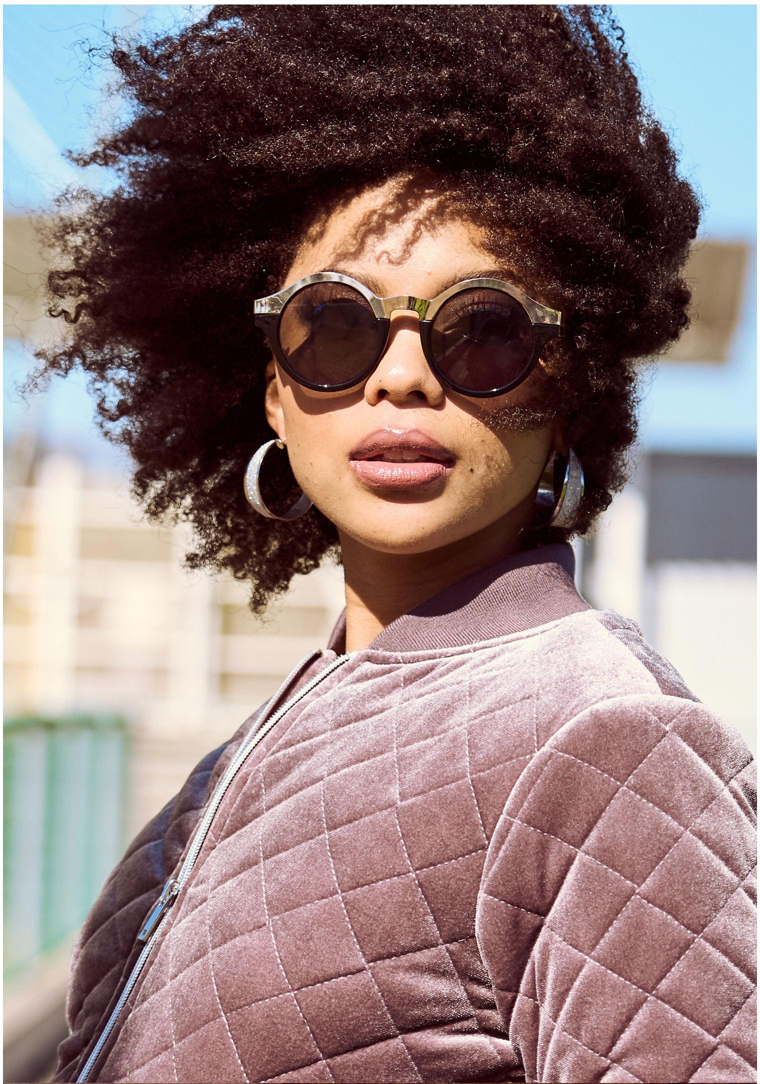
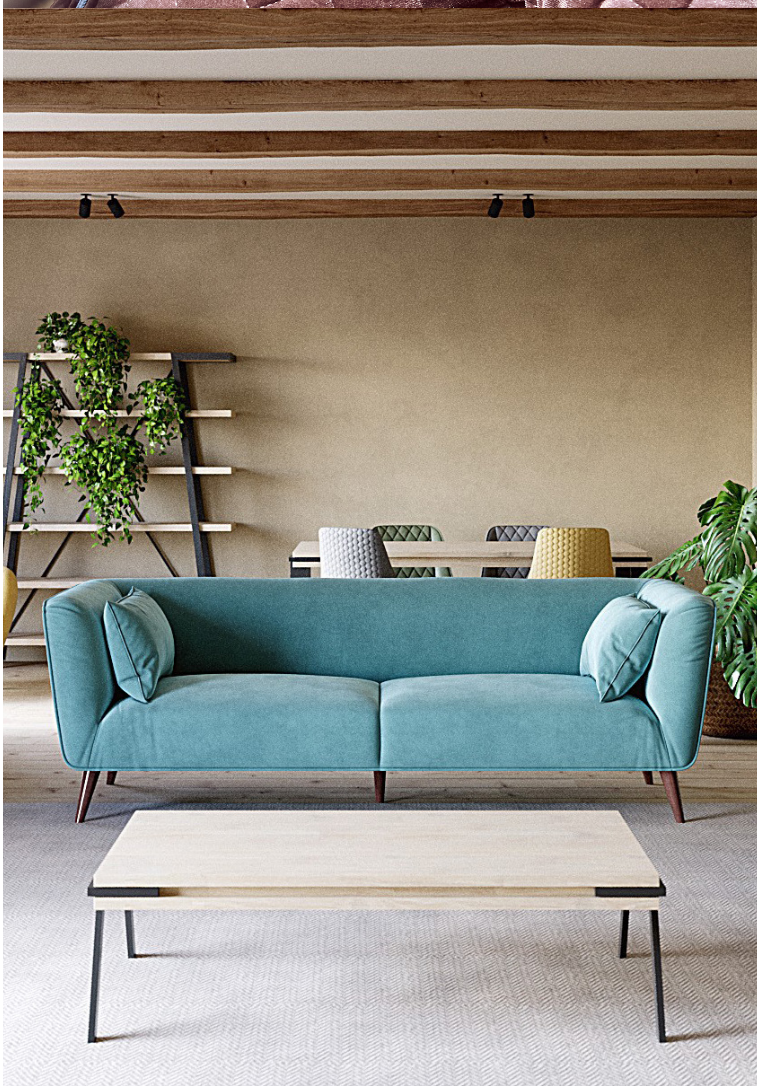
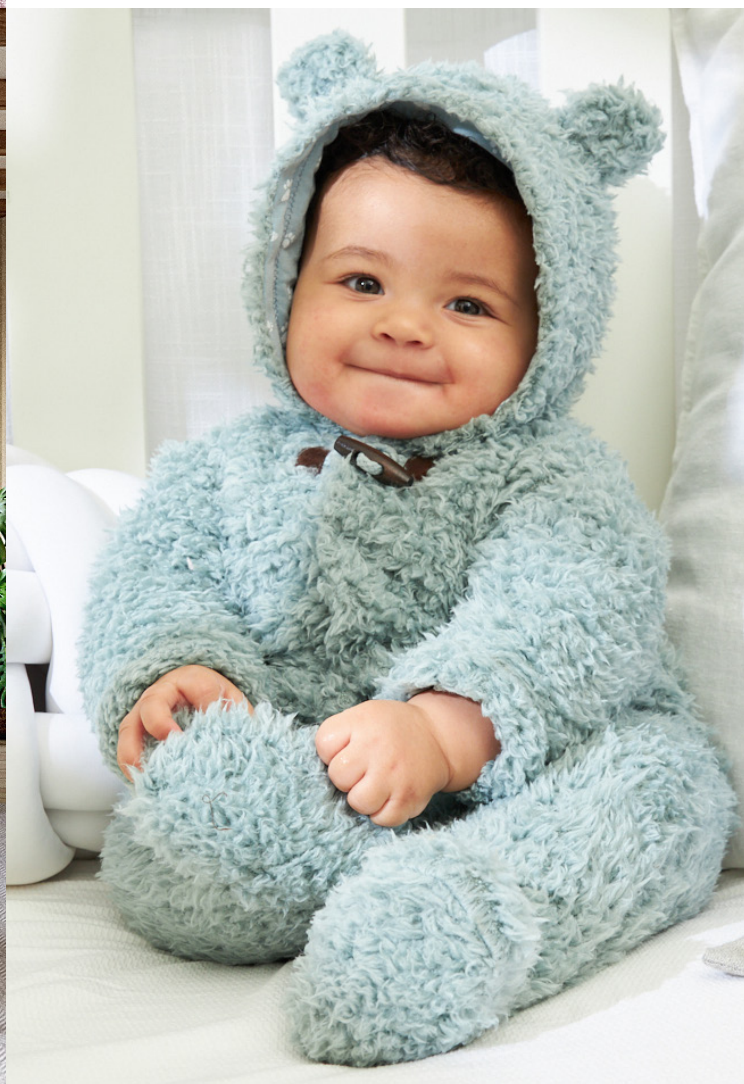


PEPKOR
Holdings Limited

INTERIM RESULTS

for the six months ended
31 March 2021





HIGHLIGHTS from continuing operations

▲ **8.1%**

growth in revenue to
R36.5 billion

▲ **50.6%**

increase in headline earnings per share to
68.8 cents

▲ **296 bps**

growth in CFH market share[1]

[1] *Clothing, footwear and homeware (CFH)*

Source: Retailers' Liaison Committee (RLC)

▲ **18.5%**

increase in operating profit[2] to R4.6 billion

[2] *Before capital items*

R5.0 billion

cash generated[3]

[3] *Including discontinued operations*

▼ **R8.0 billion**

reduction in net debt to R6.1 billion[4]

[4] *Excluding IFRS 16 and including discontinued operations*

\+ **108**

new stores opened

Pepkor grows headline earnings per share from continuing operations by 50.6% for the six months ended March 2021

Continuing operations

The Pepkor group continued to outperform and expand its market share in a challenging and uncertain South African consumer retail market. Strong operational performance in addition to a significantly lower level of debt resulted in Pepkor growing headline earnings per share by 50.6% for the six-month period ended 31 March 2021.

The group's leadership in the discount and value market and its diligent execution of proven and compelling customer value propositions resulted in significant market share expansion in clothing, footwear and homeware (CFH), cellular handsets and consumer electronics and appliances[1].

Pepkor remains rooted in its purpose of making a positive difference in the lives of its customers and it is pleasing that all businesses within the group contributed positively to the successful results achieved for the period. It is noteworthy that 93% of group sales during the period was generated in cash.

The quality of the performance during the period is further highlighted by the fact that businesses had to deal with volatile operating conditions during the second wave of the Coronavirus pandemic (COVID-19) and disruptions caused by the delayed start to the academic school year. The performance is also commendable in that the comparable six-month period ended 31 March 2020 (the comparable period) was largely unaffected by COVID-19.

During the period 108 new stores were opened which were focused in the group's most robust and proven retail brands, supporting sustainable job creation. At 31 March 2021 the group's expansive store footprint comprised 5 293 stores. Total retail space declined by 1.8% year-on-year mainly due to the disposal of the John Craig business.

[1] *Retailers' Liaison Committee (RLC) and Growth from Knowledge (GfK) data*

FINANCIAL PERFORMANCE

Revenue increased by 8.1% to R36.5 billion for the six months ended 31 March 2021. From a group perspective, cash sales increased by 10.7% while credit sales decreased by 3.8%. The credit contribution to total group sales reduced to 7% for the period from 8% in the comparable period.

Conservative credit granting across all credit books in addition to lower interest rates, negatively impacted growth in revenue earned from the Tenacity, Connect and Capfin credit books. When revenue from these credit books is excluded, growth of 9.9% was achieved.

From a retail perspective, gross profit margin increased by 30 basis points due to fuller priced sales and lower markdowns. The total gross profit margin reduced by 90 basis points to 35.3%, negatively impacted by reduced credit granting and lower interest rates.

Other income reduced by 3.3% to R351 million, mainly due to a reduction in money transfers during the period.

Operating costs, excluding debtors' costs, increased by 4.3% to R8.2 billion. Stringent cost management allows the group to continue operating at the lowest cost of doing business in the market.

Debtors' costs decreased by 49.6% to R428 million. This includes bad debts of R589 million, which increased by 39.1% from a low base in the comparable period when the Connect and Capfin credit books were still being established. Conservative credit granting and continued good collections resulted in a R161 million reduction in provision levels. Provision levels remain conservative when compared to the comparable period.

Based on the strong trading performance and good cost management, operating profit (before capital items) increased by 18.5% to R4.6 billion.

Net finance costs reduced by 32.6% to R1.0 billion. Excluding the IFRS 16 lease component, net finance costs reduced by 53.0% due to reduced debt levels and lower interest rates.

Pepkor's effective tax rate decreased to 31.8%, mainly due to a decrease in non-deductible finance costs and the utilisation of unrecognised tax losses. The decrease in non-deductible finance costs is a consequence of settlement of the preference share funding.

Inventory levels reduced to R11.7 billion from R13.8 billion year-on-year primarily as a result of The Building Company being classified as a discontinued operation. Excluding The Building Company, inventory levels reduced by 4.9% year-on-year, reflecting an improved level of stock freshness.

Strong cash generation during the period facilitated a reduction in net debt to R6.1 billion from R14.1 billion in the comparable period (excluding IFRS 16 lease liabilities). This included settlement of the last remaining preference share funding of R2.0 billion during the period. The net debt-to-EBITDA ratio of 0.8 times and interest cover ratio of 7.6 times remain well within contractual funding covenants which exclude the adoption of IFRS 16.

On 27 November 2020 it was announced via SENS that Pepkor's Global Scale Long Term Rating of Ba3 was affirmed by Moody's Investors Services while its National Scale Long Term Rating (NSLTR) was repositioned to A2.za from A3.za, reflecting an improved NSLTR credit rating.

Pepkor successfully raised R2.2 billion in three- and five-year bonds issued on 5 May 2021 under its R10 billion domestic medium term note (DMTN) programme. The bonds were raised at very competitive interest rates significantly below price guidance provided to the market – illustrating strong support from investors. The proceeds from the bond issuance were used to replace existing term debt funding due for repayment in 2022. The group's liquidity and debt repayment profile has been strengthened substantially while the diversification of funding sources to include the group's DMTN programme will support lower funding costs.

As announced on 14 April 2021 the transaction to acquire 12 properties currently leased from Steinhoff International Holdings N.V. (Steinhoff) received the necessary approvals and all conditions precedent were fulfilled. The group will issue a total of 70 million new Pepkor shares as consideration which represents 1.9% of the total number of Pepkor shares currently in issue. The new shares will be issued on a proportional basis as the transfer of each property is completed. The transaction is accretive on an earnings per share basis (excluding IFRS 16) and results in a cash saving for the Pepkor group in terms of rental expenses.

CLOTHING AND GENERAL MERCHANDISE

The clothing and general merchandise segment increased revenue by 8.1% to R26.3 billion for the period. Operating profit increased by 15.7% to R4.1 billion.

The segment's store base comprised 4 421 stores at 31 March 2021. During the period 98 new stores were opened, led by PEP and Ackermans, and 163 stores were closed, including the disposal of 111 John Craig stores.

The planned transition to a Pepkor-owned international sourcing office in China is progressing well with completion expected towards the end of 2021.

PEP and Ackermans

PEP and Ackermans in aggregate increased sales by 8.8% and like-for-like sales increased by 6.9%. Retail space expansion in PEP and Ackermans amounted to 2.6% year-on-year and included 65 new store openings during the period. Store expansion opportunities have exceeded initial expectations notwithstanding applying a more conservative approach. Performance was underpinned by the leadership of these two retail brands in the discount and value segments of the market.

PEP

PEP remains the leading discount retailer in South Africa and provides the lowest prices to customers on basic and essential products and services. PEP opened 46 new stores during the period, expanding its retail store base to 2 418 stores.

Strong performance was reported in Babies and Home. Cellular performed well with increased contribution from the sale of smartphones. The PAXI parcel delivery initiative which leverages the group's retail footprint distributed 1.7 million parcels during the period.

Ackermans

Ackermans performed exceptionally well during the period and continued to deliver on its compelling value proposition to appeal to 'women with kids in their lives'. Performance was driven by strong growth in cash sales and lay-bys, resulting in a reduced credit sales mix of 17% from 18% in the comparable period. Strong sales growth was reported across all product categories and the brand remains the undisputed leader in baby and children's clothing (RLC data). Ackermans opened 19 new stores during the period and expanded its retail store base to 875 stores. Women's wear achieved 16.2% growth and the Ackermans Woman concept was expanded to 28 stand-alone stores.

PEP Africa

PEP Africa's contribution to group revenue reduced to 2.4% for the period as operations were consolidated, including the exit from Uganda. The retail store footprint decreased to 286 stores and included 17 store closures during the period. The business performed well in constant currency terms with an increase in sales of 7.1% and like-for-like sales of 13.1%. In South African rand terms, sales declined by 12.1% due to the weakening of local currencies and strengthening of the rand. The cost base in the business was reduced substantially and it remains profitable.

Speciality

The Speciality business benefited from consumer demand for casual wear and branded footwear in the value market segment. Sales increased by 11.3%, including John Craig which was disposed of in February 2021. Excluding John Craig, sales increased by 16.6% and like-for-like sales increased by 13.5%. The retail brands performed well and expanded their market share. Most notably Tekkie Town increased its market share by 331 basis points in the branded footwear category (GfK data). The store base comprised 842 stores at 31 March 2021 and includes 15 CODE stores following its acquisition in September 2020.

Tenacity

The Tenacity gross credit book, which facilitates credit sales in Ackermans and Speciality, increased to R3.2 billion at 31 March 2021 from R3.1 billion a year ago. Similar collection levels were achieved to those in the comparable period. The credit book provision level increased to 21% from 18% in the comparable period.

FURNITURE, APPLIANCES AND ELECTRONICS

The furniture, appliances and electronics segment increased revenue by 12.8% to R5.7 billion for the period. Sales of merchandise increased by 16.4% and on a like-for-like basis by 18.1% as consumers continue to upgrade technology to support working or studying remotely and investing in their homes in terms of furniture and appliances. Operating profit increased by 15.4% to R209 million.

Performance was underpinned by strong growth in cash sales of 25.4% and this, in addition to prudent credit granting, resulted in the total credit sales mix reducing to 9% from 17% in the comparable period.

The Connect gross credit book, which facilitates credit sales in JD Group, reduced to R1.5 billion at 31 March 2021 from R1.8 billion a year ago. Collections were at similar levels to that achieved in the comparable period. The credit book provision level increased to 40% from 34% in the comparable period.

FINTECH

The FinTech segment increased revenue by 3.1% to R4.5 billion for the period. Operating profit increased by 68.8% to R336 million and benefited from improved profitability in the Capfin unsecured lending business following its restructuring.

Revenue growth momentum in the Flash business continued at double digits as it invests in new products, channels and geographies. The trader business in the informal market includes 196 000 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 20.0% year-on-year as traders are able to offer more products and services to customers based on the expanded Flash ecosystem and changing customer behaviour.

Conservative credit granting and lower interest rates impacted revenue growth in Capfin. The total number of accounts reduced to 214 000 from 333 000 a year ago. The Capfin gross credit book reduced to R1.9 billion from R2.6 billion a year ago with collections improving marginally on the comparable period. The credit book provision level of 18% compares to 20% in the comparable period.

BUILDING MATERIALS – DISCONTINUED OPERATIONS

The Building Company increased sales by 9.6% with like-for-like sales growth of 11.7%. Profitability improved on the back of a more robust business model, improved margins and an optimised cost base.

The disposal of The Building Company remains in process as the decision of the South African Competition authorities is awaited. IFRS 5: Non-current assets held for sale and discontinued operations requires that depreciation and amortisation be ceased once classified as held for sale for statutory reporting purposes. Based on this, operating profit before capital items amounted to R312 million for the period. When including depreciation, operating profit before capital items increased by 59.5% to R177 million.

Outlook

The group's business model and market positioning have sustained performance since the onset of COVID-19 by responding effectively to changes in the operating environment and consumer behaviour, thereby entrenching its position in the discount and value sector. During this time Pepkor has made excellent progress in strengthening its balance sheet and liquidity, which will support its investment in growth opportunities.

Varying degrees of government-mandated lockdown protocols were put in place since April 2020 to mitigate the spread of COVID-19. It would therefore be more meaningful for trading subsequent to March 2021 to be considered against the group's 2019 trading performance. Based on this comparison, the group is pleased to report positive trading momentum in all retail brands subsequent to March 2021. This includes a good start to the winter-season trade in the CFH brands and continued demand for furniture, appliances and consumer electronics.

Pepkor's product mix and value positioning is ideally suited to the changing consumer behaviour, focusing on essential and everyday products. Pepkor's footprint will continue to expand, especially in the most robust brands such as PEP and Ackermans with 200 new stores planned during this financial year.

Dividend

Consistent with prior interim periods, no interim dividend is declared by the group. In response to the COVID-19 pandemic, the group suspended the dividend in the 2020 financial year with focus on liquidity preservation and allocation of resources. The dividend policy of three times earnings cover remains in effect.

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 be appointed as chairman of the nomination committee. She was appointed to the audit and risk committee in order to fill the 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, 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 formally 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.

The process to appoint a number of new non-executive directors is virtually complete. The appointments will be made with the objectives of enhancing and expanding the existing skills of the board and broadening its independence and diversity.

On 18 March 2021 Pepkor advised that Masood Allie was appointed and Pepkor Proprietary Limited will resign as the group company secretary of Pepkor with effect from 21 June 2021. The board considers it more appropriate that an individual holds the position of company secretary rather than a juristic person that is a subsidiary of Pepkor. Ian Nel was appointed as the debt officer of Pepkor on 28 October 2020 in terms of the JSE Limited Debt Listings Requirements.

Appreciation

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

WENDY LUHABE
Chairman

LEON LOURENS
Chief executive officer

RIAAN HANEKOM
Chief financial officer

26 May 2021

UNAUDITED SUMMARY CONSOLIDATED INTERIM FINANCIAL STATEMENTS

for the six months ended **31 March 2021**

Summarised consolidated income statement

	Notes	Six months ended 31 March 2021 Unaudited Rm	Six months ended 31 March 2020[1] Unaudited Rm	% change	Twelve months ended 30 September 2020 Audited Rm
Revenue	2	36 469	33 723	8.1%	63 679
Cost of sales		(23 609)	(21 504)	(9.8%)	(41 237)
Gross profit		12 860	12 219	5.2%	22 442
Operating income		351	363	(3.3%)	703
Operating expenses		(6 391)	(6 034)	(5.9%)	(11 323)
Debtors' costs		(428)	(849)	49.6%	(1 670)
Operating profit before depreciation, amortisation and capital items		6 392	5 699	12.2%	10 152
Depreciation and amortisation		(1 797)	(1 820)	1.3%	(3 628)
Operating profit before capital items		4 595	3 879	18.5%	6 524
Capital items	3	(1)	(73)	98.6%	(5 140)
Operating profit		4 594	3 806	20.7%	1 384
Finance costs	4	(1 103)	(1 590)	30.6%	(3 138)
Finance income		97	97	0.0%	219
Profit/(loss) before associated income		3 588	2 313	55.1%	(1 535)
Share of net profit of associate		2	–		2
Profit/(loss) before taxation		3 590	2 313	55.1%	(1 533)
Taxation	5	(1 079)	(796)	(35.6%)	(1 293)
Profit/(loss) from continuing operations		2 511	1 517	65.5%	(2 826)
Loss from discontinued operations	6	(70)	(42)	(66.7%)	(208)
Profit/(loss) for the period		2 441	1 475	65.5%	(3 034)
Profit/(loss) attributable to:					
Owners of the parent		2 441	1 475	65.5%	(3 034)
Non-controlling interests		–	(1)	100.0%	–
Profit/(loss) for the period		2 441	1 474	65.6%	(3 034)
Earnings per share (cents)					
Total basic earnings per share from continuing operations	7	68.6	43.8	56.7%	(80.3)
Total basic earnings per share from discontinued operations	7	(1.9)	(1.2)	(57.4%)	(5.9)
Total basic earnings per share	7	66.7	42.6	56.5%	(86.2)
Total diluted earnings per share from continuing operations	7	67.6	43.4	55.7%	(79.4)
Total diluted earnings per share from discontinued operations	7	(1.9)	(1.2)	(56.7%)	(5.9)
Total diluted earnings per share	7	65.7	42.2	55.8%	(85.3)

[1] *Prior period comparatives have been reclassified for the effect of The Building Company discontinued operation as detailed in note 6.*

UNAUDITED SUMMARY CONSOLIDATED INTERIM FINANCIAL STATEMENTS continued

for the six months ended **31 March 2021**

Summarised consolidated statement of comprehensive income

	Note	Six months ended 31 March 2021 Unaudited Rm	Six months ended 31 March 2020[1] Unaudited Rm	Twelve months ended 30 September 2020 Audited Rm
Profit/(loss) from continuing operations		2 511	1 517	(2 826)
Loss from discontinued operations	6	(70)	(42)	(208)
Profit/(loss) for the period		2 441	1 475	(3 034)
Other comprehensive income/(loss) from continuing operations				
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translation of foreign operations		(121)	15	(112)
Net fair value (loss)/gain on cash flow hedges		(597)	1 182	1 231
Net fair value loss on cash flow hedges transferred to inventory		(199)	(209)	(928)
Deferred taxation on cash flow hedges		148	(86)	(39)
Foreign currency translation differences relating to hyperinflation		–	7	–
Total other comprehensive (loss)/income for the period, net of taxation		(769)	909	152
Other comprehensive income/(loss) from discontinued operations				
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translation of foreign operations		4	1	23
Total other comprehensive income for the period, net of taxation		4	1	23
Total comprehensive income/(loss) for the period		1 676	2 385	(2 859)
Total comprehensive income/(loss) attributable to:				
Owners of the parent		1 676	2 384	(2 859)
Non-controlling interests		–	1	–
Total comprehensive income/(loss) for the period		1 676	2 385	(2 859)
Total comprehensive income/(loss) for the period attributable to owners of parent arises from:				
Continuing operations		1 742	2 425	(2 674)
Discontinued operations		(66)	(41)	(185)
Total comprehensive income/(loss) for the period		1 676	2 384	(2 859)

[1] *Prior period comparatives have been reclassified for the effect of The Building Company discontinued operation as detailed in note 6.*

UNAUDITED SUMMARY CONSOLIDATED INTERIM FINANCIAL STATEMENTS continued

for the six months ended **31 March 2021**

Summarised consolidated statement of changes in equity

	Note	Six months ended 31 March 2021 Unaudited Rm	Six months ended 31 March 2020 Unaudited Rm	Twelve months ended 30 September 2020 Audited Rm
Balance at beginning of the period		53 216	53 958	53 958
Changes in reserves				
Total comprehensive income/(loss) for the period attributable to owners of the parent		1 676	2 384	(2 859)
Shares issued through accelerated book-build		–	–	1 898
Transfer to stated capital[1]		118	–	–
Transfer from share-based payment reserve[1]		(118)	–	–
Dividends paid		–	(75)	(75)
Shares bought from non-controlling interests		–	(2)	–
Share-based payment expense		97	32	126
Transfers to retained earnings		–	–	54
Transfers from other reserves		–	–	(54)
Release of FCTR reserve on disposal of discontinued operations	6	–	–	165
Changes in non-controlling interests				
Total comprehensive income for the period attributable to non-controlling interests		–	1	–
Transactions with non-controlling equity holders		2	2	7
Dividends paid		(4)	(2)	(4)
Balance at end of period		54 987	56 298	53 216
Comprising				
Ordinary stated capital[1]		67 352	65 336	67 234
Common control reserve		(11 755)	(11 755)	(11 755)
Retained earnings		183	2 196	(2 259)
Share-based payment reserve[1]		248	174	269
Hedging reserve		(182)	1 089	466
Foreign currency translation reserve		(866)	(802)	(749)
Other reserves		1	53	1
Non-controlling interests		6	7	9
		54 987	56 298	53 216

[1] *The current period includes the transfer of the share-based payment reserve amounting to R118 million to share capital on vesting of the 2018 share scheme.*

UNAUDITED SUMMARY CONSOLIDATED INTERIM FINANCIAL STATEMENTS continued

for the six months ended **31 March 2021**

Summarised consolidated statement of financial position

	Notes	31 March 2021 Unaudited Rm	31 March 2020 Unaudited Rm	30 September 2020 Audited Rm
ASSETS				
Non-current assets				
Goodwill		37 280	41 919	37 280
Intangible assets		17 958	17 974	18 028
Property, plant and equipment		5 113	5 464	5 176
Right-of-use assets		10 094	12 423	10 770
Interest in associated companies		55	50	52
Investments and loans		81	108	108
Loans to customers		4	84	81
Deferred taxation assets		2 363	2 582	2 468
		72 948	80 604	73 963
Current assets				
Inventories		11 740	13 767	10 729
Trade and other receivables		5 688	8 134	6 157
Loans to customers		1 587	2 002	1 335
Insurance and reinsurance receivables		3	–	9
Current income taxation assets		224	273	284
Cash and cash equivalents		4 285	3 926	5 241
		23 527	28 102	23 755
Assets held for sale	8	3 948	13	4 060
Total assets		100 423	108 719	101 778
EQUITY AND LIABILITIES				
Capital and reserves				
Ordinary stated capital		67 352	65 336	67 234
Reserves		(12 371)	(9 045)	(14 027)
Total equity attributable to equity holders of the parent		54 981	56 291	53 207
Non-controlling interests		6	7	9
Total equity		54 987	56 298	53 216
Non-current liabilities				
Interest-bearing loans and borrowings		10 520	16 511	12 520
Lease liabilities		12 157	14 819	13 021
Employee benefits		24	115	86
Deferred taxation liabilities		3 926	4 151	3 933
Provisions[1]		91	59	91
		26 718	35 655	29 651
Current liabilities				
Trade and other payables		10 821	10 262	10 754
Insurance and reinsurance payables		55	–	49
Lease liabilities		1 981	2 251	2 064
Employee benefits		873	683	794
Provisions		135	99	175
Current income taxation liabilities[1]		1 780	1 878	2 018
Interest-bearing loans and borrowings		–	527	–
Financial guarantees		–	512	–
Bank overdrafts and short-term facilities		328	542	241
		15 973	16 754	16 095
Liabilities associated directly with assets classified as held for sale	8	2 745	12	2 816
		18 718	16 766	18 911
Total equity and liabilities		100 423	108 719	101 778
Net asset value per ordinary share (cents)		1 499.3	1 613.8	1 453.6

[1] *Prior period comparatives have been restated due to the adoption of IFRIC 23. Refer to note 12 for further detail.*

UNAUDITED SUMMARY CONSOLIDATED INTERIM FINANCIAL STATEMENTS continued

for the six months ended **31 March 2021**

Summary consolidated statement of cash flows

	Notes	Six months ended 31 March 2021 Unaudited Rm	Six months ended 31 March 2020 Unaudited Rm	Twelve months ended 30 September 2020 Audited Rm
CASH FLOWS FROM OPERATING ACTIVITIES				
Operating profit from continuing operations		4 594	3 806	1 384
Operating profit/(loss) from discontinued operations	6	312	117	(117)
Operating profit		4 906	3 923	1 267
Adjusted for:				
Debtors' write-offs and movement in provision		614	1 000	2 011
Depreciation and amortisation		1 797	1 920	3 894
Non-cash capital items	3	263	79	5 441
Inventories written down to net realisable value		276	186	572
Share-based payment expense		97	31	126
Profit on lease modification		(236)	–	(381)
Non-working capital provisions releases and other non-cash adjustments		58	315	414
		7 775	7 454	13 344
Working capital changes				
(Increase)/decrease in inventories		(1 721)	(350)	154
Decrease in trade and other receivables		154	351	56
Increase in instalment sale receivables and credit sales through store cards		(643)	(897)	(1 086)
Increase in loans to customers		(304)	(687)	(281)
(Decrease)/increase in trade and other payables		(222)	(2 091)	725
Net changes in working capital		(2 736)	(3 674)	(432)
Cash generated from operations		5 039	3 780	12 912
Net dividends paid		(3)	(76)	(79)
Finance cost paid		(1 115)	(1 672)	(3 066)
Finance income received		88	113	213
Taxation paid		(1 055)	(661)	(1 313)
Net cash inflow from operating activities		2 954	1 484	8 667
CASH FLOWS FROM INVESTING ACTIVITIES				
Additions to property, plant and equipment and intangible assets		(612)	(623)	(1 693)
Proceeds on disposal of property, plant and equipment and intangible assets		9	–	20
Acquisition of businesses, net of cash and cash equivalents acquired		–	(29)	(86)
Clawback on acquisition of business		–	26	52
Decrease in short-term investments and loans		17	51	39
Financial guarantee settled		–	–	(519)
Increase in investments and loans in equity-accounted companies		(11)	–	–
Net cash outflow from investing activities		(597)	(575)	(2 187)
CASH FLOWS FROM FINANCING ACTIVITIES				
Proceeds from shares issued through accelerated book-build		–	–	1 898
Transactions with non-controlling interests		(2)	–	20
Amounts received on bank overdrafts and short-term facilities		89	195	72
Amounts (paid)/received on long-term interest-bearing loans and borrowings		(2 000)	1 006	6 020
Amounts paid on long-term interest-bearing loans and borrowings		–	–	(9 017)
Amounts paid on short-term interest-bearing loans and borrowings		(1)	(995)	(1 509)
Principal lease liability repayments		(1 207)	(1 146)	(2 033)
Net cash outflow from financing activities		(3 121)	(940)	(4 549)
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS		(764)	(31)	1 931
Effects of exchange rate translations on cash and cash equivalents		(149)	49	14
Cash and cash equivalents at beginning of the period		5 870	3 925	3 925
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD		4 956	3 943	5 870

NOTES TO THE SUMMARY CONSOLIDATED FINANCIAL STATEMENTS

for the six months ended **31 March 2021**

Statement of compliance

The summarised consolidated interim financial statements are prepared in accordance with the requirements of the JSE Limited Listings Requirements and Debt Listings Requirements (collectively, the Listings Requirements) for summarised financial statements and the provisions of the South African Companies Act, No. 71 of 2008, as amended (Companies Act) applicable to summarised financial statements. The Listings Requirements require summarised financial statements 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 consolidated interim financial statements from which the summarised consolidated interim financial statements were derived are in terms of IFRS and are consistent with those accounting policies applied in the preparation of the annual consolidated financial statements for the year ended 30 September 2020. New and revised accounting standards became effective during the reporting period, but their implementation had no significant impact on the results of either the current of previous reporting period.

Basis of preparation

The summarised consolidated interim 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 summarised consolidated interim financial statements for the six months ended 31 March 2021 was supervised by RG Hanekom CA(SA), the group's chief financial officer (CFO).

These results have not been reviewed or reported on by the group's auditors. All forward-looking information is the responsibility of the board of directors and has not been reviewed or reported on by the group's auditors. The results were approved by the board of directors on 26 May 2021.

Significant events

Discontinued operations – The Building Company

The group entered into a sale and purchase agreement with Cashbuild Limited (Cashbuild) for the disposal of the group's holding in The Building Company, subject to conditions precedent, for a purchase price of R1.075 billion (excluding permitted leakages). The purpose of the sale is to enable the group to streamline its portfolio and focus on its core business of discount and value retail. The results of The Building Company has been reported as a discontinued operation in terms of IFRS 5: *Non-current Assets Held for Sale and Discontinued Operations* (IFRS 5) in the current year. The prior year comparative income statement has been restated to reflect the results of The Building Company as a discontinued operation in line with the requirements of IFRS 5.

NOTES TO THE SUMMARY CONSOLIDATED FINANCIAL STATEMENTS continued

for the six months ended **31 March 2021**

During the current year, an additional impairment of R264 million was processed to impair the group's investment in The Building Company to its fair value. The cumulative impairment amounts to R436 million at the end of the period.

The Cashbuild deal has not yet been finalised, as the South African competition authorities consider the transaction. Refer to note 6 for further detail.

Property purchase from the Steinhoff group of companies and subsequent issue of share

On 18 December 2020, the group entered into a sale and purchase agreement with a number of Steinhoff International Holdings N.V. (Steinhoff N.V.) subsidiaries to effectively acquire 12 properties that are currently leased by the group. The aggregate purchase consideration payable in terms of the transaction is R1.05 billion, which will be settled by Pepkor issuing an aggregate of 70 million new Pepkor shares to the respective Steinhoff subsidiaries.

On 14 April 2021, all the conditions precedent, which included inter alia the approval required by the Competition Act, Pepkor shareholder approval and approval from Steinhoff N.V.'s creditors, were fulfilled. The timing of the issue of the 70 million new Pepkor shares is dependent on the property transfer process and will be issued proportionally as each property is transferred.

Event subsequent to reporting period

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

NOTES TO THE SUMMARY CONSOLIDATED FINANCIAL STATEMENTS continued

for the six months ended **31 March 2021**

	Six months ended 31 March 2021 Unaudited Rm	Six months ended 31 March 2020[1] Unaudited Rm	% change	Twelve months ended 30 September 2020 Audited Rm
1. SEGMENTAL ANALYSIS				
REVENUE				
Clothing and general merchandise	26 314	24 392	7.9%	45 697
Furniture, appliances and electronics	5 705	5 058	12.8%	9 459
Building materials	4 196	3 829	9.6%	7 148
FinTech[2]	4 450	4 318	3.1%	8 622
	40 665	37 597	8.2%	70 926
RECONCILIATION OF REVENUE				
Revenue per segmental analysis	40 665	37 597	8.2%	70 926
Revenue from discontinued operations[1&3]	(4 196)	(3 874)	(8.3%)	(7 247)
REVENUE FROM CONTINUING OPERATIONS[1]	36 469	33 723	8.1%	63 679
OPERATING PROFIT BEFORE CAPITAL ITEMS				
Clothing and general merchandise[4]	4 050	3 513	15.3%	6 176
Furniture, appliances and electronics	209	181	15.4%	(55)
Building materials	312	111	181.1%	129
FinTech[4]	336	199	68.8%	458
	4 907	4 004	22.5%	6 708
RECONCILIATION BETWEEN OPERATING PROFIT				
Operating profit per segmental analysis	4 907	4 004	22.5%	6 708
Operating profit from discontinued operations before capital items[1&5]	(312)	(125)	(149.6%)	(184)
Capital items (note 3)	(1)	(73)	98.6%	(5 140)
Operating profit per income statement	4 594	3 806	20.7%	1 384
Share of net profit of associate	2			2
Finance costs	(1 103)	(1 590)	30.6%	(3 138)
Finance income	97	97	0.0%	219
Profit before taxation per income statement	3 590	2 313	55.2%	(1 533)
SEGMENTAL ASSETS	95 386	104 668	(8.9%)	96 429
RECONCILIATION BETWEEN TOTAL ASSETS AND SEGMENTAL ASSETS				
Total assets per statement of financial position	100 423	108 719	(7.6%)	101 778
Less: Cash and cash equivalents	(4 956)	(3 943)	(25.7%)	(5 241)
Less: Long-term investments and loans	(81)	(108)	25.0%	(108)
Segmental assets	95 386	104 668	(8.9%)	96 429

Basis of segmental presentation

The segmental information has been prepared in accordance with IFRS 8: *Operating Segments.*

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.

Geographical analysis

The revenue, operating profit and assets are all classified as one geographical region.

Major customers

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

[1] Prior period comparatives have been reclassified for the effect of The Building Company discontinued operation as detailed in note 6.

[2] FinTech segment revenue is disclosed net of intergroup revenue of R1.1 billion earned (31 March 2020: R1.0 billion, 30 September 2020: R1.9 billion) relating to the sale of virtual vouchers and airtime to the clothing and general merchandise segment.

[3] Revenue from discontinued operations includes R4.2 billion from the building materials segment (30 March 2020: R3.8 billion, 30 September 2020: R7.1 billion) and zero from the clothing and general merchandise segment pertaining to operations in Zimbabwe (30 March 2020: R45 million, 30 September 2020: R99 million).

[4] The FinTech segment operating profit is disclosed net of intersegment expenses of R18 million paid (31 March 2020: R22 million, 30 September 2020: R27 million) to the clothing and general merchandise segment relating to the use of its footprint.

[5] Operating profit from discontinued operations before capital items includes R312 million from the building materials segment (30 March 2020: R111 million, 30 September 2020: R129 million) and zero from the clothing and general merchandise segment pertaining to operations in Zimbabwe (30 March 2020: R14 million, 30 September 2020: R55 million). In accordance with IFRS 5, depreciation and amortisation amounting to R135 million in the building materials segment was written back during the period and has therefore increased operating profit in comparison to the prior comparative period.

NOTES TO THE SUMMARY CONSOLIDATED FINANCIAL STATEMENTS continued

for the six months ended **31 March 2021**

		Six months ended 31 March 2021 Unaudited Rm	Six months ended 31 March 2020[1] Unaudited Rm	Twelve months ended 30 September 2020 Audited Rm
2.	**REVENUE**			
	Revenue from contracts with customers			
	Sale of goods and related revenue (note 2.1.1)[1&2]	35 268	31 985	60 629
	Service fee income[3]	194	165	448
	Other revenue[3]	22	168	175
	Other sources of revenue			
	Financial services revenue (note 2.1.2)[3]	830	1 289	2 126
	Insurance revenue (note 2.1.3)[3]	155	116	301
		36 469	33 723	63 679
2.1	**Disaggregation of revenue from contracts**			
2.1.1	*Sale of goods and related revenue*			
	Clothing and general merchandise			
	South Africa	22 496	19 929	38 609
	Other countries	3 478	4 016	6 271
	Furniture, appliances and electronics			
	South Africa	4 934	4 209	7 749
	Other countries	383	368	667
	FinTech			
	South Africa	3 923	3 456	7 273
	Other countries	54	7	60
		35 268	31 985	60 629
2.1.2	*Financial services revenue*			
	Finance income earned	704	1 249	1 815
	Loan origination fees	126	40	311
		830	1 289	2 126
2.1.3	*Insurance revenue*			
	Gross premiums written	157	119	282
	Add: Gross premiums ceded to reinsurers	–	–	9
	Change in provision for unearned premium	(2)	(3)	10
		155	116	301

[1] Prior period comparatives have been reclassified for the effect of the discontinued operations as detailed in note 6.

[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 period of the contract entered into with the customer. The non-South African split is not deemed to be material for the group.

NOTES TO THE SUMMARY CONSOLIDATED FINANCIAL STATEMENTS continued

for the six months ended **31 March 2021**

	Six months ended 31 March 2021 Unaudited Rm	Six months ended 31 March 2020[1] Unaudited Rm	Twelve months ended 30 September 2020 Audited Rm
3. CAPITAL ITEMS			
3.1 Capital items			
Capital items are required to be reported by the JSE. 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:			
From continuing operations			
Impairment/(impairment reversal)	–	69	5 117
Goodwill	–	35	4 699
Intangible assets	–	–	80
Property, plant and equipment	29	42	103
Right-of-use assets	(29)	(8)	235
Profit on disposal of property, plant and equipment and intangible assets	1	4	23
	1	73	5 140
From discontinued operations (note 6)			
Impairment/(impairment reversal)	–	10	(32)
Right-of-use assets	–	17	(32)
Property, plant and equipment		(7)	–
(Gain)/loss on disposal of property, plant and equipment and intangible assets	(2)	(2)	(1)
Loss recognised due to remeasurement of disposal group to fair value	264	–	172
Gain on sale of disposal group	–	–	(3)
FCTR release on sale of disposal group	–	–	165
	262	8	301
4. FINANCE COSTS			
Interest-bearing loans and borrowings	323	719	1 279
Bank	47	78	150
Lease liability finance cost[2]	680	713	1 552
Other	53	80	157
	1 103	1 590	3 138
5. TAXATION			
Tax from continuing operations	(1 079)	(796)	(1 293)
Tax from discontinued operations (note 6)	(60)	(22)	7
Total taxation for the period	(1 139)	(818)	(1 286)
Reconciliation of rate of taxation			
South African standard rate of taxation	28.0%	28.0%	28.0%
Foreign tax rate differential	(0.4%)	(1.1%)	0.5%
Irrecoverable foreign taxes	1.7%	1.9%	(4.5%)
Unrecognised tax losses	(0.1%)	2.0%	(4.5%)
Prior year adjustments	(0.5%)	1.7%	(5.6%)
Impairment of goodwill and intangibles	0.0%	0.1%	(78.3%)
Preference share dividends	0.2%	2.7%	(5.8%)
Loss due to remeasurement of disposal group	2.1%	0.0%	0.0%
Other	0.8%	0.5%	(3.5%)
Effective rate of taxation	31.8%	35.8%	(73.7%)

[1] Prior period comparatives have been reclassified for the effect of The Building Company discontinued operation as detailed in note 6.

[2] Includes related party lease liability finance cost of R55 million (30 March 2020: R56 million, 30 September 2020: R112 million).

NOTES TO THE SUMMARY CONSOLIDATED FINANCIAL STATEMENTS continued

for the six months ended **31 March 2021**

6. DISCONTINUED OPERATIONS

6.1 Description

During the latter part of the 2020 financial 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 for a total purchase price, including permitted leakages, of R1.2 billion. The purpose of the sale is to enable the group to streamline its portfolio of businesses and focus on its core business of discount and value retail. The approval of the transaction by the competition authorities remains outstanding at the period-end.

The Building Company discontinued operation was included under the building materials segment.

		Six months ended 31 March 2021 Rm	Six months ended 31 March 2020[1] Rm	Year ended 30 September 2020 Rm
6.2	**Income statement**			
	Revenue	4 196	3 874	7 247
	Cost of sales	(3 314)	(3 093)	(5 764)
	Gross profit	882	781	1 483
	Operating income	22	32	48
	Operating expenses	(584)	(569)	(1 018)
	Debtors' cost	(8)	(19)	(63)
	Operating profit before depreciation, amortisation and capital items	312	225	450
	Depreciation and amortisation[2]	–	(100)	(266)
	Operating profit before capital items	312	125	184
	Capital items (note 3)	(262)	(8)	(301)
	Operating profit/(loss)	50	117	(117)
	Finance costs	(59)	(173)	(144)
	Finance income	3	36	50
	Loss before taxation	(6)	(20)	(211)
	Taxation	(60)	(22)	7
	Loss for the period before non-controlling interest	(66)	(42)	(204)
	Non-controlling interest	(4)	–	(4)
	Loss for the period	(70)	(42)	(208)
6.3	**Details of the sale of the Zimbabwean operations**			
	Consideration received in cash	–	–	–
	Carrying amount of net assets sold	–	(13)	3
	Gain on sale before taxation and reclassification of foreign currency translation reserve	–	(13)	3
	Reclassification of foreign currency translation reserve	–	–	(165)
	Taxation	–	–	–
	Loss on sale after taxation	–	(13)	(162)
6.4	**Details of the sale of The Building Company**			
	Consideration received (30 September 2020: receivable) in cash (including permitted leakages)	1 203	–	1 206
	Carrying amount of net assets sold	(1 639)	–	(1 378)
	Loss on sale before taxation and reclassification of foreign currency translation reserve	(436)	–	(172)
	Taxation	–	–	–
	Loss on sale after taxation	(436)	–	(172)

[1] Prior period comparatives have been reclassified for the effect of The Building Company discontinued operation.

[2] The group has ceased depreciation and amortisation of R135 million on assets held for sale in line with the requirements of IFRS 5.

NOTES TO THE SUMMARY CONSOLIDATED FINANCIAL STATEMENTS continued

for the six months ended **31 March 2021**

	Six months ended 31 March 2021 Rm	Six months ended 31 March 2020[1] Rm	Year ended 30 September 2020 Rm
6. DISCONTINUED OPERATIONS continued			
6.5. Statement of cash flows			
Net cash inflow from operating activities	192	133	383
Net cash outflow from investing activities	(43)	(32)	(62)
Net cash outflow from financing activities	(158)	(194)	(99)
Net (decrease)/increase in cash and cash equivalents	**(9)**	**(93)**	**222**
Effects of exchange rate translations on cash and cash equivalents	51	(3)	(45)
Cash and cash equivalents at beginning of the period	629	452	452
Cash and cash equivalents at end of the period	**671**	**356**	**629**

[1] Prior period comparatives have been reclassified for the effect of The Building Company discontinued operation.

7. EARNINGS AND HEADLINE EARNINGS PER SHARE

	31 March 2021 Million	31 March 2020 Million	30 September 2020 Million
7.1. Weighted average number of ordinary shares			
Issued ordinary shares at beginning of the period	3 660	3 450	3 450
Shares vested under share scheme	1	–	–
Scrip dividend issued	–	7	26
Share issued through accelerated book-build	–	–	44
Weighted average number of ordinary shares at end of the period for the purpose of basic earnings per share and headline earnings per share	**3 661**	**3 457**	**3 520**
Effect of dilution due to share rights issues in terms of share scheme	52	35	37
Weighted average number of ordinary shares at end of the period for the purpose of diluted earnings per share and diluted headline earnings per share	**3 713**	**3 492**	**3 557**
Number of shares in issue	**3 667**	**3 488**	**3 660**

NOTES TO THE SUMMARY CONSOLIDATED FINANCIAL STATEMENTS continued

for the six months ended **31 March 2021**

7. EARNINGS AND HEADLINE EARNINGS PER SHARE continued

	Six months ended 31 March 2021			Six months ended 31 March 2020[1]			Year ended 30 September 2020		
	Continuing Rm	Unaudited Discontinued Rm	Total Rm	Continuing Rm	Unaudited Discontinued Rm	Total Rm	Continuing Rm	Audited Discontinued Rm	Total Rm
7.2. Earnings and headline earnings									
Profit/(loss) for the period	2 511	(70)	2 441	1 517	(42)	1 475	(2 826)	(208)	(3 034)
Attributable to non-controlling interests	–	–	–	(1)	–	(1)	–	–	–
Earnings attributable to ordinary shareholders	2 511	(70)	2 441	1 516	(42)	1 474	(2 826)	(208)	(3 034)
Capital items (note 3)	1	262	263	73	8	81	5 140	301	5 441
Taxation effect of capital items	4	1	5	(11)	(4)	(15)	(111)	10	(101)
Headline earnings attributable to ordinary shareholders	2 516	193	2 709	1 578	(38)	1 540	2 203	103	2 306
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	Cents	Cents	Cents
7.4 Headline and diluted headline earnings per share									
Headline earnings per share	68.8	5.3	74.0	45.6	(1.1)	44.5	62.6	2.9	65.5
Diluted headline earnings per share	67.8	5.2	73.0	45.2	(1.1)	44.1	62.0	2.9	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 period-end.

	31 March 2021	31 March 2020	30 September 2020
Net asset value per share (cents)	1 499.3	1 613.8	1 453.6

[1] *Prior period comparatives have been reclassified for the effect of The Building Company discontinued operation as detailed in note 6.*

NOTES TO THE SUMMARY CONSOLIDATED FINANCIAL STATEMENTS continued

for the six months ended **31 March 2021**

8. ASSETS AND LIABILITIES OF DISPOSAL GROUP CLASSIFIED AS HELD FOR SALE

Included in the 30 September 2020 assets and liabilities classified as held for sale is The Building Company's and the Zimbabwean operations' asset and liabilities in relation to discontinued operations. The sale of The Building Company has not yet been concluded at 31 March 2021. The sale of the group's operations in Zimbabwe was concluded during September 2020.

		Six months ended 31 March 2021 Unaudited Rm	Six months ended 31 March 2020 Unaudited Rm	Six months ended 30 September 2020 Audited Rm
8.1	**Assets**			
	Intangible assets	3	–	4
	Property, plant and equipment	396	2	387
	Right-of-use assets	595	–	583
	Deferred taxation assets	410	1	409
	Trade and other receivables	789	2	823
	Inventories	1 510	3	1 357
	Current income taxation assets	10	–	40
	Cash and cash equivalents	671	17	629
	Total gross assets	**4 384**	**25**	**4 232**
	Loss recognised due to remeasurement of disposal group to fair value less cost to sell (note 6)	(436)	(12)	(172)
	Total assets post impairment	**3 948**	**13**	**4 060**
8.2	**Liabilities**			
	Long-term lease liability	(738)	–	(856)
	Employee benefits	(83)	–	(60)
	Deferred taxation liabilities	(229)	–	(207)
	Trade and other payables	(1 308)	(6)	(1 267)
	Current income taxation liabilities	–	(1)	–
	Short-term lease liability	(200)	(5)	(240)
	Short-term interest-bearing loans and borrowings	(1)	–	(1)
	Provisions	(7)	–	(8)
	Bank overdrafts and short-term facilities	(179)	–	(177)
	Total liabilities	**(2 745)**	**(12)**	**(2 816)**
8.3.	**Net assets**	**1 203**	**1**	**1 244**
8.4.	**Net assets per disposal group**			
	The Building Company			
	Total gross assets	4 384	–	4 048
	Loss recognised due to remeasurement of disposal group to fair value less cost to sell (note 6)	(436)	–	(172)
	Total liabilities	(2 745)	–	(2 670)
	Net assets	**1 203**	**–**	**1 206**
	John Craig			
	Total gross assets	–	–	184
	Total liabilities	–	–	(146)
	Net assets	**–**	**–**	**38**
	Zimbabwean operations			
	Total gross assets	–	25	–
	Loss recognised due to remeasurement of disposal group to fair value less cost to sell (note 6)	–	(12)	–
	Total liabilities	–	(12)	–
	Net assets	**–**	**1**	**–**

NOTES TO THE SUMMARY CONSOLIDATED FINANCIAL STATEMENTS continued

for the six months ended **31 March 2021**

	Six months ended 31 March 2021 Unaudited Rm	Six months ended 31 March 2020 Unaudited Rm	Year ended 30 September 2020 Audited Rm
9. FINANCING			
Unutilised banking and debt facilities consist of the following:			
Committed	**3 500**	3 500	5 792
Uncommitted	**4 326**	4 174	2 524
Total	**7 826**	7 674	8 316

10. CONTINGENT LIABILITIES

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

11. RELATED PARTIES

During the period, 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 period ended 31 March 2021.

12. CHANGE IN ACCOUNTING POLICIES

IFRIC 23: Uncertainty Over Income Taxation Treatments (IFRIC 23)

On 1 October 2019, the group adopted IFRIC 23, effective for financial years beginning on or after 1 January 2019. IFRIC 23 requires an entity to reflect uncertainty over income tax treatments in the recognition and measurement of current and deferred tax assets or liabilities, applying the requirements in IAS 12: *Income Taxes*. Current and deferred tax liabilities and assets should be presented separately from provisions. The Interpretations Committee concluded in an agenda decision in 2019 that an entity is required to present liabilities for uncertain tax treatments as current tax liabilities or deferred tax liabilities; and assets for uncertain tax treatments should be presented as current tax assets or deferred tax asset.

The above led to the voluntary restatement of prior year comparatives as detailed below:

Consolidated statement of financial position

	Previously reported Six months ended 31 March 2020 Rm	Restatement Six months ended 31 March 2020 Rm	Restated Six months ended 31 March 2020 Rm
Non-current liabilities			
Provisions	432	(373)	59
Current liabilities			
Current income taxation liabilities	1 505	373	1 878

PRO FORMA CONSTANT CURRENCY DISCLOSURE

The 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 period turnover for PEP Africa reported in currencies other than ZAR are converted from local currency actuals into ZAR at the comparable period's actual average exchange rates. The table below sets out the percentage change in sales, based on the actual results for the period, in reported currency and constant currency for the basket of currencies in which PEP Africa operates.

Change in sales compared to the comparable period (%)	**Reported currency**	**Constant currency**
PEP Africa	**(12.1%)**	**7.1%**

The pro forma constant currency disclosure is presented in accordance with the JSE Listings Requirements and the Guide on Pro Forma Financial Information issued by SAICA. The pro forma constant currency disclosure has been prepared for illustrative purposes only. Because of its nature, the pro forma constant currency disclosure may not fairly present Pepkor's financial position, changes in equity, results of operations or cash flows. The pro forma constant currency disclosure presented is the responsibility of the board and was not reviewed by Pepkor's auditors.

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
LJ du Preez
SH Müller*
F Petersen-Cook*
JD Wiese (Retired 10 March 2021)
** Independent*

Registration number
2017/221869/06

Share code
PPH

Debt code
PPHI

ISIN
ZAE000259479

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Company secretary
Pepkor Proprietary Limited

Auditors
PricewaterhouseCoopers Inc.

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
27 May 2021

PEPKOR

Holdings Limited

www.pepkor.co.za