




Annual financial statements

For the 12 months ended
30 September 2025



Barloworld continues to
deliver on its strategic lever
of fixing, optimising and
growing our existing
business portfolio to ensure
we extract our full potential

About Barloworld

Barloworld is positioned as an industrial processing, distribution and services company with two primary areas of focus: Industrial Equipment and Services and Consumer Industries (food and ingredient solutions). Our Industrial Equipment and Services business offers earthmoving equipment, industrial services and power systems, which enable the operation and maintenance of a large array of mining, construction and power solutions for our customers, with whom we have built enduring relationships based on mutual trust. Through our Consumer Industries business, Ingrain, we provide large enterprises with the ingredients essential to the manufacturing of a range of products including food and beverages, paper, pharmaceuticals, building materials and adhesives.



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Directors' responsibility and approval

The directors of Barloworld Limited (the company) have the pleasure of presenting the consolidated group (Barloworld Limited and its subsidiaries are also referred to as the group) and company annual financial statements for the year ended 30 September 2025.

In terms of the South African Companies Act, 71 of 2008, as amended (Companies Act), the directors are required to prepare the consolidated group and company financial statements that fairly present the state of affairs and business of the group and company at the end of the financial year, and of the profit or loss for that year. To achieve the highest standards of financial reporting, these financial statements have been prepared to comply with International Financial Reporting Standards (IFRS Accounting Standards) as issued by the International Accounting Standards Board (IASB) and the IFRS Interpretations Committee (the Committee), the South African Institute of Chartered Accountants (SAICA) Financial Reporting Guides as issued by the Accounting Practices Committee (APC), the Financial Pronouncements as issued by the Financial Reporting Standards Council (FRSC), the Listings Requirements of JSE Limited (JSE) and the requirements of the Companies Act.

The reports by the chair, the Group Chief Executive Officer, the Group Finance Director and the detailed operational reports discuss the results of operations for the year and those matters that are material for an appreciation of the state of affairs and business of the company and of the Barloworld Group. These are contained in the integrated report.

On the recommendation of the audit committee, the directors considered and are satisfied that the internal controls, systems and procedures in operation provide reasonable assurance that all the assets of the group and company are safeguarded, that transactions are properly executed and recorded, and that the possibility of material loss or misstatement is minimised. The directors have reviewed the appropriateness of the accounting policies and concluded that estimates and judgements are prudent. They are of the opinion that the financial statements fairly present, in all material respects, the state of affairs and business of the group and company at 30 September 2025 and of the profit for the year to that date. The external auditors, who have unrestricted access to all records and information, as well as to the audit committee, expressed an unqualified audit opinion on the group and company and the report appears on [page 5](#).

In addition, the directors have also reviewed the cash flow forecast for the period to 30 November 2026 and believe that the Barloworld Group entities and the company have adequate resources to continue in operation for the foreseeable future. Accordingly, the financial statements have been prepared on a going concern basis. The financial statements were approved by the board of directors and were signed on its behalf by:



Dr NN Gwagwa



DM Sewela



NV Lila

Sandton
17 November 2025

Preparer of financial statements

for the year ended 30 September 2025

These financial statements have been prepared by GE Hanekom, Group Financial Manager, CA(SA), under the supervision of P Ndlovu, Executive Group Finance, CA(SA).



NV Lila
Group Finance Director

17 November 2025

Certificate by secretary

To the shareholders of Barloworld Limited

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

Further, I certify that such returns and notices are true, correct and up to date.



NE Rapoo
Group Company Secretary

17 November 2025

Group Chief Executive Officer and Group Finance Director's responsibility statement

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

1. the annual financial statements set out on [pages 15 to 128](#) of our AFS, fairly present, in all material respects, the financial position, financial performance and cash flows of Barloworld in terms of IFRS;
2. 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;
3. internal financial controls have been put in place to ensure that material information relating to Barloworld and its consolidated subsidiaries have been provided to effectively prepare the financial statements of Barloworld;
4. 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;
5. where we are not satisfied, we have disclosed to the audit committee and the auditors any deficiencies in design and operational effectiveness of the internal financial controls, and have taken steps to remedy the deficiencies; and
6. we are not aware of any fraud that involves directors.



DM Sewela
Group Chief Executive Officer

17 November 2025



NV Lila
Group Finance Director

17 November 2025

Independent auditor's report

To the Shareholders of Barloworld Limited

Report on the Audit of the Consolidated and Separate Financial Statements

Opinion

We have audited the consolidated and separate financial statements of Barloworld Limited and its subsidiaries ('the group') and company set out on [pages 15 to 128](#), which comprise of the consolidated and separate statements of financial position as at 30 September 2025, and the consolidated and separate income statements, the consolidated statement of other comprehensive income, the consolidated and separate statements of changes in equity and the consolidated and separate statements of cash flows for the year then ended, and notes to the consolidated and separate financial statements, including material accounting policy information.

In our opinion, the consolidated and separate financial statements present fairly, in all material respects, the consolidated and separate financial position of the group and company as at 30 September 2025, and its consolidated and separate financial performance and consolidated and separate cash flows for the year then ended, in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board and the requirements of the Companies Act of South Africa.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements* section of our report. We are independent of the group and company in accordance with the Independent Regulatory Board for Auditors' Code of Professional Conduct for Registered Auditors (IRBA Code) and other independence requirements applicable to performing audits of financial statements of the group and company 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 of the group and company and 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.

In terms of the IRBA Rule on Enhanced Auditor Reporting for the Audit of Financial Statements of Public Interest Entities, published in Government Gazette Number 49309 dated 15 September 2023 (EAR Rule) we report:

Final Materiality

The ISAs recognise that:

- misstatements, including omissions, are considered to be material if the misstatements, individually or in the aggregate, could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements;
- judgments about materiality are made in light of surrounding circumstances, and are affected by the size or nature of a misstatement, or a combination of both; and
- judgments about matters that are material to users of the financial statements consider users as a group rather than as specific individual users, whose needs may vary greatly.

The amount we set as materiality represents a quantitative threshold used to evaluate the effect of misstatements to the financial statements as a whole based on our professional judgment. Qualitative factors are also considered in making final determinations regarding what is material to the financial statements.

Group Final Materiality:

We determined final materiality for the Group to be R160 million, which is based on 5% of EBIT (Earnings before interest and tax).

We have identified EBIT as the most appropriate basis as we typically believe that profit companies are evaluated by users on their ability to generate earnings.

Company Final Materiality:

We determined final materiality for the standalone company to be R122 million, which is based 2% of Equity. We have identified Equity as the most appropriate basis. We have identified that a capital-based measure was most appropriate as the entity's main purpose is that of a holding company and to obtain funding for the group. Our review of information provided to users by the entity confirms our view.

Group Audit Scope

Our assessment of audit risk, our evaluation of materiality and our allocation of performance materiality determine our audit scope for each component within the Group. Taken together, this enables us to form an opinion on the consolidated financial statements. We take into account the size and risk profile of the components in the Group. In addition, we further consider the organisation of the Group and effectiveness of Group wide controls, changes in the business environment, and other factors such as our experience in prior years and recent internal audit results when assessing the level of work to be performed at each component of the Group. Our process focuses on identifying and assessing the risk of material misstatements of the Group financial statements as a whole including, with respect to the consolidation process.

Independent auditor's report

To the Shareholders of Barloworld Limited

In establishing our overall approach to the Group audit, we determined the type of work that needed to be undertaken at each of the components by us, as the primary audit engagement team, or by component auditors under our instruction.

In selecting components, we perform risk assessment activities across the Group and its components to identify risks of material misstatement. We then identify how the nature and size of the account balances at the components contribute to those risks and thus determine which account balances require an audit response. We then consider for each component the degree of risk identified (whether pervasive or not) and the number of accounts requiring audit responses to assign either a full or specific scope (including specified procedures) to each component. We involved component auditors in this risk assessment process.

In our assessment of the residual account balances not covered by the audit procedures, we considered whether these could give rise to a risk of material misstatement of the Group financial statements. This assessment included performing overall analytical procedures at Group level.

Of the 34 components selected, we identified:

- 7 components ("full scope components") which were selected based on the pervasiveness of risk in those components and for which we therefore performed procedures on what we considered to be the entire financial information of the component.
- 27 components ("specific scope components") where our procedures were more focussed or limited to specific accounts which we considered had the potential for the greatest impact on the significant accounts in the financial statements given the specific risks identified.

At Group level we also tested the consolidation process and share-based payments.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated and separate financial statements of the current period. These matters were addressed in the context of our audit of the consolidated and separate financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated and separate financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated and separate financial statements.

Independent auditor's report

To the Shareholders of Barloworld Limited

In terms of the EAR Rule, we are required to report the outcome of audit procedures or key observations with respect to the key audit matters and these are included below.

The key audit matters apply only to the audit of the consolidated financial statements.

Key Audit Matter	How this matter was addressed in our audit
<p>Contingent Liability relating to the compliance with export administration regulations</p> <p>Barloworld Limited has operations in the Russian Federation ("Russia") through its subsidiary Vostochnaya Technica LLC ("VT LLC"). The operations in-country relate to the sale, distribution and servicing of industrial equipment in Russia. On 5 September 2024, Barloworld submitted an initial notification of voluntary self-disclosure to the U.S. Department of Commerce, Bureau of Industry and Security ("BIS") regarding potential export control violations involving VT LLC.</p> <p>An internal investigation, supported by independent experts, was concluded and the final narrative report was submitted to the BIS on 1 September 2025. The internal investigation identified apparent violations of U.S. export controls ("violations") which the Company is addressing.</p>	<p>Our audit procedures included, among others:</p> <ul style="list-style-type: none"> We involved our forensic specialist team to assess the work performed by management's external investigators ("investigation team"). The assessment included the following: <ul style="list-style-type: none"> > We obtained an understanding of the investigation scope and procedures; > We engaged with management's investigators and legal advisors to fully understand the investigation procedures performed; > We assessed the investigation findings and the evidence supporting the findings; We assessed the qualifications and objectivity of the investigation team. <p>We obtained and inspected the final narrative report to understand the apparent violations, including:</p> <ul style="list-style-type: none"> > The nature of the apparent violations; > Who was involved in the apparent violations, with a focus on those charged with governance; > Actions taken by each level of management when they became aware of the apparent violations. <ul style="list-style-type: none"> We held discussions with management to evaluate management's assessment of the potential outcome, the related possible contingent liability and regulatory exposure in relation to these potential export violations.

Key Audit Matter	How this matter was addressed in our audit
<p>The apparent violations (non-compliance with regulations) have been identified as a Key Audit Matter due to the following:</p> <ul style="list-style-type: none"> A significant amount of audit effort was spent assessing: <ul style="list-style-type: none"> > the nature and impact of the apparent non-compliance, > the actions by management to address the apparent non-compliance and avoid further non-compliance > the potential loss to the Group; The complexity of the regulations and the extent of legal advice and regulatory advice we had to consider in exercising our professional responsibilities. <p>Refer to <u>Note 32</u> Contingent liabilities in the Annual Financial Statements</p>	<ul style="list-style-type: none"> We inspected supporting documents issued by various levels of management to prevent any further possible violations including supporting confirmations that the operational activities relating to the apparent violations have been suspended. We assessed the appropriateness of the disclosures in the financial statements included in <u>note 32</u> relating to present and possible obligations as a result of the continual curtailment of the operations of VT LLC, and the potential breach of the EARs, respectively, at year end are appropriate and in accordance with the requirements of IFRS Accounting Standards.
<p>Key Observations</p> <p>Based on the procedures performed over compliance with export administration regulations ("EAR"), we identified areas of discussions with management and after resolution we were able to conclude on our procedures.</p>	

Independent auditor's report

To the Shareholders of Barloworld Limited

Key Audit Matter	How this matter was addressed in our audit
<p>Impairment assessment of Bartrac</p> <p>Barloworld Limited owns 50% of Bartrac Equipment ("Bartrac"), a joint venture ("JV") operation in the Democratic Republic of Congo ("DRC") which is equity accounted for in the Group consolidated results with a carrying value of investment of R 1 739 million. Given the trading pressures experienced as a result of persistent global trade pressures and domestic challenges endured, the group conducted an impairment assessment of their equity accounted joint venture in accordance with IAS 36: Impairment of Assets.</p> <p>Management has determined that the recoverable amount for the investment is its value in use which is determined using a discounted cash flow valuation model. To determine the future cash flows, management have applied key assumptions such as discount rate, sales growth rate, EBITDA rates, Working Capital, long-term growth rate.</p> <p>The audit of the Bartrac investment impairment assessment was a significant area of audit focus and required significant auditor attention making it a key audit matter, given the significant judgement and estimation applied by management within the value in use model.</p> <p>Refer to Note 13. Investment in associates and joint ventures.</p>	<p>Our audit procedures included, among others:</p> <ul style="list-style-type: none"> We involved our valuations specialists to assist in evaluating: <ul style="list-style-type: none"> > the methodology applied within the valuation calculation and whether it was in line with acceptable industry valuation methodologies. > the reasonableness of the discount rate methodology used by management by independently calculating a range of acceptable rates based on valuation methodology perspectives. > the reasonableness of key assumptions and methods and long-term growth rates used in the calculation. We evaluated the competence, capabilities and objectivity of our valuation specialists who assisted us in our audit procedures. We agreed management's forecasts to approved budgets and recalculated the forecasts for arithmetical accuracy. We assessed the reliability of management's forecasts by considering the accuracy of historic forecasts when compared to actual results. We performed a sensitivity analysis to determine how changes in managements' key assumptions (such as sales-growth rate) in forecasted cash flows would impact the recoverable amount. We compared the results of our sensitivity analysis to determine if the recoverable amount is considered sensitive to a change in assumptions (if any) for disclosure purposes and we noted that there was no impairment. We assessed the appropriateness of the disclosure in the financial statements in accordance with IAS 36: Impairment of Assets.
<p>Key Observations</p> <p>Based on the procedures performed over the impairment assessment of Bartrac, we did not identify any significant matters requiring further consideration in concluding on our procedures.</p>	

Other information

The directors are responsible for the other information. The other information comprises the information included in the 131 -page document titled "Annual financial statement for the 12 months ended 30 September 2025", which includes the Directors' responsibility and approval, Preparer of financial statements, Certificate by secretary, Group Chief Executive Officer and Group Finance Director's responsibility statement, Audit committee report and the Directors' report as required by the Companies Act of South Africa and Public and non-public shareholding of ordinary shares, which we obtained prior to the date of this report, and the "Barloworld Limited Integrated Report", which is expected to be made available to us after that date. The other information does not include the consolidated or the separate financial statements and our auditor's report thereon.

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

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

Responsibilities of the Directors for the Consolidated and Separate Financial Statements

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

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

Independent auditor's report continued

To the Shareholders of Barloworld Limited

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

Our objectives are to obtain reasonable assurance about whether the consolidated and separate financial statements 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 these consolidated and separate financial statements.

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 and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal 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 and company'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 and company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the group and/or the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for

forming an opinion on the consolidated and separate financial statements. We are responsible for the direction, supervision and review of the audit work performed for the purposes of the group audit. We remain solely responsible for our audit opinion.

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

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

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

Report on Other Legal and Regulatory Requirements

In terms of the IRBA Rule published in Government Gazette Number 39475 dated 4 December 2015, we report that Ernst & Young Inc and SizweNtsalubaGobodo Grant Thornton Inc. have been the auditors of Barloworld Limited for six years and five years respectively.

In accordance with our responsibilities in terms of sections 44(2) and 44(3) of the Auditing Profession Act, we report that management had identified an issue pertaining to an apparent violation of export control regulations as reported in note 32 of the Consolidated Financial Statements and we reported this matter to the IRBA as a reportable irregularity in terms of the Auditing Profession Act. The conduct which may have been breach of a material fiduciary duty owed and amounted to a reportable irregularity is to the best of our knowledge no longer occurring.

Ernst & Young Inc.

Ernst & Young Inc.

Director: Busisiwe Ziningi Khoza
Registered Auditor
Chartered Accountant (SA)
17 November 2025

SizweNtsalubaGobodo Grant Thornton Inc

SizweNtsalubaGobodo Grant Thornton Inc.

Director: Jacobeth Ramapela
Registered Auditor
Chartered Accountant (SA)
17 November 2025

Audit committee report

for the year ended 30 September 2025

The audit committee carried out its statutory responsibilities in terms of section 94(7) of the Companies Act, with specific reference to audit quality, auditor independence and financial policies and reporting concerns, oversaw the effectiveness of the group's external and internal assurance functions and ensured the integrity of the group's financial and integrated reporting.

The audit committee conducted its work in accordance with the written terms of reference approved by the board, which are reviewed and updated annually. The terms of reference are set up to ensure that the committee performs its duties in line with the provisions of King IV, the South African Companies Act, 71 of 2008, as amended (Companies Act) and the Listings Requirements of JSE Limited (JSE)) for the financial year ended 30 September 2025.

Membership

During the year under review, the audit committee consisted of:

- Vuyisa Nkonyeni
- Nicola Chiaranda
- Nomavuso Mnxasana
- Bashirat Odunewu

Five meetings were held during the year.

Both the internal and external auditors have unrestricted access to the audit committee and regularly have meetings without members of the executive management being present.

External audit

The audit committee:

- nominated and recommended to shareholders that Ernst & Young Inc. (EY) and SNG-Grant Thornton Inc. (SNG-GT) be appointed as joint independent external auditors for the company and its subsidiaries and the appointment of Z Khoza and J Ramapela as the designated audit partners for EY and SNG-GT, respectively, for the financial year ended 30 September 2025, in compliance with the Companies Act and the JSE Listings Requirements. Following the 2025 audit, EY and SNG-GT have been the external auditors of Barloworld in a joint arrangement for five years, with Z Khoza as designated audit partner from EY for one year and J Ramapela as designated audit partner from SNG-GT for three years (and seven years as key audit partner in the group).

- with the appointment and independence of the external auditors and the engagement partners, complied with the Companies Act and other applicable legal and regulatory requirements, having received all information relevant to the auditors' suitability review as detailed in section 3.84(g)(iii) of the JSE Listings Requirements, to confirm the suitability of the external audit partners for reappointment and the engagement partners. The rotation of Mr S Sithebe after five years as designated EY partner occurred and Ms Z Khoza took over as the designated EY audit partner. The rotation of Ms J Ramapela after three years (and seven years as key audit partner in the group) as designated SNG-GT partner will occur and Ms N Moodley will take over in 2026 as the designated SNG-GT audit partner
- received confirmation from the external auditors that EY and SNG-GT are independent of the group and company
- considered and confirmed the proposed external audit fees and approved the external audit engagement letter
- considered, to its satisfaction, the independence, objectivity and effectiveness of the external auditors and ensured that the scope of their additional (non-audit) services provided were, individually and in aggregate, in compliance with the group's policies in this regard. Refer to [note 3](#) of the financial statements where fees paid to EY and SNG-GT are disclosed as R26 million and R20 million, respectively.

Accounting practices and key audit matters

The audit committee reviewed the accounting policies and the annual financial statements of the company and of the group for the year ended 30 September 2025 for compliance with the provisions of the Companies Act, International Financial Reporting Standards (IFRS® Accounting Standards) and the JSE Listings Requirements.

The audit committee has considered the key audit matters being the compliance with export administration regulations (refer [note 32](#)) and the impairment assessment of the investment in Bartrac.

Internal audit

The committee has satisfied itself that the internal audit function is appropriately independent. The committee has reviewed the performance, qualifications and expertise of the Chief Audit Executive, Paresh Lalla, and is satisfied with the appropriateness of his expertise.

The committee has received and reviewed reports prepared by the internal audit team.

Overall, for the current financial year, the committee:

- approved the internal audit charter and the annual internal audit plan for the financial year ended 30 September 2025
- is satisfied that the internal audit plan is risk-based and there is adequate coverage of all the divisions within the group

Audit committee report continued

for the year ended 30 September 2025

- adopted all changes to the internal audit plan during the year, and received comfort from internal audit that these changes do not impact the overall coverage and ability to express a conclusion on the control environment
- noted the findings and reports presented by internal audit in all the committee meetings, and the actions that management is taking to address these findings
- has satisfied itself that the internal audit team is independent and objective in its service delivery to the group
- noted the internal audit team's skills and experience.

Internal control

The internal audit team reviewed the control environment in all divisions within the group, focusing on high-risk areas and management concerns. The overall control environment is sound. Where deficiencies were identified, mitigating controls were implemented. All areas of improvement have been reported to management, and the internal audit team is satisfied that management has committed to appropriate action plans to remediate these findings.

Based on the results of the formal documented review of the group's system of internal controls and risk management conducted by the internal audit function during the 2025 financial year, and after giving due consideration to the results of the assurance activities of various assurance providers, as well as information and explanations given by management and discussions with the external auditors on the results of the audit, nothing has come to the attention of the audit committee to cause it to

believe that the group's system of internal controls and risk management are not effective, or that the internal financial controls do not form a sound basis for the preparation of reliable financial statements.

The committee reviewed the process implemented with regard to the annual responsibility statement by the Group Chief Executive Officer and the Group Finance Director on internal financial controls, as per section 3.84(k) of the JSE Listings Requirements, and was satisfied with the effectiveness of this process. The committee noted certain reported deficiencies and planned remedial actions.

Combined assurance

The committee received and reviewed the updated combined assurance framework. The framework has been streamlined and provides clarity on the roles of assurance providers and governance structures. The committee has adopted and approved the framework.

Expertise and experience of the Group Finance Director and the finance function

The audit committee:

- reviewed the performance of the Group Finance Director, Ms NV Lila, and confirmed her suitability and expertise
- considered the appropriateness of the expertise, diversity and adequacy of resources of the group's finance function and the effectiveness of the senior members of management responsible for the finance function.

Financial statements

The audit committee:

- considered accounting treatments, significant or unusual transactions, and accounting judgements
- considered the appropriateness of accounting policies and any changes made
- met separately with management and external audit and internal audit
- made appropriate recommendations to the board of directors regarding the corrective actions to be taken as a consequence of audit findings
- reviewed the process in place for the reporting of concerns and complaints relating to accounting practices, internal audit, content of auditing of the group's financial statements, internal controls of the group and any related matters. The audit committee can confirm that there were no such concerns or complaints during the year under review
- reviewed and recommended for adoption by the board such financial information that is publicly disclosed which for the year included:
 - > the unreviewed interim results for the six months ended 31 March 2025
 - > the audited annual results for the year ended 30 September 2025
 - > the documents packs prepared by management to support the board's going concern statement at reporting dates as well as the solvency and liquidity tests required in terms of the Companies Act.

New accounting standards

The committee reviewed the accounting policies applied in the preparation of the financial statements and confirms that these policies have been consistently applied across the reporting period presented, with the exception of new accounting standards and amendments adopted in the current year. The impact of these new standards and amendments has been evaluated and incorporated as appropriate.

Additionally, the committee is monitoring accounting standards and amendments that have been issued but are not yet effective. The assessment of these standards is ongoing to determine the potential impact on the group and company.

Financial statements

The committee considered the Barloworld Limited company and consolidated financial statements for the year ended 30 September 2025.

The committee has also considered the external assurance provider's report and is satisfied that the information is reliable and consistent with the financial results.

The financial statements have been prepared using appropriate accounting policies, which conform to International Financial Reporting Standards.

Audit committee report continued

for the year ended 30 September 2025

At their meeting held on 12 November 2025, the audit committee recommended the financial statements for the year ended 30 September 2025 to the board for approval.

Ms Nopasika Vuyelwa Lila will retire as Group Finance Director on 30 November 2025, concluding a successful tenure that began in 2019. The committee would like to thank Ms Lila for her valuable contribution as the Group Finance Director. Her contributions will be greatly missed.

The appointment of all members of the committee is subject to the shareholders' approval at the next annual general meeting to be held on Friday, 20 February 2026. The profiles of the members, including their qualifications, can be viewed on the group website, www.barloworld.com.



Vuyisa Nkonyeni

Audit Committee Chair

For and on behalf of the Barloworld Limited Audit Committee

17 November 2025

Directors' report

for the year ended 30 September 2025

Nature of business

Barloworld Limited (the company) is positioned as an industrial processing, distribution and services company with two primary areas of focus: Industrial Equipment and Services and Consumer Industries (food and ingredient solutions). Barloworld has a primary listing on the main board of the JSE Limited. The group's corporate offices are situated in Johannesburg (headquarters and treasury), a treasury in the United Kingdom and the Middle East, and a captive insurance company in the Isle of Man. During the current year, the group launched the e-Qwip and Equifinity businesses that form part of the Industrial Services business.

Financial results

The following commentary reflects results for the year ended 30 September 2025. Revenue of R37.7 billion (2024: R41.9 billion) was down 10.0% from the prior year. Operating profit from core trading activities for the group was down 20.9% to R3.0 billion (2024: R3.8 billion). Total group headline earnings per share of 810 cents was 211 cents below group headline earnings per share of 1 022 cents in the prior year. Net cash inflow before financing activities was R1.7 billion compared to the inflow of R0.7 billion in the prior year.

Share capital

The authorised share capital as at 30 September 2025 is 400 000 000 ordinary par value shares of R0.05 each and 500 000 6% cumulative preference shares of R2 each. The issued share capital as at 30 September 2025 consists of 189 641 787 ordinary par value shares of R0.05 each and 375 000 6% cumulative preference shares of R2 each.

Dividends

Barloworld has met its solvency and liquidity obligations. The board has decided not to declare an ordinary dividend for the year ended 30 September 2025.

Changes in directorate

During the current year, there were no changes to the directors of the company.

Company Secretary and registered office

Ms Nomini Rapoo is the Company Secretary of the group.

Ms Rapoo's business address and that of the registered office appear on the inside back cover.

Auditors

Ernst & Young Inc. (EY), in a joint audit arrangement with SizweNtsalubaGobodo Grant Thornton Inc. (SNG-GT), continued in office as auditors for the company and its significant subsidiaries for the 2025 financial year.

At the forthcoming AGM, shareholders will be requested to appoint EY and SNG-GT as joint registered independent external auditors of Barloworld Limited for the 2026 financial year, and to confirm Ms Z Khoza and Ms N Moodley, as the designated individual audit partners for EY and SNG-GT, respectively.

Major shareholders

Shareholders holding beneficially, directly or indirectly, in excess of 3% of the issued share capital of the company at 30 September 2025 are detailed below:

R billion	Total Shareholding	% of issued share capital
Public Investment Corporation (SOC) Limited	36 665 669	19.3%
Zahid Tractor & Heavy Machinery	35 834 624	18.9%
Silchester International Investors, L.L.P.	27 334 664	14.4%
The Vanguard Group, Inc.	6 220 834	3.3%

Directors' report continued

for the year ended 30 September 2025

Contingent liabilities

On 5 September 2024, Barloworld submitted an initial notification of voluntary self-disclosure to the US Department of Commerce, Bureau of Industry and Security (BIS) regarding potential export control violations involving its subsidiary in Russia, Vostochnaya Technica (VT LLC).

An internal investigation, supported by independent experts, was commissioned to determine whether any violations occurred and, if so, the extent of such violations.

The investigation has been completed, and a final narrative report was submitted to BIS on 1 September 2025. While the investigation did not identify any US sanctions violations by the company, it did identify apparent violations of the US Export Administration Regulations, which the company takes seriously and is addressing.

The final outcome of the voluntary self-disclosure remains uncertain. This uncertainty can only be resolved once the BIS has determined whether or not a penalty or other sanction is warranted, and if so the nature and extent thereof.

Pending the final resolution of the matter, management is not able to reliably quantify the financial impact of any final determination that the BIS may make nor the timing thereof.

As a result of the information contained in the final investigation report the auditors concluded that they had reason to believe that, in their opinion, the above represented a

reportable irregularity (RI). In accordance with their responsibilities under section 45 of the Audit Profession Act, 2005 (Act 26 of 2005) (the APA), the auditors reported the matter to the Independent Regulatory Board for Auditors (IRBA) on 10 October 2025. The auditors subsequently issued their second letter to the IRBA on 10 November 2025 reporting that in their opinion the reportable irregularity is no longer taking place.

Going concern

The directors consider that the group entities and company have adequate resources to continue operating for the foreseeable future and that it is therefore appropriate to adopt the going concern basis in preparing the consolidated and company financial statements.

Events after the reporting period

Directorate

Subsequent to the financial year ended 30 September 2025, the board announced the appointment of Mr Augostinos Sfeir as a non-executing director, effective 13 October 2025.

Ms Nopasika Vuyelwa Lila will retire as Group Finance Director on 30 November 2025, concluding a successful tenure that began in 2019. The board would like to thank Ms Lila for her valuable contribution as the Group Finance Director. The Board has appointed Ms Relebohile Mosaletseng Sehoole (Malahleha) as her successor, effective

1 December 2025, ensuring continuity and strategic financial leadership.

Newco transaction

On 1 October 2025, Barloworld announced that all conditions precedent to the Standby Offer made by Newco had been fulfilled and the offer became wholly unconditional. The transaction involves the acquisition of all Barloworld Ordinary Shares in issue (excluding treasury shares) at a cash consideration of R120 per share. The transaction is a non-adjusting event as it does not provide evidence of conditions that existed at the reporting date. The final financial impact of the transaction cannot be reliably estimated due to the ongoing implementation process. However, the transaction is expected to have a material impact on the group's financial position, ownership structure and future strategic direction.

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

Major shareholders post balance sheet date:

R billion	Total shareholding	% of issued share capital
K2024528179 South Africa (Pty) Ltd	125 529 353	66.2%
Zahid Tractor & Heavy Machinery	35 784 624	18.9%
Barloworld Empowerment Foundation	6 578 121	3.5%
Dimensional Fund Advisors, L.P.	3 560 253	1.9%

Accounting policies

for the year ended 30 September 2025

Definitions

Refer to definitions of key performance indicators for a list of financial terms used in the annual financial statements of Barloworld Limited (the company) and consolidated financial statements (the group).

1. Basis of preparation

1.1 Accounting framework

The consolidated financial statements are prepared in accordance with IFRS® Accounting Standards as issued by the International Accounting Standards Board (IASB) and the IFRS Interpretations Committee (the Committee), the South African Institute of Chartered Accountants (SAICA) Financial Reporting Guides as issued by the Accounting Practices Committee (APC), the Financial Pronouncements as issued by the Financial Reporting Standards Council (FRSC), the Listings Requirements of JSE Limited (JSE) and the requirements of the South African Companies Act, 71 of 2008, as amended (Companies Act).

The consolidated financial statements are prepared in accordance with the historical cost convention, except where stated at fair value.

The basis of preparation is consistent with the prior year. Accounting policies that are useful to users, especially where particular accounting policies are based on judgement regarding choices within IFRS Accounting Standards, have been disclosed.

Accounting policies prepared in terms of IFRS Accounting Standards have been included only if management concluded that the disclosure would assist users in understanding the financial statements as a whole, taking into account the materiality of the item being disclosed. The group has made the following accounting policy choices in terms of IFRS Accounting Standards:

- Interest in associates and joint ventures (policy [note 2](#)) is accounted for using the equity method for Barloworld Limited's separate financial statements.
- The cost model is applied in accounting for property, plant and equipment and leased assets (policy [note 8](#)).
- The hedge accounting principles in IAS 39 Financial Instruments: Recognition and Measurement will continue to be applied.
- The simplified approach for measuring the expected credit loss (ECL) on trade and finance lease receivables will be applied.

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

- Investment in car rental vehicles
- Investment in fleet and rental vehicles
- Investment in rental equipment

All financial information has been rounded to the nearest million, unless stated otherwise.

The consolidated financial statements are prepared on a going concern basis.

Current vs non-current

The group presents assets and liabilities in the statement of financial position based on current/non-current classification. An asset is current when it is:

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

All other assets are classified as non-current. A liability is current when:

- it is expected to be settled in the normal operating cycle
- it is held primarily for the purpose of trading
- it is due to be settled within 12 months after the reporting period or
- the entity does not have the right at the end of the reporting period to defer settlement of the liability for at least 12 months after the reporting period.

Accounting policies continued

for the year ended 30 September 2025

1. Basis of preparation continued

1.2 New standards and interpretations

New standards effective for annual periods beginning on or after 1 January 2025

The group adopted the following amendments, which were applied for the first time for its financial results for the year commencing 1 October 2024.

Standard, amendment or interpretation	Impact on financial statements
Amendments to IAS 1 Presentation of Financial Statements – classification of liabilities as current or non-current and non-current liabilities with covenants	<p>The amendments to IAS 1 specify the requirements for classifying liabilities as current or non-current. The amendments clarify the following:</p> <ul style="list-style-type: none"> • What is meant by a right to defer settlements • That a right to defer must exist at the end of the reporting period • That classification is unaffected by the likelihood that an entity will exercise its deferral right • That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification <p>In addition, an entity is required to disclose when a liability arising from a loan arrangement is classified as non-current and the entity's right to defer settlement is contingent on compliance with future covenants within 12 months.</p> <p>The amendments have resulted in additional disclosures in note 23, but have not had an impact on the classification of the group's liabilities.</p>
Supplier Finance Arrangements – Amendments to IAS 7 and IFRS 7	<p>The amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures clarify the characteristics of supplier finance arrangements and require additional disclosure of such arrangements. The disclosure requirements in the amendments are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk.</p> <p>As a result of implementing the amendments, the group has provided additional disclosures about its supplier finance arrangement. Please refer to note 27 and note 33.3.</p>
Amendments to IFRS 16 – Lease Liability in a Sale and Leaseback	<p>The amendments to IFRS 16 specify the requirements that a seller-lessee must apply when measuring the lease liability arising from a sale and leaseback transaction, to ensure the seller-lessee does not recognise any amount of the gain or loss that relates to the right of use it retains.</p> <p>The amendments had no impact on the group's financial statements.</p>

Accounting policies continued

for the year ended 30 September 2025

1. Basis of preparation continued

1.3 Foreign currencies

Items included in the financial statements of each group entity are measured using the functional currency of that entity. The functional currency of an entity is the currency of the primary economic environment in which the entity operates. The group financial results are presented in South African Rand, which is Barloworld's functional currency and the group's presentation currency.

The US Dollar has been selected as the functional currency for the group's operations across the majority of the African territories, Russia and Mongolia.

The financial results of all entities that have a functional currency different from the presentation currency of the group are translated into the presentation currency (South African Rand).

All assets and liabilities, including fair value adjustments arising on acquisitions, are translated at the rate of exchange ruling at the statement of financial position date. Income and expenditure transactions of foreign operations are translated at the average rate of exchange. Resulting foreign exchange gains and losses arising on translation are recognised in the foreign currency translation reserve (FCTR) as a separate component of other comprehensive income.

1.4 Operating segments

The executive committee, as chief operating decision maker, has determined the operating segments based on the information it uses to allocate resources and assess segmental performance. Segments are analysed by operating activities.

Management evaluates the segment performance based on the operating results plus any other items that are directly attributable to segments, including fair value adjustments on financial instruments. Interest costs are excluded due to the centralised nature of the group's treasury operations.

As a result, the activities of the group's operating segments are updated and described below:

Equipment southern Africa (BWE snA)

- This segment delivers construction and mining equipment to the earthmoving industry in 11 African countries. The oil testing (Equifinity) and equipment rebuild (e-Qwip) businesses that were launched in the current year also report under this segment.

Ingrain

- This segment is involved in the sale of starch, glucose, and other related products (co-products) in southern Africa and Australia.

Equipment Mongolia

- This Eurasia segment delivers construction and mining equipment to the earthmoving industries across Mongolia.

Equipment Russia

- This Eurasia segment delivers construction and mining equipment to the earthmoving industries across Russia.

Other segments

- Corporate office (South Africa, Middle East and United Kingdom), Salvage Management and Disposal (SMD) (disposed 2 April 2025), Crownmill (which was disposed in the prior year) and Khula Sizwe.

Note that the Russia, Mongolia, Middle East and United Kingdom operations are collectively referred to as Barloworld's Eurasia operations.

For information purposes only certain segmental disclosure is also provided along the geographical lines of southern Africa (snA), Russia and Mongolia.

Accounting policies continued

for the year ended 30 September 2025

2. Basis of consolidation

The consolidated financial statements include the results and financial position of Barloworld Limited, its subsidiaries, joint ventures, associates, and other entities where there is no shareholding, but over which the group exercises control. Subsidiaries are entities which the group has power over and in respect of which it is exposed, or has rights to variable returns from its involvement with these entities and has the ability to affect those returns through its power over those entities. The results of any subsidiaries acquired or disposed of during the year are included from the date control was obtained and up to the date control ceased to exist. Total comprehensive income of the subsidiary is attributed to owners of the company and to the non-controlling interests even if this results in the non-controlling interests having a negative balance.

The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of assets transferred by the group, liabilities incurred by the group to the former owners of the acquiree in exchange for control of the acquiree.

Goodwill is measured as the excess of the sum of the consideration transferred over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed.

When the consideration transferred by the group in a business combination includes a contingent consideration arrangement, the contingent consideration is measured at its acquisition-date fair value and included as part of the consideration transferred in a business combination. The subsequent accounting for changes in the fair value of the contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Other contingent consideration (financial liability representing an obligation to settle the contingent consideration) is remeasured to fair value at subsequent reporting dates with changes in fair value recognised in profit or loss.

Acquisition-related costs are accounted for as an expense when incurred and included in the operating profit line of the consolidated income statement.

Non-controlling interests in subsidiaries are identified separately from the group's equity therein. Those interests of non-controlling shareholders that are 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.

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.

Profit or loss and each component of other comprehensive income are attributed to the owners of the company and to the non-controlling interests. Total comprehensive income of the subsidiaries is attributed to the owners of the company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

When the group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related non-controlling interests and other components of equity. Any resulting gain or loss is recognised in profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost.

Interest in associates and joint ventures

The group has investments in associates and joint ventures in which it holds 50% equity interests. Associates are those entities in which the group has significant influence, but no control or joint control. A joint venture is an arrangement in which the group has joint control, whereby the group has rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities.

Associates and joint ventures are measured using the equity method of accounting, applying the group's accounting policies, from the acquisition date to the disposal date. The most recent audited annual financial statements of associates and joint ventures are used, which are all within three months of the year end of the group. Where the associate's or joint venture's accounting policies differ from the group, adjustments are made to the associate's or joint venture's financial results to align with the group's accounting policies.

Unrealised losses are also eliminated unless the transaction provides evidence of impairment of the asset transferred. When the group's share of losses or reversal of unrealised gains equals or exceeds its interest in the entity, the group does not recognise further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the joint venture.

Accounting policies continued

for the year ended 30 September 2025

3. Significant judgements and estimates

Preparing financial statements in conformity with IFRS Accounting Standards requires estimates and assumptions that affect reported amounts and related disclosures. Actual results could differ from these estimates. Accounting policies which have been identified as involving particularly complex or subjective judgements or assessments are as follows:

3.1 Revenue recognition

The percentage of completion method is applied to recognise revenue on long-term maintenance and repair contracts (MARC) in the Equipment business as performance obligations are satisfied over time. Management exercises judgement in calculating the contract liabilities and contract assets, which are based on the anticipated cost of repairs over the life cycle of the equipment, or motor vehicles, applied to the total contracted future revenue arising from maintenance and repair contracts. For further details, refer to [note 2](#) for revenue, [note 19](#) for contract assets and [note 28](#) for contract liabilities in the annual financial statements. Detailed accounting policies have been disclosed in accounting policy [note 4](#).

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

- costs incurred to date to fulfil the performance obligations under MARC
- estimated costs to be incurred in fulfilling the performance obligations under MARC
- contract duration and mileage
- contract expiry date
- foreign currency movements
- parts price and labour inflation
- projected income stream, specifically for the Automotive business.

3.2 Impairment of assets

3.2.1 Goodwill and intangible assets

Future cash flows expected to be generated by the assets or cash-generating units are projected, taking into account market conditions and the expected useful lives of the assets. The present value of these cash flows, determined using an appropriate discount rate, is compared to the current net asset value and, if lower, the assets are impaired to the present value.

Cash flows, which are utilised in these assessments, are extracted from formal five-year business plans that are updated annually. The company utilises a discounted cash flow valuation model to determine asset and cash-generating unit values supplemented, where appropriate, by other valuation techniques. For further details of management's impairment assessments over goodwill and intangible assets, refer to [notes 11](#) and [12](#), respectively, in the annual financial statements.

3.2.2 Impairment of financial assets

The group recognises a loss allowance for expected credit losses on financial assets measured at amortised cost, as well as on the financial liability recognised for financial guarantee contracts. The recoverability of a financial asset is determined from the date it is recognised, with a loss allowance recognised for expected losses determined at initial recognition. The group measures the loss allowance at an amount equal to the lifetime expected losses if credit risk on the financial asset has increased significantly since initial recognition.

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

Barloworld's financial asset portfolio is very diverse as a result of the group's numerous and distinct operating segments, which service a broad customer base (both industry-wise and geographically) and hold a variety of financial assets. As such, the group has rebutted the presumption that credit risk has significantly increased when financial assets are more than 30 days past due. Credit risk is considered to have significantly increased when supportable forward-looking information such as inflation and gross domestic product forecasts, the counterparties' reputation and estimated financial position, the market conditions the counterparty operates in, the impact of technology, and particularly in relation to the group's Equipment debtors, local economic and geopolitical indicators including commodity prices, supply/demand forecasts including mining production outputs, construction industry forecasts, and currency liquidity indicate that the financial asset would not be recoverable as contracted.

Accounting policies continued

for the year ended 30 September 2025

3. Significant judgements and estimates continued

3.2 Impairment of assets continued

3.2.2 Impairment of financial assets continued

In determining the ECL, receivables are grouped based on similar risks, the industry in which the customer operates, the regulatory environment, the size of the receivable and the payment history of the customer. ECLs are calculated using the historical loss ratio adjusted for forward-looking information. In instances where there was no evidence of historical write-offs, management's judgement is applied to assess for potential credit losses. For financial assets where the group determines that recoverability is unlikely, such that the credit quality has significantly deteriorated and the assets are credit impaired, a lifetime ECL is recognised, and interest income only accrues on the net amount (gross carrying amount less credit impairment). Default is considered to have occurred when a customer does not meet their contractual payment obligations. The group considered this a sound basis as, in management's view, financial assets are credit impaired when the group has not received contractual cash flows, efforts to recover the asset have not been successful and the customer's ability to pay is questionable. Where the group determines there are no prospects of a customer meeting their contractual repayments, the related receivable is written off, and this occurs when the customer is handed over to legal for collection.

For financial guarantee contracts, the date that the group becomes a party to the irrevocable commitment is considered to be the date of initial recognition for the purposes of assessing the financial instrument for impairment. In assessing whether there has been a significant increase in the credit risk since initial recognition of a financial guarantee contract, the group considers the changes in the risk that the specified debtor will default on the contract.

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

- trade receivables and contract assets and
- finance lease receivables as an accounting policy choice.

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

3.3 Business combinations and associated financial liabilities

A deferred earn-out is payable to the seller of the Mongolian Caterpillar dealership. These payments are contingent on this business achieving certain distinct annual revenue targets from 1 September 2020 to 31 August 2024. The financial liability for the earn-out payment was initially measured at a fair value based on management's forecasts for the Mongolian business as approved by the board. These forecasts involve the use of judgements and estimates, including country growth prospects. This position is re-evaluated at each reporting date, with any changes in this estimate subsequently recognised in profit or loss and included in headline earnings.

3.4 Non-contractual customer relationships

Customer relationships may arise from contracts (such as supplier contracts and service contracts) or may be non-contractual customer relationships, which represent loyal customers that will continue their relationship after the acquisition by any market participant. Ingrain has contracts with the majority of its customers that are short term in nature (12 months or less), which contracts include pricing but not volumes. Due to the short-term nature of these contracts, which do not specify volumes, these customer relationships have been identified and valued as non-contractual customer relationships.

Ingrain's established non-contractual long-term relationships have been identified as an intangible asset and valued using the multi-period excess earnings methodology (MEEM). Using the MEEM method, the present value of the cash flows generated by, and only by, the specific asset being valued is determined.

In determining the appropriate attrition rate for valuing the customer relationships, historical revenue contributions per customer for the 10 years prior to the valuation date were evaluated. A further analysis was done on the 10-year category of customers to determine when these became customers of Ingrain, given that more than 80% of the customers have been with Ingrain for over 10 years. Taking into account the 10-year historical information and the commencement dates of the customers, an attrition rate based on the weighted average contribution per customer was determined and applied to the forecast revenues of the customers. Despite the fact that many of the customers have been purchasing from Ingrain for approximately 20 years, a more prudent approach has been adopted and a useful life of 15 years has been calculated for the customers based on the attrition rates calculated from the historical analysis. The useful life was extrapolated by implementing the straight-line methodology. Customer relationships were accordingly valued over 15 years.

Accounting policies continued

for the year ended 30 September 2025

3. Significant judgements and estimates continued

3.5 Post-employment benefit obligations

Actuarial valuations are based on assumptions, which include employee turnover, mortality rates, the discount rate, the expected long-term rate of return on retirement plan assets, healthcare inflation costs and rates of increase in compensation costs.

Judgement is exercised by management, assisted by advisors, in adjusting mortality rates to take account of actual mortality rates within the schemes.

3.6 Deferred tax assets

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

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

3.7 Lease term

The following factors were considered in determining whether it is reasonably certain the options will be exercised, thus whether there is an economic incentive to exercise:

- The strategic objectives of the business and annual business plans that observe a five-year cycle
- Whether the terms and conditions of the current lease are more favourable than the current market conditions
- The proximity of the leased premises to core customers and other business hubs
- Specifics for the premises or assets leased and any leasehold improvements, such as workshops or office buildings, undertaken by the group which are optimised to business needs
- Costs relating to the termination of the lease
- The availability of similar or alternative assets in the market suitable to the business needs

- All relevant facts and circumstances that create an economic incentive for the lessee to exercise or not to exercise the option, including any expected changes in facts and circumstances from the commencement date until the exercise date of the option

3.8 Lessees incremental borrowing rate

Where the incremental borrowing rate (IBR) is not explicitly mentioned in the contract, the IBR is calculated as the rate of interest that the lessee would have paid to borrow the cash over a similar term with similar payments in a similar economic environment. Management determines a reference rate (risk-free rate) for the territory the business segment operates in and adjusts this as appropriate, considering factors such as the primary economic environment the segment operates in, the functional currency and the duration of the risk-free rate relative to the lease term.

3.9 Supplier finance arrangements

Judgement is exercised regarding whether these arrangements constitute trade payables or debt. Factors considered include the currency in which the financing arrangements are settled, the repayment terms of the facilities relative to standard supplier payment terms, and the existence of breakage costs on these facilities. To ensure comparability and consistency, current industry practices are also considered as part of this determination. The reference rate is then adjusted for credit and liquidity risks associated with the operating segment.

3.10 Uncertain tax positions

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

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

Management exercises judgement on the timing of the realisation of provisions.

Accounting policies continued

for the year ended 30 September 2025

3. Significant judgements and estimates continued

3.11 Derecognition of transferred assets

The group enters arrangements with certain financial institutions where specific portfolios of trade receivables are sold to those financial institutions at discounted prices. In return, the group receives cash from the financial institutions in exchange for the rights to receive cash for these receivables. As part of these transactions, the group is appointed as a collection agent by the financial institutions, thereby retaining the collection rights to the underlying portfolio and consequently assuming a corresponding obligation to pass through those collected cash flows to the financial institutions once they settle into the bank accounts linked to the underlying receivables. On the date of the sale, the group has assessed that it has no further participation rights in the underlying rights to cash other than to collect or enforce its rights to collect the cash flows. Additionally, the group did not retain reinvestment rights on the cash received from the underlying portfolio and thus concluded that the transfer qualified for derecognition.

Additionally, as part of the transaction, the group agreed to be appointed as a second loss provider in terms of which it agreed to settle a percentage of the value of the defaulted book above the first modelled loss level in return for a premium. Accordingly, the group guarantees a portion of the transferred asset and recognises a financial guarantee contract in terms of IFRS 9.

The group considers the impact of guaranteeing a portion of the sale when determining whether the transfer qualifies for derecognition. It conducted a quantitative and qualitative assessment to assess the variability in cash flows before and after the transfer. Through this assessment, the group concluded that it has transferred substantially all the risks and rewards of the transferred asset.

Management applied significant judgement when assessing the derecognition criteria set out in IFRS 9:

- Assessment of the sale of the trade receivables portfolio as an unconditional transfer of rights and associated risks to the transferee
- Assessment of the continuing involvement in the transferred asset

3.12 Provisions

Management exercises judgement in establishing provisions required on the basis of claims notified and past experience. Provisions for warranty costs are recognised at the date of sale of the relevant products, at the estimated expenditure required to settle the group's obligation.

Income statement

4. Revenue

The Group recognises revenue from the following major sources:

- Sale of goods and parts (new and used)
- Sales of service and maintenance
- Rendering of services
- Commission income

Revenue from contracts with customers is recognised when the performance obligations for the transfer of goods and services are satisfied; this may be over time or at a point in time, in the above major revenue sources. Revenue is recognised at the amount of the transaction price that is allocated to the specific performance obligations. The revenue is disaggregated based on the timing of revenue recognition and major type of goods and services. See [note 2](#).

Revenue represents the invoiced amounts excluding those earned on behalf of others, value-added tax or the amount measured using the percentage of completion, except for rental income which is recognised on a straight-line basis.

The nature and timing of the satisfaction of performance obligations in contracts with customers, including significant payment terms and the related revenue recognition policies, is as follows:

Sale of goods and parts

The sale of goods and parts includes:

- new and used Caterpillar earthmoving equipment, engines, other complementary products, and lift trucks (BWE snA and Eurasia)
- animal feeds, starch, glucose, and other related products (Ingrain)
- used motor retailing (SMD).

Accounting policies continued

for the year ended 30 September 2025

4. Revenue continued

Performance obligations from the sale of goods and parts are satisfied at a point in time. The point of delivery is where control over the goods is transferred to the customer and therefore the performance obligation is satisfied. Payment is then due as follows:

- Sales of used vehicles range from cash on delivery to 30 days of invoice date
- Sales of new and used equipment range from cash on delivery to 90 days of invoice date, unless financed under an instalment sale agreement
- Sales of new and used parts range from cash on delivery to 90 days of invoice date
- Sales of starch, glucose, and other related products referred to as co-products (Ingrain) range from 30 days to 90 days of invoice date
- Sales of new equipment require cash on delivery for construction machines and payment within seven days from commissioning for mining machines

Rendering of services

Revenue from providing services includes:

- rental income earned on contracts longer than 12 months (Equipment)
- workshop, in-field support services and aftersales services, including equipment services, fitment and repairs (Equipment)
- maintenance services, fitment and repairs (Equipment)

Where revenue from rendering services is long term in nature, it is recognised over the life of the plan in the accounting period in which the services are rendered (over time).

The percentage of completion (input) method, based on the costs incurred to date as a percentage of total estimated costs to be incurred to fulfil the performance obligations, is applied to recognise revenue on long-term maintenance and repair contracts (MARC) in the Equipment and Automotive businesses as a result of the performance obligations being satisfied over time. This method best depicts the transfer of services to customers as the costs incurred to date are indicative of the group's satisfaction of the performance obligations under revenue contracts with its customers.

As part of the MARC, the group receives monthly instalments from customers for the duration of the contract towards the maintenance and repair services to be performed in future.

Commission income

The group is an agent, and earns commission income in the sale and auctioning of goods through the Automotive business. In these arrangements, the group does not recognise the gross amount as revenue but only the fee consideration it expects to be entitled to. Commission income is recognised at the point when the performance obligation, which gives rise to the commission income, is satisfied.

Warranty claims

Service and assurance type warranties are provided on certain equipment, spare parts and services supplied to customers. Warranties have not been identified as distinct performance obligations from the sale of the goods it relates to.

In the Equipment business, warranties are provided on certain equipment based on the warranties supplied by the original equipment manufacturers (OEMs) for spare parts and services supplied to customers. Management exercises judgement in establishing the provisions required based on claims notified and past experiences. For further detail, refer to [note 24](#).

Contract liability

A contract liability is recognised within the Equipment business on receipt of the instalment or upfront payments before performance obligations are satisfied. This liability is released to the income statement as revenue as the related performance obligations are satisfied, and is non-refundable.

Contract asset

A contract asset is recognised within the Equipment business when performance obligations (contractual maintenance and repair services, transport and logistics services) are gradually satisfied over time, for which revenue is recognised, and the customer has not been billed. The contract asset is derecognised when the customer is invoiced, and a trade receivable is recognised. The difference between the contract asset derecognised and trade receivable recognised is recorded as revenue or an impairment loss, respectively.

Accounting policies continued

for the year ended 30 September 2025

5. Finance costs

Interest on financial liabilities measured at amortised cost is calculated using the effective interest rate method. For interest on lease liabilities, refer to [note 26](#). For further detail, refer to [note 5](#).

6. Income from investments

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

7. Taxation

The charge for current taxation is based on the results for the year as adjusted for income that is exempt and expenses that are not deductible using tax rates that are applicable to the taxable income.

Deferred taxation is recognised in profit or loss, except when it relates to items credited or charged to other comprehensive income, in which case it is also recognised in other comprehensive income. The group has determined that the global minimum top-up tax, which it is required to pay under Pillar Two legislation, is an income tax within the scope of IAS 12. The group has applied a temporary mandatory relief from deferred tax accounting for the impacts of the top-up tax and accounts for it as a current tax when it is incurred.

Statement of financial position

8. Property, plant and equipment and investment property

Items of property, plant and equipment are stated at cost, which includes capitalised borrowing costs, less accumulated depreciation and any accumulated impairment losses, except for land and capital work in progress, which are shown at cost less accumulated impairment.

Property, plant and equipment, with the exception of rental/fleet assets (see below), are depreciated over their useful lives, taking into account residual values, where appropriate.

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

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

Buildings	Straight line	20 to 50 years
Plant	Straight line	5 to 35 years
Vehicles	Straight line	5 to 10 years
Equipment	Straight line	5 to 10 years
Furniture	Straight line	3 to 15 years
Equipment rental assets	Usage	12 000 to 15 000 hours

Investment property

Investment property, which is property held to earn rentals, is measured initially at cost, including transaction costs. Subsequent to initial recognition, investment property is carried at its cost, less any accumulated depreciation and any impairment losses.

Investment properties are depreciated on a straight-line basis over their useful lives, which range between 20 (twenty) and 50 (fifty) years, to their residual values.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the period in which the property is derecognised.

Accounting policies continued

for the year ended 30 September 2025

9. Goodwill

Goodwill arising on the acquisition of subsidiaries is measured at cost, less accumulated impairment losses (refer to accounting policy [note 2](#) above).

Goodwill is not amortised but is reviewed for impairment at least annually, and when there are indicators of impairment. For the purpose of impairment testing, goodwill is allocated to each of the group's cash-generating units (or groups of cash-generating units) expected to benefit from the synergies of the combination. Cash-generating units to which goodwill has been allocated are tested for impairment annually, or more frequently when there is an indication that the unit may be impaired.

If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata on the basis of the carrying amount of each asset in the unit. An impairment loss recognised for goodwill is not reversed in a subsequent period.

For further details of management's impairment assessments over goodwill, refer to accounting policy [notes 11](#) and [12](#).

On disposal of a cash-generating unit, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

10. Intangible assets

Intangible assets are initially recognised at cost if acquired separately or at fair value if acquired as part of a business combination.

Capitalised software	Straight line	2 to 7 years
Patents	Straight line	10 years
Trademarks	Straight line	10 to 20 years
Customer relationships	Straight line	5 to 6 years
Supplier relationships	Indefinite life	n/a

Supplier relationships are measured initially at fair value as part of a business combination. Supplier relationships are separately identifiable intangible assets from distribution agreements with suppliers specifying sales objectives, territory presence and service levels to be provided. Supplier relationships arise from the group's long-standing relationships with its principals, namely Caterpillar.

Contractually, these relationships do not have a finite term, thus qualifying as indefinite intangible assets. Supplier relationships are tested for impairment annually. Refer to [note 12](#) for further details. Where these attributes are not present, a supplier relationship could be determined to have a finite useful life, such as in Equipment Mongolia where the useful life is 20 years.

Customer relationships are measured initially at fair value as part of a business combination. Development costs are capitalised only when, and if it results in an asset that can be identified, it is probable that the asset will generate future economic benefits and the development cost can be reliably measured. Otherwise, development costs are recognised in profit or loss.

As part of the purchase price allocation process for the Ingrain business undertaken in terms of IFRS 3: Business Combinations, an intangible asset arising from non-contractual customer relationships was identified and valued at R1 billion. Refer to financial statements [note 12](#).

11. Interest in subsidiaries

Investments in subsidiaries are measured at cost, less accumulated impairment.

12. Inventories

Inventories are initially recognised at cost and subsequently measured at the lower of cost and net realisable value.

Inventories are diverse and materially consist of the following:

- Starch raw materials
- Finished goods, which include vehicles, machines/equipment, glucose, and starch
- Work in progress relating to the above mentioned finished goods
- Merchandise, such as parts, etc.

The specific identification basis is used to determine the cost of items that are not interchangeable. For items that are interchangeable, the first-in, first-out method or the weighted average method is used for certain classes of inventory to determine the cost.

Allowance for net realisable value of inventory

Equipment inventory consists of machines, parts, and work in progress.

Machine inventory is reviewed by country and by machine model, taking into account the ageing, market demand and condition of the machine to determine the net realisable value.

Accounting policies continued

for the year ended 30 September 2025

12. Inventories continued

Parts inventory is categorised as follows:

- Strategic parts with longer lead times or parts required to support new machine models
- Non-strategic parts that are generally faster moving parts
- Perishable parts with a limited shelf life
- Remanufactured components
- Returnable and non-returnable
- Rebuilt components

Obsolete, slow-moving and damaged inventories are identified for each parts category. Returnable slow-moving parts are reduced to the net realisable value based on inventory returns and by applying a sliding provisioning scale.

Equipment inventory includes used and demo equipment as well as parts stock. The net realisable value of all used, demo and parts stock is assessed at every reporting date, taking into account the ageing, condition and the current market demand for such items.

Rental assets that become available for sale after being removed from rental fleets are transferred to inventories (accounting policy [note 8](#)) at their carrying amount. Sale proceeds from such rental assets are recognised as revenue in accordance with accounting policy [note 3.1](#).

Ingrain inventory relates to maize and other raw materials to be consumed in the production process, as well as finished goods of starch, glucose and animal feed materials for sale.

13. Financial instruments

The group's financial instruments comprise:

- Investments in equity securities
- Loans receivable
- Trade and other receivables (excluding prepayments)
- Contract assets
- Cash and cash equivalents
- Borrowings

- Bank overdrafts
- Derivatives
- Trade and other payables
- Other non-current liabilities

Classification of financial assets

The group classifies financial assets into the following categories:

- Fair value through profit or loss (FVTPL)
- Amortised cost (AC)
- Fair value through other comprehensive income (FVTOCI)

Financial assets are classified in their entirety based on how their performance is managed and evaluated (business model), and the characteristics of their contractual cash flows.

Financial assets are classified and subsequently measured as follows:

Financial asset	Measurement category
Derivatives	FVTPL
Trade and other receivables (excl. prepayments)	AC
Contract assets	AC
Derivatives (cash flow hedge)	FVTOCI
Debt instruments	AC
Cash and cash equivalents	AC
Investment in equity securities	FVTOCI

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

Classification of financial liabilities

The Ingrain and Equipment businesses utilise floor plan and trade financing facilities to efficiently manage working capital flows. Judgement is exercised regarding whether these arrangements constitute trade payables or debt (see accounting policy [note 3](#) above). These floor plans are classified as payables (interest-bearing) as presented in [note 27](#).

Accounting policies continued

for the year ended 30 September 2025

13. Financial instruments continued

Subsequent measurement of financial liabilities

All financial liabilities, excluding derivative liabilities and those part of a hedging relationship (refer to [note 33](#)), are subsequently measured at amortised cost using the effective interest method. Derivative liabilities are subsequently measured at fair value through profit or loss.

Financial guarantee contracts and contract liabilities

Commitments and contingencies on risk share agreements – Equipment southern Africa and Equipment Russia

Our Equipment businesses, as part of the ordinary course of business, have entered into a risk-sharing arrangement with certain Caterpillar subsidiaries (financing arms of Caterpillar Inc.), in terms of which Barloworld will fund a certain percentage of losses suffered by Caterpillar in the event that certain higher risk customers default on their commitments.

These are financial instruments as there is a contractual obligation to pay cash should a default occur. A customer is considered to have defaulted when they have not met their contractual obligations for payment due to Caterpillar. In determining expected default, the forward-looking factors under the expected credit loss model for receivables are applied.

When Barloworld Limited issues a financial guarantee free of charge for the obligations of its subsidiaries, joint ventures, and associates, this is a capital contribution and therefore, the cost of the investment in the subsidiary or joint venture or associate is increased with the initial value of the financial guarantee and applies the accounting policy for investment in subsidiary, joint ventures or associates per above.

The nominal contractual value of financial guarantees is not recorded in the statement of financial position. The nominal values of these instruments together are disclosed in [note 33](#) credit risk.

Contract liabilities

A contract liability is recognised for the Automotive and Equipment businesses to cover future contractual costs of service, maintenance, and warranty work. The unearned margin is recognised over the life of the plans. Actuarial experts determine the inputs required to establish the adequacy of the liability, the resulting revenue to be recognised and the final liability. This valuation takes into account the projected future usage, maintenance, tyres and service costs of each vehicle, machine and equipment based on the estimated future usage and the experience-adjusted maintenance tables.

Funds with insufficient claims history are recognised in profit or loss to the extent of the claims costs incurred with no profit being attributed. At the end of the plan, any remaining profits are recognised in profit or loss. When these contracts contain a significant financing component, the transaction price is adjusted for the financing component, which is recognised separately as a financing expense over the life of the plan.

Hedge accounting

Foreign currency hedging instruments are used to manage the group's currency and interest rate exposures. Details of the group's risk management policies and practices are outlined in [note 33](#). The Group still applies IAS 39 for hedge accounting.

Hedging relationships are designated as cash flow and fair value hedges.

Cash flow hedge

When these cash flow hedges meet the conditions for hedge accounting, the portion of the gain or loss on the hedging instrument that is determined to be an effective hedge is recognised in other comprehensive income and the ineffective portion is recognised in profit or loss. A hedge of the foreign currency risk of a firm commitment is designated and accounted for as a cash flow hedge. When the transaction that gave rise to a firm commitment is recognised, the reserve is derecognised and capitalised to the item as a basis adjustment. Refer [note 33.3](#).

In terms of IAS 39.97, the following accounting is used

If a hedge of a forecast transaction subsequently results in the recognition of a financial asset or a financial liability, the associated gains or losses that were recognised in other comprehensive income in accordance with paragraph 95 shall be reclassified from equity to profit or loss as a reclassification adjustment (see IAS 1 (as revised in 2007)) in the same period or periods during which the hedged forecast cash flows affect profit or loss (such as in the periods that interest income or interest expense is recognised). However, if an entity expects that all or a portion of a loss recognised in other comprehensive income will not be recovered in one or more future periods, it shall reclassify into profit or loss, as a reclassification adjustment, the amount that is not expected to be recovered.

In terms of IAS 39.98, if a hedge of a forecast transaction subsequently results in the recognition of a non-financial asset or a non-financial liability, or a forecast transaction for a non-financial asset or non-financial liability becomes a firm commitment for which fair value hedge accounting is applied, then the entity shall adopt (1) or (2) below. Barloworld as noted above has chosen option (2) and thus recognises a basis adjustment.

Accounting policies continued

for the year ended 30 September 2025

13. Financial instruments continued

- (1) It reclassifies the associated gains and losses that were recognised in other comprehensive income in accordance with paragraph 95 to profit or loss as a reclassification adjustment (see IAS 1 (revised 2007)) in the same period or periods during which the asset acquired or liability assumed affects profit or loss (such as in the periods that depreciation expense or cost of sales is recognised). However, if an entity expects that all or a portion of a loss recognised in other comprehensive income will not be recovered in one or more future periods, it shall reclassify from equity to profit or loss as a reclassification adjustment the amount that is not expected to be recovered.
- (2) It removes the associated gains and losses that were recognised in other comprehensive income in accordance with paragraph 95 and includes them in the initial cost or other carrying amount of the asset or liability.

Fair value hedge

The group applies fair value hedge accounting to its priced maize procurement contracts and the commodity futures designated to hedge these exposures. At inception of the hedge relationship, the group documents its risk management objective and strategy for undertaking its hedge transactions, the economic relationship between hedging instruments and hedged items, as well as whether changes in the fair values of the hedging instruments are expected to offset changes in the fair values of hedged items. The group's risk management strategy is to align the pricing of the procurement and sales contracts as much as possible to mitigate its exposure to maize price volatility. The execution of this strategy is achieved by selling the requisite number of SAFEX maize futures once procurement contracts with farmers/traders have been priced. The SAFEX futures are closed out once the underlying sales contracts with customers are priced, effectively matching the SAFEX-linked purchase and sales price elements. The hedging instruments (SAFEX futures contracts) are recognised and subsequently measured at fair value, with gains or losses recorded in profit or loss. Fair values are determined using quoted SAFEX prices.

Provided that the hedging relationship meets the qualifying hedge effectiveness criteria, any changes in the fair value of the firm commitment being hedged (purchase of maize from the farmer) are recognised in the statement of financial position as a firm commitment asset/liability, with a corresponding entry recorded in profit or loss. Refer to [note 33.3](#).

14. Deferred taxation assets and liabilities

Deferred taxation is recognised using the financial position liability method for all temporary differences, unless specifically exempt.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and such tax laws) that have been enacted or substantially enacted by the end of the reporting period.

A deferred taxation asset represents the amount of income taxes recoverable in future periods in respect of deductible temporary differences, the carry forward of unused tax losses and the carry forward of unused tax credits.

A deferred taxation liability represents the amount of income taxes payable in future periods in respect of taxable temporary differences. Deferred taxation liabilities are recognised for taxable temporary differences, unless specifically exempt.

Deferred taxation assets and liabilities are recognised for all taxable temporary differences, except to the extent that the deferred tax liability or deferred tax asset arises from the initial recognition of an asset or liability in a transaction which, at the time of the transaction, does not give rise to equal taxable and deductible temporary differences.

Deferred taxation arising on investments in subsidiaries, associates and joint ventures is recognised except where the group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred taxation assets and liabilities are offset when there is a legally enforceable right to offset current taxation assets against current taxation liabilities and it is the intention to settle these on a net basis.

The group has companies where deferred taxes are recognised for temporary differences that arise when an entity's taxable profit or loss (and thus the tax bases of its non-monetary assets and liabilities) is measured in a currency different from the group's functional currency. Changes in the exchange rate result in a deferred tax asset or liability, which is charged to profit or loss.

Accounting policies continued

for the year ended 30 September 2025

15. Leasing

The group assesses whether a contract is or contains a lease, at the inception of the contract.

In the capacity of a lessor

Rental income consists of rental of Caterpillar earthmoving equipment, engines and other complementary products (Equipment and Handling) and properties (Khula Sizwe).

Rental income from operating leases (net of any incentives given to the lessees) is recognised on a straight-line basis over the lease term.

In the statement of cash flows, cash payments to acquire assets held for rental and subsequently held for sale, and receipts from rentals and sales of such assets, are presented as part of operating activities.

In the capacity of a lessee

The group recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a term of 12 months or less) and leases of low-value assets (R85 000). For these leases, the group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

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

Lease term

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

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

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

Land and buildings	Straight line	1 to 29 years
Equipment, IT and plant	Straight line	1 to 6 years
Vehicles	Straight line	1 to 8 years

For further detail, refer to [notes 10](#) (Right-of-use assets) and [26](#) (Lease liabilities).

16. Employee benefit costs

Short-term employee benefits

The cost of short-term employee benefits is recognised in the period in which the service is rendered and is not discounted.

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

Accounting policies continued

for the year ended 30 September 2025

16. Employee benefit costs continued

Post-employment benefit obligations

It is the policy of the group to encourage, facilitate and contribute to the provision of retirement benefits for all permanent employees. To this end, the group's permanent employees are usually required to be members of either a pension or provident fund, depending on their preference and local legal requirements. The group also guarantees a funded defined benefit scheme for qualifying employees in the United Kingdom. Refer to [note 25](#).

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

The cost of providing defined benefits is determined using the projected unit credit method. Valuations are conducted every three years and interim adjustments to those valuations are made annually.

Actuarial gains and losses are recognised immediately in the statement of other comprehensive income. Gains or losses on the curtailment or settlement of a defined benefit plan are recognised in profit or loss when the group is demonstrably committed to the curtailment or settlement.

Past service costs are recognised in profit or loss immediately to the extent that the benefits are already vested. Otherwise, they are amortised on a straight-line basis over the average period until the amended benefits become vested. Finance costs are also recognised in profit or loss.

The amount recognised in the statement of financial position represents the present value of the defined benefit obligation as adjusted for the unrecognised past service costs and reduced by the fair value of plan assets. Any asset is limited to the unrecognised actuarial losses, plus the present value of available refunds and reductions in future contributions to the plan.

Share-based payments

Equity settled share options

Executive directors and senior executives have been granted equity-settled share options in terms of the Barloworld Share Option Scheme. After the date on which the options are exercisable and before the expiry date, the options can be exercised to purchase shares for cash, in which event the shares issued are accounted for in share capital and share premium at the amount based on the exercise price.

Forfeitable share plan and conditional share plan

Executive directors and senior executives have been granted equity-settled shares in terms of the Barloworld forfeitable share plan (FSP) and conditional share plan (CSP). Equity-settled share-based payments are measured at fair value (excluding the effect of non-market-based vesting conditions) at the date of grant and recognised in profit or loss on a straight-line basis over the vesting period, based on the estimated number of shares that will eventually vest and adjusted for the effect of non-market-based vesting conditions. Fair value is measured using a binomial pricing model.

Equity-settled share appreciation rights

Equity-settled share appreciation rights have been granted to employees in terms of the Barloworld share appreciation rights scheme. Equity-settled share-based payments are measured at fair value (excluding the effect of non-market-based vesting conditions) at the date of grant and recognised in profit or loss on a straight-line basis over the vesting period, based on the estimated number of shares that will eventually vest and adjusted for the effect of non-market-based vesting conditions. Fair value is measured using a binomial pricing model.

Cash-settled share appreciation rights and FSPs

Cash-settled share appreciation rights and FSPs granted to employees for services rendered or to be rendered are raised as a liability and recognised in profit or loss immediately or, if vesting requirements are applicable, over the vesting period. The liability is measured annually until settled and any changes in value are recognised in profit or loss. Fair value is measured using a binomial pricing model.

Khula Sizwe shares

The Khula Sizwe share scheme is for employees (through the employee and management trusts) of a certain grade and are accounted for as equity-settled share-based payments. Equity-settled share-based payments are measured at fair value (excluding the effect of non-market-based vesting conditions) at the date of grant and recognised in profit or loss on a straight-line basis over the vesting period, based on the estimated number of shares that will eventually vest and adjusted for the effect of non-market-based vesting conditions. Fair value is measured using a binomial pricing model.

For the purpose of the trusts formed for the benefit of Barloworld Group employees (including managers) and as structures established for the purpose of executing share-based payment transactions, Barloworld Limited assumes the trusts' rights and obligations. The trusts have no decision-making powers as all the activities of the trust are determined by Barloworld upfront at the signing of the Trust Deeds. As such, these trusts are consolidated into the group.

Consolidated income statement

for the year ended 30 September 2025

R million	Notes	2025	2024
Revenue	2	37 711	41 908
Operating profit before items listed below		4 627	5 383
Reversal of impairments on financial assets and contract assets	3	44	56
Fair value adjustments on financial instruments	4	(322)	(329)
Income from investment		13	
Operating profit before depreciation and amortisation, impairments and capital items, interest and taxation		4 362	5 110
Depreciation		(1 207)	(1 158)
Amortisation of intangible assets		(149)	(165)
Operating profit from core trading activities	3	3 006	3 787
Impairments and capital items comprise: ^			
Impairment of property, plant and equipment, intangibles and other assets	9,10, 12	(53)	(32)
Impairment of goodwill	11		(92)
Profit on disposal of investments			71
Gains on the disposal of property, plant and equipment and other assets	9	12	30
Other capital items		11	4
Profit before finance costs and income		2 976	3 768
Finance costs	5	(1 636)	(1 542)
Finance income	6	559	276
Profit before taxation		1 899	2 502
Taxation	7	(623)	(825)
Profit after taxation		1 276	1 677
Share of profit from associates and joint ventures	13	225	275

R million	Notes	2025	2024
Profit for the year		1 501	1 952
Profit for the year		1 501	1 952
Attributable to:			
Owners of Barloworld Limited		1 446	1 900
Non-controlling interests in subsidiaries		55	52
		1 501	1 952
Earnings per share group (cents)			
- basic	8	776.6	1 022.2
- diluted	8	776.6	1 011.7

^ Items of income/expense included in non-operating and capital items are consistent with items that are 'out of' (excluded from) headline earnings per share (HEPS) in accordance with the JSE Listings Requirements and guidance published by the South African Institute of Chartered Accountants relating to HEPS.

Consolidated statement of financial position

at 30 September 2025

R million	Notes	2025	2024
ASSETS			
Non-current assets		18 426	17 702
Property, plant and equipment	9	9 021	8 567
Investment property	9	1 122	1 158
Right of use assets	10	488	431
Goodwill	11	1 971	1 971
Intangible assets	12	1 960	1 934
Investment in associates and joint ventures	13	3 084	2 904
Long-term trade and other receivables	14	1	15
Long-term financial and other assets	15	472	416
Deferred taxation asset	16	307	306
Current assets		25 881	23 458
Inventories	17	10 402	10 193
Trade and other receivables	18	6 273	5 922
Contract assets	19	668	810
Current taxation receivable		314	70
Cash and cash equivalents	20	8 224	6 463
Assets classified as held for sale	21		38
Total assets		44 307	41 198

R million	Notes	2025	2024
EQUITY AND LIABILITIES			
Capital and reserves			
Share capital and premium	22	(2 212)	(2 212)
Other reserves		5 992	6 000
Retained income		13 236	12 571
Interest of shareholders of Barloworld Limited		17 016	16 359
Non-controlling interest		366	312
Interest of all shareholders		17 382	16 671
Non-current liabilities		6 916	6 308
Interest-bearing liabilities	23	5 476	4 834
Deferred taxation liabilities	16	941	955
Lease liabilities	26	388	395
Provisions and accruals	24	111	124
Current liabilities		20 009	18 219
Trade and other payables	27	14 492	13 167
Contract liabilities	28	612	752
Lease liabilities	26	220	242
Provisions and accruals	24	675	853
Current taxation payable		378	171
Amounts due to bankers and short-term loans	29	3 632	3 034
Total equity and liabilities		44 307	41 198

Consolidated statement of comprehensive income

for the year ended 30 September 2025

R million	2025	2024
Profit for the year	1 501	1 952
Items that may be reclassified subsequently to profit or loss:	(31)	(954)
Exchange loss on translation of foreign operations	(73)	(832)
Gain/(loss) on cash flow hedges	64	(160)
Deferred taxation on cash flow hedges	(22)	38
Items that will not be reclassified to profit or loss:	(2)	(200)
Actuarial loss on post-retirement benefit obligations	(2)	(58)
Taxation effect of actuarial loss		(142)
Other comprehensive loss for the year, net of taxation	(33)	(1 154)
Total comprehensive income for the year	1 468	798
Total other comprehensive income attributable to:		
Barloworld Limited shareholders	1 413	746
Non-controlling interest in subsidiaries	55	52
	1 468	798

Consolidated statement of changes in equity

for the year ended 30 September 2025

R million	Notes	Share capital and premium	Foreign currency translation reserves*	Cash flow hedging reserves	Revaluation and legal reserves	Equity compensation reserves	Total reserves	Retained income	Net actuarial losses on post-retirement benefits	Total retained income	Attributable to Barloworld Limited shareholders	Non-controlling interest	Interest of all shareholders
Balance at 1 October 2023		(2 212)	6 610	21	33	301	6 965	16 237	(4 434)	11 803	16 556	262	16 818
Other comprehensive income			(832)	(122)			(954)		(200)	(200)	(1 154)		(1 154)
Profit for the year								1 901		1 901	1 901	52	1 953
Total comprehensive income for the year			(832)	(122)			(954)	1 901	(200)	1 701	747	52	799
Equity settled IFRS 2 charges						157	157				157		157
Share scheme payments						(172)	(172)				(172)		(172)
Transfer of reserves						4	4	(4)		(4)			
Other reserve movements				5		(5)						(2)	(2)
Dividends	30							(929)		(929)	(929)		(929)
Balance at 30 September 2024		(2 212)	5 778	(96)	33	285	6 000	17 205	(4 634)	12 571	16 359	312	16 671
Other comprehensive income			(73)	42			(31)		(2)	(2)	(33)		(33)
Profit for the year								1 446		1 446	1 446	55	1 501
Total comprehensive income for the year			(73)	42			(31)	1 446	(2)	1 444	1 413	55	1 468
Equity settled IFRS 2 charges						129	129				129		129
Share scheme payments						(117)	(117)				(117)		(117)
Disposal of subsidiaries						4	4				4		4
Transfer of reserves						(3)	(3)	3		3			
Other reserve movements				17		(7)	10	3		3	13		13
Dividends	30							(785)		(785)	(785)	(1)	(786)
Balance at 30 September 2025		(2 212)	5 705	(37)	33	291	5 992	17 872	(4 636)	13 236	17 016	366	17 382

* Foreign currency translation reserve: This reserve accounts for the difference between the translation of assets, liabilities of the group's non-ZAR functional currency entities into ZAR at the period-end rate versus the historical rate applied to the income statement/equity of these entities. Movements in the year represent the current year currency differences between period-end spot and the historical average.

	2025 Cents	2024 Cents
Dividend per share **	120	520

** Refer to the detailed dividends per share in [note 30](#).

Consolidated statement of cash flows

for the year ended 30 September 2025

R million	Notes	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash receipts from customers		37 434	41 364
Cash paid to employees and suppliers		(32 182)	(36 642)
Cash generated from operations before investment in rental fleets and leasing receivables excluding settlement of financial instruments (derivatives)	A	5 252	4 722
Inflow of investment in leasing receivables		38	28
Fleet leasing and equipment rental fleet		(1 000)	(1 064)
Additions		(1 770)	(1 865)
Proceeds on disposal		770	801
Cash generated from operations		4 290	3 686
Finance costs		(1 655)	(1 467)
Settlement of financial instruments (derivatives)		(201)	(624)
Dividends received from investments, associates and joint ventures		80	153
Finance income		559	275
Taxation paid	B	(697)	(715)
Net cash retained from operating activities		2 376	1 308
Dividends paid (including non-controlling interest)		(773)	(935)
Net cash generated from operating activities		1 603	373
CASH FLOWS FROM INVESTING ACTIVITIES			
Cash outflow on disposal of subsidiaries	C	(17)	
Investments realised		39	101
Advances to joint ventures		(51)	(124)
Acquisition of intangible assets		(177)	(124)
Acquisition of property, plant and equipment		(504)	(597)
Replacement capital expenditure		(178)	(239)
Expansion capital expenditure		(326)	(358)
Proceeds on disposal of property, plant and equipment		71	98
Net cash used in investing activities		(639)	(646)
Net cash inflow/(outflow) before financing activities		964	(273)

R million	Notes	2025	2024
CASH FLOWS FROM FINANCING ACTIVITIES			
Shares repurchased for equity-settled share-based payments		(117)	(172)
Proceeds from long-term borrowings		1 150	1 147
Repayment of long-term borrowings		(1 471)	(3 377)
Proceeds from/(repayment of) short-term interest-bearing borrowings		1 592	(875)
Repayments of lease liabilities		(275)	(273)
Net cash received from/(used in) financing activities	D	879	(3 550)
Net increase/(decrease) in cash and cash equivalents		1 843	(3 823)
Cash and cash equivalents at the beginning of the period		6 463	10 411
Effect of foreign exchange rate movement on cash balance		(82)	(125)
Cash and cash equivalents at the end of the period		8 224	6 463
Cash balances not available for use due to reserving restrictions (note 20)		369	1 738

Notes to the consolidated cash flow statement

for the year ended 30 September 2025

R million	2025	2024
A. Cash generated from operations is calculated as follows:		
Profit before taxation	1 899	2 502
Adjustments for:		
Depreciation	1 207	1 158
Amortisation of intangible assets	149	165
Profit on disposal of plant, property, equipment and intangible assets	(12)	(27)
Profit on disposal of right of use assets		(3)
Dividends received	(13)	(1)
Finance income	(559)	(276)
Finance costs	1 636	1 542
Fair value adjustments on financial instruments	321	328
Profit on disposal of investments		(71)
Impairment of non-financial assets	53	124
IFRS 2 charge (Forfeitable share plan and Share appreciation rights)	162	174
Non-cash movement in provisions and inventory valuation allowances	(475)	166
Other non-cash flow items		(58)
Operating cash flows before movements in working capital	4 368	5 723
Movement in working capital	884	(1 001)
Movement in inventories	(13)	1 976
Movement in receivables and contract assets	(277)	(544)
Movement in payables and contract liabilities	1 174	(2 433)
Cash generated from operations before investment in rental fleets and leasing receivables	5 252	4 722
B. Taxation paid is reconciled to the amounts disclosed in the income statement as follows:		
Amounts (underpaid)/overpaid at the beginning of the year	(101)	40
Per the income statement (excluding deferred taxation) - group (note 7)	(672)	(833)
Adjustments in respect of subsidiaries acquired and sold including translation adjustments	13	(22)
Net amounts underpaid at the end of the year	63	101
Cash amounts paid	(697)	(715)

R million	2025	2024
C. Cash outflow on disposal of subsidiaries:		
Inventories disposed	32	
Receivables disposed	37	
Payables, taxation and deferred taxation balances disposed and settled	(90)	
Borrowings net of cash	4	
Property, plant and equipment, non-current assets, goodwill and intangibles	18	
Deferred tax	(1)	
Net assets disposed		
Net cash outflow on disposal of subsidiaries		
Bank balances and cash in subsidiaries disposed	(17)	
Cash outflow on disposal of subsidiaries	(17)	

On 2 April 2025, Barloworld completed the sale of its entire shareholding in Salvage Management and Disposals Proprietary Limited (SMD) for a nominal consideration of R1. An impairment loss of R36 million has been recognised on the remeasurement of the business. This is included in the income statement as part of the impairment of property, plant and equipment, intangibles and other assets. The disposal of SMD is expected to improve the group's financial performance in the future, primarily because it eliminates recurring losses associated with the subsidiary.

Notes to the consolidated cash flow statement continued

for the year ended 30 September 2025

R million	1 October	Cash flows	New leases	IFRS 2 charges	Minority share of profits	Other	Transfers to or from short-term loans	Acquisition/ (disposal) of subsidiaries	Translation differences	30 September
D. Changes in liabilities arising from financing activities										
2025										
Net cash (used in)/generated from financing activities is reconciled as follows:										
Share capital	(2 212)									(2 212)
Non-current interest-bearing loans	4 834	(321)							963	5 476
Current interest-bearing loans	3 033	1 592				11			(1 004)	3 632
Current and non-current lease liabilities	637	(275)	241			19	(23)	(14)	(1)	584
Equity compensation reserve movements	285	(117)		129		(9)		4		292
Non-controlling interest movements	312				55	(1)				366
	6 889	879	241	129	55	20	(23)	(10)	(42)	8 138
2024										
Net cash (used in)/generated from financing activities is reconciled as follows:										
Share capital	(2 212)									(2 212)
Non-current interest-bearing loans	7 184	(2 230)							(120)	4 834
Current interest-bearing loans	3 895	(875)				(29)			42	3 033
Current and non-current lease liabilities	768	(273)	145			1			(4)	637
Equity compensation reserve movements	301	(172)		157		(1)				285
Non-controlling interest movements	262				52	(2)				312
	10 198	(3 550)	145	157	52	(31)			(82)	6 889

Notes to the consolidated financial statements

for the year ended 30 September 2025

1. Business and geographical segments

	Continuing operations									
	Consolidated		Eliminations		Equipment		Ingrain		Other segments	
	30 Sep 2025	30 Sep 2024	30 Sep 2025	30 Sep 2024	30 Sep 2025	30 Sep 2024	30 Sep 2025	30 Sep 2024	30 Sep 2025	30 Sep 2024
R million										
Operating and geographical segments*										
Revenue										
Southern Africa	31 429	32 643			24 926	25 743	6 178	6 311	325	589
Australia	172	196					172	196		
Russia	1 815	4 238			1 815	4 238				
Mongolia	4 295	4 831			4 295	4 831				
	37 711	41 908			31 036	34 812	6 350	6 507	325	589
Inter-segment revenue**			(485)	(434)					485	434
	37 711	41 908	(485)	(434)	31 036	34 812	6 350	6 507	810	1 023
Operating profit before items listed below	4 627	5 383			4 055	4 904	681	791	(109)	(312)
Reversal of impairments on financial assets and contract assets	44	56			45	63		(2)	(1)	(5)
Fair value adjustments on financial instruments	(322)	(329)			(301)	(321)	(5)	(2)	(16)	(6)
Income from investments	13								13	
EBITDA	4 362	5 110			3 799	4 646	676	787	(113)	(323)
Depreciation	(1 207)	(1 158)			(1 040)	(968)	(214)	(216)	47	26
Amortisation of intangibles	(149)	(165)			(72)	(82)	(74)	(73)	(3)	(10)
Operating profit from core trading activities	3 006	3 787			2 687	3 596	388	498	(69)	(307)

* The geographical segments are determined by the location of assets.

** Inter-segment revenue is priced on an arm's length basis.

Notes to the consolidated financial statements continued

for the year ended 30 September 2025

1. Business and geographical segments continued

R million	Continuing operations									
	Consolidated		Eliminations		Equipment		Ingrain		Other segments	
	30 Sep 2025	30 Sep 2024	30 Sep 2025	30 Sep 2024	30 Sep 2025	30 Sep 2024	30 Sep 2025	30 Sep 2024	30 Sep 2025	30 Sep 2024
By geographical region										
Southern Africa	2 111	2 627			1 663	2 202	402	515	46	(90)
United Kingdom and United Arab Emirates	(115)	(217)							(115)	(217)
Australia	(14)	(17)					(14)	(17)		
Russia	94	528			94	528				
Mongolia	930	866			930	866				
Total segment results	3 006	3 787			2 687	3 596	388	498	(69)	(307)
Income from associates and joint ventures	225	275			141	196			84	79
Finance costs	(1 636)	(1 542)			(1 317)	(1 234)	(288)	(297)	(31)	(11)
Finance income	559	276			632	418	5	2	(78)	(144)
Impairments and capital items	(31)	(18)			7	86	(1)	(6)	(37)	(98)
Taxation	(622)	(825)			(532)	(746)	(22)	(49)	(68)	(30)
Net profit	1 501	1 953			1 618	2 316	82	148	(199)	(511)

Notes to the consolidated financial statements continued

for the year ended 30 September 2025

1. Business and geographical segments continued

R million	Continuing operations									
	Consolidated		Eliminations		Equipment		Ingrain		Other segments	
	30 Sep 2025	30 Sep 2024	30 Sep 2025	30 Sep 2024	30 Sep 2025	30 Sep 2024	30 Sep 2025	30 Sep 2024	30 Sep 2025	30 Sep 2024
Assets										
Property, plant and equipment	9 021	8 567			5 355	4 891	2 647	2 584	1 019	1 092
Investment property	1 122	1 158							1 122	1 158
Right of use assets	488	431			816	809	49	91	(377)	(469)
Intangible assets	1 960	1 934			1 243	1 148	715	782	2	4
Investment in associates and joint ventures	3 084	2 904			1 739	1 602			1 345	1 302
Long-term finance lease receivables	1	15							1	15
Long-term financial and other assets*	472	416			9	11			463	405
Inventories	10 402	10 193			9 055	8 780	1 347	1 380		33
Trade and other receivables*	6 273	5 922			6 437	5 601	791	884	(955)	(563)
Contract assets	668	810			668	810				
Assets classified as held for sale		38								38
Segment assets	33 491	32 388			25 322	23 652	5 549	5 721	2 620	3 015
By geographical region										
Southern Africa	29 181	26 470			21 137	17 893	5 476	5 615	2 568	2 962
United Kingdom and United Arab Emirates	49	53							49	53
Australia	73	106					73	106		
Russia	919	1 909			919	1 909				
Mongolia	3 269	3 850			3 269	3 850				

* The disclosure for 30 September 2024 was adjusted to correct the minor reallocation to align with the Statement of financial position:

Long-term financial and other assets 416 (previously 455)

Trade and other receivables 5 922 (previously 5 883)

Notes to the consolidated financial statements continued

for the year ended 30 September 2025

1. Business and geographical segments continued

R million	Continuing operations									
	Consolidated		Eliminations		Equipment		Ingrain		Other segments	
	30 Sep 2025	30 Sep 2024	30 Sep 2025	30 Sep 2024	30 Sep 2025	30 Sep 2024	30 Sep 2025	30 Sep 2024	30 Sep 2025	30 Sep 2024
Total segment assets	33 491	32 388			25 325	23 652	5 549	5 721	2 617	3 015
Goodwill	1 971	1 971			331	331	1 640	1 640		
Taxation	314	70								
Deferred taxation assets	307	306								
Cash and cash equivalents	8 224	6 463								
Consolidated total assets	44 307	41 198								
Liabilities										
Provisions and accruals	111	124			61	63			50	61
Trade and other payables including provisions	15 167	14 020			13 854	12 328	2 013	1 965	(700)	(273)
Lease liabilities	608	637			1 086	1 071	64	102	(542)	(536)
Contract liabilities	612	752			612	752				
Segment liabilities	16 498	15 533			15 613	14 214	2 077	2 067	(1 192)	(748)
By geographical region										
Southern Africa	14 487	11 115			13 788	10 080	2 027	1 980	(1 328)	(945)
United Kingdom and United Arab Emirates	136	197							136	197
Australia	50	87					50	87		
Russia	521	739			521	739				
Mongolia	1 304	3 395			1 304	3 395				

Notes to the consolidated financial statements continued

for the year ended 30 September 2025

1. Business and geographical segments continued

	Continuing operations									
	Consolidated		Eliminations		Equipment		Ingrain		Other segments	
	30 Sep 2025	30 Sep 2024	30 Sep 2025	30 Sep 2024	30 Sep 2025	30 Sep 2024	30 Sep 2025	30 Sep 2024	30 Sep 2025	30 Sep 2024
R million										
Segment liabilities	16 498	15 533			15 613	14 214	2 077	2 067	(1 192)	(748)
Interest-bearing liabilities	9 108	7 868								
Deferred taxation liabilities	941	955								
Taxation	378	171								
Consolidated total liabilities	26 925	24 527								
Invested capital										
Southern Africa	16 419	17 045			8 592	8 952	4 565	4 782	3 262	3 311
United Kingdom and United Arab Emirates	(83)	(130)							(83)	(130)
Australia	24	24					24	24		
Russia	412	1 181			412	1 181				
Mongolia	2 103	593			2 103	593				
	18 875	18 713			11 107	10 726	4 589	4 806	3 179	3 180

Notes to the consolidated financial statements continued

for the year ended 30 September 2025

1. Business and geographical segments continued

R million	Continuing operations									
	Consolidated		Eliminations		Equipment		Ingrain		Other segments	
	30 Sep 2025	30 Sep 2024	30 Sep 2025	30 Sep 2024	30 Sep 2025	30 Sep 2024	30 Sep 2025	30 Sep 2024	30 Sep 2025	30 Sep 2024
Cost of goods sold										
By geographical region										
Southern Africa	23 218	23 919			23 094	19 517	4 200	4 161	(4 076)	241
United Kingdom and United Arab Emirates	21	38							21	38
Australia	172	200					172	200		
Russia	1 183	3 250			1 183	3 250				
Mongolia	2 879	3 318			2 879	3 318				
	27 473	30 725			27 156	26 085	4 372	4 361	(4 055)	279
Salary costs										
By geographical region										
Southern Africa	3 757	3 810			2 869	2 840	653	651	235	319
United Kingdom and United Arab Emirates	34	79							34	79
Australia	6	6					6	6		
Russia	419	499			419	499				
Mongolia	310	307			310	307				
	4 526	4 701			3 598	3 646	659	657	269	398

Notes to the consolidated financial statements continued

for the year ended 30 September 2025

2. Revenue

Revenue is derived from contracts with customers. Revenue has been disaggregated based on timing of revenue recognition and the major types of goods and services.

R million	Notes	2025	2024
REVENUE			
The group revenue disaggregation has been determined as follows:			
Revenue recognised in terms of IFRS 15: Revenue from contracts with customers			
Sale of goods (earned at a point in time)		30 429	33 775
Equipment (new and used)		12 277	13 806
Parts (new and used)		11 802	13 462
Starch and glucose - local markets		4 632	4 772
Starch and glucose - export markets		585	621
Starch and glucose - co-products		1 133	1 114
Rendering of services (earned over time)		7 282	8 133
Parts revenue earned over time as services		1 455	2 060
Service		4 039	4 452
- Workshop and in-field service		2 945	3 449
- Fitment and repairs		1 094	1 003
Commissions		26	100
Rental		1 762	1 521
Total group [^]	1	37 711	41 908

[^] Reconciliation of the revenue from contracts with customers with the amounts disclosed in the segment summary.
Refer to [note 1](#).

The transaction price allocated to partially unsatisfied performance obligations at 30 September are as set out below:

R million	Expected to be recognised as follows		
	Total	Within 1 year	2-5 years
2025			
Equipment			
Workshop and in-field support services	4 306	1 197	3 109
Aftersales equipment and vehicle services	1 033	441	592
Fitment and repairs	2	2	
Total group	5 341	1 640	3 701

R million	Expected to be recognised as follows		
	Total	Within 1 year	2-5 years
2024			
Equipment			
Workshop and in-field support services	4 536	706	3 831
Aftersales equipment services	914	184	730
Fitment and repairs	5	5	
Total continuing operations	5 455	895	4 560

Notes to the consolidated financial statements continued

for the year ended 30 September 2025

3. Operating profit from core trading activities

Operating profit is arrived at as follows:

R million	2025	2024
Revenue	37 711	41 908
Less: Net expenses	34 705	38 121
Cost of goods sold	27 473	30 725
Other operating costs	7 232	7 396
Total group – operating profit from core trading activities	3 006	3 787
Expenses include the following:		
Amortisation of intangible assets	149	165
Amortisation of intangible assets arising from acquisitions	108	107
Amortisation of other intangible assets	41	58
Depreciation of property, plant and equipment and right of use assets	1 205	1 158
Depreciation of property, plant and equipment	1 006	935
Depreciation of right of use assets	199	223
Operating leases - low value assets - equipment, IT, plant and vehicles	19	18
Operating leases - low value assets - property	8	23
Expense relating to short-term leases	23	22
Income from subleasing right-of-use assets		(1)
Reversal of impairment of rental assets equipment	(16)	
Auditors' remuneration:	55	58
Audit fees	50	57
EY	26	25
SNG-GT	20	20
Other	4	12
Fees for other services	5	1
Staff costs (excluding directors' emoluments)	4 526	4 701
Restructuring costs (including staff costs)	5	51
Amounts recognised in respect of retirement benefit plans (note 25):		
Defined contribution funds	551	542
Defined benefit funds	17	16
Inventory movements	(85)	562
Amount of write-down of inventory to net realisable value and losses of inventory	132	655
Amount of reversals of inventory previously written down	(217)	(93)
Reversals of impairments on financial assets and contract assets	(44)	(56)

4. Fair value adjustments on financial instruments

R million	2025	2024
Income included in operating profit as valuation of insurance companies [^]	1	1
Disclosed as fair value loss on financial instruments	(322)	(329)
Total group	(321)	(328)
Per IFRS 9 category		
Net foreign exchange profit on loans, cash, receivables and payables	235	(207)
Financial assets/liabilities at fair value profit/(loss) through profit or loss	87	536
Total group	322	329

[^] This relates to the fair value movement of investment in insurance cell captives within other segments (refer to [note 1](#)).

5. Finance costs

R million	2025	2024
Corporate bonds and other long-term borrowings	(621)	(746)
Bank and other short-term borrowings	(639)	(362)
Floor plan	(303)	(344)
Defined benefit plan		(13)
Lease liability interest	(73)	(77)
Total group	(1 636)	(1 542)

6. Finance income

R million	2025	2024
Dividends - received	13	1
Interest on financial assets at amortised cost (income from investments)	559	276
Total group	572	277

Notes to the consolidated financial statements continued

for the year ended 30 September 2025

7. Taxation

R million	2025	2024
Normal taxation		
Current year	(657)	(681)
Prior year	(3)	(121)
	(660)	(802)
Foreign and withholding taxation		
Current year	(12)	(31)
	(12)	(31)
Deferred taxation		
Current year	59	(85)
Prior year	(10)	96
Attributable to a change in the rate of income tax		(3)
	49	8
Total group	(623)	(825)

^ Exempt income, non-taxable and special allowances largely comprise reversal of provisions, fair value adjustments, learnership allowances and accounting profit on disposal of fixed assets.

^^ IAS 12.41 adjustment: This amount represents a recognition in deferred tax due to the effect of the movement of the exchange rate on the USD equivalent of the local currency tax base of non-monetary assets (i.e. inventories and fixed assets). It also includes the reversals of deferred tax previously raised when the related items of inventory or fixed assets are sold. It applies to the Group's companies in Zambia, Angola, Mozambique, Malawi, Mongolia and Russia, where the functional currency and tax reporting currency are not the same.

^^^ Impairments and capital items taxation refer to the impairment on the SMD investment, Property transfer tax payable in Zambia, property transfer tax payable in Zambia and the reversal of provision. This would include items excluded from the headline earnings of the group (refer to [note 8](#)).

%	2025	2024
South Africa normal taxation rate	27.0	27.0
Foreign rate differential	(2.6)	(2.9)
Reduction in rate of taxation	(4.0)	(4.4)
Exempt income, non-taxable income and special allowances^	(0.7)	(1.5)
Taxation losses of prior periods		(0.2)
IAS 12.41 adjustment^^	(3.3)	(2.7)
Increase in rate of taxation	12.4	13.3
Disallowable charges^^^^	1.9	4.3
Impairments and capital items taxation^^^	2.7	1.4
Withholding tax	0.7	1.3
Pillar 2 Top-up tax ***	2.1	
Current year losses not utilised	4.3	5.2
Under provision of tax in respect of the prior year	0.7	1.1
Rate change adjustment**		0.1
Taxation as a percentage of profit before taxation^^^^	32.8	33.0
Taxation (excluding impairments and capital items taxation) as a percentage of profit before taxation (excluding impairments and capital items)	26.0	26.0

^^^^ Disallowable charges relate mainly to disallowable provisions. Other disallowable expenses consist of professional fees of a capital nature, expenses not incurred in the production of income, provisions, and other IFRS adjustments not allowed for tax purposes. An imputation in terms of section 9D is also included in this line item.

^^^^^ The overall effective tax rate is significantly impacted by the non-monetary items under IAS 12.41 in the previous year, which are accounted for as non-operating, the increase in tax losses not recognised as deferred tax assets, Pillar two top up tax as well as the impairment of SMD's assets accounted for as capital items.

**The rate change on 30 September 2024 was mainly attributable to the impact on the deferred tax balance resulting from the change in corporate tax rate from 28% to 27% in South Africa. The deferred tax balance was in respect of a deferred tax asset raised on prior years' stock provisions.

***On 24 December 2024, the Pillar Two legislation was substantively enacted in South Africa. As a result, a minimum effective corporate tax rate of 15% will be required to be applied in each jurisdiction where the group operates. Legislation was also enacted in Australia and the United Kingdom for the 2025 financial year. Mauritius and the United Arab Emirates have enacted Pillar 2 legislation applicable to the Group's 2026 financial year.

The group has recognised a current tax expense of R40 million, mainly attributable to the group's earnings within the United Arab Emirates and Mauritius which had an effective corporate tax rate lower than 15%. Enacted legislation does not result in an increase in the effective tax rate within Australia or the UK as the rate already exceeds 15%. Pillar two top up tax has resulted in an increase of 2.1% in the groups effective tax rate.

Notes to the consolidated financial statements continued

for the year ended 30 September 2025

7. Taxation continued

R million	2025	2024
Group tax losses at the end of the year:		
South African - taxation losses	(195)	(503)
Foreign - taxation losses	(2 573)	(1 912)
	(2 768)	(2 415)
Utilised to reduce deferred taxation liabilities or create deferred taxation assets	47	33
Losses on which no deferred taxation assets raised due to uncertainty regarding utilisation	(2 721)	(2 382)
The losses for which no deferred taxation asset has been raised are as follows:		
South African tax losses		
Barloworld Transport	(195)	(337)
Salvage Management and Disposals		(165)
Foreign tax losses		
Equipment Russia	(27)	(39)
Australia	(29)	(18)
UK group	(2 470)	(1 823)
Total group	(2 721)	(2 382)

There is no expiry date or limit of carry forward for the losses listed above, provided that the businesses continue trading.

Barloworld operates in numerous countries around the world and accordingly is subject to, and pays, annual income taxes under the various income tax regimes in the countries where it operates. The group has historically filed, and continues to file, all required income tax returns and to pay the taxes reasonably determined to be due. In some countries, tax authorities are yet to complete their assessments for previous years. The tax rules and regulations in many countries are highly complex and subject to interpretation. From time to time, the group is subject to a review of its historical income tax filings, and in connection with such reviews, disputes can arise with the tax authorities over the interpretation or application of certain rules in respect of the group's business conducted within the country involved. Significant judgement is required in determining the worldwide provisions for income taxes due to the complexity of the legislation. There are some transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The United Kingdom (UK) government has announced that it intends to require large businesses to notify HMRC where they have adopted an uncertain tax treatment applicable to returns filed after April 2022. We do not believe that any of the Barloworld companies in the UK group will have anything to report.

Notes to the consolidated financial statements continued

for the year ended 30 September 2025

8. Earnings and headline earnings per share

8.1 Diluted weighted average number of shares

	2025	2024
Weighted average number of ordinary shares (net of share buy-back)	186 154 906	185 947 053
Increase in number of shares as a result of unexercised share options and unvested forfeitable shares		1 928 505
Fully converted weighted average number of shares	186 154 906	187 875 558

Account is taken of the number of ordinary shares in issue for the period in which they are entitled to participate in the net profit of the group.

R million	2025	2024
Net profit for the year attributable to shareholders of Barloworld Limited	1 446	1 900

8.2 Earnings per share

	2025	2024	2025 Cents	2024 Cents
BASIC				
The weighted average number of ordinary shares	186 154 906	185 947 053		
Earnings per share (basic)			776.6	1 022.2
DILUTED				
Fully converted weighted average number of shares (note 8.1)	186 154 906	187 875 558		
Earnings per share (diluted)			776.6	1 011.7
Percentage dilution	0.0	1.0		

Notes to the consolidated financial statements continued

for the year ended 30 September 2025

8. Earnings and headline earnings per share continued

8.3 Headline earnings per share

R million	2025	2024
Profit from operations	1 501	1 952
Non-controlling shareholders' interest in net profit from operations	(55)	(52)
Profit from continuing operations attributable to Barloworld Limited shareholders	1 446	1 900
Adjusted for the following items in continued operations:		
Gross remeasurements excluded from headline earnings	62	2
Profit on disposal of investments		(71)
Tax impact of profit on disposal of subsidiaries and investments		1
Profit on disposal of plant, property, equipment and other assets excluding rental assets	(12)	(30)
Tax impact of profit on disposal of property	13	4
Impairment of goodwill		92
Impairment of plant and equipment and intangibles and other assets	53	15
Impairment of property and right of use asset		16
Impairment of property and right of use - associate and joint venture share	8	(27)
Tax impact of impairment on property, plant and equipment - associate and joint venture share	(2)	4
Other capital items	6	(2)
Tax impact on other capital items	(4)	
Headline earnings	1 508	1 902

	2025	2024	2025 Cents	2024 Cents
Headline earnings per share				
BASIC				
The weighted average number of ordinary shares	186 154 906	185 947 053		
Headline earnings per share (basic)			810.0	1 022.1
DILUTED				
Fully converted weighted average number of shares (note 8.1)	186 154 906	187 875 558		
Headline earnings per share (diluted)			810.0	1 011.6
Percentage dilution	1.0	1.0		

Notes to the consolidated financial statements continued

for the year ended 30 September 2025

9. Property, plant and equipment and investment properties

R million	2025						2024					
	Freehold and leasehold land and buildings	Investment property	Plant, equipment and furniture	Vehicles	Rental assets equipment	Total	Freehold and leasehold land and buildings	Investment property	Plant, equipment and furniture	Vehicles	Rental assets equipment	Total
COST												
At 1 October	5 014	1 496	4 837	585	4 426	16 358	5 146	1 538	4 637	656	3 717	15 694
Other additions	1		175		132	309	2	4	220	2	1 481	1 709
Expansions	7		298	21	1 640	1 966	124		221	12	384	742
Business/subsidiary disposed	(69)		(33)	(4)		(106)						
Other disposals^^	(9)	(54)	(59)	(37)	(1 071)	(1 230)	(12)	(61)	(120)	(37)	(1 092)	(1 322)
Reclassifications	75		(82)			(7)	(6)	16	(13)	(2)		(5)
Translation differences			(1)	1	(1)	(1)	(240)	(1)	(108)	(46)	(64)	(459)
At 30 September	5 019	1 442	5 135	566	5 126	17 288	5 014	1 496	4 837	585	4 426	16 358
ACCUMULATED DEPRECIATION AND IMPAIRMENT												
At 1 October	2 222	307	2 399	462	1 205	6 595	2 295	294	2 291	485	1 064	6 429
Depreciation	101	13	313	41	538	1 006	99	13	303	47	473	935
Business/subsidiary disposed	(54)		(30)	(4)		(88)						
Other disposals	(1)		(57)	(34)	(300)	(392)	(12)		(111)	(35)	(285)	(443)
Reclassifications							(8)		6		2	
Impairment*	39				3	42						
Impairment reversals **					(16)	(16)					(14)	(14)
Translation differences	(1)		(1)			(2)	(152)		(90)	(35)	(35)	(312)
At 30 September	2 306	320	2 624	465	1 430	7 145	2 222	307	2 399	462	1 205	6 595
CARRYING AMOUNT												
At 30 September	2 713	1 122	2 511	101	3 696	10 143	2 792	1 189	2 438	123	3 221	9 763
Classified as held for sale (note 21)							(7)	(31)				(38)
Classified as investment property on statement of financial position^		1 122				1 122		1 158				1 158
Balance reflected as property, plant and equipment	2 713		2 511	101	3 696	9 021	2 785		2 438	123	3 221	8 567
Net book value of capitalised leases included in above balance			237			237			303			303

Notes to the consolidated financial statements continued

for the year ended 30 September 2025

9. Property, plant and equipment and investment properties continued

[^] After divesting the Motor Retail and Car Rental businesses, the Khula Sizwe properties are leased to external parties to the group, and are therefore reclassified as investment properties for the group. The fair value of investment properties at 30 September 2025 is R3 255 million (2024: R2 031 million). The fair value measurement of the properties is considered a level 3 measurement in accordance with IFRS 13. The calculation of the fair values of the properties was based on the income approach method in which the estimated net annual rent for the forward period of 120 months is capitalised at an appropriate rate of interest to reflect the perceived risk in the investment. A period of 120 months was considered appropriate because this was the determined expected future net income. There are no unobservable inputs for which a reasonable change in an input would result in a significantly higher or lower fair value measurement. There are also no significant unobservable inputs for which there are interrelationships which significantly influence the valuation. The valuations were done by independent professional qualified valuers.

^{^^} Other disposals related mainly to rental assets equipment, which were disposed of by Equipment SA Rental R809 million (2024: R918 million), Equipment Mongolia R80 million (2024: R137 million) and Ingrain R3 million (2024: R10 million). The remaining disposals were distributed across the remaining Equipment divisions.

^{**} Impairment reversals relates to rental assets where the residual values and impairments were evaluated based on the expected remaining useful lives and the estimated selling price of the equipment. Impairment reversals relates to rental assets where the recoverable amount was reassessed and noted to have increased after noting that residual values had improved. The reversal of impairments is included in operating expenses.

• Impairment relates to freehold and leasehold land and buildings and rental assets equipment . The impairment on rental assets is included in operating expenses and the impairment on land and buildings is reflected separately on the face of the income statement. Impairments relate to various assets and are recognised where the net asset values of assets are greater than the expected net realisable values.

There are no known restrictions on the realisable value of the investment properties.

R million	2025	2024
Rental income derived from investment properties*	238	231

*Included in [note 2](#) as part of rental revenue.

The carrying amounts of assets encumbered for which title is restricted was R3 477 million (2024: R 3 391 million) for properties (mortgage bond).

Refer to [note 23](#) where mortgage bonds are disclosed.

Refer to [note 31](#) for contractual commitments for the acquisition of property, plant and equipment and vehicle rental fleet.

Notes to the consolidated financial statements continued

for the year ended 30 September 2025

10. Right of use assets

R million	2025				2024			
	Land and buildings	Equipment, IT and plant	Vehicles	Total	Land and buildings	Equipment, IT and plant	Vehicles	Total
COST								
At 1 October	705	18	392	1 115	745	19	378	1 142
Business/subsidiary disposed	(53)			(53)				
Additions	25	5	196	226	35	1	109	145
Lease modifications	12	4	19	35	13		6	19
Lease retirements	(78)	(2)	(103)	(183)	(69)	(2)	(94)	(165)
Translation differences			(3)	(3)	(19)		(7)	(26)
At 30 September	611	25	501	1 137	705	18	392	1 115
ACCUMULATED DEPRECIATION AND IMPAIRMENT								
At 1 October	468	15	201	684	414	13	200	627
Depreciation	88	2	109	199	119	4	100	223
Business/subsidiary disposed	(53)			(53)				
Lease modifications					(3)			(3)
Lease retirements	(77)	(2)	(100)	(179)	(65)	(2)	(94)	(161)
Impairments*					16			16
Translation differences	(1)		(1)	(2)	(13)		(5)	(18)
At 30 September	425	15	209	649	468	15	201	684
Total group	186	10	292	488	237	3	191	431

* In the prior year, the impairment related to the SMD cash-generating unit. Refer [note 21](#).

Notes to the consolidated financial statements continued

for the year ended 30 September 2025

10. Right of use assets continued

Right of use assets	2025				
	No of right of use assets leases	Range of remaining lease term	Average remaining lease term	No of leases with extension options	No of leases with termination options
Land and buildings	112	1 to 24 years	3	107	99
Equipment, IT and plant	25	1 to 5 years	1	25	25
Vehicles	806	1 to 5 years	1	771	791
	943			903	915

Right of use assets	2024				
	No of right of use assets leases	Range of remaining lease term	Average remaining lease term	No of leases with extension options	No of leases with termination options
Land and buildings	134	1 to 25 years	5	120	100
Equipment, IT and plant	28	1 to 4 years	2	23	23
Vehicles	721	1 to 5 years	2	686	712
	883			829	835

11. Goodwill

R million	2025	2024
COST		
At 1 October	2 542	2 601
Business/subsidiary disposed	(145)	
Translation differences	1	(59)
At 30 September	2 398	2 542
ACCUMULATED IMPAIRMENT LOSSES		
At 1 October	571	507
Business/subsidiary disposed*	(145)	
Impairment*		92
Translation differences	1	(28)
At 30 September	427	571
CARRYING AMOUNT	1 971	1 971

* The prior year impairments relate to SMD. Refer to the details below.

Notes to the consolidated financial statements continued

for the year ended 30 September 2025

11. Goodwill continued

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

Significant cash-generating units (CGUs)	Geographical location	Reportable segment to which the CGU belongs	Carrying amount of goodwill		Accumulated impairments	
			2025 R million	2024 R million	2025 R million	2024 R million
Equipment Russia	Russia	Equipment VT			(217)	(217)
Equipment Botswana Zambia Angola Mozambique Malawi (BZAMM)	Rest of Africa	Equipment southern Africa			(57)	(57)
Equipment Mongolia	Mongolia	Equipment Mongolia	331	331		
Ingrain	South Africa	Ingrain	1 640	1 640		
Other	Various	Various			(130)	(275)
CARRYING AMOUNT			1 971	1 971	(404)	(549)

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

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

Impairment indicator assessments were conducted for the year-end reporting period and did not result in any impairment for the current year. There were no significant changes to the factors considered in the impairment calculations at 30 September 2025.

The key assumptions used in the value-in-use calculation for the CGUs are shown below.

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

At each impairment testing interval, a discounted cash flow valuation model is applied using a five-year strategic plan as approved by the board. The financial plans are the quantification of strategies derived from the use of a common strategic planning process followed across the group. The process ensures that significant risks and sensitivities are appropriately considered and factored into strategic plans.

Notes to the consolidated financial statements continued

for the year ended 30 September 2025

11. Goodwill continued

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

Significant CGUs	Geographical location	Currency	2025 %	2024 %
Equipment southern Africa	Southern Africa	ZAR	17.1%	19.4%
Equipment Mongolia	Mongolia	USD	19.2%	14.3%
Ingrain	South Africa	ZAR	17.5%	19.5%
Other	Various	Various	12.6%	18.5%

The long-term growth rates applied to extrapolate cash flows are as follows:

Significant CGUs	Geographical location	Currency	2025 %	2024 %
Equipment southern Africa	Southern Africa	ZAR	4.4%	4.5%
Equipment Mongolia	Mongolia	USD	2.2%	2.5%
Ingrain	South Africa	ZAR	4.4%	4.5%
Other	Various	Various	4.4%	4.5%

Key operating assumptions:

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

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

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

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

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

As at 30 September 2025, management has performed sufficient sensitivity analyses to conclude that a reasonably possible change in key assumptions would not cause the carrying amount of the group's individual CGUs to exceed their value in use.

Other key assumptions:

Salvage Management and Disposal: In the prior year, management performed an impairment assessment for the SMD business unit because of a reduction in the sales forecast and the performance of the business. Using the model, with an appropriate weighted average cost of capital (WACC) rate of 15.2% and a terminal growth rate of 4.5%, the impairment of R92 million goodwill was determined.

Notes to the consolidated financial statements continued

for the year ended 30 September 2025

12. Intangible assets

R million	2025					2024				
	Capitalised software	Patents, trademarks, development costs	Supplier relationships	Customer relationships, order backlog	Total intangible assets	Capitalised software	Patents, trademarks, development costs	Supplier relationships	Customer relationships, order backlog	Total intangible assets
COST										
At 1 October	947	89	2 208	1 113	4 357	859	97	2 371	1 113	4 440
Additions	177				177	123				123
Business/Subsidiary disposed	(72)	(9)		(54)	(135)					
Disposals	(3)				(3)	(35)	(8)			(43)
Reclassification	7				7	5				5
Translation differences			2		2	(5)		(163)		(168)
At 30 September	1 056	80	2 210	1 059	4 405	947	89	2 208	1 113	4 357
ACCUMULATED AMORTISATION AND IMPAIRMENT										
At 1 October	670	89	1 299	365	2 423	639	95	1 359	298	2 391
Charge for the year	40		42	67	149	55	1	43	67	166
Business/Subsidiary disposed	(72)	(9)		(54)	(135)					
Disposals	(2)				(2)	(34)	(8)			(42)
Impairments*	13				13	14	1			15
Translation differences	(1)		(2)		(3)	(4)		(103)		(107)
At 30 September	648	80	1 339	378	2 445	670	89	1 299	365	2 423
CARRYING AMOUNT										
Total group	408		871	681	1 960	277		909	748	1 934

* The impairments of R13 million (2024: R15 million) are disclosed on the face of the income statement as part of the impairment of property, plant and equipment, intangibles and other assets. The current year impairment relates to the software of Vostochnaya Technica LLC (VT LLC).

Notes to the consolidated financial statements continued

for the year ended 30 September 2025

12. Intangible assets continued

Significant cash-generating units (CGUs)	Useful life	Geographical location	Reportable segment to which the CGUs belong	Carrying value		Accumulated impairments	
				2025 R million	2024 R million	2025 R million	2024 R million
Equipment Russia	Indefinite	Russia	Equipment VT			193	193
Equipment South Africa	Indefinite	South Africa	Equipment southern Africa	277	277		
Equipment Mongolia	Finite	Mongolia	Equipment Mongolia	592	632		
Equipment BZAMM	Indefinite	Rest of Africa	Equipment southern Africa			708	708
Supplier relationship intangible assets				869	909	901	901
Ingrain	Finite	South Africa	Ingrain	680	748		
Customer relationships and order backlog intangible assets				680	748		

Customer relationships arose in Ingrain from non-contractual customer relationships, which represent loyal customers that will continue their relationship after the acquisition. The write-off period is 15 years. The intangible assets in Barloworld Mongolia, Barloworld Equipment southern Africa and BZAMM relate to supplier relationships.

The key assumptions used in the recoverable amount calculation for the CGUs shown above (indefinite life) are contained in [note 11](#). The value-in-use valuation method is used for intangible assets.

As at 30 September 2025, management has performed the appropriate sensitivity analyses to conclude that a reasonably possible change in key assumptions would not cause the carrying amount of the group's individual CGUs to exceed their recoverable amount.

Notes to the consolidated financial statements continued

for the year ended 30 September 2025

13. Investment in associates and joint ventures

R million	Income from associates and joint ventures		Carrying value of the investment	
	2025	2024	2025	2024
Associates	4	4	26	22
Joint ventures	223	271	3 058	2 882
Total group	227	275	3 084	2 904

The impairment of investments arises when the recoverable amount of the investment is less than the carrying value. The recoverable amount is determined as the greater of the fair value, less costs to sell or the value in use. For the purposes of assessing the above investments for impairment, the recoverable amount was based on the value-in-use method. This is the present value of the future cash flows expected to be derived from an asset or cash-generating unit.

The following key assumptions have been used in determining the fair value less costs to sell of each investment at 30 September 2025:

	Bartrac Equipment Ltd*	BHBW South Africa (Pty) Ltd	NMI Durban South Motors (Pty) Ltd	Barlow Park Residential (Pty) Ltd
Pre-tax nominal discount rate	22.3%	20.4%	16.7%	15.5%
Terminal growth rate	2.2%	4.0%	4.4%	4.4%

The following key assumptions have been used in determining the fair value less costs to sell of each investment at 30 September 2024:

	Bartrac Equipment Ltd*	BHBW South Africa (Pty) Ltd	NMI Durban South Motors (Pty) Ltd	Barlow Park Residential (Pty) Ltd
Pre-tax nominal discount rate	21.3%	20.0%	17.3%	16.7%
Terminal growth rate	2.6%	4.5%	4.3%	4.3%

* US Dollar based

As at 30 September 2025, management has performed sufficient sensitivity analyses to conclude that a reasonably possible change in key assumptions would not cause the carrying amount of the group's individual CGUs to exceed their recoverable amount (fair value less costs to sell).

DETAILS OF MATERIAL JOINT VENTURES

Details of material joint ventures at the end of the reporting period are as follows:

Name of joint venture	Principal activity	Place of incorporation	Proportion of ownership interest and voting rights held by the Group	
			2025	2024
Bartrac Equipment Ltd	Caterpillar dealer	Mauritius/DRC	50%	50%

Bartrac Equipment Limited operates in Mauritius and the Democratic Republic of the Congo.

Summarised financial information in respect of the group's material joint venture is set out below. The summarised financial information represents amounts shown in the joint venture's financial statements, which are prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board.

Notes to the consolidated financial statements continued

for the year ended 30 September 2025

13. Investment in associates and joint ventures continued

R million	2025	2024
Bartrac Equipment Ltd		
Statement of financial position		
Cash and cash equivalents	352	125
Total current assets (excluding cash and cash equivalents)	4 247	4 364
Non-current assets	991	1 011
Total current liabilities	1 833	1 608
Total non-current liabilities	278	690
Net asset value	3 478	3 202
Barloworld share of net asset value	1 739	1 601
Income statement		
Revenue	5 044	5 077
Depreciation and amortisation	(71)	(77)
Interest expense	(76)	(95)
Income tax expense	(77)	(64)
Net profit after tax	282	386

R million	2025	2024
Reconciliation of the carrying amount of the interest in Bartrac Equipment Ltd recognised in the consolidated financial statements		
Original cost	38	38
Equity-accounted earnings to date	2 138	1 997
Dividends	(922)	(922)
Foreign currency translation	485	488
Carrying amount of the group's interest in Bartrac Equipment Ltd	1 739	1 601

Name of joint venture	Principal activities	Place of incorporation	Proportion of ownership interest and voting rights held by the Group	
			2025	2024
BHBW South Africa (Pty) Ltd	Supply of agricultural and materials handling goods and services	South Africa	50%	50%

Summarised financial information in respect of the group's material joint venture is set out below. The summarised financial information represents amounts shown in the joint venture's financial statements prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board.

R million	2025	2024
BHBW South Africa (Pty) Ltd		
Statement of financial position		
Total current assets (excluding cash and cash equivalents)	599	588
Non-current assets	643	556
Current liabilities (excluding trade and other payables and provisions)	60	41
Total current liabilities	328	267
Total non-current liabilities	460	415
Net asset value	454	462
Barloworld share of net asset value	227	231
Income statement		
Revenue	1 123	1 286
Depreciation and amortisation	(25)	(21)
Interest expense	(54)	(44)
Income tax expense		4
Net (loss)/profit after tax	(8)	6

Notes to the consolidated financial statements continued

for the year ended 30 September 2025

13. Investment in associates and joint ventures continued

R million	2025	2024
Reconciliation of the carrying amount of the interest in BHBW South Africa (Pty) Ltd recognised in the consolidated financial statements		
Original cost	301	301
Equity-accounted loss to date	(74)	(70)
Impairment recognised	(147)	(147)
Carrying amount of the group's interest in BHBW South Africa (Pty) Ltd	80	84

Name of joint venture	Principal activity	Place of incorporation	Proportion of ownership interest and voting rights held by the Group	2025	2024
NMI Durban South Motors (Pty) Ltd	Sale and servicing of motor vehicles and sale of parts	South Africa	50%	50%	

Summarised financial information in respect of the group's material joint venture is set out below. The summarised financial information represents amounts shown in the joint venture's financial statements prepared in accordance with IFRS Accounting Standards.

The group accounts for NMI Durban South Motors Proprietary Limited (NMI) using the equity accounting method as Barloworld has contractually agreed with the other party that unanimous consent of both parties would be required when making decisions about the relevant activities. This therefore means Barloworld has joint control over NMI.

R million	2025	2024
NMI Durban South Motors (Pty) Ltd		
Statement of financial position		
Cash and cash equivalents	174	71
Total current assets (excluding cash and cash equivalents)	3 809	4 266
Non-current assets	3 416	3 514
Assets held for sale	258	
Current liabilities (excluding trade and other payables and provisions)	2 038	2 292
Total current liabilities	4 272	4 397
Non-current financial liabilities (excluding trade and other payables and provisions)	1 208	1 451
Total non-current liabilities	1 208	1 451
Liabilities held for sale	141	
Net asset value	2 035	2 002
Barloworld share of net asset value excluding goodwill	1 018	1 001
Goodwill	10	10
Barloworld share of net asset value including goodwill	1 028	1 011
Income statement		
Revenue	20 822	21 122
Depreciation and amortisation	(239)	(250)
Interest income	4	7
Income tax expense	(38)	(46)
Loss from discontinued operations	(11)	
Net profit after tax and share of associate profit	171	150

Notes to the consolidated financial statements continued

for the year ended 30 September 2025

13. Investment in associates and joint ventures continued

R million	2025	2024
Reconciliation of the carrying amount of the interest in NMI Durban South Motors (Pty) Ltd recognised in the consolidated financial statements		
Original cost	663	663
Equity accounted earnings to date	539	456
Adoption on 1 October 2019 upon transition to IFRS 16 standard	(3)	(3)
Dividends	(172)	(105)
Carrying amount of the group's interest in NMI Durban South Motors (Pty) Ltd	1 028	1 011

Name of joint venture	Principal activity	Place of incorporation	Proportion of ownership interest and voting rights held by the Group	
			2025	2024
Barlow Park Residential (Pty) Ltd	Development and investment of infrastructure	South Africa	50%	50%

Summarised financial information in respect of the group's material joint venture is set out below. The summarised financial information represents amounts shown in the joint venture's financial statements prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board.

R million	2025	2024
Barlow Park Residential (Pty) Ltd		
Statement of financial position		
Cash and cash equivalents	29	15
Total current assets (excluding cash and cash equivalents)	21	18
Non-current assets	1 187	1 042
Total current liabilities	45	47
Non-current financial liabilities (excluding trade and other payables and provisions)	1 253	1 050
Total non-current liabilities	1 253	1 050
Net asset value	(60)	(22)
Barlowworld share of net asset before loss limitation	(30)	(11)
Loss limitation	30	11
Barlowworld share of net asset value		
Income statement		
Revenue	93	33
Operating profit/(loss)	70	13
Interest expense	(74)	(45)
Income tax expense	(5)	12
Net profit/(loss) after tax and share of associate profit	(8)	(19)

R million	2025	2024
Reconciliation of the carrying amount of the interest in Barlow Park Residential (Pty) Ltd recognised in the consolidated financial statements		
Loans to joint venture	211	186
Carrying amount of the group's interest in Barlow Park Residential (Pty) Ltd	211	186

Notes to the consolidated financial statements continued

for the year ended 30 September 2025

13. Investment in associates and joint ventures continued

R million	Income from joint venture		Carrying value of the investment	
	2025	2024	2025	2024
Joint ventures				
Bartrac Equipment Ltd	141	193	1 739	1 601
BHBW South Africa (Pty) Ltd	(4)	3	80	84
NMI Durban South Motors (Pty) Ltd	85	75	1 028	1 011
Barlow Park Residential (Pty) Ltd			211	186
Total group	222	271	3 058	2 882

DETAILS OF MATERIAL ASSOCIATES

Aggregate information of other associates that are not individually material:

R million	2025	2024
Group's share of income per income statement	4	4

Reconciliation of income statement/statement of financial position

R million	Income/(loss) from associate		Carrying value of the investment	
	2025	2024	2025	2024
Associates				
Aggregate profit/carrying value of other non-material associates*	4	4	26	22
Total group	4	4	26	22

* Includes Irene Khaya Property Investment Proprietary Limited.

All of the associates and joint ventures are incorporated and operational in South Africa, except:

Name of the associate/joint ventures	Principal activity	incorporation	Year end
Bartrac Equipment Ltd	Caterpillar dealer	Mauritius	31 December*

* The different year ends of the associates and joint ventures listed above have been agreed to based on the tax year ends of the jurisdictions in which these businesses operate and/or to coincide with our partners' financial year ends, and do not have a material impact on the results.

The group had interests in a number of individually immaterial associates, including a 20% investment in Optron Proprietary Limited (Optron) and a 40% investment in Barzem Proprietary Limited (Barzem). In the prior year, the group disposed of its entire interest in Optron at R43.7 million, resulting in a profit on disposal of R14.1 million. The group also disposed of its 49% investment in Barzem for R23 million, effective 1 November 2023. The book value of the investment in Barzem was nil therefore the profit on disposal of the investment is R23 million.

There are no restrictions on the ability of the group's joint ventures and associates to transfer funds to the group in the form of cash dividends or to repay loans or advances owing to the group.

The group has no commitments arising from its involvement with joint ventures and associates. Refer to [note 33.3](#) for guarantees given on behalf of joint ventures and associates.

Financial liabilities arising from the issuance of guarantees over obligations of the joint ventures and associates are disclosed in credit risk [note 33.3.c](#). The group considers the probability of loss arising from these guarantees as remote, as the financial position of these investments is considered sufficient to repay debts as and when they are due and payable.

Notes to the consolidated financial statements continued

for the year ended 30 September 2025

14. Long-term trade and other receivables

R million	2025	2024
Amounts receivable under finance leases:		
Gross investment	17	57
Less: Unearned finance income		(4)
Total group	17	53
Total long-term finance lease receivables	1	15
Receivable as follows:		
Present value		
Within one year - included in trade and other receivables (note 18)	16	38
Year 2 - 5	1	15
	17	53
Minimum lease payments		
Within one year	16	41
Year 2 - 5	1	16
	17	57
Less: Unearned finance income		(4)
	17	53

Investment income earned on the net investment in the leases amounts to R1 million (2024: R1 million).

No variable income portion has been excluded in the measurement of the net investment in the leases.

No expected credit losses were recognised on the finance lease receivables. Management has considered macroeconomic forward-looking factors related to these leases, however, the expected credit loss remains negligible, and thus none has been recognised.

15. Long-term financial and other assets

R million	2025	2024
Listed investments at fair value (level 1 fair value hierarchy)*	99	124
Unlisted investments at fair value (level 3 fair value hierarchy)	49	18
Other receivables^	324	274
Total long-term financial assets	472	416

* Refer note 33 for the fair value hierarchy.

^ Other receivables includes lease smoothing of R189 million (2024: R186 million).

Notes to the consolidated financial statements continued

for the year ended 30 September 2025

16. Deferred taxation

R million	2025	2024
Movement of deferred taxation		
Balance at the beginning of the year		
- deferred taxation assets	306	493
- deferred taxation liabilities	(955)	(1 049)
Net liability at the beginning of the year	(649)	(556)
Recognised in income statement this year	49	8
- Current movements	50	11
- Rate change adjustment	(1)	(3)
Business/Subsidiary disposed	1	
Translation differences	(4)	9
Accounted for directly in other comprehensive income	(8)	(110)
Other movements	(23)	
Net (liability)/asset at the end of the year	(634)	(649)
- deferred taxation assets	307	306
- deferred taxation liabilities	(941)	(955)
Analysis of deferred taxation by type of temporary difference		

R million	2025	2024
Deferred taxation assets		
Capital allowances	66	(265)
Right of use assets	(19)	(219)
Provisions, long-term loans and payables	123	347
Prepayments and other receivables	32	65
Effect of tax losses	35	7
Retirement benefit obligations		(1)
Lease liabilities	62	343
Other temporary differences	8	29
	307	306
Deferred taxation liabilities		
Capital allowances	(861)	(893)
Right of use assets	153	186
Provisions, long-term loans and payables	44	35
Prepayments and other receivables	(3)	26
Effect of tax losses		1
Lease liabilities	(232)	(266)
Other temporary differences	(42)	(44)
	(941)	(955)

Refer to [note 7](#) for information on unutilised tax losses.

Provision has been made for South African income tax or foreign taxes that may result from future remittances of undistributed earnings of foreign subsidiaries or foreign corporate joint ventures, where the group is able to assert that the undistributed earnings are not permanently reinvested.

In all other cases, the foreign subsidiaries reinvest the undistributed earnings into future capital expansion projects, maintenance capital and ongoing working capital funding requirements. Unrecognised taxable temporary differences pertaining to undistributed earnings totalled R94 million (2024: R76 million).

Notes to the consolidated financial statements continued

for the year ended 30 September 2025

17. Inventories

R million	2025	2024
Work in progress	1 049	1 272
Equipment	9 527	9 212
Starch raw materials	783	858
Starch finished goods	270	290
Other inventories	458	450
Inventory provision [^]	(1 685)	(1 889)
Total per statement of financial position	10 402	10 193

The value of inventories has been determined on the following basis:

R million	2025	2024
First-in first-out	3 619	2 637
Specific identification	4 183	4 463
Weighted average	2 600	3 093
	10 402	10 193
Inventory recognised as an expense	28 797	32 249
[^] Included within inventory provision are the following:		
Amount of write-down of inventory to net realisable value and losses of inventory*	(132)	(655)
Amount of reversals of inventory previously written down**	217	93

* The inventory write-down was high in the prior year due to items the group expected to be unable to trade during the internal investigation into the permissibility of trading certain US-regulated items that was not repeated in the current year.

** The reversal of inventory previously written off mainly relates to the VT operations, which is driven by improved trading conditions.

18. Trade and other receivables

R million	2025	2024
Trade receivables	4 868	4 607
Less: Expected credit losses (ECL)	(354)	(393)
Net trade receivables	4 514	4 214
Other financial assets		
Finance lease receivables (note 14)	16	38
Fair value of derivatives ^{^^}		10
Non-financial assets classified as other receivables		
VAT receivables	591	469
Prepayments	289	487
Other receivables [^]	863	704
Total per statement of financial position	6 273	5 922

Trade receivables to the value of R399 million (2024: R298 million) have been pledged as security against maize financing. This is in terms of a security cession and not an outright cession, and the cedent retains bare ownership of the secured property.

[^] Other receivables mainly relates to refunds from the original equipment manufacturers regarding discount claims or shipment returns within the Equipment operating segment of R682 million (2024: R477 million) as well as warranty claims, insurance claims, rebates and licence fee receivables.

^{^^} The foreign currency contracts have been acquired to hedge the underlying currency risk arising from a firm commitment to acquire equipment machines as well as the forecast purchases of spare parts. All cash flows are expected to occur and affect profit or loss within the next 12 months.

Notes to the consolidated financial statements continued

for the year ended 30 September 2025

18. Trade and other receivables continued

R million	2025	2024
Expected credit losses (ECL)*		
At 1 October	393	440
Current year expected credit losses	(43)	(1)
Write off		(12)
Business/Subsidiary disposed	(7)	
Translation differences	11	(34)
At 30 September	354	393

* The group measures the loss allowance for trade receivables at an amount equal to the lifetime ECL. Refer to [note 33](#) for further analysis of credit risk related to ECL.

19. Contract assets

R million	2025	2024
Balance at 1 October	810	814
Recognition of revenue (using percentage of completion)	3 601	4 271
Transfer to receivables (on invoicing)	(3 746)	(4 301)
Expected credit losses movement (refer to reconciliation below)	1	59
Translation differences	2	(34)
Total per statement of financial position	668	810
Current portion	668	810

Amounts relating to contract assets are balances due from customers in the Equipment segments that represent the group's right to consideration when the group performs the contracted performance obligations over time. Payment is conditional upon the completion of these performance obligations. The contract asset is reclassified as trade receivables when it is invoiced to the customer.

R million	2025	2024
Expected credit losses (ECL)		
At 1 October	15	74
Current year expected credit losses	13	11
Allowance reversed to profit or loss	(14)	(70)
At 30 September	14	15

20. Cash and cash equivalents

R million	2025	2024
Cash on deposit	6 421	5 818
Other cash and cash equivalent balances	1 803	645
Total per statement of financial position	8 224	6 463
Per currency:		
South African Rand	3 894	3 386
United States Dollar	3 811	2 437
British Pound	291	306
Other foreign currencies	228	334
	8 224	6 463
Cash balances not available for use due to other contractual and foreign exchange restrictions*	369	1 738

* The restricted cash relates mainly to cash held in Mozambique of R197.4 million (US\$11 million) (2024: R47 million (US\$3 million) and Malawi of R91.5 million (US\$5.3 million) (2024: R6 million (US\$0.3 million), which was not easily accessible, as well as R80.4 million (GBP4 million) (2024: R92 million (GBP4 million)) held in Barloworld Insurance.

Cash held in Russia is R2 599 million (US\$150.6 million)(2024: R1 593 million (US\$92 million)). This cash will be utilised for operational purposes to settle liabilities. The environment in Russia remains fluid with sanctions and ongoing uncertainty. In the prior year, cash held in Russia was classified as restricted due to remittance limitations and regulatory uncertainty. However, following an intra-group restructuring resulting in VT being owned by entities from "friendly" states under Russian law and based on legal assessments confirming remissibility, the cash is no longer considered restricted.

Cash on deposit mostly represents positive current bank accounts while other cash and cash equivalents represent petty cash and short-term cash deposits.

Notes to the consolidated financial statements continued

for the year ended 30 September 2025

21. Assets held for sale

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

R million	2024	
	Total held for sale	Other Segments
Property, plant and equipment	38	38

The property is related to the development of Barlow Park. The company contributed the property to the joint venture as part of the initial contribution, therefore this transaction has no cash impact. The property transfer was registered on 30 May 2024 and the company recognised a profit of R18 million in the prior financial year.

22. Share capital and premium

R million	2025	2024
Authorised share capital		
500 000 (2024: 500 000) 6% non-redeemable cumulative preference shares of R2 each	1	1
400 000 000 (2024: 400 000 000) Ordinary shares of 5 cents each	20	20
	21	21
Issued share capital		
375 000 (2024: 375 000) 6% non-redeemable cumulative preference shares of R2 each	1	1
189 641 787 (2024: 189 641 787) Ordinary shares of 5 cents each	10	10
	11	11
Share premium at the beginning and end of the year	(2 223)	(2 223)
Total issued share capital and premium	(2 212)	(2 212)
Issued shares		
Total number of ordinary shares in issue at the beginning and end of the year, excluding B-BBEE shares	183 063 666	183 063 666
Other shares issued in respect of B-BBEE transaction (note 3 below)	6 578 121	6 578 121
Total number of ordinary shares in issue at the end of the year, including B-BBEE shares	189 641 787	189 641 787
Less treasury shares (note 4 below)	(2 649 226)	(2 952 748)
Less shares held by group companies	(501 220)	(501 220)
Net number of ordinary shares in issue at the end of the year	186 491 341	186 187 819
Unissued shares (note 1 below):		
Ordinary shares	210 358 213	210 358 213
6% non-redeemable cumulative preference shares	125 000	125 000

Notes to the consolidated financial statements continued

for the year ended 30 September 2025

22. Share capital and premium continued

Notes:

1. The directors have no general authority to issue shares.
2. In the prior year the group reflected 23 129 182 shares that the shareholders reserved at the general meeting on 20 January 2005 for the purpose of the Barloworld share option scheme. This has been removed in the current year because the scheme it related to was not in place for the current or prior year.
3. At the general meeting of the company held on 14 February 2019, the group's B-BBEE transaction, Khula Sizwe, was approved. During 2020, 6 578 121 shares were issued to the Barloworld Empowerment Foundation. There were no costs incurred in issuing these shares.

R million	2025	2024
4. Reconciliation of treasury shares:		
Balance on 1 October	2 952 748	3 350 113
Acquisition of shares for employee share-based scheme	454 803	2 074 602
Shares vested and exercised	(758 325)	(2 471 967)
Shares lapsed in terms of the employee share scheme		
Balance on 30 September *	2 649 226	2 952 748

*Prior year treasury shares closing balance included an error in the shares vested and exercised line which has been corrected in the current year.

The directors have a general authority to buy back up to 10% of the ordinary shares issued by the company.

There are no rights preferences or restrictions on the ordinary shares in issue, with the exception of those shares issued to the Barloworld Empowerment Foundation (note 3 above) where any sale of these shares must first be approved by Barloworld management. Preference shares have rights to fixed dividend payments at each interim and year end.

Notes to the consolidated financial statements continued

for the year ended 30 September 2025

23. Interest-bearing liabilities

R million	2025	2024
Total long-term borrowings (note 33.3)	6 335	6 655
Less: Current portion redeemable and repayable within one year (note 29)	(859)	(1 821)
Total per statement of financial position*	5 476	4 834

The current portion of long-term borrowings will be paid from available cash while the rest will be refinanced at maturity.

		Repayable during the year ending 30 September 2025				
R million	Total owing 2025	2026	2027	2028	2029	2030 and onwards
Summary of group borrowings by currency and by year of redemption or repayment						
Total South African Rand	6 162	687	2 111	1 672	749	943
Total foreign currencies	173	172	1			
Total South African Rand and foreign currency liabilities	6 335	859	2 112	1 672	749	943

* The net book value of assets encumbered and liabilities secured is R3 477 million (2024: R3 391 million) and R1 740 million (2024: R2 080 million), respectively.

		Repayable during the year ending 30 September 2024				
R million	Total owing 2024	2025	2026	2027	2028	2029 and onwards
Summary of group borrowings by currency and by year of redemption or repayment						
Total South African Rand	6 375	1 724	556	2 160	209	1 726
Total foreign currencies	280	97	85	41	38	19
Total South African Rand and foreign currency liabilities	6 655	1 821	641	2 201	247	1 745

Notes to the consolidated financial statements continued

for the year ended 30 September 2025

23. Interest-bearing liabilities continued

Included in interest-bearing liabilities

Certificate	Issued	Maturity	Comparable treasury stock	Spread bps	Yield %	Type	2025	2024
							R million	R million
BAW37	12-Jul-22	12-Jul-25	3-month Jibar	140	7.54	Floating		315
BAW38	12-Jul-22	12-Jul-27	3-month Jibar	160	7.54	Floating	785	785
BAW39	26-May-23	26-May-26	3-month Jibar	140	7.45	Capped Spread	430	430
BAW40	30-Jun-23	30-Jun-25	Fixed	Fixed	9.92	Fixed rate (NACS)		400
BAW41	20-Oct-23	20-Oct-26	3-month Jibar	120	7.54	Floating	485	485
BAW42	20-Oct-23	20-Oct-28	3-month Jibar	142	7.54	Floating	515	515
BAW44	14-Jul-25	14-Jul-28	3-month Jibar	115	7.28	Floating	300	
BAW45	18-Jul-25	18-Jul-28	3-month Jibar	110	7.27	Floating	500	
BAW46	22-Aug-25	22-Aug-28	3-month Jibar	115	7.02	Floating	200	
BAW47	22-Aug-25	22-Aug-26	3-month Jibar	82	7.02	Floating	150	
BAWGL1	22-Aug-22	22-Aug-25	3-month Jibar	136	8.24	Floating		415
BAWGL2	22-Aug-22	22-Aug-27	3-month Jibar	154	7.46	Floating	728	728
Fees capitalised							(2)	(2)
							4 091	4 071

The transition from the Johannesburg Interbank Average Rate (JIBAR) to the new South African Overnight Index Average (ZARONIA) is gaining traction. A formal cessation announcement of the JIBAR is expected in December 2025 and complete discontinuation by the end of 2026. The South African Reserve Bank's Market Practitioner Group (MPG) has introduced a "ZARONIA First" approach for derivatives and the adoption of ZARONIA is also progressing in the cash markets. The group has exposure to the 3-month JIBAR through certain debt instruments and funding facilities. Internal plans to transition are in place, by ensuring appropriate fallback methodology where these are not already expressed in legal arrangements, with completion targeted for the first half of 2026.

Notes to the consolidated financial statements continued

for the year ended 30 September 2025

24. Provisions and accruals

R million	2025	2024
Non-current	111	124
Current	675	853
Total per statement of financial position	786	977

R million	Total	Warranty claims	Employee-related provisions and accruals	Other provisions and accruals
Movement of provisions				
Total per statement of financial position at 30 September 2023	1359	648	143	568
Amounts reversed unused	(262)	(236)		(26)
Amounts added	921	534	175	212
Amounts used	(989)	(508)	(109)	(372)
Translation adjustments	(52)	(26)	(2)	(24)
Total per statement of financial position at 30 September 2024	977	412	207	358
Amounts reversed unused	(147)	(58)	(1)	(88)
Amounts added	745	577	58	110
Amounts used	(793)	(546)	(61)	(186)
Translation adjustments	4	2	(1)	3
Total per statement of financial position at 30 September 2025	786	387	202	197
2025				
Within one year	675	353	185	138
Within two years	58	32	16	9
Within three years	3	2	1	
Within five years	50			50
	786	387	202	197
2024				
Within one year	853	378	207	268
Within two years	52	31		21
Within three years	7	2		5
Within four years	1	1		
Within five years	64			64
	977	412	207	358

Notes to the consolidated financial statements continued

for the year ended 30 September 2025

24. Provisions and accruals continued

Warranty claims

The provisions relate principally to warranty claims on capital equipment, spare parts and services. The estimate is based on claims notified and past experience.

Employee-related provisions and accruals

These provisions comprise obligations arising from incentive schemes, FSPs and SARs cash-settled arrangements. They are recognised in line with the terms of the schemes and IFRS 2.

Other provisions and accruals

Other provisions are made up of various amounts, including legal of R42 million (2024: R72 million), delivery and freight provision of R20 million (2024: R25 million), onerous contract provisions of nil (2024: R57 million), retired members medical aid of R 8 million (2024: R9 million) and Vostochnaya Technica (VT) related provision of R122 million (2024: R107 million).

25. Other non-current liabilities

Retirement benefit information

It is a term and condition of employment that each permanent employee of Barloworld participates and contributes to the retirement fund. The employer, through the provision of the employer contribution, further provides for benefits that are facilitated through the retirement fund. To this end, the group's permanent employees are required to be members in line with the local regulatory requirements. All the retirement funds currently in place are defined contribution funds, except for one. There is one defined benefit fund in our UK office. Since it is outside South Africa, it is not subject to the provisions of the Pension Funds Act of 1956.

Defined contribution plans

The total cost charged to profit or loss of R485 million (2024: R477 million) represents contributions payable to these schemes by the group at rates specified in the rules of the schemes.

Defined benefit plans

The group sponsors a funded defined benefit scheme for qualifying employees and ex-employees in the UK.

The UK defined benefit scheme continues to be administered by a board of trustees, which manages the remaining assets held in trust for the benefit of certain former scheme members. The trustee board of the pension scheme is composed of one employer representative, one member nominated representative and one independent professional trustee. The trustee board is required by the trust deed and rules, pension law and by its articles of association to act in the interests of all relevant stakeholders in the scheme, i.e. current employees, former employees, retirees, and dependants. The scheme closed to future accrual on 31 December 2016.

Insurance policy investments were purchased by the scheme trustees in recent years to remove the majority of the volatility in the net balance sheet position, which was previously sensitive to changes in corporate bond yields, inflation expectations and life expectancies. The scheme's insurance policy assets and the liabilities covered by them were assigned directly between members and insurers over the accounting year to 30 September 2024. This means that, as at the balance sheet date, there are only small residual assets and liabilities remaining in the scheme. Further details are provided below.

Over the accounting year to 30 September 2024, data cleanse processes were completed with the scheme's bulk annuity insurers, and balancing premiums totalling c.GBP25 million (R578 million) were paid to them to ensure the annuity policies represented a precise match for the members' benefits.

Following completion of the data cleanse and payment of balancing premiums, the trustee and the scheme employers instructed the bulk annuity insurance providers to assign the insurance policies directly between scheme members and the insurers. The legal obligation for paying the member benefits and the risks associated with providing these benefits has therefore transferred to the insurers as at the balance sheet date, and the associated liabilities have been settled. At the point of settlement, the insurance policy assets were identical in value under IAS 19 to the liabilities which they covered, but the component parts are shown separately within the asset and liability reconciliations below.

Amounts recognised in the income statement and statement of comprehensive income in respect of the defined benefit scheme are as follows:

R million	2025	2024
Plan administration expenses	17	16
Net loss recognised in profit or loss (note 3)	17	16
Net interest expenses		13
Components of defined benefit costs recognised in profit or loss	17	29
Actual return on plan assets	(2)	225

Notes to the consolidated financial statements continued

for the year ended 30 September 2025

25. Other non-current liabilities continued

The scheme is valued by independent actuaries on a triennial basis, with the valuation as at 1 April 2020 being the most recent funding valuation.

As at 30 September 2025, the scheme had settled its liabilities as part of the winding-up process. The scheme's trustees no longer hold any invested assets.

The amount included in the balance sheet arising from the group's obligations in respect of the defined benefit scheme is set out below:

R million	2025	2024
Present value of funded obligation		11
Fair value of plan assets		(14)
Net asset per statement of financial position		(3)
Movement in present value of funded obligation:		
At the beginning of the year	11	8 919
Interest cost		480
Actuarial gains arising from changes in demographic assumptions		(23)
Actuarial losses arising from changes in financial assumptions		291
Actuarial losses arising from experience	(3)	14
Benefits paid	(8)	(552)
Settlements		(9 207)
Exchange differences		89
At the end of the year		11
Movement in fair value of plan assets:		
At the beginning of the year	14	8 381
Interest income		468
Actuarial losses recognised in the statement of comprehensive income	(2)	225
Plan administration expenses	(17)	(16)
Contributions	13	632
Benefits paid	(9)	(9 759)
Exchange differences		84
At the end of the year		14
Current actuarial (gains)/losses	(1)	58

Notes to the consolidated financial statements continued

for the year ended 30 September 2025

25. Other non-current liabilities continued

The defined benefit fund was last valued by an independent actuary for triennial funding purposes as at 1 April 2020. However, as the scheme has now transferred its liabilities to insurers, no further funding valuations are required in future.

Key assumptions used (2024 position covers assumptions at the point of liabilities being settled):

	2025	2024
Discount rate (%)		5.0
Retail price inflation (%)		3.1
Future pension increases (%)		3
Mortality (table using year of birth)		S3PA

In assessing the group's post-retirement liabilities, the group, following actuarial advice, has used standard mortality tables adjusted to reflect the mortality experience of the defined benefit scheme. The mortality assumptions were updated in the current year to value the liabilities at the point of them being settled.

Notes to the consolidated financial statements continued

for the year ended 30 September 2025

26. Lease liabilities

R million	2025	2024
At 1 October	637	768
Liability arising on new leases entered into during the year	241	145
Business / Subsidiary disposed	(14)	
Repayments of lease obligation (cash flow excluding interest component)	(275)	(273)
Liability adjustments upon entering into modifications of lease terms during the year	19	1
Translation differences	(1)	(4)
Gross lease liabilities	608	637
Less: Payable within one year included in current liabilities	(220)	(242)
Total per statement of financial position	388	395

R million	2025	2024
Lease liabilities are made of the following classes:		
Land and buildings	296	434
Equipment, IT and plant	9	4
Vehicles	303	199
Total	608	637

The undiscounted maturity analysis of lease liabilities at 30 September 2025 is as follows:

R million	2025	2024
Within one year	272	307
Between two to five years	446	474
More than five years	55	59
	773	840

Lease payments not recognised as a liability

The group has elected not to recognise a lease liability for short-term leases (leases of expected term of 12 months or less) or for leases of low-value assets. Payments made under such leases are expensed on a straight-line basis. In addition, certain variable lease payments are not permitted to be recognised as lease liabilities and are expensed as incurred.

The group has varying incremental borrowing rates within its group entities, which are calculated based on the specific funding structure of the legal entity entering into the agreement.

For more information on the group's liquidity risk and interest rate risk management, refer to [note 33.3.d](#) and [note 33.3.b\(ii\)](#).

R million	2025	2024
Lease payments in terms of IFRS 16	348	349
Short-term and low value asset lease payments	71	74
Total lease payment for the year including short-term leases	419	423

Notes to the consolidated financial statements continued

for the year ended 30 September 2025

27. Trade and other payables

R million	2025	2024
Trade and other payables	8 643	7 905
Supplier finance arrangement*	3 721	
Interest-bearing floor plans **	1 854	5 029
Fair value of derivatives	274	233
Total per statement of financial position	14 492	13 167

R million	2025	2024
Supplier finance arrangements:		
Included in trade and other payables, for which suppliers have been paid by financial institutions	3 721	
> Supply chain financing	347	
> Floor plan	3 374	
Range of payment due dates:		
Trade payables that are part of the arrangements	30 - 360 days	
Comparable trade payables that are not part of the arrangements	30 - 60 days	

* During the current financial period, the Equipment division entered into a supplier finance arrangement with Nedbank, where the credit terms with the local suppliers moved from 30 days from statement date to 90 days from statement date. As at period-end, the total amount payable to financial institutions under these arrangements is R2 356 million (2024: R1 659 million). In addition to this, an amount of R1 365 million (2024: R1 460 million) is payable to CAT under the CAT 180 programme. This balance relates to machines, engines and parts ordered for inventory and payment is due six months from the statement date. The payables under supplier finance arrangement are subject to interest between 8.42% and 9.77% (2024: 8.42% to 11.00%).

** Included in Interest-bearing floor plans is R1 235 million (2024: R1 172 million) in interest-bearing bank maize financing at an interest rate of 8.62% (2024: 9.43%). This will be settled within the operating cycle and forms part of the business working capital to finance maize purchases.

There were no significant non-cash changes in the carrying amount of financial liabilities subject to the supplier finance arrangements.

Notes to the consolidated financial statements continued

for the year ended 30 September 2025

28. Contract liabilities

R million	2025	2024
Current portion	612	752
Total per statement of financial position	612	752
Balance at 1 October	752	1 339
New contracts (amounts)	2 857	4 482
Amounts recognised in revenue	(2 960)	(4 989)
Amounts reversed, unused, expired	(45)	(13)
Translation adjustments	8	(67)
Total per statement of financial position	612	752

Refer to [note 2](#) for the transaction price allocated for partially satisfied/unsatisfied performance obligations.

29. Amounts due to bankers and short-term loans

R million	2025	2024
Bank overdrafts and acceptances	2 235	718
Short-term loans	538	495
Current portion of long-term borrowings (note 23)	859	1 821
Total group	3 632	3 034
Per currency:		
South African Rand	2 994	2 551
Foreign currencies	638	483
	3 632	3 034

Refer to [note 33](#) for salient loan terms and interest rate sensitivity analysis.

30. Dividends

R million	2025	2024
Ordinary shares		
Normal dividend No 190 paid on 6 January 2025: 310 cents per share (2024: No 188: 300 cents)	566	546
Interim dividend No 191 paid 23 June 2025: 120 cents per share (2024: No 189: 210 cents per share)	219	382
Paid to Barloworld Limited shareholders	785	929
Paid to non-controlling shareholders	1	0
	786	929

Cents	2025	2024
Analysis of dividends declared in respect of current year's earnings:		
Ordinary dividends per share		
Interim dividend	120	210
Final dividend		310
	120	520

6% cumulative non-redeemable preference shares

Preference dividends declared on each of the following dates:

11 October 2024 (paid on 4 November 2024): R22 500

4 April 2025 (paid 29 April 2025): R22 500

Notes to the consolidated financial statements continued

for the year ended 30 September 2025

31. Commitments

R million	2025	2024
Capital expenditure commitments to be incurred:		
Contracted - Property, plant and equipment	125	185
Contracted - Intangible assets	2	
Contracted - Vehicle rental fleet		97
Approved but not yet contracted*	385	456
Total	512	738

* In the prior year, the group approved R4 million for the revised Barlow Park development plan, which will be carried out in different phases over an estimated five-year period. The full amount was paid during the current year.

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

32. Contingent liabilities

R million	2025	2024
Exposure linked to non-financial guarantees and claims	20	97

The current year contingent liability largely relates to a commission dispute on the sale of a property.

Voluntary self-disclosure

On 5 September 2024, Barloworld submitted an initial notification of voluntary self-disclosure to the US Department of Commerce, Bureau of Industry and Security (BIS) regarding potential export control violations involving its subsidiary in Russia, Vostochnaya Technica (VT LLC). An internal investigation, supported by independent experts, was commissioned to determine whether any violations occurred and, if so, the extent of such violations.

The investigation has been completed, and a final narrative report was submitted to BIS on 1 September 2025. While the investigation did not identify any US sanctions violations by the Company, it did identify apparent violations of the US Export Administration Regulations, which the Company takes seriously and is addressing.

The final outcome of the voluntary self-disclosure remains uncertain. This uncertainty can only be resolved once the BIS has determined whether or not a penalty or other sanction is warranted, and if so, the nature and extent thereof.

Pending the final resolution of the matter, management is not able to reliably quantify the financial impact of any final determination that the BIS may make and the timing thereof.

As a result of the information contained in the final investigation report the auditors concluded that they had reason to believe that, in their opinion, the above represented a reportable irregularity (RI). In accordance with their responsibilities under section 45 of the Auditing Profession Act, 2005 (Act 26 of 2005) (the APA), the auditors reported the matter to the Independent Regulatory Board for Auditors (IRBA) on 10 October 2025. The auditors subsequently issued their second letter to the IRBA on 10 November 2025 reporting that in their opinion the reportable irregularity is no longer taking place.

Notes to the consolidated financial statements continued

for the year ended 30 September 2025

33. Financial instruments

The group's financial instruments consist mainly of deposits with banks, short-term investments, accounts receivable and payable, bank borrowings, money and capital market borrowings, leases, hire-purchase agreements discounted with recourse and derivatives. Derivative instruments are used by the group for hedging purposes. Such instruments include forward exchange, currency option contracts and interest rate swap agreements. The group does not speculate in the trading of derivative instruments.

33.1 Categories of financial instruments

R million	Notes	2025					
		Fair value through profit or loss	Fair value through other comprehensive income (OCI) *	Amortised cost	Finance lease receivables	Total financial assets	Non-financial assets
ASSETS							Total amount
Non-current							
Long-term trade and other receivables	14				1	1	1
Long-term financial assets	15	148				148	324
Current							
Trade and other receivables	18			5 950	16	5 966	307
Contract assets	19			668		668	
Cash and cash equivalents	20			8 224		8 224	
Total assets		148		14 842	17	15 007	631

Notes to the consolidated financial statements continued

for the year ended 30 September 2025

33. Financial instruments continued

33.1 Categories of financial instruments continued

R million	Notes	2025				
		Fair value through profit or loss	Fair value through other comprehensive income (OCI)*	Amortised cost	Total financial liabilities	Non-financial liabilities
LIABILITIES						
Non-current						
Interest-bearing non-current liabilities	23			5 476	5 476	
Lease liabilities non-current	26			388	388	
Current						
Lease liabilities current	26			220	220	
Trade and other payables	27	140	134	14 051	14 325	167
Amounts due to bankers and short-term loans	29			3 632	3 632	
Total liabilities		140	134	23 767	24 041	167

* This relates to forward exchange contracts that are part of a cash flow hedging relationship, of which the effective portion has been recognised through OCI and the ineffective portion has been recognised through profit or loss.

R million	Notes	2024					
		Fair value through profit or loss	Fair value through other comprehensive income (OCI)	Amortised cost	Finance lease receivables	Total financial assets	Non-financial assets
ASSETS							
Non-current							
Long-term trade and other receivables	14				15	15	
Long-term financial assets	15	142				142	274
Current							
Trade and other receivables	18	10		5 501	38	5 549	373
Contract assets	19			810		810	
Cash and cash equivalents	20			6 463		6 463	
Total assets		152		12 774	53	12 979	647

Notes to the consolidated financial statements continued

for the year ended 30 September 2025

33. Financial instruments continued

33.1 Categories of financial instruments continued

2024								
R million	Notes	Fair value through profit or loss	Fair value through other comprehensive income (OCI)	Amortised cost	Total financial liabilities	Non-financial liabilities	Liabilities held for sale	Total amount
LIABILITIES								
Non-current								
Interest-bearing non-current liabilities	23			4 834	4 834			4 834
Lease liabilities non-current	26			395	395			395
Current								
Lease liabilities current	26			242	242			242
Trade and other payables	27	15	218	12 404	12 637	530		13 167
Amounts due to bankers and short-term loans	29			3 034	3 034			3 034
Total liabilities		15	218	20 909	21 142	530		21 672

All financial instruments are carried at fair value or amounts that approximate fair value, except for the following:

- Interest-bearing borrowings, which are carried at amortised cost.

For all of the above mentioned financial liability categories, the carrying value approximates the fair value with the exception of non-current interest-bearing liabilities where the fair value as at 30 September 2025 is higher than the carrying value by R8 million (30 September 2024: R20 million higher than the carrying value).

The carrying amounts for investments, cash and cash equivalents as well as the current portion of receivables, payables and current interest-bearing borrowings approximate fair value due to the short-term nature of these instruments. The fair values have been determined using available market information and discounted cash flows.

Notes to the consolidated financial statements continued

for the year ended 30 September 2025

33. Financial instruments continued

33.2 Fair value measurements recognised in the statement of financial position

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

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

R million	2025			
	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss				
Long-term financial assets	99		49	148
Trade and other receivables				
Total	99		49	148
Financial liabilities at fair value through profit or loss				
Trade and other payables		140		140
Financial liabilities at FVOCI*				
Trade and other payables		134		134
Total		274		274

R million	2024			
	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss				
Long-term financial assets	124		18	142
Trade and other receivables		10		10
Financial assets irrevocably designated at FVOCI*				
Trade and other receivables				
Total	124	10	18	152
Financial liabilities at fair value through profit or loss				
Trade and other payables		15		15
Financial liabilities at FVOCI*				
Trade and other payables		218		218
Total		233		233

* This relates to forward exchange contracts that are part of a cash flow hedging relationship, of which the effective portion had been recognised through OCI and the ineffective portion had been recognised through profit or loss.

Refer to [note 21](#) regarding assets and liabilities held for sale as level 3 fair value measurements at 30 September 2025.

Notes to the consolidated financial statements continued

for the year ended 30 September 2025

33. Financial instruments continued

33.2 Fair value measurements recognised in the statement of financial position continued

Reconciliation of level 3 fair value measurements

R million	Fair value through profit or loss		
	Unlisted shares Note 1	Investment in cell captives Note 2	Total
Balance as at 1 October 2023	16	22	38
Total gains recognised in profit or loss		(20)	(20)
Balance 30 September 2024	16	2	18
Balance as at 1 October 2024	16	2	18
Total gains recognised in profit or loss		31	31
Balance 30 September 2025	16	33	49

Note 1

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

Note 2

The valuation techniques used in deriving fair value of investments in cell captives are based on net asset value approach of the underlying cell captives. Sensitivity to inputs is considered immaterial for further disclosure. Refer to [note 15](#) for more information on the derivative (unlisted debt instruments).

33.3 Financial risk management

a. Capital risk management

The group manages its capital to ensure that all entities in the group will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of debt and equity. The overall strategy remains unchanged from the previous year.

The capital structure of the group consists of debt ([notes 23 and 29](#)), cash and cash equivalents ([note 20](#)) and equity attributable to equity holders of Barloworld Limited, comprising issued capital ([note 22](#)), reserves and retained earnings (statement of changes in equity).

The target gearing for the group is 40% to 60%. At 30 September 2025, the gearing was 5.1% (30 September 2024: 8.4%).

A finance committee consisting of senior executives of the group meets regularly to review the capital structure based on the cost of capital and the risks associated with each class of capital. They analyse currency and interest rate exposure and re-evaluate treasury management strategies in the context of most recent economic conditions and forecasts. The group has targeted gearing ratios for each major business segment. The group's various treasury operations provide access to local money markets, providing group subsidiaries with the benefits of bulk financing and depositing.

b. Market risk

i) Currency risk

Trade commitments

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

Notes to the consolidated financial statements continued

for the year ended 30 September 2025

33. Financial instruments continued

33.3 Financial risk management continued

b. Market risk continued

i) Currency risk continued

Net currency exposure and sensitivity analysis

The following table represents the extent to which the group has monetary assets and liabilities in currencies other than the group companies' functional currencies. The information is shown inclusive of the impact of forward contracts and options in place to hedge the foreign currency exposures. There has been no change to the group's exposure to market risks or the manner in which these risks are managed and measured. Based on the net exposure below, it is estimated that a simultaneous 10% change in all foreign currency exchange rates against the divisional functional currency will impact the fair value of the net monetary assets and liabilities of the group to the extent of R518 million (2024: R337 million), of which R10 million (2024: nil) will impact other comprehensive income and R508 million (2024: R337 million) will impact profit or loss.

Net foreign currency monetary assets/(liabilities)

R million	Currency of assets/(liabilities)				
	SA Rand	Euro	British Pound	US Dollar	Total
Functional currency of group operation:					
SA Rand		3	(30)	(4 555)	(4 582)
British Pound	11	1		5	17
US Dollar	(390)	(27)	(21)		(439)
Other currencies	(111)			(67)	(178)
As at 30 September 2025	(491)	(23)	(51)	(4 617)	(5 182)
SA Rand		280	(25)	(3 124)	(2 870)
British Pound	25	1		6	32
US Dollar	(151)	(1)	(28)		(181)
Other currencies	(45)			(311)	(355)
As at 30 September 2024	(171)	279	(54)	(3 428)	(3 374)

R million	Fair value	
	2025	2024
Hedge accounting applied in respect of foreign currency risk		
Cash flow hedges		
- fair value of liability - foreign currency forward exchange contracts	(134)	(218)

The foreign currency contracts have been acquired to hedge the underlying currency risk arising from a firm commitment to acquire equipment machines as well as the forecast purchases of spare parts. All cash flows are expected to occur and affect profit or loss within the next 12 months. The foreign currency contracts are included in Trade and other receivables.

Notes to the consolidated financial statements continued

for the year ended 30 September 2025

33. Financial instruments continued

33.3 Financial risk management continued

b. Market risk continued

ii) Interest rate risk

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

The interest rate profile of total borrowings is as follows:

	Currency	Year of redemption / repayment	Interest rate (%)	2025	2024
Bank overdrafts and short-term loans	GBP		SONIA + 2.5% USD: SOFR + 2.65%	36	
	AOA		1 months BNA rate (LIBOR) + 1.5% - 2.5%	79	134
	ZMK		Aggregate of Margin rate (4%) + Bank of Zambia policy rate 13.5% pa Margin (5.25%) + Bank of Zambia policy rate (13.5.5%)	122	168
	MZM		Prime (MT) -19% pa	42	181
	BWP		1 months BNA rate (LIBOR) + 2.5%	165	
Total short-term foreign currency liabilities (note 29)				638	483
	Other currencies			173	280
Total long-term foreign currency liabilities (note 23)				173	280
Bank borrowings and bank overdrafts				2 994	2 551
Total South African Rand liabilities (note 29)				2 994	2 551
Secured loans		2022 to 2026 onwards	7%	5 476	4 834
Total South African Rand liabilities (note 23)				5 476	4 834
Total South African Rand and foreign currency liabilities (note 23 and 29)				9 108	7 868

Notes to the consolidated financial statements continued

for the year ended 30 September 2025

33. Financial instruments continued

33.3 Financial risk management continued

b. Market risk continued

ii) Interest rate risk continued

R million	2025	2024
Interest rates		
Loans at fixed rates of interest		400
Loans linked to floating rates of interest	5 476	4 434
Long-term interest rate exposure (note 23)	5 476	4 834
Loans at fixed rates of interest		
Loans linked to floating rates of interest	2 994	2 551
Loans linked to offshore money markets	638	483
Short-term interest rate exposure (note 29)	3 632	3 034
Interest rate exposure (note 23 and 29)	9 108	7 868

* LIBOR – London Inter-Bank Offered Rate. Facilities linked to LIBOR are managed on a case-by-case basis. The undrawn LIBOR-linked facility was cancelled subsequent to year end. None of the local bank rates are linked to any IBOR rates. As such, none of the facilities utilised above are exposed to IBOR reform.

R million	2025	2024
Interest rate sensitivity analysis		
Impact of a 1% change in South African interest rates		
- charge to profit or loss and equity	85	74
Impact of a 1% change in offshore interest rates		
- charge to profit or loss and equity	8	8

Barloworld's treasury follows a centralised cash management process, including cash management systems across bank accounts in South Africa to minimise risk and related interest costs. Barloworld's international cash management is managed by the treasury departments in the respective businesses.

iii) Commodity price risk

The group is exposed to variability in the maize price via its procurement of maize and the sale of starch within Ingrain, which is also linked to the maize price. The group's risk management strategy is to align the pricing of the procurement and sales contracts as much as possible to mitigate its exposure to maize price volatility. The execution of this strategy is achieved by selling the requisite number of SAFEX maize futures once procurement contracts with farmers/traders have been priced. The SAFEX futures are closed out once the underlying sales contracts with customers are priced, effectively matching the SAFEX-linked purchase and sales price elements. Similarly, if the customer has priced its contracts before the procurement contracts with the farmers/traders have been priced, then the requisite number of SAFEX maize futures are purchased. The SAFEX futures are closed out once the underlying procurement contracts with the farmers/traders are priced. A 1% change in the price of maize would result in a gain/loss in profit/(loss) and equity of R1.8 million.

iv) Other price risk

The group is exposed to price risk arising out of the following:

Barloworld share price

The group has a liability to option holders in terms of the long-term share-based payments (notes 34.2, 34.3 and 34.4).

Barloworld share price sensitivity analysis

	2025	2024
Impact of a 10% change in the Barloworld share price as at 30 September		
- charge to profit or loss in respect of the liability	2	2

There has been no change during the current year in the group's approach to managing other price risk.

Notes to the consolidated financial statements continued

for the year ended 30 September 2025

33. Financial instruments continued

33.3 Financial risk management continued

c. Credit risk

Credit risk exposure

Each of the group's operating segments has credit terms appropriate for their industry. The average credit periods on these sales range from 30 to 90 days. When dealing with sales to external retail, construction or mining customers, full settlement or confirmation of financing from a respected financial institution is required before delivery. These measures minimise the credit risk. Credit risk exposures to customers for parts, services, maintenance and repair contracts, vehicle rental, fleet leasing and starch are managed by a monthly review of trade receivables ageing. The risk is mitigated by stringent background checks and credit limits for all customers, continuous reviews of credit limits, as well as legal action against defaulting customers. The average credit period on these sales is 30 days, however, extended credit terms may be negotiated during the account application process. It is group policy to deposit cash with major banks and financial institutions with strong credit ratings.

The carrying amount of the financial assets represents the group's maximum exposure to credit risk without taking into consideration any collateral provided as presented in [note 33.1](#).

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

The following forward-looking information was utilised to estimate the expected credit loss:

- The geography and industry in which the customers operate, particularly sales to entities based in other African countries outside of South Africa, as well as sales related to parts and services are considered riskier
- The period overdue and the time taken to settle underlying receivables; the older accounts are considered a higher risk
- Past default experiences of the operating segments; examples include the financial services operations, which have a very low default experience

The expected credit loss allowance has decreased marginally from 8.5% to 7.5%, taking into consideration the factors disclosed above. There has been no material change in the estimation techniques applied in determining the ECLs from the prior year. The credit policy of Ingrain is similar to that of Barloworld, with payment terms within 30 to 90 days from statement in South Africa and export customers on average 45 days from FOB. The gross receivables, disclosed below, are inclusive of VAT applicable to various jurisdictions and the allowance for credit losses excludes VAT.

The ECL on cash and cash equivalents is considered immaterial as a result of the low credit risk due to banking at financial institutions with strong credit ratings.

Notes to the consolidated financial statements continued

for the year ended 30 September 2025

33. Financial instruments continued

33.3 Financial risk management continued

c. Credit risk continued

Credit risk exposure continued

The following table details the risk profile of trade receivables based on the group's provision matrix. As the group's historical credit loss experience shows significantly different loss patterns for the different customer segments, the provision for loss allowance is further distinguished between the group's different operations. Trade receivables are closely managed at an individual level, supported by enhanced customer screening and review processes implemented since the Equipment divisions designation as an "Accountable Institution" under the Financial Intelligence Centre Act. These measures have contributed to a reduction in credit risk across the customer portfolio, resulting in better quality receivables with less risk of financial loss.

	2025			2024		
	Gross carrying amount	Lifetime ECL	Average ECL / Impairment ratio	Gross carrying amount	Lifetime ECL	Average ECL / Impairment ratio
	R million	R million	%	R million	R million	%
Equipment	4 093	(348)	9%	3 730	(381)	10%
Fully performing	1 909	(18)	1%	1 922	(32)	2%
Up to 90 days past due	792	(31)	4%	862	(75)	9%
91 days to 180 days past due	235	(19)	8%	224	(23)	10%
Greater than 181 days past due	1 157	(280)	24%	722	(251)	35%
Ingrain	728	(3)		799	(3)	
Fully performing	555			694		
Up to 90 days past due	139	(2)	1%	100	(2)	(2)%
91 days to 180 days past due	34	(1)	3%	5	(1)	11%
Other segments	57	(3)	5%	78	(9)	12%
Total group	4 878	(354)	7.3%	4 608	(393)	8.5%

Notes to the consolidated financial statements continued

for the year ended 30 September 2025

33. Financial instruments continued

33.3 Financial risk management continued

d. Liquidity risk

Liquidity risk arises when the group cannot meet its contractual cash outflows as they fall due and payable. The group manages liquidity risk by monitoring forecast cash flows, maintaining a balance between long-term and short-term debt and ensuring that adequate unutilised borrowing facilities are maintained. Unutilised bank facilities amounted to R7.9 billion (2024: R7.0 billion). There has been no change to this approach during the current year or the prior year.

Group facilities

R million	Sep 2025	Sep 2024
Utilised	16 461	7 868
Unutilised	7 906	7 021
Total facilities	24 367	14 889
Unutilised – committed	6 096	6 579
Unutilised – uncommitted	1 811	441
Total unutilised facilities	7 907	7 021

Debt covenants

	Sep 2025	Sep 2024
EBITDA: Net interest cover* > 3 times	4.3 times	4.3 times
Net debt: EBITDA cover < 3.0 times	0.3 times	0.6 times

*In the prior year the debt covenant was based on EBITDA:Gross interest >2.5 times (2024: 3.5 times). This was renegotiated in the current year to the above.

Maturity profile of financial liabilities

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

R million	Repayable during the year ending 30 September 2025			
	Total owing	Within one year	Two to five years	Greater than five years
Interest-bearing liabilities	7 165	1 237	5 928	
Trade payables and other non-interest bearing liabilities	14 051	14 051		
Lease liabilities	772	272	446	55
FECs	274	274		

R million	Repayable during the year ending 30 September 2024			
	Total owing	Within one year	Two to five years	Greater than five years
Interest-bearing liabilities	7 613	2 199	5 414	
Trade payables and other non-interest bearing liabilities	12 404	12 404		
Lease liabilities	840	307	474	59
FECs	233	233		

Notes to the consolidated financial statements continued

for the year ended 30 September 2025

33. Financial instruments continued

33.3 Financial risk management continued

d. Liquidity risk continued

Maturity profile of financial liabilities continued

Maturity profile of financial guarantees contracts as at 30 September 2025			
R million	Total owing	Within one year	Two to five years
Financial guarantees on behalf of joint ventures and associates	3 860	3 860	

Maturity profile of financial guarantees contracts as at 30 September 2024			
R million	Total owing	Within one year	Two to five years
Risk share debtors	177	57	120
Financial guarantees on behalf of joint ventures and associates	1 651	1 651	

During 2018, the Barloworld Equipment division entered into a risk share agreement with Caterpillar Financial Corporation Financeira, S.A., E.F.C. - Sucursal em Portugal and Barloworld Equipment UK Limited. The risk share agreement only relates to certain agreed-upon customer risk profiles and relates to exposure at default, less any recoveries. As at 30 September 2025, the maximum exposure of this guarantee was estimated to be nil (2024: R156 million), representing 25% of the capital balance outstanding.

During 2018, the Barloworld Equipment division entered into a risk share agreement with Caterpillar Financial Services South Africa Proprietary Limited. The risk share agreement only relates to certain agreed-upon customer risk profiles and relates to exposure at default less any recoveries. As at 30 September 2025, the gross maximum exposure of this guarantee was estimated to be nil (2024: R21 million), representing 25% of the capital balance outstanding.

Notes to the consolidated financial statements continued

for the year ended 30 September 2025

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

The value of the financial guarantee relating to the debtors that were factored during the current year is not significant for the group.

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

As described in [note 27](#), the group also participates in a supplier finance arrangement with the principal purpose of facilitating efficient payment processing of supplier invoices and providing the willing suppliers with early payment terms compared with the related invoice payment due date. The arrangement allows the group to centralise payments of trade payables to the bank rather than paying each supplier individually.

From the group's perspective, the arrangement does not significantly extend payment terms beyond the normal terms agreed with other suppliers that are not participating; on average, the payment terms for invoices relating to participating suppliers are extended by five days compared with the normal terms agreed with other suppliers that are not participating.

Notes to the consolidated financial statements continued

for the year ended 30 September 2025

34. Share incentive schemes and share-based payments

34.1 Financial effect of share-based payment transactions

R million	2025	2024
Income statement effect		
Compensation expense arising from equity and cash-settled forfeitable share plan	162	174
Compensation expense arising from equity and cash-settled share appreciation rights incentive plan		
Share-based payment expense included in operating profit	162	174
Taxation benefit on forfeitable share plan and share appreciation rights	(44)	(47)
Net share-based payment expense after taxation	118	127
Financial position effect		
Liability raised for cash-settled shares (to be incurred within one to five years)	(151)	(103)
Deferred taxation asset raised on share-based payment transactions	41	28
Net reduction in shareholders' interest as a result of share-based payment transactions	(110)	(75)

Equity-settled share scheme transactions are classified through the statement of changes in equity as equity compensation reserves and all cash-settled share schemes are disclosed as part of provisions.

34.2 Forfeitable share plan

On 28 January 2010, the group introduced the Barloworld forfeitable share plan (FSP).

The scheme allows executive directors and certain senior employees to earn a long-term incentive to assist with the retention and reward of selected employees.

Shares are granted to employees for no consideration. These shares participate in dividends and shareholder rights from grant date.

The vesting of the shares is subject to continued employment for a period of three years or the employee will forfeit the shares.

Prior to the 2016 awards, shares issued to the executive directors were subject to performance conditions. Since 30 March 2016, shares issued to executive directors and certain senior employees have been subject to performance conditions, which will be measured over the three-year vesting period.

The performance conditions over the vesting period include a market condition based on total shareholder return and non-market conditions based on return on invested capital, free cash flow and headline earnings per share.

On resignation, an employee forfeits any unvested shares. On death or retirement, only a portion of the shares will vest, calculated on the number of days worked over the total vesting period, subject to any performance condition being met.

The scheme is settled in shares and therefore the scheme is equity-settled. In jurisdictions where the delivery of shares is impractical, cash will be paid to employees in lieu of shares. These shares are cash-settled share-based payments.

Fair value estimates

Equity-settled

In terms of IFRS 2, the transaction is measured at fair value of the equity instruments at the grant date. The fair value takes into account that the employees are entitled to the dividends from grant date. The fair value of the equity-settled shares, subject to non-market conditions, is the closing share price at grant date. The estimated fair value of the equity-settled shares, subject to market conditions, were calculated at grant date using a Monte Carlo simulation model with the following inputs:

Date of grant:	11 Dec 2024	1 Mar 2024	7 Dec 2023	1 Feb 2023	19 Jan 2023	25 Nov 2022
Non-market conditions						
Number of shares granted	865 846	30 750	870 906	5 540	45 872	678 609
Share price at grant date (R)	R107.00	R67.74	R74.45	R89.81	R87.11	R93.37
Estimated fair value per share at grant date (R)	R107.00	R67.74	R74.45	R89.81	R87.11	R93.37
Number of shares granted	865 846	30 750	870 906	5 540	45 872	678 609
Expected volatility (%)	32.50%	33.50%	35.26%	44.91%	42.35%	43.50%
Expected dividend yield (%)	2.93%	3.60%	4.42%	3.81%	3.80%	4.80%
Risk free rate (%)	7.12%	7.95%	7.63%	7.21%	7.90%	6.80%
Estimated fair value per share at grant date (R)	R107.00	R67.74	R74.45	R89.81	R87.11	R93.37

Notes to the consolidated financial statements continued

for the year ended 30 September 2025

34. Share incentive schemes and share-based payments continued

34.2 Forfeitable share plan continued

Fair value estimates continued

Cash-settled

In terms of IFRS 2, liabilities relating to cash-settled share-based payments are adjusted to fair value at financial position date. The estimated fair value of the cash-settled shares was calculated by using the closing share price at the reporting date, risk-free rate at reporting date and discounting future expected dividends.

Date of grant:	2 Jan 2025	11 Dec 2024	7 Dec 2023	25 Nov 2022	7 Dec 2021	4 Dec 2020	9 Mar 2020
Number of cash-settled shares granted	7 970	241 707	366 800	298 140	177 430	298 031	179 500
Share price at grant date (R)	R108.53	R107.00	R74.45	R105.92	R149.74	R87.46	R78.00
Risk free rate (%)	6.7%	6.7%	7.6%	7.7%	5.7%	4.9%	7.8%
Estimated fair value per cash-settled share at grant date (R)	R108.53	R107.00	R74.45	R105.92	R149.74	R89.81	R74.51
Estimated fair value per cash-settled share at year end (R)	R118.00	R118.00	R86.58	R86.84	R92.27	R78.00	R58.51

34.3 Share appreciation rights scheme

During 2007, the group introduced the Barloworld cash-settled share appreciation rights scheme.

The scheme allows executive directors and certain senior employees to earn a long-term incentive amount calculated based on the increase in the Barloworld Limited share price between the grant date and the vesting and exercise of such rights. During 2011, the scheme rules were amended to change all future awards to be equity-settled in shares.

The objective of the scheme is to recognise the contributions of senior staff to the group's financial position and performance and to retain key employees.

The vesting of the rights is subject to specific performance conditions, based on the group's headline earnings per share. Rights are granted for a period of six years and vest one-third after three years from the grant date, a further one-third after four years and the final third after five years. The grant price of these appreciation rights equals the volume-weighted average market price of the underlying shares on the three trading days immediately preceding the grant date.

On resignation, share appreciation rights, which have not yet vested and those vested but not exercised, are forfeited. On death or retirement, the Barloworld remuneration committee may permit a portion of unvested rights to be exercised within one year (or such extended period as the committee may decide) of the date of cessation of employment.

It is group policy that employees should not deal in Barloworld Limited shares (and this is extended to the forfeitable share plan, share appreciation rights scheme and share options scheme) for the periods from 1 April for half year end and 1 October for year end until 24 hours after publication of the results, and at any other time during which they have access to price-sensitive information.

Equity-settled share appreciation rights:

Fair value estimates

In terms of IFRS 2, the transaction is measured at fair value of the equity instruments at the grant date.

The estimated fair value of the share appreciation rights was calculated using a binomial pricing model, with inputs as set out below.

	Equity-settled 27 Feb 2019
Date of grant	27 Feb 2019
Number of share appreciation rights granted	541 920
Grant price (R)	R130.02
Share price at grant date (R)	R131.12
Expected volatility (%)	24.6%
Expected dividend yield (%)	3.5%
Risk free rate (%)	8.2%
Exercise multiple (share price at exercise date / option exercise price)	1.8
Estimated fair value per share appreciation right at grant date (R)	R45.16

The volatility was based on historical volatility of the shares over a five year period. It was assumed that, given the long time frame, historical volatility could be used to estimate expected or implied volatility.

Notes to the consolidated financial statements continued

for the year ended 30 September 2025

34. Share incentive schemes and share-based payments continued

34.4 Conditional share plan

In 2020, the group introduced the Barloworld conditional share plan scheme with the discontinuation of the share appreciation rights scheme.

The scheme will only apply to group executives, including executive directors and prescribed officers, and is designed to align the long-term incentive scheme with the company's strategy.

The objective of the scheme is to recognise the contributions of senior staff to the group's financial position and performance and to retain key employees.

The vesting of the shares are subject to specific performance conditions, based on the return on invested capital, free cash flow conversion and headline earnings per share. The vesting of shares is subject to continued employment for a period of three years and a two-year holding period.

On resignation, the employee will forfeit any unvested shares; on death or retirement, only a portion of the shares will vest based on the number of days worked over the total vesting period, subject to the performance condition being met.

The scheme is settled in shares and therefore equity-settled.

It is group policy that employees should not deal in Barloworld Limited shares (and this is extended to the forfeitable share plan, share appreciation rights scheme and share options scheme and conditional share plan) for the periods from 1 April for half year end and 1 October for year end until 24 hours after publication of the results, and at any other time during which they have access to price-sensitive information.

Fair value estimates

Equity-settled

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

Date of grant:	11 Dec 2024	7 Dec 2023	25 Nov 2022	7 Dec 2021	4 Dec 2020
Non-market conditions					
Number of shares granted	981 160	994 210	699 308	428 200	639 990
Share price at grant date (R)	R107.00	R74.45	R105.92	R149.74	R89.81
Estimated fair value per share at grant date (R)	R107.00	R74.45	R105.92	R149.74	R89.81

Notes to the consolidated financial statements continued

for the year ended 30 September 2025

34. Share incentive schemes and share-based payments continued

34.5 Total unvested forfeitable shares and appreciation rights unexercised

The following unvested forfeitable shares and share appreciation rights granted are unexercised/unvested:

					Number of options/rights		
Date of grant	Date from which exercisable	Expiry date	Contractual life remaining (years)	Original exercise price (R)	Barloworld directors	Barloworld employees*	Total unexercised**
Total equity-settled share appreciation rights granted and unexercised							
25 Nov 2022	24-Nov-25	24-Nov-25	0.2		171 282	507 327	678 609
19 Jan 2023	18-Jan-26	18-Jan-26	0.3			45 872	45 872
1 Feb 2023	31-Jan-26	31-Jan-26	0.3			5 540	5 540
7 Dec 2023	6-Dec-26	6-Dec-26	1.2			870 906	870 906
1 Mar 2024	6-Dec-26	6-Dec-26	1.2			30 750	30 750
11 Dec 2024	10-Dec-27	10-Dec-27	2.2			865 846	865 846
Total equity-settled forfeitable shares granted and unvested					171 282	2 326 241	2 497 523
25 Nov 2022	24-Nov-25	24-Nov-25	0.2			192 094	192 094
7 Dec 2023	6-Dec-26	6-Dec-26	1.2			309 782	309 782
11 Dec 2024	10-Dec-27	10-Dec-27	2.2			241 707	241 707
1 Jan 2025	10-Dec-27	10-Dec-27	2.2			7 970	7 970
Total cash-settled forfeitable shares granted and unvested					0	751 553	751 553
4 Dec 2020	3-Dec-23	8-Mar-25	0.6		478 155	68 566	546 721
7 Dec 2021	6-Dec-24	6-Dec-26	0.8		282 321	40 272	322 593
25 Nov 2022	24-Nov-25	24-Nov-27	0.9		490 190	146 650	636 840
7 Dec 2023	6-Dec-26	6-Dec-28	1.2		828 930	165 280	994 210
11 Dec 2024	10-Dec-27	10-Dec-29	2.2		751 930	229 230	981 160
Total equity-settled conditional shares granted and unexercised					2 831 526	649 998	3 481 524
Total unexercised and unvested					3 002 808	3 727 792	6 730 600

There were no exercised share appreciation rights in the current year and the prior year.

* The unexercised share appreciation rights granted to retired directors and employees are included in this column.

** The scheme rules dictate that the number of unexercised options may not exceed 5% of the total number of issued shares of the company at any time.

For the cash-settled share appreciation rights granted, the provisions are raised and settled at maturity on the share price at that point in time hence no original exercise price is disclosed. The equity-settled share appreciation rights and conditional shares granted are settled on maturity hence no original exercise price is disclosed.

Notes to the consolidated financial statements continued

for the year ended 30 September 2025

34. Share incentive schemes and share-based payments continued

34.5 Total unvested forfeitable shares and appreciation rights unexercised continued

Forfeitable and conditional shares and appreciation rights movement for the year	Number of forfeitable shares	Number of appreciation rights	Number of conditional rights	Weighted average exercise price (R)*
2025				
Unexercised at the beginning of the year	3 174 382	290 906	2 640 921	R128.53
Forfeitable shares granted	1 262 010			R77.66
Forfeitable shares forfeited	(779 527)			
Forfeitable shares vested	(407 789)	(290 906)		
Conditional shares granted			981 160	R77.66
Appreciation rights equity forfeited				
Forfeitable shares, conditional shares unvested and appreciation rights unexercised at year end	3 249 076	0	3 622 081	R94.62
Appreciation rights equity exercisable at year end				
Held by:				
Directors, employees and ex-employees of Barloworld	3 249 076	0	3 622 081	R94.62

Forfeitable and conditional shares and appreciation rights movement for the year	Number of forfeitable shares	Number of appreciation rights	Number of conditional rights	Weighted average exercise price (R)*
2024				
Unexercised at the beginning of the year	3 384 515	377 030	1 646 631	R128.53
Forfeitable shares granted	1 697 650			R74.45
Forfeitable shares forfeited	(656 779)			
Forfeitable shares vested	(1 251 004)	(75 330)		
Conditional shares granted			994 290	R74.45
Conditional shares forfeited				
Appreciation rights equity forfeited		(10 794)		
Forfeitable shares, conditional shares unvested and appreciation rights unexercised at year end	3 174 382	290 906	2 640 921	R92.48
Appreciation rights exercisable at year end				
Held by:				
Directors, employees and ex-employees of Barloworld	3 174 382	290 906	2 640 921	R92.48

* Weighted average exercise price for appreciation rights.

R million	2-5 years	<1 year	2025	2024
Estimated amount to be paid over to tax authorities on behalf of employees	317	0	317	198

The estimated withholding tax obligation associated with the equity-settled scheme, to be paid over to the tax authorities on behalf of the employees in future years, is based on the number of grants that are expected to vest at maturity and the share price as at 30 September 2025, at the applicable tax rate. Barloworld considers IFRS 2.33 (e-f) Share-based payments with a net settlement feature for withholding tax obligations when considering cash vs equity classification.

Notes to the consolidated financial statements continued

for the year ended 30 September 2025

35. Changes in accounting policies

New standards and amendments that have been issued but are not yet effective

The new and amended standards and interpretations that are issued but not yet effective for the group in the current reporting period are disclosed below. The group intends to adopt these new and amended standards and interpretations, if applicable, when they become effective.

IFRS 18 Presentation and Disclosure in Financial Statements

The IASB issued IFRS 18, which replaces IAS 1 Presentation of Financial Statements. IFRS 18 introduces new requirements for presentation within the statement of profit or loss, including specified totals and subtotals. Furthermore, entities are required to classify all income and expenses within the statement of profit or loss into one of five categories: operating, investing, financing, income taxes and discontinued operations.

The standard also requires disclosure of management-defined performance measures (MPMs) and includes new requirements for aggregation and disaggregation of financial information based on the identified 'roles' of the primary financial statements and the notes.

In addition, narrow-scope amendments have been made to IAS 7 Statement of Cash Flows, which include changing the starting point for determining cash flows from operations under the indirect method, from 'profit or loss' to 'operating profit or loss' and removing the optionality around the classification of cash flows from dividends and interest. There are consequential amendments to several other standards.

IFRS 18, and the amendments to the other standards, are effective for reporting periods beginning on or after 1 January 2027, but earlier application is permitted and must be disclosed. IFRS 18 will apply retrospectively.

The group is still in the process of assessing the impact of the new standard, particularly on the structure of the group's statement of profit or loss, the statement of cash flows and the additional disclosures required for MPMs.

The new standard will be material to the group.

IFRS 19 Subsidiaries without Public Accountability: Disclosures

IFRS 19 specifies reduced disclosure requirements that an eligible entity is permitted to apply instead of the disclosure requirements in other IFRS Accounting Standards. An entity electing to apply IFRS 19 applies the requirements in other IFRS Accounting Standards, except for the disclosure requirements. An entity may elect to apply the Standard in its consolidated, separate or individual financial statements if, and only if, at the end of the reporting period:

- it is a subsidiary;
- it does not have public accountability; and
- it has an ultimate or intermediate parent that produces consolidated financial statements available for public use that comply with IFRS.

IFRS 19 is effective for reporting periods beginning on or after 1 January 2027; earlier application is permitted.

As the group's equity instruments are publicly traded, it is not eligible to elect to apply IFRS 19.

Lack of Exchangeability – Amendments to IAS 21

The amendment provides guidance to specify when a currency is exchangeable and how to determine the exchange rate when it is not. When a currency is not exchangeable into another currency, the spot exchange rate needs to be estimated.

An entity is impacted by the amendments when it has a transaction or an operation in a foreign currency that is not exchangeable into another currency at a measurement date for a specified purpose. A currency is exchangeable when there is an ability to obtain the other currency (with a normal administrative delay), and the transaction would take place through a market or exchange mechanism that creates enforceable rights and obligations. The amendments to IAS 21 set out a framework under which an entity can determine the spot exchange rate at the measurement date.

The amendment is effective for periods beginning on or after 1 January 2025.

The amendment is not expected to have a material impact on the group.

Notes to the consolidated financial statements continued

for the year ended 30 September 2025

35. Changes in accounting policies continued

Classification and measurement of financial Instruments: Amendments to IFRS 9 and IFRS 7

New guidance has been added to IFRS 9 to specifically address when a financial liability should be derecognised when it is settled by electronic payment. Previously, an entity was required to wait until the settlement date of the transaction to discharge the liability, but the new guidance allows for the liability to be discharged before the settlement date if:

- the payment cannot be withdrawn, stopped or cancelled;
- the entity no longer has the practical ability to access the cash; and
- settlement risk associated with the electronic payment system is insignificant.

Regarding the classification of financial assets, IFRS 9 has always required an entity to consider the characteristics of its contractual cash flows to appropriately classify a financial asset. The amendments provide some additional guidance to help an entity assess whether the contractual cash flows of a financial asset are consistent with a basic lending arrangement. New guidance has been provided, including examples of contractual cash flows that are solely payments of principal and interest on the principal outstanding, to ascertain whether or not the arrangements would be consistent with a basic lending arrangement.

The amendments to IFRS 9 provide a clearer definition of a non-recourse feature, which is now outlined as a financial asset where the entity's ultimate right to receive cash flows is contractually limited to the cash flows generated by specified assets.

IFRS 9 has also been updated to provide additional guidance to clarify the characteristics of contractually linked instruments. The amendments also specify that transactions that contain multiple debt instruments are not automatically contracts with multiple contractually linked instruments, and so they must be carefully assessed before a final determination is made.

The amendments to IFRS 7 add new required disclosures for any investments in equity instruments designated at fair value through other comprehensive income. These include disclosures of the fair value gain or loss presented in other comprehensive income for the period, showing separately the fair value gain or loss related to investments derecognised or held, as well as the transfer of cumulative gain or loss within equity related to derecognised investments.

The amendments are effective from annual reporting periods beginning on or after 1 January 2026.

The group is assessing the impact of the amendment. There may be an effect on when the group derecognises its liabilities, which will require adjustments to the accounting policies.

36. Acquisitions

Barloworld Mongolia Limited acquisition

In the prior year, following the finalisation of the purchase price assessment as at 31 August 2021, per IFRS 3, all subsequent adjustments in terms of the sales and purchase agreement needed to be accounted for through profit or loss. The earn-out contingent consideration of R26 million (US\$1.5 million) was reassessed at 30 September 2022 and reversed to profit on financial instruments. The true-up liabilities due to the sellers as at 30 September 2022 were settled during the year ended 30 September 2023. In the prior year, the final earn-out contingent consideration of R184 million (US\$10 million) was accrued for through profit or loss as a loss on financial instruments.

Notes to the consolidated financial statements continued

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37. Directors' remuneration and interests

Directors' remuneration

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

The directors' and prescribed officers' remuneration for the year ended 30 September 2025 was as follows:

R 000	Salary	Retirement and medical contributions	Other benefits	Total 2025
2025				
Executive directors				
DM Sewela	12 017	1 620	362	13 999
NV Lila (retire effective 30 November 2025)	5 966	708	605	7 279
Total executive directors	17 983	2 328	967	21 278
Prescribed officers				
E Leeka	6 904	854	2 362	10 120
A Masemola	5 803	810	1	6 614
C Wierenga	5 144	667	493	6 304
Total prescribed officers	17 851	2 331	2 856	23 038
Grand total	35 834	4 659	3 823	44 316

NV Lila will retire as Group Finance Director. The Board has appointed RM Sehoole (Malahleha) as her successor, effective 1 December 2025.

R 000	Total fees 2025
Non-executive directors	
Residents	
N Gwagwa	2 864
NP Mnxasana	1 251
V Nkonyeni	1 463
NV Mokhesi	1 568
Non-residents	
P Schmid	2 494
H Molotsi	1 981
N Chiaranda	3 020
B Odunewu	2 643
Total non-executive directors	17 284
Total directors' and prescribed officers' remuneration	61 600

Notes to the consolidated financial statements continued

for the year ended 30 September 2025

37. Directors' remuneration and interests continued

R 000	Salary	Retirement and medical contributions	Other benefits	Total 2024
2024				
Executive directors				
DM Sewela	11 285	1 544	502	13 331
NV Lila	5 514	675	695	6 884
Total executive directors	16 799	2 219	1 197	20 215
Prescribed officers				
E Leeka	7 099	1 103	277	8 479
A Masemola	5 472	766		6 238
C Wierenga	4 873	637	493	6 003
Total prescribed officers	17 444	2 506	770	20 720
Grand total	34 243	4 725	1 967	40 935

R 000	Total fees 2024
Non-executive directors	
Residents	
N Gwagwa	4 016
HH Hickey (retired 16 February 2024)	503
NP Mnxasana	1 202
V Nkonyeni	2 303
NV Mokhesi	2 527
Non-residents	
P Schmid	4 087
H Molotsi	2 000
N Chiaranda	4 528
B Odunewu	2 526
Total non-executive directors	23 692
Total directors' and prescribed officers' remuneration	64 627

Notes to the consolidated financial statements continued

for the year ended 30 September 2025

37. Directors' remuneration and interests continued

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

The aggregate beneficial holdings as at 30 September 2025 of the directors and prescribed officers of the company and their immediate families (none of whom has a holding in excess of 1%) in the issued ordinary shares of the company are detailed below. There have been no material changes in these shareholdings since that date.

	Khula Sizwe			
	2025 Management Trust	2025 Public Scheme - Direct	2024 Management Trust	2024 Public Scheme - Direct
Number of shares at 30 September				
Executive directors				
DM Sewela	3 435 304		3 435 304	
NV Lila	743 794		743 794	
Total executive directors	4 179 098		4 179 098	
Non-executive directors				
N Mokhesi		1 500		1 500
Total non-executive directors		1 500		1 500
Prescribed officers				
E Leeka	1 208 858		1 208 858	
A Masemola	301 735		301 735	
C Wierenga	26 403		26 403	
Total prescribed officers	1 536 996		1 536 996	
Grand total	5 716 094	1 500	5 716 094	1 500

Notes to the consolidated financial statements continued

for the year ended 30 September 2025

37. Directors' remuneration and interests continued

Interests of directors and prescribed officers of the company in share capital continued

	Barloworld									
	2025 CSP	2025 Forfeitable	2024 SARs	2025 Direct	2025 Indirect	2024 CSP	2024 Forfeitable	2023 SARs	2024 Direct	2024 Indirect
Number of shares at 30 September										
Executive directors										
DM Sewela	1 607 646	66 400		812 975	417 470	1 311 865	120 980	189 340	653 207	401 096
NV Lila	631 646	27 430		315 571		509 143	49 770		285 064	
Total executive directors	2 239 292	93 830		1 128 546	417 470	1 821 008	170 750	189 340	938 271	401 096
Prescribed officers										
E Leeka	684 098	27 850		377 613		560 295	50 330		305 072	
A Masemola	277 121	17 180				166 371	39 080		76 168	
C Wierenga	497 056	23 880		236 173		390 394	40 810	46 070	183 816	
Total prescribed officers	1 458 275	68 910		613 786		1 117 060	130 220	46 070	565 056	
Grand total	3 697 567	162 740		1 742 332	417 470	2 938 068	300 970	235 410	1 503 327	401 096

Notes to the consolidated financial statements continued

for the year ended 30 September 2025

37. Directors' remuneration and interests continued

Interests of directors and prescribed officers of the company in share options, share appreciation rights and forfeitable shares

The interests of the executive directors and prescribed officers in shares of the company provided in the form of options, share appreciation rights and forfeitable shares are shown in the table below:

	Award date	Number allocated in prior years	Number allocated in current year	Number exercised (options and SAR) / vested (FSP) / lapsed in current year	Lapsed in current year	Closing number	Exercise price	Price on exercise date (options and SAR) / vesting price (FSP)	Exercise or exercisable (options and SAR) / vesting date (FSP)
Executive directors									
DM Sewela									
Share appreciation rights									
	27-Feb-19	189 340		189 340					26-Feb-22
FSP - with performance conditions									
	07-Dec-21	54 580		16 374	38 206		n/a		06-Dec-24
	25-Nov-22	66 400				66 400	n/a		24-Nov-25
CSP									
	09-Mar-20	93 695				93 695	n/a	91.67	08-Mar-23
	04-Dec-20	559 512				559 512	n/a		03-Dec-23
	07-Dec-21	156 217	42 605		39 054	159 768	n/a		06-Dec-24
	25-Nov-22	190 021				190 021	n/a		24-Nov-25
	07-Dec-23	312 420				312 420			06-Dec-26
	11-Dec-24		292 230			292 230			10-Dec-27

DM Sewela pledged 1.2 million Barloworld shares held by himself and the Katlego Le Masego Trust as security in terms of a funding arrangement.

Notes to the consolidated financial statements continued

for the year ended 30 September 2025

37. Directors' remuneration and interests continued

Interests of directors and prescribed officers of the company in share options, share appreciation rights and forfeitable shares continued

	Award date	Number allocated in prior years	Number allocated in current year	Number exercised (options and SAR) / vested (FSP) /lapsed in current year	Lapsed in current year	Closing number	Exercise price	Price on exercise date (options and SAR) / vesting price (FSP)	Exercise or exercisable (options and SAR) / vesting date (FSP)
NV Lila									
FSP - with performance conditions									
	07-Dec-21	22 340		6 702	15 638		n/a		06-Dec-24
	25-Nov-22	27 430				27 430	n/a		25-Nov-25
CSP									
	09-Mar-20	33 820				33 820	n/a	91.67	08-Mar-23
	04-Dec-20	203 483				203 483	n/a		03-Dec-23
	07-Dec-21	63 929	17 435		15 982	65 382	n/a		06-Dec-24
	25-Nov-22	78 501				78 501	n/a		24-Nov-25
	07-Dec-23	129 410				129 410	n/a		24-Nov-25
	11-Dec-24		121 050			121 050	n/a		10-Dec-27

Notes to the consolidated financial statements continued

for the year ended 30 September 2025

37. Directors' remuneration and interests continued

Interests of directors and prescribed officers of the company in share options, share appreciation rights and forfeitable shares continued

	Award date	Number allocated in prior years	Number allocated in current year	Number exercised (options and SAR) / vested (FSP) / lapsed in current year	Lapsed in current year	Closing number	Exercise price	Price on exercise date (options and SAR) / vesting price (FSP)	Exercise or exercisable (options and SAR) / vesting date (FSP)
Prescribed officers									
E Leeka									
FSP - with performance conditions									
	07-Dec-21	22 480		6 744	15 736		n/a		06-Dec-24
	25-Nov-22	27 850				27 850	n/a		06-Dec-24
CSP									
	09-Mar-20	37 077				37 077	n/a		08-Mar-23
	04-Dec-20	222 139				222 139	n/a		03-Dec-23
	07-Dec-21	64 334	17 546		16 083	65 797	n/a		06-Dec-24
	25-Nov-22	79 715				79 715	n/a		24-Nov-25
	07-Dec-23	157 030				157 030	n/a		06-Dec-26
	11-Dec-24		122 340			122 340	n/a		10-Dec-27

Notes to the consolidated financial statements continued

for the year ended 30 September 2025

37. Directors' remuneration and interests continued

Interests of directors and prescribed officers of the company in share options, share appreciation rights and forfeitable shares continued

	Award date	Number allocated in prior years	Number allocated in current year	Number exercised (options and SAR) / vested (FSP) /lapsed in current year	Lapsed in current year	Closing number	Exercise price	Price on exercise date (options and SAR) / vesting price (FSP)	Exercise or exercisable (options and SAR) / vesting date (FSP)
A Masemola									
FSP - no performance conditions									
	07-Dec-21	10 950		10 950			n/a		06-Dec-24
FSP - with performance conditions									
	07-Dec-21	10 950		3 285	7 665		n/a		06-Dec-23
	25-Nov-22	17 180				17 180	n/a		24-Nov-25
CSP									
	25-Nov-22	49 161				49 161	n/a		25-Nov-25
	07-Dec-23	117 210				117 210	n/a		06-Dec-26
	11-Dec-24		110 750			110 750	n/a		10-Dec-27

Notes to the consolidated financial statements continued

for the year ended 30 September 2025

37. Directors' remuneration and interests continued

Interests of directors and prescribed officers of the company in share options, share appreciation rights and forfeitable shares continued

	Award date	Number allocated in prior years	Number allocated in current year	Number exercised (options and SAR) / vested (FSP) / lapsed in current year	Lapsed in current year	Closing number	Exercise price	Price on exercise date (options and SAR) / vesting price (FSP)	Exercise or exercisable (options and SAR) / vesting date (FSP)
C Wierenga									
Share appreciation rights									
	27-Feb-19	46 070		46 070					26-Feb-22
FSP - with performance conditions									
	07-Dec-21	16 930		5 079	11 851		n/a		06-Dec-24
	25-Nov-22	23 880				23 880	n/a		06-Dec-24
CSP									
	09-Mar-20	22 873				22 873	n/a	0	08-Mar-23
	04-Dec-20	137 854				137 854	n/a		03-Dec-23
	07-Dec-21	48 462	13 217	12 115		61 679	n/a	Lapsed	06-Dec-24
	25-Nov-22	68 345				68 345	n/a		24-Nov-25
	07-Dec-23	112 860				112 860	n/a		06-Dec-26
	11-Dec-24		105 560			105 560	n/a		10-Dec-27

Notes to the consolidated financial statements continued

for the year ended 30 September 2025

38. Principal subsidiary companies

	Type	Currency	Local currency amount	Effective percentage holdings		Interest of holding company					
				Issued capital		Investment in subsidiaries		Indebtedness		Amounts owing to subsidiaries	
				2025 %	2024 %	2025 R million	2024 R million	2025 R million	2024 R million	2025 R million	2024 R million
Barloworld Botswana (Pty) Limited ²	H	BWP	35 329 536	100	100						
Barloworld Equipment (Pty) Limited	O	ZAR	2	100	100						
Barloworld Equipment UK Limited ¹	O	GBP	4 500 000	100	100						
Vostochnaya Technica UK ¹	O	GBP	34 500 000	100	100						
Barloworld Holdings Limited ¹	H	GBP	228 301 000	100	100						
Barloworld Insurance Limited ¹	O	GBP	4 100 000	100	100	63	63				
Barloworld Investments (Pty) Limited	H	ZAR	900	100	100	108	108	2 706	3 068		
Barloworld South Africa (Pty) Limited	O	ZAR	765 424	100	100	2 152	2 152	5 268	5 062	115	118
Barloworld Investments Namibia (Pty) Limited ³	H	NAD	1 450 000	100	100	5	5				
Barloworld Siyakhula (Pty) Limited	O	ZAR	25 000 100	100	100						
Other subsidiaries *						68	67	107	8		
						2 396	2 395	8 081	8 138	115	118

All companies are incorporated in (or operate principally in) the Republic of South Africa, except where otherwise indicated as follows:

¹ United Kingdom

² Botswana

³ Namibia

Keys to type of subsidiary

H – Holding companies

O – Operating companies

In the current year, the Barloworld board took a firm decision to dispose the Salvage Management and Disposals (SMD) business. SMD did not represent a significant line of business and has therefore not been disclosed as discontinued operations. The disposal of SMD was concluded on 2 April 2025.

Any material changes that have taken place during the year are dealt with in the appropriate operational reviews.

* A full list of subsidiaries and a list of the special resolutions of those companies are available to the shareholders, on request, from the registered office of the company.

It can be noted in the statement of profit or loss that there is non-controlling interest, which originates mainly from Khula Sizwe, with the black public owning 30%.

Notes to the consolidated financial statements continued

for the year ended 30 September 2025

39. Related party transactions

Various transactions are entered into by the company and its subsidiaries during the year with related parties. Unless specifically disclosed, these transactions occurred under terms that are no less favourable than those entered into with third parties. Intra-group transactions are eliminated on consolidation.

The following is a summary of other transactions with related parties during the year and balances due at year end:

R million	Associates of the group	Joint ventures of the group
2025		
Goods and services purchased from		
Irene Khaya Investment (Pty) Ltd	19	
	19	
Trade and other receivables		
Barlow Park Residential (Pty) Ltd		212
		212

R million	Associates of the group	Joint ventures of the group
2024		
Goods and services purchased from		
Irene Khaya Investments (Pty) Ltd	17	
	17	
Trade and other receivables/(payables)		
Barlow Park Residential (Pty) Ltd		186
		186
Leasing finance arrangements commitments		
Bartrac Equipment Ltd		18
		18

Notes to the consolidated financial statements continued

for the year ended 30 September 2025

39. Related party transactions continued

Terms on other outstanding balances

Unless otherwise noted, all outstanding balances are payable within 30 days, unsecured and not guaranteed.

Associates and joint ventures

The loans to associates and joint ventures are repayable on demand and bear interest at market-related rates. There are no provisions held against any of the related parties.

There were no impairments of any investments in the current year. Refer to [note 13](#). Details of investments in associates and joint ventures are disclosed in [note 13](#).

Subsidiaries

Details of investments in subsidiaries are disclosed in [note 38](#).

Directors

Details regarding directors' remuneration and interests are disclosed in [note 37](#), and share appreciation rights, forfeitable shares and conditional shares are disclosed in [note 34](#).

Transactions with key management and other related parties (including directors and prescribed officers)

There were no related party transactions outside the ordinary course of business requiring separate disclosure in the consolidated financial statements.

Shareholders

The principal shareholders of the company are disclosed in the annual financial statements under the public and non-public shareholding of ordinary shareholders section.

Barloworld Medical Scheme

Contributions of R230 million were made to the Barloworld Medical Scheme on behalf of employees (2024: R230 million).

Barloworld Pension Fund (UK)

Amounts recognised in the income statement in respect of defined benefit plans was a net expense of R17 million (2024: R29 million net expense).

40. Events after the reporting period

Acquisition of Barloworld shares by Newco

On 1 October 2025, Barloworld announced that all conditions precedent to the Standby Offer made by Newco had been fulfilled and the offer became wholly unconditional. Newco is owned by Entsha, a newly incorporated South African company, ultimately owned by an inter vivos trust established for the benefit of Mr Sewela and his family, and by Gulf Falcon Holding Limited, a wholly-owned subsidiary of Zahid Tractor & Heavy Machinery Co. Ltd and a member of the Zahid Group. The transaction involves the acquisition of all Barloworld Ordinary Shares in issue (excluding treasury shares) at a cash consideration of R120 per share. On 7 November 2025, Barloworld announced that Newco has acquired Barloworld ordinary shares, such that the total beneficial interest in Barloworld now amounts to 70.8%. The total shareholding, including Newco's related, inter-related persons or persons acting in concert, is 94.1% of the total number of ordinary shares in issue.

The transaction is a non-adjusting event as it does not provide evidence of conditions that existed at the reporting date.

The final financial impact of the transaction cannot be reliably estimated due to the ongoing implementation process. However, the transaction is expected to have a material impact on the group's financial position, ownership structure and future strategic direction.

Share incentive scheme accelerated vesting

On 8 October 2025, the acquisition of Barloworld Limited by newco became effective following the fulfilment of all conditions precedent and the settlement of the offer consideration to shareholders. As part of the transaction, all unvested awards under the Barloworld FSP and CSP incentive schemes were accelerated and vested in full upon the change in control in accordance with the scheme rules.

The acceleration of these share-based payment awards resulted in an additional share-based payment charge of R 72 million, which will be recognised in the financial year ending 30 September 2026.

As the acquisition and resulting acceleration occurred after the reporting date, these events are considered non-adjusting events. The conditions that triggered the vesting did not exist as at 30 September 2025, therefore no adjustments have been made to the financial results for the year then ended.

Definitions of key performance indicators

Headline earnings per share

Profit for the year attributable to owners of Barloworld Limited adjusted for impairments and capital items (and other items required in terms of the SAICA circular), net of tax, divided by the weighted average number of ordinary shares in issue.

Diluted headline earnings per share

Profit attributable to ordinary equity holders of the parent entity adjusted for impairments and capital items (and other items required in terms of the SAICA circular), net of tax, divided by the weighted average number of ordinary shares in issue during the period, both adjusted for the effects of all dilutive potential ordinary shares.

Impairments and capital items

Impairments and capital items cover those amounts that are not considered to be of an operating/trading nature, and generally include remeasurements and consist of the following items:

- Impairments and impairment reversal of goodwill
- Impairment and impairment reversal of indefinite life intangible assets
- Impairment and impairment reversal of definite life intangible assets
- Impairment and impairment reversal of items of property, plant and equipment
- Impairment and impairment reversal of investments

- Gains and losses on the measurement to fair value less costs to sell (or on the disposal) of assets or disposal groups constituting assets held for sale and discontinued operations
- Gains and losses on the measurement to fair value less costs to sell of non-current assets or disposal groups classified as held for sale
- Gains and losses on the disposal of property, plant and equipment
- Recycling through profit or loss of foreign currency translation reserves upon disposal of entities whose functional currencies are different from the group's presentation currency
- Recycling through profit or loss of fair value gains and losses previously recognised in other comprehensive income upon the disposal of financial assets as at fair value through other comprehensive income (FVTOCI) and realisation of hedges of a net investment in a foreign operation
- Remeasurements to fair value of other financial instruments (including amounts recycled through profit or loss under cash flow hedges that were previously recognised in other comprehensive income) are not included in impairments and capital items

EBITDA

Earnings before interest (finance costs less finance income), taxes, depreciation, and amortisation of intangible assets.

Operating profit from core trading activities

Profit before impairments and capital items, interest (finance costs less finance income) and taxation.

Net operating profit after tax (NOPAT)

Operating profit from core trading activities after tax and share of associate income (excludes impairments and capital items net of tax).

Economic profit

The measure of the difference between the net operating profit after tax and capital charge.

Capital charge

Average invested capital multiplied by the weighted average cost of capital (WACC) rate.

Invested capital

The measure of the sum of the total interest of all shareholders (including non-controlling interests), long-term loans, lease liabilities, bank overdrafts and short-term loans less cash.

Average invested capital

Comprises simple average for the reporting period, determined as invested capital at the beginning of the 12 months prior to the reporting period, plus invested capital at the end of the reporting period, divided by two.

Equity

Interest of shareholders of Barloworld Limited, as stated on the statement of financial position comprising share capital and share premium, other reserves and retained income.

Return on invested capital (ROIC)

The return on invested capital is a return ratio and is calculated by dividing NOPAT over the average invested capital.

Return on equity (ROE)

Net profit after tax plus income from associates and joint ventures attributable to the owners of Barloworld Limited, adjusted to exclude impairments and capital items net of tax as a percentage of average equity.

Free cash flow

Cash flows from operating and investing activities (excluding cash paid for business acquisitions and cash received from sales of businesses) and excludes dividends paid.

Gross interest

Total finance costs comprising interest paid on interest-bearing liabilities (including floor plans), amounts due to bankers and short-term loans, defined benefit plan and lease liabilities.

Definitions of key performance indicators continued

Gross debt

Interest-bearing liabilities, excluding lease liabilities (unless stated otherwise), and amounts due to bankers and short-term loans.

Interest cover

Operating profit from core trading activities plus finance income divided by finance costs.

Net debt

Gross debt less cash and cash equivalents.

Return on net operating assets

Operating profit from core trading activities plus finance income, income from associates and joint ventures as a percentage of net operating assets.

Net operating assets

Segment assets less segment liabilities.

Segment assets

Total assets less goodwill, cash and cash equivalents, taxation and deferred taxation assets.

Segment liabilities

Total liabilities less interest-bearing loans, amounts due to bankers and short-term loans, lease liabilities, taxation and deferred taxation liabilities.

Net assets

Net operating assets plus goodwill, cash and cash equivalents.

Cash and cash equivalents

Cash comprises cash on hand and demand deposits. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and that are subject to an insignificant risk of changes in value.

Group operating margin

Operating profit from core trading activities as a percentage of revenue.

Company income statement

for the year ended 30 September 2025

R million	Notes	2025	2024
Revenue made up as follows:			
Dividend income [^]		347	1 160
Interest income*		384	473
Finance costs**		(412)	(473)
Administrative costs		(127)	(92)
Expected credit loss movement on financial guarantees		(4)	10
Operating profit from core trading activities		188	1 078
Capital loss			(16)
Profit on disposal of property			18
Impairment of loans	6	(1)	
Impairment of investment property	4	(2)	
Profit before taxation	2	185	1 080
Taxation	3	(47)	(17)
Profit after tax		138	1 064
Total comprehensive income for the year		138	1 064

[^] Dividend income comprises dividends received from investment in subsidiaries of R346 million (2024: R1 159 million) (refer [note 15](#)) and dividends received from the insurance company of R0.7 million (2024: R0.7 million).

* Interest income comprises interest received from subsidiaries and joint ventures of R359 million (2024: R452 million).

** Finance costs mainly relate to external borrowings, finance costs relating to short-term borrowing amounting to R32 million (2024: R35 million), finance costs relating to long-term borrowing amounting to R379 million (2024: R426 million), and R0.4 million (2024: R12 million) relates to other interest.

Company statement of financial position

at 30 September 2025

R million	Notes	2025	2024
ASSETS			
Non-current assets		11 208	10 646
Investment property	4	86	89
Other long-term receivables		3	4
Investments	5	2 624	2 598
Loans to subsidiaries	6	8 495	7 955
Current assets		8	499
Trade and other receivables		8	8
Taxation			1
Cash and cash equivalents	7		490
Total assets		11 216	11 145
EQUITY AND LIABILITIES			
Capital and reserves			
Share capital and premium	9	(2 322)	(2 322)
Other reserves		735	735
Retained income		7 734	8 411
Interest of shareholders of Barloworld Limited		6 147	6 824
Non-current liabilities		3 531	2 964
Interest-bearing liabilities	10	3 530	2 963
Deferred taxation liabilities	8	1	1
Current liabilities		1 538	1 357
Loans from subsidiaries	6	115	118
Trade and other payables		109	90
Taxation		38	
Provisions and accruals	11	1	19
Amounts due to bankers and short-term borrowings	12	1 275	1 130
Total equity and liabilities		11 216	11 145

Company statement of changes in equity

for the year ended 30 September 2025

R million	Notes	Share capital and premium	Equity compensation reserve*	Total retained income	Total share-holders' interest
Balance at 1 October 2023		(2 322)	735	8 314	6 727
Total comprehensive income for the year				1 064	1 064
Dividends on ordinary shares	14			(967)	(967)
Balance at 30 September 2024		(2 322)	735	8 411	6 824
Total comprehensive income for the year				138	138
Dividends on ordinary shares	14			(815)	(815)
Balance at 30 September 2025		(2 322)	735	7 734	6 147

* The equity compensation reserve relates to the IFRS 2 charge for the Khula Sizwe B-BBEE transaction.

In total, 6 578 121 shares (3%) were issued to the Barloworld Empowerment Foundation on 13 December 2019 at a share price of R111.87 per share, equating to a grant fair value of R735 million. A further 5% discount on the market values of the properties was given to Khula Sizwe on the sale of properties.

The shares held by the foundation are indefinite.

Company statement of cash flows

for the year ended 30 September 2025

R million	Notes	2025	2024
Cash flows from operating activities			
Cash generated from operations	A	204	38
Dividend income from investments (excluding withholding tax)		19	1 040
Interest income*		3	
Finance costs*		(413)	(461)
Taxation paid	B	(8)	(21)
Cash flow from operations		(195)	596
Dividends paid		(815)	(967)
Cash outflow from operating activities		(1 010)	(371)
Cash flows from investing activities			
Advance to joint venture		(4)	(28)
Payment (made)/received on loans to subsidiaries		(182)	1 659
Net cash (outflow)/inflow from investing activities		(186)	1 631
Net cash (outflow)/inflow before financing activities		(1 196)	1 260
Cash flows from financing activities			
Decrease in loans from subsidiaries		(3)	(102)
Proceeds from long-term borrowings		1 150	1 000
Repayment of long-term borrowings		(1 136)	(1 545)
Proceeds/(repayment) of short-term borrowings		500	(500)
Net cash inflow/(outflow) from financing activities	C	511	(1 147)
Net movement in cash and cash equivalents		(685)	113
Cash and cash equivalents at the beginning of the year		490	377
Cash and cash equivalents at the end of the year		(195)	490

* Interest income and finance costs exclude intergroup interest due to it not being cash transactions.

Notes to the statement of cash flows

for the year ended 30 September 2025

R million	2025	2024
A. Cash generated from operations is calculated as follows:		
Profit before taxation	185	1 080
Adjustments for:		
Impairment of investment property and loans	3	
Depreciation	1	
Non cash movement in provisions	(18)	13
Dividends income	(347)	(1 160)
Interest income	(384)	(473)
Finance costs	412	473
Expected credit loss movement on financial guarantees	4	(10)
Capital expenses		16
Profit on disposal of property		(18)
Operating cash flows before movements in working capital	(144)	(79)
Decrease in trade and other receivables	329	130
Increase/(decrease) in trade and other payables	19	(13)
Cash utilised from operations	204	38
B. Reconciliation of taxation paid:		
Amounts over/(under) paid at the beginning of the year	1	(3)
Per the income statement (excluding deferred taxation)	(47)	(18)
Net amounts unpaid at the end of the year	38	
Cash amounts paid	(8)	(21)

Notes to the statement of cash flows continued

for the year ended 30 September 2025

R million	1 October	Cash flows	Other non-cash	Transfer to or from short-term loans	30 September
C. Net cash outflow from financing activities:					
2025					
Net cash (used in)/generated from financing activities is reconciled as follows:					
Loans from subsidiaries	118	(3)			115
Non-current interest-bearing loans	2 963	1 148	(1)	(580)	3 530
Short-term loans (note 12)		500			500
Current portion of long-term borrowings (note 12)	1 130	(1 130)		580	580
Other movements					
Share capital	(2 322)				(2 322)
	1 889	515	(1)		2 403
2024					
Net cash (used in)/generated from financing activities is reconciled as follows:					
Loans from subsidiaries	220	(102)			118
Non-current interest-bearing loans	3 104	1 000	(10)	(1 131)	2 963
Short-term loans (note 12)	500	(500)			
Current portion of long term-borrowings (note 12)	1 544	(1 545)		1 131	1 130
Other movements					
Share capital	(2 322)				(2 322)
	3 046	(1 147)	(10)		1 889

Notes to the company financial statements

for the year ended 30 September 2025

1. Accounting framework

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

Accounting policies, for which no choice is permitted in terms of IFRS Accounting Standards, have been included only if management and the directors concluded that the disclosure would assist users in understanding the financial statements as a whole, taking into account the materiality of the item being discussed. Accounting policies, which are not applicable from time to time, have been removed, but will be included if the type of transaction occurs in future.

The basis of preparation is consistent with the prior year. Barloworld Limited, the company, does not have any leases that require a right of use asset or lease liability to be recognised in the statement of financial position.

1.2 Underlying concepts

The financial statements are prepared on the going concern basis. Assets and liabilities and income and expenses are not offset unless specifically permitted by an accounting standard. Financial assets and financial liabilities are offset and the net amount reported only when a legally enforceable right to set off the amounts exists and the intention is either to settle on a net basis or to realise the asset and settle the liability simultaneously. Impairment and capital items refer to expenses/income that are unrelated to Barloworld's core operations and fall outside the normal course of business. All financial information has been rounded to the nearest million, unless stated otherwise.

1.3 Significant judgements made by management

Preparing financial statements in conformity with IFRS Accounting Standards, as issued by the International Accounting Standards Board (IASB), requires estimates and assumptions that affect reported amounts and related disclosures. Actual results could differ from these estimates.

There are no significant judgements in the current year.

1.4 Revenue

Included in revenue are dividends received and interest received from subsidiaries.

Interest income and expense are recognised in the company income statement using the effective interest method for all interest-bearing financial instruments.

Dividends from subsidiaries are accrued for once declared by the subsidiaries.

1.5 Financial instruments

Financial instruments comprise investments in equity securities, loans receivable, trade and other receivables (excluding prepayments), cash and cash equivalents, borrowings, other non-current liabilities (excluding provisions), bank overdrafts, and trade and other payables.

Financial guarantees related to the Khula Sizwe lease and Treasury long-term loans are valued internally on an annual basis. Fair value adjustments are processed to profit or loss per the income statement.

1.6 Investment property

An investment property is either land or a building or part of a building held by the owner or by the lessee under a finance lease to earn rentals or for capital appreciation or both. The cost model is applied in accounting for investment property, i.e. the investment property is recorded at cost less any accumulated depreciation and impairment losses. Land is stated at cost and not depreciated. Investment property is depreciated on a straight-line basis over 20 to 50 years.

Property is valued every three years and will be impaired if needed.

Notes to the company financial statements continued

for the year ended 30 September 2025

1. Accounting framework continued

1.7 Cash and cash equivalents

Barloworld makes use of intercompany treasury functions and as such some of the intercompany balances meet the definition of cash and cash equivalents, being highly liquid, readily convertible and exposed to negligible risk of change in value under the heading Cash and cash equivalents.

1.8 Changes in accounting policies

The new and amended standards and interpretations that are issued but not yet effective for the group in the current reporting period are disclosed below. The group intends to adopt these new and amended standards and interpretations, if applicable, when they become effective.

	Effective date*
Lack of Exchangeability - Amendments to IAS 21	1 January 2025
Classification and measurement of financial Instruments - Amendments to IFRS 9 and IFRS 7	1 January 2026
IFRS 18 Presentation and Disclosure in Financial Statements	1 January 2027
IFRS 19 Subsidiaries without Public Accountability: Disclosures	1 January 2027

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

Refer to [note 35](#) of the consolidated annual financial statements for more detail.

2. Profit before taxation

R million	2025	2024
Profit before taxation is arrived at as follows:		
Total income	731	1 643
Expected credit loss movement on financial guarantees	(4)	10
Less: Finance costs	(412)	(473)
Less: Administrative costs	(127)	(92)
Less: Impairment of loans	(1)	
Less: Impairment of investment property	(2)	
Add: Profit on disposal property		18
Add: Capital loss		(16)
Profit before taxation	185	1 090
Administrative costs include the following:		
Administration, management and technical fees paid	9	9
Consulting, insurance and other investor relation expenses	98	50
Non-executive director remuneration	11	24
Auditors' remuneration	9	9

Notes to the company financial statements continued

for the year ended 30 September 2025

3. Taxation

R million	2025	2024
Current tax		
Withholding taxation	(2)	(6)
Normal and capital gains tax		
Current year	(45)	(14)
Prior year		2
	(47)	(18)
Deferred tax		
Current year		2
		2
Total taxation	(47)	(16)

%	2025	2024
Reconciliation of rate of taxation:		
South Africa normal taxation rate	27.0	27.0
Reduction in rate of taxation	(50.7)	(29.7)
Adjustment due to exemption for dividend income	(50.7)	(29.0)
Impairments and capital items taxation		(0.4)
Over provision of tax in respect of prior year		(0.3)
Increase in the rate of taxation	49.0	4.2
Disallowable charges [^]	23.6	2.8
Impairments and capital items taxation		
Under provision of tax in respect of prior year		
Imputed income	2.4	0.9
Withholding taxation	1.1	0.5
Pillar II	21.9	
Taxation as a percentage of profit before taxation	25.3	1.5

[^] Disallowable charges mostly relates to non-deductible professional fees and other costs.

4. Investment property

R million	Cost	Accumulated depreciation and impairment	Net book value
2025			
Freehold land and buildings	89	(3)	86
	89	(3)	86
2024			
Freehold land and buildings	89		89
	89		89

R million	Freehold land and buildings
Movement of carrying value of investment property	
2025	
Carrying value at 1 October 2024	89
Impairment	(3)
Carrying value at 30 September 2025	86
2024	
Carrying value at 1 October 2023	89
Carrying value at 30 September 2024	89

The register of land and buildings is open for inspection at the registered office of the company.

Notes to the company financial statements continued

for the year ended 30 September 2025

4. Investment property continued

The fair value for the above freehold land and buildings amounted to R156 million (2024: R146 million) based on a valuation in September 2025. A valuation by an independent valuer has been done in the current financial year.

The fair value measurement of the properties is considered a level 3 measurement in accordance with IFRS 13. A valuation was done in accordance with the International Valuation Standards by a chartered surveyor in accordance with The Royal Institution of Chartered Surveyors professional standards manual.

The fair values of the properties were calculated using the income approach method in which the estimated open market rent for the forward period is capitalised at an appropriate interest rate to reflect the perceived investment risk. The market approach is used for land valuation, which is based on a comparison of the asset with identical or similar assets that have available price information. There are no unobservable inputs for which a reasonable change in an input would result in a significantly higher or lower fair value measurement. There are also no significant unobservable inputs for which there are interrelationships that significantly influence the valuation. Where the income approach method is used for the valuation, a rate of 11.75% is used.

There are no known restrictions on the realisable value of the investment properties.

5. Investments

R million	2025	2024
Investment arising from initial recognition of financial guarantee liability	67	67
Investment in subsidiaries and joint ventures at cost less impairment	2 329	2 329
Unlisted investments at fair value*	16	16
Loan to joint venture	212	186
Total	2 624	2 598

* Refer to [note 13.1](#) for the valuation methodology.

The movement in investments includes an increase of R26 million (2024: R124 million) relating to a loan to a joint venture.

The above assets have been assessed for impairment based on the historical and forecast dividends received, and no impairment is required.

Refer to [note 38](#) (Principal subsidiary companies) of the consolidated annual financial statements.

6. Loans owing from/(to) subsidiaries

R million	2025	2024
Long-term loans	8 495	7 955
Amounts owing from subsidiaries *	8 495	7 955
Amounts owing to subsidiaries **	(115)	(118)

* Included in amounts owing from subsidiaries are interest-bearing loans amounting to R4 479 million to Barloworld South Africa Proprietary Limited (2024: R4 159 million). Non-interest-bearing loans are not repayable on demand but are long-term. The Khula Sizwe management trust was provided with a R219 million (2024: R207 million) interest-free loan held at a carrying value of R187 million (2024: R187 million). The borrowing rate was determined at JIBAR plus 1.95%. There is no history of credit losses on loans to subsidiaries and management expects these loans to continue performing, therefore, no expected credit losses have been recognised on these loans. Management has also considered macroeconomic forward-looking factors relating to these loans, however, the ECL remains negligible and, as such, none has been recognised. The loans are classified as level 3 and the fair values approximate the carrying value.

** The R115 million (2024: R118 million) owing to subsidiaries is made up mainly of various group loans, which are interest free with no fixed repayment terms.

Expected credit losses are determined in line with the group's accounting policy included in the consolidated annual financial statements.

Notes to the company financial statements

for the year ended 30 September 2025

7. Cash and cash equivalents

R million	2025	2024
Cash and cash equivalent balances		490

8. Deferred taxation (liability)/asset

R million	2025	2024
Movement of deferred taxation		
Balance at the beginning of the year	(1)	(3)
Recognised in the statement of comprehensive income (note 3)		2
Balance at the end of the year	(1)	(1)
Analysis of deferred taxation by type of temporary difference		
Property	(1)	(1)
	(1)	(1)
Amount of deferred taxation recognised in the statement of comprehensive income		
Other temporary differences		2
		2

9. Share capital and premium

R million	2025	2024
Authorised share capital		
500 000 6% non-redeemable cumulative preference shares of R2 each (2024: 500 000)	1	1
400 000 000 ordinary shares of 5 cents each (2024: 400 000 000)	20	20
	21	21
Issued share capital		
375 000 6 % non-redeemable cumulative preference shares of R2 each (2024: 375 000)	1	1
189 641 787 ordinary shares of 5 cents each (2024: 189 641 787)	10	10
	11	11
Share premium	(2 333)	(2 333)
Total issued share capital and premium	(2 322)	(2 322)

There are no rights preferences or restrictions on the ordinary shares in issue, with the exception of those shares issued to the Barloworld Empowerment Foundation.

Refer to [note 22](#) of the group annual financial statements for further details relating to the company's share capital.

Notes to the company financial statements continued

for the year ended 30 September 2025

10. Interest-bearing liabilities

R million	2025	2024
Total long-term borrowings	4 091	4 071
Financial liabilities*	19	22
Less: Current portion redeemable and repayable within one year (note 12)	(580)	(1 130)
South African Rand: Interest-bearing	3 530	2 963

* Financial liabilities arise due to the premium of rental and long-term loan guarantees provided. At initial recognition, a financial guarantee is measured at fair value. A discount rate was applied taking into account the time value of money, risk premium and own credit risk, and it will amortise over the duration of the guarantee period.

Barloworld bonds

Certificate	Issued	Maturity	Comparable treasury stock	Spread bps	Yield %	Type	2025 R million	2024 R million
BAW37	12-Jul-22	12-Jul-25	3-month Jibar	140	7.54	Floating		315
BAW38	12-Jul-22	12-Jul-27	3-month Jibar	160	7.54	Floating	785	785
BAW39	26-May-23	26-May-26	3-month Jibar	140	7.45	Capped Spread	430	430
BAW40	30-Jun-23	30-Jun-25	Fixed	Fixed	9.92	Fixed rate (NACS)		400
BAW41	20-Oct-23	20-Oct-26	3-month Jibar	120	7.54	Floating	485	485
BAW42	20-Oct-23	20-Oct-28	3-month Jibar	142	7.54	Floating	515	515
BAW44	14-Jul-25	14-Jul-28	3-month Jibar	115	7.28	Floating	300	
BAW45	18-Jul-25	18-Jul-28	3-month Jibar	110	7.27	Floating	500	
BAW46	22-Aug-25	22-Aug-28	3-month Jibar	115	7.02	Floating	200	
BAW47	22-Aug-25	22-Aug-26	3-month Jibar	82	7.02	Floating	150	
BAWGL1	22-Aug-22	22-Aug-25	3-month Jibar	136	8.24	Floating		415
BAWGL2	22-Aug-22	22-Aug-27	3-month Jibar	154	7.46	Floating	728	728
Fees capitalised							(2)	(2)
							4 091	4 071

The transition from the Johannesburg Interbank Average Rate (JIBAR) to the new South African Overnight Index Average (ZARONIA) is gaining traction. A formal cessation announcement of the JIBAR is expected in December 2025 and complete discontinuation by the end of 2026. The South African Reserve Bank's Market Practitioner Group (MPG) has introduced a "ZARONIA First" approach for derivatives and the adoption of ZARONIA is also progressing in the cash markets. The group has exposure to the 3-month JIBAR through certain debt instruments and funding facilities. Internal plans to transition are in place, by ensuring appropriate fallback methodology where these are not already expressed in legal arrangements, with completion targeted for the first half of 2026.

Notes to the company financial statements continued

for the year ended 30 September 2025

11. Provisions and accruals

R million	2025	2024
Current	1	19
	1	19

R million	2025	2024
Balance at the beginning of the year	19	6
Net movements		
Raised	1	19
Utilised	(13)	(6)
Reversed	(6)	
Balance at the end of the year	1	19

Provision mainly relates to professional fees and directors' fees accrued.

12. Amounts due to bankers and short-term borrowings

R million	2025	2024
Bank overdrafts	195	
Short-term loans	500	
Current portion of long-term borrowings *	580	1 130
	1 275	1 130

* Current portion of long-term borrowings relates to Barloworld bonds, which will reach maturity within one year.

Notes to the company financial statements continued

for the year ended 30 September 2025

13. Financial instruments

The company's financial instruments consist mainly of deposits with banks, short-term investments, accounts receivable and payable, bank borrowings, money and capital market borrowings, and loans to and from subsidiaries.

13.1 Categories of financial instruments

		2025			2024		
		Amortised cost	Fair value through profit or loss	Total amount	Amortised cost	Fair value through profit or loss	Total amount
R million	Notes						
ASSETS							
Amounts due from subsidiaries (Debt instruments)	6	8 495		8 495	7 955		7 955
Cash and cash equivalents	7				490		490
Long-term financial assets*	5		16	16		16	16
Total assets		8 495	16	8 511	8 445	16	8 461

* The fair value measurement of this investment is considered a level 3 measurement in accordance with IFRS 13. The fair value was determined based on the latest arm's length share trade information available for this investment. Sensitivity to inputs is considered immaterial for further disclosure. There are no unobservable inputs for which reasonable change in input would result in a significantly higher or lower fair value measurement. There are also no significant unobservable inputs for which there are interrelationships that significantly influence the valuation.

R million	Notes	2025 Amortised cost	2024 Amortised cost
LIABILITIES			
Interest-bearing non-current liabilities	10	3 530	2 963
Trade and other payables		109	90
Amounts due to subsidiaries (Debt instruments)	6	115	118
Amounts due to bankers and short-term loans	12	1 275	1 130
Total liabilities		5 029	4 301

Notes to the company financial statements continued

for the year ended 30 September 2025

13. Financial instruments continued

13.2 Financial risk management

a. Capital risk management

The company manages its capital to ensure that the company will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of debt and equity. The overall strategy remains unchanged from the previous year.

The capital structure of the company consists of debt (refer [notes 10](#) and [12](#)) and equity attributable to equity holders of Barloworld Limited, comprising issued capital ([note 9](#)), reserves and retained earnings (statement of changes in equity).

A finance committee consisting of senior executives of the company meet on a regular basis to review the capital structure based on the cost of capital and the risks associated with each class of capital, analyse currency and interest rate exposure, and re-evaluate treasury management strategies in the context of the most recent economic conditions and forecasts.

b. Market risk

1) *Currency risk*

The company is not exposed to any significant currency risk.

2) *Interest rate risk*

The company manages the exposure to interest rate risk by maintaining a balance between fixed and floating rate borrowings. The interest rate characteristics of new borrowings and the refinancing of existing borrowings are structured according to expected movements in interest rates. There has been no change in the current year to this approach. Refer to [note 33.3](#) for more detail regarding the group financial risk management.

R million	2025	2024
The interest rate profit of total borrowings is as follows:		
Interest rates		
Loans at fixed rates of interest		400
Loans linked to South Africa floating interest rates	4 610	3 693
	4 610	4 093

Interest rate sensitivity analysis

A change in interest rates by 1% would result in a change in profit or loss of R46 million (2024: 1%: R41 million). The impact will be the same on equity.

c. Credit risk

The potential area of credit risk is short-term cash investments, equity loans and intergroup loans. It is company policy to deposit short-term cash investments with major banks and financial institutions with strong credit ratings. No collateral is held. The company ensures that it only provides funding to entities that have submitted viable business plans indicating an ability to be able to meet their debt obligations.

	2025	2024
Maximum exposure to credit risk		
Financial assets*	8 511	8 461

* The financial assets mainly comprise loans owed by subsidiaries trading in the earthmoving equipment and power industries in South Africa and a small concentration in Lesotho.

Notes to the company financial statements continued

for the year ended 30 September 2025

13. Financial instruments continued

13.2 Financial risk management continued

c. Credit risk continued

Each of the above operations have credit terms appropriate for their industry. It is group policy to deposit cash with major banks and financial institutions with strong credit ratings.

The ECL on cash and cash equivalents is considered immaterial due to the low credit risk associated with banking with financial institutions that have strong credit ratings.

d. Liquidity risk

Liquidity risk arises when the company cannot meet its contractual cash outflows as they fall due and payable. The company is mainly funded through the treasury department in Barloworld South Africa and dividends received by subsidiaries. Liquidity risk is monitored through forecast cash flows, maintaining a balance between long-term and short-term debt and ensuring that adequate unutilised borrowing facilities are maintained.

There has been no change to this approach in the current year.

Maturity profile of financial liabilities

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

R million	Repayable during the year ending 30 September		
	Total owing 2025	2026	2027-2029
Interest-bearing liabilities	5 118	1 584	3 534
Interest	(508)		
Total interest-bearing liabilities	4 610		

R million	Repayable during the year ending 30 September		
	Total owing 2024	2025	2026-2028
Interest-bearing liabilities	5 052	1 508	3 543
Interest	(958)		
Total interest-bearing liabilities	4 093		

R million	Repayable during the year ending 30 September			
	Total owing 2025	2026	2027-2029	>5 years
Financial guarantees on behalf of joint ventures and associates*	1 725	1 725		
Financial guarantees on behalf of subsidiaries**	2 134	457	1 673	3

R million	Repayable during the year ending 30 September			
	Total owing 2024	2025	2026-2028	>5 years
Financial guarantees on behalf of joint ventures*	626	626		
Financial guarantees on behalf of subsidiaries**	2 338	387	1 885	66

* For issued financial guarantee contracts, the maximum amount of the guarantee is allocated to the earliest period in which the guarantee could be called.

** For issued financial guarantee contracts related to rental payments payable by subsidiary companies, the maximum amount of the guarantee is allocated to the earliest period in which the guarantee could be called and would therefore follow the rental period.

Notes to the company financial statements

for the year ended 30 September 2025

14. Dividends

R million	2025	2024
Ordinary shares		
Normal dividend No 190 paid on 6 January 2025: 310 cents per share (2024: No 188 - 300 cents)	588	569
Interim dividend No 191 paid 23 June 2025: 120 cents per share (2024: No 189: 210 cents per share)	228	398
Paid to Barloworld Limited shareholders	815	967

15. Related party transactions

The following is a summary of transactions with related parties during the year and balances due at year end:

R million	2025	2024
With related parties of the company		
Dividends from subsidiaries	339	1 159
Barloworld South Africa (Pty) Ltd	316	63
Barloworld Investments (Pty) Ltd	3	965
Barloworld Equipment Lesotho (Pty) Ltd	20	31
Barloworld Equipment Namibia (Pty) Ltd		100
Interest paid to subsidiaries		12
Barloworld South Africa (Pty) Ltd		12
Interest revenue from subsidiaries	359	452
Barloworld South Africa (Pty) Ltd	359	452

The following is a summary of transactions with related parties during the year and balances due at year end:

R million	2025	2024
Intergroup loans and other amounts due from related parties as at the end of the year (note 6 and 7)	8 495	8 445
Barloworld South Africa (Pty) Ltd^	5 475	5 063
Khula Sizwe Management Trust	187	187
Barloworld Investments (Pty) Ltd	2 706	3 068
Barlows Cement Investments (Pty) Ltd	119	119
Other related parties	8	8

R million	2025	2024
Intergroup loans and other amounts due to related parties as at the end of the year	310	118
Barloworld South Africa (Pty) Ltd^	310	118

Various transactions are entered into by the company and its subsidiaries during the year with related parties. Unless specifically disclosed, these transactions occurred under terms that are no less favourable than those entered into with third parties.

There are no doubtful debt provisions raised in respect of amounts due to/from related parties and no bad debts incurred during the year on these balances.

Details regarding directors' and key management's remuneration and interest, share options, share appreciation rights and forfeitable shares are disclosed in [note 34](#) and directors' and key management's remuneration and interest in [note 37](#) of the consolidated annual financial statements.

^ The company does not own a bank account and as such it uses the bank accounts owned by Barloworld South Africa and the related entries are accounted for through the current loan account. Such loan accounts are used exclusively to account for the bank transactions and treated as cash and cash equivalents. In the current year, the balance is R195 million reflected as a bank overdraft (2024: R490 million in cash and cash equivalents), which relates to the current loan accounts used to account for the bank transactions in the company.

Notes to the company financial statements

for the year ended 30 September 2025

16. Events after the reporting period

Refer to [note 40](#) of the consolidated annual financial statements for events after the reporting date impacting the company.

The consolidated financial statements are available on www.barloworld.com.

17. Disclosure relating to significant events

Refer to [note 32](#) of the consolidated annual financial statements for disclosure relating to significant events impacting the company.

18. Going concern

Management consider it appropriate to continued to adopt the going concern basis in preparing the separate annual financial statements of the company. The statement of financial position of the company is in a net liability position due to the following:

- The company does not have its own bank account.
- All funds received by the company are moved to the treasury function which is housed in Barloworld South Africa (Pty) Ltd.
- The company can draw from these funds to repay all debt as and when this becomes due for payment.
- The company generated profit after tax of R138 million (2024: R1 064 million) for the year ended 30 September 2025.
- Management prepares annual budgets, including cash flow requirement assessments and continues to monitor actual performance against budget.

Based on the above management has prepared the financial statements on a going concern basis as it has considered that it is reasonable to conclude that the company will have adequate resources to continue in operational existence for the next twelve months. This basis assumes that the company will be able to discharge obligations as they fall due in the normal course of business during the period.

Public and non-public shareholding of ordinary shares

Public and non-public shareholding of ordinary shares

Shareholder type	Number of holders	% of total shareholders	Number of shares	% of issued capital
Non-public shareholders	13	0.16	11 846 358	6.25
– Directors, prescribed officers and associates	7	0.09	2 224 758	1.17
– Company related and subsidiaries	4	0.05	2 989 668	1.58
– Empowerment	1	0.01	6 578 121	3.47
– Share plan	1	0.01	48 030	0.03
Public shareholders	7 994	99.84	177 795 429	93.75
Total	8 007	100	189 641 787	100.00

Registered shareholder spread

Registered	Number of holders	% of total shareholders	Number of shares	% of issued capital
1 - 1 000 shares	6 683	83.46	1 256 507	0.66
1 001 - 10 000 shares	930	11.61	2 949 717	1.56
10 001 - 100 000 shares	282	3.52	9 538 622	5.03
100 001 - 1 000 000 shares	89	1.11	28 677 480	15.12
1 000 001 shares and above	23	0.29	147 219 461	77.63
Total	8 007	100	189 641 787	100.00

Beneficial shareholdings 5% or more

Shareholder name	Total shareholding	% of issued capital
Government Employees Pension Fund	39 430 716	20.79
Zahid Tractor & Heavy Machinery Co Limited	35 834 624	18.90
Absa Capital Securities (Pty) Ltd	15 607 890	8.23
Silchester International Investors International Value Equity Trust	12 786 793	6.74
Total	103 660 023	54.66

Investment managers holding 5% or more

Shareholder name	Total shareholding	% of issued capital
Public Investment Corporation (SOC) Limited	36 665 669	19.33
Silchester International Investors, L.L.P.	27 334 664	14.41
Total	64 000 333	33.75

Geographic split of beneficial shareholders

Region	Total shareholding	% of issued capital
South Africa	97 202 231	51.26
United Kingdom	35 909 517	18.94
United States of America and Canada	21 211 673	11.19
Rest of Europe	2 664 026	1.40
Rest of World	32 654 340	17.22
Total	189 641 787	100.00

Public and non-public shareholding of ordinary shares continued

Breakdown of non-public shareholders

	Total shareholding	% of issued capital
Non-public shareholders		
Directors, prescribed officers and associates	2 224 758	1.17
Sewela, D	812 975	0.43
The Katlego Le Masego Trust (Sewela, D)	417 470	0.22
Leeka, E	377 613	0.20
Lila, N	315 571	0.17
Wierenga, C	236 173	0.12
Menon, N	61 252	0.03
Lemmert, GA	3 704	0.00
Company related and subsidiaries	2 989 668	1.58
Barloworld South Africa (Pty) Ltd	2 989 668	1.58
Empowerment	6 578 121	3.47
Barloworld Empowerment Foundation	6 578 121	3.47
Share plan	48 030	0.03
Barloworld Limited FSP	48 030	0.03

Breakdown of beneficial holdings

	Total shareholding	% of issued capital
Government Employees Pension Fund	39 430 716	20.79
Government Employees Pension Fund – Public Investment Corporation (SOC) Limited	34 831 156	18.37
Limited Government Employees Pension Fund – Coronation Fund Managers Limited	3 862 228	2.04
Government Employees Pension Fund – Aeon Investment Management (Pty) Ltd	296 687	0.16
Government Employees Pension Fund – All Weather Capital (Pty) Ltd	211 938	0.11
Government Employees Pension Fund – Ensemble Capital Asset Management	117 300	0.06
Government Employees Pension Fund – Differential Capital (Pty) Ltd	111 407	0.06

Issued share capital – 26 September 2025: 189 641 787 shares

Number of shareholders: 8 007

Corporate information



Barloworld Limited

(Incorporated in the Republic of South Africa)
(Registration number: 1918/000095/06)
(Income Tax Registration number: 9000/051/71/5)
(JSE share code: BAW)
(JSE ISIN: ZAE000026639)
(Share code: BAWP)
(A2X code: BAW)
(JSE ISIN: ZAE000026647)
(Bond issuer code: BIBAW)
("Barloworld" or the "company" or the "group")

Registered office and business address

Barloworld Limited
61 Katherine Street, Sandton 2196
PO Box 782248
Sandton 2146, South Africa
T +27 11 445 1000
E bawir@barloworld.com

Directors

Non-executive

NN Gwagwa (Chair), N Chiaranda[^],
NP Mnxasana, NV Mokhesi, H Molotsi,
V Nkonyeni, B Odunewu*, P Schmid, A Sfeir**
[^] Italian * Nigerian **Lebanese

Executive directors

DM Sewela (Group Chief Executive Officer),
NV Lila (Group Finance Director)

Group Company Secretary

Nomini Rapoo

Group Investor Relations

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Sponsor

Nedbank Corporate and Investment Banking
(a division of Nedbank Limited)

