Independent auditor's report

To the Shareholders of The Bidvest Group Limited

Report on the audit of the consolidated financial statements

Our opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of The Bidvest Group Limited (the Company) and its subsidiaries (together the Group) as at 30 June 2022, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards ("IFRS") and the requirements of the Companies Act of South Africa.

What we have audited

The Bidvest Group Limited's consolidated financial statements set out on pages 17 to 97 comprise:

- the consolidated statement of financial position as at 30 June 2022;
- the consolidated income statement for the year ended;
- the consolidated statement of other comprehensive income for the year then ended;
- the consolidated statement of changes in equity for the year then ended;
- the consolidated statement of cash flows for the year then ended; and
- the notes to the consolidated financial statements, which include a summary of significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing ("ISAs"). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report.

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

Independence

We are independent of the Group in accordance with the Independent Regulatory Board for Auditors' *Code of Professional Conduct for Registered Auditors* (IRBA Code) and other independence requirements applicable to performing audits of financial statements in South Africa. We have fulfilled our other ethical responsibilities in accordance with the IRBA Code and in accordance with other ethical requirements applicable to performing audits in South Africa. The IRBA Code is consistent with the corresponding sections of the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)*.

Our audit approach

Overview

Overall group materiality

- *Overall group materiality: R389 million, which represents 5% of consolidated profit before taxation from continuing operations.*

Group audit scope

- *We have performed full scope audits on 30 components.*
- *The group engagement team performed analytical review procedures on components not included in the group audit scope.*

Key audit matters

- *Impairment assessment of indefinite useful life intangible assets and goodwill.*

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the consolidated financial statements. In particular, we considered where the directors made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters, consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

Materiality

The scope of our audit was influenced by our application of materiality. An audit is designed to obtain reasonable assurance whether the financial statements are free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the consolidated financial statements.

Based on our professional judgement, we determined certain quantitative thresholds for materiality, including the overall group materiality for the consolidated financial statements as a whole as set out in the table below. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, both individually and in aggregate on the financial statements as a whole.

Overall group materiality	*R389 million*
How we determined it	*5% of consolidated profit before taxation from continuing operations.*
Rationale for the materiality benchmark applied	*We chose consolidated profit before taxation as the benchmark because, in our view, it is the benchmark against which the performance of the Group is most commonly measured by users and is a generally accepted benchmark. We chose 5% which is consistent with quantitative materiality thresholds used for profit-oriented companies in this sector.*

How we tailored our group audit scope

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the consolidated financial statements as a whole, taking into account the structure of the Group, the accounting processes and controls, and the industry in which the Group operates.

Every component that contributed significantly to the consolidated revenue, consolidated operating profit, consolidated total assets or consolidated total liabilities of the Group was subject to a full scope audit. We performed full scope audits over 30 components based on their financial significance and to obtain coverage across the Group. We performed analytical review procedures over all other components which were not included in the group scoping to confirm our risk assessment.

Detailed group audit instructions were communicated to all components in scope for group reporting. These components were audited by component audit teams, who reported the results of procedures performed to the group engagement team. We had various interactions with our component audit teams in which we discussed and evaluated recent developments, the scope of audits, audit risks, materiality and audit approaches and also reviewed selected component working papers. We discussed the reports of the component teams, the findings of their procedures and other matters which could be of relevance for the consolidated financial statements.

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. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	***How our audit addressed the key audit matter***
Impairment assessment of indefinite useful life intangible assets and goodwill. Refer to notes 9.4 and 9.5 to the consolidated financial statements.	Making use of our valuation's expertise, we assessed the valuation methodology applied by

As at 30 June 2022, the Group's consolidated statement of financial position included goodwill with a closing carrying value of R14 billion, and indefinite life intangible assets with a closing carrying value of R8.7 billion. Assets that are not subject to amortisation, such as goodwill and indefinite life intangible assets, are required to be assessed for impairment annually, or more frequently if there is an indicator of impairment in accordance with *International Accounting Standard 36: Impairment of assets* ("IAS 36"). Management performed an annual impairment assessment for goodwill and indefinite useful life intangible assets. The recoverable amount, as determined for the purpose of the impairment calculation, is calculated as the higher of the fair value less costs of disposal and their value-in-use. Management estimated the recoverable amount of the indefinite useful life intangible assets, as well as the recoverable amount of goodwill, using the value-in-use method. The Group's impairment assessment of the indefinite useful life intangible assets and goodwill is considered to be a matter of most significance to the current year audit due to: • the significant judgements and estimates made by management with regards to projected annualised earnings, given the current economic environment; and • the significant judgments and estimates made by management in determining the values which have been assigned to the key assumptions used in the value-in-use calculation i.e., the Pre-tax discount rate, revenue growth rate and	management against generally accepted valuation methods and IAS 36, noting no exceptions. We independently calculated the discount rates, taking into account independently obtained data such as the cost of debt, after taking into account the contribution of lease discount rates in accordance with IFRS 16 to the cost of debt, the risk-free rate, market risk premiums, debt/equity ratios as well as the beta of comparable companies. The independently recalculated discount rates were compared to the rates applied by management. We noted that the discount rates adopted by management were generally lower than our recalculated rates. The use of our independently calculated discount rates in management's assessment did not result in an impairment charge. In testing for impairment of goodwill and indefinite life intangible assets, we performed independent discounted cash flow calculations using our own assumptions as applicable to the relevant cash-generating unit ("CGU"). Whilst our range of cash flows for the CGU differed from those applied by management, due to use of our own assumptions, we accepted the outcome that no further impairments were required. For the value-in-use calculations performed, we obtained management's cash flow forecasts and: • Agreed these forecasts to approved budgets. • Assessed the reliability of the forecasts by comparing current year actual results with the prior year budgeted results. • Compared the growth projections applied by management to historically achieved growth rates.

the terminal rate underpinning the future cash flow forecasts.	• Compared the terminal growth rates used by management to long-term consensus inflation rates obtained from independent sources. Based on our assessment, we accepted the cash flows to be within a reasonable range. We performed sensitivity analysis on the key assumptions included in management's value-in-use calculations. Based on this assessment, we accepted management's assessment that no further impairments were required. We assessed the disclosures included in notes 9.4 and 9.5 against the relevant IFRS disclosure requirements and no material differences were noted.

Other information

The directors are responsible for the other information. The other information comprises the information included in the documents titled "The Bidvest Group Limited Audited Consolidated Annual Financial Statements for the year ended 30 June 2022" and "The Bidvest Group Limited Audited Annual Financial Statements for the year ended 30 June 2022", which include the Directors' Report, the Audit Committee Report and the Declaration by company secretary as required by the Companies Act of South Africa, which we obtained prior to the date of this auditor's report, and the other sections of the document titled "The Bidvest Group Limited Integrated Report for the year ended 30 June 2022", which is expected to be made available to us after that date. The other information does not include the consolidated or the separate financial statements and our auditor's report thereon.

Our opinion on the consolidated and separate financial statements does not cover the other information and we do not and will not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the consolidated and separate financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated and separate financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the consolidated financial statements

The directors are responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards and the requirements of the Companies Act of South Africa, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are

based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirements

In terms of the IRBA Rule published in Government Gazette Number 39475 dated 4 December 2015, we report that PricewaterhouseCoopers Inc. has been the auditor of The Bidvest Group Limited for four years.

PricewaterhouseCoopers Inc.

PricewaterhouseCoopers Inc.
Director: C West
Registered Auditor
Johannesburg, South Africa
2 September 2022