



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

LISTING OF WEBUYCARS ON THE MAIN BOARD OF THE JSE LIMITED ("JSE") AND ABRIDGED PRE-LISTING STATEMENT

Terms appearing in title case in this announcement and which are not otherwise defined herein, shall bear the meanings ascribed to them in the Pre-listing Statement issued today, Tuesday, 12 March 2024.

1. INTRODUCTION

- On 30 January 2024, Transaction Capital announced that its board of directors had resolved, in principle, to distribute the WBC Shares held by Transaction Capital to TC Shareholders by way of a *pro rata* distribution *in specie* and to list the Shares on the Main Board of the JSE. On 13 February 2024, Transaction Capital released an announcement regarding the unlocking of value for TC Shareholders, comprising: the firm intention to unbundle its Shares in WeBuyCars and its separate Listing on the Main Board of the JSE, the WeBuyCars Share Issue of R760 million, the Private Placement of WBC Shares of R500 million, a Pre-listing Capital Raise of R750 million and the withdrawal of the cautionary announcement issued by Transaction Capital on 30 January 2024. The full terms and conditions of the Unbundling are set out in the Unbundling Circular.
- The Unbundling will be implemented by way of a distribution *in specie* to TC Shareholders *pro rata* to their respective shareholdings in Transaction Capital as at the Unbundling Record Date, in terms of section 46 of the Companies Act and section 46 of the Income Tax Act, together with the contemporaneous Listing of the WBC Shares on the Main Board of the JSE.
- The Pre-listing Statement is issued in terms of the JSE Listings Requirements for the purposes of providing information in respect of the Company to the public and potential investors, in anticipation of the Listing.

2. ABRIDGED PRE-LISTING STATEMENT OF WEBUYCARS

This Abridged Pre-listing Statement is not an invitation to the public to subscribe for Shares in WeBuyCars, but is issued in compliance with the JSE Listings Requirements for the purpose of providing information to the public and potential investors in respect of WeBuyCars.

3. STATEMENT AS TO LISTING ON THE JSE

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

4. SALIENT DATES AND TIMES

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

Notes:

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

5. PRE-LISTING CAPITAL RAISING INITIATIVES

- WeBuyCars, Transaction Capital and IVDW Holdings have considered various capital raising initiatives prior to Listing and Unbundling, which includes the WeBuyCars Share Issue in an amount of R760 million, the Private Placement of WBC Shares in an amount of R500 million, the implementation of the Pre-listing Capital Raise of R750 million and potential further sell-downs of Shares by Transaction Capital.
- Additional details of the aforesaid capital raising initiatives are set out in the Pre-listing Statement.

6. BRIEF OVERVIEW OF THE GROUP

- In the early 2000s, brothers Faan and Dirk van der Walt observed that for individual consumers, selling an older vehicle in the South African market was a lengthy and difficult process. They established the WeBuyCars brand in 2001 to provide vehicle owners with a quick, easy and trusted solution to sell their vehicles. The Company recognised a gap in the market to facilitate efficient vehicle sales which it was able to achieve through formalising the pre-owned motor vehicle market, on the basis described further below. The ability of customers to efficiently sell or buy a vehicle or to sell their vehicle to a reputable, trusted company, quickly grew the customer base of WeBuyCars.
- Historically, sellers of older vehicles often experienced lengthy waiting periods for potential buyers to respond to their advertisements for vehicles for sale. Faan and Dirk van der Walt had well-placed advertisements on billboards and newspapers, offering their vehicle buying service. Customers preferred selling their vehicles to the van der Walt brothers as they personally evaluated vehicles at the vehicle sellers' workplace or home and made immediate payment to their customers. In the early years Faan and Dirk van der Walt were personally evaluating, buying and auctioning off vehicles based on their extensive knowledge of the pricing of vehicles.
- What started as a modest venture soon became a household name amongst South Africans. With gaining popularity, WeBuyCars developed a diverse marketing strategy which ranged from modest newspaper advertisements to mega billboards and radio and digital marketing campaigns.
- Soon the demand was too large for Faan and Dirk van der Walt to be the only buyers in the business. In response, WeBuyCars appointed a network of individual buyers to operate across the South African landscape, with an on-road presence, to buy cars throughout the country. This step led to a surge in vehicles available for resale, leading to a need for vehicle supermarkets. WeBuyCars established its vehicle supermarkets where it stores and sells vehicles to individuals, traders and dealers. WeBuyCars' investment in these vehicle supermarkets enhanced its national footprint and accessibility for its clientele.
- In 2017 WeBuyCars introduced buying pods at retail malls across South Africa, providing yet another convenient avenue for customers to sell vehicles, whilst also serving as a strategic marketing tool to the many mall visitors. WeBuyCars now buys and sells vehicles from 15 supermarkets, has 74 buying pods and has more than 340 buyers nationwide.
- During 2018, automation was introduced into the business when WeBuyCars started developing its own purpose-built system and technology infrastructure. Data is collected on each vehicle, which together with market and customer behaviour data, informs pricing inputs on both the buying and the selling side of the business. These internal data sets and pricing mechanisms are designed to leverage economies of scale. This enables the Group to successfully manage a high number of customer leads every month. WeBuyCars values developing and improving its internal systems, therefore it utilises its resources efficiently to continuously adapt and improve its pricing strategies and respond to market changes and external factors dynamically.
- WeBuyCars' system facilitates smooth and efficient transactions for customers when selling their vehicle. Customers can easily sell their vehicle within a few hours and receive immediate payment for their vehicle. The entire transaction is characterised by speed, simplicity and safety.
- WeBuyCars' offering extends beyond the buying and selling of vehicles. Finance and insurance managers are available at all its vehicle supermarkets, creating a one-stop shopping experience for customers seeking finance, insurance cover and vehicle tracking devices. WeBuyCars also assists in the sale of warranty and extended warranty products, service plans, tyre and rim cover, and scratch and dent cover. Every vehicle has an independently generated DEKRA used vehicle condition and roadworthy relevant report, ensuring transparency and building trust with customers.
- WeBuyCars now has more than 2 800 employees and trades approximately 14 000 vehicles per month. The Company remains committed to growth, guided by determined leaders who continuously aim to enhance customer service and create career opportunities for employees.
- WeBuyCars stands out from other players in the local motor industry because of its prominent national footprint and its proprietary data and analytics capabilities, which optimise the vehicle buying and selling process. The Company's success is a testament to its entrepreneurial spirit, innovation and continuous progress in the ever-changing automotive market. WeBuyCars does not view itself as having any direct competitors of size in the market, but only competitors on aspects of its business.

7. RATIONALE FOR THE LISTING

- WeBuyCars' performance over the last two decades has continually surpassed expectations as the Company has driven innovation, especially since 2018, through the use of internally collected data, IT and expanded its physical footprint. WeBuyCars has exciting growth prospects with ambitions of consistently expanding market share.
- Given that WeBuyCars has a proven track record of strong performance and brand recognition and having regard to the current positioning of WeBuyCars in the context of its life cycle, Transaction Capital and the WBC Founders have taken the strategic decision to separately list WeBuyCars on the Main Board of the JSE. The intention is to allow the retail market additional exposure to a high-performing and well-known business which has good growth prospects and generates strong cash flows.
- The Board believes that the competitive advantages of WeBuyCars provide the underpin for the prospects of WeBuyCars in the listed environment.
- Furthermore, the Listing will have the effect of providing WeBuyCars with direct access to equity markets. This, in turn, will facilitate WeBuyCars' access to deeper and more expansive pools of capital which will allow the Group to be more agile and to act opportunistically to pursue expansion opportunities, while optimising its capital structure.

8. PROSPECTS

- The Group aspires to grow the volume of vehicles bought and sold from the approximately 14 000 vehicles per month currently, to approximately 23 000 vehicles per month within the next 4 to 5 years.
- To achieve the Group's objectives, WeBuyCars will continue to expand its footprint across South Africa through the opening of vehicle supermarkets in new locations, as well as by growing the number of buying pods.
- With a focus on continually improving operational efficiencies and driving innovation through its in-house IT infrastructure, machine learning and AI capabilities, the Group remains well-positioned to act strategically to achieve its aspirations and objectives.
- WeBuyCars is uniquely positioned in the South African market due to the Company's ability to purchase vehicles across South Africa, whilst exploiting the opportunities to expand on the sell-side in various smaller towns and larger metropolitan areas. The South African market for pre-owned vehicles is growing and still offers a relatively untapped market for WeBuyCars to explore. WeBuyCars has no direct competitor across its business but only competitors in certain areas.
- PLEASE NOTE THAT THE AFOREMENTIONED STATEMENTS OF THE GROUP'S OBJECTIVES HAVE NOT BEEN REVIEWED OR REPORTED ON BY THE INDEPENDENT AUDITORS OR BY AN INDEPENDENT REPORTING ACCOUNTANT, NOR IS SAME GUARANTEED. THE STATEMENTS ABOVE ARE OBJECTIVES THAT THE GROUP WISHES TO ACHIEVE IN THE NEXT 4 TO 5 YEARS.**

9. DIVIDEND POLICY

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

10. DIRECTORS

10.1 Composition of the Board

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

Full name	Age	Capacity	Date of appointment	Business address
Adriaan Stephanus Scheepers van der Walt*	49	Chief Executive Officer	17 August 2020	Building 7 Byls Bridge Office Park 6 Byls Bridge Boulevard Centurion
Dirk Jacobus Floris van der Walt*	52	Executive Director	17 August 2020	Building 7 Byls Bridge Office Park 6 Byls Bridge Boulevard Centurion
Christopher James Rein*	53	Chief Financial Officer	8 September 2020	Building 7 Byls Bridge Office Park 6 Byls Bridge Boulevard Centurion
Johannes Andries Holtzhausen*	53	Non-executive Chairman	1 March 2024	1st Floor, Ou Kollege Building, 35 Kerk Street, Stellenbosch
Nicolaas Abraham Stefanus Kruger*	56	Lead independent Non-executive Director	1 March 2024	170 Johann Rissik Drive, 58 Waterkloof, 101 Waterkloof Ridge Pretoria
Samara Totaram*	45	Non-executive Director	1 March 2024	1st Floor, Ou Kollege Building, 35 Kerk Street, Stellenbosch
Bridgitte Mathews*	55	Non-executive Director	1 March 2024	29 Wilgersig, Berg en Dal Estate, Chanclyff, Johannesburg
Willem Tielman Roos*	51	Non-executive Director	1 March 2024	23 Bird Street, De Wet's Square, Stellenbosch
Michael Paul Mendelowitz*	59	Non-executive Director	1 March 2024	115 West Street Sandton, Johannesburg
Kevin Brian Amoils*	36	Alternate Non-executive Director (to MP Mendelowitz)	1 March 2024	115 West Street Sandton, Johannesburg

Notes:

- Directors are South African (*) citizens.
- None of the Directors are partners with unlimited liability.

11. SHARE CAPITAL

11.1 Authorised and issued share capital

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

	Number of shares	R
Authorised share capital		
Ordinary Shares of no par value pre Subdivision	10 000 000 000	–
Ordinary Shares of no par value post Subdivision	1 200 000 000 000	–
Ordinary Shares of no par value at Listing Date ¹	10 000 000 000	–
Issued share capital²		
Ordinary Shares of no par value pre Subdivision	3 447 355	9 765 351 813
Ordinary Shares of no par value post Subdivision	Approximately 413 700 000	9 765 351 813

- Following the subdivision of the authorised ordinary share capital to 1 200 000 000 000 Shares, the MOI has been amended to decrease the authorised share capital to 10 000 000 000 Shares.
- The issued share capital referenced above assumes that both the WeBuyCars Share Issue and the Pre-listing Capital Raise has been implemented. Given that the terms of the Pre-listing Capital Raise were not yet final as at the Last Practicable Date, it has been assumed for purposes of this disclosure that the Pre-listing Capital Raise has been concluded at a similar value to the "most likely" value for a WBC Share as per the independent expert's report contained in the Unbundling Circular. The final terms and material objections of the Pre-listing Capital Raise, as well as the number of WBC Shares in issue immediately prior to Listing will be announced on SENS.

12. COPIES OF THE PRE-LISTING STATEMENT AND MATERIAL OBJECTIONS

Copies of the Pre-listing Statement are available in English only and may be obtained and are available for inspection during normal office hours from 12 March 2024 until 11 April 2024 at the registered office of WeBuyCars at Building 7, Byls Bridge Office Park, 6 Byls Bridge Boulevard, Centurion and at the offices of PSG Capital at 1st Floor, Ou Kollege Building, 35 Kerk Street, Stellenbosch or at the offices of Pallidus at Die Groenhuis, 38 Garsfontein Road, Waterkloof, Pretoria 0145. The Pre-listing Statement will also be available on the Company's website at <https://www.webuycars.co.za/>.

Any material objections, as per the JSE requirements, regarding the listing of WeBuyCars should be reported/notified to the Company, PSG Capital and Pallidus from 12 March 2024 until 8 April 2024.

Lead Transaction Advisor and Sponsor



Joint Transaction Advisor and Sponsor



Independent Reporting Accountant and Auditor



Independent Auditor



Legal Advisor to WeBuyCars



Legal Advisor to Transaction Capital

