SEPHAKU HOLDINGS LTD

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

Unaudited condensed consolidated interim financial results

for the six months ended

30 September 2023

SEPHOLD IS PLEASED TO ANNOUNCE THE GROUP'S UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL RESULTS

for the six months to 30 September 2023

Sephaku Holdings Limited (SepHold or the Company) is a JSE-listed company with a portfolio of investments focused on the building and construction materials industry. SepHold's investment portfolio comprises:

- a 100% subsidiary, Métier Mixed Concrete Proprietary Limited (Métier or the Subsidiary).
- a 36% associate, Dangote Cement South Africa Proprietary Limited (Sephaku Cement, SepCem or the Associate).

SepHold, Metier and SepCem are collectively referred to as the Group.

www.sephakuholdings.com

INVESTOR PRESENTATION WEBCAST AND CONFERENCE CALL

The results webcast and conference call for investors will be at 10:00 SAST on 14 November 2023. Pre-registration is required and can be done using the following links to obtain the dial-in details: Sephaku Holdings FY 2024 Interim Results webcast link. and Sephaku Holdings FY 2024 Interim Results conference call pre-registration link.

The results presentation will be available on the Company website from 07:45hs on 14 November 2023 at the following link: https://sephakuholdings.com/investor-centre/presentations/

Replay dial-in details

South Africa	010 500 4108
International	+27 10 500 4108
Access code	43307#

FORWARD-LOOKING STATEMENTS

Forward-looking information in this report is the responsibility of the SepHold board and has not been reviewed or reported on by the Company's external auditors.

Group[1]

- **Group consolidated revenue: R626,6 million**
  (H1 2023: R523,6 million)
- **Net profit after tax: R19,7 million**
  (H1 2023 net profit after tax: R26,7 million)
- **Basic earnings per share: 7.74 cents**
  (H1 2023 basic earnings per share: 10.51 cents)
- **Headline earnings per share: 7.54 cents**
  (H1 2023 headline earnings per share: 11.26 cents)
- **Net asset value per share: 467.56 cents**
  (H1 2023: 461.35 cents)

Métier[1]

- **EBITDA margin: 10.0% at R62,8 million**
  (H1 2023: 11.3% at R59,2 million)
- **EBIT margin: 8.4% at R52,3 million**
  (H1 2023: 8.4% at R43,8 million)
- **Profit after tax: R37,8 million**
  (H1 2023 profit after tax: R29,5 million)

SepCem[2]

- **Sales revenue: R1,24 billion**
  (H1 2022: R1,16 billion)
- **EBITDA margin: 8.6% at R106,9 million**
  (H1 2022: 12.6% at R146,9 million)
- **EBIT margin: 1.1% at R14,2 million**
  (H1 2022: 5.3% at R61,8 million)
- **Net loss after tax: R38,9 million**
  (H1 2022 net profit after tax: R10,5 million)
- **SepCem 36% equity accounted loss: R14,0 million**
  (H1 2022 equity accounted profit: R3,8 million)

[1] *Figures refer to the interim period ended 30 September 2023 for the financial year ending 31 March 2024, and H1 2023 refers to the six months ended 30 September 2022 for the financial year ended 31 March 2023.*

[2] *SepCem has a December year-end as a subsidiary of Dangote Cement PLC. Therefore, the figures refer to the six months ended 30 June 2023, and H1 2022 refers to the figures for the interim ended 30 June 2022.*

UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL RESULTS

for the six months ended 30 September 2023

Message from the Chief Executive Officer, Kenneth Capes

SepHold's general operating environment remained subdued during the first six months of the financial year. Building construction works improved slightly during the first quarter of calendar 2023 but dipped in the second quarter. While the year-on-year value of residential buildings passed declined during 2023, activity on civil construction projects and non-residential buildings increased. The rising cost of essential goods and services, coupled with higher interest rates, continued to erode the disposable income of consumers, maintaining pressure on the retail market.

Despite the additional challenges of escalating diesel costs, the water crisis in Gauteng and congestion on the N3/N2 highway in KwaZulu Natal, SepHold's ready-mix business, Métier, delivered a strong set of results. Métier's performance was achieved by capitalising on opportunities in the industrial and infrastructure development sectors, managing costs consistently and enhancing profit margins with customer centric products and solutions.

The combination of excess capacity, lower demand for bagged cement from retail customers and above-inflation fuel and electricity costs eroded SepCem's profit margins, resulting in a net loss after tax of R38,9 million. While SepCem continues to apply austerity measures, to be sustainable the business will have to recover input cost increases in a competitive market, through price growth measures. SepCem's 36% equity-accounted loss in the Group's interim profit and loss statement is R14,0 million.

Métier and SepCem remained resilient in challenging market conditions. Both businesses will continue to focus on cost efficiencies and innovative sales strategies to maintain market share. The strengthening of their balance sheets in FY 2023 positioned the businesses to capitalise on growth opportunities as they arise.

COMMENTARY

MÉTIER

Métier's revenue grew due to a combination of higher sales volumes and price increases to recover cost escalations. Operating in challenging conditions, Métier continued to deliver specialised solutions and responded to complex product and logistics requirements on several projects.

Métier's production of solution-driven products for its customers offers margin growth for the business and is reflected in 20% year-on-year growth in the gross profit margin. In a highly inflationary environment in which diesel prices surged by approximately 11.5% between April and October 2023 and the cost of electricity increased by 18.7%, Métier maintained disciplined controls to limit the growth of its raw material, delivery and operational costs. A key measure was the recovery of costs related to "part load" deliveries required by some customers.

Consistent cost management and margin growth contributed to 6% growth in EBITDA to R63 million and 19% growth in EBIT to R52 million. Profit after tax grew by 28% to R38 million. Diesel price increases are expected to impact Métier's costs during the second half of the financial year as these cannot be recovered in the short term.

Métier's customer credit controls, including strict management of overdue accounts and communication with customers, restricted bad debts to 0.06% of turnover. Métier routinely monitors and manages bad debt and has insurance to protect against large debts.

Métier assessed the emerging risk of unreliable water supply in Gauteng and introduced measures such as improved water stockholding and loading from other plants to maintain service continuity.

Safety, health and environmental performance is closely managed and monitored by an Exco member who is directly involved at operational level.

SEPHAKU CEMENT

SepCem's interim reporting period is for the six months from 1 January to 30 June 2023. This differs from the 1 April to 30 September 2023 interim reporting period of the Group.

SepCem compensated for lower retail cement sales by supplying cement to the blender market and capitalising on opportunities to supply cement to industrial sectors. However, while SepCem's revenue increased marginally due to price increases, the inability to recover above-inflation cost increases in a competitive market resulted in further erosion of profit margins.

Coal and fly ash supply constraints during the first half of the financial year, coupled with the associate's planned kiln outage, depleted inventories. Austerity measures yielded the required results to offset remaining above-inflation increases in electricity, fuel and thermal energy costs. EBITDA decreased by 27% to R106.9 million but recovered in the third quarter by adding R102 million to the year to date number.

SepCem continued to increase its use of alternative fuels as a hedge against international coal pricing. A softening in global demand for coal is expected to reduce the cost of locally sourced coal during the balance of the financial year.

In a competitive environment with limited reliable market information, SepCem used digital market intelligence to optimise profit margins by aligning the pricing strategy with market demand. An improved pricing strategy remains a key lever for the business to recover inflationary pressures.

By using alternative fuel sources in its kiln, SepCem remains on track to achieve a thermal substitution rate of 41% this year, thereby reducing carbon tax and mitigating high energy costs. Alternative fuels include ultrafine waste from coal beneficiation, tyres and refuse-derived fuel.

SepCem addressed heightened social and community tensions by engaging community structures and the North West local government to fast-track social investment projects that are being implemented in partnership with the Ditsobotla Cement Manufacturers Forum.

SepCem achieved a zero lost-time injury frequency rate at 30 June 2023.

POST-PERIOD: SepCem (1 July – 30 September)

As reported in the DCP results announcement for the nine months ended 30 September 2023, SepCem's revenue increased to R2.08 billion (2022: R1,83 billion) and EBITDA grew by 7.8% to R208 million (2022: R192 million) thereby doubling the first half EBITDA in the third quarter.

DEBT MANAGEMENT

Métier

As reported in the FY 2023 integrated annual report, Métier repaid its term loan early during FY 2023 and negotiated a new overdraft facility. Métier has an asset finance facility of R120 million (50% utilised) and its overdraft facility of R80 million is unused.

SepCem

SepCem has a three-year term loan at a rate of JIBAR plus 3.25% and an unused working capital facility at a rate of prime minus 0.5%. R129 million of the term loan was repaid during the period under review, R29 million of which was interest, resulting in an outstanding capital balance of R300 million. The DCP shareholder loan had a balance of R748 million at 30 September 2023.

OUTLOOK

South Africa's macro-economic outlook remains weak, with GDP forecast by the IMF to grow by 0.9% in 2023. High levels of government debt, dysfunctional state-owned entities and degrading infrastructure all contribute to sustained economic weakness.

Infrastructure development is subdued, with the exception of public sector road works and private sector renewable energy projects (the latter are not cement intensive). Higher interest rates and low investor confidence have dampened growth in the residential building market.

Cost inflation remains a significant challenge for both businesses, with energy costs driven by high international oil prices.

Cement imports continue to enter the South African market unrestricted, taking much-needed volumes away from the local industry. Imported cement is not subject to the carbon taxes paid by local producers, even though the carbon emissions of imported cement are higher as a result of lengthy transport routes. Another factor that should be considered is the impact of cement imports on job creation in the South African cement industry and economy.

Métier will continue to pursue opportunities in the civil construction sector as the residential sector slows. With its competitive edge based on renowned service excellence, product knowledge and entrepreneurship, Métier is well positioned to capitalise on growth opportunities. Métier's market leading position has been validated by PMR Africa who have on two occasions rated the business Best Ready-mix Supplier in South Africa and in KwaZulu Natal.

SepCem is normalising production challenges and expects coal prices to soften. However, other input costs remain above inflation and are difficult to recover. SepCem will continue to implement planned austerity measures and sales strategies to mitigate cost pressures.

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	6 months ended 30 September 2023 Unaudited R'000	6 months ended 30 September 2022 Unaudited R'000	12 months ended 31 March 2023 Audited R'000
Revenue	**626 632**	523 612	980 711
Cost of sales	**(393 659)**	(329 486)	(615 820)
Gross profit	**232 973**	194 126	364 891
Other operating income	**1 021**	470	3 564
Other operating losses	**–**	–	(769)
Movement in loss allowances	**–**	–	(400)
Operating expenses	**(185 808)**	(157 298)	(318 275)
Operating profit	**48 186**	37 298	49 011
Investment income	**939**	1 089	2 231
(Loss)/Profit from equity accounted investments	**(13 993)**	3 789	(2 041)
Finance costs	**(5 442)**	(6 918)	(13 321)
Profit before taxation	**29 690**	35 258	35 881
Taxation	**(9 991)**	(8 512)	(10 313)
Profit for the period	**19 699**	26 746	25 567
Total comprehensive income for the period	**19 699**	26 746	25 567
Basic earnings per share (cents)	**7.74**	10.51	10.05
Diluted earnings per share (cents)	**7.54**	10.51	10.05

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	30 September 2023 Unaudited R'000	30 September 2022 Unaudited R'000	31 March 2023 Audited R'000
ASSETS			
Non-current assets			
Property, plant and equipment	**182 633**	155 243	160 270
Goodwill	**223 422**	223 422	223 422
Investment in associate	**822 327**	842 150	836 320
Right-of-use assets	**41 793**	50 744	49 272
Other non-current assets	**11 338**	9 303	11 338
Total non-current assets	**1 281 513**	1 280 862	1 280 622
Current assets			
Inventories	**20 351**	20 106	20 505
Trade and other receivables	**134 158**	122 371	121 930
Cash and cash equivalents	**7 250**	36 784	4 348
Other current assets	**–**	2 827	961
Total current assets	**161 759**	182 088	147 744
Total assets	**1 443 272**	1 462 950	1 428 366
EQUITY AND LIABILITIES			
Equity attributable to equity holders of the parent	**1 189 866**	1 174 085	1 172 906
Non-current liabilities			
Other financial liabilities	**–**	35 000	–
Instalment sale liabilities	**44 633**	37 197	36 435
Lease liabilities	**39 314**	53 621	48 455
Deferred tax	**19 727**	20 192	19 432
Total non-current liabilities	**103 674**	146 010	104 322
Current liabilities			
Other financial liabilities	**–**	6 255	–
Instalment sale liabilities	**14 266**	9 043	10 300
Lease liabilities	**16 360**	11 126	15 054
Trade and other payables	**113 894**	112 816	105 591
Current tax payable	**5 212**	3 615	2 278
Bank overdraft	**–**	–	17 915
Total current liabilities	**149 732**	142 855	151 138
Total liabilities	**253 406**	288 865	255 460
Total equity and liabilities	**1 443 272**	1 462 950	1 428 366
Net asset value per share (cents)	**467.56**	461.35	460.89
Tangible net asset value per share (cents)	**379.76**	373.56	373.10
Ordinary shares in issue	**254 486 436**	254 486 436	254 486 436

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	6 months ended 30 September 2023 Unaudited R'000	6 months ended 30 September 2022 Unaudited R'000	12 months ended 31 March 2023 Audited R'000
Cash flows from operating activities			
Cash generated from operations	**62 543**	42 899	64 828
Interest income received	**926**	934	1 995
Tax paid	**(6 762)**	(2 618)	(6 516)
Net cash generated from operating activities	**56 707**	41 215	60 307
Cash flows from investing activities			
Purchase of property, plant and equipment	**(18 038)**	(9 754)	(28 223)
Proceeds on disposal of property, plant and equipment	**1 216**	3 253	5 702
Loans advanced	**–**	–	(2 035)
Net cash used in investing activities	**(16 822)**	(6 501)	(24 556)
Cash flows from financing activities			
Repayment of principal on instalment sales	**(5 790)**	(4 116)	(3 612)
Repayment of interest on instalment sales	**(2 662)**	(1 682)	(4 233)
Repayment of principal on other financial liabilities	**(7 835)**	(7 155)	(48 546)
Repayment of interest on other financial liabilities	**(2 659)**	(2 142)	(2 789)
Payments of principal on leases	**–**	(9 355)	(13 587)
Payments of interest on leases	**–**	(2 957)	(6 026)
Finance costs – other	**(122)**	–	–
Net cash used in financing activities	**(19 068)**	(27 407)	(78 794)
Total cash movement for the period	**20 817**	7 307	(43 044)
Cash at the beginning of the period	**(13 567)**	29 477	29 477
Total cash at the end of the period	**7 250**	36 784	(13 567)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Stated capital R'000	Total reserves R'000	Retained earnings R'000	Total equity R'000
Balance at 31 March 2022 – Audited	682 966	5 904	458 411	1 147 281
Total comprehensive income for the period	–	–	26 746	26 746
Employees' share option scheme	–	58	–	58
Balance at 30 September 2022 – Unaudited	682 966	5 962	485 157	1 174 085
Total comprehensive income for the period	–	–	(1 179)	(1 179)
Employees' share option scheme	–	(3 223)	3 223	–
Balance at 31 March 2023 – Audited	682 966	2 739	487 201	1 172 906
Total comprehensive income for the period	–	–	19 699	19 699
Employee share option scheme	–	(2 739)	–	(2 739)
Balance at 30 September 2023 – Unaudited	682 966	–	506 900	1 189 866

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL RESULTS

BASIS OF PREPARATION

The condensed consolidated interim financial results for the six months ended 30 September 2023 (interim reporting period) have been prepared in accordance with IAS 34: Interim Financial Reporting, the requirements of the JSE Limited Listings Requirements, the Companies Act, 71 of 2008, as amended, the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and the Financial Pronouncements as issued by the Financial Reporting Standards Council. The interim financial results are prepared in accordance with International Financial Reporting Standards (IFRS). The results have been prepared on a historical cost basis. The accounting policies for the interim reporting period are consistent with those applied in the annual financial statements for the Group for the year ended 31 March 2023.

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

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

NET ASSET VALUE PER SHARE AND EARNINGS PER SHARE

	6 months ended 30 September 2023 Unaudited R'000	6 months ended 30 September 2022 Unaudited R'000	12 months ended 31 March 2023 Audited R'000
Net asset value and tangible net asset value per share			
Total assets	**1 443 272**	1 462 950	1 428 366
Total liabilities	**(253 406)**	(288 865)	(255 460)
Net asset value attributable to equity holders of parent	**1 189 866**	1 174 085	1 172 906
Goodwill	**(223 422)**	(223 422)	(223 422)
Tangible net asset value	**966 444**	950 663	949 484
Shares in issue	**254 486 436**	254 486 436	254 486 436
Net asset value per share (cents)	**467.56**	461.35	460.89
Tangible net asset value per share (cents)	**379.76**	373.56	373.10

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL RESULTS *continued*

NET ASSET VALUE PER SHARE AND EARNINGS PER SHARE *continued*

	6 months ended 30 September 2023 Unaudited R'000		6 months ended 30 September 2022 Unaudited R'000		12 months ended 31 March 2023 Audited R'000	
	Gross	**Net**	Gross	Net	Gross	Net
Reconciliation of basic earnings to diluted earnings and headline earnings:						
Profit attributable to ordinary equity holders of the parent entity		**19 699**		26 746		25 567
IAS 33 earnings		**19 699**		26 746		25 567
IAS 16 (profit)/loss on the disposal of plant and equipment	**(691)**	**(504)**	704	507	(231)	(169)
Headline earnings and diluted headline earnings attributable to equity holders of the parent		**19 195**		27 253		25 398
Add IFRS 9 equity investment measured at fair value through profit or loss		**–**		1 000		1 000
Add IFRS 9 loan receivable at amortised cost		**–**		400		400
Normalised headline earnings attributable to equity holders of parent		**19 195**		28 653		26 798
Reconciliation of weighted average number of shares:						
Basic weighted average number of shares		**254 486 436**		254 486 436		254 486 436
Diluted weighted average number of shares		**254 486 436**		254 486 436		254 486 436
Basic earnings per share (cents)		**7.74**		10.51		10.05
Diluted earnings per share (cents)		**7.74**		10.51		10.05
Headline earnings per share (cents)		**7.54**		11.26		9.98
Normalised headline earnings per share (cents)		**7.54**		11.26		10.53
Diluted headline earnings per share (cents)		**7.54**		11.26		9.98

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL RESULTS *continued*

SEGMENT INFORMATION

The segments identified are based on the operational and financial information reviewed by management for performance assessment and resource allocation. There has been no change in the basis of operational segmentation or in the basis of measurement of segment profit or loss since the 2023 annual financial statements.

	Ready-mixed concrete R'000	Head office and consolidation R'000	Group totals R'000
For the 6 months ended 30 September 2023 – Unaudited			
Segment revenue – external revenue	**626 632**	**–**	**626 632**
Segment cost of sales	**(393 659)**	**–**	**(393 659)**
Segment expenses	**(181 659)**	**(4 147)**	**(185 806)**
Loss from equity-accounted investment	**–**	**(13 993)**	**(13 993)**
Profit on sale of property, plant & equipment	**690**	**–**	**690**
Segment profit/(loss) after taxation	**37 840**	**(18 141)**	**19 699**
Taxation	**(9 991)**	**–**	**(9 991)**
Interest received	**939**	**–**	**939**
Interest paid	**(5 442)**	**–**	**(5 442)**
Depreciation and amortisation	**(10 481)**	**(4)**	**(10 485)**
Segment assets	**381 331**	**1 061 941**	**1 443 272**
Investment in associate included in the above total segment assets	**–**	**822 327**	**822 327**
Capital expenditure included in segment assets	**33 230**	**–**	**33 230**
Segment liabilities	**(251 894)**	**(1 512)**	**(253 406)**
For the 6 months ended 30 September 2022 – Unaudited			
Segment revenue - external revenue	523 612	–	523 612
Segment cost of sales	(329 486)	–	(329 486)
Segment expenses	(150 763)	(6 535)	(157 298)
Loss from equity-accounted investment	–	3 789	3 789
Profit on sale of property, plant & equipment	(704)	–	(704)
Segment profit/(loss) after taxation	29 493	(2 747)	26 746
Taxation	(8 512)	–	(8 512)
Interest received	1 089	–	1 089
Interest paid	(6 918)	–	(6 918)
Depreciation and amortisation	(15 320)	(4)	(15 324)
Segment assets	383 401	1 079 549	1 462 950
Investment in associate included in the above total segment assets	–	842 150	842 150
Capital expenditure included in segment assets	30 837	–	30 837
Segment liabilities	(287 604)	(1 261)	(288 865)

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

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL RESULTS *continued*

STATEMENT OF GOING CONCERN

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

The directors believe that the Group has adequate financial resources to continue in operation for the foreseeable future and accordingly the interim financial results have been prepared on a going concern basis. The directors have satisfied themselves that the Group is in a sound financial position and that it has access to sufficient borrowing facilities to meet its foreseeable cash requirements.

The directors are not aware of any new material changes that may adversely impact the Group. The directors are also not aware of any material non-compliance with statutory or regulatory requirements or of any pending changes to legislation which may affect the Group.

STATED CAPITAL

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

No shares were issued during the period under review.

All the authorised and issued shares have no par value.

EVENTS AFTER THE INTERIM REPORTING PERIOD

The directors are not aware of any material fact or circumstance arising between the end of the interim reporting period and the date of this report that would require adjustments to or disclosure in the interim financial results.

REVENUE

	6 months ended 30 September 2023 Unaudited R'000	6 months ended 30 September 2022 Unaudited R'000	12 months ended 31 March 2023 Audited R'000
Revenue from contracts with customers			
Sales of ready mix concrete and concrete pumping services transferred at a point in time	**626 632**	523 612	980 711

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL RESULTS *continued*

INVESTMENT IN ASSOCIATE

SepHold has 36% ownership interest in Dangote Cement South Africa Proprietary Limited. The Associate is unlisted and is registered and operates within South Africa.

Summary of Group's interest in associate	**6 months ended 30 September 2023 Unaudited R'000**	6 months ended 30 September 2022 Unaudited R'000	12 months ended 31 March 2023 Audited R'000
Cost of investment in associate	**635 117**	635 117	635 117
Proportional increase in investment	**48 572**	48 572	48 572
Equity-accounted earnings - prior year	**152 631**	154 672	154 672
Opening blance of carrying value	**836 320**	838 361	838 361
Equity-accounted earnings - current year	**(13 993)**	3 789	(2 041)
Carrying value of investment in associate	**822 327**	842 150	836 320

Due to the fact that the debt service ratio was 1.225 during the 2017 year instead of the required 1.3, negotiations were entered into with Nedbank to reshape the payment profile. This was successfully completed during the second half of 2017 and required a further R95 million contribution by shareholders. DCP made this contribution and in terms of the relationship agreement; SepHold will have to contribute 36% of this on demand or face dilution of approximately 1.2 percentage points. The shareholders are still in agreement with regards to the postponement of the timing of the repayment or dilution. SepHold has a potential liability of R34,2 million or a dilution in investment. SepCem started the previous financial year with a cash balance of R500 million and was in the process of agreeing a pre-payment of R200 million on its bank debt in order to get relief of R25 million per payment on the next eight scheduled payments. Just before the payment was made, the government-enforced lockdown due to COVID-19 commenced and the overhead costs during this period required all these excess funds. It was envisaged that the impact of COVID-19 on SepCem could be a reduction of in EBITDA levels that would not be able to service debt for the current year. The lenders were approached to waive capital payments for the balance of 2020 and receive interest only, but this was only to be considered if shareholders made a contribution of R125 million. DCP undertook to make this contribution in August 2020 and shareholders have agreed to treat this as a shareholders' loan.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL RESULTS *continued*

RELATED PARTIES

Relationships

Associate	Dangote Cement SA Proprietary Limited
Companies with common directors	Plazatique Corp 27 CC
	WKRD Properties Proprietary Limited
	Cross Company Management Proprietary Limited (CCM)
	Union Atlantic Minerals Limited

During the six months ended 30 September 2023, the Group entered into the following transactions with related parties:

	6 months ended 30 September 2023 Unaudited R'000	6 months ended 30 September 2022 Unaudited R'000	12 months ended 31 March 2023 Audited R'000
Related party balances			
Amount owed to associate included in trade payables	**(14 110)**	(15 163)	(11 564)
Loan accounts to companies with common directors	**10 338**	8 303	10 338
Related party transactions			
Purchases from associate	**92 713**	72 849	142 322
Rent and utilities paid to companies with common directors	**2 117**	1 607	3 456

CHANGES TO THE BOARD

There were no changes to the board of directors during the interim reporting period under review.

CHANGE TO THE COMPANY SECRETARY

There were no changes to the Company Secretary during the interim reporting period under review.

On behalf of the board

Pretoria

Chief executive officer
KJ Capes

Chairperson
B Williams

9 November 2023

Enquiries contact:

NR Crafford-Lazarus
Financial Director
012 684 6300
info@sephold.co.za

Sponsor to SepHold:

Questco Corporate Advisory (Pty) Ltd

COMPANY INFORMATION

Directors	B Williams° (chairman) MJ Janse van Rensburg° B Bulo° MM Ngoasheng° Dr L Mohuba^ NR Crafford-Lazarus* (financial director) KJ Capes* (chief executive officer) *°Independent *Executive ^Non-executive*
Company secretary	Acorim Proprietary Limited Telephone: +27 11 325 6363
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Transfer secretaries	Computershare Investor Services Proprietary Limited Rosebank Towers, 15 Biermann Avenue, Rosebank, Johannesburg, 2196 PO Box 61051, Marshalltown, 2017, South Africa Telephone: +27 11 370 5000
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ABOUT SEPHAKU HOLDINGS LIMITED

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

www.sephakuholdings.com

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