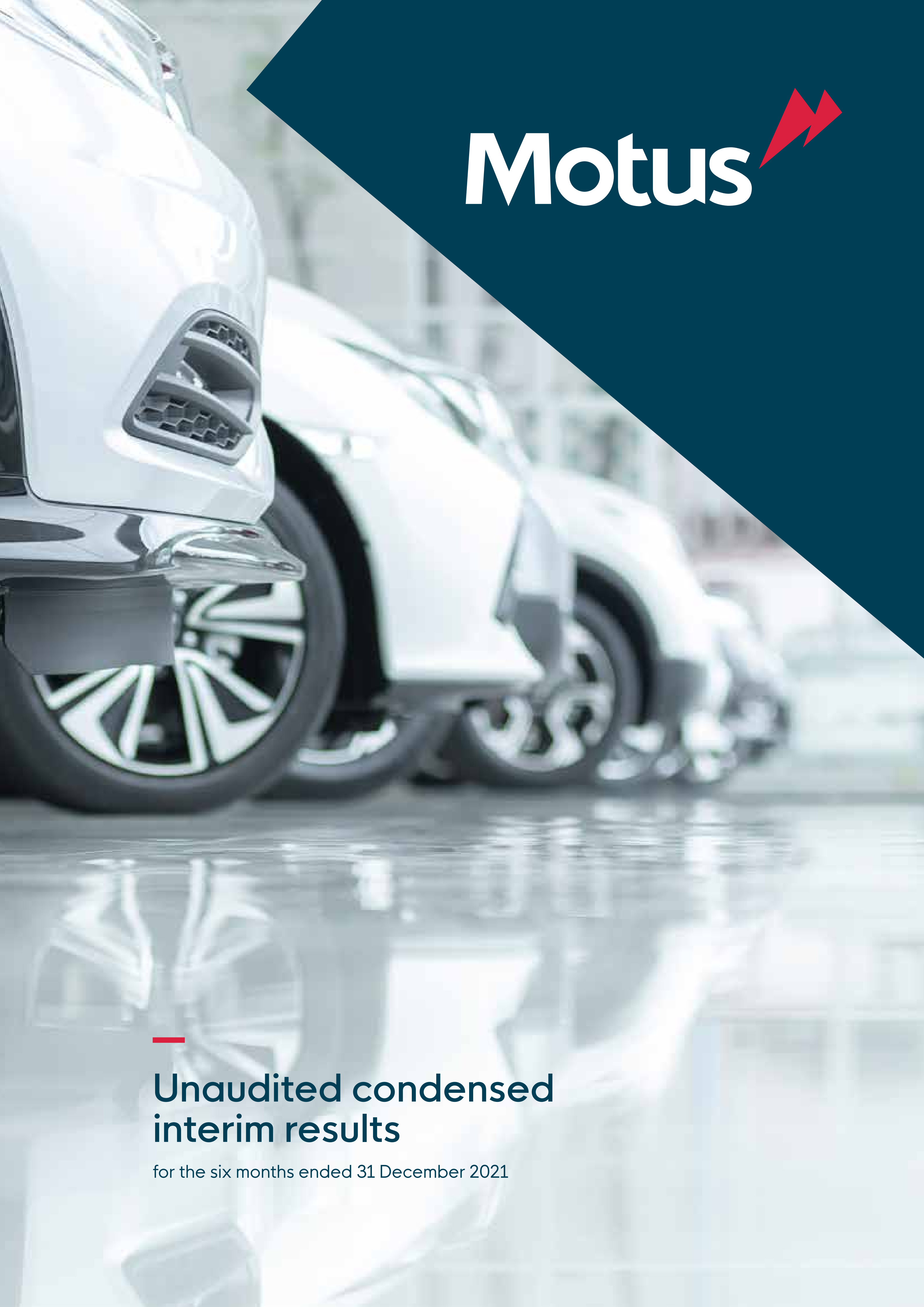


Motus

Unaudited condensed interim results

for the six months ended 31 December 2021

Contents

Key investment highlights	IFC
Business overview	1
Integrated business model	1
Financial highlights	2
Environment	4
Performance	6
Segmental overview	8
Segmental performance	9
Financial overview	14
Declaration of dividend	21
Unaudited condensed consolidated financial statements	22
Glossary of terms	47
Corporate information	IBC

Key investment highlights

1 Diversified automotive business

2 Integrated business model

3 Unrivalled scale in South Africa

4 High free cash flow generation

5 Varied income streams

6 Organic growth trajectory

7 Highly experienced team

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

[1] *Formerly known as the Financial Services business segment. The segment was renamed due to the expansion of its products and services offering.*

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

Business overview

Motus is South Africa's leading automotive group, employing over 17 000 people globally. We are a diversified (non-manufacturing) business in the automotive sector with unrivalled scale and scope in South Africa, a selected international presence primarily in the UK and Australia, as well as a limited presence in South East Asia and Southern and East Africa.

Motus offers a differentiated value proposition to OEMs, customers and business partners with a fully integrated business model across the automotive value chain through four key business segments, namely: Import and Distribution, Retail and Rental, Mobility Solutions[1] and Aftermarket Parts.

Motus has long-standing importer and retail partnerships with leading OEMs, representing some of the world's most recognisable brands. We provide automotive manufacturers with a highly effective route-to-market and a vital link between the brand and the customer throughout the vehicle ownership cycle. In addition, we provide the sale of accessories and aftermarket parts for out-of-warranty vehicles and the Mobility Solutions[1] business sells value-added products and services to customers.

Integrated business model

Our services extend across all segments of the vehicle value chain.

Import and Distribution

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

For more information on **Import and Distribution** see page 9

Retail and Rental

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

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

Mobility Solutions[1]

Developer, manager and administrator of service, maintenance and warranty plans.
Developer and seller of value-added products and services (VAPS).
Provider of **fleet management services and business process outsourcing** through sophisticated technology and call centre capabilities.
Leader of the Group's **innovation centre**.

For more information on **Mobility Solutions[1]** see page 12

Aftermarket Parts

Distributor, wholesaler and retailer of parts and accessories for mainly out-of-warranty vehicles in Southern Africa, UK and Europe.
Retail and franchised stores and **specialised workshops** in South Africa.

Distribution centres in South Africa, Taiwan, China and the UK.

For more information on **Aftermarket Parts** see page 13

[1] *Formerly known as the Financial Services business segment. The segment was renamed due to the expansion of its products and services offering.*

Financial highlights

Revenue
R44 823 million
(2020: R44 343 million)
▲ 1%

EBITDA
R2 959 million
(2020: R2 424 million)
▲ 22%

Operating profit[1]
R2 148 million
(2020: R1 750 million[2])
▲ 23%

Profit before tax
R1 879 million
(2020: R1 287 million)
▲ 46%

Earnings per share
785 cents per share
(2020: 507 cents per share)
▲ 55%

Headline earnings per share
795 cents per share
(2020: 526 cents per share)
▲ 51%

Net asset value per share
7 776 cents per share
(2020: 6 526 cents per share)
▲ 19%

Interim dividend per share
275 cents per share
(2020: 160 cents per share)

Free cash flow generated from operations
R2 900 million
(2020: R4 759 million)

Net debt to equity
30%
(2020: 24%)

Return on invested capital[3]
15,9%
(2020: 12,8%)

Weighted average cost of capital[3]
10,4%
(2020: 9,3%)

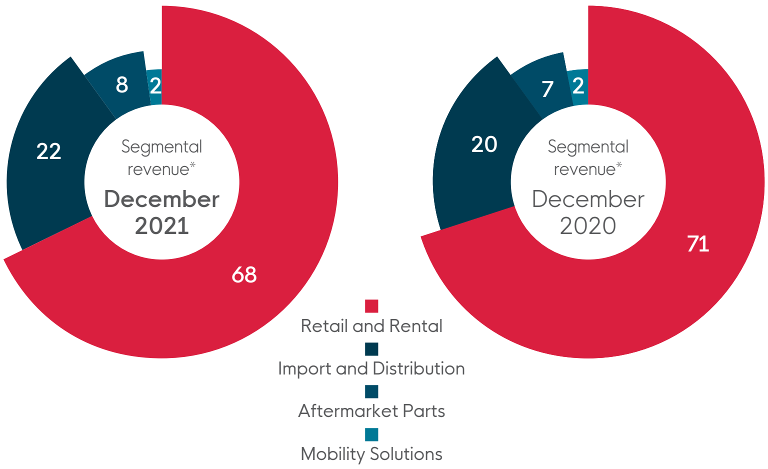
Net debt to EBITDA[4] (debt covenant)
0,9 times
(2020: 1,0 times)
Required: to be less than 3 times

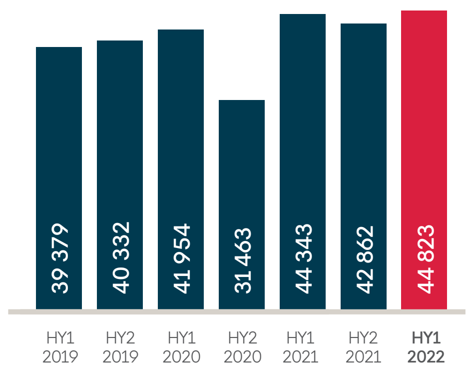
EBITDA to net interest[4] (debt covenant)
16,5 times
(2020: 3,7 times)
Required: to be greater than 3 times

[1] *Operating profit before capital items and net foreign exchange losses.*
[2] *Adjusted for the re-presentation to include share of results from associates and joint ventures in operating profit.*
[3] *The return on invested capital and weighted average cost of capital is prepared on a 12-month rolling basis. In the prior year, this was prepared using an average of the six-month period.*
[4] *Calculated by applying the funders covenant methodology.*

Financial highlights (continued)

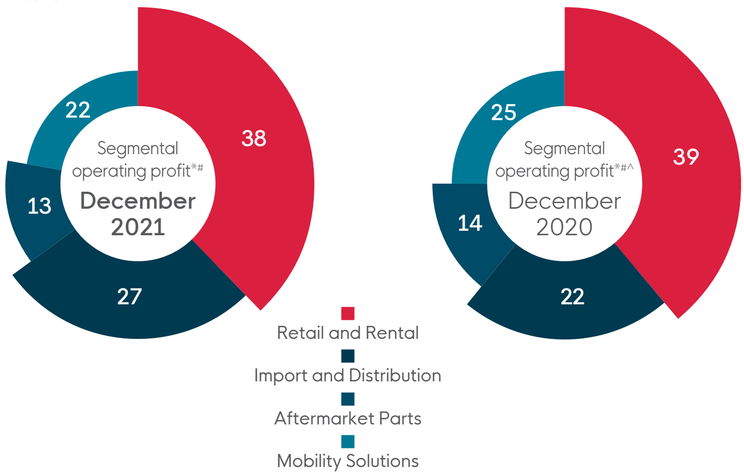
Revenue

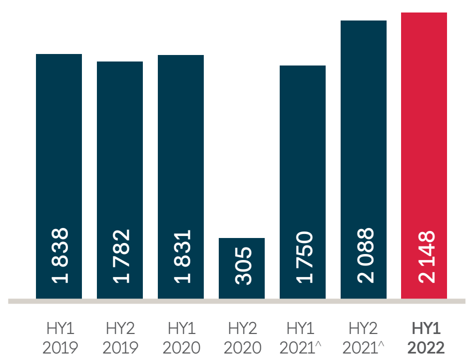




* *Excludes Head Office and Eliminations.*

Operating profit





* *Operating profit before capital items and net foreign exchange losses.*
\# *Excludes Head Office and Eliminations.*
^ *Adjusted for the re-presentation to include share of results from associates and joint ventures in operating profit.*

Pro forma disclaimer

To provide a more meaningful assessment of the Group's performance for the period, pro forma information has been included under the segment performance section in the unaudited condensed consolidated results for the six months ended 31 December 2021 and 31 December 2020.

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 underlying information used in the preparation of the pro forma financial information has been prepared using the accounting policies in place for the period ending 31 December 2021. The pro forma financial information has not been reviewed or reported on by the Group's external auditors.

Environment

The impact of the COVID-19 crisis on the global automotive industry has been extensive. In its wake, the industry is absorbing manufacturing, supply chain and operational disruptions. This has resulted in vehicle shortages and substantial increases in production, freight and logistics costs. The industry has responded well, supported by strong consumer demand and continuous funding by the Banks. We believe that vehicle volumes will grow as the global supply chain stabilises with increased production to satisfy pent-up demand and normalisation of inventory levels.

South Africa

The South African new vehicle market is performing ahead of expectations as the market recovery continues to gain momentum. According to naamsa[1], South Africa retailed 236 682 units for the six months to 31 December 2021 (8,6% ahead of the prior period 217 860 units). At December 2021, our retail market share at ~22,6% was ahead of the prior year which was ~20,2%. The forecast to 30 June 2022 is between 470 000 to 490 000 vehicles. Motus' increased market share to date has been supported by an expansion of its vehicle model range, particularly in the growing entry-level and small to medium SUV categories (due to consumers buying down), coupled with exciting new model launches. The region was also impacted by erratic inventory supply.

The South African economy remains subdued with 2021 gross domestic product (GDP) forecasted to be 5,0%[2]. Existing political and economic challenges have been further exacerbated by the slow rollout of the COVID-19 vaccine programme. Continuing low growth, reduced disposable income, depressed consumer confidence, high unemployment, increasing interest rates and high social vulnerabilities have been countered by improvement in the overall economic environment.

The South African 2022 GDP has been revised to increase by between 1,9%[3] and 2,8%[2], with the economic recovery forecast to continue in the short term.

United Kingdom (UK)

The UK new vehicle market has declined for the six months to December 2021, with the passenger market declining by 25%[4], the LCV market declining by 11%[4] and the heavy commercial vehicles declining by 10%. The market was constrained due to erratic vehicle supplies being experienced by OEMs. Despite this, Motus maintained its retail market share. The UK automotive market is showing positive signs of recovery in both the passenger and commercial segments with annual new vehicle sales (excluding heavy commercial vehicles) increasing by 4%[4] to 2 008 549 vehicles for the 12 months to 31 December 2021.

The economy is recovering and expected to reach pre-crisis levels during 2022, with annual UK real GDP growth in 2022 forecasted to be between 4,5% to 5,1%[5].

Australia

The Australian automotive industry remains highly competitive. The market grew by 2%[6] for the six months to December 2021, with Motus maintaining its retail market share. The market was also constrained due to erratic vehicle supplies experienced by OEMs. Annual new vehicle sales amounted to 1 049 831 vehicles[6] for the 12 months to 31 December 2021, compared to 916 968 vehicles[6] in the comparative period, up by 14,5%[6] for the calendar year.

Economic activity in Australia was disrupted and contracted in the last quarter of the calendar year, due to the reintroduction of COVID-19 restrictions amid rising infections. Annual Australian GDP growth in 2022 is forecasted to be 5,5%[7].

[1] *naamsa I The Automotive Business Council.*
[2] *Econometrix: Macro Forecast – South Africa I Q1 2022.*
[3] *IMF I Jan 22.*
[4] *The Society of Motor Manufacturers and Traders.*
[5] *PwC UK Economic Outlook I December 2021.*
[6] *Federal Chamber of Automotive Industries – Australia.*
[7] *Reserve Bank of Australia.*

Motus continues to grow and expand its 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 business model allows us to maximise the income opportunities for each vehicle sold, enhanced by indirect vehicle-related revenue streams including VAPS, parts and accessories. This is further supported by annuity income-earning streams, strong cash-generation ability, and an experienced and entrepreneurial management team.

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

Performance

The results for the six months ended 31 December 2021 reflect strong strategic and operational achievements with the automotive industry continuing on its journey to recovery. The business has established a new "normalised level", supported by improved profitability, a strong financial position and healthy cash generation.

The South African operations contributed 66% to revenue and 82% to operating profit for the period (2020: 64% and 83%, respectively), with the remainder being contributed by the UK, Australia and South East Asia.

The Group's passenger and commercial vehicle businesses, including the UK and Australia, retailed 66 705 new units (2020: 57 503 new units), a 16% increase, and 47 533 pre-owned units[1] (2020: 57 599 pre-owned units[1]), a 17% decrease, during the six-month period.

Revenue increased by 1% compared to the prior period. The Import and Distribution segment revenue increased by 17%, Aftermarket Parts by 5% and the Retail and Rental segment by 1%. Mobility Solutions contributed 2% less revenue.

[1] *Includes trade units*

The revenue increase was as a result of a 4% increased contribution equally from new vehicle sales, parts sales and rendering of services. This was offset by an 8% decrease from pre-owned vehicle sales.

Operating profit increased by R398 million (23%), with all business segments contributing towards the increase. The segments generated the following increases: Import and Distribution R189 million (44%); Retail and Rental R150 million (20%); Mobility Solutions R25 million (5%) and Aftermarket Parts R25 million (9%) for the six-month period.

The increased operating profit is mainly as a result of the recovery of the automotive and car rental sectors which positively impacted gross income, coupled with increased margins achieved due to inventory shortages and disciplined cost management. Operations also partly benefitted from increased after-sales activity, acquisitions in the Retail and Rental and Aftermarket Parts segments, and the return to profitability of Bank joint ventures (JVs) in the Mobility Solutions segment. Profit margins were negatively impacted by the substantial increases in freight and logistics costs.

Net financing costs decreased by 28% mainly due to lower average working capital for the period and improved profitability which resulted in lower debt requirements. The decrease was further supported by the increased fair value adjustment gain recognised as a result of the unwinding of the

interest rate swap and reduced IFRS 16 – *Leases* finance costs. We expect increases in finance costs in HY2 of the financial year as working capital levels normalise and global interest rates increase.

Foreign currency exchange losses amounting to R16 million (2020: R82 million) relate to the revaluation of balances denominated in foreign currencies that do not qualify for cash flow hedge accounting. These include forward exchange contracts (FECs) and options (through profit or loss), trade receivables, trade payables and Customer Foreign Currency (CFC) accounts.

Profit before tax increased by 46% to R1 879 million.

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

An interim dividend of 275 cents per share has been declared (2020: 160 cents per share).

Net working capital is an inflow of R507 million in the statement of cash flows.

Net debt to equity is 30% (2020: 24%). Core debt (excluding floorplan and IFRS 16 debt) increased by R726 million from June 2021 primarily due to the higher working capital and vehicles for hire levels, dividend paid in September 2021 and share repurchases. This was offset by profits generated for the six-month period.

Net debt to EBITDA is 0,9 times (2020: 1,0 times) and EBITDA to net interest is 16,5 times (2020: 3,7 times). Both ratios have been calculated by applying the funders covenant methodology and we remain well within the bank covenant levels as set by debt providers of below 3,0 times and above 3,0 times, respectively.

Return on invested capital increased to 15,9% (2020: 12,8%) mainly due to improved profitability and lower average invested capital. Weighted average cost of capital increased to 10,4% (2020: 9,3%) primarily due to increased equity which carries a higher cost.

Net asset value per share amounts to 7 776 cents per share (2020: 6 526 cents per share).

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

We generated significant free cash flow of R2 900 million (2020: R4 759 million) from operating activities before capital expenditure for vehicles for hire. The free cash flow was primarily generated by solid operating profits and reduced finance costs.

Segmental overview

Import and Distribution

22%	27%	5,4%
of Group revenue	of Group operating profit	Operating margin

- Exclusive South African importer of Hyundai, Kia, Renault and Mitsubishi
- Operates in South Africa and neighbouring countries
- Exclusive distribution rights for Nissan in four East African countries
- ~19% controllable market share* in South Africa
- Car parc >1 million vehicles

Retail and Rental

68%	38%	2,5%
of Group revenue	of Group operating profit	Operating margin

South Africa
- Represent 23 OEMs: ~345 dealerships
- ~22,6% retail market share
- Car rental (Europcar and Tempest): 105 outlets in Southern Africa
- ~28% rental market share

United Kingdom
- Represent 19 OEMs
- 82 commercial dealerships
- 33 passenger dealerships

Australia
- Represent 20 OEMs
- 36 passenger dealerships

Mobility Solutions[1]

- Developer, manager and administrator of vehicle-related financial products and services to >730 000 vehicles including third party products under administration
- Provider of fleet management services
- Provider of business process outsourcing through sophisticated technology and call centre capabilities
- Leader of the Group's innovation centre

2%	22%	48,8%#
of Group revenue	of Group operating profit	Operating margin

Aftermarket Parts

- Distributor, wholesaler and retailer of parts and accessories for mainly out-of-warranty vehicles
- Operates in Southern Africa, South East Asia and the UK
- 564 retail stores (102 owned stores) in South Africa
- Supported by distribution centres in South Africa, Taiwan, China and the UK
- Franchise base comprises:
  - Resellers (Midas and Alert Engine Parts)
  - Specialised workshops

8%	13%	7,6%
of Group revenue	of Group operating profit	Operating margin

* *Percentage of passenger and light commercial vehicles (LCV) market.*
\# *Operating margin includes profit streams without associated revenue.*
The above financial measures exclude Head Office and Eliminations.
[1] *Formerly known as the Financial Services business segment. The segment was renamed due to the expansion of its products and services offering.*

Segmental performance

Import and Distribution

Overview

The Import and Distribution segment provides a differentiated value proposition to the dealership network, enhancing revenue and profits of the entire automotive value chain. We import, distribute and supply vehicles and parts to the Group and independent dealership networks, government and car rental companies. Between 55% to 60% of vehicle volume sales are generated through Motus-owned dealerships, with the remaining 40% to 45% sold by independently owned dealerships.

Our controllable market share (passenger and light commercial vehicles (LCVs)) in South Africa at December 2021 was 19,2% (December 2020: 16,0%) with the overall vehicle market growing by 8,6%. Hyundai achieved 7,6% market share (2020: 7,8%), Kia achieved 5,3% market share (2020: 3,5%), Renault achieved 5,6% market share (2020: 4,3%) and Mitsubishi achieved 0,7% (2020: 0,4%).

Financial performance

	HY1 2022 unaudited^	HY1 2021 unaudited^	% change on HY1 2021	HY2 2021 pro forma*	FY 2021 audited
Revenue (Rm)	**11 368**	9 687	17	9 996	19 683
Operating profit (Rm)#	**614**	425	44	497	922
Operating margin (%)#	**5,4**	4,4		5,0	4,7

^ HY1 numbers are unaudited and were released in the interim published results for the six months ended 31 December 2020 and 2021.
** HY2 numbers are unaudited and derived from deducting the HY1 results from the annual published results for the year ended 30 June 2021.*
 # HY1 2021 and HY2 2021 have been adjusted for the re-presentation to include share of results in associates and joint ventures.

Import and Distribution revenue is up 17% mainly due to increased outright sales to car rental companies and dealers, and increased selling prices. Increased sales were supported by new model releases.

Operating profit increased by 44% for the period mainly due to higher volumes of vehicles sold through the dealer channel, increased margins achieved due to inventory shortages and lower costing rates relating to forward cover.

Hyundai, Kia and Renault have forward cover for the Euro and US Dollar to August 2022, at average rates of R17,80 to the Euro and R15,08 to the US Dollar, including forward cover costs. The current Group guideline is to cover seven to nine months of forecasted vehicle import orders.

Segmental performance (continued)

Retail and Rental

Overview

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

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

South Africa

Motus SA represents 23 OEMs through ~345 dealerships. The retail market share for our South African operation increased to ~22,6% (2020: ~20,2%). We will continue to multi-franchise where possible to grow the footprint.

United Kingdom

Motus UK represents 19 OEMs through ~115 dealerships (82 commercial and 33 passenger dealerships) based mainly in provincial areas. Continued organic expansion in both commercial and passenger retail sectors will be considered in the UK. Further selective expansion in the UK will be driven by the introduction of additional brands in areas close to existing dealerships via bolt-on acquisitions.

Australia

Motus Australia represents 20 OEMs through ~36 passenger dealerships, based mainly in provincial areas located in New South Wales and Victoria. Further selective expansion in the Australian market will be driven by the introduction of additional brands in areas close to existing dealerships via bolt-on acquisitions. We remain focused on growing our provincial town footprint outside the large metropolitan areas.

Financial performance

	HY1 2022 unaudited^	HY1 2021 unaudited^	% change on HY1 2021	HY2 2021 pro forma*	FY 2021 audited
Revenue (Rm)	**36 269**	35 965	1	34 997	70 962
Operating profit (Rm)#	**892**	742	20	1 019	1 761
Operating margin (%)#	**2,5**	2,1		2,9	2,5

^ *HY1 numbers are unaudited and were released in the interim published results for the six months ended 31 December 2020 and 2021.*
* *HY2 numbers are unaudited and derived from deducting the HY1 results from the annual published results for the year ended 30 June 2021.*
# *HY1 2021 and HY2 2021 have been adjusted for the re-presentation to include share of results in associates and joint ventures.*

Revenue is up 1% for the period with increased revenue contributions from Retail SA and the Car Rental business, offset by reduced revenue contributions from pre-owned vehicle sales and the international operations.

The Retail and Rental segment sold 42 988 new units (2020: 41 106 new units) and 47 038 pre-owned units[1] (2020: 54 583 pre-owned units[1]) during the period. In South Africa, the segment sold 28 038 new units and 35 964 pre-owned units[1] (2020: 24 557 new units and 40 778 pre-owned units[1]), this was 14% up on the prior period for new vehicles when the market was up by 9%. Internationally we sold 14 950 new units and 11 074 pre-owned units[1] (2020: 16 549 new units and 13 805 pre-owned units[1]), this was down 10% on the prior period for new vehicles.

Operating profit increased by 20% for the period with increased operating profit contribution from all businesses, except for our pre-owned vehicle business which benefitted in the prior year from inventory over-supply from rental de-fleets.

South Africa

The South African retail revenue and operating profit increased by 6% and 5%, respectively, from the prior period. This was mainly due to an improvement in vehicle margins as a result of inventory shortages, new model releases and an improvement in after-sales contribution. This increase was offset by a reduced contribution from pre-owned vehicle sales as a result of low inventory volumes following the aggressive de-fleeting strategy from Car Rental in the prior period.

Car Rental revenue increased by 55% and operating profit increased by more than 100% mainly as a result of increased activity relating to increased leisure travel. Vehicle utilisation levels have increased to 72% from 59% at December 2020.

[1] *Includes trade units*

United Kingdom

UK revenue decreased by 9% and operating profit increased by 8%. The reduction in revenue was due to reduced volumes as a result of inventory shortages experienced by the OEMs, with improved margins. The UK operation sold 10 232 new units (2020: 11 931 new units) and 8 786 pre-owned units[1] (2020: 10 968 pre-owned units[1]) for the six months.

Australia

Australia revenue decreased by 2% and operating profit increased by 32%. The inventory shortages experienced by the OEMs resulted in improved margins, and the new contactless delivery of vehicles assisted the business during the various lockdowns across provinces. The Australian operation sold 4 718 new units (2020: 4 618 new units) and 2 288 pre-owned units[1] (2020: 2 837 pre-owned units[1]) for the six months.

Segmental performance (continued)

Mobility Solutions (formerly Financial Services)[1]

Overview

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

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

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

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

Financial performance

	HY1 2022 unaudited^	HY1 2021 unaudited^	% change on HY1 2021	HY2 2021 pro forma*	FY 2021 audited
Revenue (Rm)	**1 028**	1 054	(2)	965	2 019
Operating profit (Rm)#	**502**	477	5	435	912
Operating margin (%)#~	**48,8**	45,3		45,1	45,2

^ *HY1 numbers are unaudited and were released in the interim published results for the six months ended 31 December 2020 and 2021.*
* *HY2 numbers are unaudited and derived from deducting the HY1 results from the annual published results for the year ended 30 June 2021.*
# *HY1 2021 and HY2 2021 have been adjusted for the re-presentation to include share of results in associates and joint ventures.*
~ Operating margin includes profit streams without associated revenue.

Revenue decreased by 2% mainly as a result of lower terminations as a result of the shift from mileage to time usage on the service and maintenance plans.

Operating profit increased by 5% mainly due to the recognition of income from Bank JVs, higher interest income and improved performance on the cell captives.

[1] *Formerly known as the Financial Services business segment. The segment was renamed due to the expansion of its products and services offering.*

Segmental performance (continued)

Aftermarket Parts

Overview

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

The international distribution centres in Taiwan, China and the UK allow for procurement at competitive prices for distribution to Southern Africa, the UK and Eastern Europe.

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

Financial performance

	HY1 2022 unaudited^	HY1 2021 unaudited^	% change on HY1 2021	HY2 2021 pro forma*	FY 2021 audited
Revenue (Rm)	**3 970**	3 773	5	3 522	7 295
Operating profit (Rm)#	**301**	276	9	302	578
Operating margin (%)#	**7,6**	7,3		8,6	7,9

^ HY1 numbers are unaudited and were released in the interim published results for the six months ended 31 December 2020 and 2021.
** HY2 numbers are unaudited and derived from deducting the HY1 results from the annual published results for the year ended 30 June 2021.*
 # HY1 2021 and HY2 2021 have been adjusted for the re-presentation to include share of results in associates and joint ventures.

Revenue increased 5% and operating profit increased 9% for the period. South African revenue was unchanged with reduced operating profit, and Asian and the UK revenue and operating profit contributed positively. The recently acquired FAI Automotive plc (FAI) in the UK was included for three months from 1 October 2021.

The South African business was negatively impacted by decreased demand from customers that were negatively impacted by the social unrest, inventory shortages as a result of reduced availability of vessels and containers which extended lead times and a substantial increase in freight and logistics costs. This was offset by the canopy business performing well due to increased sales and improved efficiencies during the period.

The Asian business performed well as a result of increased foreign activity and better service levels from the new logistics supplier.

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

Financial overview

Group profit or loss (extract)

for the six months ended 31 December 2021	HY1 2022 Rm	HY1 2021 Rm	% change
Revenue	**44 823**	44 343	1
Operating profit before capital items and net foreign exchange losses[1]	**2 148**	1 750	23
Impairment of property, plant and equipment, net of profit/(losses) on sale	**(29)**	(25)	16
Other income/(costs)	**16**	(24)	(>100)
Net foreign exchange losses	**(16)**	(82)	(80)
Net finance costs	**(240)**	(332)	(28)
Profit before tax	**1 879**	1 287	46
Income tax expense	**(466)**	(359)	30
Profit for the period	**1 413**	928	52
Attributable to non-controlling interests	**(23)**	–	>100
Attributable profit for the period	**1 390**	928	50
Operating profit (%)	**4,8**	3,9	
Effective taxation rate (%)	**25,1**	28,5	

[1] *The prior period has been adjusted for the re-presentation to include share of results from associates and joint ventures.*

Revenue improved by 1% mainly due to improved performance in the Import and Distribution segment, the SA retail business, Car Rental and the Aftermarket Parts business segments. The increase was offset by a decreased revenue contribution from the international retail businesses and Mobility Solutions. The increase in Group revenue was supported by an increase in the sale of new vehicles and parts (including acquisitions), offset by reduced sales of pre-owned vehicles.

Operating profit before capital items and net foreign exchange losses improved by 23% with all business segments improving operating profit contribution.

The increased operating profit is mainly as a result of the recovery of the automotive and car rental sectors which positively impacted gross income, coupled with increased margins achieved due to inventory shortages and disciplined cost management. Operations also partly benefitted from increased service activity in workshops, acquisitions in the Retail and Rental and Aftermarket Parts segments, and the return to profitability of Bank JVs in the Mobility Solutions segment. Profit margins were negatively impacted by the substantial increases in freight and logistics costs.

Net foreign exchange losses decreased to R16 million. Foreign currency exchange losses amounting to R16 million (2020: R82 million) relate to the revaluation of balances denominated in foreign currencies that do not qualify for cash flow hedge accounting. These include forward exchange contracts (FECs) and options (through profit or loss), trade receivables, trade payables and Customer Foreign Currency (CFC) accounts.

Net finance costs decreased by 28%. Net financing costs decreased by 28% mainly due to lower average working capital for the period and improved profitability which resulted in lower debt requirements. The decrease was further supported by the increased fair value adjustment gain recognised as a result of the unwinding of the interest rate swap and reduced IFRS 16 finance costs.

Effective tax rate is 25,1%. The current tax rate was lower than 28% mainly due to increased profitability in one of the subsidiaries with an assessed tax loss and higher exempt income due to an increase in dividend income and Bank JV income.

Reconciliation of earnings to headline earnings

for the six months ended 31 December 2021	**HY1 2022 Rm**	HY1 2021 Rm	% change
Earnings	**1 390**	928	50
Impairment of goodwill and other assets	**90**	56	61
Profit on sale of businesses and other	**(43)**	(9)	>100
Profit on disposal of assets	**(34)**	(8)	>100
Adjustments included in results of associates and joint ventures	**(1)**	–	100
Tax and non-controlling interests	**5**	(4)	(>100)
Headline earnings	**1 407**	963	46
Weighted average number of ordinary shares (million)	**177**	183	(3)
Earnings and headline earnings per share			
Basic EPS (cents)	**785**	507	55
Basic Headline EPS (cents)	**795**	526	51

The Group repurchased 3 077 000 shares during the period at an average price of R101,40 per share which resulted in lower weighted average number of shares, of which 1 000 000 shares were acquired as treasury shares for the share incentive schemes.

Financial position

as at 31 December 2021	**31 December 2021 Rm**	31 December 2020 Rm	30 June 2021 Rm	December vs December % change	December vs June % change
Goodwill and intangible assets	**2 126**	1 589	1 546	34	38
Investments in associates and joint ventures	**257**	250	289	3	(11)
Property, plant and equipment	**7 378**	7 589	7 024	(3)	5
Right-of-use assets	**2 330**	2 248	2 132	4	9
Investments and other financial assets	**361**	411	414	(12)	(13)
Vehicles for hire	**3 642**	2 640	2 426	38	50
Net working capital[1]	**6 370**	4 173	5 165	53	23
Tax assets	**1 276**	1 541	1 474	(17)	(13)
Assets classified as held-for-sale	**636**	126	649	>100	(2)
Contract liabilities	**(2 904)**	(2 767)	(2 828)	5	3
Lease liabilities	**(2 679)**	(2 587)	(2 449)	4	9
Core interest-bearing debt	**(3 254)**	(2 079)	(2 528)	57	29
Floorplans from financial institutions	**(1 005)**	(807)	(873)	25	15
Other liabilities	**(401)**	(274)	(275)	46	46
Total equity	**14 133**	12 053	12 166	17	16
Total assets	**40 822**	38 834	38 457	5	6
Total liabilities	**(26 689)**	(26 781)	(26 291)	–	2

[1] *Net working capital includes floorplans from suppliers amounting to R4 129 million (December 2020: R5 037 million and June 2021: R4 479 million).*

Financial overview (continued)

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

Goodwill and intangible assets

Increased mainly due to acquisitions and currency adjustments, offset by the impairment of goodwill which is in line with the Group policy. The Group impairs goodwill below R15 million on acquisitions.

Intangible assets increased mainly due to acquisitions which resulted in the recognition of Customer Lists and Trademarks for FAI (UK) and currency adjustments, partly offset by amortisation.

Property, plant and equipment

Increased mainly due to additions and currency adjustments, offset by depreciation, impairments and disposal of properties. The significant additions were two dealerships in South Africa and one dealership in the UK.

Right-of-use assets

Increased due to the FAI (UK) acquisition, new leases entered into and currency adjustments, offset by depreciation.

Vehicles for hire

Increased mainly due to increased demand from car rental companies. Import and Distribution vehicles for hire increased mainly due to increased vehicles delivered to car rental companies. Retail and Rental increased due to up-fleets in preparation for the festive season with anticipated increased local and international travel as a result of travel restrictions being eased.

Net working capital increased by R1,2 billion (23%)

- The derivatives moved from a net fair valued liability in June 2021 to a net fair valued asset in December 2021 as a result of the weakening of the ZAR against major currencies;
- Inventory increased in the Aftermarket Parts segment to build up inventory due to the Chinese New Year and longer lead times. The other segments inventory decreased as a result of inventory shortages, improved sales and lower stock returns from car rental companies;
- Trade receivables increased due to improved sales;
- Floorplan payables decreased due to inventory shortages;
- This was offset by an increase in creditors stemming from an increase in trading activity, increased goods-in-transit and an increase in the external vehicles for hire creditor (vehicles for hire do not form part of working capital).

Tax assets

Decreased due to the settlement of provisional current tax during the period, coupled with increased deferred tax liabilities recognised on derivative assets.

Assets classified as held-for-sale

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

Contract liabilities consists mainly of service and maintenance plans, as well as scratch and dent plans. The increase was across all funds, apart from the monthly service and maintenance plans which decreased as they were negatively impacted by reduced levels of new business which is representative of the current economic conditions.

Lease liabilities

Increased mainly due to the FAI (UK) acquisition, new leases entered into and currency adjustments, offset by lease payments.

Core debt (excluding floorplan and IFRS 16 debt)

Increased by R726 million primarily due to the higher working capital and vehicles for hire levels, coupled with the dividend paid in September 2021 and share repurchases. This was offset by profits generated for the six-month period.

Floorplans from financial institutions

Floorplan debt increased mainly due to up-fleets with car rental in Mobility Solutions and increased floorplans in the UK. The increases were offset by reduced Australian floorplans which decreased mainly due to inventory shortages.

Equity

Equity was enhanced mainly by retained income of R1 413 million, favourable hedging reserve adjustments amounting to R953 million (foreign currency movements against the ZAR impacted forward cover since the 30 June 2021 position) and favourable currency translation reserve adjustments as a result of the weakening of the ZAR amounting to R373 million, offset by dividend payments to shareholders in September 2021 amounting to R468 million, the repurchase and cancellation of shares amounting to R211 million and the purchase of shares for the share scheme hedges resulting in treasury shares amounting to R101 million.

Cash flow movements

for the six months ended 31 December 2021	HY1 2022 Rm	HY1 2021 Rm
Cash generated from operations before movements in net working capital	2 946	2 407
Movements in net working capital	507	3 014
Cash generated by operations before interest, taxation paid and capital expenditure on vehicles for hire	3 453	5 421
Finance costs paid	(289)	(450)
Finance income received	7	32
Dividend income received	140	57
Taxation paid	(411)	(301)
Free cash flow generated from operations	2 900	4 759
Net replacement capital (expenditure)/proceeds – vehicles for hire	(1 586)	301
Cash generated from operations	1 314	5 060
Net cash outflow on the acquisition and disposal of businesses	(614)	(94)
Net capital expenditure (excluding vehicles for hire)	(342)	(125)
Net movement in investments in associates and joint ventures	35	5
Net movements in investments	–	2
Cash received on finance lease receivables	–	29
Cash generated from operating and investing activities	393	4 877
Repurchase of own shares	(312)	(101)
Dividends paid	(468)	–
Acquisition of non-controlling interests	(37)	–
Other	(16)	10
(Increase)/decrease in debt	(440)	4 786

The free cash flow was primarily generated by strong operating profits and decreased finance costs.

Net working capital is an inflow of R507 million after adjusting for non-cash movements relating primarily to the derivative asset, acquisition of businesses and currency adjustments.

Net cash outflow on acquisition of businesses relates mainly to the acquisition of FAI in the UK in the Aftermarket Parts business segment and four passenger dealerships in South Africa.

Cash outflow on capital expenditure, net replacement and expansion, amounted to R342 million.

Cash outflow on vehicles for hire of R1 586 million due to increased car rental activity.

A final dividend was paid on 27 September 2021, amounting to R468 million.

Financial overview (continued)

Liquidity

The liquidity position is strong and the Group has R14,8 billion in unutilised banking facilities. A total of 61% of the Group debt is long-term in nature and 25% of the debt is at fixed interest rates. Excluding floorplan debt, which can be seen as part of the working capital cycle, 31% of the debt is at fixed interest rates.

Dividend

An interim dividend of 275 cents per ordinary share has been declared, and will be paid in March 2022.

Board changes

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

Changes to the Board composition in the past six months:

- Ms. F Roji-Maplanka joined the Board as an independent non-executive director with effect from 1 September 2021 and was appointed as a member of the Social and Ethics Committee (SES Committee) and the Audit and Risk Committee (ARC) with effect from 1 September 2021.

Changes to the Board sub-committees in the past six months:

- Ms. K Cassel and Mr. OJ Janse van Rensburg resigned as members of the SES Committee with effect from 1 September 2021, following the reconstitution of the committee and now attend as invitees.
- Mr. MJN Njeke resigned from the Asset and Liability Committee and the ARC, with effect from 1 August 2021 and 1 September 2021, respectively. In addition, he was appointed as Chairman of the Remuneration Committee (RemCo) with effect from 3 November 2021.
- Mr. A Tugendhaft resigned as Chairman of the RemCo with effect from 3 November 2021, and remains a member.

Strategy

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.

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 continue to look at acquisitions in South Africa, UK, Australia and China.

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.

Our strategic initiatives underpin the delivery of our aspirations:

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. The health and safety of our people is always top of mind, by ensuring that we prevent and minimise the potential spread of the COVID-19 virus through the implementation of additional health and safety protocols.

Financial overview (continued)

Prospects

Our integrated business model, continued support from the financial institutions to support customer vehicle purchases, agile and focused management have allowed us to generate strong financial results, a solid financial position and significant cash flows.

We expect to deliver double-digit earnings growth, a solid financial position and strong cash generation for the twelve-month period ending 30 June 2022, provided there are no further stringent lockdowns, severe vehicle inventory shortages from OEMs or social unrest in South Africa. We have sufficient cash available and a strong financial position to support the investment in strategic growth initiatives and we will consider share repurchases as the opportunities arise and pay dividends to shareholders.

Our unwavering commitment to ESG, within our sphere of control, will continue to be a cornerstone of our operations.

We welcome Ms. F Roji-Maplanka to the Board as an independent non-executive director and look forward to her contribution over the coming years.

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

OS Arbee
Chief Executive Officer

OJ Janse van Rensburg
Chief Financial Officer

21 February 2022

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

Declaration of interim ordinary dividend

for the six months ended 31 December 2021

Notice is hereby given that a gross interim ordinary dividend in the amount of 275 cents per ordinary share has been declared by the Board, payable to the holders of the 186 856 942 ordinary shares. The dividend will be paid out of income reserves.

The ordinary dividend will be subject to a local dividend tax rate of 20%. The net ordinary dividend, to those shareholders who are not exempt from paying dividend tax, is therefore 220 cents per ordinary share.

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

	2022
Last day for ordinary shares to trade cum ordinary dividend	**Tuesday, 8 March**
Ordinary shares commence trading ex-ordinary dividend	**Wednesday, 9 March**
Record date	**Friday, 11 March**
Payment date	**Monday, 14 March**

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

Share certificates may not be dematerialised/rematerialised between Wednesday, 9 March 2022 and Friday, 11 March 2022, both days inclusive.

On Monday, 14 March 2022, amounts due in respect of the ordinary dividend will be electronically transferred to the bank accounts of certificated shareholders. Shareholders who have dematerialised their shares will also have their accounts held at their central securities depository participant or broker, credited on Monday, 14 March 2022.

On behalf of the Board

NE Simelane
Company Secretary

21 February 2022

Unaudited condensed consolidated financial statements

for the six months ended 31 December 2021

Condensed consolidated statement of financial position

as at 31 December 2021	Note	Unaudited 31 December 2021 Rm	Unaudited 31 December 2020 Rm	Audited 30 June 2021 Rm
Assets				
Non-current assets		**13 501**	13 379	12 640
Goodwill	6	**1 768**	1 492	1 443
Intangible assets		**358**	97	103
Investments in associates and joint ventures		**256**	250	278
Property, plant and equipment		**7 231**	7 432	6 872
Investment properties		**147**	157	152
Right-of-use assets		**2 330**	2 248	2 132
Derivative financial assets		**10**	–	–
Investments and other financial instruments		**319**	356	374
Deferred tax		**1 082**	1 347	1 286
Current assets		**26 685**	25 329	25 168
Vehicles for hire		**3 642**	2 640	2 426
Net investment in lease receivables		**42**	55	40
Investments in associates and joint ventures		**1**	–	11
Inventories		**16 748**	15 723	16 528
Trade and other receivables		**4 673**	4 289	4 136
Derivative financial assets		**627**	4	110
Taxation		**194**	194	188
Cash resources	7	**758**	2 424	1 729
Assets classified as held-for-sale		**636**	126	649
Total assets		**40 822**	38 834	38 457
Equity and liabilities				
Capital and reserves				
Stated capital		**22 110**	22 611	22 321
Shares repurchased		**(563)**	(433)	(517)
Common control reserve		**(19 337)**	(19 237)	(19 268)
Hedge accounting reserve		**687**	(318)	(266)
Other reserves		**(409)**	(146)	(698)
Retained income		**11 508**	9 662	10 480
Attributable to owners of Motus		**13 996**	12 139	12 052
Non-controlling interests		**137**	(86)	114
Total equity		**14 133**	12 053	12 166
Liabilities				
Non-current liabilities		**7 453**	6 987	6 332
Contract liabilities		**1 778**	1 672	1 722
Lease liabilities		**2 094**	2 080	1 963
Interest-bearing debt		**3 076**	2 848	2 158
Provisions		**398**	355	454
Other financial liabilities		**6**	–	6
Derivative financial liabilities		**4**	–	–
Deferred tax		**97**	32	29
Current liabilities		**19 236**	19 794	19 959
Contract liabilities		**1 126**	1 095	1 106
Lease liabilities		**585**	507	486
Trade and other payables		**10 537**	9 089	9 528
Floorplans from suppliers		**4 129**	5 037	4 479
Provisions		**613**	554	546
Other financial liabilities		**56**	36	50
Derivative financial liabilities		**7**	808	602
Taxation		**242**	206	190
Interest-bearing debt		**936**	1 655	2 099
Floorplans from financial institutions		**1 005**	807	873
Total liabilities		**26 689**	26 781	26 291
Total equity and liabilities		**40 822**	38 834	38 457

Condensed consolidated statement of profit or loss

for the six months ended 31 December 2021	Note	% change	Unaudited 31 December 2021 Rm	Unaudited 31 December 2020 Rm	Audited[1] 30 June 2021 Rm
Revenue		1	**44 823**	44 343	87 205
Net operating expenses			**(41 844)**	(41 934)	(81 950)
Movements in expected credit losses			**(20)**	15	47
Earnings before interest, taxation, depreciation and amortisation			**2 959**	2 424	5 302
Depreciation and amortisation			**(833)**	(700)	(1 507)
Share of results from associates and joint ventures		(15)	**22**	26	43
Operating profit before capital items and net foreign exchange losses[1]		23	**2 148**	1 750	3 838
Impairment of property, plant and equipment, net of profit/(losses) on sale			**(29)**	(25)	(7)
Other income/(costs)	9		**16**	(24)	(45)
Net foreign exchange losses			**(16)**	(82)	(383)
Operating profit before financing costs[1]		31	**2 119**	1 619	3 403
Finance costs		(27)	**(292)**	(399)	(666)
Finance income			**52**	67	123
Profit before tax		46	**1 879**	1 287	2 860
Income tax expense			**(466)**	(359)	(718)
Profit for the period		52	**1 413**	928	2 142
Net profit attributable to:					
Owners of Motus		50	**1 390**	928	2 098
Non-controlling interests			**23**	–	44
Attributable profit for the period		52	**1 413**	928	2 142
Earnings per share (cents)					
Total earnings per share					
– Basic		55	**785**	507	1 153
– Diluted		51	**747**	496	1 110

[1] *The prior period has been adjusted for the re-presentation to include share of results from associates and joint ventures. Refer to note 4 – Re-presentation of prior year disclosures for additional information.*

Condensed consolidated statement of other comprehensive income

for the six months ended 31 December 2021	Unaudited 31 December 2021 Rm	Unaudited 31 December 2020 Rm	Audited 30 June 2021 Rm
Attributable profit for the period	**1 413**	928	2 142
Other comprehensive income/(loss)	**1 326**	(1 267)	(1 322)
Items that may be subsequently reclassified to profit or loss			
Exchange gain/(loss) arising on translation of foreign operations	**373**	(228)	(312)
Movement in hedge accounting reserve (net of tax)	**953**	(1 039)	(1 010)
– Net change in the fair value of the cash flow hedges	**993**	(793)	(575)
– Deferred tax relating to the hedge accounting reserve movements	**(231)**	208	132
– Rolling of open hedging instruments	**191**	(454)	(567)
Total comprehensive income/(loss) for the period	**2 739**	(339)	820
Total comprehensive income/(loss) for the period attributable to:			
Owners of Motus	**2 704**	(309)	834
Non-controlling interests	**35**	(30)	(14)
Total comprehensive income/(loss) for the period	**2 739**	(339)	820

Condensed consolidated statement of cash flows

for the six months ended 31 December 2021	% change	Unaudited 31 December 2021 Rm	Unaudited 31 December 2020 Rm	Audited 30 June 2021 Rm
Cash flows from operating activities				
Cash generated from operations before movements in net working capital	22	**2 946**	2 407	5 335
Movements in net working capital		**507**	3 014	1 778
Cash generated by operations before interest, taxation paid and capital expenditure on vehicles for hire	(36)	**3 453**	5 421	7 113
Finance costs paid		**(289)**	(450)	(716)
Finance income received		**7**	32	59
Dividend income received		**140**	57	142
Taxation paid		**(411)**	(301)	(694)
Cash generated by operations before capital expenditure on vehicles for hire	(39)	**2 900**	4 759	5 904
Net replacement capital (expenditure)/proceeds – vehicles for hire		**(1 586)**	301	151
– Additions		**(2 356)**	(771)	(2 098)
– Proceeds on disposals		**770**	1 072	2 249
		1 314	5 060	6 055
Cash flows from investing activities				
Cash outflow on acquisition of businesses		**(638)**	(115)	(219)
Cash inflow from disposal of businesses		**34**	23	22
Cash outflow on payment of contingent consideration arising on acquisition of business		**(10)**	(2)	(2)
Net capital expenditure – property, plant and equipment, investment properties and intangible assets		**(342)**	(125)	(325)
Expansion of property, plant and equipment, investment properties and intangible assets		**(226)**	(57)	(180)
Net replacement capital expenditure – property, plant and equipment, investment properties and intangible assets		**(116)**	(68)	(145)
– Replacements of property, plant and equipment, investments properties and intangible assets		**(222)**	(146)	(380)
– Proceeds on disposal of property, plant and equipment, investment properties and intangible assets		**106**	78	235
Movements in investments in associates and joint ventures		**35**	5	(7)
Additions to investments		**–**	(4)	(9)
Proceeds on sale of investments		**–**	6	6
Advances of other financial assets		**–**	–	(34)
Cash received on net investment in lease receivables		**–**	29	44
		(921)	(183)	(524)

Condensed consolidated statement of cash flows (continued)

for the six months ended 31 December 2021	Note	Unaudited 31 December 2021 Rm	Unaudited 31 December 2020 Rm	Audited[1] 30 June 2021 Rm
Cash flows from operating and investing activities		**393**	4 877	5 531
Cash flows from financing activities				
Repurchase of own shares		**(312)**	(101)	(485)
Dividends paid to equity holders of Motus		**(468)**	–	(294)
Dividends paid to non-controlling interests		**–**	–	(18)
Acquisition of non-controlling interests		**(37)**	–	(288)
Advances of loans from non-controlling interests and associates		**3**	10	4
Cash outflow on payment of contingent consideration arising on remeasurement subsequent to the acquisition of the business		**(19)**	–	–
Repayment of lease liabilities		**(231)**	(289)	(515)
Increase/(decrease) in floorplan liabilities		**66**	(841)	(775)
Advances/(repayment) of banking facilities		**335**	(2 865)	(1 496)
– Advances of banking facilities[1]		**21 142**	438	5 352
– Repayment of banking facilities[1]		**(20 807)**	(3 303)	(6 848)
Repayment of settled banking facilities		**–**	(300)	(2 563)
		(663)	(4 386)	(6 430)
Net (decrease)/increase in cash and cash equivalents		**(270)**	491	(899)
Non-cash adjustments on cash and cash equivalents		**(41)**	(97)	(253)
– Effects of exchange rate changes		**(41)**	(97)	(126)
– Transfer of unsecured loans to bank overdrafts		**–**	–	(127)
Cash and cash equivalents at the beginning of the period		**833**	1 985	1 985
Cash and cash equivalents at the end of the period	7	**522**	2 379	833

[1] *The prior period has been adjusted for the re-presentation to disaggregate the advances and repayments made on banking facilities. Refer to note 4 – Re-presentation of prior year disclosures for additional information.*

Condensed consolidated statement of changes in equity

for the six months ended 31 December 2021	Stated capital Rm	Shares repurchased Rm	Common control reserve Rm
Opening balance as at 1 July 2020 audited	22 672	(411)	(19 210)
Total comprehensive income for the period	–	–	–
Attributable profit for the period	–	–	–
Other comprehensive income	–	–	–
1 419 797 shares repurchased and cancelled at an average of R42,89 per share	(61)	–	–
950 000 shares repurchased at an average of R42,32 per share	–	(40)	–
Issue of treasury shares as settlement of share-based equity	–	18	–
Share-based equity costs to the statement of profit or loss (including the effects of taxation)	–	–	–
Transfers between reserves	–	–	(27)
Other movements	–	–	–
As at 31 December 2020 unaudited	22 611	(433)	(19 237)
Total comprehensive income for the period	–	–	–
Attributable profit for the period	–	–	–
Other comprehensive income	–	–	–
326 600 shares repurchased and cancelled at an average of R85,73 per share	(28)	–	–
2 773 319 shares repurchased and cancelled subsequent to year end at an average of R94,47 per share	(262)	–	–
1 012 710 shares repurchased at an average of R92,82 per share	–	(94)	–
Issue of treasury shares as settlement of share-based equity	–	10	–
Incremental interest purchased from non-controlling interests	–	–	–
Share-based equity (income)/costs to the statement of profit or loss (including the effects of taxation)	–	–	–
Dividends paid to Motus and non-controlling shareholders	–	–	–
Transfers between reserves	–	–	(31)
Other movements	–	–	–
As at 30 June 2021 audited	22 321	(517)	(19 268)
Total comprehensive income for the period	**–**	**–**	**–**
Attributable profit for the period	**–**	**–**	**–**
Other comprehensive income	**–**	**–**	**–**
2 077 000 shares repurchased and cancelled at an average of R101,59 per share	**(211)**	**–**	**–**
1 000 000 shares repurchased at an average of R101,00 per share	**–**	**(101)**	**–**
Issue of treasury shares as settlement of share-based equity	**–**	**55**	**–**
Purchase of non-controlling interest	**–**	**–**	**–**
Incremental interest purchased from non-controlling interests	**–**	**–**	**–**
Share-based equity costs to the statement of profit or loss (including the effects of taxation)	**–**	**–**	**–**
Dividends paid to Motus and non-controlling shareholders	**–**	**–**	**–**
Transfers between reserves	**–**	**–**	**(69)**
Other movements	**–**	**–**	**–**
Closing balance as at 31 December 2021 unaudited	**22 110**	**(563)**	**(19 337)**

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

Hedge accounting reserve Rm	Total other reserves[1] Rm	Retained income Rm	Attributable to the owners of Motus Rm	Non-controlling interests Rm	Total equity Rm
701	44	8 712	12 508	(56)	12 452
(1 019)	(218)	928	(309)	(30)	(339)
–	–	928	928	–	928
(1 019)	(218)	–	(1 237)	(30)	(1 267)
–	–	–	(61)	–	(61)
–	–	–	(40)	–	(40)
–	(18)	–	–	–	–
–	43	–	43	–	43
–	5	22	–	–	–
–	(2)	–	(2)	–	(2)
(318)	(146)	9 662	12 139	(86)	12 053
52	(79)	1 170	1 143	16	1 159
–	–	1 170	1 170	44	1 214
52	(79)	–	(27)	(28)	(55)
–	–	–	(28)	–	(28)
–	–	–	(262)	–	(262)
–	–	–	(94)	–	(94)
–	(10)	–	–	–	–
–	(490)	–	(490)	202	(288)
–	(62)	–	(62)	–	(62)
–	–	(294)	(294)	(18)	(312)
–	90	(59)	–	–	–
–	(1)	1	–	–	–
(266)	(698)	10 480	12 052	114	12 166
953	**361**	**1 390**	**2 704**	**35**	**2 739**
–	**–**	**1 390**	**1 390**	**23**	**1 413**
953	**361**	**–**	**1 314**	**12**	**1 326**
–	**–**	**–**	**(211)**	**–**	**(211)**
–	**–**	**–**	**(101)**	**–**	**(101)**
–	**(55)**	**–**	**–**	**–**	**–**
–	**–**	**–**	**–**	**1**	**1**
–	**(27)**	**–**	**(27)**	**(13)**	**(40)**
–	**45**	**–**	**45**	**–**	**45**
–	**–**	**(468)**	**(468)**	**–**	**(468)**
–	**(37)**	**106**	**–**	**–**	**–**
–	**2**	**–**	**2**	**–**	**2**
687	**(409)**	**11 508**	**13 996**	**137**	**14 133**

Segment financial position

as at 31 December 2021	Group 2021 Rm	Group 2020 Rm	Import and Distribution 2021 Rm	Import and Distribution 2020 Rm
Financial position				
Assets				
Goodwill and intangible assets	**2 126**	1 589	**–**	–
Carrying value of associates and joint ventures (excluding loans to associates)	**179**	164	**31**	18
Property, plant and equipment	**7 231**	7 432	**425**	488
Investment properties	**147**	157	**134**	143
Right-of-use assets	**2 330**	2 248	**118**	140
Investments and other financial instruments	**319**	356	**4**	4
Vehicles for hire	**3 642**	2 640	**1 143**	1 005
Net investment in lease receivables	**42**	55	**42**	55
Inventories	**16 748**	15 723	**3 260**	2 803
Trade and other receivables[2]	**5 310**	4 293	**2 691**	1 778
Operating assets	**38 074**	34 657	**7 848**	6 434
– South Africa	**24 838**	22 456	**7 848**	6 434
– International	**13 236**	12 201	**–**	–
Liabilities				
Contract liabilities	**2 904**	2 767	**–**	–
Lease liabilities	**2 679**	2 587	**189**	215
Provisions	**1 011**	909	**246**	149
Trade and other payables[2]	**14 677**	14 934	**4 141**	4 877
Other financial liabilities	**62**	36	**–**	–
Operating liabilities	**21 333**	21 233	**4 576**	5 241
– South Africa	**13 122**	13 341	**4 576**	5 241
– International	**8 211**	7 892	**–**	–
Net working capital	**6 370**	4 173	**1 564**	(445)
– South Africa	**4 894**	3 169	**1 564**	(445)
– International	**1 476**	1 004	**–**	–
Net interest-bearing debt	**4 259**	2 886	**774**	(322)
– South Africa	**2 597**	834	**774**	(322)
– International	**1 662**	2 052	**–**	–
Net capital expenditure	**(1 928)**	176	**(429)**	472
– South Africa	**(1 835)**	198	**(429)**	472
– International	**(93)**	(22)	**–**	–
Non-current assets (including equity investment in associates, excluding investment, deferred tax and other financial instruments)	**12 023**	11 590	**708**	789
– South Africa	**6 894**	6 831	**708**	789
– International	**5 129**	4 759	**–**	–
United Kingdom	**3 484**	2 794	**–**	–
Other regions (Australia and South East Asia)[3]	**1 645**	1 965	**–**	–

[1] *Formerly known as Financial Services.*
[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		Mobility Solutions[1]		Aftermarket Parts		Head Office and Eliminations	
2021 Rm	2020 Rm	**2021 Rm**	2020 Rm	**2021 Rm**	2020 Rm	**2021 Rm**	2020 Rm
1 195	1 097	**20**	21	**906**	460	**5**	11
27	29	**8**	15	**110**	96	**3**	6
6 313	6 356	**126**	129	**315**	241	**52**	218
13	14	**–**	–	**–**	–	**–**	–
1 897	1 959	**1**	1	**314**	148	**–**	–
–	–	**312**	356	**6**	–	**(3)**	(4)
2 498	1 606	**1 190**	1 093	**–**	–	**(1 189)**	(1 064)
–	–	**–**	–	**–**	–	**–**	–
10 859	10 825	**338**	294	**2 320**	1 836	**(29)**	(35)
2 892	2 896	**254**	237	**861**	702	**(1 388)**	(1 320)
25 694	24 782	**2 249**	2 146	**4 832**	3 483	**(2 549)**	(2 188)
14 018	13 111	**2 249**	2 146	**3 272**	2 953	**(2 549)**	(2 188)
11 676	11 671	**–**	–	**1 560**	530	**–**	–
139	130	**2 765**	2 637	**–**	–	**–**	–
2 147	2 197	**1**	2	**342**	173	**–**	–
238	190	**259**	283	**3**	3	**265**	284
10 908	10 419	**576**	621	**1 405**	1 113	**(2 353)**	(2 096)
28	8	**–**	–	**28**	22	**6**	6
13 460	12 944	**3 601**	3 543	**1 778**	1 311	**(2 082)**	(1 806)
5 815	5 323	**3 601**	3 543	**1 212**	1 040	**(2 082)**	(1 806)
7 645	7 621	**–**	–	**566**	271	**–**	–
2 605	3 112	**(243)**	(373)	**1 773**	1 422	**671**	457
1 588	2 258	**(243)**	(373)	**1 314**	1 272	**671**	457
1 017	854	**–**	–	**459**	150	**–**	–
4 010	5 257	**(3 641)**	(3 207)	**772**	758	**2 344**	400
2 125	3 200	**(3 641)**	(3 207)	**995**	790	**2 344**	373
1 885	2 057	**–**	–	**(223)**	(32)	**–**	27
(1 489)	(234)	**(371)**	475	**(45)**	(18)	**406**	(519)
(1 398)	(202)	**(371)**	475	**(43)**	(28)	**406**	(519)
(91)	(32)	**–**	–	**(2)**	10	**–**	–
9 445	9 455	**155**	166	**1 645**	945	**70**	235
4 971	4 815	**155**	166	**990**	826	**70**	235
4 474	4 640	**–**	–	**655**	119	**–**	–
2 946	2 794	**–**	–	**538**	–	**–**	–
1 528	1 846	**–**	–	**117**	119	**–**	–

Segment profit or loss

for the six months ended 31 December 2021	Group 2021 Rm	Group 2020 Rm	Import and Distribution 2021 Rm	Import and Distribution 2020 Rm
Profit or loss				
Total revenue	44 823	44 343	11 368	9 687
– South Africa	30 021	28 577	11 368	9 687
– International	15 334	15 994	–	–
United Kingdom	11 172	12 089	–	–
Other regions (Australia and South East Asia)[2]	4 162	3 905	–	–
– Eliminations between geographic regions	(532)	(228)	–	–
Depreciation, amortisation and impairments net of recoupments	(862)	(732)	(158)	(96)
– South Africa	(664)	(528)	(158)	(96)
– International	(198)	(204)	–	–
Operating profit before capital items and net foreign exchange losses[3]	2 148	1 750	614	425
– South Africa	1 755	1 458	614	425
– International	393	292	–	–
Finance costs	(292)	(399)	(103)	(91)
– South Africa	(224)	(288)	(103)	(91)
– International	(68)	(111)	–	–
Finance income	52	67	36	23
– South Africa	52	67	36	23
– International	–	–	–	–
Other capital income/(costs)	16	(17)	–	–
– South Africa	16	(17)	–	–
– International	–	–	–	–
Profit/(loss) before tax	1 879	1 287	519	280
– South Africa	1 545	1 097	519	280
– International	334	190	–	–
Income tax expense	(466)	(359)	(122)	(90)

[1] Formerly known as Financial Services.
[2] Retail and Rental operates in Australia and Aftermarket Parts operates in South East Asia.
[3] The prior period has been adjusted for the re-presentation to include share of results from associates and joint ventures. Refer to note 4 – Re-presentation of prior year disclosures for additional information.

	Retail and Rental		Mobility Solutions[1]		Aftermarket Parts		Head Office and Eliminations	
	2021 Rm	2020 Rm	**2021 Rm**	2020 Rm	**2021 Rm**	2020 Rm	**2021 Rm**	2020 Rm
	36 269	35 965	**1 028**	1 054	**3 970**	3 773	**(7 812)**	(6 136)
	21 797	20 341	**1 028**	1 054	**3 640**	3 631	**(7 812)**	(6 136)
	14 472	15 624	**–**	–	**862**	370	**–**	–
	11 021	12 089	**–**	–	**151**	–	**–**	–
	3 451	3 535	**–**	–	**711**	370	**–**	–
	–	–	**–**	–	**(532)**	(228)	**–**	–
	(601)	(517)	**(63)**	(63)	**(81)**	(69)	**41**	13
	(417)	(323)	**(63)**	(63)	**(67)**	(59)	**41**	13
	(184)	(194)	**–**	–	**(14)**	(10)	**–**	–
	892	742	**502**	477	**301**	276	**(161)**	(170)
	596	484	**502**	477	**204**	242	**(161)**	(170)
	296	258	**–**	–	**97**	34	**–**	–
	(246)	(393)	**(31)**	(37)	**(48)**	(54)	**136**	176
	(180)	(284)	**(31)**	(37)	**(46)**	(52)	**136**	176
	(66)	(109)	**–**	–	**(2)**	(2)	**–**	–
	8	9	**–**	–	**1**	1	**7**	34
	8	9	**–**	–	**1**	1	**7**	34
	–	–	**–**	–	**–**	–	**–**	–
	(7)	(8)	**24**	–	**(1)**	(9)	**–**	–
	(7)	(8)	**24**	–	**(1)**	(9)	**–**	–
	–	–	**–**	–	**–**	–	**–**	–
	629	358	**496**	440	**254**	209	**(19)**	–
	392	204	**496**	440	**157**	173	**(19)**	–
	237	154	**–**	–	**97**	36	**–**	–
	(182)	(92)	**(99)**	(113)	**(59)**	(57)	**(4)**	(7)

Segment profit or loss (continued)

for the six months ended 31 December 2021	Group 2021 Rm	Group 2020 Rm	Import and Distribution 2021 Rm	Import and Distribution 2020 Rm
Additional information				
Revenue by nature				
Sale of goods	**40 257**	39 942	**11 328**	9 639
New motor vehicle sales	**21 042**	20 191	**9 689**	7 328
Pre-owned vehicle sales	**10 863**	11 746	**589**	1 337
Parts and other goods sales	**8 352**	8 005	**1 050**	974
Rendering of services	**4 566**	4 401	**40**	48
Vehicle workshops, maintenance, service and warranty	**2 766**	2 848	**27**	35
Motor vehicle rental	**879**	608	**–**	–
Fees on vehicles, parts and services sold	**921**	945	**13**	13
Total revenue	**44 823**	44 343	**11 368**	9 687
Inter-group revenue	**–**	–	**(7 379)**	(5 722)
Total external revenue	**44 823**	44 343	**3 989**	3 965
Depreciation, amortisation and impairments net of recoupments	**(862)**	(732)	**(158)**	(96)
Depreciation and amortisation	**(833)**	(703)	**(145)**	(97)
(Losses)/profits on disposals and impairments	**(29)**	(22)	**(13)**	1
Amortisation of intangible asset arising on business combinations	**–**	(7)	**–**	–
(Costs)/income included in profit before tax				
Total employee costs	**(3 579)**	(3 349)	**(228)**	(210)
Operating lease charges	**(112)**	(62)	**(7)**	(5)
Net foreign exchange (losses)/gains	**(16)**	(82)	**(15)**	(76)
Share of results from associates and joint ventures	**22**	26	**6**	4
Operating margin (%)	**4,8**	3,9	**5,4**	4,4

Retail and Rental		Mobility Solutions		Aftermarket Parts		Head Office and Eliminations	
2021 Rm	2020 Rm	**2021 Rm**	2020 Rm	**2021 Rm**	2020 Rm	**2021 Rm**	2020 Rm
32 496	32 406	**–**	–	**3 926**	3 736	**(7 493)**	(5 839)
17 587	17 140	**–**	–	**–**	–	**(6 234)**	(4 277)
10 782	11 292	**–**	–	**–**	–	**(508)**	(883)
4 127	3 974	**–**	–	**3 926**	3 736	**(751)**	(679)
3 773	3 559	**1 028**	1 054	**44**	37	**(319)**	(297)
2 118	2 164	**742**	777	**–**	–	**(121)**	(128)
789	496	**201**	193	**–**	–	**(111)**	(81)
866	899	**85**	84	**44**	37	**(87)**	(88)
36 269	35 965	**1 028**	1 054	**3 970**	3 773	**(7 812)**	(6 136)
(221)	(238)	**(196)**	(166)	**(19)**	(10)	**7 815**	6 136
36 048	35 727	**832**	888	**3 951**	3 763	**3**	–
(601)	(517)	**(63)**	(63)	**(81)**	(69)	**41**	13
(585)	(523)	**(63)**	(63)	**(81)**	(63)	**41**	43
(16)	6	**–**	–	**–**	1	**–**	(30)
–	–	**–**	–	**–**	(7)	**–**	–
(2 509)	(2 344)	**(267)**	(245)	**(457)**	(440)	**(118)**	(110)
(92)	(53)	**(1)**	(1)	**(26)**	(11)	**14**	8
(1)	2	**–**	–	**–**	2	**–**	(10)
1	2	**4**	10	**11**	10	**–**	–
2,5	2,1	**48,8**	45,3	**7,6**	7,3		

Headline earnings per share information

	% change	Unaudited 31 December 2021 Rm	Unaudited 31 December 2020 Rm	Audited 30 June 2021 Rm
Headline earnings reconciliation				
Earnings	50	**1 390**	928	2 098
– Impairment of goodwill (IAS 36)		**24**	26	50
– (Impairment)/reversal of impairment of investments in associates and joint ventures (IAS 36)		**3**	–	(8)
– Impairment of property, plant and equipment (IAS 36)		**63**	30	64
– Profit on disposal of investments in an associate and joint venture (IAS 28)		**(30)**	–	–
– Profit on disposal of business (IFRS 3)		**(13)**	(9)	(9)
– Profit on disposal of property, plant and equipment (IAS 16)		**(34)**	(8)	(63)
– Tax effects of remeasurements		**5**	(4)	13
– Adjustments included in the result of associates and joint ventures		**(1)**	–	–
Headline earnings	46	**1 407**	963	2 145
Headline earnings per share (cents)				
– Basic	51	**795**	526	1 179
– Diluted	47	**756**	515	1 135
Additional information				
Net asset value per ordinary share (cents)	19	**7 776**	6 526	6 586
Tangible net asset value per ordinary share (cents)	16	**6 594**	5 672	5 741
Number of ordinary shares in issue (million)				
– total shares		**187**	191	189
– net of shares repurchased		**180**	186	183
– weighted average for basic		**177**	183	182
– weighted average for diluted		**186**	187	189

The Group repurchased 3 077 000 shares during the year at an average price of R101,40 per share, which resulted in lower weighted average number of shares, of which 1 000 000 shares were acquired as treasury shares for the share incentive scheme.

Notes to the condensed consolidated financial statements

1. Basis of preparation

The unaudited condensed consolidated financial statements have been prepared in accordance with the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and financial reporting pronouncements as issued by the Financial Reporting Standards Council (FRSC). The results contain the information required by IAS 34 – Interim Financial Reporting and comply with the Listings Requirements of JSE Limited (JSE Listings Requirements) and the Companies Act of South Africa, 2008 (No. 71 of 2008) as amended (the Companies Act). These unaudited condensed consolidated financial statements do not include all the information required for full audited consolidated annual financial statements and should be read in conjunction with the audited consolidated and separate annual financial statements as at and for the year ended 30 June 2021.

These unaudited condensed consolidated financial statements have been prepared under the supervision of Ms. U Singh, CA(SA) and were approved by the board of directors (the Board) on 21 February 2022.

2. Going concern

The condensed consolidated statement of financial position as at 31 December 2021 reports a positive total equity balance of R14 133 million (2020: R12 053 million) and net interest-bearing debt of R4 259 million (2020: R2 886 million).

The Group has complied with the bank covenants requirements as at 31 December 2021, with net debt to Adjusted EBITDA at 0,9 times (2020: 1,0 times) and Adjusted EBITDA to Adjusted net interest at 16,5 times (2020: 3,7 times).

This compliance is expected to continue into the foreseeable future as the Group has sufficient unutilised banking facilities available to fund normal trading operations.

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

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

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

The Board considers it appropriate to adopt the going concern assumption in preparing the unaudited condensed financial statements.

Notes to the condensed consolidated financial statements (continued)

3. Accounting policies

The accounting policies adopted and methods of computation used in the preparation of the unaudited condensed consolidated financial statements are in accordance with International Financial Reporting Standards (IFRS) and are consistent with those of the consolidated annual financial statements for the year ended 30 June 2021, with the exception of new and revised policies as required by new and revised IFRS issued and in effect.

The following new and revised standard were adopted in the current financial year.

Amendments to IFRS 4, IFRS 7, IFRS 9, IFRS 16 and IAS 39 with regard to the Interest Rate Benchmark Reform (IBOR) (Phase II)

The Group adopted the Phase 2 amendments Interest Rate Benchmark Reform – Amendments to IFRS 4 – Insurance Contracts, IFRS 7 – Financial Instruments: Disclosure, IFRS 9 – Financial Instruments, IFRS 16 – Leases, and IAS 39 – Financial Instruments: Recognition and Measurement.

Adopting these amendments enables the Group to reflect the effects of transitioning from interbank offered rates (IBOR) to alternative benchmark interest rates (also referred to as 'risk-free rates' or RFRs) without giving rise to accounting impacts that would not provide useful information to users of the consolidated annual financial statements.

The impact of the amendments on the Group is as follow:

- If the contractual terms of the Group's bank borrowings are amended as a direct consequence of the interest rate benchmark reform and the new basis for determining the contractual cash flows is economically equivalent to the basis immediately preceding the change, the Group changes the basis for determining the contractual cash flows prospectively by revising the effective interest rate. However, if additional changes are made, which are not directly related to the reform, the applicable requirements of IFRS 9 are applied to the other changes.
- The amendments permit changes required by IBOR reform to be made to hedge designations and hedge documentation without the hedging relationship being discontinued.
- The Group would be required to provide additional information to enable a user to understand the nature and extent of the new risks stemming from the reform and how they manage the risks arising from the transition from IBOR benchmarks to alternative benchmark rates.

The adoption of these amendments had no material impact on the Group. As each interest rate benchmark is replaced, the Group will shift to alternate reference interest rates. The transition is being managed by the Group's treasury department.

IFRS 9 for Hedge Accounting

In the current financial year, the Group has voluntarily adopted the hedge accounting requirements of IFRS 9, which replace the hedge accounting requirements of IAS 39 – Financial Instruments: Recognition and Measurement (except for macro fair value hedges of interest rate risk).

The revised requirements align hedge accounting more closely with risk management and establish a more principle-based approach to hedge accounting, allowing for greater flexibility in the types of transactions and hedging instruments eligible for hedge accounting. It also includes some operational simplifications, such as a revised approach to the testing of hedge effectiveness. The adoption also aims to align the Group's accounting policies with the increasing number of entities that have fully adopted IFRS 9.

As the Group's risk management strategies were aligned with the requirements of IFRS 9 and the hedge documentation for all hedging relationships was updated, existing hedging relationships as of 1 July 2021 were treated as continuing hedging relationships. The IFRS 9 hedge accounting requirements were applied prospectively, so the adoption did not affect the Group's hedge relationships, hedge accounting results, consolidated statement of profit or loss, consolidated statement of financial position, or consolidated statement of cash flows as of 30 June 2021.

4. Re-presentation of prior year disclosures

The following has been re-presented to enhance disclosure:

- The operating profit before capital items and net foreign exchange losses now includes the share of results from associates and joint ventures in the condensed consolidated statement of profit or loss; and
- The repayments or advances on banking facilities have been disaggregated on the condensed consolidated statement of cash flows.

These re-presentations had no impact on the Earnings per share, Headline Earning per share, Diluted Earnings per share and movements in the statement of cash flows.

Re-presentation of operating profit before capital items and net foreign exchange losses

In the condensed consolidated statement of profit or loss the operating profit before capital items and net foreign exchange losses now include the share of results from associates and joint ventures. In the prior year, this was excluded from operating profit before capital items and net foreign exchange losses and was disclosed below finance costs and finance income.

The re-presentations are as follows:

	Unaudited 31 December 2020 Rm	Audited 30 June 2021 Rm
Operating profit before capital items and net foreign exchange losses, as disclosed previously	1 724	3 795
Share of results from associates and joint ventures	26	43
Operating profit before capital items and net foreign exchange losses, re-presented	**1 750**	**3 838**
Operating profit before financing costs	1 593	3 360
Share of results from associates and joint ventures	26	43
Operating profit before finance costs, re-presented	**1 619**	**3 403**

The Profit before share of results from associates and joint ventures aggregation was removed from the statement of profit or loss as this no longer required.

The re-presentation was made to include all income and expenditure considered part of the Group's operating activities or an extension thereof in operating profit before capital items and net foreign exchange losses. The amended disclosure is intended to give meaningful information to the users of the unaudited condensed consolidated financial statements for decision making.

Notes to the condensed consolidated financial statements (continued)

4. Re-presentation of prior year disclosures (continued)

Re-presentation of repayments or advances of banking facilities

In the prior year, the Group disclosed the repayment and advances of banking facilities on a net basis in accordance with the utilisation of the facilities.

The Group follows a centralised cash management process, including cash management systems to minimise risk and related finance costs across bank accounts. The cash management systems ensure that any excess cash held in the business units is transferred through the sweeping processes to the treasury departments in the various jurisdictions.

The consolidated borrowing position of the Group is assessed daily and any excess cash is transferred to or withdrawn from banking facilities as required.

In the current year, this disclosure was expanded, to include advances and repayments of banking facilities, to increase transparency, give meaningful information to users of the unaudited condensed consolidated results for decision making and improve comparability with other publicly traded companies.

The re-presentations are as follows:

	Unaudited 31 December 2020 Rm	Audited 30 June 2021 Rm
(Repayment)/advances of banking facilities, as previously disclosed	**(2 865)**	(1 496)
Now disclosed separately as:		
(Repayment)/advances of banking facilities	**(2 865)**	(1 496)
– Repayment of banking facilities	**(3 303)**	(6 848)
– Advances of banking facilities	**438**	5 352

5. Exchange rates

	Closing rates			Average rates for the period		
	31 December 2021	30 June 2021	31 December 2020	**6 months 31 December 2021**	12 months 30 June 2021	6 months 31 December 2020
US Dollar	**15,98**	14,27	14,65	**15,03**	15,40	16,26
British Pound	**21,61**	19,72	20,01	**20,47**	20,70	21,23
Australian Dollar	**11,60**	10,71	11,32	**10,99**	11,48	11,75
Euro	**18,13**	16,93	17,97	**17,44**	18,35	19,19

6. Goodwill

	Unaudited 31 December 2021 Rm	Unaudited 31 December 2020 Rm	Audited 30 June 2021 Rm
Carrying value at the beginning of the period	**1 443**	1 556	1 556
Movement during the period			
Acquisition of businesses	**239**	37	51
Impairment charge[1]	**(24)**	(26)	(50)
Currency adjustments	**110**	(75)	(114)
Carrying value at the end of the period	**1 768**	1 492	1 443

[1] *The impairment of goodwill is in line with the Group policy, where any individual business acquisitions which results in goodwill below R15 million is impaired on acquisition.*

7. Cash and cash equivalents

	Unaudited 31 December 2021 Rm	Unaudited 31 December 2020 Rm	Audited 30 June 2021 Rm
Cash resources	758	2 424	1 729
Bank overdrafts	(236)	(45)	(896)
	522	2 379	833

8. Fair value of financial instruments

8.1 Fair value hierarchy

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

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

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

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

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

8.2 Fair value of financial assets and liabilities

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

as at 31 December 2021	Total Rm	Level 1 Rm	Level 2 Rm	Level 3 Rm
Financial assets carried at fair value				
Preference shares	312	–	–	312
Unlisted investments	5	–	–	5
Derivative financial assets	637	–	637	–
Financial liabilities carried at fair value				
Contingent consideration	4	–	–	4
Derivative financial liabilities	11	–	11	–

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

Level 2 valuations techniques

Forward exchange contracts

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

Other derivative instruments

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

Notes to the condensed consolidated financial statements (continued)

8. Fair value of financial instruments (continued)

8.2 Fair value of financial assets and liabilities (continued)

Movements in level 3 financial instruments measured at fair value

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

	Preference shares Rm	Unlisted investments Rm	Total Rm
Financial assets			
Carrying value at the beginning of the period	366	5	371
Movement during the period			
Fair value movements on the preference share arrangements	(54)	–	(54)
Dividend income received	(132)	–	(132)
Fair value through profit or loss as unrealised gains	78	–	78
Carrying value at the end of the period	312	5	317
Financial liabilities			
Carrying value at the beginning of the period			33
Movement during the period			
Payment made to former equity holder of the subsidiary acquired			(29)
– Arising on acquisition of business			(10)
– Arising on remeasurement subsequent to the acquisition of the business			(19)
Carrying value at the end of the period			4

Level 3 sensitivity information

The fair value of the level 3 financial assets of R317 million (2020: R356 million) consists of the investments in preference shares and an unlisted investment.

The fair value of the preference shares of R312 million (2020: R356 million) consists of investments in cell captives through unlisted preference share instruments in insurance companies. These fair values were estimated by applying a discounted cash flow projection technique. Cash flow projections are based on expected dividends receivable which are subject to regulation. The cash flow projections cover a five-year forecast period and takes into account organic portfolio growth, discounted at a WACC of 18,2% (2020: 18,7%) specifically linked to Mobility Solutions. The projections are limited to five years as the investment structures are reviewed on an ongoing basis in light of changes to the regulatory and economic landscape.

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

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

The fair value of the level 3 financial liabilities of R4 million (2020: R15 million) is the contingent consideration which relates to the purchase of an aftermarket parts franchise store in Motus Group Limited. The purchase price is contingent on requirements being met as per the agreements. It is anticipated that the amounts due to the former owner of the franchise store will be settled in three years. Consideration has been given as to the impact on the present valuing the future payment. This impact was insignificant. The purchase consideration owed to the former owner of the subsidiary acquired was settled during the period.

8. Fair value of financial instruments (continued)

8.2 Fair value of financial assets and liabilities (continued)

The following table shows how the fair value of the level 3 financial assets as at 31 December 2021 would change if the discount rate used to present value future cash flows were to reduce or increase by 1%.

	Valuation technique	Main assumption	Carrying value Rm	Increase in carrying value Rm	Decrease in carrying value Rm
Financial asset					
Preference shares	Cashflow projections	Present value of expected dividend flows	**312**	**7**	**(7)**

9. Other income/(costs)

	Unaudited 31 December 2021 Rm	Unaudited 31 December 2020 Rm	Audited 30 June 2021 Rm
Impairment of goodwill	**(24)**	(26)	(50)
Profit on disposal of businesses	**13**	9	9
Profit on disposal of investments in an associate and joint venture	**30**	–	–
(Impairment)/reversal of impairments on investments in associates and joint ventures	**(3)**	–	8
– (Impairment)/reversal of impairments on investments in associates and joint ventures	**(3)**	–	10
– Impairment of a loan to an associate	**–**	–	(2)
Other capital income/(costs)	**16**	(17)	(33)
Amortisation of intangible assets arising on business combinations	**–**	(7)	(12)
	16	(24)	(45)

10. Contingencies and commitments

Capital commitments[1]	**151**	78	211
Contingent liabilities[2]	**4 388**	3 140	3 764
Litigation[3]	**15**	5	9

[1] *The capital commitments relate to the construction of buildings to be utilised by the Group.*
[2] *The contingent liabilities include letters of credit and guarantees issued by banks with the corresponding guarantees by the Group to the bank.*
[3] *Litigation relates to summons for claims received by the subsidiary companies. The Group and its legal advisers believe that these claims are unlikely to succeed.*

Notes to the condensed consolidated financial statements (continued)

11. Acquisitions and disposals during the period

11.1 Acquisitions during the reporting period

The Group acquired FAI Automotive plc (FAI) in the UK on 1 October 2021. The company is an aftermarket parts business specialising in distributing passenger and light commercial vehicles parts throughout the UK and Europe.

During the period the Group acquired a number of other individual businesses in Retail and Rental South Africa to complement the existing businesses. These included:

- Four passenger vehicle dealerships namely Honda Sandton, Hyundai Rustenburg, Renault Vaal and Hyundai Midrand; and
- The acquisition of an additional 11% shareholding in Synapt Group Proprietary Limited (Synapt), as a result obtaining effective control over the company.

The Group also acquired an additional franchise store in Aftermarket Parts South Africa.

In compliance with the Group's policy, all individual business acquisitions that resulted in goodwill less than R15 million was impaired during the year. The total impairment amounted to R24 million.

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

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

Notes to the condensed consolidated financial statements (continued)

11. Acquisitions and disposals during the period (continued)

11.1 Acquisitions during the reporting period (continued)

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

		Other individually insignificant acquisitions		
	FAI Rm	Retail and Rental South Africa Rm	Aftermarket Parts South Africa Rm	Total[1] Rm
Assets				
Intangible assets	242	–	–	**242**
Property, plant and equipment	20	9	1	**30**
Right-of-use asset	93	1	–	**94**
Deferred tax	–	1	–	**1**
Inventories	119	92	2	**213**
Trade and other receivables	174	2	–	**176**
Taxation	2	–	–	**2**
Cash resources	189	–	–	**189**
	839	105	3	**947**
Liabilities				
Deferred tax	47	–	–	**47**
Lease liabilities	93	1	–	**94**
Other financial liabilities	–	14	–	**14**
Trade and other payables	130	11	–	**141**
Interest-bearing debt	–	14	–	**14**
	270	40	–	**310**
Non-controlling interest	–	1	–	**1**
Net assets acquired	569	64	3	**636**
Total purchase consideration	725	147	3	**875**
Cash paid	709	115	3	**827**
Additional purchase consideration accrual	16	–	–	**16**
Interest previously held as an associate	–	32	–	**32**
Goodwill	156	83	–	**239**
Goodwill impaired	–	(24)	–	**(24)**

[1] *Due to the recent nature of the acquisitions, the fair value of the assets and liabilities acquired are still regarded as being provisional.*

Notes to the condensed consolidated financial statements (continued)

11. Acquisitions and disposals during the period (continued)

11.1 Acquisitions during the reporting period (continued)

Process involved with obtaining control

The Group acquired the entire shareholding of FAI and an additional 11% shareholding in Synapt, bringing the total shareholding to 60% therefore obtaining control of these legal entities. The remainder of the acquisitions related to the purchase of the underlying assets and liabilities of the businesses, which were absorbed into the Group as operating divisions.

Reasons for the acquisitions

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

Acquisition costs

Acquisition costs for business acquisitions concluded during the period amounted to R6 million and have been recognised as an expense in profit or loss in the "Net operating expense" line.

Impact of the acquisitions on the results of the Group

From the dates of acquisition, the businesses acquired during the period contributed revenue of R412 million and after tax profit of R19 million, including the after tax funding costs. Had all the acquisitions been consolidated from 1 July 2021, they would have contributed revenue of R640 million and an after tax profit of R42 million (including the after tax impact of funding costs). The Group's total revenue would have been R45 051 million and an after tax profit of R1 436 million (including the after tax impact of funding costs).

Separately identifiable intangible assets

The FAI acquisition includes customer lists and trademarks that meet the requirements as separately identifiable assets. These have been recognised as intangible assets and will be amortised over the appropriate economic useful life. The excess purchase consideration over the net assets value, including the separately identifiable intangible assets, is recognised as goodwill.

Other details

Trade and other receivables had a gross contractual amount of R177 million and an allowance for expected credit losses of R1 million.

11.2 Disposals during the reporting period

There were no significant disposals noted during the period.

11.3 Acquisition of non-controlling interest

The Group acquired the remaining shareholding in SWT Group Proprietary Limited for R40 million in September 2021. An amount of R3 million remains outstanding and will be settled in the current financial year.

This acquisition has enhanced operational synergies and will unlock value within the integrated business model.

12. Events after the reporting period

In the period subsequent to this reporting period, the following events occurred:

- A gross dividend of 275 cents (2020: 160 cents) per ordinary share is payable on 14 March 2022. The ordinary dividend is subject to the local dividend tax of 20% and the net ordinary dividend for those shareholders who are not exempt from paying tax, is therefore 220 cents (2020: 128 cents) per share.

There were no significant material events, apart from those mentioned above, that occurred from the period ended 31 December 2021 to the date of these unaudited condensed consolidated financial statements.

Glossary of terms

Pro forma information	Pro forma financial information is the result of adjusting information about the Group at a specific date or for a particular period.
Significance	Significance is determined by referring to qualitative and quantitative factors. Qualitative factors include providing the users of the condensed consolidated financial statements relevant information that assists with their decision-making process. These include both the nature of the transactions together with the contributions to amounts reported. Quantitative factors measure the transactions with reference to the Group's internal materiality threshold of 5% of Profit before tax.
Operating assets	Operating assets are all assets less loans receivable, taxation assets, cash resources and assets classified as held-for-sale.
Operating liabilities	Operating liabilities are all liabilities less all interest-bearing debt, floorplans from financial institutions and taxation liabilities.
Net working capital	Net working capital includes inventories, trade and other receivables, derivative instruments less provisions, trade and other payables and floorplans from suppliers.
Interest-bearing borrowings	Interest-bearing borrowings includes interest-bearing debt and floorplans from financial institutions. Lease liabilities are excluded.
Debt	Debt includes interest-bearing borrowings and lease liabilities less cash resources.
Core debt	Core debt includes interest-bearing borrowings less floorplans from financial institutions and cash resources.
Net debt	Net debt includes interest-bearing borrowings less cash resources.
Net capital expenditure	Net capital expenditure includes expansion and net replacement expenditure of property, plant and equipment, investment properties, intangible assets and vehicles for hire.
EBITDA	Earnings before interest, tax, depreciation, amortisation and share of results from associates and joint ventures.
Depreciation, amortisation and impairments, net of recoupments	Depreciation, amortisation and impairments include depreciation, amortisation, impairments and profits on disposals of property, plant, equipment, investment properties and intangible assets.
Operating profit before capital items and net foreign exchange losses	Operating profit is the earnings before capital items, net foreign exchange adjustments for items that do not qualify for cashflow hedge accounting including non-hedged items, net finance costs and taxation.
Capital items	Capital items are items of income and expenditure relating to the : • impairment of intangible assets, property, plant and equipment net of profit or loss on disposal; and • other capital movements which include impairment of goodwill, other intangible assets and investments in associates and joint ventures and profit or loss on the sale of investment in subsidiaries, associates, joint ventures and other businesses.
Operating profit margin (%)	Operating profit before capital items and net foreign exchange adjustments divided by revenue.
Net asset value per share	Net asset value per share is the equity attributable to the owners of Motus divided by the total ordinary shares in issue net of shares repurchased.
Tangible net asset value per ordinary share	Tangible net asset value per ordinary share is the equity attributable to the owners of Motus less goodwill and other intangible assets divided by the total ordinary shares in issue net of shares repurchased.

Glossary of terms (continued)

Return on invested capital (%)	The return divided by invested capital. The return is the aggregate of a post-tax operating profit for the last 12 months. Post-tax operating profit is calculated as: • operating profit before capital items and net foreign exchange movements • less share of results in associates and joint ventures which already includes the impact of tax • less the impact of tax using a blended tax rate • add share of results in associates and joint ventures. The blended tax rate is an average of the actual tax rates applicable in the various jurisdictions in which the Group operates. Invested capital is a 12-month average of total equity plus debt.
Weighted average cost of capital (WACC) (%)	The weighted average cost of capital is the 12-month average of the monthly calculated weighted average cost of capital. The monthly weighted average cost of capital is calculated by multiplying the cost of each invested capital component by its proportionate share of invested capital and then aggregating the results. The cost of debt and equity is determined with reference to the prevailing rates in the various jurisdictions in which the Group operates.
Adjusted EBITDA	Adjusted EBITDA is calculated as: • EBITDA • less the profit attributable to non-controlling interests • plus the EBITDA relating to businesses acquired, grossed up for a full year where the underlying acquisitions only contributed for a portion of the year • less EBITDA relating to businesses disposed of during the current year • less adjustments relating to the impacts on the EBITDA that arose on the application of IFRS 16. The adjustments include the reversal of profit on terminations of leases and includes lease payments.
Adjusted net interest	Adjusted net interest is calculated as: • Finance cost • less finance income • less adjustments relating to the impacts on finance costs and income that arose on the application of IFRS 16. The adjustments include the reversal of the finance cost on lease liabilities and interest earned on net investment on lease receivables.

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")

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

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