Motus

Integrated report

for the year ended 30 June 2021

Reporting suite

The 2021 Motus integrated report

Online as PDF and HTML

The Motus integrated report provides a holistic assessment of our ability to create and preserve value for our stakeholders and guard against value destruction. It assesses our management of strategy, the risks we face, and our financial, operational, and sustainability performance against our material priorities. The report is prepared according to Johannesburg Stock Exchange (JSE) Listings Requirements (JSE Listings Requirements) and the South African Companies Act 71 of 2008, as amended (Companies Act).

Reporting frameworks applied

- King Report on Corporate Governance for South Africa™ (2016) (King IV™). The King IV application register can be found online.
- The principles of the Value Reporting Foundation's (formerly the International Integrated Reporting Council) International <IR> Framework (December 2019) (the Framework).

The 2021 Motus environmental, social and governance report

Online as PDF and HTML

Provides an in-depth assessment of our environmental, social and governance (ESG) performance for the year, including the letter from the Chairman of the social, ethics and sustainability (SES) committee.

Reporting frameworks applied

- King IV.
- The Global Reporting Initiative's (GRI) Standards (applied as a guide).

Audited consolidated and separate annual financial statements

The audited consolidated and separate annual financial statements for the year ended 30 June 2021, including the report of the Audit and Risk committee, are prepared in accordance with the International Financial Reporting Standards (IFRS), the South African Institute of Chartered Accountants (SAICA) Financial Reporting Guides issued by the Accounting Practices Committee, and Financial Reporting Pronouncements issued by the Financial Reporting Standards Council (FRSC), unless otherwise specified.

Detailed online information

Stakeholders can access the Group's interim and annual financial results announcements and presentations at https://www.motus.co.za/investors/ or scan the QR code to be taken there directly.

King IV Report on Corporate Governance for South Africa, also known as King IV. Copyright and trademarks are owned by the Institute of Directors in Southern Africa NPC and all of its rights are reserved.

Key company information

Motus Holdings Limited
Incorporated in the Republic of South Africa

Motus Limited registration number:
2017/451730/06
ISIN: ZAE000261913

JSE Main Board: Specialty retailers
Listing date: 22 November 2018
Share code: MTH
(Motus or the company or the Group)

How to navigate our reports

For easy navigation, icons are used to refer readers to information elsewhere in this report or our other reports online.

Read more in this report

Read more online

https://www.linkedin.com/company/motus-sa

Feedback

We value feedback from our stakeholders and use it to ensure that we are reporting appropriately on the issues that are most relevant to them. Please take the time to give us your feedback on this report.

Email: MotusIR@motus.co.za.

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

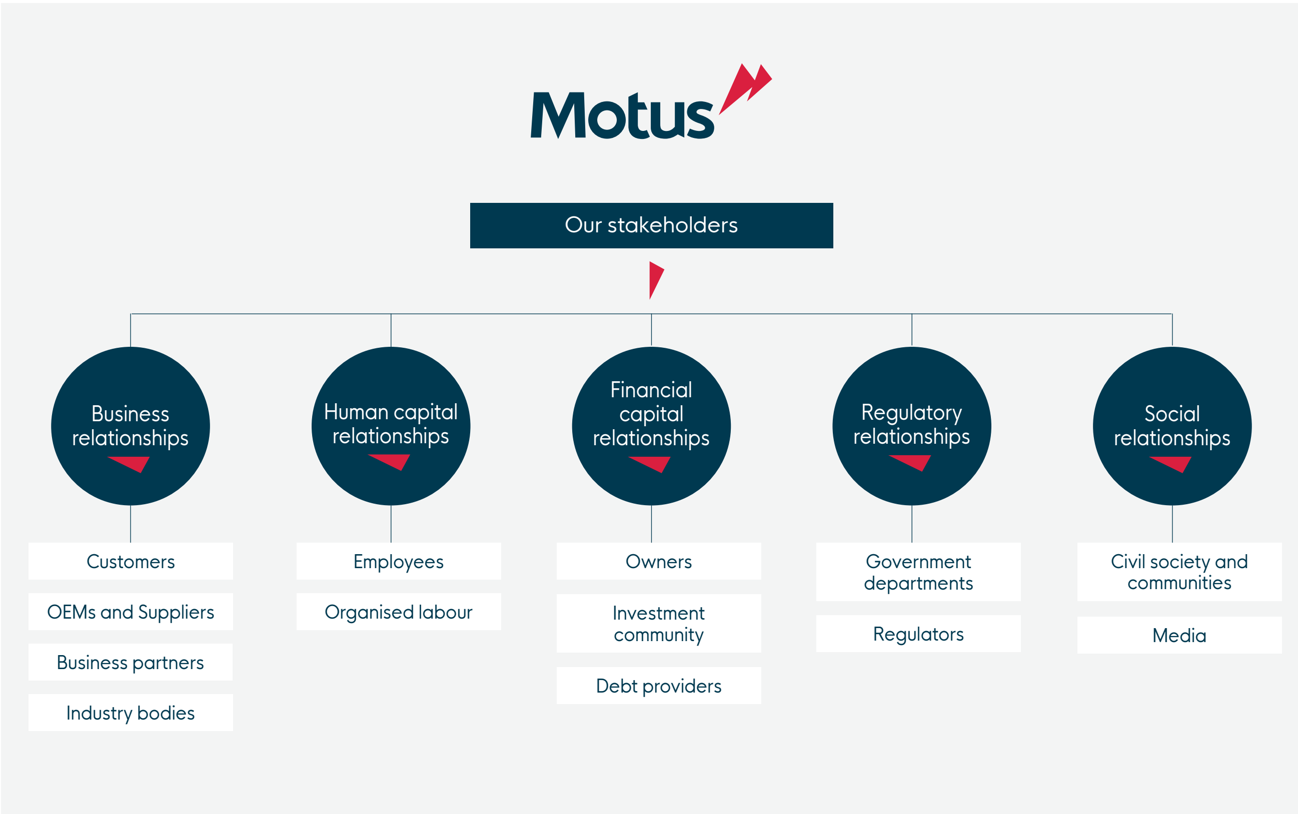
Contents

About this report

The Motus integrated report provides a holistic assessment of our ability to create and preserve value for stakeholders and guard against value destruction. It assesses management of strategy, the risks we face, and financial, operational, and sustainability performance against material priorities.

Scope and boundary

The 2021 integrated report covers the businesses over which the Group has operational control for the period 1 July 2020 to 30 June 2021, including subsidiaries, joint ventures and associates. The report also covers the risks, opportunities, stakeholder concerns, and outcomes beyond the financial reporting boundary insofar as they materially affect the Group's ability to create value in the short and long term. The report is primarily aimed at providers of financial capital and may be of interest to other stakeholders, including our employees, customers, original equipment manufacturers (OEMs) and suppliers.



Reporting frameworks and assurance

The integrated report is prepared according to the provisions of the JSE Listings Requirements, the Companies Act, and the King IV principles as well as best practice.

It also adheres to the principles of the Value Reporting Foundation's (formerly the International Integrated Reporting Council) International <IR> Framework. The revisions to the Framework, which were published in January 2021, have been considered in the preparation of the report.

Financial information is extracted from the audited consolidated and separate annual financial statements for the year ended 30 June 2021 (available in full online).

Our audited consolidated and separate annual financial statements are prepared in accordance with IFRS, SAICA's Financial Reporting Guides issued by the Accounting Practices Committee, and Financial Pronouncements as issued by the FRSC, unless otherwise specified. The Group's external assurance providers, Deloitte & Touche, have issued an unmodified audit opinion on the audited consolidated and separate annual financial statements. Assurance has also been provided on selected non-financial information by Deloitte & Touche and their independent limited assurance report is included on page 195.

Pro forma financial information

The integrated report includes certain pro forma financial information to provide a more meaningful assessment of the Group's performance for the year under review. The directors of Motus are responsible for compiling the pro forma financial information. The pro forma information does not constitute financial statements that are fairly presented in accordance with IFRS and has been prepared for illustrative purposes only.

Reporting and COVID-19

The global impact of COVID-19 on the lives and livelihoods of many will continue to be felt well into the foreseeable future.

Action plans that demanded tough decisions had to be rapidly developed and were successfully implemented in response to the COVID-19 crisis and thereby ensure the sustainability of the Group. The agility of the management teams, the resilience of the Group's integrated business model and support from suppliers, customers and funders have supported the business through these challenging times.

This report has embraced the Group's transition to the 'new normal', with the ongoing impact of the COVID-19 crisis being integrated throughout in a business-as-usual approach.

Materiality determination

In the business and social context in which we operate, described on page 46, our material priorities are those factors most likely to influence the conclusions of our stakeholders when assessing how we create, preserve, or may erode value over time. In detail from page 63, are the factors considered to be within the control of Motus' leadership and which have been identified for close and careful management over the short, medium and long term. Management selected these priorities to deepen the Group's resilience, relevance, and responsibility in pursuing sustainable value for the stakeholders. They reflect our plans to manage the risks and opportunities associated with the Group's strategy and meet the expectations of our stakeholders. Our material priorities are grouped into key themes. Sub-issues then expand on those themes and inform the content in this year's integrated and ESG reports. We explain our approach to determining our material priorities and related processes on page 62.

Preparation and presentation of this report

Interviews with leadership and internal sources of information have been used to prepare this report. This included reports and presentations related to strategic and business plans, board documents, and relevant external research reports.

The Group executive committee oversees the process and controls applied to information gathering for the report and reviews all content ahead of submission to the board for approval. The Audit and Risk committee (ARC) assists the board in overseeing the quality and integrity of the Group's integrated reporting process across the Group's reporting suite. An ad hoc board sub-committee, consisting of the Group's executive directors and Chairman of the ARC, approves the final integrated report for publication.

Board responsibility and approval statement

The Motus board acknowledges its responsibility to ensure the integrity of the 2021 integrated report. The ARC, together with executive management, is responsible for the preparation and presentation of the report and is comfortable that the appropriate systems, procedures, and controls are in place and operated effectively to ensure the integrity of the integrated report.

The committee has reviewed the report and recommended it to the board for approval. In the board's opinion, the report addresses all material priorities and matters that impact the Group's ability to create value over time and provides a balanced and appropriate review of Motus' strategy and performance. The board is satisfied that the integrated report has been prepared in accordance with the guidelines of the Framework.

The board is satisfied that the Group has complied with and operates in conformity with the provisions of the Companies Act, the MOI and any other applicable laws relating to its incorporation.

On behalf of the board

Graham Dempster
Chairman

Osman Arbee
Chief Executive Officer

20 September 2021

We are Motus

Motus is a competitive and profitable non-manufacturing automotive group in sub-Saharan Africa, with select businesses beyond the continent.

Motus is South Africa's leading automotive group, employing over 16 700 people globally. Motus has grown over more than 70 years from humble beginnings as a small dealership in downtown Johannesburg into a Group that offers diverse products and services. Today, Motus is the largest, diversified (non-manufacturing) automotive group in sub-Saharan Africa with unrivalled scale and scope in South Africa and a select presence in international markets, primarily in the United Kingdom (UK) and Australia, and a limited presence in South East Asia, and Southern and East Africa.

Our services extend across all segments of the vehicle value chain

Motus offers a differentiated value proposition to OEMs, suppliers, customers and business partners. Our fully integrated business model spans across the automotive value chain, delivered through four key business segments.

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 pages 70 to 75.

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 76 to 83.

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 and business process outsourcing** through sophisticated technology and call centre capabilities.

Leading the Group's **innovation centre**.

For more information on **Financial Services** see pages 84 to 89.

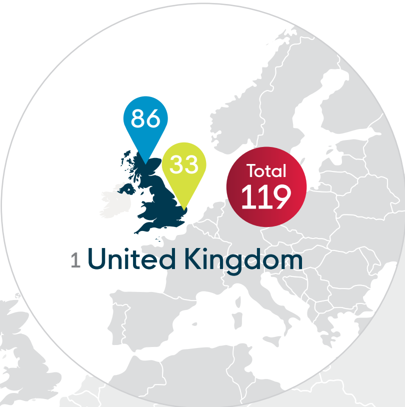
Aftermarket Parts

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 pages 90 to 95.

Operational footprint

The Group's networks in the economic hubs of South Africa and selected international presence provides Motus with opportunities to replicate aspects of our integrated business model.



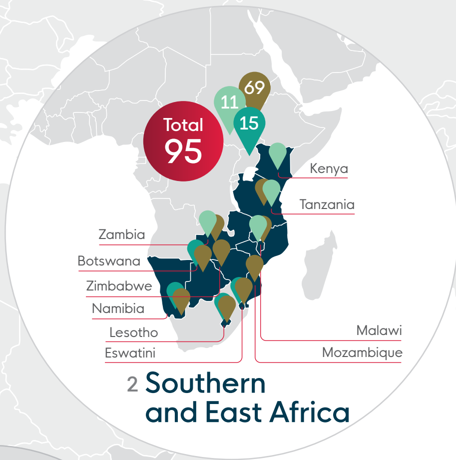
1 United Kingdom

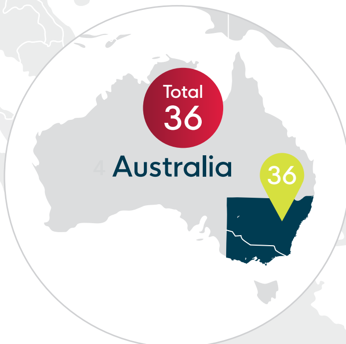
Commercial dealerships	86
Passenger dealerships	33
Total	119

3 South East Asia

Aftermarket Parts distribution centres and agencies (Shanghai and Taiwan)	4
Total	4

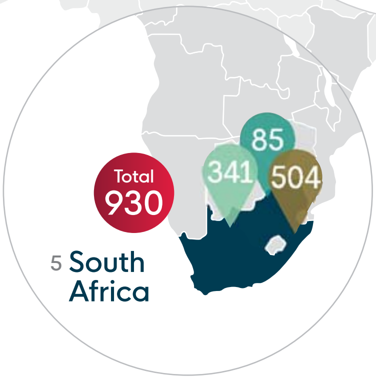
Commercial dealerships
Passenger dealerships
Retail dealerships
Car rental branches
Aftermarket Parts
Aftermarket Parts distribution centres and agencies (Shanghai and Taiwan)





2 Southern and East Africa

Retail dealerships	11
Car rental branches	15
Aftermarket Parts	69
Total	95



4 Australia

Passenger dealerships	36
Total	36

5 South Africa	Total	Gauteng	Western Cape	KwaZulu-Natal	Northern and Eastern Cape	Limpopo	Free State	Mpumalanga	North West
Retail dealerships	341	159	58	32	11	31	24	12	14
Commercial dealerships	35	18	1	3	1	6	2	1	3
Passenger dealerships	215	108	40	19	3	14	17	6	8
Auto Pedigree	69	21	12	8	7	10	4	4	3
Motus Select	22	12	5	2	–	1	1	1	–
Car rental branches	85	25	14	13	16	4	3	7	3
Aftermarket Parts (owned and franchised)	504	137	90	66	67	42	33	49	20
Financial Services	Distribute innovative vehicle-related financial products and services through importers and distributors, dealers, finance houses, call centres and digital channels in South Africa.								

We are Motus (continued)

What makes Motus unique

Our strength lies in our integrated business model, diversification and scale. Our business model allows us to be resilient and agile to navigate cyclical challenges and to capitalise on opportunities as they arise.

Our business model allows us to maximise the revenue and income opportunities for each vehicle sold, enhanced by indirect vehicle-related revenue streams including car rentals, VAPS and parts and accessories revenues. This is further supported by annuity income-earning streams, our cash-generation ability, and a management team that is highly experienced, agile, and entrepreneurial. We continue to drive organic growth, innovation and acquisitions that create value for all stakeholders. Our fully integrated business model has enabled agile responses to the impact of COVID-19.

Our differentiated offering

We have long-standing importer and retail partnerships with leading OEMs, representing some of the world's most recognised brands. We offer a highly effective route-to-market and, through quality marketing, high levels of customer satisfaction and strategically located multi-franchise dealerships, all of which enable the Group to facilitate a vital link between the OEM's products and the customer throughout the vehicle ownership cycle.

Our deep understanding of OEM strategies, consumer preferences, and mobility-related technologies enables us to develop and offer innovative mobility solutions and products to our customers as we continuously align ourselves to emerging digital, mobility, and automation trends.

Our fully integrated business model

Our business model in South Africa is diverse and fully integrated across the automotive value chain. It provides us with access to cash generation and annuity income streams that are not directly dependent on the sale of new vehicles. We are well positioned to maintain our leading retail market share in South Africa, grow in the pre-owned vehicle market, and our Financial Services and Aftermarket Parts revenue streams are poised for growth, despite the economic and market challenges.

Our unrivalled scale and integration in South Africa underpin our differentiated value proposition to OEMs, suppliers, customers, and business partners, providing multiple customer touch points and engenders loyalty across the vehicle ownership cycle.

Our strong financial position

Our high free cash flow generation and access to annuity income streams, with returns on invested capital (ROIC) exceeding the weighted average cost of capital (WACC), provides a platform for an attractive dividend yield over the medium to long term.

Clear organic growth supports our shareholder return profile, achieved through ongoing portfolio optimisation, innovation-driven improvement, and selective acquisitions to expand the dealership and retail footprint and increase our participation in the vehicle value chain. We leverage best-in-class expertise to diversify and enhance our earnings for the long term.

Our people

Our highly experienced, agile, and entrepreneurial management team has deep knowledge of regional and global automotive markets, a proven track record, and years of collective experience. A strong and diverse board guides and complements our management team.

We endeavour to create a safe working environment and provide equal and fair opportunities for all our people.

Our commitment to stakeholders

The trust that our stakeholders place in the Group demands unfailing integrity and is the foundation on which Motus is built. Dependability is embedded in our organisational culture and underpins our efforts to nurture strong relationships with all our stakeholders. High standards of accountability and transparency support our commitment to unwavering integrity. We operate in an environmentally conscious and responsible manner and adopt practices that support the growth of the economies and communities in which we operate.

We are committed to making a real difference in our communities. We support road safety awareness programmes through the Safe Scholar programme, we promote literacy and reading skills in partnership with the Imperial and Motus Community Trust and, together with Imperial Logistics Limited (Imperial), have developed and support the Unjani Clinics network.

Group strategy

We grow and expand our participation in all aspects of the vehicle value chain with competitive products and services that maximise our share of the customer's vehicle investment and engender loyalty.

Our Vision

- We will improve people's lives by envisioning, innovating and creating new access to leading-edge mobility solutions – both products and services.
- We will rely on strong relationships with suppliers and principals to offer these solutions at competitive prices in the geographical areas where we operate.
- We will ensure sustainable value creation for all stakeholders, including OEMs and business partners.

Our Mission

- We create value for customers and build market share through relevant, innovative products and exceptional service at competitive prices.
- We deliver returns to shareholders through innovation-driven growth and optimisation that allows us to increase our participation in all aspects of the automotive value chain to enhance our earnings while proactively managing risk and capital allocation.
- We have a diverse complement of highly competent and experienced individuals and teams to deliver our progress and performance.

Our Values

- We are fair, accountable, driven, and ensure that we operate in an environmentally friendly and responsible manner.
- We comply with rules and regulations, operate at the highest levels of integrity and ethics, and ensure we have non-discriminatory business practices.

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

We remain focused on deepening our competitiveness and relevance across the automotive value chain, driving organic growth through optimisation, innovation, and selective bolt-on and complementary acquisitions.

In executing our business strategy as a responsible corporate citizen, Motus is led in a manner that is environmentally conscious to ensure its sustainability, and adopts policies and practices that enhance the growth of the economies in which it operates.

Read more about our **strategic progress** in the sections of the report that follow.

Group strategy (continued)

Our medium-term value-creating priorities

Mobility for good

We are defined by being:

Leaders | Innovators | Customer champions | Leaders | Innovators | Customer champions

Our strategic pillars

Our strategic initiatives underpin the delivery of our aspirations

Ensure market leadership

Grow market share and maintain competitiveness in our local and international markets.

Enhance financial performance

Enhance financial performance and achieve our financial targets.

Import and Distribution

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

Retail and Rental

- Maintain targeted pre-owned vehicle market share.
- Rationalise the dealership footprint, aligned to OEM strategies, and refine the multi-franchise model.
- Improve brand representation through select bolt-on acquisitions in South Africa, the UK, and Australia.
- Optimise the car rental business to adapt to new market realities.
- Sell electric and hybrid vehicles in markets where charging infrastructure and government support are available (UK and Australia) and in South Africa when the infrastructure and government support become available.
- Invest in technology to drive digitisation and to support customer service and experience.

Our people

- Develop a skilled, diverse and motivated workforce.
- Maintain a strong focus on transformation, succession, and empowering employees.
- Encourage a high-performance culture with tailored training and development opportunities for all levels of staff.

To enhance shareholder value we aim to

- Deliver strong profit margins and cash flows.
- Maintain a strong balance sheet and liquidity to fund working capital, invest in diversified growth through selective bolt-on and complementary acquisitions, leverage vertical integration strategies and support share buy-backs.
- Maintain a reliable dividend policy.

Leaders | Innovators | Customer champions | Leaders | Innovators | Customer champions

Deliver innovative mobility solutions and services to customers. Ensure agility and entrepreneurial flair in response to disruption.

Drive innovation

Leverage existing and enter new strategic partnerships to deliver innovative value-added services, products and enhanced customer experiences.

Improve technology solutions

Develop and empower leaders, with a strong focus on transformation and succession. Manage environmental and social impacts. Mature and deepen governance practices and processes.

Invest in human capital and ESG initiatives

Financial Services

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

Aftermarket Parts

- Grow retail footprint and optimise operating structure, with the support of franchisees.
- Drive optimisation of the supply chain via Chinese operations.
- Strengthen the core business through improved efficiency and volume buying.
- Grow number of buying groups of which we are members.
- Invest in IT to drive digitisation and e-commerce expansion.
- Rationalise distribution centres in South Africa and China.
- Manage inventory availability.
- Expand our entry-level product range.
- Extend distributor footprint internationally.

ESG impact

- Manage our activities that impact ESG and actively strive to uphold our commitments to all stakeholders.
- Remain committed to socio-economic growth, creating employment, and contributing to our communities.
- Continue to deepen the maturity of our governance practices and processes.

Our key competitive advantages

- Our business model is fully integrated across the vehicle value chain.
- We are well positioned to maintain our leading retail market share in South Africa.
- Our unrivalled scale underpins a differentiated value proposition.

Integrated business model

Creating value

The Group's ability to create value for all stakeholders over the long term is underpinned by our strategic agility as we deepen competitiveness, maintain market shares, and position the business to respond to changing market conditions.

We participate in all aspects of the vehicle ownership cycle. Our broad scope of activities diversifies our revenue and profit streams and is cash generative, enabling us to cross-sell and leverage opportunities across the Group.

1 Importer and distributor of passenger vehicles, LCVs, parts and panels

2 Retailer of new and pre-owned vehicles in South Africa, UK, Australia and Africa

3 Provider of service, maintenance and extended warranty plans

4 Workshops, parts and servicing

Customer experience from vehicle, brand and service providers

5 Rental of passenger vehicles and LCVs

6 Distributor, wholesaler and retailer of parts and accessories

7 Developer and provider of vehicle-related financial products and services

8 Provider of fleet management services

Retention and loyalty of customers to our products and services

Integrated business model (continued)

Our capitals, inputs and outcomes

Our inputs

Financial Capital

A strong balance sheet, strong cash flow generation, structured capital allocation, and financial discipline ensure our resilience, thereby supporting sustainable returns to stakeholders over time.

- Ability to generate cash provides liquidity to fund working capital and invest in growth opportunities.
- Strong balance sheet is underpinned by a focus on cost containment and financial discipline.
- Disciplined capital management and allocation to ensure strategic flexibility.

Human Capital

A skilled, diverse, productive and motivated workforce enables us to operate cost-effectively and efficiently to meet stakeholder needs. In turn, we work to provide our employees with career growth opportunities and a fair, rewarding, and safe work environment.

- 16 708 employees (2020: 17 499).
- South African training spend of R144 million (2020: R177 million) and UK and Australian training spend of R127 million.
- An experienced and diverse leadership team.
- High-performing, inclusive and collaborative culture supports diversity, innovation and entrepreneurial flair.
- A human capital strategy that is designed to provide business informed people practices and frameworks that accelerate innovation and growth.

Social and Relationship Capital

Our commitment to building quality relationships with our stakeholders enables us to secure our reputation and licence to operate, maintain their trust and achieve our strategic objectives.

- Strong, long-standing relationships with OEMs, suppliers and customers, as well as business partners, including joint venture and technology partners.
- Constructive relationships with regulators, governments and local communities.
- We are committed to making a real difference in our communities, directing our contributions to improving literacy and community healthcare, and promoting road safety awareness.
- Enterprise development spend of R76 million in South Africa (2020: R30 million).
- Corporate social investment (CSI) spend of R18,6 million, invested in community upliftment, supporting education, health, youth development, and road safety (2020: R28,1 million).

Our outcomes

Referencing

- Revenue of R87,2 billion (2020: R73,4 billion).
- Operating profit of R3,8 billion (2020: R2,1 billion).
- Headline earnings of R2,1 billion (2020: R550 million).
- Headline earnings per share (HEPS) of 1 179 cents per share (2020: 296 cents per share).
- Full year dividend of 415 cents per share, with a final dividend of 255 cents per share declared and an interim dividend of 160 cents per share paid.
- Net debt to equity ratio of 28% (2020: 60%).
- Net debt to earnings before interest, tax, depreciation and amortisation (EBITDA) of 0,8 times (2020: 2,2 times).
- Free cash flow generated from operations of R5,9 billion (2020: R3,0 billion).
- Invested in select acquisitions during the year to further deliver our longer-term growth strategies.

More detail about our **financial performance** in the **Chief Financial Officer's Review** on page 42.

- 76% of employees are based in South Africa, of whom 73% are black.
- Black representation at top management level in South Africa of 36% (2020: 30%), including the appointment of two new executive committee members.
- 274 employees participated in managerial development programmes (2020: 211) – 65% of participants were black and 38% were women.
- 83% of total South African training spend supported technical training with a significant increase in training spend to support the development of soft skills (2020: 84%).
- Continued to comply with all health and safety guidelines for COVID-19.
- Expanded the Employee Assistance Programme to include financial and legal advice, to support employee wellbeing.

More information on our **people** is provided in the **leadership and people sections** from pages 20 and 104 respectively.

Read the full review online in our **ESG report**.

- We increased our communication with stakeholders, including funders, investors and our people, to manage the impact of COVID-19 on relationships.
- The Imperial and Motus Community Trust supports 52 school resource centres and libraries, providing access for over 61 300 learners. The trust employs 65 full time staff, many of whom were unemployed learners from the communities wherein the resource centres are based.
- Reached 1,8 million learners through the Motus Safe Scholar programme that teaches road safety in over 2 080 schools.
- We were nominated as a finalist in the Institute of Risk Management South Africa (IRMSA) awards in recognition of Motus' COVID-19 community response activities.
- Introduced South African Youth Employment Service (YES) programme, with over 400 youths employed. The Imperial and Motus Community Trust and the Unjani Clinics network will also benefit from these proposed placements.
- Support a network of 94 clinics employing 346 people in townships through the Unjani Clinics network, with clinic consultations to date exceeding two million.
- After year-end, committed R5 million to food and medical relief efforts in KwaZulu-Natal.

More information on **stakeholder engagement and other social initiatives** is provided in the **stakeholder engagement and environmental, social and governance overview sections** on pages 50 and 96 respectively.

Read the full review online in our **ESG report**.

Integrated business model (continued)

Our capitals, inputs and outcomes (continued)

Our inputs

Intellectual Capital

Our IT architecture plays a critical role in securing our data, improving efficiencies, and integrating business segments. Embedding effective management systems assists in providing insight and oversight to ensure continuity and in driving competitiveness and agility as our operating environment evolves.

- Our relationships and capability enable us to continuously align with digital, mobility, and automation trends, and adapt to meet changing customer needs.
- Investment in IT, innovation, and training supports our collaborative customer engagement model and enhances the customer experience across the vehicle ownership cycle.
- We optimise operating models and assess our responsiveness to disruption continuously.
- We maintain our IT security and governance to ensure the safety of our data and systems.
- We invest in registering and promoting our trademarks and intellectual property.

Manufactured Capital

Our property, plant and equipment support our capacity to generate longer-term returns for our stakeholders.

- Our footprint includes a network of 341 dealerships and 100 car rental branches in Southern and East Africa, supplemented by 86 commercial and 33 passenger dealerships in the UK and 36 passenger dealerships in Australia.
- We invest in maintaining our assets to ensure that they operate safely, reliably, and efficiently.
- Motus owns real estate worth R6,8 billion to support its businesses.

Natural Capital

The critical natural resources required by our businesses are water, electricity, fuel, and paper in administrative environments.

- We are committed to operating in an environmentally conscious and responsible manner.
- Our environmental management approach supports our value proposition and credibility among OEMs, customers, strategic partners, and employees.
- 570 089 kilolitres of water consumed (2020: 603 509 kilolitres).
- 73 317 megawatt hours of electricity purchased from municipalities (2020: 75 713 megawatt hours).
- 16 million litres of road fuel consumed (2020: 19 million litres).

Our outcomes

Referencing

- Our innovation platform, Motus Xponential, or m^x, has over 3 900 members participating from across the Group.
- During the year, seven business challenges were taken through the innovation funnel, with twelve concepts selected for further development.
- We launched motus.cars, increasing our ability to engage digitally with our customers and invested in getWorth to access innovative technology and deepen customer experience across the Group.

More information on our innovation and IT strategy can be found in **Chief Innovation Officer's** and **risk and opportunities reports** from pages 36 and 53 respectively.

- We actively manage our dealership footprint and have multi-franchise dealerships in various locations, with our single biggest multi-franchise business to open in early 2022.

More information can be found in **Chief Executive Officer's review** on page 28.

- We achieved an environmental score of 3,0 out of 5 in the FTSE4Good Index Series (2020: 3,3 out of 5).
- 109 892 tCO_2e^* across scopes 1 and 2 emissions (2020: 116 667 tCO_2).
- No incidents of non-compliance with environmental regulations.

More information on **environmental management** is provided in the **environmental, social and governance overview section** on page 96.

Read the full review online in our **ESG report**.

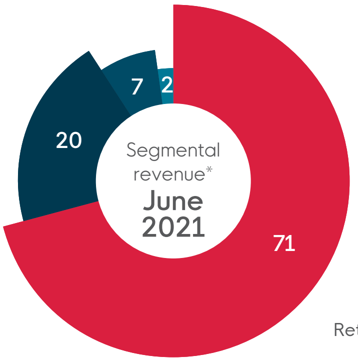
* *tCO_2e: tonnes of carbon dioxide equivalent.*

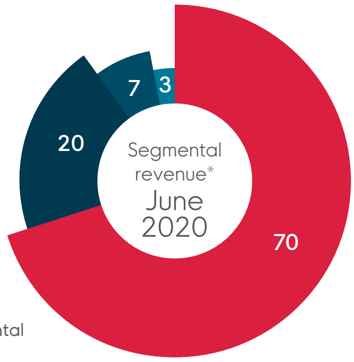
Performance overview

Financial performance

Revenue

% Contribution





Retail and Rental
Import and Distribution
Aftermarket Parts
Financial Services

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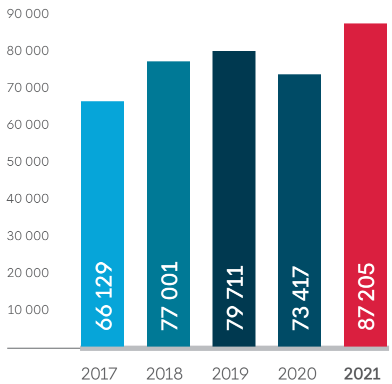
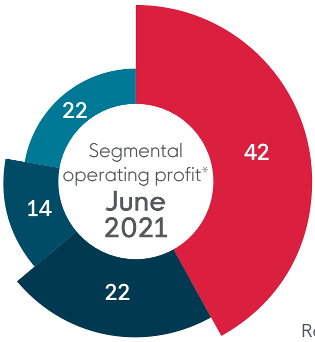
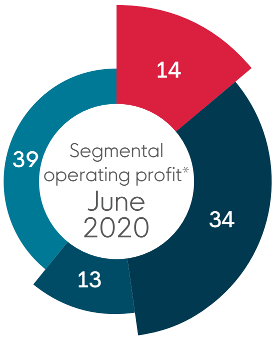


* *Excludes Head Office and Eliminations.*

Operating profit

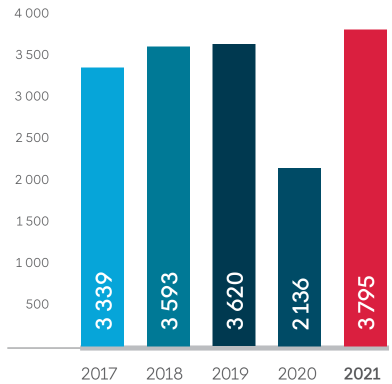
% Contribution





Retail and Rental
Import and Distribution
Aftermarket Parts
Financial Services

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 JSE Listings Requirements 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 pro forma financial information included in the integrated report is consistent with the pro forma information included in the Motus Holdings Limited – Preliminary summarised audit consolidated results for the year ended 30 June 2021 on which the Group's external auditors, Deloitte & Touche, issued an unmodified reporting accountant's report on 30 August 2021 and is included on page 198.

Financial performance (continued)

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)

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.*

Performance overview (continued)

Non-financial performance

FTSE4Good Index Series
Achieved an overall score of

3,8 out of 5

(2020: 3,8 out of 5)

Black representation

73%
of the Group's South African workforce

(2020: 73%)

Women representation

31%
of the Group's workforce

(2020: 30%)

CSI spend

R18,6 million

(2020: R28,1 million)

South African training spend

R144 million

(2020: R177 million)

Environmental compliance

No environmental-related fines or penalties incurred

Water

570 089 kilolitres
purchased

(2020: 603 509 kilolitres)

Electricity

73 317 megawatt hours
purchased from municipalities

(2020: 75 713 megawatt hours)

Carbon footprint*

109 892 tCO_2e

(2020: 116 667 tCO_2e)

* *Scope 1 and 2 emissions.*

Environment Social Governance

For more detailed information, refer to our environmental, social and governance overview, and our people report starting on pages 96 and 104 respectively.

For more detailed information, refer to our ESG performance and objectives in our ESG report online.

Segment overview

Import and Distribution

20% of Group revenue | **22%** of Group operating profit | **4,6%** 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% of Group revenue | **42%** of Group operating profit | **2,5%** 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 branches in Southern Africa
- ~25% rental market share

United Kingdom

- 86 commercial dealerships
- 33 passenger dealerships

Australia

- 36 passenger dealerships

A diversified business in the automotive industry

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 centre

2% of Group revenue | **22%** of Group operating profit | **44,8%#** 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% of Group revenue | **14%** of Group operating profit | **7,7%** 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.

Our leadership

Board of directors*

Executive directors

Motus is led by a diverse board of directors with extensive industry knowledge, experience and expertise.

Osman
Arbee
62

Chief Executive Officer (CEO)

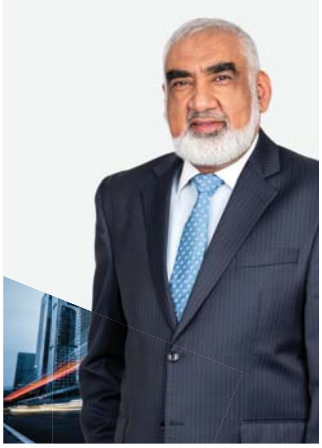
B Acc, CA(SA),
H Dip Tax.

Appointed on
12 October 2017.

Osman was previously with Imperial, having joined in September 2004. He was appointed to the board in July 2007. During his tenure at Imperial, Osman held the following positions: CEO and CFO of Imperial, CEO of the then Car Rental and Tourism division, and the Chairperson of the Aftermarket Parts and the Automotive Retail divisions. He resigned from the Imperial board during November 2018 at the time of the listing of the Group on the JSE.

Osman is a director of various Motus subsidiaries, including those based in the UK and Australia.

Prior to joining the Group, Osman was a senior partner at Deloitte & Touche, where he spent 23 years in various roles, which included being a member of the board and executive committee.



Ockert
Janse van Rensburg
48

Chief Financial Officer (CFO)

BCompt (Hons), CA(SA),
H Dip Co Law

Appointed on
12 October 2017.

Ockert joined Imperial in January 2015, at which time he was appointed as CFO of Motus Corporation (previously a subsidiary of Imperial). Ockert acted as CEO during the unbundling and listing of Motus for six months ending 31 December 2018 while performing his function as CFO.

Prior to joining Motus, Ockert was CFO of Foodcorp Holdings Limited, a multinational food manufacturer and a partner at accounting and auditing firm, PwC.

Ockert is a member of various Motus subsidiary boards, including those based in the UK and Australia, and a trustee of the Group medical aid, retirement funds, and the Community Trust.

Kerry
Cassel
48

CEO – Financial Services & Head: Innovation and Technology

BCom (Hons), CA(SA)

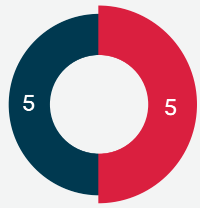
Appointed on 1 July 2019.

Kerry joined Motus in 2002 and, prior to joining Motus, was an audit manager at Deloitte & Touche.

Prior to being appointed to the board, Kerry has held multiple senior positions within the Group.

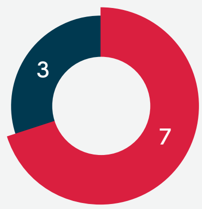
In addition to being an executive director, Kerry serves on the boards of various subsidiaries of the Group.

Board age



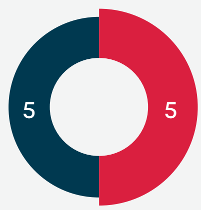
Under 50 years
Over 50 years

Board gender representation



Male
Female

Board race diversity



Black
White

* *Directors at date of publication.*

Non-executive directors

Graham Dempster
66

Chairman and independent non-executive director

BCom (Hons), CA(SA), AMP (Harvard)

Appointed on 1 August 2018.

Graham has over 30 years' experience in the financial services industry, both in South Africa and internationally. He serves as a non-executive director at Imperial and Sun International Limited, and as the independent non-executive chairman of Long4Life Limited.

Committees:
AL NOM REM

Ashley (Oshy) Tugendhaft
73

Deputy Chairman and non-executive director

BA, LLB

Appointed on 1 August 2018.

Oshy is a senior partner at law firm Tugendhaft Wapnick Banchetti & Partners (TWB). He also serves as a non-executive director and Chairman of Alviva Holdings Limited. He previously served as a non-executive director and deputy Chairman of Imperial.

Committees:
REM NOM SES

PJS (Smit) Crouse
45

Independent non-executive director

LLB, LLM (International Taxation), IDP-C (INSEAD)

Appointed on 10 November 2020.

Smit has over 20 years of experience in international banking, corporate finance, general commerce and law. He is a former senior executive and special advisor to the World Bank Group's International Finance Corporation and held senior executive positions at Nedbank Group and PwC. Smit is an admitted Advocate of the High Court of South Africa.

Committees:
AL

Board committee key

- SES Social, ethics and sustainability committee
- AR Audit and risk committee
- NOM Nomination committee
- REM Remuneration committee
- AL Asset and liability committee
- C Chair

Bridget Duker (née Radebe)
42

Independent non-executive director

BCom (Hons), CA(SA)

Appointed on 10 November 2020.

Bridget is the Chief Operating Officer (COO) and an executive director at Rothschild & Co South Africa. Prior to this, she served as Group CFO of Ubuntu-Botho Investments. Bridget started her career at Deloitte & Touche where she was an audit partner. In this role, she led multi-disciplinary engagement teams servicing JSE listed clients in geographies spanning Africa, Europe, and America. She currently serves as a non-executive director on Imperial and Assupol Holdings Limited boards.

Committees:
AR

Saleh Mayet
65

Independent non-executive director

BCom, BCompt (Hons), CA(SA)

Appointed on 22 November 2018.

Saleh is a finance professional with well over 30 years of experience in the Anglo American Group in South Africa. He has held several listed and unlisted board positions and brings with him extensive experience across the full spectrum of corporate activities. He currently also serves as a non-executive director at Astral Foods Limited.

Committees:
AR AL

Johnson (JJ) Njeke
63

Independent non-executive director

BCompt (Hons), CA(SA)
H Dip Tax Law

Appointed on 22 November 2018.

JJ serves as Chairman of the Hollard Foundation Trust, and as a non-executive director of Clicks Group Limited, Datatec Limited and Delta Property Fund. He previously served as a non-executive director of MTN and Sasol, and as Chairman of MMI Holdings Limited.

Committees:
SES NOM REM

Fundiswa Roji-Maplanka
45

Independent non-executive director

BCom (Hons), CA(SA),
Post grad diploma Fin Planning

Appointed on 1 September 2021.

Fundiswa is a CA(SA), with extensive professional experience. She previously served as a senior manager responsible for strategy and investor relations at Imperial. Prior to joining Imperial, she worked for over 10 years at Kagiso Trust Investments and later at Kagiso Tiso Holdings as a director of investments. Over the last 20 years, she has served on a number of boards across various industries.

Committees:
SES AR

Our leadership (continued)

Executive committee*

The board is supported by a highly experienced management team with extensive industry knowledge of regional and global markets, and a proven track record with years of collective experience and expertise.

Osman Arbee
62

Chief Executive Officer

B Acc, CA(SA), H Dip Tax


See page 20.

Ockert Janse van Rensburg
48

Chief Financial Officer

BCompt (Hons), CA(SA), H Dip Co Law


See page 20.

Kerry Cassel
48

CEO – Financial Services & Head: Innovation and Technology

BCom (Hons), CA(SA)


See page 20.

Berenice Francis
45

Corporate Affairs, Risk and Sustainability

BCom (Acc), BCompt (Hons), MBA, CIA

Berenice joined Motus from Imperial, where she served on the Group executive committee from 2009. She is the representative director of Ukhamba Holdings and related operations. Berenice has been actively involved in the IRMSA since 2006, where she serves as past President. She also served as a past Vice President and Regional Governor of the Institute of Internal Auditors (IIASA).

Niall Lynch
45

CEO – Hyundai Automotive South Africa

BCom, MBS

Niall has been with the Group for eleven years, during which time he has held various franchise director positions within the Retail and Rental business segment. He previously served as Managing Director of Renault South Africa Proprietary Limited (now known as Motus Vehicles Distributor). Niall has been the CEO of Hyundai Automotive South Africa for the past six years.

Jaco Oosthuizen
49

CEO – Motus Vehicles Distributor (formerly Renault South Africa)

BCompt (Hons), CA(SA)

Jaco joined Imperial in 2001 from Deloitte & Touche. He previously served as General Manager of the Financial Services business; Managing Director of Imperial Daihatsu Proprietary Limited and Chairman of Brietta Trading Proprietary Limited, which has the right to import and distribute Mitsubishi.

* *Executive committee at date of publication.*

Malcolm Perrie
62

CEO – Aftermarket Parts

BSc, MBA

Malcolm completed his BSc (Electrical Engineering) and MBA at the University of the Witwatersrand (Wits). He gained experience in Telkom, BMI (an industrial market research company), and established The Marketing Shop, a consultancy focusing on the automotive and engineering sectors. Between 2004 and 2012, Malcolm headed up Federal-Mogul (South Africa), the leading component manufacturer and supplier in South Africa. In 2013, he joined Imperial as Managing Director of Parts Incorporated, a division of Aftermarket Solutions, and in April 2015 was appointed as the CEO of Motus Aftermarket Parts.

Gary Scott
46

CEO – Kia Motors South Africa

BCom (Hons), CA(SA)

Gary joined Kia Motors in 2002 from Deloitte & Touche, where he qualified as a Chartered Accountant. His 19 years of automotive experience includes roles in finance, Group projects, and parts. He served as a Sales Director at Kia Motors in 2013 before being appointed as CEO in 2017. Gary currently serves as Vice-President: Independent Vehicle Importers and Distributors at naamsa | The Automotive Business Council (naamsa).

Michele Seroke
50

Chief People Officer

BSocSci

Michele joined Imperial as Human Resources Director for the Imperial Vehicle Retail, Rental and Aftermarket Parts division in August 2016. Her career began at Eskom after obtaining her BScoSci from the University of Cape Town. She has held strategic senior management and executive positions in human resources both in local and multinational companies, including Eskom, Productivity SA, ArcelorMittal and General Electric.

Ntando Simelane
49

Company Secretary and Head of Legal Counsel

B. Juris, LLB and Advanced Company Law

Ntando joined Motus in April 2021 as Company Secretary and Head of Legal Counsel. Ntando is a lawyer with over 20 years of corporate law and more than 15 years of company secretarial experience. Prior to joining Motus, he served as the Company Secretary and Head of Legal at Adcock Ingram Holdings Limited.

Shumani Tshifularo
47

Commercial Director: Motus Vehicles Distributor (formerly Renault South Africa)

BCom (Hons), CA(SA)

Shumani joined Motus Vehicles Distributor in July 2021 as a Commercial Director, prior to which he was a Commercial Director for Kia South Africa from January 2020. Before joining Motus, he was a Managing Director of Eqstra Industrial Equipment Group from July 2015. He has also held other executive roles including CFO of Saficon Industrial Equipment, Managing Director of Eqstra Fleet – Rest of Africa Division, and Divisional CFO of Imperial Fleet Services.

Corné Venter
45

CEO – Retail and Rental South Africa

BCom Acc, BCom (Hons), MCom

Corné is the CEO of the Retail and Rental division within Motus. He joined Imperial in 2005 as Financial Director of Premier Motor Holdings. He previously held the position of Managing Director at Premier Motor Holdings, Porter Motor Group, and Imperial Commercials. Corné is a trustee of the Imperial Motus Pension and Provident Fund and is the President of the Southern African Vehicle Rental and Leasing Association (SAVRALA).

Chairman's welcome

"Motus is stronger than before the COVID-19 pandemic struck. The extraordinary efforts of an agile and empathetic leadership team, together with an integrated business model give cause for confidence in the relevance and longevity of the business, in a world redefined by the pandemic."

Re-aligning Motus

Motus' strong results for the year bear testimony to the action plans developed by the management team in response to the COVID-19 pandemic, and their effective implementation since April 2020. More than a plan for short-term survival, the actions taken have matured into a strong foundation for the Group's strategic positioning and growth aspirations.

The COVID-19 pandemic severely impacted our already fragile economy. Financial institutions have supported the vehicle buying customers, despite making significant provisions for doubtful debts. Despite the shrinking economy and disrupted global supply lines, we were fortunate that demand for new and pre-owned vehicles continued and allowed us to deliver strong operating income supported by strong cash flow generation.

The action plans, while helping Motus overcome the worst effects of the pandemic, have also instilled the urgency to adopt strategic measures to secure the Group's future relevance as long-term shifts in behaviour accelerated. The adoption of the multi-franchise dealership model and extraordinary progress made in digitising Motus stand out in this regard. Swift implementation of these strategies has created sustainable competitive advantage in an automotive world that will never fully return to the way things were done prior to 2019.

While the environment was challenging, we learned to find opportunities in this 'new normal'. The Group is now positioned to pursue those opportunities with greater efficiency and clearer focus. Effectively navigating a crisis like the COVID-19 pandemic requires strategic agility and expertise of leaders trusted to make far-reaching decisions with limited information and little certainty.

It is gratifying, therefore, that the Group has been able to resume dividend payments. A final dividend of 255 cents per share has been declared, with full year dividends totalling 415 cents per share.

Rebuilding South Africa

The severe impact of the COVID-19 crisis on our country has deepened the inequities and injustices in our society and took it to breaking point with the civil unrest that erupted in July 2021. The Group's immediate response was to ensure the safety of our people, customers, and assets in affected areas. While justice needs to take its course to confirm the Rule of Law in South Africa, we all can and must do more to not only restore what we have lost but to rebuild South Africa for the better. That duty applies to the government and corporates as much as it does to individual citizens.

The determination and agility the Group showed over the past 18 months have become real and sustainable competitive advantages. We are now better placed than ever before to grow shareholder value. Shareholders elect the board to take care of their investments. It is our duty to look after the interests of all Motus' stakeholders irrespective of whether they invest their capital, their talent, their trust, or their hope for a better tomorrow with us.

We must rebuild a better Motus and South Africa for its citizens.

Transforming our communities and company

Our nation is as strong as the communities that are its fabric. Whether through driving education in schools or by supporting the development of health clinics in lower-income communities or the informal workshops that keep many of South Africa's vehicles on the road, our efforts aim to empower individuals and expand the socio-economic opportunities that restore human dignity. You can read more about our contribution to communities and small businesses in our ESG impact section on page 96 and in our ESG report online.

We recognise that we are part of the community ecosystem wherever we operate. Our wellbeing is not separate from the people in the communities, who host our operations and resource our aspirations – we are because they are.

Revenue

R87 205 million

(2020: R73 417 million)

▲ 19%

Headline earnings per share

1 179 cents per share

(2020: 296 cents per share)

▲ 298%

Full year dividend

415 cents per share

(paid interim dividend of 160 cents per share)

Chairman's welcome (continued)

We know, too, that in South Africa, rebuilding begins within our closest circle of influence; the transformation of race and gender representation within our company, supported by an inclusive culture. The board and management identified transformation as a priority several years ago, which is taken very seriously throughout the organisation. We set high targets for transformation, measure progress, and link incentive payments to their achievement. Read more about our transformation plans and progress in our people section from page 104.

The Group has also supported the YES Programme, a corporate initiative in South Africa to provide work experience opportunities to unemployed youth in roles specifically created for over 400 programme participants across the Group. In addition to positively contributing to this much needed societal imperative, the programme provides the opportunity to expand the talent pool not only for the Group, but also for the industry. Motus trains over 1 800 artisans to be employed in the motor industry in our country. Motus has also strengthened its Talent for Growth Framework to give momentum to reskilling the workforce and ensuring that we have the right skills available in the right place and at the right time. More detail can be found in our people section from page 104.

Motus has developed and refined a detailed executive and management succession plan that aims to ensure we have the expertise to secure our future and have a transformed management team.

"The determination and agility the Group showed over the past 18 months have become real and sustainable competitive advantages. We are now better placed than ever before to grow shareholder value."

Governance is our core value

Strengthening governance at every level of society is a keystone in rebuilding a better South Africa. Every organisation domiciled in this country has a duty to itself, its people, and society, to ensure that its governance practices reinforce the Rule of Law and the Bill of Rights enshrined in our Constitution. For ethical, responsible companies like Motus, this requires well-functioning boards and committees dedicated to applying codes consistently and effectively. Commitment to strong governance and accountability is part of our character.

This document is also a report on enterprise value and indeed on the values of the company. It reflects the board's role in ensuring good governance in every aspect of our business. In this regard, the role and responsibilities of the board and its committees in guiding and reporting on key indicators demonstrates our commitment to the highest standards of governance: our corporate governance report, starting on page 116, discusses how Motus' board guides and holds itself and our people accountable to this commitment.

We commissioned an experienced external and independent consultant to conduct an evaluation of board effectiveness during the year. Key findings confirmed the board to be well-functioning, and of appropriate size and diversity, especially in terms of race and gender. Directors believe that Motus' values and ethics permeate throughout the organisation, led by the board's example. The board confronts difficult issues robustly and there are appropriate systems in place to ensure compliance with all legal and regulatory requirements, notwithstanding the rate at which they change. ESG was identified as an important area of future focus and will feature more prominently on the SES committee's agenda.

During the year, we welcomed three new board members, Ms. NB Duker, Ms. F Roji-Maplanka and Mr. PJS Crouse. The leadership section details the relevance of their skills and experience to our business and strategy. Before year-end, we said farewell to Ms. KR Moloko, who resigned from the board. We thank her for her time and contribution to the Motus board and wish her well in her future endeavours.

In closing

More robust and specific government policies are needed to support the South African economy which has been scarred by the pandemic. The overhang of debt and structural inefficiencies constrain the government's ability to invest to the extent the economy requires. South Africa would do well to implement policies that unleash the capabilities and resources of the private sector to drive socio-economic recovery.

Agility and determination will increasingly determine business success. Motus today, as it has over our long entrepreneurial history, excels in both. We would welcome improved economic prospects. Government alone does not have the power or the purse to rebuild a better South Africa. This will be the product of a groundswell of commitment and initiatives from individuals, government, communities, and companies like Motus.

I am indebted to my fellow board members for their extraordinary stewardship and guidance, and the performance of our highly competent executive team led by Osman Arbee. Above all, I am grateful for the unwavering spirit and dedicated efforts of every member of the Motus family. Their commitment to the company and stakeholders has secured our future and ability to contribute to rebuilding a better South Africa.

GW Dempster
Chairman

20 September 2021

Chief Executive Officer's review

"Motus rebounded stronger and faster than expected after the initial hard COVID-19 lockdowns, to record robust results for the first full year of trading during the pandemic. This was due to the agility of the management teams, resilience of the Group's integrated business model, and support from suppliers, customers and funders."

Adapting to a new reality

A year ago, the world grappled with what the 'new normal' might look like. We were hopeful that within a year we would get there, and that certainty would be restored. We now know that this pandemic comes in waves with variants that are more vicious and that the virus spreads even faster, even as the vaccine penetration delinks infection from severity. Alongside the escalation of related systemic risks like socio-economic imbalances and climate change, this global public health crisis has shown that it will take years to recover from the economic damage done.

At Motus, we chose to not only rely on the pre-COVID-19 situation returning to assist in improving trading conditions. Our results reflect that the Group's disciplined action plan, implemented more than a year ago, is working effectively. It has been underpinned by agile and entrepreneurial management, the resilience of our integrated business model, acute focus on the basics of managing costs and cash flows, and agile adaption to changes in the way customers behave; attributes which assisted us in achieving excellent results this year. These excellent results were supported by consumers returning to dealerships and stores, and financial institutions continuing to fund vehicle purchases. We continue to actively protect the health and safety of our employees and customers, with the implications of COVID-19 ever present.

Our approach has kept us nimble in an unpredictable environment that demands hands-on day to day business decisions. It allowed us to respond to the major slowdown in the economy, a disrupted work environment, and erratic supply of inventory. Our size, industry expertise, and cash position gave us the agility to capture opportunities – we could sell inventory and convert it into cash at a profit. We built our disciplined, back-to-basics plan into our systems and culture, and that rigour has become a competitive advantage that will outlast the pandemic.

Our action plan is not only about financial rigour and operational efficiencies. ESG imperatives have been central to our priorities over the past financial year. Surviving this very challenging period is as much about shareholder value as it is about our ability to be a meaningful contributor of value to all our 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.

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Variable rates of recovery

Adopting the COVID-19 action plans demanded tough decisions, especially when we had to cancel leases, reduce operational and capital expenditure, and reduce headcount. But these hard choices did soften the impact of the crisis on our operations. Today, most of our businesses are trading at between 80% and 100% of pre-pandemic levels, in the context of low economic growth and interrupted supply of new vehicles restricting recovery. Aftermarket Parts benefitted from pent-up demand that built up over the lockdown period and, while this has now worked its way through the system and normalised, the pandemic has not reduced the need for aftermarket parts, and the demand for affordable, high-quality automotive parts is growing.

The outlier in our stable is, of course, the vehicle rental business, which is operating at 50% of pre-pandemic levels, given the significant decline in local and international travel. However, the Group's integrated business model and the agility it affords us will enable us to support the further recovery of this business. We are also using the opportunity of the weak vehicle rental market to implement innovative system improvements that will improve our customer service offering and differentiate us from competitors when business recovers.

The trading conditions across our markets also reflect variable economic recovery rates and expectations for the year ahead. In South Africa, naamsa reported that new vehicle sales volumes improved by 1% to 445 319 in 2021 despite 25 485 fewer rental vehicles sold. Vehicle sales are estimated at 450 000 to 470 000 for the 2022 financial year. While the South African economy showed remarkable resilience in the first half of 2021, unrest and high unemployment are expected to dampen economic recovery.

The UK economy has benefitted from an effective vaccination programme and the impact of Brexit has not significantly hampered the economy. Australia has implemented decisive policies to boost economic recovery, but the impact of current lockdowns and vehicle shortages will adversely affect the economy and our business for the first half of the 2022 financial year.

Earnings per share

1 153 cents per share

(2020: 165 cents per share)

▲ 599%

Return on invested capital

14,8%

(2020: 6,4%)

Net debt to equity

28%

(2020: 60%)

Chief Executive Officer's review (continued)

The global shortages of semi-conductor chips will impact vehicle production for the next six months, which will, in turn, impact vehicle sales negatively across all our markets. However, the financial impact on Motus remains uncertain as individual OEMs will be affected differently.

Growth from 2019 to 2021

	2021 Rm	2020 Rm	Growth 2021 on 2020 %	2019 Rm	Growth 2021 on 2019 %
Total revenue*	**87 205**	73 417	19	79 711	9
Import and Distribution	**19 683**	17 411	13	18 949	4
Retail and Rental	**70 962**	59 898	18	65 041	9
Financial Services	**2 019**	2 173	(7)	2 172	(7)
Aftermarket Parts	**7 295**	6 050	21	6 442	13
Total operating profit*	**3 795**	2 136	78	3 620	5
Import and Distribution	**912**	827	10	810	13
Retail and Rental	**1 757**	332	>100	1 578	11
Financial Services	**904**	931	(3)	937	(4)
Aftermarket Parts	**559**	322	74	496	13
Profit before tax*	**2 860**	541	>100	2 610	10

** Includes Head Office and Eliminations.*

The results for the year reflect strong strategic and operational achievements, based on resilient financial performance in a challenging and continuously evolving environment. We are encouraged by the solid performance that the Group's diversified business model provides, given the uncertainties in the markets in which we operate.

Our debt, excluding floorplan and IFRS 16 debt, decreased by R3,3 billion primarily due to the lower working capital and vehicles for hire levels and was further positively impacted by the profits generated and no dividend being paid in September 2020. ROIC increased to 14,8% (2020: 6,4%) mainly due to improved profitability and lower average invested capital while WACC decreased to 9,5% (2020: 9,8%) primarily due to the lower cost of debt and lower average invested capital. We have sufficient cash available and a strong balance sheet which will allow us to invest in strategic growth initiatives and consider share buy-backs as the opportunities arise.

Digital opportunities

The initial lockdown periods immediately before the period under review demanded operational changes that continue to benefit Motus. The digital shift customers made during the lockdowns to a greater degree of online vehicle shopping has now become the norm. This change demands new digital solutions without compromising on cybersecurity. Over the year, we accelerated our IT and innovation plans and implemented associated governance and risk management measures.

The changes we are making to our IT systems are not restricted to improvements in security of infrastructure and software applications. Various initiatives are underway to improve business operations and the customer's experience and the way in which they interact with us, such as our car rental customers who will soon experience quicker, more convenient, and safer service from the new bookings to payment system being introduced. Other areas of our business will benefit from the deployment of new enterprise resource planning (ERP) systems.

Virtual showrooms are highly unlikely to fully replace the in-person vehicle buying experience. Customers will still want to inspect the vehicle and develop a relationship with the dealership that will maintain their vehicle in what is for many, one of the most significant purchases of their lives. Sales agents will still need to get into the vehicle with buyers to introduce them to the features and functions of their new vehicles. Many of the regulations governing ownership of vehicles still demand ink on paper, and it will be a long time before robots replace humans in serving customers.

However, we recognise that online browsing has replaced weekend window shopping. We are responding to this emerging vehicle buying experience by introducing multiple digital marketing and digital showroom entry points. Our customers can go straight to a specific brand's website, or they can start at our recently launched motus.cars platform and narrow their search from there. We designed an online presence to get vehicles on buyers' shortlists and attract them to our showrooms. Once in the showroom, we can solve financing problems in ways online traders cannot and supplement the transactions with add-ons that tailor the vehicle to the specific needs of the customer. Our dealerships, which are in prominent locations in growing areas, will continue to differentiate us.

In the process, we learnt that speed is of the essence. The time it used to take us to value customers' trade-ins sometimes cost us the business, as buyers have grown accustomed to instant online responses. To leapfrog legacy technology, we bought the getWorth business, sourced the right software, and are rolling it out to our dealerships. Rather than relying on a manual and business instincts, our dealers will soon use algorithms and the data we provide to value vehicles quickly and accurately and minimise the risk of overpaying for trade-in vehicles.

For us, digitisation is about enabling trade. Our investment in getWorth and the latest software will allow us to realise our ambition to be as good at trading pre-owned vehicles as we are at selling new and pre-owned vehicles. We need to buy pre-owned vehicles much faster. We have already reached the point where we are nearly selling one pre-owned vehicle for every new vehicle. Digitisation of the process will allow us to reduce the risk of inaccurate pre-owned vehicle valuations.

Managing priorities

As previously mentioned, we have had to be exceptionally focused to remain sustainable through the first year of the COVID-19 crisis. We pursue our priorities, which remain largely unchanged, with discipline, vigour, and urgency.

Resilience

1. Sustain capital management discipline.
2. Leverage competitive advantages to diversify and grow earnings streams.
3. Accelerate the implementation of new ways of working and maintain agility to grow the business.

Relevance

1. Deliver exceptional value to customers as their needs change.
2. Remain the strategic partner of choice for OEMs and suppliers.
3. Be an employer of choice in the automotive industry.
4. Innovate practically and proactively.
5. Use technology to sustain the business.

Responsibility

1. Demonstrate best-in-class governance.
2. Proactively manage the ESG consequences of our activities.
3. Consistently deliver on stakeholder expectations to protect our reputation.

IR For full detail on our **material priorities**, from page 62.

Chief Executive Officer's review (continued)

Opportunities for growth

Part of our COVID-19 experience was to learn to find opportunities in a severely challenging environment. The implementation of the multi-franchise model was one such opportunity. Several of our dealerships were struggling to match their potential, even before the pandemic hit. We realised that combining multiple dealerships in single locations would 'sweat' our assets and improve dealership profitability. With the support of the OEMs, we introduced a number of multi-franchise dealerships sites which allowed us to convert loss making sites to profitable sites.

To date:

- We achieved significant savings and secured profitability by establishing multi-franchise dealerships in Bedfordview, Klerksdorp, and Rustenburg during the year.
- Over 40 dealers are now housed inside multi-franchise dealership footprints.
- A new multi-franchise dealership in Menlyn will combine seven brands. This dealership will represent the Group's single biggest multi-franchise dealership site.
- We adopted a more generic approach in our dealership designs. Where, in the past, buildings were designed to reflect brand identities, the new approach allows greater flexibility while reducing costs.

Beyond organic growth, we are also in continuous discussions with OEMs to expand the brands we represent. COVID-19 and its associated challenges overtook some of those discussions over the past year. However, we are considering additional distribution agreements. We also continue to buy out franchisees where possible. We bought the remaining 40% of Motus Vehicles Distributor (formerly Renault South Africa) from Renault France and concluded a 10-year exclusive distribution agreement for South Africa and neighbouring territories. This acquisition will allow us to enhance operational synergies and unlock value within the Group's integrated business model.

We are currently conducting a due diligence study in anticipation of an acquisition in Europe in the aftermarket parts distribution sector. The business has a large warehouse from where we will distribute a comprehensive range of replacement automotive parts to 60 countries. It is highly reputable and benefits from a professional management team with many years of industry experience. This transaction will significantly increase our reach into the European parts market, assist with utilising our Asian infrastructure for the supply of parts, and continue to support the integrated business model. Other acquisitions are being pursued locally and internationally.

Over the past year, the Financial Services business has lived up to its promise of providing annuity income when profits from vehicle and parts sales slowed down. It has once again proved its ability to protect shareholder value and demonstrated the importance of innovation when existing avenues of growth were curbed. Opportunities for new joint ventures with financial institutions are continuing and we will see new sales opportunities in the 2022 financial year. Financial Services relied on Motus' well-established and methodical innovation centre to drive exciting new opportunities, described in more detail in our Chief Innovation Officer's review from page 36.

Suffice for me to highlight our firm belief that innovation needs to grow from our workforce on the ground as much as it flows from top management. Equally, we recognise that continuous incremental improvement is at least as important as breakthrough discoveries. Our innovation focus also ensures that we give due attention to improving the systems that underpin the development of new products and services that forge our differentiation.

Managing emerging risk

The health and safety of our workforce and customers has been our key focus and greatest risk throughout the year. In addition, the COVID-19 pandemic continued to disrupt international supply lines which posed a significant risk to our ability to supply customer demand for vehicles and parts. A close focus on cash flow allowed us to be agile in responding when supplies became available. Our long-standing relationships with suppliers further ameliorated this risk.

The past year has also highlighted the importance of IT in identifying risks and pursuing material priorities. A close focus on larger volumes of information, combined with deep industry expertise, allowed us to anticipate and manage most risks. Our integrated business model, the resilience of the Aftermarket Parts business, and the annuity income from our Financial Services business allowed us to produce a sustainable result for the future. We often gain on some of our businesses what we lose on others. We felt vulnerable when COVID-19 presented us with a black swan event in last year's lockdown. Still, our diverse income streams, COVID-19 action plan, and built-in resilience soon restored our confidence and ability to produce great financial results for the year.

Managing regulatory change

Most of the regulatory risks we identified a year ago have been well managed. We introduced new products and processes in response to the Competition Commission's Automotive Aftermarket Guidelines (also known as Right to Repair). Extensive work was done to ensure that our systems, as well as those of our partners in the financial services industry, comply with the Protection of Personal Information Act (POPIA). Certain provisions of the Administrative Adjudication of Road Traffic Offences (AARTO) came into effect on 1 July 2021, with the remaining provisions being phased in with full implementation targeted for July 2022.

We participate in the regulatory consultation processes that precede the enactment of regulations, directly and through our membership on a number of industry forums. And, where questions remain, as is the case with AARTO's impact on fleet owners, we will continue to explore solutions through industry bodies like the Road Freight Association and SAVRALA. We spent the past financial year preparing for the changes that these new regulations will introduce in our industry and are confident that we have mitigated the related risks and, where possible, leveraged associated opportunities.

> "Aligned to our values to support actions which make a tangible impact in communities, Motus committed R5 million to food and medical relief efforts in the KwaZulu-Natal province to ensure that the community received the desperately needed supplies of necessities."

Accelerating ESG

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. As with COVID-19, the health and safety of our workforce and customers came first and we are pleased to report that none of our staff and customers were injured during the unrest and our affected businesses were operational within ten days.

Aligned to our values to support actions which make a tangible impact in communities, Motus committed R5 million to food and medical relief efforts in KwaZulu-Natal to ensure that the community received the desperately needed supplies of necessities.

As a society, we must renew our commitment to the Constitution and accelerate our programmes to change the inequality that both COVID-19 and the unrest highlighted. We must accelerate the pace of transformation if we are ever to live in a just and safe environment. Though transformation is a national ambition, we recognise that its success depends on the commitment of individuals and the culture in our workplaces. Motus will not fail in that responsibility. Transformation is more than an ambition; it is a measured goal throughout Motus. All CEOs and senior business leaders are responsible for meeting broad-based black economic empowerment (B-BBEE) targets. Our remuneration policy stipulates that up to 20% of their short-term incentive payments are linked to these targets.

Chief Executive Officer's review (continued)

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

South African black representation (%)	2021	2020
Top management	**36**	30
Senior management	**53**	40
Middle management	**47**	45
Junior management	**68**	65
Total employees	**73**	73

We have identified a number of senior and middle management positions across various businesses earmarked for black professionals in the medium term, ensuring a succession pipeline for future senior management positions when they become available. During the year, we appointed people from designated groups into a number of key senior roles across the Group. Already, five people from designated groups serve on the Motus executive committee (42%).

We work with other industry role players in promoting B-BBEE. For example, we are working in partnership with Toyota to open a majority black-owned satellite dealership in Tembisa. Apart from a minority shareholding, Motus provides operational support and training. Our Import and Distribution business already has 30 independent black-owned Hyundai, Kia, Renault and Mitsubishi dealerships. And today, 42% of our Dealer Principals are black professionals. We also support other initiatives, like the Makhaya informal sector mechanics' project. Makhaya provides them with equipped workshops, technical support and business training.

We are committed to operating in an environmentally conscious and responsible manner and to support the economies and communities in which we operate. We work at continually improving the quality of our ESG data to support transparent reporting and better decision making, and to enable more robust target setting. Our guidelines and frameworks ensure that all businesses are aware of their responsibilities, and that ESG targets are included in the payment of short-term incentives.

There is increasing demand for electric and hybrid vehicles in markets beyond Africa, as stricter emission regulations, lower battery costs, and more widely available charging infrastructure create momentum in their development by OEMs and adoption by consumers. In the UK, we estimate that around 5% of our vehicle sales are electric and hybrid vehicles, supported by government subsidies and better charging infrastructure, while in Australia electric and hybrid vehicle sales are smaller.

Subsidies and tax incentives stimulate demand for electric and hybrid vehicles in those markets where governments have identified the switch to low/zero emission transport as priorities. That is not the case in South Africa. Here, the price difference between electric and hybrid vehicles, compared to conventional engines, remains prohibitive. In addition, long travel distances in South Africa and Australia pose practical challenges. The unreliability of South Africa's electricity supply represents a further obstacle.

In South Africa, support for electric and hybrid vehicle adoption comes from the South African Automotive Masterplan (2021 to 2035) implemented on 1 July 2021, which aims to stimulate and protect the local automotive manufacturing base for export purposes. The plan is focused on ensuring that South African automotive manufacturing plants adopt the technology to serve international markets. Naamsa is engaging with the Department of Trade, Industry and Competition (dtic) on an early review of the Automotive Masterplan. The aim will be to incorporate the latest global electric and hybrid vehicle developments, which have been accelerated by the COVID-19 crisis, so that the automotive industry can achieve the targets set out in the Masterplan.

Outlook and appreciation

As I alluded to at the outset of my review, even when the vaccination programme brings the ramifications of the COVID-19 crisis under control, the pandemic will leave a dramatically changed environment in its wake. Instead of waiting for the new normal, it is up to us to face reality and adjust our business models and create a new normal.

We have done just that. In the process, we have created competitive advantages through innovation, discipline, and agility – characteristics that we will continue to cultivate and protect, deliberately and methodically.

Our results also speak for themselves. We believe this report demonstrates that Motus has the agility, scope and means to respond effectively to challenges. We have learned to do more with less. While no one can predict what we will face in the new financial year, we are confident we have the people, support of our suppliers and funders, processes, product offerings, and the culture to respond effectively to both the emerging risks and opportunities.

Our integrated business model, and the Group's agile and entrepreneurial leadership, have allowed us to stabilise the business and generate outstanding financial results and significant cash flows in an unpredictable environment. We have scaled our business activities to adapt to the new economic circumstances in a sustainable and responsible manner. Trading in July and August 2021 has been positive, albeit marginally impacted by the shortage of new vehicles and civil unrest experienced in South Africa. We have sufficient cash available and a strong balance sheet to invest in strategic growth initiatives and will consider share buy-backs as the opportunities arise.

We remain committed to delivering growth in operating and financial results for the year to June 2022, provided there are no further stringent lockdowns, severe vehicle inventory shortages from OEMs, or further social unrest in South Africa. South Africa's socio-economic environment is a cause for grave concern and, importantly, a risk we will have to manage. Our unwavering commitment to ESG, within our sphere of control, will be a cornerstone of our approach.

We extend our deepest condolences to the families, friends and colleagues of the 27 Motus employees who sadly lost their lives in the financial year, 24 of whom succumbed to COVID-19.

We specifically thank the board members for their guidance during the year, the support from our suppliers and funders, and most importantly the support of each and every staff member that works at Motus to ensure that we continue to build a sustainable business while delivering exceptional results for the year.

Osman Arbee
Chief Executive Officer

20 September 2021

Chief Innovation Officer's review

"The Group's IT and innovation strategy aligns with the Motus vision to improve people's lives by envisioning, innovating and creating new avenues of access to leading-edge mobility solutions."

We view this strategy through two lenses: internally focused, where IT and innovation are focused on leveraging our existing capabilities to create efficiencies and synergies; and simultaneously, externally focused, where we focus on partnerships or investments in technology and innovative concepts that allow us to capitalise both on existing and new opportunities to create value for our customers and for Motus.

Overview of Motus' IT strategy

The importance of Information and Communication Technology (ICT) has never been more visible than over the past 12 months. The world has changed at an extraordinary pace and Motus' ability to adapt has largely centred around the ICT infrastructure in place to enable remote working. Previously implemented ICT strategies have meant that Motus was well placed to adapt to the new ways of working which have emerged as a result of the COVID-19 crisis.

ICT presents opportunities to deliver services more efficiently while maintaining excellent customer service. Transformation is vital and this strategy evidences Motus' commitment to being a forward thinking, proactive, and customer focused organisation. The benefits are not just felt by our customers, but also by our people and others that engage with Motus.

The COVID-19 crisis has seen a clear shift in the way customers wish to engage with Motus. Our online presence (such as motus.cars) is critical to capturing this shift and ensuring that customers are able to engage with us through whichever channels are most convenient to them, including digital channels and platforms. In addition to this, effective operation of back-office functions and systems are critical to ensure that our people are able to deliver vital services in their day-to-day roles. This strategy is technical in nature, but the overall message is clear. Motus is committed to investing in ICT and recognises the importance of ICT in its overall ambition to transform the way services are delivered. Significant milestones have been achieved, but our journey has just begun.

Our strategic focus areas are:

1
- **Responding to the COVID-19 crisis.**
  By ensuring that we are positioned to provide and secure a hybrid workplace and digital platforms for customer engagement.

2
- **Developing appropriate responses to and defences against continually evolving security threats.**
  Globally, companies report a significant increase in malware and ransomware attacks, which is also mirrored in international markets. Motus has allocated additional resources and executive focus to improving controls and processes and developing appropriate responses to this ever-increasing risk.

3
- **Providing an improved Customer Experience (CX).**
  Digital customer experience is a key competence required to remain competitive. As customer expectations of our applications and our digital services have increased, our platforms have evolved to become a natural extension of our customers' behaviour.

4
- **Adopting and integrating SaaS (Software as a Service).**
  The increasing adoption and popularity of cloud solutions have fundamentally changed how we use software. Motus has evaluated its applications and moved (or in some instances, is in the process of moving) applications to SaaS, as and where appropriate and with due consideration to cost implications.

5
- **Maintaining data privacy and governance standards.**
  Compliance with POPIA entails strict data privacy controls, making data security and governance one of the most pressing challenges we need to address. Compliance with POPIA has been a significant focus area for Motus in the past two years, and processes and procedures throughout the organisation have been reviewed and amended where necessary.

"The world has changed at an extraordinary pace and Motus' ability to adapt has largely centred around the ICT infrastructure in place to enable remote working."

With these new challenges will come new opportunities to use ICT to enable Motus to achieve efficiencies while maintaining and improving service delivery standards. ICT will be a key contributor to achieving Motus' vision. ICT is no longer just a support function; it has become a critical enabler to the business. It has the ability to transform the way services are organised and delivered. It has a fundamental role to play in improving efficiency, reducing cost across the organisation, exploiting income-generating opportunities, and improving the customer experience. Fundamentally, our ICT strategy supports, underpins, and aligns with the Motus vision to improve people's lives by envisioning, innovating, and creating new avenues of access to leading-edge mobility solutions.

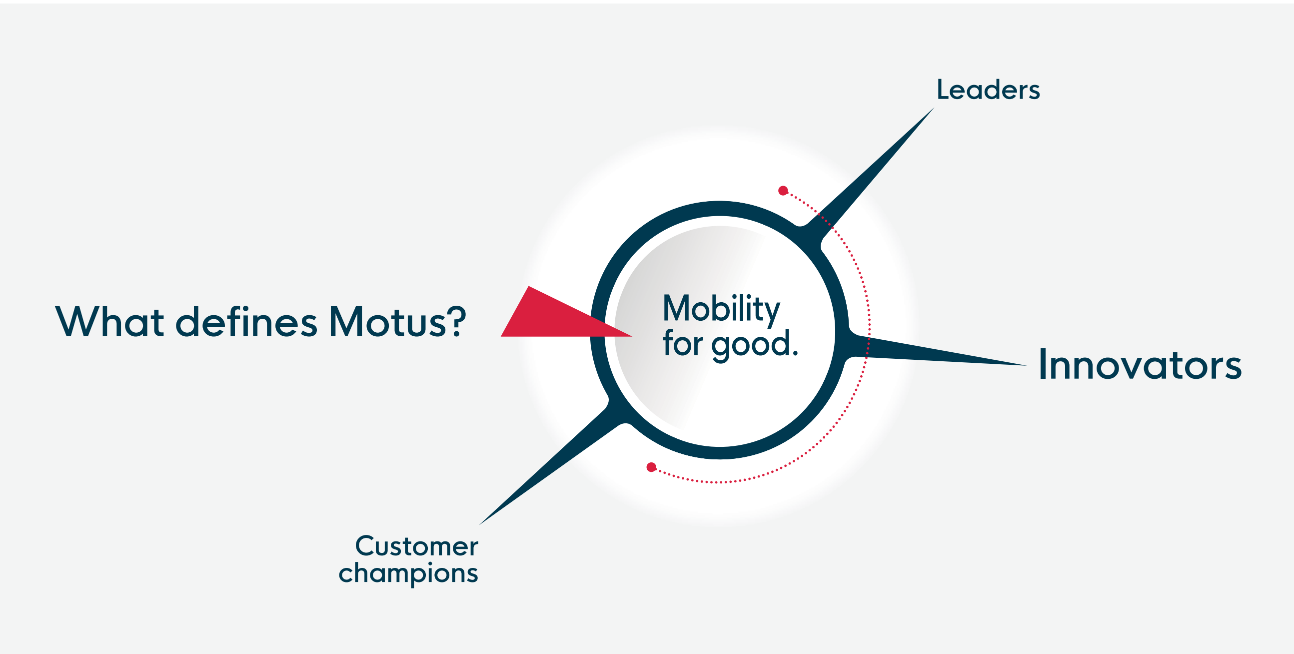
Overview of Motus' innovation approach

In the automotive industry, the Fourth Industrial Revolution has brought innovative technologies to the fore and fuelled stakeholders' demands for further breakthroughs in the industry's efforts to respond both to the need for and the environmental impact of mobility.

However, many of the innovations and digital developments in the automotive industry have emerged from international markets, driven by disruptors and OEMs. At present, many of these trends, such as autonomous vehicles, connected vehicles, electric and hybrid vehicles, and MAAS (mobility as a service), currently have limited applicability in South Africa with our sparsely populated rural areas, long city commutes, and aging car parc. We cannot afford to wait for international innovators to make breakthroughs in the hope that these innovations would automatically be of value in our home market. To respond to the South African motorists' unique needs and build a competitive advantage in the process, Motus needs to create South African solutions that overcome South African challenges.

Motus' focus on innovation is not unique. Our traditional competitors are also developing better ways to respond to under-served customer needs. Even more significantly, financial institutions and insurers are using their vast databases and financial strength to develop automotive products and services. Our response to this trend has been to develop and launch innovative products and services in collaborative partnerships with these institutions. For example, our new vehicle warranty plan, which is a joint venture with Discovery Insure, uses telemetry to measure and reward safe and responsible driving behaviour. This product is only possible through collaboration between two organisations with complementary capabilities and data sets pertaining to South African motorists.

Given our positioning as a distributor and retailer of vehicles, parts, and related products and services, our focus must be on improving processes in the company, creating better interfaces with our customers and franchisees, and developing new Financial Services and related products that offer fresh value, tailored to South African motorists' needs. Customers' needs influence and set the scope of our innovation efforts. While our innovation process encourages creativity, we focus our innovative thinking strictly on pre-identified Motus priorities that are vested in our deep understanding of the people we serve.



Accelerated development

Innovation has long been a vital strategic focus area and an effective tool in deepening our competitiveness and ensuring our relevance across the automotive value chain. Now, as the connected consumer becomes more prevalent in our markets, we drive innovation deliberately to disrupt our traditional business, supporting change which is often uncomfortable.

At the time of our unbundling from Imperial, Motus recognised the value of a structured innovation programme that benefits from the diverse perspectives throughout the Group. In the first two years post the unbundling, we made significant progress in establishing a culture of innovation. We established a brand, Motus Xponential (m^x), and used it as a communications tool to reinforce the view that Motus encourages innovation and that management not only supports it, but participates actively in the innovation programme.

However, it became apparent that a platform that relied on in-person activities could never involve enough of our people to capture Motus' true potential to innovate. Establishing an online platform and offering a virtual innovation space would allow a more diverse and more widely spread group to participate. The process of establishing that online platform was well underway by the time the first lockdowns prevented further in-person activities. The timing was, indeed, fortuitous. It not only allowed us to continue our innovation activities but made it possible for thousands of Motus employees to participate.

Our online platform and process

We designed and built the m^x process and platform with the express purpose of finding new ways to leverage our existing capabilities to maximise returns. We do this by partnering or investing in technology that will support our ability to explore new markets and capture new opportunities that will create future value and secure our long-term sustainability. During the year, our innovation strategy focused on improving collaboration across the Group to deliver strategic innovation projects. This allowed us to establish innovation at all levels as a core competency in supporting the Group's strategy for renewal and growth.

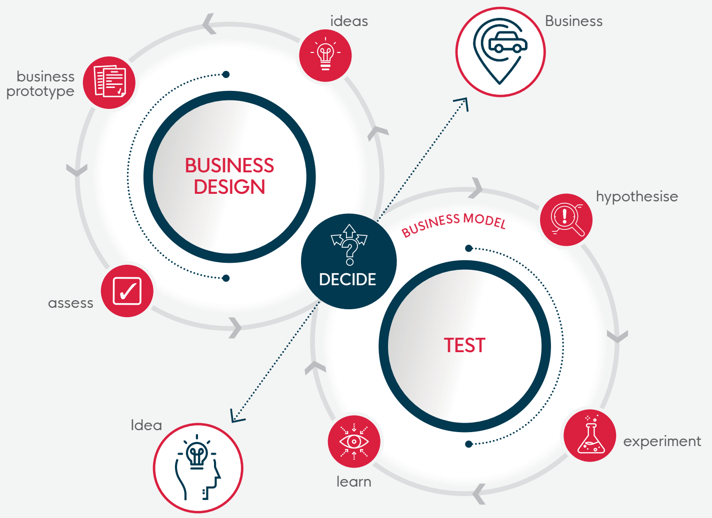
We built m^x with four objectives:
- Sharing innovation knowledge.
- Enabling internal innovation.
- Establishing strategic partnerships.
- Deepening a culture of innovation.

We host strategic business challenges on the m^x platform and then invite ideas from the m^x community. Workable ideas get sponsorship from a division and become proof of concept projects/experiments which, if they are successful, are then commercialised by the division. This platform has allowed us to scale up the innovation capability within Motus and deepen our culture of innovation by driving Group-wide idea generation through m^x Challenges, hosting keynote events and 'Collab Wednesday' initiatives, and partnering with Henley Business School South Africa to deliver integrated projects.

Benefits and results

In addition to innovation challenges, the m^x platform facilitates access to innovation skills development through online courses, articles, videos, and workshops. More than 300 of our people participated in these skills development initiatives during the past year, and more than 1 000 employees attended eleven keynote events. The aim was to attract one in four employees to the m^x community. We have grown our community to more than 3 900 m^x community members since the start of the financial year and exceeded our initial target by 156%.

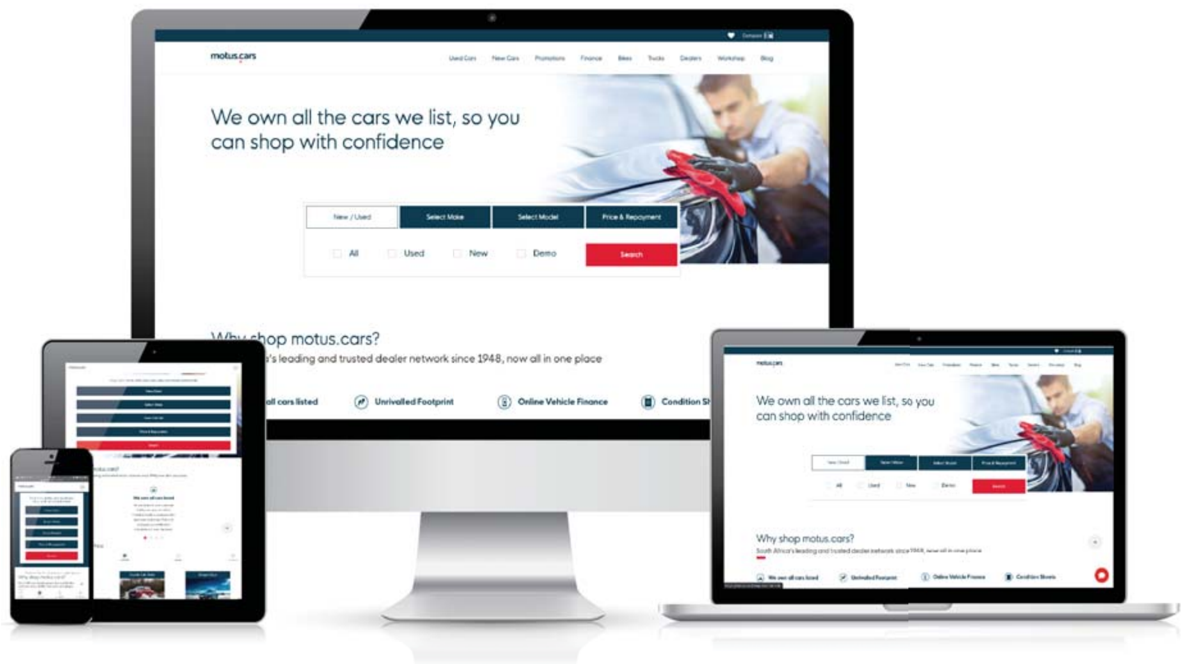
The idea-to-concept development journey



Chief Innovation Officer's review (continued)

In the past year, seven business challenges were taken through the innovation funnel using our idea-to-concept development journey. This process entails starting with soliciting ideas from the business, shortlisting those with potential, building idea teams, and developing these ideas into implementable concepts to pilot.

These seven challenges produced 12 concepts that were selected to be piloted as experiments within the various Motus divisions. The innovation funnel as depicted below reflects the input over the financial year that resulted in 12 sponsored concepts.



Driving innovative solutions

Motus developed a brand-agnostic, personal vehicle matchmaking assistant, Moov, for first-time vehicle buyers. It was inspired during a Motus Design Sprint brainstorming session in 2019. The chatbot, with built-in machine learning, matches a user's personality, lifestyle, and budget to a vehicle, minimising the time it takes to find the best vehicle for the user's needs.

Motus' acquisition of a controlling stake in getWorth, an online vehicle trading platform, is a first-of-its-kind in our market. The proprietary technology behind the getWorth offering will enable Motus to do data-driven valuations on trade-ins, thereby enhancing the customer experience through real-time offers and reducing risk for Motus associated with trade-in pricing through traditional manual methods.

Motus launched motus.cars, South Africa's largest automotive group retail aggregator, which is set to revitalise the motor retail industry. Motus aims to capitalise on the trend towards digitisation, where 75% of Motus customers are making enquiries through digital platforms and are only visiting one or two dealerships before making a purchase, down from five visits as recently as two years ago. motus.cars is unique in South Africa. It allows customers to buy, sell, trade-in, apply for finance and book a service on a single platform. More than 300 dealerships and 30 new vehicle brands back it. Already, motus.cars lists thousands of pre-owned and demo vehicles.

Motus has also been the first to market with other mobility solutions tailored to our stakeholders' unique unmet needs. These include:

- Leveraging our Big Data capability to develop a unique and innovative suite of value-added products and services tailored to meet every mobility need of our customers with the right offering at the right time.
- Developing LiquidTrack, an 'Uber' for roadside assistance solution. The solution is delivered via a mobile app and creates operational efficiencies and an improved customer experience by increasing both the customer and service provider's ability to track a roadside event. LiquidTrack is a market differentiator allowing Motus to actively compete in the digital space by eliminating human intervention and paperwork.
- Offering the first telematics-based warranty using driver behaviour.
- Launching an innovative mobile application that enables the recording of a vehicles bodyline condition in seconds with the use of augmented reality (AR) and artificial intelligence (AI). This effectively automates the repair claims process, reduces human intervention and cuts the claims approval time from days to a couple of hours.
- Offering a digital Know Your Customer solution for customer and juristic onboarding (a first in South Africa) when buying a vehicle.

In closing

Most of our innovation initiatives will be focused on the business-of-today, driving efficiency and sustainable innovation that maintains and grows our existing business. Innovation that supports the business-of-tomorrow will be transformative, creating ideas to ensure new growth for the future.

I am indebted to the more than 3 900 virtually connected Motus employees who have voluntarily joined the Motus Xponential community. This community, through m^x, is forming the foundation on which we can build a culture of innovation and execution through collaboration across the Group. Their dedication and commitment to innovation will enable Motus to explore the future while excelling at managing the present.

Kerry Cassel
CEO – Financial Services & Head: Innovation Technology

20 September 2021

Chief Financial Officer's review

"The Group has proven resilient in another year of challenging operating conditions. In most cases, our business segments are nearing pre-pandemic trading levels. The synergies across our integrated business model, and the agility and urgency that has become standard operating procedure at Motus, will support our continued renewal and growth."

Performance review

The Group's results for the year reflect strong strategic and operational achievements, which supported a resilient financial performance in a challenging and evolving trading environment. The impact of COVID-19 on the global automotive industry continued to disrupt the manufacture and supply of vehicles from OEMs, limiting inventory availability.

The Group's successful implementation of our COVID-19 action plan and related initiatives enabled us to convert excess vehicle inventory and vehicle rental fleet into cash. We also continued to align our cost structures and adapt our diversified operations to the changing environment and used available government relief programmes where they were available, mainly in our foreign operations. This shift in focus to resilience, agility, and recovery has supported necessary adjustments to our business model, driven by an agile and entrepreneurial management team, that provides a solid springboard for growth.

Financial overview

Revenue increased by 19% mainly due to improved performance in the Import and Distribution segment, the retail businesses (in South Africa, the 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%).

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.

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

Revenue

R87 205 million

(2020: R73 417 million)

▲ 19%

Profit before tax

R2 860 million

(2020: R541 million)

▲ 429%

Chief Financial Officer's review (continued)

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

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.

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.

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.

Debt and liquidity

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.

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.

Our liquidity position remains strong with R15,3 billion in unutilised funding facilities. A total of 42% of the Group's 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.

Strategic acquisitions

During the year, we concluded select acquisitions to support the longer-term strategy of the Group. These businesses will enhance operational synergies and accelerate innovation in existing businesses.

These strategic transactions included:

- Six passenger dealerships in South Africa, two passenger dealerships in Australia and one commercial operation in the UK.
- Midas stores in Aftermarket Parts.
- The remaining 40% shareholding in Motus Vehicles Distributor Proprietary Limited (formerly Renault South Africa Proprietary Limited).
- An additional 10% shareholding in SWT Group Proprietary Limited (Australia).
- An investment in Synapt Proprietary Limited, which owns 100% of getWorth Proprietary Limited. Subsequent to year-end, the Group acquired an additional 11% shareholding, increasing effective ownership to 60%.

Operating profit

R3 795 million

(2020: R2 136 million)

▲ 78%

Free cash flow generated from operations

R5 904 million

(2020: R3 004 million)

Reliable reporting

Internal financial controls that operate as intended form the backbone of effective financial reporting. The overall design and effectiveness of internal financial controls requires sufficient rigour to ensure that the required and appropriate level of reliance can be placed on them in producing the Group's financial information and disclosures. The changes to the JSE Listings Requirements have meant that the CEO and CFO need to be comfortable that this is the case and the Group's combined assurance activities, incorporating both internal and external audit, have confirmed that the Group's financial controls are operating effectively, in line with their intended purpose.

Prospects

Our strategic agility during the year and the actions we have taken allowed us to stabilise the business and generate outstanding financial results and significant cash flows in the unpredictable environment in which we find ourselves.

Hand-in-hand with the agility the Group has shown, we have maintained a strong control environment to minimise the risk of any 'own goals' that may exacerbate the impact of challenging trading conditions. We have been able to demonstrate that agility and control, grounded in robust systems and visibility of policy compliance in every corner of the organisation, are not mutually exclusive.

We expect to deliver growth in operating and financial results for the coming year, provided there are no further stringent lockdowns, severe vehicle inventory shortages from local OEMs or incidences of social unrest in South Africa. We have sufficient cash available and a strong balance sheet to support investment in strategic growth initiatives and may consider share buy-backs as the opportunities arise.

My thanks go to our people, customers, suppliers, funders and stakeholders for their unwavering support during these challenging times; and specifically, to the financial management teams across the Group for their efforts in ensuring financial planning, monitoring and disclosure of a high standard notwithstanding the complexities of an unpredictable environment.

Ockert Janse van Rensburg
Chief Financial Officer

20 September 2021

Automotive industry

The impact of the COVID-19 crisis on the global automotive industry is extensive. In its wake, the industry is absorbing manufacturing, supply chain and operational disruptions.

While there is no obvious 'new normal', the industry has become better at responding to the environment and the COVID-19 related challenges as, more than a year into the pandemic, it is clear that the industry's future has altered.

The damage COVID-19 inflicted on the global economy continues to affect emerging markets disproportionately. Their recovery paths are likely to prove uneven and varied across industries and countries. Vaccine rollout programmes in some nations have been faltering, mainly as a result of inequity in global vaccine availability. This will delay economic recovery as much as it defers health security for all.

Economic

South Africa

The South African automotive industry provides mobility and facilitates local and export trade; creating sustainable jobs; moving people and goods and supplying services; and serving the people of South Africa.

With an annual contribution of around 6,4% of South Africa's gross domestic product (GDP)[1] (including 2,4% from the retail segment) and accounting for more than 13,9% of total export value, the automotive industry plays an indispensable role in contributing to the country's longer-term economic sustainability.

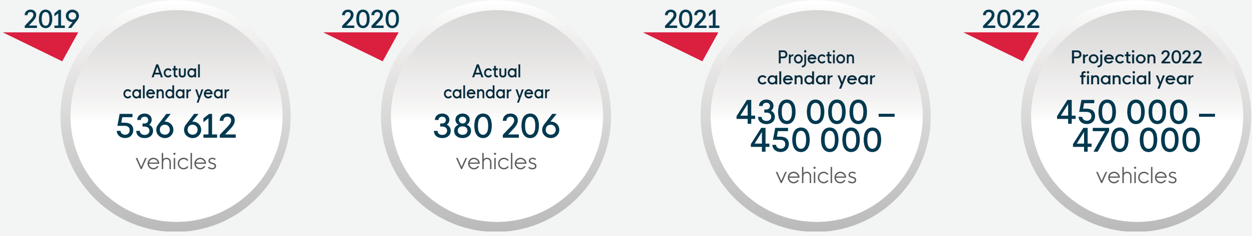
The South African economy remains subdued, with existing political and economic challenges further exacerbated by the slow rollout of the COVID-19 vaccine programme. Continuing low growth, reduced disposable income, depressed consumer confidence, high unemployment, and high social vulnerabilities have been countered by some improvement in the overall economic environment including low interest rates and low inflation. While the true cost of the socio-political unrest in July 2021 remains uncertain, the South African economy will be more constrained as recent economic growth reverses.

Despite COVID-19's negative impact, South Africa's automotive industry produced 62,1%[1] of Africa's vehicle production in 2020. This achievement reinforces the role of the automotive industry in South Africa as well as its contribution to the industrial capacity of the African continent.

The South African new vehicle market continues to be affected by the weak macroeconomic environment, lack of disposable income and low consumer confidence. Industry margins will continue to underperform as consumers continue

to delay purchases, trade down with the shift to cheaper vehicle models, and place pressure on the quality of pre-owned vehicle supply. Ongoing international and local travel restrictions significantly impact the vehicle rental market and the source of pre-owned vehicles in the market.

According to naamsa, the South African new vehicle market remains subdued although with more stability as market recovery continues to gain momentum, with new vehicles retailed up 1% for the 12 months to 30 June 2021[1], to 445 319 vehicles. Our market share of the retail vehicle categories in which we operate stayed consistent at 20,2%.



United Kingdom

The UK economic outlook is promising, benefitting from the finalisation of Brexit, the lifting of lockdown restrictions, and an extensive vaccination programme[2]. The new vehicle market improved by 14,6%[3] for the 12 months to 30 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 signs of recovering in both the passenger and commercial segments, although inventory supply constraints are expected to continue in the short term.

Australia

The Australian automotive industry remains a highly competitive environment. The market grew by 9,7%[4] for the 12 months to 30 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 using government assistance. The slow rollout of vaccinations has resulted in complete shutdowns in Australia, commencing in August 2021.

[1] *naamsa.*
[2] *KPMG UK economic outlook, June 2021.*
[3] *The Society of Motor Manufacturers and Traders.*
[4] *Federal Chamber of Automotive Industries – Australia.*

Automotive industry (continued)

Global and local sector trends

The automotive industry remains highly competitive with technological advances and increasingly empowered consumers making it imperative that we adapt our operating models to remain relevant to the needs of the digitised consumer.

Key trends shaping the automotive industry include:

Digitisation

Consumers are demanding technology that is smarter, simpler and in line with their needs. The automotive industry must transform the customer experience to one that is digital, omnipresent and omni-channel, and reflects the customer experiences enjoyed in retail, banking, and a host of other industries. Innovation is accelerating across the customer experience, including the marketing, valuation, and trading of pre-owned vehicles, and increasing the ease and security of transacting online.

The 2021 Deloitte Global Automotive consumer study found that even though virtual vehicle sales may be here to stay, a majority of consumers would still prefer to acquire their next vehicle in person at an authorised dealer, as some aspects of the buying process remain difficult to digitise.

Electrification

Interest in electric and hybrid vehicles is growing as stricter emission regulations, lower battery costs, and more widely available charging infrastructure create momentum in their development by OEMs and adoption by consumers.

Vehicle manufacturers are working on electric and hybrid vehicle concepts in their product portfolios to meet stringent emissions targets, particularly in the UK, Europe, and China. The impetus to accelerate electric and hybrid vehicle adoption in South Africa comes from the South African Automotive Masterplan (2021 to 2035) implemented on 1 July 2021 through government policy to stimulate and protect the local automotive manufacturing base for export.

In May 2021, the South African Government issued a draft New Energy Vehicle Green Paper. The paper is the first step towards establishing a clear policy foundation to co-ordinate a long-term strategy to enhance South Africa's competitiveness in the global transition from the internal combustion engine into electromobility solutions and technologies.

Structural realignment

In South Africa, the trend towards buying down has resulted in significant volume reductions in the luxury vehicle segment and reflects a permanent structural realignment of the new vehicle market. Entry-level vehicles, small hatchback vehicles and, small to medium SUVs continue to grow as consumers trade down due to affordability. In addition, the pre-owned vehicle market is buoyant. This has been accelerated as a result of the impact of the COVID-19 crisis on the South African economy.

Regulation

On 1 July 2021, the key legislation directly impacting the South African automotive industry came into effect. Our memberships in industry bodies have been critical in developing our deep understanding of what we need to change to comply with the regulations and the impacts they will have on the Group and our industry. These include the Competition Commission's Automotive Aftermarket Guidelines (also known as Right to Repair), the POPIA, and the AARTO Act. Certain provisions of the AARTO Act, for example, the points demerit system and driver rehabilitation programmes, will only be introduced from 1 July 2022 – a year later than anticipated.

Read more about the **impact of new and emerging regulations on our business** in our ESG report online.

Management responses to the changing environment

Motus is well-positioned for longer-term resilience and growth in the markets in which it operates.

Our immediate responses include:
- Adapting our business to the new market conditions.
- Implementing additional health and safety protocols for customers and staff.
- Scaling our business activities accordingly and responsibly, introducing multi-franchise dealership models where appropriate.
- Maintaining good relationships with OEMs, suppliers, and customers.
- Controlling capital expenditure.
- Accelerating innovation and digitisation strategies to address consumer needs, for example launching our motus.cars platform, and focused investment in innovative technologies, for example, getWorth.
- Maintaining open and transparent communication with funders and investors, the board, and our people.
- Adapting and transforming the workplace, including enhancing staff wellness programmes and introducing flexible working arrangements.

Engaging with stakeholders

The Group's stakeholders include a wide range of groups and individuals who may be affected by our activities, products, and services, and whose actions can be reasonably expected to affect Motus' ability to successfully implement its strategic objectives.

All stakeholder groups have varying levels of involvement in the business, and diverse and sometimes conflicting interests and concerns that need to be balanced over time.

1 Business relationships

- **Customers** – their needs drive the nature of the products and services we offer and how we deliver them. Intense competition and industry changes require that we strengthen our customer focus and unlock value for them.
- **OEMs** – many OEMs have specific requirements on how we retail their products. The Group's suppliers are critical to our customer relationships given their role in delivering quality products and services, as well as their adherence to our ethical standards.
- **Suppliers** – Motus' suppliers, and their adherence to the Group's ethical standards, are critical to our customer relationships given their role in enabling the Group to deliver quality products and services.
- **Business partners** – strategic partners, including finance partners, B-BBEE partners, and joint venture partners, enable a greater reach for our products and services.
- **Industry bodies** – the industry bodies we are members of represent us and help to shape the Group's regulatory environment, promote the sector's interests and ensure a competitive yet collaborative industry.

How we engage

Our engagements include

- Regular executive engagements with OEMs and suppliers.
- Client surveys.
- Operational meetings.
- Membership in business forums and industry associations, where Motus representatives hold a number of officer roles, including the National Automobile Dealers' Association, naamsa, SAVRALA, National Business Initiative, Nexar, Business Leadership South Africa and IRMSA, among others.
- SENS announcements.
- Media releases.

Key issues

- Ensuring transparency throughout the vehicle purchasing process, in both traditional and digital channels.
- Vehicles, parts and services that meet customer affordability needs and offer value for money.
- Customer communication focusing on vehicle availability, as well as on parts and vehicle delivery dates and service completion times.
- Meeting OEM quality and customer satisfaction targets.
- Safety of customer-facing environments and overall management of the ongoing impact of COVID-19.
- Ensuring client data privacy and safety of information.

2 Human capital relationships

- **Employees** – every employee contributes skills, perspective, and energy to building, maintaining and deepening the relationships with our customers and other stakeholders on which we depend. Providing a high-quality working environment with career development intervention and our ability to attract and retain talent are key imperatives contributing to a high-performance culture.
- **Organised labour** – many of our employees choose union representation in exercising their rights. While we respect their choice to do so, it can never diminish our obligation to interact directly with them individually in a fair, open and respectful manner.

How we engage

Our engagements include
- Employee surveys.
- Regular employee interactions and communications.
- Employee evaluations, appraisals, and processes for setting key performance criteria and performance management.
- Whistle-blowing hotline.
- Training initiatives and programmes.
- Employee m^{x} innovation platform.

Key issues

- Safe working environment, particularly relating to COVID-19.
- Performance against employment equity targets.
- A diverse and inclusive work culture that supports transformation.
- Continuous training initiatives and programmes.

3 Financial capital relationships

- **Owners** – shareholders expect favourable long-term returns on their investments and have the inalienable right to exercise effective ownership over their investments.
- **Investment community** – research analysts facilitate an understanding of the Group for our owners and prospective investors, who provide the capital we need to deliver our strategy. Collectively, the investment community supports the effective functioning of equity markets, which is essential to attracting capital at a fair price.
- **Debt providers** – our balance sheet position supports our strategic initiatives, and we work with debt providers to access debt funding at competitive rates in different jurisdictions.

How we engage

Our engagements include
- Transparent reporting for interims and at year-end.
- Annual general meeting (AGM).
- Continued Investor communication and engagement, via JSE SENS announcements, attending interviews with stakeholders and online conferences.
- Meetings with funders on a regular basis.

Key issues

- Response to weaker economic growth and declining new vehicle sales.
- Our ability to fund our strategic initiatives.
- The impact of foreign currency volatility on margins, volumes and related product pricing.
- The role Motus plays in addressing climate risk, for example introducing electric and hybrid vehicles into the market and sourcing alternative low emissions vehicles manufactured by OEMs.
- ESG targets and strategies, including initiatives relating to water and waste management and reducing electricity and fuel consumption.
- How the Group manages the impact of legislative changes.

4 Regulatory relationships

- **Government departments and regulators** – the Group is subject to a complex range of regulations across our markets.

How we engage

Our engagements include
- Representation in business forums and industry associations, as described above.
- Ongoing interactions with regulators.

Key issues

- General compliance with legal and regulatory requirements.
- Support for the transformation of the South African automotive industry.
- Response to cybersecurity risks.
- High duties, ad valorem taxes and the carbon tax.
- Quality of customer outcomes and oversight controls on regulated products and services.
- The impact of legislative changes, for example POPIA and Right to Repair, on Motus' businesses.
- Requests for information to better understand VAPS sold in dealerships and dealer introductory commission.

5 Societal relationships

- **Civil society and communities** – our social licence to operate depends on good corporate citizenship and maintaining constructive relationships with the communities in which we operate.
- **Media** – provides a channel of communication with our stakeholders and influences their opinions about the credibility of our investment proposition and reputation.

How we engage

Our engagements include
- Road safety awareness programmes.
- Long-term relationships with partners and programmes that align to the three pillars the Group has identified for social upliftment and empowerment within underserved communities: including the Imperial and Motus Community Trust, Unjani Clinics, and Motus Safe Scholar programme.
- Supported the South African YES programme.
- Work closely with non-governmental organisations (NGOs) and business associations providing monetary and vehicle donations and assistance.
- Media outreach and response, including CEO and CFO radio and online interviews.

Key issues

- Skills development, job creation, meaningful employment, and enterprise and community development.
- Procurement strategies that support transformation.
- Managing environmental concerns.
- How climate change risk is being addressed.

More detail about **our response** is provided in **our material priorities section** on page 62.

Managing our risks and opportunities

Our approach to risk management is embedded in the day-to-day operations of the Group and facilitates responsible risk-taking during decision-making. Their risk management framework identifies and assesses risks at strategic, business and operational levels.

Governance and structure

Our risk management processes and structures aim to create a framework to respond to the risks and opportunities in our operating environment.

Risk management framework

Our risk framework sets out the foundational principles and organisational arrangements for designing, implementing, monitoring, reviewing, and continually improving risk management throughout the Group.

The board and its sub-committees

The board has delegated to management the responsibility to implement and execute effective risk management, but exercises ongoing oversight and receives periodic assurance on the effectiveness of risk management.

Executive committee, divisional boards, and finance and risk review committees (FRRCs)

Assume executive responsibility for managing all risks and implementing risk governance processes, standards, policies and frameworks.

Risk management process and control framework

The risk management process involves the systematic application of policies, procedures, and practices to the following factors and activities:

- Risk appetite and tolerance.
- Risk taxonomy.
- Risk assessment.
- Risk response.
- Monitoring and review.
- Communication and consultation.

We implement risk management practices using:

- Policies, standard procedures, and practices.
- Levels of authority.
- Internal controls and control self-assessment.
- Group monitoring and oversight by shared services.
- Group compliance and risk forums.

Three lines of defence governance model

Our combined assurance framework promotes accountability and consistency.
It supports a co-ordinated approach to risk management throughout the Group and provides assurance that we manage significant risks effectively.

FIRST LINE OF DEFENCE – management

Management is responsible for the identification and management of risks, in line with agreed risk policies, risk appetite, tolerance levels, and controls at an operational level.

SECOND LINE OF DEFENCE – risk management, compliance, legal, quality control functions

Internal functions are responsible for overseeing and monitoring different risks and developing appropriate tools to effectively manage identified risks.

THIRD LINE OF DEFENCE – internal audit, external audit[1], independent assurance providers

Assurance providers and auditors offer oversight and assurance to the board and management on the adequacy and effectiveness of the controls the Group has implemented.

All three lines of defence report directly to the board or through the ARC and/or the SES committee. The board has satisfied itself that the combined assurance model is effective and sufficiently robust.

PEOPLE, PROCESS, DATA, SYSTEMS, INFRASTRUCTURE

RISK CULTURE AND VALUES

[1] *The external auditors are engaged to provide an independent opinion on the consolidated and separate financial statements, the summarised consolidated financial statements, selected non-financial information and a reporting accountants report on the compilation of the pro forma information.*

Managing our risks and opportunities (continued)

Our integrated risk model

A risk is defined as the impact of uncertainty on objectives. An uncertainty can materialise in an opportunity or an adverse hazard. The risk management process that ensures a proactive, systematic, and structured response to uncertain events is incorporated throughout our business operations and operating cycles.

Our embedded integrated risk model identifies and assesses existing and emerging risks. Our processes aim to understand these risks and how they affect all our objectives, whether they be strategic, operational, reporting, or compliance. To achieve this, the model establishes the potential impact and likelihood of the risks and identifies actions.

Any risk taken is considered within board-approved risk appetite and tolerance levels which are reviewed and, where necessary, updated quarterly. Management monitors emerging risks on an ongoing basis until they are formally assessed and incorporated into our risk profile. Risks are classified as emerging when their extent, nature and timing are uncertain.

Effective risk management is dependent on the integrity and experience of management. Our ethics and values govern our approach to the governance and management of risks and require that we are honest, transparent and communicate the level of exposure we take in the pursuit of value creation and preservation.

Our top risks

Our risk management process considers the environment inside and outside the organisation. In identifying the top risks, management considers their potential quantitative and qualitative material impact on our business, financial condition, or operations, as well as the potential timing that the risk might materialise.

All the top business risks identified are considered and incorporated into the Motus strategy and its associated objectives, priorities, and targets.

Context	Response
1 Negative and/or subdued growth in the geographical areas in which we operate	
The outlook for economic growth in our markets has stabilised, leading to improved but still depressed trading conditions. South Africa has entered a deep economic recession and the credit downgrades of the South African sovereign rating and weak plans for economic stimulus continue to adversely impact the economy, our operations, and customer base. The impact of the recent socio-political unrest will further depress economic growth. The impact of the COVID-19 crisis has been significant in the geographies we operate in, with overall recovery anticipated to take place over the medium to longer-term. The slow uptake of the South African vaccine programme will increase the possibility of further lockdowns, continue to drive negative market sentiment, and impact economic recovery negatively. This adversely impacts profitability and the health and safety of our people. Consumers' shift to pre-owned vehicles is expected to continue as the new vehicle market faces the ongoing challenges of changing demand, inventory shortages, currency volatility and negative market sentiment.	• Focus on cost management and capital expenditure to extract financial and operational efficiencies and ongoing review of the dealership footprint and acquisition opportunities. • Review product margins, unit growth, and aggressive balance sheet management with a particular focus on working capital investment. • Continue to provide service excellence and innovative client offerings, to support sustainable margins. • Focus on new opportunities and expedite digital sales channels with a focus on offering niche products and services. • Monitoring the political environment to identify possible negative impact on our operations and assess any risks and opportunities. • Diversify selectively across sectors and geographical areas with different growth recovery trajectories (from South Africa) in the medium term. • As part of our commitment to broader South African growth objectives, fund NGO societal partners to uplift and support communities in need. • Continue to embed the benefits of the integrated business model to ensure that the opportunities within the broader motor value chain are optimised.

Context | Response

2 Currency volatility in the markets in which we operate

Context

Currency volatility has a direct impact on the costs of imported vehicles and parts. Unfavourable exchange rate movements against the ZAR affect the competitiveness and profitability of our products as well as services and maintenance plans.

The sub-par South African sovereign credit rating impacts the ZAR exchange rate volatility. This also results in changes in the Group's equity, potentially resulting in a negative hedging reserve. Foreign currency translation differences will arise on the consolidation of foreign subsidiaries in the reported results.

Response

- Actively manage the effects of currency volatility through established hedging strategies, policies and governance structures.
- Management actively monitors foreign currency exposure and hedging to manage the effect of currency fluctuations on pricing and to assess appropriate hedging and other risk mitigation strategies.
- Where applicable, in-country hedging structures are incorporated to limit the impact of volatility on product pricing.
- The Chairman of the board leads quarterly Assets and Liabilities committee (ALCO) meetings to review funding requirements, currency hedging, asset allocation, interest rates, funding of acquisitions, and other cash management considerations.
- The ALCO also receives outcomes of currency scenarios to enable them to adequately mitigate fluctuations within the Group's tolerance levels.
- Management committees, including forex and treasury committees, are held regularly to understand forex requirement related to committed and forecast vehicle and parts orders, as well as the risks relating to operations outside of South Africa.

Managing our risks and opportunities (continued)

Our integrated risk model (continued)

Context | Response

3 Regulatory compliance

Motus is subject to a wide range of legislation and guidelines, which it monitors to ensure compliance. Any breach of compliance could result in fines or sanctions that could affect Motus' profitability and might damage our reputation.

The monitoring of changes in legislative environments and interpretations of law is of key importance due to the potential for new risks and opportunities arising that could impact our business model and operations.

Certain material legislation and guidelines that will impact our landscape had an implementation date of 1 July 2021. All these changes resulted in additional investment and required active management and oversight in order to understand, plan for and implement compliance strategies.

Key material legislation impacting our landscape is discussed on page 49.

Read more about the **impact of recent changes in legislation** online in our **ESG report**.

Motus manages its compliance universe within the approved risk and appetite framework. At a Group level, compliance monitoring is done by:

- confirming that current legislation has been operationalised into existing processes and procedures;
- ensuring that statutory and tax related legislation is correctly managed; and
- scanning the environment for any material changes to the current legislative landscape and monitoring those affecting our business model or the core market dynamics.

We operationalise our approach by ensuring:

- Compliance officers are in place and relevant compliance audits are conducted.
- Centralisation of specialist areas where compliance risk is high, for example central monitoring of financial services regulations for compliant sales of finance and insurance products.
- Increased engagement with industry and business associations in South Africa to advocate for more effective policies.
- Ongoing review of compliance with the Group ethics framework and legal requirements.
- Proactive monitoring, input and operational implementation plans and frameworks on emerging legislation are in place.
- Rigorous compliance programmes are in place and appropriate functions provide guidance across business segments to ensure compliance with key regulations.
- Expanded training and awareness campaigns for most recently implemented high impact legislation.
- Ongoing COVID-19 management and safety protocols are managed.

Context	Response

4 Supply chain management

- Vehicle and parts inventory management

Context	Response
Ongoing inventory management is needed to meet customer demand for new vehicles, pre-owned vehicles and parts. This commitment allows the Group to minimise losses from supply chain disruptions and improve the management of ageing of new and pre-owned vehicles, and parts inventory levels. Shortages of vehicles and parts due to supply chain issues and disruptions could result in loss of sales and missed OEM targets, which would place additional pressure on margins and profitability.	• Regular engagements with OEMs and suppliers to control inventory levels and monitor effectiveness of supply chains. • Continually assess ways to improve efficiency of supply chain delivery channels. • Proactively manage inventory levels to meet customer demand. Our management tools include leveraging the ability to move vehicles and parts between locations to ensure continuous support for customers and operational demand. • Continuously review the availability and inventory on hand of pre-owned vehicles. • Optimised marketing and operational practices across value chains where inventory derivatives are in short supply. • Implementation of inter-provincial hub systems to de-risk concentration of inventory in single locations and ensuring that we can leverage access to global markets and relationships.

- Dependence on specific brands and reliance on key suppliers

Context	Response
We depend on our relationships with OEMs and franchised dealers, which are critical to our business model. We comply with the agreements, which include meeting sales volume targets, implementing specific processes and policies, and maintaining high quality dealerships that comply with dealer standards. Failure to meet the required standards affects our status as an exclusive distributor and retailer of the global brands we represent. The Group also relies on ongoing commercial relationships with key suppliers, including sub-contractors, to deliver superior service to its customers. The loss of any significant supplier could impact operations and financial performance.	• Proactive and continuous engagement with OEMs at senior levels, with regular one-on-one discussions and ongoing negotiation of sales targets for vehicles and parts. • Maintain the standards OEMs require and meet their expectations. • Ongoing monitoring of customer satisfaction and perception of the OEM brands and reputation. • Strategy to renew Importer agreements ensures renewals are initiated earlier in cycle and with longer contract terms.

Managing our risks and opportunities (continued)

Our integrated risk model (continued)

Context	Response

5 Information technology

- IT strategy and execution of architecture, systems and applications

A legacy of decentralised IT systems and infrastructure because of the diverse nature of the business makes it critical to reduce systems complexity through consolidation wherever possible.

IT strategies are flexible and effective in meeting requirements and delivering solutions for competitive differentiation and operational effectiveness, especially as the need to implement digital strategies continues to accelerate.

- Maintain oversight and monitoring of material IT risks profiles and projects via the ARC meeting, and ultimately the board.
- Development and maturity of IT governance framework incorporating cyber strategy.
- Ensure investment in leading technology as a key business differentiator, including ongoing digitisation of the customer experience to respond to customer market expectations and experience.
- With the reliance on external vendors for applications and hardware, service level management is receiving attention to ensure delivery of critical hardware and application support during these constrained times.
- External review and audit of the general IT controls and assess findings to incorporate continuous improvement practices.

- Increased cyber security requirements

Globally, there is an increase of cyber criminals gaining unauthorised access to the IT systems and data of many companies.

Cyber-crime has the potential to cause financial loss, disrupt our services, and erode our customers' trust.

Legislation aimed at protecting customer data requires that this information is afforded adequate levels of protection and instances of negligence carry large fines.

Our ability to protect and secure our IT systems and information, and how we proactively implement additional security measures to support remote working practices, is critical to managing the threat to operational resilience and reputation.

- Perform ongoing cyber-risk assessments to assess the emerging risk landscape.
- Monitor adherence to the minimum cyber security guidelines.
- Conduct ongoing assessments on cyber risks and how to mitigate them. Our IT departments also conduct proactive testing.
- Continuously strengthen information and cybersecurity guidelines and policies relating to email and general user access. Tighter application controls and multi-factor authentication complement these measures.
- Closely monitor access to IT systems and information from our operations outside of South Africa.
- Monitor network activity and investigate daily reports of suspicious activities.
- Proactive quantitative and qualitative assessments of the potential impacts on current and future business strategies.
- Responsibility and accountability for information protection and cyber resilience are understood by the Group's stakeholders.
- Management expectations in respect to information protection and cyber resilience have been captured and communicated to staff, partners and customers in the form of frameworks, policies, procedures and standards.
- A responsible official, the Chief Information Security Officer, has been appointed to coordinate and monitor the implementation and operation of security practices and controls across the Group.
- Ongoing cyber-awareness and education initiatives are in place to ensure staff and partners understand their role in protecting the Group's assets.
- Access to expertise in relation to best practices, technology deployments and incident detection, containment and response has been provisioned.
- A suite of controls for the detection, prevention, or containment of threats, as well as to aid in recovery in the event of cyber incidents and data losses, has been deployed and is effective.
- Deepening the incident response capability to deal with incidents and issues as they arise.

Context | **Response**

6 Succession and talent management

Context

The limited pool of qualified and skilled managers in South Africa, and the impact of an ageing skilled working population, are challenges in accessing the talent needed to remain competitive and successfully deliver our strategy.

Besides leadership skills, the Group's businesses depend on specialised technical and customer-facing skills, which we need to develop and retain.

We monitor and manage the impact of the ongoing COVID-19 crisis on our people to ensure their safety and wellbeing. Mitigation strategies include embracing hybrid work practices where possible.

Response

- Adopted co-ordinated policies and programmes focused on transformation, development and promotion of internal candidates and recruitment of candidates to achieve employment equity targets.
- Implemented detailed succession planning at all levels (including the CEO and CFO), with focused recruitment of experienced senior and middle management candidates, with the objective of increasing the available pool of inclusive and diverse leadership talent.
- Increase investment in formal training programmes.
- Incorporation of unemployed and graduate learners into Motus human capital strategy to identify potential candidates for the motor industry. Employed over 400 graduates from the YES programme.
- Participation in career fairs to market the motor industry as an employer of choice.
- Offer employee training and development programmes, including specialist training academies.
- Talent management programmes are aligned to the key current and future skill requirements.
- Where applicable, transitioned to hybrid and online training delivery mechanisms.
- Increasing employee communication to improve message coordination and consistency.
- Provide support, advice and clear guidance to our people to protect their wellness and health.

7 B-BBEE status of South African-based operations

Context

The B-BBEE codes require accelerated transformation at all employment levels in the Group's South African businesses. Failure to achieve set targets may impact competitiveness and sustainability.

Response

- Active monitoring and oversight of B-BBEE scorecard and targets.
- Clear initiatives in place to meet employment equity targets and skills development driven by Group leadership. Appointed and promoted a number of black employees to fill senior management positions. Read more in our people report from page 104.
- Selective and appropriate joint ventures with strategic B-BBEE partners.
- Continue to work on focused programmes to extend our network to historically underserved areas around informal communities; this includes, non-OEM branded workshops, the opening of majority owned black dealerships, and formalisation of access to parts and services by informal traders and technicians.
- Ongoing review of supply chain opportunities to increase participation of new entrants.
- Investment in support opportunities for new black entrants in own and broader industry supply chains.
- B-BBEE target achievement is a short-term incentive performance criteria.

Managing our risks and opportunities (continued)

Our integrated risk model (continued)

Context	Response
8 Rapid speed of disruption due to innovation	
The pace of change has accelerated and will inevitably require established brands to embrace digital capabilities to be competitive. Customers are increasingly product savvy and accustomed to the convenience of the digital experience. Sustained competitive advantage is increasingly achieved through innovation.	• Accelerate the implementation of new and improved ways of doing business to reduce costs and increase efficiency. • Keep abreast of innovative changes by competitors. • Ongoing monitoring of market trends and new innovations by executives. • Ongoing focus on how the Group can capitalise on our window of opportunity to create and deliver value. • Drive delivery of the innovation strategy throughout the Group and create a culture of innovation and collaboration through the m^x innovation initiative. Read more in our Chief Innovation Officer's review from page 36.
9 Reputation and brand position	
Transparent, timeous and honest engagement with key stakeholder groups, including investors, financiers and government, is critical to ensure the continued sustainability of the Group. Brand and reputation align our espoused values and ethics to how stakeholders experience interactions with the Group. COVID-19 has necessitated the redesign of key interaction points, a fundamental shift in our operating model, and an increased dependence on digital strategies and remote working which limits physical contact.	• Position the Group clearly as a market leader in South Africa with high levels of professionalism and values. • Ongoing monitoring of our brands in the media to proactively respond to potential adverse public relations. • Maintain levels of quality and safety requirements of products and services by investing in reputable brands for markets in which we operate. • Increase investment in matching customer experiences, both in physical and digital presence. • Monitor and actively engage on matters reported to industry and product ombudsman. • Ensure that our treatment of, and response to stakeholders aligns with our values of fairness and transparency. • Understanding the context of the geography and communities in which we operate, have maintained, and increased our support to education, healthcare, and road safety. • Increased funding to NGOs that serve pivotal functions in providing health care and food services during COVID-19 and in response to the recent unrest in South Africa. • In pursuing our objective of creating sustainable value for all impacted stakeholders, we have integrated our approach and response to ESG considerations and are committed to continuing our ESG journey.

Context	Response

10 Climate-related risk

Higher temperatures and a reduction in rainfall due to climate change factors will constrain water resources in parts of Africa and Australia, increasing the frequency and intensity of droughts experienced.

These extreme weather conditions will impact the economy in general and weak economic growth impacts the number of vehicles we are able to sell.

Globally, there is increased regulation by governments trying to minimise the impact of companies on the environment and achieve carbon neutrality. This is being done through the introduction of carbon taxes and, for example, the European Union (EU) setting aggressive electric and hybrid vehicle (EV) adoption targets and the discontinuance of internal combustion engines.

We continue to drive the effective management of the environmental and social consequences of our activities by:

- Improving the measurement and reporting of our climate and environmental impact.
- Investing in low carbon and water-saving solutions.
- Defining a three-year key performance indicator (KPI) to reduce impact relating to use of fuel, water and electricity in operations.
- Incorporating ESG priorities in monitoring and oversight activities.
- Understanding and planning around the medium to long-term electric and hybrid vehicles available from the OEM's. Read more in our ESG report online.

More detail about our **future focused response** is provided in our **material priorities section** on page 62.

Material priorities

Our material priorities are those factors most likely to influence the conclusions of stakeholders when assessing the Group's ability to create sustainable value over time.

In determining if a factor is material, we consider its potential to impact strategy (opportunity and risk), performance (financial and non-financial) and prospects in the short, medium, and longer-term, and ultimately our ability to create and sustain value, and limit its value erosion. In line with the six capitals model of value creation, which King IV endorses, the effectiveness with which we manage our material priorities is likely to influence the decisions of our stakeholders in relation to the capital inputs they provide, and the outcomes they expect in return.

Determining our material priorities

The following inputs informed the determination of the material priorities:

- The annual strategy planning cycle and key issues managed by the board and leadership during the year.
- Discussions to elicit and distil the views and concerns of leadership.
- The material concerns of key stakeholder groups, including customers, business partners, OEMs, our people, financiers, and investors.
- Top business risks.

Organising our material priorities

Our material priorities are those factors we can control, within the context of the uncontrollable factors in our operating environment.

They are grouped into three key themes, which represent the key drivers of value for the Group in view of current market conditions and our expectations for the short, medium, and longer-term trends shaping our markets. These material priorities are discussed throughout this integrated report and the ESG report, available online.

Resilience

1. Sustain capital management discipline.
2. Leverage competitive advantages to diversify and grow earnings streams.
3. Accelerate the implementation of new ways of working and maintain agility to grow the business.

Relevance

1. Deliver exceptional value to customers as their needs change.
2. Remain the strategic partner of choice for OEMs and suppliers.
3. Be an employer of choice in the automotive industry.
4. Innovate practically and proactively.
5. Use technology to sustain the business.

Responsibility

1. Demonstrate best-in-class governance.
2. Proactively manage the ESG consequences of our activities.
3. Consistently deliver on stakeholder expectations to protect our reputation.

Resilience

1 Sustain capital management discipline

Sub-issue	Strategic priorities
Align cost base to revenue and manage cash to enhance profitability.	• Manage costs conservatively to maintain the Group's margins and manage cash utilisation to conserve liquidity. Maintain effective controls to monitor and manage currency risk, including the application of the hedging policy. • Manage capital allocation to organic and acquisitive growth strategies to achieve strategic objectives. • Achieve targeted revenue and income growth and maintain a sound liquidity position.
Maintain working capital management discipline.	• Streamline procurement, logistics, and distribution (vehicles and parts) to manage inventory levels effectively. • Improve working capital management while containing costs in a recessionary economic environment. • Maintain healthy liquidity ratios.
Continue to optimise our portfolio to ensure appropriate capital allocation.	• Exit or dispose of non-strategic dealerships and businesses that do not enhance competitive advantage or that deliver low return on effort. • Allocate more capital to digital projects that leverage our existing infrastructure and capability. • Invest in enhancing the functionality of our digital presence in all businesses. • Continue to invest in the multi-franchise dealership model. • Ensure a strong presence in chosen markets by investing in key regions.

2 Leverage competitive advantage to diversify and grow earnings streams

Sub-issue	Strategic priorities
Grow business segment profitability in line with new market realities.	• Maximise the organic growth potential of each business segment in line with emerging opportunities. • Support affordability in a highly constrained consumer environment by offering cost-effective and competitive vehicles, parts, financial services, products, and product enhancements. • Continue to drive growth in each business segment through efficiencies and process improvements, including process automation. • Enable simpler, faster ways of working supported by digitisation. • Distribute and sell competitively priced vehicles and parts by leveraging the Group's buying power. • Drive defensive, annuity income streams from financial services and workshops, and well-sourced imports in the Aftermarket Parts business. • Capitalise on market shifts to pre-owned vehicles through expanded VAPS offerings and competitively priced booster products and offerings to entry level vehicle buyers. • Grow the distribution channel for financial services products by growing relationships with importer independent dealers. • Provide a range of products in the aftermarket parts space that meet customers' demands in all tiers of the pricing sectors.

Material priorities (continued)

Resilience (continued)

2 Leverage competitive advantage to diversify and grow earnings streams (continued)

Sub-issue	Strategic priorities
Grow competitive market share by leveraging the integrated value chain.	• Leverage scale and operational synergies across the integrated automotive value chain. • Enable value-led pricing rather than cost-pushed pricing to customers by leveraging the Group's scale and capabilities to create cost efficiencies. • Add value to customers, foster deeper customer loyalty, and attract new customers by creating differentiated digital platforms. • Continue to enhance the motus.cars platform, increasing customer visibility of inventory availability and functionality of the IT platform. • Increase the Motus team's collaboration and improve customer engagement by harnessing digital platforms and creating specialised digital channels. • Drive importer volumes to support parts sales, panel sales, workshop servicing, and financial services. • Provide superior market penetration opportunities through marketing excellence and well-developed distribution channels and retail footprint. • Grow the pre-owned vehicle market share through digital lead generation, improvement of inventory mix in line with market demand, and excellent customer service. • Extend reach into vehicle servicing beyond the OEM space through non-franchised dealerships and aftermarket brands. • Offer competitively priced vehicle rentals by leveraging the integrated value chain to procure vehicles.
Leverage data and expertise to drive responsiveness to customer needs and market trends.	• Understand the disruptive impact of COVID-19 on customer preferences for automotive brands, particularly in relation to the current market trend of 'buying down'. • Develop innovative value-added products by extracting meaningful business insights from our customer and vehicle data. • Drive growth across the automotive value chain by unlocking efficiencies and customer potential through data analytics within existing and new channels. • Explore and develop new partnership opportunities, including opportunities to improve customer loyalty and build online customer platforms and portals.
Pursue highly selective strategic growth opportunities in international markets.	• Diversify revenues and mitigate against a possible economic recession in South Africa by accelerating the planned expansion of the Aftermarket Parts operations outside of South Africa. • Explore acquisitions in selected international markets to protect our market positions and complement the existing dealership footprint.

3 Accelerate the implementation of new ways of working and maintain agility to grow the business

Sub-issue	Strategic priorities
Automate and optimise structures, systems, and processes to enable business agility.	• Maintain a safe and supportive work environment to safeguard employee and customer health, productivity and engagement, particularly changes required by COVID-19. • Support efficiency, connectivity, and networking across the Group, and access across businesses by streamlining the IT architecture into appropriate shared services. • Drive a programme of continuous improvement in line with defined procedures and policies.
Become a digitally astute organisation by harnessing technology.	• Accelerate the digitisation of key functions by applying learnings from COVID-19. • Leverage the Motus m^x innovation platform to drive innovation and digitisation across the Group. • Explore ongoing opportunities to further digitise and enhance the customer experience, creating convenient and hassle-free channels for customers to transact with Motus as customer behaviour changes. • Investment in digital solutions that enhance our existing ability to efficiently and accurately price trade-in vehicles and leveraging data (acquisition of getWorth). • Increase customer engagements through investment in digital and online channels. • Utilise Motus data and data warehouses to create new revenue streams for Motus and enhance the quality of decision making across the business. • Unlock deeper business insights to create efficiencies and enhance business performance through investment and development of advanced data analytical solutions.
Leverage collective intelligence and entrepreneurial skill of a diverse workforce to drive competitiveness.	• Drive resilience and agility by maintaining our entrepreneurial culture. • Safeguard a flat and transparent leadership structure to reduce the time between strategic decisions and execution to ensure responsiveness amid high uncertainty. • Equip leaders to effectively lead diverse teams and embed practices that facilitate a diverse and inclusive culture, driving business growth and performance. • Increased communication and sharing within and across divisions to ensure leverage pragmatic best practice.
Enforce sound internal process governance, risk management, and approval structures.	• Embed robust policies and practices for an increasingly virtual work environment. • Embed flexible business continuity processes that can be reconfigured to adapt to emerging threats, for example, COVID-19 and socio-political unrest, without re-engineering or additional investment. • Continue to test and maintain business continuity and disaster recovery processes and ensure these remain relevant in light of other emerging threats. • Ensure operational governance standards are met, supported by a well-developed control environment, risk management, and deep expertise in finance, treasury, and accounting. • Continue to drive ongoing improvement in operational risk management practices in line with agreed governance expectations. • Ensure data security and proprietary systems are fit-for-purpose and that IT operational risk controls are effective to address evolving data security and cyber-related risks. • Embed risk management processes focusing on the risks and actions that are material in producing a positive outcome, where applicable.

Material priorities (continued)

Relevance

1 Deliver exceptional value to customers as their needs change

Sub-issue	Strategic priorities
Provide exceptional products and services at competitive prices across the automotive value chain.	• Ensure service excellence at points of sale, rental, service, repair and maintenance. • Maintain high dealership standards by empowering Dealer Principals appropriately. • Provide a superior customer experience to increasingly well-informed and diverse customers by training and developing employees, particularly sales, aftersales, and online sales representatives. • Ensure high-quality workshop services and parts supplies for customers by continuing to deepen collaborative and supportive relationships with suppliers and stringently applying quality controls. • Attract prospective customers by leveraging our innovation capabilities and strategically aligning financial service offerings. • Actively manage our brand portfolio, increasing our focus on popular brands. • Become the preferred supplier of brands for which the Group does not hold exclusive distribution by continuing to build trust in the Motus brand. • Explore opportunities to expand the Aftermarket Parts offerings.

2 Remain the strategic partner of choice for OEMs and suppliers

Sub-issue	Strategic priorities
Deepen OEM and supplier partnerships, maintaining a superior route-to-market and strong brand positioning.	• Preserve long-standing importer and retail partnerships with OEMs, providing market access through quality marketing, high levels of customer satisfaction and dealerships strategically located in growing urban areas. • Work with OEMs to ensure we offer the most relevant and competitive products. • Partner with OEMs on new ways of penetrating the market and realign route-to-market channels to match evolving customer expectations of product services and support. • Provide a digital platform to access an additional channel to market. • Extend financial services offerings to more dealers and improve lead generation processes by collaborating with independent dealers. • Deepen collaboration with local and international suppliers in our integrated parts supply chain.
Secure strategic partnerships to drive growth and competitiveness.	• Ensure that our partners are aligned to our strategic objectives and complement our capabilities by proactively managing and deepening our strategic alliances. • Grow strategic partnerships with industry leaders to unlock new channels through tailored financial services products that benefit from access to their customer bases. • Offer relevant and innovative vehicle asset finance (VAF) and VAPS offerings to the customer bases of financial services partners with established channels to market by leveraging Motus' specialised expertise, data and product design ability. • Gain access to highly specialised skills and innovative thinking by partnering with technology developers and solution providers. • Enhance our competitive advantage in Aftermarket Parts procurement by partnering with selected international distributors and increasing buying power through the backward integration of the parts supply chain.

3 Be an employer of choice in the automotive industry

Sub-issue	Strategic priorities
Attract and retain high-calibre employees.	• Implement best people practices across the Group while ensuring the necessary flexibility to enable practical and cost-effective delivery of human capital management in different business segments. • Ensure effective performance development, talent management and succession planning that aligns employee capabilities and expectations with business objectives and career opportunities. • Develop and empower employees through relevant training interventions, which also promote the mindset, skillset, flexibility and responsiveness required in times of change. • Embed inclusivity and collaboration within the Motus culture. • Maintain investment in skills development with a particular focus on increasing the number of learnerships and training for all our people.
Ensure a strong focus on transformation and diversity.	• Deliver diversity training to managers and employees to create an environment in which everyone can perform to their full potential. • Implement targeted interventions to develop and promote internal candidates from designated groups (black people, women, and people living with disabilities) and strategically source external talent within these groups to drive transformation and diversity at management level. • Drive talent pipeline programmes at Group level to create a pool of entry level candidates from designated groups from which we are able to fill positions when they become available.
Support the wellbeing of our people.	• Maintain a safe, sustainable and healthy environment that allows our employees to bring their best energy to the workplace. • Actively manage the current and long-term impact of COVID-19, including ensuring secure workplaces and employee wellbeing. • Embed the best safety practices and a safety mindset across the Group by enhancing our health and safety leadership and capabilities. • Continue to support employees experiencing financial and psychological difficulties due to COVID-19 by expanding our Group-wide Employee Assistance Programmes.

4 Innovate practically and proactively

Sub-issue	Strategic priorities
Accelerate agility and ability to adapt to market changes and drive innovation.	• Leverage first-hand access to developments in different markets to assess the impact on business models and the expected timeframes to implement the necessary changes. • Continue to ensure executives understand new technological developments and their potential impact on markets. • Leverage IT solutions and data to drive innovation across the vehicle value chain, with the aim of securing higher market penetration in the medium term. • Identify opportunities to collaborate with key strategic partners to share intellectual property and drive innovation in line with the principles underpinning the 'open economy'. • Closely monitor and increase market intelligence on automotive trends that could disrupt our business, for example, connected or electric and hybrid vehicles, and broader innovation trends that add value to our business in the form of efficiencies, risk management, or new products and services, including artificial intelligence, machine learning, computer vision, cloud computing, blockchain, and business process automation. • Commercialise mobility service solutions that attract new and non-traditional customers by identifying appropriate solutions. • Develop brand-agnostic buying tools, for example, Moov, leveraging off our broad brand representation, which allows us to fulfil almost any customer buying choice.

Material priorities (continued)

Relevance (continued)

5 Use technology to sustain the business

Sub-issue	Strategic priorities
Optimise and evolve current business models and structures while designing new solutions and operating models.	• Identify opportunities to accelerate innovation and digitisation as consumer habits and buying behaviour shift in favour of digital platforms. Align continuously with digital, mobility and automation trends and changing customer needs by working with OEMs to deliver innovative solutions and business model changes. • Use innovation centres and capabilities to facilitate innovation within all business segments. • Develop new products aligned to the vehicle to extract more meaningful data.
Continue to differentiate our offering through innovative VAF solutions, VAPS and mobility services offerings.	• Deliver the most relevant, personalised, and competitive offerings that meet customer mobility needs by leveraging data analytics to monitor customer behaviour and understand customer preferences, increasing our understanding of OEM strategies and mobility-related technologies. • Ensure convenient, consolidated, and compelling access to all of the Group's offerings, by consolidating and improving Motus' online presence through the motus.cars and Motus Select platforms. • Develop a single view of the customer across all offerings by leveraging existing data warehouses and lakes, which support all direct marketing and customer relationship management initiatives across the value chain. • Deepen understanding of customer data to retain customers and expand market share of vehicle sales and VAPS. • Accelerate the use of technology, leveraging digitisation, big data and e-commerce platforms. • Develop a fully integrated parts e-commerce platform that enhances both our businesses and our franchisees.

Responsibility

1 Demonstrate best-in-class governance

Sub-issue	Strategic priorities
Establish a credible reputation for ethical, effective and independent leadership.	• Demonstrate the independence, ethics and effectiveness of the board. • Tone at the top to be clear on the ethics of the business. • Regularly review the Group's management succession plans for the short and long term, including for the CEO, his direct reports, and other levels of senior management.
Maintain best governance practices.	• Deepen application of King IV principles and recommendations. • Maintain and enhance robust control and risk management systems. • Embed effective reporting processes for board visibility. • Implement a Group-wide management tool for monitoring and reporting on the internal control environment that also allows for the alignment of first, second and third lines of defence responsibilities and drives improvements in combined assurance.
Comply with laws and regulations across multiple jurisdictions and maintain our moral compass.	• Manage the complexity and cost impact of compliance with regulations and fiscal policy, including alignment with the new financial services regulatory landscape. • Proactively monitor and engage with regulators on emerging legislation. • Follow international trends to understand potential upcoming regulatory changes and how these can be used to enhance customer experiences. • Embed a strong culture of ethics and integrity, supported by the Code of Ethics, current ethical practices, and governance standards.

2 Proactively manage the economic, social and environmental consequences of our actions

Sub-issue	Strategic priorities
Maintain strong relationships with broader communities.	• Achieve a Level 4 B-BBEE rating in 2021. • Increase the number of black people in management positions and develop the skills of black employees. • Direct more spend to B-BBEE-compliant businesses that fall within our controllable spend parameters (including exempt micro-enterprises and qualifying small enterprises). • Continue to deliver supplier and enterprise development initiatives, including training, mentoring, and financial assistance for black-owned small-, medium- and micro-enterprises. • Invest in corporate social investment programmes that support education, health, and road safety. • Participate where relevant in socio-economic drivers of the South African economy, for example youth unemployment.
Operate in an environmentally conscious and responsible manner.	• Continue to improve our sustainability reporting to remain eligible for the FTSE4Good Index Series and obtain a CDP rating. • Achieve targets to install solar power where feasible.

3 Consistently deliver on stakeholder expectations to protect our reputation

Sub-issue	Strategic priorities
Strengthen relationships with all key stakeholders.	• Maintain high standards of accountability, transparency, and integrity in running the business and reporting to shareholders and other stakeholders. • Ensure responsiveness to the legitimate concerns of all stakeholders through accurate and transparent disclosures. • Continually improve the quality of our ESG reporting to stakeholders.
Retain current investors and attract new investors both locally and internationally.	• Deliver on our vision, the related strategic objectives, and our investment proposition. • Defend and grow market share in South Africa, continue to grow annuity income streams, and grow in selected international markets. • Maintain strong free cash flows. • Deliver best-in-class earnings and targeted returns. • Maintain a dividend pay-out through the economic cycle.
Position Motus as a proudly South African market leader.	• Develop and deploy a public relations strategy that reinforces Motus' agility, entrepreneurial innovation and relevance, developing our brand recognition and online presence. • Improve disclosure of our significant contribution to South Africa's socio-economic objectives, particularly in terms of fiscal contribution and people development and contributing to community-based projects.

The Import and Distribution business segment provides a differentiated value proposition to the dealership network, enhancing the revenue and profits of the entire automotive value chain.

Niall Lynch

CEO – Hyundai Automotive South Africa

Gary Scott

CEO – Kia Motors South Africa

Jaco Oosthuizen

CEO – Motus Vehicles Distributor

Thato Magasa

CEO – Mitsubishi South Africa

Import and Distribution

Geography

South Africa and neighbouring countries

Car parc

~1 million

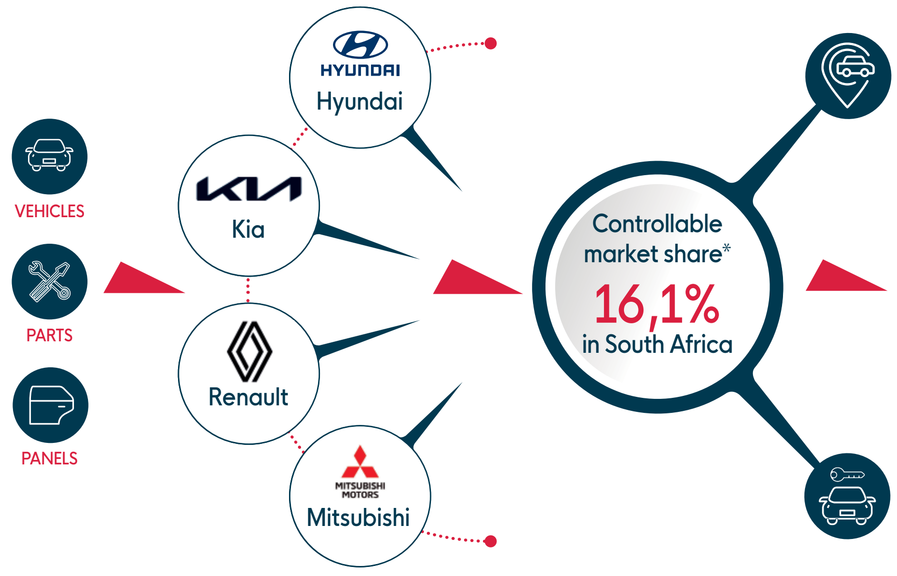
2021 priorities

- Enhance customer experience throughout the vehicle ownership cycle.
- Continue to grow our market share of entry level vehicles and small and medium SUVs.
- Expand value-added product offerings.
- Grow parts and service business.
- Manage costs and forward cover in line with the Group policy.
- Expand sales of new vehicle model ranges.
- Extend marketing to new marketing channels.
- Invest in digital presence.
- Explore multi-franchise opportunities.

Import and Distribution

Exclusive importer and distributor in South Africa

We import, distribute and supply vehicles and parts to the Group and independent dealership networks, government, and car rental companies.



Vehicle volume sales

~60% to 70% through Motus-owned dealerships

~30% to 40% through independently owned dealerships

We distribute and supply to:

- ✓ Motus and independent dealer networks
- ✓ Government
- ✓ Motus rental brands (Europcar and Tempest)
- ✓ Other independent car rental companies

Financial Services integration

Full value chain presents unique opportunities for financial services, products, innovation and differentiation

* *Market share of passenger and LCVs only.*

Exclusive distributor in Southern Africa

Hyundai
in **four countries**
Botswana, Eswatini Lesotho and Namibia

Kia
in **four countries**
Eswatini, Lesotho, Namibia and Zimbabwe

Renault
in **four countries**
Botswana, Eswatini, Lesotho and Namibia

Mitsubishi
in **eight countries**
Botswana, Eswatini, Lesotho, Malawi, Mozambique, Namibia, Zambia and Zimbabwe

Nissan
in **four countries**
Kenya, Malawi, Tanzania and Zambia

2021 performance

Market leadership

The automotive industry continues to recover from the COVID-19 crisis which disrupted supply chains, shrunk economies and reduced consumer confidence. Under these circumstances, we relied on our agility, entrepreneurial tenacity and trusted relationships to continue to deliver strong results for the year.

Motus is a long-standing distributor for recognised OEMs, providing them with market access through quality marketing, high levels of customer satisfaction and strategically located dealerships in growing urban areas. Market access, together with our proven ability to meet target volumes and the customer satisfaction scores that exceed OEMs requirements. This allows us to remain their distributor of choice in sub-Saharan Africa. Being the OEM distributor of choice enables us to offer competitive prices to our customers as well as exceptional service and innovative products and services that improve the quality of our customer experience throughout the vehicle ownership cycle.

Our importer brands have a significant market share, and the model range allows us to take advantage of the ongoing consumer trend of buying down to more affordable vehicles. We aim to exceed our customer expectations consistently to deepen their loyalty. Customers benefit from our integrated value chain and, in turn, allow us to generate revenue from sources other than just the vehicle sale.

We distribute and supply vehicles and parts to the Group and independent dealership networks, the government, Europcar and Tempest (Motus rental brands), and other independent car rental companies. Around 60% to 70% of our vehicle sales are generated through Motus-owned dealerships, with the remaining volumes generated by independently owned dealerships.

We relied on our agility, entrepreneurial tenacity, and trusted relationships to continue to deliver strong results for the year.

Import and Distribution (continued)

Our ability to enhance the customer experience across the vehicle ownership cycle remains critical to maintaining and growing our market share.

At 30 June 2021, our controllable share of the passenger and LCVs in South Africa was 16,1% (2020: 16,3%). Hyundai grew market share to 7,7% (2020: 7,0%), as did Kia who reached 3,7% market share (2020: 3,4%), Renault's market share reduced to 4,2% (2020: 5,6%) due to a decline in sales to car rental companies while Mitsubishi's market share grew to 0,5% (2020: 0,3%).

Despite interruptions in the supply chain, good inventory availability has assisted Motus through these supply chain disruptions allowing us to exceed our customers' expectations and have attracted new buyers. Low availability of pre-owned vehicles has supported margin growth. This together with the trend to buying down, has resulted in revenue growth to our mid-market vehicle offerings as well as market share growth. Our agility has also supported our growth as we adapted and responded to the change in the environment by rapidly improving our digital and online presence and offerings.

We continually assess our dealership footprint in response to developments in the operating environment and we will continue to refine the implementation of the multi-franchise model in dealership locations where it is appropriate.

Our broad product range includes a range of affordable models for consumers and our professional salesforce has adapted to the rapid shifts in consumer buying behaviour. They have invested time in engaging with customers online and through social media, ensuring that, under the tight COVID-19 protocols, customers only had to meet them face-to-face to complete the necessary paperwork before completing the vehicle handover.

As COVID-19 continues to impact global logistics supply chains, we actively manage vehicle availability with our OEMs. We expect that ongoing supply chain disruption and microchip shortages will continue to have a manageable impact on the supply of vehicles for the first half of the 2022 financial year.

Motus has not escaped the social unrest in South Africa unscathed. Two Hyundai dealerships in KwaZulu Natal were damaged and looted. As well as our bond store in Amanzimtoti. Although the Group did not suffer significant direct losses, we are impacted by the economic after-effects thereof.

New legislation and guidelines took effect on 1 July 2021, namely, POPIA, Right to Repair and AARTO. We have trained our staff and implemented plans to ensure we are compliant with these regulations. Modern vehicles require specialist equipment and extensively trained service technicians. Similar legislation to Right to Repair has been implemented in Australia and the UK without any significant impact on the OEM/dealer market. We do not anticipate a significant impact on the business as a result of this regulatory change.

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.

Our ability to enhance the customer experience across the vehicle ownership cycle remains critical to maintaining and growing our market share as we continue to maintain the high standards for service excellence.

All the Importer OEMs have a suite of electric and hybrid vehicles that could be imported should government implement enabling legislation that would make the vehicles more affordable. Hyundai, Kia and Renault have made significant investment in the development of electric and hybrid vehicles. Given the lack of charging infrastructure and faltering electricity supply, we do not anticipate electric and hybrid vehicles playing a significant role in the South African automotive industry for the foreseeable future. We support the efforts to reduce emissions and are conscious of the environmental impacts of vehicles and will continue to engage with OEMs and governments in the geographies in which we operate.

Read more about the **Group's ESG priorities** from page 96.

Integration and optimisation

Our ability to leverage opportunities for digitisation and innovation that drive communication throughout the ownership cycle and reward customer loyalty has become a key focus, and we will continue to develop our initiatives and accelerate innovation while conservatively managing costs and inventory levels.

During the year, the Group purchased the remaining 40% of Motus Vehicles Distributor (formerly Renault South Africa), from Renault France for R250 million, and concluded a 10-year exclusive distribution agreement for South Africa and the neighbouring territories. The acquisition will enhance operational synergies and unlock value within the Group's integrated business model.

We continue to develop value-added initiatives to improve our customer experience. We are exploring the benefits of using data analytics to track consumer trends to improve our understanding of our customers and develop our responses to maximise related opportunities.

Read more about the **Group's approach to innovation and technology** from page 36.

Our people

Our people are critical to our success, and we continue to consider their safety and wellbeing our top priority. We have adapted how we manage our operations in this new COVID-19 working environment, ensuring that we have a safe workplace for our people.

Our culture of high performance, entrepreneurial spirit and innovation is supported by ongoing improvements in our ability to provide effective and relevant training, job support and career development and we continue to identify ways to enhance employee engagement in our business.

Read more about the **Group's people strategy** from page 104.

2021 financial performance

Revenue
R19 683 million

Operating profit
R912 million

Operating margin
4,6%

	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.

Corné Venter

CEO – Retail and Rental South Africa

Rob Truscott

CEO – Retail UK

John Johnson

CEO – Retail Australia

The Retail and Rental business segment operates an unrivalled dealership footprint in South Africa, which underpins our leading market share of 20%, with a select presence in the UK and Australia.

The South African dealerships (91 pre-owned, 215 passenger vehicle and 35 commercial vehicle dealerships) are strategically located in growing urban areas, while our 119 UK dealerships are mainly located in provincial areas. In Australia, our 36 passenger vehicle dealerships are in New South Wales and Victoria.

We operate a centralised financial products and services business across the dealer network, which provides economies of scale. We provide rental vehicles via the Europcar and Tempest brands, each with targeted offerings to customers. We operate 85 car rental branches in South Africa and 15 branches in the neighbouring countries.

Retail and Rental

Geography

Primarily South Africa, with a selected presence in the UK and Australia

Vehicles sold annually

>115 000 new vehicles
>105 000 pre-owned vehicles

Leading retail market share

20% in South Africa

Rental market share

~25% in South Africa

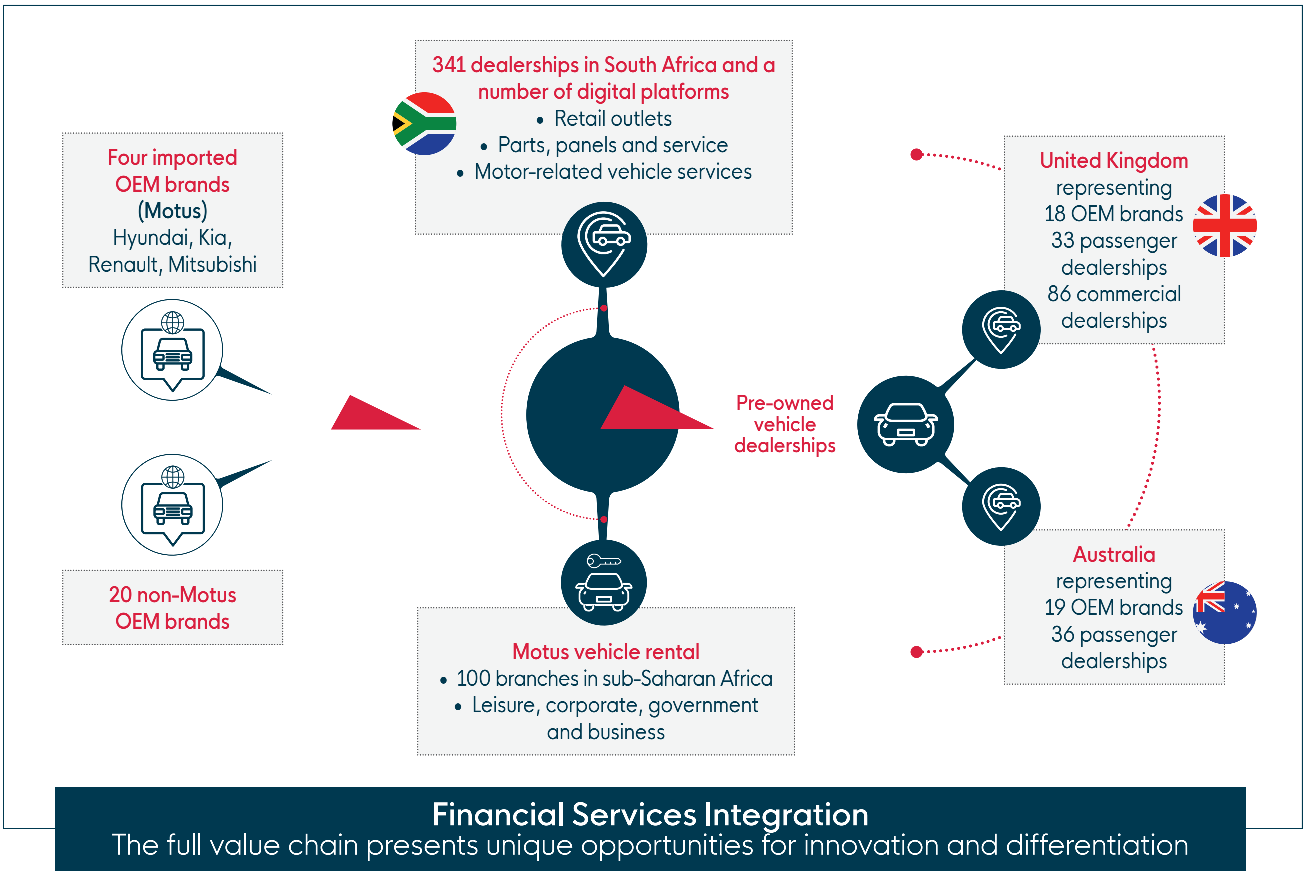
Represent

24 OEMs in South Africa
18 OEMs in UK
19 OEMs in Australia

2021 priorities

- Grow pre-owned vehicle market share.
- Rationalise dealership footprint, aligned to OEM strategies, and refine the multi-franchise dealership model.
- Enhance retail strategy and customer experience throughout the vehicle ownership cycle.
- Invest in technology to drive digitisation and support customer service and experience.
- Selective bolt-on acquisitions to improve brand representation.
- Optimise passenger dealership model (UK and Australia).
- Enable rental de-fleets via Auto Pedigree dealerships.
- Optimise rental business to adapt to new market realities.
- Right size the vehicle rental business.

Retail and Rental



Representing leading brands

South Africa	United Kingdom	Australia

Growth opportunities

We have invested in innovation and technology to improve our digital capabilities and grow market share. The need to protect our market position and enhance existing networks will drive expansion of the retail operations in select locations. The multi-franchise dealerships and bolt-on acquisitions allow us to introduce additional brands in areas close to existing dealerships over the medium to longer term. We are also implementing a range of strategies to expand our pre-owned vehicle offering within the existing footprint.

2021 performance

Market leadership

The political uncertainty in South Africa and negative economic outlook, together with the global recession resulting from the COVID-19 crisis, will continue to constrain growth in the short term. In addition, customers' shift away from luxury vehicles continues and will result in a permanent structural realignment of the market to more affordable and pre-owned vehicles.

The car rental industry de-fleets provide significant volumes of pre-owned vehicles to the dealerships. The COVID-19 crisis has negatively impacted the car rental industry, and this will result in severe shortages of pre-owned vehicles in the 2022 calendar year. In addition, the general shortage of pre-owned vehicles has supported margin growth in this business.

Ongoing global shortages of semi-conductors will constrain the availability of certain models through to the end of the 2021 calendar year but are expected to ease after that. In the UK market, around 15% of new vehicle purchases are now electric and hybrid vehicles and this is expected to grow due to government subsidies and tax incentives.

While the change to electric and hybrid vehicles in the geographies where we operate will largely depend on government's will and ability to support the affordability of electric and hybrid vehicles, stimulate consumer demand, the transition will also in part be dictated by our partner OEMs. OEMs are making headway in the production of batteries, hydrogen fuel cells, liquefied petroleum gas (LPG) and hybrid vehicles. We monitor global trends and OEM developments so that when policy changes are implemented in the countries where we operate, we will be able to have the infrastructure for electric and hybrid vehicles in the dealerships. Motus UK has implemented a policy for employee company vehicles to be electric and hybrid vehicles and is installing charging points at its sites.

We have invested in innovation and technology to improve our digital capabilities and grow market share.

Retail and Rental (continued)

The customer buying process has evolved from a traditional process to one with multi-entry processes.

The customer buying process has evolved from a traditional process to one with multi-entry processes. This shift in customer demands toward digital channels was already reshaping the marketing, distribution and selling of vehicles by April last year. However, the COVID-19 crisis and the initial hard lockdowns have accelerated this trend significantly. As a result, the industry faced unprecedented challenges over the past year and accelerated transformation to enable Motus to provide multiple channels to satisfy the needs of different market segments. We continue to accelerate our omni-channel retail strategy and improve the overall customer experience. We are embracing change and incorporating non-traditional thinking and technology in our innovation and digital capabilities for a truly seamless digital and in-dealership customer experience.

In November 2020, we launched motus.cars, our customer-facing centralised vehicle inventory aggregator and online platform, to streamline pre-owned vehicle purchasing. This platform will allow us to improve our customers' visibility of our inventory of pre-owned vehicles while also enhancing our ability to service them and reducing the time it takes to complete a transaction. The trade-in platform functionality provides valuable insights into inventory pricing, which allows us to improve the accuracy and speed of pricing trade-in vehicles. Over time, we will continue to add functionality and features to the platform. The target market for vehicle trade-ins is vehicles between one and six years old. Older vehicles are sold to the trade as these vehicles do not suit our pre-owned vehicle sales profile.

Our investment in getWorth, which is now a 60% subsidiary of the Group, will also support the fast-tracking of our positioning in the online vehicle buying and warehouse retailing space. This underpins our intention to support new and pre-owned vehicle retail businesses using technology, to reduce risk and increase our access to data for future growth. Our customers and dealer group alike will benefit from this investment and innovation as Motus deploys the innovative vehicle buying and selling processes developed by getWorth. Matching the scale of the trusted and established Motus dealer network with these processes and systems will allow the Group to expedite, and thereby improve, the selling and buying experience for the customers, resulting in increased vehicle sales.

Our willingness to embrace change and incorporate non-traditional thinking and technology in our business will allow us to build on the capabilities these provide for a truly seamless digital and in-dealership customer experience where we connect the online and offline experience for our customers.

We also launched Motus Select, which replaces the long-standing Imperial Select brand, as a trusted place to buy a pre-owned vehicle. There are 22 dealerships in the Motus Select network, making it easier for buyers to find the right make and model to meet their requirements.

The de-fleeting of rental vehicles to the Auto Pedigree network of 69 dealerships will ensure that we have a constant and reliable source of pre-owned vehicles, in the right condition and at the right price. As the pre-owned vehicle volumes available from the rental businesses will be reduced, we are sourcing pre-owned vehicles from other sources.

We have introduced five pilot Auto Pedigree Service Centres to offer convenient, high-quality service and repairs at affordable prices. We aim to offer all vehicle owners access to affordable high-quality vehicle service and maintenance.

Motus will continue to expand the dealership footprint in the UK and Australia. We intend to grow through carefully selected bolt-on acquisitions that will be driven by the introduction of additional brands in the areas that are close to existing dealerships. We will maintain our focus on growing the dealership footprint in provincial areas.

During the year, we have prepared for new legislation and regulation that took effect on 1 July 2021. We have implemented processes to comply with the requirements of the Automotive Aftermarket Guidelines, commonly known as the Right to Repair. Similar legislation has been implemented in Australia and the UK without any significant impact on the OEM/dealer market and we expect this to be the case in South Africa as well. We have also trained our people and implemented plans to ensure we are compliant with POPIA, while full implementation of AARTO legislation has been postponed to 1 July 2022.

We continue to reduce the negative impact on the environment where possible. Waste and water recycling systems are implemented in some of the dealerships and car rental depots. To reduce our carbon footprint, energy-saving lightbulbs are installed when dealerships are upgraded. In addition, solar panels are installed at some existing dealerships and distribution centres and all new dealerships. In the vehicle rental business, our customers are provided with electronic invoices and statements.

Integration and optimisation

We constantly evolve the dealership footprint by consolidating and multi-franchising dealerships to improve profitability. In addition, we introduce and/or acquire brands via selective bolt-on acquisitions in areas that complement our current network to build critical mass and leverage synergies. This allows us to align to OEM strategies proactively and respond to changes in markets and customer behaviours. We acquired six dealerships in South Africa, one in the UK and two dealerships in Australia. These transactions increased our access to growing markets in these regions. The Group has over 40 multi-franchised operations in South Africa, with new multi-franchise dealerships opening in

We embrace change and incorporate non-traditional thinking and technology in our business.

Read more about the **Group's ESG priorities** from page 96.

Retail and Rental (continued)

We will continue to refine the implementation of a multi-franchise model in dealership locations where appropriate.

Read more about the **Group's approach to innovation and technology** from page 36.

Read more about the **Group's people strategy** from page 104.

Edenvale, Bedfordview, Polokwane, Tzaneen, Klerksdorp and Rustenburg. We plan to open our single biggest multi-franchise business in Menlyn (Pretoria) in early 2022.

Support from OEMs was instrumental in achieving progress in implementing the multi-franchise dealership model. In response to developments in our operating environment, we assess our dealership footprint on an ongoing basis. We will continue to refine the implementation of a multi-franchise model in dealership locations where this is appropriate. This includes implementing standardised processes across dealerships and centralised marketing to ensure consistent brand messaging lower advertising costs.

Over the past few years, the vehicle rental business has migrated its legacy IT systems onto a new platform that offers bi-directional system integration capabilities. During the year, we introduced an end-to-end self-service capability for customers to improve their experience. We will continue to create a sustainable technology environment that supports specialised customer digital applications across multiple platforms.

We will continue to assess the technology and innovation requirements of the retail business segment to improve alignment and integration of transaction flows and create information analytic capabilities over existing dealership data to improve business decision making.

Our people

Our people processes are designed to attract, develop and retain talented, diverse and committed employees. We continue to invest in the development of our people, with a strong focus on technical competence development and transformation. We are creating a purpose-driven workplace that fosters a culture of continual improvement and innovation by continually embracing change and customer centricity in response to emerging disruption in the motor industry.

2021 financial performance

Revenue	Operating profit	Operating margin
R70 962 million	**R1 757 million**	**2,5%**

	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%).

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 branches 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.

[1] *Includes trade units.*

Kerry Cassel

CEO – Financial Services & Head: Innovation and Technology

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

Financial Services

Geography

South Africa

Vehicles including third-party products under administration

>760 000

Innovation

Drive the Group innovation strategy and encourage employee collaboration through the Motus m^{x} community

2021 priorities

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

Financial Services

Product and services

Segment	Brands	Products and services
VAPS	Liquid Capital; M-Sure	Service and maintenance; Extended warranties; Scratch and dent; AdCover; Credit life; Tyre and rim; Roadside assistance
Value Asset Finance	Liquid Vehicle Finance; Hyundai Finance; Kia Finance	Instalment sales; Lease/rental solutions
Vehicle Asset Finance Fleet Management	58Fleet	Procurement and financing of vehicles; Fleet maintenance solutions; Fleet management
Consumer Mobility Solutions	MotorHappy	Digital VAPS and comprehensive insurance brokerage platforms; Digital vehicle procurement, finance, and disposal platforms; Digital leads rewards programmes

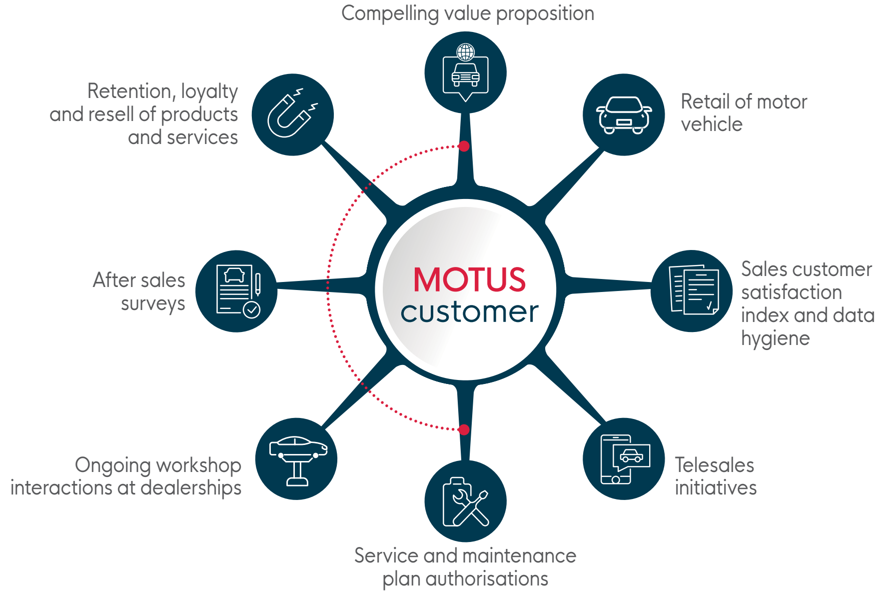
We have evolved our offering over many years to enhance the vehicle ownership experience of our customers, identifying and addressing the underserved needs of motorists. This enables Motus to develop meaningful relationships with our customers as our integrated value chain provides us with multiple touchpoints with our customers.

Data forms the foundation of customer insights, which drive the development of continuously evolving products and services presented to customers at the appropriate time in their vehicle ownership journey. Compelling value propositions ensure that customers return to Motus for all their motoring needs, driving value for the Motus value chain.

Ultimately, we strive to deliver a stress-free motoring experience to our customers, while at the same time ensuring that every vehicle sold by Motus generates revenue streams for the Group over its useful life.

Financial Services value chain

This segment complements and leverages the integrated automotive value chain, providing high-margin annuity earnings.



- Access to bank credit at preferential rates to enable vehicle sales.
- Access to the dealership network provides significant point of sale opportunities.
- Access to market intelligence through the Group's vehicle businesses and its data.
- Ability to feed market intelligence back into the vehicle businesses, enabling the division to reach clients with the right product at the right time.
- Cash-generative revenue lines create strong annuity income streams that act as a significant hedge to the industry's cyclical nature.
- Proven track record of innovative product and channel development and deployment.

Growth opportunities

Innovation and unlocking customer potential in existing and new customer channels represent an opportunity for the business to grow. Our investment in technology to leverage consumer data allows us to offer personalised services that enhance customer experience and improve customer retention.

Our business complements and leverages the automotive value chain by providing annuity earnings and strong cash flows. Our ability to analyse proprietary data supports the 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 other businesses by retaining the customer within the Group throughout their vehicle ownership lifecycle.

2021 performance

During the last year, many businesses faced increasing challenges amid the impact of the COVID-19 crisis. During this period, we saw the value in our core strategy. Our annuity income streams proved an effective hedge against the cyclical nature of vehicle sales impacted by the pandemic. However, these income streams are continuously under threat, not only from changes in the regulatory environment but also from the wave of start-up disruptors, innovative competitors, and the fast pace of technological change, which continues to challenge the notion of sustainability.

Our business also faces significant changes in the legislative and compliance landscape. We fully support these changes in the regulatory environment and believe that they will improve transparency and trust with our customers, and we are working to ensure that we implement the necessary process and document changes to comply with the regulations as they come into effect.

Our core business is to build our financial services offering as an extension of Motus' vehicle businesses. Our vision to be a leading player in the mobility products and services industry will be achieved through continuous product and market innovation, increasing penetration in existing markets and diversifying into new markets.

We are establishing a new business development capability that will focus on developing and deepening our partnerships with strategic partners to create new products, new channels to market and new capabilities and to develop these within the broader insurance industry, finance houses and dealer network.

We continue to grow our channels to market through joint ventures with strategic partners and develop tailored financial services and products that benefit from access to their customer bases, leveraging our specialised expertise, data and product design ability.

We continue to grow our market share of VAPS within the importer independent dealer network, exploring opportunities to extend the duration of prepaid service and maintenance plans on Importer vehicles.

The Group supports the Right-to-Repair guidelines and its commitment to expand 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 in the automotive sector. In addition, we trained our people to ensure that we are compliant with POPIA regulations and AARTO. AARTO will be implemented in phases, with full implementation postponed to 1 July 2022.

Through our substantial data management warehouses, we are unlocking opportunities to monetise data, using predictive technology to allow us to identify when customers are potentially ready to purchase a new vehicle. We will continue to develop how we use the vehicle electronic service book to identify additional data-related opportunities to develop new VAPS offerings for customers.

Our business complements and leverages the automotive value chain by providing annuity earnings and strong cash flows.

Financial Services (continued)

Read more about the **Group's ESG priorities** from page 96.

We aim to operate in an environmentally conscious and responsible manner and focus our efforts on reducing our carbon footprint. We have installed tap aerators at our Johannesburg campus, are investigating the installation of a rainwater harvesting system and have approved solar installation in 2022. We will continue to raise employee awareness around water, fuel and electricity conservation.

Integration and optimisation

The desirability of our brands, the delivery of innovative VAPS and mobility services, and our ability to consistently exceed customer expectations are key factors in defending market share, deepening customer loyalty, and growing our sales and customer base.

Our scale and integrated value chain enable us to provide cost-effective and competitive financial products and services to customers in a challenging economic environment. This will be supported by driving vehicle sales underpinned by pricing discounts and product enhancements to qualifying customers. In addition, we will continue to implement innovative digitisation initiatives to improve efficiencies and save costs. Enhanced data quality across the Group will supplement business process automation to streamline processes and ongoing software system upgrades.

We are introducing new innovative technology to our partners and customers that creates efficiencies in the claims experience. We are piloting a hand-held augmented reality-based mobile application to improve the overall claims process and experience.

In addition, we are re-platforming certain areas of the business in order to reduce complexity and provide a single view of the customer, reducing reliance on external developers to maintain these legacy systems.

Read more about the **Group's approach to innovation and technology** from page 36.

With our increased focus on developing new channels to market, we will continue to leverage opportunities to grow annuity revenue streams outside of our traditional channels.

Our people

Our people deliver Motus' commitment to be a forward thinking, proactive and customer focused organisation. The employee value proposition to our people is underpinned by purpose and driven by values, thereby fostering a culture of innovation and improvement that allows them to provide excellent customer service and achieve ongoing efficiencies. We ensure that we have a safe working environment for our people during the COVID-19 crisis, as their safety and wellbeing continues to be our top priority.

Read more about the **Group's people strategy** from page 104.

2021 financial performance

Revenue	Operating profit	Operating margin#
R2 019 million	R904 million	44,8 %

	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.

Malcolm Perrie

CEO – Aftermarket Parts

The Aftermarket Parts business segment is a distributor, wholesaler and retailer of accessories and parts for mainly out-of-warranty vehicles through retail stores, franchised outlets and specialised workshops supported by distribution centres in South Africa, Taiwan and China.

The large national and growing footprint, comprising independently owned franchises and Motus-owned stores, enables us to leverage our buying power to distribute and sell competitively priced products for a continually growing car parc of out-of-warranty vehicles.

The international distribution centres in Taiwan and China allow us to procure products at competitive prices to distribute to South Africa and other developing markets.

Aftermarket Parts

Geography

Southern Africa and limited presence in South East Asia

Distribution centres located in South Africa, Taiwan and China

Stores

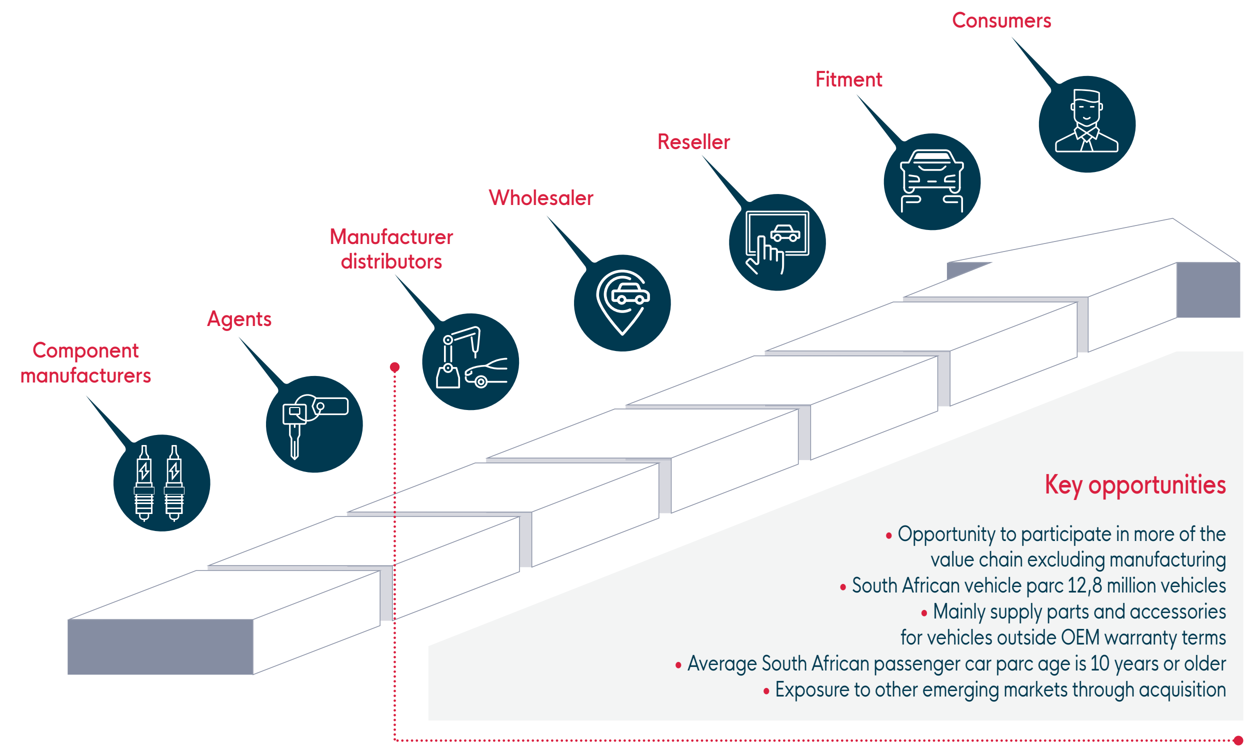
577 retail stores and distribution points, including 100 owned by Motus

2021 priorities

- Grow franchise retail footprint supported by efficient supply chain.
- Drive optimisation of the supply chain via Chinese operations.
- Strengthen the core business and our franchised base through improved efficiency, volume buying, expand the product range and brands.
- Grow market expansion via the Nexus buying group.
- Invest in IT to drive digitisation and e-commerce expansion.
- Optimise distribution centres in South Africa and China.

Aftermarket Parts

Parts and accessories value chain



Growth opportunities

Expanding into markets outside of South Africa provides a significant opportunity for the business to increase utilisation and improve profitability of the distribution centres in Asia. Increased participation in this segment will also include backward integration to eliminate intermediaries in the wholesale supply chain. Our controlling interest in Arco in Taiwan and the distribution centre in China support this strategy and enables us to leverage our buying power to procure parts at competitive prices.

We will also explore selective acquisitions to drive growth in international markets that complement global wholesale opportunities.

We are in advanced stages of acquiring a distributor of replacement automotive parts in Europe. The acquisition offers synergies across the operations, with a product line-up that is complementary to the Group's offering.

2021 performance

Market leadership

The COVID-19 crisis, the sovereign downgrade in South Africa, together with high unemployment, has reduced consumer disposable income levels, shifting demand from higher priced premium products to more affordable products. This trend of 'buying down' continues to compress margins compensated by our broad product mix and increased volumes. We will continue to develop an end-to-end supply chain with a broad product offering that is supported by our access to the right suppliers, products at the right prices, and ability to leverage our group buying power.

Our channels to market are supported by our franchisee model, which gives us an extensive footprint and allows us to offer our products to a range of customers around the country and beyond. In addition, the South African car parc has a wide range of vehicle models that are out of warranty, resulting in the need to hold a broad product range of parts and accessories. This requires increased working capital investment initially to meet the demand.

We continued to strengthen our core business by streamlining our distribution capability, shortening our routes to market and leveraging our ability to procure large volumes at lower prices to cater for broader market penetration. We partner with selected global parts distributors to facilitate competitive purchasing and continue to increase our buying power through the backward and forward integration of the parts supply chain.

We joined Nexus, the largest automotive global parts buying group from 1 January 2021. Nexus is represented in 137 countries and has buying agreements with 76 global component manufacturers and an additional 12 emerging suppliers. The Nexus footprint and focus on innovation complement the Group's footprint and strategy. Nexus invests in innovation projects that are mobility aligned through a mobility fund and has a buying office in Shanghai that focuses on supplier evaluation, ensuring consistency of quality from a variety of component suppliers via regular safety audits. We are also a member of the Nexus strategy and ESG committees, represented by the business segment CEO, which has a key focus on transforming the industry starting with 'clean green' workshops.

Motus has not escaped the social unrest in South Africa unscathed, which has impacted our operations and that of our franchisees and independent stores, as several Midas and Alert stores were looted and destroyed to varying degrees. Although the Group did not suffer significant direct losses, we are impacted by the economic after-effects thereof.

We continue to develop an end-to-end supply chain with a broad product offering.

Read more about the **Group's ESG priorities** from page 96.

Aftermarket Parts (continued)

Integration and optimisation

Our improved supply chain and distribution strategy supports our product management ability by providing visibility of inventory availability and, allows us to better manage inventory levels. We will continue to optimise our supply chain through selected acquisitions, specifically to grow our distribution capabilities in China. In South Africa, we have simplified our distribution centres to reduce complexity and cost of distribution.

We have continuously expanded our spectrum of private label products and focus on effectively managing our brand portfolio to ensure the customer base has access to a bouquet of appropriately priced quality products. We have started a low-cost product distribution channel, called Right Way Distributors, to service the entry level parts markets.

We will continue to enhance our online product catalogue, improve lead times, create greater visibility of product availability and therefore improve the overall customer experience. Our journey to improve our ERP system is in the core design and build phase, focusing on streamlining business processes and reducing complexity. Once complete, it will enhance visibility over the full supply chain.

Read more about the **Group's approach to innovation and technology** from page 36.

Our people

We continue to invest in our people to build an agile and responsive business and deepen accountability. The safety and wellbeing of our people has remained our top priority during the COVID-19 crisis, and we continue to ensure that we have a safe workplace for our people. The Group's culture of high performance and innovation is supported by our ongoing investment in providing relevant and effective training, job support and career development for our people.

Read more about the **Group's people strategy** from page 104.

2021 financial performance

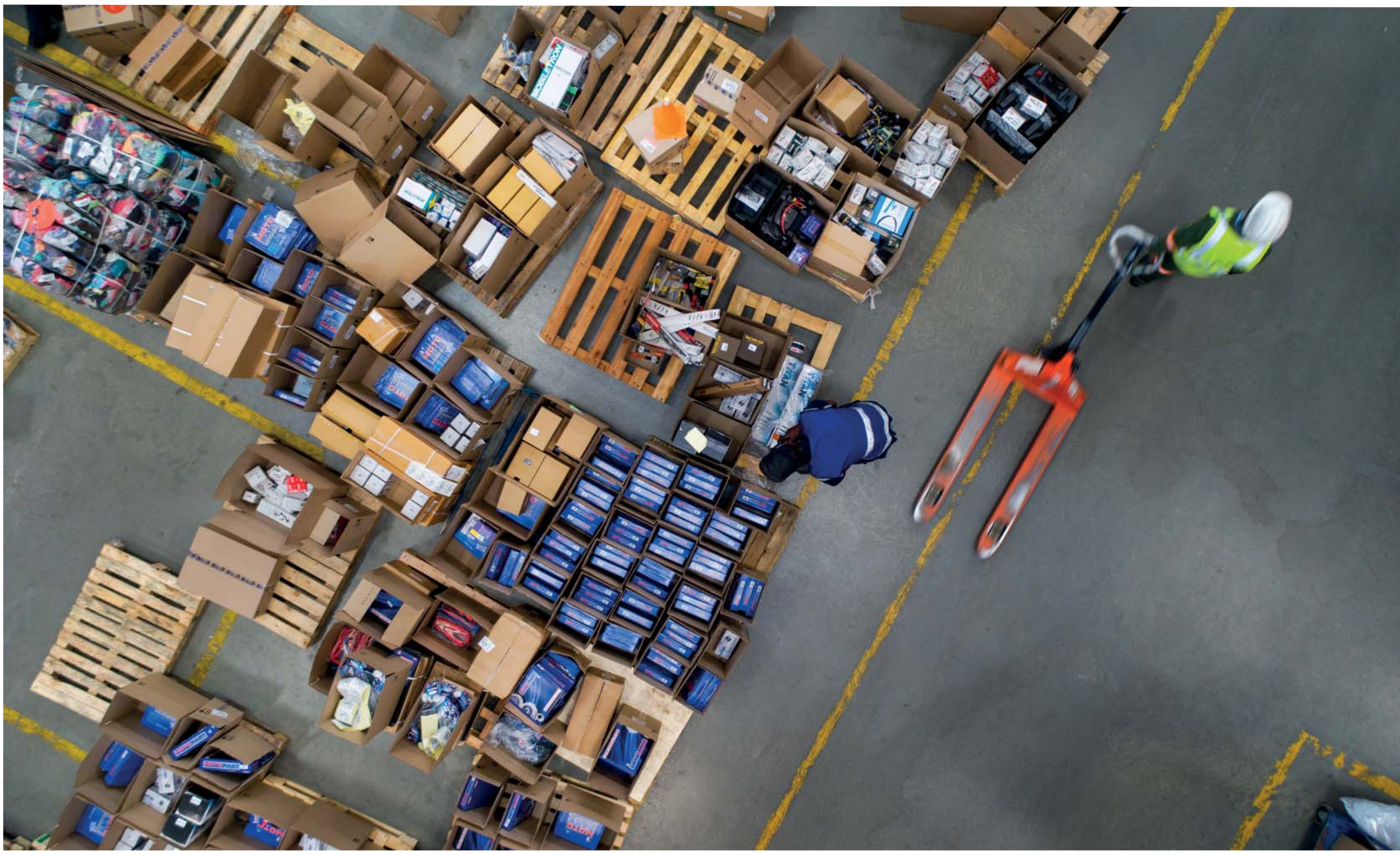
Revenue	Operating profit	Operating margin
R7 295 million	R559 million	7,7%

	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.



Berenice Francis

Corporate Affairs, Risk and Sustainability

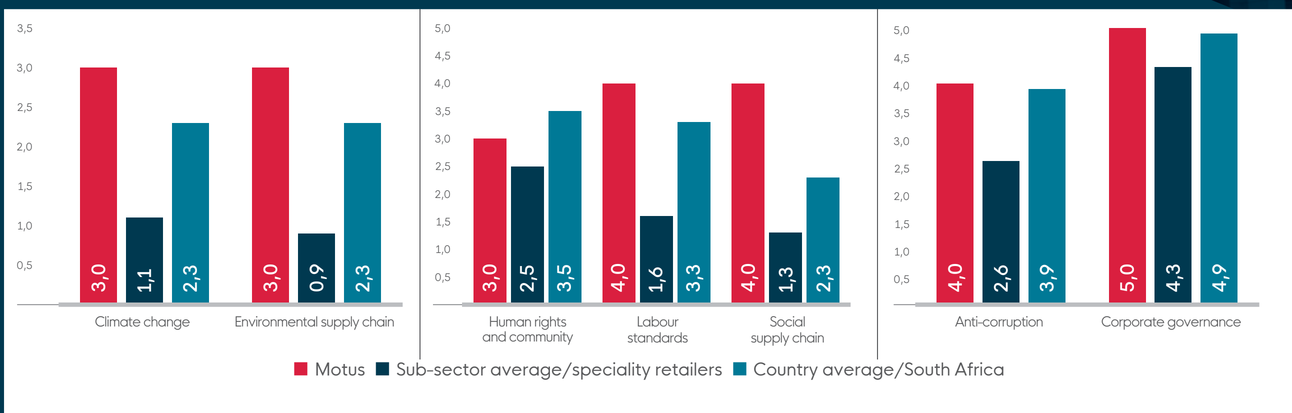
Environmental, social and governance overview

FTSE4Good Index Series

Environment

Social

Governance



Environmental, social and governance overview

Effectively managing the ESG consequences of our activities and actively striving to uphold our commitment to all stakeholders, secures stakeholder trust and our reputation as a good corporate citizen to invest in, do business with and work for.

Strategic priorities

Environment

- Ethically harness cleaner energy and water sources (solar panels and batteries, rainwater harvesting systems and greening new developments) and reduce fuel consumption.
- Find responsible recycling opportunities, working with reputable business partners.
- Work with industry bodies to contribute to policy development that supports electro-mobility in South Africa.

Social

- Apply stringent quality controls to ensure high-quality workshop services, vehicle rentals, pre-owned vehicles and parts supplies.
- Provide legally compliant, value for money and responsible financial services offerings.
- Ensure personal information and data is protected and proprietary systems are fit for purpose.
- South Africa: maintain our B-BBEE rating at Level 4.
- South Africa: increase the number of black-owned Motus-aligned franchise dealerships and establish a network of black-owned second tier workshops.
- South Africa: enhance our procurement processes to direct more spend to B-BBEE compliant businesses within our controllable spend parameters, and deliver supplier and enterprise development initiatives for black-owned small and medium-sized enterprises (SMEs).
- Maintain our long-standing relationships with our partners on our CSI initiatives within our chosen pillars – education, skills development, road safety and health – that enable us to make a difference and alleviate the needs of the communities in which we operate.

Governance

- Conduct a more robust ESG maturity assessment to identify ESG areas of improvement, and assign key performance indicators to ESG focus areas, including more informed targets. This will be driven by the SES committee in the coming year.
- Align our ESG activities to the United Nations Sustainable Development Goals.
- Review the sustainability management system to achieve more efficient reporting processes.

Environment

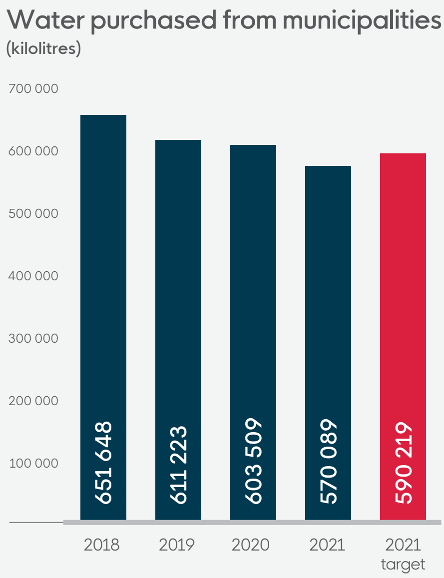
Our business model is not a direct carbon or water-intense business. We aim to operate in an environmentally conscious and responsible manner and in line with this commitment we set new targets for the next three years to F2024 based on F2019 activity. These targets are more robust and relevant than our prior targets, which aimed to reduce the overall reduction of resource consumption.

We acknowledge that our business of selling vehicles that produce emissions has a major impact on the environment. We have limited influence on the provision of electric and hybrid vehicles in the South African market, which requires changes to national policy and infrastructure, as well as government support in the form of subsidies. Through our membership of naamsa and our participation on its fuel committee, we will provide feedback on the draft New Energy Vehicle Green Paper – a first step towards establishing a long-term strategy to enhance South Africa's competitiveness in the global transition to electric and hybrid vehicles.

We engage with our OEMs on electric and hybrid vehicles to assess their relevance for the markets we operate in and to ensure that we are prepared when they are introduced into the markets in which we operate. In other parts of our business, the Financial Services strategy to develop innovative ways to support 'mobility as a service' could deliver solutions that reduce environmental impact, while Aftermarket Part's membership in Nexus, the largest automotive global parts buying group, will enable us as part of the collective to benchmark our ESG activities to worldwide standards, and transform the industry starting with 'clean green' workshops.

Read more in our environment chapter of the ESG report online.

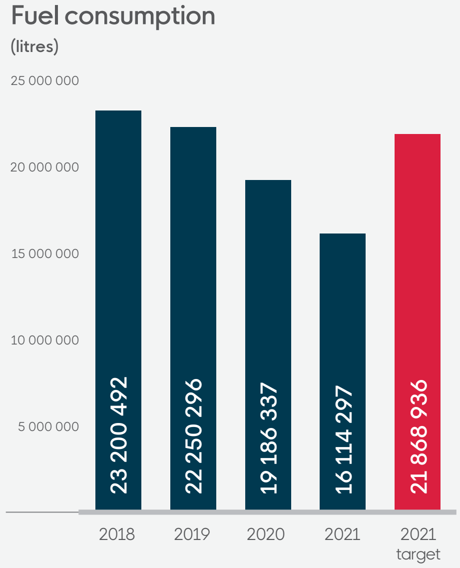
Water purchased from municipalities (Group)

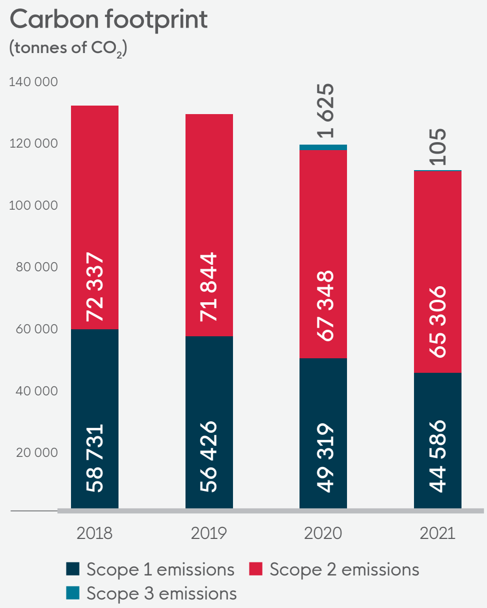


The year-on-year decrease in water consumption was largely driven by the branch closures in Car Rental, which were heavily impacted by COVID-19. We achieved our 2021 target.

Looking forward, we will enhance the accuracy of our water usage reporting, reduce our reliance on municipal estimates, explore additional water saving solutions and continue to drive awareness and consistent messaging around water usage and conservation across our businesses.

Carbon footprint (Group)





- Road fuel usage was 16 114 297 litres, 16,0% lower than prior year and well below our 2021 target by 26,3%. Decreases are attributable to fuel cost initiatives in many businesses and remote working due to COVID-19.
- Electricity usage was 73 317 megawatt hours, 3,2% lower than prior year and 10,5% lower than 2021 target. Businesses continue to implement initiatives to reduce electricity consumption, including energy saving lightbulbs and motion sensors; therefore, the increase mostly corresponds to the increase in our footprint during our expansion in the UK and Australia in 2020.
- While Scope 3 emissions have significantly reduced due to less air travel (94% reduction), this will increase again as business returns to normal activity. However; it is rewarding to see the steady decrease of overall carbon emissions over the past three years.

Looking forward

- All business segments are investigating where solar photovoltaic power installations are feasible and, where there are solar plants in place, to ensure that we effectively use solar power without wastage.
- Given OEM strategies and market conditions where feasible, we will adapt our company vehicle fleet to include more fuel-efficient demo vehicles, where possible.
- Our businesses will continue to install energy-efficient lighting and light timers and replace old electronic equipment with energy-efficient alternatives, when retrofitting projects are undertaken or equipment becomes redundant.

Paper and waste management

Purchasing a vehicle is a paper-intensive exercise. However, advances in technology are making it possible for the purchasing process to become more automated with less need for paper, while still meeting regulatory requirements and customer needs. As part of our POPIA responsibilities, we are encouraging the use of online platforms or paperless solutions. We manage hazardous and non-hazardous waste responsibly, comply with applicable national waste management laws and ensure relevant disposal certificates are issued. This year we started measuring waste and plan to be in a position to set waste and recycling targets in 2022.

Read our full ESG environmental report online.

Environmental, social and governance overview (continued)

Social

High-quality products and services

Supplying high-quality products and services to the market depends on our ability to build strong relationships with our stakeholders. To remain the OEM dealer of choice, it is critical that we maintain high standards and meet their targets, both in terms of customer service and quality controls. Our relationships with regulators ensure that we adhere to legislative requirements and provide our customers with automotive and financial services offerings that are competitive, cost effective, fair and contribute to their safety on the road.

We assist OEMs to maintain their safety and brand standards. Our effective recall procedures enable the timeous engagement with customers to ensure their vehicle parts are promptly replaced in the event of an OEM recall. Our warranty departments track claims, component failure rates and recurring problems, providing the importer brands with this data to inform their quality improvements. Customer-facing employees, workshop technicians and quality controllers receive OEM training supplemented with our own training programmes. Workshop tools and equipment are regularly maintained in line with OEM standards, using third-party specialists where required.

Under the new Right to Repair guidelines, which came into effect on 1 July 2021, service and maintenance plans must be sold separately to the vehicle, and warranties are no longer automatically voided if a vehicle is serviced by an independent service provider or has non-original spare parts fitted. We are in the advanced stages of implementation with external legal advice sought to ensure our response is in line with the requirements of the Competition Act. Our vehicle sales and finance and insurance staff have been trained to ensure that customers understand the implications of opting out of taking a service or maintenance plan.

Our Risk Management and Compliance Programme sets out customer due diligence processes, including anti-money laundering and anti-terrorist financing controls, for our businesses that operate as authorised financial services providers. Regulated products, and their associated processes and policies are regularly reviewed to ensure that commissions and disclosures are transparent in the sales process. All employees subject to the Financial Sector Conduct Authority's 'fit and proper' requirements receive the necessary training and continuous professional development to achieve their accreditation to sell products.

A critical element of securing our systems and data is employee behaviour. Throughout the Group we have increased our training and awareness on data privacy and information security policies, standards and practices.

During the year employees received training on POPIA (over 10 600) and the Right to Repair guidelines (over 5 700), and 13 agents in Financial Services achieved their regulatory exam qualification.

There were no material incidents of non-compliance with regulations and/or voluntary codes, including those concerning the quality, health and safety impacts of our products and services.

Community upliftment

COVID-19 has highlighted the deep socio-economic and equality challenges facing South Africa. This has spurred the South African Government to look towards co-operating with the private sector to drive more effective economic inclusion and transformation outcomes. The South African automotive industry is a major industrial and economic force that adds real value every day – providing mobility, facilitating trade, creating sustainable jobs, moving people, goods and services, serving communities and creating prosperity for South Africa's people.

We share our expertise and experience to contribute to broader national strategies and thought leadership, and to progressing our industry and markets. Our memberships help us to identify opportunities to support localisation in South Africa and investigate new ways in which we can contribute to society at large, over and above our community initiatives. Our progress in transforming our workforce to reflect South Africa's demographics is discussed on page 109.

Small businesses play a critical role in South Africa's socio-economic recovery, especially in creating desperately needed jobs. It is government's intention to grow local production and manufacturing, and open big business supply chains to SMEs. Leveraging our entrepreneurial spirit, we are developing sustainable working models for black-owned and managed businesses, which also give Motus access to new markets. Progress on our three flagship transformation projects includes:

- We purchased the property for the majority black-owned Toyota satellite dealership in Tembisa, where we will hold a minority share and provide operational support and training. The building process has commenced.

- Two informal sector mechanical workshops are open; based in Alexandra (Gauteng) and KwaMhlanga (Mpumalanga), supporting 10 mechanics. We provide technical support and SME-linked business training. Two new sites are under development and will be operational later in 2021. Beyond this, an additional two workshops are being considered.
- Project Q, in partnership with a local taxi association in KwaMhlanga, Mpumalanga, is an independent parts retail store, which serves the association's members. Motus provides guidance to taxi owners and operators on the suitability of products with special emphasis on safety critical components. The project was delayed during the year due to conflict among taxi associations.

In the Importer business, there are 30 independent black-owned Hyundai, Kia, Renault and Mitsubishi dealerships out of a total of 188 dealerships.

Despite the bulk of our purchasing being with OEMs, we continually review our supply chain to identify opportunities to buy from SMEs with a turnover of less than R50 million per annum.

B-BBEE scorecard rating

Aiming to achieve a
Level 4[1]

B-BBEE rating
(2020: Level 6)

We are targeting a Level 4 rating as a result of improved scores in management control, skills development and procurement. The OEM scorecards have a knock-on effect on our points for procurement in the Motus B-BBEE scorecard. All OEMs have committed to the Equity Equivalency Programme that aims to improve their scores; this should positively impact their scorecards as well as ours. Revised OEM scorecards are expected around December 2021.

Preferential procurement

61%

of suppliers (excluding OEMs) in South Africa have valid B-BBEE scorecards

63%

of our controllable procurement spend in South Africa was with preferential suppliers
(2020: 70%)

- Our procurement spend for 2021 totalled R56,7 billion, of which 35% was categorised as controllable. Within our controllable spend:
  - R2,3 billion was with >51% black-owned businesses (2020: R1,3 billion) against a target of R1,1 billion.
  - R1,0 billion was spent with 30% black women-owned businesses (2020: R498 million) against a target of R550 million.
  - R2,0 billion was with exempt micro enterprises and qualifying small enterprises (2020: R1,3 billion) against a target of R1,0 billion.

Enterprise development

R76 million

a 153% increase compared to 2020

- Of our enterprise development spend, 71% (R54 million) qualified for the B-BBEE scorecard. This equated to 3,1% of net profit after tax (NPAT), meeting the dtic Codes' target of 3% of NPAT and scoring 15 out of 15 points (2020: 3,7% of NPAT; R26 million).
- Our ongoing objective is to expand the inclusion of black-owned SMEs in our value chain supported by enterprise and supplier development spend.

[1] *At the date of report sign off, the B-BBEE verification was still being finalised.*

Environmental, social and governance overview (continued)

We remain grounded in our belief that we can use mobility for good, continuing to drive positive socio-economic impact, strengthening our relationships with our stakeholders, creating employment, growing the automotive industry, and making a difference in the lives of our people and communities. Aligned to our values to make a tangible impact in communities, Motus donated R5 million to food and medical relief efforts in the KwaZulu-Natal province following the dramatic violence in July 2021. This event highlighted the vulnerabilities and deep divide our communities still experience.

Key highlights of our CSI projects include:

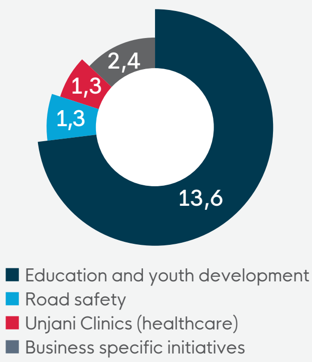
1. In February 2021, we launched our YES Programme, a corporate initiative in South Africa to provide work experience opportunities to unemployed youth between the ages of 18 and 29. Our programme will run to June 2022, providing work opportunities for over 400 unemployed youth, across our different business segments as well as with our CSI partners Unjani Clinics NPC and the Imperial and Motus Community Trust. Learners will also be provided with the funding and tutoring towards their learners' licences and drivers licence.

2. **Contributed: R11,7 million:** the Imperial and Motus Community Trust reached a milestone of 52 school resource centres, reaching over 61 300 learners and assisting over 1 600 teachers (2020: 45 resource centres, reaching over 50 250 learners and assisting over 1 400 teachers). The project supports 65 jobs.

3. **Contributed: R1,3 million:** invested in initiatives included in our 'Road Safety – Powered by Motus' initiative. Since 2011, the Safe Scholars Programme has reached over 1,8 million learners in over 2 080 schools (2020: over 1,69 million learners reached in over 1 820 schools) and distributed 98 900 reflective sashes (2020: over 91 300 reflective sashes) for children to wear while walking on the road.

4. **Contributed: R1,3 million:** provided to the Unjani Clinics network, empowering black women professional nurses to operate and ultimately own primary healthcare container clinics in their communities. The network includes 94 clinics located across South Africa and has created 346 permanent jobs, including the upskilling of 111 professional nurses. A further **R2 million** has been invested in the network as an interest-free loan to support the network's expansion. The network services around 60 700 uninsured and under-served patients.

CSI spend (Group) (Rm)



We invested R18,6 million in community upliftment initiatives (2020: R28,1 million). Of this CSI spend, 94% (R17,5 million) qualified for the B-BBEE scorecard's socio-economic development pillar. This equated to 1% of NPAT, meeting the dtic Codes target and scoring five out of five points (2020: 2% of NPAT; R14 million).

Read our full ESG social report online.

Governance

For Motus, integrity means always acting with honesty, fairness and transparency and respecting each other, our customers and the communities in which we operate. We strive to operate as a well-governed and ethical company and take decisive action when matters relating to unbecoming conduct are brought to our attention.

Our values are the foundation for our culture and guide our interaction with our stakeholders. Every employee is responsible for exercising good judgement and obtaining guidance on appropriate business conduct, when needed. The Code of Ethics guides them in this responsibility. Our ethics, leadership guidance, standard operating systems and our values, aim to align more than 16 700 individual behaviours.

Unethical behaviour is not tolerated and all instances of alleged misconduct or discrimination reported to management, received through the whistle-blowing hotline or through any other compliance oversight channel are thoroughly investigated.

Of the 75 tip-offs registered on the whistle-blowing hotline for the year, all reports were investigated and closed by year-end. Just under 25% of the tip-offs were valid concerns where disciplinary or remedial action was required. Limited public data is available to assess our reporting against similar organisations; however, we are firmly committed to ensuring the highest standards in maintaining a trustworthy and secure whistle-blowing process.

Enhancements made to the ethics and fraud prevention framework during the year included:

- A formal process was introduced to self-declare conflicts of interests and compliance with ethical standards for the top executives and senior managers in the Group, including confirming their adherence to and understanding of our ethics-related statements and policies. By the end of August 2021, all senior managers had completed the exercise, which was then extended to Financial Services. To date, 770 out of 1 090 targeted employees have completed their declarations. This will be an annual exercise going forward and will be expanded to all business segments.
- Updated the Code of Ethics to include data privacy requirements in line with the POPIA.
- Worked to ensure that employees used the correct channels to report issues, to prevent grievances coming through the whistle-blowing hotline and to avoid employee frustration when wanting to report a grievance. This is reflected in the reduction in our people-related tip-offs from 73 in 2020 to 51.

In this year's board evaluation, conducted by an experienced external consultant, ESG was identified as an important area of future focus, and will feature prominently in future SES committee meetings. To improve our reporting, our focus will be to benchmark our ESG disclosure against selected frameworks and stakeholder expectations and experience.

During engagement with our shareholders on the remuneration policy, they raised concern that ESG performance was not holistically considered in our reward structures. For 2022, the short-term incentive criteria for the Group CEO, Group CFO, executives and prescribed officers will cover ESG aspects, tailored to their roles.

In addition to its statutory duties, the SES board committee assists the Group in discharging its ESG responsibilities and implementing practices consistent with good corporate citizenship. The committee oversees Motus' management of ethics, people, transformation, health, safety and wellness, environmental impact, stakeholder relationships and socio-economic development. During the year, the committee's oversight was extended to include IT strategy, innovation and brand management, as an underpin to our sustainability journey and enabler of some of our ESG strategies.

FRRCs within each business segment in South Africa, as well as the FRRCs in the UK, Australia and African operation, support the SES committee and the ARC. They oversee operational risks, ethics, environmental performance, transformation in South Africa, health, safety and wellbeing, regulatory compliance and stakeholder management. All FRRCs are chaired by a senior manager from Group head office other than the Financial Services FRRC's chairman, who is an external independent industry expert. A standardised agenda applies across all FRRCs guided by Group reporting requirements. Material concerns are elevated to the relevant board committee.

Through these governance structures, we are confident that our ESG impacts are identified and understood, and that negative impacts are responsibly mitigated and positive impacts are leveraged to drive value for our stakeholders. This is reflected in our overall score of 3,8 out of five in the FTSE4Good Index Series. We will continue on our ESG journey and strive to improve our reporting and performance every year.

Read our full **ESG governance report** online.

Michele Seroke

Chief People Officer

Our people

Our people are at the core of everything we do. Our success depends on a diverse complement of highly competent and experienced leaders and teams. On this basis, we grow our talent and offer equality in our work environments, career development opportunities, and creative initiatives that inspire the best in our people.

Our focus in the past year has been on safeguarding our employees against COVID-19 ensuring continuity of operations and driving the recovery of our business, while at the same time building resilience and agility into our operations and inspiring our people to continue delivering their best. This has meant that some of our people-related strategic objectives may not have progressed as far as we would have liked; nevertheless, while delayed, we remain committed to them.

Our people

Motus' people strategy is designed to address our fast-changing business context, driven by digital transformation, and ensures that the manner in which we manage our people supports the Group's business objective to be a customer-centric and innovative organisation. COVID-19 has brought about shifts in two key human capital management areas: the hybrid workforce model and the need for more dynamic skills and talent planning. While our people strategy has not changed, we have taken proactive measures to align the implementation of the strategy to the new realities of our organisation and the impact on our people.

Impact of COVID-19

In addition to the business and economic impact of the COVID-19 crisis, the pandemic has also caused significant disruption for people and their families, taking a heavy psychological toll on our employees. The following initiatives were introduced to support the workforce and motivate our people during this time:

- We adapted our human capital management practices to support working from home (where practical) and enforce social distancing.
- We communicated regularly with employees to maintain engagement and motivation, while also being transparent on the impact of COVID-19 on trade. Much engagement took place to reassure employees returning to work that premises were COVID-secure.
- We extended our Employee Assistance Programmes to support employees experiencing financial and psychological difficulties, and in the United Kingdom (UK) we assisted them with receiving government support.
- Training programmes were transitioned from traditional face-to-face learning to virtual learning.
- In South Africa, we launched a toolkit to assist human resources (HR) personnel and business leaders in addressing the people-related challenges of the pandemic. Topics range from providing emotional support, communicating effectively and embedding values and culture, to how to engage with the survivors of retrenchment and manage remote productivity.

From the beginning of the pandemic to 31 August 2021, we have recorded 2 753 positive cases (2 466 in South Africa, 266 in the UK, and 21 in the rest of Africa). It is with much sadness that we acknowledge the passing away of 47 of our people who have succumbed to the virus, and our heartfelt condolences go to their families, friends, and colleagues.

In addition to the business and economic impact of the COVID-19 crisis, it has also caused great disruption for people and their families, taking a heavy psychological toll on our employees.

Our human capital imperatives

- Understand, develop and facilitate mobility of critical skills for business and employee growth.
- Foster and leverage a diverse and inclusive work culture to enhance business performance.
- Maintain a safe, sustainable and healthy environment that allows our employees to excel in the work environment.

South Africa	12 697 employees
UK	3 033 employees
Australia	523 employees
Africa	389 employees
Asia	66 employees
Total	**16 708 employees**

Our people (continued)

Stakeholder engagement

In all operations, good relationships and open communication exist between management and employees. We maintain regular written communication with our people through emails, newsletters and bi-annual virtual presentations to business leaders detailing the strategies and results of the business.

Several surveys were undertaken during the year to gain insight on employee concerns. A departure survey was piloted in South Africa to understand why individuals choose to leave our employ. Financial Services' annual employee engagement survey was expanded to include questions relating to COVID-19, achieving a positive score of between 95% to 99% for the COVID-19-related questions, a testament to the business segment's COVID-19 communication strategy. The learnings were shared with other business segments, some of which have since conducted the survey.

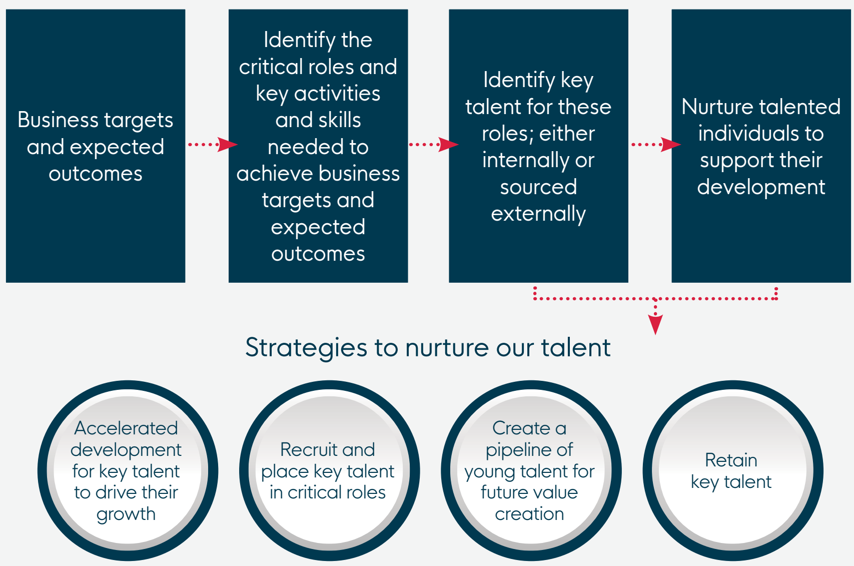
In the UK, the Commercial division's employee engagement survey yielded an overall score of 3,8 out of 5. Other divisions within the UK will conduct the survey in September and October 2021. Employees also have access to Safecall, which allows them to anonymously raise problems concerning top management.

In Australia, we launched the Speeki app and website in June 2021, enabling all employees to raise concerns anonymously if needed.

The future of work

Motus was able to quickly mobilise flexible working and remote working arrangements at the start of the pandemic. In the future, we will investigate whether and how certain aspects of a hybrid workforce model may apply to our working environment. We are also strengthening our Talent for Growth Framework to give momentum to reskilling the workforce and to tie the framework more closely to business growth and our strategic objectives. The revised framework will ensure that we have the right skills available in the right place and at the right time. This will support proper succession planning, future-proofing our leadership, and facilitate the internal career growth of talented individuals who can contribute towards our strategic objectives.

Talent for Growth approach (South Africa)



2021 performance

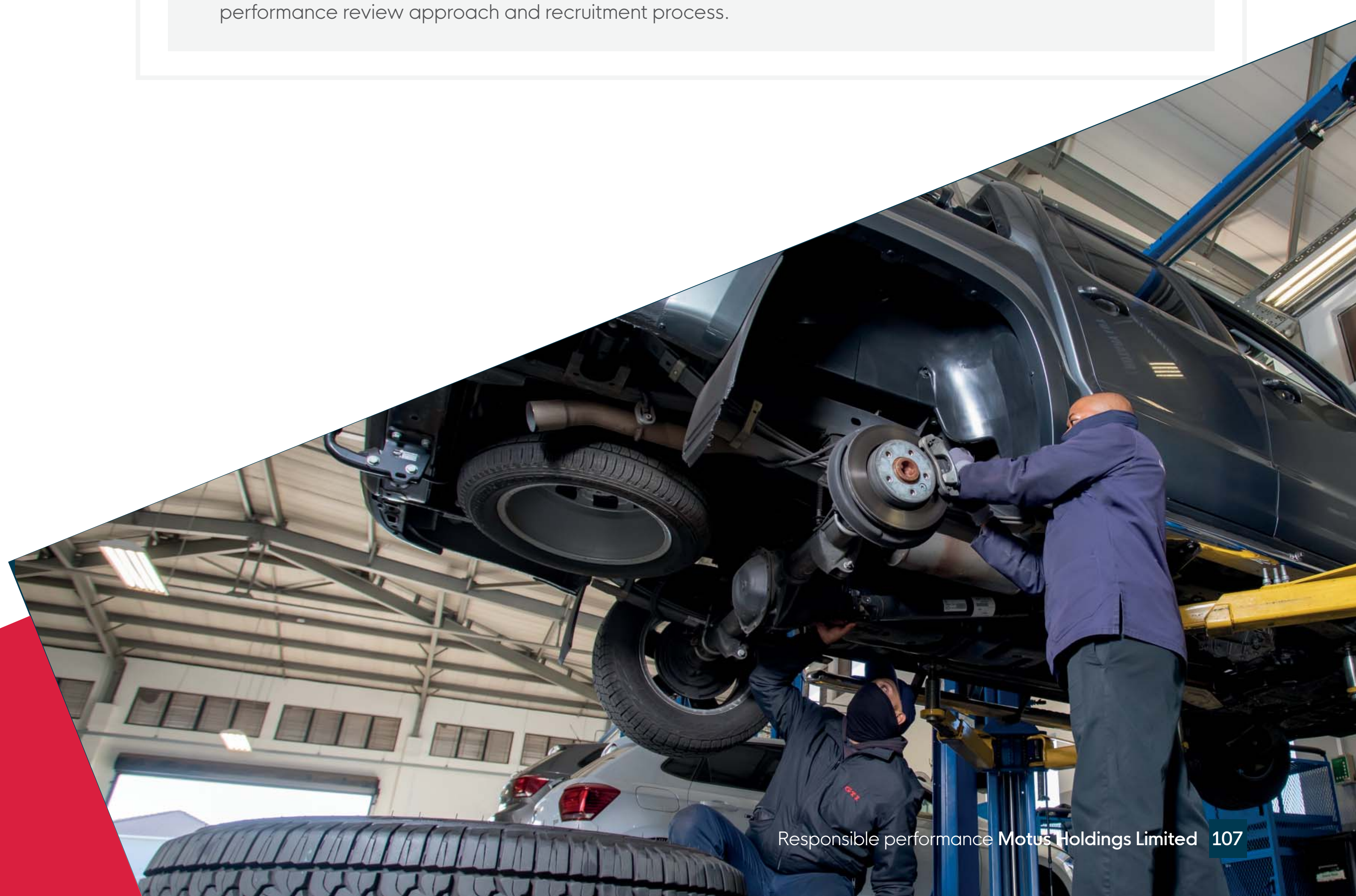
Digitisation

A number of strategic investments were made during the year to introduce new HR technology to drive improved employee engagement. This included:

- The Sage X3 HR platform was integrated with the existing South African payroll system, consolidating all HR data and administration and reporting processes. The integration is providing greater data accuracy.
- Relaunched the e-recruitment portal in South Africa, which helps to position the Group as an employer of choice in our industry.
- The UK adopted a single HR and payroll system, reducing costs and enabling easier data insight. Currently, the system facilitates salary payments and annual leave, with future functionality to cover personal development reviews, recruitment and onboarding, and a new learning management system.
- In Sydney, we are trialling a clock-in app, working from employees' mobile phones and feeding directly to the payroll system.

Talent management

- We made good progress in updating the Group executive succession plan. Detailed succession plans are in place for top, senior and middle management roles.
- In South Africa, we successfully migrated the management of the performance development tool into the business segments.
- A job evaluation, grading, and benchmarking exercise is underway in South Africa, which will allow for consistent grading of roles and provide up-to-date salary benchmarking data. This will give us the ability to compete successfully for talent in terms of our salary offerings and will support internal mobility.
- The UK is working to ensure all top management roles have an up-to-date succession plan and improve its performance review approach and recruitment process.



Diverse, equitable and inclusive work culture

We recognise that our business recovery and resilience following the pandemic depends on a culture that encourages everyone to apply their diverse thinking. This means that we must be truly inclusive, empower our people to make meaningful contributions, treat all employees fairly, and give everyone equal access to opportunities, information and resources.

A key focus for the Group is to create effective collaboration platforms across multiple workforce segments, providing individuals and teams with the opportunity to share new ideas and contribute to problem-solving. A key initiative is our Motus Xponential platform discussed on page 39.

2021 performance

- In South Africa, we established a cross-function diversity and inclusion panel to develop a new diversity, equity, and inclusion approach. The panel is conducting a benchmarking exercise to gather information on, and learn from, the transformation journeys of prominent and similar-sized corporates. Proposals for the new approach are being discussed with business segments and will then be presented to the executive committee for final approval.
- In the UK, all employees are required to participate in diversity, inclusion, and unconscious bias training with good progress made to date. We also ensure that shortlists for vacancies include candidates from diverse backgrounds, particularly in apprenticeship programmes.

Gender diversity

Women representation (Group)

31%

of the Group's workforce

(2020: 30%)

- 18 women in South Africa are participating in the second cohort of the Women in Leadership Programme (2019: 20). The programme did not run in 2020 due to COVID-19 restrictions.
- The UK shared the success of its female apprentices on social media to encourage women to join the apprentice programme.

People living with disabilities (South Africa)

198

people living with disabilities in the South African workforce, of whom 65% are black, and 50% are women

(2020: 146)

- We launched the Unstoppable Campaign in South Africa to actively hire and uplift people living with disabilities and create a safe, inclusive space that welcomes and supports them in reaching their full potential. The campaign also encouraged employees to declare their disabilities and apply for reasonable accommodation.

2021 performance (continued)

Employment equity

The restructure and cost containment measures undertaken in 2020 to respond to the COVID-19 crisis impacted our ability to meet our 2023 employment equity targets. We received approval from the Department of Employment and Labour (DoEL) to review our Employment Equity Plan and recalibrate our targets considering our reduced workforce and the limited ability to appoint new employees in a subdued growth environment.

Our revised plan for the next three years aligns our measurement to South Africa's economically active population. Specific targets have been set for African males and females in top, senior, and middle management positions. Each business segment is developing plans and monitoring systems to ensure these targets are integrated into the recruitment process and are monitored against interim annual targets. The revised Employment Equity Plan was submitted to the DoEL in December 2020.

Black representation

- 73% of the workforce is black. Good progress was made in improving year-on-year black representation at all management levels.
- Some 42% of Dealer Principals are black (2020: 39%).
- We appointed 72 black managers across the various businesses, with 41 being internal promotions.

Hires and promotions

3 395 people were hired
of whom 76% are black

169 promotions
of whom 79% are black

Training

72%
of training spend
to develop black people

Our people (continued)

Leadership and people capabilities

Motus is a learning organisation. Tailored training and development opportunities are delivered at all employee levels, enabling our people to grow and unlock their potential. Our development and training approach enables the Group to achieve its strategic objectives, meet its diversity and inclusion targets, and ensure a pipeline of skilled people for appointment to critical positions when they become available. Each business segment manages its own technical and product-specific training, and the Group delivers non-technical training programmes.

Our leadership and management development programmes equip our leaders to motivate high-performance teams. Our investment in our leaders is an investment in Motus' future and creates a ripple effect that positively impacts the Group's culture.

2021 performance

Management training (South Africa)

274 employees participated in a managerial programme

65% of participants are **black**, and **38%** are **women.**

Technical training (South Africa)

83% of total training spend supported technical training, with a significant increase in training spend to support the development of soft skills.

Training spend (South Africa)

R144 million

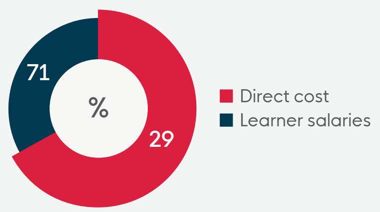
training spend, equating to 3,2% of payroll costs

(2020: R177 million; equating to 4%)

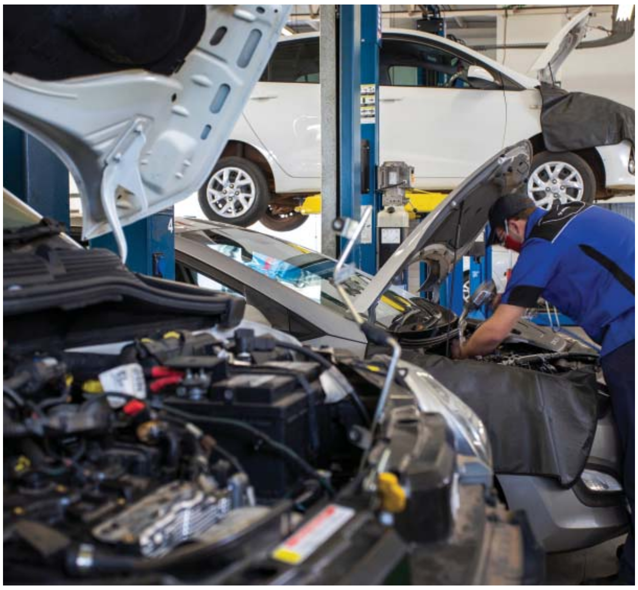
South Africa

- COVID-19 and the restrictions placed on classroom training continued to have a negative impact on learning and development in the first half of the financial year; however, Group-led development programmes resumed at the beginning of the 2021 calendar year using virtual platforms. Not only do these platforms provide remote access to training material, but they also reduce learning costs.
- Despite the restrictions imposed by the crisis, we hired over 400 unemployed youth graduates from the YES programme.
- We piloted a Digital Enablement Programme to help employees become digitally astute. The programme teaches employees how to confidently navigate digitisation and use it to work more productively and effectively. The programme is being developed for wider rollout.

Training spend (South Africa)



6 415 employees trained
51% of the workforce
99 hours of training per employee



2021 performance (continued)

Training spend (UK and Australia)

R127 million

training spend, equating to 5,5% of payroll costs

UK

- The commercial business' apprentice programme, delivered together with DAF, was awarded a Princess Royal Training Award and the East Midlands' Large Employer of the Year Award. It was also placed in the Top 100 of the National Apprenticeships Awards and in the Top 100 Companies on the Rate My Apprenticeship website (achieving a score of 8,9 out of 10 as awarded by the apprentices themselves).
- A total of 201 apprentices are enrolled on an apprenticeship programme with 59 recruited during the year.
- 15 delegates are participating in a management development programme, which develops future senior managers.

Australia

- All training has been transitioned to online platforms.

Our people (continued)

Health, safety and wellbeing

As a business that relies heavily on people, we believe that investing in their good health and wellbeing maintains their morale and builds and improves our competitive advantage through their willingness and motivation to meet our strategic objectives and customer expectations. This has been particularly evident during the pandemic where the resilience of our people ensured the successful continuity of our day-to-day business processes and the upkeep of our customer service standards under challenging circumstances.

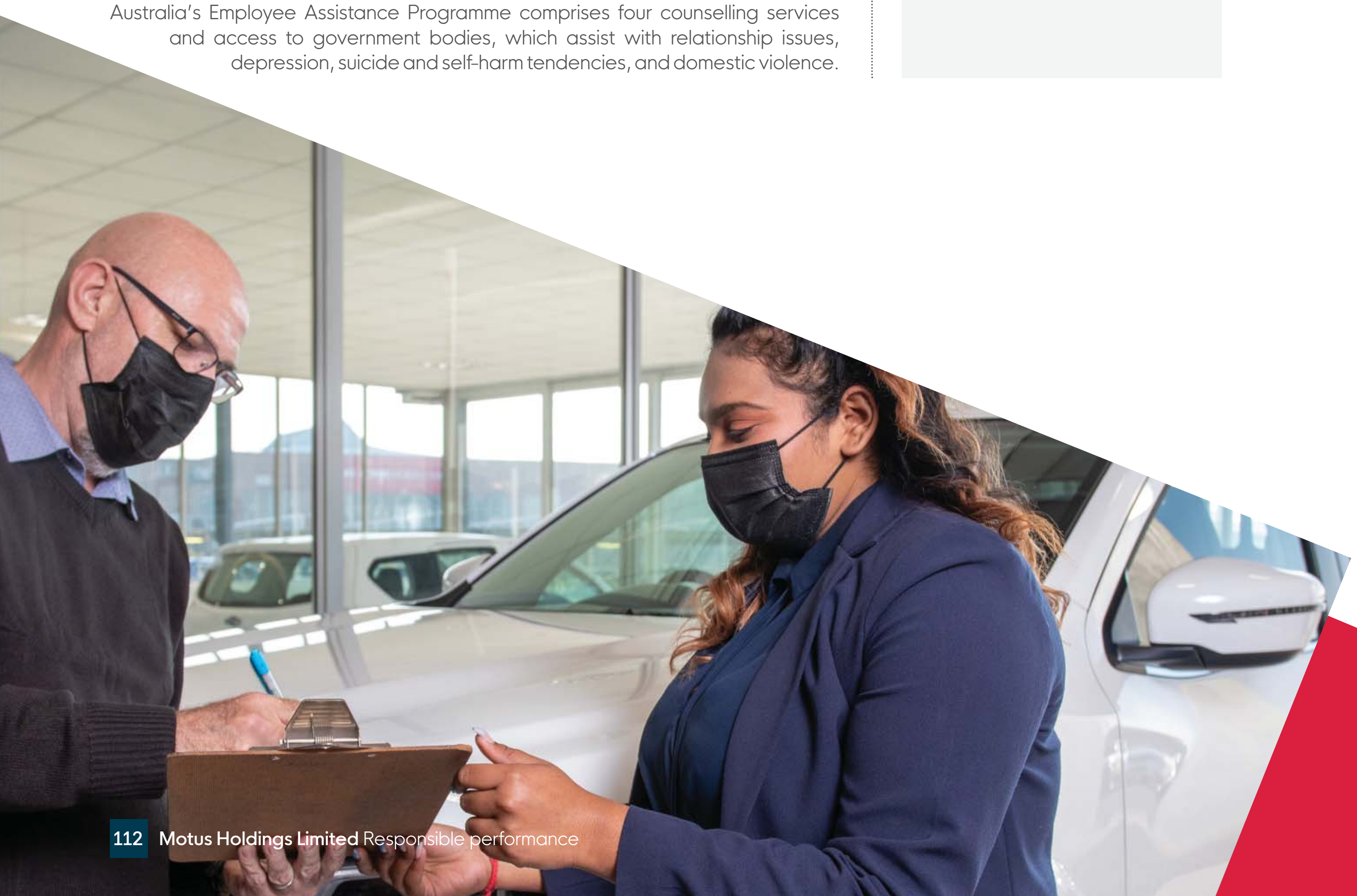
COVID-19 has been embedded in the health and safety governance frameworks of all operations, ensuring we adhere to health authorities' guidelines to prevent and minimise the potential spread of the virus.

In South Africa, our Employee Assistance Programme provides confidential short-term counselling services. The programme helps employees face personal challenges and work-related problems that affect their work performance, and health, mental and emotional wellbeing. Beyond the Employee Assistance Programme, a wide range of professional communication and self-leadership events are available to employees as part of the wellness programme.

In the UK, an independent occupational health provider oversees health surveillance interventions, including legislated medical examinations, and assists employees who need counselling, help with stress and health issues, and rehabilitation from workplace accidents. The UK Employee Assistance Programme provides employees and their immediate family members with 24/7 access to a doctor, confidential counselling services, mental health support, and professional financial advice. Advantageous savings and credit interest rates are available for those earning lower incomes.

Australia's Employee Assistance Programme comprises four counselling services and access to government bodies, which assist with relationship issues, depression, suicide and self-harm tendencies, and domestic violence.

In South Africa, our Employee Assistance Programme provides confidential short-term counselling services. The programme helps employees face personal challenges and work-related problems that affect their work performance, and health, mental and emotional wellbeing.



2021 performance

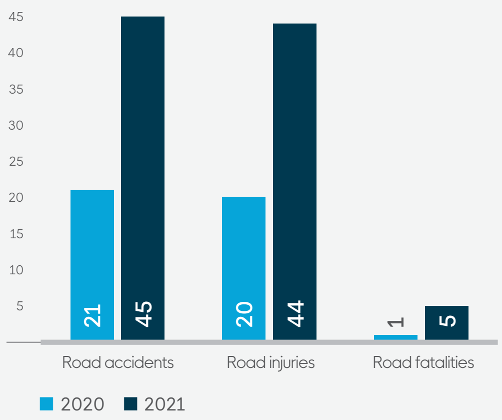
Group business site audits

Occupational Health and Safety (OHS) audits (Group)

526 sites
97% audit coverage
92% average score

The Group achieved strong OHS scores as management have implemented programmes that are effective and continue to ensure high OHS standards.

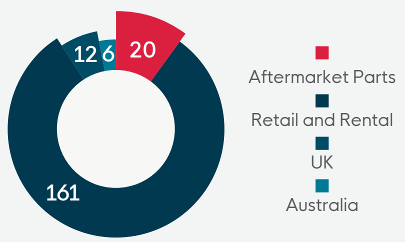
Road incidents (Group)



Even though we travelled less, we unfortunately experienced an increase in reported road incidents and road accidents.

- Road incidents (damage to property but no injuries or fatalities) increased by 60% to 356.
- Road fatalities increased from one last year to five this year (including three of our staff and two third parties). All fatalities resulted from five separate roads accidents.

On-site accidents (Group)



- Recorded 194 on-site incidents (damage to property but no injuries or fatalities). 31% of on-site incidents were third-party error.
- On-site accidents decreased 8%, from 216 in 2020 to 199. 5% of on-site accidents were third-party error.

Our people (continued)

2021 performance (continued)

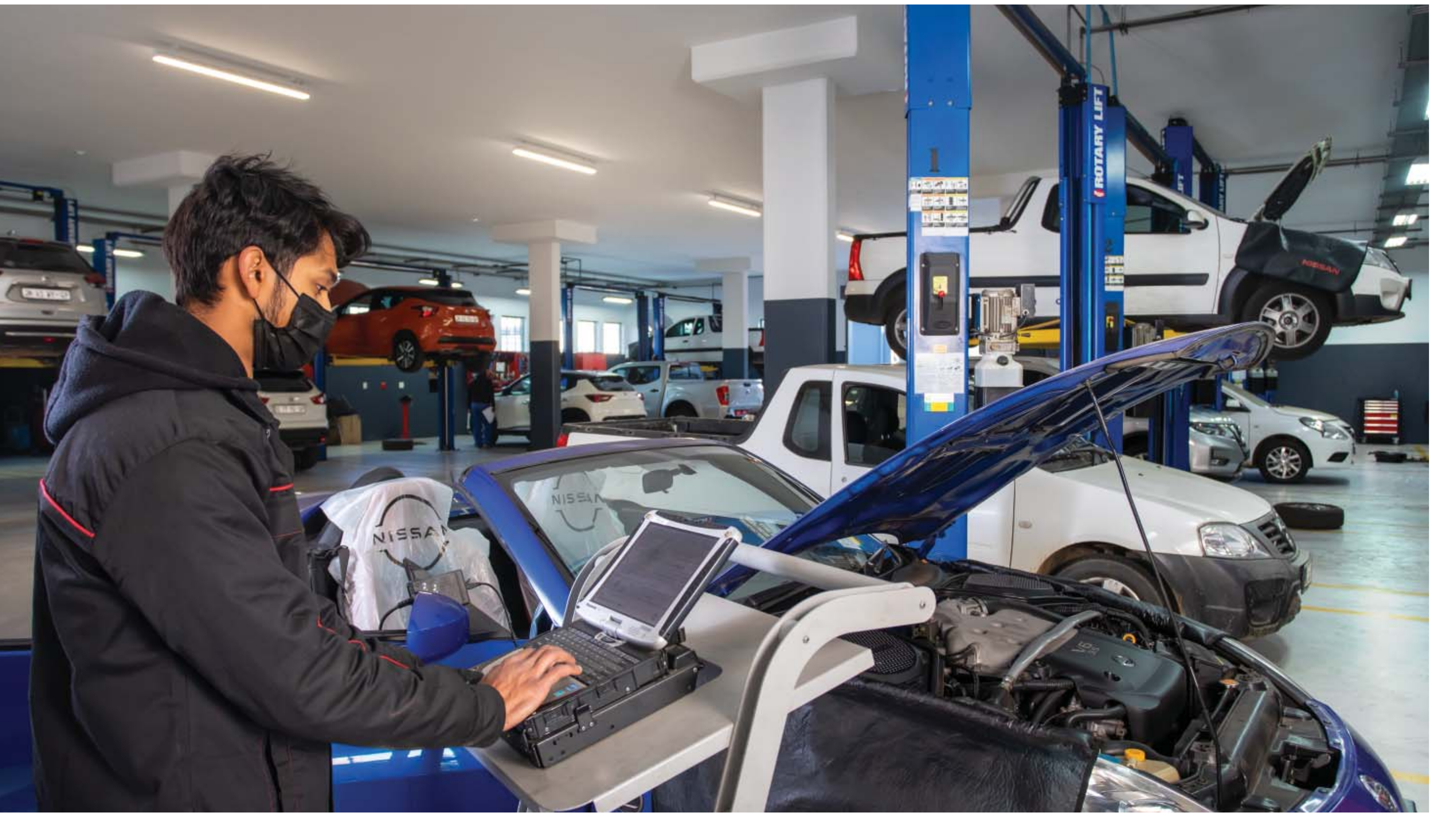
Group business site audits (continued)

South Africa

- Improved our management of health and safety by integrating the OHS audit process with the physical risk assessments conducted for insurance purposes. We also updated internal audit's OHS reviews and OHS-related processes employed by facilities managers.
- Head Office continued to guide a standardised approach to health and safety across our businesses. Sites have been assessed to identify their key risks which will inform customised checklists, and we have started identifying a smaller group of OHS audit service providers capable of meeting our required OHS standards and site-specific risks.
- Expanded the Employee Assistance Programme to include financial and legal advice.
- Employees increased their use of the Employee Assistance Programme to deal with psychological issues. A total of 172 cases were managed with mental health issues comprising 78% of cases. The remainder of cases concerned stress, traumatic events and bereavement.

UK

- The Commercials division rolled out mental health first aider training to 48 employees with a further 78 managers receiving mental health awareness training (around 12% of the division's workforce). Mental health first aiders act as the first port of call for employees experiencing mental health issues, and they direct employees to where they can receive professional support.
- The UK business is working towards implementing ISO 45001 – the revised OHS standard which includes environmental aspects – across all sites.



Looking forward

On-going future of work objectives:

- Define the key performance indicators to measure progress against the people strategy.
- Investigate how we can continue to evolve the HR IT landscape to achieve greater efficiencies and free up HR teams to focus on strategic human capital management planning and enhance employee experience.
- Drive greater alignment between employees and business goals, measure the productivity of employees, including those working remotely and identify critical roles and key skills.
- Develop guidelines to govern internal mobility and deployment of people with critical skills across the Group.

Diverse, equitable and inclusive work culture

- Align our diversity, equity and inclusion goals to business objectives and set targets by business sectors.

Leadership and people capabilities

- Continue to develop leaders and potential leaders to exhibit key behavioural and critical success factors that equip them for future leadership roles.
- Drive higher and sustained engagement on the m^x platform – our innovation and collaboration platform, which is helping to shape the future of our business.

Health, safety and wellbeing

- Continue to drive the use of our Employee Assistance Programmes.
- Continuously update OHS checklists in all business segments and create customised programmes based on inherent risk and conduct random quality assurance checks on high-risk areas.

Our comprehensive people, employment equity and health, and safety and wellbeing disclosures are included in our ESG report online.

Ntando Simelane

Company Secretary

Corporate governance report

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

The board is supported by a highly experienced professional management team with knowledge of regional and global markets, and a proven track record.

The board is committed to good corporate governance and as the focal point and custodian thereof, it ensures that Motus adheres to the highest standard of accountability, fairness and ethics, which are essential in building and maintaining trust, and delivering value creation. The board is equally aware of the importance of setting the tone at the top. It is against this background that the Companies Act, MOI, the JSE Listings Requirements, and the principles and practices of King IV and internal policies form the foundation upon which Motus' governance practices are founded.

The board is satisfied with the Group's application of the principles of King IV.

Read our **King IV application register** online.

Our governance framework

Corporate governance is defined by the structures, processes and practices that the board employs to direct and manage the operations of Motus and its subsidiaries. These ensure that authority is exercised, and decisions are taken within an ethical and predictable framework that promotes accountable decision-making. By setting the tone at the top and leading ethically and with integrity, the board ensures that a culture of good corporate governance cascades down throughout the organisation. A high level of accountability, fairness and integrity are applied in the running of the business, supported by transparent reporting to shareholders and stakeholders.

Motus' overarching approach to corporate governance is guided by the principles of fairness, accountability, responsibility, and transparency, with particular attention being given to the following:

- The provision of clear, concise, accurate and timely information about the Group's operations and results.
- Ensuring transparent reporting to shareholders on a financially integrated basis.
- Ensuring robust business and financial risk management is embedded across the Group.
- Ensuring that no director or executive management team member may deal directly or indirectly in Motus' shares in contravention of the JSE Listings Requirements and/or the law.
- Recognising Motus' social responsibility at large.

The Group operates in accordance with its Code of Ethics, which sets out the standard of ethical conduct that is expected from employees and directors alike. This includes adherence to honesty, accountability, transparency and sustainability practices.

The leaders of Motus are mindful that entrepreneurial creativity and responsiveness is a strong competitive advantage, and every effort is made to ensure that governance processes enable the business to deliver value to its stakeholders, with the ultimate responsibility for governance resting with the Motus' board and its sub-committees.

Corporate governance report

The board

Motus is led by a diverse board of directors, with knowledge, expertise, and experience relevant to the strategy and operating context within which the Group operates. The board is comprised of seven non-executive directors and three executive directors.

Details of board **members, including a brief CV**, can be found in the leadership section from page 20. Changes to the board can be found alongside on page 119.

The board is governed in accordance with the MOI and board charter, which outline duties and responsibilities of the board and set out a clear balance of power and authority within the board to ensure that no single director has unfettered powers of decision making.

Motus recognises its obligations in society and embraces the need and benefits of having a diverse board membership with differences in backgrounds, skills and experience. To give effect to this obligation, the board has adopted a broad diversity policy, through which gender and race diversity is promoted and measured.

Board appointment and nomination

The nomination and appointment of directors is regulated in terms of the MOI, the Nomination committee's (NomCo) terms of reference and board charter. The MOI determines the minimum and maximum number of directors that can be appointed to the board and the process thereof. Board appointments are confirmed following the interviews of the candidates and recommendations from the NomCo, regard is given to having skill, experience, expected level of contribution to, and impact on, the activities of Motus. New directors are formally inducted to facilitate their understanding of the Group. The board utilises various sources to recruit the required skills on the board, these include but are not limited to the use of independent recruitment agencies and directors' networks.

In terms of the MOI, at each AGM, one-third of the non-executive directors are required to retire from office and, being eligible, can make themselves available for re-election. Directors who were appointed before the AGM are to make themselves available at the next AGM for election by shareholders.

Board evaluation process

The board evaluation was conducted by an experienced external consultant, who interviewed members of the board and the outgoing Company Secretary. All directors consider the board to be functional and have high regard for the Chairman and the CEO. The outcome of the evaluation revealed that the board does not shy away from confronting issues when it is necessary to do so. Directors believe that there are appropriate systems in place to ensure compliance with legal requirements; board packs contain the correct level of information to allow for informed decision making; and they concur that the current number of meetings, coupled with ad hoc meetings as required, is sufficient to allow for review of board matters.

ESG was identified as an important area of future focus and will feature prominently in future SES committee meetings. The board evaluation process also confirmed that the board and executives are aligned on the strategic direction of the Group and the board is supportive of the implementation of the strategy. Directors are of the view that the size of the board is appropriate for the size of the company and that the board is sufficiently diverse, especially in terms of race and gender. Directors believe that Motus has good values and ethics which permeate throughout the organisation, and that the board '*sets the right tone at the top*'.

Board changes

The following changes to the board were effected during the year under review:

Effective date	Nature of the change
15 September 2020	• Mr. MJN Njeke was appointed as a member of the Remuneration committee (RemCo) and NomCo.
10 November 2020	• Ms. P Langeni resigned as an independent non-executive director. • Ms. NB Duker and Mr. PJS Crouse were appointed as independent non-executive directors and as members of the ARC and ALCO respectively.
31 May 2021	• Ms. KR Moloko resigned as an independent non-executive director and a member of the SES and ARC committees.
Changes subsequent to year-end:	
1 August 2021	• Mr. MJN Njeke resigned as a member of the ALCO.
1 September 2021	• Ms. F Roji-Maplanka was appointed as an independent non-executive director and as a member of the ARC and SES committees. • Mr. OJ Janse van Rensburg and Ms. K Cassel resigned as members of the SES committee following the reconstitution of the committee and will attend as invitees. • Mr. MJN Njeke resigned as a member of the ARC.

Board attendance to 30 June 2021

	Board meetings	Annual board strategy and budget meeting	Independent	Appointment to the board
Total meetings	5	1		
Non-executive directors				
GW Dempster (Chairman)	5/5	1/1	✓	1 August 2018
A Tugendhaft (Deputy Chairman)	5/5	1/1	×	1 August 2018
PJS Crouse[1]	4/4	1/1	✓	10 November 2020
NB Duker[1]	4/4	1/1	✓	10 November 2020
P Langeni[1]	1/1	–	✓	1 August 2018
S Mayet	5/5	1/1	✓	22 November 2018
KR Moloko[1]	3/3	—	✓	22 November 2018
MJN Njeke	4/5	1/1	✓	22 November 2018
Executive directors				
OS Arbee	5/5	1/1	×	12 October 2017
OJ Janse van Rensburg	5/5	1/1	×	12 October 2017
KA Cassel	5/5	1/1	×	1 July 2019

[1] *Refer to the changes to the board above.*

Board and committees' meetings are scheduled annually and in advance. A special board meeting was held in the period under review, to consider and resolve urgent matters.

Corporate governance report (continued)

Separation of roles and responsibilities

The business and affairs of the Group are managed under the direction of the board, which derives its authority from the Companies Act, MOI and board charter. The board is chaired by an independent non-executive director whose role is clearly defined in the board charter and MOI, and is separate from that of the CEO. The Chairman presides over meetings of the board and is responsible for ensuring the integrity and effectiveness of the board governance processes. The Chairman provides overall leadership to the board without limiting the principle of collective responsibility for board decisions.

The responsibility for the day-to-day executive management of Motus is the responsibility of the CEO, who reports and is accountable to the board on the Group's objectives and strategy. Board committees are generally constituted with powers of recommendation unless specified in a board resolution, board charter, or legislation.

Delegation of authority

The board has adopted and regularly reviews, a written policy that governs delegation of authority to management and matters reserved for decision by the board as well as those reserved for shareholders' authority.

The responsibilities of the board include issues of strategic direction, business plans and annual budgets, major acquisitions and disposals, changes to the board, and other matters that have a material effect on the Group or are required by legislation.

The board has delegated the day-to-day management of the Group to the CEO. The board still ensures that key functions are managed by competent and appropriately qualified individuals who are adequately resourced.

Company Secretary

The board considered the competence, qualifications, and experience of the Company Secretary and confirmed that the Company Secretary is adequately qualified and experienced to discharge his responsibilities. The board also concluded that there were no direct or indirect relationships between the Company Secretary and any of the board members which could compromise an arm's length transaction with the board.

Ms. JK Jefferies held the position of Company Secretary for the Group until her resignation, effective 28 February 2021. The Group appointed Mr. NE Simelane as Company Secretary and Head of Legal Counsel effective 1 April 2021.

Directors have unlimited access to the services of the Company Secretary, who is responsible to the board for ensuring that proper corporate governance principles are in place and adhered to.

Ethical conduct

The Group operates in terms of a board-approved Code of Ethics, which sets out the standard of ethical conduct that is expected from employees and directors alike. The board is committed to adhering to ethical conduct and good corporate governance in discharging its duties and responsibilities. The Code of Ethics also guides the interaction between employees, clients, stakeholders, suppliers, and the communities within which Motus operates.

Employees and stakeholders are encouraged to report any suspected contravention of the policies and/or law through an independently operated anonymous tip-off line. The responsibility for the implementation of the Code of Ethics and for reporting any material breaches to the SES committee lies with management. The content and principles embodied in the Code of Ethics are also integrated into employee training.

All senior management and operational directors are required to formally confirm compliance with the Code of Ethics and conflict of interest policy and practice.

For more detailed information, refer to our **ESG report** online – **Ethical and compliant business conduct** report.

Compliance

The Group is committed to compliance with all the applicable laws and regulations in the geographies in which we operate, as well as the adopted non-binding codes and standards. Accordingly, the regulatory universe impacting the Group has been defined, to enable the board, with the assistance of management and the ARC as well as other committees where relevant, to focus on laws and regulations that are relevant to Motus. The day-to-day responsibility for compliance is delegated by the board to management. Motus is committed to complying with the relevant laws where it operates, its MOI, and its policies.

Responsible corporate citizenship

The board oversees the governance and activities of the Group to ensure that Motus continues to be a responsible corporate citizen as outlined in the Companies Act and SES committee's terms of reference.

The SES committee oversees the strategy and monitors the implementation of the Group's impact on the environment, its ongoing corporate social investment, and overall good corporate citizenship. In addition, the SES committee will also focus its attention on the implementation of ESG considerations.

For more detailed information, refer to our **ESG report online** – **Ethics, environmental and social governance** report.

Stakeholder engagement

Motus has developed strong relationships with its shareholders and key stakeholders, such as debt providers, industry bodies, government, trade unions, and social partners. When engaging with stakeholders and communities, Motus is aware of its responsibility as a responsible corporate citizen. It is against this background that management carefully considers the utilisation of energy, water, and other environmental resources to ensure an effective contribution is made to sustain the environment for the future.

The Group's philosophy is to build and deepen long-term relationships with partners and programmes that align to the three pillars the Group has identified for social upliftment and empowerment within underserved communities in South Africa; being: education, road safety and primary healthcare. The Group therefore, has the following key partners and programmes that they support:

- Imperial and Motus Community Trust – supporting a partner school network to improve literacy and reading skills. During the year, the Imperial and Motus Community Trust achieved a milestone of establishing 50 libraries but could not host a befitting celebration due to COVID-19 restrictions.
- Motus Safe Scholar programme – reaching 1,8 million learners the Safe Scholar programme teaches road safety at schools.
- Unjani Clinics – supporting 94 clinics that support a sustainable model for primary healthcare in disadvantaged communities, the project also aims to empower black women professional nurses and create permanent jobs.

During the COVID-19 crisis and recent social unrest in South Africa, Motus worked closely with NGOs and business associations providing monetary and vehicle donations and assistance.

Key stakeholders are identified by management and the board. Management pursues appropriate engagements with material stakeholders to align their legitimate and reasonable needs, interests, and expectations with those of the Group. The board encourages proactive engagement with stakeholders.

Motus representatives hold formal positions within relevant industry bodies to ensure active participation on national matters of interest and, where applicable, legislative changes. Participation is also ensured at multiple discussion and participation forums to ensure that Motus views are considered and incorporated in industry feedback.

Corporate governance report (continued)

The AGM provides an opportunity for the board to interact with shareholders of the company and for shareholders to ask questions and vote on resolutions. Minutes of the AGM are available for inspection at the Company Secretary's office, subject to the relevant provisions of the Companies Act.

Read more in our **stakeholder engagement section** from page 50.

Combined assurance

In our commitment to implementing risk management, Motus recognises the relationship as set out in the risk management and the combined assurance frameworks. The combined assurance framework is intended to ensure that Motus employs a co-ordinated effort in the governance and management of risks throughout the organisation and provides comfort on the management of the key significant risks to the relevant stakeholders.

The board, with the assistance of management and the ARC, recognises the key role of integrated risk management in the strategy, performance, and sustainability of the Group.

The process of overseeing risk and ensuring that it is within acceptable parameters is delegated to management, who continuously identify, assess, mitigate and manage risks within the existing or future operating environment and ensure that the appropriate controls are in place to mitigate these risks.

Read more in our **risks and opportunities management section** from page 53.

Technology, information and innovation

The board, through the ARC, oversees the governance of IT. Technology and information, as well as ongoing investment in the Group's innovation strategy, are of key importance to the achievement of the Group's strategy and support longer-term value creation.

The Group has board-approved IT governance and information management policies, standards and procedures in place and a consolidated Group IT report, which includes governance, cyber risks and incidents, as well as IT audit issues, is distributed quarterly to the ARC. IT strategy and governance are formulated by Group IT and executed by individual business segments. Group IT oversees the adherence of business segments to Group policies and standards.

The Motus IT strategy is guided by strategic principles that allow our employees to act quickly by empowering them to make strategically consistent choices.

Read more about our **innovation strategy and focus areas** in our **Chief Innovation Officer's review** from page 36.

Read more about how we govern data in our **ESG report** online – **Ethics, environmental and social governance** report.

Conflict of interest

Conflict of interest is regulated in accordance with the provisions of the Companies Act and other internal governance instruments. The directors' register of interests is shared with directors on a quarterly basis before every scheduled board meeting to allow directors sufficient time to consider it and confirm its accuracy and/or to amend where necessary. Declaration of interest is a standing item on the board and committees' agenda to ensure that declarations or lack thereof are recorded.

Share trading and dealing in securities

No director or employee with inside information about the Group may deal, directly or indirectly, in Motus' securities, which include dealings in the Group's share incentive schemes. Motus' standard closed periods are from 1 January to the date of the announcement of interim results and 1 July to the date of the announcement of full-year results. In addition, the Group has adopted a policy that requires directors, executives, the Company Secretary, and directors of major subsidiaries to obtain permission from designated individuals before trading in the Group's securities. No infringements were reported during the year.

Board sub-committees

The board has constituted a number of sub-committees, including statutory committees, which operate within formally adopted terms of reference. Each committee has a formal term of reference, approved by the board, detailing its duties and responsibilities and has a minimum of three members to ensure sufficient capability and capacity to function effectively.

Board sub-committees are generally constituted with powers of recommendation unless specified in a board resolution, board charter, or legislation.

Any member of the board is entitled to attend any committee meeting as an observer and management may attend but are not allowed to vote on any matter considered by the committee to which they are invited.

The performance of each committee is regularly assessed in accordance with their terms of reference. No instances of non-compliance were noted.

The following section outlines the board sub-committees, their responsibilities, and memberships in the period under review.

Social, Ethics and Sustainability committee (SES)

Responsibility

The role of the SES committee is set out in the Companies Act and its terms of reference. In addition, this committee will play a more significant role in shaping the Group's approach to ESG matters. The committee's mandate includes monitoring:

- Socio-economic activity, including the Group's standing in terms of the goals and purposes of the 10 United Nations Global Compact principles, the Organisation for Economic Cooperation and Development recommendations regarding corruption, the Employment Equity Act, and the B-BBEE Act.
- Good corporate citizenship, including the Group's promotion of equality, prevention of unfair discrimination and corruption, and contribution to the development of the communities in which it operates or within which its products or services are marketed and where it undertakes sponsorship, donations and charitable giving.
- The environment, health and public safety, including the impact of the Group's activities, products and services.
- Consumer relationships, including the Group's advertising, public relations and compliance with consumer protection laws.
- Labour and employment, including the Group's standing in terms of the International Labour Organization Protocol on decent work and working conditions, as well as its employment relationships and contribution towards the training and development of its employees.
- Broader commercial and economic dynamics that may impact the sustainability of Motus's businesses, including innovation and disruption and our strategy, the Motus brand and risk management thereof, as well as the appropriateness of investment in technology.

Transformation and ESG matters remain key focus areas and the committee will continue to guide the Group to achieve its goal of increasingly reflecting the diversity of South Africa and meeting its ESG objectives.

Membership

The committee comprised three non-executive directors, and three executive directors, with permanent invitees being members of management. It is chaired by an independent non-executive director.

Members	Attendance	Invitees
Chairman: MJN Njeke	4/4	B Francis
Members:		M Seroke
OS Arbee	4/4	
KA Cassel[1]	4/4	
OJ Janse van Rensburg[1]	4/4	
KR Moloko[1]	3/4	
A Tugendhaft	4/4	

[1] *Refer to board changes on page 119.*

Performance

During the year, the committee discharged its regular statutory duties through the monitoring of activities relating to the following:

- Companies Act and its regulations.
- King IV.
- Motus' sustainability commitments.
- B-BBEE requirements as described in the dtic combined generic scorecard (excluding ownership targets) and associated codes of good practice.
- Transformation commitments, as described in the Group's transformation strategy and business segment specific B-BBEE plans.
- Environmental commitments, as described by the Group's environmental policy framework.
- Occupational health and safety.
- Socio-economic development commitments.
- Motus' Code of Ethics and corporate values.

For more detailed information, refer to our **ESG report** online – **Ethics, environmental and social governance** report.

Audit and Risk committee (ARC)

Responsibility

The board has combined the functions of audit and risk into a single committee to ensure that there is co-ordination in respect of the evaluation and reporting of risks, and the internal and external audit processes for the Group, considering the significant risks, the adequacy and functioning of the Group's internal controls and the integrity of its financial reporting. The committee's mandate can be summarised as follows:

In its role as the audit committee:

- Recommending to the board the appointment of the external auditors.
- Approving the terms of engagement and remuneration for the external audit engagement.
- Defining and approving the policy for non-audit services provided by the external auditor.
- Pre-approving contracts for non-audit services to be rendered by the external auditor.
- Preparing a report for inclusion in the audited consolidated and separate annual financial statements describing the activities of the ARC, whether the committee is satisfied that the auditor was independent, and commenting on the financial statements, the accounting practices and the internal financial controls of the company.
- Making submissions to the board on any matter concerning the company's accounting policies, financial controls, records and reporting.
- Appropriately addressing any concerns or complaints whether from within or outside the company, or on its own initiative relating to the accounting practices and internal audit and/or external audit of the company.
- Considering and satisfying itself of the appropriateness of the expertise and experience of the CFO, on an annual basis.
- Assisting the board in overseeing the quality and integrity of Motus' integrated reporting process, including the financial statements, sustainability reporting and announcements in respect of the financial results.
- Performing such other oversight functions as may be determined by the board from time to time.

In its role as the risk committee:

- Ensuring that the company has implemented an effective policy and plan for risk management that will enhance the company's ability to achieve its strategic objectives.
- Overseeing the development and annual review of a policy and plan for risk management to recommend for approval to the board.
- Monitoring implementation of the policy and plan for risk management by means of risk management systems and processes.
- Overseeing that the risk management plan is widely disseminated throughout the company and integrated into the day-to-day activities of the company.
- Ensuring that frameworks and methodologies are implemented to increase the possibility of anticipating unpredictable risks.
- Making recommendations to the board concerning the levels of risk tolerance and appetite and monitoring those risks to ensure that they are managed within the levels of tolerance and appetite as approved by the board.
- Expressing the committee's formal opinion to the board on the effectiveness of the system and process of risk management.

Membership

The committee comprised four non-executive directors, with permanent invitees being members of management and representatives from the external auditors. It is chaired by an independent non-executive director.

Members	Attendance	Invitees	
Chairman: S Mayet	4/4	OS Arbee	OJ Janse van Rensburg
Members:		N Bell	R Louw
NB Duker[1]	2/2	K Cassel	U Singh
KR Moloko[1]	3/4	GW Dempster[2]	K Volschenk
MJN Njeke[1]	4/4	B Francis	External audit representatives

[1] Refer to board changes on page 119.
[2] Non-executive director invitee.

Performance

During the year, the committee discharged its statutory duties to monitor activities relating to the following:
- Safeguarding of assets and investments.
- Ensuring the operationalisation of adequate systems and controls.
- Reviewing of financial information and preparation of audited consolidated and separate annual financial statements.
- Communicating and overseeing the processes, models and frameworks for managing risk across the Group.
- Managing the Group's combined assurance approach.
- Oversight of IT governance and strategy.

For more detailed information, refer to **audit and risk report** in the audited consolidated and separate annual financial statements, available online.

Asset and Liability committee (ALCO)

Responsibility

ALCO is responsible for implementing best practice asset and liability risk management policies. Its primary objective is to manage the liquidity, debt levels, interest rate and foreign exchange rate risk of the Group within an acceptable risk profile. Its mandate can be summarised as follows, to:
- Review its terms of reference annually.
- Consider topics as defined by the board from time to time and investigate any activity, which the committee, in its sole discretion, considers falling within its scope.
- Review compliance with legal, statutory and regulatory matters relevant to its duties.
- Oversee the implementation of an effective process for managing the Group's interest rate, liquidity, currency and similar market risks relating to the Group's balance sheet and associate activities, including the adoption from time to time of policies, risk limits and capital levels.
- Ensure the development, implementation and regular review of an appropriate Financial Risk Policy for the Group.
- Provide guidance and recommendations in terms of level of authority for potential investments and acquisitions.

Membership

The committee comprised four non-executive directors, with permanent invitees being members of management. It is chaired by the Chairman of the board.

Members	Attendance	Invitees
Chairman: GW Dempster	4/4	OS Arbee
Members:		N Bell
PJS Crouse[1]	2/2	OJ Janse van Rensburg
S Mayet	4/4	S Pillay
MJN Njeke[1]	3/4	K Volschenk

[1] Refer to board changes on page 119.

Performance

During the year, the committee discharged its duties to monitor activities relating to the following:

- Ensure effective management of liquidity risk through appropriate access to sources of funding on a timeous and cost-effective basis.
- Assess the debt profile of the Group and deploy appropriate strategies including interest rate derivatives, to manage interest rate risk.
- Monitor the impact of the risk of a credit rating downgrade of the sovereign rating by rating agencies and mitigate this to the extent possible.
- Ensure the appropriate allocation of capital across the Group and measure returns using WACC and ROIC to adequately fund business activity.
- Foreign exchange management through appropriate forward cover and hedging mechanisms is in place.

Nomination committee (NomCo)

Responsibility

NomCo assists the board with the nomination, election and appointment of directors in accordance with board policies and the succession strategy. The committee is also responsible for executive succession. The mandate of the committee can be summarised as follows:

- Follow a formal process for the appointment and re-election of directors, including identification of suitable individuals to serve on the board and assessment of the collective knowledge, skills, experience and diversity required by the board and whether the candidate meets the criteria.
- Oversee the development of a formal induction programme for new directors.
- Oversee the development and implementation of continuing professional development programmes for directors.
- Ensure that directors receive regular briefings on changes in risks, laws and the environment in which the company operates.
- Consider the performance of directors and take appropriate remedial steps where directors are not fulfilling their responsibilities.

Membership

The committee comprised four non-executive directors, with permanent invitees being members of management. It is chaired by the Chairman of the board.

Members	Attendance	Invitees
Chairman: GW Dempster	3/3	OS Arbee
Members:		OJ Janse van Rensburg
P Langeni[1]	1/1	
MJN Njeke[1]	3/3	
A Tugendhaft	3/3	

[1] Refer to board changes on page 119.

A special NomCo meeting was held in the period under review, in addition to the scheduled meetings mentioned above, to consider and resolve urgent matters.

Performance

During the year, the committee discharged its duties to monitor activities relating to the following:

- Identified candidates to fill vacancies on the board, interviewing and recommending appropriately skilled individuals for appointment by the board and shareholders.
- Reviewed formal succession plans for the board, CEO and senior management appointments.
- Newly appointed directors were formally inducted to ensure that they understand the operations of the company and its management.
- Directors, through the ARC, SES committee and during the reports of various committees as well as the strategy session, received regular briefings on changes in risks, laws and the environment in which the company operates.
- Has considered the performance of directors and so far, a need to take appropriate remedial steps where directors are not fulfilling their responsibilities has not arisen yet.

Remuneration committee (RemCo)

Responsibility

RemCo advises and guides the board on director remuneration, setting and implementing the remuneration policy, approval of the general composition of remuneration packages, and criteria for executive bonus and incentive rewards and administration of share-based incentive schemes.

Membership

The committee comprised four non-executive directors, with standing invitees being members of management. It is chaired by a non-executive director.

Members	Attendance	Invitees
Chairman: A Tugendhaft	3/3	OS Arbee
Members:		OJ Janse van Rensburg
GW Dempster	2/3	
P Langeni[1]	1/1	
MJN Njeke[1]	2/2	

[1] *Refer to board changes on page 119.*

Performance

During the year, the committee undertook various activities in accordance with its terms of reference and its performance can be summarised as follows:

- RemCo regularly benchmarks the remuneration packages of the non-executive directors, executive directors and senior staff members with the assistance of independent remuneration specialists. The benchmarking exercise performed during the year was in relation to executive directors and prescribed officers' total guaranteed pay, short-term incentives, long-term incentives and key performance criteria, as well as confirming the constituents of the peer group.
- Remco also considered the feedback of shareholders and the benchmarking survey, and approved:
  - The general composition of executive remuneration packages.
  - The key performance criteria for short-term incentive and long-term incentive awards, including the composition of the peer group.
  - Salary increases, short-term incentive and long-term incentive awards made to executive management in accordance with set performance criteria.
  - Minimum shares to be held by executive directors and prescribed officers.
  - The remuneration of non-executive and executive directors, prescribed officers and business unit leaders.
- After more than 25% of the votes exercised at the AGM were against the remuneration implementation policy, the board Chairman and Chairman of RemCo proactively contacted and engaged with shareholders, through virtual meetings or written correspondence. Although the engagement focused primarily on the implementation of the Group's remuneration policy, broader policy issues were also raised and considered.

Full details of **RemCo's performance** are set out in the **remuneration report** from page 128.

Remuneration report

This report comprises four sections:

Section 1
Statement from the remuneration committee Chairman
Page 129

Section 2
Remuneration governance
Page 132

Section 3
Remuneration policy
Page 133

Section 4
Implementation of remuneration policy
Page 142

Reward philosophy:

"The Motus remuneration policy is formulated to attract and retain high-calibre executives and motivate them to develop and implement the Group's strategy to optimise long-term shareholder value, as well as to align the entrepreneurial ethos and long-term interests of senior management and executives with those of the shareholders".

Oshy Tugendhaft

Outgoing
RemCo Chairman

JJ Njeke

Incoming
RemCo Chairman

Section 1:

Statement from the Remuneration Committee Chairman

On behalf of the Remuneration Committee (RemCo), I am pleased to present the Group's remuneration report, which sets out the governance of the remuneration policies, remuneration, and its implementation for the financial year.

I would like to thank Ms. P Langeni for her valuable contribution over the years. Ms. P Langeni stepped down as a director and RemCo member at the AGM in November 2020. I welcome Mr. MJN Njeke as a RemCo member. I would like to thank my fellow members, Mr. GW Dempster and Mr. MJN Njeke, for their insightful contribution that allows RemCo to perform its duties effectively and efficiently.

Background statement

RemCo and the board welcome and consider our shareholders' views in our deliberations, which begins with ensuring that our disclosure relating to executive remuneration is transparent. We are careful not to depart from the expectations set by our performance criteria, even when factors outside our control stifle or enhance performance. We believe the remuneration policy incentivises long-term strategic decision-making that serves sustainable value creation. Throughout the Group, we attempt to compensate individuals fairly for a specific role, with due regard to their skills, areas in which they operate and their specific performance.

At the 2020 AGM, 88% of shareholders voted in favour of the Group's remuneration policy. However, 69% of shareholders voted in favour of its implementation. In line with the Group's policy and King IV, if 25% or more of the votes exercised at the AGM are against the remuneration policy and/or its implementation, selected members of the board will engage with the shareholders to understand the reasons for their vote.

As a result of our subsequent interactions with shareholders, we have implemented changes, which relate to the remuneration policy and enhanced disclosures in the implementation report. These changes are detailed in this report, and we trust that they will address the concerns raised.

Key focus areas

The Group regularly benchmarks the remuneration packages of the non-executive directors, executive directors, and senior staff members with the assistance of independent remuneration specialists. The benchmarking exercise performed during the year included executive directors and prescribed officers. The review included: total guaranteed pay (TGP), short-term incentives (STIs), long-term incentives (LTIs), and key performance criteria, as well as confirming the constituents of the peer group. Findings confirmed that the respective remuneration packages are aligned to the market and the remuneration mix has a higher proportion of variable pay, which supports the Group's pay-for-performance reward philosophy.

RemCo considered the feedback of shareholders and the benchmarking survey, and approved:
- The general composition of executive remuneration packages.
- The key performance criteria for STI and LTI awards, including the composition of the peer group.
- Salary increases, STI, and LTI awards made to executive management in accordance with set performance criteria.
- Minimum shares to be held by executive directors and prescribed officers.
- The remuneration of non-executive and executive directors, prescribed officers and business unit leaders.

Specific actions taken during the COVID-19 crisis (commenced in the previous financial year)

The COVID-19 crisis impact on the South African, UK and Australian economies, resulted in certain decisions in the 2020 and 2021 financial years, aimed at protecting the sustainability of the Group and retaining key management skills.

Once-off decisions and related actions taken by the board and management included:
- A 20% reduction in the remuneration of the Group CEO and the UK CEO, a 15% reduction for non-executive and executive directors, and other executive committee members, for six months from 1 April 2020.
- A 10% reduction in the remuneration for employees earning above R500 000 per annum, apart from those mentioned above, for a period ranging between three to six months, between 1 May 2020 and 30 September 2020.
- A 5% reduction in the remuneration for employees earning between R250 000 and R500 000 per annum, for a period ranging between three to six months, between 1 May 2020 and 30 September 2020.

- No annual inflationary increases in the remuneration of non-executive, executive directors and other executive committee members for the 12 months to 30 June 2021. Inflation-adjusted salary increases were last made on 1 July 2019.
- Annual inflationary increases for employees, excluding non-executive and executive directors and other executive committee members, were implemented from 1 April 2021, with the next salary review being 1 July 2022. Inflationary increases for non-executive and executive directors and other executive committee members were implemented from 1 July 2021.

Shareholder engagement and changes to remuneration policy and disclosure

The board Chairman and Chairman of RemCo proactively contacted and engaged with shareholders through virtual meetings or written correspondence. Although the engagement focused primarily on the implementation of the Group's remuneration policy, broader policy issues were also raised and considered.

Concerns raised and our response and actions are summarised below:

Shareholder feedback	Comment	Action
Remuneration policy		
Consider a shorter time frame to achieve minimum shareholding requirements (MSR) for executive directors and prescribed officers.	The target has to be achieved within five years from 1 July 2019 (or from joining date), unless otherwise determined by RemCo considering market conditions and related factors.	The time frame to achieve the MSR levels is considered appropriate. The majority of executive directors and prescribed officers have already achieved the MSR target.
Remuneration levels for executives are considered high.	The Group regularly benchmarks the remuneration packages of the non-executive and executive directors, and senior staff members with the assistance of independent remuneration specialists.	Based on the benchmarking exercise, executive remuneration levels are considered appropriate. The last inflation-adjusted salary increases for executives were made on 1 July 2019.
Implementation		
Performance targets for STIs and LTIs are not sufficiently detailed.	Setting future financial targets to achieve STIs and LTIs requires the sharing of competitor-sensitive financial information. Achievement of past targets will be disclosed.	Additional disclosure has been provided for the performance criteria related to the 2021 financial year.
Certain performance criteria are not considered, specifically ESG measures.	Management recognises the importance of ESG for the sustainability of the Group.	Criteria have been revised to include additional ESG measures for the 2022 financial year.

Shareholder feedback	Comment	Action
Implementation (continued)		
The additional 10% STI payment made to certain executives and prescribed officers for effectively managing the business during the COVID-19 crisis was not supported.	After careful consideration, RemCo exercised its discretion set out in the Remco policy to award certain executive committee members 10% of the maximum 15% discretionary STI incentive, to recognise their exceptional performance during the COVID-19 crisis in the 2020 financial year.	The once-off 10% payments relating to the 2020 financial year were exceptional but warranted. No such payments were made for the 2021 financial year.
The Chairman of RemCo is not independent.	The Chairman was a director and RemCo member at Imperial Holdings Limited prior to the unbundling. He provided continuity and guidance during and after the unbundling of Motus.	Mr. A Tugendhaft will step down as the Chairman of RemCo and will remain a member of the committee Mr. MJN Njeke, an independent non-executive director, will at the same time be appointed as Chairman of RemCo. Both actions will take effect 3 November 2021, upon approval by shareholders at the AGM.

RemCo, on behalf of the Motus Group, would like to thank shareholders for taking the time to engage with us, and we commit to ongoing constructive engagement on the remuneration policy and its implementation.

Conclusion: In keeping with the recommended practices of King IV, both the remuneration policy and its implementation will be tabled for shareholder approval by separate non-binding advisory votes at the AGM on 3 November 2021. RemCo and the board will continue to consider the views expressed by shareholders and we remain deeply committed to sound governance, responsible decision-making and transparency on executive compensation.

Should 25% or more of the voting rights exercised at the 2021 AGM be voted against the remuneration policy and/or its implementation, the board will in good faith commence engaging with shareholders to ascertain the reasons and take steps to address their valid objections and concerns raised, which may include amending the remuneration policy or clarifying or adjusting remuneration governance and/or processes.

The board will also disclose the steps taken to address any concerns that may be raised.

Section 2:

Remuneration governance

Remuneration committee

Committee Chairman

The committee is chaired by Mr. A Tugendhaft, a non-executive director.

Mr. A Tugendhaft will step down as Chairman of RemCo, and will remain as a member of the committee. Mr. MJN Njeke, an independent non-executive director, will be appointed as Chairman of RemCo. This change will take effect from 3 November 2021, following approval at the AGM.

Role of the committee

RemCo advises and guides the board on the following:

- Accurate and transparent disclosure of directors' remuneration.
- The establishment and implementation of remuneration policies for non-executive directors, executive directors, and other executives, to ensure fair and responsible remuneration.
- Approval of the general composition of remuneration packages for executive directors and prescribed officers, including increases, criteria for STI and LTI incentives, benchmarked against the appropriate peer group.
- Remuneration increases to non-executive directors' fees to be proposed for shareholder approval.
- Material changes to the Group pension and provident funds, and medical aid schemes where appropriate.
- The administration of share-based incentive schemes.
- Ad hoc advice on remuneration and related issues impacting the Group's executives.

The NomCo and RemCo consider succession plans regularly for executives and non-executive directors and senior management. This process includes:

- The identification of current incumbents in key positions.
- An assessment of how long the current incumbent is expected to remain in the position.
- Identification of candidates that are vulnerable due to age, health, or attractiveness to competitors.
- Identification of potential short-term and long-term successors, both internally and externally.
- Positioning and development of potential successors.

Committee membership

All members are non-executive directors, and the majority are independent. Mr. A Tugendhaft, who is a non-executive director, is not classified as independent in terms of King IV, as his firm, TWB, provides legal services to the Group. Mr. A Tugendhaft, however, provides continuity and guidance on account of his seniority and longstanding RemCo membership. As detailed above, he will step down as Chairman of RemCo from 3 November 2021.

The Group CEO and CFO attend RemCo meetings by invitation and assist the committee in its deliberations, except when their own remuneration and performance are discussed. No director can decide his or her own remuneration.

Members	Attendance
Chairman: A Tugendhaft	3/3
Members:	
GW Dempster	2/3
P Langeni[1]	1/1
MJN Njeke[2]	2/2

[1] *Resigned on 10 November 2020*
[2] *Appointed on 15 September 2020.*

Section 3:

Remuneration policy

Reward philosophy

The remuneration policy is formulated to attract and retain high-calibre executives and motivate them to develop and implement the Group's strategy to optimise long-term shareholder value. It also aims to align the entrepreneurial ethos and long-term interests of senior managers and executives with those of shareholders. The company's pay mix has a higher proportion of variable pay, appropriate for the retail nature of the business and in line with the pay-for-performance reward philosophy.

Fair and responsible remuneration

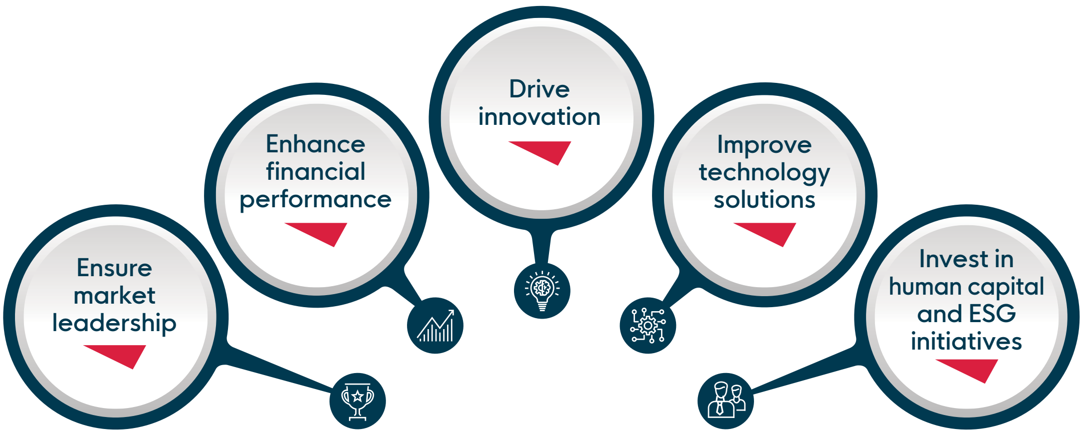
The remuneration policy is intended to conform to best practice. It is structured around the following key principles:

- Total rewards are set at levels that are responsible and competitive within the relevant market.
- Incentive-based rewards (STIs and LTIs) are capped and earned through the achievement of growth and return targets that are consistent with shareholder interests over the short, medium and long term.
- Incentive plans, performance measures and targets are structured to remain sound throughout the business cycle.
- The design and implementation of STI and LTI schemes are prudent and do not expose shareholders to unreasonable financial risk.

Alignment to strategy

Our 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 in the Aftermarket Parts business to enhance the supply chain, and bolt-on acquisitions of technology companies to enhance the Financial Services business.

Our five strategic pillars include:



To drive the achievement of the Group's or company's strategy, up to 85% to 90% of an individual's performance measurement includes objectives aligned with the achievement of the operating entity's strategic focus areas.

Determination of performance incentives

Motus has various formal and informal frameworks for performance management that are directly linked either to increases in TGP and/or annual STIs. Performance management and assessment take place regularly throughout the Group, where company performance, personal achievement of key performance criteria, and delivery on key strategic imperatives are discussed.

	2021	2020
Total number of employees	16 708	17 499
Total compensation paid to employees (Rm)	6 606	6 633

Remuneration breakdown

The Group's employees are crucial to our success. Employee remuneration, particularly TGP, is a significant component of the Group's total operating costs. The remuneration policy seeks to attract and retain quality employees at all levels. Remuneration is structured to be competitive and relevant in the sectors in which the Group operates.

Salaried employees

Total guaranteed pay (TGP)

- TGP is monitored and benchmarked on an ongoing basis.
- Remuneration levels consider industries, sectors and geographies from which skills are acquired or to which skills are likely to be lost, the general market and the market in which each business operates.
- TGP and the mix of fixed and variable pay are designed to meet the industry standards, operational needs and strategic objectives of each business, based on stretch targets that are verifiable and relevant.
- The structure of remuneration for unionised employees is driven by collective bargaining and sectoral determinations.
- Adjustments to TGP levels are normally effective from 1 July each year. In unionised environments, collective bargaining arrangements may be implemented at other agreed times.
- Annual increase parameters are set using guidance from Group budgeting processes, market movements, individual performance, the performance of the division and/or company and other relevant factors.
- Increases above inflation depend on divisional or departmental and individual performance.

Short-term incentive (STI)

Divisions pay STIs aligned to industry best practice and in some cases include a guaranteed bonus equal to one month's salary.

In all cases, incentives depend on the performance of the individual and business in which they are employed. Performance criteria are set for each individual, depending on the requirements of the job.

Long-term incentive (LTI)

Only employees at senior management level qualify for LTIs.

Other benefits

Company car, travel allowances, pension and provident fund, and medical aid.

Reduction or forfeiture of share scheme awards (malus and clawback)

Share scheme awards are subject to reduction or forfeiture (in whole or in part) if:

- There is reasonable evidence of fraud or material error by a participant; or
- The financial performance of the Group or the relevant business unit for any financial year in respect of which an award is based have subsequently appeared to be materially inaccurate; or
- The Group or the relevant business unit suffers a material downturn in its financial performance, for which the participant can be held responsible; or
- Resignation or dismissal on grounds of misconduct, poor performance or proven dishonest or fraudulent conduct (whether such cessation occurs as a result of notice given by the employee or otherwise or if he/she resigns to avoid dismissal on grounds of misconduct, poor performance or proven dishonest or fraudulent conduct) before the vesting date, all share appreciation rights, conditional awards and all matching awards will lapse, unless RemCo determines otherwise.

Vesting of any awards may be postponed while there is an ongoing investigation or other procedure underway, to determine whether the forfeiture provisions apply in respect of a participant, or if further investigation is warranted.

Retirement, retrenchment, death, ill health, disability or other reasons for cessation of employment

If a participant ceases to be an employee due to retirement at normal retirement age, the unvested Share Appreciation Rights (SARs) and Conditional Share Plans (CSPs) will remain subject to the performance criteria and will vest on the normal vesting date.

If a participant ceases to be an employee due to retrenchment, death, ill health, disability, or reasons other than resignation or dismissal, the board will by written notice to the participant or the executor of the deceased estate permit a pro rata portion of the unvested SARs and CSPs to vest on the date of cessation of employment.

The pro rata portion of the SARs and CSPs that vest will, unless the board determines otherwise, reflect the number of months served since the date of grant and the extent to which the performance conditions have been satisfied. The balance of the unvested shares not permitted to be exercised or matched will lapse.

Treasury shares to hedge against share scheme obligations

The Group buys back shares to limit its exposure to deliver shares in terms of share-based LTI schemes. These shares are held in treasury for that purpose.

Retirement schemes

Executives participate in contributory retirement schemes, which include pension and provident funds. Executive retirement is governed by their retirement scheme rules, subject to the Group's need to enter into fixed-term contracts to extend the services of any executive within certain prescribed limits.

NomCo governs the succession policy and plans, external appointments and directors' service contracts covered below. These items are included in the report as both the NomCo and RemCo are relevant decision-makers on these matters.

External appointments

Executives are not permitted to hold external directorships or offices without the approval of the board.

Directors' service contracts

Directors' contracts can be terminated by providing between three- and six-months' notice.

Directors' appointments are made in terms of the company's MOI and are initially confirmed at the first AGM of shareholders following their appointment, and thereafter by rotation.

Minimum shareholding requirements (MSR)

To ensure alignment between executives and shareholders, and on the recommendation of management, the Group adopted an MSR for executive directors and prescribed officers.

Each executive's MSR target is determined using the executive's TGP after tax. The target must be achieved within five years from 1 July 2019 (or from the joining date for new appointees), unless otherwise determined by RemCo considering market conditions and related factors. It is not the intention of the scheme to compel executives to incur debt to acquire Motus shares but rather that executives should retain shares acquired through the operation of share incentive schemes up to the MSR target.

Compliance with the MSR will be measured annually and executives subject to MSR will have to declare the extent of their personal shareholdings in the company at each year-end or as and when directed by the company. RemCo will assess compliance with the MSR before making future discretionary LTI awards.

MSR targets are set as follows:

	MSR target	Required achievement date	MSR achievement
CEO	1,5 times post-tax annual fixed remuneration	30 June 2024	Achieved in 2019
CFO	1,25 times post tax annual fixed remuneration	30 June 2024	Achieved in 2019
Executive directors and prescribed officers	1 times post-tax annual fixed remuneration		
Kerry Cassel		30 June 2024	On track to achieve target
Niall Lynch		30 June 2024	Achieved in 2019
Corné Venter		30 June 2024	On track to achieve target
Ntando Simelane		30 June 2026	Employed April 2021

Non-executive directors' fees

RemCo reviews and recommends to the board the fees payable to non-executive directors. The board in turn makes recommendations to shareholders after considering the fees paid by comparable companies, responsibilities of the non-executive directors and considerations relating to the retention and attraction of high-calibre individuals. RemCo has decided to maintain a structure where directors' fees are not split between membership and attendance fees. We believe that the efforts and contribution of non-executive directors go well beyond their attendance at formal board or sub-committee meetings, and the Group has not had significant instances of non-attendance of meetings.

Executive directors, prescribed officers and senior business executives (executives)

Executives are responsible for leading others and making significant decisions about the short- and long-term operation of the business, its assets, funders and employees. They require specific skills and experience and are held to a higher level of accountability.

Elements of executive remuneration

Executive remuneration comprises the following:

1. Total guaranteed pay
2. Short-term incentive (STI) (annual)
3. Long-term incentive (LTI) through the share scheme.

RemCo seeks to ensure an appropriate balance between the fixed and performance-related elements of executive remuneration, and between those aspects of the package linked to short-term performance and those linked to longer-term shareholder value creation.

The Group's general philosophy for executive remuneration is that the performance-based pay of executives and senior managers should form a significant portion of their expected total compensation. There should also be an appropriate balance between rewarding operational performance (through annual incentives) and rewarding long-term sustainable performance (through long-term share-based incentives). Since Motus operates in the Retail sector, STIs are critical to incentivise divisional CEOs and senior team members to achieve annual targets.

Total guaranteed pay (TGP)

TGP is fixed remuneration including benefits but excluding STIs. The TGP of each executive is based on roles in similar companies, which are comparable in terms of size, market sector, business complexity and international scope. When determining fixed remuneration, the factors relating to divisional performance, individual performance and changes in responsibilities are considered.

Executives are entitled to vehicle benefits, pension and/or provident fund contributions, medical insurance, and death and disability insurance. These benefits are considered to be market competitive for executives.

Short-term incentive (STI)

All executives are eligible to receive a performance related STI. The incentive is non-contractual and not pensionable. RemCo reviews incentives annually and determines the level of each incentive payment based on performance criteria set at the beginning of the performance period.

RemCo sets the minimum performance targets at which annual STIs become payable and the targets at which the maximum incentive is paid. STIs are capped at maximum levels as a percentage of TGP. RemCo has the discretion authority to adjust payments (up or down) in exceptional circumstances.

	Maximum STI as % of TGP
CEO and CFO	150
Executive director	100
Other participants	30 to 100

The annual STI criteria for executive directors and prescribed officers include the following and are adjusted annually.

Annual STI criteria for the 2022 financial year

The CEO and CFO's 2022 STI criteria will include:

	Maximum STI as % of TGP
Achieve targeted Group operating profit	35
Achieve targeted Group PBT	35
Achieve targeted average debt to EBITDA	30
Strategy execution	15
– Expand multi-franchising and dealership footprint	
– Investment in IT and innovation	
– Strategic acquisitions	
Achieve ESG targets	25
– Environmental: achieve fuel, electricity and water targets. Invest in projects such as solar panels, electricity-saving equipment and water recycling on all new and refurbished buildings	
– Social: achieve employment equity targets for top, senior and middle management	
– Governance: implement all the legislation changes impacting the business	
Individual performance: this component enables RemCo to set individual performance targets and assess these in circumstances that could not be foreseen at the start of the period or are not in the control of a particular executive	10
Maximum as percentage of TGP	**150**

The 2022 STI criteria for the executive director will include:

	Maximum STI as % of TGP
Achieve Group operating profit target	25
Achieve Divisional PBT target	35
Strategy execution	10
– Successful execution of internal IT projects and innovation	
– Expansion of technology product offerings	
Achieve ESG targets	20
– Environmental: achieve fuel, electricity and water targets	
– Social: achieve employment equity targets for senior, middle and junior management	
– Governance: implement all the legislation changes impacting the business and prepare the business for new legislation	
Individual performance: this component enables RemCo to set individual performance targets and assess these in circumstances that could not be foreseen at the start of the period or are not in the control of a particular executive	10
Maximum as percentage of TGP	**100**

The 2022 STI criteria for the prescribed officers will include:

	Maximum STI as % of TGP
Achieve Group operating profit target	15
Achieve Divisional operating profit target	30
Achieve cash management target	10
Achieve ESG targets	25
– Environmental: achieve fuel, electricity and water targets. Invest in projects such as solar panels, electricity-saving equipment and water recycling on all new and refurbished buildings	
– Social: achieve employment equity targets for top, senior and middle management	
– Governance: implement all the legislation changes impacting the business	
Market share/specific projects/strategy execution	10
Individual performance: this component enables RemCo to set individual performance targets and assess these in circumstances that could not be foreseen at the start of the period or are not in the control of a particular executive	10
Maximum as percentage of TGP	100

The 2022 STI criteria for the Company Secretary will include:

	Maximum STI as % of TGP
Achieve targeted Group operating profit	16
Achieve ESG targets	16
– Environmental: achieve fuel, electricity and water targets. Invest in projects such as solar panels, electricity-saving equipment and water recycling on all new and refurbished buildings	
– Social: achieve employment equity targets for top, senior and middle management	
– Governance: implement all the legislation changes impacting the business	
Specific projects (legal and governance projects)	26
Individual performance: this component enables RemCo to set individual performance targets and assess these in circumstances that could not be foreseen at the start of the period or are not in the control of a particular executive	7
Maximum as percentage of TGP	65

Long-term incentive (LTI) schemes

Executive participation in LTI and retention schemes is based on criteria such as seniority, performance during the year, and other retention drivers. Any senior employee with significant managerial or other responsibility, including any director holding salaried employment or office in the Group, is eligible to participate in LTI schemes. Non-executive directors may not be awarded rights in any of the incentive schemes.

Since 1 July 2020, the Group only uses the CSP as an LTI scheme. The SARs scheme and Deferred Bonus Plan (DBP) were previously used and shares were allocated under these schemes, but these have been discontinued.

The quantum of CSPs allocated are calculated using a model developed by PwC, and is determined using the expected value of an allocation expressed as a percentage of TGP. The percentage allocated is determined based on retention considerations and the job grading of the participant.

Remuneration report (continued)

Benchmark awards for CSPs	Maximum LTI award as % of TGP
CEO and CFO	100
Executive director and prescribed officers	35 to 75
Other participants	30 to 50

The CSPs were issued at R91,82 per share and will vest in September 2024 or September 2025.

The value of long-term share-based incentives is determined in the financial year of allocation using the binomial tree valuation methodology. This is based on several assumptions, which include the original award price, the expected rate of share price growth and the expected fulfilment of related performance conditions. The eventual gains from long-term share-based incentives will vary from year to year depending on vesting and exercise patterns, as well as the impact on share price performance and external factors such as market sentiment, interest rates and exchange rates.

Conditional share plan (CSP)

Employees receive grants of conditional awards and vesting is subject to performance conditions, as set out below. The performance conditions for the CSPs are based on performance targets set by RemCo at the time of issue.

	% of CSP awards
Growth in HEPS relative to the growth in HEPS of a selected peer group of JSE-listed companies	25
ROIC in excess of WACC plus 1%*	25
Achieve cash flow target	25
Individual performance	25

* *Previously ROIC equal to WACC.*

The extent to which each performance condition has been met is determined on the vesting date as follows:

HEPS growth over the performance period	% of CSP awards
If the HEPS growth of the company is below the lower quartile of the peer group	0
If the HEPS growth of the company is equal to the lower quartile of the peer group	30
If the HEPS growth of the company is equal to or above the upper quartile of the peer group	100

Linear vesting occurs between the 30% and 100% range, depending on the company's performance relative to the peer group if HEPS growth falls in the second or third quartile.

ROIC	% of CSP awards
If the average ROIC of the company over the performance period is lower than the average WACC plus 1% of the company over the performance period	0
If the average ROIC of the company over the performance period is equal to the average WACC plus 1% of the company over the performance period	50
If the average ROIC of the company over the performance period is in excess of 2% of WACC	100

Linear vesting occurs between the 50% and 100% range.

Cash flow target	% of CSP awards
Average debt: EBITDA < 2,35 times	25

Individual performance	% of CSP awards
This component enables RemCo to set individual performance targets and assess these in circumstances that could not be foreseen at the start of the period or are not in the control of a particular executive.	25

Section 4:

Implementation of remuneration policy

Historical Imperial Holdings share schemes

Motus employees who had been awarded rights in Imperial Holdings share schemes prior to the listing of Motus on the JSE continue to participate in those schemes. Upon exercise, their SARs will be settled by Motus in Motus shares. A total of 1 383 865 SARs remain unexercised in terms of the Imperial Holdings SARs scheme at an average price of R167,04 per share.

Motus share scheme allocations

A total of 5 967 649 SARs remain unexercised in terms of the SARs scheme at an average price of R80,13 per share. A total of 240 097 DBPs have been taken up and remain unvested. A total of 3 547 069 CSPs have been allocated and remain unvested.

Annual share scheme allocations

The Group has awarded annual allocations of CSPs during September 2021 according to the allocation benchmarks in the remuneration policy.

The peer group of JSE-listed companies was selected based on an independent report prepared by PwC and considers comparative metrics including revenue, number of employees, industry and complexity.

Current peer group	Sector
AVI Limited	Consumer goods
Barloworld Limited	Industrials
Bidvest Limited	Industrials
Clicks Group Limited	Consumer services
CMH Group Limited	Consumer services
TFG Limited	Consumer services
KAP Industrial Holdings Limited	Industrials
Massmart Holdings Limited	Consumer services
Mr Price Group Limited	Consumer services
Pick n Pay Stores Limited	Consumer services
RCL Foods Limited	Consumer services
Super Group Limited	Industrials
The Spar Group Limited	Consumer services
Tiger Brands Limited	Consumer goods
Truworths International Limited	Consumer services
Woolworths Holdings Limited	Consumer services

Proposed non-executive directors' fees for 2022 and 2023

At the AGM to be held on 3 November 2021, shareholders will be asked to approve the following non-executive directors' remuneration by special resolution in terms of section 66(9) of the Companies Act, granting authority to pay fees for services as directors, which will be valid with effect from the date of the AGM until 30 June 2023.

The approved fees for the 2021 financial year were reduced to reflect no increase from the prior year, as well as a reduction of 15% for three months from 1 July 2020. The proposed increase in fees for the 2022 and 2023 financial years is 5% for the board and all its sub-committees.

The table below provides a breakdown per committee for the year ended 30 June 2021, as well as proposed fees for the years ended 30 June 2022 and 30 June 2023:

	Actual fee from 1 July 2020 to 30 June 2021	Proposed fee from 1 July 2021 to 30 June 2022	Proposed fee from 1 July 2022 to 30 June 2023
Chairman*	**R1 003 551**	R1 053 730	R1 106 420
Deputy Chairman*	**R501 775**	R526 870	R553 215
Board member	**R287 018**	R301 340	R316 410
Assets and Liabilities committee Chairman*	**R182 923**	R192 069	R201 675
Assets and Liabilities committee member	**R121 780**	R127 870	R134 265
Audit and Risk committee Chairman*	**R378 984**	R397 940	R417 840
Audit and Risk committee member	**R189 492**	R198 970	R208 920
Remuneration committee Chairman*	**R136 940**	R143 790	R150 980
Remuneration committee member	**R90 956**	R95 510	R100 285
Nomination committee Chairman*	**R102 705**	R107 840	R113 230
Nomination committee member	**R68 217**	R71 628	R75 210
Social, Ethics and Sustainability Chairman*	**R183 428**	R192 600	R202 230
Social, Ethics and Sustainability member	**R121 780**	R127 870	R134 265

** Fee paid in addition to a member's fee.*

In determining the proposed fees, cognisance was taken of market trends and the additional responsibilities of non-executive directors in terms of increased legal and governance requirements.

Executive directors receive no directors' or committee fees for their services as directors in addition to their normal remuneration as employees.

Non-executive directors' fees for 2021

The table below provides an analysis of the emoluments paid to non-executive directors for the year to 30 June 2021:

	Directors' fees R'000	Sub-committee fees R'000	COVID-19 salary sacrifice R'000	**2021 Total R'000**	2020 Total R'000
Non-executive directors					
GW Dempster	1 341	591	(75)	**1 857**	1 914
PJS Crouse[1]	186	64	–	**250**	–
NB Duker[2]	186	99	–	**285**	–
P Langeni[3]	112	47	(18)	**141**	518
S Mayet	298	717	(38)	**977**	977
KR Moloko[4]	298	323	(23)	**598**	598
MJN Njeke[5]	298	760	(35)	**1 023**	854
A Tugendhaft	820	435	(48)	**1 207**	1 229
Total	3 539	3 036	(237)	**6 338**	6 090

[1] *Appointed to the board and ALCO on 10 November 2020.*
[2] *Appointed to the board and ARC on 10 November 2020.*
[3] *Resigned from the board, NomCo and RemCo on 10 November 2020.*
[4] *Resigned from the board, ARC and SES committee on 31 May 2021.*
[5] *Appointed to NomCo and RemCo on 15 September 2020.*

Executive remuneration

The executive directors and prescribed officers' remuneration include the TGP, STI, LTI.

Osman Arbee – Group CEO

2021 Remuneration

Cash component R'000	Retirement and medical contributions R'000	Other benefits R'000	STI bonus R'000	**Total cash remuneration R'000**	Gains on exercise of LTI awards R'000	**2021 Total taxable remuneration realised R'000**	2020 Total taxable remuneration realised R'000
9 745	469	386	16 139	**26 739**	4 682	**31 421**	25 997

TGP

Osman's TGP was reduced by 20% for the three months to 30 September 2020 due to the COVID-19 crisis (R556 500) and no inflationary increase was awarded for the financial year. His TGP is R10 600 000 (2020: R10 600 000). The remuneration for this position was externally benchmarked during the year against companies with a similar size, complexity and geographic spread.

STI

Based on the computation (set out on page 146) according to STI criteria set during July 2020, Osman achieved 96% of the criteria. An annual incentive of R16 138 500 was paid (2020: R8 347 500).

LTI

The two criteria for the 2017 LTIs were investment in an equal number of company shares to the DBP shares awarded and continued employment with the Group until the vesting date.

Based on the LTI criteria set during July 2017, Osman achieved 100% of the DBP criteria resulting in the vesting of LTI awards amounting to R4 682 000.

Annual allocation of CSPs in line with LTI award benchmarks for executive directors to a value of R11 690 000 (2020: R11 130 000) were awarded in September 2021. The CSPs are subject to performance criteria set out above and will vest in 2024.

Ockert Janse van Rensburg – Group CFO

2021 Remuneration

Cash component R'000	Retirement and medical contributions R'000	Other benefits R'000	STI bonus R'000	**Total cash remuneration R'000**	Gains on exercise of LTI awards R'000	**2021 Total taxable remuneration realised R'000**	2020 Total taxable remuneration realised R'000
5 027	411	170	8 410	**14 018**	859	**14 877**	10 666

TGP

Ockert's TGP was reduced by 15% for the three months to 30 September 2020 due to the COVID-19 crisis (R217 500) and no inflationary increase was awarded for the financial year. His TGP is R5 608 000 (2020: R5 608 000). The remuneration for this position was externally benchmarked during the year against companies with a similar size, complexity and geographic spread.

STI

Based on the computation (set out on the following page) according to STI criteria set during July 2020, Ockert achieved 96% of the criteria. An annual incentive of R8 410 000 was paid (2020: R4 350 000).

LTI

The two criteria for the 2017 LTIs were investment in an equal number of company shares to the DBP shares awarded and continued employment with the Group until the vesting date.

The two criteria for the 2017 SARs LTIs were the achievement of ROIC growth greater than WACC, and HEPS growth in relation to the listed companies of the peer group.

Based on the LTI criteria set during July 2017, Ockert achieved 100% of the DBP criteria and 23% of the SARs criteria resulting in the vesting and exercise of LTI awards amounting to R859 000.

Annual allocation of CSPs in line with LTI award benchmarks for executive directors to a value of R6 250 000 (2020: R5 800 000) were awarded in September 2021. The CSPs are subject to performance criteria set out above and will vest in 2024.

STI computation for 2021 financial year for the CEO and CFO:

	Maximum STI as % of TGP	Achievement: Osman Arbee	Achievement: Ockert JV Rensburg	Note
Achieving Group operating profit more than R2 800 million (2020: R2 100 million)	30	30	30	
Achieving Group PBT in excess of R1 700 million (2020: R864 million)	30	30	30	
Achieving Group cash management target: average net debt to EBITDA <2,2 times				
Strategy execution	25	20	20	Note 1
– Cost-cutting				
– Bank covenants compliance				
– Restructuring the business for the 'new normal'				
Transformation	20	20	20	Note 2
– Enhance transformation and diversity across all operations				
– Improve race representation				
– Implement a strategy to attract, develop and retain talent				
Individual performance	15	15	15	Note 3
Maximum as percentage of TGP	150	145	145	

Notes to the STI computation:

1. Strategy execution
   - Total operating expenses were reduced by 3,1% for the year as a result of a number of cost containment initiatives, despite unavoidable inflationary increases for certain costs.
   - *Bank covenants:* bank borrowings were well-maintained and we complied with bank covenant levels with sufficient headroom. Net debt to EBITDA at 0,8 times (required to be less than 3 times) and EBITDA to net interest at 10,9 times (required to be greater than 3 times).
   - *Restructuring the business for the new normal:* significant actions were taken in the car rental and retail businesses in South Africa, including the multi-franchising of dealerships. The businesses in the UK and Australia were restructured.

   Osman and Ockert were allocated 20% out of the 25% for this criteria.

2. Transformation
   - *Enhance transformation and diversity across all operations:* Motus is on a diversity, equity and inclusion journey, and is making progress. Various black professionals were appointed into senior positions during the year including to the Group executive committee, with key senior and middle management positions across various businesses earmarked for black professionals in the medium term to support transformation at senior management levels.
   - *Improve race representation:*

	Black	
	Prior year %	Actual %
Top management	30	36
Senior management	40	53
Middle management	46	47
Total South African employee base	73	73

3. Individual performance
   The CEO and CFO exceeded individual performance expectations in managing the business in a challenging economic environment during the COVID-19 crisis. They were awarded their 15% allocation.

Kerry Cassel – CEO: Financial Services and executive director

2021 Remuneration

Cash component R'000	Retirement and medical contributions R'000	Other benefits R'000	STI bonus R'000	**Total cash remuneration R'000**	Gains on exercise of LTI awards R'000	**2021 Total taxable remuneration realised R'000**	2020 Total taxable remuneration realised R'000
4 068	389	210	4 900	**9 567**	391	**9 958**	7 709

TGP

Kerry's TGP was reduced by 15% for the three months to 30 September 2020 due to the COVID-19 crisis (R183 837) and there was no inflationary increase awarded in the financial year. Her TGP is R4 667 000 (2020: R4 709 000). The remuneration for this position was externally benchmarked during the year against companies with a similar size, complexity and geographic spread.

STI

Based on the computation (set out below) according to STI criteria set during July 2020, Kerry achieved 100% of the set criteria. An annual incentive of R4 900 000 was paid (2020: R3 000 000).

LTI

The two criteria for the 2017 SARs LTIs were the achievement of ROIC growth greater than WACC and HEPS growth in relation to the listed companies of the peer group.

Based on the LTI criteria set during July 2017, Kerry achieved 23% of the SARs criteria resulting in the vesting and exercise of LTI awards amounting to R391 000.

Annual allocation of CSPs in line with LTI award benchmarks for executive directors to a value of R3 862 500 (2020: R3 675 000) were awarded in September 2021. The CSPs are subject to performance criteria set out above and will vest in 2024.

STI computation for the 2021 financial year for the executive director:

	Maximum STI as % of TGP	Achievement	Note
Achieving Group operating profit in excess of R2 800 million (2020: R2 100 million)	20	20	
Achieved divisional PBT in excess of 105% of target	30	30	Note 1
Transformation	20	20	Note 2
– Enhance transformation and diversity across all operations			
– Growth in black senior, middle and junior management, B-BBEE scorecard, succession and talent management.			
– Implement a strategy to attract, develop and retain talent.			
Project specific tasks (innovation, POPIA legislation preparation and IT projects)	20	20	Note 3
Individual performance	10	10	Note 4
Maximum as percentage of TGP	100	100	

Notes to the STI computation:

1. Divisional profits
   - Achieved in excess of 105% of target set in July 2020.

2. Transformation
   - *Growth in black senior, middle and junior management, B-BBEE scorecard, succession and talent management:*

	Black Prior year %	Black Actual %
Senior management	23	46
Middle management	40	47
Junior management	70	71

3. Project specific tasks
   - The innovation project, Motus Xponential (m^x) innovation, has gained membership of over 3 000 staff members. This project has gained momentum and is effective in all divisions. The new innovation development projects are in progress.
   - *AARTO and POPIA legislation:* successfully implemented the required POPIA and AARTO processes and controls to ensure compliance with legislation effective 1 July 2021.
   - *IT projects:* critically reviewed all major IT projects in the Group and re-aligned the projects to ensure costs and timelines are in line with expectations.
4. Individual performance
   - Kerry exceeded individual performance expectations during the COVID-19 crisis and was awarded a 10% allocation.

Prescribed officer remuneration

Prescribed officers are persons, not being directors, who either alone or with others exercise executive control and management of the whole or a significant portion of the business of the company.

Corné Venter – CEO: Retail and Rental South Africa

2021 Remuneration

Cash component R'000	Retirement and medical contributions R'000	Other benefits R'000	STI bonus R'000	**Total cash remuneration R'000**	Gains on exercise of LTI awards R'000	**2021 Total taxable remuneration realised R'000**	2020 Total taxable remuneration realised R'000
3 432	453	263	3 957	**8 105**	636	**8 741**	6 277

TGP

Corné's TGP was reduced by 15% for the three months to 30 September 2020 due to the COVID-19 crisis (R161 248), with no increase for the financial year. His TGP is R4 148 000 (2020: R4 127 000). The remuneration for this position was externally benchmarked during the year against companies with a similar size, complexity and geographic spread.

STI

Based on the computation (set out alongside) according to STI criteria set during July 2020, Corné achieved 92% of the set criteria. An annual incentive of R3 957 000 was paid (2020: R2 150 000).

LTI

The two criteria for the 2017 LTIs were investment in an equal number of company shares to the DBP shares awarded and continued employment with the Group until the vesting date.

The two criteria for the 2017 SARs LTIs were the achievement of ROIC growth greater than WACC and HEPS growth in relation to the listed companies of the peer group.

Based on the LTI criteria set during July 2017, Corné achieved 100% of the DBP criteria and 23% of the SARs criteria resulting in the vesting and exercise of LTI awards amounting to R636 000.

Annual allocation of CSPs in line with LTI award benchmarks for an executive committee member and business unit leader to a value of R3 248 000 (2020: R2 150 000) were awarded in September 2021. The CSPs are subject to performance criteria set out above and will vest in 2024 or 2025.

Niall Lynch – CEO: Hyundai South Africa

2021 Remuneration

Cash component R'000	Retirement and medical contributions R'000	Other benefits R'000	STI bonus R'000	**Total cash remuneration R'000**	Gains on exercise of LTI awards R'000	**2021 Total taxable remuneration realised R'000**	2020 Total taxable remuneration realised R'000
2 868	421	255	3 800	**7 344**	553	**7 897**	6 503

TGP

Niall's TGP was reduced by 15% for the three months to 30 September 2020 due to the COVID-19 crisis (R133 125) and no inflationary increase was awarded in the financial year. His TGP is R3 544 000 (2020: R3 419 000). The remuneration for this position was externally benchmarked during the year against companies with a similar size, complexity and geographic spread.

STI

Based on the computation (set out below) according to STI criteria set during July 2020, see the STI computation below. Niall achieved 100% of the set criteria. An annual incentive of R3 800 000 was paid (2020: R2 500 000).

LTI

The two criteria for the 2017 LTIs were investment in an equal number of company shares to the DBP shares awarded and continued employment with the Group until the vesting date.

The two criteria for the 2017 SARs LTIs were the achievement of ROIC growth greater than WACC and HEPS growth in relation to the listed companies of the peer group.

Based on the LTI criteria set during July 2017, Niall achieved 100% of the DBP criteria and 23% of the SARs criteria resulting in the vesting and exercise of LTI awards amounting to R553 000.

Annual allocation of CSPs in line with LTI award benchmarks for an executive committee member and business unit leader to a value of R2 800 000 (2020: R1 775 000) were awarded in September 2021. The CSPs are subject to performance criteria set out above and will vest in 2024 or 2025.

STI computation for the 2021 financial year for the prescribed officers:

	Maximum STI as % of TGP	Achievement: Corné Venter	Achievement: Niall Lynch	Note
Achieving Group operating profit in excess of R2 800 million (2020: R2 100 million)	15	15	15	
Achieving divisional PBT target	30	30	30	Note 1
Achieving divisional working capital and cash generation targets	15	15	15	Note 2
Transformation – Enhance transformation and diversity across all operations – Implement a strategy to attract, develop and retain talent – Growth in black senior, middle and junior management, B-BBEE scorecard, succession and talent management	20	12	20	Note 3
Market share/specific projects	10	10	10	Note 4
Individual performance	10	10	10	Note 5
Maximum as percentage of TGP	100	92	100	

Remuneration report (continued)

Notes to the STI computation:

1. Divisional operating profit target
   - Corné and Niall achieved the full 30% for these criteria.
2. Divisional working capital target and cash generation targets
   - Corné and Niall achieved targeted inventory levels and cash flow targets.
3. Transformation
   - *Growth in black senior, middle and junior management, B-BBEE scorecard, succession and talent management:*

Retail and Rental: South Africa	Black Prior year %	Black Actual %
Senior management	50	50
Middle management	43	43
Junior management	62	63

Corné partly achieved his targets and scored 12% out of 20&. The transformation targets were not exceeded as there were a significant number of retrenchments.

Hyundai South Africa	Black Prior year %	Black Actual %
Senior management	31	50
Middle management	46	50
Junior management	60	69

Niall achieved 100% of the employment equity targets.

4. Market share/specific projects
   - Corné: various actions were taken in the car rental and retail business, including the multi-franchising of dealerships.
   - Niall: grew Hyundai market share to in excess of 7% (from 6,6%).
   - Corné and Niall were awarded 10% of their award for this performance criteria.
5. Individual performance
   - Corné and Niall exceeded individual performance expectations during the COVID-19 crisis and were awarded their 10% allocations.

Ntando Simelane – Company Secretary and Head of Legal Counsel

2021 Remuneration

Cash component R'000	Retirement and medical contributions R'000	Other benefits R'000	STI bonus R'000	**Total cash remuneration R'000**	Gains on exercise of LTI awards R'000	**2021 Total taxable remuneration realised R'000**
683	66	1	1 000	**1 750**	–	**1 750**

TGP

Ntando was appointed on 1 April 2021. His annualised TGP amount is R3 000 000. The remuneration for this position was externally benchmarked during the year against companies with a similar size, complexity and geographic spread.

STI

In terms of Ntando's recruitment contract a pre-determined annual incentive of R1 000 000 was paid.

LTI

Annual allocation of CSPs in line with LTI award benchmarks for an executive committee member, legal counsel and Company Secretary to a value of R1 050 000 were awarded in September 2021. The CSPs are subject to performance criteria set out above and will vest in 2024.

Janine Jefferies –Company Secretary and Head of Legal Counsel

2021 Remuneration

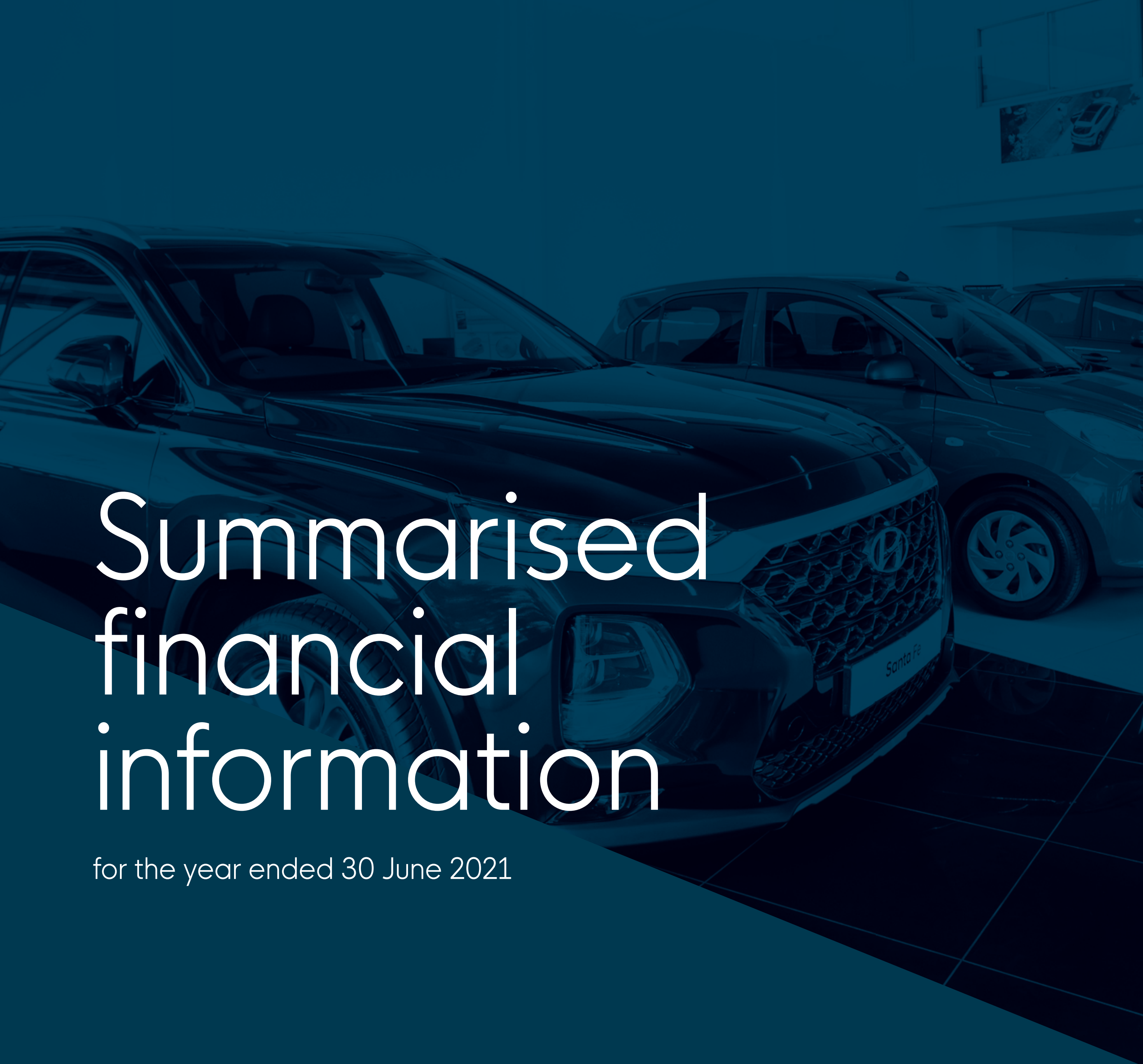
Cash component R'000	Retirement and medical contributions R'000	Other benefits R'000	STI bonus R'000	**Total cash remuneration R'000**	Gains on exercise of LTI awards R'000	**2021 Total taxable remuneration realised R'000**	2020 Total taxable remuneration realised R'000
782	70	83	–	**935**	–	**935**	2 913

TGP

Janine's TGP was reduced by 10% for the three months to 30 September 2020 due to the COVID-19 crisis (R55 000) and no inflationary increase was awarded in the financial year. Her annualised TGP amount is R2 198 000 (2020: R2 198 000). The remuneration for this position was externally benchmarked during the year against companies with a similar size, complexity and geographic spread.

STI

Janine resigned on 28 February 2021 and as a result no STI was paid.



Summarised financial information

for the year ended 30 June 2021

Extracts of summarised financial information

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 South Africa, 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.

Extracts of summarised financial information
(continued)

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 (extract)

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.

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.

Extracts of summarised financial information
(continued)

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 Motus Vehicles Distributor 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.

Extracts of summarised financial information
(continued)

Summarised segment financial position

as at 30 June 2021	Group 2021 Rm	Group 2020 Rm	Import and Distribution 2021 Rm	Import and Distribution 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

Extracts of summarised financial information
(continued)

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

Extracts of summarised financial information
(continued)

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 2021 Rm	Retail and Rental 2020 Rm	Financial Services 2021 Rm	Financial Services 2020 Rm	Aftermarket Parts 2021 Rm	Aftermarket Parts 2020 Rm	Head Office and Eliminations 2021 Rm	Head Office and Eliminations 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		

Five-year review

	Financial definitions	**2021 Rm**	2020 Rm	2019 Rm	2018 Rm	2017 Rm
Extracts from the statement of profit and loss						
Revenue		**87 205**	73 417	79 711	77 001	66 129
Earnings before interest, taxation, depreciation and amortisation (EBITDA)		**5 302**	4 082	4 806	4 946	4 927
Operating profit		**3 795**	2 136	3 620	3 593	3 339
Net financing costs		**(543)**	(1 116)	(774)	(737)	(889)
Income tax expense		**(718)**	(356)	(714)	(897)	(671)
Tax rate (%)		**25,5**	68,6	27,6	28,3	34,1
Attributable profit for the year		**2 142**	185	1 896	2 313	1 310
Headline earnings		**2 145**	550	1 977	1 991	1 669
Extracts from the statement of cash flows						
Cash generated by operations before interest, taxation paid and capital expenditure on vehicles for hire		**7 113**	4 121	4 183	6 784	4 272
Cash flow from investing activities (including capital expenditure on vehicles for hire)		**(373)**	(1 666)	(1 312)	(1 018)	(1 930)
Net debt repaid/(raised)		**4 450**	537	(190)	1 387	(142)
Extracts from the statement of financial position						
Total assets		**38 457**	43 678	38 872	36 716	34 576
Operating assets	1	**34 516**	39 969	36 389	33 739	31 599
Operating liabilities	2	**20 942**	21 448	19 138	16 933	14 194
Net working capital	3	**5 165**	8 515	7 580	6 731	8 235
Net interest-bearing debt	4	**3 401**	7 442	6 618	5 900	6 803
Motus owners' interest		**12 052**	12 508	11 875	11 640	12 196
Non-controlling interest		**114**	(56)	(37)	4	(274)
Ratios						
Efficiency						
Revenue to average net operating assets (times)	5	**5,4**	4,1	4,7	4,5	3,8
Revenue relating to sales of goods to average inventory (times)	6	**4,3**	3,3	4,0	4,4	3,9
Revenue to average net working capital (times)		**12,7**	9,1	11,1	10,3	8,1
Profitability						
Operating profit to average net operating assets (%)	7	**23,6**	11,9	21,3	21,0	19,4
Operating profit to average gross operating assets (%)		**10,2**	5,6	10,3	11,0	10,7
Operating margins (%)	8	**4,4**	2,9	4,5	4,7	5,0
Return on invested capital (%)	9	**14,8**	6,4	13,5	13,5	11,8
Weighted average cost of capital (%)	10	**9,5**	9,8	10,7	10,7	10,1
Solvency						
Operating profit by net interest (times)		**7,0**	1,9	4,7	4,9	3,8
Net interest-bearing debt to EBITDA (times)		**0,6**	1,8	1,4	1,2	1,4
Adjusted EBITDA by Adjusted net interest (times)	11 – 13	**10,9**	3,6	6,2	n/a	n/a
Net interest-bearing debt to Adjusted EBITDA (times)	11, 14	**0,8**	2,2	1,4	n/a	n/a
Total equity to total assets (%)		**31,6**	28,5	30,5	31,7	34,5
Net interest-bearing debt as a percentage of total equity (%)		**28,0**	60,0	55,9	50,7	57,1
Liquidity						
Unutilised facilities		**9 963**	7 555	7 525	n/a	n/a

	Financial definitions	2021 Rm	2020 Rm	2019 Rm	2018 Rm	2017 Rm
Investing in the future						
Cost of new acquisitions		**219**	583	367	731	(33)
Net capital expenditure (excluding vehicles for hire and capital expenditure discontinued operations)		**325**	324	592	(756)	609
Capital expenditure commitments		**211**	101	254	343	88
Statistics						
Total new and pre-owned vehicles sold		**228 633**	208 778	215 279	227 587	198 257
Number of vehicles for hire (car rental owned only)		**9 308**	8 554	13 380	14 991	13 750
Number of employees		**16 708**	17 499	18 628	18 305	17 403
Total employee costs		**6 606**	6 633	6 822	6 425	5 781
Wealth created per employee (R'000)		**713**	612	624	621	n/a
Total taxes and levies paid	15	**796**	898	1 106	1 134	n/a
Share performance						
Basic HEPS (cents)		**1 179**	296	1 009	986	826
Dividends per share (cents)		**415**	–	490	n/a	n/a
Earnings yield (%)	16	**12,6**	9,7	13,8	n/a	n/a
Price earnings ratio (times)	17	**7,9**	10,3	7,2	n/a	n/a
Net asset value per share (cents)	18	**6 586**	6 653	6 185	5 762	6 038
Market prices (cents)						
• Closing		**9 334**	3 062	7 312	n/a	n/a
• High		**9 950**	8 468	10 238	n/a	n/a
• Low		**2 700**	2 380	7 152	n/a	n/a
Total market capitalisation at closing prices	19	**17 635**	5 898	14 369	n/a	n/a
Value of shares traded since unbundled		**9 036**	11 901	10 120	n/a	n/a
Value traded as a percentage of weighted average capitalisation (%)		**76**	107	110	n/a	n/a
Exchange rates used						
ZAR to US Dollar						
• Average		**15,40**	15,67	14,18	12,86	13,58
• Closing		**14,27**	17,37	14,10	13,71	13,06
ZAR to British Pound						
• Average		**20,70**	19,73	18,35	17,31	17,23
• Closing		**19,72**	21,46	17,95	18,10	17,02
ZAR to Australian Dollar						
• Average		**11,48**	10,49	10,14	9,97	10,24
• Closing		**10,71**	11,96	9,90	10,13	10,04
ZAR to Euro						
• Average		**18,35**	17,31	16,18	15,34	14,81
• Closing		**16,93**	19,51	16,06	16,01	14,92

Five-year review (continued)

Financial definitions

1	Operating assets	Total assets less loans receivable, taxation assets, cash resources and assets classified as held-for-sale.
2	Operating liabilities	Total liabilities less all interest-bearing borrowings, taxation liabilities and liabilities classified as held-for-sale.
3	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.
4	Net interest-bearing debt	The aggregate of interest-bearing debt (excluding lease liabilities in terms of IFRS 16) less cash resources.
5	Revenue to average net operating assets (times)	Calculated by dividing revenue with average net operating assets (operating assets less operating liabilities).
6	Revenue relating to sales of goods to average inventory (times)	Revenue relating to sales of goods divided by average inventory.
7	Operating profit to average net operating assets (%)	Operating profit per the statement of comprehensive income divided by average net operating assets.
8	Operating margin (%)	Operating profit divided by revenue.
9	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.
10	Weighted average cost of capital (%)	Calculated by multiplying the cost of each capital component by its proportional 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.
11	Adjusted EBITDA	Calculated as EBITDA less the profit attributable to non-controlling interests, plus the EBITDA relating to acquisitions grossed up for a full year, if the underlying acquisitions only contributed for a portion of the year, less EBITDA relating to businesses disposed of during the current year; and adjustments relating to the impacts on the EBITDA that arose on the application of IFRS 16, adjustments include the reversal of profit on terminations of leases and includes lease payments.

Financial definitions

12	Adjusted net interest	Calculated as the finance cost (excluding the finance cost on lease liabilities) less finance income (excluding interest earned on net investment in lease receivables).
13	Adjusted EBITDA by Adjusted net interest (bank facilities) (times)	Calculated as Adjusted EBITDA divided by the Adjusted net interest. This is one of the key measures of the covenants of the interest-bearing borrowings relating to our bank facilities.
14	Net interest-bearing debt to Adjusted EBITDA (bank facilities) (times)	Calculated as net interest-bearing debt divided by the Adjusted EBITDA. This is one of the key measures of the covenants of the interest-bearing borrowings relating to our bank facilities.
15	Total taxes and levies	Made up of current taxation, secondary taxation on companies, foreign taxation, rates and taxes, skills development, unemployment insurance fund levies.
16	Earnings yield (%)	The HEPS divided by the closing price of a share.
17	Price earnings ratio (times)	The closing price of a share divided by the HEPS.
18	Net asset value per share	Equity attributable to owners of Motus divided by total ordinary shares in issue net of shares repurchased.
19	Total market capitalisation at closing prices (Rm)	Total ordinary shares in issue before treasury shares multiplied by the closing price per share.

Value-added statement

for the year ended 30 June 2021	Note	2021 Rm	2021 %	2020 Rm	2020 %
Revenue		**87 205**		73 417	
Paid to suppliers for materials and services		**(75 297)**		(62 702)	
Total wealth created		**11 908**		10 715	
Wealth distribution					
Salaries, wages and other benefits	1	**6 547**	**55**	6 569	61
Providers of capital		**1 340**	**11**	1 919	18
Net financing costs		**543**	**5**	1 116	10
Dividends paid to Motus shareholders		**294**	**2**	474	5
Dividends paid to non-controlling interest		**18**	**–**	16	–
Share buy-backs and cancellations		**485**	**4**	313	3
Central and local governments	2	**796**	**7**	898	8
Reinvested in the Group to maintain and develop operations		**3 225**	**27**	1 329	13
Depreciation, amortisation, impairments and recoupments		**1 526**		2 018	
Future expansion (including vehicles for hire)		**1 699**		(689)	
		11 908	**100**	10 715	100
Value-added ratios					
Number of employees		**16 708**		17 499	
Revenue per employee (R'000)		**5 219**		4 195	
Wealth created per employee (R'000)		**713**		612	

Notes

1. Salaries, wages and other benefits

	2021 Rm	2020 Rm
Salaries, wages, overtime, commissions, bonuses, allowances	**6 112**	6 104
Employer contributions	**494**	529
Less: Unemployment Insurance Fund and Skills Development Levy (included in note 2)	**(59)**	(64)
	6 547	6 569

2. Central and local governments

	2021 Rm	2020 Rm
Income tax expense	**588**	621
Withholding and secondary tax on companies	**3**	2
Rates and taxes	**146**	171
Skills Development Levy	**38**	43
Unemployment Insurance Fund	**21**	21
CO_2 emissions tax	**–**	40
	796	898

Shareholder information

Dividend declaration

Declaration of final ordinary dividend

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 of Motus, payable to the holders of the 188 933 942 ordinary shares. The dividend will be paid out of reserves.

The ordinary dividend will be subject to a local dividend tax rate of 20%. The net ordinary dividend, to those shareholders who are not exempt from paying dividend tax, is therefore 204 cents per share.

The company has determined the following salient dates for 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 (CSDP) or broker, credited on Monday, 27 September 2021.

On behalf of the board

N Simelane
Company Secretary

30 August 2021

Shareholder analysis

Shareholder information as at 30 June 2021

Top 10 shareholders

Top 10 shareholders	Number of shares '000	% of issued voting capital
Ordinary shares		
Public Investment Corporation (South Africa)	23 329	12,02
Ukhamba Holdings Proprietary Limited (South Africa)	17 550	9,04
M&G Investment Management (United Kingdom)	13 923	7,17
Ninety One (South Africa)	11 972	6,17
Visio Capital Management (South Africa)	10 518	5,42
Coronation Fund Managers (South Africa)	10 135	5,22
Lynch Family Holding (South Africa)	8 123	4,18
Fairtree Capital Proprietary Limited (South Africa)	7 281	3,75
Wooddale Investments (De Canha Family Holding) (South Africa)	6 454	3,32
Vanguard Group (United States of America)	6 098	3,14
Deferred ordinary shares		
Ukhamba Holdings Proprietary Limited (South Africa)	5 205	2,68

Stock exchange performance

Stock exchange performance	**2021**	2020
Number of shares in issue (million)	**194**	198
Number of shares traded (million)	**145**	208
Value of shares traded (ZAR million)	**9 036**	11 901
Market price (cents per share)		
– Closing price	**9 334**	3 062
– High	**9 950**	8 468
– Low	**2 700**	2 380
Earnings yield (%)[1]	**12,6**	9,7
Price-earnings ratio[1]	**7,9**	10,3

[1] *Calculated using HEPS.*

Distribution of shareholders (listed ordinary shares)

Distribution of shareholders (listed ordinary shares)	Number of shareholders	Number of shares '000	% of ordinary shares listed
Public shareholders	5 952	150 912	79,87
Non-public shareholders			
– Shareholder holding more than 10%	1	23 329	12,35
– Shareholder entitled to appoint a director	–	–	–
– Directors and prescribed officers	7	8 615	4,56
– Treasury shares	1	6 078	3,22
Total	5 961	188 934	100,00

Shareholder analysis (continued)

Spread of listed holdings	Number of shareholders	%	Number of shares '000	%
1 – 1 000	4 529	75,98	802	0,42
1 001 – 10 000	785	13,17	2 804	1,48
10 001 – 100 000	456	7,65	15 687	8,30
Over 100 000	191	3,20	169 641	89,80
Total	5 961	100,00	188 934	100,00

Shareholder type	Number of shares '000	% of voting shares net of treasury shares
Financial institutions, pension and provident funds	124 802	66,36
Unit trusts	18 923	10,06
Individuals	5 546	2,95
Directors and prescribed officers	8 615	4,58
Corporate holdings	24 970	13,28
Listed ordinary shares (net of treasury shares)	182 856	97,23
Unlisted deferred ordinary shares	5 205	2,77
Total voting shares in issue net of treasury shares	188 061	100,00
Treasury shares	6 078	
Total shares in issue	194 139	

Directors' interests in shares	2021 Direct number of shares	2021 Indirect number of shares	2020 Direct number of shares	2020 Indirect number of shares
Executive directors				
OS Arbee	125 211	223 474	128 211	168 240
OJ Janse van Rensburg	108 096	–	100 137	–
KA Cassel	694	–	694	–
Non-executive directors				
GW Dempster	99	–	99	–
A Tugendhaft	15 000	–	15 000	–
Prescribed officers				
JK Jefferies[1]	–	–	61	–
NW Lynch	10 706	8 112 157	14 540	7 871 074
C Venter	19 440	–	15 073	–
Total	279 246	8 335 631	273 815	8 039 314

[1] *Resigned from the Group in February 2021.*

Notice of annual general meeting

Introduction

Message from the Chairman of the board to shareholders

On behalf of the board of Motus Holdings Limited, you are invited to attend the 2021 AGM to be held at 08:30 (CAT) on Wednesday, 3 November 2021, through electronic participation.

The board still believes that the safest way to hold the AGM and allow shareholders to exercise their right to vote and ask questions at the meeting, is through electronic participation. This is as a result of the impact of COVID-19, the resultant health distancing imperatives, legal restrictions, the official advice on gatherings and movement, and the health of shareholders and stakeholders, which is of paramount importance to the company.

It is therefore confirmed that the AGM of Motus will be held though electronic participation, and shareholders wishing to participate in the AGM electronically will need to register by the latest at 08:30 on Tuesday, 2 November 2021. A *Virtual meeting guide for participants* and a *Registration to participate form* are included in the notice of AGM, as Annexures A and B respectively.

The AGM provides the board with the opportunity to present the Group's performance for the year ended 30 June 2021 to the company's shareholders. The Chairs of the various board committees, senior members of management and the Group's external auditors will be present to engage with shareholders, should a need arise.

The notice of the meeting and explanatory notes, which accompany this letter, set out the proposed resolution and effects thereof. In accordance with section 31(1) of the Companies Act, you are notified that the 2021 Motus Holdings integrated report, ESG report and audited consolidated and separate annual financial statements are available on the Motus website at **https://www.motus.co.za/investors/integrated-reports/** on 30 September 2021. Should you wish to receive a printed copy of our 2021 integrated report, ESG report and the audited consolidated and separate annual financial statements, you may request these from the Motus Company Secretary at **nsimelane@motus.co.za**. Due to the limited physical printing of documents and COVID-19 lockdown restrictions, do expect delays in delivering physical copies.

The company has retained the services of The Meetings Specialists (Proprietary) Limited (TMS) to host the AGM on an interactive electronic platform in order to facilitate electronic participation and voting by shareholders.

We request that shareholders send their proxies to TMS at **proxy@tmsmeetings.co.za** by no later than 08:30 (CAT) on Tuesday, 2 November 2021 to allow time for the tallying of votes and completion of the administrative processes relating to the meeting. Forms of proxy submitted on the day of the AGM must be emailed simultaneously to TMS at **proxy@tmsmeetings.co.za** and the Motus Company Secretary at **nsimelane@motus.co.za**, prior to the commencement of the AGM, before any proxy seeks to exercise any right granted to it.

Further details for the form of proxy submission are contained on page 191 and in the notes to the form of proxy on page 193.

I look forward to your participation in the meeting.

Yours sincerely

Graham Dempster
Chairman

Notice of annual general meeting of shareholders

Motus Holdings Limited
(Incorporated in the Republic of South Africa)
(Registration number: 2017/451730/06)
ISIN: ZAE000261913
JSE share code: MTH
(Motus, or the company or the Group)

Board of directors (board): GW Dempster (Chairman), OS Arbee (CEO), OJ Janse van Rensburg (CFO), KA Cassel, PJS Crouse, NB Duker, S Mayet, MJN Njeke, F Roji-Maplanka and A Tugendhaft.

Notice is hereby given to the shareholders of Motus that the 3rd AGM will be held on Wednesday, 3 November 2021 at 08:30 (CAT) to be conducted entirely through electronic participation or at any other adjourned or postponed time determined in accordance with the provisions of section 64(4) and section 64(10) (as read with section 64(11)(a)(i)) of the Companies Act.

This document is important and requires your immediate attention.

Your attention is drawn to the notes at the end of this notice, on page 182, which contain important information regarding shareholders' participation at the AGM. Should you be in any doubt as to what action to take in respect of the proposed resolutions and other matters contemplated in this notice of the AGM or the explanatory notes hereto, it is recommended that you consult appropriate professional advisers. For purposes of this notice of the AGM and the explanatory notes hereto, the term "shareholder" shall have the meaning ascribed thereto in section 57(1) of the Companies Act.

In terms of section 59(1) of the Companies Act, the board has set the record dates to determine which shareholders are entitled to:

- receive this notice of the AGM as being Thursday, 23 September 2021; and since Friday is a public holiday, the record date becomes the last business day of the week; and
- participate in and vote at the AGM as being Friday, 29 October 2021.

The last day to trade in the company's shares, in order to participate in and vote at the AGM is Tuesday, 26 October 2021.

The meeting is convened to consider and if deemed appropriate, pass and approve, with or without modification, the ordinary and special resolutions set out below in the manner required by the Companies Act and the JSE Listings Requirements. Please see the explanatory notes commencing on pages 182 to 187 for the explanations which accompany the ordinary and special resolutions below. A virtual meeting guide for shareholders is included as Annexure A on page 188 of this notice of AGM. Details on how to register are explained in the Registration to participate form in Annexure B, on page 189 of this notice of AGM.

Notice of annual general meeting (continued)

Resolutions

Part A – presentation of reports

These items, presented under Part A, do not require resolutions. They are presented here to afford shareholders the opportunity to ask questions and make comments about their contents, if any.

1. Presentation of the audited consolidated and separate annual financial statements

To present the audited annual financial statements of the company and its subsidiaries (Group) as approved by the board of the company in terms of section 30(3) of the Companies Act, incorporating, inter alia, the reports of the external auditors, ARC and the directors for the financial year ended 30 June 2021.

2. Presentation of the social, ethics and sustainability report

To present the report of the SES committee for the financial year ended 30 June 2021, as required in terms of regulation 43(5)(c) of the Regulations to the Companies Act, 2011 (Companies Regulations).

Part B – ordinary resolutions

3. Election of retiring directors and confirmation of appointment of director

Ordinary resolution 1

To consider and, if deemed appropriate, to elect and appoint:

1.1 Ms. NB Duker, who is retiring by rotation in accordance with clause 23.4.1 of the company's Memorandum of Incorporation (MOI), as an independent non-executive director of the company as contemplated in section 68(2)(a) of the Companies Act and being eligible and available, offers herself for election and appointment.

1.2 Mr. PJS Crouse, who is retiring by rotation in accordance with clause 23.4.1 of the company's MOI, as an independent non-executive director of the company as contemplated in section 68(2)(a) of the Companies Act, and being eligible and available, offers himself for election and appointment.

1.3 Ms. F Roji-Maplanka, as an independent non-executive director of the company as contemplated in section 68(2)(a) of the Companies Act. Ms. F Roji-Maplanka and being eligible and available, offers herself for election and appointment.

4. Appointment of the members of the Audit and Risk committee

Ordinary resolution 2

To consider and, if deemed appropriate, re-elect by way of separate, divisible resolutions the following independent non-executive directors as members of the ARC for the ensuing year in accordance with section 94 of the Companies Act:

2.1 Mr. S Mayet, be and is hereby elected as a member and Chairperson of the company's ARC.

2.2 Ms. NB Duker be and is hereby elected as a member of the company's ARC, subject to the approval of ordinary resolution number 1.1 above.

2.3 Ms. F Roji-Maplanka be and is hereby elected as a member of the company's ARC, subject to the approval of ordinary resolution number 1.3 above.

5. Appointment of external auditors

Ordinary resolution 3

To appoint Deloitte & Touche, on recommendation of the ARC, as the independent external auditor of the company for the ensuing year (the designated auditor being Ms. Shelly Nelson (IRBA number: 732206).

6. Authority to issue ordinary shares

Ordinary resolution 4

To approve that the authorised but unissued ordinary shares be and are hereby placed under the control of the directors by way of a general authority, that shall remain valid until the next AGM and the directors authorised to allot and issue those shares at their discretion, which authority shall include the authority to issue any option/convertible securities that are convertible into ordinary shares, provided that the aggregate number of ordinary shares be able to be allotted and issued in terms of this resolution, shall be limited to 5% (five percent) of the issued share capital at 30 June 2021.

7. Authority to issue shares for cash

Ordinary resolution 5

To consider and approve that the directors of the company and/or any of its subsidiaries, from time to time be and are hereby authorised by way of a general authority, to allot and issue any of the company's unissued shares placed under their control for cash, as they in their discretion may deem fit, without restriction, subject to the provisions of the JSE Listings Requirements, and subject to the proviso that the aggregate number of ordinary shares able to be allotted and issued in terms of this resolution, shall be limited to 5% (five percent) of the issued share capital as at the date of the notice, provided that:

- the approval shall be valid until the date of the next AGM of the company and shall not extend beyond 15 months from the date of this resolution;
- an announcement giving full details, including the number of securities issued, the average discount to the weighted average traded price of the securities over 30 (thirty) business days prior to the date that the issue is agreed in writing between the company and the parties subscribing for the securities and in respect of the issue of options and convertible securities and the impact on the statement of financial position, net asset value per share, net tangible asset value per share, the statement of comprehensive income, earnings per share in the case of convertible securities, and headline earnings per share and, if applicable, diluted earnings and headline earnings per share, or in respect of an issue of shares, an explanation, including supporting information (if any), of the intended use of the funds, will be published after any issue representing, on a cumulative basis within any one financial year, 3% (three percent) or more of the number of shares in issue prior to such issue;
- the company's securities which are the subject of the general issue of shares for cash, in the aggregate in any one financial year may not exceed 5% (five percent) of the applicant's issued share capital (number of securities) of that class, excluding treasury shares, as at the date of this notice, being 188 933 942 securities. Any securities issued under this authorisation will be deducted from the aforementioned 188 933 942 listed securities. In the event of a sub-division or a consolidation the authority will be adjusted to represent the same allocation ratio;
- in determining the price at which an issue of shares will be made in terms of this authority the maximum discount permitted will be 10% (ten percent) of the weighted average traded price of such shares, as determined over the 30 trading days prior to the date that the price of the issue is agreed between the issuer and the party subscribing for the securities. The JSE should be consulted for a ruling if the securities have not traded in such 30-business day period;
- any such issue will only be made to public shareholders as defined in paragraphs 4.25 to 4.27 of the JSE Listings Requirements and not to related parties;
- any such issue will only be securities of a class already in issue or, if this is not the case, will be limited to such securities or rights that are convertible into a class already in issue and shall comply with paragraphs 5.51 and 5.52 of the JSE Listings Requirements; and
- whenever the company wishes to use repurchased shares, held as treasury stock by a subsidiary of the company, such use must comply with the JSE Listings Requirements as if such use was a fresh issue of ordinary shares.

Part C – non-binding advisory votes

8. Confirmation of the Group's remuneration policy

Ordinary resolution 6

To endorse, by way of a non-binding advisory vote, the Group's remuneration policy (excluding the remuneration of the non-executive directors for their services as directors and members of committees), as set out in the explanatory notes on page 184.

9. Confirmation of the Group's remuneration implementation report

Ordinary resolution 7

To endorse, by way of a non-binding advisory vote, the Group's remuneration implementation report, as set out on pages 142 to 151 of the integrated report.

10. Delegation of authority

Ordinary resolution 8

To authorise any 1 (one) director of the company and/or the Company Secretary to do all such things and sign all such documents (including any amendments thereto) as are deemed necessary or advisable to implement the ordinary and special resolutions which have been (or will be) duly passed as set out in the notice convening the AGM.

Part D – special resolutions

11. Non-executive directors' remuneration

Special resolution 1

To approve the proposed fees and remuneration payable to non-executive directors and/or pay any fees related thereto and on any other basis as may be recommended by the Remuneration committee and approved by the board of directors for the period set out in the table in the explanatory notes.

12. Authority to provide financial assistance in terms of section 44

Special resolution 2

To approve, subject to compliance with the provisions of the MOI and Companies Act (including but not limited to the board being satisfied that immediately after providing the financial assistance, the company would satisfy the solvency and liquidity test as contemplated in section 4 of the Companies Act and that the terms under which the financial assistance is proposed to be given are fair and reasonable to the company), the provision by the company, at any time and from time to time during the period of 2 (two) years commencing from the date of approval of this special resolution, of such direct or indirect financial assistance as contemplated in section 44 of the Companies Act, by way of a loan, guarantee of a loan or otherwise to any person for the purpose of, or in connection with, the subscription of any option, or securities, issued or to be issued by the company or related or inter-related company or for the purchase of any securities of the company or a related or inter-related company, subject to the Companies Act.

13. Authority to provide financial assistance in terms of section 45

Special resolution 3

To approve, subject to compliance with the provisions of the MOI and Companies Act (including but not limited to the board being satisfied that immediately after providing the financial assistance, the company would satisfy the solvency and liquidity test as contemplated in section 4 of the Companies Act and that the terms under which the financial assistance is proposed to be given are fair and reasonable to the company), the provision by the company, at any time and from time to time during the period of 2 (two) years commencing from the date of approval of this special resolution, of such direct or indirect financial assistance as contemplated in section 45 of the Companies Act, by way of a loan, guarantee of a loan or other obligation or securing of a debt or other obligation or otherwise as the board may authorise to any 1 (one) or more related or inter-related company(ies) or corporation(s) (as such relations and inter-relationships are outlined in section 2 of the Companies Act), on such other terms and conditions as the board may deem fit, subject to the Companies Act.

14. Approval of the amendments to the MOI

Special resolution 4

To consider and approve, in line with paragraph 10(16)(g) of the JSE Listings Requirements, the amendments to the MOI relating to the exclusion of executive directors from the 'retirement by rotation' provisions of the MOI, as set out in the explanatory notes.

15. General authority to repurchase company securities

Special resolution 5

To authorise the directors to approve and implement the acquisition by the company (or by a subsidiary of the company in terms of section 48(2)(b) of the Companies Act) from time to time, be and is hereby authorised to acquire ordinary shares in the company, by way of a general authority, which shall only be valid until the company's next AGM or 15 (fifteen) months from the date of the passing of this special resolution, whichever period is the shorter, and subject to section 46 and 48 of the Companies Act, the MOI, the JSE Listings Requirements, when applicable, and the following limitations, namely:

- the repurchase of ordinary shares must be implemented through the order book operated by the JSE trading system, without prior understanding or arrangement between the company and the counter party (reported trades are prohibited);
- the company being authorised thereto by its MOI;
- in determining the price at which the company's ordinary shares are acquired in terms of this general authority, the maximum premium at which such ordinary shares may be acquired will be 10% (ten percent) of the weighted average of the market value at which such ordinary shares are traded on the JSE, as determined over the 5 (five) business days immediately preceding the date on which the transaction is effected;
- an announcement being published in accordance with the JSE Listings Requirements as soon as the company has repurchased ordinary shares constituting, on a cumulative basis, 3% (three percent) of the number of ordinary shares in issue at date of the passing of this resolution (initial number), and for each 3% (three percent) in aggregate of the initial number of ordinary shares repurchased thereafter, containing such details of such repurchases as are required under the JSE Listings Requirements as well as any confirmations and disclosures required of the company and its directors;
- the company may only effect the repurchase if a resolution has been passed by the board confirming that it has authorised the repurchase, and that the company and its subsidiary/ies have passed the solvency and liquidity test and that since the test was done there have been no material changes to the financial position of the Group;
- any such general repurchases are subject to exchange control regulations and approval at that point in time;
- the number of shares purchased and held by a subsidiary or subsidiaries of the company shall not exceed 10% (ten percent) in aggregate of the number of issued shares in the company at the relevant times;
- any such general repurchase will be subject to the applicable provisions of the Companies Act (including sections 114 and 115 to the extent that section 48(8) is applicable in relation to that particular repurchase);
- the company or its subsidiary may not repurchase securities during a prohibited period as defined in paragraph 3.67 of the JSE Listings Requirements unless they have in place a repurchase programme where the dates and quantities of securities to be traded during the relevant period are fixed (not subject to any variation) and has been submitted to the JSE in writing prior to the commencement of the prohibited period; and
- the company only appointing 1 (one) agent at any point in time to effect any repurchases on its behalf.

Adequacy of working capital

The directors of the company confirm that no repurchase will be implemented in terms of this authority unless, after each such repurchase:

- the company and the Group will be able to pay its debts as they become due in the ordinary course of business for a period of 12 (twelve) months after the repurchase;
- the consolidated assets of the company and the Group, fairly valued in accordance with the accounting policies used in the latest audited annual Group financial statements, will exceed its consolidated liabilities for a period of 12 (twelve) months after the repurchase;
- the issued share capital and reserves of the company and the Group will be adequate for ordinary business purposes for a period of 12 (twelve) months after the repurchase; and
- the working capital of the company and the Group will be adequate for ordinary business purposes for a period of 12 (twelve) months after the repurchase, and the directors have passed a resolution authorising the repurchase, resolving that the company and its subsidiary/ies, as the case may be, have satisfied the solvency and liquidity test as defined in the Companies Act and since the solvency and liquidity test had been applied, there have been no material changes to the financial position of the Group.

Other disclosure in terms of section 11.26 of the JSE Listings Requirements

The Listings Requirements require the following disclosures with respect to general repurchases, some of which appear elsewhere in the integrated report of which this notice forms part:

- Major shareholders – page 171.
- Share capital of the company– page 171.

Statement of intent

The directors undertake that, to the extent it is still required by the JSE Listings Requirements and the Companies Act, they will not implement any repurchase as contemplated in this special resolution while this general authority is valid, unless:

a) the board has resolved to authorise such repurchase subject to the limitations set out in this special resolution, have applied the solvency and liquidity test set out in section 4 of the Companies Act and have reasonably concluded that the Group will satisfy the solvency and liquidity test immediately after completing such repurchase, and are satisfied that since the test was carried out there have been no material changes to the financial position of the Group; and
b) the Group will comply with the provisions of section 46 of the Companies Act and the JSE Listings Requirements in relation to such repurchase.

The board has considered the impact of a repurchase of up to 10% (ten percent) of the company's securities, under a general authority in terms of the JSE Listings Requirements. Should the opportunity arise and should the directors deem it in all respects to be advantageous to the company to repurchase such securities, it is deemed appropriate that the company or a subsidiary be authorised to repurchase the company's securities.

Directors' responsibility statement

The directors, whose names are given on pages 20 and 21 of the integrated report of which this notice forms part, collectively and individually accept full responsibility for the accuracy of the information pertaining to this general repurchase resolution and certify that to the best of their knowledge and belief there are no facts in relation to this special resolution that have been omitted which would make any statement false or misleading, and that all reasonable enquiries to ascertain such facts have been made and that the aforementioned resolution contains all information required by law and the JSE Listings Requirements.

No material changes to report

Other than what is reported on in the integrated report, there are no material changes in the financial position of the Group since the financial year end of 30 June 2021 and the date of this notice.

16. Any other business to be transacted at the AGM

In terms of section 61(8)(d) of the Companies Act, an AGM must provide for the transacting of business in relation to any matters raised by shareholders, with or without advance notice to the company.

17. Electronic participation

The board has determined that, given the slow pace of vaccinating citizens against COVID-19 and with no herd immunity achieved yet, it is necessary and appropriate that the AGM is held by way of electronic participation only. The AGM will accordingly only be attended through electronic participation. In terms of section 61(10) of the Companies Act, the company has retained the services of TMS to host the AGM on an interactive electronic platform, in order to facilitate electronic participation and voting by shareholders.

Shareholders who have dematerialised their shares, other than those shareholders who have dematerialised their shares with "*own name*" registration, should contact their CSDP or broker in the manner and time stipulated in their agreement with their CSDP or broker:

- to furnish them with voting instructions; and
- in the event that they wish to participate in the meeting, to obtain the necessary authority to do so.

Shareholders who intend participating in the virtual meeting and who wish to vote at the meeting are required to contact TMS at **proxy@tmsmeetings.co.za** by submitting the completed registration form attached to this notice of AGM on page 190 as soon as possible, but no later than 08:30 (CAT) Tuesday, 2 November 2021. Shareholders who wish to attend the virtual meeting, should instruct their CSDP or broker to issue them with the necessary letter of representation to attend the meeting as stipulated in the agreement with their CSDP or broker.

Although the electronic platform provides for voting during the meeting, shareholders are strongly encouraged to still submit their votes by proxy prior to the meeting to TMS at email **proxy@tmsmeetings.co.za**.

Shareholders will be liable for their own network charges and these will not be for the expense of the company or TMS. Neither the company nor TMS can be held liable in the case of loss of network connectivity or network failure due to insufficient airtime/internet connectivity/power outages which would prevent you from voting at or participating in the virtual meeting.

Voting and proxies

A shareholder entitled to attend and vote at the AGM may appoint one or more persons as its proxy (who need not be a shareholder of the company) to attend, speak and vote (or abstain from voting) in its stead. Note that equity securities held by a share trust or scheme and unlisted securities will not have their votes taken into account at the AGM for the purposes of resolutions proposed in terms of the JSE Listings Requirements. Shares held as treasury shares in terms of the Companies Act and JSE Listings Requirements may not vote on any resolutions.

Please note that, in accordance with section 63(1) of the Companies Act, the person presiding at the meeting must be reasonably satisfied that the right of that person to participate and vote, either as a shareholder, or as a proxy for a shareholder, has been reasonably verified. Accordingly, meeting participants (including shareholders and proxies) must provide satisfactory identification. Without limiting the generality hereof, the company will accept a valid South African identity document, a valid driver's licence, or a valid passport as satisfactory identification.

A form of proxy is attached for the convenience of certificated shareholders and own-name dematerialised shareholders who are unable to attend the AGM but who wish to be represented thereat. In order to be valid, duly completed forms of proxy must be submitted electronically to TMS at **proxy@tmsmeetings.co.za**, by no later than 08:30 on Tuesday, 2 November 2021, subject to the proxy instructions meeting all other criteria. Alternatively, a duly completed form of proxy may be handed to the Chairperson of the AGM prior to the commencement of the AGM. Any shareholder who completes and lodges a form of proxy will nevertheless be entitled to attend and vote electronically at the AGM should the shareholder decide to do so.

Dematerialised shareholders, other than with own-name registration, who have not been contacted by their CSDP or broker with regard to how they wish to cast their votes should contact their CSDP or broker and instruct their CSDP or broker as to how they wish to cast their votes at the AGM in order for their CSDP or broker to vote in accordance with such instructions. If such dematerialised shareholders wish to attend the AGM in person, they must request their CSDP or broker to issue the necessary letter of representation to them. This must be done in terms of the custody agreement entered into between such dematerialised shareholders and their CSDP or broker.

By order of the board

NE Simelane
Company Secretary

20 September 2021

Notice of annual general meeting (continued)

Annual general meeting – explanatory notes

Part A

Presentation of the audited consolidated and separate annual financial statements

Section 61(8) of the Companies Act requires directors to present the audited consolidated and separate annual financial statements for the year ended 30 June 2021 to shareholders, together with the reports of the directors, external auditor, and the ARC at the AGM. These are contained within the audited consolidated and separate annual financial statements and an extract is included in the integrated report.

Shareholders are advised that, in terms of section 62(3)(d) of the Companies Act, a copy of the audited consolidated and separate annual financial statements for the preceding financial year may be obtained by submitting a written request to the Company Secretary, and electronic copies are available on the company's website: **https://www.motus.co.za/investors/integrated-reports/**.

Presentation of the social, ethics and sustainability (SES) committee report

Regulation 43(5)(c) of the Companies Regulations requires the SES committee, through 1 (one) of its members, to report to the shareholders on matters within its mandate at the AGM. The SES committee's report will be presented during the AGM.

Part B

Ordinary resolution 1 – Election of retiring directors and confirmation of appointment of director

In terms of the company's MOI, one-third of the directors are required to retire at each AGM and may, if eligible, offer themselves for election in terms of clause 23.3.2. The MOI also provides that directors who were appointed by the board to fill a vacancy or as an addition to the board must be confirmed by the shareholders in terms of clause 23.4.1.

1.1 Ms. NB Duker retires by rotation in terms of paragraph 23.4.1 of the MOI; and
1.2 Mr. PJS Crouse retires by rotation in terms of paragraph 23.4.1 of the MOI; and
1.3 Ms. F Roji-Maplanka confirmation of appointment in terms of paragraph 23.4.1 of the MOI.

Ms. NB Duker and Mr. PJS Crouse were appointed by the board in November 2020 and now offer themselves for election by shareholders, having been evaluated and had their eligibility and suitability for election confirmed by the Nomination committee.

Ms. F Roji-Maplanka was subsequently appointed by the board with effect from 1 September 2021, having been evaluated and had their eligibility and suitability for election confirmed by the Nomination committee.

Brief *curriculum vitae* in respect of the retiring directors who have offered themselves for election and the newly appointed director are set out on page 21 of the integrated report.

To be approved, each of the resolutions set out under ordinary resolution 1 requires the support of more than 50% (fifty percent) of the voting rights exercised on the resolutions by shareholders, present or represented by proxy at the AGM and entitled to exercise voting rights on the resolution.

If each of the individual resolutions set out under ordinary resolution 1.1 and 1.2 are approved, the effect would be to elect the retiring directors who have offered themselves for election as independent non-executive directors to the board of the company until such time as they resign, retire, and do not offer themselves for re-election or are otherwise removed from office.

Ordinary resolution 2 – Election of the members of the Audit and Risk committee

Section 94(2) of the Companies Act requires the company to elect an audit committee comprising at least 3 (three) independent non-executive directors of the board at each AGM. The board has constituted ARC as one committee. In order to comply with this provision of the Companies Act, the board, following a recommendation of the NomCo, hereby nominates the following independent non-executive directors to be elected as members of the ARC:

2.1 Mr. S Mayet as a member and Chairperson of the ARC.
2.2 Ms. NB Duker as a member of the ARC, subject to being elected as a director in accordance with ordinary resolution 1.1.
2.3 Ms. F Roji-Maplanka as a member of the ARC, subject to being elected as a director in accordance with ordinary resolution 1.3.

A brief *curriculum vitae* in respect of each of the above independent non-executive directors who offer themselves for re-election as members of the ARC, is set out on page 21 of the integrated report.

To be approved, each of the resolutions for the election of members of the ARC in ordinary resolution 2 requires the support of more than 50% (fifty percent) of the voting rights exercised on the resolutions by shareholders, present or represented by proxy at the AGM and entitled to exercise voting rights on the resolution.

If ordinary resolution 2 is approved, the effect would be to elect the abovementioned directors to the ARC until the next AGM of the company.

Ordinary resolution 3 – Re-appointment of external auditor

In terms of section 90(1) of the Companies Act, the company is required to appoint an auditor each year at its AGM by way of an ordinary resolution of the shareholders entitled to exercise voting rights on that resolution. In terms of section 94(7)(a) (read with section 90(2)) of the Companies Act, the audit committee of the company must nominate a registered auditor for appointment as auditor of the company who is, in the opinion of the audit committee, independent of the company.

The ARC has nominated Deloitte & Touche as the independent external auditor of the company. The ARC, following receipt of the information set out in paragraph 22.15(h) of the JSE Listings Requirements, is satisfied that Deloitte & Touche and Ms. Shelly Nelson, who is responsible for performing the functions of the company's external auditor on behalf of Deloitte & Touche, can be regarded as independent and are thereby able to conduct their external audit functions without any conflict or influence.

Deloitte & Touche has confirmed its willingness to be engaged as external auditor of the company and ordinary resolution 3 proposes the appointment of that firm as the company's auditor with immediate effect until the next AGM. As contemplated in section 90(3) of the Companies Act, the name of the designated auditor, Ms. Shelly Nelson, forms part of the resolution. The resolution also notes the remuneration of the independent external auditor as determined by the ARC.

To be approved, ordinary resolution 3 requires the support of more than 50% (fifty percent) of the voting rights exercised on the resolution by shareholders, present or represented by proxy at the AGM and entitled to exercise voting rights on the resolution.

If ordinary resolution 3 is approved, the effect would be to approve the appointment of Deloitte & Touche as the independent external auditor of the company, with Ms. Shelly Nelson as a designated auditor until the company's next AGM.

Ordinary resolution 4 – Authority to issue ordinary shares

In terms of the company's MOI, the requirements of the Companies Act and the JSE Listings Requirements, the board has the authority to issue shares of the company that have been authorised by or in terms of the company's MOI. Notwithstanding the above, the board wishes to exercise its authority as set out this in this resolution, i.e. the authorised but unissued ordinary shares are to be placed under the control of the directors by way of a general authority that shall remain valid until the next AGM. The directors' authority granted under this resolution shall include the right to allot and issue such shares.

To be approved, ordinary resolution 4 requires the support of more than 50% (fifty percent) of the voting rights exercised on the resolution by shareholders, present or represented by proxy at the AGM and entitled to exercise voting rights on the resolution.

If ordinary resolution 4 is approved, the effect would be that the aggregate number of ordinary shares the directors will be able to allot and issue in terms of this resolution shall be limited to 5% (five percent) of the issued share capital until the next AGM.

Ordinary resolution 5 – Authority to issue shares for cash

It is not possible to detail in advance all instances where authority to issue shares for cash could be required. However, the company may from time to time need to raise funding to recapitalise the business or to conclude a transaction or transactions with third parties which may involve the issuing of shares for cash. The purpose of this resolution is accordingly to obtain a general authority from shareholders to ensure that, when a need arises, the board is able to issue shares for cash in compliance with the JSE Listings Requirements.

In terms of the JSE Listings Requirements in order for ordinary resolution 5 to be adopted, a majority of 75% (seventy-five percent) of the voting rights exercisable on the resolution is required.

Notice of annual general meeting (continued)

Part C

Ordinary resolution 6 – Confirmation of the Group's remuneration policy

Principle 14 of the King IV requires companies to ensure that they remunerate fairly, responsibly and transparently so as to promote the achievement of strategic objectives and positive outcomes in the short, medium and long term and requires companies to table their remuneration policy to shareholders every year for a non-binding advisory vote at the AGM. This vote enables shareholders of the company to express their views on the remuneration policies adopted and on their implementation. The Group's remuneration report is contained on pages 128 to 151 of the integrated report. Ordinary resolution 6 is of an advisory nature only and failure to pass this resolution will therefore not have any legal consequences relating to existing arrangements.

However, the board will, as required in terms King IV and the JSE Listings Requirements, disclose in the background statement of the remuneration report succeeding the voting: with whom the company engaged, and the manner and form of engagement to ascertain the reasons for dissenting votes; and the nature of steps taken to address legitimate and reasonable objections and concerns, in the event that either the remuneration policy or implementation report, or both, were voted against by 25% (twenty five percent), or more, of the voting rights exercised.

To be approved, ordinary resolution 6 requires the support of more than 50% (fifty percent) of the voting rights exercised on the resolution by shareholders, present or represented by proxy at the AGM and entitled to exercise voting rights on the resolution.

Ordinary resolution 7 – Non-binding advisory vote on the implementation of the remuneration policy of the company

Principle 14 of King IV further requires that the implementation of a company's remuneration policy be tabled for a non-binding advisory vote by shareholders at each AGM. This resolution is of advisory nature only to enable shareholders to express their views on the implementation of the company's remuneration policy.

To be approved, ordinary resolution 7 requires the support of more than 50% (fifty percent) of the voting rights exercised on the resolution by shareholders, present or represented by proxy at the AGM and entitled to exercise voting rights on the resolution.

Ordinary resolution 8 – Delegation of authority

The reason for ordinary resolution 8 is to authorise any 1 (one) director or the Company Secretary of the company to do all such things and sign all documents and take all such action as he/she may consider necessary to implement the resolutions set out in the notice convening the AGM.

To be approved, ordinary resolution 8 requires the support of more than 50% (fifty percent) of the voting rights exercised on the resolution by shareholders, present or represented by proxy at the AGM and entitled to exercise voting rights on the resolution.

Part D

Special resolution 1 – Proposed remuneration of non-executive directors

Shareholders are requested to consider and if deemed appropriate, approve the proposed annual market related fees and remuneration payable to non-executive directors for their services as directors as set out in the table hereunder. Full particulars of all fees and remuneration paid to non-executive directors for the past financial year are contained on page 144 the integrated report. Since the Companies Act took effect, in particular sections 65(11), 66(8) and (9), remuneration may only be paid to directors for their services as directors in accordance with a special resolution approved by the shareholders within the previous 2 (two) years.

To be approved, special resolution 1 requires the support of at least 75% (seventy five percent) of the voting rights exercised on the resolution.

	Proposed fee from 1 July 2021 to 30 June 2022	Proposed fee from 1 July 2022 to 30 June 2023
Chairman*	**R1 053 730**	R1 106 420
Deputy Chairman*	**R526 870**	R553 215
Board member	**R301 340**	R316 410
Assets and Liabilities committee Chairman*	**R192 069**	R201 675
Assets and Liabilities committee member	**R127 870**	R134 265
Audit and Risk committee Chairman*	**R397 940**	R417 840
Audit and Risk committee member	**R198 970**	R208 920
Remuneration committee Chairman*	**R143 790**	R150 980
Remuneration committee member	**R95 510**	R100 285
Nomination committee Chairman*	**R107 840**	R113 230
Nomination committee member	**R71 628**	R75 210
Social, Ethics and Sustainability Chairman*	**R192 600**	R202 230
Social, Ethics and Sustainability member	**R127 870**	R134 265

* *Fee paid in addition to a member's fee.*

The Nomination committee only has three scheduled meetings, and as and when it is necessary. The approved fees for the 2020 financial year were reduced by 15% (fifteen percent) for three months starting on 1 April 2020 following the implementation of COVID-19 lockdown restrictions. The approved fees for the 2021 financial year were reduced to reflect no increase from the 2020 financial year, as well as a reduction of 15%. The proposed increase in fees for the 2022 financial year is 5% (five percent) for the board and all its committees.

Executive directors are full time employees of the company and therefore do not receive directors' remuneration for participating in the board and/or its subcommittees. Remuneration and fees are stated excluding value added tax.

If special resolution 1 is approved, the effect would be to authorise the company to pay the remuneration contemplated in the above table to the non-executive directors of the company for their services as directors as set out in the table above.

Special resolution 2 – Authority to provide financial assistance in terms of section 44

From time to time the company would like to be able to borrow from its subsidiaries, and to on-lend or provide loans to its subsidiaries as envisaged in special resolution 2 in accordance with the provisions of section 44 of the Companies Act. It is not possible to detail in advance all instances where such financial assistance could be required, and approval is accordingly sought as contemplated in section 44 of the Companies Act generally for the provision of financial assistance to certain subsidiaries for the purpose of, or in connection with, the subscription of any option, or any securities issued or to be issued by the company or related or inter-related company. If approved, this general authority will expire at the end of 2 (two) years from the date on which it is approved. In addition, it would be impractical and difficult to obtain shareholder approval every time the company wishes to provide financial assistance as contemplated above. Accordingly, the company requires flexibility and the authority to act promptly as the need arises, and the authority of this special resolution is sought in advance to obviate the need for shareholder approval in each instance.

To be approved, special resolution 2 requires the support of at least 75% (seventy five percent) of the voting rights exercised on the resolution.

If special resolution 2 is approved, the effect would be to authorise the company to grant the aforementioned financial assistance to the relevant companies, subject to compliance with the MOI and the Companies Act (including but not limited to the board being satisfied that immediately after providing the financial assistance, the company would satisfy the solvency and liquidity test as contemplated in section 4 of the Companies Act).

Special resolution 3 – Authority to provide financial assistance in terms of section 45

From time to time the company would like to be able to borrow from its subsidiaries, and to on-lend or provide loans to its subsidiaries as envisaged in special resolution 3 in accordance with the provisions of section 45 of the Companies Act. It is not possible to detail in advance all instances where such financial assistance could be required, and approval is accordingly sought as contemplated in section 45 of the Companies Act generally for the provision of financial assistance to certain subsidiaries. If approved, this general authority will expire at the end of 2 (two) years from the date on which special resolution 3 is approved. In addition, it would be impractical and difficult to obtain shareholder approval every time the company wishes to provide financial assistance as contemplated above. Accordingly, the company requires flexibility and the authority to act promptly as the need arises, and the authority of this special resolution is sought in advance to obviate the need for shareholder approval in each instance.

To be approved, special resolution 3 requires the support at least than 75% (seventy five percent) of the voting rights exercised on the resolution.

If special resolution 3 is approved, the effect would be to authorise the company to grant the aforementioned financial assistance to the relevant companies, subject to compliance with the MOI and the Companies Act (including but not limited to the board being satisfied that immediately after providing the financial assistance, the company would satisfy the solvency and liquidity test as contemplated in section 4 of the Companies Act).

Special resolution 4 – Amendments to the MOI

In terms of section 16(1)(c) of the Companies Act, the company's MOI may be amended at any time if, inter alia, a special resolution to amend it is proposed by the board and adopted at a shareholders' meeting of the company.

Section 10(16)(g) of the JSE Listings Requirements provides that "In a new company, all the directors are to retire at the first annual general meeting. Thereafter, **at least one-third of non-executive directors** must retire at the company's AGM (or other general meeting held on an annual basis), provided the meeting is not conducted in terms of Section 60 of the Companies Act in respect of main board issuers. These retiring members of the board of directors may be re-elected, provided they are eligible." The board proposes the amendments to the MOI in order to ensure compliance with the above-mentioned provision of the JSE Listings Requirements. This is to ensure that it resolves governance discrepancies that have resulted from subjecting executive directors to retirement by rotation.

The board is of the view that the adoption of the proposed amendments will not result in any adverse change to the interests of the existing shareholders as contemplated in section 164(2)(a) of the Companies Act and is in the best interest of the company.

A full marked-up version of the MOI incorporating the proposed inclusion or amendments is available on the company's website at **https://www.motus.co.za/wp-content/uploads/2021/09/Motus-MOI.pdf**.

To be approved, special resolution 4 requires the support of at least 75% (seventy five percent) of the votes cast by shareholders present or represented by proxy.

If special resolution 4 is approved, the effect would be to amend the MOI such that all the executive directors are excluded from the annual retirement of directors by rotation and their employment with the company will be regulated in terms of their respective contracts of employment.

Special resolution 5 – General authority to repurchase company's securities

The board believes that it may be prudent to obtain a general authority to repurchase the company's shares to enable it to act promptly should the opportunity arise. Shareholders' approval, by way of a special resolution, is sought for a repurchase of the company's shares, subject to the provisions of the JSE Listings Requirements and the Companies Act as set out in the proposed resolution. This special resolution is subject to the statement of intent as set out above.

To be approved, special resolution 5 requires the support of at least 75% (seventy five percent) of the voting rights exercised on the resolution.

If special resolution 5 is approved, the effect would be to authorise the company and/or its subsidiary company/ies by way of a general authority to acquire the company's issued shares on such terms, conditions and in such amounts as determined from time to time by the directors of the company subject to the provisions of the JSE Listings Requirements and the Companies Act as set out in special resolution 5.

Quorum

The meeting of shareholders contemplated herein may begin, and a matter may begin to be debated at that meeting, only if the following quorum requirements are met as required by the Companies Act and the MOI:

1. subject to 2 and 3 below –
   - 1.1 a meeting of shareholders may not begin until sufficient persons are present at the meeting to exercise, in aggregate, at least 25% (twenty five percent) of all of the voting rights that are entitled to be exercised in respect of at least one matter to be decided at the meeting; and
   - 1.2 a matter to be decided at the meeting may not begin to be considered unless sufficient persons are present at the meeting to exercise, in aggregate, at least 25% (twenty five percent) of all of the voting rights that are entitled to be exercised on that matter at the time the matter is called on the agenda;
2. once a quorum has been established at a meeting of shareholders, all the shareholders necessary to maintain such quorum must be present at that meeting to consider and vote on any matter;
3. despite the percentage figures set out in 1, as the company has more than 2 (two) shareholders, a meeting may not begin, or a matter begin to be debated unless –
   - 3.1 at least 3 (three) shareholders are "present at the meeting" (as defined in the Companies Act); and
   - 3.2 the requirements of 1 are satisfied.

Annexure A

Virtual meeting guide for participants

How to access the virtual meeting

1. In order to participate and vote in the meeting, each user must have an internet-enabled device (phone, laptop, desktop, tablet) capable of browsing to a regular website (in order to vote and participate).
2. Closer to the meeting date or on the day of the virtual meeting, you will receive a link and a password to enter the virtual meeting room.
3. Click on the link and you will be directed to the meeting platform.
4. An additional unique link will be sent, individually, to each shareholder who has made contact with TMS on **proxy@tmsmeetings.co.za** and who has successfully been validated to vote at the meeting.
5. Guests will only be allowed to observe and listen to the proceedings of the meeting.

Navigating the meeting platform

1. Participants who would like to pose questions, please click on the Q&A icon on the bottom of your screen, to ask your question.
2. If you have a question on a particular resolution, please type your name, the resolution number, followed by your question and press enter or send.
3. Alternatively, if you would like to address the meeting directly, please click on the raise your hand icon. Once the Chairman has identified you, your microphone will be un-muted, and you will be able to address the meeting.

How to exercise your votes

1. All shareholders or their representatives, who have elected to vote, would have received a link from Digital Cabinet to either their phone or email based on the number or address provided.
2. The voting option will be available on all the resolutions when the Chairman opens the meeting.
3. Please click on the "vote now" link and it will direct you to the voting platform.
4. You will notice that the voting platform contains all the resolutions which have been published in the notice of meeting, with your votes automatically defaulted to "Abstain".
5. Please note – once you click the "submit" button, your votes cannot be retracted and re-voted.
6. You may vote on all the resolutions simultaneously by defaulting all your votes as either "For" or "Against" or keeping it as an "Abstained" vote and then clicking on the "submit" button on the bottom of the electronic ballot form.
7. You may also indicate your votes individually, per resolution, by selecting the relevant option (For, Against, Abstain), on a resolution-by-resolution basis.
8. Once you have voted on all the resolutions, scroll down to the bottom of the page and click the "submit" button.
9. You will receive a message on your screen confirming that your votes have been received.
10. Once again, please ensure that you have selected the correct option on a resolution (For, Against, Abstain) before clicking the "submit" button.

You will only be able to access both the meeting platform and the voting platform 10 minutes prior to the commencement of the virtual meeting.

Annexure B

To participate in the virtual annual general meeting: registration form

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

To be held on Wednesday, 3 November 2021 at 08:30 (CAT)

Shareholders or their proxies who wish to participate in the AGM via electronic participation (Participants), must register with the company's meeting scrutineers by delivering the signed form the next page (the application) to The Meeting Specialists Proprietary Limited (TMS) at email **proxy@tmsmeetings.co.za** by no later than 08:30 on Tuesday, 2 November 2021.

- Shareholders who have dematerialised their shares, other than those shareholders who have dematerialised their shares with 'own name' registration, should contact their Central Securities Depository Participant (CSDP) or broker in the manner and time stipulated in their agreement with their CSDP or broker:
  - To furnish them with their voting instructions; and
  - In the event that they wish to participate in the meeting, to obtain the necessary authority to do so.
- Participants will be able to vote during the AGM through an electronic participation platform. Such Participants, should they wish to have their votes(s) counted at the AGM, must provide TMS with the information requested below.
- Each shareholder, who has complied with the requirements below, will be contacted between 28 October 2021 and 2 November 2021 via email/mobile with a unique link to allow them to participate in the virtual AGM.
- The cut-off time, for administrative purposes, to participate in the meeting will be at 08:30 (CAT) on 2 November 2021. The Participant's unique access credentials will be forwarded to the email/cell number provided on the next page.
- Please take note of the virtual meeting guide for shareholders on page 188.

Application form

Name and surname of shareholder:

Name and surname of shareholder representative (if applicable):

ID number of shareholder or representative:

Email:

Cell number:

Telephone:

Name of CSDP or broker (if shares are held in dematerialised format):

SCA number/broker account number or own name account number:

Number of shares:

- The cost of dialling in using a telecommunication line/webcast/web-streaming to participate in the general meeting is for the expense of the Participant and will be billed separately by the Participant's own telephone service provider.
- The Participant acknowledges that the telecommunication lines/webcasts/web-streaming are provided by a third party and indemnifies Motus, the Johannesburg Stock Exchange Limited (JSE), TMS (virtual platform service provider) and/or its third-party service providers against any loss, injury, damage, penalty or claim arising in any way from the use or possession of the telecommunication lines/webcast/web-streaming, whether or not the problem is caused by any act or omission on the part of the Participant or anyone else. In particular, but not exclusively, the Participant acknowledges that he/she will have no claim against Motus, the JSE, TMS and/or its third-party service providers, whether for consequential damages or otherwise, arising from the use of the telecommunication lines/webcast/web-streaming or any defect in it or from total or partial failure of the telecommunication lines/webcast/web-streaming and connections linking the telecommunication lines/webcast/web-streaming to the general meeting.
- Participants will be able to vote during the general meeting through an electronic participation platform. Such Participants should they wish to have their vote(s) counted at the general meeting, must act in accordance with the requirements set out above.
- Once the Participant has received the link, the onus to safeguard this information remains with the Participant.
- The application will only be deemed successful if this application form has been fully completed and signed by the Participant and sent by email to TMS at **proxy@tmsmeetings.co.za**.

The company collects and uses personal information mainly to identify shareholders who must participate and vote during the AGM and to comply with legal obligations of the Companies Act (No 71 of 2008) as amended, and Protection of Personal Information Act. The company will take reasonably practicable steps to ensure that the personal information is used for the purpose for which it is collected and in compliance with the Protection of Personal Information Act.

By signing this registration form, I agree and consent to the processing of my personal information above for the purpose of participation in the annual general meeting.

Shareholder name:

Signature:

Date:

Form of proxy

Motus Holdings Limited
(Incorporated in the Republic of South Africa)
(Registration number: 2017/451730/06) ISIN: ZAE000261913
JSE share code: MTH
(Motus, or the company or the Group)

Form of proxy for the 3rd annual general meeting (AGM) to be held on Wednesday, 3 November 2021 at 08:30 (CAT) through electronic participation or at any other adjourned or postponed time determined in accordance with the provisions of section 64(4) and section 64(10) (as read with section 64(11)(a)(i)) of the Companies Act (no 71 of 2008), as amended (Companies Act).

To be completed by certified ordinary shareholders and dematerialised shareholders with "own name" registrations only.

A shareholder entitled to attend and vote at the AGM, and is also entitled, at any time, to appoint one or more proxies (who need not be shareholders of the company) to attend, speak and vote in his/her stead.

Dematerialised ordinary shareholders who do not have own-name registration who wish to attend or send a proxy to represent them at the AGM must inform their central securities depository participant (CSDP) or broker of their intention to attend or be represented at the AGM and request their CSDP or broker to issue them with the relevant letter of representation to attend or be represented at the AGM and vote. If they do not wish to attend or be represented at the AGM, they must provide their CSDP or broker with their voting instructions in terms of the relevant custody agreement entered into between them and the CSDP or broker. In the absence of such instructions, the CSDP or broker or proxy holder will be entitled to vote in accordance with the instructions contained in the custody agreement mandate between them and their CSDP or broker or as they deem fit. These shareholders must not use this form of proxy.

I/We (please print name in full)	
of (address)	
Telephone number	Cellphone number
Being an ordinary shareholder(s) of the company holding	ordinary shares in the company do hereby appoint
1.	or failing him/her
2.	or failing him/her

		Number of votes (one per share)		
		For#	Against#	Abstain#
1.	**Ordinary resolution 1 – Election of retiring directors and confirmation of appointment of director:** Ordinary resolution 1.1: To elect and appoint Ms. NB Duker, who is retiring by rotation in accordance with clause 23.4.1 of the company's MOI, as an independent non-executive director of the company as contemplated in section 68(2)(a) of the Companies Act.			
	Ordinary resolution 1.2: To elect and appoint Mr. PJS Crouse, who is retiring by rotation in accordance with clause 23.4.1 of the company's MOI, as an independent non-executive director of the company as contemplated in section 68(2)(a) of the Companies Act.			
	Ordinary resolution 1.3: To elect and appoint Ms. F Roji-Maplanka, as an independent non-executive director of the company as contemplated in section 68(2)(a) of the Companies Act.			
2.	**Ordinary resolution 2 – Appointment of the members of the Audit and Risk committee:** To re-elect by way of separate divisible resolutions the following independent non-executive directors as the Audit and Risk committee members.			
	Ordinary resolution 2.1 – Mr. S Mayet			
	Ordinary resolution 2.2 – Ms. NB Duker			
	Ordinary resolution 2.3 – Ms. F Roji-Maplanka			
3.	**Ordinary resolution 3 – Appointment of external auditors:** To re-appoint Deloitte & Touche as independent external auditor of the company for the ensuing year (the designated auditor being Ms. Shelly Nelson) and to note the remuneration of the independent external auditor as determined by the Audit and Risk committee.			
4.	**Ordinary resolution 4 – Authority to issue ordinary shares:** To approve that the authorised but unissued ordinary shares be and are hereby placed under the control of the directors by way of a general authority, that shall remain valid until the next AGM and the directors authorised, to allot and issue those shares at their discretion.			
5.	**Ordinary resolution 5 – Authority to issue shares for cash:** To consider and approve that the directors of the company be and are hereby authorised by way of a general authority, to allot and issue any of the company's unissued shares placed under their control for cash, as they in their discretion may deem fit, without restriction, subject to the provisions of the JSE Listings Requirements.			
6.	**Ordinary resolution 6 – Confirmation of the Group's remuneration policy:** To endorse, by way of a non-binding advisory vote, the Group's remuneration policy (excluding the remuneration of the non-executive directors for their services as directors and members of committees).			

Form of proxy (continued)

				For#	Against#	Abstain#
				Number of votes (one per share)		
7.	**Ordinary resolution 7 – Confirmation of the Group's remuneration implementation report:** To endorse, by way of a non-binding advisory vote, the company and Group's remuneration implementation report as set out in the integrated report.					
8.	**Ordinary resolution 8 – Delegation of authority:** To authorise any 1 (one) director of the company and/or the Company Secretary to do all such things and sign all such documents (including any amendments thereto) as are deemed necessary or advisable to implement the ordinary and special resolutions.					
9.	**Special resolution 1 – Non-executive directors' remuneration:** To approve the proposed fees and remuneration payable to non-executive directors and/or pay any fees related thereto and on any other basis as may be recommended by the Remuneration committee and approved by the board of directors for the period from the period set out in the table below:					
		Fees from 1 July 2021 to 30 June 2022	Fees from 1 July 2022 to 30 June 2023			
9.1	Chairman*	R1 053 730	R1 106 420			
9.2	Deputy Chairman*	R526 870	R553 215			
9.3	Board member	R301 340	R316 410			
9.4	Assets and Liabilities committee Chairman*	R192 069	R201 675			
9.5	Assets and Liabilities committee member	R127 870	R134 265			
9.6	Audit and Risk committee Chairman*	R397 940	R417 840			
9.7	Audit and Risk committee member	R198 970	R208 920			
9.8	Remuneration committee Chairman*	R143 790	R150 980			
9.9	Remuneration committee member	R95 510	R100 285			
9.10	Nomination committee Chairman*	R107 840	R113 230			
9.11	Nomination committee member	R71 628	R75 210			
9.12	Social, Ethics and Sustainability Chairman*	R192 600	R202 230			
9.13	Social, Ethics and Sustainability member	R127 870	R134 265			
	** Fee paid in addition to a member's fee.*					
10.	**Special resolution 2 – Authority to provide financial assistance in terms of section 44:** To approve, subject to compliance with the provisions of the MOI and Companies Act (including but not limited to the board being satisfied that immediately after providing the financial assistance, the company would satisfy the solvency and liquidity test as contemplated in section 4 of the Companies Act and that the terms under which the financial assistance is proposed to be given are fair and reasonable to the company), the provision by the company, at any time and from time to time during the period of 2 (two) years commencing from the date of approval of this special resolution, of such direct or indirect financial assistance as contemplated in section 44 of the Companies Act.					
11.	**Special resolution 3 – Authority to provide financial assistance in terms of section 45:** To approve, subject to compliance with the provisions of the MOI and Companies Act (including but not limited to the board being satisfied that immediately after providing the financial assistance, the company would satisfy the solvency and liquidity test as contemplated in section 4 of the Companies Act and that the terms under which the financial assistance is proposed to be given are fair and reasonable to the company), the provision by the company, at any time and from time to time during the period of 2 (two) years commencing from the date of approval of this special resolution, of such direct or indirect financial assistance as contemplated in section 45 of the Companies Act.					
12.	**Special resolution 4 – Approval of the amendments to the MOI:** To consider and approve the exclusion of executive directors from being subjected to retirement by rotation.					
13.	**Special resolution 5 – General authority to repurchase company securities:** To approve the general authority to repurchase the company's securities subject to the JSE Listings Requirements and Companies Act as set out in the resolution.					

 # Insert an X in the appropriate block. If no indications are given, the proxy will vote as he/she deems fit.

Please read the notes on the reverse side hereof.

Signed at ______________________ on ______________________ 2021

Signature ______________________

Assisted by (where applicable) ______________________

Please provide contact details Tel: (   ) Email:

Notes to the form of proxy

Notes and summary of salient rights in terms of section 58 of the Companies Act:

1. A shareholder entitled to attend and vote at the AGM may insert the name of a proxy or the names of two alternative proxies of the shareholders choice in the space provided, with or without deleting "the Chairperson of the AGM". A proxy need not be a shareholder of the company. The person whose name stands first on this form of proxy and who is present at the AGM will be entitled to act as proxy to the exclusion of those whose names follow. Should this space be left blank, the proxy will be exercised by the Chairperson of the AGM.
2. All resolutions put to the vote shall be decided by way of a poll. A shareholder is entitled on a poll, to 1 (one) vote per share held. A shareholder's instructions on the proxy must be indicated by inserting the relevant number of votes exercisable by the shareholder in the appropriate box(es). An "X" in the appropriate box indicates the maximum number of votes exercisable by that shareholder. Failure to comply with the above will result in the proxy not being authorised to vote or to abstain from voting, except in the case where the Chairman of the AGM is the proxy.
3. If a shareholder does not indicate on this form that his proxy is to vote in favour of or against any resolution or to abstain from voting, or gives contradictory instructions, or should any further resolution/s or any amendment/s which may properly be put before the AGM be proposed, the proxy shall be entitled to vote as he thinks fit.
4. The Chairperson of the AGM may reject or accept any form of proxy which is completed and/or received, other than in compliance with these notes.
5. The appointment of a proxy or proxies is suspended at any time to the extent that the shareholder chooses to act directly and in person in the exercise of any rights as a shareholder.
6. Documentary evidence establishing the authority of a person signing the form of proxy in a representative capacity must be attached to this form of proxy, unless previously recorded by the company or unless the Chairperson of the AGM waives this requirement.
7. A minor or any other person under legal incapacity must be assisted by his/her parent or guardian, as applicable, unless the relevant documents establishing his/her capacity are produced or have been registered by the transfer secretaries of the company.
8. Where there are joint holders of shares, any one of such shareholders may sign the form of proxy provided that if more than one of such holders is present or represented at the AGM, the holder whose name stands first in the register of the company in respect of such shares, or his proxy, as the case may be, shall alone be entitled to vote in respect thereof.
9. Where this form of proxy is signed under power of attorney, such power of attorney must accompany this form of proxy, unless it has previously been registered with the company or the transfer secretaries.
10. A proxy may delegate his/her authority to act on behalf of a shareholder to another person subject to any restriction therefore set out in this instrument of proxy.
11. The proxy appointment must be in writing, dated and signed by the shareholder, and remains valid only until the end of the meeting at which it was intended to be used, unless the proxy appointment is revoked, in which case the proxy appointment will be cancelled with effect from such revocation.
12. A vote given in accordance with the terms of this form of proxy shall be valid notwithstanding the death or mental disorder of the principal or revocation of the proxy of the authority under which the proxy is given, provided that no intimation in writing of such death, insanity, revocation or transfer as aforesaid shall have been received by the company before the commencement of the AGM (or any adjournment thereof), unless notice as to any of the aforementioned matters shall or have been received by the transfer secretaries not less than 48 (forty-eight) hours before the commencement of the AGM.
13. Any alteration or correction made to this form of proxy, other than the deletion of alternatives, must be signed and not merely initialled by the signatory/ies.
14. Forms of proxy must be emailed to: The Meeting Specialist Proprietary Limited (TMS) at **proxy@tmsmeetings.co.za**, to be received by them for administrative purposes by no later than 08:30 on Wednesday, 3 November 2021. Should this form of proxy not be returned to TMS, it may be delivered to the Chairman of the AGM before that meeting is due to commence by email to the Motus Company Secretary at **nsimelane@motus.co.za**.

Notes to the form of proxy (continued)

15. Summary of the rights of a shareholder to be represented by proxy, as set out in section 58 of the Companies Act:
    - A proxy appointment must be in writing, dated and signed by the shareholder appointing a proxy, and, subject to the rights of a shareholder to revoke such appointment (as set out below), remains valid only until the end of the relevant shareholders' meeting.
    - A proxy may delegate the proxy's authority to act on behalf of a shareholder to another person, subject to any restrictions set out in the instrument appointing the proxy.
    - The appointment of a proxy is suspended at any time and to the extent that the shareholder who appointed such proxy chooses to act directly and in person in the exercise of any rights as a shareholder.
    - The appointment of a proxy is revocable by the shareholder in question cancelling it in writing, or making a later inconsistent appointment of a proxy, and delivering a copy of the revocation instrument to the proxy and to the company. The revocation of a proxy appointment constitutes a complete and final cancellation of the proxy's authority to act on behalf of the shareholder as of the later of:
      a. the date stated in the revocation instrument, if any; and
      b. the date on which the revocation instrument is delivered to the company as required in the first sentence of this paragraph.
    - If the instrument appointing the proxy or proxies has been delivered to the company, as long as that appointment remains in effect, any notice that is required by the Companies Act or the company's MOI to be delivered by the company to the shareholder, must be delivered by the company to:
      a. the shareholder; or
      b. the proxy or proxies, if the shareholder has (i) directed the company to do so in writing; and (ii) paid any reasonable fee charged by the company for doing so.
    - The completion of a form of proxy does not preclude any shareholder from attending the AGM.

Independent limited assurance report
to the directors of Motus Holdings Limited

We have performed our limited assurance engagement in respect of the key performance indicators for the year ended 30 June 2021.

The subject matter comprises the selected key performance indicators conducted in accordance with management's basis of preparation, as supported by the Global Reporting Initiative Standards (GRI Standards), as prepared by the responsible party, during the year ended 30 June 2021.

The terms of management's basis of preparation comprise the criteria by which the company's compliance is to be evaluated for purposes of our limited assurance engagement. The key performance indicators are as follows:

No	Key performance indicator	Metric
Safety		
1	Kilometres travelled	Kilometres
2	Road accidents	Absolute
3	Accidents per million kilometres	Ratio
Environmental		
4	Diesel consumed	Litres
5	Petrol consumed	Litres
6	Electricity consumed	kWh
7	Municipal water consumed	Litres
8	Scope 1 emissions	Carbon emission tonnes (tCO_2e)
9	Scope 2 emissions	Carbon emission tonnes (tCO_2e)
10	Scope 3 emissions – Air travel	Carbon emission tonnes (tCO_2e)
Social		
11	Training hours	Hours
12	Training spend	Rands
13	Corporate Social Responsibility spend	Rands

Directors' responsibility

The directors being the responsible party, and where appropriate, those charged with governance are responsible for the key performance indicator information, in accordance with management's basis of preparation.

The responsible party is responsible for:
- ensuring that the key performance indicator information is properly prepared and presented in accordance with management's basis of preparation;
- confirming the measurement or evaluation of the underlying key performance indicators against the applicable criteria, including that all relevant matters are reflected in the key performance indicator information; and
- designing, establishing and maintaining internal controls to ensure that the key performance indicator information is properly prepared and presented in accordance with management's basis of preparation.

Independent limited assurance report (continued)

Assurance Practitioner's responsibility

We conducted our assurance engagement in accordance with the International Standard on Assurance Engagements (ISAE) 3000 (Revised), *Assurance Engagements Other Than Audits or Reviews of Historic Financial Information*. This standard requires us to comply with ethical requirements and to plan and perform our limited assurance engagement with the aim of obtaining limited assurance regarding the key performance indicators of the engagement.

We shall not be responsible for reporting on any key performance indicator events and transactions beyond the period covered by our limited assurance engagement.

Independence and Other Ethical Requirements

We have complied with the independence and other ethical requirements of the Independent Regulatory Board for Auditors' Code of Professional Conduct for Registered Auditors (IRBA Code), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour. The IRBA Code is consistent with the corresponding sections of the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards).

Deloitte applies the International Standard on Quality Control 1, Quality Control for Firms that Perform Audits and Reviews of Financial Statements and Other Assurance and Related Services Engagements and accordingly maintains a comprehensive system of quality control, including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Summary of work performed

We have performed our procedures on the key performance indicator transactions of the Company, as prepared by management in accordance with management's basis of preparation for the year ended 30 June 2021.

Our evaluation included performing such procedures as we considered necessary which included:

- interviewing management and senior executives to obtain an understanding of the internal control environment, risk assessment process and information systems relevant to the sustainability reporting process for the selected subject matter;
- testing the systems and processes to generate, collate, aggregate, validate and monitor the source data used to prepare the selected subject matter for disclosure in the Integrated Report;
- inspected supporting documentation and performed analytical review procedures; and
- evaluated whether the selected key performance indicator disclosures are consistent with our overall knowledge and experience of sustainability processes at Motus Holdings Limited.

Our assurance engagement does not constitute an audit or review of any of the underlying information conducted in accordance with International Standards on Auditing or International Standards on Review Engagements and accordingly, we do not express an audit opinion or review conclusion.

We believe that our evidence obtained is sufficient and appropriate to provide a basis for our limited assurance conclusion.

In a limited assurance engagement, the procedures performed vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had we performed a reasonable assurance engagement. Accordingly, we do not express a reasonable assurance opinion about whether the key performance indicator information has been properly prepared and presented, in all material respects, in accordance with management's basis of preparation.

Limited assurance conclusion

Based on our work described in this report, nothing has come to our attention that causes us to believe that the key performance indicators are not prepared, in all material respects, in accordance with management's basis of preparation.

Deloitte & Touche
Registered Auditors
Per Mark Victor
Partner

20 September 2021

5 Magwa Crescent
Waterfall City, Waterfall
Private Bag X6, Gallo Manor, 2052
South Africa

Pro forma financial information accountants report
to the directors of Motus Holdings Limited

REPORT ON THE ASSURANCE ENGAGEMENT ON THE COMPILATION OF PRO FORMA FINANCIAL INFORMATION INCLUDED IN THE "MOTUS HOLDINGS LIMITED – PRELIMINARY SUMMARISED AUDITED RESULTS FOR THE YEAR ENDED 30 JUNE 2021"

We have completed our assurance engagement to report on the compilation of pro forma financial information of Motus Holdings Limited by the directors. The pro forma financial information, as set out in the "*Motus Holdings Limited – Preliminary Summarised Audited Results for the year ended 30 June 2021*" to be dated on or about 30 August 2021, consists of the pro forma information included in the following tables:

- Pro Forma Import and Distribution Segment Results;
- Pro Forma Retail and Rental Segment Results;
- Pro Forma Financial Services Segment Results; and
- Pro Forma Aftermarket Parts Segment Results.

The pro forma financial information has been compiled on the basis of the applicable criteria specified in the JSE Limited (JSE) Listings Requirements. As part of this process, information about the company's financial performance has been extracted by the directors from the company's financial statements for the year ended 30 June 2021, on which an auditor's report was issued on 30 August 2021 and contained an unmodified opinion.

The directors of Motus Holdings Limited have disclosed financial information that is considered to be Pro Forma information per the JSE Listings Requirements, which is stipulated below. The directors of the Company have prepared the following pro forma financial information for inclusion in the Preliminary Summarised Audited Results:

- The Segmental performance for Half Year 1 (period 1 July 2020 to 31 December 2020), and for Half Year 2 (period 1 January 2021 to 30 June 2021) in relation to the same period in the prior year.

Directors' Responsibility for the Pro Forma Financial Information

The directors are responsible for compiling the pro forma financial information on the basis of the applicable criteria specified in the JSE Listings Requirements.

Our Independence and Quality Control

We have complied with the independence and other ethical requirements of the Code of Professional Conduct for Registered Auditors issued by the Independent Regulatory Board for Auditors (IRBA Code), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour. The IRBA Code is consistent with the corresponding sections of the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards).

The firm applies the International Standard on Quality Control 1, Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Services Engagements and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Reporting Accountant's Responsibility

Our responsibility is to express an opinion about whether the pro forma financial information has been compiled, in all material respects, by the directors on the basis specified in the JSE Listings Requirements based on our procedures performed.

We conducted our engagement in accordance with the International Standard on Assurance Engagements (ISAE) 3420, Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus, which is applicable to an engagement of this nature. This standard requires that we comply with ethical requirements and plan and perform our procedures to obtain reasonable assurance about whether the pro forma financial information has been compiled, in all material respects, on the basis specified in the JSE Listings Requirements.

For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the pro forma financial information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the pro forma financial information.

The purpose of the pro forma financial information included in the Preliminary Summarised Audited Results is solely to illustrate the impact of the Group's performance for Half Year 1 (period 1 July 2020 to 31 December 2020), and for Half Year 2 (period 1 January 2021 to 30 June 2021) in relation to the same period in the prior year.

We do not provide any assurance that the actual outcome of the event or transaction for the period of Half Year 2 would have been as presented.

A reasonable assurance engagement to report on whether the pro forma financial information has been compiled, in all material respects, on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used in the compilation of the pro forma financial information provides a reasonable basis for presenting the significant effects directly attributable to the corporate action or event, and to obtain sufficient appropriate evidence about whether:

- The related pro forma adjustments give appropriate effect to those criteria; and
- The pro forma financial information reflects the proper application of those adjustments to the unadjusted financial information.

Our procedures selected depend on our judgment, having regard to our understanding of the nature of the Company, the corporate action or event in respect of which the pro forma financial information has been compiled, and other relevant engagement circumstances.

Our engagement also involves evaluating the overall presentation of the pro forma financial information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion, the pro forma financial information has been compiled, in all material respects, on the basis of the applicable criteria specified by the JSE Listings Requirements.

Deloitte & Touche.

Deloitte & Touche
Registered Auditors
Per M Bierman
Partner

30 August 2021

5 Magwa Crescent
Waterfall City, Waterfall
Private Bag X6, Gallo Manor, 2052
South Africa

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*
F Roji-Maplanka*^

** Independent non-executive*
*** Non-executive*
 # Executive
^ Effective appointment 1 September 2021

Company Secretary

NE Simelane
nsimelane@motus.co.za

Group Investor Relations Manager

J Oosthuizen
motusIR@motus.co.za

Business address and registered office

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

Auditors

Deloitte & Touche
5 Magwa Crescent,
Waterfall City
Waterfall, 2090

Sponsors

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

This report is available on the Motus website at:
www.motus.co.za

Bastion

Motus

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

www.motus.co.za