IMPORTANT NOTE TO USERS:
The audit opinion reproduced here as a standalone document has been extracted from the G4S (Botswana) Limited Consolidated and Separate Financial Statements for the year ended 31 December 2020 (the "AFS"). The AFS include the consolidated and separate financial statements to which this audit opinion refers. Accordingly, this audit opinion should be read together with the AFS, which are available from G4S (Botswana) Limited's registered office.

INDEPENDENT AUDITOR'S REPORT
TO THE SHAREHOLDERS OF G4S (BOTSWANA) LIMITED

Our opinion

In our opinion, the consolidated and separate financial statements give a true and fair view of the consolidated and separate financial position of G4S (Botswana) Limited (the "Company") and its subsidiary (together the "Group") as at 31 December 2020, and of its consolidated and separate financial performance and its consolidated and separate cash flows for the year then ended in accordance with International Financial Reporting Standards ("IFRS").

What we have audited
G4S (Botswana) Limited's consolidated and separate financial statements set out on pages 12 to 76 comprise:

- the consolidated and separate statements of financial position as at 31 December 2020;
- the consolidated and separate statements of profit or loss and other comprehensive income for the year then ended;
- the consolidated and separate statements of changes in equity for the year then ended;
- the consolidated and separate statements 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 consolidated and separate financial statements* section of our report.

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

Independence

We are independent of the Group in accordance with the *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

Overall group materiality

- *BWP 1 329 000 which represents 5% of a three-year average consolidated profit before taxation from continuing operations.*

Group audit scope

The Group consists of the Company and one operating subsidiary. Full scope audits were performed on both these companies based on their financial significance to the Group.

Key audit matters

- *Impairment of trade receivables; and*
- *Impairment of goodwill and investment in subsidiary - Facilities Management Business.*

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

Materiality

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

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

Overall group materiality	*BWP 1 329 000*
How we determined it	*5% of a three-year average consolidated profit before taxation from continuing operations.*

Rationale for the materiality benchmark applied	*We chose consolidated profit before taxation from continuing operations as the benchmark because, in our view, it is the benchmark against which the performance of the Group is most commonly measured by users and is a generally accepted benchmark. Given the once-off impact on current year results of the impairment of goodwill and lower than normal business levels due to the impact of COVID-19, we used a three-year average consolidated profit before taxation to better reflect normalised profitability. We chose 5%, which is consistent with quantitative materiality thresholds used for profit-oriented companies in this sector.*

How we tailored our group audit scope

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

The Group consists of two components, namely the Company and its wholly owned subsidiary, G4S Facilities Management Botswana (Proprietary) Limited. We performed full scope audits on both components as these were considered financially significant to the Group. This, together with additional procedures performed on the consolidation, including testing of consolidation journals, intercompany eliminations and goodwill arising on consolidation, provided us the audit evidence we needed for our opinion on the consolidated 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 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.

Key audit matter	***How our audit addressed the key audit matter***
Impairment of trade receivables *This key audit matter relates to the consolidated and separate financial statements.* At 31 December 2020, the Group and Company recognised net trade receivables of P23 331 048 after recognising a total impairment allowance of P25 931 828. The Group and Company apply a provisioning matrix as a practical expedient to determine the expected credit losses for trade receivables. Trade receivables have been assessed on a collective basis as they possess shared credit risk	Our audit procedures included the following: • We assessed the Group's and Company's impairment model against the requirements of IFRS 9 - Financial Instruments ("IFRS 9") and did not note any inconsistencies. • We tested the mathematical accuracy of the Group's and Company's impairment models and found no exceptions.

Key audit matter	*How our audit addressed the key audit matter*
characteristics and by grouping these based on days past due. Expected loss rates are based on the payment profile of credit sales over the thirty-six months preceding 31 December 2020, as well as corresponding historical credit losses during the period. These rates are then adjusted to reflect current and forward-looking macroeconomic factors, which are likely to impact on customers' ability to settle the outstanding amount. Trade receivables are considered irrecoverable when the customer has not made any payment within 180 days from the date of invoice, made no alternative payment arrangements with the Group and where subsequent external collection efforts (mainly through external debt collection agencies) have failed. In determining the impairment, key judgements were applied by the Group and Company in selecting and applying an appropriate model and in determining the credit losses which are expected to be incurred once it is considered irrecoverable. Impairment of trade receivables was considered to be a matter of most significance to the current year audit due the significance of the trade receivable balance, as well as the judgements and estimates applied in determining an appropriate level of impairment. Disclosures with respect to impairment is disclosed in: ● Note 1.2 "Critical accounting estimates and judgements | Impairment of Trade Receivables"; ● Note 1.7 - "Financial Instruments | Impairment"; ● Note 3 - "Financial instruments and risk management | Credit Risk"; and ● Note 21 - "Trade and other receivables".	● We tested, on a sample basis, the data utilised in the impairment model at 31 December 2020, including ageing of debtor balances and debt recovery rates achieved after initial credit default and found no exceptions. ● We assessed the judgements made by the Group in determining adjustments to loss rates for forward-looking macroeconomic factors through discussion with management and our knowledge of the operations as gained through our audit. Based on our work performed, we determined that management's adjustments were within a reasonable range.

Key audit matter	*How our audit addressed the key audit matter*
Impairment of goodwill and investment in subsidiary - Facilities Management Business *This key audit matter relates to the consolidated and separate financial statements* During the current financial year, the Group decided to dispose of the operations of its subsidiary, G4S Facility Management Botswana (Proprietary) Limited. The decision was made by the board of directors to discontinue these operations due the lack of return on investment stemming from the unfavourable changes in the regulatory environment. The Group expects that the disposal will be completed by 30 June 2021. Goodwill arising from this business recognised in the consolidated financial statements and the investment in this subsidiary recognised in the separate financial statements were assessed for impairment against the recoverable amount, which was determined to be the fair value less costs to sell at the reporting date. The fair value less cost to sell was determined based on a discounted free cash flow model, with the Group and Company being advised on the fairness of its calculations by an independent expert (the “management’s expert”). Significant judgement is required to determine the fair value less cost to sell of the business, especially with respect to the determination of appropriate discount rates and long term growth rates. At 31 December 2020, the Group recognised an impairment loss on goodwill to the amount of P8 350 979 and the Company recognised an impairment loss on the investment in the subsidiary to the amount of P1 868 330. We considered impairment of goodwill and impairment of the investment in the subsidiary to be matters of most significance to the current year audit due to the significant judgements applied by management in determining the fair value less cost to sell. Disclosures with respect to the impairment of goodwill and the investment in subsidiary are included in:	Our audit procedures included the following: • We inspected minutes of meetings of the Board of Directors which indicated that the Board approved the disposal of the subsidiary prior to 31 December 2020. • We discussed with management and inspected relevant correspondence with the Group’s transaction advisors which indicated that the process for sale of the subsidiary had been initiated and was planned to conclude within no more than 12 months of 31 December 2020. • We compared the valuation methodology used by the Group and Company against the requirements of IFRS 13 - *Fair value measurement* and industry practice, and based on our comparison accepted management’s methodology. • We read the management expert’s valuation reports to assess whether the valuation outcomes utilised by the Group and Company agree with these. We found no material deviations. • We assessed the management expert’s ○ qualifications and expertise with reference to their affiliation with a relevant professional body, their professional certifications and experience based on similar work performed; ○ objectivity by obtaining written confirmation from the management’s expert that they are free from any direct or indirect shareholding or financial interest in the Group, that no restrictions were placed on their valuation engagement and that they are not aware of any information relevant to the

Key audit matter	*How our audit addressed the key audit matter*

• Note 1.2 "Critical accounting estimates and judgements | Impairment of Goodwill";
• Note 11 "Impairment of investment in subsidiary";
• Note 16 "Goodwill"; and
• Note 23 "Non-current assets held for sale".
	valuation which had been withheld by the Group.
	
	We did not identify any concerns with regard to the qualifications and expertise or objectivity of the management's experts.
	
	• We assessed the reliability of the estimated future cash flows, including growth rate assumptions underpinning these through
	  ○ comparison of actual outcomes against historical projections performed on the same basis of cash flows;
	  ○ discussion with management; and by
	  ○ comparing these with specific business trends in the subsidiary we had observed during our current year audit.
	We found that the estimated future cash flows, including growth rates underpinning these were within an acceptable range of likely outcomes.
	
	• We developed an independent expectation of an appropriate discount rate utilising our valuation expertise and noted that no material difference in impairment would arise through use of such discount rate.

Other information

The directors are responsible for the other information. The other information comprises the information included in the document titled "*G4S (Botswana) Limited Consolidated and Separate Financial Statements for the year ended 31 December 2020*", which we obtained prior to the date of this auditor's report, and the other sections of the document titled "*G4S (Botswana) Limited 2020 Annual Report*", which is expected to be made available to us after that date. 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 and will not express an audit opinion or any form of assurance conclusion thereon.

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

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

Responsibilities of the directors for the consolidated and separate financial statements

The directors are responsible for the preparation of consolidated and separate 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 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 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 Group and/or the 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's and 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 Group's and 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 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 to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the consolidated and separate financial statements of the current period and are therefore the key audit matter. 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.

Individual Practicing member: Rudi Binedell
Registration number: 20040091

Gaborone
31 March 2021