

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF ALTEO LIMITED

REPORT ON THE AUDIT OF THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

Opinion

We have audited the consolidated and separate financial statements of Alteo Limited (the "Company") and its subsidiaries (the "Group") set out on pages 11 to 95 which comprise the consolidated and separate statements of financial position as at June 30, 2021, and the consolidated and separate statements of profit or loss and other comprehensive income, consolidated and separate statements of changes in equity and consolidated and separate statements of cash flows for the year then ended, and notes to the consolidated and separate financial statements, including significant accounting policies.

In our opinion, the consolidated and separate financial statements give a true and fair view of the consolidated and separate financial position of Group and Company as at June 30, 2021, and of 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 comply with the Companies Act 2001 and the Financial Reporting Act 2004.

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 the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and other independence requirements applicable to performing audits of financial statements of the Group and Company and in Mauritius. We have fulfilled our other ethical responsibilities in accordance with the IESBA Code and in accordance with other ethical requirements applicable to performing audits of the Group and Company and in Mauritius. 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. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the Auditor's Responsibilities for the Audit of the consolidated and separate financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated and separate financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated and separate financial statements.

The Key Audit Matters applies to the audit of the consolidated financial statements.

Fair value of consumable biological assets

Refer to note 16 to the consolidated financial statements

Key Audit Matter	How the matter was addressed in the audit
<p>We identified the carrying amount of consumable biological assets (the standing cane) as a key audit matter because of the significant degree of judgement involved in the fair valuation of these assets which are valued at fair value less cost to sell.</p> <p>As set out in note 16 to the consolidated financial statements, the carrying amount of the Group's consumable biological assets as at June 30, 2021 amounted to Rs 3,069 million. The carrying amount is determined based on the expected selling price of sugar, inclusive of supporting measures expected to be provided to the industry, subtracting the costs required to bring the standing cane to maturity as well as other costs necessary to bring the ultimate product, sugar, to the end customer.</p>	<p>Our procedures in relation to assessing the carrying amount of consumable biological assets included: Understanding how management determines the fair value measurement of consumable biological assets;</p> <ul style="list-style-type: none"> • Reviewing the mathematical accuracy of the cashflow forecast and checking the internal consistency of the model; • Comparing costs required to bring the standing cane to maturity against costs incurred in field maintenance and in the industrial process to assess their reasonableness and obtaining supporting evidence from management where estimated costs are lower than historical costs; • Evaluating the reasonableness of the main inputs used in the valuation models, for example by validating the future price of sugar against available market data and, where relevant (e.g. by geography), taking into consideration the supporting measures expected to be provided to the industry; • Evaluating the reasonableness of estimates and completeness of costs used in the valuation models with reference to the historical performance and latest budgets and medium-term plans approved by management; and • Performing sensitivity analysis on the significant inputs to assess the impact of changes in key inputs on the valuations.

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REPORT ON THE AUDIT OF THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS (CONTINUED)

The Key Audit Matters applies to the audit of the consolidated financial statements (Continued).

Valuation of investment properties

Refer to notes 6 to the consolidated financial statements

Key Audit Matter	How the matter was addressed in the audit
<p>The Group owns land that is included under investment properties. They represent 9% of total assets on the statement of financial position, at Rs 2,808m as at June 30, 2021.</p> <p>The land included under investment properties is stated at fair value based on independent external valuations.</p> <p>The valuation process involves significant judgement in determining the appropriate valuation methodology to be used, and in estimating the underlying assumptions to be applied. The valuations are based on sales comparable methods and the valuer's knowledge on property valuation. A change in the assumptions can have a significant impact on the valuation. Given the significance of the above, we have considered it as a key audit matter.</p>	<ul style="list-style-type: none"> • We evaluated the qualifications and competence of the external valuers. We also read the terms of engagement of the contract between the valuers and the Group's subsidiaries to determine whether there were any matters that might have affected their objectivity or limited the scope of their work. • We assessed the scope of work of the external valuers, and the review and acceptance of the valuations reported by them. • We considered the valuation methodologies used against those applied by other valuers for similar property types. We also considered other alternative valuation methods to corroborate the values. Where the values were outside the expected range, we undertook further procedures to understand the effect of additional factors and, when necessary, held further discussions with the valuers. • We also considered the adequacy of the disclosures in the financial statements, in describing the inherent degree of subjectivity and key assumptions in the estimates as applicable. This includes the relationships between the key unobservable inputs and fair values.

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TO THE MEMBERS OF ALTEO LIMITED

REPORT ON THE AUDIT OF THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS (CONTINUED)

The Key Audit Matter applies to the audit of separate financial statements.

Valuation of investment in subsidiaries, associates and joint ventures of the Company.

Refer to notes 8, 9 and 10 to the separate financial statements of the Company.

Key Audit Matter	How the matter was addressed in the audit
<p>The Company has investments in subsidiaries, associates and joint ventures, which are all carried at fair value in its stand-alone financial statements.</p> <p>The Company holds investments for which the fair value measurement has been determined using valuation models where the value is affected by input data that cannot be verified by observable market data. These financial instruments are categorised as Level 3 under the fair value hierarchy per IFRS 13.</p> <p>Valuation techniques for these underlying investments are subjective in nature and involve various assumptions. The use of different valuation techniques and assumptions, often based on unobservable inputs, could produce significantly different estimates of fair value. Specific audit focus is needed to assess the valuation of these fair value assets as well as the quality of the associated disclosures on the valuation of the subsidiaries, associates and joint ventures.</p> <p>Given the significance of the above, we have considered it as a key audit matter.</p>	<p>Our procedures in relation to assessing the fair value of subsidiaries, associates and joint ventures included:</p> <ul style="list-style-type: none"> • Understanding how management determines the fair value of the subsidiaries, associates and joint ventures; • Evaluating the design and implementation of the controls over the valuation process; • Reviewing the mathematical accuracy of the cashflow forecasts and checking the internal consistency of the models; • Assessing the reliability of management's budgets and forecasts by comparing prior year forecasts against actual performance in the current year; • Through the involvement of our valuation specialists, challenging and evaluating the reasonableness of the main inputs used in the valuation models, for example, growth rates, discount rates and projected capital investments. • We also performed sensitivity analysis on the significant inputs to assess the impact of the changes in key inputs on the valuations. • We reviewed the disclosures in the financial statements with respect to valuations, the key assumptions used by management and the reporting of sensitivity variations.

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TO THE MEMBERS OF ALTEO LIMITED

REPORT ON THE AUDIT OF THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS (CONTINUED)

Other Information

The directors are responsible for the other information. The other information comprises the information included in the document titled "Alteo Limited and its subsidiaries Annual Report for the year ended June 30, 2021", which includes the Corporate Governance Report, Statutory Disclosures and Secretary's Certificate as required by the Companies Act 2001, which we obtained prior to the date of this report, and the other elements of the Integrated Report, which is expected to be made available to us after that date. Other information does not include the consolidated or the 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 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 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.

Corporate Governance Report

The Directors are responsible for preparing the Corporate Governance Report. Our responsibility under the Financial Reporting Act 2004 is to report on the compliance with the Code of Corporate Governance ("the Code") disclosed in the annual report and assess the explanations given for non-compliance with any requirement of the Code. From our assessment of the disclosures made on corporate governance in the annual report, the Group has, pursuant to section 75 of the Financial Reporting Act 2004, complied with the requirements of the Code.

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 2001 and the Financial Reporting Act 2004, 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 intends to liquidate the Group and 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

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REPORT ON THE AUDIT OF THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS (CONTINUED)

Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements (Continued)

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 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 director's 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 or the 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 and separate 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 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.

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REPORT ON THE AUDIT OF THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS (CONTINUED)

Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements (Continued)

Use of our report

This report is made solely to the Company's members, as a body, in accordance with Section 205 of the Companies Act 2001. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

Companies Act 2001

We have no relationship with or interests in the Company other than in our capacity as auditor, tax advisors and dealings in the ordinary course of business.

We have obtained all the information and explanations we have required.

In our opinion, proper accounting records have been kept by the Company as far as it appears from our examination of those records.

ERNST & YOUNG

Ebène, Mauritius

DARYL CSIZMADIA, C.A. (S.A).

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Date: 23 September 2021