INDEPENDENT AUDITOR’S REPORT

TO THE SHAREHOLDERS OF SUPER GROUP LIMITED

REPORT ON THE AUDIT OF THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

Opinion

We have audited the consolidated and separate financial statements of Super Group Limited (the group and company) set out on pages 16 to 120, which comprise the consolidated and separate statements of financial position as at 30 June 2021, and the consolidated and separate statements of comprehensive income, the consolidated and separate statements of changes in equity and the consolidated and separate statements of cash flows for the year then ended, operating segments and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated and separate financial statements present fairly, in all material respects, the consolidated and separate financial position of Super Group Limited as at 30 June 2021, and its consolidated and separate financial performance and consolidated and separate cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirements of the Companies Act of South Africa.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor’s responsibilities for the audit of the consolidated and separate financial statements section of our report. We are independent of the group and company in accordance with the Independent Regulatory Board for Auditors’ Code of Professional Conduct for Registered Auditors (IRBA Code) and other independence requirements applicable to performing audits of financial statements in South Africa. We have fulfilled our other ethical responsibilities in accordance with the IRBA Code and in accordance with other ethical requirements applicable to performing audits in South Africa. The IRBA Code is consistent with the corresponding sections of the International Ethics Standards Board for Accountants’ International Code of Ethics for Professional Accountants (including International Independence Standards). We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated and separate financial statements of the current period. These matters were addressed in the context of our audit of the consolidated and separate financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

No key audit matters were identified in respect of our audit of the separate financial statements.

Valuation of goodwill

Refer to pages 23 and 30 relating to the accounting policy for goodwill and note 7 of the consolidated financial statements.

Key audit matter | How the matter was addressed in our audit
--- | ---
Included in the consolidated financial statements is goodwill amounting to R7.5 billion being 21% of the total assets in the group. | Our audit work included the following procedures:

- We assessed the group’s determination of their cash-generating units based on our understanding of the operations of the group.

- We challenged the assumptions used in the group’s impairment assessments by working with our internal valuation specialists and:
  - Evaluated the consistency and appropriateness of assumptions and methodologies used by the group, in particular those relating to revenue growth and the discount rate applied to the forecasted cash flows in the value-in-use calculation by comparing the group’s assumptions with our own assessments in relation to key inputs into the discounted cash flow model.
  - We compared the sensitivity analysis performed by the directors to our own sensitivity analysis in relation to the key assumptions.

- We assessed the appropriateness of the disclosures in the consolidated financial statements in accordance with the applicable financial reporting framework.

Goodwill acquired through business combinations has been attributed to individual cash-generating units. The carrying amount of goodwill is subject to annual impairment tests based on the value-in-use approach.

Significant judgements, assumptions and estimates are applied by the directors in determining the recoverable amount used in the value-in-use approach to test each individual cash-generating unit for impairment. The recoverable amount is based on future cash flow forecasts, applying an appropriate discount rate and estimating revenue growth.

Due to the significance of goodwill at year end and the significant judgements and inherent uncertainties involved in calculating the value-in-use for each individual cash-generating unit, the valuation of goodwill was considered a key audit matter.

The recoverable amount is based on future cash flow forecasts, applying an appropriate discount rate and estimating revenue growth.

Due to the significance of goodwill at year end and the significant judgements and inherent uncertainties involved in calculating the value-in-use for each individual cash-generating unit, the valuation of goodwill was considered a key audit matter.
Revenue recognition

Refer to pages 35 to 36 relating to the accounting policy for revenue recognition and notes 23 and 40 to the consolidated financial statements.

<table>
<thead>
<tr>
<th>Key audit matter</th>
<th>How the matter was addressed in our audit</th>
</tr>
</thead>
<tbody>
<tr>
<td>Particular focus was in respect of revenue in the Fleet Solutions segment where the periodic payments received from customers by the group for maintenance services are deferred and recognised as revenue when the associated maintenance costs for the leased assets have been incurred or can be measured using the percentage of completion method. Due to the significance of the revenue amount and the significant risk associated particularly with revenue recognition in relation to the maintenance services due to the timing of revenue recognition and deferral of revenue, revenue recognition was considered to be a key audit matter.</td>
<td>Our audit work included the following procedures:</td>
</tr>
<tr>
<td></td>
<td>• We considered the appropriateness of the group’s revenue recognition accounting policies and assessed compliance with the policies in accordance with IFRS 15 Revenue from Contracts with Customers.</td>
</tr>
<tr>
<td></td>
<td>• We tested the design, implementation and operating effectiveness of internal controls implemented by management over the recording of revenue, in particular those controls implemented when it is probable that the economic benefit will flow to the group.</td>
</tr>
<tr>
<td></td>
<td>• We performed predictive analytical procedures on the various revenue streams and compared our expectation to the actual revenue recorded and followed up on any exceptions.</td>
</tr>
<tr>
<td></td>
<td>• We vouched a sample of revenue transactions to supporting documentation to ensure existence and accuracy of revenue recorded.</td>
</tr>
<tr>
<td></td>
<td>• For a sample of sales transactions selected around year end, we inspected source documents to assess whether the transactions were recorded in the correct period.</td>
</tr>
<tr>
<td></td>
<td>• We assessed the accuracy of the group’s estimates of percentage of completion of the maintenance of leased assets by comparing historical estimates of the percentage of completion ratio of the maintenance of leased assets against the actual ratio used in the current year.</td>
</tr>
<tr>
<td></td>
<td>• We evaluated the group’s calculation of deferred maintenance income by using the estimate of the percentage of completion ratio of maintenance costs.</td>
</tr>
<tr>
<td></td>
<td>• We assessed the appropriateness of the disclosures made in the financial statements in accordance with the applicable financial reporting framework.</td>
</tr>
</tbody>
</table>
Determination of residual values and useful lives of rental and transport fleet

Refer to pages 24 and 25 relating to the accounting policies for property, plant and equipment and full maintenance lease vehicles and notes 2, 5 and 40 to the consolidated financial statements.

Key audit matter

The residual values of full maintenance lease vehicles and rental and transport fleet are considered to be a significant area of judgement in the determination of depreciation included in profit or loss.

The estimation of the useful lives is based on historic performance as well as expectation about future use and therefore requires a degree of judgement to be applied by management.

Residual values are determined taking into account generally accepted industry-based market forecasts adjusted where necessary to take into account factors specific to the asset. Where deemed necessary, actuaries are used in determining the residual values for full maintenance lease vehicles. The valuation model projects each active vehicle on a monthly basis based on an average monthly mileage for each vehicle.

Assumptions in these models include future projected interest rates and market value data published in the relevant countries where the vehicles are leased.

Due to the level of judgement required in determining the residual values, the determination of residual values of rental and transport fleet and full maintenance lease vehicles was considered a key audit matter.

How the matter was addressed in our audit

Our audit work included the following procedures:

- We challenged the group’s determination of residual values by evaluating the consistency and appropriateness of key assumptions and methodologies used by the group by comparing the market conditions, environmental factors and macroeconomic factors underpinning the group’s determination of the residual risk provision against our understanding of the business, industry and economy;
- We assessed the group’s ability to accurately value assets at the end of the lease term by comparing the historical residual value of a sample of vehicles to the actual sale proceeds received from previous disposals from comparable vehicle classes;
- We assessed the appropriateness of the disclosures made in the financial statements in accordance with the applicable financial reporting framework.

Other information

The directors are responsible for the other information. The other information comprises the information included in the document titled “Super Group Limited Integrated Report 2021” and in the document titled “Super Group Limited Annual Financial Statements for the year ended 30 June 2021”, which includes the Directors’ Report, the Group Audit Committee Report and the Group Company Secretary Certificate as required by the Companies Act of South Africa. The other information does not include the consolidated and separate financial statements and our auditor’s report thereon.

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

In connection with our audit of the consolidated and separate financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated and separate financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the consolidated and separate financial statements

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

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

Auditor’s responsibilities for the audit of the consolidated and separate financial statements

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

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the group and company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group and company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the group and/or company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit. We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

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

**Report on other legal and regulatory requirements**

In terms of the IRBA Rule published in Government Gazette Number 39475 dated 4 December 2015, we report that KPMG Inc. has been the auditor of Super Group Limited for 31 years.

**KPMG Inc.**
*Registered Auditor*

**Per DS Read**
*Chartered Accountant (SA)*
*Registered Auditor*
*Director*

KPMG Crescent  
85 Empire Road  
Parktown  
Johannesburg  
30 September 2021