

Independent Reporting Accountants' Assurance Report on the Compilation of the Non-IFRS Information of Mr Price Group Limited as included in its Final Results - Supplementary Information 52 weeks ended 28 March 2020

The Directors of the Mr Price Group Limited

We have completed our assurance engagement to report on the compilation of *pro forma* financial information of Mr Price Group Limited and its subsidiaries (collectively, the "**Group**"), by the directors.

The *pro forma* financial information, as set out on pages 15 to 17 of the Final Results - Supplementary Information 52 weeks ended 28 March 2020, consists of the:

1. "**IFRS 16 Adjustments**" which includes the:
 - a. reversal of IFRS 16 depreciation on right-of-use assets and reinstatement of operating lease expense per IAS 17 for selling expenses. reversal of foreign exchange revaluations on dollar-denominated lease liabilities;
 - b. reversal of IFRS 16 depreciation on right-of-use assets and reinstatement of operating lease expense per IAS 17 for administrative and other operating expenses; and
 - c. reversal of IFRS 16 finance cost of lease liabilities;
2. "**Provision adjustments considering COVID-19**" which includes the;
 - a. reversal of additional economic adjustment included in the provision for net realisable value of inventory as a result of COVID-19;
 - b. reversal of additional economic adjustment included in the provision for impairment of trade receivables as a result of COVID-19;
 - c. reversal of additional adjustment included in the incurred but not reported reserve as a result of COVID-19; and
3. Net deferred tax impact on the IFRS 16 Adjustments and the Provision adjustments considering COVID-19 (collectively, the "**Pro forma adjustments**"); and
4. Related notes.

for the 52 weeks ended 28 March 2020 (together, the "**Non-IFRS Information**"). The applicable criteria on the basis of which the directors have compiled the Non-IFRS Information are specified in the JSE Limited ("**JSE**") Listings Requirements, described in the Basis of preparation paragraph on page 15 of the Final Results - Supplementary Information 52 weeks ended 28 March 2020.

The Non-IFRS Information has been compiled by the directors to illustrate the impact of the IFRS 16 Adjustments and Provision adjustments considering COVID-19. As part of this process, information about the Group's financial performance has been extracted by the directors from the Group's provisional condensed consolidated Income statement for the annual period ended 28 March 2020, on which an unmodified independent auditor's review report was issued on 24 June 2020.

Directors' Responsibility for the Non-IFRS Information

The directors are responsible for compiling the Non-IFRS Information on the basis of the applicable criteria specified in the JSE Listings Requirements, described in the Basis for preparation paragraphs on page 15 of the Final Results - Supplementary Information 52 weeks ended 28 March 2020.

Our Independence and Quality Control

We have complied with the independence and other ethical requirements of Sections 290 and 291 of the Independent Regulatory Board for Auditors' Code of Professional Conduct for Registered Auditors (Revised January 2018) and parts 1 and 3 of the Independent Regulatory Board for Auditors' Code of Professional Conduct for Registered Auditors (Revised November 2018) (together the IRBA Codes), which are founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour. The IRBA Codes are consistent with the corresponding sections of the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) respectively.

The firm applies International Standard on Quality Control 1, Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Services Engagements 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 Accountants' Responsibility

Our responsibility is to express an opinion about whether the Non-IFRS Information has been compiled, in all material respects, by the directors on the basis specified in the JSE Listings Requirements, and described in the Basis of preparation paragraphs on page 15 of the Final Results - Supplementary Information 52 weeks ended 28 March 2020, 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*, which is applicable to an engagement of this nature, issued by the International Auditing and Assurance Standards Board. This standard requires that we plan and perform procedures to obtain reasonable assurance about whether the Non-IFRS 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 the Non-IFRS Information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the Non-IFRS Information.

The purpose of the Non-IFRS Information included in the Final Results - Supplementary Information 52 weeks ended 28 March 2020, is to illustrate how the unadjusted financial information of the entity has been impacted by the *Pro forma* adjustments, as described in the basis of preparation.

A reasonable assurance engagement to report on whether the Non-IFRS 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 Non-IFRS Information provides a reasonable basis for presenting the significant effects directly attributable to the *Pro forma* adjustments made, and to obtain sufficient appropriate evidence about whether:

- The related *Pro forma* adjustments give appropriate effect to those criteria; and
- The Non-IFRS Information reflects the proper application of those adjustments to the unadjusted financial information.

Our procedures selected depend on our judgement, having regard to our understanding of the nature of the Group, the *Pro forma* adjustments made in respect of which the Non-IFRS Information has been compiled, and other relevant engagement circumstances.

Our engagement also involves evaluating the overall presentation of the Non-IFRS 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 Non-IFRS Information, has been compiled, in all material respects, on the basis specified in the JSE Listings Requirements, described in the Basis of preparation paragraph on page 15 of the Final Results - Supplementary Information 52 weeks ended 28 March 2020.

Ernst & Young Inc.

Ernst & Young Inc.

Director – Vinodhan Pillay

Registered Auditor

Chartered Accountant (SA)

24 June 2020