ANNUAL RESULTS

FOR THE YEAR ENDED
30 SEPTEMBER 2024

AND CASH DIVIDEND DECLARATION

2024

ZEDA
Connecting humanity

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

Disclaimer

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

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

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

Administration

Board of Directors
Lwazi Bam (Chairman)
Xoliswa Kakana
Yolanda Miya
Sibani Mngomezulu
Ngao Motsei
Marna Roets
Donald Wilson

Executive Directors
Ramasela Ganda
(Group Chief Executive Officer)

Thobeka Ntshiza
(Group Finance Director)

Company Secretary
Chioneso Sakutukwa
– appointed 1 October 2024

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

William Radcliffe – resigned 31 January 2024

JSE Sponsor
Nedbank CIB

Auditors
SizweNtsalubaGobodo Grant Thornton Inc.

Investor Relations, Strategy & Corporate Affairs
Babalwa George

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Overview of the business

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

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

OUR PURPOSE, VISION AND ASPIRATION

PURPOSE
Connecting humanity

VISION
Trusted mobility solutions provider leading in its chosen markets

ASPIRATION
Drive greater adoption of usership economy

OUR CULTURE AND VALUES

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

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

OUR MARKET

Geography

Current presence in southern Africa plus Ghana

Current sub-licensees: Angola, Malawi and Zimbabwe

Customers

A balanced portfolio consisting of:

Business to Business ("B2B")

Business to Consumer ("B2C")

Offering

Integrated mobility solutions:

Car rental

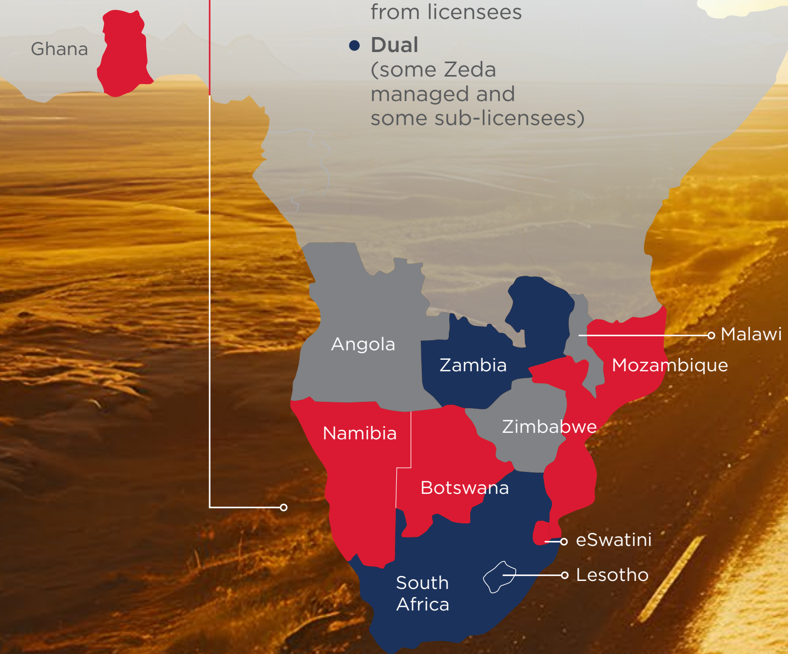
Leasing and fleet management solutions

Car sales

Where we operate

11 countries

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



WE CREATE VALUE BY

2024

- **Positively contributing** to livelihoods
- **Enabling individuals** to get to their places of work
- **Propelling industries**, including fast-moving consumer goods, mining, agriculture, tourism, telecoms and healthcare
- **Partnering** with public sector to enable effective service delivery
- **Providing mobility** to secure those pivotal business deals
- **Enabling journeys** to connect with loved ones
- **Supporting** small and medium enterprises ("SMEs") with mobility tools of trade

WE WIN THROUGH

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

INTEGRATED MOBILITY BUSINESS

Car Rental Business

AVIS Budget

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

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

Rental offering

Comprehensive offering

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

Across a range of vehicle types

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

With a diversified customer base

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

Leasing Business

AVIS FLEET

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

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

Leasing offering

Comprehensive offering

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

Across a range of vehicle types

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

With a diversified customer base

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

CAR SALES BUSINESS

AVIS | CAR SALES

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

Customer value proposition

Avis Car Sales offers additional value to customers:

01 Vehicle finance options

02 Warranties, service, and maintenance plans

03 Comprehensive insurance cover

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

05 Aftermarket accessories

OUR COMPETITIVE ADVANTAGE

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

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

01 Breadth of offering

02 Integrated fleet management systems and car rental systems

03 Experienced and qualified ambassadors

04 Scale and footprint

05 Integrated operation

06 Safe and secure vehicles

07 Long-standing relationships

08 Global brands

2

Message from the Group Chief Executive Officer (GCEO)

Ramasela Ganda

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

GROUP FINANCIAL HIGHLIGHTS

Financial performance	
Revenue	**Record high** revenue of **R10.5 billion**, up **14.5%** compared to prior year
EBITDA	up by **0.8%** with **EBITDA margin** at **32%**
Operating profit	down by **5.6%** with operating margin of **14%**
Shareholder returns	
ROIC	of **14.3%** > WACC of **11.8%**
ROE	of **23.1%** (FY2023: 36.7%)
TSR	of **24.6%**
Final dividend	declared of **50 cents**, taking **total annual dividend** to **100 cents**
Financial position	
Net debt to EBITDA	improved to **1.4x** (FY2023: 1.5x)
Net debt	**Net debt** of **R4 669 million** (FY2023: 4 826 million)
Cash and cash equivalent	**Cash and cash equivalent** of **R1.2 billion** (FY2023: 842 million)

A diversified business and strategy execution mitigated against tough trading conditions

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

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

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

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

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

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

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

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

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

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

Net debt improved to

R4 669 million

Car rental business

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

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

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

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

Leasing Business

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

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

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

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

DELIVERING ON OUR STRATEGIC GOALS

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

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

Funding

01

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

Growth

02

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

Innovation

03

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

Customer centricity

04

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

OUTLOOK STATEMENT

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

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

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

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

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

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

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

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

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

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

Our key strategic pillars for growth remain intact

Asset Light

Subscription

Greater Africa

Heavy Commercial

Investment in Digital Technology

DIVIDEND DECLARATION

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

The following dates are applicable to the dividend:

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

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

CHANGE IN DIVIDEND POLICY

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

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

FLEET SERVICES GHANA LIMITED

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

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

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

RAMASELA GANDA
Group Chief Executive Officer

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ESG overview

DELIVERING ON OUR ESG GOALS

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

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

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

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

Environment

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

Social

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

Governance

4

Financial overview

FOR THE YEAR ENDED 30 SEPTEMBER 2024

Thobeka Ntshiza

PRODUCING RESILIENT FINANCIAL RESULTS

Report from the Group Finance Director

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

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

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

QUICK VIEW OF THE FINANCIAL OUTCOMES

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

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

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

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

EXCEPTIONAL REVENUE PERFORMANCE

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

Rental and leasing revenue

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

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

PROFITABILITY

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

EBITDA and EBITDA margin

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

Operating profit and operating profit margin

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

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

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

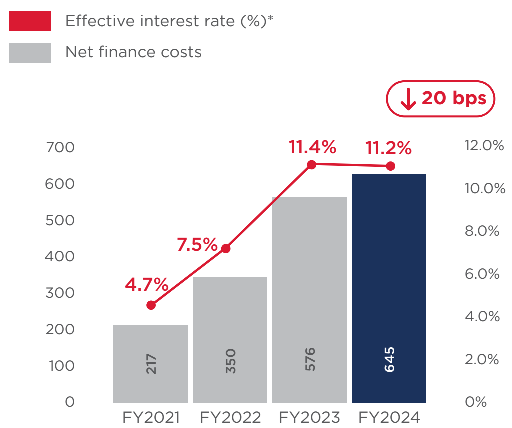
MANAGING NET FINANCE COSTS

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

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

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

Net finance costs* (Rm)



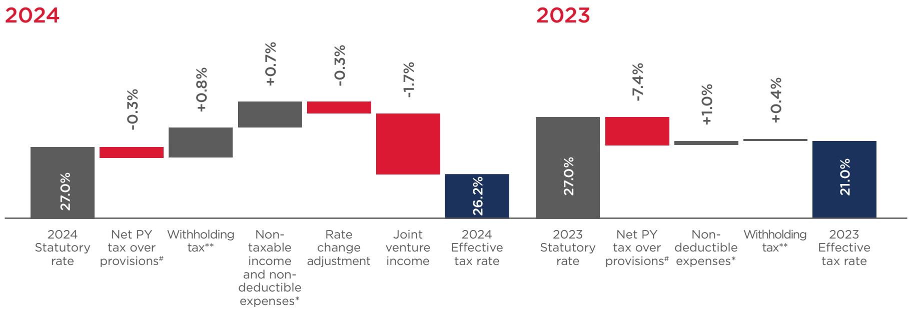
* *Net finance costs excludes interest paid on IFRS 16 lease liabilities*

RESPONSIBLE TAX MANAGEMENT

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

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

Tax rate (%)



* *Non-taxable income mainly relates to the portion of the selling price of the de-fleeted vehicles that is more than the cost price. Non-deductible expenses comprise traffic fines, IFRS 2 share costs that are equity-settled, donations and foreign exchange differences. We also have companies that operate in Greater Africa jurisdictions with different tax rates.*

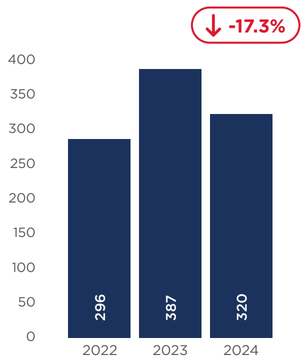
** *Withholding tax is applicable when royalties are paid to ABG for the licence to operate the global brands, Avis and Budget.*

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

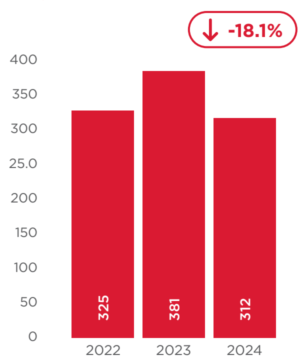
UNDERSTANDING OUR EARNINGS PER SHARE

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

Basic earnings per share (BEPS) (cents)



Headline earnings per share (HEPS) (cents)



Statement of financial position summary

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

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

OPERATING ASSETS SUPPORTING THE BUSINESS

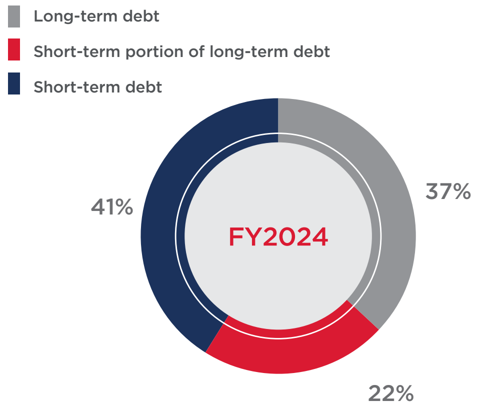
Long-term rental fleet has grown by **R545 million**, while the short-term rental fleet value has reduced by **R1 127 million**. To optimise our funding structure, Zeda increased the use of operating leases for the car rental business, resulting in reduced debt levels required to fund the rental fleet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

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

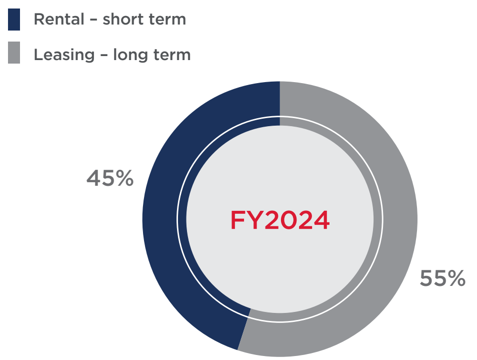
OPERATING ASSETS AND WORKING CAPITAL

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

Financing split



Fleet assets split



FOCUSING ON FUNDING

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

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

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

Key messages from the roadshow

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

Zeda' credit rating from Moody's

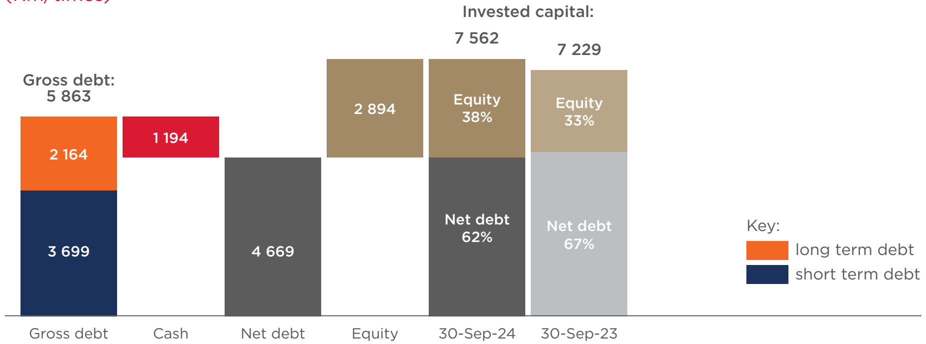
The last review date was October 2024

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

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

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

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



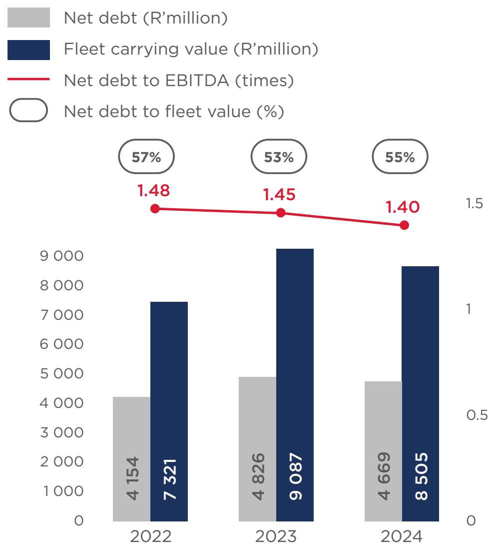
* *Excluding IFRS 16 liabilities.*

Financial leverage levels maintained

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

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

Debt ratios



Capital allocation approach

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

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

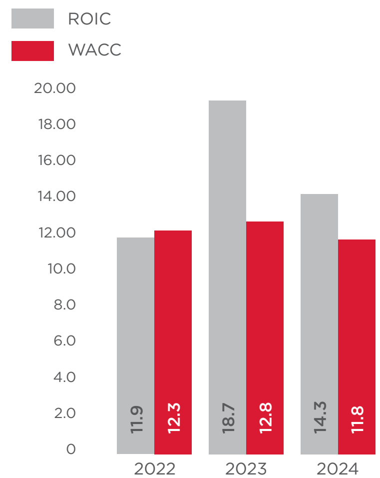
Our capital allocation considers shareholder rewards through dividends. We declared an interim dividend of **50** cents per share, and a full year-year dividend of **50** cents per share (total: R190 million, 31.2% of net profit after tax). Zeda's dividend policy is a payout ratio of **20-30%** of net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

Delivering robust returns

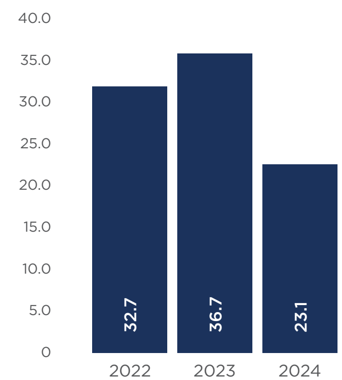
Our capital deployment strategy returned a ROIC above WACC, with ROIC of **14.3%** achieved in the 2024 financial year.

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

Return on invested capital vs WACC (%)



Return on equity (%)



Enhancing cash flow management

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

Cash flow after dividends

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

Looking toward FY2025, and beyond

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

THOBEKA NTSHIZA
Group Finance Director

5

Summarised consolidated annual financial statements

FOR THE YEAR ENDED
30 SEPTEMBER 2024

Board approval

These summarised consolidated annual financial statements for the year ended 30 September 2024 were approved on 25 November 2024 by the Zeda Limited Board of Directors and published on 26 November 2024. The directors have the power to amend and reissue the financial statements.

Directors' responsibility

The directors of the Company take full responsibility for the preparation of the summarised consolidated annual financial statements for the year ended 30 September 2024.

Preparer and supervisor of the summarised consolidated annual financial statements

These summarised consolidated annual financial statements for the year ended 30 September 2024 were prepared by the Zeda Limited finance team under the supervision of the Group Finance Director, Thobeka Ntshiza CA(SA).

FINANCIAL STATEMENTS

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

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

[1] *Due to the adoption of IFRS 17 in the current financial year, the Group restated revenue from the sale of goods and services and recognised insurance revenue in terms of IFRS 17. The comparative amounts have been restated to align with the new disclosure requirements. Refer to note 6 for additional information.*

[2] *Amounts paid to the cell captive included in administrative and operating expenses and the fair value adjustment included in other operating income have been reallocated to insurance service expenses and have been recognised as a result of IFRS 17. The comparative amounts for insurance service expenses have been restated to align with the disclosure requirements. Refer to note 6 for additional information.*

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

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

FINANCIAL STATEMENTS continued

SUMMARISED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
as at 30 September 2024

R'000	Note	2024	(Restated)[1] 2023	(Restated)[1] 2022
ASSETS				
Non-current assets				
Property, plant and equipment		4 690 534	4 206 244	3 624 656
Right-of-use-assets		251 560	289 947	295 834
Intangible assets		32 976	25 623	25 100
Investment in joint venture		66 830	18 308	8 100
Insurance contract asset[1]	6	14 834	5 881	463
Deferred tax asset		73 716	58 438	117 842
Finance lease receivable		384 440	231 620	125 905
Total non-current assets		5 514 890	4 836 061	4 197 900
Current assets				
Rental vehicles		3 859 898	4 986 764	3 812 005
Finance lease receivable		204 216	124 059	76 766
Inventories		971 625	544 532	471 039
Trade and other receivables		1 557 937	1 292 317	1 498 707
Income tax receivable		30 549	186 870	197 804
Cash and cash equivalents		1 193 876	842 331	306 526
Non-current asset held for sale		74 100	–	–
Total current assets		7 892 201	7 976 873	6 362 847
Total assets		**13 407 091**	12 812 934	10 560 747
Invested equity				
Stated capital		4 462 747	4 462 753	4 500 000
Merger reserve		(4 474 011)	(4 474 011)	(4 474 011)
Retained earnings		2 783 698	2 279 587	1 546 352
Foreign currency translation reserve		35 012	49 459	35 116
Other reserves		33 181	37 187	24 027
Equity attributable to owners of Zeda Limited		2 840 627	2 354 975	1 631 484
Non-controlling interest		52 941	48 444	42 188
Equity		**2 893 568**	2 403 419	1 673 672
LIABILITIES				
Non-current liabilities				
Long-term interest-bearing borrowings	7	2 164 111	1 941 511	1 908 131
Lease liabilities		375 720	432 920	434 790
Contract liabilities		396 134	459 837	500 457
Deferred tax liability		252 658	217 596	174 427
Provisions and other accruals		–	–	21 019
Total non-current liabilities		3 188 623	3 051 864	3 038 824
Current liabilities				
Bank overdraft	8	44 563	356 634	240 202
Short-term interest-bearing borrowings	8	1 499 459	1 098 774	1 437 648
Lease liabilities		78 764	72 029	88 280
Floorplans from suppliers	9	2 155 268	2 271 300	874 299
Trade and other payables		3 168 985	3 092 788	2 503 422
Contract liabilities		268 303	314 842	346 679
Provisions and other accruals		84 702	138 423	144 463
Income tax payable		24 856	12 861	213 258
Total current liabilities		7 324 900	7 357 651	5 848 251
Total liabilities		**10 513 523**	10 409 515	8 887 075
Equity and liabilities		**13 407 091**	12 812 934	10 560 747

[1] *Insurance contract asset was recognised as a result of the adoption of IFRS 17. The comparative amounts have been restated to align with the new disclosure requirements. Refer to note 6 for additional information.*

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

FINANCIAL STATEMENTS continued

SUMMARISED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended 30 September 2024

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

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

FINANCIAL STATEMENTS continued

SUMMARISED CONSOLIDATED STATEMENT OF CASH FLOWS

for the year ended 30 September 2024

R'000	Note	2024	2023
Cash generated from operations	11	1 056 171	330 592
Interest paid on interest-bearing borrowings and lease liability		(730 670)	(629 778)
Realised foreign exchange (losses)/gains		(3 148)	2 082
Interest received[1]		43 035	29 758
Taxation paid		(30 471)	(283 744)
Dividends paid (including non-controlling interest and joint venture)		(99 273)	(3 941)
Cash generated from/(utilised in) in operations		**235 644**	(555 031)
Cash flows from investing activities			
Acquisition of property, plant and equipment, excluding leasing vehicles		(14 776)	(11 886)
Proceeds on disposal of property, plant and equipment, excluding leasing vehicles		53	18 855
Acquisition of intangible assets		–	(2 080)
Proceeds from the disposal of a business[2]		2 257	–
Net cash (utilised in)/generated from investing activities		**(12 466)**	4 889
Cash flows from financing activities			
Share scheme purchases		(14 117)	(37 428)
Repayment of long-term interest-bearing borrowings		(1 086 059)	(2 103 079)
Long-term interest-bearing borrowings raised		1 891 277	1 639 220
Floorplans from suppliers raised		2 934 555	1 718 545
Repayment of floorplans from suppliers		(3 049 567)	(340 962)
(Decrease)/increase in bank overdraft		(309 906)	113 493
Short-term interest-bearing borrowings raised		16 130	439 427
Short-term interest-bearing borrowings repaid		(177 078)	(281 062)
Repayments of lease liabilities		(63 396)	(57 381)
Net cash generated from financing activities		**141 839**	1 090 773
Increase in cash and cash equivalents for the year		365 017	540 630
Cash and cash equivalents at the beginning of the year		842 331	306 526
Effect of foreign currency exchange fluctuations		(13 472)	(4 826)
Cash and cash equivalents at the end of the year		**1 193 876**	842 331

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

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

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

1. Segmental information

Operating segments

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

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

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

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

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

- Car Rental Business:

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

- Leasing Business:

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

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

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

1. Segmental information continued

Operating segments continued

Segmental assets and liabilities

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

[1] *The insurance contract asset was recognised as a result of the adoption of IFRS 17. The comparative amounts have been restated to align with the new disclosure requirements. Refer to note 6 for additional information.*

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

1. Segmental information continued

Operating segments continued

Segmental revenue and expenses

R'000	Leasing 2024	Car Rental 2024	Total 2024	Leasing (Restated)[1] 2023	Car Rental (Restated)[1] 2023	Total (Restated)[1] 2023
External revenue by nature	2 803 414	7 665 037	10 468 451	2 488 461	6 656 176	9 144 637
Leasing revenue	2 434 727	–	2 434 727	2 167 649	–	2 167 649
Car Rental revenue	–	3 548 098	3 548 098	–	3 402 866	3 402 866
Revenue from sale of vehicles	275 850	4 063 446	4 339 296	249 196	3 204 147	3 453 343
Rendering of services	73 604	–	73 604	57 323	–	57 323
Commissions	31	53 493	53 524	–	49 163	49 163
Insurance contract revenue[1]	19 202	–	19 202	14 294	–	14 294
Cost of sales	(1 524 055)	(4 755 973)	(6 280 028)	(1 363 727)	(3 656 423)	(5 020 150)
Gross profit	1 279 359	2 909 064	4 188 423	1 124 735	2 999 753	4 124 488
Expenses included in operating profit						
Impairment of receivables	(12 306)	(31 265)	(43 571)	–	(22 085)	(22 085)
Insurance contract service expenses	(10 249)	–	(10 249)	(8 876)	–	(8 876)
Foreign exchange losses	(31 954)	(14 303)	(46 257)	(12 628)	(1 665)	(14 293)
Depreciation	(876 730)	(1 017 145)	(1 893 875)	(799 717)	(982 444)	(1 782 161)
Amortisation of intangible assets	(841)	(3 051)	(3 892)	–	(1 557)	(1 557)
Operating lease costs	(20 508)	(127 931)	(148 439)	(5 048)	(121 816)	(126 864)
Staff costs	(248 416)	(538 517)	(786 933)	(269 071)	(473 838)	(742 909)
Operating profit before capital items	757 778	691 493	1 449 271	667 095	869 877	1 536 972
Capital items[2]	344	15 850	16 194	–	14 931	14 931
Operating profit	758 122	707 343	1 465 465	667 095	884 808	1 551 903
Finance income	30 591	12 444	43 035	23 512	6 246	29 758
Finance costs	(354 307)	(375 343)	(729 650)	(183 231)	(468 904)	(652 135)
Share of joint venture profit after tax	53 626	–	53 626	10 208	–	10 208
Profit before taxation	488 032	344 444	832 476	517 584	422 150	939 734
Taxation	(149 407)	(68 809)	(218 215)	(157 027)	(40 627)	(197 654)
Profit for the year	338 626	275 636	614 261	360 557	381 523	742 080
Key measures:						
EBITDA[3]	1 635 347	1 711 689	3 347 036	1 466 781	1 853 877	3 320 658
Operating profit margin[4]	27%	9%	14%	27%	13%	17%

[1] *Due to the adoption of IFRS 17 in the current financial year, the Group recognised Insurance revenue in terms of IFRS 17. The comparative amounts have been restated to align with the new disclosure requirements. Refer to note 6 for additional information.*

[2] *Included in the 2024 capital items is the reversal of impairment relating to land that was reclassified to held for sale. Refer to note 12 of the Consolidated financial statements.*

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

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

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

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

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

2. Basis of preparation

A. Accounting framework

These summarised consolidated financial statements of Zeda Limited, comprising the summarised consolidated statement of financial position as at 30 September 2024, and the summarised consolidated statement of profit or loss, summarised consolidated statement of other comprehensive income, summarised consolidated statement of changes in equity and summarised consolidated statement of cash flows for the year ended 30 September 2024, and notes thereto, have been prepared in accordance with the framework concepts and the measurement and recognition requirements of International Financial Reporting Standards ("**IFRS® Accounting Standards**") as adopted by the International Accounting Standards Board ("**IASB**"). They are also prepared in accordance with the interpretations adopted by the IASB, the South African Institute of Chartered Accountants' Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council, and contain the information required by IAS 34 Interim Financial Reporting.

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

These summarised financial statements have been extracted from the Consolidated Annual Financial Statements and in accordance with the accounting policies adopted by the Zeda Limited Group included in the audited Consolidated Annual Financial Statements.

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

In terms of IFRS 17, insurance Contracts can be measured using the premium allocation approach ("**PAA**") or the general measurement model ("**GMM**").

The PAA is a simplified approach for measuring insurance contract revenue and expenses over time. It is suitable for contracts with a short coverage period (less than one year) or those with no significant uncertainty.

The GMM is used for other insurance contracts that do not meet the requirements for using the PAA approach, unless there is a reasonable expectation that the PAA would produce a measurement of the liability that would not differ materially from the liability determined under the GMM.

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

The impact of the adoption of IFRS 17 is set out on note 6.

The accounting policies have been consistently applied by the Group and are supported by reasonable judgements and estimates.

The summarised consolidated annual financial statements appearing in this announcement are the responsibility of the directors. The directors take full responsibility for the preparation of the summarised consolidated annual financial statements.

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

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

3. Revenue

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

* *The restatement is due to the adoption of IFRS 17. Refer to the restatement disclosure in note 6.*

4. Capital items

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

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

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

5. Earnings and headline earnings per share

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

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

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

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

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

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

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

6. Insurance contract asset

Restatements due to the adoption of IFRS 17

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

The comparative Consolidated statement of financial position and Consolidated statement of profit or loss have been restated retrospectively using the full retrospective approach outlined in IFRS 17. This will improve transparency and comparability for the users of the audited consolidated financial statements. The restatements relate to the new lines of presented and related notes.

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

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

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

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

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

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

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

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

The restatement has no impact on the earnings per share and diluted earnings per share, which is disclosed in note 5.

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

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

6. Insurance contract asset continued

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

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

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

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

7. Long-term interest-bearing borrowings

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

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

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

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

9. Floorplans from suppliers

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

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

The facilities have variable interest rates linked to prime.

10. Net asset value and net tangible asset value

	2024	2023
Net asset value (R'000)	**2 840 627**	2 354 975
Net tangible asset value (R'000)	**2 807 651**	2 329 352
Number of shares in issue adjusted for treasury shares (000's)	**186 226**	186 476
Net asset value per share (cents)	**1 525.4**	1 262.9
Net tangible asset value per share (cents)	**1 507.7**	1 249.1

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

11. Cash generated from operations

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

12. Commitments

R'000	2024	2023
Contracted capital commitments		
Motor vehicles	752 177	473 333
	752 177	473 333

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

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

13. Going concern

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

14. Events after the reporting period

Declaration of a cash dividend

On Thursday, 21 November 2024, the Board of Directors declared a final gross cash dividend of 50.00000 cents (40.00000 cents net of dividend withholding tax) per ordinary share, out of the income reserves of the Company. A dividend withholding tax of 20% will be applicable to all shareholders who are not exempt.

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

The salient dates for the dividend will be as follows:

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

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

Change in dividend policy

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

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

Fleet Services Ghana Limited

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

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

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

NOTES

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