

Bid Corporation Limited

(Incorporated in the Republic of South Africa)

Registration number: 1995/008615/06

Share Code: BID

ISIN ZAE 000216537

("Bidcorp" or "group" or "company")

TRADING STATEMENT AND UPDATE

Shareholders are advised that the Board wishes to update them on Bidcorp's performance for the year to June 2021 and current trading conditions ahead of the release of its annual results; and notify the market of the impacts of the civil unrest in South Africa in July; and an incident of fraud uncovered at Miumi Hong Kong, a subsidiary of Angliss Greater China, and the actions taken thereon.

Earnings for the year ended June 30 2021

Bidcorp's Headline Earnings Per Share (HEPS) from continuing operations for the year ended June 30 2021 will be in the range of 840,0 cents per share (13% higher than HEPS of 741,3 cents per share in F2020) to 900,0 cents per share (21% higher than HEPS of 741,3 cents per share in F2020), and Basic Earnings Per Share (EPS) from continuing operations will be in the range of 900,0 cents per share (94% higher than EPS of 463,5 cents per share in F2020) to 950,0 cents per share (105% higher than EPS of 463,5 cents per share in F2020).

Our financial position at June 2021 ended very strong with non IFRS 16 net debt reducing substantially to R503 million, compared to that at June 2020 of R5,6 billion. Working capital management has been particularly pleasing which has assisted in generating positive free cash flow of R4,8 billion versus R2,6 billion in the 12 months to June 2020.

Final dividend for the year ended June 30 2021

As previously guided, the Board intends to declare a final dividend for the year ended June 30 2021 in line with the group's dividend policy of approximately 2,5 times HEPS cover. This final dividend will be paid in respect of Bidcorp's full year's earnings.

Recent trading conditions

Trading in May and June gained strong momentum as the UK and Europe emerged from the COVID induced winter hibernation and economies were progressively reopened. Constant currency group sales for July 2021 are at 98% of July 2019 levels, and 120% of July 2020 sales, and this upward trend has continued in August 2021, notwithstanding some restricted activity in Australasia and parts of Asia due to further COVID lockdowns, as well as subdued activity in South Africa following the recent civil unrest. Every business in the group generated trading profits in July 2021 despite COVID-related restrictions still impacting on the volume recovery in certain segments of the market, particularly workplace catering and travel related sectors.

2021 Revenue Statistics – March to *August *(Comparatives in Constant Currency)*

MONTH	AUSTRALASIA	EUROPE	EMERGING MARKETS	UNITED KINGDOM	GROUP
% OF 2019					
MARCH	98,6%	59,3%	97,7%	50,4%	72,2%
APRIL	101,7%	59,8%	92,6%	63,9%	76,0%
MAY	106,5%	76,2%	96,4%	85,9%	88,8%
JUNE	107,2%	91,7%	99,7%	87,7%	95,3%
JULY	98,9%	101,4%	99,4%	90,4%	97,8%
*AUGUST	94,8%	106,6%	105,3%	97,1%	101,4%
% OF 2020					
MARCH	112,9%	93,0%	118,2%	73,7%	98,0%
APRIL	220,7%	178,8%	171,9%	138,3%	177,2%
MAY	155,2%	163,1%	150,3%	147,5%	154,7%
JUNE	126,5%	144,8%	135,1%	153,4%	140,0%
JULY	108,6%	118,9%	132,9%	126,9%	119,8%
*AUGUST	107,1%	115,3%	135,4%	128,0%	118,8%

**NOTE - August sales as of August 15th*

Impact of civil unrest in South Africa on Bidcorp's operations

As a consequence of the civil unrest that occurred in South Africa's KwaZulu-Natal and Gauteng provinces from July 9th onwards, Bidcorp's Cornubia site outside Durban housing the Bidfood South Africa (BFSA), Crown Food Group (CFG), and Chipkins Puratos (CP) distribution facilities were looted and extensively damaged. Two of CFG's retail factory marts were also vandalised. Distribution vehicles parked on site were either damaged, burned, or stolen. Thanks to the concerted efforts of our management and staff at all three sites, BFSA started trading again on July 25th. CFG and CP started trading again on July 19th. The total estimated damage from inventory losses, infrastructure damage and vehicle damage excluding the loss of profits is estimated at R73 million. Bidcorp is adequately insured with the South African government backed SASRIA programme for assets damage and has a separate policy in respect of loss of profits. The impact on sales for July in KwaZulu-Natal and Gauteng has been estimated at R16 million for BFSA and R10 million for CFG as customers were impacted and did not trade, however the overall impact for F2022 is not likely to be material.

Fraud investigation

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 Angliss Greater China business. This was carried out by our 10% minority shareholders in Miumi, who were also the General Managers of that business, certain employees within Miumi as well as third party service providers. All employees involved as well as the minority shareholders have been suspended or their employment terminated. Ernst & Young (China) Advisory Limited were appointed in early July to conduct a comprehensive forensic investigation into this fraud. It is apparent that this fraud has been

going on since about 2016 and has involved the manipulation of accounts receivables, prepayments, and the misappropriation of inventories, the result of which these balances have been progressively overstated 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 that this fraud relates only to Miumi, and that the balance of our Angliss 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.

Bidcorp has taken the prudent view by impairing the full overstated amount of the accounts receivables, prepayments, and inventory involved, although we remain confident of some future recoveries from insurance, the perpetrators, and other third parties involved. The quantum of the impairments effected as a result of this 6-year fraud are approximated at HK\$253 million (R501 million) in respect of receivables and prepayments, HK\$102 million (R202 million) in respect of inventory, and HK\$18 million (R36 million) in respect of unrecorded liabilities. The tax deductibility of these amounts is currently uncertain, so no provision for any tax relief has been accounted for.

Our best estimate is that the loss attributable to the current financial year is approximately HK\$60 million (R119 million), HK\$48 million (R95 million) relates to the financial year ended June 30 2020, and the balance to the financial years prior to this. However, the detailed forensic investigation will reveal the full detail in due course.

Release of full year results for the year ended June 30 2021

In light of the above information regarding the Miumi fraud, the board has decided to release its full year results for the year ended June 30 2021 on or about September 29th 2021 to enable further work, internal, forensic, and audit related to be completed.

Management conference call on Friday August 20th 2021 to discuss the contents of this SENS release

Management will be holding a conference call, open to interested parties, at 8am (SAST) on Friday, August 20th 2021 to address the issues contained above. Invitations have been circulated and the dial in details are available on the Bidcorp website www.bidcorpgroup.com

The information contained in this announcement has not been reviewed and reported on by the group's auditors.

August 19th 2021
Johannesburg

Sponsor: The Standard Bank of South Africa Limited