



**IMPORTANT NOTE TO USERS:**

The audit opinion reproduced here as a standalone document has been extracted from the Sechaba Brewery Holdings Limited Financial Statements for the year ended 31 December 2020 (the "AFS"). The AFS include the economic entity financial statements to which this audit opinion refers. Accordingly, this audit opinion should be read together with the AFS, which are available from the Company's registered office.

*Independent auditor's report*

To the shareholders of Sechaba Brewery Holdings Limited

*Our opinion*

In our opinion, the economic interest financial statements give a true and fair view of the financial position of Sechaba Brewery Holdings Limited (the "Company") as at 31 December 2020, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

**What we have audited**

Sechaba Brewery Holdings Limited's economic interest financial statements set out on pages 9 to 30 comprise:

- the statement of financial position as at 31 December 2020;
- the statement of profit or loss and other comprehensive income for the year then ended;
- the statement of changes in equity for the year then ended;
- the statement of cash flows for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies.

*Basis for opinion*

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


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

**Independence**

We are independent of the Company in accordance with the *International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code)* issued by the International Ethics Standards Board for Accountants and other independence requirements applicable to performing audits of financial statements in Botswana. We have fulfilled our other ethical responsibilities in accordance with the IESBA Code and other ethical requirements applicable to performing audits of financial statements in Botswana

*Our audit approach*

**Overview**

	<b>Overall materiality</b> <ul style="list-style-type: none"><li>• Overall materiality: P8,300,000, which represents 5% of profit before tax for the year.</li></ul>
	<b>Audit scope</b> <ul style="list-style-type: none"><li>• Comprised full scope audits of Sechaba Brewery Holdings Limited and its associates, Kgalagadi Breweries (Pty) Limited and Coca-Cola Beverages (Botswana) (Proprietary) Limited.</li></ul>
	<b>Key Audit Matters</b> <ul style="list-style-type: none"><li>• No key audit matter.</li></ul>



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

**Materiality**

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

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

<i>Overall materiality</i>	<i>P8,300,000.</i>
<i>How we determined it</i>	<i>5% of the profit before tax.</i>
<i>Rationale for the materiality benchmark applied</i>	<i>We chose profit before tax as the benchmark because, in our view, it is the benchmark against which the performance of the Company is most commonly measured by users and is a generally accepted benchmark. We chose 5.00%, which is consistent with the quantitative materiality thresholds used for profit-oriented companies in this sector.</i>

**How we tailored our audit scope**

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the economic interest financial statements as a whole, taking into account the structure of the Company, the accounting processes and controls, and the industry in which the Company and its associate companies operate.

In establishing the overall approach to the audit, we determined the extent of the work that is needed to be performed by us, as the engagement team and by component auditors from other network firms operating under our instruction, in order to issue our audit opinion on the economic interest financial statements of the Company. Where the work was performed by component auditors, we determined the level of involvement necessary in the audit work at those components to be able to conclude whether sufficient appropriate audit evidence has been obtained as a basis for our opinion on the economic interest financial statements as a whole.

### *Key audit matters*

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

We have determined that there are no key audit matters to communicate in our audit report with regard to the audit of the economic interest financial statements of the Company of the current period.

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### *Other information*

The directors are responsible for the other information. The other information comprises the information included in the document titled “Sechaba Brewery Holdings Limited Financial Statements for the year ended 31 December 2020”, which we obtained prior to the date of this auditor’s report, and the document titled “Sechaba Brewery Holdings Limited 2020 Annual Report”, which is expected to be made available to us after that date. The other information does not include the economic interest financial statements and our auditor’s report thereon.

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

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

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

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### *Responsibilities of the directors for the economic interest financial statements*

The directors are responsible for the preparation of the economic interest financial statements that give a true and fair view in accordance with International Financial Reporting Standards and for such internal control as the directors determine is necessary to enable the preparation of economic interest financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the economic interest financial statements, the directors are responsible for assessing the 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 Company or to cease operations, or have no realistic alternative but to do so.

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### *Auditor’s responsibilities for the audit of the economic interest financial statements*

Our objectives are to obtain reasonable assurance about whether the economic interest 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 economic interest financial statements.

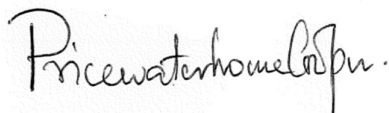
As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the economic interest 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 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 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 economic interest 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 Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the economic interest financial statements, including the disclosures, and whether the economic interest 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 Company to express an opinion on the economic interest financial statements. We are responsible for the direction, supervision and performance of the Company audit. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the economic interest 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.

A handwritten signature in black ink, appearing to read 'PricewaterhouseCoopers'.

**Individual Practicing Member: Lalithkumar Mahesan**  
**Registration Number: 20030046**

**Gaborone**  
**25 March 2021**