Motus

Preliminary summarised audited consolidated results

for the year ended 30 June 2021

Contents

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 touchpoints supporting resilience and customer loyalty through the entire vehicle ownership cycle.
4. **High free cash flow generation** underpinned by annuity income streams in the 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.
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 and agile 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**.

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Photographs of people without masks were either taken pre-COVID-19 or full health and safety protocols were followed as appropriate.

Business overview

Motus is South Africa's leading automotive group, employing over 16 700 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

Our services extend across all segments of the vehicle value chain

Import and Distribution

Importer and distributor of passenger, light commercial vehicles (LCVs) 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 9

Retail and Rental

Retailer of new and pre-owned passenger and commercial vehicles across all segments in South Africa and the UK, and passenger vehicles in Australia.
Selling of parts and accessories.
Servicing and maintenance of vehicles.
Rental of passenger and LCVs.

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

Financial Services

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

Aftermarket Parts

Distributor, wholesaler and retailer of parts and accessories for mainly 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

Financial highlights

Revenue
R87 205 million
(2020: R73 417 million)
▲ 19%

EBITDA
R5 302 million
(2020: R4 082 million)
▲ 30%

Operating profit
R3 795 million
(2020: R2 136 million)
▲ 78%

Profit before tax
R2 860 million
(2020: R541 million)
▲ 429%

Earnings per share
1 153 cents per share
(2020: 165 cents per share)
▲ 599%

Headline earnings per share
1 179 cents per share
(2020: 296 cents per share)
▲ 298%

Net asset value per share
6 586 cents per share
(2020: 6 653 cents per share)

Total dividend per share
415 cents per share
(paid interim dividend of 160 cents per share)
(2020: nil cents per share paid)

Free cash flow generated from operations
R5 904 million
(2020: R3 004 million)

Net debt to equity
28%
(2020: 60%)

Return on invested capital*
14,8 %
(2020: 6,4%)

Weighted average cost of capital*
9,5 %
(2020: 9,8%)

Net debt to EBITDA (debt covenant)
0,8 times
(2020: 2,2 times)
Required: to be less than 3 times

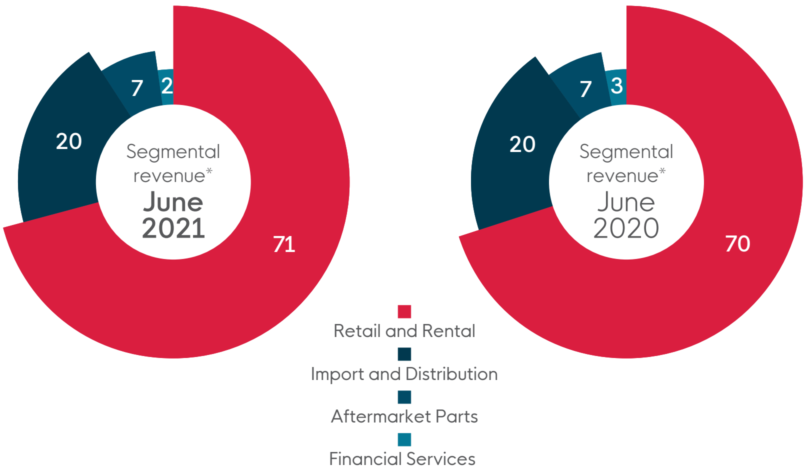
EBITDA to net interest (debt covenant)
10,9 times
(2020: 3,6 times)
Required: to be greater than 3 times

* *The return on invested capital and weighted average cost of capital is prepared on a 12-month rolling basis.*

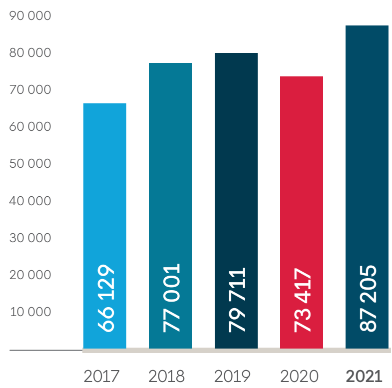
Financial highlights (continued)

Revenue

% Contribution



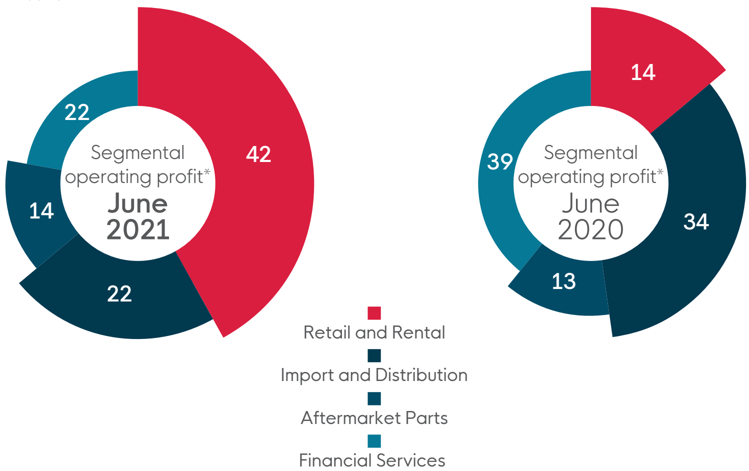
Rm



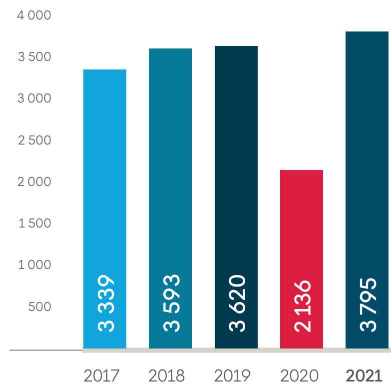
* *Excludes Head Office and Eliminations.*

Operating profit

% Contribution



Rm



* *Excludes Head Office and Eliminations.*

Pro forma disclaimer

To provide a more meaningful assessment of the Group's performance for the year, pro forma information has been included under the segment performance section in the preliminary summarised audited consolidated results for the year ended 30 June 2021.

The directors of Motus Holdings Limited are responsible for compiling the pro forma financial information on the basis applicable to the criteria as detailed in paragraphs 8.15 to 8.34 of the Listings Requirements of the JSE Limited (JSE) and 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, results of operations and cash flows. The Group's external auditors, Deloitte & Touche, have issued an unmodified reporting accountants' report on the pro forma information on 30 August 2021. A copy of their report is available on request.

Environment

The impact of the COVID-19 crisis on the global automotive industry has been extensive. This has resulted in fundamental disruptions in the manufacturing, supply chain and operational segments of the automotive industry globally.

The Group successfully implemented various action plans and initiatives focused on converting excess vehicle inventory and vehicle rental fleet into cash. We also aligned our existing cost structures and business operations to the changing economic environment and utilised available government relief programmes mainly in foreign operations.

As a result of the faster-than-expected rebound in the economy, management's swift and decisive actions, supported by the integrated business model and an increased online digital presence, the Group rebounded stronger and better than expected after the initial hard COVID-19 lockdowns to record robust results for the first full year of trading during the crisis.

The South African 2021 gross domestic product (GDP) has been upwardly revised to increase to between 4,0%[1] and 4,2%[1], with the economic recovery forecast to continue in the short term.

The South African new vehicle market remains subdued, albeit with more stability as the market recovery continues to gain momentum. According to naamsa[2], South Africa retailed 445 319 units for the 12 months to 30 June 2021 (1% ahead of the prior period) despite selling 25 485 fewer vehicles to the car rental industry. At June 2021, our retail market share at 20,2% was consistent with the prior year. The forecast vehicle sales to 30 June 2022 are between 450 000 to 470 000 vehicles.

The South African new vehicle market continues to be affected by the weak macroeconomic environment, lack of disposable income, global supply constraints and low consumer confidence, however, the growth will be supported by the car rental industry and government purchases. Industry margins will continue to be under pressure. The international travel restrictions should be lifted in the second half of the financial year and this should assist the sale of vehicles to the car rental industry and positively impact revenue in the car rental industry as well.

The UK new vehicle market improved by 14,6%[3] for the 12 months to June 2021, with the passenger market improving by 11,3%[3], the LCVs market improving by 33,9%[3] and the heavy commercial vehicles improving by 13,7%[3]. Motus was well positioned and maintained its retail market share. The UK automotive market is showing positive signs of recovery in both the passenger and commercial segments. However, there will be inventory availability constraints for the first six months of the financial year.

The Australian automotive industry remains highly competitive. The market grew by 9,7%[4] for the 12 months to June 2021, with Motus maintaining its retail market share. Despite the COVID-19 crisis, the Australian economy has recovered well with the automotive industry benefitting from consumers purchasing vehicles instead of travelling internationally and utilising government assistance.

Factors such as the easing of lockdown restrictions, continued low interest rates specifically in South Africa, new model launches and the increased online digital presence, have ensured we continually attract customers to the dealerships and stores.

The Group 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, cost and capital management, 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, agile and entrepreneurial management have provided a solid platform to continue to build a resilient and sustainable business.

[1] *Econometrix: Quarterly Economic Outlook – South Africa I Q3 2021.*
[2] *naamsa I The Automotive Business Council.*
[3] *The Society of Motor Manufacturers and Traders.*
[4] *Federal Chamber of Automotive Industries – Australia.*

Motus is pleased with the solid performance that our diversified business model continues to provide despite the ongoing uncertainties present in the markets in which we operate.

Management's swift and decisive actions, supported by our integrated business model and an increased on-line presence, allowed the Group to rebound stronger than expected after the initial COVID-19 hard lockdowns and record robust results for the first full year of trading during the crisis.

Performance

The results for the year 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 the diversified business model provides, given the uncertainties in the markets in which we operate. Management's swift and decisive actions, together with the support of our OEMs, suppliers, customers and funders, allowed the Group to rebound stronger than expected.

The South African operations contributed 64% to revenue and 80% to operating profit for the year (2020: 65% and 99%, respectively), with the remainder being contributed by the UK, Australia and South East Asia.

The Group's passenger and commercial vehicle businesses, including the UK and Australia, retailed 119 933 new units (2020: 112 833 new units), a 6% increase, and 108 700 pre-owned units[1] (2020: 95 945 pre-owned units[1]), a 13% increase, during the 12-month period. New vehicle sales remain constrained by global supply shortages and the pre-owned vehicle market remains buoyant.

Revenue increased by 19% mainly due to improved performance in the Import and Distribution segment, the retail businesses (in SA, UK and Australia) and the Aftermarket Parts business segments. The increase was offset by decreased revenue contributions from the Car Rental and Financial Services business operations. The increase in revenue was supported by an increase in the sale of new and pre-owned vehicles, volume increases in the Aftermarket Parts business and price inflation.

The revenue increase was as a result of a 22% and 25% increased contribution from new and pre-owned vehicle sales respectively, and an 18% increased contribution from parts sales. Our contribution from rendering of services decreased by 3%, mainly due to reduced car rental revenue.

Operating profit increased by R1 659 million (78%) with all business segments improving operating profit contribution except for the Financial Services business, which was marginally lower than the prior year. The Import and Distribution business generated an increase of R85 million (10%), the South African Retail and Rental segment an increase of R684 million (>100%) year on year. The international operations in the UK and Australia benefited from strong government support and economic recoveries, resulting in an increase of R741 million (>100%) for the year. The Aftermarket Parts business generated an increase of R237 million (74%).

[1] *Includes trade units*

The increased operating profit is mainly as a result of the faster recovery of the automotive industry which positively impacted gross income, coupled with the benefits achieved through the implementation of various cost-cutting measures introduced in the prior year. The operations benefitted from increased volumes supported by good inventory availability of new and pre-owned vehicles, and parts and accessories in the Aftermarket Parts business, allowing us to service pent-up demand following the initial lockdowns.

Net finance costs decreased by 51%. The decrease is mainly as a result of the decline in core debt and floor plan debt, as we aggressively reduced the car rental fleet and inventory levels. We generated a gain on unwinding of the interest rate swaps.

Foreign currency exchange losses amounting to R99 million (2020: R13 million) relate to the revaluation of balances denominated in foreign currencies that do not qualify for cash flow hedge accounting in the normal course of business. These include forward exchange contracts (FECs) and options (through profit or loss), trade receivables, trade payables and customer foreign currency (CFC) accounts. The severe volatility of the ZAR during the year negatively impacted mark-to-market measurements.

During the year we also experienced abnormal losses amounting to R284 million, due to the cancellation of FECs. As a consequence of erratic global inventory supply constraints due to the COVID-19 crisis, initial production orders that had been placed could not be fulfilled as scheduled, leading to the breakage of the hedge relationships. Subsequently, new orders were placed and new hedge instruments were entered into.

Profit before tax increased by 429% to R2 860 million.

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

A full year dividend of 415 cents per share has been declared. An interim dividend of 160 cents per share was paid and the final year-end dividend of 255 cents per ordinary share was declared. Due to the economic crisis no dividend was declared and paid in 2020.

Net working capital resulted in a net cash inflow of R1 778 million, primarily due to lower inventory assisted by improved sales, lower vehicle returns from car rental companies and, more recently, supply constraints on certain vehicle models.

Net debt to equity is 28% (2020: 60%). Core debt (excluding floorplan and IFRS 16 debt) decreased by R3,3 billion primarily due to the lower working capital and vehicles for hire levels. This was further positively impacted by profits generated and no dividend paid in September 2020.

Net debt to EBITDA is 0,8 times (2020: 2,2 times) and EBITDA to net interest is 10,9 times (2020: 3,6 times). Both ratios have been calculated by applying the funders covenant methodology and we remain well within the bank covenant levels as set by debt providers of below 3,0 times and above 3,0 times, respectively.

Return on invested capital increased to 14,8% (2020: 6,4%) mainly due to improved profitability and lower average invested capital. Weighted average cost of capital decreased to 9,5% (2020: 9,8%) primarily due to lower cost of debt and lower average invested capital.

Net asset value per share amounts to 6 586 cents per share (2020: 6 653 cents per share).

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

We generated significant free cash flow of R5 904 million (2020: R3 004 million) from operating activities before capital expenditure for vehicles for hire. The free cash flow was primarily generated by solid operating profits, decreased finance costs and reduced working capital.

Segment overview

Import and Distribution

20%	22%	4,6%
of Group revenue	of Group operating profit	Operating margin

- 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
- ~16,1% controllable market share* in South Africa
- Car parc >1 million vehicles

Retail and Rental

71%	42%	2,5%
of Group revenue	of Group operating profit	Operating margin

- Retail > 115 000 new vehicles and > 105 000 pre-owned vehicles annually

South Africa
- Represents 24 OEMs: ~340 dealerships
- ~20,2% retail market share
- Car rental (Europcar and Tempest): 100 outlets in Southern Africa
- ~25% rental market share

United Kingdom
- 86 commercial dealerships
- 33 passenger dealerships

Australia
- 36 passenger dealerships

Financial Services

- Developer and administrator of innovative vehicle-related financial products and services to >760 000 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

2%	22%	44,8%#
of Group revenue	of Group operating profit	Operating margin

Aftermarket Parts

- Distributor, wholesaler and retailer of accessories and parts for out-of-warranty vehicles
- Operates in Southern Africa and South East Asia
- 577 retail stores (100 owned stores)
- Supported by distribution centres in South Africa, Taiwan and China
- Franchise base comprises:
  - Resellers (Midas and Alert Engine Parts)
  - Specialised workshops (CBS, Ferobrake, Motolek, ADCO)

7%	14%	7,7%
of Group revenue	of Group operating profit	Operating margin

* *Percentage of passenger and LCVs market.*
\# *Operating margin includes profit streams without associated revenue.*

The 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 revenue and profits of the entire automotive value chain. We import, distribute and supply vehicles and parts to the Group and independent dealership networks, government and car rental companies. 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 LCVs in South Africa at June 2021 was 16,1% (June 2020: 16,3%) with the overall vehicle market growing by 1%. Hyundai achieved 7,7% market share (2020: 7,0%), Kia achieved 3,7% market share (2020: 3,4%), Renault achieved 4,2% market share (2020: 5,6%) and Mitsubishi achieved 0,5% (2020: 0,3%).

Financial performance

	HY1 2021 unaudited^	% change on HY1 2020 unaudited^	**HY2 2021 pro forma***	% change on HY2 2020 pro forma*	**2021 audited**	2020 audited	% change on 2020 audited
Revenue (Rm)	**9 687**	(5)	**9 996**	38	**19 683**	17 411	13
Operating profit (Rm)	**421**	(2)	**491**	24	**912**	827	10
Operating margin (%)	**4,3**		**4,9**		**4,6**	4,7	

^ HY1 numbers are unaudited and are extracted from the interim published results for the six months ended 31 December 2020.
** HY2 numbers are unaudited and derived from deducting the HY1 results from the annual published results for the year ended 30 June 2021.*

Revenue increased by 13% in line with the increase in sales volumes for vehicles (mainly through the retail channel) and parts, selling price increases and new model releases. The Import and Distribution segment sold 7% more vehicles at 41 255 units (2020: 38 495 units) for the year, with increased volumes attributable to the recovery of the vehicle market. The vehicle market in South Africa grew by only 1% to June 2021.

Operating profit increased by 10% for the year mainly due to higher volumes of vehicles, panel and parts, assisted by increased margins as a result of the selling price increases. This was offset by the change in the mix of vehicles, higher costing rates relating to forward cover, lower assistance from the OEMs and increased freight costs.

Hyundai, Kia and Renault have forward cover for the Euro and US Dollar to February 2022, at average rates of R18,14 to the Euro and R14,93 to the US Dollar, including forward cover costs. The current Group guideline is to cover seven to nine months of forecast vehicle import orders, except for Mitsubishi where cover is taken for all committed 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. The car rental business 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 24 OEMs through ~340 dealerships. The retail market share for our South African operation remained stable at ~20,2%. We will continue to multi-franchise where possible to grow the footprint.

United Kingdom

We operate through 119 dealerships (86 commercial and 33 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 the large metropolitan areas.

Financial performance

	HY1 2021 unaudited^	% change on HY1 2020 unaudited^	HY2 2021 pro forma*	% change on HY2 2020 pro forma*	2021 audited	2020 audited	% change on 2020 audited
Revenue (Rm)	**35 965**	5	**34 997**	37	**70 962**	59 898	18
Operating profit (Rm)	**740**	(8)	**1 017**	>100	**1 757**	332	>100
Operating margin (%)	**2,1**		**2,9**		**2,5**	0,6	

^ HY1 numbers are unaudited and are extracted from the interim published results for the six months ended 31 December 2020.
** HY2 numbers are unaudited and derived from deducting the HY1 results from the annual published results for the year ended 30 June 2021.*

Revenue increased by 18% mainly as a result of increased revenue attributable to South Africa's new and pre-owned retail dealers, Auto Pedigree (positively impacted by accelerated de-fleeting of car rental vehicles), the UK (mainly due to improved September 2020 and March 2021 registration months) and Australia (assisted by the inclusion of Ballarat acquisition for a full period). This was offset by reduced revenue contribution from the car rental division.

The Retail and Rental segment sold 82 919 new units (2020: 77 772 new units) and 104 459 pre-owned units[1] (2020: 92 511 pre-owned units[1]) for the year. In South Africa, the segment sold 49 290 new units and 77 659 pre-owned units[1] (2020: 46 185 new units and 68 005 pre-owned units[1]), this was 7% up on the prior year for new vehicles when the market was up by 1%. Internationally we sold 33 629 new units and 26 800 pre-owned units[1] (2020: 31 587 new units and 24 506 pre-owned units[1]), this was up 6% up on the prior year for new vehicles.

Operating profit increased by R1,4 billion across all areas of the business. The increased operating profit is as a result of the recovery of the automotive industry in all the geographies in which we operate that resulted in increased volumes and increased gross income, the servicing of pent-up demand following the initial lockdowns and benefits from various cost-cutting measures implemented in the prior year. The car rental business was marginally profitable supported by the aggressive de-fleet strategy conducted in the prior year.

South Africa

The South African retail revenue and operating profit increased by 17% and 119%, respectively, from the prior year mainly due to the increase in vehicle sales volumes of 11% (new 7% and pre-owned[1] 14%).

[1] Includes trade units

Car rental revenue decreased mainly as a result of limited local and international tourism. Operating profit increased mainly due to aggressive cost-cutting measures implemented which included de-fleeting of vehicles, closure of outlets and the retrenchment of employees. Vehicle utilisation levels have increased following business model changes from where the business can grow profitably again.

United Kingdom

UK revenue and operating profit increased by 24% and 667%, respectively from a lower base in June 2020. Operating profit benefitted from the improved performance of both passenger and commercial dealerships (mainly due to improved September 2020 and March 2021 registration months), enhanced by government support (rates rebates and furlough payments) and translation benefits due to the weakening of the average ZAR rate from June 2020. The UK sold 24 212 new units and 21 518 pre-owned units[1] (2020: 22 912 new units and 18 628 pre-owned units[1]) for the 12 months.

Australia

Australia's revenue and operating profit increased by 24% and 553%, respectively mainly as a result of improved performance in Sydney and Melbourne, as well as the full year trading contribution of the Ballarat acquisition. Australia sold 9 417 new units and 5 282 pre-owned units[1] (2020: 8 675 new units and 5 878 pre-owned units[1]) for the 12 months. The business benefitted from government support.

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 growth and profit opportunities 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 unaudited^	% change on HY1 2020 unaudited^	**HY2 2021 pro forma***	% change on HY2 2020 pro forma*	**2021 audited**	2020 audited	% change on 2020 audited
Revenue (Rm)	**1 054**	(6)	**965**	(8)	**2 019**	2 173	(7)
Operating profit (Rm)	**467**	(3)	**437**	(2)	**904**	931	(3)
Operating margin (%)#	**44,3**		**45,3**		**44,8**	42,8	

^ HY1 numbers are unaudited and are extracted from the interim published results for the six months ended 31 December 2020.
** HY2 numbers are unaudited and derived from deducting the HY1 results from the annual published results for the year ended 30 June 2021.*
 # Operating margin includes profit streams without associated revenue.

Revenue decreased by 7% mainly as a result of reduced fleet rental due to early termination and reduced replacement of units with external car rental companies, coupled with lower terminations as a result of the shift from mileage to time usage on the service and maintenance plans.

Operating profit decreased by 3% mainly due to increased life cover claim settlements in the M-Sure business, reduced car rental income earned on rental of vehicles, lower bank joint venture alliance profits and reduced cell captive income, offset by cost containment measures implemented.

The outlook for the vehicle asset finance joint ventures with financial institutions remains negative due to elevated levels of credit impairments, but we are anticipating certain provision reversals and a return to profit sharing in the short-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 for distribution to South Africa and other developing markets.

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

Financial performance

	HY1 2021 unaudited^	% change on HY1 2020 unaudited^	**HY2 2021 pro forma***	% change on HY2 2020 pro forma*	**2021 audited**	2020 audited	% change on 2020 audited
Revenue (Rm)	**3 773**	10	**3 522**	35	**7 295**	6 050	21
Operating profit (Rm)	**266**	8	**293**	>100	**559**	322	74
Operating margin (%)	**7,1**		**8,3**		**7,7**	5,3	

^ HY1 numbers are unaudited and are extracted from the interim published results for the six months ended 31 December 2020.
** HY2 numbers are unaudited and derived from deducting the HY1 results from the annual published results for the year ended 30 June 2021.*

Revenue and operating profit increased by 21% and 74%, respectively. The increase is due to servicing pent-up demand, which resulted in higher volumes, as well as increasing the customer base through aggressive sales campaigns and customer engagement (which has resulted in increased market share). Inventory availability and range expansion assisted performance and we have been able to reduce the fixed cost base. Synergies are being achieved through the use of the distribution centre in China, and global expansion plans are underway to take advantage of this new structure.

The shift from higher priced premium products to more affordable products and increased supplier and competitor activities is continuing in South Africa.

Financial overview

Group profit or loss (extract)

for the year ended 30 June 2021	2021 Rm	2020 Rm	% change
Revenue	**87 205**	73 417	19
Operating profit	**3 795**	2 136	78
Impairment of properties, net of profit/(losses) on sale	**(7)**	(60)	(88)
Net foreign exchange losses	**(383)**	(13)	>100
Net finance costs	**(543)**	(1 116)	(51)
Other net costs	**(2)**	(220)	(99)
Profit before tax and restructuring costs	**2 860**	727	>100
Once-off restructuring costs	**–**	(186)	(100)
Profit before tax	**2 860**	541	>100
Income tax expense	**(718)**	(356)	>100
Attributable profit for the year	**2 142**	185	>100
Attributable to non-controlling interests	**(44)**	121	(<100)
Attributable to shareholders of Motus Holdings	**2 098**	306	>100
Operating profit (%)	**4,4**	2,9	
Effective taxation rate (%)	**25,5**	68,6	

Revenue improved by 19% mainly due to improved performance in the Import and Distribution segment, the retail businesses (in SA, UK and Australia) and the Aftermarket Parts business segments. The increase was offset by decreased revenue contributions from the Car Rental and Financial Services business operations. The increase in revenue was supported by an increase in the sale of new and pre-owned vehicles, volume increases in the Aftermarket Parts business and price inflation.

Operating profit improved by 78% with all business segments improving operating profit contribution except for the Financial Services business, which was marginally lower than prior year.

The increased operating profit is mainly as a result of the faster recovery of the automotive industry, which positively impacted gross income, coupled with the benefits achieved through the implementation of various cost-cutting measures introduced in the prior year. The operations benefitted from increased volumes supported by good inventory availability of new and pre-owned vehicles, and parts and accessories in the Aftermarket Parts business, allowing us to service pent-up demand following the initial lockdowns.

Net operating expenses excluding cost of sales, depreciation and amortisation increased by 1% (well below inflationary increases) as a result of a number of cost containment initiatives. Staff costs remained stable, offset by inflationary increases implemented in April 2021 for all staff excluding executive management. In addition, higher variable commissions were paid as targets were exceeded.

Net foreign exchange losses increased to R383 million. Foreign currency exchange losses amounting to R99 million (2020: R13 million) relate to the revaluation of balances denominated in foreign currencies that do not qualify for cash flow hedge accounting in the normal course of business. These include FECs and options (through profit or loss), trade receivables, trade payables and CFC accounts. The severe volatility of the ZAR during the year negatively impacted mark-to-market measurements.

During the year we also experienced abnormal losses amounting to R284 million, due to the cancellation of FECs. As a consequence of erratic global inventory supply constraints due to the COVID-19 crisis, initial production orders that had been placed could not be fulfilled as scheduled, leading to the breakage of the hedge relationships. Subsequently, new orders were placed and new hedge instruments were entered into.

Net finance costs decreased by 51%. The decrease is mainly as a result of the decline in core debt and floor plan debt, as we aggressively reduced the car rental fleet and inventory levels. We generated a gain on unwinding of the interest rate swaps.

Effective tax rate is 25,5%. The prior year tax rate was significantly impacted by once-off capital items, restructuring costs and impairments of deferred tax assets. The current tax rate was lower than 28% mainly due to the improved performance of our UK business which is taxed at 19% and exempt dividend income received.

Reconciliation of earnings to headline earnings

for the year ended 30 June 2021	2021 Rm	2020 Rm	% change
Earnings	**2 098**	306	>100
Profit on disposal of assets	**(63)**	(42)	50
Impairment of goodwill and other assets	**106**	402	(74)
Profit on sale of businesses	**(9)**	(35)	(74)
Other	**–**	2	(100)
Taxation and non-controlling interests	**13**	(83)	>100
Headline earnings	**2 145**	550	>100
Weighted average number of ordinary shares (million)	**182**	186	(2)
Earnings and headline earnings per share			
Basic EPS (cents)	**1 153**	165	>100
Headline EPS (cents)	**1 179**	296	>100

The Group repurchased 6,5 million shares during the year at an average price of R75 per share, which resulted in lower weighted average number of shares, of which 2 million shares were acquired as treasury shares for the share incentive scheme.

Financial position

as at 30 June 2021	2021 Rm	2020 Rm	% change
Goodwill and intangible assets	**1 546**	1 671	(7)
Investments in associates and joint ventures	**289**	232	25
Property, plant and equipment	**7 024**	7 784	(10)
Right-of-use assets	**2 132**	2 279	(6)
Investments and other financial assets	**414**	445	(7)
Vehicles for hire	**2 426**	3 167	(23)
Net working capital[1]	**5 165**	8 515	(39)
Tax assets	**1 474**	1 355	9
Assets classified as held-for-sale	**649**	146	>100
Contract liabilities	**(2 828)**	(2 797)	1
Lease liabilities	**(2 449)**	(2 658)	(8)
Core interest-bearing debt	**(2 528)**	(5 794)	(56)
Floorplans from financial institutions	**(873)**	(1 648)	(47)
Other liabilities	**(275)**	(224)	23
Liabilities classified as held-for-sale	**–**	(21)	(100)
Total shareholders' equity	**12 166**	12 452	(2)
Total assets	**38 457**	43 678	(12)
Total liabilities	**(26 291)**	(31 226)	(16)

[1] *Net working capital includes floorplans from suppliers amounting to R4 479 million (2020: R6 511 million).*

Factors impacting the financial position at June 2021 compared to June 2020

Goodwill and intangible assets

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

Property, plant and equipment

Declined mainly due to depreciation, impairments, currency adjustments, reclassifications to assets held-for-sale and disposals. This was partially offset by additions and net acquisitions and disposal of businesses.

Financial overview (continued)

Right-of-use assets
Decreased mainly due to depreciation, currency adjustments and the derecognition of leases. This was offset by new leases entered into.

Vehicles for hire
The decrease for the year is primarily due to lower demand for vehicles by the car rental industry.

Net working capital reduced by R3,4 billion (39%)
The Import and Distribution segment's overall working capital declined by 51% mainly due to reduced inventory levels as a result of improved sales, coupled with OEM production constraints and lower car rental returns. This was offset by the increase in trade receivables due to improved sales and the reduction in creditors (OEM payments) coupled with lower utilisation of extended payment terms. The currency derivative movement as a result of the unwinding of the FECs and the strengthening of the ZAR against the major currencies to June 2021 further reduced working capital.

The Retail and Rental segment's working capital decreased by 31%. Inventory declined mainly due to improved sales, including the sale of de-fleeted vehicle rental stock (specifically related to abnormally high inventory levels at Auto Pedigree at 30 June 2020) and OEM production constraints. This was partially offset by the reduction in floorplan creditors due to settlements and reduced purchases. Trade receivables remained flat year-on-year.

The Financial Services segment's working capital decreased significantly mainly due to the decline in trade receivables relating to de-fleets outstanding at 30 June 2020 which were received post-year-end, an increase in trade payables and provisions due to additional fleet deals to rental companies in June 2021 by the Importers and an increase in inventory (demo and company cars) related to costing rate and volume increases.

The Aftermarket Parts segment's working capital reduced by 8%. Inventory declined in line with improved sales and improved stock management and trade creditors increased mainly due to a larger portion of inventory being covered by credit terms with suppliers. Partly offset by the increase in trade receivables due to improved revenue.

Overall, payroll-related accruals (mainly leave pay, incentives and commissions) and general accruals increased across all business segments.

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, Australia and the UK.

Contract liabilities
The increase of 1% was across all funds, except for monthly service and maintenance plans, which were negatively impacted by reduced levels of new business, due to the current economic conditions.

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

Core debt (excluding floorplan and IFRS 16 debt)
Decreased by R3,3 billion primarily due to the lower working capital and vehicles for hire levels. This was further impacted by profits generated and no dividend paid in September 2020.

Floorplans from financial institutions
Floorplan debt reduced as the Group used more of its bank debt facilities (utilising cash resources earned from improved profitability). The floorplans were also impacted in the Financial Services business due to reduced car rental activity, and reduced inventory levels across the business.

Shareholders' equity
Shareholders' equity was enhanced mainly by retained income of R2 142 million and reduced mainly by unfavourable hedging reserve adjustments amounting to R1 010 million (unwinding of the hedging reserve coupled with foreign currency movements against the ZAR impacted forward cover since the favourable 30 June 2020 position); the purchase of shares for share scheme hedges resulting in treasury shares amounting to R134 million and the repurchase and cancellation of shares amounting to R351 million; unfavourable currency translation reserve adjustments as a result of the strengthening of the ZAR amounting to R312 million; dividend payments to shareholders in March 2021 amounting to R294 million; and the reduction in the goodwill reserve as a result of minority interest shareholding buy-outs (R250 million related to Renault and R38 million related to SWT Group Proprietary Limited).

Cash flow movements

for the year ended 30 June 2021	2021 Rm	2020 Rm
Cash generated from operations before movements in net working capital	5 335	3 788
Movements in net working capital	1 778	333
Cash generated by operations before interest, taxation paid and capital expenditure on vehicles for hire	7 113	4 121
Finance costs paid	(716)	(1 067)
Finance income received	59	59
Dividend income received	142	462
Taxation paid	(694)	(571)
Free cash flow generated from operations	5 904	3 004
Net replacement capital proceeds/(expenditure) – vehicles for hire	151	(795)
Cash generated from operations	6 055	2 209
Net cash outflow on the acquisition and disposal of businesses	(199)	(561)
Net capital expenditure (excluding vehicles for hire)	(325)	(324)
Net movement in investments and investments in associates and joint ventures	(10)	(39)
Advances of other financial assets	(34)	–
Cash received on finance lease receivables	44	53
Cash generated from operating and investing activities	5 531	1 338
Repurchase of own shares	(485)	(313)
Acquisition of non-controlling interests	(288)	–
Dividends paid	(312)	(490)
Other	4	2
Decrease in debt	4 450	537

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

Net working capital is an inflow of R1 778 million primarily due to lower inventory assisted by improved sales, the sale of excess inventory, lower stock returns from car rental units and, more recently, supply constraints on certain inventory models.

Cash inflow on vehicles for hire of R151 million was due to reduced car rental activity.

The net cash outflow on acquisition of businesses of R199 million relates to the acquisitions in the Aftermarket Parts business segment, six passenger dealerships in South Africa, one UK commercial operation and an additional payment for two passenger dealerships (BMW and Isuzu) in Ballarat, Australia.

As a result of the above, R5 531 million cash was generated from operating and investing activities.

The cash outflow on acquisition of non-controlling interests relates to the acquisition of the remaining 40% shareholding in Motus Vehicles Distributor Proprietary Limited (formerly Renault South Africa Proprietary Limited) and the additional 10% shareholding in SWT Group Proprietary Limited.

Repaid debt amounted to R4 450 million.

Financial overview (continued)

Liquidity

The liquidity position is strong and the Group has R15,3 billion in unutilised funding facilities. A total of 42% of the Group debt is long term in nature and 54% of the debt is at fixed interest rates. Excluding floorplan debt, which can be seen as part of the working capital cycle, 65% of the debt is at fixed interest rates.

Dividend

A total of 415 cents per ordinary share was declared as a dividend for the year. 160 cents per ordinary share was paid as an interim dividend and a year-end dividend of 255 cents per ordinary share will be paid in September 2021.

Subsequent events

getWorth transaction

The Group acquired an additional 11% shareholding from the minority shareholders in Synapt Proprietary Limited which owns 100% of getWorth Proprietary Limited (getWorth). The Group's effective ownership in getWorth has increased to 60%.

Social unrest

The recent unrest that occurred mainly in KwaZulu-Natal and parts of Gauteng resulted in widespread looting and vandalism, causing significant damage to property, assets, business continuity and livelihoods across various parts of the country. Although our Group did not suffer significant direct losses, we are negatively impacted by the damage caused to the economy.

Board changes

Motus is led by a diverse board of directors (Board), the majority of whom are independent, with extensive industry knowledge and expertise, and who subscribe to ethical leadership, sustainability, stakeholder inclusivity and high standards of corporate governance.

Changes to the Board in the past 12 months:

- Mr MJN Njeke was appointed as a member of the Remuneration Committee and the Nomination 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 NB Duker (née 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 NB Duker was appointed as a member of the Audit and Risk Committee with effect from 10 November 2020.
- Ms KR Moloko tendered her resignation as an independent non-executive director and served on the Board until 31 May 2021.

Company Secretary change

Ms JK Jefferies tendered her resignation as Company Secretary with effect from 28 February 2021.

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

Sponsor change

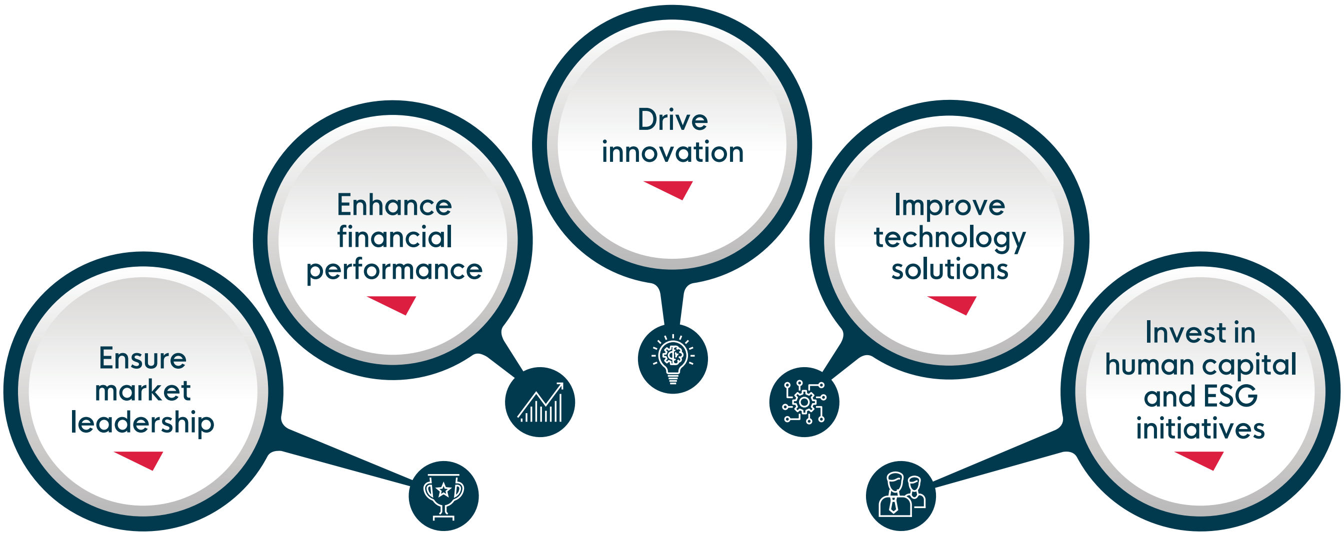
The sponsor services provided to the company by The Standard Bank of South Africa Limited had by mutual consent, concluded with effect from 30 November 2020.

Merchantec Capital had been appointed as sponsor to the company with effect from 1 December 2020.

Strategy

The Group's strategic focus is centred on deepening our competitiveness and relevance across the automotive value chain, by driving organic growth through optimisation and innovation, and leveraging existing capabilities and networks. Further selective expansion involves the introduction of additional brands and businesses in areas close to existing dealerships via bolt-on acquisitions locally and internationally. Strategic acquisitions will be concluded in the Aftermarket Parts business to enhance the supply chain, and bolt-on acquisitions of technology companies in the Financial Services business, which will enhance the sustainability of the Group.

Our five strategic pillars include:



Our short-term focus is to ensure the resilience of the Group in the volatile and uncertain environment resulting from the impact of the COVID-19 crisis and the recent civil unrest in South Africa.

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.

Right to Repair

The Group supports The Guidelines for Competition in the South African Automotive Aftermarket (Right to Repair) commitment to expanding the inclusion of small and medium enterprises owned by historically disadvantaged individuals in the automotive aftermarket value chain.

We welcome the potential benefits to the consumer and the economic growth that effective competition will generate within the automotive sector.

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 and support our people who have been negatively impacted by the civil unrest in South Africa where we can.

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).

Our heartfelt condolences to the families and friends of our 27 employees (24 due to COVID-19) who sadly lost their lives during the financial year.

Financial overview (continued)

Prospects

In the past 12 months, the integrated business model and the agile and entrepreneurial leadership allowed the Group to stabilise the business and generate outstanding financial results and significant cash flows in the unpredictable environment. This allowed us to deal with the slowdown in the economy, disrupted working environment and erratic supply of inventory. Our size, industry expertise and cash position gave us the agility to capture opportunities where possible. We built on our disciplined, back-to-basics plan, and that rigour has become a competitive advantage that will outlast the crisis.

We scaled our business activities to adapt to the new economic circumstances in a sustainable and responsible manner, and prepared well for the implementation of new legislation that became effective in the year.

Our action plans are not only about financial goals and operational efficiencies. Environmental, social and governance (ESG) imperatives have been central to our priorities over the past financial year. Surviving during these challenging times is as much about shareholder value as it is about our ability to be a meaningful contributor of value to all stakeholders. We remain committed to high ESG standards, despite the current economic challenges. The need for environmental processes, social responsibility and good governance are more critical now than ever before, so that we continue to build a sustainable business.

We remain committed to delivering stable operating and financial results for the year to June 2022 provided there are no further stringent lockdowns, severe vehicle inventory shortages from the OEMs and further social unrest in South Africa.

HY1 2022 trading has commenced positively and was marginally impacted by the civil unrest experienced in July 2021. We have sufficient cash available and a strong balance sheet to invest in strategic growth initiatives and consider share buy-backs as the opportunities arise.

Appreciation

We would like to extend our appreciation and gratitude to Ms P Langeni and Ms KR Moloko for their contribution and service to the Group over the years.

We welcome Mr PJS Crouse and Ms NB Duker (née Radebe) to the Board as independent non-executive directors and look forward to their contribution over the coming years.

We would like to extend our appreciation to Ms JK Jefferies for her contribution and service to the Group, and welcome Mr NE Simelane in his role as Company Secretary.

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

OS Arbee
Chief Executive Officer

OJ Janse van Rensburg
Chief Financial Officer

30 August 2021

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

Declaration of final ordinary dividends

for the year ended 30 June 2021

Notice is hereby given that a gross final ordinary dividend in the amount of 255 cents per ordinary share has been declared by the Board, payable to the holders of the 188 933 942 ordinary shares. The dividend will be paid out of income 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 204 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	**Monday, 20 September**
Ordinary shares commence trading ex-ordinary dividend	**Tuesday, 21 September**
Record date	**Thursday, 23 September**
Payment date	**Monday, 27 September**

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

Share certificates may not be dematerialised/rematerialised between Tuesday, 21 September 2021 and Thursday, 23 September 2021, both days inclusive.

On Monday, 27 September 2021, amounts due in respect of the ordinary dividend will be electronically transferred to the bank accounts of certified shareholders. Shareholders who have dematerialised their shares will also have their accounts held at their central securities depository participant or broker, credited on Monday, 27 September 2021.

On behalf of the Board

NE Simelane
Company Secretary

30 August 2021

Summarised consolidated statement of financial position

as at June 2021	Note	2021 Rm	2020 Rm
Assets			
Non-current assets		**12 640**	13 613
Goodwill	5	**1 443**	1 556
Intangible assets		**103**	115
Investments in associates and joint ventures		**278**	232
Property, plant and equipment		**6 872**	7 625
Investment properties		**152**	159
Right-of-use assets		**2 132**	2 279
Investments and other financial instruments		**374**	345
Deferred tax		**1 286**	1 302
Current assets		**25 168**	29 919
Vehicles for hire		**2 426**	3 167
Net investment in lease receivables		**40**	100
Investments in associates and joint ventures		**11**	–
Inventories		**16 528**	20 179
Trade and other receivables		**4 136**	4 040
Derivative financial assets		**110**	259
Taxation		**188**	53
Cash resources	6	**1 729**	2 121
Assets classified as held-for-sale		**649**	146
Total assets		**38 457**	43 678
Equity and liabilities			
Capital and reserves			
Stated capital		**22 321**	22 672
Shares repurchased		**(517)**	(411)
Common control reserve		**(19 268)**	(19 210)
Hedge accounting reserve		**(266)**	701
Other reserves		**(698)**	44
Retained income		**10 480**	8 712
Attributable to owners of Motus		**12 052**	12 508
Non-controlling interests		**114**	(56)
Total equity		**12 166**	12 452
Liabilities			
Non-current liabilities		**6 332**	11 674
Contract liabilities		**1 722**	1 633
Deferred tax		**29**	29
Lease liabilities		**1 963**	2 085
Interest-bearing debt		**2 158**	7 612
Provisions		**454**	302
Other financial liabilities		**6**	13
Current liabilities		**19 959**	19 531
Contract liabilities		**1 106**	1 164
Lease liabilities		**486**	573
Trade and other payables		**9 528**	8 385
Floorplans from suppliers		**4 479**	6 511
Provisions		**546**	555
Other financial liabilities		**50**	17
Derivative financial liabilities		**602**	210
Taxation		**190**	165
Interest-bearing debt		**2 099**	303
Floorplans from financial institutions		**873**	1 648
Liabilities classified as held-for-sale		**–**	21
Total liabilities		**26 291**	31 226
Total equity and liabilities		**38 457**	43 678

Summarised consolidated statement of profit or loss

for the year ended 30 June 2021	Note	% change	2021 Rm	2020 Rm
Revenue		19	**87 205**	73 417
Net operating expenses			**(81 950)**	(69 168)
Movements in expected credit losses			**47**	(167)
Earnings before interest, taxation, depreciation and amortisation			**5 302**	4 082
Depreciation and amortisation			**(1 507)**	(1 946)
Operating profit		78	**3 795**	2 136
Impairment of properties, net of profit/(losses) on sale			**(7)**	(60)
Net foreign exchange losses			**(383)**	(13)
Once-off restructuring costs			**–**	(186)
Other costs	8		**(45)**	(242)
Operating profit before financing costs		>100	**3 360**	1 635
Finance costs		(43)	**(666)**	(1 175)
Finance income			**123**	59
Profit before shares of associates and joint ventures		>100	**2 817**	519
Share of associates and joint ventures		95	**43**	22
Profit before tax		>100	**2 860**	541
Income tax expense			**(718)**	(356)
Attributable profit for the year		>100	**2 142**	185
Net profit attributable to:				
Owners of Motus		>100	**2 098**	306
Non-controlling interests			**44**	(121)
Attributable profit for the year			**2 142**	185
Earnings per share (cents)				
Total earnings per share				
– Basic		>100	**1 153**	165
– Diluted		>100	**1 110**	160

Summarised consolidated statement of other comprehensive income

for the year ended 30 June 2021	2021 Rm	2020 Rm
Attributable profit for the year	2 142	185
Other comprehensive (loss)/income	(1 322)	1 241
Items that may be subsequently reclassified to profit or loss		
Exchange (loss)/gain arising on translation of foreign operations	(312)	570
Movement in hedge accounting reserve (net of tax)	(1 010)	671
– Net change in the fair value of the cash flow hedges	(575)	214
– Deferred tax relating to the hedge accounting reserve movements	132	(59)
– Rolling of open hedging instruments	(567)	516
Total comprehensive income for the year	820	1 426
Total comprehensive income for the year attributable to:		
Owners of Motus	834	1 523
Non-controlling interests	(14)	(97)
Total comprehensive income for the year	820	1 426

Summarised consolidated statement of cash flows

for the year ended 30 June 2021	Note	% change	2021 Rm	2020 Rm
Cash flows from operating activities				
Cash generated from operations before movements in net working capital		41	5 335	3 788
Movements in net working capital			1 778	333
Cash generated by operations before interest, taxation paid and capital expenditure on vehicles for hire		73	7 113	4 121
Finance costs paid			(716)	(1 067)
Finance income received			59	59
Dividend income received			142	462
Taxation paid			(694)	(571)
Cash generated by operations before capital expenditure on vehicles for hire		97	5 904	3 004
Net replacement capital proceeds/(expenditure) – vehicles for hire			151	(795)
– Additions			(2 098)	(4 960)
– Proceeds on disposals			2 249	4 165
			6 055	2 209
Cash flows used in investing activities				
Cash outflow on acquisition of businesses			(219)	(583)
Cash inflow from disposal of businesses			22	31
Cash outflow on payment of contingent consideration			(2)	(9)
Net capital expenditure – property, plant and equipment, investment properties and intangible assets			(325)	(324)
Expansion of property, plant and equipment, investment properties and intangible assets			(180)	(167)
Net replacement capital expenditure – property, plant and equipment, investment properties and intangible assets			(145)	(157)
– Replacements of property, plant and equipment, investments properties and intangible assets			(380)	(337)
– Proceeds on disposal of property, plant and equipment, investment properties and intangible assets			235	180
Movements in investments in associates and joint ventures			(7)	50
Additions to investments			(9)	(105)
Proceeds on sale of investments			6	16
Advances of other financial assets			(34)	–
Cash received on net investment in lease receivables			44	53
			(524)	(871)
Cash flows from operating and investing activities			5 531	1 338
Cash flows used in financing activities				
Repurchase of own shares			(485)	(313)
Dividends paid to equity holders of Motus			(294)	(474)
Dividends paid to non-controlling interests			(18)	(16)
Acquisition of non-controlling interests	10.3		(288)	–
Advances of loans from non-controlling interests and associates			4	2
Repayment of lease liabilities			(515)	(522)
Decrease in floorplan liabilities			(775)	(193)
(Repayment)/advances of banking facilities			(1 496)	2 536
Repayment of settled banking facilities			(2 563)	(1 457)
			(6 430)	(437)
Net (decrease)/increase in cash and cash equivalents			(899)	901
Non-cash adjustments on cash and cash equivalents			(253)	144
– Effects of exchange rate changes			(126)	144
– Transfer of unsecured loans to bank overdrafts			(127)	–
Cash and cash equivalents at the beginning of the year			1 985	940
Cash and cash equivalents at the end of the year	6		833	1 985

Summarised consolidated statement of changes in equity

for the year ended 30 June 2021	Stated capital Rm	Shares repurchased Rm	Common control reserve Rm
Opening balance as at 1 July 2019	22 985	(435)	(19 191)
Modified retrospective adjustment of the cumulative effect on the initial application of IFRS 16 – *Leases*	–	–	–
Closing balance post the cumulative effect on the application of IFRS 16 as at 1 July 2019	22 985	(435)	(19 191)
Total comprehensive income for the year	–	–	–
Attributable profit for the year	–	–	–
Other comprehensive income	–	–	–
4 723 000 shares repurchased and cancelled at an average of R66,26 per share	(313)	–	–
Issue of treasury shares as settlement of share-based equity	–	24	–
Incremental interest purchased from non-controlling interests	–	–	–
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 Motus and non-controlling shareholders	–	–	–
Transfers between reserves	–	–	(19)
Other movements	–	–	–
Closing balance as at 30 June 2020	22 672	(411)	(19 210)
Total comprehensive income for the year	–	–	–
Attributable profit for the year	–	–	–
Other comprehensive income	–	–	–
1 746 397 shares repurchased and cancelled at an average of R50,96 per share	(89)	–	–
2 773 319 shares repurchased and cancelled subsequent to year end at an average of R94,47 per share	(262)	–	–
1 962 710 shares repurchased at an average of R68,27 per share	–	(134)	–
Issue of treasury shares as settlement of share-based equity	–	28	–
Incremental interest purchased from non-controlling interests^	–	–	–
Share-based equity (income)/costs to the statement of profit or loss (including the effects of taxation)	–	–	–
Dividends paid to Motus and non-controlling shareholders	–	–	–
Transfers between reserves*	–	–	(58)
Other movements	–	–	–
Closing balance as at 30 June 2021	**22 321**	**(517)**	**(19 268)**

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

^ *During the year, the Group acquired the remaining shareholding in Motus Vehicles Distributor Proprietary Limited (formerly known as Renault South Africa Proprietary Limited), as well as the additional interest in SWT Group Proprietary Limited. Refer to 10.3 - Acquisition of non-controlling interest for additional information.*

* *Transfers between reserves relate to:*

[1] *Shares that were initially obtained from Imperial, which resulted in common control on unbundling, were settled. This forms part of the R58 million transfer from common control to retained income.*

[2] *The remaining portion of vested plans in the share-based payment reserve of R98 million was transferred to retained earnings.*

[3] *Realisation of foreign currency translation reserve of R7 million on the closure of 13 Sharnet Circuit Pakenham Properties Proprietary Limited.*

[4] *Statutory reserve allocation of R4 million from retained earnings to other reserves in line with the regulatory requirements of Arco Motor Industry Company Limited.*

Hedge accounting reserve Rm	Total other reserves# Rm	Retained income Rm	Attributable to the owners of Motus Rm	Non-controlling interests 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
671	546	306	1 523	(97)	1 426
–	–	306	306	(121)	185
671	546	–	1 217	24	1 241
–	–	–	(313)	–	(313)
–	(24)	–	–	–	–
–	(93)	–	(93)	93	–
–	(1)	–	(1)	–	(1)
–	98	–	98	1	99
–	–	(474)	(474)	(16)	(490)
–	(34)	53	–	–	–
–	(1)	(1)	(2)	3	1
701	44	8 712	12 508	(56)	12 452
(967)	(297)	2 098	834	(14)	820
–	–	2 098	2 098	44	2 142
(967)	(297)	–	(1 264)	(58)	(1 322)
–	–	–	(89)	–	(89)
–	–	–	(262)	–	(262)
–	–	–	(134)	–	(134)
–	(28)	–	–	–	–
–	(490)	–	(490)	202	(288)
–	(19)	–	(19)	–	(19)
–	–	(294)	(294)	(18)	(312)
–	95	(37)	–	–	–
–	(3)	1	(2)	–	(2)
(266)	**(698)**	**10 480**	**12 052**	**114**	**12 166**

Summarised segment financial position

	Group		Import and Distribution	
as at 30 June 2021	**2021 Rm**	2020 Rm	**2021 Rm**	2020 Rm
Financial position				
Assets				
Goodwill and intangible assets	**1 546**	1 671	**–**	1
Carrying value of associates and joint ventures (excluding loans to associates)	**200**	145	**25**	16
Property, plant and equipment[1]	**6 872**	7 625	**462**	555
Investment properties	**152**	159	**138**	148
Right-of-use assets	**2 132**	2 279	**128**	161
Investments and other financial instruments	**374**	345	**4**	4
Vehicles for hire	**2 426**	3 167	**787**	1 554
Net investment in lease receivables	**40**	100	**40**	100
Inventories	**16 528**	20 179	**3 383**	4 596
Trade and other receivables[2]	**4 246**	4 299	**1 989**	1 809
Operating assets	**34 516**	39 969	**6 956**	8 944
– South Africa	**23 025**	26 263	**6 956**	8 944
– International	**11 491**	13 706	**–**	–
Liabilities				
Contract liabilities	**2 828**	2 797	**–**	–
Lease liabilities	**2 449**	2 658	**192**	274
Provisions	**1 000**	857	**219**	164
Trade and other payables[2]	**14 609**	15 106	**4 260**	4 425
Other financial liabilities	**56**	30	**–**	–
Operating liabilities	**20 942**	21 448	**4 671**	4 863
– South Africa	**13 343**	12 434	**4 671**	4 863
– International	**7 599**	9 014	**–**	–
Net working capital	**5 165**	8 515	**893**	1 816
– South Africa	**4 114**	7 387	**893**	1 816
– International	**1 051**	1 128	**–**	–
Net interest-bearing debt	**3 401**	7 442	**1 075**	1 330
– South Africa	**2 278**	5 024	**1 075**	1 330
– International	**1 123**	2 418	**–**	–
Net capital expenditure	**(174)**	(1 119)	**580**	(703)
– South Africa	**(129)**	(1 005)	**580**	(703)
– International	**(45)**	(114)	**–**	–
Non-current assets (including equity investment in associates, excluding investment, deferred tax and other financial instruments)	**10 902**	11 879	**753**	881
– South Africa	**6 659**	6 865	**753**	881
– International	**4 243**	5 014	**–**	–
Source of internationally based non-current assets	**4 243**	5 014	**–**	–
– United Kingdom	**2 675**	2 901	**–**	–
– Other regions (Australia and South East Asia)[3]	**1 568**	2 113	**–**	–

[1] *During the year, a property to the value of R196 million was transferred from Aftermarket Parts to Head Office and Eliminations and included in assets classified as held-for-sale.*
[2] *Includes amounts pertaining to derivative financial instruments.*
[3] *Retail and Rental operates in Australia and Aftermarket Parts operates in South East Asia.*

Retail and Rental		Financial Services		Aftermarket Parts		Head Office and Eliminations	
2021 Rm	2020 Rm	**2021 Rm**	2020 Rm	**2021 Rm**	2020 Rm	**2021 Rm**	2020 Rm
1 047	1 159	**21**	23	**470**	474	**8**	14
52	26	**12**	10	**107**	88	**4**	5
5 951	6 448	**125**	129	**284**	438	**50**	55
14	11	**–**	–	**–**	–	**–**	–
1 778	1 921	**1**	1	**225**	196	**–**	–
–	–	**366**	338	**5**	–	**(1)**	3
1 581	1 613	**883**	1 628	**–**	–	**(825)**	(1 628)
–	–	**–**	–	**–**	–	**–**	–
10 941	13 382	**341**	261	**1 899**	1 976	**(36)**	(36)
2 721	2 738	**255**	477	**725**	627	**(1 444)**	(1 352)
24 085	27 298	**2 004**	2 867	**3 715**	3 799	**(2 244)**	(2 939)
13 104	14 208	**2 004**	2 867	**3 205**	3 183	**(2 244)**	(2 939)
10 981	13 090	**–**	–	**510**	616	**–**	–
136	123	**2 692**	2 674	**–**	–	**–**	–
2 006	2 156	**1**	3	**250**	225	**–**	–
199	139	**285**	268	**3**	3	**294**	283
10 550	11 735	**597**	525	**1 190**	1 042	**(1 988)**	(2 621)
28	7	**–**	–	**21**	22	**7**	1
12 919	14 160	**3 575**	3 470	**1 464**	1 292	**(1 687)**	(2 337)
5 546	5 400	**3 575**	3 470	**1 238**	1 038	**(1 687)**	(2 337)
7 373	8 760	**–**	–	**226**	254	**–**	–
2 913	4 246	**(286)**	(55)	**1 431**	1 558	**214**	950
2 043	3 347	**(286)**	(55)	**1 250**	1 329	**214**	950
870	899	**–**	–	**181**	229	**–**	–
3 953	7 065	**(3 597)**	(2 105)	**755**	1 247	**1 215**	(95)
2 871	4 720	**(3 597)**	(2 105)	**714**	1 180	**1 215**	(101)
1 082	2 345	**–**	–	**41**	67	**–**	6
(638)	(284)	**635**	(508)	**(73)**	(82)	**(678)**	458
(535)	(184)	**635**	(508)	**(83)**	(68)	**(726)**	458
(103)	(100)	**–**	–	**10**	(14)	**48**	–
8 842	9 565	**159**	163	**1 086**	1 196	**62**	74
4 710	4 738	**159**	163	**975**	1 011	**62**	72
4 132	4 827	**–**	–	**111**	185	**–**	2
4 132	4 827	**–**	–	**111**	185	**–**	2
2 675	2 901	**–**	–	**–**	–	**–**	–
1 457	1 926	**–**	–	**111**	185	**–**	2

Summarised segment profit or loss

for the year ended 30 June 2021	Group 2021 Rm	Group 2020 Rm	Import and Distribution 2021 Rm	Import and Distribution 2020 Rm
Profit or loss				
Total revenue	**87 205**	73 417	**19 683**	17 411
– South Africa	**56 091**	48 351	**19 683**	17 411
– International (see next page)	**31 680**	25 451	**–**	–
– Eliminations between geographic regions	**(566)**	(385)	**–**	–
Operating profit	**3 795**	2 136	**912**	827
– South Africa	**3 043**	2 112	**912**	827
– International	**752**	24	**–**	–
Depreciation, amortisation and impairments net of recoupments	**(1 526)**	(2 018)	**(226)**	(419)
– South Africa	**(1 127)**	(1 653)	**(226)**	(419)
– International	**(399)**	(365)	**–**	–
Finance costs[1]	**(666)**	(1 175)	**(139)**	(346)
– South Africa	**(469)**	(942)	**(139)**	(346)
– International	**(197)**	(233)	**–**	–
Finance income[1]	**123**	59	**50**	36
– South Africa	**123**	59	**50**	36
– International	**–**	–	**–**	–
Profit/(loss) before tax and capital items	**2 893**	773	**458**	487
– South Africa	**2 306**	1 048	**458**	487
– International	**587**	(275)	**–**	–
Capital items	**(33)**	(232)	**–**	(102)
– South Africa	**(22)**	(58)	**–**	(102)
– International	**(11)**	(174)	**–**	–
Profit/(loss) before tax	**2 860**	541	**458**	385
– South Africa	**2 284**	990	**458**	385
– International	**576**	(449)	**–**	–
Income tax expense	**(718)**	(356)	**(122)**	(257)

[1] *Finance costs and finance income has been disclosed separately to enhance disclosure.*

Retail and Rental		Financial Services		Aftermarket Parts		Head Office and Eliminations	
2021 Rm	2020 Rm	**2021 Rm**	2020 Rm	**2021 Rm**	2020 Rm	**2021 Rm**	2020 Rm
70 962	59 898	**2 019**	2 173	**7 295**	6 050	**(12 754)**	(12 115)
40 124	35 099	**2 019**	2 173	**7 019**	5 783	**(12 754)**	(12 115)
30 838	24 799	**–**	–	**842**	652	**–**	–
–	–	**–**	–	**(566)**	(385)	**–**	–
1 757	332	**904**	931	**559**	322	**(337)**	(276)
1 054	370	**904**	931	**508**	260	**(335)**	(276)
703	(38)	**–**	–	**51**	62	**(2)**	–
(1 118)	(1 355)	**(118)**	(161)	**(139)**	(189)	**75**	106
(729)	(1 015)	**(118)**	(161)	**(122)**	(164)	**68**	106
(389)	(340)	**–**	–	**(17)**	(25)	**7**	–
(681)	(795)	**(67)**	(67)	**(95)**	(143)	**316**	176
(487)	(567)	**(67)**	(67)	**(92)**	(139)	**316**	177
(194)	(228)	**–**	–	**(3)**	(4)	**–**	(1)
18	23	**–**	–	**1**	18	**54**	(18)
18	23	**–**	–	**1**	18	**54**	(18)
–	–	**–**	–	**–**	–	**–**	–
1 091	(656)	**845**	866	**466**	117	**33**	(41)
557	(340)	**845**	866	**420**	76	**26**	(41)
534	(316)	**–**	–	**46**	41	**7**	–
(26)	(169)	**10**	16	**(17)**	23	**–**	–
(15)	5	**10**	16	**(17)**	23	**–**	–
(11)	(174)	**–**	–	**–**	–	**–**	–
1 065	(825)	**855**	882	**449**	140	**33**	(41)
542	(335)	**855**	882	**403**	99	**26**	(41)
523	(490)	**–**	–	**46**	41	**7**	–
(296)	115	**(198)**	(172)	**(94)**	(59)	**(8)**	17

Summarised segment profit or loss (continued)

for the year ended 30 June 2021	Group 2021 Rm	Group 2020 Rm	Import and Distribution 2021 Rm	Import and Distribution 2020 Rm
Additional segment information				
Revenue by nature				
New motor vehicle sales	**40 167**	32 979	**15 282**	13 393
Pre-owned motor vehicle sales	**22 266**	17 751	**2 294**	2 122
Parts and other goods sales	**16 002**	13 617	**1 983**	1 772
Sale of goods	**78 435**	64 347	**19 559**	17 287
Vehicle workshops, maintenance, service and warranty	**5 555**	5 166	**61**	72
Motor vehicle rental	**1 339**	2 139	**–**	2
Fees on vehicles, parts and services sold	**1 876**	1 765	**63**	50
Rendering of services	**8 770**	9 070	**124**	124
Total revenue	**87 205**	73 417	**19 683**	17 411
Inter-group revenue	**–**	–	**(11 964)**	(11 458)
Total external revenue	**87 205**	73 417	**7 719**	5 953
Source of internationally derived revenue	**31 680**	25 451	**–**	–
– United Kingdom	**23 854**	19 172	**–**	–
– Other regions (Australia and South East Asia)[1]	**7 826**	6 279	**–**	–
Analysis of depreciation, amortisation, impairments and recoupments	**(1 526)**	(2 018)	**(226)**	(419)
Depreciation and amortisation	**(1 513)**	(1 947)	**(222)**	(457)
(Losses)/profits on disposals and impairments	**(1)**	(59)	**(4)**	38
Amortisation of intangible asset arising on business combinations	**(12)**	(12)	**–**	–
(Costs)/income included in profit before tax				
Total employee costs	**(6 606)**	(6 633)	**(410)**	(447)
Operating lease charges	**(95)**	(106)	**(15)**	(10)
Once-off restructuring costs	**–**	(186)	**–**	(8)
Net foreign exchange (losses)/gains	**(383)**	(13)	**(370)**	(70)
Associate income included in pre-tax profits	**43**	22	**10**	–
Operating margin (%)	**4,4**	2,9	**4,6**	4,7

[1] *Retail and Rental operates in Australia and Aftermarket Parts operates in South East Asia.*

Retail and Rental		Financial Services		Aftermarket Parts		Head Office and Eliminations	
2021 Rm	2020 Rm	**2021 Rm**	2020 Rm	**2021 Rm**	2020 Rm	**2021 Rm**	2020 Rm
34 045	28 448	**–**	–	**–**	–	**(9 160)**	(8 862)
21 615	17 172	**–**	–	**–**	–	**(1 643)**	(1 543)
8 172	7 016	**–**	–	**7 225**	5 985	**(1 378)**	(1 156)
63 832	52 636	**–**	–	**7 225**	5 985	**(12 181)**	(11 561)
4 249	3 719	**1 481**	1 534	**–**	2	**(236)**	(161)
1 128	1 885	**373**	481	**–**	–	**(162)**	(229)
1 753	1 658	**165**	158	**70**	63	**(175)**	(164)
7 130	7 262	**2 019**	2 173	**70**	65	**(573)**	(554)
70 962	59 898	**2 019**	2 173	**7 295**	6 050	**(12 754)**	(12 115)
(440)	(248)	**(326)**	(388)	**(24)**	(21)	**12 754**	12 115
70 522	59 650	**1 693**	1 785	**7 271**	6 029	**–**	–
30 838	24 799	**–**	–	**842**	652	**–**	–
23 854	19 172	**–**	–	**–**	–	**–**	–
6 984	5 627	**–**	–	**842**	652	**–**	–
(1 118)	(1 355)	**(118)**	(161)	**(139)**	(189)	**75**	106
(1 108)	(1 309)	**(118)**	(161)	**(130)**	(128)	**65**	108
(10)	(46)	**–**	–	**3**	(49)	**10**	(2)
–	–	**–**	–	**(12)**	(12)	**–**	–
(4 719)	(4 539)	**(490)**	(516)	**(885)**	(820)	**(102)**	(311)
(74)	(82)	**(2)**	(2)	**(28)**	(16)	**24**	4
–	(159)	**–**	(3)	**–**	(8)	**–**	(8)
3	(4)	**–**	–	**(7)**	(21)	**(9)**	82
4	3	**8**	6	**19**	12	**2**	1
2,5	0,6	**44,8**	42,8	**7,7**	5,3		

Headline earnings per share information

	% change	2021 Rm	2020 Rm
Headline earnings reconciliation			
Earnings	>100	**2 098**	306
– Impairment of goodwill (IAS 36)		**50**	182
– Impairment of other intangible assets (IAS 36)		**–**	124
– Loss on the disposal of intangible assets (IAS 38)		**–**	2
– Reversal of impairment of investments in associates and joint ventures (IAS 28)		**(8)**	(22)
– Impairment of property, plant and equipment (IAS 36)		**64**	102
– Profit on disposal of property, plant and equipment (IAS 16)		**(63)**	(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		**13**	(24)
– Non-controlling interests' share of remeasurements		**–**	(59)
– Adjustments included in the result of associates and joint ventures		**–**	2
Headline earnings	>100	**2 145**	550
Headline earnings per share (cents)			
– Basic	>100	**1 179**	296
– Diluted	>100	**1 135**	288

	% change	2021	2020
Additional information			
Net asset value per ordinary share (cents)	(1)	**6 586**	6 653
Tangible net asset value per ordinary share (cents)	–	**5 741**	5 764
Number of ordinary shares in issue (million)			
– total shares		**189**	193
– net of shares repurchased		**183**	188
– weighted average for basic		**182**	186
– weighted average for diluted		**189**	191

Notes to the summarised consolidated financial statements

1. Basis of preparation

The preliminary summarised audited consolidated financial statements have been prepared in accordance with the framework concepts, recognition and measurement criteria of International Financial Reporting Standards (IFRS) and its interpretations adopted by the International Accounting Standards Board (IASB) in issue and effective for the Group at 30 June 2021 and the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and financial reporting pronouncements as issued by the Financial Reporting Standards Council. The results contain the minimum information as required by IAS 34 – Interim Financial Reporting and comply with the Listings Requirements of the JSE Limited (JSE Listings Requirements) and the Companies Act of South Africa, 2008 (No. 71 of 2008) as amended (the Companies Act). These preliminary summarised audited consolidated financial statements do not include all the information required for a full audited consolidated annual financial statements and should be read in conjunction with the audited consolidated and separate annual financial statements as at and for the year ended 30 June 2021.

These preliminary summarised audited consolidated financial statements are an extract of the audited consolidated and separate annual financial statements. Both the summarised and full audited annual financial statements have been prepared under the supervision of Ms U Singh, CA(SA), and have been audited by the Group's independent external auditors, Deloitte & Touche. The preliminary summarised audited consolidated financial statements were approved by the board of directors (the Board) on 30 August 2021.

2. Going concern

The consolidated statement of financial position as at 30 June 2021 reports a positive total equity balance of R12 166 million (2020: R12 452 million) and net interest-bearing debt of R3 401 million (2020: R7 442 million). The net interest-bearing debt excluding floorplans is covered by facilities of R11 900 million (R10 816 million committed) (2020: R13 681 million (R12 476 million committed)). The Group generated cash inflow from operations of R5 904 million (2020: R3 004 million) before capital expenditure on vehicles for hire and property, plant and equipment.

The Board has reviewed and approved the Group and Company forecasts prepared by management and the solvency and liquidity positions. The forecast includes a detailed statement of profit or loss, cash flow and financial position and is reviewed and approved by the Board.

On this basis, the Board concluded that the Group would remain comfortably within the existing bank facility limits, with significant headroom, for at least the next 12 months from the date of approval of these preliminary summarised audited financial statements.

The Group is not currently involved in any significant litigation that could significantly affect the Group's ability to operate as a going concern.

The Group's assets are adequately insured or, in certain instances, self-insured where the Group considers the risks are of such a nature that it can be self-insured without creating undue risk to the Group. The full extent of the insurance cover and self-insurance arrangements have been reviewed by senior management and considered acceptable.

The Board has also concluded that there is a reasonable expectation that the Group and Company will continue to meet its obligations as they fall due for at least the next 12 months from the date of approval of these preliminary summarised audited consolidated financial statements.

The Board considers it appropriate to adopt the going concern assumption in preparing the preliminary summarised audited financial statements.

Refer to the audited consolidated and separate annual financial statements for full disclosure.

3. Accounting policies

The accounting policies adopted and methods of computation used in the preparation of the preliminary summarised audited consolidated financial statements are in accordance with IFRS and are consistent with those of the audited consolidated and separate annual financial statements for the year ended 30 June 2020. No new policies have been adopted as required by new and revised IFRS issued and in effect.

Notes to the summarised consolidated financial statements (continued)

4. Exchange rates

	Closing rates		Average rates for the period	
	2021	2020	**2021**	2020
US Dollar	**14,27**	17,37	**15,40**	15,67
British Pound	**19,72**	21,46	**20,70**	19,73
Australian Dollar	**10,71**	11,96	**11,48**	10,49
Euro	**16,93**	19,51	**18,35**	17,31

5. Goodwill

	2021 Rm	2020 Rm
Carrying value at the beginning of the year	**1 556**	1 020
Movement during the year		
Acquisition of businesses	**51**	482
Impairment charge[1]	**(50)**	(182)
Currency adjustments	**(114)**	223
Reallocation from customer lists, contracts and networks	**–**	13
Carrying value at the end of the year	**1 443**	1 556

[1] *The impairment of goodwill is in line with the group policy, where any individual business acquisitions which results in goodwill below R10 million is impaired on acquisition.*

6. Cash and cash equivalents

	2021 Rm	2020 Rm
Cash resources	**1 729**	2 121
Bank overdrafts	**(896)**	(136)
	833	1 985

7. Fair value of financial instruments

7.1 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.

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

7. Fair value of financial instruments (continued)

7.2 Fair value of financial assets and liabilities

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

as at June 2021	Total Rm	Level 1 Rm	Level 2 Rm	Level 3 Rm
Financial assets carried at fair value				
Preference shares	366	–	–	366
Unlisted investments	5	–	–	5
Derivative financial assets	110	–	110	–
Financial liabilities carried at fair value				
Contingent consideration	33	–	–	33
Derivative financial liabilities	602	–	602	–

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

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 in to the contract.

Other derivative instruments

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

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 value at the beginning of the year	338
Movement during the year	
Proceeds on disposal	(6)
Fair value movements on the preference share arrangements	34
Dividends received	(142)
Fair value through profit or loss as unrealised gains	176
Carrying value at the end of the year	366
Financial liabilities	
Carrying value at the beginning of the year	17
Movement during the year	
Acquisition of business	4
Payment made to former equity holder of the subsidiary acquired	(2)
Remeasurement through profit or loss	14
Carrying value at the end of the year	33

Notes to the summarised consolidated financial statements (continued)

7. Fair value of financial instruments (continued)

7.2 Fair value of financial assets and liabilities (continued)

Level 3 sensitivity information

The fair value of the level 3 financial assets of R371 million (2020: R338 million) consists of the investments in preference shares and an unlisted investment.

The fair value of the preference shares of R366 million (2020: R338 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 and takes into account organic portfolio growth, discounted at a WACC of 18,2% 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, operational and investment risk. The dividends receivable are calculated from the assumed profits after taking into account the above mentioned risk inputs.

The carrying value of the unlisted investment amounting to R5 million (2020: Rnil million) closely approximates its fair value. Consideration has been given of the sensitivity of the fair value however this is deemed to have an insignificant impact on the Group.

The fair value of the level 3 financial liabilities of R33 million (2020: R17 million) is the contingent consideration which relates to the purchase of Rhinoman Outdoor and Off-road Proprietary Limited, Ballarat Motor Holdings Proprietary Limited and a Midas store in Motus Group Limited. The purchase price is contingent on requirements being met as per the agreements. It is anticipated that the amounts due to the former owners of Rhinoman Outdoor and Off-road Proprietary Limited and Ballarat Motor Holdings Proprietary Limited will be paid early in the next financial year whereas the amounts to the former owner of the Midas store will be settled in three years. Consideration has been given as to the impact on the present valuing the future payment. This impact was insignificant.

The following table shows how the fair value of the level 3 financial assets as at 30 June 2021 would change if the discount rate used to present value future cash flows were to reduce or increase by 1%.

	Valuation technique	Main assumption	Carrying value Rm	Increase in carrying value Rm	Decrease in carrying value Rm
Financial asset					
Preference shares	Cash flow projections	Present value of expected dividend flows	366	9	(9)

8. Other costs

	2021 Rm	2020 Rm
Impairment of goodwill	(50)	(182)
Impairment of intangible assets	–	(107)
Profit on disposal of businesses	9	4
Profit on sale of an associate	–	31
Reversal of impairment of investments in associates and joint ventures	8	22
– Reversal of impairments on investments in associates and joint ventures	10	22
– Impairment of a loan to an associate	(2)	–
Total capital items	(33)	(232)
Amortisation of intangible assets arising on business combinations	(12)	(12)
Gain on derecognition on financial instruments	–	10
Business acquisition costs	–	(8)
	(45)	(242)

9. Contingencies and commitments

	2021 Rm	2020 Rm
Capital commitments[1]	211	101
Contingent liabilities[2]	3 764	2 335
Litigation[3]	9	22

[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 guarantees by the Group to the bank.*
[3] *Litigation relates to summons for claims received by the subsidiary companies. The Group and its legal advisers believe that these claims are unlikely to succeed.*

Included in the contingent liabilities above, is a guarantee on banking facilities issued for the benefit of getWorth Proprietary Limited, a subsidiary of Synapt Proprietary Limited, amounting to R11 million.

Notes to the summarised consolidated financial statements (continued)

10. Acquisitions and disposals during the year

10.1 Acquisitions during the reporting period

A number of individual businesses were acquired during the year to complement existing businesses. These included:
- Six passenger vehicle dealerships in Retail and Rental South Africa, namely BMW George, Hyundai and Kia Klerksdorp, Kia Rustenburg, Nissan Centurion and Hyundai Paarl;
- Two additional vehicle dealerships in Retail and Rental Australia;
- A commercial vehicle dealership in the Retail and Rental UK; and
- Midas stores acquired in Aftermarket Parts.

In compliance with the Group's policy, all individual business acquisitions that resulted in goodwill less than R10 million was impaired during the year. The total impairment amounted to R50 million.

An assessment of control was performed based on whether the Group has the practical ability to direct the relevant activities unilaterally on these acquired businesses. In making the judgement, the relative size and dispersion of other vote holders, potential voting rights held by them or others and rights from other contractual arrangements were considered. After the assessment, the Group concluded that it is able direct the relevant activities of the businesses acquired.

The Group has assessed the significance of each of the businesses acquired with reference to aspects outlined in the Glossary of terms. The net asset value of the underlying business and purchase consideration was used as a basis for the quantitative measure. Qualitative factors such as the nature of the business acquired and contribution to the profitability of the Group were also considered when assessing the relevant information that will assist the users in their decision-making processes.

The fair value of assets acquired and liabilities assumed at the acquisition date were as follows:

	Retail and Rental South Africa Rm	Retail and Rental Australia[1] Rm	Retail and Rental UK Rm	Aftermarket Parts Rm	Total Rm
Assets					
Property, plant and equipment	5	–	16	41	**62**
Right-of-use asset	–	–	83	–	**83**
Inventories	30	2	–	78	**110**
Trade and other receivables	2	–	–	1	**3**
	37	2	99	120	**258**
Liabilities					
Lease liabilities	–	–	83	–	**83**
Trade and other payables	2	–	–	1	**3**
	2	–	83	1	**86**
Net assets acquired	35	2	16	119	**172**
Total purchase consideration	59	14	16	134	**223**
Cash paid	59	14	16	130	**219**
Contingent consideration	–	–	–	4	**4**
Goodwill	24	12	–	15	**51**
Goodwill impaired	24	11	–	15	**50**

[1] *During the current year, the Group acquired two additional vehicle dealerships in Ballarat, which resulted in additional goodwill of R12 million being recognised. This goodwill was subsequently impaired in full with the remaining R1 million currency adjustments being recognised.*

10. Acquisitions and disposals during the year (continued)

10.1 Acquisitions during the reporting period (continued)

Process involved with obtaining control

The acquisitions related to the purchase of the underlying assets and liabilities of the businesses, which were absorbed into the Group as operating divisions.

Reasons for the acquisitions

These acquisitions are strategically in line with the Group's objective of achieving economies of scale via selective bolt-on acquisitions in local and international markets that complement the Group's existing networks and structures supporting the recognition of goodwill.

Acquisition costs

Acquisition costs for business acquisitions concluded during the year amounted to Rnil million and have been recognised as an expense in profit or loss in the "Other costs" line.

Impact of the acquisitions on the results of the Group

From the dates of acquisition, the businesses acquired during the period contributed revenue of R446 million and after tax profit of R3 million, including the after tax funding costs. Had all the acquisitions been consolidated from 1 July 2020, they would have contributed revenue of R742 million and an after tax profit of R27 million (including the after tax impact of funding costs). The Group's total revenue would have been R87 501 million and an after tax profit of R2 166 million (including the after tax impact of funding costs).

Separately identifiable intangible assets

The full excess purchase price is recognised as goodwill, as the distribution rights from the suppliers only transfer upon certain terms and conditions being met and do not automatically transfer as a part of the acquisition. These assets are not controlled resources that are separable in nature as the rights cannot be sold, transferred, licensed or rented or exchanged separately.

Other details

Trade and other receivables had a gross contractual amount of R3 million and an allowance for expected credit losses of Rnil million.

10.2 Disposals during the reporting period

There were no significant disposals noted during the year.

10.3 Acquisition of non-controlling interest

During the year the Group acquired an additional 10% shareholding in SWT Group Proprietary Limited for R38 million in January 2021 and the remaining 40% shareholding in Motus Vehicles Distributor Proprietary Limited (formerly Renault South Africa Proprietary Limited) for R250 million in April 2021.

These acquisitions have enhanced operational synergies and will unlock value within the integrated business model.

Notes to the summarised consolidated financial statements (continued)

11. Annual financial statements

The Group's auditor for the current year was Deloitte & Touche. A copy of the audited consolidated and separate annual financial statements together with the unmodified auditor's opinion which includes the key audit matter is available for inspection on the Group's website or the Company's registered office.

The auditor's report does not necessarily report on all of the information contained in these financial results. Shareholders are therefore advised that in order to obtain a full understanding of the nature of the auditor's engagement, they should obtain a copy of the unmodified auditor's opinion, together with the accompanying financial information from the Company's registered office or the Group's website.

12. Events after the reporting period

In the period subsequent to the financial year end, the following events occurred:

- The Group acquired an additional 11% shareholding with a purchase price of R6 million from the minority shareholders in Synapt Proprietary Limited, the holding company of getWorth Proprietary Limited. The Group's effective ownership has increased to 60%, therefore resulting in effective control.
- A gross dividend of 255 cents (2020: nil cents) per ordinary share is payable on 27 September 2021. The ordinary dividend is subject to the local dividend tax of 20% and the net ordinary dividend for those shareholders who are not exempt from paying tax, is therefore 204 cents (2020: nil cents) per share.
- The social unrest experienced in Gauteng and KwaZulu-Natal in South Africa subsequent to financial year end has not resulted in significant financial loss.

There were no subsequent material events, apart from those mentioned above, that occurred from the year ended 30 June 2021 to the date of these preliminary summarised audited consolidated financial statements.

Independent auditor's report on summarised financial statements

To the shareholders of Motus Holdings Limited

Opinion

The summarised consolidated financial statements of Motus Holdings Limited, which comprise the summarised consolidated statement of financial position as at 30 June 2021, the summarised consolidated statements of profit or loss, other comprehensive income, changes in equity and cash flows for the year then ended, and related notes as set out on pages 22 to 42, are derived from the audited consolidated financial statements of Motus Holdings Limited for the year ended 30 June 2021.

In our opinion, the accompanying summarised consolidated financial statements are consistent, in all material respects, with the audited consolidated financial statements of Motus Holdings Limited, in accordance with the requirements of the JSE Limited Listings Requirements for preliminary reports, set out in note 1 to the summarised consolidated financial statements, and the requirements of the Companies Act of South Africa as applicable to summary financial statements.

Other matter

We have not audited future financial performance and expectations by management included in the accompanying summarised consolidated financial statements and accordingly do not express any opinion thereon.

Summarised consolidated financial statements

The summarised consolidated financial statements do not contain all the disclosures required by the International Financial Reporting Standards and the requirements of the Companies Act of South Africa as applicable to annual financial statements. Reading the summarised consolidated financial statements and the auditor's report thereon, therefore, is not a substitute for reading the audited consolidated financial statements of Motus Holdings Limited and the auditor's report thereon.

The audited consolidated financial statements and our report thereon

We expressed an unmodified audit opinion on the audited consolidated financial statements in our report dated 30 August 2021. That report also includes the communication of key audit matters as reported in the auditor's report of the audited financial statements.

Directors' responsibility for the summarised consolidated financial statements

The directors are responsible for the preparation of the summarised consolidated financial statements in accordance with the requirements of the JSE Limited Listings Requirements for preliminary reports, set out in note 1 to the summarised consolidated financial statements, and the requirements of the Companies Act of South Africa as applicable to summary financial statements.

The Listings Requirements require preliminary reports to be prepared in accordance with the framework concepts and the measurement and recognition requirements of International Financial Reporting Standards (IFRS), the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Pronouncements as issued by the Financial Reporting Standards Council, and to also, as a minimum, contain the information required by IAS 34, *Interim Financial Reporting*.

Auditor's responsibility

Our responsibility is to express an opinion on whether the preliminary summarised consolidated financial statements are consistent, in all material respects, with the consolidated audited financial statements based on our procedures, which were conducted in accordance with International Standard on Auditing (ISA) 810 (Revised), *Engagements to Report on Summary Financial Statements*.

Deloitte & Touche
Registered Auditors
Per: JM Bierman
Partner

30 August 2021

5 Magwa Crescent
Waterfall City
Waterfall

Glossary of terms*

Pro forma information	Pro forma financial information is the result of adjusting information about the Group at a specific date or for a particular period.
Significance	Significance is determined by referring to qualitative and quantitative factors. Qualitative factors include providing the users of the preliminary summarised audited consolidated financial statements relevant information that assists with their decision-making process. These include both the nature of the transactions together with the contributions to amounts reported. Quantitative factors measure the transactions with reference to the Group's internal materiality threshold of 5% of Profit before tax under normal trading conditions.
Operating assets	Total assets less loans receivable, cash resources, 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.
Net working capital	Inventories plus trade and other receivables (including derivative assets) less trade and other payables (including derivative liabilities), floorplans from suppliers and provisions.
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.
EBITDA	Earnings before interest, tax, depreciation and amortisation.
Operating profit	Operating profit is the earnings before impairment of properties, profit on the sale of properties, foreign exchange adjustments for items that do not qualify for cashflow hedge accounting including non-hedged items, other costs, net finance costs, share of income from associates and joint ventures and taxes.
Operating profit margin (%)	Operating profit divided by revenue.
Capital items	Impairment of goodwill and other intangibles and profit or loss on sale of investments in subsidiaries, associates and joint ventures and other businesses.
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.
Return on invested capital (%)	The return divided by invested capital. 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. Invested capital is a 12-month average of total equity plus interest-bearing borrowings less cash resources.
Weighted average cost of capital (WACC) (%)	Calculated by multiplying the cost of each capital component by its proportional plus weight, therefore: WACC = (after tax cost of debt % multiplied by average debt weighting) plus (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.

* *The above mentioned terms are non-IFRS measures.*

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*
NB Duker*
S Mayet*
MJN Njeke*

** Independent non-executive*
*** Non-executive*
 # Executive

Company Secretary

NE Simelane
nsimelane@motus.co.za

Group Investor Relations Manager

J Oosthuizen
motusIR@motus.co.za

Business address and registered office

Motus Holdings Limited
1 Van Buuren Road
Corner Geldenhuis and Van Dort Streets
Bedfordview
2008
(PO Box 1719, Edenvale, 1610)

Share transfer secretaries

Computershare Investor Services Proprietary Limited
1st Floor Rosebank Towers
15 Biermann Avenue
Rosebank
Johannesburg
2196

Auditor

Deloitte & Touche
5 Magwa Crescent
Waterfall City
Waterfall
2090

Sponsor

Merchantec Capital
13th Floor, Illovo Point
68 Melville Road
Illovo
Sandton
(PO Box 41480, Craighall, 2024)

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

Business address
1 Van Buuren Road
Corner Geldenhuis and Van Dort Streets
Bedfordview
2008
South Africa

www.motus.co.za