PEPKOR
Holdings Limited

2021

REVIEWED ANNUAL RESULTS

for the year ended
30 September 2021

Highlights

9.2%
growth in revenue to
R77.3 billion

39.9%
growth in operating profit[1] to
R9.3 billion

115.2%
increase in headline earnings to
R5.0 billion

R11 billion
cash generated from operations

44.2 cents
dividend declared

247
new stores opened

201 basis points
market share gains[2]

[1] *Before capital items*

[2] *In clothing, footwear and homeware (CFH) since October 2019*
Source: Retailers' Liaison Committee (RLC)

Pepkor grows headline earnings by 115.2%
for the year ended 30 September 2021

The Pepkor group reported strong results for the year ended 30 September 2021 (FY21). The group entrenched its position as the leading discount and value retailer in South Africa. Pepkor's ambition to restore profitability to 2019 levels following the impact of the Coronavirus pandemic (COVID-19) was not only achieved but surpassed.

From an operating environment perspective, the discount and value retail sectors continue to be favoured by customers, with reduced consumer spending as a result of increased unemployment and the effects of a poor performing economy.

The group continued to identify opportunities for store expansion and opened 247 new stores during the year. The retail store footprint comprised 5 470 stores at 30 September 2021 and total retail space was maintained at 2.4 million m^2 notwithstanding the disposal of the John Craig business, which included 111 stores.

Civil unrest impact

The civil unrest that erupted in the KwaZulu-Natal and Gauteng provinces of South Africa (affected areas) during July 2021 resulted in the looting of 549 stores across the group.

As reported on 16 and 23 July 2021, this represents approximately 10% of the group's total retail store base. One of the JD Group's distribution centres in Cato Ridge, KwaZulu-Natal was also looted. Trading was disrupted, with a number of stores intermittently closed in the affected areas as a precautionary measure to ensure the safety of employees and customers. In addition, the group's supply chain and distribution operations were severely disrupted in the affected areas as the group took swift action to deploy extensive tactical measures to protect and safeguard its infrastructure. All distribution operations recommenced as soon as it was safe and practically possible to do so, and plans were put in place to service the JD Group stores in the affected areas through its other distribution centres.

By the end of October 2021, the group reopened 413 (75%) of the 549 looted stores. Opening this number of stores in such a short time frame is a remarkable achievement by the retail brands and group strategic services. It is expected that 80% of the looted stores will be reopened by December 2021, with the remainder delayed due to infrastructure rebuild or shopping complexes that have not yet reopened.

As previously reported, the group carries comprehensive insurance cover in terms of material damage and business interruption. An initial claim for material damage of R1.2 billion was submitted to SASRIA (South African Special Risks Insurance Association) and an interim payment of R500 million (net of VAT) was received and accounted for in the FY21 results. An initial business interruption claim of R717 million was submitted and an interim payment of R171 million (net of VAT) was received and recognised in the FY21 results. It is expected that the group's insurance cover will mitigate the impact suffered from the civil unrest on the group's results.

413 (75%) of the 549 looted stores reopened

Financial performance

Group revenue for FY21 increased by 9.2% to R77.3 billion when compared to FY20. The FY20 base includes disruption due to national COVID-19 related lockdowns where trading was restricted followed by strong trading attributed to pent up demand from consumers.

Group revenue increased by **11.1%** compared to FY19

Lower interest rates and reduced credit granting negatively impacted growth in revenue earned from the Tenacity, Connect and Capfin credit books. When revenue earned from these credit books is excluded, revenue increased by 10.3%.

Cash sales increased by 10.6% while credit sales increased by 11.2%. Cash sales contributed 93% to total group sales and remained stable compared to the prior year.

The total gross profit margin increased by 10 basis points to 34.3%. From a retail perspective gross profit margin increased by 40 basis points as a result of more full-priced sales and lower markdowns while reduced credit granting and lower interest rates negatively impacted gross profit margin.

Other income increased by 40.1% to R1.1 billion, including R171 million insurance income received for business interruption. Excluding this, other income increased by 17.3%.

Operating expenses (excluding debtors' costs, depreciation and amortisation) increased by 8.1% and includes foreign exchange losses and IFRS 16 lease modification gains.

Favourable lease renewals, retail footprint consolidation and the derecognition of related right-of-use assets and lease liabilities pertaining to the acquisition of a portfolio of leased properties resulted in a total IFRS 16 gain of R903 million in FY21. The gain attributable to the acquisition of the portfolio of leased properties of R265 million is considered to be non-recurring in nature and contributed 5.2 cents per share to earnings and headline earnings per share in FY21 (refer to pro forma financial information included in this results announcement).

Excluding foreign exchange losses and the non-recurring IFRS 16 gain, operating expenses increased by 8.9% attributable to increased performance incentives and bonuses provided for in FY21 compared to a low FY20 base, which included reduced employee costs as a result of temporary employer/employee relief scheme (TERS) support and substantially lower performance incentives and bonuses. Debtors' costs decreased by 54.7% to R785 million as a result of reduced bad debts and lower provision levels.

Net finance costs reduced by 31.7% to R2.1 billion. Excluding the IFRS 16 lease component, net finance costs reduced by 52.2% due to reduced debt levels and lower interest rates.

Pepkor's effective tax rate amounted to 31.2% and benefited from a decrease in non-deductible finance costs and the utilisation of unrecognised tax losses.

Headline earnings increased by 115.2% to R5.0 billion for the year. Headline earnings per share increased by 106.7% and the weighted average number of shares in issue increased by 4.4% compared to the prior year. A dividend of 44.2 cents per share was declared.

Inventory levels increased by 11.3% to R13.3 billion from reduced levels of R12.0 billion in the prior year.

Strong cash generation during the year facilitated a reduction in net debt to R5.0 billion from R7.1 billion in the prior year (excluding IFRS 16 lease liabilities). The net debt-to-EBITDA ratio of 0.6 times and interest cover ratio of 13.5 times (excluding IFRS 16 lease liabilities) remain within contractual funding covenants.

The group's liquidity and debt repayment profile was strengthened substantially, while the diversification of funding sources to include the group's R10 billion domestic medium-term note (DMTN) programme continues to reduce funding costs.

As announced on 14 April 2021, the transaction to acquire a portfolio of 12 leased properties from Steinhoff International Holdings N.V. (Steinhoff) received the necessary approvals and all conditions precedent were fulfilled. The transfer of 11 of the 12 properties was completed by 30 September 2021, with 69 million of the total 70 million new Pepkor shares issued as consideration, representing 1.9% of the total number of Pepkor shares in issue.

The group repurchased 38.0 million ordinary shares during September 2021 from the open market on the JSE at a total cost of R760 million excluding transaction costs (average price of R19.99).

Discontinued operations

The FY20 results were remeasured and restated to reclassify The Building Company as continuing operations following the termination of the transaction to dispose of the business as announced on 12 August 2021 on SENS. Further detail on the reclassification is included in the condensed annual financial statements.

Discontinued operations include the Zimbabwean operations of PEP Africa which were sold on 30 September 2020.

CLOTHING AND GENERAL MERCHANDISE

askafrika ORANGE INDEX®
2021/22
INDUSTRY
WINNER

The clothing and general merchandise segment increased revenue by 8.0% to R49.3 billion for the year. Operating profit increased by 27.2% to R7.8 billion.

The segment's store base comprised 4 493 stores at 30 September 2021. During the year, 226 new stores were opened, led by PEP and Ackermans, and 219 stores were closed. Store closures include the disposal of 111 John Craig stores and store rationalisation focused mainly in the PEP Africa and Speciality retail brands.

The transition to a Pepkor-owned international sourcing office in China was completed seamlessly on 30 September 2021. The office was officially opened with 80 employees and serves the group's CFH retail brands. As a result, the group no longer makes use of the Steinhoff and Pepco Europe sourcing office.

PEP and Ackermans

Sales increased by **12.5%** compared to FY19

PEP and Ackermans in aggregate increased sales by 9.5% and like-for-like sales increased by 7.5% compared to FY20.

Retail space expansion in PEP and Ackermans amounted to 3.1% year-on-year and included 175 new store openings during the year.

PEP

PEP received the Ask Afrika Orange Index award for the South African business providing the best customer experience in 2021. This is testimony to the brand's corporate culture and aspiration to treat every customer with dignity and respect. The brand remains the leading discount retailer in South Africa and provides the lowest prices to customers on basic and essential products. PEP's product range maintained best price leadership (BPL) of 97% during the year.

Performance in Babies and Kids benefited from customers responding to the improved value offering. The Home product category continues to report aggressive growth and the PEP HOME stand-alone format was expanded to 294 stores. Cellular performed well and the stand-alone PEP CELL format was expanded to 550 stores. The Dealz discount variety concept continues to be refined and includes 16 stores.

The PAXI parcel delivery initiative distributed 3.5 million parcels during the year. The PAXI distribution footprint was expanded to 2 800 PAXI points nationwide and includes PEP, Shoe City and Tekkie Town stores, making it more accessible and convenient to an even wider demographic.

PEP opened 124 new stores during the year, expanding its retail store base to 2 476 stores.

Ackermans

Ackermans reported a stellar set of results and continued to deliver on its compelling value proposition to appeal to 'women with kids in their lives'. Strong sales growth was reported across all product categories and the brand remains the undisputed leader in baby and children's clothing according to independent Retailers' Liaison Committee (RLC) data.

The Womenswear product category achieved 14.5% sales growth and the stand-alone Ackermans Woman format was expanded to 35 stores.

The credit sales mix increased marginally to 18% from 17% during the year and remains well within the optimal range.

PEP ACKERMANS
PEP | Africa

A more comprehensive e-commerce offering was established through the expansion of click-and-collect capability across the entire Ackermans store footprint. This leverages the brand's brick-and-mortar infrastructure to provide customers in outlying areas access to the full Ackermans product range.

Ackermans opened 51 new stores during the year and expanded its retail store base to 896 stores.

PEP Africa

PEP Africa's contribution to group revenue reduced to 2.1% for the year as operations were consolidated, including the exit from Uganda. The retail store footprint decreased to 284 stores and included 19 store closures during the year. The business performed well in constant currency terms with an increase in sales of 9.2% and like-for-like sales of 13.0%. In South African rand terms, sales declined by 12.6% due to the strengthening of the rand and weakening of some of the local currencies. The cost base of the business was substantially reduced to make the business model more robust and the business remains profitable.

Speciality

The Speciality business benefited from consumer demand for value casual wear and branded footwear in the value market segment. Compared to FY20 sales increased by 13.6% and like-for-like sales increased by 11.3%, excluding John Craig which was disposed of in February 2021. Tekkie Town continued to expand its market share and Shoe City made good progress in product development to meet changes in consumer trends. Dunns improved its profitability substantially and Refinery achieved double-digit operating profit margin for the first time this year. The store base reduced to 837 stores as at 30 September 2021 from 940 in the prior year, as a result of store rationalisation and the disposal of John Craig.

Sales increased by **9.4%** compared to FY19

Tenacity

The Tenacity gross credit book, which facilitates credit sales in the clothing and general merchandise retail brands, increased marginally to R3.1 billion (FY20: R3.0 billion). The credit book provision level decreased to 21% (FY20: 22%) due to normal collection levels.

PEPKOR Speciality

Tekkie Town | ShoeCity | DUNNS | REFINERY | CODE | S.P.C.C SERGEANT PEPPER CLOTHING CO

FURNITURE, APPLIANCES AND ELECTRONICS

The furniture, appliances and electronics segment increased revenue by 13.8% to R10.8 billion for the year. Operating profit increased to R447 million compared to an operating loss in the prior year.

The JD Group performed exceptionally well and capitalised on consumer demand for household goods and consumer electronics driven by digitisation, technology upgrades, work/school-from-home and home improvement trends. It successfully differentiated itself on product range and service, resulting in strong sales growth momentum and sustainable market share expansion in key product categories. Merchandise sales increased by 17.2% and like-for-like sales increased by 20.5% compared to FY20.

Sales increased by **16.8%** compared to FY19

Performance and quality of earnings were underpinned by strong growth in cash sales of 19.4% and this, in addition to prudent credit granting, resulted in the total credit sales mix reducing to 10% from 13% in the prior year.

The Connect gross credit book, which facilitates credit sales in JD Group, reduced marginally to R1.5 billion from R1.6 billion a year ago. The credit book provision level decreased to 35% from 42% last year, based on the improved book quality and sustained positive collections performance. Credit granting will be expanded on a conservative basis.

Online sales increased by 159% since FY19 and contributes 7% of sales in the JD Tech division. Everyshop, the pure-play online platform launched in March 2021, expanded its product range to 40 000 products across 500 brands.

JD GROUP

Russells | BRADLOWS | HiFiCorp | everyshop. | ROCHESTER | Sleepmasters The Bed Experts | Incredible Connection

abacus

BUILDING MATERIALS

The Building Company increased sales by 17.7% with like-for-like sales growth of 20.8% compared to FY20.

Like-for-like sales increased by 7.5% compared to FY19

The business benefited from positive sales momentum during the year. The focus on margins and cost control substantially improved operating profit to R371 million, compared to R129 million in the previous year.

The business was successful in developing a more robust business model with improved margins and an optimised cost base. The emphasis has now shifted from consolidation to more focus on growth and development of the business.

THE BUILDING COMPANY

BUCO LET'S BUILD TOGETHER · Timbercity · Chipbase · tiletoria · BONE · Buchel HANDLES HINGES & LOCKS · W&B HANDLES HINGES & LOCKS · Bildware HANDLES HINGES & LOCKS · MACNEIL · CACHET · Citiwood · Brands4Africa

FINTECH

The FinTech segment increased revenue by 3.0% to R8.9 billion for the year. Operating profit benefited from improved profitability in Capfin following its restructuring and increased by 53.1% to R701 million.

The Flash business contributed 89.4% to the FinTech segment's revenue. The trader business in the informal market consists of 203 000 traders and continues to empower informal traders to grow their own businesses and create job opportunities in the local communities. Virtual turnover per device increased by 23.5% year-on-year, highlighting the improved quality of traders, increased product offering, and their ability to serve customer needs. 1ForYou voucher sales reached 193 million transactions for the year and effectively digitises cash to be used by consumers to participate in the digital economy.

The consolidation of the Capfin operating cost structure resulted in a substantial improvement in profitability for the year. Conservative credit granting and lower interest rates weighed on revenue growth and the Capfin gross credit book remained stable at R1.9 billion compared to the prior year. The total number of Capfin accounts increased to 240 000 from 219 000 a year ago with 75% of accounts representing six-month loans. The credit book provision level was reduced to 19% (FY20: 26%) based on the enhanced quality of the credit book and good collections performance in line with pre-COVID levels.

flash · capfin

Outlook

The retail market remains constrained as South Africa is confronted with record levels of unemployment. The full effect of COVID-19 is still playing out and having a major impact on consumers in the lower end of the market. Despite this challenging operating environment, Pepkor is ideally positioned in the discount and value segment of the market to serve our customers with affordable products and services.

Sales growth has been under pressure during the first part of the new financial year as most brands contend with an exceptionally high base in the prior year. Performance compared to 2019, however, remains positive.

Supply chain disruptions have impacted the group, resulting in increased costs and delays in product inflows. The backlog has been improving and stock levels are expected to normalise for the December trading period. The group's merchandise and logistics teams, in conjunction with its stable supply base, have done well to keep prices intact but higher levels of inflation are expected towards the end of 2022. Pepkor is building on its existing local partnerships with strategic vendors to develop growth plans in support of its local sourcing and manufacturing strategy.

Pepkor's balance sheet has been strengthened substantially and provides flexibility should opportunities in the market arise. A process to refinance funding of R5.0 billion repayable in FY23 has commenced with the intention to extend this over a longer term and further reduce the group's cost of funding. The process is expected to be completed early in 2022 and will further strengthen the group's liquidity and debt repayment profile.

Store expansion will continue across most of the brands as Pepkor intends to open approximately 300 new stores in the new financial year. The majority of these stores will be in PEP and Ackermans which are the most profitable and robust brands in the group. The objective is to keep gaining market share in the adult wear categories through the Pepkor Speciality business and Ackermans Woman.

The group is pleased that all its businesses have performed well over the past year and endeavours to continue this momentum. Management is confident that the group's retail brands will execute on their customer value propositions and continue to grow their profitability during the coming financial year.

Dividend

The board declared a dividend of 44.2 cents per ordinary share payable to shareholders on Monday, 24 January 2022. The dividend has been declared out of income reserves.

Last date to trade cum dividend – Tuesday, 18 January 2022

Date trading commences ex dividend – Wednesday, 19 January 2022

Record date – Friday, 21 January 2022

Payment date – Monday, 24 January 2022

Share certificates may not be dematerialised or rematerialised between Wednesday, 19 January 2022 and Friday, 21 January 2022, both days inclusive. The maximum local dividend tax rate is 20%. The net local dividend amounts to 35.36 cents per share for shareholders liable to pay dividend tax at the maximum rate, and 44.2 cents per share for shareholders exempt from paying dividend tax. The issued ordinary share capital of Pepkor Holdings Limited as at the date of this declaration is 3 697 million ordinary shares. Pepkor Holdings Limited's tax reference number is IT9542320180.

Changes to the board and committees

Wendy Luhabe was appointed as the independent chairman of Pepkor on 1 December 2020. As chairman of the company, it was appropriate that Wendy also be appointed as chairman of the nomination committee. She served on the audit and risk committee between 15 April 2021 and 1 June 2021 in order to fill a vacancy and ensure compliance with the minimum membership of this committee in terms of the Companies Act.

Jayendra Naidoo resigned as a non-executive director and as member of the nomination and human resources and remuneration committees on 1 February 2021 as a result of the litigation between himself and Steinhoff, as the majority shareholder in Pepkor, making his role as a board member untenable.

Jacob Wiese did not make himself available for re-election at Pepkor's 2021 annual general meeting and retired as a non-executive director from the board on 10 March 2021. Johann Cilliers resigned from the board and the relevant committees of Pepkor on 16 February 2021 to devote more time to his personal interests. Johann was the lead independent director, the chairman of the audit and risk committee and a member of the nomination committee. Fagmeedah Petersen-Cook was appointed as the interim chairman of the audit and risk committee.

On 1 June 2021, five independent non-executive directors were appointed to the board with the objectives of enhancing and widening the skill set of the board and strengthening the independence and diversity components of the board. Following these appointments, 80% of non-executive directors are independent and from a total board perspective, 42% are female and 33% are black.

The investment committee was constituted on 1 June 2021, and Ian Kirk, Leon Lourens, Riaan Hanekom, Theodore de Klerk, Hester Hickey, Steve Müller and Fagmeedah Petersen-Cook serve as members of the committee.

The benefits associated with the expanded skills base and diversity of the board were also utilised to reconstitute board committees with effect from 1 June 2021 as detailed below:

- Paula Disberry was appointed to the social and ethics committee.
- Hester Hickey was appointed to the audit and risk committee and the investment committee.
- Zola Malinga was appointed to the audit and risk committee and the social and ethics committee.
- Ian Kirk was appointed to the human resources and remuneration committee and the investment committee.
- Isaac Mophatlane was appointed to the human resources and remuneration committee and the nomination committee.

Appreciation

The Pepkor board and management would like to thank shareholders, customers, employees and suppliers for their continued support and loyalty to Pepkor and its retail brands.

WENDY LUHABE
Independent non-executive chairman

LEON LOURENS
Chief executive officer

RIAAN HANEKOM
Chief financial officer

18 November 2021

Independent auditor's review report

on condensed consolidated financial statements

To the shareholders of Pepkor Holdings Limited

We have reviewed the condensed consolidated financial statements of Pepkor Holdings Limited, set out on pages 10 to 26 of the preliminary report, which comprise the condensed consolidated statement of financial position as at 30 September 2021 and the related condensed consolidated statements of comprehensive income, changes in equity and cash flows for the year then ended, and selected explanatory notes.

Directors' responsibility for the condensed consolidated financial statements

The directors are responsible for the preparation and presentation of these condensed consolidated financial statements in accordance with the requirements of the JSE Limited Listings Requirements for preliminary reports, as set out in the basis of preparation paragraph to the financial statements, and the requirements of the Companies Act of South Africa, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express a conclusion on these financial statements. We conducted our review in accordance with International Standard on Review Engagements (ISRE) 2410, which applies to a review of historical financial information performed by the independent auditor of the entity. ISRE 2410 requires us to conclude whether anything has come to our attention that causes us to believe that the financial statements are not prepared in all material respects in accordance with the applicable financial reporting framework. This standard also requires us to comply with relevant ethical requirements.

A review of financial statements in accordance with ISRE 2410 is a limited assurance engagement. We perform procedures, primarily consisting of making inquiries of management and others within the entity, as appropriate, and applying analytical procedures, and evaluate the evidence obtained. The procedures performed in a review are substantially less than those performed in an audit conducted in accordance with International Standards on Auditing. Accordingly, we do not express an audit opinion on these financial statements.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the condensed consolidated financial statements of Pepkor Holdings Limited for the year ended 30 September 2021 are not prepared, in all material respects, in accordance with the requirements of the JSE Limited Listings Requirements for preliminary reports, as set out in the basis of preparation paragraph to the financial statements, and the requirements of the Companies Act of South Africa.

PricewaterhouseCoopers Inc.

PRICEWATERHOUSECOOPERS INC.
Director: D de Jager
Registered auditor

Stellenbosch, South Africa

18 November 2021

Pro forma financial information assurance report

Report on the assurance engagement on the compilation of pro forma financial information included in the reviewed Pepkor Holdings Limited results for the year ended 30 September 2021

To the directors of Pepkor Holdings Limited

We have completed our assurance engagement to report on the compilation of the pro forma financial information of Pepkor Holdings Limited (the company) and its subsidiaries (the group) by the directors. The pro forma financial information, as set out in the reviewed group results for the year ended 30 September 2021 (reviewed group results), consist of the impact of constant currency disclosure and the impact of IFRS 16 as a result of Steinhoff property acquisitions on the group's condensed consolidated statement of comprehensive income, related notes, and the impact on basic and diluted earnings and headline earnings per share for the year ended 30 September 2021 (pro forma financial information). The applicable criteria on the basis of which the directors have compiled the pro forma financial information are specified in the JSE Limited (JSE) Listings Requirements and described in the pro forma financial information section of the reviewed group results.

The pro forma financial information has been compiled by the directors to illustrate the impact of the constant currency disclosure and the impact of IFRS 16 as a result of Steinhoff property acquisitions. As part of this process, information about the company's financial performance has been extracted by the directors from the company's condensed consolidated financial statements for the year ended 30 September 2021, on which a review report has been published.

Directors' responsibility

The directors of the company are responsible for compiling the pro forma financial information on the basis of the applicable criteria specified in the JSE Listings Requirements and described in the pro forma financial information section included in the reviewed group results.

Our independence and quality control

We have complied with the independence and other ethical requirements of the *Code of Professional Conduct for Registered Auditors*, issued by the Independent Regulatory Board for Auditors' (IRBA Code), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour. The IRBA Code is consistent with the corresponding sections of the International Ethics Standards Board for Accountants' International *Code of Ethics for Professional Accountants (including International Independence Standards*).

The firm applies International Standard on Quality Control 1 and, accordingly, maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Reporting accountant's responsibility

Our responsibility is to express an opinion about whether the pro forma financial information has been compiled, in all material respects, by the directors on the basis of the applicable criteria specified in the JSE Listings Requirements and described in pro forma financial information section of the reviewed group results based on our procedures performed.

We conducted our engagement in accordance with the International Standard on Assurance Engagements (ISAE) 3420, *Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus* issued by the International Auditing and Assurance Standards Board. This standard requires that we plan and perform our procedures to obtain reasonable assurance about whether the pro forma financial information has been compiled, in all material respects, on the basis specified in the JSE Listings Requirements.

PRO FORMA FINANCIAL INFORMATION ASSURANCE REPORT continued

For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the pro forma financial information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the pro forma financial information.

The purpose of pro forma financial information is solely to illustrate the impact of a significant event or transaction on unadjusted financial information of the group as if the event had occurred or the transaction had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the event or transaction would have been as presented.

A reasonable assurance engagement to report on whether the pro forma financial information has been compiled, in all material respects, on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used by the directors in the compilation of the pro forma financial information provide a reasonable basis for presenting the significant effects directly attributable to the event or transaction, and to obtain sufficient appropriate evidence about whether:

- the related pro forma adjustments give appropriate effect to those criteria; and
- the pro forma financial information reflects the proper application of those adjustments to the unadjusted financial information.

The procedures selected depend on our judgment, having regard to our understanding of the nature of the company, the event or transaction in respect of which the pro forma financial information has been compiled, and other relevant engagement circumstances.

Our engagement also involves evaluating the overall presentation of the pro forma financial information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion, the pro forma financial information has been compiled, in all material respects, on the basis of the applicable criteria specified by the JSE Listings Requirements and described in the pro forma financial information section of the reviewed group results.

PricewaterhouseCoopers Inc.

PRICEWATERHOUSECOOPERS INC.
Director: D de Jager
Registered auditor

Stellenbosch, South Africa

18 November 2021

Condensed consolidated financial statements

for the year ended **30 September 2021**

Condensed consolidated income statement

	Notes	Year ended 30 September 2021 Reviewed Rm	Year ended 30 September 2020 Restated[1] Reviewed Rm	% change
Revenue	2	77 329	70 827	9.2
Retail revenue		75 208	68 400	10.0
Financial services revenue		1 798	2 126	(15.4)
Insurance revenue		323	301	7.3
Cost of sales		(50 795)	(46 628)	(8.9)
Cost of merchandise sold		(50 622)	(46 628)	(8.6)
Cost of merchandise written off – civil unrest	13	(673)	–	(100.0)
Insurance claim recovery – civil unrest	13	500	–	100.0
Gross profit		26 534	24 199	9.6
Other income		1 052	751	40.1
Other income excluding insurance claim recovery – civil unrest		881	751	17.3
Business interruption insurance claim recovery – civil unrest	13	171	–	100.0
Operating expenses		(13 697)	(12 670)	(8.1)
Debtors' costs		(785)	(1 733)	54.7
Operating profit before depreciation, amortisation and capital items		13 104	10 547	24.2
Depreciation and amortisation		(3 799)	(3 894)	2.4
Operating profit before capital items		9 305	6 653	39.9
Capital items	3	(164)	(5 107)	96.8
Operating profit		9 141	1 546	>100
Finance costs	4	(2 334)	(3 281)	28.9
Finance income		275	265	3.8
Profit/(loss) before associated income		7 082	(1 470)	>100
Share of net profit of associate		2	2	0.0
Profit/(loss) before taxation		7 084	(1 468)	>100
Taxation	5	(2 208)	(1 266)	(74.4)
Profit/(loss) from continuing operations		4 876	(2 734)	>100
Loss from discontinued operations	6	–	(128)	>100
Profit/(loss) for the year		4 876	(2 862)	>100
Profit/(loss) attributable to:				
Owners of the parent		4 875	(2 858)	>100
Non-controlling interests		1	(4)	>100
Profit/(loss) for the year		4 876	(2 862)	>100
Earnings per share (cents)				
Total basic earnings per share from continuing operations	7	132.7	(77.6)	>100
Total basic earnings per share from discontinued operations	7	–	(3.6)	>100
Total basic earnings per share	7	132.7	(81.2)	>100
Total diluted earnings per share from continuing operations	7	130.8	(76.8)	>100
Total diluted earnings per share from discontinued operations	7	–	(3.6)	>100
Total diluted earnings per share	7	130.8	(80.3)	>100

[1] Prior year comparatives have been restated for the effect of the reclassification of The Building Company from discontinued operation to continuing operation. Refer to note 12.

Condensed consolidated statement of comprehensive income

	Note	Year ended 30 September 2021 Reviewed Rm	Year ended 30 September 2020 Restated[1] Reviewed Rm
Profit/(loss) from continuing operations		4 876	(2 734)
Loss from discontinued operations	6	–	(128)
Profit/(loss) for the year		**4 876**	**(2 862)**
Other comprehensive income (OCI) from continuing operations			
Items that may be reclassified subsequently to profit or loss:			
Exchange differences on translation of foreign operations		(77)	(89)
Net fair value (loss)/gain on cash flow hedges		(740)	1 231
Deferred taxation on cash flow hedges		52	(39)
Foreign currency translation reserve released to profit or loss on liquidation of foreign subsidiary		(89)	–
Total other comprehensive (loss)/income for the year, net of taxation		**(854)**	**1 103**
Total comprehensive income/(loss) for the year		**4 022**	**(1 759)**
Total comprehensive income/(loss) attributable to:			
Owners of the parent		4 021	(1 759)
Non-controlling interests		1	–
Total comprehensive income/(loss) for the year		**4 022**	**(1 759)**
Total comprehensive income/(loss) for the year attributable to owners of the parent arises from:			
Continuing operations		4 021	(1 631)
Discontinued operations		–	(128)
Total comprehensive income/(loss) for the year		**4 021**	**(1 759)**

[1] Prior year comparatives have been restated for the effect of the reclassification of The Building Company from discontinued operation to continuing operation. The prior year comparatives have further been restated in order to directly account for the net fair value loss on cash flow hedges transferred to inventory directly in reserves, and not OCI as previously disclosed in error, in terms of IFRS 9: Financial Instruments. Refer to note 12.

Condensed consolidated statement of changes in equity

	Notes	Year ended 30 September 2021 Reviewed Rm	Year ended 30 September 2020 Reviewed Restated[1] Rm
Balance at beginning of the year		53 216	53 958
Effect of reclassification of discontinued operation to continuing operation[1]	12	172	–
Restated balance at beginning of the year		53 388	53 958
Changes in reserves			
Total comprehensive income/(loss) for the year attributable to owners of the parent		4 021	(1 759)
Shares issued through accelerated book-build		–	1 898
Share issued under Pepkor Executive Share Rights Scheme		118	–
Share issued as properties purchase consideration		1 031	–
Share buy-back and cancellation		(762)	
Dividends paid		–	(75)
Transactions with non-controlling interests		(10)	–
Share-based payment expense		111	126
Transfers to retained earnings		37	54
Transfers from other reserves		–	(54)
Release of foreign currency translation reserve (FCTR) on disposal of discontinued operations	6	–	165
Net fair value gain/(loss) on cash flow hedges transferred to inventory		263	(928)
Changes in non-controlling interests			
Total comprehensive income for the year attributable to non-controlling interests		1	–
Transactions with non-controlling equity holders		(1)	7
Dividends paid		(9)	(4)
Balance at end of the year		58 188	53 388
Comprising			
Ordinary stated capital		67 621	67 234
Common control reserve		(11 755)	(11 755)
Retained earnings		2 825	(2 087)
Share-based payment reserve		380	269
Hedging reserve		41	466
Foreign currency translation reserve		(915)	(749)
Other reserves		(9)	1
Non-controlling interests		–	9
		58 188	53 388

[1] Prior year comparatives have been restated for the effect of releasing the provision for the loss on sale of The Building Company due to it being reclassified from discontinued operation to continuing operation. The prior year comparatives have further been restated in order to directly account for the net fair value loss on cash flow hedges transferred to inventory directly to reserves, and not OCI as previously disclosed in error, in terms of IFRS 9: Financial Instruments. Refer to note 12.

Condensed consolidated statement of financial position

	Note	30 September 2021 Reviewed Rm	30 September 2020 Restated[1] Reviewed Rm
ASSETS			
Non-current assets			
Goodwill		37 280	37 280
Intangible assets		18 090	18 032
Property, plant and equipment		6 874	5 528
Right-of-use assets	8	10 230	11 353
Interest in associate		55	52
Investments and loans		69	108
Loans to customers		1	81
Deferred taxation assets		2 764	2 877
		75 363	75 311
Current assets			
Inventories		13 347	11 992
Trade and other receivables		6 984	6 980
Loans to customers		1 534	1 335
Insurance and reinsurance receivables		16	9
Current income taxation assets		233	324
Investments and loans		31	–
Cash and cash equivalents		6 174	5 870
		28 319	26 510
Assets classified as held for sale		–	128
		28 319	26 638
Total assets		103 682	101 949
EQUITY AND LIABILITIES			
Capital and reserves			
Ordinary stated capital		67 621	67 234
Reserves		(9 433)	(13 855)
Total equity attributable to equity holders of the parent		58 188	53 379
Non-controlling interests		–	9
Total equity		58 188	53 388
Non-current liabilities			
Interest-bearing loans and borrowings		10 720	12 520
Lease liabilities		11 952	13 877
Employee benefits		146	86
Deferred taxation liabilities		4 152	4 140
Provisions		91	91
		27 061	30 714
Current liabilities			
Trade and other payables		12 235	12 021
Insurance and reinsurance payables		74	49
Lease liabilities		2 377	2 304
Employee benefits		1 268	854
Provisions		73	183
Current income taxation liabilities		1 975	2 018
Bank overdrafts and short-term facilities		431	418
		18 433	17 847
Total equity and liabilities		103 682	101 949

[1] Prior year comparatives have been restated for the effect of the reclassification of The Building Company from discontinued operation to continuing operation, as well as the reclassification of certain of the John Craig assets and liabilities, which were not included in the final sales contract. Refer to note 12.

Condensed consolidated statement of cash flows

	Notes	Year ended 30 September 2021 Reviewed Rm	Year ended 30 September 2020 Restated[1] Reviewed Rm
CASH FLOWS FROM OPERATING ACTIVITIES			
Operating profit from continuing operations		9 141	1 546
Operating loss from discontinued operations	6	–	(107)
Operating profit		9 141	1 439
Adjusted for:			
Debtors' write-offs and movement in provision		1 159	2 011
Depreciation and amortisation		3 799	3 894
Non-cash capital items	3	164	5 269
Inventories written down to net realisable value		810	572
Profit on lease modification		(903)	(381)
Share-based payment expense		229	126
Non-working capital provisions releases and other non-cash adjustments		320	414
		14 719	13 344
Working capital changes			
(Increase)/decrease in inventories		(1 854)	154
(Increase)/decrease in trade and other receivables		(212)	56
Increase in instalment sale receivables and credit sales through store cards		(930)	(1 086)
Increase in loans to customers		(569)	(281)
(Decrease)/increase in trade and other payables		(121)	725
Net changes in working capital		(3 686)	(432)
Cash generated from operations		11 033	12 912
Net dividends paid		–	(79)
Finance cost paid		(2 221)	(3 066)
Finance income received		252	213
Taxation paid		(1 953)	(1 313)
Net cash inflow from operating activities		7 111	8 667
CASH FLOWS FROM INVESTING ACTIVITIES			
Additions to property, plant and equipment and intangible assets		(1 851)	(1 693)
Proceeds on disposal of property, plant and equipment and intangible assets		26	20
Acquisition of business, net of cash on hand at acquisition		–	(86)
Clawback on acquisition of business		–	52
Decrease in investments and loans		17	39
Increase in investments and loans		(16)	–
Increase in investments and loans in equity-accounted companies		1	–
Financial guarantee settled		–	(519)
Disposal of business, net of cash and cash equivalents acquired		63	–
Net cash outflow from investing activities		(1 760)	(2 187)
CASH FLOWS FROM FINANCING ACTIVITIES			
Amount paid on share buy-back		(762)	–
Proceeds from share issued through accelerated book-build		–	1 898
Transactions with non-controlling interests		(20)	20
Amounts paid on long-term interest-bearing loans and borrowings		(6 500)	(9 017)
Amounts received on long-term interest-bearing loans and borrowings		4 700	6 020
Amounts paid on short-term interest-bearing loans and borrowings		–	(1 509)
Principal lease liability repayments		(2 403)	(2 033)
Net cash outflow from financing activities		(4 985)	(4 621)
NET INCREASE IN CASH AND CASH EQUIVALENTS		366	1 859
Effects of exchange rate translations on cash and cash equivalents		(75)	14
Cash and cash equivalents at beginning of the year		5 452	3 579
CASH AND CASH EQUIVALENTS AT END OF THE YEAR		5 743	5 452

[1] Prior year cash flows from financing activities and cash and cash equivalents have been restated to better reflect the nature of the bank overdraft facilities. The group is of the view that the facilities are operational in nature and not financial as previously reported in error. Refer to note 12.

Notes to the condensed consolidated financial statements

for the year ended **30 September 2021**

Basis of preparation

The condensed consolidated financial statements are prepared in accordance with the JSE Limited Listings Requirements and Debt Listings Requirements (collectively, the Listings Requirements) for preliminary reports and the requirements of the South African Companies Act. 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) and 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*.

The accounting policies applied in the preparation of the condensed consolidated financial statements are in terms of IFRS and are consistent with those accounting policies applied in the preparation of the previous consolidated annual financial statements.

New and revised accounting standards became effective during the year, but their implementation had no significant impact on the results of either the current or the previous financial year. The group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

The condensed consolidated financial statements are prepared in millions of South African rand (Rm) on the historical cost basis, except for certain assets and liabilities, which are carried at amortised cost, and derivative financial instruments, which are stated at their fair values. The preparation of the condensed consolidated financial statements for the year ended 30 September 2021 have been supervised by RG Hanekom CA(SA), the group's chief financial officer.

These condensed consolidated financial statements for the year ended 30 September 2021 have been reviewed by PricewaterhouseCoopers Inc., who expressed an unmodified review conclusion thereon. A copy of the auditor's review report is available for inspection at the company's registered office together with the financial statements identified in the auditor's report. The review was performed in accordance with ISRE 2410: *Review of Interim Financial Information Performed by the Independent Auditor of the Entity*, of which the report has been included in this announcement. The auditor's report does not necessarily report on all the information contained in this announcement. Shareholders are therefore advised that, in order to obtain a full understanding of the nature of the auditor's engagement, they should read the auditor's review report together with the accompanying financial information from the issuer's registered office.

Any forward-looking and forecast information presented is the responsibility of the board and has not been reviewed by Pepkor's auditors.

Significant events

Continued operations – The Building Company

During the prior year, the group entered into a sale and purchase agreement with Cashbuild Limited for the disposal of the entire issued share capital of The Building Company. The approval of the transaction by the Competition Authorities was not fulfilled by the transaction long stop date of 16 August 2021 (LSD). As a result of the group and Cashbuild not being able to reach agreement on an extension to the LSD, the parties agreed to terminate the transaction.

The Building Company has performed well and has made substantial progress to restructure and consolidate the business while improving its strategic alignment, performance and profitability. While the disposal of The Building Company would have enabled the group to streamline its portfolio of businesses in order to focus on its core business of discount and value retail, the group believes this outcome to be in the best interest of value creation for the group shareholders and noteholders. Prior year comparatives have been restated to account for The Building Company as a continuing operation, where it was previously classified as a discontinued operation. Refer to note 12.

Share capital

The following movements in ordinary shares were recorded during the year:

- The group issued 6.2 million ordinary shares on 1 March 2021 for share rights that vested under the Pepkor Executive Share Rights Scheme.
- The group issued 68.7 million ordinary shares from the end of July up until September 2021 as purchase consideration for various properties acquired from Steinhoff as noted below.
- The group repurchased 38.0 million ordinary shares during September 2021 from the open market on the JSE.

Bond programme

Subsequent to the approval of the group's R10 billion domestic medium-term note programme by the JSE Limited on 2 March 2020, additional senior unsecured floating rate notes amounting to R2.2 billion were issued on 5 May 2021. The bonds issued consist of R1.4 billion three-year floating rate notes with a coupon rate of three-month Jibar plus 152 bps, and R765 million five-year floating rate notes with a coupon rate of three-month Jibar plus 170 bps.

Interest-bearing loans and borrowings

The group replaced Term Loan B of R2 billion, which carried interest at three-month Jibar plus 215 bps, due in May 2022 through a further issue of notes under the domestic medium-term note programme of R10 billion as noted above.

On 30 June 2021, the group replaced Term Loan C of R2.5 billion, which carried interest at three-month Jibar plus 225 bps, with the following three term loans:

- Term Loan E: three-year term loan of R0.5 billion at three-month Jibar plus 159 bps
- Term Loan F: four-year term loan of R1 billion at three-month Jibar plus 168 bps
- Term Loan G: five-year term loan of R1 billion at three-month Jibar plus 174 bps

During the current financial year, the group settled its debt relating to the Class A cumulative redeemable preference shares to the value of R2 billion.

This further strengthens the group's liquidity and debt repayment profile, reduces the group's cost of funding, and diversifies its sources of funding.

Steinhoff properties acquisition

On 18 December 2020, the group entered into a sale and purchase agreement with a number of Steinhoff subsidiaries to effectively acquire 12 properties that are currently leased by the group. On 14 April 2021, all the conditions precedent which included inter alia the approval required by the Competition Authorities, Pepkor shareholder approval and approval from Steinhoff's creditors were fulfilled.

The aggregate purchase consideration payable in terms of the transaction is R1.05 billion, which is agreed to be settled by Pepkor issuing an aggregate of 70 million new Pepkor shares, to the respective Steinhoff subsidiaries. At year-end, 11 of the 12 properties were transferred to the group, with the remaining property transferred subsequent to year-end, which led to the issue of 68.7 million of the 70 million shares, representing R1.03 billion of the purchase price.

The purchase of these properties led to the derecognition of the relating right-of-use assets and lease liabilities of R725 million and R990 million respectively as at the date the properties were purchased and ceased to be rented. Refer to the pro forma financial information for the effect of the profit on modification on the income statement.

Effect of South Africa's political and social unrest

During July 2021, the South African provinces of KwaZulu-Natal and Gauteng experienced extreme social and political unrest, leading to wide-scale looting and burning of infrastructure. A total of 549 stores across the group were impacted in the affected areas. This represents approximately 10% of the group's total retail store base. Stores were burnt, looted or damaged to varying degrees. In addition, one of the JD Group's distribution centres in Cato Ridge, KwaZulu-Natal was looted. Trading was disrupted, with a number of stores intermittently closed as a precautionary measure in the affected areas to ensure the safety of employees and customers. The group's supply chain and distribution operations were severely disrupted in the affected areas as the group took swift action and deployed extensive tactical measures to protect and safeguard its infrastructure. Of the 549 stores, 413 stores have reopened by the end of October 2021.

The effect of the looting resulted in the impairment of property, plant and equipment of the affected stores, as well as inventory and cash on hand write-offs as detailed in note 13. These losses were covered by the group's SASRIA insurance policies, and up until year-end, R500 million (excluding VAT) was received and recognised by the group. The group further incurred lost sales due to temporary store closures and stores still closed for which the group has received and recognised R171 million in business interruption claims to date. Refer to note 10 for contingent asset relating to the social unrest.

Events subsequent to reporting period

The board is not aware of any significant events, other than those noted above, after the reporting date that will have a material effect on the group's results or financial position as presented in these financial statements.

	Year ended 30 September 2021 Reviewed Rm	Year ended 30 September 2020 Restated[1] Reviewed Rm	% change
1. SEGMENTAL ANALYSIS			
REVENUE			
Clothing and general merchandise[2]	49 267	45 697	7.8
Furniture, appliances and electronics	10 763	9 459	13.8
Building materials	8 416	7 148	17.7
FinTech[2]	8 883	8 622	3.0
	77 329	70 926	9.0
RECONCILIATION OF REVENUE			
Revenue per segmental analysis	77 329	70 926	9.0
Revenue from discontinued operations (note 6)[1,3]	–	(99)	100.0
REVENUE FROM CONTINUING OPERATIONS	77 329	70 827	9.2
OPERATING PROFIT BEFORE CAPITAL ITEMS			
Clothing and general merchandise[4]	7 786	6 176	26.1
Furniture, appliances and electronics	447	(55)	>100
Building materials	371	129	>100
FinTech[4]	701	458	53.1
	9 305	6 708	38.7
RECONCILIATION BETWEEN OPERATING PROFIT			
Operating profit per segmental analysis	9 305	6 708	38.7
Operating profit from discontinued operations pre capital items (note 6)[5]	–	(55)	100.0
Capital items (note 3)	(164)	(5 107)	96.8
Operating profit from continuing operations	9 141	1 546	>100
Share of net profit of associate	2	2	0.0
Finance costs (note 4)	(2 334)	(3 281)	28.9
Finance income	275	265	3.8
Profit before taxation from continuing operations	7 084	(1 468)	>100
SEGMENTAL ASSETS	97 408	95 971	1.5
RECONCILIATION BETWEEN TOTAL ASSETS AND SEGMENTAL ASSETS			
Total assets per statement of financial position	103 682	101 949	1.7
Less: Cash and cash equivalents	(6 174)	(5 870)	(5.2)
Less: Long-term investments and loans	(69)	(108)	36.1
Less: Short-term investments and loans	(31)	–	100.0
Segmental assets	97 408	95 971	1.5

Basis of segmental presentation

The segmental information was prepared in accordance with IFRS 8: *Operating Segments* (IFRS 8), which defines requirements for the disclosure of financial information of an entity's operating segments. IFRS 8 requires operating segments to be identified on the basis of internal reporting of group components that are regularly reviewed by the chief operating decision-maker (CODM) to allocate resources to segments and to assess their performance. The board of directors has been identified as the CODM.

Identification of segments

The identification of segments is consistent with those identified in the annual consolidated financial statements for the year ended 30 September 2020. The board of directors identified and monitors segments in relation to differences in products and services.

SEGMENTAL ANALYSIS

Geographical analysis

The CODM reviews revenue, operating profit and assets as one geographical region.

Major customers

No single customer contributes 10% or more of the group's revenue.

[1] Prior year comparatives have been restated for the effect of the reclassification of The Building Company from discontinued operation to continuing operation. Refer to note 12.

[2] FinTech segment revenue is disclosed net of intergroup revenue of R2.0 billion (2020: R1.8 billion) earned relating to the sale of virtual vouchers and airtime as well as hand-held devices to the clothing and general merchandise segment.

[3] Revenue from discontinued operations relate to the clothing and general merchandise segment.

[4] The FinTech segment operating profit is disclosed net of intersegment expenses of R10 million (2020: R27 million) paid to the clothing and general merchandise segment relating to the use of its footprint.

[5] Operating profit from discontinued operations before capital items relate to the clothing and general merchandise segment.

		Year ended 30 September 2021 Reviewed Rm	Year ended 30 September 2020 Restated[1] Reviewed Rm
2.	**REVENUE**		
	Revenue from contracts with customers		
	Sale of goods and related revenue (note 2.1.1)[2]	74 644	67 777
	Service fee income	397	448
	Other revenue[2]	167	175
	Other sources of revenue		
	Financial services revenue (note 2.1.2)[3]	1 798	2 126
	Insurance revenue (note 2.1.3)[3]	323	301
		77 329	70 827
2.1	**Disaggregation of revenue from contracts**		
2.1.1	**Sale of goods and related revenue**		
	Clothing and general merchandise		
	South Africa	41 980	38 609
	Other countries	6 607	6 271
	Furniture, appliances and electronics		
	South Africa	9 054	7 749
	Other countries	711	667
	Building materials		
	South Africa	8 027	6 752
	Other countries	389	396
	FinTech		
	South Africa	7 773	7 273
	Other countries	103	60
		74 644	67 777
2.1.2	**Financial services revenue**		
	Finance income earned	1 529	1 815
	Loan origination fees	269	311
		1 798	2 126
2.1.3	**Insurance revenue**		
	Gross premiums written	352	282
	Less: gross premiums ceded to reinsurers	–	9
	Change in provision for unearned premium	(29)	10
		323	301

[1] *Prior year comparatives have been restated for the effect of the reclassification of The Building Company from discontinued operation to continuing operation. Refer to note 12.*

[2] *Revenue is recognised at a point in time when either the point of sale transaction or the delivery of goods is concluded, or when any significant uncertainty is resolved on variable consideration.*

[3] *Financial services revenue relates to finance income and other revenue measured in terms of the effective-interest method in accordance with IFRS 9 and is therefore recognised over the term of the financial instrument. Insurance revenue is also recognised over the time of the contract entered into with the customer. The non-South African split is not deemed to be material for the group.*

		Year ended 30 September 2021 Reviewed Rm	Year ended 30 September 2020 Restated[1] Reviewed Rm
3.	**CAPITAL ITEMS**		
	The effect of capital items should be excluded from earnings when determining headline earnings per share.		
	Expenses of a capital nature are included in the 'capital items' line in the income statement. These expense items are:		
3.1	**From continuing operations**		
	Impairment	228	5 085
	Goodwill	13	4 699
	Intangible assets	–	103
	Property, plant and equipment	27	80
	Property, plant and equipment – civil unrest (note 13)	32	–
	Right-of-use assets	156	203
	(Profit)/loss on disposal of property, plant and equipment and intangible assets	(18)	22
	Scrapping of property, plant and equipment – civil unrest (note 13)	44	–
	FCTR released to profit or loss on liquidation of foreign subsidiary	(89)	–
	Loss on sale of subsidiaries	(1)	–
		164	5 107
3.2	**From discontinued operations**		
	Gain on sale of disposal group (note 6.1.2)	–	(3)
	FCTR release on sale of disposal group (note 6.1.2)	–	165
		–	162
4.	**FINANCE COSTS**		
	Interest-bearing loans and borrowings	650	1 279
	Bank	162	207
	Lease liability finance cost	1 400	1 637
	Other	122	158
		2 334	3 281
5.	**TAXATION**		
	Tax from continuing operations	(2 208)	(1 266)
	Tax from discontinued operations (note 6)	–	(20)
	Total taxation for the year	(2 208)	(1 286)
	Reconciliation of rate of taxation	%	%
	South African standard rate of taxation	28.0	28.0
	Foreign tax rate differential	0.1	0.6
	Withholding taxes	0.7	(5.0)
	Unrecognised tax losses	(0.4)	(5.0)
	Prior year adjustments	2.5	(6.2)
	Tax-exempt income	(1.2)	13.0
	Non-deductible expenses[2]	1.6	(11.0)
	Impairment of goodwill and intangibles	0.0	(86.6)
	Preference share dividends	0.1	(6.5)
	Business Venture Investments 1499 (RF) Proprietary Limited – related costs	0.0	(0.6)
	FCTR release through profit and loss	(0.4)	(2.9)
	Other	0.2	0.6
	Effective rate of taxation	31.2	(81.6)

[1] Prior year comparatives have been restated for the effect of the reclassification of The Building Company from discontinued operation to continuing operation. Refer to note 12.

[2] Non-deductible expenses mainly relate to expenses of a capital nature, expenses not incurred in the production of income, and depreciation on leasehold improvements.

6. DISPOSAL GROUPS

Description

During the prior year, the group decided to dispose of the John Craig business. The disposal was concluded during the first half of the year. The business operated mainly in the smart/formalwear sector of the menswear market. This sector did not represent a strategic fit with the group's main business proposition of supplying discounted value-added products to its customers.

During the latter part of the 2019 financial year, the board decided to exit the group's Zimbabwean business operating, under the PowerSales brand. The decision was driven mainly by the increasing difficulty of trading in Zimbabwe as a result of adverse macroeconomic conditions. The sale was concluded and all conditions precedent were met on 30 September 2020.

The Zimbabwean discontinued operation was previously included under the clothing and general merchandise segment.

		Year ended 30 September 2021 Reviewed Rm	Year ended 30 September 2020 Restated[1] Reviewed Rm
6.1	**Discontinued operations**		
6.1.1	**Income statement**		
	Revenue	–	99
	Cost of sales	–	(11)
	Gross profit	–	88
	Operating expenses	–	(33)
	Operating profit before depreciation, amortisation and capital items	–	55
	Depreciation and amortisation	–	–
	Operating profit before capital items	–	55
	Capital items (note 3)	–	(162)
	Operating loss	–	(107)
	Finance costs	–	(1)
	Loss before taxation	–	(108)
	Taxation	–	(20)
	Loss for the year	–	(128)
6.1.2	**Details of the sale of the Zimbabwean operations**		
	Consideration received in cash	–	–
	Carrying amount of net assets sold	–	3
	Loss on sale before income tax and reclassification of FCTR	–	3
	Reclassification of FCTR	–	(165)
	Income tax expense	–	–
	Loss on sale after income tax	–	(162)
6.1.3	**Statement of cash flows**		
	Net cash inflow from operating activities	–	31
	Net cash outflow from investing activities	–	(6)
	Net cash outflow from financing activities	–	(4)
	Net increase in cash and cash equivalents	–	21
	Effects of exchange rate translations on cash and cash equivalents	–	(30)
	Cash and cash equivalents at beginning of the year	–	9
	Cash and cash equivalents at the end of the year	–	–

6.1.4 The economy of Zimbabwe was assessed in accordance with IAS 29: *Financial Reporting in Hyperinflationary Economies*, and was found to be in hyperinflation for the year ended 30 September 2020. The hyperinflation accounting impact was found to be immaterial, therefore it was decided that no adjustments would be made to the group's results for the Zimbabwean operations as being hyperinflationary.

	Year ended 30 September 2021 Reviewed Rm	Year ended 30 September 2020 Restated[1] Reviewed Rm
6. DISPOSAL GROUPS continued		
6.2 Sale of businesses		
6.2.1 Details of the sale of the John Craig business		
Consideration received in cash	29	–
Carrying amount of net assets sold	(30)	–
Gain on sale before taxation	(1)	–
Taxation	–	–
Gain on sale after taxation	(1)	–
6.2.2 Details regarding the sale of various small subsidiaries		
Consideration received in cash	34	–
Carrying amount of net assets sold	(34)	–
Gain on sale before taxation	–	–
Taxation	–	–
Gain on sale after taxation	–	–

[1] Prior year comparatives have been restated for the effect of the reclassification of The Building Company from discontinued operation to continuing operation. Refer to note 12.

	30 September 2021 Reviewed Million	30 September 2020 Reviewed Million
7. EARNINGS AND HEADLINE EARNINGS PER SHARE		
7.1 Weighted average number of ordinary shares		
Issued ordinary shares at beginning of the year	3 660	3 450
Share issued under Pepkor Executive Share Rights Scheme	4	–
Share issued as properties purchase consideration	12	–
Share buy-back and cancellation of share	(2)	–
Scrip dividend issued	–	26
Share issued through accelerated book-build	–	44
Weighted average number of ordinary shares at end of the year for the purpose of basic earnings per share and headline earnings per share	3 674	3 520
Effect of dilution due to share rights issues in terms of share scheme	54	37
Weighted average number of ordinary shares at end of the year for the purpose of diluted earnings per share and diluted headline earnings per share	3 728	3 557
Number of shares in issue	3 697	3 660

7. EARNINGS AND HEADLINE EARNINGS PER SHARE continued

	Year ended 30 September 2021			Year ended 30 September 2020		
	Continuing Rm	Reviewed Discontinued Rm	Total Rm	Continuing Rm	Restated[1] Reviewed Discontinued Rm	Total Rm
7.2 Earnings and headline earnings						
Profit for the year	4 876	–	4 876	(2 734)	(128)	(2 862)
Attributable to non-controlling interests	(1)	–	(1)	4	–	4
Earnings attributable to ordinary shareholders	4 875	–	4 875	(2 730)	(128)	(2 858)
Capital items (note 3)	164	–	164	5 107	162	5 269
Taxation effect of capital items	(67)	–	(67)	(101)	–	(101)
Headline earnings attributable to ordinary shareholders	4 972	–	4 972	2 276	34	2 310

7.3 Diluted earnings and diluted headline earnings per share

Share rights issued to employees have been taken into account for diluted earnings and diluted headline earnings per share purposes.

	Cents	Cents	Cents	Cents	Cents	Cents
7.4 Headline and diluted headline earnings per share						
Headline earnings per share	135.4	–	135.4	64.7	0.9	65.5
Diluted headline earnings per share	133.4	–	133.4	64.0	1.0	64.9
7.5 Net asset value per share						
Net asset value per ordinary share is calculated by dividing the ordinary shareholders' equity by the number of ordinary shares in issue at year-end.						
Net asset value per share			1 573.8			1 458.5

8. RIGHT-OF-USE ASSETS

	Land and buildings Restated[1] Rm	Other assets Restated[1] Rm	Total Restated[1] Rm
Opening balance on adoption of IFRS 16: *Leases* (1 October 2019)	12 652	6	12 658
Additions	2 226	–	2 226
Remeasurement due to lease modifications	(752)	–	(752)
Depreciation	(2 537)	(2)	(2 539)
Impairment (note 3)	(203)	–	(203)
Acquisition of businesses	24	–	24
Exchange differences on consolidation of foreign subsidiaries	(61)	–	(61)
Balance at 30 September 2020	11 349	4	11 353
Additions	3 460	–	3 460
Remeasurement due to lease modifications	(1 899)	–	(1 899)
Depreciation	(2 457)	(2)	(2 459)
Impairment (note 3)	(156)	–	(156)
Exchange differences on consolidation of foreign subsidiaries	(69)	–	(69)
Balance at 30 September 2021	10 228	2	10 230

The remeasurement of the right-of-use assets and relating lease liability remeasurement of R2.8 billion mainly relates to the following, which led to the recognition of R903 million profit on modification:

- Favourable lease renewals
- Retail footprint consolidation in specific retail brand
- The acquisition of certain Steinhoff properties as noted under significant events (refer to the pro forma financial information)

[1] Prior year comparatives have been restated for the effect of the reclassification of The Building Company from discontinued operation to continuing operation. Refer to note 12.

	Year ended 30 September 2021 Reviewed Rm	Year ended 30 September 2020 Reviewed Rm
9. FINANCING		
Unutilised banking and debt facilities consist of the following:		
Short-term cash facilities	5 755	5 792
Letters of credit, forex facilities and asset-based finance facilities	2 240	2 524
Total	7 995	8 316

The group replaced Term Loan B of R2 billion, which carried interest at three-month Jibar plus 215 bps, due in May 2022 through a further issue of notes under the domestic medium-term note programme of R10 billion as noted below.

On 30 June 2021, the group replaced Term Loan C of R 2.5 billion, which carried interest at three-month Jibar plus 225 bps, with the following three term loans:

- Term Loan E: three-year term loan of R 0.5 billion at three-month Jibar plus 159 bps
- Term Loan F: four-year term loan of R1 billion at three-month Jibar plus 168 bps
- Term Loan G: five-year term loan of R1 billion at three-month Jibar plus 174 bps

During the current financial year, the group settled its debt relating to the Class A cumulative redeemable preference shares to the value of R2 billion.

Subsequent to the approval of the group's R10 billion domestic medium-term note programme by the JSE Limited on 2 March 2020, additional senior unsecured floating rate notes amounting to R2.2 billion were issued on 5 May 2021. The bonds issued consist of R1.4 billion three-year floating rate notes with a coupon rate of three-month Jibar plus 152 bps, and R765 million five-year floating rate notes with a coupon rate of three-month Jibar plus 170 bps.

This further strengthens the group's liquidity and debt repayment profile and reduces the group's cost of funding.

10. CONTINGENT LIABILITIES AND ASSETS

There were no significant changes in the contingent liabilities to those disclosed in the consolidated annual financial statements as at 30 September 2020.

Loss adjusters were appointed by SASRIA to assess the material damage loss due to the political and social unrest, and by Emerald for the quantification of the business interruption loss. Initial estimates have been submitted to the insurers. Indicative values show that material damage estimates are within policy limits for both SASRIA and business interruption losses.

As at year-end, the group submitted gross claims for material damage loss to the value R1.2 billion of which R500 million was recognised at year-end, and R717 million for business interruption loss of which R171 million was recognised at year-end.

11. RELATED PARTIES

During the year, the group entered into related party transactions in the ordinary course of business, the substance of which are similar to those disclosed in the group's annual financial statements for the year ended 30 September 2020. There were no material movements in the balances for the 12 months ended 30 September 2021 and 2020, except for the purchase of certain properties from companies within the Steinhoff group (refer to significant events section of these condensed consolidated financial statements) as noted below:

	Year ended 30 September 2021 Reviewed Rm	Year ended 30 September 2020 Reviewed Rm
Capex purchases from Steinhoff-related entities		
Steinhoff Properties Proprietary Limited	810	–
JD Group Property Holdings Proprietary Limited and its subsidiaries	221	–
	1 031	–

12. RESTATEMENT OF PRIOR YEAR COMPARATIVES

12.1 The Building Company reclassified as a continuing operation

During the prior year, the group entered into a sale and purchase agreement with Cashbuild Limited for the disposal of the entire issued share capital of The Building Company. The approval of the transaction by the Competition Authorities was not fulfilled by the transaction long stop date of 16 August 2021 (LSD). As a result of the group and Cashbuild not being able to reach agreement on an extension to the LSD, the parties have accordingly agreed to terminate the transaction.

The Building Company has performed well and has made substantial progress to restructure and consolidate the business while improving its strategic alignment, performance and profitability. While the disposal of The Building Company would have enabled the group to streamline its portfolio of businesses in order to focus on its core business of discount and value retail, the group believes this outcome to be in the best interest of value creation for the group shareholders and noteholders. Prior year comparatives have been restated to account for The Building Company as a continuing operation, where it was previously classified as a discontinued operation.

	Previously reported Year ended 30 September 2020 Reviewed Rm	Restated Year ended 30 September 2020 Reviewed Rm	Restated Year ended 30 September 2020 Reviewed Rm
Revenue	63 679	7 148	70 827
Cost of sales[1]	(41 237)	(5 391)	(46 628)
Gross profit	22 442	1 757	24 199
Other income	703	48	751
Operating expenses[1]	(11 323)	(1 347)	(12 670)
Debtors' costs	(1 670)	(63)	(1 733)
Operating profit before depreciation, amortisation and capital items	10 152	395	10 547
Depreciation and amortisation	(3 628)	(266)	(3 894)
Operating profit before capital items	6 524	129	6 653
Capital items[2]	(5 140)	33	(5 107)
Operating profit	1 384	162	1 546
Finance costs	(3 138)	(143)	(3 281)
Finance income	219	46	265
Loss before associated income	(1 535)	65	(1 470)
Share of net profit of associate	2	–	2
Loss before taxation	(1 533)	65	(1 468)
Taxation	(1 293)	27	(1 266)
Loss from continuing operations	(2 826)	92	(2 734)
Loss from discontinued operations	(208)	80	(128)
Loss for the year	(3 034)	172	(2 862)
Loss attributable to:			
Owners of the parent	(3 034)	176	(2 858)
Non-controlling interests	–	(4)	(4)
Loss for the year	(3 034)	172	(2 862)
Earnings per share (cents)			
Total basic earnings per share from continuing operations	(80.3)	2.7	(77.6)
Total basic earnings per share from discontinued operations	(5.9)	2.3	(3.6)
Total basic earnings per share	(86.2)	5.0	(81.2)
Total headline from continuing operations	62.6	2.1	64.7
Total headline from discontinued operations	2.9	(2.0)	0.9
Total headline operations	65.5	0.0	65.5
Total diluted earnings per share from continuing operations	(79.4)	2.6	(76.8)
Total diluted earnings per share from discontinued operations	(5.9)	2.3	(3.6)
Total diluted earnings per share	(85.3)	5.0	(80.3)
Total diluted headline earnings per share from continuing operations	62.0	2.0	64.0
Total diluted headline earnings per share from discontinued operations	2.9	(1.9)	1.0
Total diluted headline earnings per share	64.9	0.0	64.9

[1] *R362 million was reclassified in the prior year from cost of sales to operating expenses of The Building Company to better reflect the nature of the costs.*

[2] *Due to the reclassification of The Building Company from discontinued to continued operations, the prior year provision on the loss on the sale of R172 million was released in order to reflect the carrying value of the assets, had it never been classified as held for sale.*

12. RESTATEMENT OF PRIOR YEAR COMPARATIVES continued

12.2 Representation of bank overdraft as cash flow from financing activities

Prior year cash flows from financing activities and cash and cash equivalents have been restated to better reflect the nature of the bank overdraft facilities. The group is of the view that the facilities are operational in nature and not financial, as previously reported in error, due to the facilities being used for day-to-day working capital requirements.

	Previously reported Year ended 30 September 2020 Reviewed Rm	Restated Year ended 30 September 2020 Reviewed Rm	Restated Year ended 30 September 2020 Reviewed Rm
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from shares issued through accelerated book-build	1 898	–	1 898
Transactions with non-controlling interests	20	–	20
Amounts received on bank overdrafts and short-term facilities	72	(72)	–
Amounts paid on long-term interest-bearing loans and borrowings	(9 017)	–	(9 017)
Amounts received on long-term interest-bearing loans and borrowings	6 020	–	6 020
Amounts paid on short-term interest-bearing loans and borrowings	(1 509)	–	(1 509)
Principal lease liability repayments	(2 033)	–	(2 033)
Net cash outflow from financing activities	(4 549)	(72)	(4 621)
NET INCREASE IN CASH AND CASH EQUIVALENTS	1 931	(72)	1 859
Effects of exchange rate translations on cash and cash equivalents	14	–	14
Cash and cash equivalents at beginning of the year	3 925	(346)	3 579
CASH AND CASH EQUIVALENTS AT END OF THE YEAR	5 870	(418)	5 452

12.3 Representation of cash flow hedge movements from other comprehensive income to statement of changes in equity

The prior year comparatives have further been restated in order to directly account for the net fair value loss on cash flow hedges transferred to inventory directly in reserves, and not OCI as previously disclosed in error, in terms of IFRS 9: *Financial Instruments*.

	Previously reported Year ended 30 September 2020 Rm	Restated Year ended 30 September 2020 Rm	Restated Year ended 30 September 2020 Rm
Consolidated statement of comprehensive income			
Other comprehensive income from continuing operations			
Items that may be reclassified subsequently to profit or loss:			
Exchange differences on translation of foreign operations	(89)	–	(89)
Net fair value gain on cash flow hedges	1 231	–	1 231
Net fair value loss on cash flow hedges transferred to inventory	(928)	928	–
Deferred taxation on cash flow hedges	(39)	–	(39)
Total other comprehensive income for the year, net of taxation	175	928	1 103
Consolidated statement of changes in equity			
Hedging reserve	466	–	466
Fair value loss on cash flow hedges transferred to inventory previously recognised in OCI	–	928	928
Fair value loss on cash flow hedges transferred to inventory directly accounted for in reserves	–	(928)	(928)

13. EFFECT OF SOUTH AFRICA'S POLITICAL AND SOCIAL UNREST

During July 2021, the South African provinces of KwaZulu-Natal and Gauteng experienced extreme social and political unrest, leading to wide-scale looting and burning of infrastructure. A total of 549 stores across the group were impacted in the affected areas. This represents approximately 10% of the group's total retail store base. Stores were burnt, looted or damaged to varying degrees. In addition, one of the JD Group's distribution centres in Cato Ridge, KwaZulu-Natal was looted. Trading was disrupted, with a number of stores intermittently closed as a precautionary measure in the affected areas to ensure the safety of employees and customers. The group's supply chain and distribution operations were severely disrupted in the affected areas as the group took swift action and deployed extensive tactical measures to protect and safeguard its infrastructure. Of the 549 stores, 413 stores have reopened at year-end.

The effect of the looting resulted in the impairment of property, plant and equipment of the affected stores, as well as inventory and cash on hand write-offs as detailed below. These losses were covered by the group's SASRIA insurance policies, and up until year-end, R500 million (excluding VAT) was received and recognised by the group. The group further incurred lost sales due to temporary store closures and stores still closed for which the group has received and recognised R171 million in business interruption claims to date.

		Year ended 30 September 2021 Reviewed Rm
13.1	**Impairments recognised due to the unrest**	
	Write-off of inventory (reflected in cost of sales)	**(673)**
	Impairment of property, plant and equipment (reflected in capital items – note 3)	**(32)**
	Scrapping of property, plant and equipment (reflected in capital items – note 3)	**(44)**
	Cash on hand (reflected in operating expenses)	**(18)**
		(767)
13.2	**Insurance claims and recoverability**	
	Insurance claim recovered relating to cost of merchandise written off (reflected in cost of sales)	**500**
	Insurance claim recovered relating to business interruption (reflected in other income)	**171**
		671
13.3	**Net loss incurred in the current year due to political and social unrest**	**(96)**

Pro forma financial information

The pro forma financial information, which is the responsibility of the group's directors, has been prepared in order to illustrate the impact of the profit on modification recognised in terms of IFRS 16 for the acquisition of certain Steinhoff properties had it not been recognised, as well as the impact of constant currency disclosure, and is presented for illustrative purposes only. The pro forma financial information is presented in accordance with the JSE Listings Requirements and SAICA Guide on Pro Forma Financial Information. Therefore, because of its nature, the pro forma financial information may not fairly present the group's financial position, change in equity, results of operations, or cash flows. An assurance report (in terms of ISAE 3420: *Assurance Engagements to Report on the Compilation of Pro Forma Financial Information* included in a prospectus issued by the International Auditing and Assurance Standards Board), has been issued by the group's auditors, PricewaterhouseCoopers Inc., in respect of the pro forma financial information included in this announcement. The pro forma financial information should be read in conjunction with this assurance report.

Pro forma headline earnings per share

	Note	As reported Year ended 30 September 2021 Reviewed[1] Rm	IFRS 16 adjustment Year ended 30 September 2021 Reviewed[2] Rm	Pro forma after adjustment Year ended 30 September 2021 Reviewed Rm	Year ended 30 September 2020 Restated[1] Reviewed Rm	% change on prior year
Revenue		77 329	–	77 329	70 827	9.2
Cost of sales		(50 795)	–	(50 795)	(46 628)	(8.9)
Gross profit		26 534	–	26 534	24 199	9.6
Other income		1 052	–	1 052	751	40.1
Operating expenses		(13 697)	(265)	(13 962)	(12 670)	(10.2)
Debtors' costs		(785)	–	(785)	(1 733)	54.7
Operating profit before depreciation, amortisation and capital items		13 104	(265)	12 839	10 547	21.7
Depreciation and amortisation		(3 799)	–	(3 799)	(3 894)	2.4
Operating profit before capital items		9 305	(265)	9 040	6 653	35.9
Capital items		(164)	–	(164)	(5 107)	96.8
Operating profit		9 141	(265)	8 876	1 546	>100
Finance costs		(2 334)	–	(2 334)	(3 281)	28.9
Finance income		275	–	275	265	3.8
Profit/(loss) before associated income		7 082	(265)	6 817	(1 470)	>100
Share of net profit of associate		2	–	2	2	0.0
Profit/(loss) before taxation		7 084	(265)	6 819	(1 468)	>100
Taxation		(2 208)	74	(2 134)	(1 266)	(68.6)
Profit/(loss) from continuing operations		4 876	(191)	4 685	(2 734)	>100
Loss from discontinued operations		–	–	–	(128)	>100
Profit/(loss) for the year		4 876	(191)	4 685	(2 862)	>100
Profit/(loss) attributable to:						
Owners of the parent		4 875	(191)	4 684	(2 858)	>100
Non-controlling interests		1	–	1	(4)	>100
Profit/(loss) for the year		4 876	(191)	4 685	(2 862)	>100
Total basic earnings per share from continuing operations	3	132.7	(5.2)	127.5	(77.6)	>100
Total diluted earnings per share from continuing operations	3	130.8	(5.1)	125.7	(76.8)	>100
Total headline earnings per share from continuing operations	3	135.4	(5.2)	130.2	64.7	>100
Total diluted headline earnings per share from continuing operations	3	133.4	(5.1)	128.3	64.0	>100

Notes to the pro forma financial information

1. The current and prior year numbers were extracted without adjustments from the condensed consolidated financial statements for the year ended 30 September 2021.
2. The pro forma financial information excludes the impact of the profit on modification recognised, when the lease liability and relating right-of-use asset are derecognised, in terms of IFRS 16: *Leases* for the acquisition of certain Steinhoff properties as noted under significant events in the condensed consolidated financial statements.
3. Pro forma earnings per share, diluted earnings per share, headline earnings and diluted headline earnings per share are calculated on the same basis and using the same weighted average number of ordinary shares and weighted average number of dilutive ordinary shares as per note 7 of the notes to the condensed consolidated financial statements.

Pro forma headline earnings are adjusted for the post-taxation profit on modification recognised in terms of IFRS 16 arising from the acquisition of certain Steinhoff properties as below:

	Rm
Pro forma earnings attributable to ordinary shareholders	**4 684**
Capital items (note 3 in the condensed consolidated financial statements)	**164**
Taxation effect on capital items (note 7 in the condensed consolidated financial statements)	**(67)**
Pro forma headline earnings attributable to ordinary shareholders	**4 781**

Pro forma constant currency disclosure

The Pepkor group discloses unaudited constant currency information to indicate PEP Africa's performance in terms of sales growth, excluding the effect of foreign currency fluctuations. To present this information, current year turnover for PEP Africa reported in currencies other than ZAR is converted from local currency actuals into ZAR at the prior year's actual average exchange rates per country. The table below sets out the percentage change in sales, based on the actual continuing results for the year, in reported currency and constant currency, for the basket of currencies in which PEP Africa operates, of which the Angola kwanza, Mozambique metical and Zambian kwacha are the most material.

Change in sales on prior year (%)	Reported currency	Constant currency
PEP Africa	**(12.56)**	**9.16**

Corporate information

PEPKOR HOLDINGS LIMITED
('Pepkor' or 'the company' or 'the group')
(Incorporated in the Republic of South Africa)

Executive directors
LM Lourens (Chief executive officer)
RG Hanekom (Chief financial officer)

Non-executive directors
WYN Luhabe (Chairman)*
J Naidoo (Resigned 1 February 2021)
JB Cilliers (Lead independent) (Resigned 16 February 2021)*
TL de Klerk
P Disberry (Appointed 1 June 2021)*
LJ du Preez
HH Hickey (Appointed 1 June 2021)*
IM Kirk (Appointed 1 June 2021)*
ZN Malinga (Appointed 1 June 2021)*
LI Mophatlane (Appointed 1 June 2021)*
SH Müller*
F Petersen-Cook*
JD Wiese (Resigned 10 March 2021)

** Independent*

Registration number
2017/221869/06

Share code
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Debt code
PPHI

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Company secretary
M Allie

Auditors
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Equity sponsor
PSG Capital Proprietary Limited

Debt sponsor
Rand Merchant Bank (A division of FirstRand Bank Limited)

Corporate broker
Rand Merchant Bank (A division of FirstRand Bank Limited)

Announcement date
19 November 2021

PEPKOR

Holdings Limited