Dematerialised form only.

SALIENT DATES AND TIMES

The definitions and interpretations commencing on page 9 of this Pre-listing Statement apply to these salient dates and times.

	2024
Pre-listing Statement made available on the Company's website (https://www.webuycars.co.za/) on	Tuesday, 12 March
Abridged Pre-listing Statement published on SENS on	Tuesday, 12 March
Abridged Pre-listing Statement published in the press on	Wednesday, 13 March
General meeting of the TC Shareholders to approve the Unbundling	Friday, 15 March
Results of the general meeting to be published by Transaction Capital on SENS on	Friday, 15 March
Finalisation announcement published in respect of the Unbundling by Transaction Capital on SENS on	Wednesday, 3 April
Listing of Shares under the abbreviated name "WeBuyCars", share code "WBC" and ISIN ZAE000332789, on the Main Board of the JSE at commencement of trade on	Thursday, 11 April

Notes:

1. The above dates and times are subject to amendment at the discretion of WeBuyCars and Transaction Capital, subject to the approval of the JSE, if required. Any such amendment will be published on SENS.
2. All times indicated above and elsewhere in this Pre-listing Statement are in South African Standard Time.
3. In terms of the Unbundling, TC Shareholders will receive Shares in Dematerialised form only, which Unbundled Shares will be listed on the Main Board of the JSE.
4. In accordance with the Unbundling Circular, the Unbundled Shares will be unbundled by Transaction Capital on or about Tuesday, 16 April 2024.

DEFINITIONS AND INTERPRETATIONS

In this Pre-listing Statement, unless otherwise stated or the context otherwise indicates, the words in the first column shall have the corresponding meanings stated opposite them in the second column, words in the singular shall include the plural and *vice versa*, words importing natural persons shall include corporations and associations of persons and any reference to one gender shall include the other genders:

"AI"	artificial intelligence;
"Authorised Dealer"	an "Authorised Dealer" as defined in the Currency and Exchanges Manual for Authorised Dealers published by the Financial Surveillance Department;
"Board" or "Directors"	the board of directors of the Company, further details of whom appear in paragraph 6.1 of this Pre-listing Statement;
"Broker"	any person registered as a "broking member (equities)" in accordance with the provisions of the Financial Markets Act;
"Business Day"	any day other than a Saturday, Sunday or public holiday in South Africa;
"Certificated Shareholders"	Shareholders who hold Certificated Shares;
"Certificated Shares"	Shares which have not been Dematerialised, title to which is represented by share certificates or other physical Documents of Title;
"CIPC"	the Companies and Intellectual Property Commission, established by section 185 of the Companies Act;
"Common Monetary Area"	the countries comprising South Africa, the Republic of Namibia and the Kingdoms of Lesotho and eSwatini;
"Companies Act"	the South African Companies Act, 2008 (Act No. 71 of 2008), as amended from time to time;
"Companies Regulations"	the Companies Regulations, 2011, promulgated under the Companies Act, as amended from time to time;
"Coronation"	Coronation Asset Management Proprietary Limited (Registration number 1993/002807/07), a private company duly incorporated in accordance with the laws of the South Africa, whose beneficial owner is Coronation Fund Managers Limited (100%), acting in a representative capacity on behalf of its underlying client portfolios;
"CSDP"	a central securities depository participant registered in terms of the Financial Markets Act, with whom a beneficial owner of Shares holds a Dematerialised share account;
"DEKRA"	DEKRA Automotive Proprietary Limited, a joint venture with DEKRA Germany, which provides core products relating to certificate of roadworthiness and technical inspection checks;
"Dematerialisation"	the process by which securities held in certificated form are converted to or held in electronic form as uncertificated securities and recorded as such in a sub-register of security holders maintained by a CSDP, and "Dematerialised" shall bear the corresponding meaning;
"Dematerialised Shares"	Shares which have been Dematerialised and incorporated into the Strate system and which are no longer evidenced by certificates or other physical Documents of Title;
"Dematerialised Shareholders"	Shareholders who hold Dematerialised Shares;

"Disqualified Shareholder"	those TC Shareholders which hold at least 5% of Transaction Capital immediately prior to the Unbundling and which fall within one or more of the following categories of persons, as contemplated in section 46(7)(b) of the Income Tax Act: • a person that is not a resident of South Africa; • the Government of South Africa in the national, provincial or local sphere; • a public benefit organisation that has been approved by SARS; • a recreational club as defined in section 30A of the Income Tax Act that has been approved by SARS; • a rehabilitation trust or company; • a pension fund, pension preservation fund, provident fund, provident preservation fund or retirement annuity fund or any other fund defined in section 10(1)(d) of the Income Tax Act; and • certain institutions, bodies or boards that amongst others conduct scientific, technical and industrial research and are exempt in terms of sections 10(1)(cA) or (t) of the Income Tax Act;
"Distribution Ratio"	the ratio which will be not less than 0.30241 WBC Shares for every 1 TC Share held by a TC Shareholder on the Unbundling Record Date, subject to the adjustments as set out in paragraph 3.4.7 of this Pre-listing Statement;
"Documents of Title"	share certificates, certified transfer deeds, balance receipts or any other documents of title to Certificated Shares acceptable to the Company;
"Exchange Control Regulations"	the Exchange Control Regulations, 1961, as amended from time to time, issued in terms of section 9 of the Currency and Exchanges Act, 1933 (Act No. 9 of 1933), as amended from time to time;
"Financial Markets Act"	the Financial Markets Act, 2012 (Act No. 19 of 2012), as amended from time to time;
"First Transaction Dividend"	the cash dividend referred to in paragraph 3.4.2.2;
"Financial Surveillance Department"	the Financial Surveillance Department of the SARB;
"Gomo"	Gomo Vehicle Solutions Holdings Proprietary Limited (Registration number 2021/868112/07), a private company incorporated under the laws of South Africa, a wholly-owned subsidiary of Transaction Capital;
"Group"	collectively, the Company and its Subsidiaries, the details of which are set out in **Annexure 6** to this Pre-listing Statement;
"Group Company"	any company forming part of the Group;
"Holding Company"	a "holding company" as defined in the Companies Act;
"Independent Auditor" or "Independent Auditors"	means the Independent Reporting Accountant and Deloitte & Touche (practice number 902276), further particulars of which appear in the *"Corporate Information*" section of this Pre-listing Statement;
"Independent Reporting Accountant"	PricewaterhouseCoopers Inc. (Registration number 1998/012055/21), further particulars of which appear in the "*Corporate Information*" section of this Pre-listing Statement, being the independent reporting accountant of WeBuyCars;
"IT"	information technology;
"I Dirk"	I Dirk Proprietary Limited (Registration number 2017/090290/07), a private company incorporated under the laws of South Africa beneficially owned 100% by the family trust of Dirk Jacobus Floris van der Walt;

"I Faan"	I Faan Proprietary Limited (Registration number 2017/122938/07), a private company incorporated under the laws of South Africa beneficially owned 100% by the family trust of Adriaan Stephanus Scheepers van der Walt;
"IFRS® Accounting Standards"	the International Financial Reporting Standards as issued from time to time by the International Accounting Standards Board or its successor body as adopted or applied in South Africa;
"Income Tax Act"	the Income Tax Act, 1962 (Act No. 58 of 1962), as amended from time to time;
"I VDW Holdings"	I VDW Holdings Proprietary Limited (Registration number 2020/649884/07), a private company incorporated in accordance with the laws of South Africa, the beneficial owners of which are I Faan (50%) and I Dirk (50%);
"Joint Transaction Advisor and Sponsor" or "Pallidus"	Pallidus Capital Proprietary Limited (Registration number 2015/030782/07), and Pallidus Exchange Services Proprietary Limited (Registration number 2019/060500/07), being private companies incorporated under the laws of South Africa, further particulars of which appear in the "*Corporate Information*" section of this Pre-listing Statement;
"JSE"	the exchange, licensed in terms of section 9 of the Financial Markets Act and operated by JSE Limited (Registration number 2005/022939/06), a public company incorporated under the laws of South Africa;
"JSE Listings Requirements"	the Listings Requirements of the JSE in force as at the Last Practicable Date;
"King Code"	the Code of Corporate Practices and Conduct, as set out in the King IV Report on Corporate Governance for South Africa, 2016;
"Last Practicable Date"	the Last Practicable Date prior to the finalisation of this Pre-listing Statement, which date was Friday, 8 March 2024;
"Lead Transaction Advisor and Sponsor" or "PSG Capital"	PSG Capital Proprietary Limited (Registration number 2006/015817/07), a private company incorporated under the laws of South Africa, further particulars of which appear in the "*Corporate Information*" section of this Pre-listing Statement;
"Listing"	the listing of the entire issued ordinary share capital of the Company on the Main Board of the JSE;
"Listing Date"	the date of the Listing, which is expected to be on Thursday, 11 April 2024;
"Main Board"	the main board of the list maintained by the JSE of securities admitted to listing;
"Major Subsidiary"	as defined in the JSE Listings Requirements, a subsidiary that represents 25% or more of the total assets or revenue of the consolidated Group, it being noted that We Buy Cars Proprietary Limited is the only Major Subsidiary of the Company as at the date of this Pre-listing Statement;
"MOI"	the memorandum of incorporation of the Company, as approved by Shareholders during March 2024 and filed with the CIPC, a copy of which is available for inspection as indicated in paragraph 21 of this Pre-listing Statement;
"Nutun"	Nutun Holdings Proprietary Limited (Registration number 2016/399014/07), a private company incorporated under the laws of South Africa, being a wholly-owned Subsidiary of Transaction Capital;
"Pre-listing Statement"	this Pre-listing Statement dated Tuesday, 12 March 2024, including all annexures hereto;

"Pre-listing Capital Raise"	a proposed pre-listing bookbuild involving the issue of WBC Shares in an aggregate amount of R750 million;
"Private Placement of WBC Shares"	the anticipated sale of WBC Shares by each of Transaction Capital and I VDW Holdings in terms of the Sale Agreement, prior to the Listing, pursuant to which Transaction Capital will receive approximately R140.75 million and I VDW Holdings approximately R359.25 million of the proceeds realised from the sale of the Sale Shares;
"Purchasers"	the purchasers under the Sale Agreement, being Stockdale Street Investment Partnership V, (a general partnership between BPESAL V S.à.r.l (Registration number B218737) and BPESAL V2 S.à.r.l (Registration number B218722)), SSIP V SP Partnership and Ellvest Proprietary Limited (Registration number 2015/388982/07), all of which are not related parties of WeBuyCars or Transaction Capital;
"Put Option Liability"	the obligations of TCMH and Transaction Capital in relation to the put options in respect of WBC Shares, the terms and conditions of which were announced by Transaction Capital on SENS on 22 September 2021 and 7 September 2023, respectively;
"Rand" or "R" or "ZAR"	South African Rand, the official currency of South Africa;
"Repurchase Unwind"	has the meaning ascribed to it in paragraph 3.5.12 of this Pre-listing Statement;
"Sale Agreement"	the written sale agreement concluded between the Purchasers, Transaction Capital, I VDW Holdings and WeBuyCars on 12 February 2024, in terms whereof, *inter alia*, the Purchasers will, subject to the fulfilment (or waiver where legally permissible) of certain suspensive conditions, acquire the Sale Shares for the Sale Price, on the further terms and conditions set out therein;
"Sale Price"	the aggregate purchase price payable for the Sale Shares by the Purchasers, being R500 million, of which: (i) R140.75 million will be attributable to Transaction Capital; and (ii) R359.25 million will be attributable to I VDW Holdings;
"Sale Shares"	232 828 WBC Shares (before the Subdivision) of which Transaction Capital will dispose of 65 541 WBC Shares (before the Subdivision) and I VDW Holdings will dispose of 167 287 WBC Shares (before the Subdivision);
"SARB"	South African Reserve Bank;
"SARS"	the South African Revenue Service;
"SA Taxi"	SA Taxi Holdings Proprietary Limited (Registration number 2004/001531/07), a private company incorporated under the laws of South Africa, the shares of which are held by Transaction Capital as to 75%;
"SENS"	the Stock Exchange News Service of the JSE;
"Second Transaction Dividend"	the scrip dividend referred to in paragraph 3.4.2.3;
"Shareholders"	registered holders of Shares;
"Shares" or "WBC Shares"	ordinary no par value shares in the share capital of the Company, which are to be listed on the Main Board of the JSE in terms of the Listing;

"Share Incentive Scheme" or "SIT"	the WeBuyCars conditional share plan to be implemented upon the Listing becoming effective, in terms of which selected employees of the Group may be awarded grants and ultimately WBC Shares, to align employee and Shareholders' interests and provide long-term incentives for the selected employees;
"Share Incentive Scheme Rules"	the rules of the Share Incentive Scheme, in compliance with Schedule 14 of the JSE Listings Requirements, a copy of which is available for inspection, as indicated in paragraph 21 of this Pre-listing Statement, and the principal terms of which are summarised in **Annexure 2** to this Pre-listing Statement;
"South Africa"	the Republic of South Africa;
"Strate"	Strate Proprietary Limited (Registration number 1998/022242/07), a private company incorporated under the laws of South Africa, being a licensed central securities depository in terms of section 1 of the Financial Markets Act and the entity that manages the electronic custody, clearing and settlement environment for all share transactions concluded on the JSE and off-market, and in terms of which transactions in securities are settled and transfers of ownership in securities are recorded electronically;
"Subdivision"	the subdivision of: (i) the authorised Shares of the Company prior to the Listing from 10 000 000 000 to 1 200 000 000 000 Shares (following the Subdivision, the authorised Shares will be reduced to 10 000 000 000 Shares); and (ii) the issued Shares, from 2 789 278 to 334 713 360 Shares, which will ultimately result in approximately 413.7 million Shares being in issue on Listing (assuming that the Pre-listing Capital Raise initiatives are concluded at a value similar to the "*most likely*" value of a WBC Share, as per the independent expert's report in the Unbundling Circular, it being noted that the terms of the Pre-listing Capital Raise have not yet been finalised nor announced);
"Subscription Agreement"	the written subscription agreement concluded between Transaction Capital, Coronation, TCMH, I VDW Holdings and WeBuyCars on 12 February 2024, in terms of which, *inter alia*, Coronation, subject to the fulfilment of certain suspensive conditions, will subscribe for the Subscription Shares for the Subscription Price, subject to the further terms and conditions set out therein;
"Subscription Shares"	the 353 898 WBC Shares (before the Subdivision), constituting approximately 11.3% of the issued share capital of WeBuyCars as at the signature date of the Subscription Agreement (after taking into account the issue of additional WBC Shares in terms of the Second Transaction Dividend);
"Subscription Price"	a subscription price of R760 000 000 payable by Coronation to the Company for the Subscription Shares;
"Subsidiary"	a "subsidiary" as defined in the Companies Act, but also includes an entity incorporated outside South Africa which would, if incorporated in South Africa, be a "subsidiary" as defined in the Companies Act, and "Subsidiaries" will mean more than one Subsidiary;
"TCMH"	Transaction Capital Motor Holdco Proprietary Limited (Registration number 2020/640476/07), a private company incorporated under the laws of South Africa, being a wholly-owned Subsidiary of Transaction Capital;
"Transaction Capital" or "TC"	Transaction Capital Limited (Registration number 2002/031730/06), a company incorporated in South Africa, the ordinary shares of which are listed on the JSE;

"TC Register"	the register of TC Shareholders who hold TC Shares in certificated form maintained by the Transfer Secretaries and the sub-register of Dematerialised Shareholders maintained by the relevant CSDPs;
"TC Shareholder"	a registered holder of TC Shares;
"TC Shares"	no par value ordinary shares in Transaction Capital's issued share capital;
"Transfer Secretaries" or "Computershare"	Computershare Investor Services Proprietary Limited (Registration number 2004/003647/07), a private company incorporated under the laws of South Africa, the particulars of which appear in the "*Corporate Information*" section of this Pre-listing Statement;
"TRP"	the Takeover Regulation Panel established in terms of section 196 of the Companies Act;
"WBC Founders"	Adriaan Stephanus Scheepers van der Walt ("**Faan**") and Dirk Jacobus Floris van der Walt ("**Dirk**"), the founders of the Group, who own their Shares in WeBuyCars indirectly through I VDW Holdings;
"WBC Investments"	WBC Investments Proprietary Limited (Registration number 2017/497822/07), a private company incorporated under the laws of South Africa, being a wholly-owned Subsidiary of We Buy Cars Proprietary Limited, which in turn is a wholly-owned Subsidiary of WeBuyCars;
"WBC Properties"	WBC Properties Proprietary Limited (Registration number 2018/417420//07), a private company incorporated under the laws of South Africa, being a wholly-owned Subsidiary of We Buy Cars Proprietary Limited, which is in turn a wholly-owned Subsidiary of WeBuyCars;
"We Buy Cars Proprietary Limited"	We Buy Cars Proprietary Limited (Registration number 2015/130772/07), a private company incorporated under the laws of South Africa, being, a wholly-owned Subsidiary of WeBuyCars;
"WeBuyCars" or the "Company"	We Buy Cars Holdings Limited (Registration number 2020/632225/06) *(previously WBC Holdings Proprietary Limited)*, a public company incorporated under the laws of South Africa, further particulars of which appear in the "*Corporate Information*" section of this Pre-listing Statement;
"WeBuyCars Shareholders Agreement"	the written shareholders' agreement entitled "*WBC Holdings Shareholders Agreement*" entered into between, *inter alios*, WeBuyCars, Transaction Capital, TCMH and I VDW Holdings, on or about 21 September 2021, as amended from time to time;
"WeBuyCars Share Issue"	the issue of the Subscription Shares to Coronation in terms of the Subscription Agreement, on the further terms and conditions set out in paragraph 3.5 of this Pre-listing Statement;
"Unbundling"	the proposed distribution *in specie* by Transaction Capital to TC Shareholders of the Unbundled Shares, in the Distribution Ratio and *pro rata* to their respective shareholdings in Transaction Capital, as detailed in the Unbundling Circular;
"Unbundling Circular"	the circular to TC Shareholders dated 16 February 2024, detailing, *inter alia*, the terms of the Unbundling;
"Unbundling Conditions"	the suspensive conditions to the Unbundling, as set out in paragraph 2.4 of this Pre-listing Statement;
"Unbundling Record Date"	the date on which a TC Shareholder must be registered in the TC Register in order to be eligible to participate in the Unbundling, which is anticipated as being Monday, 15 April 2024;

"Unbundled Shares"	all of the Shares held by Transaction Capital as at the Unbundling Record Date, anticipated to comprise not less than 57.5% of the total issued Shares, that will be distributed by Transaction Capital to TC Shareholders in terms of the Unbundling, should the Unbundling Conditions be fulfilled (or, where permissible, waived) and the Unbundling be implemented and which Shares will contemporaneously be listed on the Main Board of the JSE pursuant to the Listing (subject to the approval of the JSE), subject to the adjustment on the basis set out in paragraph 3.4.7);
"VAT"	value-added tax payable in terms of the Value Added Tax Act, 1991 *(Act No. 89 of 1991);* and
"Zephyr Finance"	Zephyr Finance (RF) Proprietary Limited (Registration number 2022/494658/07), a private company incorporated under the laws of South Africa, a wholly-owned Subsidiary of Transaction Capital.

WE BUY CARS HOLDINGS LIMITED

(previously WBC Holdings Proprietary Limited)
Incorporated in the Republic of South Africa
Registration number 2020/632225/06
JSE Share code: WBC
ISIN: ZAE000332789
("**WeBuyCars**" or "**the Company**")

Directors

ASS van der Walt (Chief Executive Officer)
CJ Rein (Chief Financial Officer)
DJF van der Walt (Executive Director)
JA Holtzhausen* (Chairman)
NAS Kruger@*
S Totaram*
B Mathews*
WT Roos*
MP Mendelowitz*
KB Amoils^

* Independent Non-executive Director
^ Alternate Director to MP Mendelowitz
@ *Lead independent Director*

PRE-LISTING STATEMENT

SECTION ONE – INFORMATION ON THE GROUP

1. **INTRODUCTION**

1.1 On 30 January 2024, Transaction Capital announced that its board of directors had resolved in principle to distribute the WBC Shares held by Transaction Capital to TC Shareholders by way of a *pro rata* distribution *in specie* and to list the Shares on the Main Board of the JSE. On 13 February 2024, Transaction Capital released an announcement on SENS regarding the unlocking of value for TC Shareholders, comprising: the firm intention to unbundle its Shares in WeBuyCars and its separate listing on the Main Board of the JSE, the WeBuyCars Share Issue of R760 million, the Private Placement of WBC Shares of R500 million, a Pre-listing Capital Raise of R750 million and the withdrawal of the cautionary announcement issued by Transaction Capital on 30 January 2024.

1.2 WeBuyCars, Transaction Capital and I VDW Holdings have considered various capital raising initiatives including the WeBuyCars Share Issue, the Private Placement of WBC Shares and a Pre-listing Capital Raise, the details of which are set out in the Unbundling Circular and this Pre-listing Statement. The WeBuyCars Share Issue and the Pre-listing Capital Raise will enable WeBuyCars to make distributions to its Shareholders, (being Transaction Capital and I VDW Holdings), as more fully described in paragraph 3.4, to facilitate the realisation of value for TC Shareholders. The Private Placement of WBC Shares will also unlock value for Transaction Capital and I VDW Holdings through the proceeds that each shall receive from the sale of the Sale Shares.

1.3 The WeBuyCars Share Issue constitutes a transaction as contemplated in paragraph 3.35 of the JSE Listings Requirements given that WeBuyCars is a Subsidiary of Transaction Capital. Coronation is a material shareholder of Transaction Capital given that it holds in excess of 10% of the TC Shares on behalf of its underlying clients. Accordingly, the WeBuyCars Share Issue constitutes a category 2, related party transaction as contemplated in section 10 of the JSE Listings Requirements, which requires, *inter alia*, the approval of the TC Shareholders.

1.4 The WeBuyCars Share Issue and the Private Placement of WBC Shares have been pursued with the respective parties at an early stage to provide certainty to all relevant stakeholders of the Transaction Capital group, including TC Shareholders and funders, that sufficient capital will be raised and placed to underpin the Listing process.

1.5 The proceeds from the various capital raising initiatives (including the Pre-listing Capital Raise) will be utilised by Transaction Capital for the purposes set out in the Unbundling Circular, including the settlement of debt at holding company level and which is expected to place Transaction Capital in a stronger liquidity position.

1.6 The realisation of value by I VDW Holdings, alongside the Listing and Unbundling, will result in the cancellation of the contingent Put Option Liability of the Transaction Capital group. The existing WeBuyCars Shareholders Agreement in place between, *inter alios*, WeBuyCars and its current Shareholders will also terminate prior to Listing.

1.7 The purpose of this Pre-listing Statement is to:

1.7.1 provide Shareholders and potential investors with the relevant information relating to the Group;

1.7.2 communicate the strategy and the objectives of the Group;

1.7.3 provide details of the various capital raising initiatives being pursued by WeBuyCars, Transaction Capital and I VDW Holdings; and

1.7.4 set out the salient details of the Listing.

2. DETAILS OF THE LISTING

2.1 Rationale for the Listing

2.1.1 WeBuyCars' performance over the last two decades has continually surpassed expectations as the Company has driven innovation, especially since 2018, through the use of internally collected data, IT and the expansion of its physical footprint. WeBuyCars has exciting growth prospects with ambitions of consistently expanding market share.

2.1.2 Given that WeBuyCars has a proven track record of strong performance and brand recognition and having regard to the current positioning of WeBuyCars in the context of its life cycle, Transaction Capital and the WBC Founders have taken the strategic decision to separately list WeBuyCars on the Main Board of the JSE. The intention is to allow the retail market additional exposure to a high-performing and well-known business which has good growth prospects and generates strong cash flows.

2.1.3 The Board believes that the competitive advantages of WeBuyCars, as set out in paragraph 3.7 below, provide the underpin for the prospects of WeBuyCars in the listed environment *(see Prospects – paragraph 4 of this section of the Pre-listing Statement).*

2.1.4 Furthermore the Listing will have the effect of providing WeBuyCars with direct access to equity markets. This, in turn, will facilitate WeBuyCars' access to deeper and more expansive pools of capital which will allow the Group to be more agile and to act opportunistically to pursue expansion opportunities, while optimising its capital structure.

2.2 The Unbundling

2.2.1 In terms of the Unbundling, Transaction Capital will unbundle the Unbundled Shares to TC Shareholders, by way of a *pro rata* distribution *in specie* in terms of section 46 of the Companies Act and in accordance with section 46 of the Income Tax Act, and the WBC Shares will be contemporaneously listed on the Main Board of the JSE.

2.2.2 The Unbundling will be implemented based on the Distribution Ratio of not less than 0.30241 WBC Shares for every 1 TC Share held on the Unbundling Record Date.

2.2.3 The Unbundling will result in TC Shareholders holding a direct interest in WeBuyCars in the listed environment, rather than holding an indirect unlisted interest through Transaction Capital.

2.2.4 Transaction Capital will distribute all the Unbundled Shares and, accordingly, Transaction Capital will not hold any further WBC Shares following the Listing and Unbundling.

2.3 **Rationale for the Unbundling**

2.3.1 Transaction Capital owns majority stakes in three underlying businesses: Mobalyz (SA Taxi and Gomo), WeBuyCars and Nutun. Given SA Taxi's disappointing performance in 2023 and the negative impact this had on the broader Transaction Capital group, Transaction Capital has undertaken to focus on unlocking shareholder value from its existing portfolio of companies.

2.3.2 As part of the value unlocking initiatives, Transaction Capital aims to achieve the following at holding company level through the WeBuyCars Share Issue, the Private Placement of WBC Shares, the Pre-listing Capital Raise and the Unbundling:

2.3.2.1 significantly reduce debt and thereby remove the cross-default triggers currently in place at the Transaction Capital holding company level. For the avoidance of doubt, no cross-default triggers exist for WeBuyCars and the Group does not require a reduction of debt, as a result of the Group's strong balance sheet; and

2.3.2.2 cancel the contingent Put Option Liability on the basis set out in paragraph 3.4.6.2 below.

2.3.3 WeBuyCars is uniquely positioned in South Africa's pre-owned vehicle market and has great potential for growth. In the 2023 financial year, the Group met its sales volume and market share targets. Although earnings were down in the first half of 2023, there was a strong recovery in the second half, and this positive momentum has continued into the 2024 financial year despite market challenges. Upon implementation of the Unbundling, TC Shareholders will have direct access to a market-leading asset. WeBuyCars stands out from other players in the local motor industry because of its proprietary, data and analytics capabilities, which optimise the vehicle buying and selling process. It has a prominent national footprint with 15 supermarkets, augmented by 74 buying pods.

2.3.4 Post the Listing of the WBC Shares, the Group will remain founder-led, together with their committed and competent management team.

2.3.5 As advised in the announcement released by Transaction Capital on SENS on 5 December 2023, Transaction Capital continues to (i) explore an intensive review of Nutun's operations with a view to establishing whether certain non-core operations can be disposed of or repositioned and (ii) engage with SA Taxi funders regarding the SA Taxi balance sheet restructure. Transaction Capital will update its shareholders should any of the aforesaid initiatives be pursued and regarding progress of the SA Taxi balance sheet restructure.

2.4 **Unbundling Conditions**

2.4.1 Subject to the provisions of paragraph 2.4.2, the Unbundling is subject to the fulfilment of the following suspensive conditions ("**Unbundling Conditions**"), namely that:

2.4.1.1 by no later than Thursday, 28 March 2024 (or such later date as contemplated in paragraph 2.4.3 below):

2.4.1.1.1 the requisite majority of TC Shareholders pass the resolution approving the Unbundling, in term of section 112 of the Companies Act (read with section 115 of the Companies Act) ("**Unbundling Resolution**");

2.4.1.1.2 to the extent required in terms of section 115(2)(a) of the Companies Act, the court approves the implementation of the resolution of TC Shareholders approving the Unbundling Resolution;

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

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

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

2.4.1.1.4 no TC Shareholders deliver a written notice objecting to the Unbundling Resolution on or before the time the Unbundling Resolution is to be voted on, as contemplated in section 164(3) of the Companies Act, or, if such an objection notice has been duly delivered, Transaction Capital has waived the fulfilment of this condition on or before the date set out in paragraph 2.4.1.1 above (read with the provisions of paragraph 2.4.2 below);

2.4.1.1.5 the JSE approval of the Listing of the WBC Shares on the Main Board of the JSE becomes unconditional;

2.4.1.1.6 the Financial Surveillance Department approves the Unbundling on terms and conditions acceptable to Transaction Capital;

2.4.1.1.7 to the extent applicable, all consents, waivers and approvals are obtained from any third party for the Unbundling and the Listing, including, *inter alia*, from any other regulatory authority, third party funders of the Group (to the extent required) and the Shareholders of WeBuyCars;

2.4.1.1.8 within 10 (ten) Business Days following the general meeting, Disqualified Shareholders do not hold in aggregate more than 15% in aggregate of TC Shares in issue;

2.4.1.1.9 the internal restructure described in the Unbundling Circular becomes unconditional and is implemented in accordance with its terms;

2.4.1.1.10 the WeBuyCars Share Issue is implemented in accordance with the terms of the Subscription Agreement; and

2.4.1.1.11 Transaction Capital realises value of between approximately R900 million and R1.25 billion, by way of:

(i) the Private Placement of WBC Shares;

(ii) proceeds realised from the Pre-listing Capital Raise; and/or

(iii) other capital raising initiatives including potential further sell-downs of WBC Shares by Transaction Capital.

2.4.2 The Unbundling Conditions in:

2.4.2.1 paragraphs 2.4.1.1.4, 2.4.1.1.8, 2.4.1.1.10 and 2.4.1.1.11 have been inserted for the benefit of Transaction Capital, which will be entitled, in its sole discretion, to waive fulfilment of such suspensive conditions, in whole or in part; and

2.4.2.2 the remainder of the Unbundling Conditions cannot be waived.

2.4.3 Transaction Capital may in its sole and absolute discretion and at any time and subject to the approval of the JSE and TRP (if applicable), extend the date for fulfilment of the Unbundling Conditions or, to the extent legally permissible, waive, wholly or in part, any of the Unbundling Conditions.

2.5 **Details of the Listing**

2.5.1 Subject to the Unbundling Conditions, being fulfilled or waived, as the case may be, the JSE has granted the Company approval for a listing of all its issued Shares on the Main Board of the JSE under the abbreviated name “WeBuyCars”, share code “WBC” and ISIN ZAE000332789, with effect from the commencement of trade on Thursday, 11 April 2024. The Company will be listed in the “Specialty Retailers” sector of the Main Board of the JSE.

2.5.2 The Company will, on Listing, comply with the JSE's listing criteria, in that:

2.5.2.1 the subscribed capital of the Company, including reserves will exceed R50 million;

2.5.2.2 the Company will have more than 25 million Shares in issue;

2.5.2.3 the Group has audited financial statements for the preceding four financial periods (the last of which, for the twelve months ended 30 September 2023) reported an audited profit before taxation of R1 046 million; and

2.5.2.4 more than 10% of the issued Shares of the Company will be held by the public as set out in paragraph 2.5.3 below.

2.5.3 Following the Listing and Unbundling, it is anticipated that the shareholder spread of the Company will be:

2.5.3.1 approximately 169.4 million Shares held by non-public Shareholders on the JSE (as such term is contemplated in the JSE Listings Requirements), comprising approximately 41% all issued Shares; and

2.5.3.2 approximately 244.3 million Shares held by public Shareholders on the JSE (as such term is contemplated in the JSE Listings Requirements), comprising approximately 59% of all issued Shares.

2.5.4 It is anticipated that as at the Listing Date, the market capitalisation of the Company will be approximately between R8.7 billion and R10 billion.

2.5.5 As at the date of this Pre-listing Statement the Shares are not listed on any exchanges.

3. OVERVIEW OF THE GROUP

3.1 Introduction

3.1.1 In the early 2000s, brothers Faan and Dirk van der Walt observed that for individual consumers, selling an older vehicle in the South African market was a lengthy and difficult process. They established the WeBuyCars brand in 2001 to providing vehicle owners with a quick, easy and trusted solution to sell their vehicle. The Company recognised a gap in the market in facilitating efficient vehicle sales which it was able to achieve through formalising the pre-owned motor vehicle market. The ability of customers to efficiently sell or buy a vehicle to a reputable, trusted company quickly grew the customer base of WeBuyCars.

3.1.2 Historically, sellers of older vehicles often experienced lengthy waiting periods for potential buyers to respond to their advertisement for vehicles for sale. Faan and Dirk van der Walt had well-placed advertisements on billboards and newspapers that offered vehicle buying services. Customers preferred selling their vehicles to the van der Walt brothers as they personally evaluated the vehicles at the vehicle sellers' workplace or home and made immediate payment to their customers. In the early years, Faan and Dirk van der Walt were personally evaluating, buying and auctioning off cars based on their extensive knowledge of the pricing of vehicles.

3.1.3 What started as a modest venture, soon became a household name amongst South Africans. With its growing popularity, WeBuyCars developed a diverse marketing strategy which ranged from modest newspaper advertisements to mega billboards and radio and digital marketing campaigns.

3.1.4 Soon the demand was too large for Faan and Dirk van der Walt to be the only buyers in the business. In response, WeBuyCars appointed a network of individual buyers to operate across South Africa, buying cars from sellers' workplaces and homes. This step led to a surge in vehicles available for resale leading to a need for vehicle supermarkets. WeBuyCars established its vehicle supermarkets where it stores and sells inventory to individuals, traders and dealers. WeBuyCars' investment in these supermarkets and land enhanced its national footprint and accessibility for its clientele.

3.1.5 In 2017 WeBuyCars introduced buying pods at retail malls across South Africa, providing yet another convenient avenue for customers, whilst also serving as a strategic marketing tool to the many mall visitors. WeBuyCars now buys and sells vehicles from 15 supermarkets, has 74 buying pods and has more than 340 buyers nationwide.

3.1.6 During 2018, automation was introduced into the business when WeBuyCars started developing its own purpose-built system and technology infrastructure. Data is collected on each vehicle, which together with market intelligence and data regarding customer behaviour, informs pricing inputs on both the buying and the selling side of the business. These internal data sets and pricing mechanisms are designed to leverage economies of scale. This enables the business to successfully manage a high number of customer leads every month. WeBuyCars values developing and improving its internal systems, therefore it utilises its resources efficiently to continuously adapt and improve its pricing strategies.

3.1.7 WeBuyCars' agile operating model enables the business to respond to market changes and external factors dynamically and facilitates an extremely smooth and efficient process for customers when selling their vehicle. Customers can easily sell their vehicle within a few hours and receive immediate payment for their vehicle. The entire transaction is characterised by speed, simplicity and safety.

3.1.8 WeBuyCars' offering extends beyond the buying and selling of vehicles. Finance and insurance managers are available at all its vehicle supermarkets, creating a one-stop shopping experience for customers seeking finance, insurance cover and vehicle tracking devices. WeBuyCars also assists in the sale of warranty and extended warranty products, service plans, tyre and rim cover, and scratch and dent cover. Every vehicle has an independently generated DEKRA used vehicle condition and roadworthy relevant report, ensuring transparency and building trust with customers.

3.1.9 WeBuyCars now has more than 2 800 employees and trades, approximately 14 000 vehicles per month. The Company remains committed to growth, guided by determined leaders who continuously aim to enhance customer service and create career opportunities for employees.

3.1.10 WeBuyCars' success is a testament to the entrepreneurial spirit, innovation and continuous progress in the ever-changing automotive market.

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

3.1.12 WeBuyCars continues to invest in its proprietary AI, data and analytics capabilities which optimise the vehicle buying and selling processes, continually improving the consumer experience and consistently driving efficiencies across the WeBuyCars' business. This formidable technology ecosystem is a significant differentiator for WeBuyCars in the pre-owned vehicle industry and underpins robust growth expectations in the years ahead, as set out in paragraph 4 below.

3.2 **History**

3.2.1 WeBuyCars has evolved from an owner-operated family business to a large and successful vehicle buying service in South Africa, with over 2 800 employees as at the Last Practicable Date.

YEAR	MILESTONES
2001	• WeBuyCars brand is established by the WBC Founders. • WeBuyCars makes use of newspaper advertising.
2005	• Starts with billboard advertising to attract clientele.
2006 – 2011	• Foundation years growing market share and building the brand.
2012	• Continues expanding its marketing strategy and becomes a proud La't Wiel vehicle sponsor.
2013	• Builds its first premises in Silver Lakes, Pretoria East, with a capacity of 100 vehicles. • Six months later, the WBC Founders purchase adjacent land to increase capacity to 700 vehicles.
2014	• Appoints buyers in all the major towns of South Africa creating a national presence and footprint. • Commences its journey of formally giving back to communities in need by donating to various charity projects. • Signs its first finance deal.
2015	• Opens its first Cape Town supermarket in Montague Gardens. • Expands its marketing strategy to digital advertising.
2016	• Expands its service offering to include finance, insurance and ancillary products.
2017	• Fledge Capital Proprietary Limited buys a 40% share in We Buy Cars Proprietary Limited. • Opens a supermarket in Durban. • Opens its second mega supermarket in Midstream, Gauteng with a capacity of 1100 vehicles (becoming Africa's largest vehicle supermarket). • Establishes buying pods at selected retail malls.
2018	• Opens its second Western Cape supermarket in Cape Town. • Purchases its third Gauteng supermarket in Johannesburg South. • Hosts public auctions at the Midstream supermarket.
2019	• Opens its first Eastern Cape supermarket in Gqeberha. • Opens its second supermarket in KwaZulu-Natal. • The original Silver Lakes supermarket is relocated to bigger premises in Silver Lakes. • Improves its internal systems with machine learning to enhance optimal vehicle pricing. • Further expands its service offering to include vehicle tracking devices.

YEAR	MILESTONES
2020	• Launches a rebrand with an impressive corporate identity. • Opens a new purpose-built mega supermarket in Brackengate, Cape Town. • The website is developed to allow for online transactions. • Launches public e-commerce auctions to public customers (B2C) as well as to dealers (B2B). • Starts providing an independent DEKRA used vehicle condition and roadworthy relevant report with every vehicle they sell. • Transaction Capital acquires a non-controlling 49.9% share in We Buy Cars Proprietary Limited.
2021	• Opens its fourth Gauteng supermarket in Germiston. • Purchases the Ticket Pro Dome in Randburg and turns it into a mega supermarket. • Transaction Capital increases its effective shareholding in WeBuyCars to 74.9%. • Put and call option agreements are concluded with the WBC Founders for Transaction Capital to purchase the remaining shares in WeBuyCars over the next five years.
2022	• Opens its first supermarkets in Mbombela and Polokwane. • Also opens its third and fourth Western Cape supermarkets in Epping, Cape Town and George. • The Montague Gardens supermarket relocates to Richmond Park in Cape Town. • Expands its marketing strategy and becomes the proud sponsor of the Blitzboks.
2023	• Buying and selling more than 12 000 vehicles a month. • Opens its third KwaZulu-Natal supermarket in Pietermaritzburg. • Expands its international footprint to Windhoek, Namibia. • Has over 74 buying pods located at retail malls nationwide. • Continuously purchasing additional properties, rolling out pods and supermarkets to further expand its presence in South Africa.

3.3 **Pre-listing steps**

3.3.1 The Company has, prior to Listing, taken the following steps in order to comply with the JSE Listings Requirements:

3.3.1.1 WeBuyCars has effected the Subdivision, such that following the Subdivision, the WeBuyCars Share Issue and the Pre-listing Capital Raise, approximately 413.7 million Shares shall be in issue on the Listing Date. Given that the terms of the Pre-listing Capital Raise were not yet final as at the Last Practicable Date, it has been assumed for purposes of this disclosure that the Pre-listing Capital Raise has been concluded at a similar value to the '*most likely*' value for a WBC Share as per the independent expert's report contained in the Unbundling Circular, although the possibility exists for a higher value to be obtained, subject to market conditions;

3.3.1.2 during March 2024, WeBuyCars adopted and Shareholders have approved a revised MOI, which is in compliance with the JSE Listings Requirements. WeBuyCars was converted to a public company prior to the publication of this Pre-listing Statement. In addition, WeBuyCars changed its name from "WBC Holdings Proprietary Limited" to "We Buy Cars Holdings Limited" and amended its authorised share capital back to 10 000 000 000 authorised Shares (from 1 200 000 000 000 Shares) and has cancelled the 10 000 000 000 authorised A ordinary shares (none of which were issued); and

3.3.1.3 adopted the WeBuyCars Share Incentive Scheme, a Schedule 14 scheme as contemplated in the JSE Listings Requirements, in order to incentivise the management of the Group going forward.

3.4 **Pre-listing Capital Raising Initiatives**

3.4.1 WeBuyCars, Transaction Capital and I VDW Holdings have considered various capital raising initiatives prior to Listing and Unbundling, details of which are set out below.

3.4.2 WeBuyCars Distributions

3.4.2.1 On 21 February 2024, an ordinary dividend of R190 million was declared by WeBuyCars to its then Shareholders (being TCMH and I VDW Holdings) of the Board based on WeBuyCars' anticipated interim results to 31 March 2024.

3.4.2.2 On 29 February 2024, WeBuyCars declared a cash dividend to its then Shareholders (being TCMH and I VDW Holdings) in an aggregate amount of R750 million, which dividend will remain outstanding on loan account, *pro rata* and in proportion to their shareholding, pending the implementation of the Pre-listing Capital Raise (being the First Transaction Dividend).

3.4.2.3 In addition, on 29 February 2024, WeBuyCars declared a *pro rata* scrip dividend (as such term is defined in the JSE Listings Requirements) of R2 300 796 813 to its Shareholders (being TCMH and I VDW Holdings) in terms of which such Shareholders were entitled to elect to receive WBC Shares or cash (remaining outstanding on loan account). TCMH elected to receive WBC Shares (with a value of approximately R1 540.8 million) and cash (of approximately R182.5 million), while I VDW Holdings elected to receive only cash (of approximately R577.5 million) (being the Second Transaction Dividend).

3.4.3 WeBuyCars Share Issue

3.4.3.1 Details of the WeBuyCars Share Issue are set out in paragraph 3.5 below.

3.4.3.2 The proceeds realised by WeBuyCars from the WeBuyCars Share Issue, being an amount equal to the Subscription Price, will be utilised by WeBuyCars to settle the cash portion of the Second Transaction Dividend.

3.4.4 Private Placement of WBC Shares

3.4.4.1 Details of the Private Placement of WBC Shares are set out in paragraph 3.6 below.

3.4.5 Pre-listing Capital Raise

3.4.5.1 WeBuyCars will also implement the Pre-listing Capital Raise of R750 million. The proceeds realised by WeBuyCars from the Pre-listing Capital Raise will be applied by WeBuyCars to settle the First Transaction Dividend.

3.4.5.2 It should be noted that the terms and conditions of the Pre-listing Capital Raise will be announced by Transaction Capital on SENS in due course as these have not yet been finally determined as at the Last Practicable Date. Given that the terms of the Pre-listing Capital Raise were not final as the last Practicable Date, it has been assumed for purposes of disclosure in this Pre-listing Statement that the Pre-listing Capital Raise has been conducted at a value similar to the "*most likely*" value of a WBC share as per the independent expert report contained in the Unbundling Circular, although the possibility exists for a higher value to be obtained, subject to market conditions.

3.4.5.3 The Pre-listing Capital Raise will be implemented in the sole discretion of WeBuyCars and Transaction Capital, and with certain limitations, including that the Pre-listing Capital Raise will only be made to certain persons (i) falling within one of the categories listed in section 96(1)(a) of the Companies Act and/or (ii) acting as principal, acquiring WBC Shares for a total acquisition cost of R1 000 000 or more, as contemplated in section 96(1)(b) of the Companies Act. Accordingly, the Pre-listing Capital Raise will not be an offer to the public as defined in the Companies Act and will not be distributed to any person in South Africa in any manner which could be construed as an "offer to the public" as contemplated in the Companies Act. Accordingly, a prospectus is not required to be issued for the Pre-listing Capital Raise.

3.4.5.4 The Pre-listing Capital Raise will be implemented prior to the Listing, with the approval of the Board and the existing shareholders, being Transaction Capital and I VDW Holdings.

3.4.5.5 Transaction Capital may pursue further sell-downs of WBC Shares which it holds to ultimately realise value of approximately R900 million to R1.25 billion (in aggregate) prior to the Listing and Unbundling to be utilised for the settlement of debt and other obligations of Transaction Capital. If implemented, this will be done in conjunction with Pre-listing Capital Raise, provided that an amount of R750 million is realised pursuant to the Pre-listing Capital Raise.

3.4.6 Intended use of proceeds

3.4.6.1 Transaction Capital will utilise the net proceeds of the dividends received and the other value realised from WeBuyCars through various capital raising initiatives (including the WeBuyCars Share Issue) of between R900 million to R1.25 billion, in addition to available cash resources to:

3.4.6.1.1 voluntarily redeem the preference shares issued by TCMH to Zephyr Finance of approximately R489 million. Zephyr Finance will in turn voluntarily redeem the preference shares which it has issued to two external funders;

3.4.6.1.2 pay down its revolving credit facility totaling approximately R1.11 billion;

3.4.6.1.3 place Transaction Capital in a stronger liquidity position.

3.4.6.2 Following I VDW Holdings realising value from its shareholding in WeBuyCars, pursuant to the Private Placement of WBC Shares, the existing put and call arrangements, including the contingent Put Option Liability, will be cancelled upon the Listing and Unbundling being implemented.

3.4.7 Unbundling Distribution Ratio

3.4.7.1 As a result of capital raising initiatives, Transaction Capital's shareholding in WeBuyCars will reduce prior to Listing. Accordingly, although Transaction Capital held 74.9% of the issued share capital of WeBuyCars as at the date of the Unbundling Circular, it is anticipated that Transaction Capital's holding in WeBuyCars will reduce to approximately between 57.5% to 67.5% prior to Listing and Unbundling. The shareholding of I VDW Holdings in WeBuyCars will also be reduced from 25.1% to not less than 10% of the issued share capital of WeBuyCars prior to the Listing and Unbundling.

3.4.7.2 Accordingly, the Distribution Ratio may increase to above the aforesaid minimum Distribution Ratio based on the extent of the capital raising initiatives implemented by WeBuyCars and/or Transaction Capital prior to the Listing and Unbundling. As at the Last Practicable Date, the minimum Distribution Ratio will be 0.30241 WBC Shares for every 1 TC Share held by a TC Shareholder on the Unbundling Record Date.

3.4.8 Transaction Capital will release update announcements timeously if any of the aforesaid capital raising initiatives are implemented. In addition, Transaction Capital will announce the final Distribution Ratio on Wednesday, 3 April 2024.

3.5 **WeBuyCars Share Issue**

Overview

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

Description of the Subscription Shares

3.5.2 The WeBuyCars Share Issue will involve the issue of WBC Shares constituting 11.3% of the issued share capital at that time, which will have the effect of diluting Transaction Capital's shareholding in WeBuyCars to 72.2% (following the issue of WBC Shares pursuant to the Second Transaction Dividend).

3.5.3 The Subscription Price implied an equity valuation of R7.5 billion for WeBuyCars taking into account the First Transaction Dividend, which cash dividend will be settled from the proceeds of the Pre-listing Capital Raise (as referred to in paragraph 3.4.5.1 above).

Rationale for the WeBuyCars Share Issue

3.5.4 Coronation has invested at an early stage to provide certainty for the raising and the Listing process and the value realisation required pursuant thereto. Coronation believes in the future of WeBuyCars and has consequently committed to this further investment.

Conditions Precedent

3.5.5 The WeBuyCars Share Issue is subject to the fulfilment (or waiver, where capable of waiver) of the following outstanding suspensive conditions ("**Conditions Precedent**"):

3.5.5.1 the requisite majority of TC Shareholders approve the entering into and implementation of the WeBuyCars Share Issue, as may be required in accordance with the provisions of section 10 of the JSE Listings Requirements;

3.5.5.2 each of the parties to the WeBuyCars Shareholders Agreement, conclude a written agreement in terms of which they each irrevocably and unconditionally waive any requirement for Coronation to accede to the WeBuyCars Shareholders Agreement;

3.5.5.3 WeBuyCars delivers to Coronation and the Shareholders, as at the date of such delivery, a legal opinion from Edward Nathan Sonnenbergs Inc., on their standard terms and conditions on whether implementation of the Listing and/or Unbundling will require any consent from the counterparties to and/or trigger a default in relation to certain funding agreements identified in the Subscription Agreement and that any such default can be cured by obtaining the prior consent of the relevant counterparties;

3.5.5.4 this Pre-listing Statement is approved by the Shareholders (prior to the Unbundling) and the JSE in writing and is published on SENS, which will include appropriate reporting accountant reports on the historical financial information of WeBuyCars; and

3.5.5.5 no Material Adverse Change (defined below) has occurred during the period commencing on the signature date of the Subscription Agreement and ending 3 (three) Business Days immediately preceding the fulfilment date of the Conditions Precedent (inclusive).

3.5.6 For purposes of the Subscription Agreement, "**Material Adverse Change**" means an adverse effect, fact or circumstance which has arisen or occurred or might reasonably be expected to arise or occur in the future and which is materially negative with regard to the business, condition, assets, liabilities, operations, financial performance, income and prospects of WeBuyCars, and/or which will or could reasonably be expected to materially reduce the actual or potential value of WeBuyCars, which is not and is not caused by:

3.5.6.1 the entering into or implementation of the Subscription Agreement itself;

3.5.6.2 changes in interest rates, exchange rates or securities or commodity prices or in economic, financial, market or political conditions generally;

3.5.6.3 changes in conditions generally affecting the industry in which WeBuyCars operates;

3.5.6.4 any act or omission by Coronation; and

3.5.6.5 any act or omission of WeBuyCars at the request or with the consent of Coronation or as required or permitted to be done under the terms of the Subscription Agreement.

For the purposes of the Material Adverse Change, to be material, the adverse effect or impact must have or be likely to have or have had a direct impact on, or must be reasonably likely adversely to directly affect, the Group's EBITDA (defined below) for the financial year ending 30 September 2024 by more than 20% compared to the Group's EBITDA for the financial year ended 30 September 2023. The reference to the Group's EBITDA refers to the consolidated earnings of the Group for any 12 (twelve) month period (covering any financial year) before interest, tax, depreciation and amortisation but specifically excluding costs directly or indirectly attributable to the WeBuyCars Share Issue, Listing, Unbundling and any related steps thereto and/or the impact of the derecognition of the call option derivative asset as determined in accordance with IFRS® Accounting Standards.

3.5.7 The Conditions Precedent must be fulfilled or waived (where capable of waiver) by not later than 26 March 2024, which date may be extended in accordance with the provisions of the Subscription Agreement.

Consideration and Implementation

3.5.8 The Subscription Price will be payable by Coronation on the second business day following the date on which the Conditions Precedent to the WeBuyCars Share Issue are fulfilled or waived (to the extent legally permissible) ("**Closing Date**"). The Subscription Price will be paid by Coronation into an escrow account, to be held in escrow and will be released from the escrow account to WeBuyCars upon the fulfilment of the Unbundling Conditions, on the date on which the last of the Unbundling Conditions (other than the implementation of the WeBuyCars Share Issue) is fulfilled, or waived (to the extent legally permissible) ("**Finalisation Date**").

3.5.9 On the Closing Date, the Subscription Shares will be issued by WeBuyCars in terms of section 40(5) of the Companies Act and held in terms of a trust arrangement ("**Section 40(5) Trust**") in terms of which the Shares are issued for no consideration given that the Subscription Price is paid by Coronation into an escrow account, pending fulfilment of the Unbundling Conditions. Accordingly, Coronation will be the beneficial owner of the Subscription Shares, but the legal ownership of the Subscription Shares will be in the name of the Section 40(5) Trust. Coronation, as beneficial owner of the Subscription Shares will hold all ordinary rights of Shareholders, including as to voting and receipt of distributions (save for the distributions contemplated in paragraph 3.4.2 above).

3.5.10 The Subscription Price will be released from the escrow account to WeBuyCars on the 4th (fourth) Business Day following the Finalisation Date ("**Payment Date**"). The Subscription Shares will be released from the Section 40(5) Trust on the Payment Date, on which date Coronation will become the legal and beneficial owner of the Subscription Shares.

3.5.11 In the unlikely event that: (i) the Unbundling Conditions are not fulfilled or waived (where capable of waiver) by 28 March 2024 (or such later date as may be extended in accordance with the provisions of the Subscription Agreement); or (ii) any of the Unbundling Conditions become incapable of fulfilment at any time prior to 28 March 2024 (or such later date as may be extended in accordance with the provisions of the Subscription Agreement), (each, a "**Failure Event**"), then the Subscription Agreement shall terminate and shall be void ab initio as if it had not been entered into and the parties to the Subscription Agreement shall restore each other to the position they were in before the Subscription Agreement was entered into. The effect will be that the Subscription Shares are cancelled in terms of section 40(6) of the Companies Act and returned to the authorised but unissued share capital of WeBuyCars and the Subscription Price will be refunded to Coronation.

Resolutive Condition

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

Warranties and other Significant Terms of the Subscription Agreement

3.5.13 The Subscription Agreement contains warranties by Transaction Capital and I VDW Holdings in favour of Coronation which are standard for a transaction of this nature (set out in Annexure B of the Subscription Agreement), which warranties are in turn subject to limitation of liability and other terms which are standard for a transaction of this nature.

3.5.14 For the period commencing on the Listing Date and ending 18 (eighteen) months thereafter, I VDW Holdings has agreed that its shareholding in WeBuyCars shall not be less than 10% (ten percent) of the Shares ("**Prescribed Minimum Shareholding**"), save in instances where WeBuyCars issues additional Shares which, following the implementation thereof, results in I VDW Holdings shareholding falling below the Prescribed Minimum Shareholding during the aforementioned 18 (eighteen) month period.

Related Party Considerations

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

3.5.16 In terms of paragraph 10.7 of the JSE Listings Requirements, Transaction Capital has provided the JSE with written confirmation from an independent professional expert confirming whether the terms and conditions of the WeBuyCars Share Issue are fair insofar as the TC Shareholders are concerned and TC Shareholder approval is required for the WeBuyCars Share Issue, as set out in the Unbundling Circular.

3.6 **The Private Placement of WBC Shares**

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

3.6.1.1 65 541 WBC Shares (before the Subdivision) representing 2.09% of all issued WBC Shares on the Escrow Fulfilment Date (as such term is defined in paragraph 3.6.4 below) from Transaction Capital for an aggregate amount of approximately R140 750 000; and

3.6.1.2 167 287 WBC Shares (before the Subdivision) representing 5.32% of all issued WBC Shares on the Escrow Fulfilment Date (as such term is defined in paragraph 3.6.4 below) from I VDW Holdings for an aggregate amount of approximately R359 250 000.

3.6.2 The aforesaid percentages are as at the date following the Second Transaction Dividend and the WeBuyCars Share Issue, but prior to the Pre-listing Capital Raise. The Sale Price implied an equity valuation for WeBuyCars of R7.5 billion, regard being had to the First Transaction Dividend declared which remains outstanding on loan account and will be settled from the proceeds of the Pre-listing Capital Raise (as referred to in paragraph 3.4.5.1 above).

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

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

3.6.3.2 the approval from the SARB for the conclusion and implementation of the Sale Agreement, to the extent legally required;

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

3.6.3.4 all the Unbundling Conditions are fulfilled (or waived, to the extent legally permissible); and

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

3.6.4 The Sale Price will be payable by the Purchasers into an escrow account on the third Business Day following the date on which the last of the suspensive conditions to the Sale Agreement are fulfilled or waived (to the extent legally permissible) (save for the suspensive conditions in paragraphs 3.6.3.4 and 3.6.3.5) ("**Escrow Fulfilment Date**"). On the Escrow Fulfilment Date, the Sale Shares will also be delivered by Transaction Capital and I VDW Holdings to the escrow agent in terms of the relevant escrow arrangements.

3.6.5 On the fourth Business Day following the fulfilment of the last of the suspensive conditions to the Sale Agreement ("**Closing Date**"), the Sale Shares then held in escrow by the escrow agent will be released to the Purchasers (in their respective proportions). On the Closing Date, the escrow agent will also release the Sale Price from escrow to Transaction Capital and I VDW Holdings (in their respective proportions).

3.6.6 The Sale Agreement contains warranties (set out in Annexure B to the Sale Agreement) by the sellers of the Sale Shares (being Transaction Capital and I VDW Holdings) in favour of the Purchasers which are standard for a transaction of this nature, which warranties are in turn subject to limitation of liability and other terms which are standard for a transaction of this nature.

3.6.7 For the period commencing on the Listing Date and ending 18 (eighteen) months thereafter, I VDW Holdings acknowledges and agrees that its shareholding in WeBuyCars shall not be less than the Prescribed Minimum Shareholding (as such term is defined in paragraph 3.5.14), it being recorded and agreed that I VDW Holdings shall not be in breach of the Sale Agreement in instances where WeBuyCars issues additional authorised Shares which, following the implementation thereof, results in I VDW Holdings' shareholding in WeBuyCars falling to below the Prescribed Minimum Shareholding (as such term is defined in paragraph 3.5.14) during the aforementioned 18 (eighteen) month period.

3.7 **Competitive Advantages**

3.7.1 WeBuyCars has a proven track record of over 23 years in the pre-owned vehicle market and has over time developed expertise and established a leading and dependable brand in South Africa. Whilst there is ongoing comparison between WeBuyCars and other vehicle sellers including original equipment manufacturers ("**OEM**") dealerships, online platforms and marketplaces, the factors detailed in this section illustrate that WeBuyCars has a unique position in the pre-owned vehicle market and cannot be directly compared to any other player in the South African market.

3.7.2 With no brand affiliation, WeBuyCars buys and holds stock of any pre-owned vehicle type, offering an unmatched and diverse range of vehicles. This means that WeBuyCars services the entire vehicle parc and is not limited by vehicle age or type. This sets WeBuyCars apart from other used vehicle players in the South African market.

3.7.3 WeBuyCars buys cars almost exclusively from private sellers and has no reliance on OEMs. In addition, since WeBuyCars procures its inventory from local vehicle owners, it is agnostic to the challenges and changes in the import and export markets or fluctuations in foreign currencies. The Group is not reliant on a single supplier or customer as none comprise more than 1% of its purchases or sales.

3.7.4 As vehicle stockholders, WeBuyCars has strong influence over the consumer's buying and selling experience. Consumer trust is a key strategic advantage for the business and results in a high percentage of repeat customers. Customer-centricity is an integral part of the WeBuyCars culture.

3.7.5 By embodying entrepreneurial excellence consistently throughout the business, the South African consumer has confirmed their trust in the offerings of WeBuyCars. WeBuyCars has been successful in formalising a previously informal market through the aforesaid technological advancements.

3.7.6 During 2018 and 2019, WeBuyCars developed its own in-house and centralised IT system (including an online auction system) to cater for the Company's specific needs and requirements. In recent years, WeBuyCars has increasingly harnessed data, analytics and technology to craft a unique customer experience. The IT systems enables WeBuyCars to immediately respond to market changes and communicate to their buyers and sellers in real time. This is done by way of integrating business intelligence data and machine learning tools into the Company's data sets, thus allowing WeBuyCars to easily adapt to market trends.

3.7.7 Advanced data science empowers the Company to effectively assess market dynamics and make real-time pricing and inventory procurement adjustments, aligning them with market demand. This strategic approach ensures that the business achieves the desired margins while maintaining an efficient inventory turnover rate. As a result, the Company significantly mitigates price risk within its operations. This creates value both for customers and the Company. The advanced technology stack and data-driven decision making has become the backbone of the business and is a key differentiating factor in the pre-owned vehicle market.

3.7.8 The development and establishment of one integrated electronic platform ensures that retail buyers, sellers and dealers are all integrated within the same network. The platform can be modified to add on new sales channels and offerings.

3.7.9 WeBuyCars has an extensive buying reach with over 340 buyers located across the country, supported by 74 buying pods located at strategic destinations across the country. This, along with the 15 supermarket locations, provides three channels to buy vehicles from clients nationwide.

3.7.10 As the Company has scaled, it has consistently invested in marketing initiatives to enhance the WeBuyCars brand. Investment in its website and its consumer app has allowed for increased online engagement with consumers, making vehicle purchasing more convenient. WeBuyCars' website is currently averaging 5.7 million monthly visits with 1.8 million unique visitors, presenting a unique and growing buying-and-selling ecosystem.

3.7.11 WeBuyCars capitalises on economies of scale throughout its service offering. This has led to an operating leverage in the use of facilities, marketing costs and staff. Efficiency optimisation is critical in ensuring that the business is able to handle substantially more unit sales within its existing footprint and infrastructure. Continued investment in technology and process automation helps to streamline operations in a more cost-effective manner.

3.7.12 Through strategic property acquisitions, WeBuyCars has built up a R1 billion property portfolio (at historic cost). The property portfolio, along with strategically located rental properties, has contributed to WeBuyCars' expansive national footprint. Properties are future-proofed by being easily convertible into distribution warehouses should the need arise.

3.7.13 WeBuyCars is driven by a competent and motivated team, who is experienced in living the culture and ethos of the WeBuyCars business. The management team continues to seek opportunities for accelerating growth within the Company and is dedicated to setting the strategic direction of the Company. The WeBuyCars people-focused approach to leadership has resulted in motivated staff who are committed to the continued growth of WeBuyCars. The Company has a history of embracing change, developing innovative in-house technologies and staffing talented individuals and experts in their fields of business. The WeBuyCars management team remains committed to being part of the WeBuyCars journey in the listed environment.

3.7.14 The Company has well-established relationships with major vehicle finance providers, insurance companies and a tracking device suppliers that allows WeBuyCars to facilitate the sale of bespoke products and services to its customers when purchasing vehicles.

3.8 **Major Subsidiaries**

<u>We Buy Cars Proprietary Limited (100%)</u>

WeBuyCars has only one Major Subsidiary, being We Buy Cars Proprietary Limited. We Buy Cars Proprietary Limited is a wholly-owned Subsidiary of WeBuyCars. It is incorporated and operates as a pre-owned motor vehicle dealer in South Africa. We Buy Cars Proprietary Limited has been a Subsidiary of WeBuyCars since 8 September 2020 and commenced business operations in 2001. The stated capital of We Buy Cars Proprietary Limited is R2 010 056 433.

The issued share capital of We Buy Cars Proprietary Limited is 399 203 ordinary no par value shares, all of which are held by WeBuyCars.

3.9 **Other Subsidiaries**

The other Subsidiaries of the Group are the following:

WBC Properties (100%)

WBC Properties is a wholly-owned Subsidiary of We Buy Cars Proprietary Limited. It is a property holding company, the primary business of which is to hold and lease properties to the rest of the Group. WBC Properties has been a subsidiary of We Buy Cars Proprietary Limited since 2018 and commenced business operations in 2018.

A detailed list of the properties owned by WBC Properties is set out in **Annexure 10** hereto.

WBC Investments (100%)

WBC Investments is a wholly-owned Subsidiary of We Buy Cars Proprietary Limited. It is an investment holding company incorporated in South Africa. WBC Investments has been a Subsidiary of We Buy Cars Proprietary Limited since 2017 and commenced business operations in 2018.

We Buy Cars (Namibia) Proprietary Limited

We Buy Cars (Namibia) Proprietary Limited operates as a pre-owned motor dealership incorporated in Namibia. It was incorporated in 2022 and has been a Subsidiary of WeBuyCars since incorporation.

We Buy Cars AME Holdings DMCC

We Buy Cars AME Holdings DMCC is an investment holding company. It is a Free zone company with limited liability registered with the Dubai Multi Commodities Centre Authority, Dubai, United Arab Emirates. It was incorporated in 2022 and has been a Subsidiary of WeBuyCars since incorporation.

We Buy Cars Sociéte Anonyme (Morocco)

We Buy Cars Sociéte Anonyme (Morocco) is a wholly-owned Subsidiary of We Buy Cars AME Holdings DMCC. It was incorporated in 2022 and operates as a pre-owned motor vehicle dealer in Morocco. We Buy Cars Sociéte Anonyme (Morocco) has been a Subsidiary of We Buy Cars AME Holdings DMCC since incorporation and commenced operations in 2022.

None of the above-mentioned Subsidiaries are listed on any exchange.

An organogram of the Group is included in **Annexure 6** to this Pre-listing Statement.

4. **PROSPECTS**

4.1 The Group aspires to grow the volume of vehicles bought and sold from the approximately 14 000 vehicles per month currently, to approximately 23 000 vehicles per month within the next 4 to 5 years.

4.2 To achieve the Group's objectives, WeBuyCars will continue to expand its footprint across South Africa through the opening of vehicle supermarkets in new locations, as well as by growing the number of buying pods.

4.3 With a focus on continually improving operational efficiencies and driving innovation through its in-house IT infrastructure, machine learning and AI capabilities, the Group remains well positioned to act strategically to achieve its aspirations and objectives.

4.4 WeBuyCars is uniquely positioned in the South African market due to the Company's ability to purchase vehicles across South Africa, whilst exploiting the opportunities to expand on the sell-side in various smaller towns and larger metropolitan areas. The South African market for pre-owned vehicles is growing and still offers a relatively untapped market for WeBuyCars to explore. WeBuyCars does not see itself as having any direct competitor across its business but only competitors in certain areas.

4.5 **PLEASE NOTE THAT THE AFOREMENTIONED STATEMENTS OF THE GROUP'S OBJECTIVES HAVE NOT BEEN REVIEWED OR REPORTED ON BY THE INDEPENDENT AUDITORS OR BY AN INDEPENDENT REPORTING ACCOUNTANT, NOR IS SAME GUARANTEED. THE STATEMENTS ABOVE ARE HOWEVER OBJECTIVES THAT THE GROUP WISHES TO ACHIEVE IN THE NEXT 4 TO 5 YEARS.**

5. MANAGEMENT OF THE COMPANY

5.1 The Company is governed by the Board, which is responsible for ensuring that the Company complies with all of its statutory and regulatory obligations, as specified in the Companies Act, the MOI and, following the Listing, the JSE Listings Requirements.

5.2 The Company's executive committee meets regularly and acts as a consolidated oversight committee for the Group. The executive committee has the following key members:

Full Name	Position
Adriaan Stephanus Scheepers van der Walt	Chief Executive Officer
Dirk Jacobus Floris van der Walt	Executive Director
Christopher James Rein	Chief Financial Officer
John Mills	Operations Director
Rikus Blomerus	Chief Marketing / Human Resource Officer
Bernadette Cohn	Group Financial Manager
Wynand Beukes	Chief Digital Officer
Willem Klopper	Chief Strategy Officer / Investor Relations
Sean Sevell	Head of Admin and Risk
Richard Webber	General Manager – Buying
Janson Ponting	Sales Director
Christiaan Steyn	Head of Product

Note: All members of the executive committee of the Company, mentioned above, have the same business address: Building 7, Byls Bridge Office Park, 6 Byls Bridge Boulevard, Centurion.

5.3 The Board has appointed a number of committees to assist the Board in discharging its duties, with the particulars of such committees appearing in **Annexure 12** to this Pre-listing Statement.

5.4 No part of the business of the Group is managed, or is proposed to be managed, by a third party under a contract or any other arrangement.

6. DIRECTORS

6.1 Composition of the Board

The full names, ages, capacities, dates of appointment and business addresses of the Directors are provided below:

Full name	Age	Capacity	Date of Appointment	Business Address
Adriaan Stephanus Scheepers van der Walt*	49	Chief Executive Officer	17 August 2020	Building 7 Byls Bridge Office Park 6 Byls Bridge Boulevard, Centurion
Dirk Jacobus Floris van der Walt*	52	Executive Director	17 August 2020	Building 7 Byls Bridge Office Park 6 Byls Bridge Boulevard, Centurion
Christopher James Rein*	53	Chief Financial Officer	8 September 2020	Building 7 Byls Bridge Office Park 6 Byls Bridge Boulevard, Centurion

Full name	Age	Capacity	Date of Appointment	Business Address
Johannes Andries Holtzhausen*	53	Non-executive Chairman	1 March 2024	1st Floor, Ou Kollege Building, 35 Kerk Street, Stellenbosch
Nicolaas Abraham Stefanus Kruger*	56	Lead independent Non-executive Director	1 March 2024	170 Johann Rissik Drive, 58 Waterkloof, 101 Waterkloof Ridge, Pretoria
Samara Totaram*	45	Non-executive Director	1 March 2024	1st Floor, Ou Kollege Building, 35 Kerk Street, Stellenbosch
Bridgitte Mathews*	55	Non-executive Director	1 March 2024	29 Wilgersig, Berg en Dal Estate, Chancliff, Johannesburg
Willem Tielman Roos*	51	Non-executive Director	1 March 2024	23 Bird Street, De Wet's Square, Stellenbosch
Michael Paul Mendelowitz*	59	Non-executive Director	1 March 2024	115 West Street, Sandton, Johannesburg
Kevin Brian Amoils*	36	Alternate Non-executive Director	1 March 2024	115 West Street, Sandton, Johannesburg

Notes:

1. Directors are South African (*) citizens.
2. None of the Directors are partners with unlimited liability.
3. The appointment of the Chairman was finalised by the Board shortly before the publication of this Pre-listing Statement.

Profiles of the Directors, detailing their experience, appear in **Annexure 3**.

6.2 **Directors of Major Subsidiary**

The full names, ages, business addresses and capacities of the directors of the Company's Major Subsidiary, appear in **Annexure 5** to this Pre-listing Statement.

6.3 **Additional information**

6.3.1 A list of other directorships held by the Directors of the Company and the directors of its Major Subsidiary is set out in **Annexure 4** to this Pre-listing Statement.

6.3.2 The Directors of the Company and the directors of its Major Subsidiary are all South African citizens.

6.3.3 None of the Directors of the Company or the directors of its Major Subsidiary are partners with unlimited liability.

6.3.4 None of the Directors of the Company or the directors of its Major Subsidiary:

6.3.4.1 have been declared bankrupt, insolvent or have entered into any individual voluntary compromise arrangements;

6.3.4.2 have been directors of any company put under, or proposed to be put under, any business rescue plans, or that is or was the subject of an application for business rescue, any notices in terms of section 129(7) of the Companies Act, receiverships, compulsory liquidations, creditors voluntary liquidations, administrations, company voluntary arrangements or any compromise or arrangements with creditors generally or any class of creditors, at the time of such event or within the 12 months preceding any such event;

6.3.4.3 have been partners in a partnership that was the subject of any compulsory liquidation, administration or partnership voluntary arrangement, at the time of such event or within the 12 months preceding any such event;

6.3.4.4 have entered into any receiverships of any asset(s) held by him/her, or of a partnership where such directors are or were partners at the time or within the 12 months preceding any such event;

6.3.4.5 have been publicly criticised by a statutory or regulatory authority, including recognised professional bodies, or been disqualified by a court from acting as a director of a company or from acting in the management or conduct of the affairs of any company;

6.3.4.6 have been involved in any offence of dishonesty;

6.3.4.7 have been removed from an office of trust, on the grounds of misconduct, involving dishonesty; or

6.3.4.8 have been the subject of any court order declaring him delinquent or placing him under probation in terms of section 162 of the Companies Act and/or section 47 of the Close Corporations Act, 1984 (Act No. 60) of 1984 or been disqualified by a court to act as a director in terms of section 219 of the Companies Act, 1973 (Act No. 61 of 1973).

6.3.5 There is nothing to declare in respect of the declarations submitted by the Directors in accordance with Schedule 13 of the JSE Listings Requirements, including, *inter alia,* in relation to being a party to schemes of arrangement, conviction of any offence resulting from dishonesty, fraud, theft, forgery, perjury, misrepresentation or embezzlement and being found guilty in disciplinary proceedings by an employer or regulatory body.

6.4 Chief Financial Officer

6.4.1 Christopher James Rein is the Chief Financial Officer of the Company. The Audit and Risk Committee of the Board has considered and satisfied itself of the appropriateness of his expertise and experience for the position of Chief Financial Officer. **Annexure 3** to this Pre-listing Statement contains further details on his qualifications and experience.

6.5 Borrowing powers

6.5.1 The provisions of the MOI regarding the borrowing powers exercisable by Directors are set out in **Annexure 1** to this Pre-listing Statement. The MOI does not provide for the borrowing powers of the Directors to be varied and any variation of such powers would accordingly require Shareholders to approve a special resolution amending the MOI.

6.5.2 The borrowing powers of the Directors of the Group have not been exceeded during the three years preceding the Last Practicable Date. There are no exchange control or other restrictions on the borrowing powers of the Company or of its Major Subsidiary.

6.6 Appointment and qualification of Directors

6.6.1 The relevant provisions of the MOI regarding the term of office of Directors, the manner of their appointment and rotation are set out in **Annexure 1** to this Pre-listing Statement. No person has the right in terms of any agreement in respect of the appointment of any Director or any number of Directors.

6.6.2 The relevant provisions of the MOI relating to the qualification of Directors appear in **Annexure 1** to this Pre-listing Statement. Apart from satisfying the qualification and eligibility requirements set out in section 69 of the Companies Act, a person need not satisfy any eligibility requirements or qualifications to become or remain a Director of the Company.

6.6.3 The MOI does not prescribe an age limit at which Directors are to retire.

6.7 Remuneration of Directors

6.7.1 The Company may pay remuneration to Non-executive Directors for their services as Directors in accordance with a special resolution approved by Shareholders within the previous two years, as set out in section 66(8) and (9) of the Companies Act, and the power of the Company in this regard is not limited or restricted by the MOI.

6.7.2 Any Director who (i) serves on any executive or other committee; or (ii) devotes special attention to the business of the Company; or (iii) goes or resides outside South Africa for the purpose of the business of the Company; or (iv) otherwise performs or binds himself to perform services which, in the opinion of the Board, are outside the scope of the ordinary duties of a Director, may be paid such extra remuneration or allowances in addition to or in substitution of the remuneration to which he may be entitled as a Director, as a disinterested quorum of the Board may from time to time determine.

6.7.3 Directors may also be paid all their reasonable travelling and other reasonable expenses necessarily incurred by them in connection with the business of the Company and attending meetings of the Directors or of committees of the Directors, limited to local flights and other reasonable expenses.

6.7.4 In terms of the MOI, the remuneration of executive Directors shall be determined by a disinterested quorum of Directors or a remuneration committee appointed by the Board, shall be in addition to or in substitution of any ordinary remuneration as a Director, as the Board may determine, and may consist of a salary or a commission on profits or dividends or both, as the Board may direct.

6.7.5 No fees were paid by the Company to the Non-executive Directors for the previous financial year ended 30 September 2023.

6.7.6 Executive Director’s emoluments for the year ended 30 September 2023 are as follows:

R’000	Basic Salary	Retirement benefits	Present value of share-based awards	Annual incentive bonus	Management fees	Total remuneration
Adriaan Stephanus Scheepers van der Walt	4 119	454	–	–	4 775	9 348
Dirk Jacobus Floris van der Walt	3 502	386	–	–	2 352	6 240
Christopher James Rein	2 577	375	3 845	1 183	–	7 980

6.7.7 Management fees are paid by We Buy Cars Proprietary Limited to I Faan and to I Dirk in terms of the WeBuyCars Shareholders Agreement which is in place as at the Last Practicable Date. The WeBuyCars Shareholders Agreement will be cancelled prior to Listing.

6.7.8 It is the intention of the Board to perform a detailed review of the salaries of Adriaan Stephanus Scheepers van der Walt and Dirk Jacobus Floris van der Walt following the Listing Date in accordance with applicable corporate governance principles, to align such salaries with comparable market-related salaries.

6.7.9 Save for the management fees set out above, the Company has not, in the three years preceding the date of this Pre-listing Statement, paid (or agreed to pay) any fees (whether in cash or in securities or otherwise) or given any benefits to any Director or to any company in which he is beneficially interested, directly or indirectly, or of which he is a director (“**the associate company**”) or to any partnership, syndicate or other association of which he is a member (“**the associate entity**”), in cash or otherwise to induce him to become, or to qualify him as, a Director or otherwise for services rendered by him or by the associate company or the associate entity in connection with the promotion or formation of the company.

6.8 **Share Incentive Scheme**

6.8.1 The Share Incentive Scheme of the Company was approved by the Shareholders (being Transaction Capital and I VDW Holdings) on 8 March 2024. The purpose of the Share Incentive Scheme is to provide an incentive to selected employees to deliver the strategy of WeBuyCars over the long-term, as a retention mechanism and as a tool to attract prospective employees. The Share Incentive Scheme will furthermore provide participants of the Share Incentive Scheme with the opportunity to share in the success of the Group and provide alignment between such participants and Shareholders. A summary of the principal terms of the Share Incentive Scheme Rules appears in **Annexure 2** to this Pre-listing Statement, whilst a copy of the document is available for inspection by Shareholders, as indicated in paragraph 21 of this Pre-listing Statement.

6.9 **Long Term Incentive Plan**

6.9.1 On 8 March 2024, the then Shareholders of WeBuyCars approved the implementation of a long-term incentive plan ("**LTIP**") for senior management of the Group (excluding the WBC Founders) in terms of which the Company is authorised to provide financial assistance (as such term is contemplated in sections 44 and 45 of the Companies Act) to Directors and/or if applicable, eligible members of senior management selected by the Remuneration Committee of the Company from time to time ("**LTIP Participants**"), for the sole purpose of such members acquiring Shares on the market.

6.9.2 In terms of the LTIP, the Company will either: (i) advance cash loans to the LTIP Participants to be utilised by the LTIP Participants solely for the purposes of acquiring Shares on market; or (ii) facilitate the on-market purchase of Shares for and on behalf of the LTIP Participants and in their name.

6.9.3 The cash loans will have the following terms:

6.9.3.1 the term of the loan will be up to 5 (five) years from the date on which the loan is advanced, with full payment thereof due and payable at the end of this term;

6.9.3.2 LTIP participants shall be entitled to utilise their available cash and cash from short-term bonuses to settle the outstanding portion of the loan from time to time;

6.9.3.3 it will be interest bearing at the fringe benefit rate prescribed by SARS from time to time;

6.9.3.4 the interest will be compounded annually and settled at the end of the term; and

6.9.3.5 it will be secured by the Shares held by the relevant LTIP Participant, which will be pledged and ceded in *securitatem debiti* to the Company.

6.9.4 The maximum quantum approved by the Shareholders as at the Last Practicable Date is R100 000 000 in aggregate, provided that no single LTIP Participant shall be entitled to loan advances in any one financial year exceeding R10 000 000.

6.10 The details of the LTIP will, following Listing, be disclosed by the Company in its annual financial statements and in its remuneration policy and implementation report to be included in its integrated annual report.

6.11 **Interests of Directors**

6.11.1 Save in respect of the Listing, the WeBuyCars Share Issue and the Private Placement of WBC Shares, no director of the Group (including any person who may have resigned as a director within the last 18 (eighteen months) has any material beneficial interest, directly or indirectly, in any transactions that were effected by the Company (i) during the current or immediately preceding financial year, or (ii) during an earlier financial year and remain in any respect outstanding or unperformed.

6.11.2 Save for Faan and Dirk van der Walt, no director of the Group has any material beneficial interests, whether direct or indirect, including a director who resigned in the last 18 months (eighteen months), in transactions that were effected by the Company (i) during the current or immediately preceding financial year; or (ii) during an earlier financial year which remain in any respect outstanding or unperformed.

6.11.3 No Director has had any material beneficial interest, either direct or indirect, in the promotion of the Company. No cash or securities have been paid and no benefit has been given to any promoter within the last 3 (three) years.

6.11.4 As at the Last Practicable Date, Directors and their associates held the following Shares in the Company:

Prior to the Pre-listing steps and Pre-listing Capital Raising initiatives					Following Listing and Unbundling		
Director	**No. of Shares**	**Direct beneficial**[1]	**Indirect beneficial**	**% of issued share capital**	**No. of Shares (approx)**[2]	**Indirect beneficial (approx)**[2]	**% of issued share capital (approx)**[2]
Adriaan Stephanus Scheepers van der Walt	260 010.50	–	12.55%	12.55%	21.2 million[3]	5.11%	5.11%
Dirk Jacobus Floris van der Walt	260 010.50	–	12.55%	12.55%	21.2 million	5.11%	5.11%
Total	520 021.00	–	25.1%	25.1%	42.4 million	10.22%	10.22%

[1] *No change at Listing*

[2] *Given that the terms of the Pre-listing Capital Raise were not yet final as at the Last Practicable Date, it has been assumed for purposes of this disclosure that the Pre-listing Capital Raise has been concluded at a similar value to the 'most likely' value for a WBC Share as per the independent expert's report contained in the Unbundling Circular. The final terms of the Pre-listing Capital Raise, as well as the number of WBC Shares in issue immediately prior to Listing will be announced on SENS.*

[3] *This table excludes the WBC Shares which Adriaan Stephanus Scheepers van der Walt is anticipated to receive on an indirect beneficial basis through I Faan, as part of the Listing and Unbundling. As at the Last Practicable Date, I Faan held 660 000 TC Shares.*

6.11.5 As at the Last Practicable Date, none of the Shares held by the Directors or their associates:

6.11.5.1 were issued and allotted in terms of a share purchase/option scheme (or other scheme/structure effected outside of the Company which achieves substantially the same objectives as a share purchase/option scheme);

6.11.5.2 are held as a pledge against an outstanding loan to such Director in a share purchase scheme trust;

6.11.5.3 have not been fully paid for; or

6.11.5.4 have any release periods applicable to them.

6.12 **Service contracts of Directors**

6.12.1 Employment agreements have been concluded with all executive Directors being Mr ASS van der Walt, Mr DJF van der Walt and Mr CJ Rein. The notice period for Mr ASS van der Walt and Mr DJF van der Walt include a six-month notice period, whilst Mr CJ Rein has a three-month notice period. These employment agreements include standard provisions.

6.12.2 No restraint of trade payments have been paid or are payable to any of the Directors.

7. SHARE CAPITAL

7.1 Authorised and issued share capital

7.1.1 The authorised share capital and the anticipated issued share capital of the Company, as at the Listing Date, is set out below:

	Number of Shares	R
Authorised share capital		
Ordinary Shares of no par value pre Subdivision	10 000 000 000	–
Ordinary Shares of no par value post Subdivision	1 200 000 000 000	–
Ordinary Shares of no par value at Listing Date[1]	10 000 000 000	–
Issued share capital[2]		
Ordinary Shares of no par value pre-Subdivision	3 447 355	9 765 351 813
Ordinary Shares of no par value post-Subdivision	Approximately 413 700 000	9 765 351 813

[1] Following the subdivision of the authorised ordinary share capital to 1 200 000 000 000 Shares, the MOI has been amended to decrease the authorised share capital to 10 000 000 000 Shares.

[2] The issued share capital referenced above assumes that both the WeBuyCars Share Issue and the Pre-listing Capital Raise has been implemented. Given that the terms of the Pre-listing Capital Raise were not yet final as at the Last Practicable Date, it has been assumed for purposes of this disclosure that the Pre-listing Capital Raise has been concluded at a similar value to the 'most likely' value for a WBC Share as per the independent expert's report contained in the Unbundling Circular. The final terms of the Pre-listing Capital Raise, as well as the number of WBC Shares in issue immediately prior to Listing will be announced on SENS.

7.1.2 As at the Last Practicable Date and following the Listing:

7.1.2.1 no debentures had been, or will have been, created or issued by the Company;

7.1.2.2 all Shares in issue were and will be fully paid up and freely transferable;

7.1.2.3 all Shares in issue ranked and will rank *pari passu* with each other in all respects, including in respect of voting rights and dividends;

7.1.2.4 Shares in issue on Listing will be under the control of the Directors, subject to the provisions of the MOI and the JSE Listings Requirements; and

7.1.2.5 authorisations, approvals and resolutions passed by the Shareholders in accordance with the Companies Act (and, in anticipation of the Listing, also taking account of the JSE Listings Requirements, to the extent possible) respectively have been obtained which included among other things, the following resolutions:

7.1.2.5.1 consent to the listing of the WBC Shares on the JSE;

7.1.2.5.2 adopting a new MOI, reflecting the conversion of the Company from a private company to a public company with effect from 7 March 2024;

7.1.2.5.3 the Subdivision; and

7.1.2.5.4 changing the name of the Company from WBC Holdings Proprietary Limited to We Buy Cars Holdings Limited.

7.2 **Rights attaching to Shares**

7.2.1 The salient provisions in the MOI relating to the rights attaching to Shares, and the variation of such rights, appear in **Annexure 1** hereto.

7.2.2 There are no conversion or exchange rights to Shares, nor do any Shareholders have any redemption rights or preferential rights to profits or capital.

7.2.3 The rights of Shareholders to participate in dividends, rights to profits or capital, including the rights of Shareholders on liquidation or distribution of capital assets of the Company, are determined by the MOI and the relevant summaries thereof are set out in **Annexure 1** to this Pre-listing Statement.

7.3 **Changes to share capital**

Save for the Subdivision, the cancellation of the 10 000 000 000 A ordinary shares in the share capital of the Company, and the changes set out below, there have been no changes, consolidations or subdivisions of the Company's and its Major Subsidiary's securities over the three years immediately preceding the date of this Pre-listing Statement. All of the Shares below were issued at market value.

7.3.1 **October 2021 issuance of Shares**

During October 2021, the Company declared a scrip dividend in terms of which I VDW Holdings elected to receive additional Shares, which resulted in the Company issuing an additional 382 021 WBC Shares to I VDW Holdings. TCMH also subscribed for an additional 440 021 WBC Shares. Furthermore, the Company issued 1 031 755 WBC Shares to TCMH in terms of an asset-for-share transaction in accordance with section 42 of the Income Tax Act, resulting in the shareholding of TCMH increasing to 74.9% of the issued WBC Shares. The further details hereof are set out in the SENS announcement released by Transaction Capital on 5 October 2021.

7.3.2 **Second Transaction Dividend**

The details of the Second Transaction Dividend are set-out in paragraph 3.4.2.3 above.

7.3.3 **WeBuyCars Share Issue to Coronation**

The details of the WeBuyCars Share Issue are set out in paragraph 3.5 above.

7.4 **Share repurchases**

7.4.1 Neither the Company, nor any of its Subsidiaries have repurchased any shares within the three years immediately preceding this Pre-listing Statement.

7.5 **Options and preferential rights in respect of Shares**

7.5.1 As at the Last Practicable date, TCMH and the Company hold call options which gives these parties the right to acquire the 25.1% shareholding in the Company from I VDW Holdings. In addition, I VDW Holdings also hold put options for their remaining 25.1% shareholding against TCMH (collectively referred to as "**the Options**"). The Options are governed by the WeBuyCars Shareholders Agreement and as such the WeBuyCars Shareholders Agreement will be cancelled pursuant to the Listing and the Unbundling on the date of Listing. The Company will not incur additional costs or expenses in this regard.

7.5.2 As at the Listing Date, there will be no options or preferential rights in respect of Shares in place.

8. **MAJOR AND CONTROLLING SHAREHOLDERS**

8.1 As far as the Directors are aware, as at the Last Practicable Date, the following persons were the direct or indirect beneficial owners of 5% or more of the Shares in issue (prior to the Subdivision, the Second Transaction Dividend, the WeBuyCars Share Issue and the Pre-listing Capital Raise).

Shareholder	**Number of Shares**	**% of the Shares in issue**	**Approximate % of the Shares held following the Listing and Unbundling**
Transaction Capital	1 551 776	74.9	–
I VDW Holdings[1]	520 021	25.1	10

1. I Faan and I Dirk each beneficially own 50% of I VDW Holdings.

Note: if there are any material Shareholders following the Listing and Unbundling, the Company will release a separate SENS announcement in this regard.

8.2 Save for the Unbundling, the Coronation Subscription Agreement, and the Private Placement of WBC Shares and potential further sell-downs of Shares by Transaction Capital prior to Listing, the Board is not aware of any pre-existing intention of any major Shareholder to dispose of a material number of their Shares at or immediately after the Listing. Therefore, there should be no further change in controlling Shareholder immediately following the Listing. Following the Unbundling, Transaction Capital will no longer be a Shareholder given that the WBC Shares held by it would have been unbundled to the TC Shareholders.

8.3 As at the Last Practicable Date, the Board confirms that the aggregate level of public Shareholders (as such term is contemplated in the JSE Listings Requirements) after the Unbundling, being those on the TC Register will meet the requirements pursuant to paragraph 4.28 (e) read with paragraph 4.25 of the JSE Listings Requirements.

9. HISTORICAL FINANCIAL INFORMATION

9.1 Historical Financial Information of the Group

9.1.1 The Historical Financial Information of the Group for the financial periods ended 31 March 2021 (seven months), 31 March 2022 (twelve months), 30 September 2022 (six months) and 30 September 2023 (twelve months) is attached hereto as **Annexure 14** to this Pre-listing Statement and is the responsibility of the Directors. Copies thereof are also available from the Group on request.

The financial periods that are shorter than 12 (twelve) months are:

- The seven months to 31 March 2021, due to the fact that the Company was only incorporated on 17 August 2020.
- The six months to 30 September 2022, due to the fact that the Company changed its year end to 30 September to align with the Transaction Capital financial year end.

9.1.2 Please see below a summary of WeBuyCars' consolidated historical financial performance:

Summarised consolidated statements of profit or loss

(R in millions)	12 months to 30 September 2023	6 months to 30 September 2022	12 months to 31 March 2022	7 months to 31 March 2021
Revenue	20 018	9 639	14 178	5 534
Net operating expenses	(18 936)	(9 060)	(13 145)	(5 077)
Net insurance result	65	–	–	–
EBITDA	1 147	579	1 033	457
Depreciation and amortisation	(117)	(44)	(52)	(31)
Operating profit	1 030	536	981	426
Operating profit margin	5.1%	5.6%	6.9%	7.7%
Net finance costs	(149)	(46)	(38)	(17)
Profit before taxation*	**1 046**	**759**	**943**	**409**
Taxation	(225)	(133)	(263)	(112)
Profit after taxation	**821**	**626**	**680**	**297**
Attributable to owners of WeBuyCars	821	626	536	149
Attributable to non-controlling interests	–	–	144	148

** The 12 months to 30 September 2023 and the 6 months to 30 September 2022 include a fair value gain on a call option derivative of R158 million and R269 million, respectively. These accounting entries relate to the call options in place which give the Company the right to purchase the 25.1% shareholding in the Company from I VDW Holdings. These gains are non-operating in nature and do not relate to vehicle trading activities.*

Summarised consolidated statements of financial position

(R in millions)	12 months to 30 September 2023	6 months to 30 September 2022	12 months to 31 March 2022	7 months to 31 March 2021
Property, plant and equipment	1 131	1 139	1 001	620
Derivative asset	426	269	–	–
Net working capital	1 978	1 842	1 254	617
Other net (liabilities)/assets	(30)	(55)	292	265
Deferred tax asset	40	29	23	12
Net debt	(1 224)	(1 386)	(1 163)	(643)
Shareholders' equity	(2 321)	(1 838)	(1 407)	(871)

Summarised consolidated statements of cash flows

(R in millions)	12 months to 30 September 2023	6 months to 30 September 2022	12 months to 31 March 2022	7 months to 31 March 2021
Cash flows from operating activities	582	(149)	156	123
Cash flows from investing activities	(36)	154	(466)	(559)
Cash flows from financing activities*	(494)	(4)	379	(96)
*Dividend payments included above	(340)	(200)	(1 310)	(1 657)

The Historical Financial Information is presented in **Annexure 14** to this Pre-listing Statement and the Independent Auditor reports on the Historical Financial Information are presented in **Annexure 15** to this Pre-listing Statement.

10. *PRO FORMA* FINANCIAL INFORMATION

10.1 Based on the Group's consolidated audited results for the 12 months ended 30 September 2023 (extracted from the audited Historical Financial Information of WeBuyCars), the *pro forma* financial effects of the Listing on the earnings per share ("**EPS**"), headline earnings per share ("**HEPS**"), diluted EPS, diluted HEPS, net asset value ("**NAV**") and tangible net asset value ("**TNAV**") of WeBuyCars are set out below.

10.2 These financial effects are prepared for illustrative purposes only in order to assist Shareholders to assess the impact of the Unbundling, the WeBuyCars Share Issue, the Pre-listing Capital Raise, and the Listing and, because of their nature, may not give a fair presentation of WeBuyCars' financial position after the Listing nor the effect of the Unbundling and the various capital raising initiatives set out in paragraph 3.4, on WeBuyCars' results of operations.

10.3 The *pro forma* financial effects have been prepared in accordance with the recognition and measurement principles of IFRS® Accounting Standards, the accounting policies adopted by WeBuyCars as at 30 September 2023 and the Revised SAICA Guide on *Pro Forma* Financial Information and the JSE Listings Requirements.

10.4 The *pro forma* financial effects, including the assumptions on which it is based and the financial information from which it has been prepared, are the responsibility of the Directors. The material assumptions used in the preparation of the *pro forma* financial effects are set out in **Annexure 16** to this Pre-listing Statement.

10.5 The *pro forma* financial information should be read in conjunction with the Independent Reporting Accountant's report on the *Pro Forma* Financial Information, as contained in **Annexure 17** to this Pre-listing Statement.

10.6 The table below shows the *pro forma* financial effects of the Unbundling, the WeBuyCars Share Issue, the Pre-listing Capital Raise, and the Listing, based on the audited financial results for the 12 (twelve) months ended 30 September 2023 and on the assumptions that:

- for the purposes of calculating the NAV and TNAV per Share, the events which affect the *pro forma* financial statements, including the Unbundling, the WeBuyCars Share Issue, the Pre-listing Capital Raise, and the Listing were effective on 30 September 2023; and
- for the purposes of calculating the EPS, HEPS, diluted EPS and diluted HEPS, the Unbundling, the WeBuyCars Share Issue, the Pre-listing Capital Raise, and the Listing were effective on 1 October 2022.

***PRO FORMA* FINANCIAL EFFECTS FOR THE YEAR ENDED 30 SEPTEMBER 2023**

	Group results for the financial year ended 30 September 2023[(1)]	***Pro forma* Group results after Subdivision of Shares[(2)]**	***Pro forma* Group results before derecognition of the call option derivative[(3)]**	***Pro forma* Group results after the Listing and Unbundling[(4)]**
Net asset value per share (NAV) (cents)	**111 982**	**242**	**550**	**447**
Tangible net asset value per share (TNAV) (cents)	**109 929**	**229**	**540**	**437**
Basic and diluted basic earnings per share (cents)	**39 634**	**245**	**188**	**85**
Headline and diluted headline earnings per share (cents)	**39 519**	**245**	**187**	**84**
Number of Shares in issue ('000)	**2 072**	**334 713**	**413 683**	**413 683**
Weighted average number of Shares in issue for basic and diluted earnings ('000)	**2 072**	**334 713**	**413 683**	**413 683**

Notes and assumptions

1. Extracted, without adjustment, from the Historical Financial Information of the Group for the year ended 30 September 2023, as set out in **Annexure 14** to this Pre-listing Statement.
2. Represents the *pro forma* Group results after the First Transaction Dividend, the Second Transaction Dividend and the Subdivision of Shares.
3. Represents the *pro forma* Group results after the Unbundling, the WeBuyCars Share Issue, and the Pre-listing Capital Raise and before the derecognition of the call option derivative.
4. Represents the *pro forma* Group results after the Unbundling, the WeBuyCars Share Issue, the Pre-listing Capital Raise, the derecognition of the call option derivative and the Listing.

10.7 Detailed notes and assumptions regarding the *pro forma* financial information are set out in **Annexure 16**.

11. **MATERIAL MATTERS**

11.1 **Material changes**

11.1.1 Transaction Capital released a voluntary trading update in respect of WeBuyCars for the four months to 31 January 2024 on SENS and the TC website, which is accessible at https://www.transactioncapital.co.za/, dated 13 February 2024.

11.1.2 Save for the trading update described in paragraph 11.1.1, there has been no material change in the financial or trading position of the Group that has occurred between the end of the last financial year ended 30 September 2023 and the Last Practicable Date.

11.2 **Material commitments, lease payments and contingent liabilities**

As at the Last Practicable Date, the Company had no material commitments, lease payments or contingent liabilities, save for the external rental payments as detailed in **Annexure 10** and the distributions detailed in paragraph 3.4.2.

11.3 **Material borrowings and loans receivable**

11.3.1 As at the Last Practicable Date, no debentures have been issued by the Company or any of its Subsidiaries.

11.3.2 The details of the material borrowings of the Company and of its Subsidiaries, as at the Last Practicable Date, are set in **Annexure 8**.

11.3.3 No debentures have been created in terms of a trust deed and no replacement debentures have been issued by the Company.

11.3.4 As at the Last Practicable Date:

11.3.4.1 save for the loans disclosed in **Annexure 9**, no material loans have been made by the Group; and

11.3.4.2 the Group has not made any loans to, or furnished any security for the benefit of, any Director or manager of the Company (or of any associate of any such Director or manager).

11.4 **Principal immovable property owned and leased**

11.4.1 The situation, area and tenure, including, in the case of leasehold property, the rental and unexpired term of the leases, of the principal immovable properties occupied by the Group, are detailed in **Annexure 10**.

11.5 **Inter-company financial and other transactions**

11.5.1 All material inter-company balances between all Group companies, before elimination on consolidation, are disclosed in **Annexure 9**.

11.5.2 Save for the inter-company balances referred to above, there are no material inter-company financial and other transactions.

11.6 **Material Acquisitions**

11.6.1 The Group has not undertaken any material acquisitions (excluding material property acquisitions) within the last 3 (three) years and has not concluded any agreements in relation to any proposed material acquisitions.

11.6.2 The Group does not have any planned material proposed acquisitions for the foreseeable future, excluding property acquisitions as and when opportunities are identified.

11.6.3 No promoter or Director had any beneficial interest, direct or indirect, in any material acquisitions, or was a member of a partnership, syndicate or other association of persons that had such an interest.

11.7 **Material property disposed of or to be disposed of**

11.7.1 The Group has not disposed of any material property during the last 3 (three) years and, nor are there any proposed material property disposals.

11.8 **Working capital**

11.8.1 The Directors are of the opinion that the working capital available to the Group is adequate for the present requirements of the Group, that is, for a period of 12 (twelve) months from the date of issue of this Pre-listing Statement.

11.9 **Promoters' and other interests**

11.9.1 No amounts have been paid or have accrued as payable and no benefit was given or proposed to be given within the last 3 (three) years to any promoter or to any partnership, syndicate or other association of which a promoter is or was a member.

11.9.2 Save as set out in paragraph 6.11 above, no Director or promoter has any material beneficial interest, direct or indirect, in the promotion of the Company or in any material property referred to in paragraph 11.4 of this Pre-listing Statement.

11.9.3 No commissions were paid, or accrued as payable, by the Company within the three years preceding the date of this Pre-listing Statement in respect of any underwriting.

11.9.4 No commissions, discounts, brokerages or other special terms have been granted by the Company within the three years preceding the date of this Pre-listing Statement in connection with the issue or sale of any securities, stock or debentures in the capital of the Company, save as set out herein.

11.10 **Royalties**

11.10.1 No royalties are payable or items of a similar nature in respect of the Company or any of its Subsidiaries.

11.11 **Dividends**

11.11.1 The Company aims to declare and pay between 25% and 33% of its headline earnings as a dividend as per its dividend policy, subject to working capital requirements and capital expenditure required for expansion and maintenance. The Company envisages paying interim and final dividends during June and December, respectively.

11.11.2 In terms of the MOI, all distributions and monies due to Shareholders and unclaimed must be held by the Company in trust for a period of three years (or such longer period as the law may prescribe for the prescription of a claim) from the date on which they were declared. All distributions and monies due to Shareholders which remain unclaimed after the aforementioned period, may be declared forfeited by the Directors for the benefit of the Company and may be invested or otherwise made use of by the Directors for the benefit of the Company. The Directors may at any time annul such forfeiture upon such conditions (if any) as they think fit.

11.11.3 No arrangements exist under which future dividends are waived or are agreed to be waived.

SECTION FOUR – ADDITIONAL MATERIAL INFORMATION

12. KING CODE AND CORPORATE GOVERNANCE

12.1 Approach to corporate governance

12.1.1 The Board endorses the King Code and is committed to the principles of transparency, integrity, fairness and accountability by the Company in the conduct of its business and affairs.

12.1.2 The Board is responsible for ensuring that the Company complies with all of its statutory and regulatory obligations. It oversees and ensures an effective compliance framework, the integrity of the Group's financial reporting and risk management, as well as accurate, timely and transparent disclosure to Shareholders.

12.1.3 Sound corporate governance is an integral part of the Group's success in achieving its strategic objective to create sustainable value. The Board plays a pivotal role in strategy planning and establishes clear benchmarks to measure the Group's strategic objectives. The Board is accountable and responsible for the performance and affairs of the Company. The Board is committed to implementing sound corporate governance principles.

12.1.4 The Company implements the King Code through the application of the King Code disclosure and application regime. A full analysis of the steps taken and/or to be taken by the Company to comply with the principles of King Code is included in **Annexure 12**, as applicable.

13. EXCHANGE CONTROL

13.1 The summary of the exchange control provisions pertaining to the issue of Shares by and/or the holding of Shares in the Company is based on the current laws of South Africa that are applicable as at the date hereof. These may be subject to potential changes that could be made, which could be retrospective. The summary does not constitute any advice and is intended as a general guideline only. It is not intended to be a comprehensive statement of the applicable exchange control provisions that may be applicable to the issue of Shares by and/or the holding of Shares in the Company. Shareholders that are uncertain how to deal with any exchange control related matters should contact their own professional advisors without delay.

13.2 The Exchange Control Regulations provide for restrictions on the exportation of capital from the Common Monetary Area. Transactions between residents of the countries comprising the Common Monetary Area and foreigners are subject to Exchange Control Regulations provisions, which are administered by the SARB or the central banks of the relevant countries comprising the Common Monetary Area.

13.3 Various reforms have been made to the Exchange Control Regulations with a view to relax the rules pertaining to foreign investments. A considerable degree of flexibility is built into the system and the SARB has substantial discretionary powers in approving or rejecting a specific application that has been submitted through an Authorised Dealer in foreign exchange appointed by the SARB. The relaxations of the provisions of the Exchange Control Regulations are contained in the Currency and Exchanges Manual for Authorised Dealers. As provided for in the Exchange Control Regulations, the SARB has also delegated to Authorised Dealers the power to approve certain transactions, without the SARB's prior approval.

13.4 It was announced in the 2020 South African Budget that the Exchange Control Regulations will be replaced by a new capital flow management framework and regulations. Previously a distinction was made between residents, non-residents and emigrants. These concepts were described as follows:

13.4.1 a resident means any person, being a natural person or a legal entity, who has taken up permanent residence, is domiciled or registered in South Africa;

13.4.2 a non-resident means any person, being a natural person or a legal entity, whose place of residence, domicile or registration is outside South Africa; and

13.4.3 an emigrant means a South African resident who has left South Africa to take up permanent residence or has been granted permanent residence in a country outside the Common Monetary Area.

13.5 It should be appreciated that a South African resident will only be regarded as an emigrant if he/she has formally recorded the emigration with the SARB in respect of the provisions that applied up to 28 February 2021. Shareholders that are not clear under which category they fall, should approach their relevant Authorised Dealer to request confirmation and the tax treatments pertaining to their holding of Shares.

13.6 The concept of "emigration" as recognised by the SARB is being phased out with effect from 1 March 2021. Exchange Control Circular 6/2021 dated 26 February 2021 and 8/2021 dated 21 May 2021 set out the changes in relation to emigrants with effect from 1 March 2021. Instead of the formal concept of "emigration" being recognised, it has now been substituted with a verification process by the SARB. From 1 March 2021, natural person residents and natural person emigrants are treated identically in many respects. The process of blocking an emigrant's remaining assets fell away and is treated as normal fund transfers in line with any other foreign capital allowance transfer. Authorised Dealers can now allow the transfer of cash of an emigrant abroad provided the natural person has ceased to be a resident of South Africa, has obtained a tax compliance status confirmation from SARS and is tax compliant upon verification of such confirmation. To ensure a smooth transition from the previous framework to the new framework, natural persons that applied to emigrate under the previous framework by obtaining an MP336(b) form that was attested to by an Authorised Dealer on or before 28 February 2021, will be dealt with under the previous framework should their emigration applications have been approved on or before 28 February 2021. Shareholders should consult their relevant Authorised Dealer should they be unsure of their status or the way in which they need to deal with their shareholding in the Company.

13.7 Given the fact that the Shares are to be listed on the JSE, the Company is subject to the Exchange Control Regulations. There are no restrictions on the part of residents to acquire Shares detailed in this Pre-listing Statement.

13.8 The distinction between South African assets and non-resident assets remains extant.

13.9 **Applicants resident outside the Common Monetary Area**

13.9.1 In terms of the Exchange Control Regulations, non-residents of the Common Monetary Area to whom this Pre-listing Statement is addressed, may acquire Shares, provided that payment is received in foreign currency or in Rand from a non-resident account. All acquisitions by non-residents in respect of the above must be made through an Authorised Dealer in foreign exchange. Shares subsequently re-materialised and in certificated form, will be endorsed "Non-Resident".

13.9.2 With reference to non-residents, Shares are credited directly to the shares account of the relevant CSDP or Broker controlling their portfolios and an appropriate electronic entry will be made in the relevant register reflecting a "non-resident" endorsement.

13.9.3 A similar process applies to Dematerialised Shares held by emigrants as these Shares will be credited to the emigrant's share account with the relevant CSDP or Broker controlling their remaining portfolios and a similar electronic entry will be made in the relevant register reflecting a "non-resident" endorsement (which may be held to the order of the Authorised Dealer concerned under whose auspices the person's remaining assets are held, should it be relevant in the case of emigrants). In the case of emigrants whose assets are controlled by an Authorised Dealer, notifications by emigrants must be made through such Authorised Dealer in order to subscribe for Shares.

13.9.4 To the extent that one is dealing with a former resident of the Common Monetary Area who has emigrated from South Africa such person may use funds in the emigrant's capital account to acquire Shares detailed in this Pre-listing Statement. In such instance:

13.9.4.1 all payments in respect of the acquisition of Shares by a private individual who ceased to be a resident for tax purposes in South Africa, using funds from such emigrant's account, must be made through the Authorised Dealer in foreign exchange controlling the remaining assets;

13.9.4.2 any Shares acquired pursuant to the use of funds from a private individual's capital account who ceased to be resident for tax purposes in South Africa, will be credited to their blocked share accounts at the CSDP controlling their remaining portfolios;

13.9.4.3 Shares subsequently re-materialised and issued as Certificated Shares, will be endorsed "Non-Resident" and will be sent to the Authorised Dealer through whom the payment was made; and

13.9.4.4 if applicable, refund monies payable in respect of unsuccessful applications or partly successful applications, as the case may be, for Shares in the Company (if applicable) emanating from emigrant capital accounts, will be returned to the Authorised Dealer through whom the payments were made, for credit to such emigrant's capital account.

13.9.5 Shareholders resident outside the Common Monetary Area should note that, where Shares are subsequently re-materialised and issued as Certificated Shares, such share certificates will be endorsed "Non-Resident" in terms of the Exchange Control Regulations.

13.10 **General**

13.10.1 A person who is not resident in the Common Monetary Area should obtain advice as to whether any government and/or legal consent is required and/or whether any other formality must be observed to enable receipt of the Pre-listing Statement.

13.10.2 This Pre-listing Statement is accordingly not an offer in any area or jurisdiction. In such circumstances, this Pre-listing Statement is provided for information purposes only.

14. GOVERNMENT PROTECTION AND INVESTMENT ENCOURAGEMENT LAW

There is no Governmental protection or investment encouragement law affecting the Company or its Subsidiaries.

15. LITIGATION

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

16. MATERIAL CONTRACTS

No material contracts (including restrictive funding arrangements) have been entered into by any Group companies, other than in the ordinary course of business, (i) within the 2 (two) years prior to the date of this Pre-listing Statement or, (ii) at any other time where such agreement contains an obligation or settlement that is material to the Company as at the date of this Pre-listing Statement.

17. EXPERTS' CONSENTS

Each of the advisors, whose names appear in the "*Corporate Information*" section of this Pre-listing Statement, have given and have not, prior to the date of this Pre-listing Statement, withdrawn their written consents to the inclusion of their names, and acting in the capacities stated in this Pre-listing Statement.

18. ESTIMATED LISTING EXPENSES

The Company's preliminary and issue expenses relating to the Listing, which have been incurred or which are expected to be incurred, including the fees payable to professional advisors, are anticipated to amount to approximately R37.5 million, excluding VAT, and include the following:

Nature of Expense	Payable to	R'000
Lead Transaction Advisor and Sponsor	PSG Capital	5 000
Joint Transaction Advisor and Sponsor	Pallidus	5 000
Capital raising fees (or corporate advice)	PSG Capital	10 421
Capital raising fees (or corporate advice)	Pallidus	10 421
Documentation inspection fees	JSE	150
Legal Advisors	CDH	850
Legal Advisors	ENS	2 250
Auditor & Reporting Accountant fees	PwC	596
Independent Auditor fees	Deloitte	366
Listing fees	JSE	1 000
Strate fees	Strate	10
Printing, publication and distribution	Ince	150
Research fees	Octopoda	250
Transfer secretaries	Computershare	42
Contingency		1 000
Estimated total		37 506

19. DISCLOSURE OF INTERESTS

As indicated in this Pre-listing Statement, PSG Capital fulfils the function of Lead Transaction Advisor and Sponsor, while Pallidus fulfils the function of Joint Transaction Advisor and Sponsor to the Company. It is PSG Capital and Pallidus' respective opinions that the performance of their respective functions as Transaction Advisors does not represent a conflict of interest for either PSG Capital or Pallidus, impair its independence from the Company or impair its objectivity in its professional dealings with the Company or in relation to the Listing. In addition, the appointment of the Chairman does not represent a conflict of interest for PSG Capital given that he: (i) serves as a Non-executive Chairman of PSG Capital; (ii) is not involved in the day-to-day sponsorship services rendered by PSG Capital; and (iii) will not derive any benefit from the day-to-day sponsorship fees earned by PSG Capital. The appointment of the Chairman was finalised by the Board shortly before the publication of this Pre-listing Statement.

20. RESPONSIBILITY STATEMENT

The Directors, whose names are set out in the "*Corporate Information*" section of this Pre-listing Statement, collectively and individually accept full responsibility for the accuracy of the information given and, certify that, to the best of their knowledge and belief, there are no facts that have been omitted which would make any statement false or misleading, and that all reasonable enquiries to ascertain such facts have been made and that this Pre-listing Statement contains all information required by applicable law and the JSE Listings Requirements.

21. DOCUMENTS AVAILABLE FOR INSPECTION

The following documents, or copies thereof, will be available for inspection at the registered office of the Company and at the offices of PSG Capital and Pallidus at the addresses referred to in the "*Corporate Information*" section of this Pre-listing Statement, during normal office hours from the date of issue of this Pre-listing Statement until the Listing Date and on request from the Company by email to chrisr@webuycars.co.za:

21.1 the MOI of the Company;

21.2 the MOI of We Buy Cars Proprietary Limited;

21.3 the Share Incentive Scheme Rules;

21.4 the material agreements, a list of which is included in **Annexure 13**;

21.5 the Historical Financial Information of the Group for the periods ended 31 March 2021 (seven months), 31 March 2022 (twelve months), 30 September 2022 (six months) and the financial year to 30 September 2023 (twelve months);

21.6 the employment agreements of the executive Directors;

21.7 the Subscription Agreement;

21.8 a copy of the JSE approval letter, approving the Listing on the conditions set out therein;

21.9 written consent letters by experts and advisors, as referred to in paragraph 17 above;

21.10 a copy of this Pre-listing Statement and all other annexures hereto;

21.11 the Unbundling Circular;

21.12 Independent Auditor reports on the Historical Financial Information; and

21.13 an analysis of compliance by the Company with the principles of King IV.

SIGNED AT CENTURION ON 12 MARCH 2024 BY JA HOLTZHAUSEN ON BEHALF OF ALL THE DIRECTORS OF THE COMPANY IN TERMS OF A RESOLUTION OF THE DIRECTORS

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JA HOLTZHAUSEN

CHAIRMAN

RELEVANT PROVISIONS OF THE MOI

This **Annexure 1** contains extracts of various salient provisions from the MOI, as required under the JSE Listings Requirements. In each case, the numbering and wording below matches that of the applicable provisions in the MOI.

For a full appreciation of the provisions of the MOI, Shareholders are referred to the full text of the MOI, which is available for inspection, as provided for in paragraph 21 of the Pre-listing Statement.

EXTRACTS FROM THE MOI OF THE COMPANY

1. INTERPRETATION

1.1 In this MOI, unless the context indicates a contrary intention, the following words and expressions bear the meanings assigned to them and cognate expressions bear corresponding meanings:

1.1.1 "**Act**" means the Companies Act, No. 71 of 2008, as amended, consolidated or re-enacted from time to time, and includes all Schedules to such Act and the Regulations;

1.1.2 "**Board**" means the board of Directors from time to time of the Company;

1.1.3 "**Business Day**" means any day other than a Saturday, Sunday or a public holiday proclaimed as such in South Africa, from time to time;

1.1.4 "**Certificated Securities**" means Securities issued by the Company that are not Uncertificated Securities;

1.1.5 "**Central Securities Depositary**" has the meaning set out in section 1 of the Financial Markets Act;

1.1.6 "**Commission**" means the Companies and Intellectual Property Commission established by section 185;

1.1.7 "**Company**" means the Company named on the first page of this document, duly incorporated under the Registration number endorsed thereon;

1.1.8 "**Director**" means a member of the Board as contemplated in section 66, and includes any person occupying the position of a director, by whatever name designated;

1.1.9 "**Distribution**" shall have the meaning given to such term in the Act;

1.1.10 "**Electronic Communication**" has the meaning set out in section 1 of the Electronic Communications and Transactions Act, No. 25 of 2002;

1.1.11 "**Financial Markets Act**" means the Financial Markets Act, No. 19 of 2012, including any amendment, consolidation or re-enactment thereof;

1.1.12 "**IFRS**" means the International Financial Reporting Standards, as adopted from time to time by the Board of the International Accounting Standards Committee, or its successor body, and approved for use in South Africa from time to time by the Financial Reporting Standards Council established in terms of section 203;

1.1.13 "**JSE**" means the exchange, licensed under the Financial Markets Act, operated by JSE Limited (Registration number 2005/022939/06), a public company duly incorporated in South Africa;

1.1.14 "**JSE Listings Requirements**" means the Listings Requirements of the JSE applicable from time to time;

1.1.15 "**MOI**" means this Memorandum of Incorporation of the Company, adopted in terms of the Act;

1.1.16 "**Ordinary Share**" means an ordinary share of no par value in the share capital of the Company, having the rights and privileges set out in clause 6.1;

1.1.17 "**Ordinary Shareholder**" means the holder of an Ordinary Share who is entered as such in the Securities Register, subject to the provisions of section 57;

1.1.18 "**Participant**" has the meaning set out in section 1 of the Financial Markets Act;

1.1.19 "**Regulations**" means the regulations published in terms of the Act from time to time;

1.1.20 "**Republic**" or "South Africa" means the Republic of South Africa;

1.1.21 "**Securities**" means:

1.1.21.1 any shares, notes, bonds, debentures or other instruments, irrespective of their form or title, issued, or authorised to be issued, by the Company; or

1.1.21.2 anything falling within the meaning of "securities" as set out in section 1 of the Financial Markets Act;

1.1.22 "**Securities Register**" means the register of issued Securities of the Company required to be established in terms of section 50(1) and referred to in clause 8 hereof;

1.1.23 "**SENS**" means the Stock Exchange News Service established and operated by the JSE;

1.1.24 "**Share**" means one of the units into which the proprietary interest in the Company is divided, and includes an Ordinary Share;

1.1.25 "**Shareholder**" means the holder of a Share who is entered as such in the Securities Register, subject to the provisions of section 57(1);

1.1.26 "**Solvency and Liquidity Test**" has the meaning attributed thereto in section 4;

1.1.27 "**Sub-register**" means the record of Uncertificated Securities administered and maintained by a Participant, which forms part of the Securities Register in terms of the Act;

1.1.28 "**Uncertificated Securities**" has the meaning set out in section 1 of the Financial Markets Act; and

1.1.29 "**Uncertificated Securities Register**" means the record of uncertificated securities administered and maintained by a Participant or Central Securities Depositary, as determined in accordance with the rules of the Central Securities Depositary and, in respect of securities issued in terms of the Act, has the meaning assigned to it in section 1.

6. ISSUE OF SHARES AND VARIATION OF RIGHTS

6.1 The Company is authorised to issue:

6.1.1 10 000 000 000 (ten billion) Ordinary Shares, of the same class, each of which ranks *pari passu* in respect of all rights and entitles the holder to:

6.1.1.1 vote on any matter to be decided by the Shareholders of the Company and to 1 (one) vote in the case of a vote by means of a poll at every general/annual general meeting, whether in person or by proxy;

6.1.1.2 participate proportionally in any distribution made by the Company; and

6.1.1.3 receive proportionally the net assets of the Company upon its liquidation;

6.1.2 such number of each of such further classes of Shares, if any, as are set out in Schedule 1 hereto subject to the preferences, rights, limitations and other terms associated with each such class set out therein.

6.2 For purposes of clause 6.1, *pari passu* shall have the meaning attributed thereto in terms of the JSE Listings Requirements.

6.3 The Board shall not have the power to:

6.3.1 increase or decrease the number of authorised Shares of any class of the Company's Shares;

6.3.2 create any new class or classes of authorised but unissued Shares;

6.3.3 consolidate and reduce the number of the Company's issued and authorised Shares of any class;

6.3.4 subdivide its Shares of any class by increasing the number of its issued and authorised Shares of that class without an increase of its issued share capital;

6.3.5 convert any class of Shares into one or more other classes of Shares;

6.3.6 classify any unclassified Shares that have been authorised but not issued;

6.3.7 determine the preferences, rights, limitations or other terms of any Shares; or

6.3.8 change the name of the Company,

and such powers shall only be capable of being exercised by the Shareholders by way of a special resolution of the Shareholders.

6.4 All Securities of a class shall rank *pari passu* in all respects.

6.5 The Company has the power, subject to the authority of a special resolution as contemplated in clause 6.3 to subdivide its Shares of any class. Such subdivision may be effected through a mere splitting of, and consequential increase in, the authorised and issued Shares of the relevant class, and without an issue of new Shares and an increase of its issued share capital.

6.6 Each Share issued by the Company has associated with it an irrevocable right of the Shareholder to vote on any proposal to amend the preferences, rights, limitations and other terms associated with that Share as contemplated in this Memorandum of Incorporation. The variation of any preferences, rights, limitations and other terms associated with any class of Shares as set out in this Memorandum of Incorporation may be enacted only by an amendment of this Memorandum of Incorporation approved by special resolution adopted by the Ordinary Shareholders. If any amendment of the Memorandum of Incorporation relates to the variation of any preferences, rights, limitations or any other terms attaching to any other class of Shares already in issue, such amendments shall not be implemented without a special resolution adopted by the holders of Shares of that class at a separate meeting. In such instances, the holders of such Shares will be allowed to vote at the meeting of Ordinary Shareholders subject to clause 22.2. No resolution of Shareholders in respect of such amendment shall be proposed or passed, unless a special resolution of the holders of the Shares of that class approve the amendment.

6.7 The authorisation and classification of Shares, the creation of any class of Shares, the conversion of one class of Shares into one or more other classes, the consolidation of Securities, the sub-division of Securities, the change of the name of the Company, the increase of the number of authorised Securities, and, subject to clause 6.6, the variation of any preferences, rights, limitations and other terms associated with each class of Shares as set out in this Memorandum of Incorporation may be changed only by an amendment of this Memorandum of Incorporation by special resolution of the Shareholders and in accordance with the JSE Listings Requirements, to the extent required, save if such an amendment is ordered by a court in terms of sections 16(1)(a) and 16(4) of the Act.

6.8 No Shares may be authorised in respect of which the preferences, rights, limitations or any other terms of any class of Shares may be varied and no resolution may be proposed to Shareholders for rights to include such variation in response to any objectively ascertainable external fact or facts as provided for in sections 37(6) and 37(7) of the Act.

6.9 The Company may only issue Shares which are fully paid up and freely transferable and only within the classes and to the extent that those Shares have been authorised by or in terms of this Memorandum of Incorporation.

6.10 The Board may, subject to clauses 6.11 and 6.16, issue Shares at any time, but only within the classes and to the extent that those Shares have been authorised by or in terms of this Memorandum of Incorporation.

6.11 Subject to clause 6.17, the Board may not issue unissued Ordinary Shares unless such Ordinary Shares have first been offered to existing Ordinary Shareholders in proportion to their shareholding (on such terms and in accordance with such procedures as the Board may determine), unless the relevant issue of Ordinary Shares –

6.11.1 is for the acquisition of assets, whether by means of an acquisition issue or a vendor consideration placing; or

6.11.2 is an issue pursuant to options or conversion rights; or

6.11.3 is an issue in terms of an approved share incentive scheme; or

6.11.4 is an issue of shares for cash (as contemplated in the JSE Listings Requirements), which has been approved by the Shareholders by resolution, either by way of a general authority (which may be either conditional or unconditional) to issue Shares in its discretion or a specific authority in respect of any particular issue of Shares, in accordance with the JSE Listings Requirements and subject to the applicable corporate action being approved by a Recognised Exchange, to the extent that such approval is required under the JSE Listings Requirements, provided that, if such Shareholder approval is in the form of a general authority to the Directors, it shall be valid only until the next annual general meeting of the Company or for 15 (fifteen) months from the date of the passing of the ordinary resolution, whichever is the earlier, and it may be varied or revoked by any general meeting of the Shareholders prior to such annual general meeting; or

6.11.5 otherwise falls within a category in respect of which it is not, in terms of the JSE Listings Requirements, a requirement for the relevant Shares to be so offered to existing Ordinary Shareholders; or

6.11.6 is otherwise undertaken in accordance with an authority approved by Ordinary Shareholders in general meeting, subject to the applicable corporate action being approved by a Recognised Exchange, to the extent that such Recognised Exchange approval is required under the JSE Listings Requirements,

provided that fractions of Shares will not be issued and that any fractions of Shares will be rounded or otherwise dealt with in accordance with the JSE Listings Requirements. After the expiration of the time within which an offer may be accepted, or on the receipt of an intimation from the person to whom the offer is made that he declines to accept the Shares offered, the Directors may, subject to the foregoing provisions, issue such Shares in such manner as they consider most beneficial to the Company. For the avoidance of doubt, as Shareholders are entitled to participate in proportion to their Shareholding in any rights offer, scrip dividend or dividend reinvestment undertaken by the Company, neither such rights offer, scrip dividend or dividend reinvestment, nor the issuing of any Shares pursuant thereto will require Shareholder approval under this clause 6.11.

6.12 The Directors may exclude any Shareholders or category of Shareholders from an offer contemplated in clause 6.11 if and to the extent that they consider it necessary or expedient to do so because of legal impediments or compliance with the laws or the requirements of any regulatory body of any territory, outside of South Africa, that may be applicable to the offer.

6.13 All issues of Shares for cash and all issues of options and convertible securities granted or issued for cash must, in addition to the foregoing provisions, be undertaken in accordance with the JSE Listings Requirements. For the avoidance of doubt, Shareholders in a general meeting may authorise the Board to grant options to subscribe for unissued Shares, as the Board in its discretion deems fit, provided that such corporate action has, to the extent required under the JSE Listings Requirements, been approved by the JSE.

6.14 All Securities of the Company for which a listing is sought on the Recognised Exchange and all Securities of the same class as Securities of the Company which are listed on the Recognised Exchange must be freely transferable and must, notwithstanding the provisions of section 40(5) of the Act, but unless otherwise required by the Act, only be issued after the Company has received the consideration approved by the Company for the issuance of such Securities.

6.15 When the Company has received the consideration approved by the Board for the issuance of any Shares –

6.15.1 those Shares are fully paid up; and

6.15.2 the Company must issue those Shares and cause the name of the holder to be entered onto the Company's Securities Register in accordance with sections 49 to 56 of the Act.

6.16 Notwithstanding anything to the contrary contained in this Memorandum of Incorporation, any issue of Shares, Securities convertible into Shares, or rights exercisable for Shares in a transaction, or a series of integrated transactions shall, if and to the extent that this may be required in terms of section 41(3) of the Act, require the approval of the Shareholders by special resolution if the voting power of the class of Shares that are issued or are issuable as a result of the transaction or series of integrated transactions will be equal to or exceed 30% (thirty percent) of the voting power of all the Shares of that class held by Shareholders immediately before that transaction or series of integrated transactions.

6.17 Except to the extent that any such right is specifically included as one of the rights, preferences or other terms upon which any class of Shares is issued or as may otherwise be provided in this Memorandum of Incorporation (as is set out in clause 6.11), no Shareholder shall have any pre-emptive or other similar preferential right to be offered or to subscribe for any additional Shares issued by the Company.

13. DEBT INSTRUMENTS

The Board may authorise the Company to issue secured or unsecured debt instruments as set out in section 43(2), but no special privileges associated with any such debt instruments as contemplated in section 43(3) (including attending and voting at general meetings and the appointment of directors) may be granted, and the authority of the Board in such regard is accordingly limited by this MOI.

14. CAPITALISATION SHARES

14.1 The Board shall have the power and authority to –

14.1.1 approve the issuing of any authorised Shares as capitalisation Shares;

14.1.2 issue Shares of one class as capitalisation Shares in respect of Shares of another class; and

14.1.3 resolve to permit Shareholders to elect to receive a cash payment in lieu of a capitalisation Share,

provided that such issue is effected in accordance with the requirements of section 47 and has been approved by the Recognised Exchange to the extent required under the JSE Listings Requirements and that the JSE Listings Requirements have otherwise been complied with.

14.2 The Board may not resolve to offer a cash payment in lieu of awarding a capitalisation Share, as contemplated in clause 14.1.3, unless the Board –

14.2.1 has considered the Solvency and Liquidity Test as required by section 46, on the assumption that every such Shareholder would elect to receive cash; and

14.2.2 is satisfied that the Company would satisfy the Solvency and Liquidity Test immediately upon the completion of the distribution.

16. FINANCIAL ASSISTANCE

16.1 The Board may authorise the Company to provide financial assistance by way of loan, guarantee, the provision of security or otherwise to any person for the purpose of, or in connection with, the subscription of any option, or any Securities, issued or to be issued by the Company or a related or inter-related Company, or for the purchase of any such Securities, as set out in (and in accordance with) section 44, and the authority of the Board in this regard is not limited or restricted by this MOI.

16.2 The Board may, as contemplated in and subject to the requirements of section 45, authorise the Company to provide financial assistance to a Director, prescribed officer or other person referred to in section 45(2), and the power of the Board in this regard is not limited or restricted by this MOI.

26. COMPOSITION AND POWERS OF THE BOARD OF DIRECTORS

26.1 Number of Directors

26.1.1 In addition to the minimum number of Directors, if any, that the Company must have to satisfy any requirement in terms of the Act to appoint an audit committee and a social and ethics committee, the Board must comprise at least 4 (four) Directors and the Shareholders shall be entitled, by ordinary resolution, to determine such maximum number of Directors as they from time to time shall consider appropriate.

26.1.2 Following the Company's listing on the JSE, all Directors shall be elected by an ordinary resolution of the Shareholders at a general or annual general meeting of the Company and no appointment of a Director in accordance with a resolution passed in terms of section 60 shall be competent.

26.2 Election of Directors

26.2.1 In any election of Directors –

26.2.1.1 the election is to be conducted as a series of votes, each of which is on the candidacy of a single individual to fill a single vacancy, with the series of votes continuing until all vacancies on the Board have been filled; and

26.2.1.2 in each vote to fill a vacancy –

26.2.1.2.1 each vote entitled to be exercised may be exercised once; and

26.2.1.2.2 the vacancy is filled only if a majority of the votes exercised support the candidate.

26.2.1.3 The Company shall only have elected Directors and there shall be no appointed or *ex officio* Directors as contemplated in section 66(4).

26.3 Eligibility, Resignation and Rotation of Directors

26.3.1 Apart from satisfying the qualification and eligibility requirements set out in section 69, a person need not satisfy any eligibility requirements or qualifications to become or remain a Director or a prescribed officer of the Company.

26.3.2 No Director shall be appointed for life or for an indefinite period and the Directors shall rotate in accordance with the following provisions of this clause 26.3.2 –

26.3.2.1 at each annual general meeting referred to in clause 20.2.1, 1/3 (one-third) of the Non-executive Directors for the time being, or if their number is not 3 (three) or a multiple of 3 (three), the number nearest to 1/3 (one-third), but not less than 1/3 (one-third), shall retire from office, provided that if a Director is appointed as an executive Director or as an employee of the Company in any other capacity, he or she shall not, while he or she continues to hold that position or office, be subject to retirement by rotation and he or she shall not, in such case, be taken into account in determining the rotation or retirement of Directors;

26.3.2.2 the Directors to retire in every year shall be those who have been longest in office since their last election, but as between persons who were elected as Directors on the same day, those to retire shall, unless they otherwise agree among themselves, be determined by lot;

26.3.2.3 a retiring Director shall be eligible for re-election;

26.3.2.4 the Company, at the general meeting at which a Director retires in the above manner, or at any other general meeting, may fill the vacancy by electing a person thereto, provided that the Company shall not be entitled to fill the vacancy by means of a resolution passed in accordance with clause 25.

26.3.3 The Board shall, through its nomination committee if such committee has been constituted in terms of clause 32, provide the Shareholders with a recommendation in the notice of the meeting at which the re-election of a retiring Director is proposed, as to which retiring Directors are eligible for re-election, taking into account that Director's past performance and contribution. Sufficient time shall be allowed between the date of such notice and the date of the general meeting or annual general meeting at which the re-election of the Director is to be proposed to allow nominations to reach the Company's office from any part of the Republic.

26.4 **Powers of the Directors**

26.4.1 The Board has the power to –

26.4.1.1 fill any vacancy on the Board on a temporary basis, as set out in section 68(3), provided that such appointment must be confirmed by the Shareholders, in accordance with clause 26.1.2, at the next annual general meeting of the Company, as required in terms of section 70(3)(b)(i); and

26.4.1.2 exercise all of the powers and perform any of the functions of the Company, as set out in section 66(1),

and the powers of the Board in this regard are only limited and restricted as contemplated in this clause 26.4.

26.4.2 The Directors may at any time and from time to time by power of attorney appoint any person or persons to be the attorney or attorneys and agent(s) of the Company for such purposes and with such powers, authorities and discretions (not exceeding those vested in or exercisable by the Directors in terms of this Memorandum of Incorporation) and for such period and subject to such conditions as the Directors may from time to time think fit. Any such appointment may, if the Directors think fit, be made in favour of any Company, the shareholders, directors, nominees or managers of any Company or firm, or otherwise in favour of any fluctuating body of persons, whether nominated directly or indirectly by the Directors. Any such power of attorney may contain such provisions for the protection or convenience of persons dealing with such attorneys and agents as the Directors think fit. Any such attorneys or agents as aforesaid may be authorised by the Directors to sub-delegate all or any of the powers, authorities and discretions for the time being vested in them. Any reference to a power of attorney herein shall include any other form of delegation including the right to sub-delegate.

26.4.3 Save as otherwise expressly provided herein, all cheques, promissory notes, bills of exchange and other negotiable or transferable instruments, and all documents to be executed by the Company, shall be signed, drawn, accepted, endorsed or executed, as the case may be, in such manner as the Directors shall from time to time determine.

26.4.4 All acts performed by the Directors or by a committee of Directors or by any person acting as a Director or a member of a committee shall, notwithstanding that it shall afterwards be discovered that there was some defect in the appointment of the Directors or persons acting as aforesaid, or that any of them were disqualified from or had vacated office, be as valid as if every such person had been duly appointed and was qualified and had continued to be a Director or member of such committee.

26.4.5 If the number of Directors falls below the minimum number fixed in accordance with this Memorandum of Incorporation, the remaining Directors must as soon as possible and in any event not later than 3 (three) months from the date that the number falls below such minimum, fill the vacancy/ies in accordance with clause 26.4.1.1 or convene a general meeting for the purpose of filling the vacancies, and the failure by the Company to have the minimum number of Directors during the said 3 (three) month period does not limit or negate the authority of the board of Directors or invalidate anything done by the board of Directors while their number is below the minimum number fixed in accordance with this MOI.

26.4.6 The Directors in office may act notwithstanding any vacancy in their body, but if after the expiry of the 3 (three) month period contemplated in clause 26.4.5, their number remains below the minimum number fixed in accordance with this Memorandum of Incorporation, they may, for as long as their number is reduced below such minimum, act only for the purpose of filling vacancies in their body in terms of section 68(3) or of summoning general meetings of the Company, but not for any other purpose.

26.5 **Directors' Interests**

26.5.1 A Director may hold any other office or place of profit under the Company (except that of auditor) or any subsidiary of the Company in conjunction with the office of Director, for such period and on such terms as to remuneration (in addition to the remuneration to which he may be entitled as a Director) and otherwise as a disinterested quorum of the Directors may determine.

26.5.2 A Director of the Company may be or become a director or other officer of, or otherwise interested in, any Company promoted by the Company or in which the Company may be interested as shareholder or otherwise, provided that the appointment and remuneration in respect of such other office must be determined by a disinterested quorum of Directors.

26.5.3 Each Director and each alternate Director, prescribed officer and member of any committee of the Board (whether or not such latter persons are also members of the Board) shall, subject to the exemptions contained in section 75(2) and the qualifications contained in section 75(3), comply with all of the provisions of section 75 in the event that they (or any person who is a related person to them) have a personal financial interest in any matter to be considered by the Board.

26.5.4 Save where the Directors have obtained the prior approval of the JSE to so propose such a resolution, the proposal of any resolution to Shareholders in terms of sections 20(2) and 20(6) to permit or ratify an act of the Directors that is inconsistent with any limitation or restriction imposed by this Memorandum of Incorporation, or the authority of the Directors to perform such an act on behalf of the Company, is prohibited.

27. **CHAIRPERSON AND EXECUTIVE DIRECTORS**

27.1 The Directors may elect a chairperson and a deputy chairperson and determine the period for which each is to hold office.

27.2 The Directors may from time to time appoint –

27.2.1 managing and other executive Directors (with or without specific designation) of the Company;

27.2.2 any Director to any other executive office with the Company,

as the Directors may think fit, for a period as the Directors may think fit, and may from time to time remove or dismiss such persons from office and appoint another or others in his or their place or places.

27.3 Any Director appointed in terms of clause 27.2.1 –

27.3.1 shall (subject to the provisions of the contract under which he is appointed), whilst he continues to hold that position or office, not be subject to retirement by rotation; and

27.3.2 shall, subject to the provisions of any contract between himself and the Company, be subject to the same provisions as to disqualification and removal as the other Directors of the Company. If he ceases to hold office as a Director, his appointment to such position or executive office shall *ipso facto* terminate, without prejudice to any claims for damages which may accrue to him as a result of such termination.

27.4 The remuneration of a Director appointed to any position or executive office in terms of clause 27.2.1 –

27.4.1 shall be determined by a disinterested quorum of the Directors or a remuneration committee appointed by the Directors;

27.4.2 shall be in addition to or in substitution of any ordinary remuneration as a Director of the Company, as the Directors may determine;

27.4.3 may consist of a salary or a commission on profits or dividends or other remuneration, as the Directors may direct.

27.5 The Directors may from time to time entrust to and confer upon an executive Director for the time being such of the powers exercisable in terms of this MOI by the Directors as they may think fit, and may confer such powers for such time and to be exercised for such objects and purposes, and upon such terms and conditions, and with such restrictions, as they think expedient; and they may confer such powers either collaterally with or to the exclusion of and in substitution for all or any of the powers of the Directors in that behalf, and may from time to time revoke, withdraw, alter or vary all or any of such powers.

28. DIRECTORS' MEETINGS

28.1 Save as may be provided otherwise herein, the Directors may meet together for the despatch of business, adjourn and otherwise regulate their meetings as they think fit.

28.2 The chairperson, or in his absence the deputy chairperson, shall be entitled to preside over all meetings of Directors. If no chairperson or deputy chairperson is elected, or if at any meeting neither is present or willing to act as chairperson thereof within 10 (ten) minutes of the time appointed for holding the meeting, the Directors present shall choose 1 (one) of their number to be chairperson of such meeting.

28.3 In addition to the provisions of section 73(1), any Director shall at any time be entitled to call a meeting of the Directors.

28.4 The Board has the power to –

28.4.1 consider any matter and/or adopt any resolution other than at a meeting contemplated in section 74 and, accordingly, any decision that could be voted on at a meeting of the Board may instead be adopted by the written consent of a majority of the Directors, given in person or by Electronic Communication, provided that each Director has received notice of the matter to be decided;

28.4.2 conduct a meeting entirely by Electronic Communication, or to provide for participation in a meeting by Electronic Communication, as set out in section 73(3), provided that, as required by such section, the Electronic Communication facility employed ordinarily enables all persons participating in the meeting to communicate concurrently with each other without an intermediary and to participate reasonably effectively in the meeting;

28.4.3 determine the manner and form of providing notice of its meetings contemplated in section 73(4), provided that –

28.4.3.1 the notice period for the convening of any meeting of the Board will be at least 7 (seven) days unless the decision of the Directors is required on an urgent basis which justifies a shorter period of notice, in which event the meeting may be called on shorter notice. The decision of the chairperson of the Board, or failing the chairperson for any reason, the decision of any 2 (two) Directors as to whether a matter should be decided on an urgent basis, and the period of notice to be given, shall be final and binding on the Directors;

28.4.3.2 an agenda of the matters to be discussed at the meeting shall be given to each Director, together with the notice referred to in clause 28.4.3.1; and

28.4.4 proceed with a meeting despite a failure or defect in giving notice of the meeting, as provided in section 73(5),

and the powers of the Board in respect of the above matters are not limited or restricted by this MOI.

28.5 Any resolution adopted in terms of clause 28.4.1 or 28.4.2 and inserted in the minute book shall be as valid and effective as if it had been passed at a meeting of Directors. Any such resolution may consist of several documents and shall be deemed to have been passed on the date on which it was signed by the last Director who signed it (where applicable, unless a statement to the contrary is made in that resolution).

28.6 The quorum requirement for a Directors' meeting (including an adjourned meeting) to begin, the voting rights at such a meeting, and the requirements for approval of a resolution at such a meeting are as set out in section 73(5), subject only to clause 28.6.5, and accordingly –

28.6.1 if all of the Directors of the Company –

28.6.1.1 acknowledge actual receipt of the notice convening a meeting; or

28.6.1.2 are present at a meeting; or

28.6.1.3 waive notice of a meeting,

the meeting may proceed even if the Company failed to give the required notice of that meeting or there was a defect in the giving of the notice;

28.6.2 a majority of the Directors must be present at a meeting before a vote may be called at any meeting of the Directors;

28.6.3 each Director has 1 (one) vote on a matter before the Board;

28.6.4 a majority of the votes cast in favour of a resolution is sufficient to approve that resolution;

28.6.5 in the case of a tied vote –

28.6.5.1 the chairperson may not cast a deciding vote in addition to any deliberative vote; and

28.6.5.2 the matter being voted on fails.

28.7 Resolutions adopted by the Board –

28.7.1 must be dated and sequentially numbered; and

28.7.2 are effective as of the date of the resolution, unless any resolution states otherwise.

28.8 Any minutes of a meeting, or a resolution, signed by the chairperson of the meeting or by the chairperson of the next meeting of the Board or by the Company Secretary are evidence of the proceedings of that meeting, or the adoption of that resolution, as the case may be.

29. DIRECTORS' COMPENSATION

29.1 The Company may pay remuneration to the Directors for their services as Directors in accordance with a special resolution approved by the Shareholders within the previous 2 (two) years, as set out in section 66(8) and (9), and the power of the Company in this regard is not limited or restricted by this MOI.

29.2 Any Director who –

29.2.1 serves on any executive or other committee; or

29.2.2 devotes special attention to the business of the Company; or

29.2.3 goes or resides outside South Africa for the purpose of the Company; or

29.2.4 otherwise performs or binds himself to perform services which, in the opinion of the Directors, are outside the scope of the ordinary duties of a Director,

may be paid such extra remuneration or allowances in addition to or in substitution of the remuneration to which he may be entitled as a Director, as a disinterested quorum of the Directors may from time to time determine.

29.3 The Directors may also be paid all their travelling and other expenses properly and necessarily incurred by them in connection with –

29.3.1 the business of the Company; and

29.3.2 attending meetings of the Directors or of committees of the Directors of the Company.

31. BORROWING POWERS

31.1 Subject to the provisions of clause 31.2 and the other provisions of this MOI, the Directors may from time to time –

31.1.1 borrow for the purposes of the Company such sums as they think fit; and

31.1.2 secure the payment or repayment of any such sums, or any other sum, as they think fit, whether by the creation and issue of Securities, mortgage or charge upon all or any of the property or assets of the Company.

31.2 The Directors shall procure (but as regards subsidiaries of the Company only insofar as by the exercise of voting and other rights or powers of control exercisable by the Company they can so procure) that the aggregate principal amount at any one time outstanding in respect of moneys so borrowed or raised by –

31.2.1 the Company; and

31.2.2 all the subsidiaries for the time being of the Company (excluding moneys borrowed or raised by any of such companies from any other of such companies but including the principal amount secured by any outstanding guarantees or suretyships given by the Company or any of its subsidiaries for the time being for the indebtedness of any other Company or companies whatsoever and not already included in the aggregate amount of the moneys so borrowed or raised),

shall not exceed the aggregate amount at that time authorised to be borrowed or secured by the Company or the subsidiaries for the time being of the Company (as the case may be).

35. DISTRIBUTIONS

35.1 Subject to the provisions of the Act, and particularly section 46, the Company may make a proposed distribution if such distribution –

35.1.1 is pursuant to an existing legal obligation of the Company, or a court order; or

35.1.2 is authorised by resolution of the Board, in compliance with the JSE Listings Requirements,

provided that if such distribution is a repayment of capital, the Company shall not be entitled to make such distribution on the basis that it may be called up again.

35.2 No distribution shall bear interest against the Company, except as otherwise provided under the conditions of issue of the Shares in respect of which such distribution is payable.

35.3 Distributions may be declared either free of or subject to the deduction of income tax and any other tax or duty in respect of which the Company may be chargeable.

35.4 The Directors may from time to time declare and pay to the Shareholders such interim distributions as the Directors consider to be appropriate.

35.5 All distributions are to be declared by the Directors in accordance with the provisions of the Act.

35.6 All unclaimed distributions may be invested or otherwise made use of by the Directors for the benefit of the Company until claimed, provided that distributions unclaimed for a period of 3 (three) years (or such longer period as the law may prescribe for the prescription of a claim) from the date on which they were declared may be declared forfeited by the Directors for the benefit of the Company. The Directors may at any time annul such forfeiture upon such conditions (if any) as they think fit.

35.7 Any distribution, interest or other sum payable in cash to the holder of a Share may be paid by electronic funds transfer, free of set-off, in the currency of South Africa to the bank account nominated by such Shareholder, in writing, and verified by means of copy of a bank statement with an original bank stamp or by such other means as may be acceptable to the Directors and, in the case of joint holders, to the bank account so nominated and verified of the holder whose name appears first in the Securities Register.

35.8 A distribution may also be paid in any other way determined by the Directors, and if the directives of the Directors in that regard are complied with, the Company shall not be liable for any loss or damage which a Shareholder may suffer as a result thereof.

35.9 A holder or any one of two or more joint holders, or his or their agent duly appointed in writing, may give valid receipts for any distributions or other moneys paid in respect of a Share held by such holder or joint holders.

35.10 Without detracting from the ability of the Company to issue capitalisation Shares, any distribution may be paid wholly or in part –

35.10.1 by the distribution of specific assets; or

35.10.2 by the issue of Shares, debentures or securities of the Company or of any other company; or

35.10.3 in cash; or

35.10.4 in any other way which the Directors or the Company in general meeting (if required) may at the time of declaring the distribution determine.

35.11 Where any difficulty arises in regard to such distribution, the Directors may settle that difficulty as they think expedient, and in particular may fix the value which shall be placed on such specific assets on distribution.

35.12 The Directors may –

35.12.1 determine that cash payments shall be made to any Shareholder on the basis of the value so fixed in order to secure equality of distribution; and

35.12.2 vest any such assets in trustees upon such trusts for the benefit of the persons entitled to the distribution as the Directors deem expedient.

35.13 Any distribution must be made payable to Shareholders registered as at a date subsequent to the date of declaration thereof or the date of confirmation thereof, whichever is the later date.

39. AMENDMENT OF MOI

39.1 Subject to the provisions of clause 6.6, this MOI may only be altered or amended (including any alteration or amendment that changes the name of the Company) by way of a special resolution of the Ordinary Shareholders in accordance with section 16(1)(c), except if such amendment is in compliance with a Court order as contemplated in section 16(1)(a) as read with section 16(4).

39.2 An amendment of this Memorandum of Incorporation will take effect on the date as provided for in the Act.

SUMMARY OF THE PRINCIPAL TERMS OF THE SHARE INCENTIVE SCHEME

The Share Incentive Scheme is in compliance with schedule 14 of the JSE Listings Requirements.

1. **INTERPRETATION**

In these Rules:

1.1 headings have been inserted for purposes of convenience only and shall not be used in the interpretation of these Rules;

1.2 unless the context clearly indicates a contrary intention, any reference to –

1.2.1 one gender shall include the other genders;

1.2.2 a natural person shall include artificial persons (whether incorporated or otherwise) and *vice versa*,

1.2.3 the singular shall include the plural and *vice versa*,

1.3 the following words shall, unless the context clearly indicates a contrary intention, bear the following meanings –

1.3.1 "**Accept**" means, in relation to each Grant of Conditional Shares, the delivery of an Acceptance Notice by an Employee to the Compliance Officer in terms of Rule 6.3.3.2 and "**Accepted**" or "**Acceptance**" shall be construed accordingly;

1.3.2 "**Acceptance Notice**" means, in relation to each Grant of Conditional Shares, a written or electronic notice delivered by the Employee to the Compliance Officer accepting such Grant, whether submitted by way of an electronic platform used by the Employer Company or otherwise;

1.3.3 "**Act as an Expert**" means, in relation to any valuation of a Group Member Share to be determined by an independent professional advisor ("**Expert**"):

1.3.3.1 the determination of the Expert shall (in the absence of manifest error) be final and binding;

1.3.3.2 the Expert shall make a determination as soon as possible;

1.3.3.3 the Expert shall be entitled to determine such valuation methods (without regard to any valuation methodologies previously employed), calculations and processes as he or it may, in his or its sole and absolute discretion, deem appropriate in the circumstances;

1.3.3.4 the Expert shall be entitled to request and the relevant Employer Company shall furnish the Expert with all information reasonably required by the Expert in order to determine a valuation;

1.3.3.5 the Expert shall be independent of and at all times act impartially;

1.3.4 "**Affected Participant**" means –

1.3.4.1 in the case of a WBC Trigger Event, all Participants;

1.3.4.2 in the case of a Member Trigger Event, a Participant who is no longer employed by a Member of the Group as a result of the implementation of the Member Trigger Event;

1.3.5 "**Allocated**" means, in relation to determining the limits of the Plan as set out in Rules 4.1 and 4.2 respectively, the RemCom's estimate as at the relevant Grant Date, of the aggregate number of WBC Shares to be Settled upon Vesting of the Conditional Shares;

1.3.6 "**Auditors**" means the auditors of WBC from time to time;

1.3.7 "**Board**" means the board of directors of WBC;

1.3.8 "**Business Day**" means any day other than a Saturday, Sunday or public holiday in the RSA;

1.3.9 "**Change of Control**" means a direct change in Control, after the Effective Date, of any Member of the Group, as the case may be;

1.3.10 "**Companies Act**" means the Companies Act 71 of 2008;

1.3.11 "**Compliance Officer**" means a compliance officer, contemplated in section 95(1)(c) of the Companies Act, appointed by the RemCom from time to time in respect of the Plan;

1.3.12 "**Conditional Share**" means a conditional right to a WBC Share Granted to an Employee and if Accepted by that Employee, will Vest subject to the fulfilment of the Vesting Conditions;

1.3.13 "**Conditional Share Value**" means the value of a Conditional Share which shall be equal to the fair value of an Employer Company Share on the Grant Date, the Employment Transfer Date or the Vesting Date, as the case may be, calculated as follows:

1.3.13.1 if the relevant Employer Company Share is a WBC Share, the VWAP of a WBC Share on the relevant date; or

1.3.13.2 if the relevant Employer Company Share is a Group Member Share, the fair value of such Group Member Share, as determined by an independent professional advisor appointed by the RemCom, who shall Act as an Expert, provided that if the relevant date occurs within seven months of the date as at which the fair value per Group Member Share was last determined by an independent professional advisor pursuant to this Rule 1.3.13.2, then that fair value previously determined by the independent professional advisor shall be applied unless, during that seven month period, any event occurs which, in the opinion of RemCom acting reasonably, would have a material impact on the fair value per Group Member Share, in which event the fair value per Group Member Share must be determined on the relevant date by an independent professional advisor appointed by the RemCom at that time, who shall Act as an Expert;

1.3.14 "**Control**" of or in relation to any person (other than (i) a natural person and (ii) an unincorporated entity or trust) means that some other person or persons (individually or collectively) –

1.3.14.1 owns or own (directly or indirectly) the majority of the issued ordinary shares or other equity interest (i.e. over 50%) of such person; and/or

1.3.14.2 controls or control (directly or indirectly) the majority of voting rights (i.e. over 50%) in relation to the issued ordinary shares or other equity interest of such person; and/or

1.3.14.3 is or are entitled to appoint (and do so appoint) so many directors on the board of directors or similar representatives on the governing body of such person, as controls or control the majority of the voting rights (i.e. over 50% of all the directors or similar representatives on the board of directors or other governing body of such person;

1.3.15 "**Country Schedule**" means a schedule to these Rules to be adopted as directed by the RemCom, governing participation in the Plan by Participants employed by the Group in jurisdictions other than the RSA. Such country schedule shall form part of these Rules, and in the event of a conflict between the respective provisions of the country schedule and these Rules, the relevant provision/s of these Rules shall prevail;

1.3.16 "**Directors**" means the board of directors of WBC from time to time;

1.3.17 "**Effective Date**" means the date of listing of the ordinary shares of WBC on the main board of the JSE;

1.3.18 "**Employee**" means any person holding permanent employment or office with any Member of the Group but excluding –

1.3.18.1 any non-executive Director of the Group; and

1.3.18.2 any member of the RemCom;

1.3.19 "**Employer Company**" means, in relation to an Employee, the Member of the Group that employs that Employee;

1.3.20 "**Employer Company Share**" means, in relation to –

1.3.20.1 a Grant to an Employee or a Participant, as the case may be, a share in any Member of the Group as determined by RemCom in its sole and absolute discretion and set out in the Grant Letter pertaining to that Grant; and

1.3.20.2 any transfer of a Participant's employment to another Member of the Group as contemplated in Rule 10.1.2, read with 10.1.3, a share in any Member of the Group as determined by RemCom in accordance with Rule 10.1.3;

1.3.21 "**Employment Transfer Date**" means the date from which a Participant is employed by an Employer Company immediately after that Participant's employment with another Employer Company terminates;

1.3.22 "**Financial Year**" means the financial year of WBC which, as at the Effective Date, commences on 1 October and terminates on 30 September of each year;

1.3.23 "**FMA**" means the Financial Markets Act 19 of 2012;

1.3.24 "**Grant**" or "Granted" means an award of Conditional Shares to an Employee under this Plan (which shall include delivery by electronic means, including any electronic platform utilised by the Employer Company);

1.3.25 "**Grant Date**" means the date on which the Conditional Shares are Granted to an Employee, being the date specified in the Grant Letter which shall be a date that occurs not earlier than the date on which the RemCom resolved to make such a Grant to the Employee;

1.3.26 "**Grant Letter**" means a document delivered by the Compliance Officer to an Employee in terms of Rule 6.3.1 (which shall include delivery by electronic means, including any electronic platform utilised by the Employer Company);

1.3.27 "**Grant Price**" means, in relation to each Grant made to an Employee, an amount equal to the Conditional Share Value on the Grant Date of that Grant multiplied by the number of Conditional Shares which are the subject matter of the Grant;

1.3.28 "**Group**" means WBC and all entities, the financial results of which are or are required to be consolidated in WBC's annual financial statements in accordance with WBC's accounting policies from time to time, and the expression "Member of the Group" shall be construed accordingly;

1.3.29 "**Group Member Share**" means an ordinary share in any Member of the Group other than WBC;

1.3.30 "**JSE**" means the Johannesburg Stock Exchange operated by JSE Limited, a public Company incorporated in accordance with the laws of the RSA, with Registration number 2005/022939/06, which is licensed as an exchange under the FMA;

1.3.31 "**JSE Listings Requirements**" means the JSE Listings Requirements, as amended from time to time by the JSE, whether by way of practice note or otherwise;

1.3.32 "**King Code**" means the King Code on Corporate Governance for the RSA, as amended or replaced from time to time;

1.3.33 "**Liquidation Date**" means, in relation to a Participant, the date on which that Participant's Employer Company is placed in final liquidation in terms of a court order;

1.3.34 "**LRA**" means the Labour Relations Act 66 of 1995;

1.3.35 "**Malus and Clawback Policy**" means a policy approved by the RemCom from time to time which gives the RemCom the discretion to recoup a cash value equivalent to the Vesting Price (also referred to as "**Clawback**") and to reduce and/or cancel any unvested and/or unpaid Grants (also referred to as "**Malus**") upon the occurrence of a Malus Trigger Event;

1.3.36 "**Malus Trigger Event**" means an event as set out in the Grant Letter and/or any Malus and Clawback Policy in force from time to time that will give the RemCom the discretion to apply Malus;

1.3.37 "**Member Trigger Event**" has the meaning ascribed thereto in paragraph 11.1.4;

1.3.38 "**Participant**" means an Employee who has timeously Accepted a Grant made under these Rules, including, without limitation, the executor of such Employee's deceased estate;

1.3.39 "**Performance Conditions**" means, in relation to each Grant, those tasks that must be performed and/or those targets that must be achieved by a Participant during the Performance Period, as determined by the RemCom and set out in the Grant Letter (or which are amended by the RemCom from time to time in accordance with Rule 7.2.3), in order for the Conditional Shares which are the subject matter of the Grant to Vest;

1.3.40 "**Performance Period**" means, in relation to each Grant, the period (which shall not extend beyond the Vesting Period in respect of that Grant), during which the Performance Conditions must be fulfilled, as determined by the RemCom and set out in the Grant Letter;

1.3.41 "**Plan**" means the "WBC Holdings Conditional Share Plan" as constituted under these Rules;

1.3.42 "**Prohibited Period**" means any of the following periods –

1.3.42.1 a closed period as defined in the JSE Listings Requirements; or

1.3.42.2 any period, as determined by the Board, when there exists any matter, which constitutes unpublished price sensitive information in relation to WBC's securities; or

1.3.42.3 any other period during which dealings in securities are prohibited as determined by WBC's "Policy on Share Dealings";

1.3.43 "**Recharge Policy**" means a policy or agreement in force from time to time between WBC and an Employer Company regulating the funding of the Settlement;

1.3.44 "**RemCom**" the Remuneration Committee of the Board, excluding any member thereof who holds any executive office in the Group, or its successor charged with the administration of the Plan and, in the absence of such a RemCom or its successor, the Non-Executive Directors serving on the Board (it being recorded that Non-Executive Directors are not eligible to participate in the Plan);

1.3.45 "**Retirement**" means, in relation to a Participant, the normal retirement age as determined by that Participant's Employer Company, or with the approval of the RemCom, prior to the normal retirement age;

1.3.46 "**Rules**" means these rules of the Plan, as amended or replaced from time to time;

1.3.47 "**RSA**" means the Republic of South Africa;

1.3.48 "**Settlement**" means the delivery of Settlement Shares to which a Participant is entitled pursuant to the Vesting of Conditional Shares in accordance with any settlement method contemplated in Rule 8.5 and the words "Settle" and "Settled" shall bear a corresponding meaning;

1.3.49 "**Settlement Date**" means the date on which Settlement occurs, which date shall not occur later than 30 days after the earlier of (i) the Vesting Date; or (ii) the date on which the Conditional Share Value is determined, unless such date occurs within a Prohibited Period in which event Settlement will occur on the first Business Day after the expiry of the Prohibited Period;

1.3.50 "**Settlement Shares**" means the number of WBC Shares which are required to be delivered to the relevant Participant as Settlement pursuant to the Vesting of Conditional Shares, as calculated in accordance with Rule 8.4;

1.3.51 "**Share Capital Event**" any of the following events occurring in relation to WBC and/or any Member of the Group which may affect the value of a Conditional Share –

1.3.51.1 an issue of shares as capitalisation shares in terms of section 47 of the Companies Act;

1.3.51.2 the offer of any securities of WBC and/or the Member of the Group, as the case may be, to all shareholders *pro rata* to their holdings at the relevant date;

1.3.51.3 a subdivision of shares;

1.3.51.4 a consolidation of shares;

1.3.51.5 WBC and/or the relevant Member of the Group, as the case may be, making distributions (as defined in the Companies Act) to shareholders, including a reduction in capital or a distribution *in specie*, other than a dividend paid in the ordinary course of business out of the current year's retained earnings;

1.3.52 "**Short-term Incentives**" means, in relation to an Employee any short-term incentive plans implemented by the Group from time to time, which short-term incentive plans generally provide for the payment of a discretionary annual incentive to those Employees who meet certain performance targets determined by the relevant Employer Company as necessary to achieve its short-term strategy;

1.3.53 "**STT**" means securities transfer tax levied in terms of the Securities Transfer Tax Act 25 of 2007 read with the Securities Transfer Tax Administration Act 26 of 2007;

1.3.54 "**Termination Date**" means the date upon which a Participant is no longer permanently Employed by, or ceases to hold salaried office in any Member of the Group;

1.3.55 "**TFCE**" means the total fixed cost of employment of an Employee which includes, *inter alia*, Employer Company contributions to retirement funds, insurance policies relating to death and disability benefits, and medical aid contributions, but excludes any expected Short-term Incentives;

1.3.56 "**Trigger Event**" means a Member Trigger Event or a WBC Trigger Event, as the case may be;

1.3.57 "**Trigger Event Date**" means the date on which any transaction pursuant to which any Member of the Group, as the case may be, is subject to a Trigger Event, is implemented;

1.3.58 "**Vest**" means the right of a Participant to receive WBC Shares in accordance with Rule 8.5 which shall only become effective after fulfilment or waiver, as the case may be, of the Vesting Conditions and "**Vesting**" and "**Vested**" shall be construed accordingly;

1.3.59 "**Vesting Conditions**" means, in relation to each Grant, those conditions which are required to be fulfilled in order for Vesting in respect of the Conditional Shares or a portion of the Conditional Shares (as the case may be) which are the subject matter of that Grant to take place, including, without limitation –

1.3.59.1 the Performance Conditions; and/or

1.3.59.2 the condition that the Participant has remained in the continuous employ of any Member of the Group for the duration of the Vesting Period;

1.3.60 "**Vesting Date**" means the date on which Vesting occurs in accordance with Rule 7.3;

1.3.61 "**Vesting Period**" means, in relation to each Grant, the period or periods (as the case may be) commencing on the Grant Date and terminating on the date or dates determined by the RemCom and set out in the Grant Letter, which Vesting Period shall range between 36 months to 60 months from the date of the Grant Letter, and the further details of which will be disclosed in the integrated annual reports of the Company published from time to time as may be required by the JSE Listings Requirements;

1.3.62 "**Vesting Price**" means, in relation to the Vesting of all or a portion of Conditional Shares in respect of each Grant made to an Employee, an amount equal to the Conditional Share Value on the Vesting Date of that Grant multiplied by the number of Conditional Shares which are the subject matter of the Grant;

1.3.63 "**VWAP**" means the volume weighted average price of a WBC Share, as quoted on the JSE, calculated for the period of ten Business Days prior to and including the date on which a determination of the VWAP of a WBC Share is to be made for the purposes of these Rules;

1.3.64 "**WBC**" means We Buy Cars Holdings Limited, a public company incorporated in accordance with the laws of the RSA, with Registration number 2020/632225/06;

1.3.65 "**WBC Trigger Event**" shall have the meaning ascribed thereto in Rule 11.1; and

1.3.66 "**WBC Share**" means an ordinary share in the capital of WBC.

4. **PLAN LIMITS**

4.1 **Overall Company Limit**

4.1.1 Subject to Rule 12, the aggregate number of WBC Shares at any one time which may be allocated under the Plan shall not exceed 20 000 000 WBC Shares (which approximates 5% of the issued share capital of the WBC as at the date of approval of the Plan by shareholders).

4.1.2 In determining whether the limit referred to in Rule 4.1.1 has been exceeded, the calculation shall –

4.1.2.1 include the following:

4.1.2.1.1 WBC Shares held in treasury account by a subsidiary or a trust established by WBC for this purpose and which have been utilised by WBC in Settlement of this Plan as contemplated in Rules 8.5.2 and 8.5.3;

4.1.2.1.2 the actual number of new WBC Shares allotted and issued by WBC in Settlement of this Plan as contemplated in Rules 8.5.4 and 8.5.5; and

4.1.2.2 exclude the following –

4.1.2.2.1 WBC Shares purchased in the market as contemplated in terms of Rule 8.5.1 in Settlement of this Plan;

4.1.2.2.2 WBC Shares allocated in respect of Grants under the Plan which do not subsequently Vest; and

4.1.2.2.3 WBC Shares allocated in respect of Grants under the Plan which are subsequently Settled in cash in terms of Rule 8.7.

4.2 **Individual limit**

Subject to Rule 12, the maximum number of WBC Shares allocated to any Participant under this Plan in respect of all unvested Conditional Shares shall not exceed 6 000 000 WBC Shares (which approximates 1.5% of the issued share capital of the WBC as at the date of approval of the Plan by shareholders).

5. **RIGHTS ATTACHING TO CONDITIONAL SHARES**

The Conditional Shares shall have the following characteristics –

5.1 Conditional Shares constitute conditional rights to acquire WBC Shares for no consideration subject to the fulfilment (or waiver by RemCom) of Vesting Conditions;

5.2 once the Vesting Conditions have been fulfilled or waived, as the case may be, such number of WBC Shares (rounded up to the nearest whole number) as is equal in value (valued at the VWAP per WBC Share on the Vesting Date) to the value of the Conditional Shares Vesting on the particular Vesting Date shall be delivered to the Participant; and

5.3 before the Vesting of the Conditional Shares, Participants shall have no rights in respect of the WBC Shares underlying the Conditional Shares, nor shall Participants have any rights to any Group Member Shares.

6. **GRANTING OF CONDITIONAL SHARES**

6.1 **Basis upon which Conditional Shares are Granted**

6.1.1 At the request of RemCom from time to time, the respective Chief Executive Officers of WBC and any other Member of the Group shall make recommendations to the RemCom as to which Employees should be incentivised by the Grant of Conditional Shares.

6.1.2 After receipt of the recommendations contemplated in Rule 6.1.1, the RemCom shall, in its sole and absolute discretion, approve the Grant of Conditional Shares to Employees, including, without limitation –

6.1.2.1 those Employees to whom Grants will be made;

6.1.2.2 subject to Rule 4.2, the number of Conditional Shares in respect of any Grant made to any Employee, after taking into account the Employee's TFCE, expected Short-term Incentives and Conditional Shares Granted, grade, performance, term of employment with the Group, retention requirements and market benchmarks;

6.1.2.3 the aggregate quantum of Conditional Shares to be granted to all Employees at that particular time;

6.1.2.4 the Vesting Conditions to which the Conditional Shares will be subject and the Vesting Period; and

6.1.2.5 all other matters relating to the governance and administration of the Plan.

6.2 **Time when Conditional Shares may be Granted**

6.2.1 Grants of Conditional Shares will be made on an annual basis or on an *ad hoc* basis, as and when the RemCom decides that there is merit in making a Grant to a particular Employee, but subject to the provisions of Rule 6.2.2.

6.2.2 The RemCom may make a Grant to any Employee in accordance with Rule 6.1 (read with Rule 6.3) after the Effective Date on any day on which there are no restrictions on the making of Grants that are imposed by –

6.2.2.1 a Prohibited Period;

6.2.2.2 applicable law, order or directive of any court or government authority of competent jurisdiction; or

6.2.2.3 any code adopted by WBC based on the provisions contained in the King Code relating to dealings in securities by directors or the JSE Listings Requirements, as the case may be.

6.3 **Grant Letter**

6.3.1 If, and when, the RemCom approves the Granting of Conditional Shares, the RemCom shall send a written notice to the Compliance Officer setting out the following:

6.3.1.1 the names of the Employees to whom a Grant will be made;

6.3.1.2 the number of Conditional Shares to be Granted to each Employee contemplated in Rule 6.3.1.1 and details regarding the relevant Employer Company Share which will be used to determine the Conditional Share Value of each of those Conditional Shares;

6.3.1.3 the number of Conditional Shares to be Granted in aggregate; and

6.3.1.4 the Vesting Conditions to which the Conditional Shares shall be subject.

6.3.2 The Compliance Officer shall, on behalf of WBC, issue a Grant Letter to every Employee who has been approved for participation in the Plan as soon as is practically possible after receiving the RemCom's notification in terms of Rule 6.3.1, which Grant Letter shall include the following information –

6.3.2.1 the name of the Employee;

6.3.2.2 the number of Conditional Shares Granted;

6.3.2.3 details regarding the relevant Employer Company Shares which will be used to determine the Conditional Share Value of each of the Conditional Shares Granted;

6.3.2.4 the Grant Date and the Grant Price;

6.3.2.5 the Vesting Conditions and Vesting Period;

6.3.2.6 the period during which the Grant may be accepted by the Employee which shall be at least five Business Days from the Grant Date but not more than 10 Business Days from the Grant Date, provided that if the Employee has taken a leave of absence for any reason, the period shall be automatically extended by a further period of 10 Business Days;

6.3.2.7 statements to the effect that –

6.3.2.7.1 the Grant is personal to the Employee and cannot be accepted by or transferred to any other person;

6.3.2.7.2 the Grant is subject to these Rules;

6.3.2.7.3 the Grant is subject to these Rules including whether the Grant is subject to Malus and whether Clawback applies to the cash value of the Vesting Price;

6.3.2.8 any information required in terms of section 97(2)(b) of the Companies Act; and

6.3.2.9 any other relevant terms and conditions.

6.3.3 If the Employee –

6.3.3.1 does not timeously Accept the Grant on written notice to the Compliance Officer within the time period set out in the Grant Letter (contemplated in Rule 6.3.2.6), the Grant of Conditional Shares as set out in that Grant Letter shall lapse and be of no further force and effect;

6.3.3.2 timeously Accepts the Grant on written notice to the Compliance Officer within the time period set out in the Grant Letter (contemplated in Rule 6.3.2.6), the Compliance Officer shall acknowledge participation of the Employee in the Plan by way of written notice to the Employee.

6.4 **Lapsing of a Grant**

Conditional Shares which are the subject matter of any Grant shall lapse –

6.4.1 if the Grant was not timeously Accepted by the Employee by the date specified in the Grant Letter;

6.4.2 if any Vesting Conditions specified in the Grant Letter in respect of that Grant are not timeously fulfilled or waived, as the case may be;

6.4.3 if the Participant ceases to be an Employee of any Member of the Group in accordance with Rule 9; or

6.4.4 in the event of a Trigger Event contemplated in Rule 11; or

6.4.5 with effect from the Liquidation Date.

6.5 A Grant may be forfeited at any time after the date of acceptance thereof subject to the remaining provisions of these Rules, if the RemCom and Participants so agree in writing or if Malus applies on instruction of the RemCom as regulated in the Malus and Clawback Policy.

7. VESTING CONDITIONS AND VESTING

7.1 Vesting Conditions

The Vesting of a Conditional Share shall be made subject to the fulfilment or waiver, as the case may be, of Vesting Conditions as determined by RemCom on the Grant Date of that Conditional Share which will be set out in the Grant Letter.

7.2 Performance Conditions

7.2.1 The provisions of this Rule 7.2 only apply if the Vesting Conditions in respect of any Grant of Conditional Shares include Performance Conditions.

7.2.2 The Performance Conditions shall be (i) objective; and (ii) set out in the Grant Letter.

7.2.3 If an event occurs or circumstances arise which, in the reasonable opinion of the RemCom, will render the Performance Conditions unattainable or inappropriate, the RemCom shall be entitled, in its sole and absolute discretion to either –

7.2.3.1 waive the fulfilment of some or all of the Performance Conditions; or

7.2.3.2 substitute or vary the Performance Conditions, on 10 days' written notice to the Participant, in such manner as (i) is reasonable in the circumstances; and (ii) as will produce more equitable measures of performance which are not materially more or less difficult to satisfy.

7.2.4 As soon as reasonably practicable after the end of the Performance Period in relation to a Grant, the RemCom shall determine whether the Performance Conditions have been met.

7.2.5 If, prior to the expiry of the Performance Period, the RemCom is required to make a determination pursuant to Rules 10.3, 11 and/or 12 regarding the fulfilment of Performance Conditions ("**Early Review**"), the RemCom will take the following factors into consideration –

7.2.5.1 if the event which triggers the early review occurs within six months of WBC's preceding Financial Year End, the Performance Conditions will be reviewed against and with reference to the results reported by WBC or the Member of the Group (to which the relevant Employer Company Shares in respect of a particular Grant relate), as the case may be, at its previous Financial Year end; and

7.2.5.2 where the event which triggers the early review occurs more than six months after the end of WBC's preceding Financial Year End, the Performance Conditions will be reviewed with reference to the results reported by WBC or the relevant Member of the Group (to which the relevant Employer Company Shares in respect of a particular Grant relate), as the case may be, in respect of the latest results published on the JSE's Stock Exchange News Service.

7.3 Vesting

7.3.1 Subject to Rules 9 and 11, a Conditional Share will Vest on –

7.3.1.1 the first Business Day after –

7.3.1.1.1 the Vesting Conditions are fulfilled or waived, as the case may be, if that Conditional Share is not subject to Performance Conditions; or

7.3.1.1.2 the later of (i) the Vesting Conditions (other than Performance Conditions) are fulfilled or waived; and (ii) the date on which RemCom determines that the Performance Conditions were fulfilled or waived, during the Performance Period, as the case may be, if that Conditional Share is subject to Performance Conditions;

7.3.1.2 the Termination Date if the Participant's employment with the Group terminates by reason of any of the circumstances contemplated in Rule 10.3, and to the extent contemplated therein;

7.3.1.3 the Trigger Event Date if a Trigger Event applicable to the Participant occurs before the expiry of the Vesting Period which results in the circumstances contemplated in Rule 11, and to the extent contemplated therein.

7.3.2 If RemCom determines that any of the Vesting Conditions in respect of a particular Conditional Share were not fulfilled or waived (at the election of RemCom), then –

7.3.2.1 that Conditional Share will not Vest and will accordingly lapse and be of no further force or effect; and

7.3.2.2 the Compliance Officer will notify the relevant Participant of the lapsing of that Conditional Share.

7.4 **Effect of Vesting**

Once a Conditional Share has Vested, the Participant is entitled to Settlement.

8. **SETTLEMENT**

8.1 The Participant will give no consideration for or upon the Grant, Vesting or Settlement of Conditional Shares, provided that the Participant shall be liable for STT and income tax payable upon the Vesting of the Conditional Shares.

8.2 The Employer Company shall be relieved of the obligation to Settle any Shares to a Participant or to pay any cash amount to a Participant in terms of the Plan until that Participant has either:

8.2.1 made payment to the relevant Employer Company of an amount equal to the STT (if applicable) and the income tax; or

8.2.2 entered into an arrangement which is acceptable to the Employer Company to secure payment of the STT (if applicable) and the income tax by, *inter alia*, one of the following methods:

8.2.2.1 authorising the sale of some or all of the Shares to be Settled to the Participant;

8.2.2.2 withholding the requisite amount from the Participant's salary or other payments due to the Participant from the Employer Company; or

8.2.2.3 though net Settlement by the Employer Company of such aggregate number of Shares which equates to the Grant less any STT (if applicable) and income tax payable in respect thereof.

8.3 WBC is hereby irrevocably and in *rem suam* nominated, constituted, and appointed as the sole attorney and agent of a Participant, in that Participant's name, place, and stead to sign and execute all such documents and do all such things as are necessary to give effect to the provisions of Rule 8.2.

8.4 WBC or the relevant Employer Company shall, within 30 days of the later of (i) the Vesting Date; and (ii) the date on which the Conditional Share Value is determined, procure the Settlement of such number of WBC Shares (rounded up to the nearest whole number, subject to the limits set out in Rules 4.1 and 4.2 respectively) as are equal in value (it being recorded that the value per WBC Share for purposes of this Rule 8.4 shall be the VWAP per WBC Share on the Vesting Date) to the Vesting Price.

8.5 Any one of the following Settlement methods may be used (subject to compliance by the relevant Employer Company with the provisions of sections 44 and/or 45 of the Companies Act, to the extent that they are applicable, read with the provisions of section 97(1) of the Companies Act), as directed by the RemCom:

8.5.1 the relevant Employer Company will incur an expense by making a cash contribution to any third party equal in value to the Settlement Shares on the basis that the third party will acquire the Settlement Shares on the market and effect Settlement to the Participants; or

8.5.2 the relevant Employer Company by which that Participant is employed will use WBC Shares held in treasury account and effect Settlement to that Participant; or

8.5.3 the relevant Employer Company by which that Participant is employed will incur an expense by making a cash contribution to any other Member of the Group which holds shares in treasury account, on the basis that the relevant Member of the Group will deliver to a Participant, for and on behalf of the relevant Employer Company, the Settlement Shares. The cash contribution which the relevant Employer Company shall make to the relevant Member of the Group shall be:

8.5.3.1 the VWAP per Settlement Share on the Settlement Date; or

8.5.3.2 an amount equal to the cost incurred by the relevant Member of the Group in acquiring the Settlement Shares held in treasury; or

8.5.3.3 any other cost incurred for purposes of acquiring the Settlement Shares,

as the case may be; or

8.5.4 the relevant Employer Company will incur an expense by making a cash contribution to a third party equal in value to the subscription price of the WBC Shares concerned, on the basis that the third party will acquire the Settlement Shares and effect settlement to the Participant, by way of subscription for new WBC Shares to be allotted and issued by WBC, for a subscription price per WBC Share of either:

8.5.4.1 the VWAP per Settlement Share on the Settlement Date; or

8.5.4.2 any other cost incurred per Settlement Share for purposes of the subscription for the WBC Shares; or

8.5.5 WBC will issue Settlement Shares to the Participants.

8.6 If WBC issues any Settlement Shares or incurs costs to effect Settlement, whether in the form of a cash contribution or otherwise, WBC will charge such costs to the relevant Employer Company in terms of the Recharge Policy.

8.7 Notwithstanding any other provision to the contrary, the RemCom may determine that any Participant shall be paid (and instruct an Employer Company to make such payment) an amount in cash in lieu of any Settlement Shares, which is equivalent to the aggregate VWAP of such Settlement Shares as at the Settlement Date.

8.8 A Participant shall be entitled to all of the shareholder's rights in respect of the Settlement Shares received on the Settlement Date and the Settlement Shares shall rank *pari passu* with existing WBC Shares.

8.9 If a Participant's employment with the Group terminates after the Vesting Date, but before the Settlement Date for whatever reason, none of the Participant's Conditional Shares will lapse and the Conditional Shares shall be Settled on the Settlement Date.

9. MALUS

9.1 Notwithstanding any other provision of the Rules, and irrespective of whether any Performance Condition of a Grant has been satisfied, should a Malus Trigger Event occur any time before the Vesting of a Grant, to which the RemCom has specified that Malus applies, the RemCom may in its absolute discretion, reduce the Grant in whole or in part (including, for the avoidance of doubt, to nil).

9.2 Whenever a reduction is made, the relevant Grant or portion thereof, as relevant, shall be treated as having lapsed.

DIRECTOR PROFILES

Adriaan Stephanus Scheepers van der Walt ("**Faan**") Chief Executive Officer National Diploma in Higher Education Appointed: 17 August 2020 Nationality: South African Board committees: Social & Ethics Committee	Faan is the co-founder of WeBuyCars and has over 24 years of experience in the automotive industry. Faan is an indirect minority Shareholder of WeBuyCars.
Christopher James Rein ("**Chris**") Chief Financial Officer B.Comm, Postgraduate Diploma in Accounting, CA(SA) Appointed: 8 September 2020 Nationality: South African	Chris has held various senior positions within the McCarthy Limited group, including group financial manager (2003–2006), financial director at McCarthy Mercedes (2006–2009) and operations director for the group at McCarthy Limited (2010–2011). He has experience as a subsidiary financial director at large listed companies, including AVI Limited. Chris has over 16 years of experience in the automotive industry.
Dirk Jacobus Floris van der Walt ("**Dirk**") Executive B.Comm Marketing & Communication Appointed: 17 August 2020 Nationality: South African	Dirk is the co-founder of WeBuyCars and has over 24 years of experience in the automotive industry. Dirk is an indirect minority Shareholder of WeBuyCars.
Johannes Andries Holtzhausen ("**Johan**") Non-executive Chairman B.Iuris *(Cum Laude)* LLB, HDip Tax Appointed: 1 March 2024 Nationality: South African Board committees: Remuneration & Nominations Committee and Social & Ethics Committee	Johan has been involved with numerous listings, mergers and acquisitions, cross border transactions, and prominent private equity transactions in South Africa and abroad spanning over 26 years. Johan is currently the lead independent director of KAP Limited, the chairman of CA Sales Holdings Limited, non-executive chairman of PSG Capital Proprietary Limited and a non-executive director of PSG Group Proprietary Limited (formerly an executive director of PSG Group Limited).

Samara Totaram ("**Samara**") Non-executive Bachelor of Accountancy, Postgraduate Diploma in Accounting, CA(SA), CFA (Chartered Financial Analyst) Charterholder Appointed: 1 March 2024 Nationality: South African Board committees: Audit & Risk Committee (Chair), and Remuneration & Nominations Committee (Chair)	Samara held the position of chief financial officer of STADIO Holdings Limited until December 2023. Samara has diverse experience across various sectors including financial services and education. This includes corporate finance, private equity, and operational and executive management roles in both tertiary and primary education. Samara has also served on numerous boards of listed and unlisted companies over the last 17 years.
Nicolaas Abraham Stefanus Kruger ("**Nicolaas**") Non-executive B.Comm (Mathematics) *Cum Laude*, FFA (Fellow of the Faculty of Actuaries, UK), FASSA (Fellow of the Actuarial Society of South Africa), AMP (Advanced Management Program, Oxford University), CD(SA) (Chartered Director). Appointed: 1 March 2024 Nationality: South African Board committees: Audit & Risk Committee	Nicolaas is a business executive with more than 30 years of experience in South Africa. He has extensive experience as a director and currently serves as a non-executive director in various industries, including Sanlam Limited, Gen Re Limited, GWK Limited (chairman), VKB Beleggings (Pty) Ltd (co-opted as specialist consultant), Granor Passi (Pty) Ltd, Brenn-O-Kem Holdings (Pty) Ltd (chairman) and Afrimat Limited. He was group CEO of the insurance group Momentum Metropolitan Holdings Limited for several years up to the beginning of 2018 and previously served as the chief actuary of Momentum Limited.
Michael Paul Mendelowitz ("**Michael**") Non-executive B.Comm (Hons), Postgraduate Diploma in Accounting, CA(SA) Appointed: 1 March 2024 Nationality: South African Board committees: Remuneration & Nominations Committee	Michael co-founded Stratvest Proprietary Limited in 1995, together with Jonathan Jawno. In 1997, African Bank acquired 50% of Stratvest, leading to the formation of Nisela Growth Investments. Michael assumed an executive role at African Bank Limited and held the position of joint CEO of Nisela Growth Investments until 2002. Michael went on to acquire and grow the group of companies that in 2007 became the foundation of Transaction Capital Limited. Michael was appointed as an executive director of Transaction Capital Limited in December 2011.
Bridgitte Mathews ("**Bridgitte**") Non-executive CA(SA), Postgraduate certificate in Advanced Taxation Appointed: 1 March 2024 Nationality: South African Board committees: Audit & Risk Committee and Social & Ethics Committee (Chair)	Bridgitte has vast listed company experience and serves on many listed companies boards and their audit & risk committees, including PSG Financial Services Limited and KAL Group Limited. She also specialises in providing consulting services in the areas of risk and governance.

Willem Tielman Roos ("**Willem**") B.Comm (Insurance Science) *(Cum Laude)*, B.Comm Hons (Actuarial Science) *(Cum Laude)*, Qualified as actuary at the Institute of Actuaries (UK) 1999, FASSA (Fellow of the Actuarial Society of South Africa). Appointed: 1 March 2024 Nationality: South African Board committees: Audit & Risk Committee and Social & Ethics Committee	Willem was one of three founding members of the direct short-term insurer, OUTsurance Limited. Willem was appointed as joint CEO of OUTsurance Limited in 2001. In January 2018 Willem moved to a non-executive position at OUTsurance Limited and joined a start-up mobile data business, Rain Group Holdings Proprietary Limited, as CEO. In 2021 Willem joined a private equity fund, AI Capital Advisors Proprietary Limited, as a partner.
Kevin Brian Amoils (alternate to Michael) ("**Kevin**") Bachelor of Accounting Science, Higher Diploma in Accountancy, CA(SA), CFA Charterholder Appointed: 1 March 2024 Nationality: South African	Kevin is a private equity investor and is the co-founder of investment businesses, including Amber Equities Proprietary Limited. Kevin has been involved in numerous corporate finance deals both in South Africa and in Europe. Kevin has served on multiple boards and sub committees during his career and represented the lead shareholder in Auto Trader between 2013 and 2017.

OTHER DIRECTORSHIPS

The table below sets out the names of the companies and other entities of which the Company's Directors, as well as the directors of its Major Subsidiary are or have been directors, members or partners during the five years preceding the Last Practicable Date.

Director	Name of Company or Entity	Nature of Business	Capacity	Active/ Resigned
Adriaan Stephanus Scheepers van der Walt	We Sell Cars (Pty) Ltd	Dormant	Director	Active
	We Buy Cars Proprietary Limited	Buying and selling of pre-owned motor cars	Director	Active
	We Prop (Pty) Ltd	Property and investment holding company	Director	Active
	I Faan (Pty) Ltd	Investment holding company	Director	Active
	WBC Investments (Pty) Ltd	Investment holding company	Director	Active
	We Buy Properties (Pty) Ltd	Property holding company	Director	Active
	WBC Properties (Pty) Ltd	Property holding company	Director	Active
	WBC Holdings (Pty) Ltd	Investment holding company	Director	Active
	I VDW Holdings (Pty) Ltd	Investment holding company	Director	Active
	We Buy Cars (Namibia) (Pty) Ltd	Buying and selling of pre-owned motor cars	Director	Active
	We Buy Cars Sociéte Anonyme (Morocco)	Buying and selling of pre-owned motor cars	Director	Active
	FVDW Treasuryco (Pty) Ltd	Domestic treasury management company	Director	Active
	Rumahata Trust	Trust	Trustee	Active
	Agile Bridge (Pty) Ltd	Information technology	Director	Active
	K2020632250 (South Africa) (Pty) Ltd	Dormant	Director	Active
Dirk Jacobus Floris van der Walt	We Sell Cars (Pty) Ltd	Dormant	Director	Active
	We Buy Cars Proprietary Limited	Buying and selling of pre-owned motor cars	Director	Active
	We Prop (Pty) Ltd	Property and investment holding company	Director	Active
	I Dirk (Pty) Ltd	Investment holding company	Director	Active
	WBC Investments (Pty) Ltd	Investment holding company	Director	Active
	We Buy Properties (Pty) Ltd	Property holding company	Director	Active
	WBC Properties (Pty) Ltd	Property holding company	Director	Active
	WBC Holdings (Pty) Ltd	Investment holding company	Director	Active
	I VDW Holdings (Pty) Ltd	Investment holding company	Director	Active
	DVDW Treasuryco (Pty) Ltd	Domestic treasury management company	Director	Active
	Dirk JF van der Walt Trust	Trust	Trustee	Active
	K2020632250 (South Africa) (Pty) Ltd	Dormant	Director	Active
	The Aquafer Foundation Trust	Trust	Trustee	Active

Director	Name of Company or Entity	Nature of Business	Capacity	Active/ Resigned
John Mills	WBC Holdings (Pty) Ltd	Investment holding company	Director	Resigned
	We Buy Cars Proprietary Limited	Buying and selling of pre-owned motor cars	Director	Active
	We Buy Cars Sociéte Anonyme (Morocco)	Buying and selling of pre-owned motor cars	Director	Active
	Millrest (Pty) Ltd	Property holding company	Director	Active
	I John (Pty) Ltd	Investment Holding company	Director	Active
	We Buy Cars (Namibia) (Pty) Ltd	Buying and selling of pre-owned motor cars	Director	Active
Christopher James Rein	We Buy Cars Proprietary Limited	Buying and selling of pre-owned motor cars	Director	Active
	LJCS Investments (Pty) Ltd	Investment and property holding company	Director	Active
	WBC Investments (Pty) Ltd	Investment holding company	Director	Active
	We Buy Properties (Pty) Ltd	Property holding company	Director	Active
	WBC Properties (Pty) Ltd	Property holding company	Director	Active
	WBC Holdings (Pty) Ltd	Investment holding company	Director	Active
	We Buy Cars (Namibia) (Pty) Ltd	Buying and selling of pre-owned motor cars	Director	Active
	We Buy Cars AME Holdings DMCC	Investment holding company	Director	Active
	We Buy Cars Société Anonyme (Morocco)	Buying and selling of pre-owned motor cars	Director	Active
	The ARMJL Trust	Trust	Trustee	Active
Johannes Andries Holtzhausen	CA Sales Holdings Ltd	Fast moving consumer goods and retail solutions	Non-executive Director/ Chairman	Active
	KAP Ltd	Industrial holding company	Non-executive Director	Active
	Daleiwan Investments (Pty) Ltd	Investments	Non-executive Director	Active
	Daleiwan Trust	Trust	Trustee	Active
	Mount Babylon Vineyards (Pty) Ltd	Agricultural operating company	Non-executive Director	Active
	Oude Hemel en Aarde Vineyard Company (Pty) Ltd	Agriculture holding	Non-executive Director/ Chairman	Active
	PSG Capital (Pty) Ltd	Corporate finance and investment banking	Non-executive Director/ Chairman	Active
	PSG Group (Pty) Ltd	Investment holding company	Non-executive Director	Active
	Acorn Bursary Trust	Trust	Trustee	Active
	Opes Properties (Pty) Ltd	Property company	Director	Active
	Vredelus Limited	Education	Non-executive Director	Active
	Somerset College NPC	Education	Non-executive Director	Active
	Act of Grace 109 (Pty) Ltd	Education	Non-executive Director	Active
	WAT Trust	Trust	Chairman	Active
	Nasciturus Trust	Trust (Dormant)	Trustee	Active
	Die Pretorius Familie Trust	Trust (Dormant)	Trustee	Active

Director	Name of Company or Entity	Nature of Business	Capacity	Active/ Resigned
Michael Paul Mendelowitz	Transaction Capital Ltd	Investment holding company	Director	Active
	Transaction Capital Risk Services (Pty) Ltd	Operating company	Alternate Director	Active
	Transaction Capital Risk Services Holdings (Pty) Ltd	Operating company	Director	Active
	TC Global Finance Ltd	Operating company	Director	Active
	We Buy Cars (Pty) Ltd	Buying and selling of pre-owned motor cars	Alternate Director	Resigned
	WBC Holdings (Pty) Ltd	Investment holding company	Director	Active
	Bayport Management Ltd	Financial services	Alternate Director	Active
	Blend Property Group Holdings (Pty) Ltd	Operating company	Director	Active
	Upperway Investments (Pty) Ltd	Operating company	Director	Active
	Genki Group Ltd	Operating company	Contingent discretionary beneficiary	Active
	Dubnov Capital Ltd	Operating company	Contingent discretionary beneficiary	Active
	Atlantic Capital Partners Limited	Operating company	Director	Active
	Rutland Trust	Trust	Trustee	Active
	Kimberley Investment Trust	Trust	Trustee	Active
	Nutun Holdings (Pty) Ltd	Holding company	Director	Active
	Nutun (Pty) Ltd	Financial services	Director	Active
	RC Value Added Services (Pty) Ltd	Services company	Director	Resigned
	SA Taxi Holdings (Pty) Ltd	Operating company	Director	Resigned
	Recoveries Corporation Group Ltd	Operating company	Alternate Director	Resigned

Director	Name of Company or Entity	Nature of Business	Capacity	Active/ Resigned
Samara Totaram	Capitec Bank Group BEE Employee Trust	Trust	Trustee	Active
	Vredelus Limited	Education	Non-executive Director	Active
	Somerset College NPC	Education	Non-executive Director	Active
	Act of Grace 109 (Pty) Ltd	Education	Non-executive Director	Active
	Western Province Preparatory School Ltd	Education	Non-executive Director	Active
	Centenary Foundation Trust	Education	Trustee	Active
	Stadio Multiversity Investment Holdings	Education	Non-executive Director	Resigned
	Milpark Investments SPV	Education	Non-executive Director	Resigned
	Milpark BEE Investment	Education	Non-executive Director	Resigned
	STADIO Center for Lifelong Learning	Education	Non-executive Director	De-registered
	Lisof (Pty) Limited	Education	Non-executive Director	Resigned
	The South African School of Motion Picture Medium and Live Performance	Education	Non-executive Director	De-registered
	Prestige Academy (Pty) Ltd	Education	Non-executive Director	De-registered
	Southern Business School	Education	Non-executive Director	Resigned
	Milpark Education	Education	Non-executive Director	Resigned
	STADIO	Education	Non-executive Director	Resigned
	MBS Education Investments	Education	Non-executive Director	Resigned
	STADIO Holdings Limited	Education	Non-executive Director	Resigned
	STADIO Investment Holdings	Education	Non-executive Director	Resigned
	Histodox	Education	Non-executive Director	Resigned
	STADIO Corporate Services (Pty) Ltd	Education	Non-executive Director	Resigned
	Ekosto 1067 (Pty) Ltd	Education	Non-executive Director	Resigned
	Intraframe (Pty) Ltd	Education	Non-executive Director	Resigned
	Wadam Properties (Pty) Ltd	Education	Director	Resigned
	The Stadio Kusasa Foundation	Education	Trustee	Resigned
	Milpark BEE Trust	Education	Trustee	Resigned

Director	Name of Company or Entity	Nature of Business	Capacity	Active/ Resigned
Bridgitte Mathews	KAL Group Limited		Non-executive Director	Active
	PSG Financial Services (previously PSG Konsult Limited)	Financial services company	Non-executive Director	Active
	CA Sales Holdings Ltd	Fast moving consumer goods and retail solutions	Non-executive Director	Active
	WAT Trust	Trust	Trustee	Active
	Metair Investments Ltd	Investment holding company	Non-executive Director	Resigned
	PSG Group Ltd	Investment holding company	Non-executive Director	Resigned
	Redefine Empowerment Trust	Trust	Trustee	Resigned
	Redefine Properties Ltd	REIT	Non-executive Director	Resigned
	ATKV NPC	Non-profit company	Non-executive Director	Resigned
	PSG Life Ltd	Investment company	Non-executive Director	Active
	PSG Invest (Pty) Ltd	Financial services	Non-executive Director	Active
	Western National Insurance Co Ltd RSA	Insurance	Non-executive Director	Active
	Ca Vie Investments (Pty) Ltd	Private company	Director	Active
	Casamiento (Pty) Ltd	Dormant	Director	Active
	ITSI International (Pty) Ltd	Dormant	Director	Active
Nicolaas Abraham Stefanus Kruger	NGFJ Game Ventures (Pty) Ltd	Agriculture and related	Director	Active
	Main Street 1400 (RF) (Pty) Ltd	Listed equity investments	Director	Active
	I7 Capital (Pty) Ltd	Private equity investments	Director	Active
	Brenn-O-Kem Holdings (Pty) Ltd	Supplier of premium natural products made from winery waste materials	Director	Active
	Granor-Passi (Pty) Ltd	Supplier of fruit juice and related products	Director	Active
	Sanlam Ltd	Insurance business	Director	Active
	General Reinsurance Africa (Pty) Ltd	Re-Insurer	Director	Active
	Finansdeel Proprietary Ltd	Fixed property	Director	Active
	Griekwaland Wes Korporatief (Pty) Ltd	Agricultural trader, producer, product and service provider	Director	Active
	Sanlam Life Insurance (Pty) Ltd	Insurance business	Director	Active
	Thekwane Investments (Pty) Ltd	Investment activities	Director	Active
	Tzamenkomst Proprietary Ltd	Agriculture and related	Director	Active
	Afrimat Ltd	Mining and materials company	Director	Active
	Magnolia Ridge Properties 218 (Pty) Ltd	Investments	Director	Active

Director	Name of Company or Entity	Nature of Business	Capacity	Active/ Resigned
Willem Tielman Roos	OUTsurance Group Ltd	Listed insurance company	Non-executive Director	Active
	RMI Treasuryco (Pty) Ltd	Subsidiary of OUTsurance	Non-executive Director	Active
	OUTsurance International Holdings (Pty) Ltd	Subsidiary of OUTsurance	Non-executive Director	Active
	Rain Group Holdings Ltd	Telecommunications holding company	Non-executive Director	Active
	Pluvial (Pty) Ltd	Investment holding company	Director	Active
	RainX PTE Limited	Telecommunications holding company	Non-executive Director	Active
	Vertice Medtech Holdings (Pty) Ltd	Medical equipment distribution and technology company	Non-executive Director	Active
	Willem & Magdalena Roos Trust	Trust	Trustee	Active
	Rosaceae Aequitas (Pty) Ltd	Investment holding company	Director	Active
	Rosaceae Possesionem (Pty) Ltd	Property investment holding company	Director	Active
	Rosaceae Aequitas II (Pty) Ltd	Investment holding company	Director	Active
	Roos Family FA Trust	Trust	Trustee	Active
	Rosaceae International Ltd	Investment holding company	Director	Active
	Stoney Meadows Investments II (Pty) Ltd	Property holding company	Director	Active
	Sureship Investments (Pty) Ltd	Property holding company	Director	Active
Kevin Brian Amoils	Gigi Investments (Pty) Ltd	Holding company	Non-executive Director	Active
	Amber Equities (Pty) Ltd	Investment company	Director	Active
	Michamvi Marketing (Pty) Ltd	Trading company	Non-executive Director	Active
	Synergy Outsourcing Ltd	Business process outsourcing	Non-executive Director	Active
	Nutun CX (Pty) Ltd	Business process outsourcing	Non-executive Director	Active
	Nutun Corporate Ventures (Pty) Ltd	Investment holding company	Non-executive Director	Resigned
	Fogmaker South Africa (Pty) Ltd	Industrial distribution	Non-executive Director	Resigned
	Integrated Air Solutions (Pty) Ltd	Industrial distribution	Non-executive Director	Resigned
	Brenthurst Retirement Holdings (Pty) Ltd	Senior living	Non-executive Director	Resigned
	Senqu Capital (Pty) Ltd	Hedge fund	Non-executive Director	Resigned
	E4 Investment Holdings (Pty) Ltd	Software	Alternate director	Resigned
	Scamont Investment Holdings (Pty) Ltd	Manufacturing	Non-executive Director	Resigned

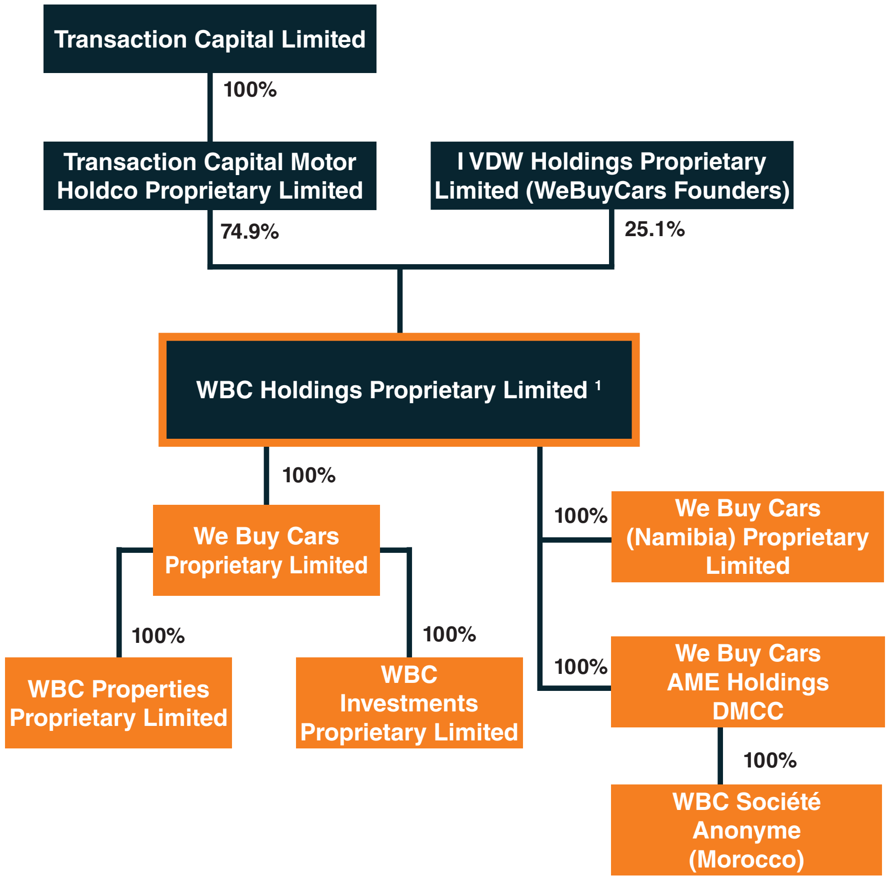
DIRECTORS OF THE MAJOR SUBSIDIARY

The table below contains particulars of the directors of the Company's Major Subsidiary:

Full name	Age	Nationality	Capacity	Name of subsidiary	Expertise	Business Address
Adriaan Stephanus Scheepers van der Walt	49	South African	CEO	We Buy Cars Proprietary Limited	Refer to Annexure 3	Building 7, Byls Bridge Office Park, 6 Bylsbridge Boulevard, Centurion
Christopher James Rein	53	South African	CFO	We Buy Cars Proprietary Limited	Refer to Annexure 3	Building 7, Byls Bridge Office Park, 6 Bylsbridge Boulevard, Centurion
John Mills	49	South African	COO	We Buy Cars Proprietary Limited	Refer to Annexure 3	Building 7, Byls Bridge Office Park, 6 Bylsbridge Boulevard, Centurion
Dirk Jacobus Floris van der Walt	52	South African	Executive Director	We Buy Cars Proprietary Limited	Refer to Annexure 3	Building 7, Byls Bridge Office Park, 6 Bylsbridge Boulevard, Centurion

STRUCTURE OF THE GROUP

The high-level Group structure prior to the Pre-listing steps and the Pre-listing Capital Raise initiatives



Note: 1. WBC Holdings Proprietary Limited will change its name to We Buy Cars Holdings Limited prior to the Listing.

DETAILS OF MAJOR SUBSIDIARY OF THE COMPANY

The table below sets out the details of the Major Subsidiary of the Company, which is unlisted as at the Last Practicable Date:

Subsidiary Name	Registration number	Place of Incorporation	Incorporation Date	Issued share capital held	Nature of Business	Date of becoming a subsidiary
We Buy Cars Proprietary Limited	2015/130772/07	South Africa	2015	399 203 ordinary shares of no par value	Interests in the pre-owned car industry, specifically the buying and selling of pre-owned motor cars	8 September 2020

***Notes**:*

1. The other Subsidiaries in the Group are not material. Only the Major Subsidiary has been noted above.

MATERIAL BORROWINGS OF THE GROUP

Details of the material loans made to the Group, as at the Last Practicable Date, are set out below:

The following facilities are in place in the We Buy Cars Proprietary Limited trading entity as at the Last Practicable Date. These facilities are governed by the We Buy Cars Proprietary Limited Common Terms Agreement (CTA):

Facility	Facility D – Standard Bank	Facility E – RMB	Facility F – Investec	Facility G – RMB	Facility H – RMB
Facility Amount	R300m	R250m	R210m	R100m	R250m
Facility Utilised[2]	R170m	R32m	R50m	R100m	R180m
Available Facility	R130m	R218m	R160m	–	R70m
Facility Type	Revolving credit facility	Revolving credit facility	Revolving credit facility	Revolving credit facility	Revolving credit facility
Instrument	Senior unsecured	Senior unsecured	Senior unsecured	Senior unsecured	Senior unsecured
Interest Rate	Prime less 135 bps	JIBAR plus 220 bps	Prime less 125 bps	JIBAR plus 224 bps	JIBAR plus 220 bps
Availability period	24 months	12 months	12 months	Note 1	12 months
Maturity Date	5 April 2025	30 May 2024	6 September 2024	Note 1	15 March 2024

Notes:

1. The date selected by the Lender on not less than 366 days prior written notice given to the borrower at any time on or after the effective date (4 April 2023); or the date selected by the borrower on not less than 30 days prior written notice given to the lender at any time on or after the effective date.
2. The table above reflects the position as at Last Practicable Date. All of the above loans are used to fund working capital.
3. None of the loans listed in this **Annexure 8** have any conversion or redemption rights.
4. These revolving credit facilities will be renewed or refinanced on or before their respective maturity dates. Accordingly, there is no amount repayable in the short-term (next twelve months).

The table below sets out the loans originated as mortgage loans, to fund the WBC Properties property portfolio as at the Last Practicable Date. All of these properties are used by the Group.

WBC Properties recently entered into a refinancing agreement with Rand Merchant Bank (RMB) for all owned properties. The below table sets out the new refinanced facilities with RMB.

Facility	Capital Amount	Facility utilised	Interest Rate	Margin	Term (Months)
RMB Facility A – Overdraft facility	R150m	R134m	Prime less Margin	2,10%	12
RMB Facility B – Term facility	R300m	R300m	Jibar plus Margin	2,00%	60
RMB Facility C – Term facility	R300m	R300m	Jibar plus Margin	2,05%	84
Total	**R750m**	**R734m**			

Notes:

1. None of the loans listed in this **Annexure 8** have any conversion or redemption rights.
2. There are no contingent liabilities in relation to any of the above financial arrangements.

LOANS OF THE GROUP

Details of material loans made by the Group as at the Last Practicable Date, are set out below:

Lender	Borrower	Reason for loan (acquisition of assets or other)	Loan Amount (R'000)	Interest Rate	Terms of repayment and settlement date	Security furnished	Directors	Addresses
We Buy Cars Proprietary Limited	Jinja Green Proprietary Limited	Contribution made by the lender in terms of a supplier development initiative to support the financial and operational sustainability of the business as contemplated in terms of applicable B-BBEE legislation	R8 000	No interest payable	Repayable on 6 months written notice from the lender, but in any event by no later than 31 October 2026	None given the reason for the loan	EP Voster WR Raubenheimer T Moleko CM Tubane	Summit Place, Building 4, 2nd floor, 221 Garsfontein Road, Menlyn, Pretoria, 0081
We Buy Cars Proprietary Limited	Jinja Purple Pepper Proprietary Limited	Contribution made by the lender in terms of an enterprise development initiative to support the financial and operational sustainability of the business as contemplated in terms of applicable B-BBEE legislation	R4 000	No interest payable	Repayable on 6 months written notice from the lender, but in any event by no later than 31 October 2026	None given the reason for the loan	EP Vorster WR Raubenheimer MB Suliman J Maluleka	Summit Place, Building 4, 2nd floor, 221 Garsfontein Road, Menlyn, Pretoria, 0081
We Buy Cars Proprietary Limited[1]	WBC Properties	Funding of property acquisitions/developments	R296 493	Prime	No fixed repayment terms	None inter-company	ASS van der Walt DJF van der Walt CJ Rein	Building 7, Byls Bridge Office Park, 6 Bylsbridge Boulevard, Centurion

Note 1: Inter-company loan that is eliminated on consolidation.

DETAILS REGARDING PRINCIPAL PROPERTIES OCCUPIED

Details of the principal properties occupied by the Company and its Subsidiaries, which are owned by the Group, are set out below:

Freehold properties

No.	Owner	Property Type	Location/ Address	Property Description	Date of Purchase	Area m²
1	WBC Properties	Vehicle Supermarket	1 Dove Street, Brackenfell, Cape Town	Erf 23312, Brackenfell, Western Cape	15 April 2019	24 960
2	WBC Properties	Vehicle Supermarket	1 Puddingstone Street, Brakfontein, Centurion	50% undivided share in Erf 2551 Louwlardia, Ext 74 Township, Gauteng	25 August 2020	44 313
3	WBC Properties	Vehicle Supermarket	Randport Industrial Park, 1 Suzuka Road, Gosforth Park, Germiston	Portion 8 (a portion of portion 1) of Erf 61 Gosforth, Extension 5 Township, Gauteng	5 March 2021	30 529
4	WBC Properties	Vehicle Supermarket	52 Sabax Road, Aeroton, Johannesburg	Erf 238 Aeroton Ext 13, Johannesburg, Gauteng	1 December 2018	55 165
5	WBC Properties	Vehicle Supermarket	Blackberry Crescent, Riverside, Mbombela	Portion 18 of Erf 926 Riverside Park Extension 22, Mpumalanga	25 January 2022	19 048
6	WBC Properties	Vehicle Supermarket	Cnr Solomon Mahlangu Drive and Bendeman Boulevard, Six Fountains, Silver Lakes	Erf 209 and 210, Six Fountains Ext 1, Silver Lakes, Kungwini Local Municipality, Gauteng	Should take transfer in May 2024 Purchase price: R80 million plus improvements of R21 million Valuation: Unknown Approved facility: R68 million (facility not utilised)	43 714

No.	Owner	Property Type	Location/ Address	Property Description	Date of Purchase	Area m²
7	WBC Properties	Vehicle Supermarket	Northumberland Road and Olievenhout Avenue, Northriding, Randburg	Erf 22 Northgate Extension 18,Gauteng	15 December 2021	86 311
			Northumberland Road and Olievenhout Avenue, Northriding, Randburg	Portion 301 (a portion of portion 2) of the Farm Olievenhoutpoort No. 196, Gauteng	15 December 2021	27 531
			Northumberland Road and Olievenhout Avenue, Northriding, Randburg	Portion 302 (a portion of portion 2) of the Farm Olievenhoutpoort No. 196, Gauteng	15 December 2021	28 672
			Northumberland Road and Olievenhout Avenue, Northriding, Randburg	Portion 303 (a portion of portion 2) of the Farm Olievenhoutpoort No. 196, Gauteng	15 December 2021	28 365
			Northumberland Road and Olievenhout Avenue, Northriding, Randburg	Erf 23 Northgate Extension 18, Gauteng	15 December 2021	1 447

Each of the above freehold properties are leased to We Buy Cars Proprietary Limited in terms of separate lease agreements concluded between We Buy Cars Proprietary Limited and WBC Properties. On consolidation, these rentals are eliminated.

Leasehold properties

No.	Owner	Property Type	Location/Address	Property Description	Date of Purchase	Area m²
1	WBC Properties	Vehicle Supermarket	59 Intersite Avenue, Springfield Park, Durban	Erf 641 Springfield, KwaZulu-Natal	24 November 2020	21 753
2	WBC Properties	Vehicle Supermarket	51 Upper, Southern Precinct Boulevard, Richmond Park, Cape Town	Erf 38348, Milnerton, Western Cape	15 December 2021	34 117

Each of the above leasehold properties are leased to We Buy Cars Proprietary Limited in terms of separate lease agreements concluded between We Buy Cars Proprietary Limited and WBC Properties. On consolidation of the Group, these rentals are eliminated.

Details of the principle properties occupied by the Company and its Subsidiaries, which are leased by the Group, are set out below:

No	Owner	Lessee	Property Type	Location	Rental per month excl VAT (R'000)	Unexpired term of lease – years	Area (m^2)
1.	Centurion Vision Development (Pty) Ltd	We Buy Cars Proprietary Limited	Head office	Building 7, Byls Bridge Office Park, 6 Bylsbridge Boulevard, Centurion	551	3,5	3 652
2.	Master Tyre Properties (Pty) Ltd	We Buy Cars Proprietary Limited	Vehicle Supermarket	Unit A, 166 Gunners Circle, Epping, Cape Town, Western Cape	299	3	3 780
3.	Africa KZN Property (Pty) Ltd	We Buy Cars Proprietary Limited	Vehicle Supermarket	2 Riverhorse Place, Riverhorse Valley, Durban, KwaZulu-Natal	766	5,5	11 114
4.	BCC George (Pty) Ltd	We Buy Cars Proprietary Limited	Vehicle Supermarket	1 Nelson Mandela Boulevard, George, Western Cape	328	6	4 897
5.	Zig Zag Properties (Pty) Ltd	We Buy Cars Proprietary Limited	Vehicle Supermarket	Corner of Cape Road and Bramlin Street, Kabega, Gqeberha, Eastern Cape	469	4	11 915
6.	Vital Property Investments (Pty) Ltd	We Buy Cars Proprietary Limited	Vehicle Supermarket	1 Market Road, Mkondeni, Pietermaritzburg, KwaZulu-Natal	127	4	2 119
7.	Presidio Properties (Pty) Ltd	We Buy Cars Proprietary Limited	Vehicle Supermarket	6 Danute Street, N1 Industrial Park, Polokwane, Limpopo	433	3	7 071

MATERIAL RISKS

The Board has ultimate responsibility for overseeing the Group's risk management processes.

The Board shall be assisted by the Audit and Risk Committee of the Company, who are responsible for ensuring that the risk management process complies with relevant standards and governance requirements. Senior management of the Company, is responsible for managing risks in their respective areas of influence.

Oversight of risk management at operational level rests with the relevant executive teams. Business risk registers are updated bi-annually and reviewed on a bi-annual basis at the Audit and Risk Committee meetings.

The considerations set out below reflect the material risks for WeBuyCars, having been identified as having the most material implications for the Group, its shareholders and its employees. However, there may be additional risks that WeBuyCars does not currently know of or that WeBuyCars currently deems immaterial based on the information available to it. These factors should be considered carefully, together with the information and financial data set out in this Pre-listing Statement.

1. OPERATING ENVIRONMENT

Consumer confidence is a key driver of volumes and business activity in the motor industry. Current volatility in macroeconomic factors such as interest rates, unemployment, political uncertainty, exchange rates and fuel prices influences propensity to spend on high-value items.

WeBuyCars mitigates this risk by selling of motor vehicles across the entire vehicle parc at competitive price points. WeBuyCars is able to align its buying strategy to prevailing market conditions to match consumer demand.

2. CYBER-CRIME AND INFORMATION SECURITY

The Group operates from one key IT platform which is critical to the operations of the business of WeBuyCars.

Due to the reliance on technology, cyber-crime is an inherent risk faced by WeBuyCars. Technology disruptions and loss of data could negatively impact operations.

Cybercrime and a breach of information security could compromise the confidentiality, integrity and availability of information and technology resources resulting in a disruption of operations, a decline in profitability and reputational damage.

3. ATTRACTING AND RETAINING TALENT

Failure to attract, develop and retain appropriately qualified and experienced people across various disciplines poses a risk to the operations of the Company, particularly in a high growth environment. Given the key role of information technology in the WeBuyCars business, the sourcing and retention of senior IT staff receives attention at the highest levels.

Due the material negative impact which this risk may have on the Group, WeBuyCars has proactively established succession plans for key IT and other resources. The Company regularly benchmarks its remuneration structures to the industry and strives to be an employer of choice in the software development and IT space.

4. **COMPETITORS**

The automotive industry is a highly competitive market. From time to time, there is an influx of new vehicle buying service competitors in the market. Although, new entrants are often not able to compete with WeBuyCars due to economies of scale, they do have the ability to compete on a deal-by-deal basis. This does not present material risk to the business, but may result in a dilution of market share from time to time.

At present WeBuyCars does not have any direct competitors operating at scale in the South African market, but management is always monitoring the risk that the WeBuyCars business model can be replicated by a sizeable competitor in the future. Historically, competitors have usually targeted a specific age category of vehicle and this has resulted in more competition in a sub-strata of the vehicle parc.

5. **REGULATORY AND COMPLIANCE RISK**

WeBuyCars operates in a highly regulated industry and is subject to significant regulatory compliance and reporting obligations. Accordingly, regulatory compliance is monitored on an ongoing basis which places an administrative burden on the Company and has cost implications.

Any breaches of applicable legislation by WeBuyCars could result in fines or sanctions that have adverse reputational and financial consequences to the Company.

In addition, WeBuyCars' transition to being a listed Company will involve appropriate changes to its corporate governance and legal and compliance practices. WeBuyCars will rely on a knowledgeable and experienced Board to ensure a smooth transition.

6. **RELIANCE ON LICENSING DEPARTMENT**

The business' reliance on the licensing department to timeously process documents and transactions poses a risk to the timeous finalisation of vehicle trades. Unsatisfactory response times could result in the loss of scale and result in lower levels of customer service.a

CORPORATE GOVERNANCE AND APPLICATION OF THE KING CODE

Approach to corporate governance

The Board endorses the King Code and is in compliance with the corporate governance requirements per paragraph 3.84 of the JSE Listings Requirements. The Board is committed to the principles of transparency, integrity, fairness and accountability by the Group in the conduct of its business and affairs.

The Board shall be responsible for ensuring that the Group complies with all of its statutory and regulatory obligations with effect from Listing. Going forward, the Board will oversee and ensure an effective compliance framework, the integrity of the Group's financial reporting and risk management, as well as accurate, timely and transparent disclosure to Shareholders.

Sound corporate governance is an integral part of the Group's success in achieving its strategic objective to create sustainable value. The Board plays a pivotal role in strategy planning and establishes clear benchmarks to measure the Group's strategic objectives. The Board is accountable and responsible for the performance and affairs of the Group. The Board is committed to implementing sound corporate governance principles.

The Group will implement the King Code through the application of the King Code disclosure and application regime on a more formalised basis, in compliance with the JSE Listings Requirements. A full analysis of the steps taken and to be taken by the Company to comply with the principles of the King Code will be included in the annual financial statements of the Company for the year ended 30 September 2024.

The Chief Executive Officer and the Chief Financial Officer confirm that the latest annual financial statements of the Company, fairly present in all material respects the financial position, financial performance and cash flows of the Company in terms of IFRS® Accounting Standards. No facts have been omitted or untrue statements made that would make the latest annual financial statements false or misleading. Internal financial controls have been put in place to ensure that material information relating to the Company and its Subsidiaries have been provided to effectively prepare the financial statements of the Company. The internal financial controls are adequate and effective and can be relied upon in compiling the latest annual financial statements and for the compilation of the annual financial statements going forward. In the unlikely event that any such controls are not satisfied going forward, the Chief Executive Officer and the Chief Financial Officer will disclose to the Audit and Risk Committee of the Company, and the auditors of the Company, the deficiencies in design and operational effectiveness of the internal financial controls and any fraud that involves Directors, and will take the necessary remedial action.

The Board

The Board consists of nine Directors, three of whom are executive Directors and six of whom are Non-executive Directors. There is one alternate Director to one of the Non-executive Directors. All six Non-executive Directors are independent Non-executive Directors. The profiles of the Directors appear in **Annexure 3** to this Pre-listing Statement.

The appointment of Directors is a matter for the Board as a whole. The appointment of Directors will be subject to Shareholders' approval at general/annual general meetings pursuant to paragraph 10.16(b) of Schedule 10 of the JSE Listings Requirements.

There is a policy evidencing a clear balance of power and authority at Board level, to ensure that no one Director has unfettered powers of decision making.

The Board has adopted a policy on the promotion of broader diversity at Board level focussing on the promotion of the diversity attributes of gender, race, culture, age, field of knowledge, skills, and industry experience and other diversity and will, in identifying suitable candidates for appointment as Directors, consider candidates on merit against objective criteria and with due regard for the potential benefits of, *inter alia*, gender and racial diversity at Board level. The Board has increased the diversity at Board level and has focused on the inclusion of women at Board level. To this end, two of the Non-executive Directors appointed to the Board are women.

The key roles and responsibilities of the Board include, *inter alia*, the following:

- ultimate accountability and responsibility for the performance and affairs of the Group;
- leading ethically, by example, and governing the corporate citizenship of the Group;

- setting the Group's strategic objectives with a focus on value creation;
- ensuring an effective control environment including risk management and compliance with applicable laws, codes and standards; and
- promoting the interests and expectations of stakeholders.

The Company's remuneration policy and the implementation report will be tabled at each annual general meeting of the Company for separate non-binding advisory votes by Shareholders. Such policy will record the measures that the Board will adopt should either the remuneration policy or the implementation report, or both, be voted against by 25% or more of the votes exercised at such annual general meeting. In this regard, should 25% or more of the votes exercised be against such policy or report, the Company will in its voting results announcement include an invitation to dissenting Shareholders to engage with the Company and the Board, as well as the manner and timing of such engagement.

The Board has as its independent Non-executive Chairman Mr Johannes Andries Holtzhausen. Mr Adriaan Stephanus Scheepers van der Walt is the Company's Chief Executive Officer and Mr Christopher James Rein is the Chief Financial Officer.

To the best of their knowledge, the Directors confirm that the Company is acting in compliance with the Companies Act and in accordance with its MOI.

Company Secretary

Mr Pieter Johannes Christiaan Vorster is the Company Secretary of the Company. The Board is satisfied as to the competence, qualifications and experience of the Company Secretary.

The Board is of the opinion that the Company Secretary is suitably qualified and experienced to carry out his duties as stipulated under section 84 of the Companies Act and the King Code.

The Board will annually, through discussion and assessment, review the qualifications, experience and competence of the Company Secretary.

Board committees

Audit and Risk Committee

The Company's Audit and Risk Committee has the following members:

- Ms Samara Totaram (Chair);
- Ms Bridgitte Mathews;
- Mr Nicolaas Abraham Stefanus Kruger; and
- Mr Willem Tielman Roos,

all of whom are independent Non-executive Directors.

The Audit and Risk Committee of the Company shall, going forward, execute all statutory duties in terms of section 94 of the Companies Act and will comply with all legislative and regulatory requirements. It will operate in accordance with the Companies Act. The Audit and Risk Committee of the Company shall also ensure that the appointment of the auditor of the Company is presented and included as a resolution at the annual general meeting of the Company pursuant to section 61(8) of the Companies Act.

The Audit and Risk Committee of the Company shall ensure that appropriate financial reporting procedures exist and are working, which include consideration of all entities included in the Group's IFRS® Accounting Standards compliant annual financial statements; to ensure that it has access to all the financial information of WeBuyCars to allow the Company to effectively prepare and report on its annual financial statements.

The Audit and Risk Committee of the Company has considered and satisfied itself, and will do so annually, of the appropriateness of the expertise and experience of Mr Christopher James Rein for the position of Chief Financial Officer.

The Audit and Risk Committee of the Company shall annually consider the information detailed in paragraph 3.84(g) of the JSE Listings Requirements in their assessment of the suitability for appointment or re-appointment, as the case may be, of the external auditor as well as prior to the Listing.

In terms of risk management (through consultation with the external auditors), the Audit and Risk Committee of the Company ensures that management's processes and procedures are adequate to identify, assess, manage and monitor Group-wide risks.

This committee will hold at least two meetings per financial year.

Remuneration and Nominations Committee

The Company's Remuneration and Nominations Committee has the following members:

- Ms Samara Totaram (Chair);
- Mr Johannes Andries Holtzhausen; and
- Mr Michael Paul Mendelowitz.

This committee will hold at least two meetings per financial year.

This committee's remuneration responsibilities include, *inter alia*:

- assisting the Board to ensure the Group's reward and remuneration policies are aligned to its objective of value creation and benchmarked to ensure fairness and competitiveness;
- monitoring the implementation and effectiveness of the remuneration policy; and
- on the Board's behalf, annually:
  - approving remuneration strategies and policies designed to attract, motivate and retain employees, senior management and Directors to achieve the Group's strategy to create value;
  - recommending the remuneration policy and implementation reports to Shareholders; and
  - recommending Non-executive Directors' fees for approval by Shareholders.

The remuneration policy for the Company is in line with the requirements of the King Code.

The committee's nominations responsibilities include, *inter alia*:

- ensuring the establishment of a formal and transparent process for the nomination, election and appointment of Board members;
- considering the collective knowledge, skills and experience required by the Board, the suitable size of the Board, the diversity of the Board and whether the candidate meets the appropriate fit and proper criteria;
- recommending candidates to the Board for consideration to be put forward to the Shareholders at the annual general meeting for voting and appointment; and
- considering whether to recommend the re-election of non-executive members whose terms are coming to an end, based on the availability of members, members' performance and attendance on the Board and committees.

Social and Ethics Committee

The Company's Social and Ethics Committee has the following members:

- Ms Bridgitte Mathews (Chair);
- Mr Johannes Andries Holtzhausen;
- Mr Adriaan Stephanus Scheepers van der Walt; and
- Mr Willem Tielman Roos.

In line with the requirements of the Companies Act, WeBuyCars has established a Social and Ethics Committee to act as the Company's social conscience and take into account public and stakeholder interests in the Company's operations. The Social and Ethics Committee of the Company shall fulfil its mandate as prescribed by the Companies Regulations to the Companies Act. Currently there are no instances of material non-compliance to disclose.

This committee has an independent role, operating as an overseer and a maker of recommendations to the Board for its consideration and final approval of social and ethical matters, and in ensuring that the Company is a committed socially responsible corporate citizen. This committee does not assume the functions of management, which remain the responsibility of the executive directors, officers and other members of senior management. The commitment to sustainable development involves ensuring that the Company conducts business in a manner that meets existing needs without knowingly compromising the ability of future generations to meet their needs.

This committee's primary role is to supplement, support, advise and provide guidance on the effectiveness or otherwise of management's efforts in respect of social and ethics and sustainable development related matters which, *inter alia*, include the following:

- environmental management;
- climate change;
- ethics management;
- safety and occupational hygiene;
- health and wellness, including occupational health;
- social labour plans (SLP) as well as any corporate social investment (CSI);
- human resource development, employment equity and transformation;
- stakeholder engagement; and
- the protection of Company assets.

This committee will hold at least two meetings per financial year.

Internal controls

The Company maintains financial and operational systems of internal control to ensure the reliability of financial information. These controls aim to provide reasonable assurance that transactions are concluded in accordance with management's authority, that the assets are adequately protected against material losses, unauthorised acquisition, use or disposal, and that transactions are properly authorised and recorded.

The internal control systems are monitored on a continuous basis, with a view to correcting any control deficiencies as they are identified.

The Board, operating through the Audit and Risk Committee, shall going forward oversee the financial reporting process and internal control systems.

The Company will in future include an appropriate responsibility statement in the annual financial statements, as required by paragraph 3.84(k) of the JSE Listings Requirements, being:

"The directors, whose names are stated below, hereby confirm that:

- *the annual financial statements set out on pages XX to XX , fairly present in all material respects the financial position, financial performance and cash flows of the issuer in terms of IFRS® Accounting Standards;*
- *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;*
- *internal financial controls have been put in place to ensure that material information relating to the issuer and its consolidated subsidiaries have been provided to effectively prepare the financial statements of the issuer;*
- *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;*
- *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 remediated the deficiencies/taken steps to remedy the deficiencies; and*
- *Any fraud that involves directors was reported to the audit committee/We are not aware of any fraud involving directors.*
- *Signed by the CEO and the CFO".*

Information technology

The risks regarding the security, back-up, conversion and update of the information technology systems are continually assessed by the Company. Disaster recovery plans are regularly reviewed as disruptions to critical management information could have an impact on continuing operations.

MATERIAL AGREEMENTS

General Agreements

- Common Terms Agreement between We Buy Cars Proprietary Limited and Investec Bank Limited and FirstRand Bank Limited and The Standard Bank of South Africa Limited dated 14 March 2022.
- Facilities Agreement between FirstRand Bank Limited and WBC Properties dated 12 October 2023.
- Cession in Securitatem Debiti Agreement between FirstRand Bank Limited and WBC Properties dated 12 October 2023.
- Subordination agreement amongst FirstRand Bank Limited and WBC Properties dated 12 October 2023.

HISTORICAL FINANCIAL INFORMATION

Introduction to the Historical Financial Information of WeBuyCars

The historical financial information of the Group consists of the consolidated statements of financial position and the related consolidated statements of profit or loss and other comprehensive income, changes in equity and cash flow for the financial periods ended 31 March 2021 (seven months), 31 March 2022 (twelve months), 30 September 2022 (six months) and the financial year to 30 September 2023 (twelve months), and the notes to the Historical Financial Information comprising a summary of the significant accounting policies and other explanatory information of the Group (collectively referred to as the "**Historical Financial Information**").

The financial periods that are shorter than twelve months are:

- the seven months to 31 March 2021, due to the fact that the Company was only incorporated on 17 August 2020; and
- the six months to 30 September 2022, due to the fact that the Company changed its financial year end to 30 September to align with the Transaction Capital financial year end.

The Historical Financial Information has been specifically prepared for the purposes of this Pre-listing Statement in order to comply with paragraph 8.4 of the JSE Listings Requirements.

The Historical Financial Information has been prepared in accordance with IFRS® Accounting Standards, the interpretation adopted by the International Accounting Standards Board ("**IASB**"), the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Pronouncements as issued by Financial Reporting Standards Council.

The Directors are responsible for the preparation and fair presentation of the Historical Financial Information in accordance with IFRS® Accounting Standards and for such internal controls as the Directors determine are necessary to enable the preparation of the Historical Financial Information that is free from material misstatement, whether due to fraud or error.

Deloitte & Touche provided the Auditor's report on the Historical Financial Information for the financial periods ended 30 September 2023 (12 months) and 30 September 2022 (6 months). PricewaterhouseCoopers Inc provided the Auditor's reports on the Historical Financial Information for the financial periods ended 31 March 2022 (12 months) and 31 March 2021 (7 months). Both Auditor's reports are included in **Annexure 15** to this Pre-listing Statement.

The Directors are responsible for the preparation, contents and presentation of the Pre-listing Statement and are responsible for ensuring that the Group complies with the JSE Listings Requirements.

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FINANCIAL OVERVIEW

Commentary on the Historical Financial Information

WeBuyCars has delivered on bold growth targets and recorded a 60% compound average growth in profit after taxation since 2011.

Operating context and market positioning

The structural elements supporting the medium- and long-term outlook for the pre-owned vehicle market in South Africa remain positive. Demand for more affordable pre-owned vehicles is high as elevated inflation and rising interest rates erode consumers' disposable income. This trend is given further impetus by rising prices of new vehicles as vehicle manufacturers face inflationary pressure compounded by a depreciating Rand.

Although the number of pre-owned vehicles traded continues to exceed that of new, the South African market has shifted significantly when compared to the periods ended 31 March 2022 and 30 September 2022. A year ago, the pre-owned vehicle market was supported by constrained new vehicle supply due to chip shortages (post the COVID-19 lockdown period), and higher consumer confidence. These factors contributed to robust pre-owned vehicle demand and price inflation which favoured Rand margin expansion and quicker inventory turns,, driving unusually high earnings. These favourable trading conditions have reversed over the past year, with higher interest rates, higher fuel prices and increased loadshedding dampening consumer confidence, pre-owned vehicle price inflation (although still positive) declining from the peak in December 2021 and the supply of new vehicles recovering to pre-pandemic levels.

Financial and operational performance

In the four financial periods under review WeBuyCars sold:

- 141 851 vehicles (12 months to 30 September 2023)
- 67 292 vehicles (6 months to 30 September 2022)
- 105 241 vehicles (12 months to 31 March 2022)
- 47 631 vehicles (7 months to 31 March 2021)

The roll-out of new supermarket trading locations namely: Springfield Park in Durban in October 2020; Germiston in June 2021; The Dome in Randburg in December 2021; Polokwane in February 2022; Mbombela in April 2022; RiverHorse Valley in Durban in July 2022; Epping in Cape Town in July 2022; George in the Western Cape in November 2022; Richmond Park in Cape Town in November 2022 and Pietermaritzburg in KwaZulu-Natal in April 2023 has facilitated this growth in market share and volumes.

With a national footprint of 15 supermarkets and 74 buying pods and a robust Information Technology platform (and website), WeBuyCars is now able to drive internal efficiencies and realise economies of scale.

WeBuyCars recorded an operating profit before non-operating items of R1 030 058 189 in the 12 months to 30 September 2023 (R535 596 828: 6 months to 30 September 2022) (R980 959 260: 12 months to 31 March 2022) (R426 122 399: 7 months to 31 March 2021).

Statement of Financial Position

WeBuyCars has over the years accumulated a large property portfolio (approximately R1 billion at historic cost) and currently owns 9 of the 15 supermarkets, primarily in the major metropolitan areas in South Africa. The properties have been financed with mortgage loan funding of approximately R701 million (at 30 September 2023) from FirstRand Bank Limited and Investec Bank Limited.

The inventory balance of R2 186 890 633 at 30 September 2023 (R2 007 667 357 at 30 September 2022) (R1 245 570 176 at 31 March 2022) (R604 329 683 at 31 March 2021) has grown in line with the growth in the WeBuyCars national footprint. During the financial year to 30 September 2023 management re-aligned the inventory profile and refocused the buying strategy to buy more vehicles in the R150 000 to R400 000 categories to align to the current consumer demand.

Shareholding in WeBuyCars

During September 2020 Transaction Capital Limited, through a subsidiary company, Transaction Capital Motor Holdco (Pty) Ltd acquired a 49,9% interest in We Buy Cars Proprietary Limited.

The consideration payable was settled in cash as well as with Transaction Capital Limited shares and the delta between the consideration and the carrying amount of the non-controlling interest was accounted for within Retained earnings/(Accumulated loss) in the Statement of Changes in Equity.

The cash and the share proceeds were paid to the shareholders during the 7 month period to 31 March 2021, by way of a dividend.

During October 2021, Transaction Capital Limited, through a subsidiary company, Transaction Capital Motor Holdco (Pty) Ltd subscribed for a 25% shareholding in WeBuyCars and exchanged its previously held shareholding of 49,9% in We Buy Cars Proprietary Limited, a subsidiary of the company, for new shares in WeBuyCars, in terms of section 42 of the Income Tax Act. Subsequent to the transaction, Transaction Capital Motor Holdco (Pty) Ltd holds a 74,9% shareholding in the Group.

The difference between the consideration paid by the non-controlling interest and the carrying amount of the non-controlling interest was recorded with Retained earnings/(Accumulated loss) in the Statement of Changes in Equity.

The cash and share proceeds were paid to shareholders during the 12 months to 31 March 2022, by way of a dividend.

Cash flows

The WeBuyCars business model has proven to be highly cash generative. The Board has been able to fund the rapid growth in trading locations and working capital with very low levels of borrowings and gearing. The business generated net cash from operating activities of R582 390 737 in the 12 months to 30 September 2023 (R149 270 307 cash utilised): 6 months to 30 September 2022) (R155 579 117: 12 months to 31 March 2022)(R122 941 677: 7 months to 31 March 2021). During the 6 months to 30 September 2022 WeBuyCars invested R762 097 181 in inventory as new trading locations reached optimal inventory levels. This accounts for the cash utilised in that period.

DIRECTORS' RESPONSIBILITIES AND APPROVAL

The Directors are required in terms of the Companies Act 71 of 2008 of South Africa to maintain adequate accounting records and are responsible for the content and integrity of the Historical Financial Information and related financial information included in this report. It is their responsibility to ensure that the Historical Financial Information fairly presents the state of affairs of the Group and its subsidiaries for the four periods ended 30 September 2023 and the results of its operations and cash flows for the periods then ended, in conformity with IFRS® Accounting Standards. The external auditors have been engaged to express independent opinion on the Historical Financial Information.

The Historical Financial Information has been prepared in accordance with IFRS® Accounting Standards ("**IFRS**") and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

The directors acknowledge that they are ultimately responsible for the system of internal financial control established by the Group and place considerable importance on maintaining a strong control environment. To enable the Directors to meet these responsibilities, the Boards of Directors set standards for internal control aimed at reducing the risk of error or loss in a cost-effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the Group, and all employees are required to maintain the highest ethical standards in ensuring the Group's business is conducted in a manner that, in all reasonable circumstances, is above reproach. The focus of risk management in the Group is on identifying, assessing, managing and monitoring all known forms of risk across the Group. While operating risk cannot be fully eliminated, the Group endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The Directors are of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the Historical Financial Information. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or loss.

The Directors have reviewed the Group's cash flow forecast for the year to 12 March 2025 and, in light of this review and the current financial position, they are satisfied that the Group has access to adequate resources to continue in operational existence for the foreseeable future.

The Historical Financial Information set out on pages 104 to 175, which have been prepared on the going concern basis, were approved by the Boards of Directors on 12 March 2024 and were signed on their behalf by:

ASS van der Walt **CJ Rein**

12 March 2024

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2023

Figures in Rands	Note(s)	Audited 30 September 2023	Reviewed 30 September 2022	Reviewed 31 March 2022	Reviewed 31 March 2021
Assets					
Non-Current Assets					
Property, plant and equipment	2	**1 131 039 958**	1 139 469 722	**1 001 490 602**	619 847 979
Right-of-use assets	3	**149 072 486**	160 970 055	**78 074 726**	39 486 721
Insurance contract assets	4	**44 471 367**	1 150 000	**1 150 000**	1 150 000
Investment in financial assets	5	**100**	100	**349 340 100**	349 340 000
Equity accounted investment	6	**10 550 000**	8 000 000	**–**	–
Deferred tax asset	7	**42 521 978**	32 290 423	**25 177 949**	12 457 089
Other loans receivable	8	**12 000 000**	–	**–**	–
Derivative asset	13	**–**	268 778 797	**–**	–
		1 389 655 889	1 610 659 097	**1 455 233 377**	1 022 281 789
Current Assets					
Inventories	9	**2 186 890 633**	2 007 667 357	**1 245 570 176**	604 329 683
Trade and other receivables	10	**90 273 189**	70 746 929	**248 282 553**	170 825 537
Loan to related party	11	**–**	29 438 832	**7 054 334**	–
Cash and cash equivalents	12	**164 161 748**	109 531 479	**110 785 077**	37 512 472
Derivative asset	13	**426 463 000**	–	**–**	–
		2 867 788 570	2 217 384 597	**1 611 692 140**	812 667 692
Total Assets		**4 257 444 459**	3 828 043 694	**3 066 925 517**	1 834 949 481
Equity and Liabilities					
Equity					
Stated capital	15	**6 714 554 883**	6 714 554 883	**6 714 554 883**	659 251 932
Share-based payment reserve		**18 395 369**	9 651 951	**5 423 646**	–
Foreign currency translation reserve		**1 937 967**	242 558	**–**	–
Accumulated loss		**(4 414 850 576)**	(4 887 019 361)	**(5 313 141 961)**	(322 724 777)
Non-controlling interest	16	**906 791**	956 835	**–**	534 646 391
		2 320 944 434	1 838 386 866	**1 406 836 568**	871 173 546
Liabilities					
Non-Current Liabilities					
Deferred tax liability	7	**2 867 020**	2 688 776	**1 953 961**	401 379
Long-term borrowings	17	**943 985 262**	683 101 815	**725 469 571**	536 895 803
Long-term portion of lease liabilities	18	**127 556 008**	139 186 627	**63 821 188**	33 210 143
		1 074 408 290	824 977 218	**791 244 720**	570 507 325
Current Liabilities					
Bank overdraft	12	**6 079 691**	4 972 361	**6 915 040**	2 635 277
Short-term borrowings	17	**437 873 612**	807 520 246	**541 338 288**	140 773 125
Short-term portion of lease liabilities	18	**37 636 146**	31 371 177	**21 865 209**	12 443 794
Trade and other payables	19	**299 342 181**	236 542 634	**239 772 033**	157 704 878
Provisions	20	**5 000 000**	–	**–**	–
Current tax payable		**23 134 817**	40 885 306	**23 247 019**	20 844 694
Employee benefits	21	**53 025 288**	43 387 886	**35 606 640**	18 856 842
Shareholder loan	22	**–**	–	**100 000**	10 000
Dividend payable		**–**	–	**–**	40 000 000
		862 091 735	1 164 679 610	**868 844 229**	393 268 610
Total Liabilities		**1 936 500 025**	1 989 656 828	**1 660 088 949**	963 775 935
Total Equity and Liabilities		**4 257 444 459**	3 828 043 694	**3 066 925 517**	1 834 949 481

CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Figures in Rands	Note(s)	Audited 12 months to 30 September 2023	Reviewed 6 months to 30 September 2022	Reviewed 12 months to 31 March 2022	Reviewed 7 months to 31 March 2021
Revenue	24	**20 017 994 010**	9 639 208 065	**14 177 665 217**	5 533 662 619
Net operating expenses	25	**(18 936 096 818)**	(9 059 944 835)	**(13 144 958 094)**	(5 076 945 163)
Net insurance result	26	**65 321 368**	–	**–**	–
Insurance revenue		**179 336 354**	–	**–**	–
Insurance service expenses		**(101 358 423)**	–	**–**	–
Insurance finance cost		**(12 656 563)**	–	**–**	–
Earnings before interest, taxation, depreciation and amortisation		**1 147 218 560**	579 263 230	**1 032 707 123**	456 717 456
Depreciation and amortisation	27	**(117 160 371)**	(43 666 402)	**(51 747 863)**	(30 595 057)
Operating profit before the following items:		**1 030 058 189**	535 596 828	**980 959 260**	426 122 399
Profit/(loss) on sale of property, plant and equipment		**3 030 409**	178	**11 171**	(233 623)
Other non-operating items	28	**157 684 203**	268 778 797	**–**	–
Operating profit before net financing costs		**1 190 772 801**	804 375 803	**980 970 431**	425 888 776
Finance income	29	**9 414 126**	12 881 344	**20 418 244**	10 532 916
Finance costs	30	**(158 303 814)**	(58 572 451)	**(58 594 405)**	(27 780 069)
Profit before share of results of associates		**1 041 883 113**	758 684 696	**942 794 270**	408 641 623
Equity accounted income		**4 450 000**	–	**–**	–
Profit before taxation		**1 046 333 113**	758 684 696	**942 794 270**	408 641 623
Taxation	31	**(225 348 396)**	(132 590 426)	**(262 604 806)**	(111 526 221)
Profit for the year/period		**820 984 717**	626 094 270	**680 189 464**	297 115 402
Other comprehensive income		**–**	–	**–**	–
Items that will be reclassified subsequently to profit or loss					
Exchange gain on translation of foreign operations		**1 743 719**	342 962	**–**	–
Total comprehensive income for the year/period		**822 728 436**	626 437 232	**680 189 464**	297 115 402
Profit for the period attributable to:					
Ordinary equity holders of the parent		**821 132 496**	626 122 600	**535 886 955**	148 853 967
Non-controlling interest		**(147 779)**	(28 330)	**144 302 509**	148 261 435
Total comprehensive income attributable to:					
Ordinary equity holders of the parent		**822 827 905**	626 365 158	**535 886 955**	148 853 967
Non-controlling interest		**(99 469)**	72 074	**144 302 509**	148 261 435
Earnings per share (cents)	32				
Basic earnings per share		**39 634**	30 221	**47 177**	74 427
Diluted basic earnings per share		**39 634**	30 221	**47 177**	74 427

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

Figures in Rands	Stated capital	Share-based payment reserve	Foreign currency translation reserve	Retained earnings/ (Accumulated loss)	Equity attributable to ordinary equity holders of the parent	Non-controlling interest	Total equity
Balance on incorporation	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Profit for the period	–	–	–	148 853 967	148 853 967	148 261 435	297 115 402
Other comprehensive income	–	–	–	–	–	–	–
Total comprehensive income for the period	**–**	**–**	**–**	**148 853 967**	**148 853 967**	**148 261 435**	**297 115 402**
Dividends declared[1]	–	–	–	(2 041 271 626)	(2 041 271 626)	–	(2 041 271 626)
Capital contribution arising from reorganisation[2]	–	–	–	464 591 130	464 591 130	309 727 640	774 318 770
Issue of shares as a result of a capital reorganisation	659 251 932	–	–	(349 524 292)	309 727 640	(309 727 640)	–
Transactions with non-controlling interest	–	–	–	1 454 626 044	1 454 626 044	386 384 956	1 841 011 000
Total contributions by and distributions to owners of the group recognised directly in equity	**659 251 932**	**–**	**–**	**(471 578 744)**	**187 673 188**	**386 384 956**	**574 058 144**
Balance at 31 March 2021 – *Reviewed*	**659 251 932**	**–**	**–**	**(322 724 777)**	**336 527 155**	**534 646 391**	**871 173 546**
Profit for the year	–	–	–	535 886 955	535 886 955	144 302 509	680 189 464
Other comprehensive income	–	–	–	–	–	–	–
Total comprehensive income for the year	**–**	**–**	**–**	**535 886 955**	**535 886 955**	**144 302 509**	**680 189 464**
Dividends declared[3]	–	–	–	(2 875 115 534)	(2 875 115 534)	(24 950 088)	(2 900 065 622)
Issue of shares for cash consideration[4]	1 320 891 061	–	–	–	1 320 891 061	–	1 320 891 061
Issue of shares in the form of a script dividend	1 429 224 473	–	–	–	1 429 224 473	–	1 429 224 473
Grant of conditional share plans	–	5 423 646	–	–	5 423 646	–	5 423 646
Transactions with non-controlling interest	3 305 187 417	–	–	(2 651 188 605)	653 998 812	(653 998 812)	–
Total contributions by and distributions to owners of the group recognised directly in equity	**6 055 302 951**	**5 423 646**	**–**	**(5 526 304 139)**	**534 422 458**	**(678 948 900)**	**(144 526 442)**
Balance at 31 March 2022 – *Reviewed*	**6 714 554 883**	**5 423 646**	**–**	**(5 313 141 961)**	**1 406 836 568**	**–**	**1 406 836 568**
Adjustment on initial adoption of IFRS 17	–	–	–	–	–	–	–
Restated balance at 1 April 2022	**6 714 554 883**	**5 423 646**	**–**	**(5 313 141 961)**	**1 406 836 568**	**–**	**1 406 836 568**

Figures in Rands	Stated capital	Share-based payment reserve	Foreign currency translation reserve	Retained earnings/ (Accumulated loss)	Equity attributable to ordinary equity holders of the parent	Non-controlling interest	Total equity
Profit for the period	–	–	–	626 122 600	626 122 600	(28 330)	626 094 270
Other comprehensive income:							
Foreign currency translation differences	–	–	242 558	–	242 558	100 404	342 962
Total comprehensive income for the period	**–**	**–**	**242 558**	**626 122 600**	**626 365 158**	**72 074**	**626 437 232**
Dividends declared and paid	–	–	–	(200 000 000)	(200 000 000)	–	(200 000 000)
Grant of conditional share plans	–	4 228 305	–	–	4 228 305	–	4 228 305
Transactions with non-controlling interest	–	–	–	–	–	884 761	884 761
Total contributions by and distributions to owners of the group recognised directly in equity	**–**	**4 228 305**	**–**	**(200 000 000)**	**(195 771 695)**	**884 761**	**(194 886 934)**
Balance at 30 September 2022 – *Reviewed*	**6 714 554 883**	**9 651 951**	**242 558**	**(4 887 019 361)**	**1 837 430 031**	**956 835**	**1 838 386 866**
Profit for the year	–	–	–	821 132 496	821 132 496	(147 779)	820 984 717
Other comprehensive income:							
Foreign currency translation differences	–	–	1 695 409	–	1 695 409	48 310	1 743 719
Total comprehensive income for the year	**–**	**–**	**1 695 409**	**821 132 496**	**822 827 905**	**(99 469)**	**822 728 436**
Dividends declared and paid	–	–	–	(340 000 000)	(340 000 000)	–	(340 000 000)
Grant of conditional share plans	–	13 657 601	–	–	13 657 601	–	13 657 601
Settlement of conditional share plans	–	(4 914 183)	–	(8 963 711)	(13 877 894)	–	(13 877 894)
Transactions with non-controlling interest	–	–	–	–	–	49 425	49 425
Total contributions by and distributions to owner of the group recognised directly in equity	**–**	**8 743 418**	**–**	**(348 963 711)**	**(340 220 293)**	**49 425**	**(340 170 868)**
Balance at 30 September 2023 – *Audited*	**6 714 554 883**	**18 395 369**	**1 937 967**	**(4 414 850 576)**	**2 320 037 643**	**906 791**	**2 320 944 434**
Notes	15					16	

1. The dividend of R2.0 billion declared during the 7 month period ended 31 March 2021 was settled in cash of R1.66 billion and in Transaction Capital Limited shares amounting to R344 million. The Transaction Capital Limited shares were received as consideration for the transaction with non-controlling interest (refer to Note 16).
2. The Company was incorporated during the period as the new parent/holding Company of the We Buy Cars Proprietary Limited Group. The section 42 transactions in this regard were considered a capital reorganisation and were consequently recorded at the pre-combination carrying amounts of the Group without any fair value uplift. The shares were issued in an asset for share transactions in terms of section 42 of the Income Tax Act (i.e. non-cash). WeBuyCars received an equity contribution of R465 million.
3. The dividend of R2.9 billion declared during the 12 month period ended 31 March 2022 was settled in cash of R1.27 billion, in Transaction Capital Limited shares amounting to R201 million and a non-cash scrip dividend of R1.43 billion.
4. The issue of shares was paid for in cash of R1.1 billion and with R201 million of Transaction Capital Limited shares.

CONSOLIDATED STATEMENTS OF CASH FLOWS

Figures in Rands	Note(s)	Audited 12 months to 30 September 2023	Reviewed 6 months to 30 September 2022	Reviewed 12 months to 31 March 2022	Reviewed 7 months to 31 March 2021
Cash flows from operating activities					
Profit before taxation		1 046 333 113	758 684 696	942 794 270	408 641 623
Adjustments for:					
Depreciation of property, plant and equipment	27	72 485 797	26 683 478	31 687 719	14 490 468
Depreciation of right-of-use assets	27	39 747 795	15 417 471	15 887 256	15 165 489
Amortisation of leasehold rights and leasehold improvements	27	4 926 779	1 565 453	4 172 888	939 100
Finance income	29	(9 414 126)	(12 881 344)	(20 418 244)	(10 532 916)
Finance costs	30	158 303 814	58 572 451	58 594 405	27 780 069
(Profit)/loss on sale of property, plant and equipment		(3 030 409)	(178)	(11 172)	233 623
Movement in leave pay, credit note, inventory, long-term incentive and annual bonus provisions		73 776 237	25 951 484	54 234 483	7 137 199
Other non-cash items		(67 676 694)	15 503 750	7 812 387	(12 051 664)
Grant of share appreciation rights and conditional share plans		13 657 601	–	–	–
Settlement of vested share appreciation rights		(13 877 894)	–	–	–
Fair value adjustment on call option derivative		(157 684 203)	(268 778 797)	–	–
Changes in working capital:					
Increase in inventories		(205 876 414)	(762 097 181)	(651 441 564)	(167 540 422)
(Increase)/decrease in trade and other receivables		(19 471 920)	177 571 277	(71 660 957)	(68 815 464)
Increase/(decrease) in trade and other payables		18 338 332	(22 708 554)	93 794 788	51 380 396
Cash generated from operations		**950 537 808**	**13 484 006**	**465 446 269**	**266 827 501**
Finance income		9 414 126	12 881 344	14 622 186	10 532 916
Finance costs		(146 409 004)	(54 305 855)	(53 118 580)	(27 780 069)
Dividend received		22 000 000	–	–	–
Tax paid	34	(253 152 193)	(121 329 802)	(271 370 758)	(126 638 671)
Net Cash generated from/(utilised by) operating activities		**582 390 737**	**(149 270 307)**	**155 579 117**	**122 941 677**

Figures in Rands	Note(s)	Audited 12 months to 30 September 2023	Reviewed 6 months to 30 September 2022	Reviewed 12 months to 31 March 2022	Reviewed 7 months to 31 March 2021
Cash flows from investing activities					
Purchase of property, plant and equipment	2	(72 054 674)	(163 625 304)	(457 449 041)	(209 349 370)
Proceeds on sale of property, plant and equipment		18 076 614	1 607 309	2 553 135	173 913
Interest capitalised	2	(1 232 266)	(4 209 928)	(3 996 153)	(560 027)
Loan repaid by/(advanced to) a related party		29 438 832	(22 384 498)	(7 054 334)	–
Loans advanced to external parties	8	(12 000 000)	–	–	–
Proceeds on redemption of preference shares		–	349 340 000	–	–
Investment in a financial asset/ preference shares		–	–	(100)	(349 340 000)
Investment into equity accounted investment	6	–	(8 000 000)	–	–
Dividend received from equity accounted investment	6	1 900 000	–	–	–
Proceeds on new share issue in a foreign subsidiary		49 425	884 761	–	–
Net Cash (utilised by)/generated from) investing activities		**(35 822 069)**	**153 612 340**	**(465 946 493)**	**(559 075 484)**
Cash flows from financing activities					
Proceeds on share issue		–	–	1 120 129 656	120
Proceeds on new issue of shares in a subsidiary to a minority		–	–	–	1 511 671 000
Borrowings raised		716 303 127	687 181 516	743 952 612	60 277 434
Borrowings repaid		(836 961 124)	(473 333 844)	(156 479 702)	–
Short-term loan repaid		–	–	–	(177)
Lease liabilities repaid		(33 215 875)	(17 707 987)	(18 252 605)	(10 932 381)
(Repayment of)/Proceeds from shareholder loan		–	(100 000)	90 000	10 000
Dividends paid[1]	36	(340 000 000)	(200 000 000)	(1 310 079 744)	(1 656 946 556)
Net Cash (utilised by)/generated from financing activities		**(493 873 872)**	**(3 960 315)**	**379 360 217**	**(95 920 560)**
Total cash and cash equivalents movement for the year/period		**52 694 796**	**381 718**	**68 992 841**	**(532 054 367)**
Cash and cash equivalents acquired through a capital reorganisation		–	–	–	566 931 561
Cash and cash equivalents at the beginning of the year/period		104 559 118	103 870 037	34 877 195	–
Effects of exchange rate changes on the cash balances held in foreign currencies		828 143	307 363	–	–
Total cash and cash equivalents at the end of the year/period	12	**158 082 057**	**104 559 118**	**103 870 037**	**34 877 195**

Note

1. Included in dividend paid for the year ended 31 March 2022 is an amount of R40 million relating to a dividend declared in a prior period.

1. **SIGNIFICANT ACCOUNTING POLICIES**

The principal accounting policies applied in the preparation of the Historical Financial Information are set out below and except for those noted below, the Group has consistently applied the accounting policies to all periods presented in the historic financial information.

1.1 **Basis of preparation**

1.1.1 ***Statement of compliance***

The Historical Financial Information of the Company and its subsidiaries (the Group) are prepared in accordance with IFRS® Accounting Standards, interpretations issued by the International Financial Reporting Interpretations Committee ("**IFRS IC**"), the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Pronouncements as issued by the Financial Reporting Standards Council, the Johannesburg Stock Exchange ("**JSE**") Listings Requirements, the going concern principle and the requirements of the South African Companies Act, 71 of 2008. The Group also subscribes in all its activities to principles of best practice and corporate governance, as set out in the King IV Report on Corporate Governance for South Africa 2016.

1.1.2 ***Basis of measurement***

The Historical Financial Information has been prepared on the historic cost convention unless otherwise stated in the accounting policies which follow and incorporate the principal accounting policies set out below.

1.1.3 ***Functional and presentation currency***

The Historical Financial Information is presented in South African Rands. The functional and presentation currency of the Company is South African Rands. All of the financial information has not been rounded unless indicated otherwise.

1.1.4 ***Standards and amendments adopted by the Group***

The Group adopted the IFRS amendments which became effective in the current and prior financial periods as they became effective. This did not result in any changes in the Group's accounting policies and had no effect on the results of the Group. The Group was not affected by any other new and revised accounting standards, other than IFRS 17, *Insurance Contracts*, amendments to standards or new interpretations during the most recent financial period.

IFRS 17, *Insurance Contracts*

The Group applied IFRS 17 from 1 October 2022, which is before the effective date (annual reporting periods beginning on or after of 1 January 2023). The transition date was 1 April 2022. Accordingly, the comparative information for the 2022 financial period has been assessed for restatement in accordance with the transitional provisions in Appendix C to IFRS 17, the impact however was assessed to be immaterial and no restatement was made. The nature and impact of the changes due to the adoption of this standard can be summarised as follows:

Changes in classification, measurement, presentation and disclosure of insurance contracts

IFRS 17 establishes principles for the recognition, measurement, presentation and disclosure of insurance contracts. It introduces a model that measures groups of contracts based on the Group's estimates of the present values of future cash flows that are expected to arise as the Group fulfils the contracts, an explicit risk adjustment for non-financial risk and a contractual service margin ("**CSM**"). Under IFRS 17, insurance revenue in each reporting period represents the change in the liabilities for remaining coverage that relate to services for which the Group expects to receive consideration. Insurance finance income and expenses are presented separately from insurance revenue and insurance service expenses.

Given that the Group reasonably expects that the simplification would produce an accurate measurement of the liability for remaining coverage, the Group satisfies the criteria for the premium allocation approach ("**PAA**"). When considering the coverage period of the insurance contracts, it was noted that the contracts are for a period of one year or less and therefore meet the PAA requirements. The Group therefore applies the PAA to simplify the measurement of contracts and disclosures are provided accordingly. The general measurement approach has not been considered.

Where characteristics of onerous contracts are identified, these contracts are separated out of the group of contracts and measured separately according to the fulfilment cashflow model.

The line item descriptions in the statement of profit or loss and other comprehensive income have been changed when compared with prior reporting periods. IFRS 17 requires separate presentation of:

- Insurance revenue;
- Insurance service expense; and
- Insurance finance income or costs.

In addition, the Group provides disaggregated qualitative and quantitative information in the notes to the Historical Financial Information about:

- The amounts recognised in its financial statements from insurance contracts; and
- Significant judgements, and changes in those judgements, made when applying the standard.

Transition

On transition date, 1 April 2022, the Group:

- Has identified, recognised and measured each group of insurance contracts as if IFRS 17 has always applied;
- Derecognised any existing balances that would not exist had IFRS 17 always applied; and
- Recognised any resulting net difference in equity.

On transition to IFRS 17, the Group has applied the fully retrospective approach in line with Appendix C of IFRS 17. All transaction costs on transition are included in profit and loss.

On transition to IFRS 17, the Group has applied the transition provisions in IFRS 17 and has not disclosed the impact of the adoption of IFRS 17 on each individual historic financial information line item. The effects of adopting IFRS 17 on the Historical Financial Information at 1 April 2022 are presented in the statement of changes in equity. The comparative information for the 30 September 2022 financial period has been assessed for restatement in accordance with the transitional provisions in Appendix C to IFRS 17, the impact however was assessed to be immaterial and no restatement was made, with no impact in the statement of changes in equity.

1.1.5 ***Standards and amendments in effect which did not have any impact on amounts recognised in prior periods and are not expected to significantly affect current or future periods***

- Amendments to IAS 16, Property, *Plant and Equipment: Proceeds before Intended Use*
- Amendment to IFRS 3, *Business combinations*. Asset or liability in a business combination clarity

1.1.6 ***Change in year end***

The Historical Financial Information for the Group is for the periods ended 31 March 2021 (seven months), 31 March 2022 (twelve months), 30 September 2022 (six months) and the financial year to 30 September 2023 (twelve months).

The financial periods that are shorter then twelve months are:

- The seven months to 31 March 2021, due to the fact that the Company was incorporated on 17 August 2020.
- The six months to 30 September 2022, due to the fact that the Company changed its year end to 30 September to align with the Transaction Capital Limited financial year end.

1.2 **Recently issued accounting standards**

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning on or after 1 October 2023 and have not been applied in preparing the Historical Financial Information. The Group does not plan to adopt these standards early. These standards and interpretations will be adopted in the year that they become mandatory unless otherwise indicated.

Those which may be relevant to the Group are set out below:

International Financial Reporting Standards ("IFRS"), interpretations and amendments issued but not effective for 30 September 2023 year ends

Standard/Interpretation	Effective date	Summary
Narrow scope amendments to IAS 1, *Presentation of Financial Statements*, Practice statement 2 and IAS 8, *Accounting Policies*, Changes in Accounting Estimates and Errors	Annual periods beginning on or after 1 January 2023. Early application is permitted. (Published February 2021)	The amendments aim to improve accounting policy disclosures and to help users of the financial statements to distinguish changes in accounting policies from changes in accounting estimates. The Group assessed the impact to be immaterial.
Amendments to IAS 12, *Income Taxes: Deferred Tax related to Assets and Liabilities* arising from a Single Transaction	Annual periods beginning on or after 1 January 2023. Earlier application is permitted. (Published May 2021)	The amendments require companies to recognise deferred tax on transactions that, on initial recognition, give rise to equal amounts of taxable and deductible temporary differences. The Group assessed the impact to be immaterial.
Amendments to IAS 1, *Non-current liabilities* with covenants	Annual periods beginning on or after 1 January 2024. (Published January 2020 and November 2022)	These amendments clarify how conditions with which an entity must comply within twelve months after the reporting period affect the classification of a liability. The amendments also aim to improve information an entity provides related to liabilities subject to these conditions. The Group assessed the impact to be immaterial.

The following International Financial Reporting Standards, interpretations and amendments issued but not effective have been considered and will not impact the Group:

Effective for annual periods beginning on or after 1 January 2023

- IAS12, International tax reform – pillar two model rules

Effective for annual periods beginning on or after 1 January 2024

- Amendment to IFRS 16, *Leases* on sale and leaseback
- Amendments to Supplier Finance Arrangements (IAS 7 and IFRS 7)

Effective for annual periods beginning on or after 1 January 2025

- IAS 21, *Lack of Exchangeability*

1.3 **Basis of consolidation**

Capital reorganisations

The Historical Financial Information incorporates the financial statements of the Company and entities controlled by the Company.

Capital reorganisations are structural changes within the Group initiated by a shareholder or parent, with the aim of reorganising the Group's composition without introducing any significant economic changes. In the Historical Financial Information, the acquirer includes the assets and liabilities of the existing entity at their pre-combination carrying amounts. No fair value uplift is applied in this process. The pre-combination book values represent the carrying value of the existing entity. Capital reorganisations in which the purchaser is not a business as defined in terms of IFRS 3, because for example, it is a new company, cannot be identified as an acquirer. Consequently there is no economic substance to a corporate reorganisation.

The excess of the cost of the transaction over the acquirer's proportionate share of the pre-combination carrying amounts recognised in the capital reorganisation is allocated to equity within the consolidated statement of changes in equity.

Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are consolidated from the date on which the Group acquires effective control of the entity. Consolidation ceases from the date control no longer exists.

The results of subsidiaries acquired or disposed of during the year are included in the Historical Financial Information from the effective date of acquisition and up to the effective date of loss of control, as appropriate.

Non-controlling interest ("NCI")

Non-controlling interests in subsidiaries are identified separately from the Group's equity therein. Those interests of non-controlling shareholders that present ownership interests entitling their holders to a proportionate share of net assets upon liquidation may initially be measured at fair value or at the non-controlling interests' proportionate share of the fair value of the acquiree's identifiable net assets. The choice of measurement is made on an acquisition by acquisition basis. The treatment is not an accounting policy choice but selected for each business combination. Subsequent to acquisition, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity. Changes in the Group's interests in subsidiaries that do not result in a loss of control are accounted for as equity transactions.

The carrying amount of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to the owners of the Company.

Acquired deferred tax benefits recognised within the measurement period are applied to reduce the carrying amount of any goodwill related to that acquisition. Those deferred tax assets and deferred tax liabilities affect the amount of goodwill or the bargain purchase gain that the entity recognises. No deferred tax liabilities are recognised which would arise from the initial recognition of goodwill.

Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated.

1.4 **Significant judgements and sources of estimation uncertainty**

The preparation of Historical Financial Information in conformity with IFRS® Accounting Standards requires management, from time to time, to make judgements, estimates and assumptions that may affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses. These estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimates are revised and in any future years affected.

Estimations and judgements applied by management in applying accounting policies

The following estimations and judgements, which could have a significant effect on the Historical Financial Information, were made by management in applying the accounting policies for the year ended 30 September 2023:

1.4.1 ***Impairment of trade receivables***

Trade receivables are recognised at the transaction price as measured and defined in IFRS 15, *Revenue from Contracts with Customers* and are subsequently measured at amortised cost using the effective interest method, less a provision for impairment.

The Group applies the simplified approach to providing for expected credit losses prescribed by IFRS 9, which requires lifetime credit losses to be recognised from initial recognition of all receivables.

1.4.2 ***Write-down of obsolete inventory***

Management identifies obsolete inventory on a continuous basis. The identification is based on the age and condition of the second-hand motor vehicles. Once identified, the inventory is impaired to reflect the lower of cost and net realisable value. These estimates could however change based on market conditions.

1.4.3 ***Useful lives of property, plant and equipment***

Management reviews the depreciation methods, useful lives and residual value estimates of each asset category within property, plant and equipment on an annual basis and adjusts these variables if appropriate.

1.4.4 ***Insurance contracts***

The Group has a shareholding in a third party insurance cell captive arrangement through an insurer in South Africa. During the current financial year, the Group has assessed the overall commercial effect of the agreements that govern this arrangement, and determined that they contain in-substance, properties of reinsurance agreements. In terms of the agreements, significant insurance risk is initially accepted by the insurer, and to the extent that premiums and reserves are insufficient to cover claims, the insurer transfers significant insurance risk to the Group by requiring the Group to recapitalise the cell captive as and when necessary to meet capital adequacy requirements. As a result, the overall commercial effect is similar to an insurance contract and is considered an in-substance reinsurance contract issued from the perspective of the Group. The agreements are therefore accounted for as insurance contracts in terms of IFRS 17, *Insurance Contracts*.

1.5 **Foreign operations**

For the purpose of the Historical Financial Information, the results and financial position of each Group entity are presented in South African Rands.

For the purpose of presenting Historical Financial Information, the assets and liabilities of the Group's foreign operations are translated to South African Rands using exchange rates prevailing at the end of the reporting period. Income and expense items are translated at the average exchange rates for the period, unless significant transactions occurred during that period, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising are recognised in other comprehensive income and presented in the foreign currency translation reserve in equity.

On the disposal of a foreign operation all of the accumulated exchange differences in respect of that operation attributable to the Group are reclassified to profit or loss. In the case of a partial disposal (not loss of control) of a subsidiary that includes a foreign operation, the proportionate share of accumulated exchange difference is reclassified to non-controlling shareholder interest and is not reclassified in profit or loss.

When the settlement of a monetary item receivable from or payable to a foreign operation is neither planned nor likely in the foreseeable future, foreign exchange gains and losses arising from such a monetary item are considered to form part of a net investment in a foreign operation and are recognised in the Historical Financial Information in other comprehensive income, and presented in the foreign currency translation reserve in equity.

1.6 Property, plant and equipment

Recognition and measurement

Property, plant and equipment (including leasehold improvements), are tangible assets which the Group holds for its own use and which are expected to be used for more than one year.

An item of property, plant and equipment is recognised as an asset when it is probable that future economic benefits associated with the item will flow to the Group, and the cost of the item can be measured reliably. When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Property, plant and equipment is initially measured at cost. Cost includes all of the expenditure which is directly attributable to the acquisition or construction of the asset, including the capitalisation of borrowing costs on qualifying assets, where appropriate.

Borrowing costs are capitalised to the extent that they are directly attributable to the acquisition, construction or production of a qualifying asset. Capitalisation of borrowing costs commences when the activities to prepare the asset are in progress and expenditures and borrowing costs are being incurred. Capitalisation of borrowing costs may continue until the assets are substantially ready for their intended use.

Capitalised interest is classified under cash flows from investing activities in the statement of cash flows as it relates directly to costs incurred for the development and improvement of investment properties.

Property, plant and equipment is subsequently stated at cost less accumulated depreciation and any accumulated impairment losses. Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Group.

Gains and losses on the disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment and are recognised as other income in profit or loss.

Depreciation

Depreciation of an asset commences when the asset is available for use as intended by management. Depreciation is charged to write-off the asset's carrying amount over its estimated useful life to its estimated residual value, using a method that best reflects the pattern in which the asset's economic benefits are consumed by the Group. Depreciation is not charged on an asset if its estimated residual value exceeds or is equal to its carrying amount. Depreciation of an asset ceases at the earlier of the date that the asset is classified as held for sale or derecognised.

The estimated useful lives of items of property, plant and equipment have been re-assessed as follows:

Item	Depreciation method	Average useful life
Buildings	Straight line	20 years
Furniture and fixtures	Straight line	6 years
Office equipment	Straight line	5 years
IT equipment	Straight line	3 years
Vehicles	Straight line	5 years
Leasehold rights	Straight line	Amortised over shorter of lease term or 25 years
Leasehold improvements	Straight line	Amortised over shorter of lease term or 20 years

The residual value, useful life and depreciation method of each asset are reviewed at the end of each reporting year. If the expectations differ from previous estimates, the change is accounted for prospectively as a change in accounting estimate.

Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately.

The depreciation charge for each period is recognised in profit or loss unless it is included in the carrying amount of another asset.

Land is not depreciated.

1.7 Equity accounted investment

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in financial and operating policy decisions of the investee, but it is not control or joint control over those policies.

An investment in an associate is accounted for using the equity method from the date on which the investee becomes an associate. Under the equity method, an investment in an associate is recognised initially in the statement of financial position at cost and adjusted thereafter to recognise the Group's share of the profit or loss and other comprehensive income of the associate. On acquisition of the investment in an associate, any excess of the cost of the investment over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill, which is included within the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of the investment, after reassessment, is recognised immediately in profit or loss in the period in which the investment is acquired.

When necessary, the entire carrying amount of the investment (including goodwill) is tested for impairment, as a single asset by comparing its recoverable amount (higher of value-in-use and fair value less cost to sell) with its carrying amount. An impairment loss recognised forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised to the extent that the recoverable amount of the investment subsequently increases.

1.8 Financial instruments

1.8.1 *Initial recognition and measurement*

Financial instruments, consisting of financial assets and financial liabilities, carried at the reporting date by the Group include a call option derivative asset, cash and cash equivalents, trade receivables, trade payables, borrowings and bank overdrafts. Trade receivables and trade payables exclude prepayments and certain statutory and employee-related receivables and payables for the purposes of financial instruments.

Trade receivables are initially recognised when the right to consideration is unconditional, in conjunction with IFRS 15, *Revenue from Contracts with Customers*. All other financial assets and liabilities are recognised initially when the Group becomes a party to the contractual provisions of the instrument.

The Group classifies financial instruments, or their component parts, on initial recognition as a financial asset, a financial liability, or an equity instrument in accordance with the substance of the contractual arrangement.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability are recognised initially at fair value plus, for instruments not at fair value through profit or loss, any directly attributable transaction costs when the Group becomes a party to the contractual arrangements. A trade receivable without a significant financing component is initially measured at the transaction price. Subsequent to initial recognition, these instruments are measured in accordance with their classification as set out below:

1.8.2 *Financial asset classification and subsequent measurement*

On initial recognition, financial assets are classified into the following three principal categories: financial assets at fair value through profit or loss ("**FVTPL**"), financial assets at fair value through other comprehensive income ("**FVOCI**") and debt instruments at amortised cost. The classification depends on the contractual cash flow characteristics and the business models for managing the financial assets and is determined at the time of initial recognition. Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

1.8.3 ***Debt instruments at amortised cost***

Debt instruments at amortised cost (including trade and other receivables and cash and cash equivalents) are measured at amortised cost using the effective interest method, less any impairment.

Amortised cost is calculated considering any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate.

The Group measures financial assets at amortised cost if both of the following conditions are met:

- the financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise, on specified dates, to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Gains or losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

*Assessing the solely payments of principal and interest ("**SPPI**") criterion*

In order for a financial asset to qualify for amortised cost it needs to give rise to cash flows that are "solely payments of principal and interest" on the principal amount outstanding. This assessment is colloquially referred to as the SPPI test. It is performed at an instrument level.

For the purposes of this assessment, "principal" is defined as the fair value of the financial asset on initial recognition. "Interest" is defined as the consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Group considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition.

The trade receivables of the Group only involve a single cash flow – the payment of the amount resulting from a transaction in the scope of IFRS 15, which is deemed to be the principal, as stated above.

Therefore, the cash flows resulting from the receivables meet the SPPI test of payments of principal and interest despite the interest component being zero in most cases.

Bank and cash is short-term in nature and interest income is earned on amounts deposited with the bank. The Group recognises these balances at its contractual par amount.

The bank balances involves one single cash flow which is the repayment of the principal plus interest accrued at the effective rate. Therefore, the cash flows resulting from these deposits meet the SPPI test of payments of principal and interest.

The contractual cash flows for trade receivables and bank and cash consists solely of principal and interest.

Amortised cost business model

The Group's business model is to hold these assets in order to collect contractual cash flows, provided they pass the SPPI test mentioned above. Receivables, arising from the revenue generated, are collected from customers and are based on the agreed contractual terms.

The Group's policy for trade receivables is therefore to hold the receivables to collect the contractual cash flows. Therefore they are classified at amortised cost. The Group also holds bank and cash deposits in order to collect the contractual cash flows. These are also classified as measured at amortised cost.

Amortised cost financial assets are subsequently measured using the effective interest method and are subject to the impairment requirements in IFRS 9. Interest income and impairment are recognised in profit or loss. Gains and losses are recognised in profit or loss when the instrument is derecognised or impaired.

1.8.4 ***Debt instruments at fair value through profit or loss ("FVTPL")***

IFRS 9 requires financial assets to be measured at FVTPL if they are not held within either a business model whose objective is to hold assets to collect contractual cash flows or within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets.

All financial assets not classified as measured at amortised cost or FVOCI are measured at FVTPL.

On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets at FVTPL are stated at fair value, with any gains or losses arising on re-measurement recognised in profit or loss.

The Group does not have any financial assets at fair value through other comprehensive income.

1.8.5 ***Impairment***

Impairment allowances for financial assets measured at amortised cost are recognised in profit or loss and accumulated in an allowance account. The gross carrying amount of the financial assets is reduced by the impairment allowance and is written-off when the Group has no reasonable expectation of recovering the financial asset in its entirety or a portion thereof.

1.8.6 ***Financial liability classification and measurement***

Financial liabilities are classified as either financial liabilities at fair value through profit or loss or financial liabilities measured at amortised cost.

The Group does not have any financial liabilities at FVTPL.

Other financial liabilities

Other financial liabilities are recognised initially at fair value less any directly attributable transaction costs. Subsequent to initial recognition, these financial liabilities are measured at amortised cost using the effective interest method.

Financial liabilities measured at amortised cost comprise interest-bearing borrowings, bank overdrafts, other long-term liabilities and trade and other payables.

1.8.7 ***Derecognition***

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or where they have been transferred.

Financial liabilities are derecognised when its contractual obligations are discharged or cancelled or expire.

1.8.8 ***Loan to related party***

This includes a loan to a related party and is recognised initially at fair value plus direct transaction costs.

The loan to a related party is classified as loans and receivables.

1.8.9 ***Trade and other receivables***

Trade receivables are recognised at the transaction price as measured and defined in IFRS 15, *Revenue from Contracts with Customers* and are subsequently measured at amortised cost using the effective interest rate method, less any provision for impairment.

The Group applies the simplified approach to providing for expected credit losses prescribed by IFRS 9, which requires lifetime credit losses to be recognised from initial recognition of all receivables. Appropriate allowances for estimated irrecoverable amounts are recognised in profit or loss when there is objective evidence that the asset is impaired. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments (more than 30 days overdue) are considered indicators that the trade receivable is impaired.

The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in profit or loss within operating expenses. When a trade receivable is uncollectable, it is written-off against the allowance account for trade receivables. Subsequent recoveries of amounts previously written-off are credited against operating expenses in profit or loss.

Trade and other receivables are classified as loans and receivables.

Fair value approximates carrying value:

Trade receivables are principally short-term in nature and have credit terms of less than 30 days from the date of invoice, and do not incur interest and are measured at their nominal value.

1.8.10 ***Cash and cash equivalents***

Cash and cash equivalents comprise cash on hand and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. These are initially and subsequently recorded at fair value.

Bank overdrafts that are repayable on demand that form an integral part of the Group's cash management are included as a component of cash and cash equivalents for the purpose of the statement of cash flows.

1.8.11 ***Trade and other payables***

These amounts represent liabilities for goods and services provided to the Group prior to the end of the financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest rate method.

1.8.12 ***Borrowings***

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest rate method. Fees paid on the establishment of loan facilities are capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates. Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

1.9 **Fair value disclosure**

Financial assets that do not meet the criteria for being measured at amortised cost or fair value through other comprehensive income are measured at fair value through profit and loss.

The fair value of a financial instrument is the price that would be received to sell an asset or paid to transfer a liability between market participants at the measurement date. The best evidence of the fair value of a financial instrument at initial recognition is the transaction price (i.e. the fair value of the consideration given or received) unless the fair value of that instrument is evidenced by comparison with other observable current market transactions in the same instrument (i.e. without modification or repackaging) or based on a valuation technique whose variables include only data from observable markets.

The method of determining the fair value of financial instruments is analysed into the following categories:

Level 1 Unadjusted quoted prices in active markets where the quoted price is readily available and the price represents actual and regularly occurring market transactions on an arm's-length basis.

Level 2 Valuation techniques using market observable inputs, including:

- Using recent arm's-length market transactions;
- Reference to the current fair value of similar instruments; and
- Discounted cash flow analysis, pricing models or other techniques commonly used by market participants.

Level 3 Valuation techniques, as described for level 2 above, for which not all inputs are market observable prices or rates. Such a financial instrument is initially recognised at the transaction price, which is the best indicator of fair value, although the value obtained from the relevant valuation model may differ. The difference between the transaction price and the model value, commonly referred to as "day one profit or loss", is either amortised over the life of the transaction, deferred until the instrument's fair value can be determined using market observable inputs, or realised through settlement.

The valuation techniques in level 2 and level 3 use inputs such as interest rate yield curves, equity prices, commodity and currency prices/yields, volatilities, and the correlation between inputs. The models used in these valuation techniques are calibrated against industry standards, economic models and against transaction process, where applicable.

1.9.1 *Valuation methods and assumptions*

The carrying value of trade and other receivables, cash and cash equivalents, trade and other payables and bank overdrafts approximates fair value as they are short-term in nature and not subject to material changes in credit risk and fair value.

1.10 Insurance contracts

1.10.1 *Classification of insurance contracts*

The Group has a shareholding in a third party insurance cell captive arrangement. The commercial effect of this arrangement is similar to an insurance contract, is considered an in-substance reinsurance contract and is accounted for in accordance with IFRS 17, *Insurance Contracts.*

1.10.2 *Separating components from insurance contracts*

The Group assessed the group of contracts as per the requirements of paragraph 11 and 12 of IFRS 17, *Insurance Contracts* and did not identify any embedded derivatives or distinct investment components that needed to be separated.

After separating any financial instrument components, the Group separates any promises to transfer distinct goods or non-insurance services to policyholders and accounts for them as separate contracts with customers (i.e. not as insurance contracts). A good or service is distinct if the policyholder can benefit from it either on its own or with other resources that are readily available to the policyholder. A good or service is not distinct and is accounted for together with the insurance component if the cash flows and risks associated with the good or service are highly inter-related with the cash flows and risks associated with the insurance component, and the Group provides a significant service of integrating the good or service with the insurance component.

IFRS 17 is applied to all remaining components of the insurance contracts.

1.10.2.1 Level of aggregation

Where characteristics of onerous contracts are identified, these contracts are separated out of the group of contracts and measured separately according to the fulfilment cash flow model.

1.10.3 *Recognition of insurance contracts*

The Group recognises a group of insurance contracts issued from the earliest of the following:

- The beginning of the coverage period of the group of contracts. The coverage period is the period during which the Group provides coverage for insured events in respect of all premiums within the boundary of an insurance contract;
- The date when the first payment from a policyholder in the group becomes due. If there is no contractual due date, then it is considered to be the date when the first payment is received from the policyholder; and
- The date when facts and circumstances indicate that the group to which an insurance contract will belong is onerous.

Subsequently, new contracts are added to the group when they are issued or initiated, provided that all contracts in the group are issued or initiated in the same year.

1.10.3.1 Onerous groups of contracts

The Group considers various facts and circumstances to identify if a group of contracts is onerous taking into account the probability of all claim types in the future. An insurance contract is onerous at the date of initial recognition if the fulfilment cash flows allocated to the contract and any cash flows arising from the contract at the date of initial recognition in total are a net cash outflow.

Onerous contracts are measured according to the fulfillment cash flow model.

1.10.3.2 Contract boundaries

The measurement of a group of contracts includes all of the future cash flows within the boundary of each contract in the group. Cash flows are within the boundary of a contract if they arise from substantive rights and obligations that exist during the reporting period under which the Group can compel the policyholder to pay premiums or has a substantive obligation to provide services. A substantive obligation to provide services ends when:

- The Group has the practical ability to reassess the risks of the particular policyholder and can set a price or level of benefits that fully reflects those reassessed risks; or
- The Group has the practical ability to reassess the risks of the portfolio that contains the contract and can set a price or level of benefits that fully reflects the risks of that portfolio; and
- the pricing of the premiums for coverage up to the reassessment date does not take into account risks that relate to periods after the reassessment date.

The contract boundary for groups of contracts is reassessed at each reporting date and, therefore, may change over time.

A liability or asset relating to expected premiums or claims outside the boundary of the insurance contract are not recognised. Such amounts relate to future insurance contracts.

1.10.4 *Measurement of insurance contracts*

1.10.4.1 Measurement – contracts measured under the PAA

Where material insurance acquisition cash flows are incurred, these costs are allocated directly to a group of insurance contracts using a systematic and rational method.

The Group measures the carrying amount of a group of insurance contracts at each reporting period as the sum of:

- the liability for remaining coverage comprising fulfilment cash flows related to future service allocated to the group at that date, and
- the liability for incurred claims for the group comprising the fulfilment cash flows related to past service allocated to the group at that date.

1.10.4.2 Initial recognition

On initial recognition of each group of contracts, the carrying amount of the liability for remaining coverage is measured at the premiums received on initial recognition less an adjustment to reflect the time value of money, financial risks, non-financial risks and the unearned profit, as the majority of the premiums are paid in advance.

The liability for incurred claims is the Group's obligation to investigate and pay valid claims for insured events that have already incurred, including events that have occurred, but for which claims have not been reported.

1.10.4.3 Subsequent measurement

The Group recognises the liability for incurred claims of a group of insurance contracts at the amount of the fulfilment cash flows relating to incurred claims. The Group has chosen to adjust the liability for incurred claims to reflect the time value of money and the effect of financial and non-financial risk.

If at any time during the coverage period, facts and circumstances indicate that a group of contracts is onerous, then the Group recognises a loss in profit or loss and increases the liability for remaining coverage to the extent that the current estimates of the fulfilment cash flows that relate to remaining coverage (including the risk adjustment for non-financial risk) exceed the carrying amount of the liability for remaining coverage. The fulfilment cash flows are adjusted for the time value of money and the effect of financial risk (using current estimates) if the liability for incurred claims is also adjusted for the time value of money and the effect of financial risk.

Fulfilment cash flows comprise unbiased and probability-weighted estimates of future cash flows, discounted to present value to reflect the time value of money and financial risks, plus a risk adjustment for non-financial risk. The Group's objective in estimating future cash flows is to determine the expected value, or the probability-weighted mean, of the full range of possible outcomes, considering all reasonable and supportable information available at the reporting date without undue cost or effort.

The Group estimates future cash flows considering a range of scenarios which have commercial substance and give a good representation of possible outcomes. The cash flows from each scenario are probability weighted and discounted using current assumptions.

When estimating future cash flows, the Group includes all cash flows that are within the contract boundary including:

- Premiums and related cash flows;
- Claims, including reported claims not yet paid, incurred claims not yet reported and expected future claims;
- Claims handling costs;
- Policy administration and maintenance costs, including recurring commissions that are expected to be paid to intermediaries;
- An allocation of fixed and variable overheads directly attributable to fulfilling insurance contracts; and
- Transaction based taxes.

The Group also incorporates, in an unbiased way, all reasonable and supportable information available without undue cost or effort about the amount, timing and uncertainty of those future cash flows. The Group estimates the probabilities and amounts of future payments under existing contracts based on information obtained, including:

- Information about claims already reported by policyholders;
- Other information about known or estimated characteristics of the insurance contracts;
- Historical data about the Group's own experience, supplemented when necessary with data from other sources;
- Historical data is adjusted to reflect current conditions; and
- Current pricing information.

1.10.4.4 De-recognition and contract modification

The Group derecognises a contract when it is extinguished – i.e. when the specified obligations in the contract expire or are discharged or cancelled.

The Group also derecognises a contract if its terms are modified in a way that would have changed the accounting for the contract significantly had the new terms always existed, in which case a new contract based on the modified terms is recognised. If a contract modification does not result in derecognition, then the Group treats the changes in cash flows caused by the modification as changes in estimates of fulfilment cash flows.

1.10.5 ***Presentation of insurance contracts***

The Group disaggregates amounts recognised in the statement of profit or loss and other comprehensive income into:

- an insurance service result, comprising insurance revenue and insurance service expenses; and
- insurance finance income or costs.

The Group does not disaggregate changes in the risk adjustment for non-financial risk between the insurance service result and insurance finance income or expenses. All changes in the risk adjustment for non-financial risk are included in the insurance service result. Insurance revenue is measured as the sum of all the expected premium receipts for providing coverage in the period.

1.10.5.1 Insurance finance income and costs

Insurance finance income and costs comprise changes in the carrying amounts of groups of insurance contracts arising from the effects of the time value of money, financial risk and changes therein.

The Group presents insurance finance income and costs for all contracts in profit or loss.

1.11 **Income tax**

Income tax expense comprises of current and deferred tax and is recognised in profit or loss.

1.11.1 ***Current tax assets and liabilities***

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Current tax for current and prior years is, to the extent unpaid, recognised as a liability. If the amount already paid in respect of current and prior years exceeds the amount due for those years, the excess is recognised as an asset.

1.11.2 ***Deferred tax assets and liabilities***

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.

The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities using tax rates enacted or substantively enacted at the reporting date. The effect on deferred tax of any changes in tax rates is recognised in profit or loss, except to the extent that it relates to items previously charged or credited directly to equity or other comprehensive income.

A deferred tax liability is recognised for all taxable temporary differences, except to the extent that the deferred tax liability arises from the initial recognition of an asset or liability in a transaction which at the time of the transaction, affects neither accounting profit nor taxable profit/(tax loss).

A deferred tax asset is recognised for all unused tax losses and deductible temporary differences to the extent that it is probable that future taxable profit will be available against which the associated unused tax losses and deductible temporary differences can be utilised. A deferred tax asset is not recognised when it arises from the initial recognition of an asset or liability in a transaction which at the time of the transaction, affects neither accounting profit nor taxable profit/(tax loss).

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

1.11.3 ***Tax expenses***

Current and deferred taxes are recognised as income or an expense and included in profit or loss for the year, except to the extent that the tax arises from:

- a transaction or event which is recognised, in the same or a different year, to other comprehensive income; or
- a business combination.

Current tax and deferred taxes are charged or credited to other comprehensive income if the tax relates to items that are credited or charged, in the same or a different year, to other comprehensive income.

Current tax and deferred taxes are charged or credited directly to equity if the tax relates to items that are credited or charged, in the same or a different year, directly in equity.

1.12 **Leases**

1.12.1 ***Lessee***

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. An identified asset is physically distinct, or if not physically distinct, the lessee has the right to use substantially all of the capacity of the asset during the lease term.

Leases are accounted for based on a "right-of-use model". The model reflects that, at the commencement date, a lessee has a financial obligation to make lease payments to the lessor for its right to use the underlying asset during the lease term. The lessor conveys the right to use the underlying asset at lease commencement, which is the date when it makes the underlying asset available for use by the lessee.

1.12.2 ***Lease liabilities***

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease term takes into account the likelihood of exercising a renewal option. The lease agreements that the Group has entered into do not include any residual value guarantees.

In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable.

After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. The interest cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each year. In addition, the carrying amount of lease liabilities is remeasured if there is a modification or a change in the lease term.

1.12.3 *Right-of-use assets*

The Group recognises right-of-use assets at the commencement date of the lease (i.e. the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of initial measurement of the lease liability, initial direct cost incurred, and lease payments made at or before the commencement date less any incentives received. Unless the Group is reasonably certain it will obtain ownership of the leased asset at the end of the lease term, the recognised right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term. Right-of-use assets are subject to impairment.

1.12.4 *Short-term leases and leases of low-value assets*

The Group applies the short-term lease recognition exemption to its short-term leases (i.e. those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of assets that are considered of low value. Lease payments on short-term leases and leases of low-value assets are recognised as an expense on a straight-line basis over the lease term.

1.12.5 *Lessor*

Leases are classified as finance leases when the terms of the lease transfer substantially all the risk and rewards of ownership to the lessee. All other leases are classified as operating leases.

The Group currently does not have any finance leases.

Operating lease payments are recognised as income on a straight-line basis over the lease term, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

1.13 Inventories

Inventories comprise of used motor vehicles, work in progress relating to the repair of used motor vehicles, components and spare parts.

Inventories are stated at the lower of cost or net realisable value. Cost is determined using specific identification for vehicles as the vehicles are not ordinarily interchangeable. Cost is determined using the weighted average method for components and spares. Net realisable value is the estimated selling price in the ordinary course of business, less the cost of completion and costs to be incurred in marketing, selling and distribution. Obsolete, redundant and slow moving inventories are identified on a regular basis and the write-down of inventory to net realisable value and the reversal thereof is recognised in profit and loss. The reversals of write-downs are limited to the cost of inventory.

1.14 Impairment of assets

1.14.1 *Financial assets*

The Group recognises loss allowances for Expected Credit Losses ("**ECLs**") on financial assets at amortised cost. Loss allowances for trade receivables are always measured at an amount equal to lifetime ECLs.

1.14.2 ***Non-financial assets***

The carrying amounts of the Group's non-financial assets, other than inventories and deferred tax assets, are reviewed at the end of each reporting date to determine whether there is any indication that an asset may be impaired. If there is any indication that an asset may be impaired, the Group estimates the recoverable amount of the asset.

The recoverable amount of an asset is the higher of its fair value less costs to sell and its value-in-use.

In assessing value-in-use, the expected future cash flows from the asset are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

If the recoverable amount of an asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. That reduction is an impairment loss.

An impairment loss of assets carried at cost less any accumulated depreciation or amortisation is recognised immediately in profit or loss. Any impairment loss of a revalued asset is treated as a revaluation decrease.

Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. A previously recognised impairment loss is reversed if the recoverable amount increases as a result of a change in the estimates used to determine the recoverable amount, and there is an indication that the impairment loss may have reversed, but not to an amount higher than the carrying amount that would have been determined (net of depreciation) had no impairment loss been recognised in prior years. A reversal of an impairment loss of assets carried at cost less accumulated depreciation or amortisation other than goodwill is recognised immediately in profit or loss. Any reversal of an impairment loss of a revalued asset is treated as a revaluation increase.

1.15 **Stated capital**

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities.

Ordinary shares are classified as equity.

Dividends are recognised as a liability in the year in which they are declared.

1.16 **Provisions**

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, for which it is probable that an outflow of economic resources will occur, and where a reliable estimate can be made of the amount of the obligation. Returns and refunds generally occur as a result of legislative requirements, such as the Consumer Protection Act of South Africa (No. 68 of 2008) or specific terms and conditions outlined in the relevant contracts. A liability for the right of return has been recognised in note 20.

1.17 **Employee benefits**

1.17.1 ***Short-term employee benefits***

The cost of short-term employee benefits (those payable within 12 months after the service is rendered, such as paid vacation leave and sick leave, bonuses and non-monetary benefits such as medical care) are recognised in the year in which the service is rendered.

The accruals for employee entitlements to salaries, bonuses and annual leave represent the amount, which the Group has a present obligation to pay as a result of employees' services provided until the reporting date. The accruals have been calculated at undiscounted amounts based on current salary rates. The leave pay accrual is calculated based on total cost to company.

1.17.2 ***Other long-term employee benefits***

Other long-term employee benefits are defined as all employee benefits other than short-term employee benefits, post-employment benefits or termination benefits and include items such as long-term incentives, provided the benefit is not expected to be settled wholly before twelve months after the end of the reporting period in which the employees render the related service.

The Group's net obligation in respect of long-term employee benefits is the amount of future benefit that employees have earned in return for their service in the current and prior periods. The fair value of the amount payable to employees in respect of long-term incentives, which is settled in cash, is recognised as an expense with a corresponding increase in liabilities, over the period during which the employees become unconditionally entitled to payment. The liability is remeasured at each reporting date and at settlement date based on the fair value of the long-term incentive. Any changes in the liability are recognised in profit or loss.

1.17.3 ***Defined contribution plans***

A defined contribution plan is a post-employment plan under which the Group pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an employee benefit expense in profit or loss when they are due.

1.18 **Revenue**

Revenue comprises invoiced sales in respect of the sale of goods, fees for the rendering of services to customers, finance and insurance commissions received and rebate income.

1.18.1 ***Revenue recognised at a point in time***

Revenue is measured at the fair value of the consideration received or receivable as specified in a contract with a customer and represents the amounts received or receivable for goods and services provided in the normal course of business, net of discounts and value-added tax.

Revenue from the sale of goods is recognised at the point in time when all of the following conditions have been satisfied:

- the Group has satisfied its performance obligations with customers (the payment has been made by the customer and the vehicle has been delivered); and
- the customer has taken delivery.

1.18.2 ***Revenue recognised over a period of time***

Rebate income is recognised when the contractual terms of the agreements with suppliers have been met.

There are no judgements made that significantly affect the determination of the revenue amount from contracts with customers or from rebate agreements with suppliers.

1.18.3 ***Returns and refunds***

In general, it is uncommon to have returns and refunds in the Group. Returns and refunds generally occur as a result of legislative requirements, such as the Consumer Protection Act of South Africa (No. 68 of 2008) or specific terms and conditions outlined in the relevant contracts. The exposure for the Group for the return of a vehicle is limited to the lost margin as a result of the lost sale.

1.19 **Finance income**

Finance income comprises interest income on funds invested, dividends earned on preference shares and interest earned on loans to Group companies. Interest is recognised in profit or loss, using the effective interest rate method.

1.20 **Finance expenses**

Finance expenses comprise the interest expense on borrowings and lease liabilities recognised under IFRS 16. Interest expense is recognised in profit or loss using the effective interest rate method.

1.21 **Dividend income**

Dividends are recognised in profit or loss when the Group's right to receive payment has been established.

1.22 **Cost of sales**

When inventories are sold, the carrying amount of those inventories is recognised as an expense in the year in which the related revenue is recognised. The amount of any write-down of inventories to net realisable value and all losses of inventories are recognised as an expense in the year the write-down or loss occurs. The amount of any reversal of any write-down of inventories, arising from an increase in net realisable value, is recognised as a reduction in the amount of inventories recognised as an expense in the year in which the reversal occurs. Directly attributable expenses related to the sale of the inventories are also recognised when the inventories are sold. These include refurbishment costs to get the inventories in a saleable condition.

1.23 **Share-based payments**

Equity settled share-based payments to employees are measured at the fair value of the equity instruments at the grant date. The fair value excludes the effect of non-market-based vesting conditions. The fair value determined at the grant date of the equity settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Group's estimate of the number of equity instruments that will eventually vest. At each reporting period, the Group revises its estimate of the number of equity instruments expected to vest as a result of the effect of non-market-based vesting conditions. The impact of the revision of the original estimates is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to reserves.

For a share-based payment transaction in which the terms of the arrangement provides the Remuneration Committee the choice of whether to settle in cash or by issuing equity instruments, the entity shall determine whether it has a present obligation to settle in cash and accounts for the share-based payment transaction accordingly. The entity has a present obligation to settle in cash if the choice of settlement in equity instruments has no commercial substance, or the entity has a past practice or a stated policy of settling in cash, or generally settles in cash whenever the counterparty asks for cash settlement.

1.24 **Foreign currency transactions**

Transactions in currencies other than the Group's functional currency are recorded at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are remeasured by translating the balances at prevailing rates. Non-monetary items that are measured in terms of historical cost in a foreign currency are not remeasured.

2. PROPERTY, PLANT AND EQUIPMENT

Figures in Rands	30 September 2023			30 September 2022			31 March 2022			31 March 2021		
	Cost Audited	Accumulated depreciation Audited	Carrying Value Audited	Cost Reviewed	Accumulated depreciation Reviewed	Carrying Value Reviewed	Cost Audited	Accumulated depreciation Audited	Carrying Value Audited	Cost Reviewed	Accumulated depreciation Reviewed	Carrying Value Reviewed
Land	315 938 673	–	315 938 673	319 179 990	–	319 179 990	319 179 990	–	319 179 990	177 531 397	–	177 531 397
Buildings	723 589 117	(81 751 158)	641 837 959	728 284 753	(49 600 911)	678 683 842	625 852 757	(36 293 729)	589 559 028	401 569 105	(17 520 779)	384 048 326
Furniture and fixtures	114 464 201	(37 784 036)	76 680 165	83 106 107	(12 636 583)	70 469 523	54 033 811	(16 524 324)	37 509 486	31 716 829	(9 608 062)	22 108 767
Office equipment	108 311	(93 918)	14 393	703 414	(655 995)	47 419	703 414	(630 885)	72 529	703 414	(558 148)	145 266
IT equipment	75 590 242	(30 617 333)	44 972 909	62 096 306	(28 795 863)	33 300 443	46 678 225	(21 611 015)	25 067 210	22 169 595	(13 490 256)	8 679 339
Vehicles	10 739 316	(495 512)	10 243 804	–	–	–	–	–	–	–	–	–
Leasehold improvements	50 160 154	(8 808 099)	41 352 055	41 695 846	(3 907 341)	37 788 505	32 444 247	(2 341 888)	30 102 359	36 298 408	(8 963 524)	27 334 884
Total	**1 290 590 015**	**(159 550 056)**	**1 131 039 958**	**1 235 066 416**	**(95 596 694)**	**1 139 469 722**	**1 078 892 444**	**(77 401 841)**	**1 001 490 602**	**669 988 748**	**(50 140 769)**	**619 847 979**

Reconciliation of property, plant and equipment – 12 months to 30 September 2023

Figures in Rands	Opening balance	Additions through a capital reorganisation	Additions	Reclassification from inventory	Interest capitalised	Disposals	Depreciation	Effect of foreign currency movements	Total
Land	319 179 990	–	–	–	–	(3 241 317)	–	–	315 938 673
Buildings	678 683 842	–	6 931 904	–	1 232 266	(10 984 416)	(34 025 637)	–	641 837 959
Furniture and fixtures	70 469 523	–	24 667 331	–	–	(252 796)	(18 206 134)	2 241	76 680 165
Office equipment	47 419	–	–	–	–	(29)	(32 997)	–	14 393
IT equipment	33 300 443	–	31 965 110	–	–	(567 647)	(19 725 517)	520	44 972 909
Vehicles	–	–	–	10 739 316	–	–	(495 512)	–	10 243 804
Leasehold improvements	37 788 505	–	8 490 329	–	–	–	(4 926 779)	–	41 352 055
	1 139 469 722	**–**	**72 054 674**	**10 739 316**	**1 232 266**	**(15 046 205)**	**(77 412 576)**	**2 761**	**1 131 039 958**

Reconciliation of property, plant and equipment – 6 months to 30 September 2022

Figures in Rands	Opening balance	Additions through a capital reorganisation	Additions	Reclassification from inventory	Interest capitalised	Disposals	Depreciation	Effect of foreign currency movements	Total
Land	319 179 990	–	–	–	–	–	–	–	319 179 990
Buildings	589 559 028	–	98 222 068	–	4 209 928	–	(13 307 181)	–	678 683 842
Furniture and fixtures	37 509 486	–	40 625 698	–	–	(1 499 323)	(6 166 338)	–	70 469 523
Office equipment	72 529	–	–	–	–	–	(25 110)	–	47 419
IT equipment	25 067 210	–	15 418 081	–	–	–	(7 184 848)	–	33 300 443
Leasehold improvements	30 102 359	–	9 359 407	–	–	(107 808)	(1 565 453)	–	37 788 505
	1 001 490 602	**–**	**163 625 254**	**–**	**4 209 928**	**(1 607 131)**	**(28 248 930)**	**–**	**1 139 469 722**

Reconciliation of property, plant and equipment – 12 months to 31 March 2022

Figures in Rands	Opening balance	Additions through a capital reorganisation	Additions	Reclassification from inventory	Interest capitalised	Disposals	Depreciation	Effect of foreign currency movements	Total
Land	177 531 397		185 079 410	–	–	(43 430 817)	–	–	319 179 990
Buildings	384 048 326	–	220 287 498	–	3 996 153	–	(18 772 949)	–	589 559 028
Furniture and fixtures	22 108 767	–	22 535 710	–	–	(218 728)	(6 916 263)	–	37 509 486
Office equipment	145 266	–	–	–	–	–	(72 737)	–	72 529
IT equipment	8 679 339	–	24 850 809	–	–	(292 810)	(8 170 128)	–	25 067 210
Leasehold improvements	27 334 884	–	4 695 614	–	–	391	(1 928 530)	–	30 102 359
	619 847 979	**–**	**457 449 041**	**–**	**3 996 153**	**(43 941 964)**	**(35 860 607)**	**–**	**1 001 490 602**

Reconciliation of property, plant and equipment – 7 months to 31 March 2021

Figures in Rands	Opening balance	Additions through a capital reorganisation	Additions	Reclassification from inventory	Interest capitalised	Disposals	Depreciation	Effect of foreign currency movements	Total
Land	–	114 761 097	62 770 300	–	–	–	–	–	177 531 397
Buildings	–	271 217 100	120 845 128	–	560 027	–	(8 573 929)	–	384 048 326
Furniture and fixtures	–	13 476 452	11 777 017	–	–	(407 536)	(2 737 166)	–	22 108 767
Office equipment	–	205 649	–	–	–	–	(60 383)	–	145 266
IT equipment	–	7 179 518	4 644 378	–	–	(25 567)	(3 118 990)	–	8 679 339
Leasehold improvements	–	18 961 437	9 312 547	–	–	–	(939 100)	–	27 334 884
	–	**425 801 253**	**209 349 370**	**–**	**560 027**	**(433 103)**	**(15 429 568)**	**–**	**619 847 979**

Details of properties

2.1 Freehold properties

Erf 238, Aeroton Ext 13 Township, Registration Division I.Q., Province of Gauteng

The property measures 5,165 hectares, and is held under title deed number T 47592/2018.

Figures in Rands	30 September 2023	30 September 2022	31 March 2022	31 March 2021
– Purchase price: Land – 1 December 2018	23 997 600	23 997 600	23 997 600	23 997 600
– Purchase price: Buildings – 1 December 2018	64 002 400	64 002 400	64 002 400	64 002 400
– Additions and capitalised expenditure	9 930 583	9 930 583	9 930 583	9 930 583
– Accumulated depreciation	(16 634 923)	(12 938 272)	(11 089 947)	(7 393 298)
	81 295 660	**84 992 311**	**86 840 635**	**90 537 284**

A first covering mortgage bond for R90 000 000 and a second covering mortgage bond for R15 000 000 have been registered by Investec Bank Ltd over Erf 238, Aeroton Ext 13 Township, Registration Division I.Q., Province of Gauteng. Refer note 17.

The Group has ceded the right, title, benefit and interest in, to and under any agreements relating to this property, including the lease agreement with We Buy Cars Proprietary Limited, to Investec Bank Ltd.

Section 36, Candlewoods Homestead, Erf 1801, Louwlardia Extension 34 Township, City of Tshwane

The property, measures 173 square metres, and is held under title deed number 66562/2018 ST.

Figures in Rands	30 September 2023	30 September 2022	31 March 2022	31 March 2021
– Purchase price: Buildings – 18 September 2018	**2 083 155**	**2 083 155**	**2 083 155**	**2 083 155**

Erf 23312 Brackenfell in the City of Cape Town, Stellenbosch Division, Western Cape Province

The property measures 2,496 hectares, and is held under title deed number T 15001/2019.

Figures in Rands	30 September 2023	30 September 2022	31 March 2022	31 March 2021
– Purchase price: Land – 15 April 2019	51 439 360	51 439 360	51 439 360	51 439 360
– Additions and capitalised expenditure	88 144 993	88 144 993	88 144 993	88 144 993
– Accumulated depreciation	(16 870 291)	(12 463 041)	(10 259 416)	(5 852 167)
	122 714 062	**127 121 312**	**129 324 937**	**133 732 186**

A first covering mortgage bond for R150 000 000 has been registered by Investec Bank Ltd over Erf 23312 Brackenfell in the City of Cape Town, Stellenbosch Division, Western Cape Province. Refer to note 17.

The Group has ceded the right, title, benefit and interest in, to and under any agreements relating to this property, including the lease agreement with We Buy Cars Proprietary Limited, to Investec Bank Ltd.

Remainder of Erf 2745 Newton Park, in the Nelson Mandela Bay Metropolitan Municipality, division of Port Elizabeth, Province of the Eastern Cape

The property measures 853 square metres, and is held under title deed number T 19865/2019.

Figures in Rands	30 September 2023	30 September 2022	31 March 2022	31 March 2021
– Purchase price: Land – 9 December 2019	**–**	**821 545**	**821 545**	**821 545**

Remainder of Erf 2863 Newton Park, in the Nelson Mandela Bay Metropolitan Municipality, division of Port Elizabeth, Province of the Eastern Cape

The property measures 2 732 square metres, and is held under title deed number T 19865/2019.

Figures in Rands	30 September 2023	30 September 2022	31 March 2022	31 March 2021
– Purchase price: Land – 9 December 2019	–	2 419 771	2 419 771	2 419 771
– Purchase price: Buildings – 9 December 2019	–	12 859 805	12 859 805	12 859 805
– Accumulated depreciation	–	(1 768 223)	(1 446 728)	(803 738)
	–	**13 511 353**	**13 832 848**	**14 475 838**

Remainder of Erf 2551 Louwlardia, Extension 74 Township, Registration Division JR, Gauteng

The property measures 4,4313 hectares, and is held under title deed number T 37993/2020.

Figures in Rands	30 September 2023	30 September 2022	31 March 2022	31 March 2021
– Purchase price: Land – 25 August 2020	35 463 000	35 463 000	35 463 000	35 463 000
– Purchase price: Buildings – 25 August 2020	78 098 402	78 098 402	78 098 402	77 037 000
– Additions and capitalised expenditure	14 324 010	14 324 010	14 128 704	14 128 704
– Accumulated depreciation	(14 057 539)	(9 436 419)	(7 127 486)	(2 538 243)
	113 827 873	**118 448 993**	**120 562 620**	**124 090 460**

The Group owns a 50% undivided share in the Remainder of Erf 2551 Louwlardia, Extension 74 Township, Registration Division JR, Gauteng.

A first covering mortgage bond for R90 000 000 has been registered by FirstRand Bank Ltd over the Group's 50% undivided share in the remainder of Erf 2551 Louwlardia, Extension 74 Township, Registration Division JR, Gauteng. Refer note 17.

The Group has ceded the right, title, benefit and interest in, to and under any agreements relating to this property, including the lease agreement with We Buy Cars Proprietary Limited, to FirstRand Bank Ltd.

Erf 209 and 210, Six Fountains Ext 1, Silver Lakes, Registration Division J.R, Kungwini Local Municipality, which are in the process of being consolidated

The property measures 6 215 square metres and 3,7499 hectares for Erf 209 and Erf 210, respectively.

Figures in Rands	30 September 2023	30 September 2022	31 March 2022	31 March 2021
– Purchase price: Land	619 821	619 821	619 821	619 821
– Additions and capitalised expenditure	20 605 665	19 819 253	19 819 253	18 960 966
	21 225 486	**20 439 074**	**20 439 074**	**19 580 787**

The Group is in the process of purchasing Erf 209 and 210, Six Fountains Ext 1, Silver Lakes, Registration Division J.R, Kungwini Local Municipality.

Portion 8 (a portion of portion 1) of Erf 61, Gosforth Park Extension 5 Township, Registration Division I.R, Province of Gauteng.

The property measures 3,0529 hectares and is held under title deed number T 3317/2022.

Figures in Rands	30 September 2023	30 September 2022	31 March 2022	31 March 2021
– Purchase price: Land – 5 March 2021	21 433 735	21 433 735	21 433 735	62 770 300
– Additions and capitalised expenditure	80 524 718	80 524 718	80 524 718	44 421 501
– Accumulated depreciation	(7 381 433)	(3 355 197)	(1 342 079)	–
	94 577 020	**98 603 256**	**100 616 374**	**107 191 801**

A first covering mortgage bond for R140 000 000 has been registered by Investec Bank Ltd over Portion 8 (a portion of portion 1) of Erf 61, Gosforth Park Extension 5 Township, Registration Division I.R, Province of Gauteng. Refer to note 17.

The Group has ceded the right, title, benefit and interest in, to and under any agreements relating to this property, including the lease agreement with We Buy Cars Proprietary Limited, to Investec Bank Ltd.

Erf 22 Northgate Extension 18 Township, Registration Division I.Q., Province of Gauteng

The property measures 8,6311 hectares and is held under title deed number T 92144/2021.

Figures in Rands	30 September 2023	30 September 2022	31 March 2022	31 March 2021
– Purchase price: Land – 15 December 2021	42 982 354	42 982 354	42 982 354	–
– Purchase price: Buildings – 15 December 2021	72 367 300	72 367 300	72 367 300	–
– Additions and capitalised expenditure	49 321 681	47 303 853	37 651 454	–
– Accumulated depreciation	(10 283 303)	(4 228 226)	(1 294 739)	–
	154 388 032	**158 425 281**	**151 706 369**	**–**

Portion 301 (a portion of portion 2) of the Farm Olievenhoutpoort No. 196, Registration Division I.Q., Province of Gauteng

The property measures 2,7531 hectares and is held under title deed number T 92144/2021.

Figures in Rands	30 September 2023	30 September 2022	31 March 2022	31 March 2021
– Purchase price: Land – 15 December 2021	**19 271 700**	**19 271 700**	**19 271 700**	**–**

Portion 302 (a portion of portion 2) of the Farm Olievenhoutpoort No. 196, Registration Division I.Q., Province of Gauteng

The property measures 2,8672 hectares and is held under title deed number T 92144/2021.

Figures in Rands	30 September 2023	30 September 2022	31 March 2022	31 March 2021
– Purchase price: Land – 15 December 2021	**20 069 000**	**20 069 000**	**20 069 000**	**–**

Portion 303 (a portion of portion 2) of the Farm Olievenhoutpoort No. 196, Registration Division I.Q., Province of Gauteng

The property measures 2,8365 hectares and is held under title deed number T 92144/2021.

Figures in Rands	30 September 2023	30 September 2022	31 March 2022	31 March 2021
– Purchase price: Land – 15 December 2021	**19 855 500**	**19 855 500**	**19 855 500**	**–**

A first covering mortgage bond for R175 000 000 has been registered by FirstRand Bank Ltd over Erf 22 Northgate Extension 18 Township, Registration Division I.Q., Province of Gauteng, Portion 301 of the Farm Olievenhoutpoort No. 196, Registration Division I.Q., Province of Gauteng, Portion 302 of the Farm Olievenhoutpoort No. 196, Registration Division I.Q., Province of Gauteng and Portion 303 of the Farm Olievenhoutpoort No. 196, Registration Division I.Q., Province of Gauteng. Refer to note 17.

The Group has ceded the right, title, benefit and interest in, to and under any agreements relating to these properties, including the lease agreement with We Buy Cars Proprietary Limited, to FirstRand Bank Ltd.

Erf 23 Northgate Extension 18 Township, Registration Division I.Q., Province of Gauteng

The property measures 1 447 square metres and is held under title deed number T 2706/2023.

Figures in Rands	30 September 2023	30 September 2022	31 March 2022	31 March 2021
– Purchase price: Land – 15 December 2021	**1 012 900**	**1 012 900**	**1 012 900**	**–**

Portion 18 of Erf 926 Riverside Park Extension 22 Township, Registration Division J.T, Province of Mpumalanga

The property measures 1,9048 hectares and is held under title deed number T483/2022.

Figures in Rands	30 September 2023	30 September 2022	31 March 2022	31 March 2021
– Purchase price: Land – 25 January 2022	24 726 063	24 726 063	24 726 063	–
– Additions and capitalised expenditure	67 058 825	66 767 621	62 851 408	–
– Accumulated depreciation	(3 630 671)	(278 198)	–	–
	88 154 216	**91 215 486**	**87 577 471**	**–**

A first covering mortgage bond for R71 500 000 has been registered by FirstRand Bank Ltd over Portion 18 of Erf 926 Riverside Park Extension 22 Township, Registration Division J.T, Province of Mpumalanga. Refer to note 17.

The Group has ceded the right, title, benefit and interest in, to and under any agreements relating to this property, including the lease agreement with We Buy Cars Proprietary Limited, to FirstRand Bank Ltd.

2.2 Leasehold property

Erf 641 Springfield, Registration Division FT, Province of KwaZulu-Natal

The property measures 2,1753 hectares and has been ceded under notarial deed of cession and assignment of a lease number K2657/2020L.

Figures in Rands	30 September 2023	30 September 2022	31 March 2022	31 March 2021
– Purchase price: Leasehold rights – 24 November 2020	70 000 000	70 000 000	70 000 000	70 000 000
– Leasehold improvements	27 457 765	27 457 765	27 457 765	27 457 765
– Accumulated amortisation	(11 823 183)	(7 650 295)	(5 563 851)	(1 390 963)
	85 634 582	**89 807 470**	**91 893 914**	**96 066 802**

The Group purchased the leasehold rights to the long-term lease over Erf 641 Springfield, Registration Division FT, Province of KwaZulu-Natal on 24 November 2020. The 50-year lease agreement ends in 2048.

A first covering mortgage bond for R75 000 000 has been registered by Investec Bank Ltd over Erf 641 Springfield, Registration Division FT, Province of KwaZulu-Natal. Refer to note 17.

The Group has ceded the right, title, benefit and interest in, to and under any agreements relating to this property, including the lease agreement with We Buy Cars Proprietary Limited, to Investec Bank Ltd.

Erf 38348, Milnerton, in the City of Cape Town, Cape Division, Western Cape Province

The property measures 3,4117 hectares. The Group is leasing the property from the Richmond Park Communal Property Association under notarial lease agreement number K907/2021L.

Figures in Rands	30 September 2023	30 September 2022	31 March 2022	31 March 2021
– Purchase price: Leasehold rights – 15 December 2021	55 067 641	55 067 641	55 067 641	–
– Leasehold improvements	107 127 386	102 058 661	13 390 582	–
– Accumulated amortisation	(4 959 669)	–	–	–
	157 235 358	**157 126 302**	**68 458 223**	**–**

The Group purchased the leasehold rights to the long-term lease over Erf 38348, Milnerton, in the City of Cape Town, Cape Division, Western Cape Province on 15 December 2021. The 99-year lease agreement ends in 2114.

A first covering mortgage bond for R160 000 000 has been registered by Investec Bank Ltd over Erf 38348, Milnerton, in the City of Cape Town, Cape Division, Western Cape Province. Refer to note 17.

The Group has ceded the right, title, benefit and interest in, to and under any agreements relating to this property, including the lease agreement with We Buy Cars Proprietary Limited, to Investec Bank Ltd.

3. RIGHT-OF-USE ASSETS

Figures in Rands	30 September 2023 Buildings	30 September 2022 Buildings	31 March 2022 Buildings	31 March 2021 Buildings
Cost	226 674 114	222 995 098	128 756 598	74 281 337
Accumulated depreciation	(77 601 628)	(62 025 043)	(50 681 872)	(34 794 616)
	149 072 486	**160 970 055**	**78 074 726**	**39 486 721**
Reconciliation of right-of-use assets				
Carrying value at beginning of year/period	160 970 055	78 074 726	39 486 721	–
Additions through a capital reorganisation	–	–	–	42 371 841
Additions for new leases	28 047 568	100 903 092	54 475 261	7 087 553
Derecognition	(197 342)	(2 590 292)	–	–
Impact of lease modifications and remeasurements	–	–	–	5 192 816
Depreciation	(39 747 795)	(15 417 471)	(15 887 256)	(15 165 489)
Carrying value at end of year/period	**149 072 486**	**160 970 055**	**78 074 726**	**39 486 721**

Right-of-use-assets relate to buildings that are leased by the Group from external landlords, under non-cancellable lease agreements, with lease terms ranging from 2 to 7 years, and some include an option to renew on expiry. The lease term includes this renewal period if the Group is reasonably certain that it will exercise the renewal option. Right-of-use assets are effectively ceded as security for concomitant lease liabilities (refer to note 18) as the rights to the leased assets revert to the lessor in the event of default.

4. INSURANCE CONTRACT ASSETS

Figures in Rands	30 September 2023	30 September 2022	31 March 2022	31 March 2021
1 (30 September 2022: 1) (31 March 2022: 1) (31 March 2021: 1) "A" Cell Owner Ordinary share of no par value in Guardrisk Insurance Company Limited	1 150 000	1 150 000	1 150 000	1 150 000
Insurance contract assets and liabilities	43 321 367	–	–	–
	44 471 367	**1 150 000**	**1 150 000**	**1 150 000**

The Group has a shareholding in a third party insurance cell captive arrangement (with Guardrisk Insurance Company Limited). The Shareholders and Subscription Agreement that governs this arrangement contains in-substance, properties of reinsurance agreements. As set out in this agreement, significant insurance risk is initially accepted by the insurer, and to the extent that premiums and reserves are insufficient to cover claims, the insurer transfers significant insurance risk to the Group by requiring the Group to recapitalise the cell as and when necessary to meet capital adequacy requirements. As a result, the overall commercial effect is similar to an insurance contract and is considered an in-substance reinsurance contract issued from the perspective of the Group. This agreement is therefore accounted for as an insurance contract in terms of IFRS 17, *Insurance Contracts*.

Reconciliation of the net carrying amounts of insurance contract assets

The following reconciliation indicates how the net carrying amounts of insurance contract assets changed during the year as a result of cash flows and the amounts recognised in the statement of profit or loss.

		Liability for incurred claims			
Figures in Rands 30 September 2023	**Investment assets in the cell captive**	**Present value of cash flows**	**Risk adjustment**	**Liability for remaining coverage**	**Total**
Insurance contract assets at beginning of the year	**177 381 440**	**2 776 409**	**–**	**(179 007 849)**	**1 150 000**
Insurance revenue	–	–	–	179 336 354	179 336 354
Insurance service expenses:					
Incurred claims and other expenses	–	(101 057 609)	(300 814)	–	(101 358 423)
Net income from insurance contracts held	**–**	**(101 057 609)**	**(300 814)**	**179 336 354**	**77 977 931**
Net insurance finance income/(cost)	17 414 164	–	–	(30 070 727)	(12 656 563)
Amounts recognised in statement of profit and loss	**17 414 164**	**(101 057 609)**	**(300 814)**	**149 265 627**	**65 321 368**
Dividend payment	(22 000 000)	–	–	–	(22 000 000)
Growth in investment assets	125 376 783	–	–	–	125 376 783
Premiums received	–	–	–	(225 911 828)	(225 911 828)
Claims and other expenses paid	–	100 535 045	–	–	100 535 045
Total cash flows	**103 376 782**	**100 535 045**	**–**	**(225 911 828)**	**(22 000 000)**
Insurance contract assets at end of the year	**298 172 386**	**2 253 845**	**(300 814)**	**(255 654 050)**	**44 471 367**

5. **INVESTMENT IN FINANCIAL ASSETS**

Investment in preference shares carried at amortised cost

Figures in Rands	30 September 2023	30 September 2022	31 March 2022	31 March 2021
1 000 Class "A" cumulative redeemable no par value preference shares in Transaction Capital Motor Holdco (Pty) Ltd	–	–	349 340 000	349 340 000
	–	**–**	**349 340 000**	**349 340 000**

The Group subscribed for 1 000 preference shares on 11 September 2020. The preference shares had a scheduled redemption date of 12 September 2030. Transaction Capital Motor HoldCo (Pty) Ltd may voluntarily redeem the preference shares at any time before this date. The distribution rate on the preference shares is calculated at Prime less 0.5% multiplied by 100% less the South Africa corporate tax rate for the first four years (nominal annual compounded daily) and at Prime plus 3% (nominal annual compounded daily) thereafter. These distributions are payable bi-annually on 31 May and 30 November of each year.

The Group has assessed the risk related to an expected credit loss for the investment in preference shares and concluded that no significant risk has been identified and therefore no provision has been recognised. These preference shares receive a preferential right to dividends at a fixed dividend rate providing predictability. The preference shares are not volatile and subject to fluctuations as they have been contractually defined and a redemption date has also been contractually agreed and a predetermined price.

Transaction Capital Motor Holdco (Pty) Ltd elected to voluntarily redeem the preference shares earlier, effective on 9 September 2022.

Investment in shares carried at amortised cost

Figures in Rands	30 September 2023	30 September 2022	31 March 2022	31 March 2021
100 Class "G" non-voting redeemable ring-fenced shares in MotoVantage Holdings (Pty) Ltd	100	100	100	–
	100	100	100	–

On 1 September 2021, the Group subscribed for 100 "G" non-voting redeemable ring-fenced shares in MotoVantage Holdings (Pty) Ltd.

Total investment in financial asset	**100**	**100**	**349 340 100**	**349 340 000**

6. **EQUITY ACCOUNTED INVESTMENT**

6.1 **Details of the Group's investment in associate at 30 September 2023 are as follows:**

Figures in Rands			**30 September 2023**	**30 September 2022**	**31 March 2022**	**31 March 2021**
	Principal activity	**Place of incorporation and principal place of business**	**Proportion of ownership interest held by the Group %**			
Agile Bridge (Pty) Ltd	Software development	South Africa	20%	20%	–	–
Cost of investment in equity accounted investment			8 000 000	8 000 000	–	–

On 1 June 2022, the Group acquired 20% of the ordinary share capital of Agile Bridge (Pty) Ltd. The purchase consideration for the transaction was R8 000 000, which was settled in cash. The investment is accounted for as an associate as the Group does not have the unilateral ability to control, direct or govern decisions that impact the variable returns of the investment. Agile Bridge (Pty) Ltd has a November year end.

Figures in Rands	**30 September 2023**	**30 September 2022**	**31 March 2022**	**31 March 2021**
Carrying amount at beginning of the year/period	8 000 000	–	–	–
Investment into equity accounted investment	–	8 000 000	–	–
Share of profit after tax	4 450 000	–	–	–
Dividend received	(1 900 000)	–	–	–
Balance at end of the year/ period	**10 550 000**	**8 000 000**	**–**	**–**

The Group does not consider the investment above to be individually material to its operations.

7. **DEFERRED TAX**

Deferred tax assets and liabilities are attributable to the following:

Figures in Rands	**30 September 2023**	**30 September 2022**	**31 March 2022**	**31 March 2021**
Provisions and accruals (annual bonus, ECL on receivables, credit note and leave pay)	25 256 860	20 170 737	15 277 999	7 035 874
Right-of-use assets and related lease liabilities	4 352 312	2 588 692	2 055 151	1 726 821
Property, plant and equipment	10 514 582	6 321 455	4 803 647	1 938 960
Prepayments	(1 157 075)	(321 915)	(336 264)	–
Loan raising fee	688 279	842 678	1 423 455	1 354 055
Deferred tax balance from temporary differences other than unused tax losses	**39 654 958**	**29 601 647**	**23 223 988**	**12 055 710**
Reflected as:				
Deferred taxation asset	42 521 978	32 290 423	25 177 949	12 457 089
Deferred taxation liability	(2 867 020)	(2 688 776)	(1 953 961)	(401 379)
	39 654 958	**29 601 647**	**23 223 988**	**12 055 710**

An amount of R2 128 887 (30 September 2022: R42 177; 31 March 2022: R217 290; 31 March 2021: Rnil) attributable to assessed losses in the Group has not been recognised as a deferred tax asset as the directors are of the view that it is not probable that the relevant companies will generate taxable profit in the near future against which the benefit can be utilised.

Deferred tax assets have only been recognised for deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary differences can be utilised. This assessment is performed by comparing budgeted taxable earnings to the deferred tax asset. The assessments are performed on a continuous basis and if required the deferred tax asset is impaired.

Reconciliation of deferred tax balance

Figures in Rands	30 September 2023	30 September 2022	31 March 2022	31 March 2021
Balance at beginning of the year/period	29 601 647	23 223 988	12 055 710	–
Additions through a capital reorganisation	–	–	–	5 120 139
Taxable temporary difference – provisions	5 086 123	4 892 738	8 242 125	2 426 562
Taxable temporary differences – right-of-use assets and related lease liabilities	1 763 396	533 540	328 330	2 299 316
Taxable temporary differences – property, plant and equipment	4 193 352	1 517 808	2 864 687	1 164 083
Deductible temporary differences – prepayments	(835 160)	14 349	(336 264)	–
Taxable temporary differences – bond raising fees	(154 400)	(580 776)	69 400	1 045 610
	39 654 958	**29 601 647**	**23 223 988**	**12 055 710**

8. OTHER LOANS RECEIVABLE

Figures in Rands	30 September 2023	30 September 2022	31 March 2022	31 March 2021
Loans receivable	**12 000 000**	**–**	**–**	**–**

The carrying value of loans receivable approximates fair value.

To further the Group's enterprise and supplier development initiatives, the Group advanced interest-free loans of R4 million and R8 million (September 2022: Rnil; March 2022: Rnil; March 2021: Rnil) to Jinja Purple Pepper (Pty) Ltd and Jinja Green (Pty) Ltd, respectively, as prescribed in the BBBEE Codes of Good Practice. The Group has agreed to financially support these companies, by means of these long-term interest-free loans. Please refer to note 42.1 for further ECL disclosure on the loans receivable.

9. INVENTORIES

Figures in Rands	30 September 2023	30 September 2022	31 March 2022	31 March 2021
Second-hand motor vehicles	2 218 036 531	2 024 167 357	1 262 070 176	610 628 612
Consumables	44 979	–	–	–
Work in progress, service and parts	1 590 511	–	–	–
Write-down for obsolescence	(32 781 388)	(16 500 000)	(16 500 000)	(6 298 929)
	2 186 890 633	**2 007 667 357**	**1 245 570 176**	**604 329 683**

Included in the total inventories of R2 186 890 633 (September 2022: R2 007 667 357; March 2022: R1 245 570 176; March 2021: R604 329 683) are inventories to the value of R244 411 576 (September 2022: R209 128 225; March 2022: R137 559 845; March 2021: R215 459 906) which are carried at net realisable values. The remainder of the inventories are carried at cost.

Inventories of R16 925 108 312 (30 September 2022: R8 174 237 597 ; 31 March 2022: R11 901 121 602; 31 March 2021: R6 505 604 544) were recognised as an expense during the year/period and included in cost of sales.

At 31 March 2021, the Group had registered two General Notarial Covering bonds over inventory totaling R350 000 000, in favour of Investec Bank Limited, as continuing covering security for the borrowings advanced to the Group by Investec Bank Limited. Refer to note 17. These General Notarial Covering bonds were cancelled during the 31 March 2022 financial year.

10. TRADE AND OTHER RECEIVABLES

Figures in Rands	30 September 2023	30 September 2022	31 March 2022	31 March 2021
Trade receivables	46 002 379	27 551 700	200 492 619	85 832 658
Less: Expected credit loss allowance	(500 000)	(500 000)	(500 000)	(500 000)
Net trade receivables	**45 502 379**	**27 051 700**	**199 992 619**	**85 332 658**
Prepayments	7 247 216	7 729 676	4 770 930	3 592 803
Deposits	34 704 512	29 595 639	30 635 465	30 689 481
Staff loans	1 171 182	1 633 600	557 584	237 997
Other income and interest receivables	–	274 393	287 913	447 907
Sundry receivables	349 810	52 522	53 562	364 343
Share subscription consideration receivable	–	–	–	40 000 000
Preference share dividend receivable	–	–	5 796 058	5 461 751
Value-added tax	1 298 090	4 409 399	6 188 422	4 698 598
Total trade and other receivables	**90 273 189**	**70 746 929**	**248 282 553**	**170 825 537**

The Group measures ECL allowances at an amount equal to the lifetime expected credit losses on these financial assets. Lifetime expected credit losses are those losses that result from all possible default events over the expected life of the financial asset. The Group assesses on a forward-looking basis. The Group considers a financial asset to be in default when the borrower is unlikely to pay its credit obligations in full or the outstanding amount exceeds its contractual payment terms.

The Group's maximum exposure to credit risk at the reporting date is the carrying value of the trade receivables mentioned above, and it does not hold any form of collateral as security.

To measure expected credit losses, trade receivables have been grouped based on shared credit characteristics and the days past due. The expected loss rates are based on the payment profiles of sales over a period of time and the corresponding historical credit losses experienced within this period. Please refer to note 42.1 where further information on the classes of receivables as well as the ECL has been provided.

The ageing of trade receivables, as well as the amount of the ECL allowance per age class, is presented below:

	Carrying value	Expected Credit Loss ("ECL")	Expected loss rate (%)	Carrying value	Expected Credit Loss ("ECL")	Expected loss rate (%)
Figures in Rands	**30 September 2023**			**30 September 2022**		
Current	45 530 637	211 108	0.5	25 138 368	224 543	0.9
Past due 30 to 59 days	185 350	2 500	1.3	970 387	24 763	2.6
Past due 60 to 89 days	3 392	3 392	100.0	747 031	5 000	0.7
Past due 90 to 119 days	–	–	0.0	282 930	203 000	71.7
Past due 120 days and older	283 000	283 000	100.0	412 984	42 694	10.3
Total	**46 002 379**	**500 000**	**1.1**	**27 551 700**	**500 000**	**1.8**

Figures in Rands	Carrying value	Expected Credit Loss ("ECL")	Expected loss rate (%)	Carrying value	Expected Credit Loss ("ECL")	Expected loss rate (%)
		31 March 2022			31 March 2021	
Current	192 586 419	96 767	0.1	75 143 508	353 429	0.5
Past due 30 to 59 days	7 290 674	289 167	4.0	216 146	719	0.3
Past due 60 to 89 days	482 314	1 366	0.3	3 191	–	0.0
Past due 90 to 119 days	72 700	72 700	100.0	10 000	10 000	100.0
Past due 120 days and older	60 512	40 000	66.1	10 459 813	135 852	1.3
Total	**200 492 619**	**500 000**	**0.2**	**85 832 658**	**500 000**	**0.6**

11. LOAN TO RELATED PARTY

Figures in Rands	30 September 2023	30 September 2022	31 March 2022	31 March 2021
Gomo Vehicle Solutions Holdings (Pty) Ltd	–	29 438 832	7 054 334	–

This loan is unsecured, bears interest at the prime interest rate, and has no fixed terms of repayment. Refer to note 42.1 for further ECL considerations.

12. CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of:

Figures in Rands	30 September 2023	30 September 2022	31 March 2022	31 March 2021
Cash on hand	15 333	37 164	13 554	130 430
Bank balances	164 146 415	109 494 315	110 771 523	37 382 042
Bank overdraft	(6 079 691)	(4 972 361)	(6 915 040)	(2 635 277)
	158 082 057	**104 559 118**	**103 870 037**	**34 877 195**
Current assets	164 161 748	109 531 479	110 785 077	37 512 472
Current liabilities	(6 079 691)	(4 972 361)	(6 915 040)	(2 635 277)
	158 082 057	**104 559 118**	**103 870 037**	**34 877 195**
The total amount of undrawn facilities available for future operating activities and commitments	474 768 330	406 933 915	306 798 283	118 011 582

13. DERIVATIVE ASSET

Other derivative asset – not held for risk management

Figures in Rands	30 September 2023	30 September 2022	31 March 2022	31 March 2021
Call option derivative	426 463 000	268 778 797	–	–

The Group holds various call options which give it the right to repurchase the 25.1% shareholding in WeBuyCars from the minority shareholder. As set out in the shareholders' agreement, 15% of the option is exercisable within 30 days from 30 September 2024, with the remaining 10.1% exercisable within 30 days from 30 September 2026.

As disclosed in note 43 upon the successful listing of WeBuyCars on the Main Board of the JSE the call options will be cancelled and the call option derivative asset will be reversed, resulting in the derecognition of the call option derivative asset. The call option derivative is therefore classified as current as at 30 September 2023.

The call option derivative is initially recognised at fair value and subsequently measured at fair value through profit or loss. The call option derivative is a level 3 instrument in the fair value hierarchy. The call derivative is not traded in an active market and therefore the fair value is determined using a valuation technique. The valuation was performed using a Black-Scholes model taking into account the market value of the WeBuyCars as well as the exercise price per the formula included in the shareholders' agreement. The market price has been determined per independent valuation of the Group performed as at 30 September 2023. Other inputs into the valuation model include time to expiration, risk free rate, expected dividend yield for the Group as well as the expected volatility.

14. FINANCIAL ASSETS BY CATEGORY

The accounting policies for financial instruments have been applied to the line items below:

Figures in Rands	Financial asset at fair value through profit or loss	Financial asset at amortised cost	Total
30 September 2023			
Investment in financial asset	–	100	100
Other loans receivable	–	12 000 000	12 000 000
Trade and other receivables*	–	80 556 702	80 556 702
Cash and cash equivalents	–	164 161 748	164 161 748
Call option derivative	426 463 000	–	426 463 000
	426 463 000	**256 718 550**	**683 181 550**
30 September 2022			
Investment in financial asset	–	100	100
Trade and other receivables*	–	56 974 254	56 974 254
Loan to related party	–	29 438 832	29 438 832
Cash and cash equivalents	–	109 531 479	109 531 479
Call option derivative	268 778 797	–	268 778 797
	268 778 797	**195 944 665**	**464 723 462**
31 March 2022			
Insurance contract asset	1 150 000	–	1 150 000
Investment in financial assets	–	349 340 100	349 340 100
Trade and other receivables*	–	236 765 617	236 765 617
Loan to related party	–	7 054 334	7 054 334
Cash and cash equivalents	–	110 785 077	110 785 077
	1 150 000	**703 945 128**	**705 095 128**
31 March 2021			
Insurance contract asset	1 150 000	–	1 150 000
Investment in financial asset	–	349 340 000	349 340 000
Trade and other receivables*	–	162 296 140	162 296 140
Cash and cash equivalents	–	37 512 472	37 512 472
	1 150 000	**549 148 612**	**550 298 612**

* Excludes employee-related receivables, value added tax and prepayments.

15. **STATED CAPITAL**

Authorised

In terms of the Memorandum of Incorporation, all unissued shares are placed under the control of the directors, to be issued to such persons on such terms and conditions as they deem fit. On 21 September 2021, the shareholders passed a special resolution giving effect to an increase in the number of authorised no par value shares from 1 000 000 ordinary no par value shares to 10 000 000 000 ordinary no par value shares. On 5 October 2021, Transaction Capital Motor Holdco (Pty) Ltd subscribed for a 25% shareholding in the Company and exchanged its previously held shareholding of 49.9% in We Buy Cars Proprietary Limited, a subsidiary of the Company, for newly issued shares in the Company.

	30 September 2023	**30 September 2022**	**31 March 2022**	**31 March 2021**
10 000 000 000 (September 2022: 10 000 000 000) (March 2022: 10 000 000 000) (March 2021: 1 000 000) Ordinary no par value shares	10 000 000 000	10 000 000 000	10 000 000 000	1 000 000
10 000 000 000 (September 2022: 10 000 000 000) (March 2022: 10 000 000 000) (March 2021: Nil) Ordinary no par value A class shares	10 000 000 000	10 000 000 000	10 000 000 000	–
Figures in Rands				
Issued and fully paid				
2 071 797 (September 2022: 2 071 797) (March 2022: 2 071 797) (March 2021: 200 000) Ordinary no par value shares – Fully paid	6 714 554 883	6 714 554 883	6 714 554 883	659 251 932
	6 714 554 883	**6 714 554 883**	**6 714 554 883**	**659 251 932**
Reconciliation of number of shares issued:				
Opening balance	2 071 797	2 071 797	200 000	–
Issue of shares on incorporation	–	–	–	120
Subsequent issue of shares	–	–	1 871 797	199 880
	2 071 797	**2 071 797**	**2 071 797**	**200 000**

16. NON-CONTROLLING INTEREST

Figures in Rands	30 September 2023	30 September 2022	31 March 2022	31 March 2021
Opening balance	956 835	–	534 646 391	–
Share issue in a subsidiary	49 425	884 761	–	696 112 376
Share of (loss)/profit for the year/period	(147 779)	(28 330)	144 302 509	148 261 435
Movement in foreign currency translation reserve	48 310	100 404	–	–
Dividend received	–	–	(24 950 088)	–
Derecognition of a non-controlling interest	–	–	(653 998 812)	(309 727 420)
	906 791	**956 835**	**–**	**534 646 391**

The following table summarises the information relating to We Buy Cars Proprietary Limited, the Group's major subsidiary that has a material non-controlling interest ("NCI"), before any intra-group eliminations.

NCI percentage	**0%**	**0%**	**0%**	**49.9%**
Non-current assets	–	–	–	1 022 281 789
Current assets	–	–	–	812 659 274
Non-current liabilities	–	–	–	(570 507 325)
Current liabilities	–	–	–	(393 258 611)
Pre-acquisition dividend				200 260 527
Net assets	**–**	**–**	**–**	**1 071 435 654**
Net assets attributable to NCI	–	–	–	534 646 391
Revenue	–	–	–	7 770 658 286
Profit for the period	–	–	–	356 559 178
Other comprehensive income	–	–	–	–
Total comprehensive income*	**–**	**–**	**–**	**356 559 178**
Profit allocated to NCI	–	–	–	148 261 435
Other comprehensive income allocated to NCI	–	–	–	–
Cash flows from operating activities	–	–	–	200 089 376
Cash flows from investment activities	–	–	–	(379 346 356)
Cash flows from financing activities	–	–	–	155 498 000
Net decrease in cash and cash equivalents	**–**	**–**	**–**	**(23 758 980)**

* Total comprehensive income represents a 12 month period for We Buy Cars Proprietary Limited, the Company however only shared in 7 months of the profit (from 1 September 2020).

During September 2020 Transaction Capital Limited, through a subsidiary company, Transaction Capital Motor Holdco (Pty) Ltd acquired a 49.9% interest in We Buy Cars Proprietary Limited by subscribing for 199 203 shares in We Buy Cars Proprietary Limited. The consideration was settled in cash as well as with Transaction Capital Limited shares and the difference between the consideration and the carrying amount of the non-controlling interest was recorded within Retained earnings/(Accumulated loss) in the statement of changes in equity.

Figures in Rands	30 September 2023	30 September 2022	31 March 2022	31 March 2021
Consideration received from non-controlling interest				**1 841 011 000**
Cash consideration				1 471 671 000
Consideration – deferred payment				40 000 000
Shares in Transaction Capital Limited				329 340 000
Carrying amount of non-controlling interest acquired in a subsidiary (49.9%)				386 384 956
Excess of consideration paid recognised in the transactions with non-controlling interest reserve within equity				**1 454 626 044**

During October 2021 Transaction Capital Limited, through a subsidiary company, Transaction Capital Motor Holdco (Pty) Ltd subscribed for a 25% shareholding in the Company and exchanged its previously held shareholding of 49.9% in We Buy Cars Proprietary Limited, a subsidiary of the Company, for newly issued shares in the Company, in terms of section 42 of the Income Tax Act. Subsequent to the transaction, Transaction Capital Motor Holdco (Pty) Ltd holds a 74.9% shareholding in the Group.

The difference between the consideration paid by the non-controlling interest and the carrying amount of the non-controlling interest was recorded within Retained earnings/(Accumulated loss) in the statement of changes in equity.

Consideration paid for non-controlling interest				**3 305 187 417**
Shares issued in terms of asset for share swop (non-cash)				3 305 187 417
Carrying amount of non-controlling interest derecognised in a subsidiary (49.9%)				(653 998 812)
Excess of consideration paid recognised in the transactions with non-controlling interest reserve within equity				**2 651 188 605**

The following table summarises the information relating to We Buy Cars AME Holdings DMCC, one of the Group's subsidiaries that has a material non-controlling interest ("**NCI**"), before any intra-group eliminations.

Figures in Rands	30 September 2023	30 September 2022	31 March 2022	31 March 2021
NCI percentage	**5%**	**5%**	**0%**	**0%**
Non-current assets	17 803 233	16 909 547	–	–
Current assets	1 083 055	2 227 200	–	–
Non-current liabilities	–	–	–	–
Current liabilities	(23 071)	–	–	–
Net assets	**18 863 217**	**19 136 747**	**–**	**–**
Net assets attributable to NCI	943 161	956 837	–	–
Revenue	13 274 750	–	–	–
Loss for the year/period	(2 956 004)	(566 609)	–	–
Other comprehensive income	–	–	–	–

Figures in Rands	30 September 2023	30 September 2022	31 March 2022	31 March 2021
Total comprehensive income	**(2 956 004)**	**(566 609)**	**–**	**–**
Loss allocated to NCI	(147 799)	(28 330)	–	–
Other comprehensive income allocated to NCI	–	–	–	–
Cash flows from operating activities	(3 073 629)	(821 231)	–	–
Cash flows from investment activities	–	(16 909 547)	–	–
Cash flows from financing activities	1 779 551	19 777 245	–	–
Net (decrease)/increase in cash and cash equivalents	**(1 294 078)**	**2 046 467**	**–**	**–**

17. **BORROWINGS**

At amortised cost

Figures in Rands	30 September 2023	30 September 2022	31 March 2022	31 March 2021
Balance at beginning of the year/period	**1 490 622 061**	**1 266 807 859**	**677 668 928**	**–**
Borrowings acquired through capital reorganisation	–	–	–	172 604 965
Borrowings raised during the year/period	716 303 127	687 181 516	742 096 158	507 642 772
Interest accrued and bond raising fees	11 894 810	9 966 530	3 522 475	–
Borrowings repaid during the year/period	(836 961 124)	(473 333 844)	(156 479 702)	(2 578 809)
Balance at end of the year/period	**1 381 858 874**	**1 490 622 061**	**1 266 807 859**	**677 668 928**

For an analysis of interest-bearing borrowings refer to Annexure A.

Non-current liabilities				
At amortised cost	943 985 262	683 101 815	725 469 571	536 895 803
Current liabilities				
At amortised cost	437 873 612	807 520 246	541 338 288	140 773 125
	1 381 858 874	**1 490 622 061**	**1 266 807 859**	**677 668 928**

For the years/periods ended 30 September 2023, 30 September 2022 and 31 March 2022

The Group has a R529 993 620 (September 2022: R529 993 620) (March 2022: R529 993 620) mortgage loan facility with Investec Bank Ltd with terms ranging from 60 to 72 months. Interest is payable on these mortgage loans at the prime interest rate minus 0.5%. Investec Bank Ltd holds the following covering mortgage bonds over the properties:

– First covering mortgage bond (for R90 000 000) over Erf 238, Aeroton Ext 13 Township, Registration Division I.Q., Province of Gauteng;

– Second covering mortgage bond (for R15 000 000) over Erf 238, Aeroton Ext 13 Township, Registration Division I.Q.,Province of Gauteng;

– First covering mortgage bond (for R150 000 000) over Erf 23312, Brackenfell in the City of Cape Town, Stellenbosch Division,Western Cape Province;

17. **BORROWINGS** continued

- First covering mortgage bond (for R140 000 000) over Portion 8 (a portion of portion 1) of Erf 61, Gosforth Extension 5 Township,Registration Division I.R, Province of Gauteng;
- First covering mortgage bond (for R75 000 000) over the Notarial Deed of Lease over Erf 641 Springfield, Registration Division FT, Province of KwaZulu-Natal;
- First covering mortgage bond (for R160 000 000) over Notarial Deed of Lease over Erf 38348, Milnerton, in the City of Cape Town, Cape Division, Western Cape Province.

The Group also has a R275 697 040 (30 September 2022: R275 697 040) (31 March 2022: R281 500 000) mortgage loan facility with FirstRand Bank Ltd with terms ranging from 60 to 84 months. Interest is payable on one of these mortgage loans at the prime interest rate minus 0.5% and on the other mortgage loans at 1-month JIBAR plus 2.95%.

FirstRand Bank Ltd holds the following covering mortgage bonds over the properties:

- First covering mortgage bond (for R90 000 000) over the Company's 50% undivided share in and to the Remainder of Erf 2551 Louwlardia, Extension 74 Township, Gauteng;
- First covering mortgage bond (for R71 500 000) over Portion 18 of Erf 926 Riverside Park Extension 22 Township, Registration Division JT, Province of Mpumalanga; and
- First covering mortgage bond (for R175 000 000) over Erf 22 Northgate Extension 18, Registration Division I.Q., Province of Gauteng and Portion 301, 302 and 303 (a portion of portion 2) of the Farm Olievenhoutpoort No. 196, Registration Division I.Q.,Province of Gauteng.

For the period ended 31 March 2021

The Group has a R376 807 620 mortgage loan facility with Investec Bank Ltd with terms ranging from 60 to 72 months. Interest is payable on these mortgage loans at the prime interest rate minus 0.5%. Investec Bank Ltd holds the following covering mortgage bonds over the properties:

- First covering mortgage bond (for R90 000 000) over Erf 238, Aeroton Ext 13 Township, Registration Division I.Q., Province of Gauteng.
- Second covering mortgage bond (for R15 000 000) over Erf 238, Aeroton Ext 13 Township, Registration Division I.Q.,Province of Gauteng.
- First covering mortgage bond (for R150 000 000) over Erf 23312, Brackenfell in the City of Cape Town, Stellenbosch Division, Western Cape Province.
- First covering mortgage bond (for R140 000 000) over Erf 61, Gosforth Extension 5 Township, Registration Division I.R, Province of Gauteng.
- First covering mortgage bond (for R75 000 000) over the Notarial Deed of Lease over Erf 641 Springfield, Registration Division FT, Province of KwaZulu-Natal.

The Group also has a R50 000 000 mortgage loan facility with FirstRand Bank Ltd with an 84-month term. Interest is payable on this mortgage loan at the prime interest rate minus 0.5%. FirstRand Bank Ltd holds a first covering mortgage bond (for R90 000 000) over the Group's 50% undivided share in and to the Remainder of Erf 2551 Louwlardia, Extension 74 Township, Gauteng.

The Investec Bank Ltd – Term Loan (R211 235 043) bears interest at the Prime interest rate less 0.5%, has a three-year term and is repayable by 30 July 2023. Interest is payable annually on 31 July 2021 and 31 July 2022, and then quarterly thereafter on 31 October 2022 until the final repayment date.

The Term loan is secured by way of two General Notarial Covering bonds over inventory that have been registered in favour of Investec Bank Limited (refer note 9).

The Investec Bank Limited Revolving Credit Facility Loan (R140 773 125) bears interest at the Prime interest rate less 0,5%, has a one year term (repayable on 1 April 2021) with two options to extend for a further year. During April 2021 the term was extended for one year. Interest is payable monthly.

The Revolving Credit Facility loan is secured by way of two General Notarial Covering bonds over inventory that have been registered in favour of Investec Bank Limited. Refer to note 9.

18. LEASE LIABILITIES

Figures in Rands	30 September 2023	30 September 2022	31 March 2022	31 March 2021
Lease liabilities	165 192 154	170 557 804	85 686 397	45 653 937
Less: portion repayable within one year included in current liabilities	(37 636 146)	(31 371 177)	(21 865 209)	(12 443 794)
Long-term portion of lease liabilities	**127 556 008**	**139 186 627**	**63 821 188**	**33 210 143**

The maturity profile of the cash flows relating to the lease liabilities is as follows:

Within one year	48 913 889	42 547 722	26 571 935	14 792 505
Within two to five years	133 393 695	141 194 078	71 467 039	33 992 082
Thereafter	14 886 461	21 540 497	–	–
	197 194 045	**205 282 297**	**98 038 974**	**48 784 587**
Total cash outflow for leases in the current year				
Finance cost	13 208 541	4 266 596	3 809 805	3 850 960
Capital portion	33 215 875	13 441 391	14 442 800	10 932 381
Total cash outflow for leases	**46 424 416**	**17 707 987**	**18 252 605**	**14 783 341**

Lease liabilities relate to leases entered into with external landlords who lease their facilities to the Group. Lease liabilities represent the financial obligation of the Group to make lease payments to landlords to use the underlying leased premises, or right-of-use assets, during the lease term. The majority of the leases cover a period of 2 to 7 years, and some include an option to renew on expiry.

All lease liabilities are interest-bearing and the discount rate used to determine the present value of future lease payments is generally based on the lessee's incremental borrowing rate, as in most instances, the interest rate implicit in the lease cannot be readily determined. The discount rate applied to new leases concluded during the year/period was 9.25%, 10% and 10.75% (September 2022: 7.75% and 8.5%) (March 2022 6.5% and 7%) (March 2021: 6.5%).

Lease rental obligations are capitalised and lease liabilities are effectively secured as the rights to the leased asset revert to the lessor in the event of default.

The cash outflow approximates the expense relating to variable lease payments and leases of low value assets are disclosed in note 25.

19. TRADE AND OTHER PAYABLES

Figures in Rands	30 September 2023	30 September 2022	31 March 2022	31 March 2021
Trade payables	217 922 499	177 958 007	177 086 890	125 834 149
Value-added tax	24 849 615	5 922 940	23 292 540	11 750 612
Expense accruals	9 380 045	12 923 498	8 520 389	5 415 610
Accrual for leave pay	34 338 566	28 358 321	20 933 865	9 261 500
Tenant deposits	1 156 186	1 092 232	1 085 767	1 021 340
Payroll accruals	11 695 271	10 287 635	8 852 582	4 421 668
	299 342 181	**236 542 634**	**239 772 033**	**157 704 878**

20. **PROVISIONS**

Figures in Rands	**30 September 2023**	**30 September 2022**	**31 March 2022**	**31 March 2021**
Provision recognised for credit notes	5 000 000	–	–	–
Utilisation of provision for credit notes	–	–	–	–
Balance at the end of the year/period	**5 000 000**	**–**	**–**	**–**

21. **EMPLOYEE BENEFITS**

Figures in Rands	**30 September 2023**	**30 September 2022**	**31 March 2022**	**31 March 2021**
Long-term incentive provision	–	–	22 727 669	11 966 623
Short-term incentive provision	22 000 000	16 000 000	–	–
Defined contribution plan accrual	8 525 288	6 987 886	5 678 971	3 290 218
Accrual for annual bonusses	22 500 000	20 400 000	7 200 000	3 600 000
	53 025 288	**43 387 886**	**35 606 640**	**18 856 842**
Non-current liabilities	–	–	–	–
Current liabilities	53 025 288	43 387 886	35 606 640	18 856 842
	53 025 288	**43 387 886**	**35 606 640**	**18 856 842**

Long-term incentive

The long-term incentive was payable annually over a three year vesting period to senior members of the management team, provided that the employee remained in the Group's employ over the vesting period. With effect from 1 April 2022, this incentive has been replaced with a short-term incentive scheme, for senior members of the management team.

Short-term incentive provision

The short-term incentive is payable annually to senior members of the management team, provided that the employee remains in the Group's employ at the date of payment.

Defined contribution plan

It is the policy of the Group to provide retirement benefits to all its employees. The defined contribution provident fund in South Africa and Namibia, which is subject to the Pensions Fund Act, exists for this purpose. In Morocco, the Group is bound by law to contribute to the National Fund of Morocco program known as the Caisse Nationale de Sécurité Sociale ("**CNSS**").

The Group is under no obligation to cover any unfunded benefits.

22. **SHAREHOLDER LOAN**

Figures in Rands	**30 September 2023**	**30 September 2022**	**31 March 2022**	**31 March 2021**
I VDW Holdings (Pty) Ltd	–	–	100 000	10 000

The loan is unsecured, bears no interest and has no fixed repayment terms.

23. **FINANCIAL LIABILITIES BY CATEGORY**

The accounting policies for financial instruments have been applied to the line items below:

Figures in Rands	Financial liabilities	Total
30 September 2023		
Trade and other payables*	228 458 729	228 458 729
Borrowings	1 381 858 874	1 381 858 874
Lease liabilities	165 192 154	165 192 154
Bank overdraft	6 079 691	6 079 691
	1 781 589 448	**1 781 589 448**
30 September 2022		
Trade and other payables*	191 973 738	191 973 738
Borrowings	1 490 622 061	1 490 622 061
Lease liabilities	170 557 804	170 557 804
Bank overdraft	4 972 361	4 972 361
	1 858 125 964	**1 858 125 964**
31 March 2022		
Trade and other payables*	186 693 046	186 693 046
Borrowings	1 266 807 859	1 266 807 859
Lease liabilities	85 686 397	85 686 397
Bank overdraft	6 915 040	6 915 040
Shareholder loan	100 000	100 000
	1 546 202 343	**1 546 202 343**
31 March 2021		
Trade and other payables*	132 271 100	132 271 100
Borrowings	677 668 928	677 668 928
Lease liabilities	45 653 937	45 653 937
Bank overdraft	2 635 277	2 635 277
Shareholder loan	10 000	10 000
	858 239 244	**858 239 244**

* Excludes value-added tax and employee-related payables

24. **REVENUE**

Figures in Rands	30 September 2023	30 September 2022	31 March 2022	31 March 2021
Revenue from Contracts with Customers (IFRS 15) – Sale of goods – motor vehicles	19 647 599 531	9 471 276 547	13 981 784 627	5 461 432 194
Revenue from Contracts with Customers (IFRS 15) – Rebate income	9 761 636	6 359 292	4 172 006	1 993 776
Rental income (IFRS 16)	3 998 909	3 231 241	4 558 119	97 453
Revenue from Contracts with customers (IFRS 15) – Finance and insurance commissions received	361 633 933	158 340 985	187 150 465	70 139 196
Provision for credit notes	(5 000 000)	–	–	–
	20 017 994 010	**9 639 208 065**	**14 177 665 217**	**5 533 662 619**

Timing and disaggregation of revenue

Revenue is disaggregated based on revenue streams as disclosed above according to their timing and according to their nature and also includes a reconciliation of the disaggregated revenue with the Group's reportable segments.

Sale of goods – motor vehicles

Performance obligations are satisfied at a specific point in time upon entering into a sales agreement with a customer and ownership transfers on delivery to the customer. Amounts owed are initially settled in cash or through bank financing without any significant payment terms. There are no judgements made that significantly affect the determination of the amount and timing of revenue.

Rebate income

Rebate income is recognised over a period of time when the contractual terms of the agreements with suppliers have been met.

Finance and insurance commissions received

Fees earned from finance, insurance-related and ancillary products (F&I products) sold on behalf of major banks providing asset-backed and unsecured vehicle finance, and leading insurance providers are recognised at a point in time when the commission has been earned. Revenue from the sale and installation of vehicle tracking devices is recognised on the fitment of tracking devices.

25. NET OPERATING EXPENSES

Figures in Rands	30 September 2023	30 September 2022	31 March 2022	31 March 2021
Cost of sales*	**(17 558 697 180)**	**(8 453 228 007)**	**(12 256 265 151)**	**(4 755 064 699)**
– Cost of goods sold	(17 009 061 396)	(8 204 499 156)	(11 948 649 131)	(4 641 416 293)
– Directly attributable expenses	(549 635 784)	(248 728 851)	(307 616 020)	(113 648 406)
Other operating income**	24 909 990	10 437 803	11 014 038	19 432 916
Dividend received	3 000 000	20 000 000	–	–
Auditor's remuneration – external				
– Audit fees	(2 277 690)	(814 565)	(1 110 597)	(298 500)
Employee costs	**(842 546 587)**	**(366 256 146)**	**(521 387 373)**	**(204 874 518)**
– Salaries, wages, bonuses and other benefits	(775 149 115)	(343 082 430)	(481 510 529)	(192 409 929)
– Employer retirement benefit contributions	(33 239 156)	(13 618 383)	(18 526 844)	(7 914 589)
– Short-term incentive scheme	(20 500 715)	(5 327 028)	–	–
– Share-based payment expense	(13 657 601)	(4 228 305)	(5 423 646)	–
– Long-term incentive scheme	–	–	(15 926 354)	(4 550 000)
Lease expenses	**(15 478 444)**	**(4 547 202)**	**(7 891 182)**	**(4 350 983)**
– Short-term lease expense	(15 448 180)	(4 528 409)	(4 936 217)	(4 112 409)
– Leases of low-value assets	(30 264)	(18 793)	(2 954 965)	(2 359 289)
– Variable lease payments				
– COVID-19 rental concession***	–	–	–	2 120 715
Other operating expenses****	(545 006 906)	(265 536 717)	(369 317 828)	(131 789 379)
	(18 936 096 818)	**(9 059 944 835)**	**(13 144 958 094)**	**(5 076 945 163)**

Notes:

* Cost of sales has been included in net operating expenses to ensure that the results are understandable and comparable for the purposes of the users.

** Other operating income consist of settlement administration fees, recovery of costs, SETA refunds, sundry income, licence renewal fees, ETI income, dealer administration fees and facility fees.

*** For the financial period ended 31 March 2021, the Group applied the amendments to IFRS 16 that allow rent concessions that occur as a direct consequence of the COVID-19 pandemic to be treated as variable lease payments.

**** Other operating expenses consist of advertising costs, computer expenses, management fees, municipal expenses, repairs and maintenance, telephone costs and security.

26. NET INSURANCE RESULT

Figures in Rands	30 September 2023	30 September 2022	31 March 2022	31 March 2021
The net insurance result comprises the following:				
Insurance revenue	179 336 354	–	–	–
Insurance service expense	(101 358 423)	–	–	–
Insurance finance cost	(12 656 563)	–	–	–
	65 321 368	**–**	**–**	**–**

26.1 Insurance revenue

The table below presents an analysis of the total insurance revenue recognised in the year:

Figures in Rands	30 September 2023	30 September 2022	31 March 2022	31 March 2021
Short-term warranties				
Insurance revenue from insurance contracts measured under the premium allocation approach	179 336 354	–	–	–

26.2 Insurance service expense

Figures in Rands	30 September 2023	30 September 2022	31 March 2022	31 March 2021
Short-term warranties				
The insurance expense comprises of the following:				
Claims	83 347 011	–	–	–
Other*	18 011 412	–	–	–
	101 358 423	**–**	**–**	**–**

* Includes directly attributable expenses and tax expenses

26.3 Insurance finance cost

The table below presents an analysis of the net insurance finance costs from insurance contracts issued:

Figures in Rands	30 September 2023	30 September 2022	31 March 2022	31 March 2021
Short-term warranties				
Interest earned on money market and deposit accounts	17 170 369	–	–	–
Fair value gain on money market and deposit accounts	243 795	–	–	–
Time value of money on liability of remaining cover	(30 070 727)	–	–	–
	(12 656 563)	**–**	**–**	**–**

All insurance finance costs from insurance contracts are recognised in the statement of profit and loss.

27. DEPRECIATION AND AMORTISATION

Figures in Rands	30 September 2023	30 September 2022	31 March 2022	31 March 2021
Depreciation of property, plant and equipment	72 485 797	26 683 478	31 687 719	14 490 468
Depreciation of right-of-use assets	39 747 795	15 417 471	15 887 256	15 165 489
Amortisation of leasehold rights and leasehold improvements	4 926 779	1 565 453	4 172 888	939 100
	117 160 371	**43 666 402**	**51 747 863**	**30 595 057**

28. OTHER NON-OPERATING ITEMS

Figures in Rands	30 September 2023	30 September 2022	31 March 2022	31 March 2021
Fair value adjustment on call option derivative	157 684 203	268 778 797	–	–
	157 684 203	**268 778 797**	**–**	**–**

29. FINANCE INCOME

Figures in Rands	30 September 2023	30 September 2022	31 March 2022	31 March 2021
From investments in financial assets:				
Bank and other cash – interest received	9 356 286	2 958 135	3 000 194	1 372 086
Preference shares – dividend received	–	8 851 808	16 896 295	9 063 327
SARS interest received	22 038	3 624	3 130	4 823
Other interest received	13 394	–	346 803	92 680
Related party interest received	22 408	1 067 777	171 822	–
	9 414 126	**12 881 344**	**20 418 244**	**10 532 916**

30. FINANCE COSTS

Figures in Rands	30 September 2023	30 September 2022	31 March 2022	31 March 2021
Trade and other payables	15 146	5 399	866	3 079
Bank overdrafts	292	8 568	23 479	4 050
SARS interest paid	20 013	–	51 076	57 676
Interest expense on lease liabilities	13 208 541	4 266 596	3 809 805	3 850 960
Interest expense on borrowings	145 059 823	54 291 888	53 548 463	23 864 304
Related party interest paid	–	–	1 160 716	–
	158 303 814	**58 572 451**	**58 594 405**	**27 780 069**

31. **TAXATION**

Major components of the tax expense

Figures in Rands	30 September 2023	30 September 2022	31 March 2022	31 March 2021
Current				
Local income tax – current period	235 332 767	138 968 089	273 979 409	113 834 724
Local income tax – prior year under/(over) provision	8 309	–	(206 326)	(128 222)
Foreign income tax – carbon tax	26 946	–	–	–
Foreign income tax – withholding tax	33 682	–	–	–
	235 401 704	**138 968 089**	**273 773 083**	**113 706 502**
Deferred				
Originating and reversing temporary differences	(10 054 258)	(7 408 025)	(11 716 545)	(2 180 282)
Reduction in tax rate	–	264 573	860 148	–
Prior year over provision	950	765 789	(311 880)	–
	225 348 396	**132 590 426**	**262 604 806**	**111 526 221**
Reconciliation of the tax expense				
Reconciliation between accounting profit and tax expense.				
Profit before taxation	1 046 333 113	758 684 696	942 794 270	408 641 623
Tax at the applicable tax rate of 27% (30 September 2022: 28%) (31 March 2022: 28%) (31 March 2021: 28%)	282 509 940	212 431 715	263 982 395	114 419 655
Tax effect of adjustments on taxable income				
Non-deductible expenses	5 999 627	3 778 947	3 758 467	984 234
Exempt income	(21 237 986)	(8 112 744)	(4 782 701)	(3 023 574)
Fair value adjustment on call option derivative	(42 574 735)	(75 258 063)	–	–
Deferred tax on assessed loss not recognised	2 128 887	42 177	217 290	–
Capitalised borrowing cost	(332 712)	(1 321 968)	(1 118 913)	(91 471)
Capital gains tax	171 478	–	–	(839 158)
Other allowances	–	–	–	(400 167)
Reduction in tax rate	–	264 573	860 148	–
Prior year over provision – deferred tax	950	765 789	–	–
Prior year under/(over) provision – income tax	8 309	–	(311 880)	476 702
Learnership allowances	(1 266 766)	–	–	–
Utilisation of an assessed loss	(119 224)	–	–	–
Foreign taxes	60 628	–	–	–
	225 348 396	**132 590 426**	**262 604 806**	**111 526 221**

On 24 February 2022, a decrease in the South Africa corporate tax rate from 28% to 27% was substantively enacted, effective for companies with years of assessments ending on or after 31 March 2023. The decrease did not affect the current income taxes recognised at 31 March 2022, but the Group realised taxable temporary differences at 27%, resulting in a reduction in deferred tax of R860 148. This change has decreased the Group's future current taxation expenses.

32. BASIC AND HEADLINE EARNINGS PER SHARE

32.1 Weighted average number of shares in issue

Weighted average number of ordinary shares for the purpose of basic and headline earnings per share

	30 September 2023	30 September 2022	31 March 2022	31 March 2021
Number of ordinary shares in issue at the beginning of the year	2 071 797	2 071 797	200 000	–
Issue of shares on incorporation	–	–	–	120
Effect of shares issued during the year/period	–	–	935 899	199 880
Weighted average number of ordinary shares for the purpose of basic and headline earnings per share	**2 071 797**	**2 071 797**	**1 135 899**	**200 000**
Weighted average number of ordinary shares for the purposes of diluted basic and headline earnings per share	**2 071 797**	**2 071 797**	**1 135 899**	**200 000**

32.2 Attributable earnings

Basic earnings per share and diluted earnings per share are based on:

Figures in Rands	30 September 2023	30 September 2022	31 March 2022	31 March 2021
Profit attributable to shareholders of WeBuyCars	821 132 496	626 122 600	535 886 955	148 853 967

32.2.1 *Basic earnings per share*

Figures in Rands	30 September 2023	30 September 2022	31 March 2022	31 March 2021
Basic earnings per share (cents)	39 634	30 221	47 177	74 427
Diluted basic earnings per share (cents)	39 634	30 221	47 177	74 427
Dilution (%)	–	–	–	–

32.3 Headline earnings

Figures in Rands	30 September 2023	30 September 2022	31 March 2022	31 March 2021
Net Profit attributable to the shareholders of WeBuyCars	821 132 496	626 122 600	535 886 955	148 853 967
Less: Gross (profit)/loss on sale of property, plant and equipment	*(3 030 409)*	*(178)*	*(11 171)*	*233 626*
Taxation impact on sale of property, plant and equipment	*654 568*	*50*	*3 128*	*(65 414)*
Less: Net (profit)/loss on sale of property, plant and equipment	(2 375 841)	(128)	(8 043)	168 209
Headline earnings	**818 756 655**	**626 122 472**	**535 878 912**	**149 022 175**

32.4 *Headline earnings per share*

Figures in Rands	30 September 2023	30 September 2022	31 March 2022	31 March 2021
Headline earnings per share (cents)	39 519	30 221	47 177	74 511
Diluted headline earnings per share (cents)	39 519	30 221	47 177	74 511
Dilution (%)	–	–	–	–
Net asset value (NAV) per ordinary share (cents)	111 982	88 688	123 852	168 264
Tangible net asset value (TNAV) per ordinary share (cents)	109 929	87 129	121 636	162 035

33. SHARE-BASED PAYMENT RESERVE

Conditional share plan

33.1 Details of the conditional share plan

The Group implemented a conditional share plan for executives and senior employees of the Group. In accordance with the terms of the plan, the grant of conditional share plans awards ("**CSPs**") will be made on an annual or on an ad hoc basis. The number of CSPs granted to an employee will take cognisance of the employees' grade, performance, term of employment, retention requirements and market benchmarks. A CSP is a conditional right to acquire Transaction Capital Ltd shares for no consideration, the number of shares being determined by the value of the CSP at vesting date, and the number of CSPs granted. The value of the shares issued will be subject to income tax.

The CSP mechanism is overseen and approved by the Remuneration Committee. Key executives are awarded CSPs for zero cost based on retention and performance criteria. The CSPs are based on notional shares, giving executives direct exposure to the performance of the Company and the Group. At each date on which a CSP award is made, a valuation of the Company and the Group is performed by an independent expert. An updated valuation of the Company and the Group is performed semi-annually by an independent expert.

Historic vesting periods range between 2 and 5 years. All awards are subject to continued employment and most awards are linked to performance criteria that is approved annually by the Remuneration Committee. The performance criteria are revised annually and approved by the Remuneration Committee.

Employees are required to remain in the employ of the Group to be eligible for CSP vestings (subject to standard "good leaver" rules). Employees who resign or are dismissed will forfeit any CSP awards that have not vested.

Due to the nature of the CSP awards, the grant price of each CSP is zero. The fair value of each CSP at grant date is underpinned by the value of the notional share of the Group.

The following conditional share awards were in existence at year end:

		Weighted average fair value at grant (or conversion) date (cents)		
	Number	We Buy Cars Proprietary Limited	We Buy Cars Proprietary Limited Equity	Transaction Capital Ltd
Converted on 1 July 2021	61	–	20 000 000	–
Granted on 25 November 2021	386 569	350	–	3 810
Granted on 1 June 2022	920 018	1 505	–	4 066
Granted on 24 November 2022	897 933	1 185	–	3 545
Granted on 15 June 2023	1 696 604	1 021	–	–
	3 901 185			

The values of CSPs are determined using a present value methodology whereby the unconditional share value is equal to the value of the notional share of the Company less the present value of estimated dividends paid prior to time of exercise. Key input assumptions are therefore expectations of dividend yields and risk-free interest rates. Dividend forecasts are estimated using a combination of historical dividend data and management's view of future dividends. These risk-free interest rates are obtained from the swap yield curve on the valuation date. The swap yield curve was independently constructed using a bootstrapping methodology together with a combination of traded market, FRA and swap rate inputs.

The issue prices, or prices at time of conversion, of the notional shares of the Company and shares of Transaction Capital Ltd are disclosed below:

Cents	We Buy Cars Proprietary Limited	We Buy Cars Proprietary Limited Equity	Transaction Capital Ltd
Converted on 1 July 2021	**–**	**20 000 000**	**–**
Granted on 25 November 2021	**551**	**–**	**4 265**
Granted on 1 June 2022	**1 690**	**–**	**4 367**
Granted on 24 November 2022	**1 502**	**–**	**3 951**
Granted on 15 June 2023	**1 107**	**–**	**–**

33.2 **Movement in conditional share plan awards during the year/period**

	30 September 2023	30 September 2022	31 March 2022	31 March 2021
Figures in Rands	**Number of CSPs**	**Number of CSPs**	**Number of CSPs**	**Number of CSPs**
Balance at beginning of the year/period	535 617	303 383	–	–
Granted during the year/period	2 441 332	232 234	303 290	–
Transferred from a related party during the year	211 864	–	–	–
Transferred to a related party during the year	(28 944)	–	–	–
Conversion adjustment arising from transfer between member groups	777 754	–	93	–
Exercised during the year	(24)	–	–	–
Forfeited during the year	(36 414)	–	–	–
Balance at end of the year/period	**3 901 185**	**535 617**	**303 383**	**–**

33.3 **Conditional share plan awards exercised during the year**

	30 September 2023	
	Number of CSPs exercised	**Weighted average We Buy Cars Proprietary Limited share price (cents)**
Granted on 1 July 2021	24	56 891 000

33.4 **Conditional share plan expense recognised**

Figures in Rands	**30 September 2023**	**30 September 2022**	**31 March 2022**	**31 March 2021**
The expense has been recognised in the statement of profit or loss under employee costs	13 657 601	4 228 305	5 423 646	–

34. TAX PAID

Figures in Rands	**30 September 2023**	**30 September 2022**	**31 March 2022**	**31 March 2021**
Balance at beginning of the year/period	(40 885 306)	(23 247 019)	(20 844 694)	–
Addition through a capital reorganisation	–	–	–	(33 776 863)
Current tax for the period recognised in profit or loss	(235 401 704)	(138 968 089)	(273 773 083)	(113 706 502)
Balance at end of the year/period	23 134 817	40 885 306	23 247 019	20 844 694
	(253 152 193)	**(121 329 802)**	**(271 370 758)**	**(126 638 671)**

35. CAPITAL COMMITMENTS

Figures in Rands	**30 September 2023**	**30 September 2022**	**31 March 2022**	**31 March 2021**
Capital expenditure approved				
Contracted for	84 774 500	93 954 917	115 525 047	405 349 121
Not contracted for	–	–	–	–
	84 774 500	**93 954 917**	**115 525 047**	**405 349 121**

It is anticipated that capital expenditure will be financed from existing cash resources and long-term borrowings.

36. DIVIDENDS PAID

Figures in Rands	**30 September 2023**	**30 September 2022**	**31 March 2022**	**31 March 2021**
Balance at beginning of the year/period	–	–	(40 000 000)	–
Dividends declared	(340 000 000)	(200 000 000)	(2 900 065 622)	(2 041 271 526)
Dividend *in specie* and script dividend (non-cash)	–	–	1 629 985 878	344 324 970
Balance at end of the year/period	–	–	–	40 000 000
	(340 000 000)	**(200 000 000)**	**(1 310 079 744)**	**(1 656 946 556)**

37. GUARANTEE AND INDEMNITY

The Group has guaranteed the obligations of its wholly-owned subsidiary company, WBC Properties, in favour of Investec Bank Limited. The potential liability in this regard is limited to R238 250 000 (September 2022: R238 250 000; March 2022: R238 250 000; March 2021: R168 750 000) plus interest and costs. The guarantee will remain in place, as continuing security for the obligations due to Investec Bank Limited until such time that the mortgage loans in WBC Properties are repaid in full.

The Group has also guaranteed the obligations of its wholly-owned subsidiary company, WBC Properties, in favour of FirstRand Bank Limited. The potential liability in this regard is limited to R107 450 000 (September 2022: R107 450 000; March 2022: R107 350 000; March 2021: Rnil). The guarantee will remain in place, as continuing security for the obligations due to FirstRand Bank Limited until such time that the mortgage loans in WBC Properties are repaid in full.

38. CROSS SURETYSHIP

The Group is a party to a R50 000 000 (plus interest and costs) (September 2022: R50 000 000; March 2022: R50 000 000; March 2021: R50 000 000) cross suretyship agreement signed in favour of FirstRand Bank Limited. In terms of this agreement the Company and its wholly-owned subsidiary, WBC Properties, each individually bind themselves in favour of FirstRand Bank Limited as sureties and as co-principal debtors, jointly and severally, until such time that the mortgage loan with FirstRand Bank Limited (in WBC Properties) is repaid in full.

39. OPERATING SEGMENTS

39.1 Basis of segment presentation

The segment information has been prepared in accordance with IFRS 8, *Operating Segments* which defines the requirements for the disclosure of financial information of an entity's operating segments. The standard requires segmentation based on the Group's internal organisation and internal accounting presentation of revenue and operating profit.

39.2 Identification of reportable segments

Operating segments are reported in a manner consistent with the internal reporting requirements of the Group as provided to the chief operating decision maker (the Chief Executive Officer is considered the chief operating decision maker). The chief operating decision-maker is responsible for allocating resources and assessing performance of the operating segments. The operating companies have been allocated to each operating business segment based on management's assessment of their core operating activities and the nature of the revenue streams. Despite having various operations geographically the entity functions as a single business unit. This is due to centralised controls, shared resources, integrated operations and a lack of distinguishable segments with discrete financial information. The entire entity operates cohesively under a unified strategy, with decisions made and resources allocated centrally.

The two identified reportable segments are:

Buyer, distributor and retailer of vehicles with offering of financial and ancillary products: Buyer and retailer of pre-owned vehicles across all segments in South Africa, including the sale of finance and ancillary products.

Property rental: Rental of vehicle supermarkets to the Group across South Africa to Group companies.

39.2 **Identification of reportable segments** continued

Figures in Rands	Buyer, distributor and retailer of vehicles	Property rental	Eliminations and consolidation entries	Total Group
Summarised income statement for the year ended 30 September 2023				
Revenue	**20 079 316 467**	**161 832 648**	**(157 833 739)**	**20 083 315 378**
Sale of goods – motor vehicles	19 642 599 531	–	–	19 642 599 531
Rebate income	9 761 636	–	–	9 761 636
Rental income	–	148 257 171	(144 258 262)	3 998 909
Finance and insurance commissions received	361 633 933	–	–	361 633 933
Straight-lining of rental revenue	–	13 575 477	(13 575 477)	–
Net insurance result	65 321 368	–	–	65 321 368
Earnings before interest, taxation, depreciation and amortisation	**1 517 012 832**	**129 781 269**	**(499 575 541)**	**1 147 218 560**
Depreciation, amortisation and impairments	(179 675 976)	(39 106 817)	101 622 422	(117 160 371)
Operating profit	**1 337 336 856**	**90 674 452**	**(397 953 119)**	**1 030 058 189**
Finance costs	(146 217 382)	(89 577 877)	77 491 445	(158 303 814)
Finance income	35 826 113	425 136	(26 837 123)	9 414 126
Profit before taxation	**1 389 135 932**	**4 495 978**	**(347 298 797)**	**1 046 333 113**
Taxation	(218 359 118)	(3 843 624)	(3 145 654)	(225 348 396)
Profit for the year	**1 170 776 814**	**652 354**	**(350 444 451)**	**820 984 717**
Summarised statement of financial position at 30 September 2023				
Non-Current Assets	5 382 303 926	1 046 955 538	(5 039 603 575)	1 389 655 889
Current Assets	2 841 524 625	26 275 321	(11 376)	2 867 788 570
Total Assets	**8 223 828 551**	**1 073 230 858**	**(5 039 614 951)**	**4 257 444 459**
Non-Current Liabilities	(902 171 390)	(717 810 708)	545 573 808	(1 074 408 290)
Current Liabilities	(934 148 757)	(4 901 512)	76 958 534	(862 091 735)
Total Liabilities	**(1 836 320 147)**	**(722 712 220)**	**622 532 342**	**(1 936 500 025)**
Total Capital employed	**6 387 508 404**	**350 518 638**	**(4 417 082 609)**	**2 320 944 434**

39.2 **Identification of reportable segments** continued

Figures in Rands	Buyer, distributor and retailer of vehicles	Property rental	Eliminations and consolidation entries	Total Group
Summarised income statement for the period ended 30 September 2022				
Revenue	**9 635 976 824**	**69 373 546**	**(59 054 633)**	**9 639 208 065**
Sale of goods – motor vehicles	9 471 276 547	–	–	9 471 276 547
Rebate income	6 359 292	–	–	6 359 292
Rental income	–	62 285 874	(59 054 633)	3 231 241
Finance and insurance commissions received	158 340 985	–	–	158 340 985
Straight-lining of rental revenue	–	7 087 672	(7 087 672)	–
Earnings before interest, taxation, depreciation and amortisation	**830 203 813**	**55 443 147**	**(306 383 730)**	**579 263 230**
Depreciation, amortisation and impairments	(72 919 791)	(15 084 841)	44 338 229	(43 666 402)
Operating profit	**757 284 022**	**40 358 306**	**(262 045 500)**	**535 596 828**
Finance costs	(58 699 025)	(34 323 882)	34 450 456	(58 572 451)
Finance income	26 110 324	131 636	(13 360 616)	12 881 344
Profit before taxation	**993 474 295**	**6 166 060**	**(240 955 659)**	**758 684 696**
Taxation	(128 309 967)	(2 648 485)	(1 631 974)	(132 590 426)
Profit for the period	**865 164 328**	**3 517 575**	**(242 587 633)**	**626 094 270**
Summarised statement of financial position at 30 September 2022				
Non-Current Assets	5 555 740 685	1 071 619 964	(5 016 701 552)	1 610 659 097
Current Assets	2 184 109 975	33 533 622	(259 000)	2 217 384 597
Total Assets	**7 739 850 659**	**1 105 153 586**	**(5 016 960 552)**	**3 828 043 694**
Non-Current Liabilities	(610 528 040)	(696 083 636)	481 634 458	(824 977 218)
Current Liabilities	(1 210 736 200)	(26 982 742)	73 039 332	(1 164 679 610)
Total Liabilities	**(1 821 264 239)**	**(723 066 378)**	**554 673 790**	**(1 989 656 828)**
Total Capital employed	**5 918 586 420**	**382 087 208**	**(4 462 286 761)**	**1 838 386 866**

39.2 **Identification of reportable segments** continued

Figures in Rands	Buyer, distributor and retailer of vehicles	Property rental	Eliminations and consolidation entries	Total Group
Summarised income statement for the year ended 31 March 2022				
Revenue	**14 173 107 098**	**108 900 945**	**(90 291 277)**	**14 177 665 217**
Sale of goods – motor vehicles	13 981 784 627	–	–	13 981 784 627
Rebate income	4 172 006	–	–	4 172 006
Rental income	–	94 849 396	(90 291 277)	4 558 119
Finance and insurance commissions received	187 150 465	–	–	187 150 465
Straight-lining of rental revenue	–	14 051 549	(14 051 549)	–
Earnings before interest, taxation, depreciation and amortisation	**1 173 379 244**	**79 877 327**	**(220 549 448)**	**1 032 707 123**
Depreciation, amortisation and impairments	(99 594 807)	(21 471 418)	69 318 362	(51 747 863)
Operating profit	**1 073 784 437**	**58 405 909**	**(151 231 085)**	**980 959 260**
Finance costs	(70 681 954)	(44 339 363)	56 426 912	(58 594 405)
Finance income	38 983 959	497 902	(19 063 617)	20 418 244
Profit before taxation	**1 042 099 772**	**14 562 290**	**(113 867 792)**	**942 794 270**
Taxation	(254 561 887)	(5 176 667)	(2 866 252)	(262 604 806)
Profit for the year	**787 537 885**	**9 385 623**	**(116 734 044)**	**680 189 464**
Summarised statement of financial position at 31 March 2022				
Non-Current Assets	5 509 108 569	973 223 148	(5 027 098 340)	1 455 233 377
Current Assets	1 580 330 528	31 620 612	(259 000)	1 611 692 140
Total Assets	**7 089 439 097**	**1 004 843 760**	**(5 027 357 340)**	**3 066 925 517**
Non-Current Liabilities	(747 604 213)	(525 134 071)	481 493 563	(791 244 720)
Current Liabilities	(897 639 480)	(33 023 490)	61 818 741	(868 844 229)
Total Liabilities	**(1 645 243 693)**	**(558 157 561)**	**543 312 304**	**(1 660 088 949)**
Total Capital employed	**5 444 195 404**	**446 686 199**	**(4 484 045 036)**	**1 406 836 568**

39.2 **Identification of reportable segments** continued

Figures in Rands	Buyer, distributor and retailer of vehicles	Property rental	Eliminations and consolidation entries	Total Group
Summarised income statement for the period ended 31 March 2021				
Revenue	**5 543 348 908**	**48 393 475**	**(58 079 764)**	**5 533 662 619**
Sale of goods – motor vehicles	5 471 215 936	–	(9 783 742)	5 461 432 194
Rebate income	1 993 776	–	–	1 993 776
Rental income	–	41 194 039	(41 096 586)	97 453
Finance and insurance commissions received	70 139 196	–	–	70 139 196
Straight-lining of rental revenue		7 199 436	(7 199 436)	–
Earnings before interest, taxation, depreciation and amortisation	**501 613 272**	**28 838 295**	**(73 734 111)**	**456 717 456**
Depreciation, amortisation and impairments	(69 105 883)	(9 505 257)	48 016 083	(30 595 057)
Operating profit	**432 507 390**	**19 333 038**	**(25 718 028)**	**426 122 399**
Finance costs	(47 715 545)	(10 638 369)	30 573 846	(27 780 069)
Finance income	10 428 570	104 346	–	10 532 916
Profit before taxation	**394 986 790**	**8 799 015**	**4 855 818**	**408 641 623**
Taxation	(105 019 237)	(5 147 356)	(1 359 629)	(111 526 221)
Profit for the period	**289 967 554**	**3 651 659**	**3 496 189**	**297 115 402**
Summarised statement of financial position at 31 March 2021				
Non-Current Assets	1 807 823 075	610 392 306	(1 395 933 592)	1 022 281 789
Current Assets	779 700 875	32 966 817	–	812 667 692
Total Assets	**2 587 523 950**	**643 359 123**	**(1 395 933 592)**	**1 834 949 481**
Non-Current Liabilities	(594 226 218)	(330 817 429)	354 536 323	(570 507 325)
Current Liabilities	(372 251 276)	(57 030 071)	36 012 736	(393 268 611)
Total Liabilities	**(966 477 494)**	**(387 847 500)**	**390 549 059**	**(963 775 935)**
Total Capital employed	**1 621 046 456**	**255 511 623**	**(1 005 384 534)**	**871 173 546**

40. RELATED PARTIES

40.1 Identity of related parties

		30 September 2023	30 September 2022	31 March 2022	31 March 2021
Ultimate holding company	Transaction Capital Ltd				
Holding company	Transaction Capital Motor Holdco (Pty) Ltd	WeBuyCars Shareholding			
Subsidiaries	We Buy Cars Proprietary Limited	100%	100%	100%	50.1%
	WBC Investments (Pty) Ltd	100%	100%	100%	50.1%
	WBC Properties Proprietary Limited	100%	100%	100%	50.1%
	We Buy Cars AME Holdings DMCC	95%	95%	–	–
	We Buy Cars Morocco Société Anonyme (Morocco)	95%	95%	–	–
	We Buy Cars (Namibia) (Pty) Ltd	100%	–	–	–

These percentages represents the effective shareholdings.

Other Group companies	TC Corporate Support (Pty) Ltd SA Taxi (Pty) Ltd SA Taxi Development Finance (Pty) Ltd Gomo Vehicle Solutions Holdings (Pty) Ltd Gomo Vehicle Solutions (Pty) Ltd Mobalyz Risk Services (Pty) Ltd We Prop (Pty) Ltd I Faan (Pty) Ltd I Dirk (Pty) Ltd I VDW Holdings (Pty) Ltd

Directors	Designation	Changes
ASS van der Walt	Executive	
DJF van der Walt	Executive	
J Mills	Executive	Resigned – 5 October 2021
CJ Rein	Executive	
K Fleischhauer	Non-executive	Resigned – 15 November 2022
TE Kier	Non-executive	Resigned – 25 January 2023
DM Hurwitz	Non-executive	Resigned – 31 December 2023
JM Jawno	Non-executive	Appointed – 31 December 2023

All related party transactions have been made on terms equivalent to those that prevail in arm's-length transactions.

40.2 Balances with related parties

Figures in Rands	30 September 2023	30 September 2022	31 March 2022	31 March 2021
Loan accounts – owing to related parties				
Shareholder loan: I VDW Holdings (Pty) Ltd	–	–	100 000	10 000
Related party balances included in trade receivables				
Loan to related party – Gomo Vehicle Solutions Holdings (Pty) Ltd	–	29 438 832	7 054 334	–
Trade receivable balance – Gomo Vehicle Solutions (Pty) Ltd	–	5 785 908	–	–
Preference share dividend receivable – Transaction Capital Motor Holdco (Pty) Ltd	–	–	5 796 058	5 461 751

40.3 Transactions with related parties

Figures in Rands	30 September 2023	30 September 2022	31 March 2022	31 March 2021
Dividend paid to Transaction Capital Motor Holdco (Pty) Ltd	254 660 008	149 800 005	–	–
Dividend paid to I VDW Holdings (Pty) Ltd	85 339 992	50 199 995	–	–
Preference dividend received from a related party – Transaction Capital Motor Holdco (Pty) Ltd	–	8 851 808	16 896 295	9 063 327
Dividend *in specie* paid to the holding company – I VDW Holdings (Pty) Ltd, in terms of section 46 of the Income Tax Act	–	–	–	100
Management fees paid to:				
TC Corporate Support (Pty) Ltd	31 650 000	15 000 000	15 000 000	–
Gomo Vehicle Solutions (Pty) Ltd	–	9 000 000	–	–
I Faan (Pty) Ltd	4 774 766	2 539 932	2 539 932	–
I Dirk (Pty) Ltd	2 351 751	1 251 012	1 251 012	–
Property rentals charged to a related party:				
SA Taxi (Pty) Ltd	2 841 000	2 776 000	3 479 000	–
Interest received from related parties:				
Gomo Vehicle Solutions Holdings (Pty) Ltd	22 408	1 067 777	82 507	–
Gomo Vehicle Solutions (Pty) Ltd	–	–	89 315	–
Interest paid to related parties:				
We Prop (Pty) Ltd	–	–	271 013	–
Transaction Capital Motor Holdco (Pty) Ltd	–	–	843 677	–
I Faan (Pty) Ltd	–	–	46 027	–
Commission income received from a related party:				
Gomo Vehicle Solutions (Pty) Ltd	13 421 000	10 357 552	–	–

Figures in Rands	30 September 2023	30 September 2022	31 March 2022	31 March 2021
Intercompany revenue from sales				
SA Taxi Development Finance (Pty) Ltd	179 950	–	–	–
Intercompany revenue from lead fees				
Mobalyz Risk Services (Pty) Ltd	13 340	–	–	–

41. DIRECTORS' EMOLUMENTS

No emoluments were paid to non-executive directors during the year.

Figures in Rands Executive directors	Basic remuneration	Retirement benefits	Present value of share-based awards	Annual Incentive Bonus	Management fees*	Total remuneration
For the year ended 30 September 2023						
ASS van der Walt	**4 118 820**	**453 886**	**–**	**–**	**4 774 766**	**9 347 472**
– for services rendered as a director of We Buy Cars Proprietary Limited	4 118 820	453 886	–	–	4 774 766	9 347 472
– for services rendered as a director of other companies within the Group	–	–	–	–	–	–
DJF van der Walt	**3 501 780**	**385 876**	**–**	**–**	**2 351 751**	**6 239 407**
– for services rendered as a director of We Buy Cars Proprietary Limited	3 501 780	385 876	–	–	2 351 751	6 239 407
– for services rendered as a director of other companies within the Group	–	–	–	–	–	–
CJ Rein	**2 576 512**	**374 739**	**3 844 630**	**1 182 555**	**–**	**7 978 436**
– for services rendered as a director of We Buy Cars Proprietary Limited	2 576 512	374 739	3 844 630	1 182 555	–	7 978 436
– for services rendered as a director of other companies within the Group	–	–	–	–	–	–
	10 197 112	**1 214 501**	**3 844 630**	**1 182 555**	**7 126 517**	**23 565 315**
For the six-month period ended 30 September 2022						
ASS van der Walt	**1 949 225**	**215 333**	**–**	**–**	**2 539 932**	**4 704 490**
– for services rendered as a director of We Buy Cars Proprietary Limited	1 949 225	215 333	–	–	2 539 932	4 704 490
– for services rendered as a director of other companies within the Group	–	–	–	–	–	–
DJF van der Walt	**1 656 785**	**183 025**	**–**	**–**	**1 251 012**	**3 090 822**
– for services rendered as a director of We Buy Cars Proprietary Limited	1 656 785	183 025	–	–	1 251 012	3 090 822
– for services rendered as a director of other companies within the Group	–	–	–	–	–	–
CJ Rein	**1 090 330**	**161 691**	**–**	**996 019**	**–**	**2 248 040**
– for services rendered as a director of We Buy Cars Proprietary Limited	1 090 330	161 691	–	996 019	–	2 248 040
– for services rendered as a director of other companies within the Group	–	–	–	–	–	–
	4 696 340	**560 049**	**–**	**996 019**	**3 790 944**	**10 043 352**

* Management fees are paid by We Buy Cars Proprietary Limited to I Faan (Pty) Ltd and to I Dirk (Pty) Ltd in terms of the current shareholders agreement. I Faan (Pty) Ltd is an entity owned by ASS van der Walt and is an indirect shareholder of the Company. I Dirk (Pty) Ltd is an entity owned by DJF van der Walt and is an indirect shareholder of the Company.

Figures in Rands Executive directors	Basic remuneration	Retirement benefits	Present value of share-based awards	Annual Incentive Bonus	Management fees*	Total remuneration
For the year ended 31 March 2022						
ASS van der Walt	**3 802 353**	**423 462**	**–**	**–**	**2 539 932**	**6 765 747**
– for services rendered as a director of We Buy Cars Proprietary Limited	3 802 353	423 462	–	–	2 539 932	6 765 747
– for services rendered as a director of other companies within the Group	–	–	–	–	–	–
DJF van der Walt	**3 231 854**	**359 925**	**–**	**–**	**1 251 012**	**4 842 791**
– for services rendered as a director of We Buy Cars Proprietary Limited	3 231 854	359 925	–	–	1 251 012	4 842 791
– for services rendered as a director of other companies within the Group	–	–	–	–	–	–
J Mills	**2 593 490**	**287 655**	**–**	**991 986**	**–**	**3 873 131**
– for services rendered as a director of We Buy Cars Proprietary Limited	2 593 490	287 655	–	991 986	–	3 873 131
– for services rendered as a director of other companies within the Group	–	–	–	–	–	–
CJ Rein	**2 106 841**	**316 502**	**–**	**968 094**	**–**	**3 391 437**
– for services rendered as a director of We Buy Cars Proprietary Limited	2 106 841	316 502	–	968 094	–	3 391 437
– for services rendered as a director of other companies within the Group	–	–	–	–	–	–
	11 734 538	**1 387 544**	**–**	**1 960 080**	**3 790 944**	**18 873 106**
For the seven-month period ended 31 March 2021						
ASS van der Walt	**2 154 176**	**237 075**	**–**	**–**	**–**	**2 391 251**
– for services rendered as a director of We Buy Cars Proprietary Limited	2 154 176	237 075	–	–	–	2 391 251
– for services rendered as a director of other companies within the Group	–	–	–	–	–	–
DJF van der Walt	**1 831 205**	**201 504**	**–**	**–**	**–**	**2 032 709**
– for services rendered as a director of We Buy Cars Proprietary Limited	1 831 205	201 504	–	–	–	2 032 709
– for services rendered as a director of other companies within the Group	–	–	–	–	–	–
J Mills	**1 544 598**	**161 043**	**–**	**–**	**–**	**1 705 641**
– for services rendered as a director of We Buy Cars Proprietary Limited	1 544 598	161 043	–	–	–	1 705 641
– for services rendered as a director of other companies within the Group	–	–	–	–	–	–
CJ Rein	**1 278 712**	**176 335**	**–**	**–**	**–**	**1 455 047**
– for services rendered as a director of We Buy Cars Proprietary Limited	1 278 712	176 335	–	–	–	1 455 047
– for services rendered as a director of other companies within the Group	–	–	–	–	–	–
	6 808 691	**775 957**	**–**	**–**	**–**	**7 584 648**

* Management fees are paid by We Buy Cars Proprietary Limited to I Faan (Pty) Ltd and to I Dirk (Pty) Ltd in terms of the current shareholders agreement. I Faan (Pty) Ltd is an entity owned by ASS van der Walt and is an indirect shareholder of the Company. I Dirk (Pty) Ltd is an entity owned by DJF van der Walt and is an indirect shareholder of the Company.

42. FINANCIAL INSTRUMENTS

Financial Risk Management

The Group's activities expose it to a variety of financial risks including market risk, interest rate risk, credit risk and liquidity risk. These include the effects of changes in debt and equity markets, and interest rates. The Group's overall risk management programme seeks to minimise the potential adverse effects of financial risk on its financial performance. Risk management policies and systems are reviewed regularly to reflect the changes in market conditions and the Group's activities.

42.1 Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Group's trade receivables from customers, related party receivables as well as cash and cash equivalents.

The maximum exposure to credit risk is represented by the carrying value of each financial asset in the statement of financial position as set out below:

Figures in Rands	30 September 2023	30 September 2022	31 March 2022	31 March 2021
Investment in financial asset	100	100	349 340 100	349 340 000
Other loans receivable	12 000 000	–	–	–
Trade and other receivables*	80 556 702	56 974 254	236 765 617	162 296 140
Loan to related party	–	29 438 832	7 054 334	–
Cash and cash equivalents	164 161 748	109 531 479	110 785 077	37 512 472
	256 718 550	**195 944 665**	**703 945 128**	**549 148 612**

* Excluding employee-related receivables, value added tax and prepayments.

Trade receivables

Trade receivables consist primarily of invoiced amounts from normal trading activities. The Group has a diversified customer base across South Africa. Various credit checks are performed on new customers to determine the quality of their credit history.

The Group applies the simplified approach mandated by IFRS, 9 *Financial Instruments* when measuring impairment loss allowances related to trade receivables, and accordingly, the Group's impairment allowances on these financial assets equal, at all times, the credit losses expected to arise over the lifetime of these financial assets.

The quantification of credit losses expected to arise over the lifetime of trade receivables is based on the Group's actual observed historical loss experience/rates and forward-looking information that is considered predictive of future credit losses. Management believes that trade receivables that are neither past due nor impaired are collectible in full, based on historical payment behaviour and extensive analysis of customer credit risk, and the credit quality of the respective customers.

The credit risk associated with the recoverability of trade receivables within the Group is assessed as being very low, as a result of the internal control environment associated with the debtor and the sale and release of the vehicle. The vast majority of the receivables balance is less than 30 days in arrears as evidenced in note 10 to the Historical Financial Information. Trade receivables arise due to timing differences with settlement of these transactions occurring within 1–3 business days post the sale of inventories.

Related party loans and receivables

Related party loans and receivables consist primarily of receivables from other Group companies. These financial assets are considered, by its nature, to be trade receivables and accordingly are subject to the simplified impairment methodology in IFRS 9.

The Group applied the general approach for loans advanced to other Group companies because these loans do not fall within the scope of the simplified approach, as applied for trade receivables. Under this approach the Group determine whether there was any significant increase in credit risk. Since origination of the loan and, hence, whether it needs to provide for 12-month ECL or lifetime ECLs. At initial recognition (note these loans were not credit impaired at that time) the Company recognises a loss allowance based on the portion of the lifetime ECLs associated with the probability of default (**"PD"**) in the 12 months after reporting date. If there is a significant increase in credit risk, the Group should recognise a loss allowance based on lifetime ECLs. This loan was issued and settled within 12 months and therefore no loss-allowance was recognised.

Other loans receivable

Other loans receivable consist of interest-free loans receivable from third parties. These financial assets are considered, by nature, to be trade receivables and accordingly are subject to the simplified impairment methodology in IFRS 9. Due to these loans being made in the 2023 financial year, no historical information is available. Management has assessed the forward looking information, coupled with business plans presented to management which did not indicate a need for an ECL allowance.

Cash and cash equivalents

The Group is exposed to certain concentrations of credit risk relating to its cash and cash equivalents. Credit risk is mitigated by placing cash with different financial institutions (Absa Bank Limited, FirstRand Bank Limited, Nedbank Limited and The Standard Bank of South Africa Limited) to minimise risk. The Group considers that its cash and cash equivalents have an immaterial credit risk. Deposits are readily convertible to cash and access is not restricted. There have been no historical losses and none are expected in the future. Financial institutions listed above currently have a Moody's rating between NP (Short-term) and Ba1 (Long-term) with stable outlooks.

42.2 Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity risk is to monitor cash flows and cash flow forecasts and to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

Prudent liquidity risk management implies, among other aspects, maintaining adequate cash and cash equivalents and the availability of funding through committed credit facilities.

The Group has approved borrowing facilities as at 30 September 2023 totaling R1 915 690 660 (September 2022: R1 954 090 660; March 2022: R1 711 493 620; March 2021: R1 161 493 620) in respect of which all conditions have been met.

42.2.1 *Exposure to liquidity risk*

The remaining contractual maturities of financial liabilities at the reporting date are set out below. The amounts are gross and undiscounted, and exclude contractual interest payments as interest is repaid monthly.

Figures in Rands	Note	Carrying amount	Total	Less than 1 year	2–5 years	More than 5 years
30 September 2023						
Bank overdrafts	12	6 079 691	6 079 691	6 079 691	–	–
Lease liabilities	18	165 192 154	197 194 045	48 913 889	133 393 695	14 886 461
Borrowings	17	1 381 858 874	1 590 305 716	865 789 266	602 681 255	121 835 195
Trade payables*	19	228 458 730	228 458 730	228 458 730	–	–
		1 781 589 449	**2 022 038 182**	**1 149 241 576**	**736 074 950**	**136 721 656**
30 September 2022						
Bank overdrafts	12	4 972 361	4 972 361	4 972 361	–	–
Lease liabilities	18	170 557 804	205 282 297	42 547 722	141 194 078	21 540 497
Borrowings	17	1 490 622 061	1 681 034 106	1 135 077 501	545 956 605	–
Trade payables*	19	191 973 738	191 973 738	191 973 738	–	–
		1 858 125 964	**2 083 262 502**	**1 374 571 322**	**687 150 684**	**21 540 497**

Figures in Rands	Note	Carrying amount	Total	Less than 1 year	2–5 years	More than 5 years
31 March 2022						
Bank overdrafts	12	6 915 040	6 915 040	6 915 040	–	–
Lease liabilities	18	85 686 397	98 038 973	26 571 935	56 481 291	14 985 748
Borrowings	17	1 266 807 859	1 557 540 222	671 408 199	836 490 372	49 641 651
Trade payables*	19	186 693 046	186 693 046	186 693 046	–	–
		1 546 102 342	**1 849 187 281**	**891 588 220**	**892 971 663**	**64 627 399**
31 March 2021						
Bank overdrafts	12	2 635 277	2 635 277	2 635 277	–	–
Lease liabilities	18	45 653 937	48 784 586	14 792 505	33 992 082	–
Borrowings	17	677 668 928	846 065 518	206 331 517	606 335 957	33 398 044
Trade payables*	19	132 271 100	132 271 100	132 271 100	–	–
		858 229 242	**1 029 756 481**	**356 030 399**	**640 328 039**	**33 398 044**

* Excludes value-added tax and employee-related payables

42.2.2 *Loan covenants*

Management is responsible for the ongoing assessment and evaluation of various funding sources designed to grow and diversity the Group's funding base to achieve an optimal funding profile and sound liquidity. Management is also responsible for the ongoing monitoring of asset portfolio performance and its obligations to funders, including covenants. It is the responsibility of management to manage the daily cash flow requirements, to ensure funding covenants are maintained, to produce financial projections to monitor the impact of business trends on future funding requirements and covenants.

The Group was required to comply with the following financial covenants during the September 2023 financial year:

Group Gearing Ratio <=2x; and Interest Cover Ratio >=4x

All covenants were complied with at 30 September 2023.

The Group was required to comply with the following financial covenants during the September 2022 financial period:

Group Gearing Ratio <=2x; and Interest Cover Ratio >=4x, previously debt service cover ratio of >= 1.25

All covenants were complied with at 30 September 2022.

The Group was required to comply with the following financial covenants during the March 2022 financial year:

Group Gearing Ratio <=2x; and Debt Service Cover Ratio >=1.25x

All covenants were complied with at 31 March 2022.

The Group was required to comply with the following financial covenants during the March 2021 financial period:

Group Gearing Ratio <=2x; and Debt Service Cover Ratio >=1.25x

All covenants were complied with at 31 March 2021.

42.3 Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and commodity input prices, will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising returns.

42.3.1 ***Interest rate risk***

Interest rate risk is the risk that the cash flow of a financial instrument will fluctuate due to changes in market interest rates.

Interest rate sensitivity

The Group's interest rate risk arises from cash and cash equivalents, overdraft facilities and borrowings with financial institutions. A change of 100 basis points (higher or lower) in the South African prime overdraft interest rate at the reporting date would have an annual impact of R14 727 949 (September 2022: R12 279 525; March 2022: R6 191 949; March 2021: R2 179 962) on the Group's profit before taxation.

42.3.2 ***Currency risk***

Currency risk is the possibility of incurring a financial loss as a consequence of the depreciation in the measurement currency relative to a foreign currency prior to payment of a commitment in that foreign currency or the strengthening of the measurement currency prior to receiving payment in a foreign currency.

Currency risk related to investments in foreign entities

The Group has interests in We Buy Cars AME Holdings DMCC, an entity incorporated in Dubai with a functional currency of the US Dollar ("**USD**"). The Group also has interests in We Buy Cars Morocco Société Anonyme (Morocco), an entity incorporated in Morocco with a functional currency of the Moroccan Dirham ("**MAD**") and in We Buy Cars (Namibia) (Pty) Ltd, an entity incorporated in Namibia with a functional currency of the Namibian Dollar ("**NAD**"). The Group's revenue is primarily earned in South Africa Rand. It is not the Group's policy to hedge investments in foreign subsidiaries.

Currency risk relating to foreign transactions

Each Group entity operates predominantly within its own common monetary area and therefore the Group has no significant currency risk with regards to operational activities. At year end, no Group entity had material foreign currency trade receivables or payables.

The following exchange rates were applied during the year:

Figures in Rands	**30 September 2023**	**30 September 2022**
Reporting date closing rate		
ZAR:USD	R18.84	R17.89
ZAR:MAD	R1.83	R1.64
ZAR:NAD	R1.00	R1.00

The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities, subject to foreign currency risk, at the end of the reporting year are as follows:

	Liabilities		**Assets**	
	30 September 2023	**30 September 2022**	**30 September 2023**	**30 September 2022**
Foreign amounts included in the Historical Financial Information at the end of the financial year:				
US Dollar	–	–	57 489	124 468
Moroccan Dirham	397 572	112 608	4 414 843	8 303 763

Foreign currency sensitivity analysis

The following table details the Group's sensitivity to a 10% increase and decrease in the Rand against the relevant foreign currencies. 10% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 10% change in foreign currency rates. A negative number below indicates a decrease in profit or equity where the Rand strengthens 10% against the relevant currency. For a 10% weakening of the Rand against the relevant currency, there would be an equal and opposite impact on the profit or equity, and the balances would be positive.

Figures in Rands	30 September 2023	30 September 2022
Loss from foreign subsidiaries	1 286 131	96 588
Equity	1 688 808	3 130 697

42.4 Capital risk

42.4.1 *Capital management – Insurance Contracts*

The Group is required by the Solvency Assessment and Management regime ("**SAM**") to hold an excess of its assets over its insurance contract liabilities calculated on a regulatory basis. The requirement aims to ensure that the Group is able to meet its obligations over the next 12 months. Breaching this requirement – the solvency capital requirements ("**SCR**") – would result in supervisory intervention by the lead regulator and remedial actions designed to restore the SCR level of capital.

The SAM approach to the measurement of capital adequacy is primarily based on monitoring the relationship of the SCR to regulatory capital. The Group complied with all externally imposed capital requirements.

42.5 Insurance risk

42.5.1 *Discount rates*

Insurance contract liabilities are calculated by discounting expected future cash flows at a risk-free rate, plus a liquidity premium where applicable. Risk-free rates are determined by reference to the ZAR swap curve. The liquidity premium is determined by reference to observable market rates, including sovereign debt, corporate debt and market swap rates.

The weighted average discount rate applied by the Group for discounting of future cash flows as at 30 September 2023 was 8.9%.

42.5.2 *Insurance Contract sensitivities*

The insurance claim liabilities are sensitive to the key assumptions. The analysis below is performed for reasonable possible movements in key assumptions with all other assumptions held constant, showing the impact on insurance contract liabilities, profit before tax and equity. The correlation of assumptions will have a significant effect in determining the ultimate claims liabilities, but to demonstrate the impact due to changes in assumptions, assumptions had to be changed on an individual basis.

Figures in Rands		30 September 2023	
Significant unobservable parameters applied*	**Change in assumptions**	**Favourable**	**Unfavourable**
Short-term motor warranties			
Discount rate	100 bps	103 598	(106 767)
Loss ratios	0.10	2 997 398	(2 997 398)

* These represent the significant unobservable parameters applied in the actuarial model.

42.6 **Fair value disclosure**

Figures in Rands			30 September 2023	
30 September 2023	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial asset at fair value through profit and loss				
Call option derivative			426 463 000	426 463 000
Total financial assets			**426 463 000**	**426 463 000**
30 September 2022				
Financial asset at fair value through profit and loss				
Call option derivative			268 778 797	268 778 797
Total financial assets			**268 778 797**	**268 778 797**
31 March 2022				
Financial asset at fair value through profit and loss				
Insurance contract asset		1 150 000		1 150 000
Total financial assets		**1 150 000**		**1 150 000**
31 March 2021				
Financial asset at fair value through profit and loss				
Insurance contract asset		1 150 000		1 150 000
Total financial assets		**1 150 000**		**1 150 000**

Reconciliation of level 3 Fair Value measurements of financial assets

Figures in Rands	Fair value through profit or loss	Total
2023		
Financial assets		
Balance at beginning of the year	268 778 797	268 778 797
Fair value adjustment on call option derivative	157 684 203	157 684 203
Fair value measurement for financial assets at end of the year	**426 463 000**	**426 463 000**
2022		
Financial assets		
Balance at beginning of the period	–	–
Fair value adjustment on call option derivative	268 778 797	268 778 797
Fair value measurement for financial assets at end of the period	**268 778 797**	**268 778 797**

Sensitivity analysis of valuations using unobservable inputs

As part of the Group's risk management processes, stress tests are applied on the significant unobservable parameters to generate a range of potentially possible alternative valuations. The financial instruments that are most impacted by this sensitivity analysis are those with the more illiquid and/or structured portfolios. The stresses are applied independently and do not take account of any cross correlation between separate asset classes that would reduce the overall effect on the valuations. A significant parameter has been deemed to be one which may result in a change in the fair value of the asset or liability of more than 10%. This is demonstrated by the following sensitivity analysis, which includes a reasonable range of possible outcomes.

Movement in fair value given the 10% change in significant assumptions.

Figures in Rands	2023		2022	
Call option derivative	**10% increase**	**10% decrease**	**10% increase**	**10% decrease**
Significant unobservable input and description of assumption				
Change in spot price on which the valuation is based	12 449 000	(14 464 000)	104 896 039	(89 031 065)
Change in the risk free rate on which the valuation is based	11 537 921	(11 454 676)	14 778 586	(14 358 041)
Change in the dividend yield on which the valuation is based	(6 411 665)	6 508 441	(9 065 957)	9 311 201
	17 575 256	**(19 410 235)**	**110 608 668**	**(94 077 905)**

43. **EVENTS AFTER THE REPORTING PERIOD**

30 September 2023

On 12 October 2023, the directors signed an agreement with FirstRand Bank Limited to refinance the property portfolio on more favourable terms.

On 1 November 2023, upon approval of the directors, the Company declared a dividend of R170 000 000.

On 10 November 2023, the Company purchased 213 ordinary shares of AED 1 000 each, representing 5% of the issued share capital of WBC AME Holdings DMCC, for USD57 986. Following this transaction, the Company owns 100% of the issued share capital of WBC AME Holdings DMCC.

On 13 February 2024, the Board of Transaction Capital Limited resolved to proceed with the unbundling (by way of a distribution *in specie*) of all of the shares that it owns in the Company, with the contemporaneous listing of the Company on the Main Board of the JSE.

On 21 February 2024, upon approval of the directors, the Company declared a dividend of R190 000 000.

Other than the above, the directors are not aware of any material event which occurred after the reporting date and up to the date of this report.

44. **GOING CONCERN**

The directors believe that the Group has adequate financial resources to continue in operation for the foreseeable future, and accordingly, the Historical Financial Information has been prepared on a going concern basis. The directors have satisfied themselves that the Group is in a sound financial position and that it has access to sufficient borrowing facilities to meet its foreseeable cash requirements. The directors are not aware of any new material changes that may adversely impact the Group. The directors are also not aware of any material non-compliance with statutory or regulatory requirements or of any pending legislation that may affect the Group.

The Historical Financial Information has therefore been prepared on the basis of accounting policies applicable to a going concern. The basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

Annexure A – Borrowings

Figures in Rands	30 September 2023	30 September 2023	30 September 2023	30 September 2023 and 2022	30 September 2023	30 September 2023	30 September 2023	30 September 2023	30 September 2022	31 March 2022	31 March 2021
								Balances			
Lender	Facility type	Facility amount	Instrument	Interest rate	Availability period	Repayment profile	Final maturity date				
Investec Bank Ltd	Revolving Credit Facility	–	Senior, unsecured	2022: Prime less 115 bps	1 year	Bullet	31 March 2023	–	140 926 300,22	140 490 000	140 773 125
Investec Bank Ltd	Revolving Credit Facility	210 000 000	Senior, unsecured	Prime less 125 bps (2022: Prime less 115 bps)	1 year	Bullet	6 September 2024	111 015 011	211 149 247	210 668 836	211 235 043
Investec Bank Ltd	Mortgage bonds	529 993 620	Senior, secured	Prime less 50 bps (2022: Prime less 50 bps)	60–72 months	Payable on expiring of the term	Between 2023–2027	463 145 043	427 847 213	266 559 937	278 239 569
Standard Bank of South Africa Ltd	Revolving Credit Facility	300 000 000	Senior, unsecured	Prime less 135 bps (2022: Prime less 125 bps)	2 years	Bullet	5 April 2025	144 222 356	103 128 945	150 053 425	–
FirstRand Bank Ltd	Revolving Credit Facility	100 000 000	Senior, unsecured	JIBAR plus 224 bps	366 days	366 days	366 days	100 864 178	–	–	–
FirstRand Bank Ltd	Revolving Credit Facility	250 000 000	Senior, unsecured	JIBAR plus 220 bps (2022: Prime less 115 bps)	1 year	Bullet	15 March 2024	252 152 226	251 654 110	250 794 863	–
FirstRand Bank Ltd	Revolving Credit Facility	250 000 000	Senior, unsecured	JIBAR plus 220 bps (2022: Prime less 115 bps)	1 year	Bullet	30 May 2024	72 619 841	100 661 644	–	–
FirstRand Bank Ltd	Mortgage bonds	275 697 040	Senior, secured	Prime less 50 bps and 1 month JIBAR plus 295 bps (2022: Prime less 50 bps and 1 month JIBAR plus 295 bps)	60–84 months	60–84 months after the advance date	Repayable in a final instalment between 2026–2027	237 840 219	255 254 602	248 240 798	47 421 191
Total		**1 915 690 660**						**1 381 858 874**	**1 490 622 061**	**1 266 807 859**	**677 668 928**

AUDITORS REPORTS ON HISTORICAL FINANCIAL INFORMATION

The Directors
We Buy Cars Holdings Limited (previously WBC Holdings Proprietary Limited)
Byls Bridge Office Park
Building 7, 6 Byls Bridge Boulevard
Highveld Ext 73
Centurion
0046

Dear Sirs/Madams

AUDITOR'S REPORT ON THE CONSOLIDATED HISTORICAL FINANCIAL INFORMATION INCLUDED IN THE PRE-LISTING STATEMENT

Introduction

We have:

- audited the consolidated historical financial information of We Buy Cars Holdings Limited (previously WBC Holdings Proprietary Limited) (the Company) and its subsidiaries (Group) in respect of the year ended 30 September 2023 as presented on pages 99 to 175 of **Annexure 14** to the pre-listing statement dated 12 March 2024; and
- reviewed the consolidated historical financial information of the Group in respect of the periods ended 30 September 2022 as presented on pages 99 to 175 of **Annexure 14** to the Pre-listing statement..

Consolidated historical Financial Information for the year ended 30 September 2023

Opinion

The consolidated historical financial information in respect of the year ended 30 September 2023 as presented in **Annexure 14** to the pre-listing statement comprises the consolidated statement of financial position as at 30 September 2023, and the consolidated statements of profit or loss and other comprehensive income, changes in equity and cash flows for the years then ended, and the notes to the consolidated historical financial information, including a summary of significant accounting policies.

In our opinion, the consolidated historical financial information presents fairly, in all material respects, the consolidated statement of financial position of the Group as at 30 September 2023, and its consolidated statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended in accordance with International Financial Reporting Standards and the JSE Listings Requirements.

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 Financial Statements* section of our report. We are independent of the group 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 Matter

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated historical financial information for the year ended 30 September 2023. This matter was addressed in the context of our audit of the consolidated historical financial information for the year ended 30 September 2023 as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on this matter.

Key Audit Matter	***How the matter was addressed in the audit***
Provision for inventory obsolescence	
Inventories held by the Group at year-end amounted to R2 187 million and were carried at the lower of cost and net realisable value after deducting provision for obsolescence amounting to R32.8 million as disclosed in Note 9. The provision for inventory obsolescence is determined by management and the directors on a continuous basis which incorporates inputs and judgements relating to the expected future saleability of inventory items based on historical experience and an in-depth analysis of the used car market. We considered the valuation of this provision to be a Key Audit Matter due to the judgements applied by management and the directors in the determination thereof and the nature and quantum of the inventory balance to which the provision relate.	Our procedures relating to the inventory provision included the following: • We obtained an understanding of management's processes and controls in relation to the determination of the inventory obsolescence provision. • We evaluated management's methodology in determining the inventory provision for consistency with prior periods and for reasonability through consideration of prior and current period write offs and analyses of the inventory ageing. • We tested the accuracy of the inventory inputs into management's provision calculation by comparing the inventory totals used for provisioning to the underlying inventory listing. • We recalculated the inventory obsolescence provision for mathematical accuracy. • We attended and observed a sample of inventory counts performed and physically inspected the condition of inventories to determine whether any additional physical indicators of obsolescence existed that could impact the provision. • We applied alternative input assumptions, based on our independent research and analyses of the industry and compared our expected provision to the provision percentages used by management.
	Based on the procedures performed we are satisfied that the provision for obsolescence is appropriate.

Directors' Responsibility for the Consolidated Historical Financial Information

The Company's directors are responsible for the preparation and fair presentation of the consolidated historical financial information for the year ended 30 September 2023 in accordance International Financial Reporting Standards and the JSE Listings Requirements, and for such internal control as the directors determine is necessary to enable the preparation of consolidated historical financial information that is free from material misstatement, whether due to fraud or error.

In preparing the consolidated historical financial information, the directors are responsible for assessing the Group'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 or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Consolidated Historical Financial Information for the year ended 30 September 2023

Our objectives are to obtain reasonable assurance about whether the consolidated historical financial information for the year ended 30 September 2023 as a whole 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 on the basis of the consolidated historical financial information.

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

- Identify and assess the risks of material misstatement of the consolidated historical financial information, 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 control relevant to the audit in order 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's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- 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 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 historical financial information 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 to cease to continue as a going concern.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated historical financial information. We are responsible for the direction, supervision, and performance of the Group audit. We remain solely responsible for our audit opinion.
- Evaluate the overall presentation, structure, and content of the consolidated historical financial information, including the disclosures, and whether the consolidated historical financial information represents the underlying transactions and events in a manner that achieves fair presentation.

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.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the consolidated historical financial information 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.

Consolidated Historical Financial Information for the period ended 30 September 2022

We have reviewed the consolidated historical financial information of the Group in respect of the period ended 30 September 2022 set out on pages 104 to 174 of **Annexure 14** to the pre-listing statement, comprising the consolidated statement of financial position, and the consolidated statements of profit or loss and other comprehensive income, changes in equity and cash flows, including a summary of significant accounting policies and selected explanatory notes.

Directors' Responsibility for the Consolidated Historical Financial Information

The directors are responsible for the preparation and fair presentation of the consolidated historical financial information in accordance with International Financial Reporting Standards and the JSE Listings Requirements, and for such internal control as the directors determine is necessary to enable the preparation of consolidated historical financial information that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility for the Review of the Consolidated Historical Financial Information for the period ended 30 September 2022

Our responsibility is to express conclusions on the consolidated historical financial information for the years ended 30 September 2022. We conducted our review in accordance with International Standard on Review Engagements (ISRE) 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity (ISRE 2410), which applies to a review of historical financial information performed by the independent auditor of the entity. ISRE 2410 requires us to conclude whether anything has come to our attention that causes us to believe that the consolidated historical financial information is not prepared, in all material respects, in accordance with International Financial Reporting Standards and the JSE Listings Requirements. This standard also requires us to comply with relevant ethical requirements.

A review of the historical financial information in accordance with ISRE 2410 is a limited assurance engagement. We perform procedures, primarily consisting of making inquiries of the directors and others within the entity, as appropriate, and applying analytical procedures, and evaluate the evidence obtained.

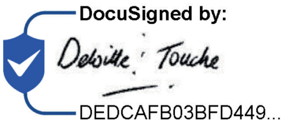
The procedures performed in a review are substantially less than and differ in nature from those performed in an audit conducted in accordance with International Standards on Auditing. Accordingly, we do not express an audit opinion on the consolidated historical financial information.

Conclusion on the Consolidated Historical Financial Information

Based on our review, nothing has come to our attention that causes us to believe that the consolidated historical financial information of the Group for the period ended 30 September 2022 do not present fairly, in all material respects, the consolidated ffinancial position of the Group as at 30 September 2022, and its consolidated financial performance and consolidated cash flows for the period then ended, in accordance with the International Financial Reporting Standards and the JSE Listing Requirements.

Purpose of the report

The purpose of our report is for the pre-listing statement of the Company and is not to be used for any other purpose.



Deloitte & Touche
Registered Auditor
Per: Patrick Kleb
Partner
11 March 2024

5 Magwa Crescent
Waterfall City
Gauteng
2090

REPORT ON THE HISTORICAL FINANCIAL INFORMATION FOR THE PERIODS ENDED 31 MARCH 2022 AND 31 MARCH 2021

To the directors of We Buy Cars Holdings Limited (previously WBC Holdings Proprietary Limited)

Introduction

We Buy Cars Holdings Limited ("WeBuyCars" or the "Company") is issuing a pre-listing statement (the "Pre-listing Statement") pursuant to the proposed unbundling, the pre-listing steps, the pre-listing capital raising initiatives and the subsequent listing of the Company on the main board of the JSE Limited (the "Listing").

At your request and for the purpose of the Pre-listing Statement to be dated on or about 12 March 2024, we have reviewed the accompanying statements of financial position as at 31 March 2022 and 31 March 2021 and the related statements of profit or loss and other comprehensive income, changes in equity and cash flows for the periods then ended, and the notes to the financial statements, comprising a summary of the significant accounting policies and other explanatory information, (the "Historical Financial Information") as presented in paragraph 9 of section 3 and **Annexure 14** to the Pre-listing Statement in compliance with the requirements of the JSE Limited Listings Requirements.

Directors' responsibility

The directors of the Company are responsible for the preparation, contents and presentation of the Pre-listing Statement and are responsible for ensuring that the Company complies with the requirements of the JSE Limited's Listings Requirements. The directors of the Company are responsible for the preparation and fair presentation of the Historical Financial Information in accordance with IFRS® Accounting Standards and the requirements of the JSE Limited Listings Requirements, and for such internal control as the directors determine is necessary to enable the preparation of the Historical Financial Information that are free from material misstatement, whether due to fraud or error.

In preparing the Historical Financial Information, the directors of the Company are responsible for assessing the 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 Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibility

Our responsibility is to express a conclusion on the Historical Financial Information. We conducted our review in accordance with International Standard on Review Engagements 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity, which applies to a review of Historical Financial Information performed by the independent auditor of the entity. ISRE 2410 requires us to conclude whether anything has come to our attention that causes us to believe that the interim financial statements are not prepared in all material respects in accordance with the applicable financial reporting framework. This standard also requires us to comply with relevant ethical requirements.

A review of financial statements in accordance with ISRE 2410 is a limited assurance engagement. We perform procedures, primarily consisting of making inquiries of management and others within the entity, as appropriate, and applying analytical procedures, and evaluate the evidence obtained.

The procedures in a review are substantially less than and differ in nature from those performed in an audit conducted in accordance with International Standards on Auditing. Accordingly, we do not express an audit opinion on the Historical Financial Information.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the Historical Financial Information for the periods ended 31 March 2022 and 31 March 2021 as set out in paragraph 9 of section 3 and **Annexure 14** to the Pre-listing Statement, are not prepared, in all material respects, the financial position of the Company as at 31 March 2022 and 31 March 2021, and its financial performance and its cash flows for the periods then ended in accordance with IFRS® Accounting Standards and the requirements of the JSE Limited Listings Requirements.

Purpose of the report

This report has been prepared for the purpose of the Pre-listing Statement and for no other purpose.

PricewaterhouseCoopers Inc.

PricewaterhouseCoopers Inc.
Director: Johan Potgieter
Registered Auditor
4 Lisbon Lane, Waterfall City, Jukskei View, 2090
8 March 2024

PRO FORMA FINANCIAL INFORMATION

The definitions commencing on page 9 of the Pre-listing Statement have been used throughout the Pre-listing Statement.

Set out below is the consolidated *pro forma* statement of financial position and statement of profit or loss and other comprehensive income of the Group, showing the *pro forma* financial effects of the Unbundling, the WeBuyCars Share Issue, the Pre-listing Capital Raise and the Listing (the "***pro forma* financial information**").

The *pro forma* financial information has been prepared to illustrate the impact of the Unbundling, the WeBuyCars Share Issue, the Pre-listing Capital Raise and the Listing on the financial information of the Group for the year ended 30 September 2023, based on the assumption that the Unbundling, the WeBuyCars Share Issue, the Pre-listing Capital Raise and the Listing took place on 1 October 2022 for the purpose of the *pro forma* consolidated statement of profit or loss and other comprehensive income and on 30 September 2023 for the purposes of the *pro forma* consolidated statement of financial position. Because of its nature, the *pro forma* financial information may not fairly present the Group's financial position, changes in equity, results of operations or cash flows after the Unbundling, the WeBuyCars Share Issue, the Pre-listing Capital Raise and the Listing.

The *pro forma* financial information of the Group has been prepared using the accounting policies of the Group as at 30 September 2023, which are in compliance with IFRS® Accounting Standards, in accordance with the applicable criteria of the JSE Listings Requirements and in terms of the Guide on *Pro forma* Financial Information issued by SAICA.

The *pro forma* financial information, including the assumptions on which it is based and the financial information from which it has been prepared, is the responsibility of the Directors of the Group.

The *pro forma* financial information should be read in conjunction with the Auditor's reasonable assurance report thereon, which is presented in **Annexure 17** of the Pre-listing Statement.

PRO FORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2023

Figures in Rands (R'000)	Financial position as at 30 September 2023[1]	First Transaction Dividend[2]	Second Transaction Dividend[3]	Subdivision of Shares[4]	*Pro forma* financial position after Subdivision of Shares	Interim dividend[5]	WeBuyCars Share Issue and dividend settlement[6,7]	Pre-listing Capital Raise and dividend settlement[8,9]	Share Incentive Scheme[10]	Transaction costs[11]	*Pro forma* financial position before derecognition of the call option derivative[13]	Derecognise call option derivative[14]	*Pro forma* financial position after the Listing and Unbundling[15]
ASSETS													
Non-Current Assets	**1 389 655**	**–**	**–**	**–**	**1 389 655**	**–**	**–**	**–**	**–**	**–**	**1 389 655**	**–**	**1 389 655**
Property, plant and equipment	1 131 040	–	–	–	1 131 040	–	–	–	–	–	1 131 040	–	1 131 040
Right-of-use assets	149 072	–	–	–	149 072	–	–	–	–	–	149 072	–	149 072
Insurance contract assets	44 471	–	–	–	44 471	–	–	–	–	–	44 471	–	44 471
Equity accounted investment	10 550	–	–	–	10 550	–	–	–	–	–	10 550	–	10 550
Deferred tax asset	42 522	–	–	–	42 522	–	–	–	–	–	42 522	–	42 522
Other loans receivable	12 000	–	–	–	12 000	–	–	–	–	–	12 000	–	12 000
Current Assets	**2 867 789**	**–**	**–**	**–**	**2 867 789**	**–**	**–**	**–**	**–**	**(43 133)**	**2 824 656**	**(426 463)**	**2 398 193**
Inventories	2 186 891	–	–	–	2 186 891	–	–	–	–	–	2 186 891	–	2 186 891
Trade and other receivables	90 273	–	–	–	90 273	–	–	–	–	–	90 273	–	90 273
Cash and cash equivalents	164 162	–	–	–	164 162	–	–	–	–	(43 133)	121 029	–	121 029
Derivative asset	426 463	–	–	–	426 463	–	–	–	–	–	426 463	(426 463)	–
Total Assets	**4 257 444**	**–**	**–**	**–**	**4 257 444**	**–**	**–**	**–**	**–**	**(43 133)**	**4 214 311**	**(426 463)**	**3 787 848**
EQUITY AND LIABILITIES													
Total Equity	**2 320 944**	**(750 000)**	**(760 000)**	**–**	**810 944**	**–**	**760 000**	**750 000**	**–**	**(43 133)**	**2 277 811**	**(426 463)**	**1 851 348**
Stated capital	6 714 555	–	1 540 797	–	8 255 352	–	760 000	750 000	–	–	9 765 352	–	9 765 352
Share-based payment reserve	18 395	–	–	–	18 395	–	–	–	–	–	18 395	–	18 395
Foreign currency translation reserve	1 938	–	–	–	1 938	–	–	–	–	–	1 938	–	1 938
Accumulated loss	(4 414 851)	(750 000)	(2 300 797)	–	(7 465 648)	–	–	–	–	(43 133)	(7 508 781)	(426 463)	(7 935 244)
Non-controlling interest	907	–	–	–	907	–	–	–	–	–	907	–	907
Non-Current Liabilities	**1 074 408**	**–**	**–**	**–**	**1 074 408**	**–**	**–**	**–**	**–**	**–**	**1 074 408**	**–**	**1 074 408**
Deferred tax liability	2 867	–	–	–	2 867	–	–	–	–	–	2 867	–	2 867
Long-term borrowings	943 985	–	–	–	943 985	–	–	–	–	–	943 985	–	943 985
Long-term portion of lease liabilities	127 556	–	–	–	127 556	–	–	–	–	–	127 556	–	127 556
Current Liabilities	**862 092**	**750 000**	**760 000**	**–**	**2 372 092**	**–**	**(760 000)**	**(750 000)**	**–**	**–**	**862 092**	**–**	**862 092**
Bank overdraft	6 080	–	–	–	6 080	–	–	–	–	–	6 080	–	6 080
Short-term borrowings	437 874	–	–	–	437 874	–	–	–	–	–	437 874	–	437 874
Short-term portion of lease liabilities	37 636	–	–	–	37 636	–	–	–	–	–	37 636	–	37 636
Trade and other payables	299 342	750 000	760 000	–	1 809 342	–	(760 000)	(750 000)	–	–	299 342	–	299 342
Provisions	5 000	–	–	–	5 000	–	–	–	–	–	5 000	–	5 000
Current tax payable	23 135	–	–	–	23 135	–	–	–	–	–	23 135	–	23 135
Employee benefits	53 025	–	–	–	53 025	–	–	–	–	–	53 025	–	53 025
Total Liabilities	**1 936 500**	**750 000**	**760 000**	**–**	**3 446 500**	**–**	**(760 000)**	**(750 000)**	**–**	**–**	**1 936 500**	**–**	**1 936 500**
Total Equity and Liabilities	**4 257 444**	**–**	**–**	**–**	**4 257 444**	**–**	**–**	**–**	**–**	**(43 133)**	**4 214 311**	**(426 463)**	**3 787 848**
Number of Shares in issue	2 072	–	717	331 924	334 713	–	42 468	36 501	–	–	413 683	–	413 683
Net asset value per share (cents)	111 982				242						550		447
Tangible net asset value per share (cents)	109 929				229						540		437

Notes and assumptions:

1. Extracted, without adjustment, from the Historical Financial Information of the Group for the year ended 30 September 2023, as set out in **Annexure 14** to this Pre-listing Statement.
2. The Company declared the First Transaction Dividend on loan account for a total amount of R750 million on 29 February 2024. The First Transaction Dividend will be settled from the proceeds of the Pre-listing Capital Raise (refer to note 9 below).
3. The Company declared the Second Transaction Dividend on 29 February 2024, being a scrip dividend with a cash alternative to the value of R2 300.8 million. TCMH elected to receive a cash dividend of R182.5 million and the WBC Founders elected to receive their full dividend in cash, being R577.5 million. The cash portions will remain outstanding on loan account, while the balance of TCMH's portion of the dividend, being R1 540.8 million, was settled by issuing additional Shares. The issue price per Share equated to R2 147.51 (Note: the Shares were issued prior to the Subdivision). The cash portion of the Second Transaction Dividend will be settled from the proceeds of the WeBuyCars Share Issue (refer note 7 below).
4. The Company's share capital was restructured through the Subdivision, which resulted in the Shares being subdivided in the ratio of 120 Shares for each Share in issue on 7 March 2024.
5. On 21 February 2024, the Company declared an ordinary dividend of R190 million based on the WeBuyCars interim results to 31 March 2024. This dividend will be settled in cash. Since the dividend will be funded through cash generated from operations after 30 September 2023, this dividend has not been accounted for in this *pro forma* consolidated statement of financial position.
6. Coronation will subscribe for new Shares in the Company to the value of R760 million and the subscription proceeds will be paid in cash. The WeBuyCars Share Issue will occur at a share price which equates to R17.90, which will result in the issuance of 42 467 760 new Shares (post Subdivision).
7. The cash received from Coronation in terms of the WeBuyCars Share Issue will be used to settle the loan account referred to in note 3 above (for the Second Transaction Dividend) and the loan account will be extinguished.
8. Bookbuild investors will subscribe for new Shares in the Company as part of the Pre-listing Capital Raise, up to a maximum amount of R750 million and the subscription proceeds will be paid in cash. On the assumption that the capital is raised on the same basis as the "most likely" valuation of the Company per the independent expert's report in the Unbundling Circular (being R8.5 billion), this will result in the issuance of 36 501 402 new Shares which equates to a share price of R20.55 per Share.
9. The cash received from the Pre-listing Capital Raise will be used to settle the loan account referred to in note 2 above (for the First Transaction Dividend) and the loan account will be extinguished.
10. No Shares are expected to vest in terms of the Share Incentive Scheme as a result of the Listing or Unbundling transactions, and therefore no *pro forma* adjustment has been made in this regard.
11. Once-off transaction costs of R43.1 million (inclusive of value added tax) relating to the Unbundling, the capital raising (consisting of the WeBuyCars Share Issue, the Private Placement of WBC Shares and the Pre-listing Capital Raise) and the Listing. These costs are considered to be once-off costs and will not have a continuing effect on the Company.
12. Represents the Group *pro forma* financial position after adjusting for the impact of notes 2 to 11 above, but before the once-off impact of the derecognition of the call option derivative.
13. The Company holds various call options which give it the right to purchase the 25.1% shareholding in the Company from the WBC Founders, for which a call option derivative asset was raised. The call option derivative was initially recognised at fair value and subsequently measured at fair value through profit or loss. Upon Listing, these call options will be cancelled and the call option derivative asset as at 30 September 2023 will be derecognised. This will not have a continuing effect on the Company as this is a once-off adjustment.
14. Prior to the Listing, the Purchasers will acquire Shares to the value of R500 million from Transaction Capital and the WBC Founders. This transaction will not have any impact on the financial position of the Company.

PRO FORMA CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 SEPTEMBER 2023

Figures in Rands (R'000)	Group results for the financial year ended 30 September 2023[1]	First Transaction Dividend[2]	Second Transaction Dividend[3]	Subdivision of Shares[4]	*Pro forma* Group results after Subdivision of Shares	Interim dividend[5]	WeBuyCars Share Issue and dividend settlement[6,7]	Pre-listing Capital Raise and dividend settlement[8,9]	Share Incentive Scheme[10]	Transaction costs[11]	Ongoing costs impacted upon Listing[12]	*Pro forma* Group results before derecognition of the call option derivative[13]	Derecognise call option derivative[14]	*Pro forma* Group results after the Listing and Unbundling[15,16]
Revenue	20 017 994	–	–	–	20 017 994	–	–	–	–	–	–	20 017 994	–	20 017 994
Net operating expenses	(18 936 097)	–	–	–	(18 936 097)	–	–	–	–	–	–	(18 936 097)	–	(18 936 097)
Net insurance result	65 321	–	–	–	65 321	–	–	–	–	–	–	65 321	–	65 321
Earnings before interest, taxation, depreciation and amortisation	**1 147 218**	**–**	**–**	**–**	**1 147 218**	**–**	**–**	**–**	**–**	**–**	**–**	**1 147 218**	**–**	**1 147 218**
Depreciation and amortisation	(117 160)	–	–	–	(117 160)	–	–	–	–	–	–	(117 160)	–	(117 160)
Operating profit before the following items:	**1 030 058**	**–**	**–**	**–**	**1 030 058**	**–**	**–**	**–**	**–**	**–**	**–**	**1 030 058**	**–**	**1 030 058**
Profit on sale of property plant and equipment	3 030	–	–	–	3 030	–	–	–	–	–	–	3 030	–	3 030
Other non-operating items	157 684	–	–	–	157 684	–	–	–	–	(43 133)	–	114 551	(426 463)	(311 912)
Operating profit before net financing costs	**1 190 772**	**–**	**–**	**–**	**1 190 772**	**–**	**–**	**–**	**–**	**(43 133)**	**–**	**1 147 639**	**(426 463)**	**721 176**
Finance income	9 414	–	–	–	9 414	–	–	–	–	–	–	9 414	–	9 414
Finance cost	(158 304)	–	–	–	(158 304)	–	–	–	–	–	–	(158 304)	–	(158 304)
Profit before share of results of associates	**1 041 882**	**–**	**–**	**–**	**1 041 882**	**–**	**–**	**–**	**–**	**(43 133)**	**–**	**998 749**	**(426 463)**	**572 286**
Equity accounted income	4 450	–	–	–	4 450	–	–	–	–	–	–	4 450	–	4 450
Profit before taxation	**1 046 332**	**–**	**–**	**–**	**1 046 332**	**–**	**–**	**–**	**–**	**(43 133)**	**–**	**1 003 199**	**(426 463)**	**576 736**
Taxation	(225 348)	–	–	–	(225 348)	–	–	–	–	–	–	(225 348)	–	(225 348)
Profit for the year	**820 984**	**–**	**–**	**–**	**820 984**	**–**	**–**	**–**	**–**	**(43 133)**	**–**	**777 851**	**(426 463)**	**351 388**
Other comprehensive income														
Items that will be reclassified subsequently to profit or loss														
Exchange gain on translation of foreign operations	1 744	–	–	–	1 744	–	–	–	–	–	–	1 744	–	1 744
Total comprehensive income for the year	**822 728**	**–**	**–**	**–**	**822 728**	**–**	**–**	**–**	**–**	**(43 133)**	**–**	**779 595**	**(426 463)**	**353 132**
Profit for the year attributable to:														
Ordinary equity holders of the parent	821 132	–	–	–	821 132	–	–	–	–	(43 133)	–	777 999	(426 463)	351 536
Non-controlling interest	(148)	–	–	–	(148)	–	–	–	–	–	–	(148)	–	(148)

Figures in Rands (R'000)	Group results for the financial year ended 30 September 2023[1]	First Transaction Dividend[2]	Second Transaction Dividend[3]	Subdivision of Shares[4]	*Pro forma* Group results after Subdivision of Shares	Interim dividend[5]	WeBuyCars Share Issue and dividend settlement[6,7]	Pre-listing Capital Raise and dividend settlement[8,9]	Share Incentive Scheme [10]	Transaction costs[11]	Ongoing costs impacted upon Listing[12]	*Pro forma* Group results before derecognition of the call option derivative[13]	Derecognise call option derivative[14]	*Pro forma* Group results after the Listing and Unbundling[15,16]
Number of Shares in issue (000)	**2 072**	**–**	**717**	**331 924**	**334 713**	**–**	**42 468**	**36 501**	**–**	**–**	**–**	**413 683**	**–**	**413 683**
Earnings per share (cents)														
– Basic	39 634				245							188		85
– Diluted	39 634				245							188		85
Headline earnings reconciliation														
Profit attributable to equity holders of the parent	**821 132**	**–**	**–**	**–**	**821 132**	**–**	**–**	**–**	**–**	**(43 133)**	**–**	**777 999**	**(426 463)**	**351 536**
Profit on sale of property plant and equipment	(3 030)	–	–	–	(3 030)	–	–	–	–	–	–	(3 030)	–	(3 030)
Tax impact	655	–	–	–	655	–	–	–	–	–	–	655	–	655
Headline earnings	**818 757**	**–**	**–**	**–**	**818 757**	**–**	**–**	**–**	**–**	**(43 133)**	**–**	**775 624**	**(426 463)**	**349 161**
Headline earnings per share (cents)														
– Basic	39 519				245							187		84
– Diluted	39 519				245							187		84

Notes and assumptions:

1. Extracted, without adjustment, from the Historical Financial Information of the Group for the year ended 30 September 2023, as set out in **Annexure 14** to this Pre-listing Statement.
2. The Company declared the First Transaction Dividend on loan account for a total amount of R750 million on 29 February 2024. The First Transaction Dividend will be settled from the proceeds of the Pre-listing Capital Raise (refer note 9 below). Consequently, no *pro forma* adjustment is raised for the finance costs relating to the First Transaction Dividend.
3. The Company declared the Second Transaction Dividend on 29 February 2024, being a scrip dividend with a cash alternative to the value of R2 300.8 million. TCMH elected to receive a cash dividend of R182.5 million and the WBC Founders elected to receive their full dividend in cash, being R577.5 million. The cash portions will remain outstanding on loan account, while the balance of TCMH's portion of the dividend, being R1 540.8 million, was settled by issuing additional Shares. The issue price per Share equated to R2 147.51 (Note: the Shares were issued prior to the Subdivision). The Second Transaction Dividend will be settled from the proceeds of the WeBuyCars Share Issue (refer note 7 below). Consequently, no *pro forma* adjustment is raised for the finance costs relating to the cash portion of the Second Transaction Dividend.
4. The Company's share capital was restructured through the Subdivision, which resulted in the Shares being subdivided in the ratio of 120 Shares for each Share in issue on 7 March 2024.
5. On 21 February 2024, the Company declared an ordinary dividend of R190 million based on the WeBuyCars interim results to 31 March 2024. This dividend will be settled in cash. Since the dividend will be funded through cash generated from operations after 30 September 2023, this dividend has not been accounted for within the *pro forma* consolidated statement of profit or loss and other comprehensive income.
6. Coronation will subscribe for new Shares in the Company to the value of R760 million and the subscription proceeds will be paid in cash. The WeBuyCars Share Issue will occur at a share price which equates to R17.90, which will result in the issuance of 42 467 760 new Shares (Post Subdivision).
7. The cash received from Coronation in terms of the WeBuyCars Share Issue will be used to settle the loan account referred to in note 3 above (for the Second Transaction Dividend) and the loan account will be extinguished. Consequently, no *pro forma* adjustment is raised for the finance costs relating to the cash to be received.
8. Bookbuild investors will subscribe for new Shares in the Company as part of the Pre-listing Capital Raise, up to a maximum amount of R750 million and the subscription proceeds will be paid in cash. On the assumption that the capital is raised on the same basis as the "most likely" valuation of the Company per the independent expert's report in the Unbundling Circular (being R8.5 billion), this will result in the issuance of 36 501 402 new Shares which equates to a share price of R20.55 per Share.
9. The cash received from the Pre-listing Capital Raise will be used to settle the loan account referred to in note 2 above (for the First Transaction Dividend) and the loan account will be extinguished. Consequently, no *pro forma* adjustment is raised for the finance costs relating to the cash to be received.
10. No Shares are expected to vest in terms of the Share Incentive Scheme as a result of the Listing or Unbundling transactions, and therefore no *pro forma* adjustment has been made in this regard.
11. Once-off transaction costs of R43.1 million (inclusive of value added tax) relating to the Unbundling, the capital raising (consisting of the WeBuyCars Share Issue, the Private Placement of WBC Shares and the Pre-listing Capital Raise) and the Listing. These costs are considered to be once-off costs and will not have a continuing effect on the Company.
12. WeBuyCars paid a management fee of R31.65 million to Transaction Capital for the year ended 30 September 2023. Upon becoming a separately listed entity, these monthly Transaction Capital management fees will no longer be payable. Consequently, WeBuyCars will realise a saving of this amount going forward. However, the Company will incur additional costs upon becoming a separately listed company and in performing functions previously provided by Transaction Capital. As the future costs of being separately listed and to perform the functions provided by Transaction Capital are not factually supported, the historical management fee paid to Transaction Capital has been assumed to be reflective of the on-going costs and no adjustment is reflected in this regard.
13. Represents the Group *pro forma* financial results after adjusting for the impact of notes 2 to 12 above, but before the once-off impact of the derecognition of the call option derivative.
14. The Company holds various call options which give it the right to purchase the 25.1% shareholding in the Company from the WBC Founders, for which a call option derivative asset was raised. The call option derivative was initially recognised at fair value and subsequently measured at fair value through profit or loss. Upon Listing, these call options will be cancelled and the call option derivative asset as at 30 September 2023 will be derecognised. This will not have a continuing effect on the Company as this is a once-off adjustment.
15. Prior to the Listing, the Purchasers will acquire Shares to the value of R500 million from Transaction Capital and the WBC Founders. This transaction will not have any impact on the financial results of the Company.

INDEPENDENT REPORTING ACCOUNTANT REPORT ON *PRO FORMA* FINANCIAL INFORMATION

To the Directors of We Buy Cars Holdings Limited (previously WBC Holdings Proprietary Limited)

We have completed our assurance engagement to report on the compilation of the *pro forma* financial information of We Buy Cars Holdings Limited ("WeBuyCars", the "Company" or "you") by the directors. The *pro forma* financial information, as set out in paragraph 10 of section 3 and **Annexure 16** of the pre-listing statement (the "Pre-listing Statement"), consists of the *pro forma* statement of financial position as at 30 September 2023, the *pro forma* statement of profit or loss and comprehensive income for the year ended 30 September 2023, related notes and the *pro forma* financial effects. The applicable criteria on the basis of which the directors have compiled the *pro forma* financial information are specified in the JSE Limited (JSE) Listings Requirements and described in paragraph 10 of section 3 and **Annexure 16** of the Pre-listing Statement.

The *pro forma* financial information has been compiled by the directors to illustrate the impact of proposed unbundling, the pre-listing steps, the pre-listing capital raising initiatives and subsequent listing of the Company on the main board of the JSE Limited (the "Listing"). As part of this process, information about the Company's financial position and financial performance has been extracted by the directors from the Company's financial statements for the period ended 30 September 2023, on which an audit report has been published.

Directors' responsibility

The directors of the Company are responsible for compiling the *pro forma* financial information on the basis of the applicable criteria specified in the JSE Listings Requirements and described in paragraph 10 of section 3 and **Annexure 16** of the Pre-listing Statement.

Our Independence and Quality Management

We have complied with the independence and other ethical requirements of the Code of Professional Conduct for Registered Auditors, issued by the Independent Regulatory Board for Auditors' (IRBA Code), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour. The IRBA Code is consistent with the corresponding sections of the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards).

The firm applies International Standard on Quality Management 1, Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements, which requires the firm to design, implement and operate a system of quality management, including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Auditor's responsibility

Our responsibility is to express an opinion about whether the *pro forma* financial information has been compiled, in all material respects, by the directors on the basis of the applicable criteria specified in the JSE Listings Requirements and described in paragraph 10 of section 3 and **Annexure 16** of the Pre-listing Statement based on our procedures performed.

We conducted our engagement in accordance with the International Standard on Assurance Engagements (ISAE) 3420, Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus issued by the International Auditing and Assurance Standards Board. This standard requires that we plan and perform our procedures to obtain reasonable assurance about whether the *pro forma* financial information has been compiled, in all material respects, on the basis specified in the JSE Listings Requirements.

For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any Historical Financial Information used in compiling the *pro forma* financial information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the *pro forma* financial information.

The purpose of *pro forma* financial information is solely to illustrate the impact of a significant event or transaction on unadjusted financial information of the Company as if the event had occurred or the transaction had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the event or transaction would have been as presented.

A reasonable assurance engagement to report on whether the *pro forma* financial information has been compiled, in all material respects, on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used by the directors in the compilation of the *pro forma* financial information provide a reasonable basis for presenting the significant effects directly attributable to the event or transaction, and to obtain sufficient appropriate evidence about whether:

- The related *pro forma* adjustments give appropriate effect to those criteria; and
- The *pro forma* financial information reflects the proper application of those adjustments to the unadjusted financial information.

The procedures selected depend on our judgement, having regard to our understanding of the nature of the Company, the event or transaction in respect of which the *pro forma* financial information has been compiled, and other relevant engagement circumstances.

Our engagement also involves evaluating the overall presentation of the *pro forma* financial information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion, the *pro forma* financial information has been compiled, in all material respects, on the basis of the applicable criteria specified by the JSE Listings Requirements and described in paragraph 10 of section 3 and **Annexure 16** of the Pre-listing Statement.

PricewaterhouseCoopers Inc.

PricewaterhouseCoopers Inc.

Director: Johan Potgieter
Registered Auditor

4 Lisbon Lane, Waterfall City, Jukskei View, 2090

8 March 2024

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