



## *Independent reporting accountant's audit report on the Combined Carve-out Historical Financial Information of the Target Business for the year ended 30 June 2020*

To the Board of Directors of Sasol Limited

### *Our opinion*

Sasol Limited ("Sasol", the "Company" or "you") is issuing a circular to its shareholders (the "Circular") regarding the proposed disposal and carve-out of assets from Sasol Chemicals (USA) LLC ("Sasol Chemicals"), a wholly owned subsidiary of Sasol, into Louisiana Integrated Polyethylene JV LLC, a company incorporated as a limited liability company in Delaware, United States of America as a wholly owned subsidiary of Sasol Chemicals ("LIP") which will hold the USA business of Sasol at the Lake Charles Property relating to the production of ethylene from ethane and the production of LLDPE and LDPE from the ethylene (which is part of the Base Chemicals Business) ("Target Business") and the disposal of a 50% equity interest in LIP (the "Transaction").

In our opinion, the combined carve-out historical financial information of the Target Business as set out in Annexure C of the Circular (the "Combined Carve-out Historical Financial Information of the Target Business") presents fairly, in all material respects, the financial position of the Target Business as at 30 June 2020, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards and the JSE Limited ("JSE") Listings Requirements.

### **What we have audited**

At your request and solely for the purpose of the Circular to be dated on or about 19 October 2020, we have audited the Combined Carve-out Historical Financial Information of the Target Business, which comprises:

- the statement of financial position as at 30 June 2020;
- the income statement for the year then ended;
- the statement of comprehensive income for the year then ended;
- the statement of changes in net parent investment for the year then ended;
- the statement of cash flows for the year then ended; and
- the notes to the Combined Carve-out Historical Financial Information of the Target Business, 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 *Reporting accountant's responsibilities for the Combined Carve-out Historical Financial Information of the Target Business* section of our report.

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

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## **Independence**

We are independent of the Target Business 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)*.

### *Emphasis of Matter: Material uncertainty related to going concern, Combined Carve-out Historical Financial Information and basis of preparation*

We draw attention to Note 1 in the Combined Carve-out Historical Financial Information of the Target Business, which indicates that the Target Business's ability to meet obligations as they become due is dependent on access to Sasol's central treasury funds as well as the ability of the Sasol Limited Group and Sasol Limited Company to meet debt covenant requirements at 31 December 2020 and 30 June 2021 and repay debt as it becomes due. As stated in Note 1, these events or conditions, along with other matters as set forth in Note 1, indicate that a material uncertainty exists that may cast significant doubt on the Target Business's ability to continue as a going concern.

We also we draw attention to the fact that, as described in Annexure C of this Circular, the Target Business has not operated as a separate entity. The Combined Carve-out Historical Financial Information of the Target Business is, therefore, not necessarily indicative of results that would have occurred if the Target Business had been a separate stand-alone entity during the year presented or of future results of the Target Business.

We also draw attention to Annexure C of this Circular which describes the basis of preparation. The Combined Carve-out Historical Financial Information of the Target Business is prepared by the directors of Sasol Limited for the purpose of this Circular and may not be suitable for another purpose.

Our opinion is not modified in respect of these matters.

### *Purpose of this report*

This report has been prepared for the purpose of the Circular and for no other purpose.

### *Other Matter*

The Combined Carve-out Historical Financial Information of the Target Business as at 30 June 2019 and 30 June 2018, and for the years then ended were not audited but subject to review. The procedures in a review engagement are substantially less detailed and differ in scope to an audit. The review report dated 16 October 2020 expressed an unqualified conclusion.

### *Responsibilities of the directors for the Combined Carve-out Historical Financial Information of the Target Business*

The directors of Sasol are responsible for the preparation, contents and presentation of the Circular and are responsible for ensuring that the Sasol complies with the requirements of the JSE Listings Requirements.

The directors of Sasol are responsible for the preparation and fair presentation of the Combined Carve-out Historical Financial Information of the Target Business in accordance with International Financial



Reporting Standards and the requirements of the JSE Listings Requirements, and for such internal control as the directors determine is necessary to enable the preparation of Combined Carve-out Historical Financial Information of the Target Business that are free from material misstatement, whether due to fraud or error.

In preparing the Combined Carve-out Historical Financial Information of the Target Business, the directors of Sasol are responsible for assessing the Target Business' 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 Target Business or to cease operations, or have no realistic alternative but to do so.

### *Reporting accountant's responsibilities for the audit of the Combined Carve-out Historical Financial Information of the Target Business*

Our objectives are to obtain reasonable assurance about whether the Combined Carve-out Historical Financial Information of the Target Business as a whole are free from material misstatement, whether due to fraud or error, and to issue a reporting accountant'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 this Combined Carve-out Historical Financial Information of the Target Business.

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 Combined Carve-out Historical Financial Information of the Target Business, 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 Target Business' internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors of Sasol.
- Conclude on the appropriateness of the directors of Sasol'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 Target Business' ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our reporting accountant's report to the related disclosures in the Combined Carve-out Historical Financial Information of the Target Business 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 reporting accountant's report. However, future events or conditions may cause the Target Business to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Combined Carve-out Historical Financial Information of the Target Business, including the disclosures, and whether the Combined Carve-out Historical Financial Information of the Target Business represents 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 Target Business to express an opinion on the Combined Carve-out Historical Financial Information of the Target Business. We are responsible for the direction, supervision and performance of the Target Business' audit. We remain solely responsible for our audit opinion.
- We communicate with the directors of Sasol 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 of Sasol 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, related safeguards.

*PricewaterhouseCoopers Inc.*

PricewaterhouseCoopers Inc.  
Director: Johan Potgieter  
Registered Auditor  
Johannesburg  
16 October 2020