

Independent Auditor's Report

To the shareholder of Accéntuate Limited

Report on the audit of the consolidated and separate financial statements

Opinion

We have audited the consolidated and separate financial statements of Accéntuate Limited set out on pages 9 to 71, which comprise the statement of financial position as at 30 June 2020, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the consolidated and separate 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 financial position of Accéntuate Limited as at 30 June 2020, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standard and the requirements of the Companies Act of South Africa.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing. 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 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.

Material uncertainty related to going concern

We draw attention to note 35 in the consolidated and separate financial statements, which indicates that the group incurred a net loss of R 7 million during the year ended 30 June 2020 and, as of that date, the group's accumulated loss amounted to R 115.55 million. As stated in note 35, the ability of the group to continue as a going concern is dependent on a number of factors. The most significant of these is that the directors continue to procure funding for the ongoing operations of the group and that the subordination agreement referred to in note 16 of these consolidated and separate financial statements will remain in force for so long as it takes to restore a healthy liquidity and solvency of the group. These events or conditions indicate that a material uncertainty exists that may cast significant doubt on the group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

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. In addition to the matter described in Material uncertainty related to going concern section, we have determined the matter described below to be the key audit matter to be communicated in our report.

Safic transaction

Refer to the accounting policies note 1.2 Consolidation, relating to the disposal and note 22 to the consolidated and separate financial statements for selected disclosures applicable to this matter.

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Accéntuate and the purchasers reached an agreement during the year under review relating to the disposal of Safic, a subsidiary of Accéntuate, as at 31 December 2019, subject to the provisions of the Company's memorandum of incorporation, the Companies Act and the Listings Requirements.

The sale of shares and claims agreement entered into between Safic Proprietary Limited, its shareholder Accéntuate Limited ("Seller"), Eric William Platt, Douglas Murray Cutter and Luke Robert Ralph Quinn (collectively the "Purchasers") for the sum of R10 000 000 (ten million rand only). The disposal had been disclosed in the consolidated and separate financial statements as a sale of subsidiary.

Due to the significance of the transactions this was considered a key audit matter.

Our procedures included amongst others:

- We tested the accuracy of information provided by management to determine the accounting treatment, and we evaluated the appropriateness of the group's accounting policy in terms of a disposal of the subsidiary.
- We reviewed the terms of the share purchase agreement to ensure that the transaction was accounted for in terms of the agreements and at the correct value.
- We reviewed management's computation of the purchase consideration including the accounting entries processed to account for the Safic transaction, in order to ensure that the transaction was accounted for at the correct value.
- We ensured that the effective date used was correct.
- We verified that the company had obtained the necessary regulatory and shareholder approvals for the transaction.
- We ensured that the disclosure in the consolidated and separate financial statements met the measurement and disclosure requirements in terms of International Financial Reporting Standards.
- We have obtained written representation from management and, where appropriate, those charged with governance, regarding the treatments and disclosure of this disposal.

Other information

The directors are responsible for the other information. The other information comprises the information included in the document titled "Accéntuate Limited consolidated and separate financial statements for the year ended 30 June 2020", which includes the Directors' Report as required by the Companies Act of South Africa, which we obtained prior to the date of this report. 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 on the other information 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 and fair presentation of the consolidated and separate financial statements in accordance with International Financial Reporting Standard 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 the 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'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 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 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 International Standards on Auditing 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 International Standards on Auditing, 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 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 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 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.

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.

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 Moore Johannesburg Inc. has been the auditor of The Accéntuate Limited for 2 years.

Moore Johannesburg Inc

**Moore Johannesburg Inc.
Chartered Accountants (SA)
Registered Auditors**

**Per: CA Whitefield
Partner
Registered Auditor**

11 December 2020

**50 Oxford Road
Parktown
2193**