Bidcorp

Audited results

for the year ended

JUNE 30 2021

Bidcorp's entrepreneurial and decentralised business model, the depth and experience of our management teams, and the strength of the group's culture, positions the group for sustained growth in the future.

"It's all about the food, service and technology."

WHO WE ARE

Bidcorp:

- is a complete foodservice solution serving customers in more than 35 countries
- people are entrepreneurial and incentivised to be so
- has a proven decentralised business model and best practices are shared
- growth is organic, acquisitive-organic through bolt-ons, and acquisitive
- believes that balance sheet strength with conservative gearing is a key competitive advantage
- is at the forefront of foodservice digital commerce with its proprietary technology
- embraces environment, social and governance criteria within its day-to-day operations and integrated reporting framework
- business model has been tested and proven through the COVID pandemic

Financial results

Continuing HEPS
868,4 cents

↑ 21,8%

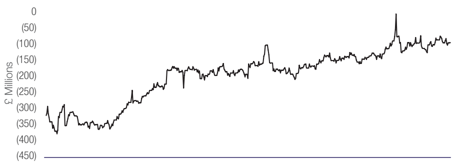
Constant currency, **HEPS** ↑ 13,6%

Cash generated by operations
R7,7bn

Free cash flow (after lease payments)
R4,7bn

Absolute improvement of ↑ R2,0bn

Group cash flow evolution:
March 2020 – September 2021



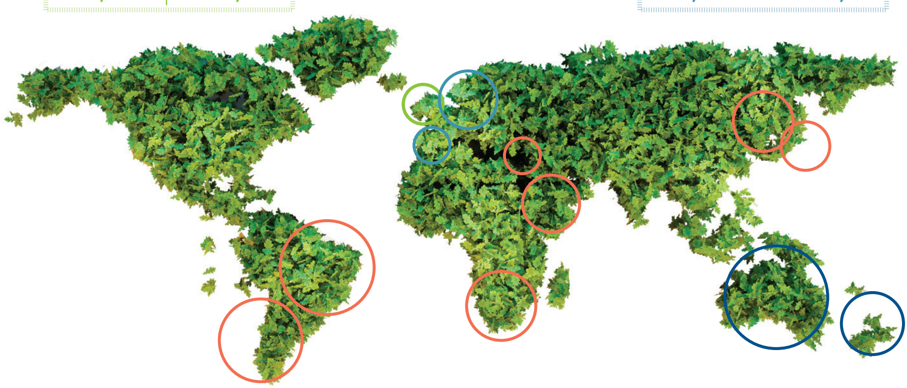
Segmental results

United Kingdom

Revenue	Trading profit
R25,0bn	R0,4bn

Europe

Revenue	Trading profit
R35,7bn	R1,1bn



Emerging Markets

Revenue	Trading profit
R21,1bn	R0,9bn

- Bidfood United Kingdom
- Bidfood Europe
- Bidfood Emerging Markets
- Bidfood Australasia

Australasia

Revenue	Trading profit
R33,0bn	R2,5bn

Summary consolidated statement of profit or loss

for the year ended June 30

R'000	2021 Audited	Restated 2020 Audited	% change
CONTINUING OPERATIONS			
Revenue	**114 803 442**	120 574 182	(4,8)
Cost of revenue	**(87 296 234)**	(91 455 371)	4,5
Gross profit	**27 507 208**	29 118 811	(5,5)
Operating expenses	**(22 719 556)**	(25 051 650)	9,3
Trading profit	**4 787 652**	4 067 161	17,7
Share-based payment expense	**(107 452)**	(100 774)	
Acquisition costs	**(6 151)**	(1 968)	
Capital items	**242 750**	(923 687)	
Operating profit	**4 916 799**	3 040 732	61,7
Net finance costs	**(693 400)**	(710 263)	
Finance income	**51 383**	85 647	
Finance charges	**(744 783)**	(795 910)	
Share of profit of associates and jointly controlled entities	**29 904**	6 448	
Profit before taxation	**4 253 303**	2 336 917	82,0
Taxation	**(1 134 694)**	(868 614)	(30,6)
Profit for the year from continuing operations	**3 118 609**	1 468 303	112,4
DISCONTINUED OPERATIONS			
Loss after taxation from discontinued operations	**–**	(331 578)	
Profit for the year	**3 118 609**	1 136 725	
Attributable to			
Shareholders of the company	**3 088 860**	1 121 428	
From continuing operations	**3 088 860**	1 453 006	
From discontinued operations	**–**	(331 578)	
Non-controlling interests from continuing operations	**29 749**	15 297	
	3 118 609	1 136 725	174,4
Shares in issue			
Total ('000)	**335 404**	335 404	
Weighted ('000)	**334 058**	334 041	
Diluted weighted ('000)	**334 564**	334 735	
Continuing operations			
Basic earnings per share (cents)	**924,6**	434,9	112,6
Diluted basic earnings per share (cents)	**923,2**	434,1	112,7
Headline earnings per share (cents)	**868,4**	712,7	21,8
Diluted headline earnings per share (cents)	**867,1**	711,2	21,9
Discontinued operations			
Basic loss per share (cents)	**–**	(99,3)	
Diluted basic loss per share (cents)	**–**	(99,1)	
Headline loss per share (cents)	**–**	(47,3)	
Diluted headline loss per share (cents)	**–**	(47,2)	
Total operations			
Basic earnings per share (cents)	**924,6**	335,6	175,5
Diluted basic earnings per share (cents)	**923,2**	335,0	175,6
Headline earnings per share (cents)	**868,4**	665,4	30,5
Diluted headline earnings per share (cents)	**867,1**	664,0	30,6
Dividends per share (cents)	**400,0**	330,0	21,2

Summary consolidated statement of other comprehensive income

for the year ended June 30

R'000	2021 Audited	Restated 2020 Audited
Profit for the year	**3 118 609**	1 136 725
Other comprehensive income	**(2 298 355)**	4 207 807
Items that may be reclassified subsequently to profit or loss	**(2 333 289)**	4 203 943
(Decrease) increase in foreign currency translation reserve	**(2 334 345)**	4 258 082
Movement in investment held at fair value through other comprehensive income		
Fair value loss	**–**	(54 139)
Movement in fair value of cash flow hedges	**1 056**	–
Fair value gain	**1 393**	–
Deferred taxation charge	**(337)**	–
Items that will not be reclassified subsequently to profit or loss		
Defined benefit obligations	**34 934**	3 864
Remeasurement of defined benefit obligations	**36 067**	2 035
Deferred taxation (charge) relief	**(1 133)**	1 829
Total comprehensive income for the year	**820 254**	5 344 532
Attributable to		
Shareholders of the company	**827 877**	5 287 448
Non-controlling interest	**(7 623)**	57 084
	820 254	5 344 532

Headline earnings

for the year ended June 30

R'000	2021 Audited	Restated 2020 Audited	% change
The following adjustments to profit attributable to shareholders were taken into account in the calculation of continuing headline earnings:			
Profit attributable to shareholders of the company from continuing operations	**3 088 860**	1 453 006	
Impairments	**473 005**	939 836	
Property, plant and equipment	**360 938**	116 572	
Intangible assets	**226 592**	25 638	
Goodwill	**–**	797 899	
Associate	**–**	11 738	
Taxation relief	**(114 525)**	(12 011)	
Capital profit on disposal of property, plant and equipment	**(631 681)**	(29 058)	
Property, plant and equipment	**(794 835)**	(43 335)	
Taxation charge	**163 154**	14 277	
Insurance proceeds in relation to an impairment of property, plant and equipment	**(26 170)**	–	
Insurance proceeds	**(32 309)**	–	
Taxation charge	**6 139**	–	
Gain from bargain purchase	**(3 136)**	–	
Loss on disposal of interests in subsidiary	**–**	16 920	
Disposal of subsidiary	**–**	15 175	
Taxation charge	**–**	1 745	
Headline earnings from continuing operations	**2 900 878**	2 380 704	21,8

Summary consolidated statement of cash flows

for the year ended June 30

R'000	2021 Audited	Restated 2020 Audited
Cash flows from operating activities	**5 823 001**	3 928 340
Operating profit	**4 916 799**	3 040 732
Dividends received from jointly controlled entity	**6 151**	1 968
Acquisition costs	**40 000**	20 000
Depreciation and amortisation	**1 422 824**	1 534 354
Depreciation on right-of-use lease assets	**826 954**	771 412
Nowaco share incentive scheme	**(16 699)**	(299 496)
Non-cash items	**(168 154)**	2 025 355
Cash generated by operations before changes in working capital	**7 027 875**	7 094 325
Changes in working capital	**632 312**	1 279 812
Cash generated by operations	**7 660 187**	8 374 137
Finance income received	**48 018**	80 683
Finance charges paid	**(654 585)**	(677 897)
Taxation paid	**(1 230 619)**	(1 354 174)
Dividends paid	**–**	(2 213 668)
Net operating cash flows from discontinued operations	**–**	(280 741)
Cash effects of investment activities	**(307 870)**	(3 153 212)
Additions to property, plant and equipment	**(1 831 140)**	(2 724 587)
Additions to intangible assets	**(138 286)**	(191 576)
Proceeds on disposal of property, plant and equipment	**1 895 733**	370 328
Proceeds on disposal of intangible assets	**819**	9 148
Acquisition of subsidiaries	**(86 669)**	(171 604)
Proceeds on disposal of interests in subsidiary	**–**	34 659
Investment in jointly controlled entity	**(14 968)**	–
Payments to associates	**(4 314)**	(8 048)
Proceeds on disposal of investments	**(19 540)**	(42 832)
Investments acquired	**32 986**	72 167
Payments made to puttable non-controlling interests	**(82 606)**	(12 828)
Payments made to vendors for acquisition	**(59 885)**	(58 553)
Net investing activities from discontinued operations	**–**	(429 486)
Cash effects from financing activities	**(3 761 408)**	(912 235)
Borrowings raised	**4 473 408**	6 476 215
Borrowings repaid	**(7 274 843)**	(6 408 623)
Right-of-use lease liability payments from continuing operations	**(820 362)**	(720 512)
Right-of-use lease liability payments from discontinued operations	**–**	(230 994)
Payments to non-controlling interests	**(25 535)**	(28 321)
Treasury shares purchased during the year	**(114 076)**	–
Net increase (decrease) in cash and cash equivalents	**1 753 723**	(137 107)
Cash and cash equivalents at beginning of the year	**7 024 426**	6 058 269
Exchange rate adjustment	**(657 510)**	1 103 264
Cash and cash equivalents at end of the year	**8 120 639**	7 024 426

Summary consolidated statement of financial position

as at June 30

R'000	2021 Audited	Restated 2020 Audited	Restated July 1 2019 Audited
ASSETS			
Non-current assets	**37 513 404**	42 088 766	31 294 178
Property, plant and equipment	**15 505 841**	17 618 435	14 025 113
Intangible assets	**649 722**	838 223	667 572
Right-of-use lease assets	**3 924 117**	4 934 213	–
Goodwill	**15 292 841**	16 676 574	14 784 154
Deferred taxation assets	**1 381 263**	1 202 709	944 212
Defined benefit pension surplus	**151 652**	193 364	177 978
Interest in associates	**92 928**	117 307	192 246
Investment in jointly controlled entity	**493 011**	489 933	481 975
Investments and loans	**22 029**	18 008	20 928
Current assets	**31 696 619**	28 841 167	33 183 290
Inventories	**10 145 738**	10 097 193	9 578 561
Trade and other receivables	**13 430 242**	11 719 548	14 884 406
Assets classified as held-for-sale	**–**	–	2 944 460
Cash and cash equivalents	**8 120 639**	7 024 426	5 775 863
Total assets	**69 210 023**	70 929 933	64 477 468
EQUITY AND LIABILITIES			
Capital and reserves	**28 088 174**	27 241 767	28 261 187
Attributable to shareholders of the company	**27 855 302**	26 975 737	28 023 920
Non-controlling interests	**232 872**	266 030	237 267
Non-current liabilities	**11 512 934**	16 000 901	6 524 604
Deferred taxation liabilities	**751 678**	686 554	686 849
Long-term borrowings	**1 479 252**	4 565 025	4 659 325
Long-term right-of-use lease liabilities	**4 597 519**	5 363 091	–
Post-retirement obligations	**25 985**	67 478	59 117
Long-term vendors for acquisition	**23 779**	73 150	275 144
Long-term puttable non-controlling interest liabilities	**3 983 808**	4 632 682	336 620
Long-term provisions	**650 913**	612 921	430 462
Long-term lease liabilities	**–**	–	77 087
Current liabilities	**29 608 915**	27 687 265	29 691 677
Trade and other payables	**20 729 001**	17 630 591	18 718 765
Short-term provisions	**303 978**	632 950	313 892
Short-term vendors for acquisition	**175 395**	204 188	103 882
Short-term puttable non-controlling interest liabilities	**74 753**	55 262	1 126 128
Liabilities classified as held-for-sale	**–**	–	3 116 633
Taxation	**286 537**	246 077	470 753
Short-term right-of-use lease liabilities	**894 376**	872 229	–
Short-term borrowings	**7 144 875**	8 045 968	5 841 624
Total equity and liabilities	**69 210 023**	70 929 933	64 477 468
Net tangible asset value per share (cents)	**3 552**	2 821	3 748
Net asset value per share (cents)	**8 305**	8 043	8 355

Summary consolidated statement of changes in equity

for the year ended June 30

R'000	2021 Audited	Restated 2020 Audited
Equity attributable to shareholders of the company	**27 855 302**	26 975 737
Stated capital	**5 428 016**	5 428 016
Treasury shares	**(272 679)**	(247 824)
Balance at beginning of the year	**(247 824)**	(435 584)
Shares disposed of in terms of share incentive plans	**89 221**	187 760
Shares purchased during the year	**(114 076)**	–
Foreign currency translation reserve	**7 206 888**	9 485 974
Balance at beginning previously reported		5 263 176
Prior year restatement		2 921
Balance at beginning of the year (2020: restated)	**9 485 974**	5 266 097
Arising during the year (2020: restated)	**(2 296 973)**	4 213 374
Realisation of reserve on foreign subsidiaries	**17 887**	6 503
Hedging reserve	**–**	(1 056)
Balance at beginning of the year	**(1 056)**	(1 056)
Fair value gain arising during the year	**1 393**	–
Deferred tax recognised directly in reserve	**(337)**	–
Equity-settled share-based payment reserve	**346 364**	290 007
Balance at beginning of the year	**290 007**	341 798
Arising during the year from operations	**124 139**	102 408
Deferred tax recognised directly in reserve	**29 188**	(22 560)
Utilisation during the year from total operations	**(89 221)**	(487 256)
Transfer (from) to retained earnings	**(7 749)**	355 617
Movement in retained earnings	**15 146 713**	12 020 620
Balance at beginning previously reported		17 902 350
Prior year restatement		(477 701)
Balance at beginning of the year (2020: restated)	**12 020 620**	17 424 649
IFRS 16 transition adjustment to retained earnings at beginning of the year	**–**	(1 035 469)
Attributable profit (2020: restated)	**3 088 860**	1 121 428
Remeasurement of defined benefit obligations during the year	**34 934**	3 864
Recognition of puttable non-controlling interest liabilities	**–**	(2 673 442)
Remeasurement of puttable non-controlling interest	**12 082**	131 537
Fair value adjustments held at fair value through other comprehensive income	**–**	(54 139)
Dividends paid	**–**	(2 213 668)
Reclassification of Nowaco equity-incentive scheme to cash-settled scheme	**–**	(322 020)
Surplus as a result of an exchange with non-controlling interest	**355**	–
Transfer from foreign currency translation reserve	**(17 887)**	(6 503)
Transfer to (from) equity-settled share-based payment reserve	**7 749**	(355 617)
Equity attributable to non-controlling interests of the company	**232 872**	266 030
Balance at beginning of the year	**266 030**	237 267
Other comprehensive income	**(7 623)**	57 084
Attributable profit	**29 749**	15 297
Movement in foreign currency translation reserve	**(37 372)**	41 787
Dividends paid	**(29 673)**	(28 321)
Changes in shareholding	**4 138**	2 673 442
Transfer to puttable non-controlling interest liability	**–**	(2 673 442)
Total equity	**28 088 174**	27 241 767

Summary consolidated segmental analysis

for the year ended June 30

R'000	2021 Audited	Restated 2020 Audited	% change
REVENUE			
Bidfood			
Australasia	**33 010 216**	28 986 744	13,9
United Kingdom	**24 955 373**	31 462 683	(20,7)
Europe	**35 706 221**	40 199 177	(11,2)
Emerging Markets	**21 131 632**	19 925 578	6,1
	114 803 442	120 574 182	(4,8)
TRADING PROFIT			
Bidfood	**4 893 592**	4 138 045	18,3
Australasia	**2 489 692**	1 923 857	29,4
United Kingdom	**394 303**	666 755	(40,9)
Europe	**1 086 046**	958 081	13,4
Emerging Markets	**923 551**	589 352	56,7
Corporate	**(105 940)**	(70 884)	
	4 787 652	4 067 161	17,7

Comment

Bidcorp has delivered a solid trading performance for the financial year considering the devastating economic and social impacts of the continuing COVID-19 pandemic (COVID) on the hospitality, tourism, and leisure industries globally. Excellent free cash flows driven by good asset management, some asset realisations, and exceptionally nimble trading underpinned the pandemic-affected results. Bidcorp's performance is attributable to the unwavering commitment of our management and staff, our entrepreneurial and decentralised operating model, and our loyal customer and supplier base.

Operating conditions in our hospitality markets have fluctuated depending on the extent and severity of government interventions to control the pandemic. Our primary focus has been on keeping our businesses agile, ensuring their sustainability and preparedness for the bounce back when lockdown restrictions are eased. This has encompassed the protection of our employees in respect of their health, wellbeing and where possible, maintaining their livelihoods through accessing job retention schemes, and other innovative interventions.

Demand in the discretionary spend hospitality sectors has reflected pandemic-restrictive measures, recovering robustly when conditions have allowed, however, activity aligned to business travel and catering remain depressed. Our national customers with exposure to major institutions located in large inner capital cities, continue to experience reduced activity levels as work-from-home requirements remain. With reduced international travel and tourism, most businesses have seen some benefit from staycations and increased suburban and rural activity. Non-discretionary demand from our institutional customers including hospitals, aged care, prisons, military, and government departments has remained stable but at or below pre-COVID levels.

Performance for the financial year started relatively well, with most economies emerging from the worst of the COVID first wave in July and August 2020. This resulted in a good financial performance in the first financial quarter, particularly in Europe and UK.

Our performance deteriorated progressively into the second and third quarters as the harsh second wave took hold in Europe and UK. Fortunately, Australia, New Zealand, and Asia have performed exceptionally well throughout the year with our other Emerging Market constituents contributing more into the second half of the year. Performance improved significantly as the fourth quarter progressed.

Headline earnings per share (HEPS) from continuing operations increased by 21,8% to 868,4 cents per share (F2020 restated: 712,7 cents), with basic earnings per share (EPS) from continuing operations increasing by 112,6% to 924,6 cents per share (F2020 restated: 434,9 cents). Currency volatility has positively impacted the rand-translated HEPS by 8,2%.

In June 2021, we uncovered a significant and sophisticated fraud that was being perpetuated in the Miumi division of our Angliss Greater China business. This fraud has been going on since about 2016 and has involved the manipulation of accounts receivables and prepayments, the misappropriation of inventories and unrecorded liabilities, the result of which these balances have been progressively misstated over the past six (6) years. Notwithstanding the ongoing forensic investigation, the group has taken the prudent view by reversing the full overstated amounts, although we remain confident of some future recoveries from insurance, the perpetrators and other third parties involved, none of which has been accounted for. The quantum of the loss effected as a result of this six-year fraud is HK$374 million (R694 million), with losses attributable to the 2021 financial year of HK$60,9 million (R121 million), in relation to the 2020 financial year HK$47,5 million (R95 million), and the balance to the financial years prior to this. Accordingly, the 2020 financial results have been restated. The tax deductibility of these reversals is uncertain so no provision for any tax relief has been accounted for.

Distribution

The board has declared a final cash dividend of 400,0 cents per share, a 21,2% increase on the F2020 dividends for the year ended June 30 2021, representing approximately 2,2 times HEPS cover. This final dividend is paid in respect of Bidcorp's full year's earnings.

Financial overview

Net revenue of R114,8 billion (F2020 restated: R120,6 billion) fell by 4,8% (constant currency decline of 9,2%). The impact of the COVID pandemic on our hospitality markets has been prevalent to a greater or lesser extent throughout the financial year. Group sales (in constant currency) declined to a low of 65% versus the corresponding week of February 21 2020, reflecting the harsh second wave in Europe and the UK, however, into the fourth financial quarter, started to improve as the European and UK markets opened up. Sales for July 2021 were at 98% of July 2019 levels, and 120% of July 2020 sales. This trend continued in August to 98% (versus August 2019), and in September to 98% (versus September 2019), notwithstanding some restricted activity in Australia, New Zealand, and parts of Asia due to further COVID lockdowns, as well as subdued activity in South Africa following the recent civil unrest.

Gross profit percentage held up well at 24,0% (F2020 restated: 24,2%), a combination of the necessity to liquidate inventories in volatile trading conditions as well as some price discounting to gain market share.

The group achieved cost efficiencies as there was a 13,4% decline in constant currency operating costs against a decline in constant currency revenues of 9,2%. The overall cost of doing business decreased to 19,8% (F2020 restated: 20,8%). No further significant COVID-related costs were incurred in the year, and losses in respect of the Miumi fraud were absorbed.

Group trading profit increased by 17,7% to R4,8 billion (F2020 restated: R4,1 billion) and the trading profit margin was 4,2% (F2020 restated: 3,4%).

Net finance charges (excluding IFRS 16 charges) were lower by 10,3% at R305,8 million (F2020: R340,8 million), positively benefiting from better asset management, lower capex, and end-of-life property realisations. Bidcorp remains well-capitalised and retains adequate headroom for further organic and acquisitive growth. Non-IFRS 16 EBITDA interest cover is still at a healthy 19,3 times (F2020: 15,5 times), reflecting the positive free cash flow generated in the year.

Our problematic businesses in Spain, UK Fresh, and Germany have stabilised following restructuring and, although the financial numbers don't yet reflect the efforts undertaken, the businesses are all well on track to recovery. All generated small profits in July and August 2021.

Net investments in property, plant and equipment and intangible assets of R72,9 million (F2020: R2,5 billion) reflects maintenance capex and some new investment necessary for organic growth of R2,0 billion, offset by proceeds of R1,9 billion in relation to sale and leaseback transactions. These were undertaken as part of our property maximisation strategy in terms of end-of-useful-life properties. The pre-tax non-headline capital profit realised on the sale and leaseback transactions was R740,5 million.

Non-IFRS 16 net debt at R0,5 billion (F2020: R5,6 billion) has declined significantly, benefiting from good operating cash flows, a much-improved working capital position, slightly lower than normal capex, and the proceeds arising out of the sale and leaseback transactions. Free cash flow from continuing operations for the year was excellent at R4,7 billion (F2020: R2,7 billion).

Cash generated by operations before working capital was R7,0 billion, similar to that generated in F2020. Monthly average net working capital days decreased significantly to seven days (F2020: 14 days) with a further working capital generation of R0,6 billion, off the back of R1,3 billion achieved in F2020. Receivables increased off higher revenue levels and payables grew as credit terms normalised following the tightening experienced in late F2020. Receivables provisioning levels were largely maintained as risks of further economic stress haven't yet abated. Credit insurance availability in most markets remains limited because of the hospitality industry exposure which requires heightened vigilance in our customer base.

Prospects

Bidcorp's strategy of focus on growth opportunities in the wholesaling of food and allied products to the eating-out-of-home market remains fit for purpose despite the severe impacts on the global hospitality industry arising out of the COVID impact of the past 18 months. Growth continues organically through focusing on the appropriate customer mix between independent and national; via in-territory bolt-on acquisitions to expand our geographic reach and our product ranges; and via strategic acquisitions to enter new markets. There has not been any fundamental shift of consumer behaviour in eating-away-from-home, and the increased incidence of home delivery represents growth in our addressable market. Socialisation remains an important component of the consumer's experience.

Most businesses have bounced back strongly as demand has rapidly returned when economies have opened up, particularly in the Northern Hemisphere. Despite our best efforts, the hospitality industry is not immune to challenges such as staff shortages and supply chain disruptions, currently evident across all our markets. The likely 'new normal' is that there will be a return of inflation, both through the cost push of wage and utility cost increases, as well as food price inflation caused by supply chain dislocations. Our customers are facing these same staff shortages, which is deskilling their kitchens and constraining their ability to grow, presenting an opportunity for further investment into vertical integration of our services into value-add product preparation. Customers are seeking further cost-conscious solutions presenting further opportunity to grow our Own Brand products.

No significant acquisition opportunities in the foodservice space have become evident and exploring these in the current environment remains difficult with international travel restrictions. Several in-country bolt-on opportunities are being pursued, more so in developing economies at the moment. Organic market share gains are being made in all markets despite large segments of the hospitality industry still operating well below pre-pandemic levels.

We have started to ramp up our investment in capex, principally into strategic distribution facilities, as a sign of our confidence in the long-term sustainability of the foodservice industry. Our near-term objective is to meet anticipated future demand as well as the necessity to continually reduce our environmental impact. New technologies in refrigeration, energy efficiency, and distribution optimisation are at the forefront of our planned investments.

Our ecommerce platform remains a source of competitive advantage and further low-cost but high-impact investment continues in meeting customer requirements. Harnessing the power of data analytics enables our businesses to further improve our customer relationships while also driving further efficiencies across all areas of the group. With the heightened risk of information security globally, continuous and increased vigilance is at the heart of our risk management programme.

Despite the volatility and uncertainty of the trading environment arising from the ongoing COVID pandemic, we remain extremely optimistic about the long-term prospects of both Bidcorp and the foodservice industry.

Australasia

Revenue growth of 13,9% to R33,0 billion (F2020: R29,0 billion) and trading profit increase of 29,4% to R2,5 billion (F2020: R1,9 billion) were extremely pleasing. Both businesses were able to trade through most of F2021, with COVID restrictions mostly impacting international travel and intermittent regional shutdowns. Management's commitment to supporting customers and ensuring ongoing high service levels were rewarded with market share gains.

Australia has performed well despite the numerous regional lockdowns. Revenue for F2021 is approximately 102% of prior year levels and 90% of F2019 levels, with trading margins much in line with the prior year. Focused management of gross margin and overhead expenses, contributed to a great F2021 finish. July has seen Australia plunged into strict lockdowns in many regions and a bumpy time is expected into the start of F2022.

Significant capex investment has positioned the business well once markets are fully reopened, with circa 12 properties under substantial development in the next few years, will ensure that the business is adequately equipped to meet its current growth forecast.

Foodservice achieved a great result, navigating the sporadic lockdowns throughout the year with a strong, resilient team, remaining positive and focused on growth despite the disruptions. An acquisition in Bunbury, Western Australia was concluded in a region where previously there was no presence. Focus remains on growing the liquor category, although timelines for national distribution have been delayed. All branches delivered positive EBIT growth.

Supply Solutions has outperformed expectations, with still excellent growth opportunities as our product offering is expanded. New light manufacturing opportunities are being pursued, such as our Brisbane-based nut packaging facility. Our Meat processing facilities have been consolidated and profits are now being delivered.

Efforts to support the COVID vaccination rollout nationally are a priority, and an internal rewards programme has been established, incentivising our teams to get vaccinated.

New Zealand (NZ) recorded excellent results with full year sales near F2019 levels, despite regional lockdowns impacting activity levels. Trading margins surpassed those of F2019, which resulted in a great result.

Expense management has been challenging with utility cost and food inflation increases and global supply chain disruptions restricting key commodity imports. Difficulties in staff resourcing, especially in warehouse and driver roles, have significantly driven up our wage bill. Customers are placing increased pressure on product pricing with food input cost containment a focus area across all areas of the business.

The brief opening of the trans-Tasman bubble evidenced the speed and significance of the potential activity levels to come. Core market growth is evident in all areas including our centre-of-plate-protein offering, where consistent supply and product quality at minimal price variability, has been very well received by our customers. Light manufacturing of value-add product is being actively pursued across the region.

The exceptional growth of the business has driven the need for many of the branches to exit older sites and reinvest into new purpose-built environmentally friendly Bidfood-owned distribution centres. In addition, investment into electric vehicles, large-scale recycling initiatives, and expansion of the solar panel energy projects across branches is evidence of management's commitment to limiting the impact of Bidfood NZ on climate change.

Foodservice finished the year ahead of F2019 results, a fantastic achievement benefiting from converting customers to our imported Own Brand range. Significant service and labour efficiencies were implemented to offset the increased employment costs. Inter-branch management of sales was a key cost management technique that delivered good results across the business. Navigating the staff shortages remain top of mind.

Fresh results were down in the year as customers were cautious in the purchase of perishable product, with menu simplifications also reducing demand for high-end produce. Some green shoots have started to appear as a more focused approach is adopted by branches.

Prepared Produce had a very tough year, with the lack of international tourism resulting in the loss of its biggest customer. Meat processing has shown positive results in the sous-vide channel.

Logistics has delivered a solid, but unspectacular result. New routes and additional QSR business are being sought to grow this offering.

United Kingdom (UK)

The UK hospitality market suffered with the COVID lockdown implemented by the government in our second financial quarter which lasted well into the third quarter. Recovery was immediate as restrictions were eased in the UK springtime and activity levels into schools and some dining resumed. By the onset of summer (largely post the financial year), most market segments were back at pre-COVID levels of activity, other than tourist and business travel activities and large-scale catering, mostly allied to inner-city activity. Revenue declined 20,7% to R25,0 billion (F2020: R31,5 billion) pushing trading profit down to R394,3 million (F2020: R666,8 million), a decline of 40,9%.

Foodservice achieved sales of near F2019 levels, an impressive achievement after a very difficult year that presented unique and significantly different challenges in each quarter.

In June, net sales were just 1% below F2019 levels, with most sectors trading above at least 70% of F2019 levels, the exceptions being workplace catering and travel industry. The speed of the recovery has challenged our operations as well as those of our customers and suppliers. National resource scarcity in the market remains the largest short-term risk, especially in roles of drivers and warehouse pickers. Significant effort is being directed to ensure these resource challenges are overcome.

Slightly higher inventory levels were retained in order to maintain service levels to our customers, as we navigate supply chain disruptions and reduced delivery runs. Working capital was a key area of focus and was overall very well managed throughout the year.

Specialist businesses Caterfood and Cimandis both finished well ahead of expectations, and South Lincs and Elite both bettered their prior year performance.

Adhering to strict COVID workplace protocols, including using lateral flow tests for detecting asymptomatic staff within the workplace, allowed our staff and depots to operate throughout the year. The government furlough programme contributed to job retention. Staff motivation levels and commitment remains high, as reflected in internal survey results.

Sustainability initiatives continue to be a key area of focus, with carbon reduction plans, living wage foundation alignment, social value, and visibility of upstream supplier sustainability credentials all growing in prominence.

New business wins and strengthening of key account relationships have been positive, and substantial new business has been secured in the municipal, education, and health sectors. Contract extensions and growing existing accounts indicate that market share growth has been achieved.

Fresh UK, although buoyed by the positive summer activity, was drastically impacted by the severity of the government lockdown through quarters 2 and 3. Timeous restructuring and scaling back in late F2020 proved fortuitous. About 18% of the Fresh customer base have not made it through the pandemic. An aggressive programme has been put in place to win new customers. Our regional business is beginning to perform well, however, the inner cities have been slower to recover. This is especially evident in hotels where the cities are missing tourists, but the regional towns are benefiting from the staycation boom.

Fresh has invested in training of butchers and filleters in the meat and seafood divisions to overcome the acute staff shortages of these skillsets. The admin and back-office functions have now been fully integrated into the Bidfood UK environment, presenting significant cost reductions and efficiency gains. Management's focus is now on profitable growth as the Fresh UK recovery takes hold.

Europe

Europe was also severely impacted by restrictive COVID lockdowns implemented by the respective governments during the autumn, winter, and into spring. Recovery in the hospitality markets materialised as restrictions were eased as the summer approached. Revenue for the year was down 11,2% to R35,7 billion (F2020: R40,2 billion). Trading profit results were pleasing with a 13,4% increase to R1,1 billion (F2020: R1,0 billion).

Netherlands saw a quick recovery in the market in quarter 4 as infection rates decreased and the vaccination coverage increased, resulting in the market reopening earlier than originally anticipated. Government support has been effective in limiting the negative effects on the labour market, securing the economy against permanent long-term damage. Staffing shortages and supply chain disruptions continue to impact service levels. Tender wins in the institution and national accounts sectors have assisted results to near F2019 levels. Free-trade segment is showing strong signs of recovery, however, Catering is still lagging. Discretionary capex programmes have been postponed until demand increases. An end-of-useful-life property, located in Ede, was sold in February.

Belgium's divisions reported dampened sales, other than logistics which responded well to the increased QSR activity throughout winter lockdown. Reopening from May meant that the year finished with good activity levels. Belgium's economy is forecast to return to pre-COVID levels by the end of the calendar year. Inflation and unemployment levels have remained largely static as a result of government support. Our institutional business remains the biggest contributor in Belgium, which recovered once markets reopened. The Horeca depots of Langens and Bestfood have been merged, which, despite some teething challenges, have already provided efficiency gains. Focus in the year has been on debt collection and minimising stock write-offs due to sudden lockdowns. Capex investment was limited to essential maintenance and replacement of end-of-life freezers and trucks. Carbon emissions have been lessened due to decreased levels of activity, mostly in fuel and waste. Solar energy systems continue to deliver efficiencies in electricity usage and proactive maintenance action has prevented refrigerant gas leaks over the past year.

Czech Republic and Slovakia was impacted by harsh COVID lockdowns over the winter and into spring, which significantly subdued the full year trading results. As the vaccine rollout has gained momentum, activity levels have bounced back, boosting confidence for good summer results. May and June delivered excellent results, with manufacturing operations producing at full capacity. Capex investment into the new fresh fish factory in Kralupy, following the fire in November 2020, continues, as well as further warehouse and manufacturing capacity. Acquisition of a produce distributor has been completed and a new branch has been established in Hungary. IT capacity and cybersecurity capabilities continue to be developed, supporting the remote working and online customer engagement that is becoming part of the normal trading environment.

DAC **Italy** was significantly impacted by the diminished service sector that was hardest hit by the impact of the pandemic and market shutdowns. However, as infection numbers declined and the vaccine programme took hold, the market has started to recover. Stock levels were intentionally higher in anticipation of the supply chain disruptions, all to protect our customer service levels. Continued investment into new capacity and equipment positions the business to meet anticipated growth demands.

In March 2021, the group acquired the remaining 50% of associated Alborghetti SPA, bringing it fully into the group. Focus remains on the independent freetrade customers.

Poland achieved record trading profit results, despite it being an incredibly difficult year. New customers were onboarded in the QSR and takeaway market during the lockdown period, and when markets reopened and hospitality customers returned, resulted in an overall pleasing performance. Cost restructuring and embracing technology solutions improved overall expense management. Government support assisted in job retention. Staff resourcing, especially drivers and warehouse staff, is particularly challenging due to the low unemployment levels. Working capital was particularly well managed. Large capex investment was suspended during COVID but is now getting management attention for F2022. The outlook for the summer months is very positive as the staycation trend takes hold. Development and marketing of the ecommerce offering remains a key focus area.

Germany has been stabilised and has a solid platform from which to rebuild. Hospitality has been heavily impacted by the lack of international tourism, business travel, conferences, and trade fairs. Activity levels have shown an uptick with the vaccine rollout. As markets reopen, the demand increase is resulting in labour and stock availability challenges. Investment in route planning and product master data software should deliver further efficiencies, both in cost management and environmental impact. Germany remains an important market for growth, both organic and acquisitive.

Baltics' sales were down as the impact of the pandemic was more severe and longer than anticipated. The hospitality market reopening, although delayed, does promise a quick and full bounce back. In spite of the difficulties experienced, trading profits recorded were the highest to date, buoyed by a 10% increase in retail sales, serving in excess of 13% more customers, and increasing the product offering to existing customers. 'myBidfood' now accounts for nearly 20% of sales in the business. Foodservice continues to be an area of focus, and through tight management of margins, costs, and labour, customer numbers have increased, and growth is promising.

Spain's performance continues to improve following the significant restructuring undertaken over the past year. Guzman traded better, despite significant staff changes including new management, creating a new culture of transparency and a hunger for success. Cost containment has contributed significantly to the improved performance. Focus is now on growing the customer base, improving service levels, and continuing stock management improvements. The small meat business has had a difficult year, but progress internally has been achieved in operations, stock, and debtors. Igartza has produced a great result, exceeding F2019 sales levels with improved service levels benefiting margins. Prospects are now much better for Spain and trading profits are budgeted for F2022.

Portugal's return to normal activity levels has been delayed by the government's cautious response to opening its economy. Activity levels are showing improvement and an improved summer result is expected. Focus remains on growing the independent free-trade market, growth of the Italian Own Brand range, and ongoing improvement of service levels to existing customers.

Emerging Markets

The Emerging Markets businesses were impacted by economic uncertainty, as each government struggled to find a balance, as they navigated through the COVID pandemic, between saving lives without destroying livelihoods. Notwithstanding this, our businesses delivered a positive result with revenue up 6,1% to R21,1 billion (F2020: R19,9 billion), and trading profit up 56,7% to R923,6 million (F2020: R589,4 million).

Emerging Markets experienced a progressive recovery in the sales activity levels as comparative years' sales volumes were surpassed by year end. This upward trajectory could be tempered by future COVID waves and resultant government restrictions.

Bidcorp Food Africa (BFA) achieved excellent results despite the exceptionally difficult trading environment. Revenue was tracking at close to F2019 levels through the second half.

All businesses were impacted by the second and third waves of COVID infections, both in January and June 2021, resulting in stricter lockdown restrictions in the months thereafter. Sadly, five COVID fatalities resulted in the months of June to August 2021.

The civil insurrection and looting that occurred in July 2021 did disrupt our KwaZulu-Natal operations' ability to trade as well as that of many of our customers. The losses will be claimed through the group insurance programme.

Bidfood South Africa reported pleasing market share gains in the independent/street-trade channels, a market severely disrupted by the lockdown restrictions, but one that has also shown a positive bounce back as markets are reopened. Initiatives were launched to support customers and suppliers in building consumer confidence in the eating-out-of-home market. Sales in this channel have shown growth month on month. National accounts revenue has continued to grow, but hotels and airlines are still significantly impacted by weak demand. Industrial caterer's channel remains under pressure as businesses keep canteens closed. The commercial office segment remains the worst affected and remains largely closed as staff continue to work from home. The competitive landscape has not change substantially during this period with all focused on doing what they need to survive.

Bidfood Durban branch had a workplace fatality in March 2021. Immediate action was taken to reinforce the workplace practices to ensure the safety of all our employees.

Crown Food Group (CFG) achieved excellent results in F2021, leveraging investment in Own Brand manufactured facilities, growing Own Brand offering, and harnessing the internal skills developed. CFG enjoyed strong growth across all customer channels, with almost all product and market segments reporting growth on the prior year. Manufactured Own Brand product was a particularly strong contributor in the additives and spices condiments category, with the strength of the Six Gun Grill brand taking hold of the market across all channels. Expenses were well controlled, particularly distribution costs. CFG operates in competitive markets yet continues to deliver good market share growth.

Chipkins Puratos (CP) had an excellent trading result considering the impact of the severe lockdowns that restricted volumes in the manufacturing and consumer channels. CP achieved good growth in the retail sector, with significant new listings of patisserie products. Volumes increased in the artisanal channel across all product lines. CP's Bakery School for young graduates is creating exciting new career opportunities.

Bidfood Properties has commenced construction on the Port Elizabeth (Gqeberha) development (completion March 2022) and the new Pretoria-based Bidfood and CFG facility (completion in 18 to 24 months). The development to replace the existing Bidfood Heriotdale facility is expected to begin during F2023.

Greater China delivered a strong result, despite ongoing COVID challenges and regional lockdowns. The food and beverage market throughout China showed a good recovery, and strong growth in the second-tier cities was experienced. The hotel channel was stronger than anticipated, largely due to the increased level of domestic travel. Growth in sales to supermarkets continued due to the increasing demand from household consumption. Supply chain disruptions continued with delayed shipments and rising prices in the imported dairy and beef product ranges.

Hong Kong eased the COVID-related restrictions last quarter which significantly benefitted the foodservice and wholesale business. Development of ready-to-cook and ready-to-eat range products have progressed well. The Macau business has slowly recovered as border controls were lifted. Full recovery of the market is still some way off as cross-border travel is still very limited. The Miumi business has been scaled back following the fraud and is now mainly focused on the Hong Kong market.

Singapore's foodservice market struggled as the economy remained closed, however, optimism is renewed on the back of the vaccine rollout. Despite low international tourism, local tourist activity levels have been good, especially in restaurants and cafes. Continued brand development and new product additions supports the positive growth trajectory. Malaysia and Vietnam have both experienced market contraction as lockdowns restrict tourism. Operations in this region have focused efforts on the retail sector, which continues to deliver good results while borders remain shuttered.

Brazil has had a difficult year due to the harsh COVID restrictions. Market activities had shown signs of recovery in H1 F2021, but H2 F2021 was severely impacted by the harsh restrictions from February to April. A small bolt-on acquisition positions the business for growth once the markets reopen. Improved system solutions and the 'myBidfood' rollout improved customers' real-time engagement to place orders. Innovative sales and marketing campaigns targeting chefs have delivered good market share gains. Management remains alert to further acquisition opportunities as market pressures force smaller players to close their doors.

Chilean government efforts buoyed the market in the first half, before strict lockdown measures in the second half impacted market activity levels. High vaccination levels boosted foodservice activity and overall consumer confidence. Positive results were recorded from the new protein sales project in Santiago, supplying the retail market. QSR had a strong bounce back as shopping malls were reopened. Supply chain disruptions will increase pressure as most of the QSR products are imported. June 2021 delivered record sales levels for Bidfood Chile, a promising business with a positive outlook.

Argentina (46% equity accounted) has been negatively impacted by the ongoing COVID lockdowns, restricting consumer activity in the market. Significant efforts have been made in cost containment. Management continues to grow the protein product range and has focused efforts on growing the customer base across all channels. As the hyper-inflationary environment takes its toll, management is actively redesigning the operational activities. Good opportunities will evolve with a new depot in Ushuaia.

Divisional **review** continued

Middle East (BME) delivered a good result for the year, particularly in the last quarter of the financial year. Saudi delivered a good result behind the increased portfolio of beverages and the strengthening of national accounts through the aggressive sales focus of the team. Margin management improved the UAE results. All BME entities reported positive trading profits. Recently acquired Wet Fish struggled due to the lack of tourism, particularly in fine dining. Management is positive as new brands and products are launched into the region.

Turkey experienced harsh lockdown restrictions for the better part of the year and, as a result, performance was dampened. Lifting of restrictions started in July 2021 and a strong bounce back is anticipated. Focus on institutional customers during lockdown kept the business operating throughout. Local staycations provided some relief to weak tourism, but not enough to replace the volume of international tourists. A new distribution centre is now operative in Ankara. Management is on the lookout for bolt-on acquisition opportunities.

Corporate

BidOne continues to develop and position the group's proprietary ecommerce offering as a market leader and key differentiator for our businesses. New projects to meet the demands of home delivery and retail sales continue to be rolled out, as well as ongoing investment into the interrogation and analysis of customer demand and buying trends to proactively meet ingredients, products, and recipe developments.

Bidfood Procurement Community (BPC), despite supply chain constraints and COVID-related border restrictions, has delivered good results. Considerable effort and focus have been in invested in growing the product range. Robust quality control and responsible sourcing assurance procedures are invested by the BPC team, contributing to the group's commitment to food sustainability.

Directorate

Sadly, the board reports the untimely passing of Mrs Dolly Mokgatle, on Saturday, January 9 2021. Dolly joined the Bidcorp board as an independent non-executive director on October 4 2016 and was a member of the social and ethics, and nominations committees. The board notes the value Dolly's dignified manner, wise counsel, and insightful contribution made; Dolly will be sorely missed.

The board welcomes Mrs Keneilwe Moloko to the board, appointed July 5 2021.

BL Berson
Chief executive

DE Cleasby
Chief financial officer

Dividend declaration

In line with the group dividend policy, the directors declared a final gross cash dividend of 400,0 cents (320,0 cents net of dividend withholding tax, where applicable) per ordinary share for the year ended June 30 2021 to those members registered on the record date, being Friday, October 22 2021.

The dividend will be paid out of income reserves. A dividend withholding tax of 20% is applicable to all shareholders who were not exempt.

Share code:	BID
ISIN:	ZAE000216537
Company registration number:	1995/008615/06
Company tax reference number:	9040946841
Gross cash dividend amount per share:	400,0 cents
Net dividend amount per share:	320,0 cents
Issued shares at declaration date ('000):	335 404
Declaration date:	Thursday, September 30 2021
Last day to trade cum-dividend:	Tuesday, October 19 2021
Shares trading ex-dividend:	Wednesday, October 20 2021
Record date:	Friday, October 22 2021
Payment date:	Monday, October 25 2021

Share certificates may not be dematerialised or rematerialised between Wednesday, October 20 2021 to Friday, October 22 2021, both days inclusive.

For and on behalf of the board

AK Biggs
Company secretary representative

Johannesburg
September 30 2021

Basis of presentation of summary consolidated financial statements

The summary consolidated financial statements are prepared in accordance with the JSE Limited Listings Requirements for provisional reports, and the requirement of the Companies Act of South Africa applicable to summary financial statements. The Listings Requirements require provisional reports to be prepared in accordance with the framework concepts and the measurement and recognition requirements of International Financial Reporting Standards (IFRS) and the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Reporting Pronouncements as issued by Financial Reporting Standards Council, and to also, as a minimum, contain the information required by IAS 34 *Interim Financial Reporting*. The accounting policies applied in the preparation of the consolidated financial statements from which the summary financial statements were derived are in terms of IFRS.

The consolidated financial statements adopted the following new accounting pronouncements:

Accounting pronouncement	Adoption impact
Definition of Material – Amendments to IAS 1 and IAS 8	The IASB made amendments to IAS 1 *Presentation of Financial Statements* and IAS 8 *Accounting Policies*, *Changes in Accounting Estimates and Errors* which use a consistent definition of materiality throughout International Financial Reporting Standards and the Conceptual Framework for Financial Reporting, clarifying when information is material and incorporating some of the guidance in IAS 1 about immaterial information. The amendment did not have a material impact for the group.
Definition of a Business – Amendments to IFRS 3	The amended definition of a business requires an acquisition to include an input and a substantive process that together significantly contribute to the ability to create outputs. The definition of the term 'outputs' is amended to focus on goods and services provided to customers, generating investment income and other income, and it excludes returns in the form of lower costs and other economic benefits. The amendment did not have a material impact for the group as our acquisitions generate outputs through the selling of frozen, chilled, ambient, and non-food products (goods) to customers.
Conceptual Framework	The IASB also issued amendments to references to the Conceptual Framework in IFRS Standards. The document contains amendments to IFRS 2, IFRS 3, IFRS 6, IFRS 14, IAS 1, IAS 8, IAS 34, IAS 37, IAS 38, IFRIC 12, IFRIC 19, IFRIC 20, IFRIC 22, and SIC-32. The amendments did not have a material impact for the group.
Phase 2 amendments – Interest rate benchmark to IFRS 7, IFRS 9 and IAS 1	The Phase 2 amendments address issues that arise from the implementation of the reform of an interest rate benchmark, including the replacement of one benchmark with an alternative one. The amendment did not have a material impact for the group.

Other than the adopted amendments above, the accounting policies are consistent with those accounting policies applied in the preparation of the previous consolidated annual financial statements.

AUDIT REPORT

These summary consolidated financial statements for the year ended June 30 2021 have been audited by PricewaterhouseCoopers Inc. (PwC). The auditor expressed a modified opinion on the annual consolidated financial statements from which these summary consolidated financial statements were derived. The basis of the modification is in relation to the Miumi fraud, where PwC was unable to obtain sufficient and appropriate audit evidence to conclude whether the recorded loss is complete, and whether the amounts allocated by management to each respective financial year, and the related presentation and disclosures, are accurate.

A copy of the auditor's report on the summary consolidated financial statements and of the auditor's report on the annual consolidated financial statements are available for inspection on the company's website and at the company's registered office, together with the financial statements identified in the respective auditor's reports.

The auditor's report does not necessarily report on all of the information contained in this announcement. Shareholders are therefore advised that in order to obtain a full understanding of the nature of the auditor's engagement they should obtain a copy of the auditor's report together with the accompanying financial information from the issuer's registered office.

PREPARATION AND RESULTS

These summary consolidated financial statements have been prepared by CAM Bishop CA(SA), under the supervision of DE Cleasby CA(SA) and were approved by the board of directors on September 29 2021.

The directors are responsible for the preparation of the preliminary report and the correct extraction of the financial information from the financial statements.

FORWARD-LOOKING STATEMENT

This announcement may contain forward-looking statements regarding financial prospects of the group and specific businesses. By their nature, forward-looking statements involve risk and uncertainty, and although we have taken reasonable care to ensure the accuracy of the information presented, no assurance can be given that such expectations will prove correct.

EXCHANGE RATES

The following exchange rates were used in the conversion of foreign interests and foreign transactions for the year ended:

	Statement of comprehensive income (average)		Statement of financial position (spot)	
Currency conversion guide at June 30	**2021**	2020	**2021**	2020
Rand/Sterling	**20,72**	19,73	**19,79**	21,37
Rand/Euro	**18,35**	17,31	**16,99**	19,46
Rand/Australian dollar	**11,49**	10,50	**10,74**	11,92
Rand/New Zealand dollar	**10,69**	9,96	**9,99**	11,14
Rand/Hong Kong dollar	**1,98**	2,01	**1,84**	2,24
Rand/Singapore dollar	**11,43**	11,32	**10,64**	12,43
Rand/Czech koruna	**0,70**	0,67	**0,67**	0,73
Rand/Polish zloty	**4,07**	3,97	**3,76**	4,37
Rand/Brazilian real	**2,85**	3,51	**2,88**	3,19
Rand/US dollar	**15,38**	15,65	**14,30**	17,33
Rand/Chilean peso	**0,02**	0,02	**0,02**	0,02
Rand/United Arab Emirates dirham	**4,19**	4,26	**3,89**	4,72
Rand/Turkish lira	**1,99**	2,56	**1,64**	2,53

Supplementary pro forma information regarding the currency effects of the translation of foreign operations on the group

for the year ended June 30

The pro forma financial information has been compiled for illustrative purposes only and is the responsibility of the board. Due to the nature of this information, it may not fairly present the group's financial position, changes in equity and results of operations or cash flows. An unmodified reasonable assurance report has been issued by the group's auditor, PricewaterhouseCoopers Inc. in terms of ISAE 3420 *Assurance Engagements to Report on the Compilation of the Pro Forma Information in a Prospectus*, and is available for inspection at the company's registered office. The pro forma information has been compiled in terms of the JSE Listings Requirements and the Revised Guide on Pro Forma Information by SAICA and in a manner consistent with group's accounting policies.

The illustrative information, detailed below, has been prepared on the basis of applying the 2020 average rand exchange rates, on page 19, to the 2021 foreign subsidiary income statements and recalculating the reported revenue, trading profit, headline earnings, and headline earnings per share of the group for the year ended June 30 2021.

				Illustrative 2021 at 2020 average exchange rates	
R'000	2021 Audited	Restated 2020 Audited	% change	2021 Pro forma	% change
Continuing operations					
Revenue	**114 803 442**	120 574 182	(4,8)	**109 484 856**	(9,2)
Trading profit	**4 787 652**	4 067 161	17,7	**4 505 568**	10,8
Headline earnings	**2 900 878**	2 380 704	21,8	**2 703 622**	13,6
Headline earnings per share (cents)	**868,4**	712,7	21,8	**809,3**	13,6
Constant currency per segment from continuing operations					
Revenue					
Australasia[1]	**33 010 216**	28 986 744	13,9	**30 377 505**	4,8
United Kingdom[2]	**24 955 373**	31 462 683	(20,7)	**23 767 297**	(24,5)
Europe[3]	**35 706 221**	40 199 177	(11,2)	**33 859 431**	(15,8)
Emerging Markets[4]	**21 131 632**	19 925 578	6,1	**21 480 622**	7,8
	114 803 442	120 574 182	(4,8)	**109 484 855**	(9,2)
Trading profit					
Australasia[1]	**2 489 692**	1 923 857	29,4	**2 289 490**	19,0
United Kingdom[2]	**394 303**	666 755	(40,9)	**367 898**	(44,8)
Europe[3]	**1 086 046**	958 081	13,4	**1 032 528**	7,8
Emerging Markets[4]	**923 551**	589 352	56,7	**918 833**	55,9
Corporate office[5]	**(105 940)**	(70 884)		**(103 182)**	
	4 787 652	4 067 161	17,7	**4 505 567**	10,8

Exchange rates used in recalculating the reported revenue and trading profit:

1 *Australian dollar and New Zealand dollar.*

2 *Sterling.*

3 *Euro, Czech koruna, and Polish zloty.*

4 *Singapore dollar, Hong Kong dollar, Chilean peso, Brazilian real, South African rand, Turkish lira, United Arab Emirates dirham.*

5 *Sterling, South African rand, New Zealand dollar, and Hong Kong dollar.*

Restatement of consolidated annual financial statements

In late June 2021, our internal surveillance and control processes uncovered a significant and sophisticated fraud that was being perpetuated in the Miumi division of our Greater China business. This was carried out by our 10% minority shareholder in Miumi, who was also the general manager of that business, certain employees within Miumi as well as third-party service providers. All employees involved have had their employment terminated. Ernst & Young (China) Limited was appointed in early July to conduct a comprehensive forensic investigation into this fraud. However, at the time of finalising the group annual financial statements the forensic investigation is not yet complete. It is apparent that this fraud has been going on since about 2016 and has involved the manipulation of accounts receivables, prepayments, the misappropriation of inventories and unrecorded liabilities the result of which these balances have been progressively misstated over the past six years.

Miumi operates on a relatively standalone basis specialising in the global procurement of Japanese-style product (mainly seafood, meat, poultry, and dairy) for distribution into Hong Kong and China, through both the direct HORECA market, as well as through other wholesalers, particularly in China. It was in this wholesaling component that the fraud occurred. New management has been put into Miumi, the business has been significantly scaled back and all wholesaler activities have ceased. Management believe based on its own investigations, the forensic work conducted to date and on the work performed by our external auditors, PricewaterCoopers Inc., that this fraud relates only to Miumi, and that the balance of our Greater China business is not impacted and continues to trade profitably and ahead of our expectations, although COVID challenges are rapidly reappearing in that market.

Notwithstanding that the forensic investigation is not yet complete, the group has taken the prudent view by reversing the full overstated accounts receivables, prepayments, and inventory involved and providing for the unrecorded liabilities. We do, however, remain confident of some future recoveries from insurance, the perpetrators and other third parties involved. The quantum of the losses as a result of this six-year fraud are HK$253 million (R471 million) in respect of receivables and prepayments, and HK$102 million (R190 million) in respect of inventory, and an unrecorded liability of HK$18 million (R33 million), which have been adjusted as set out below. The tax deductibility of these amounts is uncertain so no provision for any tax relief has been accounted for.

The group's best estimate based on evidence available is that the loss attributable to the statement of profit or loss for the 2021 financial year is HK$60,9 million (R121 million), around HK$47,5 million (R95 million) relates to the financial year ended June 2020 and the balance to the financial years prior to this, these rand amounts were translated at the respective average South African rand/Hong Kong dollar exchange rates for these respective financial years. These losses per financial year approximate the statement of financial position movements in the net of intercompany debt and cash related balances for Miumi, which is considered reasonable given that Miumi had little or no investment activities.

After recording the impact of the losses attributable to the Miumi fraud, the Miumi contribution of the 2021 consolidated financial statement items is:

- Revenue: R282 million (0,25% of consolidated revenue);
- Cost of revenue: R237 million (0,27% of consolidated cost of revenue);
- Inventories: R33 million (0,33% of consolidated inventories);
- Trade and other receivables: R78 million (0,58% of consolidated trade and other receivables); and
- Trade and other payables: R68 million (0,33% of consolidated trade and other payables).

Processes followed to restate the trade and other receivables, inventory and trade and other payables at July 1 2019 and June 30 2020:

- **Trade and other receivables**
  We reviewed the background of the Miumi customers that were managed by implicated Miumi employees and cross-border trading wholesalers. In addition, the fraudulent debtors were also identified by:
  - if the customer used an abnormal delivery/business registration address (eg address in the People's Republic of China (PRC), residential address, or non-existent Hong Kong business registration/operation address);
  - incorrect customer name in PRC legal format (ie there is a typical naming requirement in the PRC, normally contains the PRC province/city name in the company name);
  - through Angliss Greater China management review, if the customer was associated with abnormal accounting activities such as significant sales returns and trading balances that had been directly set-off with trade payable balances; and
  - from the Miumi accounting records and the above fraudulent debtor approach we were able to generate a detailed sales and cost of sales transaction listing (by invoice and by customer) that identified the fraudulent trade debtor balances at July 1 2019, June 30 2020 and June 30 2021. These fraudulent trade debtor balances at these respective dates were reversed.

- **Inventory**
  Due to the reliability of documentation to support the Miumi inventory balance, the following procedures/calculations were performed to determine a Miumi inventory balance at July 1 2019 and June 30 2020. Miumi specialises in the global procurement of Japanese-style product (mainly seafood, meat, poultry, and dairy) for distribution into Hong Kong and China, through both the direct HORECA market, as well as through other wholesalers particularly in China. The average inventory stock holdings for similar Angliss businesses is between 60 and 80 days stock on hand. This is supported by evidence that other Angliss PRC companies and the Miumi closing inventory balances for June 30 2021 (which have all been physically counted) are within these expected stock days on hand of 60 to 80 days. The group selected the mid-point of this range being 70 days to determine the expected Miumi inventory balances on hand at July 1 2019 and June 30 2020.

  A sensitivity analysis was done using stock days at 35, 53, 63, 77, 88 and 105 days. Results are compared against the calculated stock-holding balance of 70 days. Negatives reflect lower stock-holding numbers and positives reflect higher stock-holding numbers:

	July 1 2019 R'000	June 30 2020 R'000
Stock-holding at 35 days (50% change in assumption)	(18 319)	(18 525)
Stock-holding at 53 days (25% change in assumption)	(9 159)	(9 263)
Stock-holding at 63 days (10% change in assumption)	(3 664)	(3 705)
Stock-holding at 77 days (10% change in assumption)	3 664	3 705
Stock-holding at 88 days (25% change in assumption)	9 159	9 263
Stock-holding at 105 days (50% change in assumption)	18 319	18 525

  Results from the sensitivity analysis performed are that changes in number of stock-holding days (including 50% changes) does not result in a material change to the expected Miumi inventory balance at July 1 2019 and June 30 2020 or prior period loss allocation. The calculated inventory balances at July 1 2019 and June 30 2020 is comparable to the physically counted inventory balance of HK$16,8 million (R30,9 million) at June 30 2021. The June 30 2021 Miumi inventory balance represents 0,3% of the group's total inventory balance at June 30 2021.

- **Trade and other payables**

  The unrecorded trade and other payables have been allocated to prior financial periods based on the financial years in which the loans/services were received by Miumi. No future costs were provided for and all known claims against Miumi at the time of finalising the annual financial statements have been provided for.

Net debt movements in Miumi

These losses per financial year approximate the statement of financial position movements in the net of intercompany debt and cash-related balances for Miumi, which is considered reasonable given that Miumi had little or no investment activities.

Restatement of prior period errors

The 2020 financial statements and the consolidated statement of financial position as at July 1 2019 have been restated to correct the prior period errors in relation to the identified fraud.

Statement of financial position (extract) as at July 1 2019

R'000	Reported balance June 30 2019	Cumulative effects of restatement	Restated July 1 2019
Trade and other receivables	15 213 598	(329 192)	14 884 406
Inventory	9 703 879	(125 318)	9 578 561
Trade and other payables	(18 698 495)	(20 270)	(18 718 765)
Net assets	28 735 967	(474 780)	28 261 187
Foreign currency translation reserve	5 263 176	2 921	5 266 097
Retained earnings	17 902 350	(477 701)	17 424 649
Total equity	28 735 967	(474 780)	28 261 187

Statement of financial position (extract) as at June 30 2020

R'000	Reported balance June 30 2020	Cumulative effects of restatement	Restated June 30 2020
Trade and other receivables	12 289 674	(570 126)	11 719 548
Inventory	10 195 539	(98 346)	10 097 193
Trade and other payables	(17 602 244)	(28 347)	(17 630 591)
Net assets	27 938 586	(696 819)	27 241 767
Foreign currency translation reserve	9 609 715	(123 741)	9 485 974
Retained earnings	12 593 698	(573 078)	12 020 620
Total equity	27 938 586	(696 819)	27 241 767

Restatement of consolidated annual financial statements
continued

Statement of profit or loss (extract) for the year ended June 30 2020

R'000	Reported balance June 30 2020	Effects of restatement	Restated June 30 2020
Continuing operations			
Revenue	121 117 480	(543 298)	120 574 182
Cost of sales	(91 921 749)	466 378	(91 455 371)
Gross profit	29 195 731	(76 920)	29 118 811
Operating expenses	(25 033 193)	(18 457)	(25 051 650)
Trading profit	4 162 538	(95 377)	4 067 161
Share-based payment expense	(100 774)	–	(100 774)
Acquisition costs	(1 968)	–	(1 968)
Capital items	(923 687)	–	(923 687)
Operating profit	3 136 109	(95 377)	3 040 732
Net finance charges	(710 263)	–	(710 263)
Share of profit of associates and jointly controlled entities	6 448	–	6 448
Profit before taxation	2 432 294	(95 377)	2 336 917
Taxation	(868 614)	–	(868 614)
Profit for the year from continuing operations	1 563 680	(95 377)	1 468 303
Loss after taxation from discontinued operations	(331 578)	–	(331 578)
Profit for the year	1 232 102	(95 377)	1 136 725
Other comprehensive income	4 331 548	(123 741)	4 207 807
Total comprehensive income for the year	5 563 650	(219 118)	5 344 532
Profit for the year attributable to:			
Shareholders of the company	1 216 805	(95 377)	1 121 428
Non-controlling interests	15 297	–	15 297
Total comprehensive income attributable to:			
Shareholders of the company	5 506 566	(219 118)	5 287 448
Non-controlling interests	57 084	–	57 084

Statement of profit or loss (extract) for the year ended June 30 2020 (continued)

	Reported balance June 30 2020	Effects of restatement	Restated June 30 2020
Continuing operations (cents)			
Basic earnings per share	463,5	(28,6)	434,9
Diluted basic earnings per share	462,6	(28,5)	434,1
Headline earnings per share	741,3	(28,6)	712,7
Diluted headline earnings per share	739,7	(28,5)	711,2
Discontinued operations (cents)			
Basic loss per share	(99,3)	–	(99,3)
Diluted basic loss per share	(99,1)	–	(99,1)
Headline loss per share	(47,3)	–	(47,3)
Diluted headline earnings per share	(47,2)	–	(47,2)
Total operations (cents)			
Basic earnings per share	364,2	(28,6)	335,6
Diluted basic earnings per share	363,5	(28,5)	335,0
Headline earnings per share	694,0	(28,6)	665,4
Diluted headline earnings per share	692,5	(28,5)	664,0

Restatement of consolidated annual financial statements
continued

Statement of cash flows (extract) for the year ended June 30 2020

R'000	Reported balance June 30 2020	Effects of restatement	Restated June 30 2020
Cash flows from operating activities	3 928 340	–	3 928 340
Cash generated by continuing operations	8 374 137	–	8 374 137
Operating profit	3 136 109	(95 377)	3 040 732
Adjustments to operating profit	4 053 593	–	4 053 593
Working capital changes	1 184 435	95 377	1 279 812
Finance income received	80 683	–	80 683
Finance charges paid	(677 897)	–	(677 897)
Taxation paid	(1 354 174)	–	(1 354 174)
Dividends paid	(2 213 668)	–	(2 213 668)
Net operating cash flows from discontinued operations	(280 741)	–	(280 741)
Cash effects from investment activities	(3 153 212)	–	(3 153 212)
Cash effects from financing activities	(912 235)	–	(912 235)
Net movement in cash and cash equivalents	(137 107)	–	(137 107)
Cash and cash equivalents at beginning of the year	6 058 269	–	6 058 269
Effects of exchange rate fluctuations on cash and cash equivalents	1 103 264	–	1 103 264
Cash and cash equivalents at end of the year	7 024 426	–	7 024 426

The cash flow restatements are non-cash adjustments on the changes in the statement in financial position.

Acquisition of businesses and subsidiaries

for the year ended June 30

Acquisition opportunities due to COVID travel restrictions and management's focus on underperforming businesses were limited. As a consequence, five relatively small bolt-on acquisitions were concluded. These bolt-on acquisitions were as follows:

- Craven Foods, a regional food distributor based in Bunbury, Western Australia, on May 31 2021;
- COAR S.p.A, a food distributor situated near Milan, Italy. The group purchased the remaining 50% shareholding it didn't own on March 31 2021;
- Wet Fish Trading LLC, a specialist seafood distributor in Dubai, United Arab Emirates, on July 1 2020;
- Leão Marinho located in São Sebastião, Brazil distributing food and beverages in the region, on February 17 2021; and
- Fein Feinkost GmbH & Co. KG, a small retail bakery supplier located close to Ingolstadt, Germany, on April 1 2021.

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 or net liabilities acquired at fair value. The acquisitions have enabled the group to expand its range of complementary products and services and, as a consequence, has broadened the group's base in the marketplace.

These bolt-on acquisitions contributed R206,3 million of revenue and R16,2 million of trading loss for the year ended June 30 2021.

There were no significant contingent liabilities identified in the businesses acquired.

Acquisition of businesses and subsidiaries continued

for the year ended June 30

The impact of acquisitions on the group's results can be summarised as follows:

R'000	2021 Unaudited	2020 Unaudited
Property, plant and equipment	**(40 393)**	(44 679)
Right-of-use lease assets	**(528)**	–
Deferred taxation	**(6 689)**	935
Investments and advances	**(1 117)**	–
Inventories	**(39 189)**	(39 395)
Trade and other receivables	**(85 332)**	(124 860)
Cash and cash equivalents	**(13 064)**	34 080
Defined pension fund obligations	**9 247**	–
Borrowings	**28 242**	14 554
Right-of-use lease liabilities	**528**	–
Trade and other payables and provisions	**55 363**	100 061
Taxation	**1 076**	3 845
Total identifiable net assets at fair value	**(91 856)**	(55 459)
Separately identifiable intangible assets	**(917)**	–
Gain from bargain purchase	**3 136**	–
Derecognition of previously held investment in associate	**26 346**	–
Goodwill	**(68 657)**	(80 307)
Total value of acquisitions	**(131 948)**	(135 766)
Cash and cash equivalents acquired	**13 064**	(34 080)
Vendors for acquisition recognised	**38 366**	210
Costs incurred in respect of acquisitions	**(6 151)**	(1 968)
Net amounts paid	**(86 669)**	(171 604)

The purchase price allocations are provisional and may be retrospectively adjusted if the group obtains new information about facts and circumstances that existed at the acquisition date relating to these entities.

DISPOSALS

No subsidiary disposals occurred during the year ended June 30 2021.

SUBSEQUENT EVENTS

Subsequent to year end, South Africa was impacted by civil unrest (looting) in KwaZulu-Natal and Gauteng. Our owned facility in Cornubia, KwaZulu-Natal and Crown Food Group's factory mart sites in Springfield KZN and Soweto were looted. Current estimates of the total direct loss of assets (including inventory, property, and vehicles) is approximately R73 million. A loss of profits claim will be formalised but is not expected to be significant. Losses as a result of the looting will be claimed against Sasria (a South African government-backed insurance programme). As the looting occurred post June 30 2021, no adjusting entries have been processed in the financial statements of the Bidcorp group.

On September 22 2021, the group signed a facility agreement with a syndicate of relationship banks giving the group access to a revolving credit facility of €300 million (R5,1 billion) for three years, with options to extend to five years. Other than these matters, there are no other material events since or subsequent to June 30 2021.

CAPITAL COMMITMENTS

The board of directors' policy is to maintain a strong capital base so as to sustain future development of the businesses so that it can continue to provide benefits to its shareholders.

R'000	2021	2020
Capital expenditure approved:		
Contracted for	**1 060 248**	747 726
Not contracted for	**1 316 229**	686 007
	2 376 477	1 433 733
Capital expenditure split:		
Property, plant and equipment	**2 298 914**	1 336 171
Computer software	**77 562**	97 562
	2 376 476	1 433 733

It is anticipated that capital expenditure will be financed out of existing cash resources.

Significant contracted capital expenditures relate to the following:

- Australia – infrastructure investment in five new buildings;
- Bidfood UK – infrastructure investment in new Glasgow site and vehicle fleet;
- Czech Republic – new fish plant to replace the burnt-down Kralupy fish plant;
- South Africa – infrastructure investment in Port Elizabeth building; and
- Netherlands – new building in Zierikzee and a new freezer in Meppel and an upgrade to the warehouse management system.

Financial instruments

for the year ended June 30

FAIR VALUE HIERARCHY

When measuring the fair value of an asset or a liability, the group uses market observable data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques categorised as follows.

- **Level 1:** quoted prices (unadjusted) in active markets for identical assets or liabilities.
- **Level 2:** inputs other than quoted prices included in level 1 that are observable for the asset or liability, either directly (ie as prices) or indirectly (ie derived from prices).
- **Level 3:** inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy for financial instruments measured at fair value. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

	Non-current assets (liabilities)			Current assets (liabilities)		
R'000	**Puttable non-controlling interests**	**Investments**	**Vendors for acquisition**	**Puttable non-controlling interests**	**Vendors for acquisition**	**Total**
June 30 2021						
Financial assets measured at fair value	**–**	**27 281**	**–**	**–**	**–**	**27 281**
Financial liabilities measured at fair value	**(3 983 808)**	**–**	**(23 779)**	**(74 753)**	**(175 395)**	**(4 257 735)**
June 30 2020						
Financial assets measured at fair value	–	32 264	–	–	–	32 264
Financial liabilities measured at fair value	(4 632 682)	–	(73 150)	(55 262)	(204 188)	(4 965 282)

	Total	**Level 1**	**Level 2**	**Level 3**
June 30 2021				
Financial assets measured at fair value	**27 281**	**–**	**–**	**27 281**
Financial liabilities measured at fair value	**(4 257 735)**	**–**	**–**	**(4 257 735)**
June 30 2020				
Financial assets measured at fair value	32 264	–	–	32 264
Financial liabilities measured at fair value	(4 965 282)	–	–	(4 965 282)

VALUATION TECHNIQUES AND SIGNIFICANT UNOBSERVABLE INPUTS

Valuation technique	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
The expected payments are determined by considering the possible scenarios of forecast EBITDAs, the amount to be paid under each scenario and the probability of each scenario. The valuation models consider the present value of expected payment, discounted using a risk-adjusted discount rate.	• Average EBITDA growth rates: 16% (2020: 10%) • EBITDA multiples: 10,5x (2020: 10,5x) • Risk-adjusted discount rate 1,7% (2020: 1,7%)	The estimated fair value would increase (decrease) if: • the EBITDA were higher (lower); or • the risk-adjusted discount rate was lower (higher).

SENSITIVITY ANALYSIS ON CHANGES IN SIGNIFICANT VARIABLE UNOBSERVABLE INPUTS FOR PUTTABLE NON-CONTROLLING INTERESTS (LIABILITY)

	Increase in assumption %	Increase (decrease) in liability R'000	Decrease in assumption %	Decrease (increase) in liability R'000
Average EBITDA growth rate	**10**	**127 757**	**10**	**124 190**
Risk-adjusted discount rate	**10**	**(27 734)**	**10**	**(27 979)**

The group recognises any changes in the value of the liability as a result of changes in assumptions used to estimate the future purchase price directly in retained earnings in the statement of changes in equity.

Independent auditor's report on the summary consolidated financial statements

To the shareholders of Bid Corporation Limited

Opinion

The summary consolidated financial statements of Bid Corporation Limited set out on pages 2 to 7 and 21 to 31 of the accompanying provisional report, which comprise the summary consolidated statement of financial position as at June 30 2021, the summary consolidated statements of profit or loss, other comprehensive income, changes in equity and cash flows for the year then ended, and related notes, are derived from the audited consolidated financial statements of Bid Corporation Limited for the year ended June 30 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 Listing Requirements for provisional reports, as set out in the "Basis of presentation of summary consolidated financial statements note" to the summary 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 a qualified audit opinion on the audited consolidated financial statements in our report dated September 30 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.

The basis for the qualified audit opinion was due to a fraud perpetrated at the Miumi division of the Group which comprises four subsidiaries and one division of the Greater China business (collectively, the "Miumi division"). This fraud commenced in prior financial years and involved the manipulation of trade receivables, prepayments, inventories, liabilities, revenue, and cost of revenue resulting in the cumulative misstatement of these balances.

Management has quantified and recorded a cumulative estimated loss in the amount of R694 million in the consolidated financial statements for the year ended June 30 2021. The forensic investigation into the matter has not been concluded as at the date of the audit opinion on the audited consolidated financial statements. Consequently, we were unable to obtain sufficient and appropriate audit evidence to conclude on whether the recorded loss and the associated disclosures are complete and accurate.

Furthermore, management has quantified the loss allocation attributable to the current and preceding financial years. We were unable to obtain sufficient and appropriate evidence to support this allocation in respect of the various financial years.

After recording the allocated portion of the current year loss as described above, we were unable to determine whether any further adjustments were required to the Miumi division's contribution to the consolidated financial statement line items, which includes:

- Revenue: R282 million;
- Cost of revenue: R237 million;
- Inventories: R33 million;
- Trade and other receivables: R78 million;
- Trade and other payables: R68 million.

The related financial statement line items in the summary consolidated financial statements are also impacted by this matter.

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, set out in note "Basis of presentation of summary consolidated financial statements" to the summary 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.
Director: E J Gerryts
Registered Auditor
4 Lisbon Lane, Waterfall City, Jukskei View, 2090
Private Bag X36, Sunninghill, 2157, Johannesburg, South Africa

30 September 2021

Report on the Assurance Engagement on the Compilation of Pro Forma Financial Information included in the Annual Results

To the Directors of Bid Corporation Limited

We have completed our assurance engagement to report on the compilation of the Pro Forma financial information of Bid Corporation Limited (the "Company") by the directors. The Pro Forma financial information, as set out on page 20 of the Provisional Report (the "Annual Results"), consist of Pro Forma financial information which presents the impact of the currency effects of the translation of foreign operations on the Group as at June 30 2021. The applicable criteria on the basis of which the directors have compiled the Pro Forma financial information are specified in the JSE Limited (JSE) Listings Requirements and described on page 20 of the Annual Results.

The Pro Forma financial information has been compiled by the directors to provide users with relevant information and measures used by the Company to assess performance and to illustrate the impact of foreign currency movements on the Company's reported financial results for the year ended June 30 2021. As part of this process, information about the Company's financial performance has been extracted by the directors from the Company's financial statements for the year ended June 30 2021, on which an audit report has been published.

Directors' responsibility

The directors of the Company are responsible for compiling the pro forma financial information on the basis of the applicable criteria specified in the JSE Listings Requirements and described in page 20 of the Bidcorp Results.

Our independence and quality control

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

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

Reporting accountant's responsibility

Our responsibility is to express an opinion about whether the pro forma financial information has been compiled, in all material respects, by the directors on the basis of the applicable criteria specified in the JSE Listings Requirements and described on Page 20 of the Bidcorp Results based on our procedures performed.

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

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

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

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

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

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

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

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

Opinion

In our opinion, the pro forma financial information has been compiled, in all material respects, on the basis of the applicable criteria specified by the JSE Listings Requirements and described on Page 20 of the Bidcorp Results.

PricewaterhouseCoopers Inc.

PricewaterhouseCoopers Inc.
Director: E J Gerryts
Registered Auditor
4 Lisbon Lane, Waterfall City, Jukskei View, 2090
Private Bag X36, Sunninghill, 2157, Johannesburg, South Africa
30 September 2021

DIRECTORS

Chairman: S Koseff
Lead independent director: NG Payne
Independent non-executive: T Abdool-Samad, PC Baloyi, B Joffe, KR Moloko, CJ Rosenberg*, H Wiseman*

Executive directors: BL Berson* (chief executive), DE Cleasby (chief financial officer)

**Australian*

COMPANY SECRETARY

Bidcorp Corporate Services (Pty) Ltd
Represented by Ms AK Biggs

BID CORPORATION LIMITED

(Bidcorp or the group or the company)
Incorporated in the Republic of South Africa
Registration number: 1995/008615/06
Share code: BID
ISIN: ZAE000216537

Registered office
Bid Corporation Limited
2nd Floor North Wing, 90 Rivonia Road
Sandton, 2196
Postnet Suite 136, Private Bag X9976
Sandton, 2146

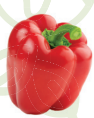
Transfer secretaries
Computershare Investor Services (Pty) Ltd
Private Bag X9000, Saxonwold, 2132

Sponsor
The Standard Bank of South Africa Limited
30 Baker Street, Rosebank, 2196

Independent auditor
PricewaterhouseCoopers Inc.
Registration number: 1998/012055/21
Waterfall City, 4 Lisbon Lane, Jukskei View
Midrand, 2090

Further information regarding our group can be found on the Bidcorp website: **www.bidcorpgroup.com**

THE OAK TREE GROUP



Bidcorp

www.bidcorpgroup.com