

Bidvest

NOTICE OF ANNUAL GENERAL MEETING
FOR THE YEAR ENDED 30 JUNE

2021



PEOPLE AND PRODUCTS BEHIND A BRIGHTER FUTURE

The Bidvest Group Limited
(Incorporated in the Republic of South Africa)
Registration number: 1946/021180/06) (the Company)
Share code: BVT
ISIN: ZAE 000117321

Bidvest annual reports 2021
Available on the Bidvest website,
www.bidvest.com

Hard copies of the reports
available on request from
info@bidvest.co.za

Copies of the report are also
available at Bidvest House,
18 Crescent Drive, Melrose Arch,
during office hours

This document is important and requires your immediate attention

Please read this document immediately. If you have any doubts about what action you should take, contact your independent financial adviser.

If you have sold or transferred all of your shares in The Bidvest Group Limited you should pass on this document, and the associated proxy form, to the person through whom you made the sale or transfer, for transmission to the purchaser or transferee.

The Bidvest Group Limited

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 75th (seventy-fifth) Annual General Meeting (“AGM”) of the shareholders of The Bidvest Group Limited (“The Bidvest Group” or “the Company”) will be held in the boardroom, Bidvest House, 18 Crescent Drive, Melrose Arch, at 09:00 on Friday, 26 November 2021.

This document, issued on 25 October 2021, is important and requires your immediate attention. Your attention is drawn to the notes below, which contain important information regarding participation in the AGM.

The board of directors (“the board”) has determined, in accordance with section 59 of the Companies Act, No. 71 of 2008 (“the Act”), that the record date by when persons must be recorded as shareholders in the securities register of the Company, in order to be entitled to receive the Notice of AGM, is Friday, 15 October 2021. The record date, in order to be recorded in thesecurities register as a shareholder to be able to attend, participate in and vote at the AGM, is Friday, 19 November 2021. The last date to trade, in order to be able to be recorded in the securities register as a shareholder on the aforementioned record date is Tuesday, 16 November 2021.

In terms of section 61(10) of the Act, shareholders or their proxies may participate in the AGM by way of telephone conference call, and if they wish to do so they:

- must contact the Group company secretary by email at nonqaba.katamzi@bidvest.co.za or by telephone at +27 (11) 772 8723 by no later than 14:00 on Wednesday, 17 November 2021, to obtain a pin number and dial-in details for the conference call;
- will be required to provide reasonably satisfactory identification; and
- must submit their voting proxies to the transfer secretaries in accordance with the instructions per the paragraph below.

Shareholders who choose this form of attendance may not vote telephonically at the AGM.

The above dates, times and other details of the AGM are subject to amendment. Any such material amendment will be released on SENS.

If the AGM is adjourned or postponed, forms of proxy submitted for the AGM will remain valid in respect of any adjournment or postponement of the AGM unless the contrary is stated on such form of proxy.

Who may attend

If you hold dematerialised shares which are registered in your name or if you are the registered holder of certified shares:

- you may attend the AGM in person; or
- you may appoint a proxy to represent you at the AGM by completing the attached form of proxy in accordance with the instructions contained therein.

Forms of proxy must be forwarded to reach the Company’s transfer secretaries, Computershare Investor Services Proprietary Limited, Rosebank Towers, 15 Biermann Ave, Rosebank, Johannesburg, 2196, South Africa or posted to the transfer secretaries at Private Bag X9000, Saxonwold, 2132, South Africa, or emailed to Proxy@Computershare.co.za to be received by them no later than 08:30 on Wednesday, 17 November 2021 for administrative purposes. Any forms of proxy not received by this time must be handed to the chairperson of the AGM immediately prior to the meeting. Forms of proxy must only be completed by shareholders who have not dematerialised their shares or who have dematerialised their shares and registered them in their own name.

If you hold dematerialised shares which are not registered in your name:

- and you wish to attend the AGM in person, you must obtain the necessary letter of representation from your Central Securities Depository Participant (CSDP) or broker or nominee (as the case may be); or
- if you do not wish to attend the AGM but would like your vote to be recorded at the meeting, you should contact your CSDP or broker or nominee (as the case may be) and furnish them with your voting instructions; and
- you must not complete the attached form of proxy.

The purpose of the AGM is for the following business to be transacted and to consider and, if approved, to pass with or without modification, the following ordinary and special resolutions, in the manner required by the Company’s memorandum of incorporation (“MOI”), the Act, as read together with the Listings Requirements of the stock exchange operated by JSE Limited (“the JSE”) (“the Listings Requirements”).

Material changes

Other than the facts and developments reported on in the financial report, there have been no material changes in the affairs or financial position of the Company and its subsidiaries since the date of signature of the audit report and up to the date of this notice.

NOTICE OF ANNUAL GENERAL MEETING (CONTINUED)

Directors' responsibility statement

The directors, whose names appear on page 8 of the Annual Financial Statements, collectively and individually accept full responsibility for the accuracy of the information pertaining to these resolutions. They certify that, to the best of their knowledge and belief, there are no facts that have been omitted which would make any statement false or misleading, and that all reasonable enquiries to ascertain such facts have been made and that the resolutions contain all information required by law and the Listings Requirements.

The following information is provided in terms of the Listings Requirements for purposes of the general authority:

- Major shareholders of the Company – Annual Financial Statements, page 109; and
- Share capital and premium of the Company – Annual Financial Statements, page 95.

By order of the board of directors

N Katamzi

Company secretary

22 October 2021

NOTICE OF ANNUAL GENERAL MEETING

(CONTINUED)

PART A

Present the Annual Financial Statements, Audit committee report and Social, ethics and transformation committee report

Present the Audited Annual Financial Statements of the Company and of the Bidvest Group (being the Company and its subsidiaries), for the financial year ended 30 June 2021, together with the reports of the directors of the Company, the Audit committee of the Company and the external Auditors of the Company. The Annual Financial Statements of the Company for the financial year ended 30 June 2021 can be obtained from the Bidvest Group website at www.bidvest.com; and

Present the report of the Social, ethics and transformation committee for the financial year ended 30 June 2021, as required in terms of Regulation 43 of the Companies Regulations, 2011 ("the Regulations"), as set out in the Annual Environmental, Social and Governance Report.

PART B

Ordinary resolutions

To consider and, if deemed fit, to approve, with or without modification, the ordinary resolutions set out below, in the manner required by the MOI and the Act, as read with the Listings Requirements:

Ordinary Resolution Number 1: Re-election of eligible directors

To re-elect, each by way of a separate vote, Renosi D Mokate and Norman W Thomson who are obliged to retire by rotation at this AGM in accordance with the provisions of clause 41.3 of the Company's MOI. Having so retired and being eligible, Renosi D Mokate and Norman W Thomson offer themselves for re-election:

1.1 ORDINARY RESOLUTION NUMBER 1.1

"**RESOLVED** that Renosi D Mokate be and is hereby re-elected as a director of the company with effect from 26 November 2021.

1.2 ORDINARY RESOLUTION NUMBER 1.2

"**RESOLVED** that Norman W Thomson be and is hereby re-elected as a director of the company with effect from 26 November 2021.

The Nominations committee of the board has reviewed the composition of the board taking into account the nature of the work of the board, the strategy of the Company, the skills requirements of the board, diversity considerations, the balance between executive and non-executive directors, statutory requirements in respect of board committee work, and King IV™ Report on Corporate Governance for South Africa, 2016 ("King IV™") recommendations on director independence and tenure and has recommended the re-election of the directors listed above.

A brief CV of each director standing for re-election appears in the Annual Environmental, Social and Governance Report.

Ordinary Resolution Number 2: Election of directors appointed during the year

To elect, each by way of a separate vote, Lulama Boyce and Sindisiwe N Mabaso-Koyana who were appointed, effective 12 March 2021 in terms of clause 41.16 of the MOI, by the board after the conclusion of the previous AGM and who in terms of clause 41.5 of the MOI will cease to hold office at the end of the AGM, unless they are elected at the AGM:

2.1 ORDINARY RESOLUTION NUMBER 2.1

"**RESOLVED** that Lulama Boyce be and is hereby elected as a director of the company with effect from 26 November 2021.

2.2 ORDINARY RESOLUTION NUMBER 2.2

"**RESOLVED** that Sindisiwe N Mabaso-Koyana be and is hereby elected as a director of the company with effect from 26 November 2021.

A brief CV of each director standing for election appears in the Annual Environmental, Social and Governance Report.

Ordinary Resolution Number 3: Re-appointment of Auditors

The re-appointment of PricewaterhouseCoopers Inc. (and the designated partner Mr Craig West) as recommended by the Group's Audit committee, as the independent external Auditor of the Group until the following AGM.

"**RESOLVED** that PricewaterhouseCoopers Inc., with the designated Audit partner being Mr Craig West, be and is hereby reappointed as independent external Auditors of the Group for the ensuing year. Further than the term of engagement and fees be determined by the Group Audit committee."

NOTICE OF ANNUAL GENERAL MEETING

(CONTINUED)

Ordinary Resolution Number 4: Election of the members of the Audit committee

To elect by separate resolutions a Group Audit committee comprising independent non-executive directors, as provided by the Act, to hold office until the next AGM and perform the duties and responsibilities stipulated in the Act and King IV™ and to perform such other duties and responsibilities as may from time to time be delegated by the board of directors for the Company.

4.1 ORDINARY RESOLUTION NUMBER 4.1

“RESOLVED that subject to Ordinary Resolution 2.2, Sindisiwe N Mabaso-Koyana be and is hereby elected as a member and chairperson of the Group Audit committee of the company with effect from 26 November 2021.

4.2 ORDINARY RESOLUTION NUMBER 4.2

“RESOLVED that subject to Ordinary Resolution 2.1, Lulama Boyce be and is hereby elected as a member of the Group Audit committee of the company with effect from 26 November 2021.

4.3 ORDINARY RESOLUTION NUMBER 4.3

“RESOLVED that subject to Ordinary Resolution 1.1, Renosi D Mokate be and is hereby elected as a member of the Group Audit committee of the company with effect from 26 November 2021.

4.4 ORDINARY RESOLUTION NUMBER 4.4

“RESOLVED that Nonzukiso Siyotula be and is hereby elected as a member of the Group Audit committee of the company with effect from 26 November 2021.

4.5 ORDINARY RESOLUTION NUMBER 4.5

“RESOLVED that subject to Ordinary Resolution 1.2, Norman W Thomson be and is hereby elected as a member of the Group Audit committee of the company with effect from 26 November 2021.

The board has reviewed the proposed composition of the Audit committee against the requirements of the Act and the Regulations and has confirmed that the proposed Audit committee will comply with the relevant requirements, and has the necessary knowledge, skills and experience to enable the Audit committee to perform its duties in terms of the Act. The board recommends the election, by holders, of the directors listed above as members of the Audit committee to hold office until the end of the next AGM.

A brief CV of each director appears in the Annual Environmental, Social and Governance Report.

Ordinary Resolution Number 5: Placing of authorised but unissued ordinary shares under the control of directors

To place all of the unissued ordinary shares of the Company under the control of the directors, who shall be authorised, subject to the MOI, the requirements of the Companies Act and the Listings Requirements, to allot and issue such shares at such times and on such terms and conditions as they in their discretion deem fit until the next AGM of the Company, provided that:

- (i) subject to (ii), the aggregate number of ordinary shares to be allotted and issued in terms of this resolution together with ordinary resolution 6 below is limited to such number of shares as is equal to 5% of the issued ordinary shares of the Company as at 22 October 2021 (being approximately 17 000 000 ordinary shares); and
- (ii) the authority in terms of this resolution shall not derogate from or reduce the number of unissued ordinary shares available to be issued in terms of, any prior authority granted to the directors to issue shares in terms of any of the Company's share incentive schemes.

Ordinary Resolution Number 6: General authority to issue shares for cash

To grant the directors, subject to the Listings Requirements, the general authority to allot and issue authorised but unissued ordinary shares (or grant options or rights to subscribe for, or securities that are convertible into such unissued ordinary shares) as an issue of shares for cash as defined in the Listings Requirements at such times and on such terms and conditions as they in their discretion deem fit, provided that the number of ordinary shares to be allotted and issued in terms of this resolution together with ordinary resolution 5 above is limited to such number of shares as is equal to 5% of the issued ordinary shares of the Company as at 22 October 2021 (being approximately 17 000 000 ordinary shares).

For the avoidance of doubt, it is recorded that a *pro rata* rights offer to shareholders is not an issue for cash as defined in the Listings Requirements and that this resolution and the restrictions contained herein do not apply to any such *pro rata* rights offer to shareholders.

It is recorded that the Listings Requirements currently contain the following restrictions on issues for cash, namely:

- that this authority shall not extend beyond the next AGM or 15 (fifteen) months from the date of this AGM, whichever date is the earliest;
- that a press announcement giving full details will be published on SENS at the time of any issue representing, on a cumulative basis, 5% or more of the number of shares in issue prior to the issue/s from the date of this AGM until the date of the next AGM or 15 (fifteen) months from the date of this AGM, whichever date is the earliest;

NOTICE OF ANNUAL GENERAL MEETING

(CONTINUED)

- that the shares must be issued to public shareholders and not to related parties;
- that any issue in the aggregate in any one year shall not exceed 5% (five percent is approximately 17 000 000 ordinary shares) of the Company's issued ordinary share capital; and
- that in determining the price at which an issue of shares will be made in terms of this authority, the maximum discount permitted will be 10% of the weighted average traded price of the shares over the 30 (thirty) days prior to the date that the price of the issue is determined or agreed to by the directors. In the event that shares have not traded in the said 30 (thirty) day period a ruling will be obtained from the committee of the JSE.

For the sake of clarity, the aggregate number of shares issued in ordinary resolutions numbered 5 and 6 will not exceed 5% (five percent is approximately 17 000 000 ordinary shares) of ordinary shares in the issued share capital of the Company.

A 75% (seventy-five percent) majority of the votes cast by shareholders present or represented and voting at the general meeting will be required in order for ordinary resolution numbered 6 to become effective.

Ordinary Resolution Number 7: Payment of dividend by way of *pro rata* reduction of share capital or share premium

To resolve that the directors of the Company shall be entitled to pay, by way of a *pro rata* reduction of share capital or share premium, *in lieu* of a dividend, an amount equal to the amount which the directors of the Company would have declared and paid out of profits in respect of the Company's interim dividend for the financial year ending 30 June 2021.

This general authority shall be valid until the Company's next AGM, provided that it shall not extend beyond 15 (fifteen) months from the date of passing of this ordinary resolution number 7.

Ordinary Resolution Number 8: Ratification relating to personal financial interest arising from multiple offices in the Group

To resolve that any resolutions or agreements of executive directors and prescribed officers of the company in contravention of section 75 of the Companies Act, are hereby ratified, but only to the extent that the relevant resolutions or agreements fell within the ambit of section 75 of the Companies Act, as a result of the deeming of the relevant executive director and/or prescribed officer as a "related person" to another company in the Group, of which the relevant executive director and/or prescribed officer is also a director or prescribed officer.

Explanatory note

Section 75 of the Companies Act, prohibits a director or prescribed officer from participating in or voting on any board resolutions or entering into any agreements if such director or prescribed officer has a "personal financial interest" in the matter. This prohibition also applies if that director is related to another person that has a "personal financial interest" in that matter. Section 75 of the Companies Act extends the definition of "related person" to other companies for which the director and/or prescribed officer is a director or prescribed officer. As the executive directors and prescribed officers of the company may serve more than one company in the Group, the above resolution is intended to ensure that any resolutions or agreements by the board are valid, despite the fact that it may have involved multiple Bidvest Group companies, served by the same individuals as directors or prescribed officers.

The above resolution does not ratify any other actions of directors or prescribed officers that contravened section 75 of the Companies Act, for any other reason.

Resolution 8 does not limit any other statutory or common law duties that apply to directors or prescribed officers.

Ordinary Resolution Number 9: Directors' authority to implement special and ordinary resolutions

To resolve that each and every director of the Company be and is hereby authorised to do all such things and sign all such documents as may be necessary for or incidental to the ordinary and special resolutions passed at the AGM.

PART C

Non-binding advisory votes

To consider and vote on the resolutions set out below, in the manner required by the King IV™, as read with the Listings Requirements:

To endorse, on an advisory basis, the Company's remuneration policy

(excluding the remuneration of the non-executive directors for their services as directors and members of board committees and the Audit committee) as set out in the Remuneration Report that appears in the Annual Environmental, Social and Governance Report.

Explanatory note

In terms of King IV™ and the Listings Requirements, shareholders are requested to evaluate whether or not the tabled remuneration policy to be implemented in FY2022 strikes the appropriate balance between rewarding outcomes, financial and non-financial, considering the impact on all stakeholders by casting an advisory vote on the Company's remuneration policy as set out in Part 1 of the Remuneration Report. The vote allows shareholders to express their views on the remuneration policy adopted but will not be binding on the Company.

NOTICE OF ANNUAL GENERAL MEETING

(CONTINUED)

To endorse, on an advisory basis, the implementation report of the Company's remuneration policy

(excluding the remuneration of the non-executive directors for their services as directors and members of board committees and the Audit committee) as set out in the Remuneration Report that appears in the Annual Environmental, Social and Governance Report.

Explanatory note

In terms of King IV™ and the Listings Requirements, shareholders are requested to evaluate whether or not the remuneration policy adopted last year was effectively implemented in the year that ended 30 June 2021 by casting an advisory vote on the remuneration implementation report as contained in Part 2 of Company's Remuneration report. The vote allows shareholders to express their views on the extent of implementation of the Company's remuneration policy but will not be binding on the Company.

PART D

Special resolutions

To consider and, if deemed fit, to approve with or without modification, the special resolutions set out below, in the manner required by the MOI and the Act, as read with the Listings Requirements.

Special Resolution Number 1: Non-executive director remuneration

To resolve that in terms of clause 47.1 of the MOI, for the period commencing 1 July 2021 until this resolution is replaced, the remuneration payable to non-executive directors of the Company for their services as directors be as set out in the table below:

	Basic per annum	Per meeting attended
Chairperson ¹	1 744 866	
Lead independent	225 144	
Board members	116 462	46 776
Audit committee chairperson	331 966	52 503
Audit committee member	87 705	38 184
Remuneration committee chairperson	149 158	36 037
Remuneration committee member		41 167
Nominations committee member		37 945
Acquisitions committee chairperson	99 876	42 480
Acquisitions committee member		44 628
Risk committee chairperson	177 080	31 263
Risk committee member		33 173
Social and Ethics committee chairperson	106 200	31 263
Social and Ethics committee member		31 263
<i>Ad hoc</i> meetings		22 672

¹ The Group chairperson's fees cover chairmanship and membership of all board committees. No other fees are payable.

It is proposed that a 6.2% increase in non-executive directors' fees for FY2022 be approved in line with the wage and salary increases approved across the Group.

The above fees are proposed net of VAT which may become payable thereon depending on the status of the individual director's tax position.

Explanatory note

In terms of section 65(11)(h) of the Act, read with sections 66(8) and 66(9) of the Act, remuneration may only be paid to directors for their services as directors in accordance with a special resolution approved by the holders within the previous 2 (two) years.

Special Resolution Number 2: General authority to provide financial assistance to related or inter-related companies and corporations

To authorise the board of directors of the Company, to the extent required by and subject to sections 44 and 45 of the Companies Act and the requirements (if applicable) of MOI and Listings Requirements, that the Company may provide direct or indirect financial assistance to a related or inter-related company, provided that such financial assistance may only be provided at any time in terms of the authority after the expiry of two years from the date of the adoption of this special resolution.

Explanatory note

The reason and the effect of this special resolution is to grant the board the authority to provide inter-Group loans and other financial assistance for the purposes of funding the activities of the Group.

This special resolution does not authorise the provision of financial assistance to a director or prescribed officer of the Company.

FORM OF PROXY

Bidvest

The Bidvest Group Limited
 (Registration number 1946/021 180/06) (the Company)
 Share code: BVT
 ISIN: ZAE000117321

For the 75th Annual General Meeting – for use by certificated shareholders and dematerialised shareholders with own-name registration

Holders of dematerialised ordinary shares, other than those with own-name registration, must inform their CSDP or broker of their intention to attend the AGM and request their CSDP to issue them with the necessary letter of representation to attend the AGM in person or provide their CSDP with their voting instructions should they not wish to attend the AGM in person.

I/We (full names)

of (address)

Tel (home)

Cell:

Email:

Being a shareholder(s) of The Bidvest Group Limited and entitled to

votes (ONE PER SHARE HELD)

hereby appoint

or failing him/her

or failing him/her the Chairman of the meeting as my/our proxy to act for me/us at the AGM of the Company to be held at 9:00 on Friday, 26 November 2021, and at any adjournment thereof as follows:

PART B

Ordinary resolutions

		FOR	AGAINST	ABSTAIN
1	Re-election of directors that retire by rotation:			
1.1	RD Mokate			
1.2	NW Thomson			
2	Election of non-executive directors:			
2.1	L Boyce			
2.2	SN Mabaso-Koyana			
3	Re-appointment of independent external auditor			
4	Election of members of the Audit committee			
4.1	SN Mabaso-Koyana			
4.2	L Boyce			
4.3	RD Mokate			
4.4	N Siyotula			
4.5	NW Thomson			
5	Placing authorised but unissued ordinary shares under the control of directors			
6	General authority to issue shares for cash			
7	Payment of dividend by way of <i>pro rata</i> reduction of share capital or share premium			
8	Ratification relating to personal financial interest arising from multiple offices in the Group			
9	Directors' authority to implement special and ordinary resolutions			

PART C

Non-binding advisory votes

		FOR	AGAINST	ABSTAIN
Endorsement	Remuneration policy			
Endorsement	Implementation of remuneration policy			

PART D

Special resolutions

		FOR	AGAINST	ABSTAIN
1	Non-executive director remuneration			
2	General authority to provide financial assistance to related or inter-related companies and corporations			

Signed on this

day of

2021

Signature

Assisted by (where applicable)

Please read the notes on the reverse side of this form of proxy.

FORM OF PROXY (CONTINUED)

NOTES

1. The person whose name stands first on the form of proxy and who is present at the Annual General Meeting will be entitled to act as a proxy to the exclusion of those whose names follow thereafter. If no proxy is inserted in the spaces provided, the Chairperson shall be deemed to be appointed as the proxy.
2. Unless otherwise instructed above, a proxy is entitled to vote as he/she thinks fit.
3. A proxy appointed by a shareholder to attend, speak and vote in his/her stead need not also be a shareholder of the company.
4. In order to be effective, this form of proxy and the power of attorney or other authority (if any) under which it is signed, should be RECEIVED by the transfer secretaries of the company, Computershare Investor Services Proprietary Limited, not less than twenty-four (24) hours before the time appointed for the holding of the meeting or any adjournment thereof, as the case may be, at which the proxy proposes to vote, excluding Saturdays, Sundays and South African public holidays. Any forms of proxy not lodged by this time may be handed to the Chairperson of the Annual General Meeting immediately prior to its commencement.
5. Any alteration or correction made to this form of proxy must be initialled by the signatory(ies) but may not be accepted by the Chairperson.
6. If you hold shares in certificated form (i.e. you have not dematerialised your shares) or are registered as an own-name dematerialised shareholder, you may attend and vote at this meeting; alternatively, you may appoint a proxy to represent you at the meeting by completing the attached form of proxy and lodging it with the transfer secretaries of the company to be RECEIVED at least 24 hours before the time of the meeting, excluding Saturdays, Sundays and South African public holidays. Any forms of proxy not lodged by this time may be handed to the Chairperson of the Annual General Meeting immediately prior to its commencement.
7. If you have dematerialised your shares and are not registered as an own-name dematerialised shareholder (in other words, you have specifically instructed your CSDP not to hold your shares in your own name on TFG's uncertificated securities register), then subject to the custody agreement between yourself and your CSDP or broker:
 - If you wish to attend the meeting you must contact your CSDP or broker and obtain the relevant letter of representation from it; or
 - If you are unable to attend the meeting but wish to be represented at the meeting, you must contact your CSDP or broker and furnish it with your voting instructions in respect of the meeting. You must NOT complete the attached form of proxy. The instructions must be provided in accordance with the custody agreement between you and your CSDP or broker within the time period required by your CSDP or broker.
8. Brokers or their nominees recorded in the company's register should, when authorised in terms of their mandate or instructed to do so by the owner on behalf of whom they hold dematerialised shares in the company may vote by either appointing a duly authorised representative to attend and vote at the meeting or by completing the attached form of proxy in accordance with the instructions thereon, which must be RECEIVED by the transfer secretaries of the company at least 24 hours before the time of the meeting, excluding Saturdays, Sundays and South African public holidays.

INDEPENDENT AUDITOR'S REPORT



Independent auditor's report on the summary consolidated financial statements

To the shareholders of The Bidvest Group Limited

Opinion

The summary consolidated financial statements of The Bidvest Group Limited, set out on pages 11 to 21 of the Bidvest Audited Financial Results and Cash Dividend Declaration, which comprise the summarised consolidated statement of financial position as at 30 June 2021 and the summarised consolidated income statement, statement of other comprehensive income, statement of cash flows and statement of changes in equity for the year then ended, and related notes, are derived from the audited consolidated financial statements of The Bidvest Group Limited for the year ended 30 June 2021.

In our opinion, the accompanying summary consolidated financial statements are consistent, in all material respects, with the audited consolidated financial statements, in accordance with the requirements of the JSE Limited Listings Requirements for provisional reports, as set out in the notes to the summary consolidated financial statements titled "Basis of presentation of provisional summarised consolidated financial statements", and the requirements of the Companies Act of South Africa as applicable to summary financial statements.

Summary consolidated financial statements

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

The audited consolidated financial statements and our report thereon

We expressed an unmodified audit opinion on the audited consolidated financial statements in our report dated 3 September 2021. That report also includes communication of key audit matters. Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period.

Director's responsibility for the summary consolidated financial statements

The directors are responsible for the preparation of the summary consolidated financial statements in accordance with the requirements of the JSE Limited Listings Requirements for provisional reports as set out in the note to the summary consolidated financial statements titled "Basis of presentation of

PricewaterhouseCoopers Inc., 4 Lisbon Lane, Waterfall City, Jukskei View, 2090
. Private Bag X36, Sunninghill, 2157, South Africa
T: +27 (0) 11 797 4000, F: +27 (0) 11 209 5800, www.pwc.co.za

Chief Executive Officer: L S Machaba
The Company's principal place of business is at 4 Lisbon Lane, Waterfall City, Jukskei View, where a list of directors' names is available for inspection.
Reg. no. 1998/012055/21, VAT reg.no. 4950174682

INDEPENDENT AUDITOR'S REPORT

(CONTINUED)



provisional summarised consolidated financial statements”, and the requirements of the Companies Act of South Africa as applicable to summary financial statements.

Auditor's responsibility

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

PricewaterhouseCoopers Inc.
PricewaterhouseCoopers Inc.
Director: C West
Registered Auditor
Johannesburg, South Africa
6 September 2021

CONSOLIDATED INCOME STATEMENT

FOR THE YEAR ENDED 30 JUNE

	Notes	2021 R'000	Restated* 2020 R'000
Continuing operations			
Revenue	5.1	88 314 806	76 542 581
Non-interest revenue		87 881 064	75 953 538
Interest revenue		433 742	589 043
Cost of revenue		(61 140 027)	(53 101 006)
Gross profit		27 174 779	23 441 575
Operating expenses		(19 278 934)	(18 079 797)
Net impairment losses on financial assets		(252 164)	(245 401)
Other income		273 347	266 807
(Loss) from investments		(26 103)	(43 482)
Trading profit	5.2	7 890 925	5 339 702
Share-based payment expense		(246 096)	(202 494)
Acquisition costs and customer contracts amortisation		(305 025)	(345 229)
Net capital items	5.4	(179 663)	(1 973 149)
Profit before finance charges and associate income	5.5	7 160 141	2 818 830
Net finance charges	10.1	(1 470 534)	(1 429 627)
Finance income		57 367	80 253
Finance charges		(1 527 901)	(1 509 880)
Share of profit (loss) of associates and joint ventures		100 095	(92 250)
Current period earnings		100 208	(87 129)
Net capital items	7.4	(113)	(5 121)
Profit before taxation		5 789 702	1 296 953
Taxation	6	(1 670 774)	(851 589)
Profit for the year from continuing operations		4 118 928	445 364
Discontinued operations			
Profit (loss) after taxation from discontinued operations	14	3 789	(632 267)
Profit (loss) for the year		4 122 717	(186 903)
Attributable to			
Shareholders of the Company – continuing operations		3 840 933	168 981
Shareholders of the Company – discontinued operations		3 789	(632 267)
Non-controlling interests		277 995	276 383
		4 122 717	(186 903)
Basic earnings per share (cents) – continuing operations	7.3	1 130.2	49.8
Diluted basic earnings per share (cents) – continuing operations	7.3	1 129.4	49.7
Basic earnings per share (cents) – discontinued operations	7.3	1.1	(186.4)
Diluted basic earnings per share (cents) – discontinued operations	7.3	1.1	(186.1)
Basic earnings per share (cents) – Group	7.3	1 131.3	(136.6)
Diluted basic earnings per share (cents) – Group	7.3	1 130.5	(136.4)
Supplementary Information			
Normalised headline earnings per share (cents) – continuing operations	7.6	1 292.0	1 028.3
Headline earnings per share (cents) – continuing operations	7.5	1 183.3	553.2
Diluted headline earnings per share (cents) – continuing operations	7.5	1 182.4	552.5
Headline earnings per share (cents) – discontinued operations	14	15.2	(159.2)
Diluted headline earnings per share (cents) – discontinued operations	14	15.2	(159.0)
Normalised headline earnings per share (cents) – Group	7.6	1 307.2	869.1
Headline earnings per share (cents) – Group	7.5	1 198.4	394.0
Diluted headline earnings per share (cents) – Group	7.5	1 197.5	393.5

* Refer note 5.1. Revenue for further details.

CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE

	2021 R'000	2020 R'000
Profit (loss) for the year	4 122 717	(186 903)
Other comprehensive (expense) income net of taxation		
<i>Items that may be reclassified subsequently to profit or loss</i>	(620 829)	155 080
(Decrease) increase in foreign currency translation reserve	(647 494)	200 770
Exchange differences arising during the year	26 665	(51 704)
Increase (decrease) in fair value of cash flow hedges	37 035	(71 811)
Fair value loss arising during the year	(10 370)	20 107
Taxation effect for the year	-	6 014
Share of other comprehensive income of associates and joint ventures	-	6 014
Other comprehensive income transferred to profit or loss		
Realisation of exchange differences on disposal of subsidiaries	52 954	7 327
<i>Items that will not be reclassified subsequently to profit or loss</i>		
Changes in the fair value of financial assets recognised through other comprehensive income	1 862	(15 865)
Defined benefit obligations	12 094	(28 030)
Net remeasurement of defined benefit obligations during the year	16 798	(38 729)
Taxation effect for the year	(4 704)	10 699
Total comprehensive income (expense) for the year	3 568 798	(68 391)
Attributable to		
Shareholders of the Company	3 326 301	(368 125)
Non-controlling interest	242 497	299 734
	3 568 798	(68 391)

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE

	Notes	2021 R'000	2020 R'000
Cash flows from operating activities		9 743 707	4 258 631
Cash generated by operations	5.6	13 547 301	9 055 797
Finance income	10.2	41 166	63 688
Finance charges	10.2	(1 452 812)	(1 495 743)
Taxation paid	6.2	(1 814 274)	(1 454 118)
Dividend income received		97 767	123 910
Distributions to shareholders	13.2	(1 068 734)	(2 267 564)
Net operating cash flows from discontinued operations	14	393 293	232 661
Cash flows from of investment activities		(1 786 943)	(3 319 199)
Amounts advanced to associates		(61 954)	(58 632)
Proceeds on disposal of investments		2 747 929	3 964 433
Investments acquired		(2 364 541)	(4 258 585)
Additions to property, plant and equipment		(2 270 439)	(2 019 560)
Additions to intangible assets		(328 710)	(190 109)
Proceeds on disposal of property, plant and equipment		353 537	341 509
Proceeds on disposal of intangible assets		4 555	48 699
Cash and cash equivalents arising on consolidation of Adcock Ingram		-	467 913
Acquisition of businesses, subsidiaries and associates	9.2	(1 508 717)	(1 011 785)
Proceeds on disposal of interests in subsidiaries and associates	9.3	201 211	49 934
Net investing activities from discontinued operations	14	1 440 186	(653 016)
Cash flows from financing activities		(7 083 290)	2 041 278
Part held subsidiary share buy-back from non-controlling interests		-	(154 056)
Transactions with non-controlling interests		(481 410)	(200 650)
Repayment of lease liabilities	8.2	(1 294 769)	(1 017 544)
Settlement of puttable non-controlling interest liabilities	10.5	-	(57 050)
Borrowings raised	10.4	5 424 273	19 954 763
Borrowings repaid	10.4	(10 372 402)	(16 774 408)
Net financing activities from discontinued operations	14	(358 982)	290 223
Net increase in cash and cash equivalents		873 474	2 980 710
Cash and cash equivalents at beginning of year		5 343 865	2 034 523
Effects of exchange rate fluctuations on cash and cash equivalents		(399 210)	328 632
Cash and cash equivalents at end of year		5 818 129	5 343 865
Cash and cash equivalents comprise			
Cash and cash equivalents – continuing operations	10.2	7 438 073	10 412 475
Cash and cash equivalents – discontinued operations	14	-	(746 561)
Bank overdrafts included in short-term portion of borrowings	10.2	(1 619 944)	(4 322 049)
		5 818 129	5 343 865

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AT 30 JUNE

	Notes	2021 R'000	Restated* 2020 R'000
ASSETS			
Non-current assets		53 211 879	53 367 575
Property, plant and equipment	8.1	14 107 562	14 425 708
Right-of-use assets	8.2	4 615 625	5 134 768
Intangible assets	9.4	13 661 818	13 313 157
Goodwill	9.5	13 678 707	14 058 238
Deferred taxation assets	6.3	1 538 254	1 588 036
Defined benefit pension surplus	12.3	252 230	214 329
Interest in associates and joint ventures	8.7	527 908	599 188
Life assurance fund	8.5	368 937	242 048
Investments	8.6	2 758 682	2 031 937
Banking and other advances	8.3	1 702 156	1 760 166
Current assets		33 187 856	36 806 591
Inventories	8.8	10 106 113	11 060 258
Short-term portion of banking and other advances	8.3	1 203 708	1 344 550
Short-term portion of investments	8.6	–	1 141 545
Trade and other receivables	8.9	14 072 021	12 522 646
Taxation	6.2	367 941	325 117
Cash and cash equivalents	10.2	7 438 073	10 412 475
Assets of disposal group held for sale	14	–	1 806 855
Total assets		86 399 735	91 981 021
EQUITY AND LIABILITIES			
Capital and reserves		28 790 766	26 640 903
Capital and reserves attributable to shareholders of the Company	13.1	25 537 831	23 159 047
Non-controlling interests		3 252 935	3 481 856
Non-current liabilities		24 337 921	32 143 344
Deferred taxation liabilities	6.3	3 907 936	3 931 901
Life assurance fund	8.5	222 165	165 860
Long-term portion of borrowings	10.3	15 355 102	22 883 554
Post-retirement obligations	12.3	77 040	79 075
Puttable non-controlling interest liabilities	10.5	20 889	22 002
Long-term portion of provisions	8.11	635 356	667 672
Long-term portion of lease liabilities	8.2	4 119 433	4 393 280
Current liabilities		33 271 048	31 557 555
Trade and other payables	8.10	18 288 267	15 018 849
Short-term portion of provisions	8.11	460 634	820 590
Vendors for acquisition		752	2 611
Taxation	6	482 485	438 105
Amounts owed to bank depositors	8.4	7 626 671	7 286 764
Short-term portion of borrowings	10.3	5 380 263	6 752 335
Short-term portion of lease liabilities	8.2	1 031 976	1 238 301
Liabilities of disposal group held for sale	14	–	1 639 219
Total equity and liabilities		86 399 735	91 981 021

* Refer note 9.2. Acquisition of businesses, subsidiaries and associates and note 8.5. Life assurance fund.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE

	2021 R'000	2020 R'000
Equity attributable to shareholders of the Company	25 537 831	23 159 047
Share capital	17 014	17 014
Balance at beginning of the year	17 014	16 948
Shares issued during the year	–	66
Share premium	1 367 796	1 367 796
Balance at beginning of the year	1 367 796	1 099 231
Shares issued during the year	–	268 856
Share issue costs	–	(291)
Foreign currency translation reserve	(166 446)	400 927
Balance at beginning of the year	400 927	208 936
Movement during the year	(620 327)	184 664
Realisation of reserve on disposal of subsidiaries	52 954	7 327
Hedging reserve	(38 619)	(65 284)
Balance at beginning of the year	(65 284)	(13 580)
Fair value profit (loss) arising during the year	37 035	(71 811)
Taxation recognised directly in reserve	(10 370)	20 107
Equity-settled share-based payment reserve	(326 401)	(437 247)
Balance at beginning of year	(437 247)	(343 118)
Arising during current year	215 848	219 827
Taxation recognised directly in reserve	23 362	(18 093)
Utilisation during the year	(130 097)	(295 863)
Realisation of reserve on disposal of subsidiaries	1 733	–
Movement in retained earnings	24 005 009	21 211 095
Balance at beginning of the year	21 211 095	23 818 868
Attributable profit (loss)	3 844 722	(463 286)
Changes in the fair value of financial assets recognised through other comprehensive income	1 862	(15 865)
Net remeasurement of defined benefit obligations during the year	12 297	(28 319)
Other transactions with subsidiaries	–	(154 056)
Net dividends paid	(985 675)	(2 033 951)
Net remeasurement of put option liability	–	1 266
Transfer of reserves as a result of changes in shareholding of subsidiaries	(79 292)	80 424
Share of other comprehensive income of associates and joint ventures	–	6 014
Treasury shares	679 478	664 746
Balance at beginning of the year	664 746	637 063
Purchase of shares	(111 975)	–
Shares disposed of in terms of share incentive scheme	126 707	27 683
Equity attributable to non-controlling interests of the Company	3 252 935	3 481 856
Balance at beginning of the year	3 481 856	304 620
Total comprehensive income	242 497	299 734
Attributable profit	277 995	276 383
Movement in foreign currency translation reserve	(27 167)	16 106
Movement in cash flow hedge fund	(8 169)	6 936
Changes in the fair value of financial assets recognised through other comprehensive income	41	20
Net remeasurement of defined benefit obligations during the year	(203)	289
Dividends paid	(80 024)	(229 818)
Movement in equity-settled share-based payment reserve	7 391	(2 155)
Transactions with non-controlling interests	(478 077)	3 189 899
Transfer of reserves as a result of changes in shareholding of subsidiaries	79 292	(80 424)
Total equity	28 790 766	26 640 903

BASIS OF PRESENTATION OF SUMMARISED CONSOLIDATED FINANCIAL STATEMENTS

The provisional summarised consolidated financial statements have been prepared in accordance with and containing information required by IAS 34: *Interim Financial Reporting* as well as the SAICA Financial Reporting Guides as issued by the Accounting practices committee and Financial Reporting Pronouncements as issued by Financial Reporting Standards Council and the Companies Act of South Africa and the JSE Listings Requirements. The summarised report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 30 June 2021 and any public announcements made by the Group during the interim reporting period (IAS 34 para 6). Selected explanatory notes are included to explain events and transactions that are significant to an understanding to the changes in the Group's financial position and performance since the last annual consolidated financial statements as at and for the year ended 30 June 2021.

In preparing these provisional summarised consolidated financial statements, management make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

Significant accounting policies and judgements

The accounting policies applied in these provisional summarised consolidated financial statements are the same as those applied in the Group's consolidated financial statements as at and for the year ending 30 June 2021. The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 30 June 2021.

Judgement was required to consider the impact of COVID-19 on the results of the Group for the period under review. The financial impact arising from the Group's assessment is detailed below:

R'000s	2021	2020
Restructuring and retrenchment costs	160 638	460 443
Net impairment losses on financial assets (IFRS 9: <i>Expected Credit Losses</i> (ECL))	5 622	228 315
Write-down of inventory to net realisable value	11 302	54 738
Onerous contracts	4 903	57 148
Bidvest COVID-19 Fund	–	400 000
Impairment of MIAL, classified as a financial asset at fair value through profit or loss, where the fair value is not based on observable market data (Level 3)	–	351 442
COVID-19 non-capital charges	182 465	1 552 086
COVID-19 capital impairments	134 693	1 147 958

Restatement of comparatives

The comparative consolidated statement of financial position has been restated following a Purchase Price Allocation (PPA) review of a prior year acquisition (refer Business Combinations note for further details). In prior periods the net life assurance fund was disclosed on the face of the consolidated statement of financial position. In the current reporting period the gross life assurance fund asset and the gross reinsurer's share have been separately disclosed in non-current assets and non-current liabilities respectively, the prior year comparative has been restated accordingly. The impact on the 2019 financial period was not material. Interest revenue, disclosed in the Rendering of services category in prior periods, has been restated and disclosed in the interest from banking operations category.

Significant commitments

Bidvest Properties has committed R195 million to build two Gauteng distribution centres for operations within the Bidvest Commercial Products division. The estimated completion date for the distribution centre project is 30 November 2021.

Fair value of financial instruments

The Group's investments of R2 759 million (2020: R3 173 million) include R163 million (2020: R141 million) recorded at amortised cost, R2 476 million (2020: R1 757 million) recorded and measured at fair values using quoted prices (Level 1) and R119 million (2020: R1 276 million) recorded and measured at fair value using factors not based on observable data (Level 3). Fair value losses on Level 3 investments recognised in the income statement total R140 million (2020: R103 million gain).

BASIS OF PRESENTATION OF SUMMARISED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

Analysis of investments at a fair value not determined by observable market data

R'000s	Year ended 30 June	
	2021 Audited	2020 Audited
Balance at the beginning of year	1 276 338	1 311 132
On acquisition of business	–	29 627
Purchases, loan advances or transfers from other categories	36 815	41 169
Fair value adjustment recognised directly in equity	124	55
Fair value adjustment arising during the year recognised in the income statement	(3 040)	(102 831)
Proceeds on disposal, repayment of loans or transfers to other categories	(1 050 807)	(3 396)
Loss on disposal of investments	(140 222)	–
Exchange rate adjustments	–	582
	119 208	1 276 338

Effective 5 February 2021 the Group disposed of its entire remaining interest in the Indian-based Mumbai International Airport Private Limited (MIAL) for R1.0 billion (₹cr 505). MIAL was an unlisted investment held at fair value through profit or loss, where the fair value is not based on observable market data (Level 3). A R140 million loss on disposal was recognised in the current period. The carrying value at 30 June 2020 was R1.1 billion (₹cr 497).

The carrying values of all financial assets and liabilities approximate their fair values, with the exception of borrowings of R20 796 million whose carrying value is R20 735 million.

Discontinued operations

Bidvest Car Rental (BCR) is a motor vehicle rental business operating in South Africa, Botswana and Namibia. As a result of declining international and domestic travel brought on by the COVID-19 pandemic and a slow anticipated mid-term recovery, management took the decision to exit the business. The BCR business is an identifiable component of the Group's business, the operations and cash flows of which can be clearly distinguished from the rest of the Group. BCR represents a separate major line of business in the geographical area of Southern Africa. The relevant requirements of IFRS 5 were met for this operation to be classified as a disposal group held for sale and as a discontinued operation as at 30 June 2020. BCR is a separate and major business component of the Automotive segment.

Effective 29 June 2021 the Group disposed of its entire interest in BCR for the gross consideration of R725 million (net R701 million) to the Thesele Consortium, lead by the 100% black-owned Thesele Group. The balance of the discontinued operations' net assets were disposed of on the open market.

BASIS OF PRESENTATION OF SUMMARISED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

Results of the discontinued operation included in the Group's results for the year ended 30 June are detailed as follows:

R'000s	2021 Audited	2020 Audited
Revenue	536 819	1 057 525
Cost of revenue	(291 257)	(840 519)
Gross profit	245 562	217 006
Operating expenses	(7 135)	(716 538)
Other income	–	1 063
Trading profit (loss)	238 427	(498 469)
Share-based payment expense	1 427	(1 324)
Impairment of property, plant and equipment and right-of-use assets	52 051	(128 300)
Loss on disposal of discontinued operations	(85 224)	–
Operating profit (loss) before finance charges and associate income	206 681	(628 093)
Net finance charges	(77 931)	(210 151)
Finance income	31 815	5 151
Finance charges	(109 746)	(215 302)
Operating profit (loss) before taxation	128 750	(838 244)
Taxation	(124 961)	205 977
Gain (loss) for the year from discontinued operations	3 789	(632 267)
Basic earnings per share (cents) – discontinued operations	1.1	(186.4)
Diluted basic earnings per share (cents) – discontinued operations	1.1	(186.1)
Effect of the discontinued operation on the Group's consolidated statement of financial position		
Assets of disposal group held for sale	–	1 806 855
Current tax asset	–	58 335
Vehicle rental fleet	–	1 561 338
Inventories	–	1 600
Trade and other receivables	–	168 694
Cash and cash equivalents	–	16 888
Liabilities of disposal group held for sale	–	1 639 219
Post-retirement medical aid obligations	–	1 123
Lease liabilities	–	78 096
Trade and other payables	–	195 325
Provisions for discontinuation	–	255 233
Interest-bearing borrowings	–	345 993
Cash and cash equivalents (overdrafts)	–	763 449
Cash flows from discontinued operations		
Net operating cash flows from discontinued operations	393 293	232 661
Net investing activities from discontinued operations	1 440 186	(653 016)
Net financing activities from discontinued operations	(358 982)	290 223
Net increase (decrease) in cash and cash equivalents	1 474 497	(130 132)
Analysis of discontinued net assets sold and consideration received		
Assets of disposal group sold	864 757	–
Liabilities of disposal group sold	(54 533)	–
Net assets sold	810 224	–
Loss on disposal	(85 224)	–
Gross consideration received	725 000	–
Cash and cash equivalents included in net assets of disposal group sold	(24 206)	–
Net consideration received	700 794	–

BASIS OF PRESENTATION OF SUMMARISED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

Business combinations

The prior year acquisition, PHS Group was subject to a Purchase Price Allocation (PPA) review in the current period. The PPA review, which was finalised during the current period, resulted in the recognition at 30 June 2020 of an indefinite life Brand intangible asset in the amount of R2 336 million (£108.8 million), a 15-year definite life Customer Relationships intangible asset in the amount of R2 482 million (£115.6 million) and deferred tax liabilities of R915 million (£42.6 million), a resultant net R3 903 million (£181.7 million) goodwill has been de-recognised. The 30 June 2020 comparative condensed consolidated statement of financial position has been restated accordingly, the impact of which is illustrated in the table below. The impact of the PPA on the consolidated income statement and condensed consolidated statement of other comprehensive income was considered immaterial and these statements were not restated.

R'000s	De-recognised at acquisition (1 May 2020)	Restated at acquisition (1 May 2020)	Movement in FCTR to 30 June 2020	Net impact of restatement at 30 June 2020
Deferred taxation	–	(1 006 737)	91 253	(915 484)
Intangible asset – PHS brand (indefinite life)	–	2 569 026	(232 863)	2 336 163
Intangible asset – Customer relationships (15-year life)	–	2 729 590	(247 416)	2 482 174
Goodwill	(11 685 164)	7 393 285	389 026	(3 902 853)
Net assets recognised	(11 685 164)	11 685 164	–	–

The relief-from-royalty method was used to determine the value of the PHS brand. A royalty rate of 3.5% was applied after considering PHS's market-leading position, profitability levels and licensing transactions for similar entities. The Multi-Period Excess Earnings Method (MPEEM), an income-based valuation method that isolates the cash flow attributable to the customer related intangible asset, was used to value Customer Relationships, which were estimated to have a Remaining Useful Life (RUL) of 15 years. A ratio of 92.5% was applied to forecasted revenues (representing the revenue remaining after removing revenue from new customers) in addition to an existing customer attrition rate of 13.5%. The Weighted Average Cost of Capital (WACC) was calculated as 9.8%, to which a 0.25% intangible asset specific risk premium was added to arrive at the discount rate of 10.05% used in valuation of the identified intangible assets. The residual Goodwill is supported by the identified trained and assembled workforce.

Acquisition of businesses, subsidiaries, associates and investments

During the current period, Bidvest Services' international operations, Noonan Services (UK) and Noonan Services (ROI) made a number of bolt-on acquisitions in the United Kingdom (UK) and Republic of Ireland (ROI), which have been collectively disclosed as the Bidvest Services international acquisitions. The acquired companies specialise in security, cleaning and other facilities management services throughout the UK and ROI in the retail, transport, corporate, warehouse and distribution sectors. The acquisitions substantially add to the Bidvest Services division's facilities management offerings as a whole and in the UK and ROI. The Group will gain and achieve substantial synergies from these bolt-on acquisitions, which have been funded using the Group's cash resources and existing facilities.

Acquisition	Effective acquisition date	Net identifiable assets	Goodwill	Cash and cash equivalents acquired	Net purchase price paid
Axis Group Limited (United Kingdom)	01-Feb-21	186 490	200 818	(12 734)	374 574
Cordant Group (United Kingdom)	01-Jun-21	484 309	116 056	292 767	893 132
Lynch Interact (Republic of Ireland)	01-May-21	116 499	64 863	(25 554)	155 808
Amber Cleaning (United Kingdom)	01-May-21	51 824	5 267	(17 300)	39 791
		839 122	387 004	237 179	1 463 305

A PPA review resulted in the identification of definite life Customer Relationship intangible assets in the amount of R1 087 million (£47 million and €9 million). The Multi-Period Excess Earnings Method (MPEEM) using cash flows attributable to the customer related intangible asset was used to value Customer Relationships, which were estimated to have a Remaining Useful Life (RUL) of 20 years. An existing customer attrition rate of 5% was applied to forecasted existing customer revenues. A WACC of 11% was used in valuation. The residual Goodwill is supported by the identified trained and assembled workforce.

The Group also made a number of less significant acquisitions during the year. These acquisitions were funded from existing cash resources.

BASIS OF PRESENTATION OF SUMMARISED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

The following table summaries the assets acquired and liabilities assumed at fair value which have been included in these results from the respective acquisition date. The values represent the final at acquisition fair values consolidated by the Group.

R'000s	Bidvest Services international acquisitions			Other minor acquisitions	Total acquisitions
	Cordant Group	Axis Group Limited	Other Services int. acquisitions		
Property, plant and equipment	18 894	8 663	10 875	638	39 070
Right-of-use assets	3 109	22 854	2 144	–	28 107
Deferred taxation	(110 394)	(57 374)	(25 281)	(2 047)	(195 096)
Interest in associates and joint ventures	–	–	–	62 054	62 054
Investments and advances ^o	–	–	42	2 364 541	2 364 583
Inventories	–	692	–	787	1 479
Trade and other receivables	935 228	629 655	60 898	1 808	1 627 589
Cash and cash equivalents	(292 767)	12 734	42 854	324	(236 855)
Borrowings	–	–	(20 191)	–	(20 191)
Trade and other payables and provisions	(609 030)	(717 585)	(79 233)	(13 329)	(1 419 177)
Lease liabilities	(9 741)	(39 948)	(2 013)	–	(51 702)
Taxation	(32 011)	–	(5 192)	159	(37 044)
Intangible assets	581 021	326 799	183 420	10 094	1 101 334
	484 309	186 490	168 323	2 425 029	3 264 151
Non-controlling interest	–	–	–	(3 106)	(3 106)
Goodwill	116 056	200 818	70 130	14 939	401 943
Net assets acquired	600 365	387 308	238 453	2 436 862	3 662 988
Settled as follows:					
Cash and cash equivalents acquired	292 767	(12 734)	(42 854)	(324)	236 855
Acquisition costs				33 509	33 509
Net change in vendors for acquisition				1 860	1 860
Net acquisition of businesses, subsidiaries, associates and investments	893 132	374 574	195 599	2 471 907	3 935 212

^o R8 million of advances to B-BBEE and other partners, R36 million costs capitalised to MIAL investment, R2 321 million purchases made in the Bidvest Insurance and Bidvest Bank investment portfolios.

Goodwill arose on the acquisitions as the anticipated value of future cash flows that were taken into account in determining the purchase consideration exceeded the net assets acquired at fair value. The acquisitions have enabled the Group to expand its range of complementary products and services and, as a consequence, have broadened the Group's base and geographic reach in the marketplace.

Trade receivables acquired are stated net of impairment allowances of R25 million (2020: R151 million). There were no significant contingent liabilities identified in the businesses acquired.

The Bidvest Services international acquisitions contributed R1 412 million to revenue and R98 million to operating profit, had the acquisitions taken place 1 July 2020 the contribution to revenue would have been R7 094 million and R328 million to operating profit. Other minor acquisitions contributed R54 million in revenue and R1.1 million in operating losses, had these other acquisitions taken place 1 July 2020 the contribution to revenue would have been R56 million and R0.7 million in operating losses.

Disposals

On 23 December 2020, the Group disposed of 100% of the share capital and voting rights of Ontime Automotive Limited (Ontime). Ontime is a specialist in vehicle transport services and is Europe's largest enclosed car delivery operator. This disposal follows the prior period disposal of DH Mansfield and completes the divestiture of the Group's Freight interests in the United Kingdom, which are considered non-core because of size, geographical isolation and lack of scalability.

On 4 June 2021, the Group disposed of its entire interest in BidAir Services Proprietary Limited to National Aviation Services (NAS), Colossal Africa and a consortium comprising the BidAir Services executive management team. BidAir Services provides handling services, including passenger and ramp handling, load control and operations, cleaning, and toilet and water services, at nine South African airports. The decision to sell arose due to the advent of COVID-19 and the Group's reassessment of the suitability of this investment within its security and aviation portfolio.

BASIS OF PRESENTATION OF SUMMARISED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

R'000s	OnTime Automotive	BidAir Services	Other disposals	Total disposals
Property, plant and equipment	(140 601)	(66)	(12 077)	(152 744)
Right-of-use assets	(42 609)	–	(208)	(42 817)
Deferred taxation	(3 305)	(9)	1 719	(1 595)
Interest in associates	–	–	(2 815)	(2 815)
Investments and advances ^o	–	–	(2 747 929)	(2 747 929)
Inventories	(818)	(672)	(12 380)	(13 870)
Trade and other receivables	(74 493)	(45 157)	(8 803)	(128 453)
Cash and cash equivalents and bank overdrafts	31 262	(5 537)	(3 642)	22 083
Borrowings	18 169	–	–	18 169
Lease liability	45 151	–	230	45 381
Trade and other payables and provisions	52 965	31 374	16 853	101 192
Taxation	(162)	4 618	(198)	4 258
Intangible assets	(55)	(717)	(116)	(888)
	(114 496)	(16 166)	(2 769 366)	(2 900 028)
Non-controlling interest	–	–	(227)	(227)
Realisation of foreign currency translation reserve	(62 143)	–	9 189	(52 954)
Realisation of share based payment reserve	–	533	(2 266)	(1 733)
Goodwill	–	(16 983)	(5 770)	(22 753)
Net assets disposed of	(176 639)	(32 616)	(2 768 440)	(2 977 695)
Settled as follows:				
Cash and cash equivalents and bank overdrafts disposed of	(31 262)	5 537	3 642	(22 083)
Net loss on disposal of operations	96 580	(42 382)	8 622	62 820
Raising of other investment arising on disposal of subsidiaries and associates	–	35 000	–	35 000
Net receivable reversed on disposal of subsidiaries and associates	51 839	–	(99 020)	(47 181)
Net proceeds on disposal of businesses, subsidiaries, associates and investments	(59 482)	(34 461)	(2 855 196)	(2 949 139)

^o R30 million repayment of advances to B-BBEE and other partners, R1 666 million sales made in the investment portfolios of Bidvest Insurance and Bidvest Bank, R1 040 million for the disposal of MIAL and R12 million disposal of other investments.

Subsequent event

Subsequent to the year end the Group executed a new three year banking facility dated 8 July 2021 with a Syndicate of seven international and local banks for a total facility amounting to £400 million. The facility comprises a Term loan of £160 million and a committed Revolving Credit Facility (“RCF”) of £240 million. The facility can be drawn in multi-currencies and has the potential to be upsized to an aggregate of £460 million upon request by the Company. £345 million of the facility was drawn down on 14 July 2021 and used to repay in full the €320 million Term Facility (due for repayment in September 2022) and the remaining £60 million balance of the PHS Bridge facility (due for repayment in December 2021). Both repaid facilities have been terminated. The facility adds further available liquidity to the Group in terms of the undrawn portion of the RCF and lengthens the loan maturity to July 2024. The company has the option to extend the facility by a further two years upon request to the lenders.

BASIS OF PRESENTATION OF SUMMARISED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

Audit report

The auditors, PricewaterhouseCoopers Inc. have issued their audit opinion on the consolidated financial statements for the year ended 30 June 2021. The audit was conducted in accordance with International Standards on Auditing. They have issued an unmodified opinion. A copy of the auditor's report together with a copy of the audited consolidated financial statements are available for inspection at the Company's registered office.

These summarised consolidated financial statements have been derived from the consolidated financial statements and are consistent in all material respects with the consolidated financial statements. These summarised provisional consolidated financial statements have been audited by the Company's auditors who have issued an unmodified opinion. The auditor's report does not necessarily report on all of the information contained in this announcement. Any reference to future financial information included in this announcement has not been reviewed or reported on by the auditors. Shareholders are advised, that in order to obtain a full understanding of the nature of the auditor's engagement they should obtain a copy of that report together with the accompanying financial information from the Company's registered office.

Preparer of the summarised consolidated financial statements

The consolidated financial statements and final summarised consolidated financial statements have been prepared under the supervision of the Chief Financial Officer, MJ Steyn BCom CA(SA), and were approved by the board of directors on 3 September 2021.

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