



Motus

Unaudited condensed interim results
for the six months ended 31 December 2020

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Key investment highlights

- 1** **Diversified** (non-manufacturing) business in the automotive sector with a **leading position** in South Africa, a selected international presence primarily in the United Kingdom (UK) and Australia, as well as a limited presence in South East Asia and Southern and East Africa.
- 2** **Fully integrated business model** across the vehicle value chain: Import and Distribution, Retail and Rental, Financial Services and Aftermarket Parts.
- 3** **Unrivalled scale** in South Africa underpins a differentiated value proposition to Original Equipment Manufacturers (OEMs), suppliers, customers and business partners, providing multiple customer touch points supporting resilience and customer loyalty through the entire vehicle ownership cycle.
- 4** **High free cash flow generation** underpinned by annuity income streams in our Financial Services business.
- 5** **Income streams not directly dependent on new vehicle sales:** Parts and services in the dealerships, the Aftermarket Parts business selling parts and accessories and the Financial Services business selling value-added products and services to customers other than new vehicle buyers.
- 6** Defined **organic growth trajectory** through portfolio optimisation, **continuous operational enhancements** and **innovation**, with a **selective acquisition growth strategy** in and outside South Africa leveraging best-in-class expertise.
- 7** **Highly experienced management team**, with deep industry knowledge of **regional and global markets** and a proven track record with years of collective experience, with an **independent and diversified board**.

Business overview

Motus is South Africa's leading automotive group, employing over 16 000 people globally. We are a diversified (non-manufacturing) business in the automotive sector with unrivalled scale and scope in South Africa, a selected international presence primarily in the UK and Australia, as well as a limited presence in South East Asia and Southern and East Africa.

Motus offers a differentiated value proposition to OEMs, customers and business partners with a fully integrated business model across the automotive value chain through four key business segments, namely: Import and Distribution, Retail and Rental, Financial Services and Aftermarket Parts.

Motus has long-standing importer and retail partnerships with leading OEMs, representing some of the world's most recognisable brands. We provide automotive manufacturers with a highly effective route-to-market and a vital link between the brand and the customer throughout the vehicle ownership cycle. In addition, we provide motor-related financial services and the sale of accessories and aftermarket parts for out-of-warranty vehicles.

Integrated business model

Importer and distributor of passenger, light commercial vehicles and parts to serve a network of dealerships, car rental companies, fleets and government institutions in South Africa.

 For more information on Import and Distribution see page 09



Import and Distribution

Retailer of new and pre-owned passenger and commercial vehicles across all segments in South Africa and the UK, and passenger vehicles in Australia.

Servicing and maintenance of vehicles.


Rental of passenger and light commercial vehicles.

 For more information on Retail and Rental see pages 10 and 11



Retail and Rental


Manager and administrator of service, maintenance and warranty plans.
Develop and sell **value-added products and services (VAPS).**
Provider of **fleet management services.**
Provider of **business process outsourcing** through sophisticated technology and call centre capabilities.
Operate an **innovation hub.**

 For more information on Financial Services see page 12



Financial Services

Distributor, wholesaler and retailer of accessories and parts for out-of-warranty vehicles through retail and franchised stores, and specialised workshops supported by distribution centres in South Africa, Taiwan and China.

 For more information on Aftermarket Parts see page 13



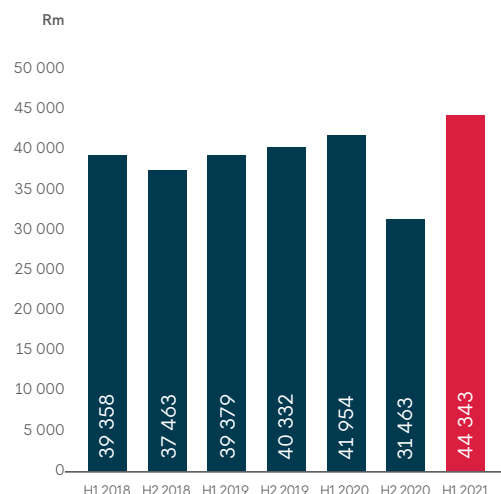
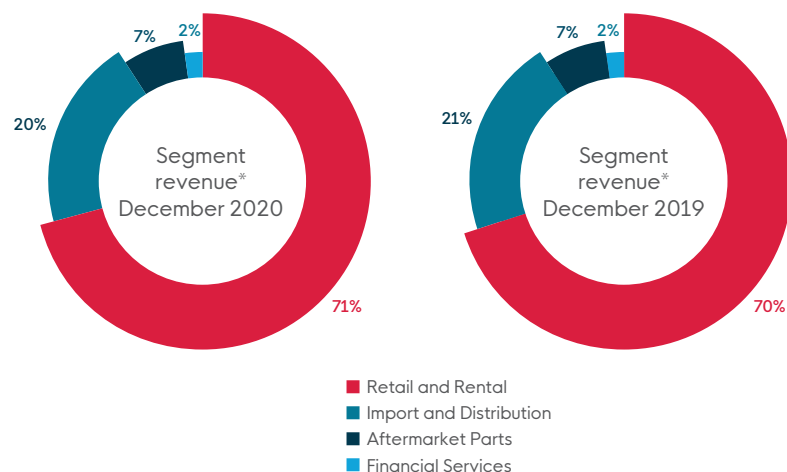
Aftermarket Parts

Our services extend across all segments of the vehicle value chain

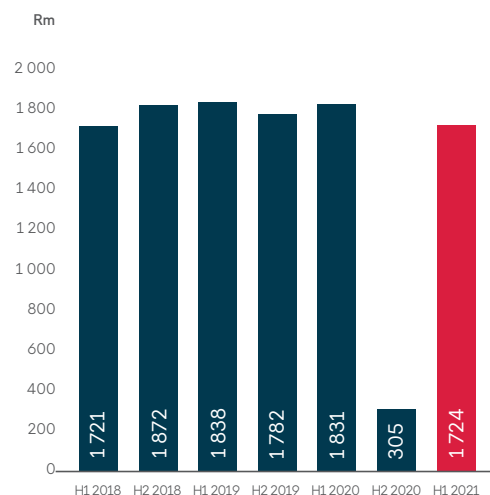
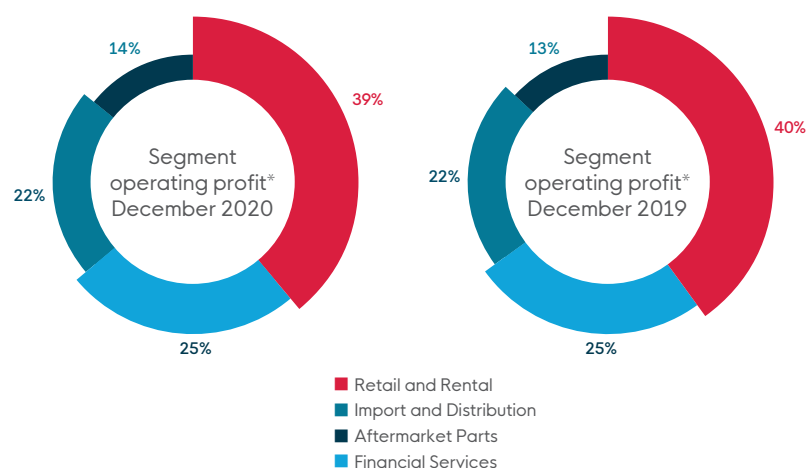
Financial highlights

Six months to 31 December 2020

Revenue



Operating profit



* Excludes head office and eliminations.

Pro forma disclaimer

To provide a more meaningful assessment of the Group's performance for the six months, pro forma information has been included under the segment performance section in the unaudited condensed consolidated results for the six months ended 31 December 2020 and 2019.

The directors of Motus Holdings Limited are responsible for compiling the pro forma financial information in accordance with paragraphs 8.15 to 8.34 of the JSE Listings Requirements and in compliance with the SAICA Guide on Pro forma Financial Information, revised and issued in September 2014 (applicable criteria). The pro forma information does not constitute financial statements fairly presented in accordance with IFRS. The pro forma information has been prepared for illustrative purposes only and because of its nature may not fairly present the Group's financial position, changes in equity, results of operations and cash flows. The underlying information used in the preparation of the pro forma financial information has been prepared using the accounting policies in place for the year ending 30 June 2021. The pro forma financial information has not been reviewed or reported on by the company's external auditors.



Financial highlights (continued)

Six months to 31 December 2020

Revenue

R44 343 million

(2019: R41 954 million)

↑ 6%

Operating profit

R1 724 million

(2019: R1 831 million)

↓ 6%

Profit before tax

R1 287 million

(2019: R1 243 million)

↑ 4%

Earnings per share

507 cents per share

(2019: 479 cents per share)

↑ 6%

Headline earnings per share

526 cents per share

(2019: 517 cents per share)

↑ 2%

Interim dividend

160 cents per share

(2019: nil cents per share paid)

Free cash flow generated from operations

R4 759 million

(2019: R1 121 million)

Net debt to equity

24%

(2019: 74%)

Net debt to EBITDA (debt covenant)

1,0 times

(Required: to be less than 3 times)

EBITDA to net interest (debt covenant)

3,7 times

(Required: to be greater than 3 times)

Return on invested capital[#]

12,8%

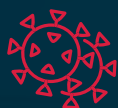
(2019: 11,2%)

Weighted average cost of capital[#]

9,3%

(2019: 8,4%)

[#] The return on invested capital and weighted average cost of capital have been calculated using an average of the six-month period.



The weakened global economy continues to weigh heavily on emerging markets. The battle between the COVID-19 crisis and the country's efforts to implement economic remedial initiatives continues. The recovery path is likely to prove uneven and varied across industries and countries, even with the vaccine programmes being rolled out gradually.

Despite the financial and economic damage created by the COVID-19 crisis, there are also a number of structural impediments to economic growth in South Africa, namely corruption, state capture, policy uncertainty, wasteful public expenditure, insufficient infrastructural investment and high unemployment. There is a welcoming drive for structural reform with a focus on bringing perpetrators of corruption and crime to be held accountable. The government also intends to restructure state-owned enterprises, with equity partners providing additional finance that will assist in running these organisations more efficiently.

The South African 2021 Gross Domestic Product (GDP) is forecast to increase between 2,8% to 3,6%¹, with inflation expected to revert close to 4,5%¹ by the middle of 2021.

The South African new vehicle market continues to be affected by the weak macro-economic environment, reduced disposable income and depressed consumer confidence. According to NAAMSA², South Africa retailed 217 879 units for the six months to 31 December 2020 (22% down from the prior period). At December 2020, our retail market share was ~20,2% (December 2019:20,1%). New vehicle sales for the 2020 calendar year were 380 449 units, with growth from this base projected between 425 000 to 450 000 vehicles for the calendar year 2021. Margins will remain under pressure as consumers postpone purchases and trade down with the shift to cheaper and pre-owned vehicles.

The UK new vehicle market declined by 4,2%³ for the six months to December 2020, with the passenger market decreasing by 6,2%³ and heavy commercial vehicles decreasing by 6,7%³, offset by the light commercial vehicle market increasing by 7,9%³. Motus was well positioned and maintained their retail market share. The outlook for the economy remains uncertain as a result of the high COVID-19 infections, a weak economy, projected delayed job cuts and final impacts of Brexit. The trade deal between the UK and the European Union (EU) came into force on 1 January 2021. The new trade deal allows for tariff free trade on goods between the UK and EU, provided the goods are primarily of UK or EU origin.

The Australian automotive industry remains a highly competitive environment. The market declined by 4,5%⁴ for the six months to December 2020, with sports utility vehicle (SUV) models continuing to dominate the market. The Australian new vehicle sales surged in the last two months of 2020 as the country came out of the lockdowns. The automotive industry is now struggling with inventory shortages as the OEM's reduced vehicle production during the various lockdowns.

The 2021 trading conditions are expected to remain challenging due to reduced demand compared with the pre-COVID-19 levels, coupled with exchange rate volatility and reduced disposable income as a result of high unemployment, fuel and electricity price increases in South Africa. However, low interest rates and low inflation will support vehicle buying.

Motus remains focused and committed to creating value for our customers and building market share through relevant, innovative products and exceptional service at competitive prices. We will continue to deliver returns to shareholders through operational alignment, collaboration across the supply chain, and the reduction of complexity, duplication and capital deployment, while mitigating currency risk.

Our operational focus has shifted to one of resilience, agility and recovery, and we have developed strategies to align, adapt and deliver on the adjusted business model. Our integrated business model has provided a solid platform to continue to build a resilient and sustainable business.

The South African operations contributed 64% to revenue and 83% to operating profit for the period (2019: 67% and 93% respectively), with the remainder being contributed by the UK, Australia and South East Asia.

¹ Latest Econometrix forecast (January 2021) and the International Monetary Fund (IMF).

² National Association of Automobile Manufacturers of South Africa (NAAMSA).

³ The Society of Motor Manufacturers and Traders.

⁴ Federal Chamber of Automotive Industries – Australia.

Performance

The results for the period reflect strong strategic and operational achievements, based on the resilient financial performance in a challenging and continuously evolving environment. We are encouraged by the solid performance our diversified offering provides, given the uncertainties in the markets in which we operate.



The Group's passenger and commercial vehicle businesses, including the UK and Australia, retailed 57 503 new units (2019: 68 779 new units), a 16% decline, and 48 318 pre-owned units (2019: 43 160 pre-owned units), a 12% increase, during the six-month period. The reduced sales are attributable to the global crisis, which resulted in severe vehicle market contraction.

Revenue improved by 6% mainly due to improved performance in the retail businesses, especially the pre-owned vehicle category in South Africa and both the new and pre-owned vehicle categories in the international operations, as well as improved performance from the Aftermarket Parts segment. Partly offset by the reduced revenue in the car rental business and lower workshop activity levels.

The reduced operating profit is as a result of margin pressure across certain business segments. Operating profit decreased, mainly due to reduced car rental income in the Retail and Rental and Financial Services segments, and lower margins resulting from the shift to pre-owned and entry-level vehicles, and more affordable parts in the Aftermarket Parts business. This was partially offset by the decrease in net operating expenses of 4% (excluding cost of sales, depreciation and amortisation). The decline in net operating expenses is mainly as a result of the COVID-19 cost containment initiatives initiated in the latter part of the 2020 financial year.

Net finance costs decreased by 33%. The decrease is mainly as a result of the decline in core debt and floorplan debt as we aggressively reduced the car rental fleet and inventory. There was a gain on the fair value of the interest rate swaps and this was partially offset by the increase in the finance costs on lease liabilities.

Profit before tax increased by 4% to R1 287 million.

A full reconciliation of earnings to headline earnings is provided in the financial performance section.

An interim dividend of 160 cents (2019: nil cents paid) per ordinary share has been declared, which amounts to ~30% of headline earnings per share.

Net working capital is a cash inflow of R3 014 million primarily due to lower inventory as a result of improved sales, the sale of excess inventory and lower inventory returns from car rental companies.



Profit before tax increased by 4% to R1 287 million.



Net debt to equity is 24% (2019: 74%). Core debt (excluding floorplan and IFRS 16 debt) reduced by R3,7 billion primarily due to the lower levels of working capital and vehicles for hire.

Net debt to EBITDA is 1,0 times (2019: 1,8 times) and EBITDA to net interest is 3,7 times (2019: 5,8 times). Both ratios have been calculated by applying the funders covenant methodology and we remain well within the levels as set by debt providers of below 3,0 times and above 3,0 times respectively. The funders had provided a relaxation of covenants of below 4,5 times and above 2,5 times respectively during the period, however, this covenant relaxation was not required.

Return on invested capital increased to 12,8% (2019: 11,2%) mainly due to lower levels of working capital and vehicles for hire. Weighted average cost of capital increased to 9,3% (2019: 8,4%) primarily due to the decrease in debt and a higher weighting of equity which carries a higher cost of capital.

Net asset value per share increased by 4% to 6 526 cents per share (2019: 6 258 cents per share).

The statement of financial position is detailed in the financial overview section.

We generated significant free cash flow of R4 759 million (2019: R1 121 million) from operating activities before capital expenditure for vehicles for hire. The free cash flow was primarily generated by solid operating profits, coupled with reduced working capital.

Segment overview

Import and Distribution

20%
of Group
revenue

22%
of Group
operating profit

- Exclusive South African importer of Hyundai, Kia, Renault and Mitsubishi
- Operates in South Africa and neighbouring countries
- Exclusive distribution rights for Nissan in four East African countries
- ~16,0% controllable market share* in South Africa
- Car parc >1 million vehicles



A
diversified
business in
the automotive
industry

Retail and Rental

71%
of Group
revenue

39%
of Group
operating profit

- **South Africa**
 - Represents 23 OEMs ~310 dealerships
 - ~20,2% retail market share
 - Car rental (Europcar and Tempest): 96 outlets in Southern Africa
 - ~25% rental market share
- **United Kingdom**
 - 84 commercial dealerships
 - 31 passenger dealerships
- **Australia**
 - 36 passenger dealerships



Financial Services

2%
of Group
revenue

25%
of Group
operating profit

- Developer and administrator of innovative vehicle related financial products and services to >800 000 vehicles including third-party products under administration
- Manager and administrator of service, maintenance and warranty plans
- Provider of fleet management services
- Provider of business process outsourcing through sophisticated technology and call centre capabilities
- Innovation hub



Aftermarket Parts

7%
of Group
revenue

14%
of Group
operating profit

- Distributor, wholesaler and retailer of accessories and parts for out-of-warranty vehicles
- Operates in Southern Africa and South East Asia
- 569 retail stores (101 owned stores)
- Supported by distribution centres in South Africa, Taiwan and China
- Franchise base comprises:
 - Resellers (namely Midas and Alert Engine Parts)
 - Specialised workshops



* Percentage of passenger and LCV market.
Above financial measures exclude head office and eliminations.

Segment performance

Import and Distribution

Overview

The Import and Distribution segment provides a differentiated value proposition to the dealership network enhancing the revenue and profits of the entire automotive value chain. We distribute and supply vehicles and parts to the Group and independent dealership networks, government, Europcar and Tempest (Motus rental brands) and other independent car rental companies. A total of between 60% to 70% of vehicle volume sales are generated through Motus-owned dealerships, with the remaining 30% to 40% being generated by independently owned dealerships.

Our controllable market share (passenger and light commercial vehicles (LCVs)) in South Africa at December 2020 is 16,0% (December 2019: 16,1%) with the overall vehicle market contracting by 22%. Hyundai achieved 7,8% market share (2019: 6,6%), Kia achieved 3,5% market share (2019: 3,4%), Renault achieved 4,3% market share (2019: 5,8%) and Mitsubishi achieved 0,4% (2019: 0,3%).

Financial performance

| | HY1 2021* | HY1 2020* | % change on HY1 2020* | HY2 2020 pro forma^ | FY 2020 audited |
|-----------------------|--------------|--------------|-----------------------------|------------------------|--------------------|
| Revenue (Rm) | 9 687 | 10 158 | (5) | 7 253 | 17 411 |
| Operating profit (Rm) | 421 | 430 | (2) | 397 | 827 |
| Operating margin (%) | 4,3 | 4,2 | | 5,5 | 4,7 |

* Derived from unaudited management accounts. The Group is satisfied with the quality of these management accounts.

^ HY2 numbers are derived from deducting the HY1 results from the full year published results of 30 June 2020.



Revenue declined by 5% in line with the decline in retail sales volumes for vehicles, panel and parts and the change in the mix of vehicles sold. Declining revenues were partly offset by selling price increases. Car Rental sales are excluded, due to buy-back arrangements.

Operating profit declined by 2% for the period, mainly due to lower volumes of vehicle and parts sales and reduced margins as a result of the change in mix of vehicles, higher costing rates due to the weaker Rand and increased freight costs. This was partly offset by competitive pricing and cost containment.

Hyundai, Kia and Renault have forward cover for the Euro and US Dollar to September and August 2021 respectively, at average rates of R18,80 to the Euro and R15,90 to the US Dollar, including forward cover costs. As agreed between the shareholders, Renault previously did not take forward cover but has now hedged future shipments. All outstanding Mitsubishi commitments are covered. The current Group guideline is to cover between seven and nine months of forecast vehicle import orders.

Segment performance (continued)

Retail and Rental

Overview

We retail vehicles through dealerships based primarily in South Africa, with a selected presence in the UK and Australia. Car rental operates through the Europcar and Tempest brands. The Retail and Rental segment's unrivalled scale and footprint in South Africa of strategically located dealerships, largely in growing urban areas, underpins its leading market share.

We supply a consistent superior route-to-market through quality marketing, high levels of customer satisfaction and strategically located dealerships, with a geographical spread in the economic hubs of South Africa.

South Africa

We represent 23 OEMs through ~310 dealerships. The retail market share for our South African operation is ~20,2% compared to ~20,1% in December 2019.

United Kingdom (UK)

We operate through 115 dealerships (84 commercial and 31 passenger dealerships) which are based mainly in provincial areas. Continued organic expansion in both commercial and passenger retail sectors will be considered in the UK. Further selective expansion in the UK will be driven by the introduction of additional brands in areas close to existing dealerships via bolt-on acquisitions.

Australia

We operate through 36 passenger dealerships, which are based mainly in provincial areas located in New South Wales and Victoria. Further selective expansion in the Australian market will be driven by the introduction of additional brands in areas close to existing dealerships via bolt-on acquisitions. We remain focused on growing our provincial town footprint outside of large metropolitan areas.

Financial performance

| | HY1 2021* | HY1 2020* | % change on HY1 2020* | HY2 2020 pro forma^ | FY 2020 audited |
|-----------------------|--------------|--------------|-----------------------------|------------------------|--------------------|
| Revenue (Rm) | 35 965 | 34 265 | 5 | 25 633 | 59 898 |
| Operating profit (Rm) | 740 | 801 | (8) | (469) | 332 |
| Operating margin (%) | 2,1 | 2,3 | | (1,8) | 0,6 |

* Derived from unaudited management accounts. The Group is satisfied with the quality of these management accounts.

^ HY2 numbers are derived from deducting the HY1 results from the full year published results of 30 June 2020.



Revenue increased by 5% mainly as a result of increased revenue attributable to Importer dealers, Auto Pedigree (positively impacted by accelerated de-fleeting of car rental vehicles), the UK (mainly due to an improved September 2020 registration month) and Australia (mainly due to the inclusion of the Australian acquisition). This was offset by reduced revenue from SA Retail and the car rental divisions.

The Retail and Rental segment retailed 41 106 new units (2019: 46 076 new units) and 45 302 pre-owned units (2019: 42 977 pre-owned units) for the six months. In South Africa we sold 24 557 new units and 35 491 pre-owned units (2019: 27 310 new units and 34 019 pre-owned units) and internationally we sold 16 549 new units and 9 811 pre-owned units (2019: 18 766 new units and 8 958 pre-owned units).

The decline in new vehicle sales volumes and reduced rental utilisation (dropping to 59% from 72% in 2019 after de-fleeting ~8 000 vehicles) is attributable to the current crisis, which resulted in severe vehicle market contraction, limited local travel and reduced international tourism.

Operating profit declined by 8%, mainly due to vehicle market contraction, reduced utilisation of rental vehicles, increased pressure on consumer affordability and lower margins realised on entry-level vehicles. This was partly offset by improved performance in the Importer dealers, Auto Pedigree, the UK and Australia.

South Africa

The retail operating profit decreased 13% from the prior period mainly due to the decline in new sales volumes of 10% and the change in the mix of vehicles sold. The decline in volumes is attributable to the current crisis which resulted in severe vehicle market contraction.

Car rental revenue decreased by 55% mainly as a result of limited local travel and reduced international tourism with utilisation levels dropping to 59% after the de-fleeting of ~8 000 vehicles (2019: 72%). Operating profit decreased by 105% mainly attributable to reduced utilisation levels and price competitiveness.

United Kingdom

The revenue and operating profit increased by 13% and 87% respectively from a low base in December 2019. Operating profit benefitted from the improved performance of both passenger and commercial dealerships. The UK retailed 11 931 new units (2019: 14 537 new units) and 7 926 pre-owned units (2019: 6 984 pre-owned units) for the six months.

Australia

Revenue and operating profit increased by 26% and 640% respectively, mainly as a result of improved performance in Sydney and the Ballarat acquisition. Australia retailed 4 618 new units (2019: 4 229 new units) and 1 885 pre-owned units (2019: 1 974 pre-owned units) for the six months.



Segment performance (continued)

Financial Services

Overview

Financial Services develops and distributes innovative vehicle-related financial products and services through importers, dealers, finance houses, insurers, call centres and digital channels. The segment is also a provider of fleet management services to corporate customers including fleet maintenance, fines management, licensing and registration services.

Innovation and unlocking customer potential within existing and new channels represent a growth and profit opportunity for the business. We have invested in technology to leverage consumer data, enabling us to offer personalised services aimed at enhancing the customer experience and improving customer retention.

This segment complements and leverages the automotive value chain, providing annuity earnings and strong cash flows. Our ability to analyse proprietary data enables accurate pricing of our offerings, vehicle profiling for the fleet business and management of claims.

Through our leading service, maintenance and warranty plans, we unlock revenue for the Import and Distribution, and Retail businesses by retaining customers within the Group throughout their vehicle ownership lifecycle.

Financial performance

| | HY1 2021* | HY1 2020* | % change on HY1 2020* | HY2 2020 pro forma^ | FY 2020 audited |
|-----------------------|--------------|--------------|-----------------------------|------------------------|--------------------|
| Revenue (Rm) | 1 054 | 1 126 | (6) | 1 047 | 2 173 |
| Operating profit (Rm) | 467 | 483 | (3) | 448 | 931 |
| Operating margin (%)# | 44,3 | 42,9 | | 42,8 | 42,8 |

* Derived from unaudited management accounts. The Group is satisfied with the quality of these management accounts.

^ HY2 numbers are derived from deducting the HY1 results from the full year published results of 30 June 2020.

Operating margin includes profit streams without associated revenue.



Revenue and operating profit decreased by 6% and 3% respectively mainly due to lower average mileages travelled by service and maintenance plan customers, coupled with reduced fleet rental income due to early termination and low replacement of vehicle units with external rental companies.

Due to the banks providing conservatively for outstanding debtors on the retail customer book, we have received no profit share from the banks for the six-month period and do not expect income in the near term.

Segment performance (continued)

Aftermarket Parts

Overview

The Aftermarket Parts business's large national and growing footprint enables us to leverage our buying power to distribute and sell competitively priced products to a continually growing car parc of out-of-warranty vehicles.

Our international distribution centres in Taiwan and China, allow for procurement at competitive prices to distribute to South Africa and other developing markets.

Expanding into other markets provides an opportunity for this business. Increased participation in this segment will include vertical integration in order to eliminate intermediaries in the wholesale supply chain.

Financial performance

| | HY1 2021* | HY1 2020* | % change on HY1 2020* | HY2 2020 pro forma^ | FY 2020 audited |
|-----------------------|--------------|--------------|-----------------------------|------------------------|--------------------|
| Revenue (Rm) | 3 773 | 3 433 | 10 | 2 617 | 6 050 |
| Operating profit (Rm) | 266 | 247 | 8 | 75 | 322 |
| Operating margin (%) | 7,1 | 7,2 | | 2,9 | 5,3 |

* Derived from unaudited management accounts. The Group is satisfied with the quality of these management accounts.

^ HY2 numbers are derived from deducting the HY1 results from the full year published results of 30 June 2020.



Revenue and operating profit increased by 10% and 8% respectively. The increase is due to servicing pent-up demand from the COVID-19 lockdown, which resulted in higher volumes, increasing the customer base and growing market share. Inventory availability assisted performance and we have been able to reduce the fixed cost base and synergies are being achieved through the use of the distribution centre in China.

The shift from higher-priced premium products to more affordable products continued, and increased supplier and competitor activities in a tighter market prevailed.



Financial overview

Group profit or loss (extract)

for the six months ended 31 December 2020

| | HY1 2021 Rm | HY1 2020 Rm | % change |
|--|----------------|----------------|-------------|
| Revenue | 44 343 | 41 954 | 6 |
| Operating profit | 1 724 | 1 831 | (6) |
| Impairment of properties, net of profit/(loss) on sale | (25) | – | |
| Net foreign exchange losses | (82) | (46) | |
| Net finance costs | (332) | (497) | |
| Other non-operating items | 2 | (45) | |
| Profit before tax | 1 287 | 1 243 | 4 |
| Income tax expense | (359) | (344) | |
| Attributable profit for the period | 928 | 899 | 3 |
| Attributable to non-controlling interests | – | (4) | |
| Attributable to shareholders of Motus Holdings | 928 | 895 | 4 |
| Operating profit (%) | 3,9 | 4,4 | |
| Effective tax rate (%) | 28,5 | 28,0 | |

Revenue improved by 6% mainly due to improved performance in the retail businesses, especially the pre-owned vehicle category in South Africa and both the new and pre-owned vehicle categories in the international operations, as well as improved performance from the Aftermarket Parts segment and partly offset by the reduced revenue in the car rental business and lower workshop activity levels due to reduced travelling during the lockdowns.

Operating profit declined by 6% as a result of margin pressure across certain business segments. Operating profit decreased mainly due to reduced car rental income in the Retail and Rental division, as well as Financial Services division and lower margin realisation resulting from the shift to pre-owned and entry level vehicles and more affordable parts. This was partially offset by the decrease in operating expenses.

Net operating expenses excluding cost of sales, depreciation and amortisation decreased by 4% mainly as a result of the COVID-19 cost containment initiatives. Depreciation and amortisation decreased by 27% primarily due to the decline in the vehicles for hire, which was partially offset by the increase in depreciation in the right-of-use assets and property, plant and equipment.

Net finance costs decreased by 33%. The decrease is mainly as a result of the decline in core debt and floorplan debt as we aggressively reduced the car rental fleet and inventory. There was a gain on the fair value of the interest rate swaps and this was partially offset by the increase in the finance costs on lease liabilities.

Foreign currency loss increased by 78%. Foreign exchange losses relate only to items that do not qualify for hedge accounting. The current period losses are mainly as a result of Renault foreign currency losses on shipments where hedge accounting was not applied and the uncorrelated movement between the fair value of the creditors and the corresponding hedges.

Reconciliation of earnings to headline earnings

| for the six months ended 31 December 2020 | HY1 2021 Rm | HY1 2020 Rm | % change |
|---|----------------|----------------|-------------|
| Earnings | 928 | 895 | 4 |
| Profit on disposal of assets | (8) | (15) | (47) |
| Impairment of goodwill and other assets | 56 | 80 | (30) |
| Profit on sale of businesses | (9) | – | 100 |
| Adjustments included in the result of associates and joint ventures | – | 6 | (100) |
| Tax and non-controlling interests | (4) | 1 | (<100) |
| Headline earnings | 963 | 967 | – |
| Weighted average number of ordinary shares | 183 | 187 | (2) |
| Earnings and headline earnings per share | | | |
| Basic EPS (cents) | 507 | 479 | 6 |
| Headline EPS (cents) | 526 | 517 | 2 |

The Group repurchased and cancelled 1 419 797 shares for R61 million and repurchased 950 000 shares as treasury shares for R40 million to hedge share schemes during the six-month period. This resulted in lower shares in issue which positively impacted both EPS and HEPS.

Financial position

| as at 31 December 2020 | 31 December 2020 Rm | 31 December 2019 Restated ¹ Rm | 30 June 2020 Rm | December vs December % change | December vs June % change |
|---|---------------------------|--|-----------------------|--|------------------------------------|
| Goodwill and intangible assets | 1 589 | 1 370 | 1 671 | 16 | (5) |
| Investments in associates and joint ventures | 250 | 251 | 232 | – | 8 |
| Property, plant and equipment | 7 589 | 7 498 | 7 784 | 1 | (3) |
| Right-of-use assets ¹ | 2 248 | 2 051 | 2 279 | 10 | (1) |
| Investments and other financial assets | 411 | 570 | 445 | (28) | (8) |
| Vehicles for hire | 2 640 | 4 763 | 3 167 | (45) | (17) |
| Net working capital ^{1,2} | 4 173 | 8 451 | 8 515 | (51) | (51) |
| Tax assets ¹ | 1 541 | 1 325 | 1 355 | 16 | 14 |
| Assets held-for-sale | 126 | 161 | 146 | (22) | (14) |
| Contract liabilities | (2 767) | (2 876) | (2 797) | (4) | (1) |
| Lease liabilities ¹ | (2 587) | (2 405) | (2 658) | 8 | (3) |
| Core interest-bearing debt | (2 079) | (6 860) | (5 794) | (70) | (64) |
| Floorplans from financial institutions | (807) | (1 939) | (1 648) | (58) | (51) |
| Other liabilities | (274) | (331) | (224) | (17) | 22 |
| Liabilities held-for-sale | – | (18) | (21) | (100) | (100) |
| Total shareholders' equity¹ | 12 053 | 12 011 | 12 452 | – | (3) |
| Total assets | 38 834 | 42 500 | 43 678 | (9) | (11) |
| Total liabilities | (26 781) | (30 489) | (31 226) | (12) | (14) |

¹ Certain prior period comparatives have been adjusted due to the reassessment of the application of IFRS 16 – Leases. June 2020 remains unchanged as presented in the consolidated annual financial statements for the year ended 30 June 2020.

² Working capital includes R5 037 million (December 2019: R5 202 million, June 2020: R6 511 million) floorplan creditors.



Financial overview (continued)

Factors impacting the financial position at 31 December 2020 compared to 30 June 2020

Goodwill and intangible assets

Decreased mainly due to currency adjustments and the impairment of goodwill, offset by minor acquisitions. The impairment of goodwill is in line with the Group policy where any business acquisitions which results in goodwill below R10 million is impaired on acquisition.

Property, plant and equipment

Declined mainly due to depreciation, impairments and currency adjustments, this was partially offset by additions and acquisitions.

Right-of-use assets

Decreased by 1% mainly due to depreciation, currency adjustments and derecognition of leases. This was offset by new leases entered into and acquisitions.

Vehicles for hire

The decrease in the six-month period is primarily due to lower demand for vehicles by the car rental companies in our Import and Distribution segment.

The significant decrease of R2 123 million from December 2019 to December 2020 is mainly as a result of the car rental fleet reducing from 22 949 vehicles in December 2019 to 12 670 vehicles in December 2020. The majority of the car rental de-fleet was completed prior to June 2020.

Net working capital reduced by R4,3 billion (51%)

The Import and Distribution segment's overall working capital declined by 125% mainly due to reduced inventory levels as a result of improved sales, coupled with OEM production constraints. This was offset by the increase in trade receivables due to improved sales and the reduction in creditors as payments were made to OEMs.

The Retail and Rental segment's working capital decreased by 27%. Inventory declined mainly due to improved sales, including the sale of de-fleeted vehicle rental inventory and OEM production constraints. This was partially offset by an increase in trade receivables in relation to improved revenue and the reduction in floorplan creditors due to settlements and reduced purchases.

The Financial Services segment's working capital decreased mainly due to the decline in trade receivables relating to de-fleets outstanding at year-end which were received post-year-end, and an increase in trade payables due to additional fleet deals to external car rental companies by the Importers.

The Aftermarket Parts segment's working capital reduced by 9%. The inventory decline is in line with improved sales and improved inventory management, trade creditors increased mainly due to a larger portion of inventory being covered by credit terms with suppliers. Trade receivables increased to a lesser extent, due to improved revenue.

Assets classified as held-for-sale

The current period assets held-for-sale relate to the non-strategic properties identified for sale, mainly retail properties in South Africa and Australia.

Contract liabilities

The reduction of 1% relates mainly to service and maintenance plans which were negatively impacted by reduced levels of new business, representative of the current economic conditions.

Core debt (excluding floorplan and IFRS 16 debt)

Decreased primarily due to the lower working capital, vehicles for hire levels and profitability.

Floorplans from financial institutions

Floorplan debt declined mainly due to increased utilisation of group bank funding facilities, coupled with operational inventory shortages from OEMs.

Lease liabilities

Decreased by 3% mainly due to lease payments, currency adjustments and derecognition of leases. This was partially offset by new leases entered into, finance costs and acquisitions.

Shareholders' equity

Shareholders' equity was enhanced mainly by retained income of R928 million and reduced mainly by hedging reserve adjustments amounting to R1 039 million (foreign currency movements against the Rand impacted forward cover since the favourable 30 June 2020 position), translation reserve adjustments as a result of the strengthening of the Rand amounting to R228 million, the repurchase and cancellation of shares amounting to R61 million and the purchase of shares for share scheme hedges resulting in treasury shares amounting to R40 million.

Cash flow movements

| for the six months ended 31 December 2020 | HY1 2021 Rm | HY1 2020 Rm |
|--|----------------|----------------|
| Cash generated from operations before movements in net working capital | 2 407 | 2 712 |
| Movements in net working capital | 3 014 | (1 011) |
| Cash generated by operations before interest, tax paid and capital expenditure on vehicles for hire | 5 421 | 1 701 |
| Finance costs paid | (450) | (532) |
| Finance income received | 32 | 25 |
| Dividends received | 57 | 263 |
| Tax paid | (301) | (336) |
| Free cash flow generated from operations | 4 759 | 1 121 |
| Net proceeds from/(replacement of) vehicles for hire | 301 | (1 922) |
| Cash generated by/(utilised in) operations | 5 060 | (801) |
| Net cash outflow on the acquisitions and disposals of businesses | (94) | (259) |
| Net capital expenditure (excluding vehicles for hire) | (125) | (170) |
| Net movements in investments in associates | 5 | 5 |
| Net movements in investments | 2 | (105) |
| Cash received on net investment in lease receivables | 29 | 23 |
| Cash generated from/(utilised in) operating and investing activities | 4 877 | (1 307) |
| Shares repurchased (cancelled and treasury) | (101) | (71) |
| Dividends paid | – | (477) |
| Other | 10 | – |
| Decrease/(increase) in debt | 4 786 | (1 855) |

The free cash flow was primarily generated by solid operating profits and reduced working capital.

Net working capital is an inflow of R3 014 million primarily due to lower inventory as a result of improved sales, the sale of excess inventory and lower inventory returns on car rental units.

Cash inflow from vehicles for hire of R301 million due to reduced car rental activity.

The net cash outflow on acquisition of businesses of R94 million mainly relates to the acquisition in the Aftermarket Parts business segment, five passenger dealerships in South Africa, one UK commercial service operation and an additional payment for two passenger dealerships (BMW and Isuzu) in Australia.

As a result of the above, Motus generated R4 877 million cash from operating and investing activities.

Repayment of debt amounted to R4 786 million, with debt decreasing by R4 627 million in the statement of financial position. The difference relates primarily due to non-cash movements as a result of new leases entered into, offset by currency adjustments on debt.

Financial overview (continued)

Liquidity

The liquidity position is strong and we have R14,9 billion unutilised banking facilities. A total of 54% of the Group debt is long-term in nature and 52% of the debt is at fixed interest rates. Excluding floorplan debt, which can be seen as part of the working capital cycle, 61% of the debt is at fixed interest rates.

Dividend

An interim dividend of 160 cents per ordinary share has been declared.

Subsequent events

SWT Group Proprietary Limited (Australia)

Motus acquired an additional 10% shareholding from the minority shareholder, during January 2021, increasing the Motus effective ownership to 90%. The purchase price was R38 million.

Renault SA

Motus is in the final stages of concluding the buy-out of the remaining 40% minority interest shareholding in Renault South Africa Proprietary Limited. The Competition Commission approval is still outstanding. The purchase consideration is R250 million.

The buy-out will enhance operational and business decisions to unlock value within the Motus business model.

Board changes

Mr MJN Njeke was appointed as a member of the Remuneration Committee and the Nominations Committee with effect from 15 September 2020.

Ms P Langeni tendered her resignation as an independent non-executive director and served on the board until 10 November 2020.

Mr PJS Crouse and Ms B Radebe joined the board as independent non-executive directors with effect from 10 November 2020. Mr PJS Crouse was appointed as a member of the Asset and Liability Committee and Ms B Radebe was appointed as a member of the Audit and Risk Committee.

Company Secretary change

Ms JK Jefferies tendered her resignation as Company Secretary effective 28 February 2021.

Mr N Simelane was appointed as Company Secretary with effect from 1 April 2021.

Strategy

We are well positioned to maintain our leading position in South Africa and grow in selected international markets. Our strategic focus remains on deepening our competitiveness and relevance across the automotive value chain, by driving organic growth through optimisation, innovation and with selective bolt-on acquisitions.

Our short-term focus is to ensure the resilience of Motus in the volatile and uncertain environment resulting from the impact of the COVID-19 crisis.

Our long-term strategic priorities remain unchanged and are focused on ensuring we are the leading automotive group in South Africa, with a selected presence in the UK, Australia, South East Asia and Southern and East Africa.



Our strategic initiatives underpin the delivery of our aspirations

Import and Distribution

- Enhance customer experience throughout the vehicle ownership cycle.
- Improve our share of entry-level vehicles, and small and medium SUVs.
- Expand aftersales product offerings.
- Grow parts and service business.
- Manage costs and forward cover in line with the Group policy.
- Extend the range of vehicle models.

Retail and Rental

- Grow our pre-owned vehicle market share.
- Rationalise the dealership footprint aligned to OEM strategies, and refine the multi-franchise model.
- Enhance the retail strategy and customer experience throughout the vehicle ownership cycle.
- Invest in technology to drive digitisation and support customer service and experience.
- Selective bolt-on acquisitions to improve brand representation.
- Optimise passenger dealership model (UK and Australia).
- Optimise rental business to adapt to new market realities.
- Develop an IT platform that will expedite the valuation of pre-owned vehicles to support a quicker and more efficient trade-in process.
- Electric vehicles and Hybrid vehicles are sold in markets where charging infrastructure and government support is available, namely the UK and Australia. In South African these vehicles will be sold once the infrastructure and government support become available.

Financial Services

- Expand offerings and drive further integration into dealer networks.
- Develop new and innovative channels to market.
- Continuously align with digital, automation trends and changing customer needs.
- Continue to focus on fintech developments and leverage relationships with financial institutions and joint ventures.
- Innovation hub:
 - Develop innovative products and services.
 - Drive Group-wide innovation.
 - Foster a culture of innovation.

Aftermarket Parts

- Grow retail footprint and optimise operating structure, supported by franchisees.
- Drive optimisation of the supply chain via Chinese operations.
- Strengthen the core business through improved efficiency and volume buying.
- Grow membership of buying groups.
- Invest in IT to drive digitisation and e-commerce expansion.
- Rationalise distribution centers in South Africa and China.

Our main strategic achievements during the past six months:

• Launch of motus.cars

Motus is enhancing the new and pre-owned vehicle buying experience with the launch of the all new website, motus.cars. This website will allow customers to shop for new vehicle models from 23 OEMs and pre-owned vehicles all on one IT platform.

Once a vehicle purchasing decision has been made, customers can complete the process by applying for finance and having the vehicle delivered at their nearest dealership or home, all from their computer or smartphone.

The world is changing and so is the way that people buy vehicles. This interactive platform will provide customers a safe and convenient way to buy their next new or pre-owned vehicle.

• Launch of Motus Select

The most recent development, is the launch of Motus Select, which replaces the long-standing Imperial Select as an ideal and trusted place to buy a pre-owned vehicle.

Motus Select will be the brand utilised in the Motus Retail division to sell all brands of pre-owned vehicles.

There are already more than 20 dealerships in the Motus Select network and this number will grow in the future. These dealers have access to more than 1 500 pre-owned vehicles, making it easy for buyers to find the right make and model to meet their requirements.



Financial overview (continued)

Right to Repair

The new Right to Repair guidelines are effective 1 July 2021. In anticipation of the implementation thereof, management has created a separate workstream to investigate the impact that the guidelines will have across our business, identify opportunities that will present themselves and cater for changes to the business model for any perceived risks. Motus is well positioned to implement the guidelines as we have vast expertise in both the servicing of vehicles and the procurement of parts, and are supported by our integrated business model.

The health and safety of our people

The health and safety of our people is always top of mind, by ensuring that we prevent and minimise the potential spread of the COVID-19 virus. Our facilities remain conducive to social distancing and we have continued with the standard practices expected from a responsible employer and supplier (including the wearing of masks, provision of sanitisers, social distancing and additional sanitising processes).

Where applicable and practical, we have adjusted employee conditions of service to allow for working from home and rotational working arrangements to reduce the number of people concentrated in one facility.

Additional measures have been taken to address the possible impact of COVID-19 on the employees mental and physical wellbeing:

- All our offices have oximeters which are made available to COVID-19-positive staff who are in isolation.
- Implementation of health risk awareness programmes to ensure staff are aware of any possible undiagnosed comorbidities.
- Access to employee counselling assistance especially for instances relating to stress and anxiety.

Our heartfelt condolences to the families and friends of our 20 employees who have sadly lost their lives (19 due to COVID-19).

Prospects

In the last six months, we have scaled our business activities to adapt to the new economic circumstances in a sustainable and responsible manner and have planned and prepared well for the implementation of new legislation effective in the short term. The integrated and diverse business model, supported by an agile and entrepreneurial management team, will continue to buffer us against the impact of the declining trading conditions and assist in delivering on the espoused strategies.

HY2 2021 trading has commenced positively. We also have sufficient cash available and a strong balance sheet to invest in strategic growth initiatives and consider share buy-backs.

We remain committed to delivering stable operating and financial results for the year to June 2021 provided there are no further stringent lockdowns and vehicle inventory shortages from the local OEM's are limited to two or three months.

Due to the strong cash position, an interim dividend has been declared and a final dividend will be reviewed at year end.

For the long-term we are confident that the integrated business model and balance sheet will provide a strong platform to build and grow a sustainable business into the future.

We would like to extend our appreciation to Ms Janine Jefferies for her commitment and service to the Group as Company Secretary and legal counsel.

We would like to thank all staff members, customers, suppliers, funders, shareholders and the board members for their support during these challenging times.

OS Arbee
Chief Executive Officer

OJ Janse van Rensburg
Chief Financial Officer

22 February 2021

The interim, forecast and prospects information herein has not been reviewed or reported on by Motus' auditors.

Declaration of interim ordinary dividends

for the six months ended 31 December 2020

Notice is hereby given that a gross interim ordinary dividend in the amount of 160.00 cents per ordinary share has been declared by the board of Motus, payable to the holders of the 191 202 392 ordinary shares. The dividend will be paid out of reserves.

The ordinary dividend will be subject to a local dividend tax rate of 20%. The net ordinary dividend, to those shareholders who are not exempt from paying dividend tax, is therefore 128.00 cents per ordinary share.

The company has determined the following salient dates for the payment of the ordinary dividend:

| 2021 | |
|---|---------------------|
| Last day for ordinary shares to trade cum ordinary dividend | Tuesday, 23 March |
| Ordinary shares commence trading ex-ordinary dividend | Wednesday, 24 March |
| Record date | Friday, 26 March |
| Payment date | Monday, 29 March |

The company's income tax number is 983 671 2167.

Share certificates may not be dematerialised/rematerialised between Wednesday, 24 March 2021 and Friday, 26 March 2021, both days inclusive.

On Monday, 29 March 2021, amounts due in respect of the ordinary dividend will be electronically transferred to the bank accounts of certificated shareholders. Shareholders who have dematerialised their shares will also have their accounts, held at their Central Securities Depository Participant (CSDP) or broker, credited on Monday, 29 March 2021.

On behalf of the board

JK Jefferies

Company Secretary

22 February 2021



Unaudited condensed consolidated financial statements

for the six months ended 31 December 2020

Condensed consolidated statement of financial position

| as at 31 December 2020 | Notes | Unaudited 31 December 2020 Rm | Unaudited restated* 31 December 2019 Rm | Audited 30 June 2020 Rm |
|--|-------|--|---|----------------------------------|
| Assets | | | | |
| Non-current assets | | 13 379 | 12 840 | 13 613 |
| Goodwill | 6 | 1 492 | 1 127 | 1 556 |
| Intangible assets | | 97 | 243 | 115 |
| Investments in associates and joint ventures | | 250 | 251 | 232 |
| Property, plant and equipment | | 7 432 | 7 327 | 7 625 |
| Investment properties | | 157 | 171 | 159 |
| Right-of-use assets* | | 2 248 | 2 051 | 2 279 |
| Net investment in lease receivables | | – | 56 | – |
| Investments and other financial instruments | | 356 | 460 | 345 |
| Deferred tax* | | 1 347 | 1 154 | 1 302 |
| Current assets | | 25 329 | 29 499 | 29 919 |
| Vehicles for hire | | 2 640 | 4 763 | 3 167 |
| Net investment in lease receivables | | 55 | 54 | 100 |
| Inventories | | 15 723 | 19 190 | 20 179 |
| Trade and other receivables | | 4 289 | 4 526 | 4 040 |
| Derivative financial assets | | 4 | 7 | 259 |
| Taxation | | 194 | 171 | 53 |
| Cash resources | 8 | 2 424 | 788 | 2 121 |
| Assets classified as held-for-sale | | 126 | 161 | 146 |
| Total assets | | 38 834 | 42 500 | 43 678 |
| Equity and liabilities | | | | |
| Capital and reserves | | | | |
| Stated capital | | 22 611 | 22 914 | 22 672 |
| Shares repurchased | | (433) | (414) | (411) |
| Common control reserve | | (19 237) | (19 224) | (19 210) |
| Hedge accounting reserve | | (318) | (124) | 701 |
| Other reserves | | (146) | (511) | 44 |
| Retained income* | | 9 662 | 9 312 | 8 712 |
| Attributable to owners of Motus | | 12 139 | 11 953 | 12 508 |
| Non-controlling interests* | | (86) | 58 | (56) |
| Total equity | | 12 053 | 12 011 | 12 452 |
| Liabilities | | | | |
| Non-current liabilities | | 6 987 | 9 682 | 11 674 |
| Contract liabilities | | 1 672 | 1 711 | 1 633 |
| Deferred tax | | 32 | 27 | 29 |
| Lease liabilities* | | 2 080 | 1 885 | 2 085 |
| Interest-bearing debt | | 2 848 | 5 725 | 7 612 |
| Provisions | | 355 | 321 | 302 |
| Other financial liabilities | | – | 13 | 13 |
| Current liabilities | | 19 794 | 20 789 | 19 531 |
| Contract liabilities | | 1 095 | 1 165 | 1 164 |
| Lease liabilities | | 507 | 520 | 573 |
| Trade and other payables* | | 9 089 | 8 930 | 8 385 |
| Floorplans from suppliers | | 5 037 | 5 202 | 6 511 |
| Provisions | | 554 | 422 | 555 |
| Other financial liabilities | | 36 | 28 | 17 |
| Derivative financial liabilities | | 808 | 397 | 210 |
| Taxation | | 206 | 263 | 165 |
| Interest-bearing debt | | 1 655 | 1 923 | 303 |
| Floorplans from financial institutions | | 807 | 1 939 | 1 648 |
| Liabilities classified as held-for-sale | | – | 18 | 21 |
| Total liabilities | | 26 781 | 30 489 | 31 226 |
| Total equity and liabilities | | 38 834 | 42 500 | 43 678 |

* Restated due to the reassessment of the application of IFRS 16 – Leases. Refer to note 4 for further details.

Condensed consolidated statement of profit or loss

| for the six months ended 31 December 2020 | Note | % change | Unaudited 31 December 2020 Rm | Unaudited 31 December 2019 Rm | Audited 30 June 2020 Rm |
|--|------|----------|--|--|----------------------------------|
| Revenue | | 6 | 44 343 | 41 954 | 73 417 |
| Net operating expenses ¹ | | | (41 934) | (39 133) | (69 168) |
| Movements in expected credit losses ¹ | | | 15 | (27) | (167) |
| Earnings before interest, taxation, depreciation and amortisation | | (13) | 2 424 | 2 794 | 4 082 |
| Depreciation and amortisation | | | (700) | (963) | (1 946) |
| Operating profit | | (6) | 1 724 | 1 831 | 2 136 |
| Impairment of properties, net of profit/(loss) on sale | | | (25) | – | (60) |
| Net foreign exchange losses | | | (82) | (46) | (13) |
| Once-off restructuring costs (staff and business closure costs) | | | – | – | (186) |
| Other non-operating costs | 10 | | (24) | (59) | (242) |
| Profit before net financing costs | | (8) | 1 593 | 1 726 | 1 635 |
| Finance costs | | (23) | (399) | (520) | (1 175) |
| Finance income | | | 67 | 23 | 59 |
| Profit before share of results of associates and joint ventures | | | 1 261 | 1 229 | 519 |
| Share of results of associates and joint ventures | | | 26 | 14 | 22 |
| Profit before tax | | 4 | 1 287 | 1 243 | 541 |
| Income tax expense | | | (359) | (344) | (356) |
| Attributable profit for the period | | 3 | 928 | 899 | 185 |
| Net profit attributable to: | | | | | |
| Owners of Motus | | 4 | 928 | 895 | 306 |
| Non-controlling interests | | | – | 4 | (121) |
| | | | 928 | 899 | 185 |
| Total earnings per share | | | | | |
| – Basic | | 6 | 507 | 479 | 165 |
| – Diluted | | 6 | 496 | 466 | 160 |

¹ The movements in expected credit losses are re-presented on the face of the statement of profit and loss for the six months ended 31 December 2019. This is for disclosure comparability and enhancement purposes. The value disclosed in net operating expenses for the six months ended 31 December 2019 was reduced as a result.

Condensed consolidated statement of other comprehensive income

| for the six months ended 31 December 2020 | Unaudited 31 December 2020 Rm | Unaudited 31 December 2019 Rm | Audited 30 June 2020 Rm |
|--|--|--|----------------------------------|
| Attributable profit for the period | 928 | 899 | 185 |
| Other comprehensive (loss)/profit | (1 267) | (125) | 1 241 |
| Items that may be subsequently reclassified to profit or loss | | | |
| Exchange (losses)/gains arising on translation of foreign operations | (228) | 29 | 570 |
| Movement in hedge accounting reserve (net of tax) | (1 039) | (154) | 671 |
| – Net change in the fair value of the cash flow hedges | (793) | (222) | 214 |
| – Deferred tax relating to the hedge accounting reserve movements | 208 | 59 | (59) |
| – Rolling of open hedging instruments | (454) | 9 | 516 |
| Total comprehensive (loss)/income for the period | (339) | 774 | 1 426 |
| Total comprehensive (loss)/income attributable to: | | | |
| Owners of Motus | (309) | 768 | 1 523 |
| Non-controlling interests | (30) | 6 | (97) |
| | (339) | 774 | 1 426 |

Condensed consolidated statement of cash flows

| for the six months ended 31 December 2020 | Note | % change | Unaudited 31 December 2020 Rm | Unaudited 31 December 2019 Rm | Audited 30 June 2020 Rm |
|--|------|----------|--|--|----------------------------------|
| Cash flows from operating activities | | | | | |
| Cash generated from operations before movements in net working capital | | (11) | 2 407 | 2 712 | 3 788 |
| Movements in net working capital | | | 3 014 | (1 011) | 333 |
| Cash generated by operations before interest, tax paid and capital expenditure on vehicles for hire | | | 5 421 | 1 701 | 4 121 |
| Finance costs paid | | | (450) | (532) | (1 067) |
| Finance income received | | | 32 | 25 | 59 |
| Dividends received | | | 57 | 263 | 462 |
| Tax paid | | | (301) | (336) | (571) |
| Cash generated by operations before capital expenditure on vehicles for hire | | >100 | 4 759 | 1 121 | 3 004 |
| Net replacement capital expenditure – vehicles for hire | | | 301 | (1 922) | (795) |
| – Additions | | | (771) | (3 661) | (4 960) |
| – Proceeds on disposals | | | 1 072 | 1 739 | 4 165 |
| | | | 5 060 | (801) | 2 209 |
| Cash flows from investing activities | | | | | |
| Cash outflow on acquisition of businesses | | | (115) | (250) | (583) |
| Cash inflow from disposals of businesses | | | 23 | – | 31 |
| Cash outflow on payment of contingent consideration | | | (2) | (9) | (9) |
| Net capital expenditure – property, plant and equipment and intangible assets | | | (125) | (170) | (324) |
| Expansion of property, plant and equipment and intangible assets | | | (57) | (51) | (167) |
| Net replacement capital expenditure – property, plant and equipment and intangible assets | | | (68) | (119) | (157) |
| Replacements of property, plant and equipment and intangible assets | | | (146) | (251) | (337) |
| Proceeds on disposal of property, plant and equipment and intangible assets | | | 78 | 132 | 180 |
| Movements in investments in associates | | | 5 | 5 | 50 |
| Additions to investments | | | (4) | (105) | (105) |
| Proceeds on sale of investments | | | 6 | – | 16 |
| Cash received on net investment in lease receivables | | | 29 | 23 | 53 |
| | | | (183) | (506) | (871) |
| Cash flows generated from operating and investing activities | | | 4 877 | (1 307) | 1 338 |
| Cash flows from financing activities | | | | | |
| Repurchase of own shares | | | (101) | (71) | (313) |
| Dividends paid to equity holders of Motus | | | – | (474) | (474) |
| Dividends paid to non-controlling interests | | | – | (3) | (16) |
| Advances of loans from non-controlling interests and associates | | | 10 | – | 2 |
| Repayment of lease liabilities | | | (289) | (243) | (522) |
| (Decrease)/increases in floorplan liabilities | | | (841) | 98 | (193) |
| (Repayments)/advances of banking liabilities | | | (2 865) | 1 289 | 2 536 |
| Repayments of settled facilities | | | (300) | – | (1 457) |
| | | | (4 386) | 596 | (437) |
| Net increase/(decrease) in cash and cash equivalents | | | 491 | (711) | 901 |
| Effects of exchange rate changes on cash and cash equivalents | | | (97) | 56 | 144 |
| Cash and cash equivalents at the beginning of the period | | | 1 985 | 940 | 940 |
| Cash and cash equivalents at the end of the period | 8 | | 2 379 | 285 | 1 985 |

Condensed consolidated statement of changes in equity

for the six months ended 31 December 2020

| | Stated capital Rm | Shares repurchased Rm | Common control reserve Rm |
|--|-------------------|-----------------------|---------------------------|
| Opening balance as at 1 July 2019 audited | 22 985 | (435) | (19 191) |
| Modified retrospective adjustment of the cumulative effect on the initial application of IFRS 16 – Leases ² | – | – | – |
| Opening balance post the cumulative effect on the application of IFRS 16 – Leases | 22 985 | (435) | (19 191) |
| Total comprehensive income for the period | – | – | – |
| Attributable profit for the period | – | – | – |
| Other comprehensive loss | – | – | – |
| 1 000 000 shares repurchased and cancelled at an average of R70,72 per share | (71) | – | – |
| Issue of treasury shares as settlement of share-based equity | – | 21 | – |
| Incremental interest purchased from non-controlling interests | – | – | – |
| Share-based equity costs charged to the statement of profit or loss (including the effects of taxation) | – | – | – |
| Dividends paid to Motus and non-controlling shareholders | – | – | – |
| Transfers between reserves | – | – | (33) |
| Other movements | – | – | – |
| As at 31 December 2019 unaudited² | 22 914 | (414) | (19 224) |
| Total comprehensive income for the period | – | – | – |
| Attributable loss for the period | – | – | – |
| Other comprehensive income | – | – | – |
| 3 723 000 shares repurchased and cancelled at an average of R65,00 per share | (242) | – | – |
| Issue of treasury shares as settlement of share-based equity | – | 3 | – |
| Costs paid on share-based equity | – | – | – |
| Share-based equity costs charged to the statement of profit or loss (including the effects of taxation) | – | – | – |
| Dividends paid to non-controlling interests | – | – | – |
| Transfers between reserves | – | – | 14 |
| Other movements | – | – | – |
| As at 30 June 2020 audited | 22 672 | (411) | (19 210) |
| Total comprehensive loss for the period | – | – | – |
| Attributable profit for the period | – | – | – |
| Other comprehensive loss | – | – | – |
| 1 419 797 shares repurchased and cancelled at an average of R42,89 per share | (61) | – | – |
| 950 000 shares repurchased at an average of R42,32 per share | – | (40) | – |
| Issue of treasury shares as settlement of share-based equity | – | 18 | – |
| Share-based equity costs charged to the statement of profit or loss (including the effects of taxation) | – | – | – |
| Transfers between reserves | – | – | (27) |
| Other movements | – | – | – |
| As at 31 December 2020 unaudited | 22 611 | (433) | (19 237) |

¹ Other reserves include share-based payment reserve, foreign currency translation reserve, premium paid on purchase of non-controlling interests, statutory reserve and valuation reserve.

² Prior period comparatives have been adjusted due to the reassessment of the application of IFRS 16 – Leases, refer to note 4 for further details.

| Hedge accounting reserve Rm | Other reserves ¹ Rm | Retained income ² Rm | Attributable to owners of Motus Rm | Non-controlling interests ² Rm | Total equity Rm |
|--------------------------------|-----------------------------------|------------------------------------|---------------------------------------|--|--------------------|
| 30 | (447) | 8 933 | 11 875 | (37) | 11 838 |
| – | – | (105) | (105) | (3) | (108) |
| 30 | (447) | 8 828 | 11 770 | (40) | 11 730 |
| (154) | 27 | 895 | 768 | 6 | 774 |
| – | – | 895 | 895 | 4 | 899 |
| (154) | 27 | – | (127) | 2 | (125) |
| – | – | – | (71) | – | (71) |
| – | (21) | – | – | – | – |
| – | (93) | – | (93) | 93 | – |
| – | 52 | – | 52 | – | 52 |
| – | – | (474) | (474) | (3) | (477) |
| – | (30) | 63 | – | – | – |
| – | 1 | – | 1 | 2 | 3 |
| (124) | (511) | 9 312 | 11 953 | 58 | 12 011 |
| 825 | 519 | (589) | 755 | (103) | 652 |
| – | – | (589) | (589) | (125) | (714) |
| 825 | 519 | – | 1 344 | 22 | 1 366 |
| – | – | – | (242) | – | (242) |
| – | (3) | – | – | – | – |
| – | (1) | – | (1) | – | (1) |
| – | 46 | – | 46 | 1 | 47 |
| – | – | – | – | (13) | (13) |
| – | (4) | (10) | – | – | – |
| – | (2) | (1) | (3) | 1 | (2) |
| 701 | 44 | 8 712 | 12 508 | (56) | 12 452 |
| (1 019) | (218) | 928 | (309) | (30) | (339) |
| – | – | 928 | 928 | – | 928 |
| (1 019) | (218) | – | (1 237) | (30) | (1 267) |
| – | – | – | (61) | – | (61) |
| – | – | – | (40) | – | (40) |
| – | (18) | – | – | – | – |
| – | 43 | – | 43 | – | 43 |
| – | 5 | 22 | – | – | – |
| – | (2) | – | (2) | – | (2) |
| (318) | (146) | 9 662 | 12 139 | (86) | 12 053 |

Segment financial position

| | Group | | Import and Distribution | |
|--|---------------|----------------|-------------------------|---------------|
| as at 31 December 2020 | 2020 Rm | 2019 Rm | 2020 Rm | 2019 Rm |
| Financial position | | | | |
| Assets | | | | |
| Goodwill and intangible assets | 1 589 | 1 370 | – | 108 |
| Carrying value of associates and joint ventures (excluding loans to associates) | 164 | 167 | 18 | 15 |
| Property, plant and equipment | 7 432 | 7 327 | 488 | 548 |
| Investment properties | 157 | 171 | 143 | 152 |
| Right-of-use assets ¹ | 2 248 | 2 051 | 140 | 125 |
| Investments and other financial instruments | 356 | 460 | 4 | 4 |
| Vehicles for hire | 2 640 | 4 763 | 1 005 | 1 693 |
| Net investment in lease receivables | 55 | 110 | 55 | 110 |
| Inventories | 15 723 | 19 190 | 2 803 | 5 077 |
| Trade and other receivables | 4 293 | 4 533 | 1 778 | 2 248 |
| Operating assets¹ | 34 657 | 40 142 | 6 434 | 10 080 |
| – South Africa | 22 456 | 28 211 | 6 434 | 10 080 |
| – International | 12 201 | 11 931 | – | – |
| Liabilities | | | | |
| Contract liabilities | 2 767 | 2 876 | – | – |
| Lease liabilities ^{1&2} | 2 587 | 2 405 | 215 | 241 |
| Provisions | 909 | 743 | 149 | 141 |
| Trade and other payables ¹ | 14 934 | 14 529 | 4 877 | 5 384 |
| Other financial liabilities | 36 | 41 | – | – |
| Operating liabilities^{1&2} | 21 233 | 20 594 | 5 241 | 5 766 |
| – South Africa | 13 341 | 13 670 | 5 241 | 5 766 |
| – International | 7 892 | 6 924 | – | – |
| Net working capital | 4 173 | 8 451 | (445) | 1 800 |
| – South Africa | 3 169 | 6 269 | (445) | 1 800 |
| – International | 1 004 | 2 182 | – | – |
| Net interest-bearing debt² | 2 886 | 8 799 | (322) | 2 505 |
| – South Africa | 834 | 6 058 | (322) | 2 505 |
| – International | 2 052 | 2 741 | – | – |
| Net capital expenditure | 176 | (2 092) | 472 | (697) |
| – South Africa | 198 | (2 015) | 472 | (697) |
| – International | (22) | (77) | – | – |
| Non-current assets (including equity investment in associates, excluding investments, deferred tax and other financial instruments)¹ | 11 590 | 11 086 | 789 | 948 |
| – South Africa | 6 831 | 7 138 | 789 | 948 |
| – International | 4 759 | 3 948 | – | – |
| Source of internationally based non-current assets¹ | 4 759 | 3 948 | – | – |
| – United Kingdom | 2 794 | 2 543 | – | – |
| – Other regions (Australia and South East Asia) | 1 965 | 1 405 | – | – |

¹ Prior period comparatives have been adjusted due to the reassessment of the application of IFRS 16 – Leases, refer to note 4.

² In comparison to December 2019, lease liabilities have been disclosed separately from the net interest-bearing debt for disclosure enhancement purposes in line with the segment financial position included in the 30 June 2020 consolidated annual financial statements.

| Retail and Rental | | Financial Services | | Aftermarket Parts | | Head Office and Eliminations | |
|-------------------|------------|--------------------|------------|-------------------|------------|------------------------------|------------|
| 2020 Rm | 2019 Rm | 2020 Rm | 2019 Rm | 2020 Rm | 2019 Rm | 2020 Rm | 2019 Rm |
| 1 097 | 751 | 21 | 22 | 460 | 465 | 11 | 24 |
| 29 | 24 | 15 | 37 | 96 | 83 | 6 | 8 |
| 6 356 | 6 116 | 129 | 113 | 241 | 492 | 218 | 58 |
| 14 | 19 | – | – | – | – | – | – |
| 1 959 | 1 704 | 1 | 12 | 148 | 210 | – | – |
| – | – | 356 | 450 | – | – | (4) | 6 |
| 1 606 | 3 033 | 1 093 | 1 817 | – | – | (1 064) | (1 780) |
| – | – | – | – | – | – | – | – |
| 10 825 | 12 131 | 294 | 305 | 1 836 | 1 713 | (35) | (36) |
| 2 896 | 2 930 | 237 | 425 | 702 | 690 | (1 320) | (1 760) |
| 24 782 | 26 708 | 2 146 | 3 181 | 3 483 | 3 653 | (2 188) | (3 480) |
| 13 111 | 15 253 | 2 146 | 3 181 | 2 953 | 3 177 | (2 188) | (3 480) |
| 11 671 | 11 455 | – | – | 530 | 476 | – | – |
| 130 | 124 | 2 637 | 2 752 | – | – | – | – |
| 2 197 | 1 912 | 2 | 12 | 173 | 240 | – | – |
| 190 | 80 | 283 | 244 | 3 | 2 | 284 | 276 |
| 10 419 | 10 780 | 621 | 592 | 1 113 | 907 | (2 096) | (3 134) |
| 8 | 13 | – | – | 22 | 21 | 6 | 7 |
| 12 944 | 12 909 | 3 543 | 3 600 | 1 311 | 1 170 | (1 806) | (2 851) |
| 5 323 | 6 121 | 3 543 | 3 600 | 1 040 | 1 034 | (1 806) | (2 851) |
| 7 621 | 6 788 | – | – | 271 | 136 | – | – |
| 3 112 | 4 201 | (373) | (106) | 1 422 | 1 494 | 457 | 1 062 |
| 2 258 | 2 240 | (373) | (106) | 1 272 | 1 273 | 457 | 1 062 |
| 854 | 1 961 | – | – | 150 | 221 | – | – |
| 5 257 | 6 783 | (3 207) | (1 800) | 758 | 1 081 | 400 | 230 |
| 3 200 | 4 129 | (3 207) | (1 800) | 790 | 1 000 | 373 | 224 |
| 2 057 | 2 654 | – | – | (32) | 81 | 27 | 6 |
| (234) | (1 273) | 475 | (606) | (18) | (65) | (519) | 549 |
| (202) | (1 209) | 475 | (606) | (28) | (52) | (519) | 549 |
| (32) | (64) | – | – | 10 | (13) | – | – |
| 9 455 | 8 614 | 166 | 184 | 945 | 1 250 | 235 | 90 |
| 4 815 | 4 832 | 166 | 184 | 826 | 1 084 | 235 | 90 |
| 4 640 | 3 782 | – | – | 119 | 166 | – | – |
| 4 640 | 3 782 | – | – | 119 | 166 | – | – |
| 2 794 | 2 543 | – | – | – | – | – | – |
| 1 846 | 1 239 | – | – | 119 | 166 | – | – |

Segment profit or loss

| | Group | | Import and Distribution | |
|---|---------------|------------|-------------------------|------------|
| | 2020 Rm | 2019 Rm | 2020 Rm | 2019 Rm |
| for the six months ended 31 December 2020 | | | | |
| Profit or loss | | | | |
| Total revenue from contracts with customers | 44 343 | 41 954 | 9 687 | 10 158 |
| – South Africa | 28 577 | 28 263 | 9 687 | 10 158 |
| – International (see next page) | 15 994 | 13 802 | – | – |
| – Eliminations between geographical regions | (228) | (111) | – | – |
| Operating profit | 1 724 | 1 831 | 421 | 430 |
| – South Africa | 1 432 | 1 698 | 421 | 430 |
| – International | 292 | 133 | – | – |
| Depreciation, amortisation, impairments net of recoupments | (732) | (968) | (96) | (261) |
| – South Africa | (528) | (819) | (96) | (261) |
| – International | (204) | (149) | – | – |
| Finance costs¹ | (399) | (520) | (91) | (195) |
| – South Africa | (288) | (413) | (91) | (195) |
| – International | (111) | (107) | – | – |
| Finance income¹ | 67 | 23 | 23 | 20 |
| – South Africa | 67 | 22 | 23 | 20 |
| – International | – | 1 | – | – |
| Profit before tax and non-trading items | 1 304 | 1 306 | 280 | 243 |
| – South Africa | 1 114 | 1 287 | 280 | 243 |
| – International | 190 | 19 | – | – |
| Non-trading items | (17) | (63) | – | 6 |
| – South Africa | (17) | (3) | – | 6 |
| – International | – | (60) | – | – |
| Profit before tax | 1 287 | 1 243 | 280 | 249 |
| – South Africa | 1 097 | 1 284 | 280 | 249 |
| – International | 190 | (41) | – | – |
| Income tax expense | (359) | (344) | (90) | (68) |

¹ Finance costs and finance income have been disaggregated for disclosure enhancement purposes in the prior period.

| Retail and Rental | | Financial Services | | Aftermarket Parts | | Head Office and Eliminations | |
|-------------------|---------|--------------------|---------|-------------------|---------|------------------------------|---------|
| 2020 Rm | 2019 Rm | 2020 Rm | 2019 Rm | 2020 Rm | 2019 Rm | 2020 Rm | 2019 Rm |
| 35 965 | 34 265 | 1 054 | 1 126 | 3 773 | 3 433 | (6 136) | (7 028) |
| 20 341 | 20 715 | 1 054 | 1 126 | 3 631 | 3 292 | (6 136) | (7 028) |
| 15 624 | 13 550 | – | – | 370 | 252 | – | – |
| – | – | – | – | (228) | (111) | – | – |
| 740 | 801 | 467 | 483 | 266 | 247 | (170) | (130) |
| 482 | 693 | 467 | 483 | 232 | 222 | (170) | (130) |
| 258 | 108 | – | – | 34 | 25 | – | – |
| (517) | (615) | (63) | (73) | (69) | (71) | 13 | 52 |
| (323) | (477) | (63) | (73) | (59) | (60) | 13 | 52 |
| (194) | (138) | – | – | (10) | (11) | – | – |
| (393) | (365) | (37) | (34) | (54) | (76) | 176 | 150 |
| (284) | (260) | (37) | (34) | (52) | (74) | 176 | 150 |
| (109) | (105) | – | – | (2) | (2) | – | – |
| 9 | 12 | – | – | 1 | 15 | 34 | (24) |
| 9 | 11 | – | – | 1 | 15 | 34 | (24) |
| – | 1 | – | – | – | – | – | – |
| 366 | 437 | 440 | 451 | 218 | 177 | – | (2) |
| 212 | 433 | 440 | 451 | 182 | 162 | – | (2) |
| 154 | 4 | – | – | 36 | 15 | – | – |
| (8) | (60) | – | (1) | (9) | (8) | – | – |
| (8) | – | – | (1) | (9) | (8) | – | – |
| – | (60) | – | – | – | – | – | – |
| 358 | 377 | 440 | 450 | 209 | 169 | – | (2) |
| 204 | 433 | 440 | 450 | 173 | 154 | – | (2) |
| 154 | (56) | – | – | 36 | 15 | – | – |
| (92) | (132) | (113) | (95) | (57) | (53) | (7) | 4 |

Segment profit or loss (continued)

| | Group | | Import and Distribution | |
|---|---------------|---------------|-------------------------|---------------|
| | 2020 Rm | 2019 Rm | 2020 Rm | 2019 Rm |
| for the six months ended 31 December 2020 | | | | |
| Additional segment information | | | | |
| Analysis by revenue type | | | | |
| New motor vehicle sales | 20 191 | 19 098 | 7 328 | 7 763 |
| Pre-owned motor vehicle sales | 11 746 | 10 144 | 1 337 | 1 313 |
| Parts and other goods sales | 8 005 | 7 638 | 974 | 1 027 |
| Sale of goods | 39 942 | 36 880 | 9 639 | 10 103 |
| Vehicle workshop, maintenance, service and warranty | 2 848 | 2 856 | 35 | 35 |
| Motor vehicle rental | 608 | 1 280 | – | 1 |
| Fees on vehicles, parts and services sold | 945 | 938 | 13 | 19 |
| Rendering of services | 4 401 | 5 074 | 48 | 55 |
| Total divisional revenue | 44 343 | 41 954 | 9 687 | 10 158 |
| Inter-group revenue | – | – | (5 722) | (6 653) |
| Total external revenue | 44 343 | 41 954 | 3 965 | 3 505 |
| Source of internationally derived revenue | | | | |
| – United Kingdom | 12 089 | 10 737 | – | – |
| – Other regions (Australia and South East Asia) | 3 905 | 3 065 | – | – |
| | 15 994 | 13 802 | – | – |
| Analysis of depreciation, amortisation, impairments and recoupments | | | | |
| | (732) | (968) | (96) | (261) |
| Depreciation and amortisation | (703) | (965) | (97) | (274) |
| (Losses)/profits on disposals and impairments | (22) | 2 | 1 | 13 |
| Amortisation and impairment of intangible assets arising on business combinations | (7) | (5) | – | – |
| (Costs)/income included in profit before tax and non-trading items | | | | |
| Employee costs | (3 349) | (3 585) | (210) | (244) |
| Operating lease charges | (62) | (51) | (5) | (6) |
| Net foreign exchange (losses)/gains | (82) | (46) | (76) | (35) |
| Associate income included in pre-tax profits | 26 | 14 | 4 | 1 |
| Operating margin (%) | 3,9 | 4,4 | 4,3 | 4,2 |

| Retail and Rental | | Financial Services | | Aftermarket Parts | | Head Office and Eliminations | |
|-------------------|------------|--------------------|------------|-------------------|------------|------------------------------|------------|
| 2020 Rm | 2019 Rm | 2020 Rm | 2019 Rm | 2020 Rm | 2019 Rm | 2020 Rm | 2019 Rm |
| 17 140 | 16 437 | – | – | – | – | (4 277) | (5 102) |
| 11 292 | 9 784 | – | – | – | – | (883) | (953) |
| 3 974 | 3 882 | – | – | 3 736 | 3 404 | (679) | (675) |
| 32 406 | 30 103 | – | – | 3 736 | 3 404 | (5 839) | (6 730) |
| 2 164 | 2 103 | 777 | 815 | – | 1 | (128) | (98) |
| 496 | 1 163 | 193 | 219 | – | – | (81) | (103) |
| 899 | 896 | 84 | 92 | 37 | 28 | (88) | (97) |
| 3 559 | 4 162 | 1 054 | 1 126 | 37 | 29 | (297) | (298) |
| 35 965 | 34 265 | 1 054 | 1 126 | 3 773 | 3 433 | (6 136) | (7 028) |
| (238) | (172) | (166) | (192) | (10) | (11) | 6 136 | 7 028 |
| 35 727 | 34 093 | 888 | 934 | 3 763 | 3 422 | – | – |
| 12 089 | 10 737 | – | – | – | – | – | – |
| 3 535 | 2 813 | – | – | 370 | 252 | – | – |
| 15 624 | 13 550 | – | – | 370 | 252 | – | – |
| (517) | (615) | (63) | (73) | (69) | (71) | 13 | 52 |
| (523) | (604) | (63) | (73) | (63) | (66) | 43 | 52 |
| 6 | (12) | – | – | 1 | 1 | (30) | – |
| – | 1 | – | – | (7) | (6) | – | – |
| (2 344) | (2 435) | (245) | (264) | (440) | (429) | (110) | (213) |
| (53) | (46) | (1) | (1) | (11) | – | 8 | 2 |
| 2 | – | – | – | 2 | (12) | (10) | 1 |
| 2 | 2 | 10 | 1 | 10 | 9 | – | 1 |
| 2,1 | 2,3 | 44,3 | 42,9 | 7,1 | 7,2 | | |

Headline earnings per share information

| for the six months ended 31 December 2020 | % change | Unaudited 31 December 2020 Rm | Unaudited 31 December 2019 Rm | Audited 30 June 2020 Rm |
|---|-------------|--|--|----------------------------------|
| Headline earnings reconciliation | | | | |
| Earnings | 4 | 928 | 895 | 306 |
| Impairment of goodwill (IAS 36) | | 26 | 68 | 182 |
| Impairment of intangible assets (IAS 36) | | – | 2 | 124 |
| Loss on the disposal of intangible assets (IAS 38) | | – | – | 2 |
| Reversal of impairment of investments in associates and joint ventures (IAS 28) | | – | (5) | (22) |
| Impairment of property, plant and equipment (IAS 36) | | 30 | 15 | 102 |
| Profit on disposal of property, plant and equipment (IAS 16) | | (8) | (15) | (44) |
| Impairment of right-of-use assets (IAS 36) | | – | – | 14 |
| Impairment of vehicles for hire | | – | – | 2 |
| Profit on disposal of subsidiaries and businesses and other | | (9) | – | (35) |
| Tax effects of remeasurements | | (4) | 1 | (24) |
| Non-controlling interests share of remeasurements | | – | – | (59) |
| Adjustments included in the result of associates and joint ventures | | – | 6 | 2 |
| Headline earnings | – | 963 | 967 | 550 |
| Headline earnings per share (cents) – total operations | | | | |
| – Basic | 2 | 526 | 517 | 296 |
| – Diluted | 2 | 515 | 504 | 288 |
| Additional information | | | | |
| Net asset value per ordinary share (cents)* | 4 | 6 526 | 6 258 | 6 653 |
| Tangible net asset value per ordinary share (cents)* | 2 | 5 672 | 5 541 | 5 764 |
| Number of ordinary shares in issue (million) | | | | |
| – total shares | | 191 | 196 | 193 |
| – net of shares repurchased | | 186 | 191 | 188 |
| – weighted average for basic | | 183 | 187 | 186 |
| – weighted average for diluted | | 187 | 192 | 191 |

* Prior period comparatives (31 December 2019) have been adjusted due to the reassessment of the application of IFRS 16 – Leases, refer to note 4.

Notes to the condensed consolidated financial statements

1. Basis of preparation

The unaudited condensed consolidated financial statements have been prepared in accordance with the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and financial reporting pronouncements as issued by the Financial Reporting Standards Council ("FRSC"). The results contain the information required by IAS 34 – *Interim Financial Reporting* and comply with the Listings Requirements of the Johannesburg Stock Exchange Limited and the Companies Act of South Africa, 2008. These unaudited condensed consolidated financial statements do not include all the information required for a full set of consolidated annual financial statements and should be read in conjunction with the consolidated annual financial statements as at and for the year ended 30 June 2020.

These unaudited condensed consolidated financial statements have been prepared under the supervision of Ms U Singh, CA(SA) and were approved by the board of directors on 22 February 2021.

2. Going concern

The unaudited condensed consolidated statement of financial position as at 31 December 2020 reports a positive total equity balance of R12 053 million (2019: R12 011 million) and net interest-bearing debt of R2 886 million (2019: R8 799 million).

The directors have reviewed and approved the Group budgets, cash flow forecasts, the solvency and liquidity positions and banking covenants and based on the budgets prepared by management, it is concluded that the Group will remain comfortably within the existing bank facility limits for at least the next 12 months from the date of approval of these unaudited condensed consolidated financial statements with significant headroom available.

On the basis of this review, the directors have concluded that there is a reasonable expectation that the Group will continue to meet its obligations as they fall due for at least the next 12 months from the date of approval of these unaudited condensed consolidated financial statements.

3. Accounting policies

The accounting policies adopted and methods of computation used in the preparation of the unaudited condensed consolidated financial statements are in accordance with International Financial Reporting Standards ("IFRS") and are consistent with those of the consolidated annual financial statements for the year ended 30 June 2020, with the exception of new and revised policies as required by new and revised IFRS issued and in effect. The new and revised standards issued have not had a significant impact on the unaudited condensed consolidated financial statements.

4. Update on previously disclosed impacts as a result of the application of IFRS 16 – Leases

In the prior period, effective 1 July 2019, IFRS 16 became applicable to the Group for the first time as was outlined in the 30 June 2020 consolidated annual financial statements.

In the unaudited condensed consolidated financial statements for the six months ended 31 December 2019, the impact of the adoption of IFRS 16 was disclosed with regards to the effect on the consolidated statement of financial position. As is noted in the 30 June 2020 consolidated annual financial statements, the value of the day one adjustment changed as follows:

| | Audited 30 June 2020 Rm | Unaudited 31 December 2019 Rm |
|-------------------------------------|----------------------------------|--|
| Right-of-use assets | 2 036 | 1 881 |
| Net investment in lease receivables | 133 | 133 |
| Lease liabilities | (2 389) | (2 336) |
| Net adjustment: | (220) | (322) |
| Allocated as follows: | | |
| Retained earnings | 105 | 176 |
| Non-controlling interest | 3 | 2 |
| Deferred tax asset | 41 | 71 |
| Operating lease smoothing liability | 71 | 73 |

Notes to the summarised consolidated financial statements (continued)

4. Update on previously disclosed impacts as a result of the application of IFRS 16 – Leases (continued)

These changes have resulted in the 31 December 2019 financial position being restated with the impact as follows:

| | As previously disclosed Rm | Adjustments Rm | Restated balance Rm |
|--|-------------------------------|-------------------|------------------------|
| Right-of-use assets | 1 896 | 155 | 2 051 |
| Lease liabilities (Long-term and short-term) | 2 352 | 53 | 2 405 |
| Retained earnings | 9 241 | 71 | 9 312 |
| Non-controlling interest | 59 | (1) | 58 |
| Deferred tax asset | 1 184 | (30) | 1 154 |
| Trade and other payables | 8 928 | 2 | 8 930 |

The adjustments primarily related to an error in the assessment of the lease start dates which arose as part of business combinations in the United Kingdom (UK) prior to the application of IFRS 16.

Previously, the initial value recognised was based on the contractual start date of the lease. In terms of the guidance given in IFRS 3 – *Business Combinations*, the right-of-use asset was to be measured as if it arose under a new lease commencing on the date of business combination (either through a trade and asset acquisition or share purchase). As a result, the right-of-use asset had a lower accumulated depreciation as at 1 July 2019, which resulted in a higher cost recognised and a decrease in the adjustment to retained earnings and the deferred tax.

Due to the lease expiry dates remaining the same, there was a minimal impact on the related lease liability. Further, the discount rates were reassessed, which resulted in further adjustments to the lease liability and the related right-of-use assets.

The impact of these adjustments on the statement of profit and loss, statement of cash flows and the related impact on the earnings per share and headline earnings per share were not significant.

5. Exchange rates

| | Closing rates | | | Average rates for the period | | |
|-------------------|---------------------|-----------------|---------------------|---------------------------------|------------------------------|---------------------------------|
| | 31 December 2020 | 30 June 2020 | 31 December 2019 | 6 months 31 December 2020 | 12 months 30 June 2020 | 6 months 31 December 2019 |
| US Dollar | 14,65 | 17,37 | 14,01 | 16,26 | 15,67 | 14,73 |
| British Pound | 20,01 | 21,46 | 18,51 | 21,23 | 19,73 | 18,50 |
| Australian Dollar | 11,32 | 11,96 | 9,84 | 11,75 | 10,49 | 10,05 |
| Euro | 17,97 | 19,51 | 15,72 | 19,19 | 17,31 | 16,29 |

6. Goodwill

| | Unaudited 31 December 2020 Rm | Unaudited 31 December 2019 Rm | Audited 30 June 2020 Rm |
|---|--|--|----------------------------------|
| Carrying value at the beginning of the period | 1 556 | 1 020 | 1 020 |
| Acquisition of subsidiaries and businesses | 37 | 142 | 482 |
| Impairments | (26) | (68) | (182) |
| Currency adjustments | (75) | 33 | 223 |
| Re-allocations from intangible assets | – | – | 13 |
| Carrying value at the end of the period | 1 492 | 1 127 | 1 556 |
| <i>The impairment of goodwill is in line with the group policy, where any business acquisitions which results in goodwill below R10 million is impaired on acquisition.</i> | | | |

7. Acquisitions and disposals during the period

Acquisitions

There were no individually significant acquisitions noted during the period. The acquisitions related to bolt-on businesses acquired in the Retail and Rental and Aftermarket Parts Segment. The total purchase consideration amounted to R115 million.

Disposals

There were no significant disposals noted during the period.

8. Cash resources

| | | | |
|-----------------|-------|-------|-------|
| Cash resources | 2 424 | 788 | 2 121 |
| Bank overdrafts | (45) | (503) | (136) |
| | 2 379 | 285 | 1 985 |

9. Fair value of financial instruments

9.1 Fair value hierarchy

The Group's financial instruments carried at fair value are classified in three categories defined as follows:

Level 1 financial instruments are those that are valued using unadjusted quoted prices in active markets for identical financial instruments.

Level 2 financial instruments are those valued using techniques based primarily on observable market data. Instruments in this category are valued using quoted prices for similar instruments or identical instruments in markets which are not considered to be active or valuation techniques where all the inputs that have a significant effect on the valuation are directly or indirectly based on observable market data.

Level 3 financial instruments are those valued using techniques that incorporate information other than observable market data. Instruments in this category have been valued using a valuation technique where at least one input, which could have a significant effect on the instrument's valuation, is not based on observable market data.

Notes to the summarised consolidated financial statements (continued)

9. Fair value of financial instruments (continued)

9.2 Fair value of financial assets and liabilities

Where the Group's financial assets and financial liabilities are not fair valued and are carried at amortised cost, they approximate their fair values.

The following table presents the valuation categories used in determining the fair values of financial instruments carried at fair value:

| 31 December 2020 | Total Rm | Level 1 Rm | Level 2 Rm | Level 3 Rm |
|--|----------|------------|------------|------------|
| Financial assets carried at fair value | | | | |
| Unlisted investments (included in investments) | 356 | – | – | 356 |
| Derivative financial assets | 4 | – | 4 | – |
| Financial liabilities carried at fair value | | | | |
| Contingent consideration | 15 | – | – | 15 |
| Derivative financial liabilities | 808 | – | 808 | – |

There were no transfers between the fair value hierarchies during the period.

Movements in level 3 financial instruments measured at fair value

The following table shows a reconciliation of the opening and closing balances of level 3 financial instruments carried at fair value:

| | Total Rm |
|---|----------|
| Financial assets | |
| Carrying amount at the beginning of the period | 338 |
| Proceeds received on disposal of investment | (6) |
| Dividends received | (57) |
| Fair valued through profit or loss as unrealised gains | 81 |
| Carrying value at the end of the period | 356 |
| Financial liabilities | |
| Carrying amount at the beginning of the period | 17 |
| Payment made to former equity holder of the subsidiary acquired | (2) |
| Carrying value at the end of the period | 15 |

Level 2 valuations techniques

Forward exchange contracts

Future cash flows estimated based on forward exchange rates (from observable forward exchange rates at the end of the reporting period) and contract forward rates, discounted at the rate that reflects the credit risk of the various counterparties at the date of entering into the contract.

Other derivative instruments

The differential on current market interest rates and contract fixed rates on interest rate swaps.

9. Fair value of financial instruments (continued)

9.2 Fair value of financial assets and liabilities (continued)

Level 3 sensitivity information

The fair value of the level 3 financial assets of R356 million (2019: R434 million) consists of investments in cell captives through unlisted preference share instruments in insurance companies. These fair values were estimated by applying a discounted cash flow projection technique. Cash flow projections are based on expected dividends receivable which are subject to regulation. The cash flow projections cover a five-year forecast period, discounted at a WACC of 18.73% specifically linked to Financial Services. The projections are limited to five years as the investment structures are reviewed on an ongoing basis in light of changes to the regulatory and economic landscape.

The fair value measurement is based on significant inputs that are not observable in the market. Key assumptions used in the valuation include underwriting risk, operational risk and investment risk. The dividends receivable is calculated from the assumed profits after taking into account the above-mentioned risk inputs.

The fair value of the level 3 financial liability of R15 million (2019: R17 million) is the contingent consideration which related to the purchase of Rhinoman Outdoor and Off-road Proprietary Limited, with a contingency in the purchase price depending on the profitability targets. It is anticipated that this liability will be settled early in the 2022 financial year, subject to profitability levels of Rhinoman Outdoor and Off-road (Proprietary) Limited being achieved.

| Financial instrument | Valuation technique | Key assumption | Carrying value Rm | Increase in carrying value Rm | Decrease in carrying value Rm |
|------------------------------|---|--|----------------------|--|--|
| Financial assets | | | | | |
| Preference shares | Cash flow projections | Present value of expected dividend flows | 356 | 8 | (8) |
| Financial liabilities | | | | | |
| Contingent consideration | Multiples of future net operating profits after tax | Future expected profits | 15 | – | – |

10. Other non-operating costs

| | Unaudited 31 December 2020 Rm | Unaudited 31 December 2019 Rm | Audited 30 June 2020 Rm |
|--|--|--|----------------------------------|
| Impairment of goodwill | (26) | (68) | (182) |
| Impairment of other intangible assets | – | – | (107) |
| Profit on disposal of businesses | 9 | – | 4 |
| Profit on sale of associate | – | – | 31 |
| Reversal of impairment of associates and joint ventures | – | 5 | 22 |
| Total non-trading items | (17) | (63) | (232) |
| Amortisation of intangible assets arising on business combinations | (7) | (5) | (12) |
| Gain on derecognition of financial instrument | – | 10 | 10 |
| Business acquisition costs | – | (1) | (8) |
| Other non-operating items | (24) | (59) | (242) |

Notes to the summarised consolidated financial statements (continued)

11. Contingencies and commitments

| | Unaudited 31 December 2020 Rm | Unaudited 31 December 2019 Rm | Audited 30 June 2020 Rm |
|-------------------------------------|--|--|----------------------------------|
| Capital commitments ¹ | 78 | 337 | 101 |
| Contingent liabilities ² | 3 140 | 2 761 | 2 335 |

¹ The capital commitments relate to the construction of buildings to be utilised by the Group.

² The contingent liabilities include letters of credit and guarantees issued by banks with the corresponding guarantee by the Group to the bank.

12. Events after the reporting period

Purchase of non-controlling interests:

SWT Group Proprietary Limited

The Group has acquired an additional 10% shareholding from the minority shareholder in the month of January 2021. The Group's effective ownership has increased to 90%. The purchase price was R38 million. The purchase price, net of the attributable non-controlling interest as at the effective date, will be transferred to the premium paid on the purchase of non-controlling interests in equity.

Renault South Africa Proprietary Limited

The Group will be purchasing the remaining 40% shareholding from Renault SAS (France). The purchase price is R250 million. The purchase price, net of the attributable non-controlling interest as at the effective date, will be transferred to the premium paid on the purchase of non-controlling interests in equity. The transaction is subject to The Competition Commission approval.

Shareholders are to be advised that an ordinary dividend has been declared by the board of Motus Holdings Limited on 22 February 2021. For further details, please refer to the dividend declaration on page 21.

There are no further significant subsequent events that occurred from the period ended 31 December 2020 to the date of these unaudited condensed consolidated financial statements other than those disclosed above.



Glossary of terms

| | |
|--|---|
| Net asset value per share | Equity attributable to owners of Motus divided by total ordinary shares in issue net of shares repurchased. |
| Tangible net asset value per ordinary share | Equity attributable to owners of Motus less goodwill and other intangible assets divided by total ordinary shares in issue net of shares repurchased. |
| Debt | The aggregate of interest-bearing debt (including floorplans and lease liabilities in terms of IFRS 16) less cash resources. |
| Core debt | The aggregate of interest-bearing debt (excluding the lease liabilities in terms of IFRS 16 and floorplans from financial institutions) less cash resources. |
| Net debt | The aggregate of interest-bearing debt (excluding the lease liabilities in terms of IFRS 16) less cash resources. |
| Net capital expenditure | Includes expansion and net replacement expenditure of property, plant and equipment, investment properties, intangible assets and vehicles for hire. |
| Net working capital | Inventories plus trade and other receivables (including derivative assets) less trade and other payables (including derivative liabilities) and total provisions. |
| Operating assets | Total assets less loans receivable, cash and cash equivalents, tax assets, and assets classified as held-for-sale. |
| Operating liabilities | Total liabilities less interest-bearing borrowings, tax liabilities and liabilities classified as held-for-sale. |
| EBITDA | Earnings before interest, tax, depreciation and amortisation. |
| Operating profit margin (%) | Operating profit divided by revenue. |
| Non-trading items | Impairment of goodwill and other intangibles and profit or loss on the sale of investments in subsidiaries, associates and joint ventures and other businesses. |
| Return on invested capital (%) | <p>The return divided by invested capital.</p> <p>The return is calculated by reducing the operating profit by a blended tax rate, which is an average of the actual tax rates applicable in the various jurisdictions in which the Group operates, increased by the share of result of associates and joint ventures.</p> <p>Invested capital is an average of total equity plus interest-bearing borrowings less cash resources for the financial period.</p> |
| Weighted average cost of capital (WACC) (%) | Is calculated by multiplying the cost of each capital component by its proportional weight, therefore: $WACC = (\text{after tax cost of debt \% multiplied by average debt weighting}) + (\text{cost of equity multiplied by average equity weighting})$. The cost of equity is blended recognising the cost of equity in the different jurisdictions in which the Group operates. |



Corporate information

Motus Holdings Limited

Incorporated in the Republic of South Africa
Registration number: 2017/451730/06
ISIN: ZAE000261913
Share code: MTH
(Motus or the Company or the Group)

Directors

GW Dempster (Chairman)*
A Tugendhaft (Deputy Chairman)**
OS Arbee (CEO)#
OJ Janse van Rensburg (CFO)#
KA Cassel#
PJS Crouse*
S Mayet*
KR Moloko*
MJN Njeke*
B Radebe*

* Independent non-executive

** Non-executive

Executive

Company Secretary

JK Jefferies

Group Investor Relations Manager

J Oosthuizen

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The results announcement is available on the Motus website: www.motus.co.za



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