SEPHAKU
HOLDINGS LTD

(Incorporated in the Republic of South Africa)
(Registration number: 2005/003306/06)
Share code: SEP
ISIN: ZAE000138459

Unaudited interim financial results

for the six months ended

30 September 2020

Sephaku Holdings Limited (SepHold or the Company) hereby reports on the interim financial results for the six months ended 30 September 2020. SepHold, Métier Mixed Concrete Proprietary Limited (Métier or the subsidiary) and Dangote Cement SA Proprietary Limited (SepCem or the associate) are collectively referred to as the Group.

FORWARD-LOOKING STATEMENTS

Any forward-looking information is the responsibility of the board of directors (board) and has not been reviewed or reported on by the company's external auditors.

SALIENT POINTS

SepHold[1]

- **Group consolidated revenue: R291,1 million**
  (H1 2020: R425,8 million)
- **SepCem 36% equity accounted loss: R30,1 million**
  (H1 2020: loss R7,8 million)
- **Net loss after tax: R29,6 million**
  (H1 2020: net loss after tax R7,7 million)
- **Basic loss per share: 11.65 cents**
  (H1 2020: basic loss per share 3.70 cents)
- **Headline loss per share: 13.47 cents**
  (H1 2020: headline loss per share 4.11 cents)
- **Net asset value per share: 421.08 cents**
  (H1 2020: 518.51 cents)

Métier[1]

- **EBITDA margin: 9.4% at R27,4 million**
  (H1 2020: 7.0% at R29,9 million)
- **EBIT margin: 5.5% at R15,9 million**
  (H1 2020: 4.0% at R17,2 million)
- **Net profit after tax: R7,5 million**
  (H1 2020 net profit after tax: R7,7 million)

SepCem[2]

- **Sales revenue: R883,7 million**
  (H1 2019: R996,9 million)
- **EBITDA margin: 6.8% at R59,8 million**
  (H1 2019: 15.2% at R151,5 million)
- **EBIT margin: nil at a loss of R0,95 million**
  (H1 2019: 6.2% at R61,5 million)
- **Net loss after tax: R83,7 million**

[1] *Figures refer to the interim period ended 30 September 2020 for FY 2021 ending 31 March 2021 and H1 2020 refers to the six months ended 30 September 2019 for the financial year-ended 31 March 2020.*

[2] *SepCem has a December year-end as a subsidiary of Dangote Cement PLC, therefore the figures refer to the six months ended 30 June 2020 and H1 2019 for the interim ended 30 June 2019.*

UNAUDITED INTERIM FINANCIAL RESULTS

for the six months ended 30 September 2020

INVESTOR RESULTS PRESENTATION CONFERENCE CALL

A results conference call for investors will be held at 11:30 CAT on 16 November 2020. Registration is required and can be done using the following link to obtain the dial-in details: Sephaku Holdings Interim Results Conference Call.

The results presentation can be downloaded from the company website from 11:00 on 16 November 2020 on the following link: https://sephakuholdings.com/investor-centre/presentations/

CONFERENCE REPLAY

South Africa:	010 500 4108
UK:	0 203 608 8021
Australia:	073 911 1378
USA:	1 412 317 0088
International:	+27 10 500 4108
Replay Access Code:	37576

Remarking on the results, chief executive officer, Neil Crafford-Lazarus said,

"These SepHold interim results for the period April 2020 to September 2020 include the SepCem results, for the six months ended June 2020. During SepCem's first quarter ended 31 March 2020, we experienced the continuance of a weak cement market which was followed by the COVID-19 related national lockdown in the second quarter ended 30 June 2020. These factors culminated in the weakest earnings performance we have ever experienced in cement. Fortunately, the third quarter recorded our best sales volume to date which will be reported in our full-year results for the 12 months ending 31 March 2021. We were pleased with the significant increase in SepCem's sales volumes because they provided the much-needed impetus to reduce the negative impact of the pandemic related restrictions. SepCem management is working tirelessly to fully capture this window of opportunity whose longevity is uncertain.

On the other hand, Métier's volumes normalised during the interim period and the subsidiary remained profitable despite the sharp volume decline. Métier's stellar performance contributed to the group's positive earnings before equity accounting for the associate, thereby supporting SepHold's operational expenses for the period under review.

Operational management has responded effectively to the unprecedented challenges of the pandemic by implementing cost-saving initiatives to support profitability. The revised terms with the lenders have enabled the Group companies to improve cash flow management. Strengthening the balance sheets continues to be a key priority for the Group as we remain cautiously optimistic about demand.

Finally, from March 2020 to date, the Group has diligently applied stringent health and safety measures to limit the exposure of employees to the COVID-19 virus in the workplace."

COMMENTARY

SEPHOLD

The conclusion of the Midrand property sale[3] in July 2020 provided Métier with the requisite R15 million lumpsum capital repayment to reduce the bank facility to R75 million. Head office expenses were lower at R6,9 million (H1 2020: R7,5 million) during the interim period, mainly through savings in remuneration and reporting expenses.

MÉTIER

Revenue and profitability

Métier's revenue decreased to R291,1 million (H1 2020: R425,8 million) as a result of a 33% sharp decline in sales volumes year-on-year (y-o-y) due to the national lockdown. Métier's volumes for the second quarter ended September 2020 were flat y-o-y indicating the normalisation of demand. The improvement in the EBITDA and EBIT margins to 9.4% (H1 2020: 7%) and 5.5% (H1 2020: 4%) respectively was due to management's various initiatives to reduce expenses. The profit margins were further supported by income from disposal of assets. Métier's net profit marginally decreased by 3% to R7,5 million y-o-y (H1 2020: R7,7 million).

Debt management

The lender agreed for Métier to pay the interest portion of the instalments from April 2020 until December 2020 subject to a R15 million lump-sum payment to reduce the facility capital balance to R75 million in August 2020. The total interest payments for the interim period ended September 2020 was approximately R4 million. The subsidiary will resume monthly repayments of both capital and interest from January 2021.

SEPCEM

Sales volume

SepCem's sales volumes were 8.5% lower y-o-y for the six months ended June 2020 in spite of zero sales during the alert level 5 national lockdown from 27 March 2020 to 3 May 2020. The associate has achieved significant sales volume recovery since May 2020 with double-digit monthly increases compared to 2019. This growth is attributable to several factors, including increased home improvement projects by customers with discretionary income which would normally be utilised for other requirements such as holidays and entertainment. Furthermore, two of the incumbents have technical plant challenges that have limited their ability to supply the market, while blender activity was severely hampered by the shortage of extenders in May and June. Finally, the imported cement volumes decreased by approximately 30% y-o-y to 376 kt for the six months ended June 2020 due to the restrictive global lockdown conditions to limit the spread of the COVID-19 virus.

Revenue and profitability

SepCem's revenue decreased to R883,7 million (H1 2019: R996,9 million) as a result of the lower sales volumes. SepCem implemented price increases of 5% to 9% in January 2020 and February 2020 for bulk and bagged cement, respectively. Although increases in bulk cement prices held, the price increases on bagged cement were discounted due to intense competition. The slower recovery rate of bulk cement volumes post lock down and the competitively priced Falcon brand that was introduced in July 2019, resulted in marginally lower weighted average prices per tonne compared to the same period in 2019. The resultant EBITDA was R59,8 million (H1 2019: R151,5 million) at a margin of 6.8% (H1 2019: 15.2%). The associate recorded a loss of R83,7 million compared to a loss of R21,6 million in the six months ended 30 June 2019. SepCem has been implementing various cost-saving initiatives to mitigate the negative impact of lockdown restrictions.

Debt management

The total debt service for the six months ended June 2020 was R250 million, including an interest payment of R74 million resulting in a capital balance of R1,17 billion. Following the R125 million contribution by Dangote Cement PLC (DCP) on behalf of the shareholders in August 2020 and a further capital repayment by SepCem, the loan capital balance reduced to R1,03 billion at an interest of JIBAR plus 4.5%. The DCP quasi-equity loan balance was R558 million as at 30 June 2020 at an interest rate of JIBAR plus 4% which is accrued and capitalised against the loan.

POST–PERIOD

Following the DCP results announcement for the nine months ended 30 September 2020 released on 6 November 2020, SepCem's third-quarter sales volume was 82% higher than achieved in Q2 2020 and 33% higher y-o-y. The quarterly revenue increased by 35% y-o-y to R792 million resulting in an EBITDA of 19.4% (Q3 2019: 18.9%). The third quarter net profit after tax was R64,5 million compared to the R4,8 million loss after tax in Q3 2019. SepCem's cumulative sales volume for the nine months was 7% higher than the comparative period. The revenue for the nine months ended 30 September 2020 increased by 6% to R1,7 billion (2019: R1,6 billion).

The third quarter results will be accounted for in the SepHold year-end financial results for the 12 months ending 31 March 2021.

[3] *Refer to the Disposal of property note on page 9.*

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	6 months ended 30 September 2020 Unaudited R'000	6 months ended 30 September 2019 Unaudited R'000	12 months ended 31 March 2020 Audited R'000
Revenue	**291 065**	425 795	727 040
Cost of sales	**(178 781)**	(265 992)	(448 828)
Gross profit	**112 284**	159 803	278 213
Other income	**9 566**	1 853	994
Operating expenses	**(112 888)**	(152 120)	(283 773)
Operating profit/(loss)	**8 962**	9 536	(4 566)
Investment income	**363**	895	883
(Loss)/profit from equity accounted investments	**(30 148)**	(7 765)	477
Finance costs	**(7 125)**	(9 856)	(18 713)
Loss before taxation	**(27 948)**	(7 190)	(21 919)
Taxation	**(1 692)**	(513)	4 547
Loss for the period	**(29 640)**	(7 703)	(17 373)
Total comprehensive income for the period	**(29 640)**	(7 703)	(17 373)
Basic loss per share (cents)	**(11.65)**	(3.70)	(8.12)
Diluted loss per share (cents)	**(11.65)**	(3.70)	(8.12)

CONDENSED CONSOLIDATED STATEMENT FINANCIAL POSITION

	30 September 2020 Unaudited R'000	30 September 2019 Unaudited R'000	31 March 2020 Audited R'000
ASSETS			
Non-current assets			
Property, plant and equipment	**108 151**	149 729	124 271
Goodwill	**223 422**	223 422	223 422
Investment in associate	**782 531**	804 437	812 679
Investment in joint ventures	**121**	121	121
Right-of-use assets	**58 194**	46 006	42 138
Other non-current assets	**19 024**	12 755	12 761
Total non-current assets	**1 191 443**	1 236 470	1 215 392
Current assets			
Inventories	**19 403**	18 759	16 764
Trade and other receivables	**116 958**	115 435	79 071
Cash and cash equivalents	**9 864**	3 769	6 381
Other current assets	**4 889**	1 402	1 643
Total current assets	**151 114**	139 365	103 859
Non-current assets held for sale	**–**	–	18 504
Total assets	**1 342 557**	1 375 835	1 337 755
EQUITY AND LIABILITIES			
Equity attributable to equity holders of the parent	**1 071 599**	1 079 612	1 100 765
Non-current liabilities			
Other financial liabilities	**64 680**	104 869	71 846
Lease liabilities	**53 586**	43 842	45 497
Deferred income	**–**	539	200
Deferred taxation	**17 541**	22 043	15 849
Total non-current liabilities	**135 807**	171 293	133 392
Current liabilities			
Other financial liabilities	**9 638**	19 220	21 641
Lease liabilities	**17 305**	8 108	7 974
Trade and other payables	**107 649**	90 248	71 672
Bank overdraft	**–**	6 675	1 632
Other current liabilities	**559**	679	679
Total current liabilities	**135 151**	124 930	103 598
Total liabilities	**270 958**	296 223	236 990
Total equity and liabilities	**1 342 557**	1 375 835	1 337 755
Net asset value per share (cents)	**421.08**	518.51	432.54
Tangible net asset value per share (cents)	**333.29**	411.20	344.75
Ordinary shares in issue	**254 486 436**	208 216 175	254 486 436

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	6 months ended 30 September 2020 Unaudited R'000	6 months ended 30 September 2019 Unaudited R'000	12 months ended 31 March 2020 Audited R'000
Cash flows from operating activities			
Cash generated from operations	**10 978**	18 214	34 648
Interest income	**162**	895	883
Finance costs	**(8 246)**	(6 532)	(10 832)
Taxation paid	**–**	(467)	(468)
Net cash from operating activities	**2 894**	12 110	24 231
Cash flows from investing activities			
Purchase of property, plant and equipment	**(2 289)**	(10 040)	(12 373)
Disposal of property, plant and equipment	**26 738**	1 208	2 459
Loans repaid	**–**	157	157
Net cash from/(used in) investing activities	**24 449**	(8 675)	(9 757)
Cash flows from financing activities			
Advances from other financial liabilities	**–**	20 000	–
Proceeds on share issue	**–**	–	34 780
Repayment of other financial liabilities	**(15 000)**	(18 157)	(30 287)
Payments of principal on leases	**(4 181)**	(3 463)	(6 468)
Payments of interest on leases	**(3 047)**	(2 814)	(5 843)
Net cash used in financing activities	**(22 228)**	(4 434)	(7 818)
Total cash and cash equivalents movement for the period	**5 115**	(999)	6 656
Cash and cash equivalents at beginning of the period	**4 749**	(1 907)	(1 907)
Total cash and cash equivalents at end of the period	**9 864**	(2 906)	4 749

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Stated capital R'000	Equity-based share option reserve R'000	Retained income R'000	Total equity R'000
Balance at 31 March 2019 – Audited	**648 003**	**14 351**	**422 970**	**1 085 324**
Total comprehensive income for the period	–	–	(7 703)	(7 703)
Revaluation reserve – PPE	–	1 157	–	1 157
Employees' share option scheme	–	834	–	834
Balance at 30 September 2019 – Unaudited	**648 003**	**16 342**	**415 267**	**1 079 612**
Impact of IFRS 16 adoption	–	–	(3 542)	(3 542)
Total comprehensive income for the period	–	–	(9 671)	(9 671)
Issue of shares	37 479	–	–	37 479
Rights issue expenses capitalised	(2 699)	–	–	(2 699)
Employees' share option scheme	–	(5 698)	5 284	(414)
Balance at 31 March 2020 – Audited	**682 783**	**10 644**	**407 338**	**1 100 765**
Total comprehensive income for the period	**–**	**–**	**(29 640)**	**(29 640)**
Employee share option scheme	**–**	**474**	**–**	**474**
Balance at 30 September 2020 – Unaudited	**682 783**	**11 118**	**377 698**	**1 071 599**

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL RESULTS

BASIS OF PREPARATION

The condensed consolidated interim financial results for the six months ended 30 September 2020 (interim reporting period) have been prepared in accordance with IAS 34 Interim Financial Reporting, the requirements of the JSE Limited Listings Requirements, the Companies Act, 71 of 2008, as amended, the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and the Financial Pronouncements as issued by the Financial Reporting Standards Council. The interim financial results are prepared in accordance with International Financial Reporting Standards (IFRS). The results have been prepared on a historical cost basis. The accounting policies for the interim reporting period are consistent with those applied in the annual financial statements for the group for the year ended 31 March 2020.

The preparation of the interim financial results has been supervised by NR Crafford-Lazarus CA(SA).

The financial information on which these interim period results are based has not been reviewed or reported on by the group's auditors.

NET ASSET VALUE PER SHARE AND EARNINGS PER SHARE

	6 months ended 30 September 2020 Unaudited R'000	6 months ended 30 September 2019 Unaudited R'000	12 months ended 31 March 2020 Audited R'000
Total assets	**1 342 557**	1 375 835	1 337 755
Total liabilities	**(270 958)**	(296 223)	(236 990)
Net asset value attributable to equity holders of parent	**1 071 599**	1 079 612	1 100 765
Goodwill	**(223 422)**	(223 422)	(223 422)
Tangible net asset value	**848 177**	856 190	877 343
Shares in issue	**254 486 436**	208 216 175	254 486 436
Net asset value per share (cents)	**421.08**	518.51	432.54
Tangible net asset value per share (cents)	**333.29**	411.20	344.75
Reconciliation of basic loss to diluted loss and headline loss:			
Basic loss and diluted loss from total operations attributable to equity holders of the parent	**(29 640)**	(7 703)	(17 373)
(Profit)/loss on sale of non-current assets	**(6 448)**	(1 178)	442
Total taxation effect of adjustments	**1 805**	330	(123)
Headline loss attributable to equity holders of the parent	**(34 283)**	(8 551)	(17 054)
Reconciliation of weighted average number of shares:			
Basic weighted average number of shares	**254 486 436**	208 216 175	214 047 496
Diluted effect of share options	**–**	–	–
Diluted weighted average number of shares	**254 486 436**	208 216 175	214 047 496
Basic loss per share (cents)	**(11.65)**	(3.70)	(8.12)
Diluted loss per share (cents)	**(11.65)**	(3.70)	(8.12)
Headline loss per share (cents)	**(13.47)**	(4.11)	(7.97)
Diluted headline loss per share (cents)	**(13.47)**	(4.11)	(7.97)

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL RESULTS *continued*

SEGMENT INFORMATION

The segments identified are based on the operational and financial information reviewed by management for performance assessment and resource allocation. There has been no change in the basis of operational segmentation or in the basis of measurement of segment profit or loss since the 2020 annual financial statements.

	Ready-mixed concrete R'000	**Head office and consolidation R'000**	**Group totals R'000**
For the 6 months ended 30 September 2020 – Unaudited			
Segment revenue – external revenue	**291 065**	**–**	**291 065**
Segment cost of sales	**(178 781)**	**–**	**(178 781)**
Segment expenses	**(105 941)**	**(6 947)**	**(112 888)**
Loss from equity-accounted investment	**–**	**(30 148)**	**(30 148)**
Profit on sale of property, plant and equipment	**6 177**	**–**	**6 177**
Segment profit/(loss) after taxation	**7 454**	**(37 094)**	**(29 640)**
Taxation	**(1 692)**	**–**	**(1 692)**
Interest received	**363**	**–**	**363**
Interest paid	**(7 125)**	**–**	**(7 125)**
Depreciation and amortisation	**(11 526)**	**(23)**	**(11 549)**
Segment assets	**317 854**	**1 024 703**	**1 342 557**
Investment in associate included in the above total segment assets	**–**	**782 531**	**782 531**
Capital expenditure included in segment assets	**2 289**	**–**	**2 289**
Segment liabilities	**(269 359)**	**(1 599)**	**(270 958)**
For the 6 months ended 30 September 2019 – Unaudited			
Segment revenue – external revenue	425 795	–	425 795
Segment cost of sales	(265 992)	–	(265 992)
Segment expenses	(144 643)	(7 477)	(152 120)
Loss from equity-accounted investment	–	(7 765)	(7 765)
Profit on sale of property, plant and equipment	1 178	–	1 178
Segment profit/(loss) after taxation	7 699	(15 402)	(7 703)
Taxation	(674)	161	(513)
Interest received	895	1	896
Interest paid	(9 536)	(320)	(9 856)
Depreciation and amortisation	(11 614)	(606)	(12 220)
Segment assets	316 400	1 059 435	1 375 835
Investment in associate included in the above total segment assets	–	804 437	804 437
Capital expenditure included in segment assets	61 368	–	61 368
Segment liabilities	(287 697)	(8 526)	(296 223)

The only commodity actively managed by Métier is ready-mixed concrete. The group does not rely on any single external customer or group of entities under common control for 10% or more of the group's revenue as disclosed in the interim financial results. SepCem is an associate of SepHold. No segment report has been presented for SepCem as the amounts attributable to SepCem have been included in the "head office" segment.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL RESULTS *continued*

DISPOSAL OF PROPERTY

	6 months ended 30 September 2020 Unaudited R'000	6 months ended 30 September 2019 Unaudited R'000	**31 March 2020 Audited R'000**
Erf 398 Randjespark Ext 121			
– Purchase price: 10 December 2013	**–**	4 018	**4 018**
– Capitalised expenditure (land)	**–**	52	**52**
– Capitalised expenditure (building)	**–**	14 434	**14 434**
	–	18 504	**18 504**

SepHold entered into an agreement for the sale of the leasing entity on 29 July 2019 with Ikarus Investments Proprietary Limited (Ikarus) which included the immovable property Erf 398 Randjespark Ext 121 for a purchase price of R18 500 000. The property is situated at 332 Roan crescent, Randjespark, Midrand 1685 with a land extent measuring 4 870 square metres and the building extend measuring 1 138,59 square metres. It is sold as a going concern consisting of the property and the tenants in occupation in terms of a lease agreement and by virtue of the lease, the enterprise will be an income-earning activity on the date of transfer. This agreement was conditional and subject to the conclusion by the purchaser of a due diligence, investigation into the property, the physical condition and the leases and other contracts that may be relevant. After the successful completion of the due diligence Ikarus notified SepHold in writing, within the required 14 days, of its intention to proceed with the agreement. As such, the written lease between SepHold and Métier terminated and was replaced with the written lease between Ikarus and Métier which commenced on the date of transfer, 29 July 2020. SepHold signed the lease as surety and co-principal debtor with Métier in favour of Ikarus on 19 March 2020. All guarantees and suretyship including the board resolution approving the sale were submitted to the transfer attorneys. Due to COVID-19 the lodging of the transfer documents was delayed. However, it was submitted at the opening of level 3 to the Deeds office. The purchaser was granted loan finance to be secured by a mortgage loan over the property. The transaction was registered on 29 July 2020 and finalised 2 days later. This resulted in a loss on the sale of R10 209 which was recorded during the current period. The main driver for the sale of the property was to improve and maintain cash flow requirements. In terms of the JSE Listings Requirements, the transaction was a Category 2 transaction at the time.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL RESULTS *continued*

RECLASSIFICATION ON IFRS 16 DISCLOSURE OF PRIOR INTERIM PERIOD TO ALIGN WITH YEAR-END

At year-end, the IFRS16 policy was refined in collaboration with the group auditors. As a result of this, the disclosure of the movement of payments on leases was reclassified on the Statement of cash flows from operating activities to financing activities for the unaudited period ended 30 September 2019. This had no impact on the total cash and cash equivalents movement for the prior period.

	6 months ended 30 September 2019 prior to reclassification Unaudited R'000	Reclassification R'000	6 months ended 30 September 2019 Unaudited R'000
Statement of cash flows			
Cash flows from operating activities			
Cash generated from operations	9 738	8 476	18 214
Net cash from operating activities	3 634	8 476	12 110
Cash flows from financing activities			
Payments of principal on leases	–	(3 463)	(3 463)
Payments of interest on leases	–	(2 814)	(2 814)
Movement of right-of-use liabilities	2 199	(2 199)	–
Net cash (used in)/from financing activities	4 042	(8 476)	(4 434)

A portion of lease liabilities for the prior interim period was reclassified to current liabilities to align with year-end:

	6 months ended 30 September 2019 prior to reclassification Unaudited R'000	Reclassification R'000	6 months ended 30 September 2019 Unaudited R'000
Statement of financial position			
Non-current liabilities			
Lease liabilities	51 950	(8 108)	43 842
Total non-current liabilities	179 401	(8 108)	171 293
Current liabilities			
Lease liabilities	–	8 108	8 108
Total current liabilities	116 822	8 108	124 930

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL RESULTS *continued*

STATEMENT OF GOING CONCERN

The interim financial results have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

Various cost-saving initiatives have been identified and implemented by both operating companies. This ranged from reduction in fleet and employment cost across all the operating plants to negotiations with all suppliers of premises and raw materials. With the impact of COVID-19 on the cash resources of both operating companies where overheads were incurred during periods of total lockdown and when operating at 50% during alert levels 5 and 4 respectively, both companies concluded negotiations with the banks to service interest, but not capital, for the second half of the 2020 calendar year. These savings will enable the group companies to fulfil their bank debt commitments in the face of the expected reduction in volumes during the current year due to the impact of the government-enforced lockdown. The repayment profile agreed for Métier's outstanding debt is substantially reduced from what was paid over the last five years.

STATED CAPITAL

There were no changes to the authorised stated capital of the company during the interim period under review.

No shares were issued during the period under review.

All the authorised and issued shares have no par value.

EVENTS AFTER THE INTERIM REPORTING PERIOD

COVID-19 severely impacted group performance for the period under review as the national lockdown was implemented from 27 March 2020, the final week of the previous financial year. After the interim reporting period the country has been operating at the improved level 1 lockdown and the group has observed a continuation of demand levels that were experienced during the third quarter of the calendar year. While operations are currently at normal levels of output, the pandemic is expected to have a significant impact on group performance for the year ending 31 March 2021 as reported and seen in Q2 of the calendar year. The group entities continue to comply fully with the government directives applicable to the level of lockdown. The directors are not aware of any material fact or circumstance arising between the end of the interim reporting period and the date of this report that would require adjustments to or disclosure in the interim financial results.

RELATED PARTIES

Relationships

Associate	Dangote Cement SA Proprietary Limited
Companies with common directors	Plazatique Corp 27 CC
	WKRD Properties Proprietary Limited

During the six months ended 30 September 2020, the group companies entered into the following transactions with related parties:

	6 months ended 30 September 2020 Unaudited R'000	6 months ended 30 September 2019 Unaudited R'000	12 months ended 31 March 2020 Audited R'000
Related party balances			
Amount owed to associate included in trade payables	**(27 993)**	(17 658)	(10 028)
Related party transactions			
Purchases from associate	**41 137**	42 095	74 967
Rent and utilities paid to associate	**175**	173	313
Rent and utilities paid to companies with common directors	**1 258**	–	–

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL RESULTS *continued*

CHANGES TO THE BOARD

KJ Capes was appointed on 1 April 2020 as an executive director of SepHold and as the chief executive officer of Métier.

CHANGE TO THE COMPANY SECRETARY

There were no changes to the company secretary during the interim reporting period under review.

On behalf of the board

Pretoria

Chief executive officer
NR Crafford-Lazarus

Chairperson
B Williams

13 November 2020

Enquiries contact:

Sakhile Ndlovu

Sephaku Holdings

Investor Relations

012 612 0210

Sponsor to Sephaku Holdings:

Questco Corporate Advisory Proprietary Limited

CORPORATE INFORMATION

Directors	B Williams° (chairman) MJ Janse van Rensburg° B Bulo° MM Ngoasheng° Dr L Mohuba^ NR Crafford-Lazarus* (chief executive officer and financial director) KJ Capes* (Métier chief executive officer) PF Fourie^ *°Independent *Executive ^Non-executive*
Company secretary	Acorim Proprietary Limited Telephone: +27 11 325 6363
Registered office	Southdown Office Park First floor, Block A Corner Karee and John Vorster Streets Irene, X54, 0062 Telephone: +27 12 612 0210
Transfer secretaries	Computershare Investor Services Proprietary Limited Rosebank Towers, 15 Biermann Avenue, Rosebank, Johannesburg, 2196 PO Box 61051, Marshalltown, 2017, South Africa Telephone: +27 11 370 5000
JSE sponsor	Questco Corporate Advisory Proprietary Limited Telephone: +27 11 011 9200

ABOUT SEPHAKU HOLDINGS LIMITED

Sephaku Holdings Limited is a building and construction materials company with a portfolio of investments in the cement sector in South Africa. The company's core investments are a 36% stake in Dangote Cement SA Proprietary Limited and 100% in Métier Mixed Concrete Proprietary Limited. SepHold's strategy is to generate growth and realise value for shareholders through the production of cement and ready-mixed concrete in Southern Africa.

www.sephakuholdings.com

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