Motus

Preliminary summarised audited consolidated results

for the year ended 30 June 2020

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Key investment highlights

1. **Diversified** (non-manufacturing) business in the automotive sector with a **leading position** in South Africa and selected international presence mainly in the United Kingdom ("UK") and Australia and a limited presence in South East Asia and Southern and East Africa.

2. **Fully integrated business model** across the vehicle value chain: Import and Distribution, Retail and Rental, Financial Services and Aftermarket Parts.

3. **Unrivalled scale** in South Africa underpins a differentiated value proposition to Original Equipment Manufacturers ("OEMs"), suppliers, customers and business partners, providing multiple customer touch points supporting resilience and customer loyalty through the entire vehicle ownership cycle.

4. **High free cash flow generation** underpinned by annuity income streams in our Financial Services business.

5. **Income streams not directly dependent on new vehicle sales:** Parts and services in the dealerships, the Aftermarket Parts business selling parts and accessories and the Financial Services business selling value-added products and services to customers other than new vehicle buyers.

6. Defined **organic growth trajectory** through portfolio optimisation, **continuous operational enhancements** and **innovation**, with a **selective acquisition growth strategy** in and outside South Africa leveraging best-in-class expertise.

7. **Highly experienced management team**, with deep industry knowledge of **regional and global markets** and a proven track record with years of collective experience, with an **independent and diversified board**.

Motus

www.motus.co.za

Integrated business model

Motus is South Africa's leading automotive group, employing over 17 500 people. 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 traces its roots back to 1948, when its founding company Imperial Holdings Limited ("Imperial Holdings") started as a single motor dealership in downtown Johannesburg. Motus was listed on the Johannesburg Stock Exchange ("JSE") in November 2018, following its unbundling from Imperial Holdings.

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

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

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

For more information on Import and Distribution see pages 11

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

Servicing and maintenance of vehicles.

Rents passenger and light commercial vehicles.

For more information on Retail and Rental see pages 12

Our services extend across all segments of the vehicle value chain

Manager and administrator of **service, maintenance and warranty plans**. Develops and sells value-added products and services ("VAPS"). Administers fleet management services. Operates a sales and service call centre and an innovation hub.

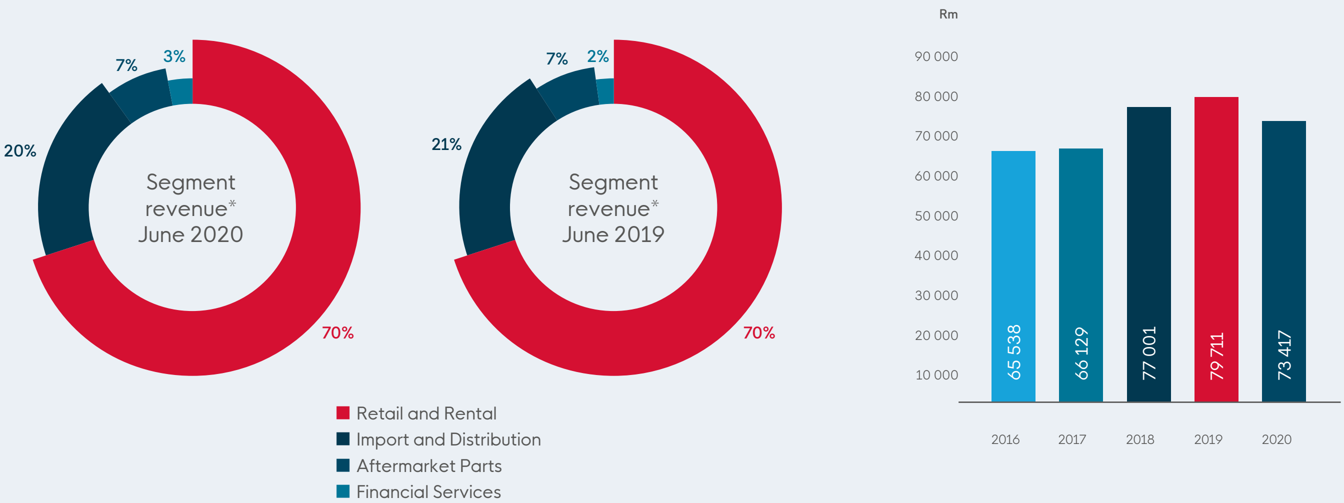
For more information on Financial Services see pages 14

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

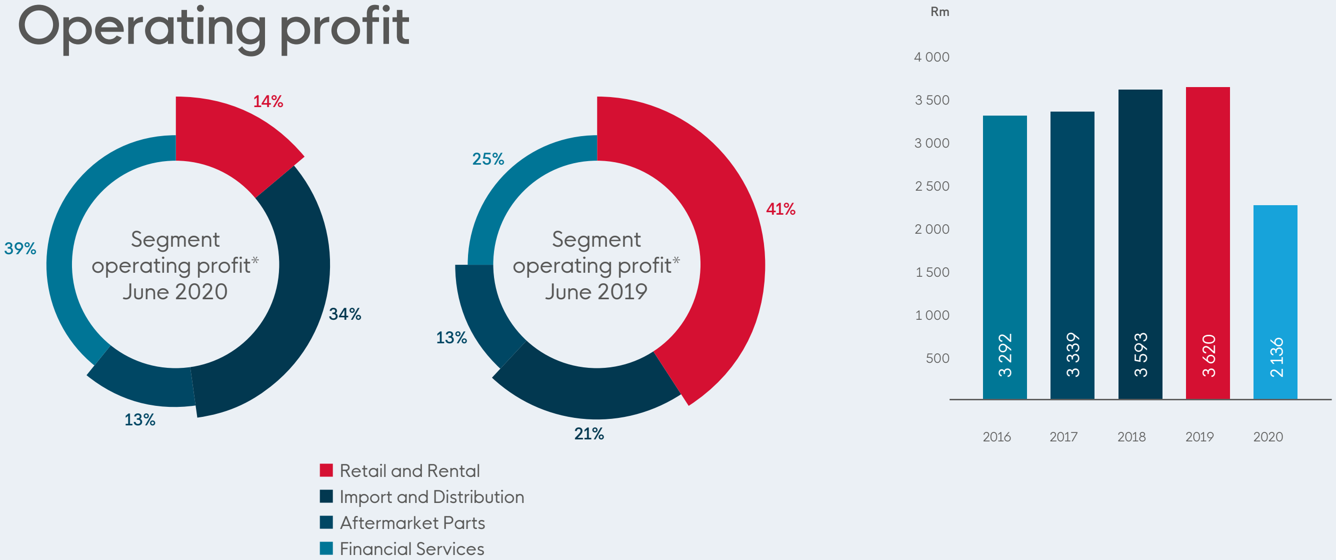
For more information on Aftermarket Parts see pages 15

Salient features

Revenue



Operating profit



** Excludes head office and eliminations.*

Pro forma disclaimer

To provide a more meaningful assessment of the Group's performance for the year, pro forma information has been included under the segment performance section in the preliminary summarised audited consolidated results for the year ended 30 June 2020.

The directors of Motus Holdings Limited are responsible for compiling the pro forma financial information on the basis applicable of 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 Group's external auditors, Deloitte & Touche, have issued an unmodified reporting accountants' report on the pro forma information on 15 September 2020. A copy of their report is available on request.

Salient features (continued)

Revenue
R73 417 million
(2019: R79 711 million)

Operating profit
R2 136 million
(2019: R3 620 million)

Earnings per share
165 cents per share
(2019: 953 cents per share)

Headline earnings per share
296 cents per share
(2019: 1 009 cents per share)

Free cash flow generated from operations
R3 004 million
(2019: R3 061 million)

Net asset value per share
6 653 cent per share
(2019: 6 185 cents per share)

Net debt to equity ratio
60%
(2019: 56%)

Net debt to EBITDA (debt covenant)
2,2 times
(needs to be less than 3 times)

EBITDA to net interest (debt covenant)
3,6 times
(needs to be greater than 3 times)

Retail market share in South Africa
20,2%
(2019: 18,9%)

Black employees in South Africa
73%
(2019: 73%)

Occupational Health and Safety compliance in South Africa
91%
(2019: 88%)

The COVID-19 global pandemic and various lockdowns during the period have constrained world trade, disrupted global supply chains and manufacturing, devastated the tourism industry and severely impacted the global economy.

Environment

The weakening of the global economy is weighing heavily on emerging markets and South Africa is bearing the brunt of these global issues. The recession prior to the COVID-19 pandemic and the political and economic uncertainty have worsened the situation for South Africa, adversely impacting businesses and the people of South Africa. The existing socio-economic challenges in South Africa have been exacerbated by the impact of the COVID-19 crisis, with depressed growth, large fiscal deficits, increasing debt, increasing unemployment levels, credit rating downgrades by major international credit rating agencies and high social vulnerabilities. South African GDP is forecast to decrease by 11%[1] for 2020 and grow by 6% off a low base for 2021.

The automotive industry will play an important role in the country's economic recovery, historically contributing more than 6,4% of South Africa's GDP[2] (including 2,4% from the retail segment) and accounting for more than 15,5% of total export value.

The South African new vehicle market continues to be affected by the weak macro-economic environment, lack of disposable income and consumer confidence. Industry margins will continue to underperform as consumers continue to delay purchases, trade down with the shift to cheaper vehicle models and place pressure on the quality of pre-owned vehicle supply. According to NAAMSA, South Africa retailed 441 586 units for the 12 months to 30 June 2020 (18,6% down from the prior year). At June 2020, our retail market share was 20,2% (June 2019: 18,9%). New vehicle sales for the 2019 calendar year of 536 626 units compared to management projections for the calendar year 2020 of between 350 000 to 380 000 vehicles, with growth from this base projected at 420 000 to 440 000 vehicles in the calendar year 2021.

The UK new vehicle market has been negatively impacted by the COVID-19 crisis resulting in weak business and consumer confidence and economic instability which is further exacerbated by Brexit uncertainty. The market declined by 27% for the 12 months to June 2020. The passenger market was more negatively impacted than the commercial (trucking) market. Since Motus is a large DAF commercial vehicle distributor, we maintain an advantageous position in the UK market as DAF vehicles are manufactured in the UK, which has the leading commercial vehicle market share in the country.

The Australian automotive industry remains a highly competitive environment in a declining market reflecting the economic challenges, including tightening of lending, foreign exchange volatility, slow wage growth and the effects of extreme environmental disasters, including fires and floods. It has been further adversely impacted by the COVID-19 crisis and its dependence on the Chinese economy. The market declined by 14% for the 12 months to June 2020, with SUV vehicle models continuing to dominate the market.

The automotive industry remains highly competitive with technological advances and increasingly empowered consumers. As the connected consumer becomes more prevalent in the market, it is imperative to remain relevant to the needs of the digitised consumer and adapt business models accordingly. The consumer is looking for value for money and economical products and services, which the Group is well positioned to deliver through our integrated business model.

FY20

The South African operations contributed revenue of 65% for this reporting period, with the remainder being contributed by the UK, Australia, Southern and East Africa and South East Asia.

[1] *Latest Econometrix forecast (June 2020).*
[2] *National Association of Automobile Manufacturers of South Africa (NAAMSA) press release (June 2020).*

COVID-19 impact

Motus experienced a significant decline in demand for its products and services as a consequence of national lockdowns, during which time the operations were either closed or experienced significantly reduced activity levels. Delays in the re-opening of certain public services, especially in South Africa, further impacted trading.

The percentages below reflect the last quarter's year-on-year decline, as extracted from unaudited and unpublished management accounts.

COVID-19 impacted all of our businesses to varying degrees

Import and Distribution
Revenue impact ▼ 50%

- South African new vehicle sales slumped by 98% in April 2020 and 68% in May 2020 year-on-year.
- Projected calendar year contraction of over 30% for 2020.

Retail
Revenue impact ▼ 40%

Our response
- Engaged with OEMs for financial support and reduced targets to earn variable margins.
- Secured uninterrupted inventory supply.
- Existing footprint, digital platforms and positive staff behaviour provided agility.
- Refocused advertising strategy to adjust to customer behaviour patterns.
- De-fleet of rental vehicles to supply growing pre-owned vehicle market.

Outlook
- Readiness of our people, vehicle and parts availability will assist to drive increased market share.
- Diverse offering of entry-level vehicles and small SUVs across broad OEM representation.
- Large offering of pre-owned vehicles supported by national footprint.
- Favourable foreign currency cover to support competitive pricing.
- Multi-franchise opportunities to optimise dealership footprint.

Rental
Revenue impact ▼ 70%

- Significant car rental market contraction.

Our response
- Reduced car rental fleet by 35% (7 000 vehicles).
- Rightsized operations by closing 19 outlets and reducing the rental workforce by 45%.
- Rental vehicle de-fleets through 71 Auto Pedigree dealerships with a broad range of brands.

Outlook
- Leverage insurance replacement market.
- Continue to invest in technology to improve customer experience.

Financial Services
Revenue impact ▼ 10%

- Protected by annuity income streams in the medium-term.
- Reduced income from financial institution JVs.

Our response
- Extended service intervals under service and maintenance plans to support customers during lockdown.
- Accelerated innovation to unlock new revenue streams.

Outlook
- Annuity income streams and cash generation continue to underpin earnings.
- Investment in technology enables us to offer personalised services to:
  - enhance the customer experience; and
  - improve customer retention.

Aftermarket Parts
Revenue impact ▼ 30%

- Reduced demand for accessories and parts.
- Down-trading from premium products to more affordable alternatives.

Our response
- Provided parts to essential service vehicles, including the South African taxi industry.
- Leveraged our franchisee footprint.
- Managed inventory availability.

Outlook
- Inventory availability has stabilised to pre-lockdown levels.
- Demand is recovering well as the lockdown restrictions are eased.
- Decentralised parts distribution centres supporting stock availability.

COVID-19 actions

Motus actively implemented various action plans and a number of initiatives to preserve cash, including:

Reduction of staff costs

Total cost to company ("TCTC") was reduced as follows:

Employee level	TCTC reduction %	Duration
Group CEO and UK CEO	20	Six months starting on 1 April 2020
Non-executive and executive directors and exco members	15	Six months starting on 1 April 2020
Employees earning above R500 000 per annum	10	Six months starting on 1 July 2020
Employees earning between R250 000 and R500 000 per annum	5	Six months starting on 1 July 2020
Employees earning below R250 000 per annum	0	

- No inflationary increase for all employees and non-executive directors for the 12 months to 30 June 2021.
- Utilisation of relief provided by governments to assist staff (across all countries).
- Employees in South Africa were paid in full for the month of April 2020 when no trading took place.

Rationalise workforce

- Commenced the early retirement and retrenchment process to reduce workforce. The process is largely completed and will be finalised by 30 September 2020.

Operating costs

- Cost reductions across all categories.

Properties

- Postponement of non-committed and non-critical capital expenditure.
- Closure of 19 car rental outlets.
- Deferral of rentals for three to six-month period for certain leased properties.
- No rental increases for certain renewed leased properties.

Assistance from OEMs

- Temporarily accepted cancellations of vehicle orders.
- Ensuring vehicle and parts stock availability.
- Reduced vehicle targets and minimum variable margin pay-outs.
- Interest relief.
- Extension of floorplans.
- Demonstrator vehicle relief and suspension of staff training.

Working capital

- Optimisation of working capital (including critical evaluation of supply chains).

Acquisitions

- No new business acquisitions.

Dividends

- No dividend payments for the 2020 financial year.

Share buy-backs

- Suspension of the share buy-back programme.

Support from funders

- Relaxation of bank covenants providing liquidity support.

Performance

The Group was performing ahead of the prior year in terms of revenue and operating profit until March 2020. The effect of the national lockdown due to the COVID-19 crisis resulted in no trading in South Africa and limited trading in the UK and Australia in April and limited trading in May and June across all geographies, which resulted in lower revenues and operating profits year-on-year. The car rental business was severely impacted by the COVID-19 crisis due to restrictions on local and international travel.

The business is structured around large trading volumes and a significant portion of our cost base includes property and people-related costs that take time to structurally reduce and rightsize. During the first month of lockdown, it was difficult to reduce the cost base significantly.

The Group's passenger and commercial vehicle businesses, including the UK and Australia, retailed 112 833 new units (2019: 131 725 new units) and 75 109 pre-owned units (2019: 83 554 pre-owned units) during the year. The reduced sales are attributable to the global crisis, which resulted in severe vehicle market contraction.

The South African annual unit vehicle sales declined by 18,6% to 30 June 2020 as reported by NAAMSA. The market continues to experience a decline in sales of premium vehicles, in favour of: new entry level vehicles and small SUVs and pre-owned vehicles, as consumers continue to trade down due to affordability.

Revenue decreased by 8% with all business segments impacted, except for the Financial Services business which was in line with prior year. The decrease is mainly due to lower vehicle unit volumes attributable to the global COVID-19 crisis, which resulted in severe vehicle market contraction across all geographies in which we operate as well as a reduction in parts and service revenue. This was partially offset by an increase in selling prices and the bolt-on acquisitions in the UK and Australia.

Operating expenses (excluding depreciation) decreased by 12%. The decline in operating expenses is due to cost containment and the rationalisation of our operational footprint and staff complement across our business segments.

Costs have been well contained over the last three years and a number of additional cost-cutting measures, including once-off restructuring costs, were implemented due to the COVID-19 crisis, which focused on reducing costs and preserving cash. Swift and purposeful actions were targeted to align the business to the changing economic environment.

Operating profit declined by 41% to R2 136 million (2019: R3 620 million). The operating margin of 2,9% is significantly lower than the prior year's of 4,5%.

The Import and Distribution segment reported an 8% decline in revenue with growth in operating profit of 2%, the Retail and Rental segment reported an 8% decline in revenue with an operating profit decline of 79%, the Financial Services segment reported stable revenue and operating profit and the Aftermarket Parts segment reported a decline in revenue and operating profit of 6% and 35% respectively.

A number of once-off costs were incurred during the year. These once-off costs included goodwill and intangible asset impairments amounting to R289 million, retrenchment and other closure related costs amounting to R171 million, a deferred tax asset write-down amounting to R107 million, property impairments net of reversals amounting to R101 million and other impairments amounting to R15 million.

FY20

The Group was performing ahead of the prior year in terms of revenue and operating profit until March 2020.

The once-off cost incurred in the prior year was as a result of the once-off impact of share-based payment expenses amounting to R160 million resulting from the unbundling of Motus from Imperial Holdings.

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

Net working capital balances increased primarily due to higher inventory levels carried at the dealerships due to reduced vehicles and parts sales, accelerated vehicle for hire de-fleets, currency adjustments and acquisitions.

Net debt to equity is 60% (June 2019: 56%), which is within Group target levels of 55% to 75%. Core debt increased by 21% mainly due to working capital requirements.

Net debt to EBITDA is 2,2 times (June 2019: 1,4 times) and EBITDA to net interest is 3,6 times (June 2019: 6,2 times). Both ratios have been calculated by applying the covenant methodology used by our debt providers and we remain well within the levels as set by debt providers of below 3,0 times and above 3,0 times respectively. However, the debt providers have provided a relaxation of covenants of below 4,5 times and above 2,5 times respectively for the June and December 2020 covenant measurement periods.

Return on invested capital declined to 6,4% (2019: 13,5%) mainly due to higher invested capital to fund working capital and vehicles for hire and reduced profitability. Weighted average cost of capital improved to 9,8% (2019: 10,7%) primarily due to the increase in debt.

Net asset value per share increased by 8% to 6 653 cents per share (2019: 6 185 cents per share).

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

We generated significant free cash flow of R3 004 million (2019 R3 061 million) from operating activities before vehicles for hire capital expenditure.

Segment overview

A diversified business in the automotive industry

Import and Distribution

- 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
- ~73 500 vehicles imported annually
- ~16,3% controllable market share* in South Africa
- Car parc ~1 million vehicles

20%
of Group revenue

34%
of Group operating profit

Operating margin
4,7%

Retail and Rental

- Retail >110 000 new vehicles and >75 000 pre-owned vehicles annually
- **South Africa**
  - Represents 23 OEMs: 329 dealerships
  - ~20,2% retail market share
  - Car rental (Europcar and Tempest): 98 outlets in Southern Africa, after closing 19 outlets
  - ~25% vehicle rental market share
- **United Kingdom**
  - 88 commercial dealerships
  - 32 passenger dealerships
- **Australia**
  - 36 passenger dealerships

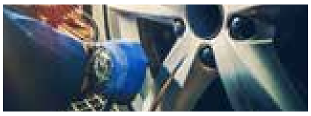
70%
of Group revenue

14%
of Group operating profit

Operating margin
0,6%

Financial Services

- Developer and administrator of innovative vehicle-related financial products and services to >750 000 vehicle contracts
- Manager and administrator of service, maintenance and warranty plans
- Provider of fleet management services
- Operates a call centre
- Innovation hub



3%
of Group revenue

39%
of Group operating profit

Operating margin
42,8%#

Aftermarket Parts

- Distributor, wholesaler and retailer of accessories and parts for out-of-warranty vehicles
- Operates in Southern Africa and the Far East
- 587 retail stores (including 94 owned stores)
- Supported by distribution centres in South Africa, Taiwan and China
- Franchise base comprises:
  - Resellers (namely Midas and Alert Engine Parts)
  - Specialised workshops

7%
of Group revenue

13%
of Group operating profit

Operating margin
5,3%

** Percentage of passenger and LCV market.*
 # Operating margin includes profit streams without associated revenue.
Above measures exclude head office and eliminations.

Segment performance
Import and Distribution

Overview

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

Our controllable market share (passenger and LCVs) in South Africa at June 2020 is 16,3% (June 2019: 15,1%). Hyundai achieved 7,0% market share (2019: 6,6%), Kia achieved 3,4% market share (2019: 3,0%), Renault achieved 5,6% market share (2019: 5,0%) and Mitsubishi achieved 0,3% (2019: 0,4%).

Financial performance

	HY1 2020 unaudited^	% change on HY1 2019 unaudited^	**HY2 2020 pro forma***	% change on HY2 2019 pro forma*	**2020 audited**	2019 audited	% change on 2019 audited
Revenue (Rm)	**10 158**	4	**7 253**	(21)	**17 411**	18 949	(8)
Operating profit (Rm)	**430**	11	**397**	(6)	**827**	810	2
Operating margin (%)	**4,2**		**5,5**		**4,7**	4,3	

^ HY1 numbers are unaudited and were released in the interim published results for the six months ended 31 December 2019.
** HY2 numbers are unaudited and derived from deducting the HY1 results from the full year published results of 30 June 2020.*


Revenue declined by 8% in line with the decline in sales volumes and the change in the mix of vehicles sold, offset by vehicle inflation. The Import and Distribution segment retailed 35 402 units (2019: 38 172 units) during the year. The volume declines are attributable to the COVID-19 crisis, which resulted in severe vehicle market contraction.

Operating profit improved by 2% for the year mainly due to the higher margin realisations as a result of favourable forward exchange rates, competitive pricing and cost containment.

Hyundai and Kia have forward cover on the Euro and US Dollar to March 2021 respectively, at average rates of R16,80 to the Euro and R15,70 to the US Dollar. As agreed between the shareholders, Renault does not take forward cover on committed orders. However, Renault France shares in 50% of net foreign currency movements between costing and payments rates. With the exception of Renault, the current Group guideline is to cover seven to nine months of forecast orders.

Segment performance (continued)

Retail and Rental

Overview

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

We supply a consistent superior route-to-market through quality marketing, high levels of customer satisfaction and strategically located dealerships, with a geographical spread in the economic hubs of South Africa. The selected international presence is primarily in the UK and Australia. We operate a centralised finance and insurance model across the dealer network, which executes Group financial products and services strategies for the South African businesses.

South Africa

We represent 23 OEMs through 329 dealerships. The retail market share for our South African operation is 20,2% compared to 18,9% in June 2019.

United Kingdom (UK)

We operate through 120 dealerships, 88 commercial and 32 passenger dealerships which are based mainly in provincial areas. Continued organic expansion in both commercial and passenger retail sectors will be considered in the UK. Further selective expansion in the UK will be driven by the introduction of additional brands in areas close to existing dealerships via bolt-on acquisitions.

Australia

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

Financial performance

	HY1 2020 unaudited^	% change on HY1 2019 unaudited^	HY2 2020 pro forma*	% change on HY2 2019 pro forma*	2020 audited	2019 audited	% change on 2019 audited
Revenue (Rm)	34 265	7	25 633	(22)	59 898	65 041	(8)
Operating profit (Rm)	801	(2)	(469)	(<100)	332	1 578	(79)
Operating margin (%)	2,3		(1,8)		0,6	2,4	

^ HY1 numbers are unaudited and were released in the interim published results for the six months ended 31 December 2019.
** HY2 numbers are unaudited and derived from deducting the HY1 results from the full year published results of 30 June 2020.*

Revenue declined by 8% as a result of the decline in sales volumes and the change in the mix of vehicles sold (shift to pre-owned), coupled with the poor performance from the car rental division. The Retail and Rental segment retailed 77 772 new units (2019: 94 003 new units) and 74 768 pre-owned units (2019: 83 104 pre-owned units) during the year. The reduced unit sales and rental volumes are attributable to the global COVID-19 crisis, which resulted in severe vehicle market contraction and no local and international tourism for the last three months of the financial year.

Operating profit declined by 79% mainly due to vehicle market contraction, reduced utilisation of rental vehicles, increased pressure on consumer affordability and lower margins realised on entry level vehicles. We were unable to reduce overheads to the same extent as the business was negatively impacted by reduced trading levels during lockdown.

South Africa

The South African retail operating profit decreased 53% from the prior year mainly due to the decline in sales volumes of 12%, the change in the mix of vehicles sold, the reduction in profitability of premium branded vehicle sales, price competitiveness and cost of vehicles. The declined volumes are attributable to the global COVID-19 crisis which resulted in severe vehicle market contraction. This was partly offset by increased revenue from pre-owned vehicles in Auto Pedigree.

Car rental revenue and operating profit reduced by 17% and 144% respectively mainly as a result of no local and international tourism, reduced government and corporate travel during the lockdown for the last three months of the financial year with utilisation levels dropping to 60% (2019: 71%) and increased fixed depreciation. The car rental division has subsequently been rightsized by de-fleeting 7 000 vehicles, reducing the workforce by 45% and closing 19 rental outlets.

The UK

UK revenue and operating profit reduced by 6% and 138% respectively, mainly as a result of the poor performance of passenger dealerships and reduced volumes, partly offset by revenue and operating profit attributable to acquisitions. The UK retailed 22 912 new units (2019: 29 399 new units) and 12 966 pre-owned units (2019: 14 544 pre-owned units) during the year. The commercial dealerships performed well in a competitive and contracting market and remained profitable, with continued demand for parts and servicing during the UK lockdown period. The passenger dealerships reported a decline in performance largely related to the contraction in the UK market and limited brand representation. The UK operations have been affected by the global COVID-19 crisis, as well as political uncertainty arising from Brexit.

Australia

Australia's revenue and operating profit reduced by 4% and 50% respectively mainly as a result of reduced volumes, offset by revenue and operating profit attributable to acquisitions. Australia retailed 8 675 new units (2019: 10 495 new units) and 3 960 pre-owned units (2019: 4 305 pre-owned units) during the year. Both the New South Wales and Victoria operations were negatively impacted by certain underperforming brands in the market, reduced volumes and the discontinuation of the Holden brand in the country.

Segment performance (continued)

Financial Services

Overview

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

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

This segment complements and leverages the automotive value chain, providing annuity earnings and strong cash flows. Our ability to analyse proprietary data enables accurate pricing of our offerings, 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 and Rental businesses by bringing customers back to its dealerships.

Financial performance

	HY1 2020 unaudited^	% change on HY1 2019 unaudited^	**HY2 2020 pro forma***	% change on HY2 2019 pro forma*	**2020 audited**	2019 audited	% change on 2019 audited
Revenue (Rm)	**1 126**	(1)	**1 047**	1	**2 173**	2 172	–
Operating profit (Rm)	**483**	–	**448**	(2)	**931**	937	(1)
Operating margin (%)#	**42,9**		**42,8**		**42,8**	43,1	

^ HY1 numbers are unaudited and were released in the interim published results for the six months ended 31 December 2019.
** HY2 numbers are unaudited and derived from deducting the HY1 results from the full year published results of 30 June 2020.*
 # Operating margin includes profit streams without associated revenue.

Revenue was stable, clearly demonstrating the resilience of the annuity income streams in this business, despite the negative impact of the COVID-19 crisis.

Operating profit remained in line with the prior year. The profit streams from banking alliances came under pressure as a result of the COVID-19 crisis. This was offset by increased contributions from service and maintenance plans and other value-added products and reductions in overheads.

The diversified revenue streams within this division hedged the profits against any severe COVID-19 impact.

Segment performance (continued)

Aftermarket Parts

Overview

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

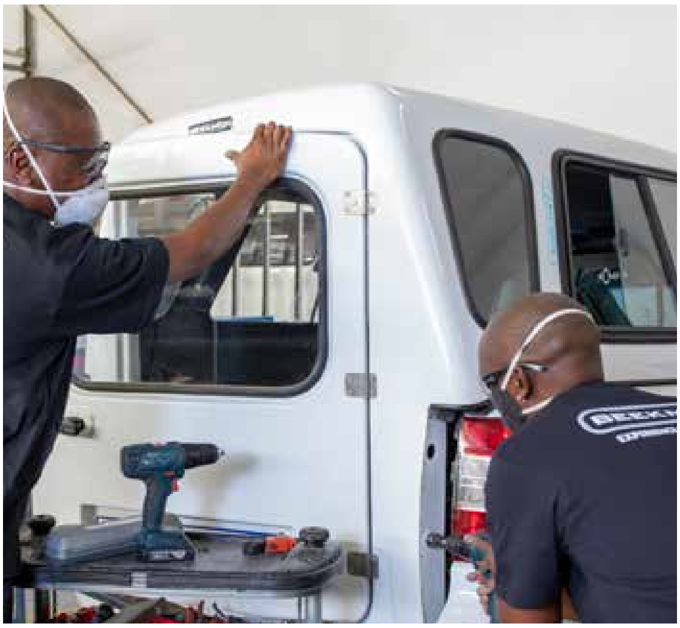
Our international distribution centres in Taiwan and China, allow for procurement at competitive prices as we procure and distribute to South Africa and other developing markets.

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

Financial performance

	HY1 2020 unaudited^	% change on HY1 2019 unaudited^	**HY2 2020 pro forma***	% change on HY2 2019 pro forma*	**2020 audited**	2019 audited	% change on 2019 audited
Revenue (Rm)	**3 433**	5	**2 617**	(18)	**6 050**	6 442	(6)
Operating profit (Rm)	**247**	–	**75**	(70)	**322**	496	(35)
Operating margin (%)	**7,2**		**2,9**		**5,3**	7,7	

^ *HY1 numbers are unaudited and were released in the interim published results for the six months ended 31 December 2019.*
* *HY2 numbers are unaudited and derived from deducting the HY1 results from the full year published results of 30 June 2020.*



Revenue and operating profit decreased by 6% and 35% respectively as a result of the negative impact of the COVID-19 crisis, coupled with lower demand for commoditised products, increased supplier and competitor activities in a tighter market and a shift by consumers from higher priced premium products to more affordable products in South Africa.

The reduction of the fixed cost base was delayed as pent-up demand was high when the lockdown ended and the benefit will only be achieved in the new financial year.

Financial overview

Group profit or loss (extract)

for the year ended 30 June 2020	2020 Rm	2019 Rm	% change
Revenue	**73 417**	79 711	(8)
Operating profit	**2 136**	3 620	(41)
Impairment of properties, net of profit/(loss) on sale	**(60)**	15	(<100)
Net foreign exchange losses	**(13)**	(14)	(7)
Net finance costs	**(1 116)**	(774)	44
Other net costs	**(220)**	(77)	>100
Profit before tax, IFRS 2 charge and restructuring costs	**727**	2 770	(74)
Once-off restructuring costs	**(186)**	–	100
Issue of shares at a discount and modification of share appreciation rights	**–**	(160)	(100)
Profit before tax	**541**	2 610	(79)
Income tax expense	**(356)**	(714)	(50)
Profit for the year	**185**	1 896	(90)
Attributable to non-controlling interests	**121**	(28)	(<100)
Attributable to shareholders of Motus Holdings	**306**	1 868	(84)
Operating profit (%)	**2,9**	4,5	
Effective tax rate (%)	**68,6**	27,6	

Revenue decreased by 8% with all business segments impacted, except for the Financial Services business which was in line with the prior year. This is mainly due to lower vehicle unit volumes of 13% attributable to the global COVID-19 crisis which resulted in severe vehicle market contraction across all geographies in which we operate, as well as a reduction in parts and service sales. This was partially offset by an increase in selling prices and the bolt-on acquisitions in the UK and Australia.

The revenue decrease of 8% was as a result of a 10% decrease from new vehicle sales, a 7% decrease from pre-owned vehicle sales, a 5% decrease from parts sales and a 7% decrease from rendering of services.

Operating profit deterioration of 41% was as a result of a decrease in gross profit due to reduced sales volumes, lower margin realisation resulting from the shift to entry level vehicles and more affordable parts, reduced car rental income and pressure experienced in a competitive environment. This was partially offset by the decrease in operating expenses.

Impairment of properties, net of profit/(loss) on sale

Properties (mainly in the Retail and Rental and Aftermarket Parts segments) amounting to R101 million were impaired due to reduced future cash flow projections related to reduced rental increases and the rightsizing of the operational footprint as a result of the COVID-19 crisis, offset by profit/(loss) on the disposal of properties.

Other net costs

A number of once-off costs were incurred during the year. These once-off costs included goodwill and intangible asset impairments amounting to R289 million. These costs were partly offset by profits on the disposal of associates and subsidiaries.

Once-off restructuring costs

A number of once-off costs amounting to R186 million were incurred as a result of the current economic crisis caused by the COVID-19 crisis. These once-off costs included retrenchment and other business closure costs.

Depreciation increased by 64%

Depreciation increased primarily due to the impact of the IFRS 16 adjustment and an increase in vehicles for hire in the Import and Distribution and Retail and Rental segments.

Net finance costs increased by 44%

Net finance costs increased mainly as a result of the application of IFRS 16, higher average working capital and vehicles for hire levels and fair value adjustments on interest rates swaps due to the interest rate cuts.

Foreign currency loss decreased by 7%

Foreign exchange losses relate only to items that do not qualify for hedge accounting.

Effective tax rate increased by 41%

The effective tax rate increased significantly year-on-year. This was mainly due to impairment of properties, goodwill, other intangible assets and deferred tax assets written down.

Reconciliation of earnings to headline earnings

	2020 Rm	2019 Rm	% change
Earnings	**306**	1 868	(84)
Profit on disposal of assets	**(42)**	(28)	50
Impairment of goodwill and other assets	**402**	142	>100
Profit on sale of businesses and other	**(35)**	(3)	>100
Adjustments included in result of associates and joint ventures	**2**	–	>100
Tax and non-controlling interests	**(83)**	(2)	>100
Headline earnings	**550**	1 977	(72)
Weighted average number of ordinary shares	**186**	196	(5)
Earnings and headline earnings per share			
Basic EPS (cents)	**165**	953	(83)
Basic HEPS (cents)	**296**	1 009	(71)

The Group repurchased and cancelled 4 723 000 shares during the year which resulted in lower shares in issue. This reduction was partially offset by the conversion of 831 469 deferred ordinary shares into ordinary shares related to the B-BBEE scheme. The net movement positively impacted both EPS and HEPS.

Financial position

as at 30 June 2020

	2020 Rm	2019 Rm	% change
Assets			
Goodwill and intangible assets	**1 671**	1 273	31
Property, plant and equipment	**7 784**	7 198	8
Right-of-use assets	**2 279**	–	>100
Investments in associates and joint ventures	**232**	258	(10)
Vehicles for hire	**3 167**	3 385	(6)
Investments and other financial assets	**445**	509	(13)
Net working capital (note 1)	**8 515**	7 580	12
Other assets	**1 355**	1 178	15
Assets classified as held-for-sale	**146**	182	(20)
Core interest-bearing debt	**(5 794)**	(4 777)	21
Floorplans from financial institutions	**(1 648)**	(1 841)	(10)
Lease liabilities	**(2 658)**	–	>100
Contract liabilities	**(2 797)**	(2 818)	(1)
Other liabilities	**(224)**	(270)	(17)
Liabilities held-for-sale	**(21)**	(19)	11
Total shareholders' equity	**12 452**	11 838	5
Total assets	**43 678**	38 872	12
Total liabilities	**(31 226)**	(27 034)	16

Note 1: Working capital includes R6 511 million (2019: R5 619 million) floorplan creditors.

Financial overview (continued)

Factors impacting the financial position as at 30 June 2020 compared to 30 June 2019

Goodwill and intangible assets

Increased mainly due to the acquisition of the DAF dealerships in the UK (R133 million) and the passenger dealerships in Ballarat Australia (R340 million) coupled with currency adjustments, offset by a decrease in intangible assets due to their amortisation and the impairment of goodwill and other intangible assets.

Goodwill and intangible asset impairments relate to:

- Intangible assets amounting to R107 million were impaired. This was due to reduced cash flow projections for the foreseeable future relating to the contracting South African vehicle market as a result of the COVID-19 crisis.
- Goodwill amounting to R85 million relating to the Australian operations was impaired. This was due to the unexpected discontinuation of the Holden brand in Australia and reduced future cash flow projections related to the contracting Australian passenger market as a result of the COVID-19 crisis. A legal claim was instituted against Holden relating to the discontinuation of the brand. We expect the claim to be resolved in the 2021 financial year.
- Goodwill amounting to R13 million relating to the Mercedes commercial operations in the UK was impaired. This relates to diesel taxis no longer being sold.
- Goodwill amounting to R75 million relating to the UK passenger division was impaired. This was due to reduced future cash flow projections related to the contracting UK passenger market as a result of the COVID-19 crisis, coupled with the uncertainty around Brexit.

Property, plant and equipment

The increase is as a result of the acquisition of dealerships in the UK and Australia. Enhanced by currency adjustments, offset by a decrease due to depreciation and impairment.

Properties amounting to R101 million were impaired due to reduced future cash flow projections relating to reduced rental increases and the rightsizing of the operational footprint as a result of the COVID-19 crisis, offset by profit/(loss) on the disposal of properties.

Right-of-use assets

Right-of-use assets relate to the application of IFRS 16 – *Leases*.

Vehicles for hire

The decrease is primarily due to the accelerated de-fleet of vehicles for hire in the Retail and Rental segment to align to the reduced demand related to local and international tourism, offset by the increase in car rental sales in the Import and Distribution segment.

Net working capital

Net working capital increased primarily due to higher inventory levels carried at the dealerships due to a slowdown of sales of vehicles and parts, accelerated vehicle for hire de-fleets, currency adjustments and acquisitions. Reduced trading activity for the last three months of the financial year also resulted in decreased trade payables and trade receivables.

Assets classified as held-for-sale

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

Core interest-bearing debt

The increase was primarily due to increased working capital as a result of the COVID-19 crisis, funding of acquisitions and operational losses during the lockdown period.

Lease liabilities

Lease liabilities relate to the application of IFRS 16 – *Leases*.

Contract liabilities

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

Shareholders' equity

Shareholders' equity was enhanced through current year attributable profits, favourable hedging reserve adjustments amounting to R671 million, favourable translation reserve adjustment as a result of the weakening of the rand amounting to R570 million and an increase in share-based equity amounting to R98 million.

Shareholders' equity was reduced by the final dividend declared of R490 million relating to June 2019, which was paid in September 2019, the repurchase and cancellation of shares during the year totalling R313 million and the IFRS 16 adoption resulting in an adjustment of R108 million.

Cash flow movements

	2020 Rm	2019 Rm
Cash generated from operations before movements in net working capital	3 788	4 819
Movements in net working capital	333	(636)
Cash generated by operations before interest, tax paid and capital expenditure on vehicles for hire	4 121	4 183
Finance costs paid	(1 067)	(765)
Finance income received	59	57
Dividend income	462	496
Taxation paid	(571)	(910)
Free cash flow generated from operations	3 004	3 061
Net capital expenditure – vehicles for hire	(795)	(318)
Cash generated by operations	2 209	2 743
Net cash outflow on the acquisitions and disposals of businesses	(561)	(358)
Net capital expenditure (excluding vehicles for hire)	(324)	(592)
Net movements in investments in associates	50	19
Net movements in investments and loans	(89)	(63)
Cash received on finance lease receivables	53	–
Cash generated from operating and investing activities	1 338	1 749
Shares repurchased (cancelled and treasury)	(313)	(780)
Change in non-controlling interests	–	(29)
Dividends paid	(490)	(1 097)
Other	2	(33)
Decrease/(increase) in debt	537	(190)

Net working capital inflow of R333 million primarily due to the realisation of inventory and trade receivables.

The cash outflow on vehicles for hire increased by R795 million due to the Import and Distribution segment investing in increased car rental units during the year.

The net cash outflow on acquisition of businesses of R561 million relates mainly to the dealerships acquired in the UK and Australia and businesses in the Aftermarket Parts segment.

The final dividend for the 2019 financial year was paid to shareholders amounting to R490 million. The interim dividend for 2020 was cancelled to bolster the solvency and liquidity of the Group.

Financial overview (continued)

Debt decreased by R537 million in the statement of cash flows, with debt increasing by R3 482 million in the statement of financial position. The year-on-year increase of R3 482 million was primarily due to the application of IFRS 16, which resulted in recognising lease liabilities amounting to R2 658 million and increased debt of R824 million.

Non-cash items amounting to R4 019 million were largely attributable to the application of IFRS 16, which required an additional R2 389 million in interest-bearing debt to be raised for a day 1 adjustment. Refer to the reconciliation provided below:

	2020 Rm	2019 Rm	Movement Rm
Core interest-bearing debt	**5 794**	4 777	1 017
Floorplans from financial institutions	**1 648**	1 841	(193)
Lease liabilities	**2 658**	–	2 658
Debt movement per statement of financial position	**10 100**	6 618	3 482
Non-cash items:			(4 019)
Application of IFRS 16 – day 1 adjustment			(2 389)
Currency adjustments on debt			(825)
New leases entered into or derecognised			(466)
Debt acquired through business combinations			(339)
Decrease in debt per statement of cash flows			(537)

Liquidity
The liquidity position is strong with R7,6 billion unutilised banking facilities. A total of 80% of the Group debt is long-term in nature and 29% of the debt is at fixed interest rates. Excluding floorplans, which can be seen as part of the working capital cycle, 35% of the debt is at fixed interest rates.

Dividend
No final dividend has been declared.

Board changes
Mrs KA Cassel joined the board as an executive director with effect from 1 July 2019.

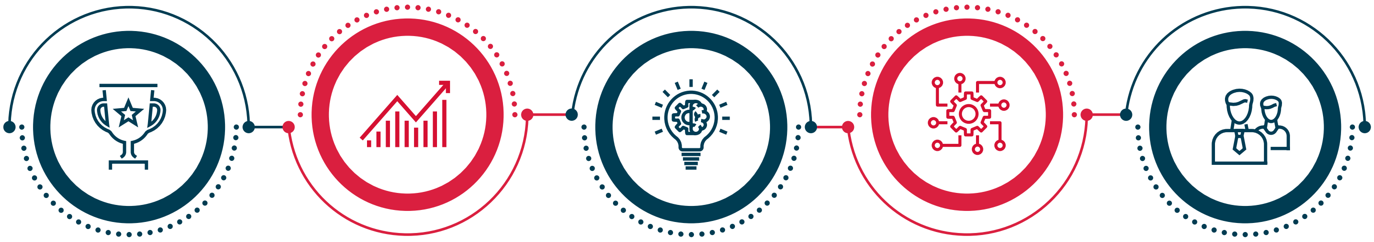
Ms P Langeni tendered her resignation as an independent non-executive director and will serve on the board until the annual general meeting on 10 November 2020.

Company Secretary change
Mrs JK Jefferies was appointed as Company Secretary with effect from 1 July 2019.

Strategy

Our value creating priorities and strategic goals are:

STRATEGY



Ensure market leadership
Grow market share and maintain competitiveness in the local and international markets.

Deliver shareholder value
Enhance financial performance and achieve our medium-term financial targets.

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

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

Invest in human capital and change management
Develop and empower leaders, improve practices, processes and ensure a strong focus on transformation and succession.

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

Our short-term focus is to ensure the resilience of Motus in the volatile and uncertain environment resulting predominantly from the impact of the COVID-19 crisis. Our long-term strategic priorities remain unchanged and are focused on ensuring we are the leading automotive group in South Africa, with a selected presence in the UK, Australia, South East Asia and Southern and East Africa.

Prospects

The economic crisis caused by the COVID-19 pandemic has had a profound impact on the financial and trading results for the year. Special measures taken during this extraordinary time have ensured that the balance sheet and cash flow of the Group remain solid. Our people have responded with integrity, agility and an unbreakable entrepreneurial spirit, in what is an extremely difficult trading environment.

The challenges created by the COVID-19 crisis have created a new economic reality. Our revised short-term focus is to anticipate the "new normal" that will exist after the devastating effects of the COVID-19 crisis and to scale our business activities accordingly and responsibly.

Despite a slow recovery in the economies in which we operate, through the swift and decisive actions taken by the management team, a sound balance sheet and strong cash flows, we anticipate much improved operating and financial results for the year ending June 2021 in the new environment in which we find ourselves, subject to stable currencies and no further total lockdowns.

As a result of strong trading cash inflows during and after the lockdown, we envisage that we will remain within the original bank covenant requirements.

The resumption of dividend payments will be reassessed during the 2021 financial year based on the trading results.

For the long-term, we are positive about the growth trajectory and that the integrated business model will provide a solid platform to continue to build a resilient and sustainable business. This will allow us to execute and deliver on the espoused strategies.

We would like to extend our appreciation and gratitude to Ms Langeni for her commitment and service to the Group over the years.

We would like to thank each and every staff member, customers, suppliers, funders, shareholders, stakeholders and the board members for their support during these unprecedented and difficult times.

O S Arbee
Chief Executive Officer

O J Janse van Rensburg
Chief Financial Officer

15 September 2020

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

Summarised consolidated statement of financial position

as at June 2020	Notes	2020 Rm	2019 Rm
Assets			
Non-current assets		**13 613**	10 286
Goodwill	6	1 556	1 020
Intangible assets		115	253
Investments in associates and joint ventures		232	258
Property, plant and equipment		7 625	7 023
Investment properties		159	175
Right-of-use assets[1]		2 279	–
Investments and other financial instruments		345	509
Deferred tax		1 302	1 048
Current assets		**29 919**	28 404
Vehicles for hire		3 167	3 385
Net investment in lease receivables[1]		100	–
Inventories		20 179	19 069
Trade and other receivables		4 040	4 744
Derivative financial assets		259	34
Taxation		53	130
Cash resources	7	2 121	1 042
Assets classified as held-for-sale		146	182
Total assets		**43 678**	38 872
Equity and liabilities			
Capital and reserves			
Stated capital		22 672	22 985
Shares repurchased		(411)	(435)
Common control reserve		(19 210)	(19 191)
Hedge accounting reserve		701	30
Other reserves		44	(447)
Retained income		8 712	8 933
Attributable to owners of Motus		**12 508**	11 875
Non-controlling interests		(56)	(37)
Total equity		**12 452**	11 838
Liabilities			
Non-current liabilities		**11 674**	6 716
Contract liabilities		1 633	1 649
Deferred tax		29	27
Lease liabilities[1]		2 085	–
Interest-bearing debt		7 612	4 640
Provisions		302	382
Other financial liabilities		13	18
Current liabilities		**19 531**	20 299
Contract liabilities		1 164	1 169
Lease liabilities[1]		573	–
Trade and other payables		8 385	9 716
Floorplans from suppliers		6 511	5 619
Provisions		555	415
Other financial liabilities		17	35
Derivative financial liabilities		210	135
Taxation		165	190
Interest-bearing debt		303	1 179
Floorplans from financial institutions		1 648	1 841
Liabilities classified as held-for-sale		21	19
Total equity and liabilities		**43 678**	38 872

[1] *Refer to note 3 – Adoption of standards issued, effective and related impacts on significant accounting policies for the impact of the initial application of IFRS 16 – Leases.*

Summarised consolidated statement of profit or loss

for the year ended 30 June 2020	Note	% change	2020 Rm	2019 Rm
Revenue		(8)	**73 417**	79 711
Net operating expenses[1]			**(69 168)**	(74 852)
Movements in expected credit losses[1]			**(167)**	(53)
Earnings before interest, taxation, depreciation and amortisation			**4 082**	4 806
Depreciation and amortisation			**(1 946)**	(1 186)
Operating profit		(41)	**2 136**	3 620
Impairment of properties, net of profit/(loss) on sale			**(60)**	15
Net foreign exchange losses			**(13)**	(14)
Once-off share-based equity costs			**–**	(160)
Once-off restructuring costs (staff and business closure costs)			**(186)**	–
Other non-operating costs[2]	9		**(242)**	(104)
Profit before financing costs		(51)	**1 635**	3 357
Finance costs		41	**(1 175)**	(831)
Finance income			**59**	57
Profit before shares of associates and joint ventures			**519**	2 583
Share of associates and joint ventures			**22**	27
Profit before tax		(79)	**541**	2 610
Income tax expense			**(356)**	(714)
Attributable profit for the year		(90)	**185**	1 896
Net profit attributable to:				
Owners of Motus		(84)	**306**	1 868
Non-controlling interests			**(121)**	28
			185	1 896
Earnings per share (cents)				
Total earnings per share				
– Basic		(83)	**165**	953
– Diluted		(83)	**160**	929

[1] *The movements in expected credit losses is re-presented on the face of the statement of profit or loss. This is for disclosure comparability and enhancement purposes. The value disclosed in net operating expenses in the prior year was reduced as a result.*

[2] *Amortisation of intangible assets arising on business combinations (2019: R17 million) has been re-presented and is now included under other non-operating items. The re-presentation was to further aggregate all non-core operational items.*

Summarised consolidated statement of other comprehensive income

for the year ended 30 June 2020	2020 Rm	2019 Rm
Attributable profit for the year	**185**	1 896
Other comprehensive income/(loss)	**1 241**	(216)
Items that may be subsequently reclassified to profit or loss		
Exchange gains/(losses) arising on translation of foreign operations	**570**	(48)
Movement in hedge accounting reserve (net of tax)	**671**	(168)
– Net change in the fair value of the cash flow hedges	**214**	(339)
– Deferred tax relating to the hedge accounting reserve movements	**(59)**	94
– Rolling of open hedging instruments	**516**	77
Total comprehensive income for the year	**1 426**	1 680
Total comprehensive income attributable to:		
Owners of Motus	**1 523**	1 653
Non-controlling interests	**(97)**	27
	1 426	1 680

Summarised consolidated statement of cash flows

for the year ended 30 June 2020	Note	% change	2020 Rm	2019 Rm
Cash flows from operating activities				
Cash generated from operations before movements in net working capital		(21)	3 788	4 819
Movements in net working capital			333	(636)
Cash generated by operations before interest, tax and capital expenditure on vehicles for hire		(1)	4 121	4 183
Finance costs paid			(1 067)	(765)
Finance income received			59	57
Dividends received			462	496
Taxation paid			(571)	(910)
Cash generated by operations before capital expenditure on vehicles for hire		(2)	3 004	3 061
Net replacement capital expenditure – vehicles for hire			(795)	(318)
– Additions			(4 960)	(4 367)
– Proceeds on disposals			4 165	4 049
			2 209	2 743
Cash flows used in investing activities				
Cash outflow on acquisition of businesses			(583)	(367)
Cash inflow from disposals of businesses			31	9
Cash outflow on payment of contingent consideration			(9)	–
Net capital expenditure – property, plant and equipment, investment properties and intangible assets			(324)	(592)
Expansion of property, plant and equipment, investment properties and intangible assets			(167)	(441)
Net replacement capital expenditure – property, plant and equipment, investment properties and intangible assets			(157)	(151)
Replacements of property, plant and equipment, investments properties and intangible assets			(337)	(457)
Proceeds on disposal of property, plant and equipment, investment properties and intangible assets			180	306
Movements in investments in associates			50	19
Additions to investments			(105)	(77)
Proceeds on sale of investments			16	–
Cash received on net investment in finance lease receivables			53	–
Repayments of other loans and other receivables			–	14
			(871)	(994)
Cash flows from operating and investing activities			1 338	1 749
Cash flows used in financing activities				
Repurchase of own shares			(313)	(780)
Hedge cost premium received from Imperial			–	16
Dividends paid to Imperial			–	(567)
Dividends paid to equity holders of Motus			(474)	(470)
Dividends paid to non-controlling interests			(16)	(60)
Acquisition of non-controlling interests			–	(29)
Advances/(repayments) of loans from non-controlling interests and associates			2	(49)
Repayment of lease liabilities			(522)	–
Decrease in floorplan liabilities			(193)	(52)
Advances of banking facilities			2 536	7 103
Repayment of settled banking facilities			(1 457)	–
Repayments of unsecured loans with Imperial			–	(7 066)
			(437)	(1 954)
Net increase/(decrease) in cash and cash equivalents			901	(205)
Effects of exchange rate changes on cash and cash equivalents			144	(42)
Cash and cash equivalents at the beginning of the year			940	1 187
Cash and cash equivalents at the end of the year	7		1 985	940

Summarised consolidated statement of equity

for the year ended 30 June 2020	Stated capital Rm	Shares repurchased Rm	Common control reserve Rm
Opening balance as at 1 July 2018	23 358	–	(19 753)
Total comprehensive income for the year	–	–	–
Attributable profit for the year	–	–	–
Other comprehensive loss	–	–	–
Additional share issued prior to unbundling	167	–	–
6 289 200 shares repurchased and cancelled at an average of R85,83 per share	(540)	–	–
1 853 342 shares acquired at an average price of R105,02 per share from former parent at unbundling	–	(195)	195
2 791 281 shares repurchased at an average price of R85,98 per share	–	(240)	–
Common control recognised on entity acquired at unbundling	–	–	12
Incremental interest purchased from non-controlling interests	–	–	–
Acquisition of non-controlling interests	–	–	–
Hedge premiums paid on share-based equity	–	–	–
Share-based equity costs charged to the statement of profit or loss (including the effects of taxation)	–	–	–
Issue of shares at a discount to a Broad-Based Black Economic Empowerment partner (Ukhamba) and modification of share appreciation rights	–	–	–
Dividends paid to Imperial prior to unbundling	–	–	–
Dividends paid to Motus and non-controlling shareholders	–	–	–
Transfers between reserves	–	–	370
Other movements	–	–	(15)
Closing balance as at 30 June 2019	22 985	(435)	(19 191)
Modified retrospective adjustment of the cumulative effect on the initial application of IFRS 16 – *Leases*	–	–	–
Closing balance post the cumulative effect on the application of IFRS 16 – *Leases* as at 1 July 2019	22 985	(435)	(19 191)
Total comprehensive income for the year	–	–	–
Attributable profit for the year	–	–	–
Other comprehensive income	–	–	–
4 723 000 shares repurchased and cancelled at an average of R66,26 per share	(313)	–	–
Issue of treasury shares as settlement of share-based equity	–	24	–
Incremental interest purchased from non-controlling interests	–	–	–
Costs paid on share-based equity	–	–	–
Share-based equity costs charged to the statement of profit or loss (including the effects of taxation)	–	–	–
Dividends paid to Motus and non-controlling shareholders	–	–	–
Transfers between reserves*	–	–	(19)
Other movements	–	–	–
Closing balance as at 30 June 2020	**22 672**	**(411)**	**(19 210)**

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

* *Transfers between reserves relate to:*

1 *Shares that were originally obtained from Imperial, which resulted in common control on unbundling, were settled. This resulted in a pro rata R36 million decrease in common control and a resultant increase in retained income.*

2 *The realisation of common control relating to an investment in associate that was disposed of, amounting to a R17 million increase in common control and a resultant decrease in retained income.*

3 *The remaining portion of vested plans in share-based payment reserve of R39 million was transferred to retained earnings.*

4 *Statutory reserve allocation of R5 million from retained earnings to other reserves in line with the regulatory requirements of Arco Motor Industry Company Limited.*

Hedge accounting reserve Rm	Other reserves# Rm	Retained income Rm	Attributable to owners of Motus Rm	Non-controlling interests Rm	Total equity Rm
198	(716)	8 553	11 640	4	11 644
(168)	(47)	1 868	1 653	27	1 680
–	–	1 868	1 868	28	1 896
(168)	(47)	–	(215)	(1)	(216)
–	–	–	167	–	167
–	–	–	(540)	–	(540)
–	–	–	–	–	–
–	–	–	(240)	–	(240)
–	–	–	12	–	12
–	(19)	–	(19)	(10)	(29)
–	–	–	–	2	2
–	(6)	–	(6)	–	(6)
–	116	–	116	–	116
–	160	–	160	–	160
–	–	(567)	(567)	–	(567)
–	–	(470)	(470)	(60)	(530)
–	64	(434)	–	–	–
–	1	(17)	(31)	–	(31)
30	(447)	8 933	11 875	(37)	11 838
–	–	(105)	(105)	(3)	(108)
30	(447)	8 828	11 770	(40)	11 730
671	546	306	1 523	(97)	1 426
–	–	306	306	(121)	185
671	546	–	1 217	24	1 241
–	–	–	(313)	–	(313)
–	(24)	–	–	–	–
–	(93)	–	(93)	93	–
–	(1)	–	(1)	–	(1)
–	98	–	98	1	99
–	–	(474)	(474)	(16)	(490)
–	(34)	53	–	–	–
–	(1)	(1)	(2)	3	1
701	**44**	**8 712**	**12 508**	**(56)**	**12 452**

Summarised segment financial position

as at 30 June 2020	Group 2020 Rm	Group 2019 Rm	Import and Distribution 2020 Rm	Import and Distribution 2019 Rm
Financial position				
Assets				
Goodwill and intangible assets	1 671	1 273	1	108
Carrying value of associates and joint ventures (excluding loans to associates)	145	177	16	10
Property, plant and equipment	7 625	7 023	555	579
Right-of-use assets	2 279	–	161	–
Investment properties	159	175	148	156
Investments and other financial instruments	345	509	4	4
Net investment in lease receivable	100	–	100	–
Inventories	20 179	19 069	4 596	5 680
Vehicles for hire	3 167	3 385	1 554	1 222
Trade and other receivables[1]	4 299	4 778	1 809	2 123
Operating assets	39 969	36 389	8 944	9 882
– South Africa	26 263	26 034	8 944	9 882
– International	13 706	10 355	–	–
Liabilities				
Contract liabilities	2 797	2 818	–	–
Lease liabilities[3]	2 658	–	274	–
Provisions	857	797	164	134
Trade and other payables[1]	15 106	15 470	4 425	5 683
Other financial liabilities	30	53	–	10
Operating liabilities	21 448	19 138	4 863	5 827
– South Africa	12 434	12 934	4 863	5 827
– International	9 014	6 204	–	–
Net working capital	8 515	7 580	1 816	1 986
– South Africa	7 387	5 943	1 816	1 986
– International	1 128	1 637	–	–
Net interest-bearing debt[3]	7 442	6 618	1 330	2 281
– South Africa	5 024	4 808	1 330	2 281
– International	2 418	1 810	–	–
Net capital expenditure	(1 119)	(910)	(703)	170
– South Africa	(1 005)	(662)	(703)	170
– International	(114)	(248)	–	–
Non-current assets (excluding investments, deferred tax and other financial instruments)	11 879	8 649	881	853
– South Africa	6 865	6 164	881	853
– International	5 014	2 485	–	–
Source of internationally based adjusted non-current assets	5 014	2 485	–	–
– United Kingdom	2 901	1 445	–	–
– Other regions (Australia and South East Asia)[2]	2 113	1 040	–	–

[1] *Includes amounts pertaining to derivative financial instruments.*
[2] *Retail and Rental and Head Office and Eliminations operates in Australia and Aftermarket Parts operates in South East Asia.*
[3] *In comparison to December 2019, we have separately disclosed the lease liabilities from the net interest-bearing debt.*

Retail and Rental		Financial Services		Aftermarket Parts		Head Office and Eliminations	
2020 Rm	2019 Rm	2020 Rm	2019 Rm	2020 Rm	2019 Rm	2020 Rm	2019 Rm
1 159	656	23	16	474	468	14	25
26	37	10	41	88	82	5	7
6 448	5 831	129	113	438	447	55	53
1 921	–	1	–	196	–	–	–
11	19	–	–	–	–	–	–
–	–	338	490	–	–	3	15
–	–	–	–	–	–	–	–
13 382	11 514	261	316	1 976	1 594	(36)	(35)
1 613	2 161	1 628	1 289	–	–	(1 628)	(1 287)
2 738	3 089	477	339	627	702	(1 352)	(1 475)
27 298	23 307	2 867	2 604	3 799	3 293	(2 939)	(2 697)
14 208	13 199	2 867	2 604	3 183	3 046	(2 939)	(2 697)
13 090	10 108	–	–	616	247	–	–
123	121	2 674	2 697	–	–	–	–
2 156	–	3	–	225	–	–	–
139	78	268	286	3	2	283	297
11 735	10 449	525	541	1 042	1 119	(2 621)	(2 322)
7	11	–	–	22	30	1	2
14 160	10 659	3 470	3 524	1 292	1 151	(2 337)	(2 023)
5 400	4 536	3 470	3 524	1 038	1 070	(2 337)	(2 023)
8 760	6 123	–	–	254	81	–	–
4 246	4 076	(55)	(172)	1 558	1 175	950	515
3 347	2 507	(55)	(172)	1 329	1 107	950	515
899	1 569	–	–	229	68	–	–
7 065	5 404	(2 105)	(2 231)	1 247	1 131	(95)	33
4 720	3 520	(2 105)	(2 231)	1 180	1 204	(101)	34
2 345	1 884	–	–	67	(73)	6	(1)
(284)	(969)	(508)	281	(82)	(55)	458	(337)
(184)	(724)	(508)	281	(68)	(52)	458	(337)
(100)	(245)	–	–	(14)	(3)	–	–
9 565	6 543	163	170	1 196	997	74	86
4 738	4 156	163	170	1 011	899	72	86
4 827	2 387	–	–	185	98	2	–
4 827	2 387	–	–	185	98	2	–
2 901	1 445	–	–	–	–	–	–
1 926	942	–	–	185	98	2	–

Summarised segment profit or loss

for the year ended 30 June 2020	Group 2020 Rm	Group 2019 Rm	Import and Distribution 2020 Rm	Import and Distribution 2019 Rm
Profit or loss				
Total revenue	**73 417**	79 711	**17 411**	18 949
– South Africa	**48 351**	53 176	**17 411**	18 949
– International (see next page)	**25 451**	26 652	**–**	–
– Eliminations between geographical regions	**(385)**	(117)	**–**	–
Operating profit	**2 136**	3 620	**827**	810
– South Africa	**2 112**	3 264	**827**	810
– International	**24**	356	**–**	–
Depreciation, amortisation, impairments net of recoupments	**(2 018)**	(1 188)	**(419)**	(264)
– South Africa	**(1 653)**	(1 086)	**(419)**	(264)
– International	**(365)**	(102)	**–**	–
Net finance costs	**(1 116)**	(774)	**(310)**	(176)
– South Africa	**(883)**	(622)	**(310)**	(176)
– International	**(233)**	(152)	**–**	–
Profit/(loss) before tax and non-trading items	**773**	2 690	**487**	645
– South Africa	**1 048**	2 504	**487**	645
– International	**(275)**	186	**–**	–
Non-trading items	**(232)**	(80)	**(102)**	(30)
– South Africa	**(58)**	(80)	**(102)**	(30)
– International	**(174)**	–	**–**	–
Profit/(loss) before tax	**541**	2 610	**385**	615
– South Africa	**990**	2 424	**385**	615
– International	**(449)**	186	**–**	–
Income tax expense	**(356)**	(714)	**(257)**	(207)

Retail and Rental		Financial Services		Aftermarket Parts		Head Office and Eliminations	
2020 Rm	2019 Rm	**2020 Rm**	2019 Rm	**2020 Rm**	2019 Rm	**2020 Rm**	2019 Rm
59 898	65 041	**2 173**	2 172	**6 050**	6 442	**(12 115)**	(12 893)
35 099	38 759	**2 173**	2 172	**5 783**	6 189	**(12 115)**	(12 893)
24 799	26 282	**–**	–	**652**	370	**–**	–
–	–	**–**	–	**(385)**	(117)	**–**	–
332	1 578	**931**	937	**322**	496	**(276)**	(201)
370	1 291	**931**	937	**260**	431	**(276)**	(205)
(38)	287	**–**	–	**62**	65	**–**	4
(1 355)	(830)	**(161)**	(145)	**(189)**	(52)	**106**	103
(1 015)	(732)	**(161)**	(145)	**(164)**	(51)	**106**	106
(340)	(98)	**–**	–	**(25)**	(1)	**–**	(3)
(772)	(586)	**(67)**	(61)	**(125)**	(113)	**158**	162
(544)	(440)	**(67)**	(61)	**(121)**	(108)	**159**	163
(228)	(146)	**–**	–	**(4)**	(5)	**(1)**	(1)
(656)	991	**866**	878	**117**	371	**(41)**	(195)
(340)	867	**866**	878	**76**	309	**(41)**	(195)
(316)	124	**–**	–	**41**	62	**–**	–
(169)	22	**16**	(5)	**23**	(57)	**–**	(10)
5	22	**16**	(5)	**23**	(57)	**–**	(10)
(174)	–	**–**	–	**–**	–	**–**	–
(825)	1 013	**882**	873	**140**	314	**(41)**	(205)
(335)	889	**882**	873	**99**	252	**(41)**	(205)
(490)	124	**–**	–	**41**	62	**–**	–
115	(201)	**(172)**	(153)	**(59)**	(101)	**17**	(52)

Summarised segment profit or loss (continued)

for the year ended 30 June 2020	Group 2020 Rm	Group 2019 Rm	Import and Distribution 2020 Rm	Import and Distribution 2019 Rm
Additional segment information				
Revenue by nature				
New motor vehicles sales	**32 979**	36 708	**13 393**	14 159
Used motor vehicles sales	**17 751**	19 027	**2 122**	2 648
Parts and other goods sales	**13 617**	14 268	**1 772**	2 023
Sale of goods	**64 347**	70 003	**17 287**	18 830
Vehicle workshop, maintenance, service and warranty	**5 166**	5 435	**72**	74
Motor vehicle rental	**2 139**	2 564	**2**	9
Fees on vehicles, parts and services sold	**1 765**	1 709	**50**	36
Rendering of services	**9 070**	9 708	**124**	119
Total divisional revenue	**73 417**	79 711	**17 411**	18 949
Inter-group revenue	**–**	–	**(11 458)**	(12 006)
Total external revenue	**73 417**	79 711	**5 953**	6 943
Source of internationally derived revenue				
– United Kingdom	**19 172**	20 395	**–**	–
– Other regions (Australia and South East Asia)[1]	**6 279**	6 257	**–**	–
	25 451	26 652	**–**	–
Analysis of depreciation, amortisation, impairments and recoupments	**(2 018)**	(1 188)	**(419)**	(264)
Depreciation and amortisation	**(1 947)**	(1 176)	**(457)**	(267)
(Losses)/profits on disposals and impairments	**(59)**	5	**38**	3
Amortisation and impairment of intangible assets arising on business combinations	**(12)**	(17)	**–**	–
(Costs)/income included in profit before tax and non-trading items				
Employee costs	**(6 633)**	(6 822)	**(447)**	(486)
Operating lease charges	**(106)**	(699)	**(10)**	(39)
Once-off restructuring costs	**(186)**	–	**(8)**	–
Issue of shares at a discount to a Broad-Based Black Economic Empowerment partner (Ukhamba) and modification of share appreciation rights	**–**	(160)	**–**	–
Net foreign exchange (losses) and gains	**(13)**	(14)	**(70)**	4
Associate income included in pre-tax profits	**22**	27	**–**	4
Operating profit margin (%)	**2,9**	4,5	**4,7**	4,3

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

Retail and Rental		Financial Services		Aftermarket Parts		Head Office and Eliminations	
2020 Rm	2019 Rm	**2020 Rm**	2019 Rm	**2020 Rm**	2019 Rm	**2020 Rm**	2019 Rm
28 448	31 437	**–**	–	**–**	–	**(8 862)**	(8 888)
17 172	18 294	**–**	–	**–**	–	**(1 543)**	(1 915)
7 016	7 398	**–**	–	**5 985**	6 415	**(1 156)**	(1 568)
52 636	57 129	**–**	–	**5 985**	6 415	**(11 561)**	(12 371)
3 719	3 986	**1 534**	1 525	**2**	2	**(161)**	(152)
1 885	2 274	**481**	481	**–**	–	**(229)**	(200)
1 658	1 652	**158**	166	**63**	25	**(164)**	(170)
7 262	7 912	**2 173**	2 172	**65**	27	**(554)**	(522)
59 898	65 041	**2 173**	2 172	**6 050**	6 442	**(12 115)**	(12 893)
(248)	(489)	**(388)**	(363)	**(21)**	(35)	**12 115**	12 893
59 650	64 552	**1 785**	1 809	**6 029**	6 407	**–**	–
19 172	20 395	**–**	–	**–**	–	**–**	–
5 627	5 887	**–**	–	**652**	370	**–**	–
24 799	26 282	**–**	–	**652**	370	**–**	–
(1 355)	(830)	**(161)**	(145)	**(189)**	(52)	**106**	103
(1 309)	(838)	**(161)**	(146)	**(128)**	(43)	**108**	118
(46)	13	**–**	1	**(49)**	3	**(2)**	(15)
–	(5)	**–**	–	**(12)**	(12)	**–**	–
(4 539)	(4 789)	**(516)**	(514)	**(820)**	(795)	**(311)**	(238)
(82)	(566)	**(2)**	(6)	**(16)**	(85)	**4**	(3)
(159)	–	**(3)**	–	**(8)**	–	**(8)**	–
–	–	**–**	–	**–**	–	**–**	(160)
(4)	–	**–**	–	**(21)**	(16)	**82**	(2)
3	(1)	**6**	2	**12**	15	**1**	7
0,6	2,4	**42,8**	43,1	**5,3**	7,7		

Headline earnings per share information

	% change	2020 Rm	2019 Rm
Headline earnings reconciliation			
Earnings	(84)	**306**	1 868
Impairment of goodwill (IAS 36)		**182**	37
Impairment of other intangible assets (IAS 36)		**124**	–
Loss on the disposal of intangible assets (IAS 38)		**2**	13
(Reversal)/impairment of investments in associates and joint ventures (IAS 28)		**(22)**	72
Impairment of property, plant and equipment (IAS 36)		**102**	23
Profit on disposal of property, plant and equipment (IAS 16)		**(44)**	(41)
Impairment of right-of-use assets (IAS 36)		**14**	–
Impairment of vehicles for hire		**2**	–
Impairment of assets classified held-for-sale (IFRS 5)		**–**	10
Profit on disposal of subsidiaries and businesses and other		**(35)**	(3)
Tax effects of remeasurements		**(24)**	(2)
Non-controlling interests' share of remeasurements		**(59)**	–
Adjustments included in the result of associates and joint ventures		**2**	–
Headline earnings	(72)	**550**	1 977
Normalised earnings (see below reconciliation)			2 028[1]
Normalised headline earnings (see below reconciliation)			2 137
Normalised earnings per share (cents)			1 035
Headline earnings per share (cents) – total operations			
– Basic	(71)	**296**	1 009
– Diluted	(71)	**288**	984
– Normalised			1 090

[1] *Normalised earnings per share is a non-IFRS measure and is calculated by dividing the net profit attributable to owners of Motus adjusting for the once-off effects of the share-based equity costs that have no cash flow effect by the weighted average number of ordinary shares in issue during the year. Normalised headline earnings per share is calculated by dividing the headline earnings adjusting for the once-off effects of the share-based equity costs that have no cash flow effect by the weighted average number of ordinary shares.*

The prior year normalised earnings per share and headline earnings per share was impacted by the once-off share-based equity costs. The current year was not impacted by a similar transaction and therefore normalised earnings per share and headline earnings per share for the current year are not presented.

	% change	2020 Rm	2019 Rm
Additional information			
Net asset value per ordinary share (cents)	8	**6 653**	6 185
Tangible net asset value per ordinary share (cents)	4	**5 764**	5 522
Number of ordinary shares in issue (million)			
– total shares		**193**	197
– net of shares repurchased		**188**	192
– weighted average for basic		**186**	196
– weighted average for diluted		**191**	201

	Before tax Rm	Tax and NCI Rm	Earnings Rm	Headline earnings Rm
2019				
			1 868	1 977
Issue of shares at a discount to a Broad-Based Black Economic Empowerment partner (Ukhamba) and modification of share appreciation rights	160	–	160	160
Normalised basic and headline earnings			2 028	2 137

Notes to the summarised consolidated financial statements

1. Basis of preparation

The preliminary summarised audited consolidated financial statements have been prepared in accordance with the framework concepts, recognition and measurement criteria of International Financial Reporting Standards ("IFRS") and its interpretations adopted by the International Accounting Standards Board ("IASB") in issue and effective for the Group at 30 June 2020 and the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and financial reporting pronouncements as issued by the Financial Reporting Standards Council. The results contain the minimum information as required by IAS 34 – Interim Financial Reporting and comply with the Listings Requirements of the Johannesburg Stock Exchange Limited and the Companies Act of South Africa, 2008. These summarised consolidated audited financial statements do not include all the information required for full financial statements and should be read in conjunction with the consolidated annual financial statements as at and for the year ended 30 June 2020.

These audited summarised consolidated financial statements are an extract of the full consolidated annual financial statements, both the summarised and full annual financial statements have been prepared under the supervision of OJ Janse Van Rensburg, CA(SA) and were approved by the board of directors on 15 September 2020.

2. Accounting policies

The accounting policies adopted and methods of computation used in the preparation of the preliminary summarised consolidated financial statements are in accordance with IFRS and are consistent with those of the annual financial statements for the year ended 30 June 2019, with the exception of new policies as required by new and revised International and Financial Reporting Standards issued and in effect.

3. Adoption of standards issued and effective and related impacts on significant accounting policies

3.1 IFRS 16 – Leases

In the current financial year, effective 1 July 2019, IFRS 16 – *Leases* became applicable to the Group for the first time. Details of the expected impact of this standard were outlined in the 30 June 2019 consolidated annual financial statements. Motus has also early adopted the amendment to IFRS 16, COVID-19 Related Rent Concessions and the impact of this application was immaterial.

IFRS 16 introduces new requirements with respect to lease accounting by removing the distinction between operating and finance leases for lessees, requiring the recognition of right-of-use assets and lease liabilities at the commencement of all leases with limited practical exceptions allowed by the standard. This further includes the net investment in lease receivables in appropriate circumstances.

Lessor accounting remains similar to former practice; ie lessors continue to classify leases as finance leases or operating leases. IFRS 16 provides additional disclosures for both lessees and lessors.

The Group adopted IFRS 16 using the modified retrospective approach. The comparative information for 2019 has not been restated and the cumulative effect of the initial application of IFRS 16 has been recognised as an adjustment to the opening balance of retained earnings and non-controlling interest as at 1 July 2019. The right-of-use assets are the carrying amount as if the standard had been applied since the lease commencement date, but discounted using an appropriate incremental borrowing rate at the date of initial application. Any lease smoothing liabilities, in terms of IAS 17 – *Leases*, were derecognised as part of the net adjustment to the opening balance of retained earnings as at 1 July 2019.

On initial application of IFRS 16, the Group used incremental borrowing rates which varied between 2,2% and 23,3%. The rates were dependent on the lease term as well as the geographical location.

Leases entered into post-1 July 2019 are recognised as follows:

- Lease liabilities are recognised as the sum of the discounted lease payments over the assessed lease term, discounted at an appropriate incremental borrowing rate.
- The right-of-use asset is equal to the lease liability plus any initial direct costs, if applicable.

The majority of the Group's long-term property, vehicles, equipment and other leases previously classified as ''operating leases'' under IAS 17 and were expensed to profit or loss on a straight-line basis are now recognised in the statement of financial position. Rental contracts are typically entered into for fixed periods but may have extension options. Lease terms are negotiated on an individual basis and contain a range of terms and conditions. The impact of IFRS 16 is excluded in terms of the facility agreements from the bank covenant calculations and the right-of-use assets may not be used as security for borrowing purposes.

3. Adoption of standards issued and effective and related impacts on significant accounting policies (continued)

3.1 IFRS 16 – Leases (continued)

When the Group is an intermediate lessor, it accounts for the head lease and the sub-lease as two separate contracts. The sub-lease is classified as a finance lease receivable with reference to the right-of-use asset arising from the head lease. The Group recognised the present value of future lease payments under the head lease as a lease liability and capitalised the present value of the future lease receivables under its sub-lease contracts as a net investment in lease receivables.

In applying IFRS 16 for the first time, the Group used the following practical expedients permitted by the standard in the application of the initial accounting:

- Leases where the maximum lease term is 12 months or less are treated as operating leases and are expensed to profit or loss.
- Leases of low value assets are treated as an operating lease and are expensed to profit or loss.
- The Group has elected not to reassess whether a contract is, or contains, a lease on the date of adoption 1 July 2019. Instead, if a contract was a lease in terms of IAS 17 and IFRIC 4 it will remain a lease in terms of IFRS 16.
- Where the contract contains an option to extend or terminate the lease, this will only be taken into account if it was reasonably certain that the option will be exercised or lease will be terminated.
- Initial direct costs were excluded from the measurement on initial application.

Critical accounting judgements and key sources of estimation uncertainty

Impairments of right-of-use assets

Right-of-use assets are assessed for indicators of impairment. Indicators of impairment generally relate to the performance of the cash-generating unit ("CGU") and management's future expectation of the utilisation of the related asset.

The right-of-use asset is tested for impairment on a single standalone basis unless it generates cash inflows only in combination with other assets, together forming a CGU and as such right-of-use asset will be tested for impairment as a part of this larger CGU and included in the carrying amount. A CGU to which goodwill and intangibles with indeterminate useful life is tested for impairment annually, or when there is an indication that the unit may be impaired. If the recoverable amount of the CGU is less than its carrying amount, the impairment loss is first allocated to the goodwill and then to the other assets including the right-of use asset of the unit on a pro rata basis. Right-of-use assets that form part of a CGU will result in a value in use calculation being performed.

Where management decides to impair the related right-of-use asset as a result of there being no further economic benefit, the value of the right-of-use asset is impaired to nil and the liability remains on the statement of financial position.

Extensions and terminations of lease agreements where Motus is the lessee

Extension and termination options are included in various lease agreements in the Group. The Group has applied judgement to determine the lease term for some of the lease contracts. The assessment of whether the Group is reasonably certain to exercise such options impacts the lease term, affecting the value of the right-of-use assets and the lease liabilities at initial recognition.

The judgements applied relate to the determination of economic incentive to extend or to terminate. This is determined on a lease-by-lease basis with reference to past experience as well as current and future performance indicators of the underlying businesses utilising the right-of-use asset. Further considerations are given to specific terms and clauses in the various underlying agreements, as well as other factors that may be applicable to the segment or the geography in which the assets will operate in.

Notes to the summarised consolidated financial statements (continued)

3. Adoption of standards issued and effective and related impacts on significant accounting policies (continued)

3.1 IFRS 16 – Leases (continued)

Examples of factors that influence the determination of the lease are:

- The current and future economic performance of the branch or depot to which the right-of-use asset relates to, if the branch or depot has a stable and beneficial financial performance outlook, then it is more likely possible that extensions would be included in the lease term. The opposite is also true in that a negative outlook could result in an early termination.
- The location of the right-of-use asset (specifically related to right-of-use properties) can play a factor if the current location is not deemed as ideal, and the expectation is to move the business to new premises once the current lease expires (even with an extension clause in place), then the likelihood is the extension will not be included, and if management is of the strong opinion to move premises as soon as possible, due to location, then any termination clauses may be included in the determination of the lease period.
- The cost versus benefit will also be considered, although the extension or terminations may make pure operational sense, the underlying costs associated may make it unfeasible to act on those options and will likely mean that the original lease term is utilised to determine the lease period.

Incremental borrowing rate

IFRS 16 defines an appropriate discount rate as either the rate implicit in the lease or the entity's incremental borrowing rate. The incremental borrowing rate is the amount that is defined as the interest rate at which the entity can borrow funds of a similar amount to the lease term, secured by the right-of-use asset associated with the lease, for a similar term to the lease and in a similar economic environment. Motus has elected to use the incremental borrowing rate.

The Group has applied judgement in assessing the incremental borrowing rate taking into account:

- the lease terms;
- nature of the lease;
- the geography and currencies in which the leases are denominated;
- an appropriate base risk-free rate; and
- credit spread and credit risk

Impact on the consolidated statement of profit or loss

Operating expenses were decreased by the reduced rental expenses, offset by an increased depreciation on the right-of-use assets. Operating profits increased as a result of any gains on lease terminations, as the right-of-use asset that was derecognised was lower than the related lease liability that was also derecognised.

Finance cost increased by the implied interest on the lease liabilities. Right-of-use assets that were impaired will reduce profit before tax. The related lease liability, in this case, will remain and will not affect profit before tax.

The overall impact of the application of IFRS 16 on the profit before tax, earnings and headline earnings per share was immaterial. Where lease liabilities subject the Group to foreign currency exposure, it will result in foreign exchange differences.

Short-term and low value leases that have not been capitalised are expensed in profit or loss.

Impact on the consolidated statement of cash flows

Operating cash flows were higher as the principal portion of the cash payments against the lease liability are now classified within financing activities, with only the interest portion of the payment remaining in operating cash flows.

Short-term and low value leases that have not been capitalised are included in the cash generated from operations.

3. Adoption of standards issued and effective and related impacts on significant accounting policies (continued)

3.1 IFRS 16 – Leases (continued)

Impact on the consolidated statement of financial position

As at 1 July 2019, the right-of-use assets for the leases amounted to R2 036 million. The related lease liabilities amounted to R2 389 million.

	July 2019 Increase/ (decrease) Rm
Assets	
Right-of-use assets	2 036
Net investment in lease receivables	133
	2 169
Deferred tax asset	41
Total assets	2 210
Equity and liabilities	
Retained income	(105)
Non-controlling interest	(3)
Lease liabilities	2 389
Operating lease smoothing liability	(71)
Total equity and liabilities	2 210

Impact on operating lease commitments

As a result of the application of IFRS 16, the operating lease commitments have reduced, this is as a result of the capitalisation of the operating leases to lease liabilities, the movement is as follows:

	Rm
Operating commitments as disclosed in the prior financial year (June 2019)	2 771
Low value and short-term leases not recognised as lease liabilities	(16)
Effects of discounting the total lease commitments to net present value	(538)
Remeasurement adjustments relating to the lease liabilities on initial recognition	172
Lease liabilities as recognised on 1 July 2019	2 389

3.2 IFRIC 23 – Uncertainty over Income Tax Treatments

In the current year, effective 1 July 2019, IFRIC 23 became applicable to the Group for the first time. IFRIC 23 provides new guidance on how to account for uncertain tax treatments. The interpretation requires an entity to determine whether uncertain tax positions are assessed separately or as a group. The interpretation also requires an entity to assess whether it is probable that a tax authority will accept the tax treatment used or proposed by the entity in its income tax filings. If it is probable that the tax treatment will be accepted, the accounting tax position is to be determined consistently with the tax treatment used or proposed in the income tax filings. If it is not probable that the tax treatment will be accepted, the entity is required to reflect the effect of uncertainty in determining its accounting tax position. During the current financial year, the Group has assessed the impact of the new interpretation and has determined that the impact of adopting IFRIC 23 was not significant.

3. Adoption of standards issued and effective and related impacts on significant accounting policies (continued)

3.3 Update on previously disclosed impacts as a result of the application of IFRS 16

Below is a table relating to the values disclosed as the impacts of IFRS 16:

	30 June 2020 Rm	31 December 2019 Rm	30 June 2019 Rm
Right-of-use assets	**2 036**	1 881	1 983
Net investment in lease receivables	**133**	133	
Lease liability	**(2 389)**	(2 336)	(2 349)
Net adjustment	**(220)**	(322)	(366)
Allocated as follows:			
Retained income	**105**	176	366
Non-controlling interest	**3**	2	
Deferred tax asset	**41**	71	
Operating lease smoothing liability	**71**	73	

Movements between opening balance as reported on 30 June 2019 and 31 December 2019

As disclosed in the 30 June 2019 consolidated annual financial statements, the expectation was that the right-of-use assets that would be recognised on 1 July 2019 would be R1 983 million and the related lease liability would be R2 349 million, with the resultant difference being allocated to retained earnings.

Subsequent adjustments are as follows:

- The net investment in lease receivables relates to vehicles leased to the police by Nissan Kenya. This was accounted for as an operating lease as a lessor and therefore the underlying assets were still included in the right-of-use assets. Subsequently, it was established that due to the fact that the underlying lease (where Motus is the lessor) is substantially similar to the head lease, the lease to the police should be treated as net investment in lease receivables. This resulted in the related right-of-use assets relating to the vehicles being derecognised and a net investment in lease receivables then recognised.
- The remaining differences on the net adjustment were considered to be immaterial, as they were due to the reassessment of lease terms and discount rates.
- The adjustments to the deferred tax, the derecognition of the lease smoothing liabilities and the impact on non-controlling interest were disclosed for the first time on 31 December 2019 in the unaudited interim financial statements.

Movements between opening balance as reported on 31 December 2019 and 30 June 2020

The adjustments subsequent to 31 December 2019 were as follows:

	Right-of-use assets Rm	Lease liabilities Rm
As initially disclosed in the unaudited interim financial statements	1 881	(2 336)
Adjustments to leases in the UK	146	(46)
Immaterial movements	9	(7)
As disclosed in these preliminary summarised audited consolidated results	2 036	(2 389)

The reason for the difference in the UK opening statement of financial position is due to a change in the lease start dates in terms of the guidance given in IFRS 3 – Business Combinations, where the Group acquired a business which was a lessee in a lease agreement, the right-of-use asset was measured as if it arose under a new lease on the date of the business combination (either through a trade and asset acquisition or share purchase).

Previously the lease was based on the contractual start date of the lease. The effect is the right-of-use asset had a lower accumulated depreciation as at 1 July 2019, which resulted in a higher cost recognised as well as a decrease in the adjustment to retained earnings and in the deferred tax.

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

4. New and revised International Financial Reporting Standards in issue but not yet effective

IFRS 9 – Financial Instruments

The Group still applies IAS 39 – Financial Instruments for hedge accounting, until such time as the macro-hedging project has been concluded. The principal difference in the two standards is the hedging documentation requirements. Under IFRS 9 there is greater detail required on the Group's risk management strategy and risk managements objectives, the eligibility of more items that can be utilised as hedging instruments and determination and measurement of hedge effectiveness. Motus is still assessing the impact the application of IFRS 9 will have on the disclosures and other factors relating to hedge accounting.

5. Exchange rates

	Closing rates		Average rates	
	2020	2019	**2020**	2019
US Dollar	**17,37**	14,10	**15,67**	14,18
British Pound	**21,46**	17,95	**19,73**	18,35
Australian Dollar	**11,96**	9,90	**10,49**	10,14
Euro	**19,51**	16,06	**17,31**	16,18

6. Goodwill

	2020 Rm	2019 Rm
Carrying value at the beginning of the year	**1 020**	953
Acquisition of subsidiaries and businesses	**482**	111
Impairments[1]	**(182)**	(37)
Currency adjustments	**223**	(7)
Reallocation from intangible assets	**13**	–
Carrying value at the end of the year	**1 556**	1 020

[1] *The UK passenger and commercial business goodwill was impaired by R88 million, as a result of an increase in the discount rate in the passenger business and the discontinuation of sales of diesel taxis in the commercial business. The Ballarat Group goodwill was impaired by R85 million due to the exit of Holden from Australia. Goodwill of R9 million was impaired in line with Group policy.*

7. Cash resources

	2020 Rm	2019 Rm
Cash resources	**2 121**	1 042
Bank overdrafts	**(136)**	(102)
	1 985	940

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. Fair value of financial instruments (continued)

8.2 Fair values 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.

30 June 2020	Total Rm	Level 1 Rm	Level 2 Rm	Level 3 Rm
Financial assets carried at fair value				
Listed investments (included in investments)	7	7	–	–
Unlisted investments (included in investments)	338	–	–	338
Derivative financial assets	259	–	259	–
Financial liabilities carried at fair value				
Contingent consideration	17	–	–	17
Derivative financial liabilities	210	–	210	–

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

Movements in level 3 financial instruments measured at fair value

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

	Total Rm
Financial assets	
Carrying value at the beginning of the year	474
Additional investment in underlying preference shares	105
Dividends received	(449)
Fair valued through profit or loss as unrealised gains	208
Carrying value at the end of the year	338
Financial liabilities	
Carrying value at the beginning of the year	26
Payment made to former equity holder of subsidiary acquired	(9)
Carrying value at the end of the year	17

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 swaps.

Level 3 sensitivity information

The fair value of the level 3 financial assets of R338 million (2019: R474 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 take into account organic portfolio growth, discounted at a WACC of 18,7% specifically linked to Financial Services. The projections are limited to five years as the investment structures are reviewed on an ongoing basis in light of changes to the regulatory and economic landscape.

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

8. Fair value of financial instruments (continued)

8.2 Fair values of financial assets and liabilities (continued)

The fair value of the level 3 financial liability of R17 million (2019: R26 million) is the contingent consideration payable in respect of the Rhino Outdoor and Off-road Proprietary Limited acquisition and is payable next year. The amount payable is based on a multiple of operating profit after tax as required in the purchase agreement.

The following table shows how the fair value of the level 3 financial assets as at 30 June 2020 would change if the discount rate used to present value future cash flows were to reduce or increase by 1%. The fair value of the level 3 financial liability is affected by changes in operating profits after tax of 10%.

Financial instruments	Valuation technique	Key assumption	Carrying value Rm	Increase in carrying value Rm	Decrease in carrying value Rm
Financial assets					
Preference shares	Cash flow projections	Present value of expected dividend flows	338	7	(7)
Financial liabilities					
Contingent consideration	Multiples of future net operating profits after tax	Future expected profits	17	2	(2)

9. Other non-operating costs

	2020 Rm	2019 Rm
Impairment of goodwill	(182)	(37)
Impairment of other intangibles (distribution rights)[1]	(107)	–
Profit on sale of business	4	–
Profit on sale of associate	31	–
Reversal/(impairment) of associates and joint ventures	22	(72)
Derecognition of loans on derecognition of dormant companies	–	36
Impairment of asset classified as held-for-sale	–	(10)
Other non-operating items	–	3
Total non-trading items	(232)	(80)
Amortisation on intangible assets arising on business combinations[2]	(12)	(17)
Gain on derecognition of financial instrument	10	–
Business acquisition costs	(8)	(7)
Other non-operating items	(242)	(104)

[1] *Included in the impairment of other intangible asset is the Renault South Africa Proprietary Limited distribution rights.*

[2] *Amortisation of intangible assets arising on business combinations was previously disclosed on the face of the statement of profit or loss. This re-presentation was to further aggregate all non-core operational items.*

10. Contingencies and commitments

	Rm	Rm
Capital commitments[1]	101	254
Contingent liabilities[2]	2 335	3 779

[1] *The capital commitments relate to the construction of buildings to be utilised by Motus.*

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

Notes to the summarised consolidated financial statements (continued)

11. Acquisitions and disposals during the year

Acquisitions

Please refer to page 45 for acquisitions for the year.

Disposals

There were no material disposals noted during the year.

12. Going concern

The summarised consolidated statement of financial position as at 30 June 2020 reports a positive total equity balance of R12 452 million (2019: R11 838 million) and net interest-bearing debt of R7 442 million (2019: R6 618 million). The net interest-bearing debt excluding floorplans is covered by facilities of R13 681 million (R12 476 million committed). The directors have reviewed and approved the Group and company budgets, cash flow forecasts and the solvency and liquidity positions and based on the budgets prepared by management, it is concluded that the Group will remain comfortably within the existing bank facility limits for at least the next 12 months from the date of approval of the audited consolidated and separate financial statements with significant headroom available. This forecast has been reviewed and approved by the board.

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

13. Annual financial statements

A copy of the consolidated annual financial statements together with the auditor's report thereon are available for inspection on the company's website and the company's offices.

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

14. Events after the reporting period

There were no material subsequent events that occurred from the year ended 30 June 2020 to the date of these financial statements. Motus traded profitably in July and August 2020 and have sufficient banking facilities available to fund normal trading operations. Motus had an improvement in new and pre-owned vehicles sales for the months of July and August 2020 when compared to the average monthly sales for the last quarter of the financial year. In addition, our parts and service businesses experienced an improved demand for our goods and services with the exception of our car rental business, which is still being impacted by the restrictions on international travel and limited local travel activity.

Business combinations during the year

A number of businesses were acquired during the year to complement existing businesses. An assessment of control was performed by Motus based on whether Motus has the practical ability to direct the relevant activities unilaterally. 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, Motus concluded that it did have a dominant interest to direct the relevant activities of the subsidiaries acquired.

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

Business acquired	Nature of business	Operating segment	Effective date	Interest acquired %	Purchase consideration transferred Rm
F&G Holdings Group and F&G Commercial	The Group comprises four DAF dealerships along with a commercial body-building operation as well as a vehicle repair centre.	Retail and Rental	July 2019	100	279
Ballarat Group[1]	The Group consists of eight dealerships based in the city of Ballarat in Victoria, Australia.	Retail and Rental	February 2020	100	363
Other individually minor acquisitions					81
					723

Fair value of assets acquired and liabilities assumed at date of acquisition:

	F&G Holdings Group and F&G Commercial Rm	Ballarat Group[1] Rm	Individually minor acquisitions Rm	Total Motus Rm
Assets				
Property, plant and equipment	231	18	19	268
Right-of-use assets	15	–	44	59
Deferred tax	–	3	2	5
Inventories	297	169	31	497
Trade and other receivables	45	2	12	59
Cash resources	95	–	25	120
	683	192	133	1 008
Liabilities				
Deferred tax	12	–	–	12
Lease liabilities	15	–	44	59
Interest-bearing debt	164	116	–	280
Provisions	–	–	2	2
Trade and other payables	342	53	15	410
Taxation	4	–	–	4
	537	169	61	767
Net assets acquired	146	23	72	241
Total purchase consideration	279	363	81	723
Cash paid	279	363	61	703
Interest in previously held associates, now wholly-owned	–	–	20	20
Goodwill	133	340	9	482

[1] *The acquisition of Ballarat Group is still provisional and adjustments to the net assets acquired or purchase consideration within the 12 months of the acquisition date may still be recognised.*

Notes to the summarised consolidated financial statements (continued)

Business combinations during the year (continued)

Process involved with obtaining control

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

Reasons for the acquisitions

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

Acquisition costs

Acquisition costs for business acquisitions concluded during the year amounted to R8 million and have been recognised as an expense in profit or loss in the line – Other non-operating items.

Impact of the acquisition on the results of the Group

From the dates of acquisition, the businesses acquired during the period contributed revenue of R1 718 million and after tax loss of R82 million, including the after-tax funding costs. Had all the acquisitions been consolidated from 1 July 2019, they would have contributed revenue of R2 656 million and an after-tax loss of R54 million (including the after-tax impact of funding costs). The Group's total revenue would have been R74 355 million and an after-tax profit of R213 million (including the after-tax impact of funding costs).

Separately identifiable intangible assets

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

Included in the Ballarat Group acquisition is an earn out arrangement that could result in an additional payment of R42 million if certain profit targets are met. Management has concluded in the current environment that the likelihood of making these payments is unlikely, thus a contingent consideration liability is not recognised.

Other details

Trade and other receivables had a gross contractual amount of R60 million and an allowance for expected credit losses of R1 million.

Independent auditor's report on summarised financial statements

To the shareholders of Motus Holdings Limited

Opinion

The summarised consolidated financial statements of Motus Holdings Limited, which comprise the summarised consolidated statement of financial position as at 30 June 2020, the summarised consolidated statements of profit or loss, other comprehensive income, changes in equity and cash flows for the year then ended, and related notes as set out on pages 22 to 46, are derived from the audited consolidated financial statements of Motus Holdings Limited for the year ended 30 June 2020.

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

Other matter

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

Summarised consolidated financial statements

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

The audited consolidated financial statements and our report thereon

We expressed an unmodified audit opinion on the audited consolidated financial statements in our report dated 15 September 2020 . That report also includes the communication of key audit matters as reported in the auditor's report of the audited financial statements.

Directors' responsibility for the summarised consolidated financial statements

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

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

Auditor's responsibility

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

Deloitte & Touche
Registered Auditors
Per: JM Bierman
Partner

15 September 2020

5 Magwa Crescent
Waterfall City
Waterfall

Glossary of terms

Pro forma information	Pro forma financial information is the result of adjusting information about the Group at a specific date or for a particular period.
Net asset value per share	Equity attributable to owners of Motus divided by total ordinary shares in issue net of shares repurchased.
Tangible net asset value per ordinary share	Equity attributable to owners of Motus less goodwill and other intangible assets divided by total ordinary shares in issue net of shares repurchased.
Debt	The aggregate of interest-bearing debt (including floorplans and lease liabilities in terms of IFRS 16) less cash resources.
Core debt	The aggregate of interest-bearing debt (excluding the lease liabilities in terms of IFRS 16 and floorplans from financial institutions) less cash resources.
Net debt	The aggregate of interest-bearing debt (excluding the lease liabilities in terms of IFRS 16) less cash resources.
Net capital expenditure	Includes expansion and net replacement expenditure of property, plant and equipment, investment properties, intangible assets and vehicles for hire.
Net working capital	Inventories plus trade and other receivables (including derivative assets) less trade and other payables (including derivative liabilities) and total provisions.
Operating assets	Total assets less loans receivable, cash and cash equivalents, tax assets, and assets classified as held for sale.
Operating liabilities	Total liabilities less interest-bearing borrowings, tax liabilities and liabilities classified as held for sale.
EBITDA	Earnings before interest, tax, depreciation and amortisation.
Operating profit margin (%)	Operating profit divided by revenue.
Non-trading items	Impairment of goodwill and other intangibles (distribution rights) and profit or loss on sale of investments in subsidiaries, associates and joint ventures and other businesses.
Return on equity (%)	The return is calculated as the headline earnings divided by the average shareholders' equity attributable to the owners of Motus Holdings.
Return on invested capital (%)	The return divided by invested capital. The return is calculated by reducing the operating profit by a blended tax rate, which is an average of the actual tax rates applicable in the various jurisdictions in which Motus operates, increased by the share of result of associates and joint ventures. Invested capital is a 12-month average of total equity plus interest-bearing borrowings less cash resources.
Weighted average cost of capital (WACC) (%)	Calculated by multiplying the cost of each capital component by its proportional plus weight, therefore: WACC = (after tax cost of debt % multiplied by average debt weighting) plus (cost of equity multiplied by average equity weighting). The cost of equity is blended recognising the cost of equity in the different jurisdictions in which Motus operates.

Corporate information

Directors
GW Dempster (Chairman)*
A Tugendhaft (Deputy Chairman)**
OS Arbee (CEO)#
OJ Janse van Rensburg (CFO)#
KA Cassel#
P Langeni*
S Mayet*
KR Moloko*
MJN Njeke*

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

Company Secretary
JK Jefferies

Group Investor Relations Manager
J Oosthuizen

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

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