



AFRICAN EQUITY
EMPOWERMENT
INVESTMENTS
LIMITED

2022 Integrated Report

empowering
people



OUR REPORTING SUITE



OUR INTEGRATED REPORTING SUITE
is available online at www.aeei.co.za in PDF format.

This Integrated Report is supplemented by our full suite of online publications, which caters to the diverse needs of our stakeholder base and includes the following:

Our reporting suite is compliant with:

- the International Integrated Reporting <IR> Framework;
- the Companies Act, 2008 (No. 71 of 2008), as amended (Companies Act);
- the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee;
- the Financial Pronouncements issued by Financial Reporting Standards Council from time to time;
- the JSE Listings Requirements;
- the JSE King IV Report on Corporate Governance™ for South Africa, 2016 (King IV™);
- the International Financial Reporting Standards (IFRS); and
- the Protection of Personal Information Act, 2013 (No. 4 of 2013) (POPI).

Our report is informed by:

- the Sustainability Data Transparency Index (SDTI);
- The JSE Sustainability Disclosure Guidelines;
- the Global Reporting Initiative (GRI);
- the Sustainability Accounting Standards Board (SASB); and
- in respect of their reporting principles, but we have used alternative standards to structure our disclosures and, as such, our report may not align strictly with the GRI or SASB standards).

NAVIGATIONAL TOOLS

The following icons have been applied throughout the report to direct the reader to additional information or cross-referenced sections:

- Online reference for further information
- Page reference for information elsewhere in the report
- King IV™

HOW TO NAVIGATE OUR REPORT

Icons are used throughout our report, and the following icons are used to show the connectivity between sections:

GLOSSARY OF ICONS

OUR CAPITALS

Demonstrate how we used our capitals, and which trade-offs were made between our capitals, in order to create value.

- FC FINANCIAL CAPITAL**
Access to cost-effective capital such as equity, reinvestment, associates and strategic investments
- MC MANUFACTURED CAPITAL**
Our operational structures, property, plant and equipment
- HC HUMAN CAPITAL**
We sustain the well-being, skills, knowledge, motivation, the productivity of our leadership teams, employees, consultants, service providers and contractors
- SRC SOCIAL AND RELATIONSHIP CAPITAL**
Our trusted relationships with our stakeholders are critical to our reputation and to delivering on our goals
- IC INTELLECTUAL CAPITAL**
Our brand, patents, copyrights, software development and licences
 - Being an empowerment partner of choice
 - Collaborative research and development investments contribute to delivering on our strategy and business model
- NC NATURAL CAPITAL**
Our business model includes the responsible use of natural resources, effective environmental management systems, goals to address carbon emissions, climate change, water, and electricity usage

HOW WE MEASURE THE VALUE WE CREATE

- FINANCIAL**
Delivering sustainable returns to our shareholders
- EMPLOYEES**
Ensuring the health and safety of our employees
- COST**
Operating efficiently and being competitive
- ENVIRONMENT**
Minimising our impact on the environment
- SOCIO-POLITICAL**
Partnering with local communities, SMEs, and government
- PRODUCTION**
Producing innovative and sustainable products that add value

In our report, we use the following icons to denote our:

- Value creation
- Value preservation
- Value erosion

OUR STAKEHOLDERS

- SHAREHOLDERS, THE INVESTMENT COMMUNITY, AND CAPITAL PROVIDERS
- EMPLOYEES
- BUSINESS PARTNERS
- REGULATORS
- COMMUNITIES AND NGOS

OUR SUSTAINABLE DEVELOPMENT GOALS (SDGs)



FEEDBACK

Your feedback is important to us, and we welcome your input and comments on the Integrated Report to enhance the quality of our reporting. Please address any queries to info@aeei.co.za.

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ABOUT OUR INTEGRATED REPORT

Our Integrated Report provides insight into the Company and the Group and is structured to show the relationship between the inter-dependent elements involved in our value creation and covers the period 1 September 2021 to 31 August 2022. It enables our providers of financial capital and all stakeholders to make an informed assessment of our ability to create sustainable value. It covers the Group's primary activities and subsidiaries and is the primary report to our stakeholders.

The Group's Annual Financial Statements provide a comprehensive report of the Group's financial performance for the year. Refer to the chief financial officer's report on pages 58 to 63.

The Group's online Annual Financial Statements document is available for download on www.aeei.co.za/investor-relations/annual-financial-statements/.

Our corporate governance section provides a brief overview of the Group, and covers ethics, directors' and executive profiles, key policies, and committee reports. The online Corporate Governance Report includes Board and governance, ethics, policies, procedures, stakeholders and committee reports and is available for download on www.aeei.co.za/investor-relations/integrated-reports-and-online-suite-of-reports/.

Our sustainability section has provided a brief overview of our sustainable development goals (SDGs) and ESG achievements and objectives. It also covers our approach to sustainability, human capital, social and relationship capital, intellectual capital, natural capital, manufactured capital, and financial capital. The online Sustainability Report includes information regarding sustainable development, human resources,

transformation, stakeholder engagement, Broad-based Black Economic Empowerment (B-BBEE) and Global Reporting Initiatives and is available for download on www.aeei.co.za/investor-relations/integrated-reports-and-online-suite-of-reports/.

Our Investment Portfolio section covers the various divisions within the Group. The online Investment Portfolio Report provides insight into the Group's investment portfolio and is available for download on www.aeei.co.za/investor-relations/integrated-reports-and-online-suite-of-reports/.

Our Notice of Annual General Meeting (AGM) and form of proxy provide supporting information for shareholders to participate in the AGM and is available for download on www.aeei.co.za/investor-relations/notices/.

OUR INTEGRATED REPORTING PROCESS

Our Integrated Report is guided by the International <IR> Framework of the International Integrated Reporting Council (IIRC); the Companies Act; the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee; the Financial Pronouncements issued by Financial Reporting Standards Council from time to time; the JSE Listings Requirements; King IV™; and IFRS.

Our Integrated Report is prepared from board meetings, discussions, committee and exco meetings and insight and input provided by executive and non-executive directors. Our Integrated Report considers the following:

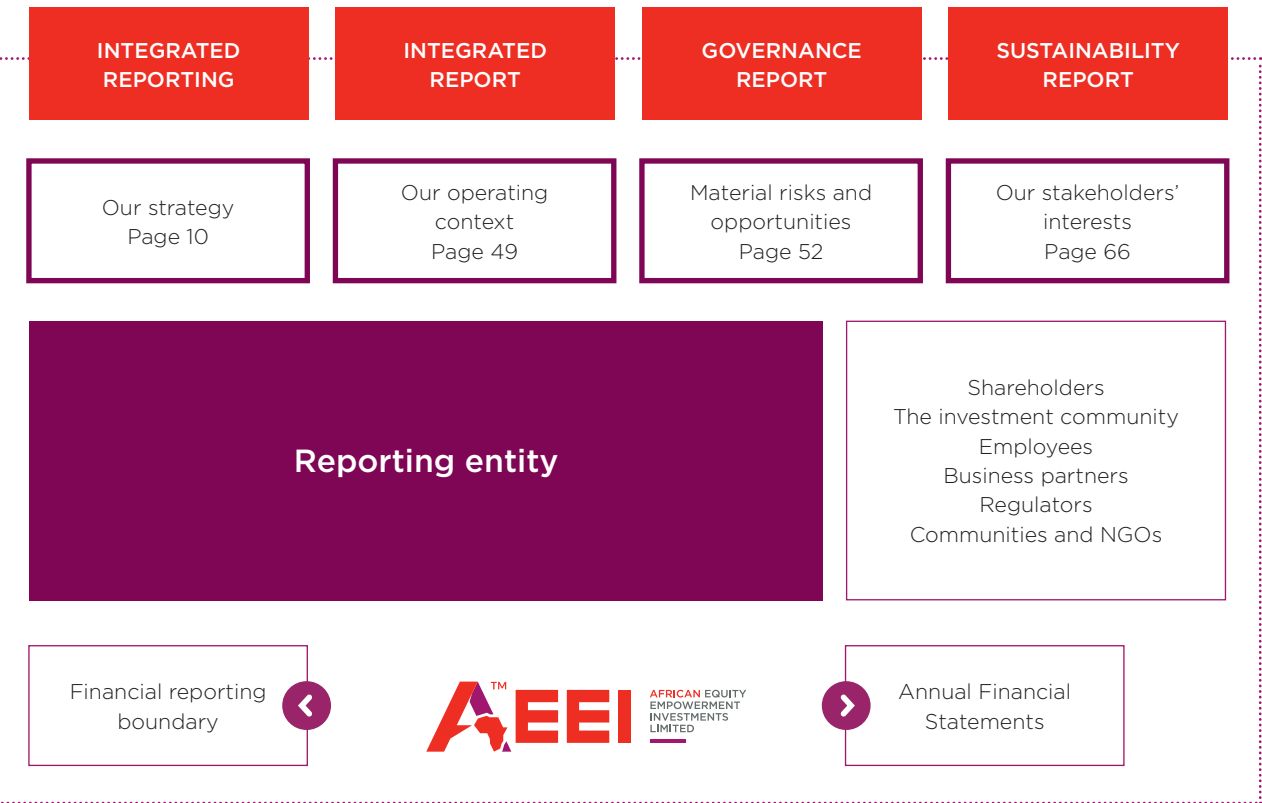
- *Our business model* – how we create value.
- *Outcomes* – our activities' material impact and influence on the six capitals.
- *The external environment* – material trends, risks, and opportunities.
- *Strategy* – our business strategy.
- *Stakeholders* – noting the material interests of our key stakeholders.

Our independent assurance providers provide oversight. Our Board of directors provides final approval of the Integrated Report.

Our Board of directors ensures the integrity of the Integrated Report through our integrated reporting processes. The Audit and Risk Committee provides internal assurance to the Board on executing the combined assurance plan.

OUR REPORTING BOUNDARY

Our integrated reporting boundary covers the risks, opportunities and the outcomes faced by the Company.



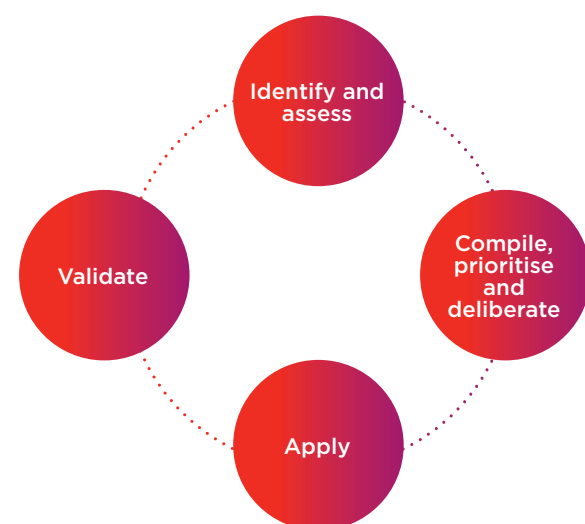
ABOUT OUR INTEGRATED REPORT CONTINUED

OUR TARGETS AND STRATEGY

Our Integrated Report covers the strategic progress made during the 2022 financial year. In addition, it provides insight into the Group's strategy and financial and non-financial targets for the short-, medium-, and long-term. Our business strategy and key targets remain unchanged but the execution of our strategy has been adapted, as necessary, to meet the challenges of: (i) the macroeconomic and external environments; (ii) the banking challenges faced by the Company and its subsidiaries; and (iii) the COVID-19 pandemic, and to take the Company to the next level and beyond.

OUR MATERIALITY AND MATERIAL MATTERS

This report aims to disclose matters that substantively affect our ability to create value over the short-, medium- and long-term. Our materiality process, that identifies our key material matters and is assessed regularly, is subject to Board approval. Accordingly, material matters and developments that influence our business model, strategy, and our long-term strategies (including our short-, medium- and long-term targets) are comprehensively dealt with throughout the report.



As described on pages 50 to 51, our material matters influence our strategy and inform the contents of this report.

OUR APPROACH TO MATERIALITY

Our report provides information that we believe is relevant to current and prospective investors and other stakeholders who wish to make an informed assessment of our ability to generate value over the short-, medium-, and long-term.

It also covers our business model and activities, as well as the impact of our activities on our ability to create, preserve, or erode value within the six capitals. Our ability to create value is determined by the material risks and opportunities facing our business, our response to our operating context, and our key stakeholders' material interests. It also covers our leadership team, our corporate governance principles, and our remuneration practices.

Identify and assess	We identify issues that have the potential to impact our sustainability and create, preserve, or erode value for our stakeholders and continually assess them to ensure that they remain relevant to our strategy.
Compile, prioritise and deliberate	We compile a list of material matters that have the potential to impact our ability to create sustainable value for our stakeholders and, thereafter, prioritise the material matters in accordance with our operating context and rank the material matters by overall relevance. These are then deliberated at executive management level.
Apply	Our material matters inform our strategy, our targets, and the creation, preservation, or erosion of value within the six capitals.
Validate	The validation of our material matters and the confirmation of their relevance to our strategy is done by the Audit and Risk Committee.

OUR INTEGRATED RISK MANAGEMENT APPROACH

We believe that an effective risk governance model contains checks and balances to support appropriate consideration and management of risk and opportunity throughout the Group.

Further information can be found on page 52.

OUR SUSTAINABLE DEVELOPMENT GOALS (SDGs)

SUSTAINABLE DEVELOPMENT GOALS

We aim to deliver societal and environmental value through our commitment to the United Nations Sustainable Development Goals (SDGs). In doing so, we have aligned our sustainability goals with our business strategy in respect of the six capitals and disclosures relating to our sustainability goals and business strategy have been cross-referenced in the report:



Detailed information on our goals and targets is provided in the Sustainability Report, available online at <https://aeei.co.za/investor-relations/integrated-reports-and-online-suite-of-reports/>.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG)

Our ESG policy covers the impact of our operations and forms part of our integrated thinking and value creation. It is one of the three main factors that investors measure when deciding whether to invest in a company. It informs our strategic decisions and operations with the objective to safeguard long-term value creation while ensuring transparency and accountability in our actions.

Further information is provided on page 23 of this Integrated Report, as well as in the Sustainability Report available online at <https://aeei.co.za/investor-relations/integrated-reports-and-online-suite-of-reports/>.

OUR OUTLOOK

Our outlook is determined by all the information regarding the challenges, opportunities and uncertainties we will likely encounter in pursuing our strategy and the potential implications for our business model and future performance.

Although our outlook is reflected throughout this report, information on our outlook can be found primarily in the following sections:

- Our material matters page 50
- Our value-creating business model pages 18 and 19
- Our chief executive officer's report page 44
- Our chief financial officer's report page 58

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OUR BOARD RESPONSIBILITY STATEMENT

Our Board acknowledges its responsibility to ensure the integrity of the Integrated Report and that it is not compromised. In its opinion, our Board believes it has applied its collective mind in the preparation and presentation of the Integrated Report and offers a balanced view of our strategy and how it relates to our ability to create value in the short-, medium- and long-term. The Board believes that it has adequately addressed the use of capitals, our strategy and business model. The Board confirms that the Integrated Report has been prepared in accordance with the International <IR> Framework.

Our Board is ultimately responsible for the Integrated Report, prepared under the supervision of executive management and is subject to rigorous internal and external reviews and controls and processes. The Integrated Report is submitted to the Audit and Risk Committee to review its content, relying on the assurance provided through the various reporting elements and then recommends the Integrated Report for approval to the Board.

Accordingly, the Integrated Report and the Annual Financial Statements for the Group for the year ended 31 August 2022 were approved by the Board.

OUR BOARD OF DIRECTORS



Aziza Amod
Non-executive chairperson



Valentine Dzvova
Chief executive officer



Jowayne van Wyk
Chief financial officer



Willem Raubenheimer
Lead independent non-executive director



Carin-Lee Geuking-Cohausz
Independent non-executive director



Bongikhaya Qama
Independent non-executive director



Ambassador Membathisi Mdladlana
Independent non-executive director

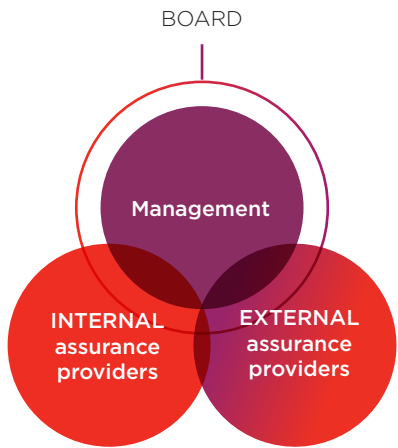


Stephen Nthite
Independent non-executive director



Gaamien Colbie
Non-executive director

COMBINED ASSURANCE



AEEI has a combined assurance model, which includes internal and external assessments of crucial strategic risks, internal controls, and other material aspects of the business in order to support the integrity of management, as well as management’s ability to monitor and report performance-related data. The Company’s joint auditors are Crowe JHB, which is a member of Crowe Global and THAWT Inc. as the other independent auditor, audited our 2022 consolidated Annual Financial Statements and has provided an unmodified opinion thereon.

We continually optimise our combined assurance model to avoid a duplication of efforts, rationalise collaboration, and manage assurance costs. This enables an effective control environment and ensures the integrity of the information used for reporting and decision-making.

The Board regularly assesses the combined assurance model, ensuring that our combined assurance model adequately addresses the Group’s risks and material matters. The Audit and Risk Committee provides quarterly internal assurance to the Board on the execution of the combined assurance plan. The Group’s financial, operating, compliance, and risk management controls are assessed by the Group’s internal audit function, which is overseen by the Audit and Risk Committee.

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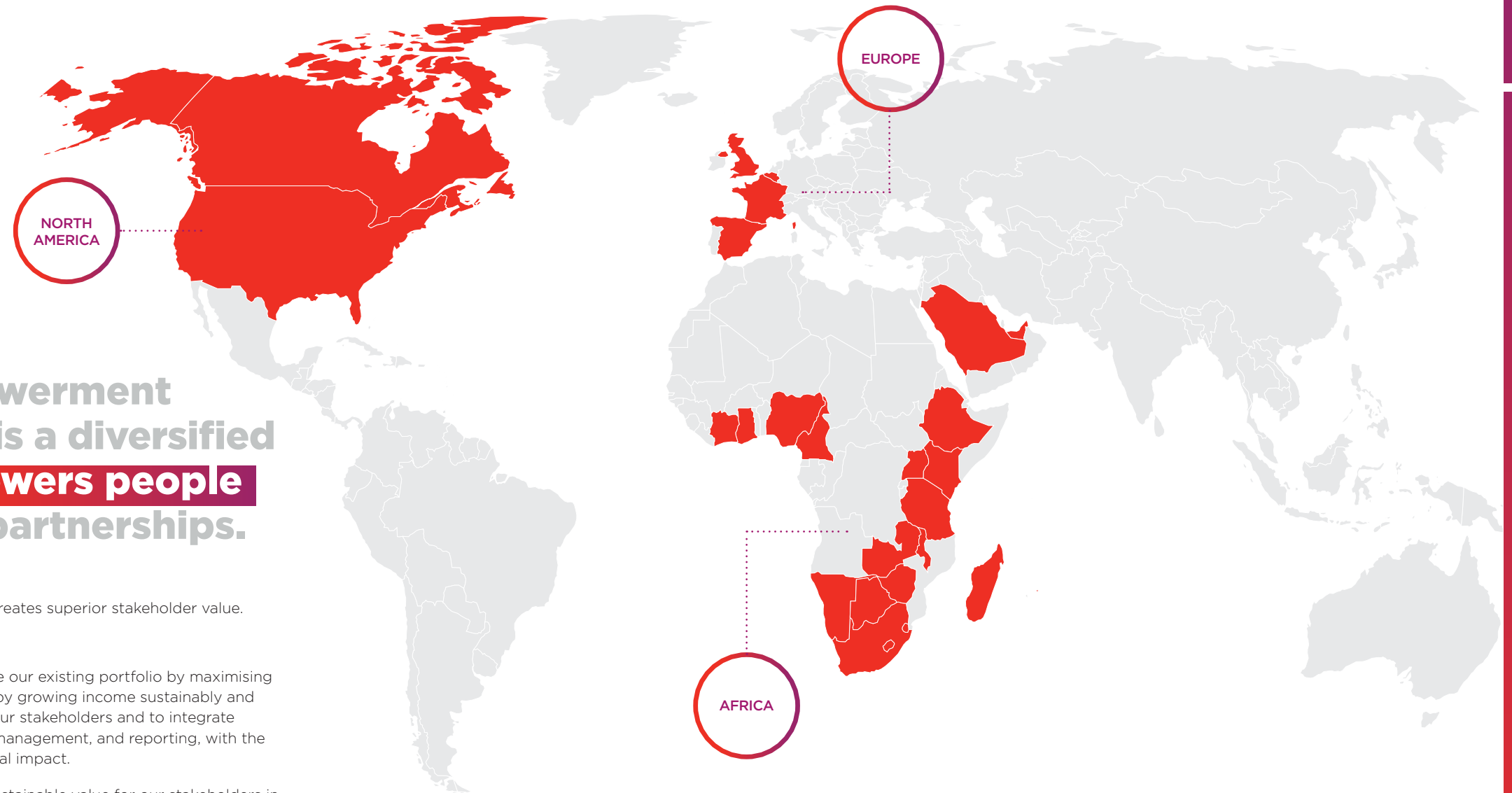
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OUR MISSION STATEMENT

African Equity Empowerment Investments Limited is a diversified Company that empowers people through profits and partnerships.

OUR VISION

Our vision is to be a dynamic, innovative company that creates superior stakeholder value.

OUR STRATEGY

Our strategy is to grow through acquisitions and leverage our existing portfolio by maximising our net asset base and improving cash generation, thereby growing income sustainably and managing costs. We aim to create sustainable value for our stakeholders and to integrate sustainable development into our strategy, governance, management, and reporting, with the strategic objective of reducing our negative environmental impact.

Our business activities are geared to ensure long-term sustainable value for our stakeholders in the short-, medium- and long-term. Our capitals enable us to add value creating value for our shareholders. We use our capitals responsibly by evaluating the prospective returns of each capital deployed. We have integrated our business model into our strategy.

WHO WE ARE

Listed on the JSE on 3 May 1999, AEEI is a majority black-owned and black-controlled diversified investment holding company based in South Africa and is a subsidiary of Sekunjalo Investment Holdings (Pty) Ltd.

We have investments in fishing and brands, technology, events and tourism, health, and beauty, and biotherapeutics, all supporting Broad-Based Black Economic Empowerment (B-BBEE) and small, medium and micro-enterprises (SMMEs) as well as strategic investments, some with international partners.

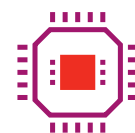
OUR PURPOSE

We exist to empower previously disadvantaged individuals through job creation and maximising shareholder wealth generation through strategic investments.

ORGANISATIONAL OVERVIEW



FISHING AND BRANDS



TECHNOLOGY



EVENTS AND TOURISM



HEALTH AND BEAUTY



BIOTHERAPEUTICS



STRATEGIC INVESTMENTS

WHERE WE OPERATE

Our primary market remains South Africa and we continue to expand our footprint into the rest of Africa. Outside of South Africa, we have a market presence in Asia, Dubai, Saudi Arabia, Spain, the United Kingdom, the United States, Ghana, Uganda, Zambia, Cameroon, Tanzania, Nigeria, Namibia, Kenya, Zimbabwe, Botswana, Ethiopia, Lesotho, Eswatini, Malawi, Mauritius, Côte d'Ivoire, France, Belgium, and Canada.

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OUR VALUES AND WHAT DRIVES US

respect and trust

To always respect and trust: Fellow employees, customers, partners, and stakeholders.

integrity

To always: Act with integrity in whatever we do based on our values, principles, our Code of Ethics, and our Code of Conduct.

people

To always: Respect fellow employees, partners, and all stakeholders and provide sustainable employment opportunities for our employees and others and create a safe and secure working environment.
To always: Develop, attract, and retain the correct skills and structures to achieve and support our strategic growth.

investment

To stimulate: Investment in the areas of green enterprises, including social innovation and societal development.

stakeholders

To serve our stakeholders through: Good corporate governance, value creation and affordable products and services.

accountability

To have: Responsible and accountable leaders who address the expectations of our diverse stakeholders and embrace their responsibilities efficiently.

commitment

To deliver: On our promises and add value beyond expectations.

WHAT DIFFERENTIATES US

- > Our strategy and implementation plan with clear business focus areas
- > Diversified investment portfolio, strong brand credentials and proven delivery
- > B-BBEE partner of choice with solid empowerment credentials and return on investment
- > Sustainable and organic growth while containing costs and driving efficiencies
- > Our successful track record and excellent business reputation
- > Our resilient loyal employees, strong management team and experienced executives leading our business units with a hands-on approach
- > Our risk-based approach to the management of investments
- > A desirable balance sheet with a low debt ratio and significant cash reserves
- > Our strategic investment portfolio
- > Investment in environmentally friendly products
- > Proven transformation culture and results

THE VALUE WE CREATED

	2022	2021	2020
Revenue (R'000)	2 333 470	2 339 169	3 427 579
Total assets (R'000)	6 029 757	6 449 826	7 211 679
Headline (loss)/profit (R'000)	(182 452)	(108 373)	4 554
Headline (loss)/profit per share (cents)	(37.16)	(22.07)	0.94
Permanent employees (number)	1 838	2 089	2 059
Remuneration and benefits paid (R'000)	564 214	793 162	746 757
Training and development (R'000)	7 712	7 781	12 575
Payments made to government (VAT, income tax, rates, royalties and all other payments) (R'000)	227 256	250 865	373 108
Socioeconomic development (R'000)	21 143	30 740	17 466

OUR ORGANISATIONAL STRUCTURE, PRODUCT PORTFOLIO AND SERVICES

We have the following divisions and subsidiaries in the Group:



Premier Fishing and Brands Ltd	56.23%
Premier Fishing SA (Pty) Ltd	100.00%
Marine Growers (Pty) Ltd	100.00%
Premfresh Seafoods (Pty) Ltd	100.00%
Talhado Fishing Enterprises (Pty) Ltd	50.31%



Premier Fishing and Brands Ltd (Premier) was listed on the JSE in March 2017. Premier Fishing SA (Pty) Ltd (Premier Fishing), a division of Premier, is the largest black-owned and managed fishing company in South Africa.



Premier Fishing has existed since 1952 and has four operating divisions, two subsidiary companies and several joint-venture operations. It is a vertically integrated group that specialises in the harvesting, processing, and marketing of fish and fish-related products.



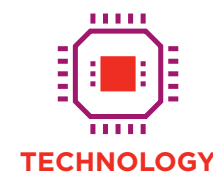
Premier Fishing owns factories, facilities, and fishing vessels, operating in two South African provinces.



Premier and its subsidiaries hold medium- to long-term fishing rights in West Coast rock lobster, South Coast rock lobster, small pelagics (anchovy and sardine), deep-sea hake trawl, longline hake, and squid. In addition, Premier Fishing owns an abalone farm and invests in organic agricultural products through the Seagro range of products.



They offer sales, marketing, and production of West Coast rock lobster, South Coast rock lobster, longline hake, squid, fishmeal, abalone and Seagro (organic fertiliser).



TECHNOLOGY



AYO Technology Solutions Ltd	49.36%
AYO International Holdings (Pty) Ltd	100.00%
Headsets Solutions Africa (Pty) Ltd	51.00%
Kalula Communications (Pty) Ltd T/A Headset Solutions	76.00%
Sekunjalo Medical Services (Pty) Ltd	100.00%
Health System Technologies (Pty) Ltd	100.00%
Software Tech Holdings (Pty) Ltd	42.50%
Digital Matter (Pty) Ltd	75.00%
Afrozaar (Pty) Ltd	75.00%
Publishers Toolbox Ltd (UK)	100.00%
AOH Enterprises (Pty) Ltd	25.00%
Global Command and Control Technologies (Pty) Ltd	24.00%
Main Street 1653 (Pty) Ltd	40.00%
SGT Solutions (Pty) Ltd	100.00%
Vunani Fintech Fund (Pty) Ltd	50.00%
Zaloserve (Pty) Ltd	49.50%
Opiwize (Pty) Ltd	100.00%
Sizwe IT Group Ltd	100.00%
Cyberantix (Pty) Ltd	100.00%
Koba IT Solutions (Pty) Ltd	100.00%
Sizwe Business Networking (Pty) Ltd	100.00%
NSX Solutions Consulting (Pty) Ltd	100.00%
Louisyahna (Pty) Ltd	20.00%
Kathea Communication Solutions (Pty) Ltd	100.00%
Jabster Technologies (Pty) Ltd	100.00%
Bambelela Capital (Pty) Ltd	32.00%
Crealpha (Pty) Ltd	30.00%
4Plus (Pty) Ltd	27.00%
Kyramanzi (Pty) Ltd	20.00%

AYO Technology Solutions Ltd (AYO) listed on the JSE in December 2017 and is a technology investment company with interests in disruptive technologies that advance life, business, and economics. The Group's diverse investment portfolio touches on all aspects of technology, from connectivity to communications and software development.

AYO's collaborative business model, combined with its solid empowerment credentials and strategic partnerships, sets them apart from its competitors. They use an open innovation process to cross-pollinate novel solutions across industries and transform their clients' organisations in their respective economic sectors.

AYO's vision is to be the leading Africa-based technology group driving smart living, playing, and working, throughout the continent and beyond. This is achieved through a pro-active acquisition strategy, that aims to identify, secure, and scale upcoming disruptive businesses with impact in the fields of:

- *Infrastructure:* advancing penetration and access to connectivity
- *Education:* lowering the cost and increasing access to 21st century skills
- *Longevity:* extending span and quality of life through digital healthcare
- *E-commerce:* modernising business marketplaces and logistics
- *Trust:* advancing cybersecurity verification and blockchain encryption
- *Industry:* optimising manufacturing processes through robotics and AI

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EVENTS AND TOURISM



AEEI Events and Tourism (Pty) Ltd	100.00%
espAfrika (Pty) Ltd	100.00%
Tripos Travel (Pty) Ltd	56.00%

This division comprises events management, travel solutions, and advertising sponsorship income through its radio station.

espAfrika (Pty) Ltd (espAfrika) is a cutting-edge globally competitive company in events management and travel solutions. Over the past decade, it has staged international music festivals throughout Africa. Under their management, the Cape Town International Jazz Festival is positioned as "Africa's Grandest Gathering."

Tripos Travel (Pty) Ltd (Tripos) has existed since 1970 and has two distinct operating divisions: Travel Management Services and Inbound Tours and Events.

While specialising in corporate travel, they provide a service to corporate and leisure markets.

Magic 828 (Pty) Ltd (Magic 828) is a commercial music station broadcasting to Cape Town and the greater Western Cape and worldwide streaming, playing the best music hits from the 80s, 90s and 2000s. Magic 828 was sold in July 2022.



HEALTH AND BEAUTY



AfriNat (Pty) Ltd	100.00%
Orleans Cosmetics (Pty) Ltd	90.00%

This division manufactures, sells, and markets an extensive range of natural products for the food, agriculture, hygiene, and general health sectors, and imports and distributes four cosmetic brands from Europe, including a perfume range.

AfriNat (Pty) Ltd (AfriNat) is a national research and development, technical advisory, and manufacturer of agricultural products, specialising in the marketing and distribution of innovative, "next-generation" crop protection, crop health and plant life scientific brands.

They have over 20 years of experience in using complex bioflavonoids and fruit acid extracts as active ingredients. They present an integrated biological portfolio to farmers, packers and food manufacturers.

Orleans Cosmetics (Pty) Ltd (Orleans Cosmetics) imports and distributes six cosmetic brands from Europe exclusively in South Africa and neighbouring territories through retailers and beauty salons. The company has also expanded their portfolio into fine fragrances.

Orleans Cosmetics is the exclusive Southern African distributor of the following imported cosmetic brands and fine fragrances, each with a long international history:

- Gatineau
- NUXE
- Diago Dalla Palma
- Sothys
- Berdoues Parfums
- RVBLAB THE MAKE-UP



BIOTHERAPEUTICS



African Biotechnology and Medical Innovation Investments (Pty) Ltd	100.00%
Bioclones (Pty) Ltd	73.69%
Integrated Bioworks (Pty) Ltd	100.00%
Ribotech (Pty) Ltd	60.02%

Genius Biotherapeutics (Genius) (known as Bioclones (Pty) Ltd) focuses primarily on healthcare applications and, more specifically, on biopharmaceutical products that are carbohydrate or protein in nature and are derived from living genetically modified cells.



STRATEGIC INVESTMENTS



British Telecommunications Services South Africa (Pty) Ltd	30.00%
Sygnia Ltd	1.787%

The Group holds minority stakes in British Telecommunications Services South Africa (Pty) Ltd and Sygnia Ltd.



Detailed information on each division - including its profile, business model, strategy, governance, financial overview, future prospects, materiality, risks and opportunities, stakeholder management, and economic, environmental, and social sustainability practices - is available in our online Investment Portfolio Report.

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CREATING VALUE THROUGH OUR BUSINESS MODEL

CREATING SHARED VALUE FOR SUSTAINABLE OUTCOMES IN THE SHORT-, MEDIUM-, AND LONG-TERM

Our business model describes the process of transforming our six capitals as inputs, through our business activities, into outputs and outcomes that achieve our strategic objectives and create stakeholder value. Our business model is underpinned by strong corporate and social governance practices.

OUR SIX CAPITALS AND PRIMARY INPUTS



VALUE FOR OUR STAKEHOLDERS

BELOW IS AN OVERVIEW OF THE FOLLOWING FACTORS IN RESPECT OF OUR STAKEHOLDERS:

- their concerns and needs
- the ways in which we addressed their needs
- the ways in which we engaged with them
- the ways in which we delivered value to them
- key metrics tracked by the Company
- the impact of value creation on our six capitals

KEY STAKEHOLDERS THAT CONTRIBUTE TO OUR VALUE DRIVERS



Refer to pages 66 to 74 detailing our stakeholders' concerns, their needs, how we addressed their needs, how we engaged with them, how we delivered value to them, key metrics we track, the capital impacted and reference to the SDGs.

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REFLECTIONS FROM OUR NON-EXECUTIVE CHAIRPERSON



“Success isn’t about how much money you make. It is about the difference you make in people’s lives.”
– Michelle Obama

I am delighted to share my reflections and thoughts on the past year.

NAVIGATING THE ECONOMIC RECOVERY POST-COVID-19

The COVID-19 pandemic has highlighted the vulnerabilities and inequalities of many parts of our society in South Africa and globally. But it has also opened and created new opportunities and called for a more responsible method to create and sustain businesses. The unemployment rate in contrast has reached a record high of over 34%, therefore impacting the most vulnerable in society.

With the lifting of the COVID-19 lockdown restrictions, the economy endured a further setback from the energy crisis in the country due to continued rolling blackouts by the country’s only provider of energy, Eskom. This situation resulted in sharp increases in the price of petrol and diesel, including a diesel shortage. Most businesses were burdened with additional costs of installing generators and inverters to meet their needs. Disruption to the logistics chain both internationally and domestically delayed economic activities all of which had a negative impact on our economy. This affected many businesses, including AEEI, and we had to adapt to meet these challenges and the changes in the market dynamics.

The South African economy continues to recover albeit more slowly than expected, with growth estimated at 1.9% in 2022. Inflation has increased to a 13-year high at 7.6% at the end of August. The outlook is clouded with risks and sustained reforms and investments are required to support better growth outcomes and poverty alleviation.

BUSINESS RESILIENCE

It was also a year that AEEI and the Group faced challenges from the banking fraternity which obstructed new investment negotiations and threatened account closures. Despite these legal challenges I am proud to say that AEEI as a Group prevailed and the banking challenges have been legally surmounted and, presently, the banking situation of certain affected accounts is now restored.

As a result of the proactive and timely decisions taken by AEEI, I believe our organisation is stronger now than it ever was before, despite the challenges. I am confident that the Board is committed to ensuring that the Company makes progress and achieves many of its investment goals, with some strategic adjustments planned to meet the uncertainties that face the country going forward.

With the elections on our doorstep in South Africa, the country is also seeing an increase in contestations and political uncertainty. Globally, we have the Russian invasion of Ukraine and, although it may be too early to predict the long-term impact, the cost of petroleum and natural gas has risen sharply and has affected all sectors including agriculture.

Living our purpose of creating a positive impact in the broader community and society, we have supported our employees during the COVID-19 pandemic period and continue to ensure their well-being and safety at work by sanitising and fumigating their workspaces regularly. We created opportunities for them to learn, study and grow and devised succession plans for them to continue to grow within the Group to follow their career paths and aspirations.

ROBUST GOVERNANCE

The Board is constantly working on transformation and is pleased to advise that AEEI has one of the most transformed executive and board structures in the investment sector.

We created an effective, alert, knowledgeable and ethical governance structure. As the Board, we expect all our stakeholders, including our clients, service providers and employees, to conduct themselves ethically and with integrity and wish to reiterate that AEEI has zero tolerance for kleptocracy and corruption.

Through the Audit and Risk Committee and the internal audit team, we continually revise and improve management oversight and strengthen financial controls, risk strategies and opportunities.

STRENGTHENING BOARD DIVERSITY AND INDEPENDENCE

I am also pleased to advise that our Board continues to increase its targets in respect of race and gender representation. The diversity of our directors ensures that the Board addresses the needs of our stakeholders and interest groups. The AEEI Group adopted a policy to ensure diversity at Board level, specifically relating to race and gender but also in respect of broader diversity attributes such as skills, qualifications, experience, age, and culture. The appointment of Carin-Lee Geuking-Cohausz during the year was made in line with this policy.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG)

Our commitment to sustainable development involved practising responsible citizenship by ensuring that the Group conducted its operations in a manner that meets current needs without compromising the ability of future generations to meet their needs. I am pleased to announce that AEEI was ranked first in its sector from a total of 270 JSE-listed companies by Integrated Reporting & Assurance Services for its disclosure of Environmental, Social and Governance Data in the Financial Services: Investments sector with an overall score of 87.37%.

Full disclosure of our SDGs and ESG can be found on our online Sustainability Report at: www.aeei.co.za/investor-relations/integrated-reports-and-online-suite-of-reports/.

2022 FOCUS AREAS

During this period, we adopted a Climate Change and Human Rights Policy and updated a number of policies including the Code of Conduct and the Code of Ethics. The Board accepts collective responsibility for setting the tone for how ethics and ethical behaviour should be implemented and is committed and adopted an integrated approach to managing the Group. Through the Social, Ethics and Transformation (SET) Committee, the Board was able to oversee that AEEI is a responsible corporate citizen.

More information on our corporate governance can be found in our online Corporate Governance Report at: www.aeei.co.za/investor-relations/integrated-reports-and-online-suite-of-reports/.

As corporate citizens, we continued to support those in society that are most vulnerable and were most impacted by the pandemic through our various CSI initiatives.

Detailed information on our CSI initiatives can be found in our online Sustainability Report at: www.aeei.co.za/investor-relations/integrated-reports-and-online-suite-of-reports/.

REFLECTIONS FROM OUR NON-EXECUTIVE CHAIRPERSON
CONTINUED

At AEEI we take a long-term view and allocate capital for growth and investments with the aim of generating shareholder value over time. The past year management has spent considerable time positioning the business for future growth and is ready to meet the challenging economy facing us in 2023.

APPRECIATION

I would like to thank you our executive team, led by Valentine Dzvova and Jowayne van Wyk, for their leadership and for navigating and managing the different challenges faced during the year with tenacity, resilience and true grit.

I would also like to thank my fellow non-executive directors and Board members, who provided valuable insight and counsel in maintaining oversight during this time of uncertainty, for their continued support.

I would also like to thank our external stakeholders, sponsors, and our shareholders for their support throughout this period.

Finally, to all our valued employees across the Group, your hard work and commitment is to be commended during this challenging economic period.

OUTLOOK

At AEEI we remain focused, steadfast, motivated, resilient, and ready to weather any storms that will undoubtedly come on our journey.

Understanding our role in this societal value-creation process we acknowledge our duty to enable, transform and empower the people and businesses that make up our economy.

“A change is brought about because ordinary people do extraordinary things.”

– Barack Obama



AZIZA AMOD
Non-executive chairperson

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OUR SUMMARISED GOVERNANCE REPORT

At AEEI, we are committed to the highest standards of governance, integrity and ethical standards. Acting ethically, lawfully and with integrity is critical to our business success. We believe that responsible business practices enable us to create value. Our Board leads the business ethically, transparently and with integrity to create and sustain value for our stakeholders. Through our commitment to good corporate governance, we have a diversified Board that manages and leads from the top down and ensures that our business is run ethically and transparently and that we remain responsible corporate citizens.

Our governance leadership, structures and processes ensure that our business is well-managed and controlled and supports our value creation process. Our strategy includes an inclusive review process that considers the risks and opportunities connected to the broader context in which we operate. Our sound corporate governance and ethics processes ensure that we deliver against our strategy to create long-term value for our stakeholders.

We must establish and maintain trust with our stakeholders to achieve sustained value. Our structure enables the Board to retain effective control while delegating authority to relevant committees.

Despite the challenging macroeconomic environment and challenges including the effect of the COVID-19 pandemic, we maintained business continuity and liquidity, reviewed the risks and opportunities, including the short-, medium- and long-term effects on our business, and ensured the well-being of our employees. This included a stakeholder-inclusive approach to executing our governance role and responsibilities while remaining committed to the principles of King IV™ recommendations entrenched in our policies, internal controls, terms of reference, procedures, and processes.

 Further information can be found on page 48 – Delivering on our strategy.

CUSTODIANS OF GOVERNANCE

Primary governance roles and collective responsibility

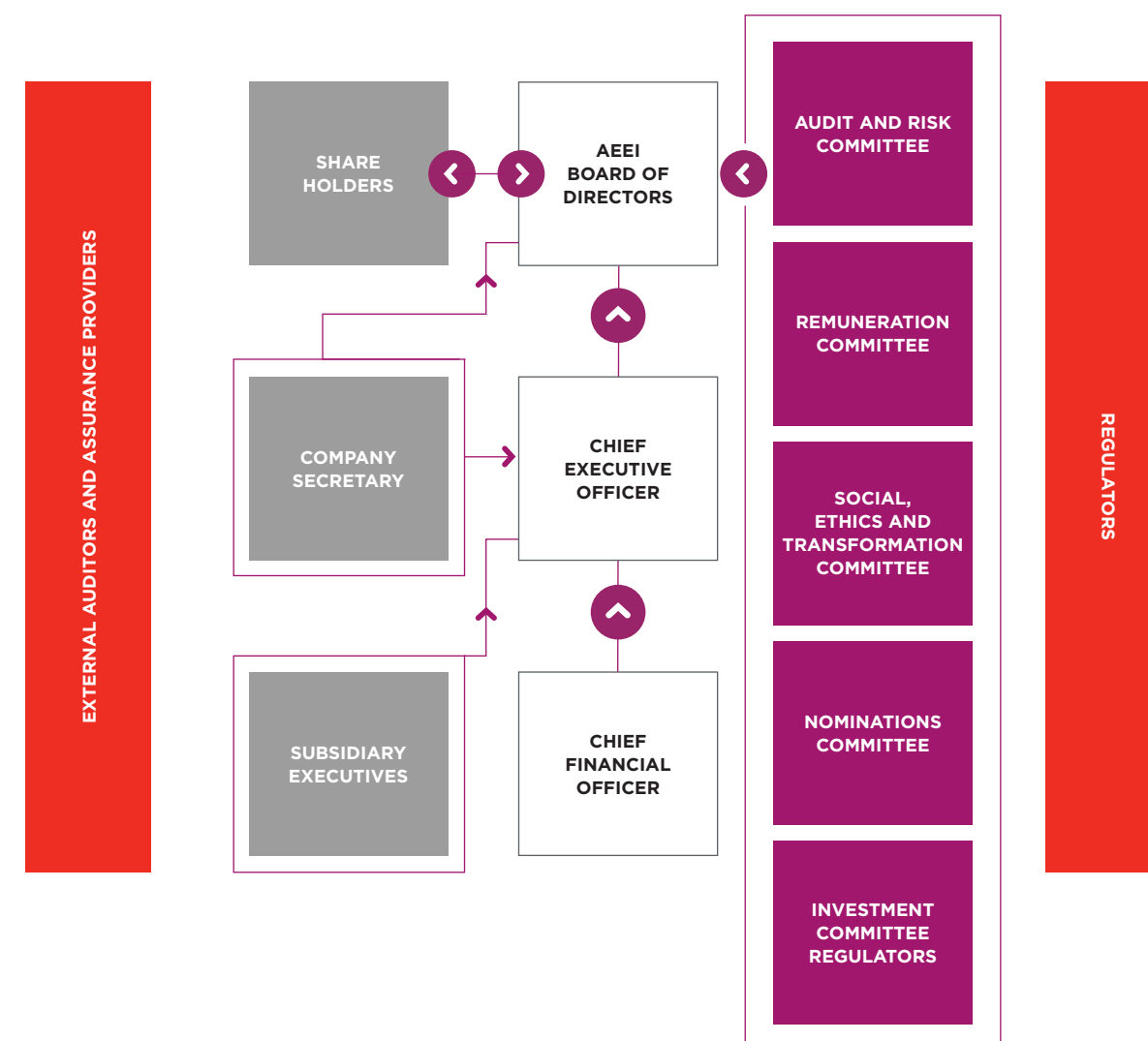


OUR GOVERNANCE STRUCTURE

Our governance structure supports the Company's strategy. It flows to the subsidiaries and divisional levels to ensure that the business has a structure within which management can operate effectively. The Board plays a pivotal role in strategic planning and has established clear KPIs to measure the Company's strategic objectives. In addition, the Board ensures that its sound

governance framework will enhance good corporate governance, improve internal controls and enhance the Company's performance.

The Board is supported by various committees and the executive management team with clear terms of reference to discharge its responsibilities. The Board is responsible for the strategic direction of the Group's and the Company's governance framework.



The Board assumes collective responsibility for the performance of the Company through:

- Strategy
- Policies
- Oversight
- Accountability

This leads to good governance practices through:

- Defined roles and responsibilities
- Application of strategies
- Ethical and effective leadership
- Compliance with applicable laws and regulations
- A competent and diverse Board

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APPLICATION OF AND APPROACH TO KING IV™

The Board aims to achieve the governance outcomes defined in King IV™, and is the custodian of corporate governance for the Company and ensures that directors:

- lead ethically and effectively;
- support an ethical culture;
- set the strategic direction for the Group for the short-, medium- and long-term;
- approve policies, procedures, and planning; and
- administer and monitor the Group's risk and opportunities, strategy, business model, performance and sustainable development.

The Board remains committed to the principles of King IV™ and ensures that its recommendations are diligently applied to policies, terms of reference, procedures, processes, and controls. This leads to the alignment of the following SDGs.



STATEMENT OF COMPLIANCE

The Board is committed to the highest standards of ethics, governance and business integrity and has adopted an integrated approach to managing the Group. This ensures that the governance structure actively identifies, communicates, and responds to material matters that impact the Group's capacity to create value. The Board believes that it has addressed all material matters appropriately and that it fairly represents the integrated performance of the Group. The Board continuously reviews the Group's governance structures and processes to incorporate and accommodate new corporate developments. This includes facilitating effective leadership, providing sustainable corporate citizenship supporting the Group's strategy, and reflect national and international corporate governance standards, developments, and best practices.

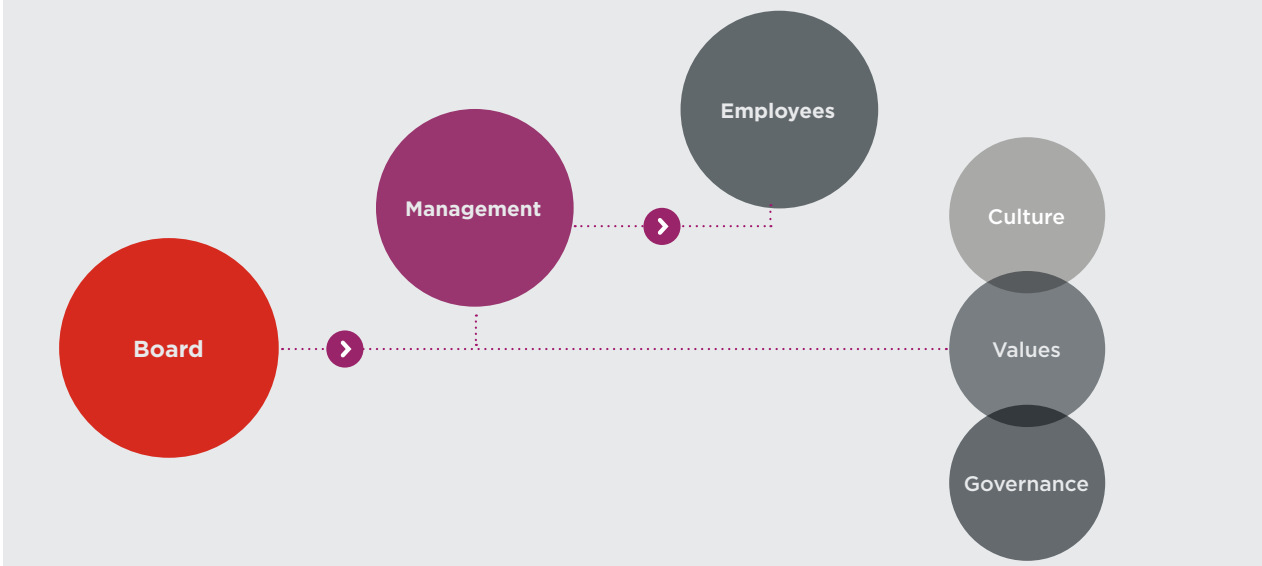
The Company has complied with and operates in conformity with the provisions of the Companies Act of South Africa, No. 71 of 2008 and any other applicable laws relating to its incorporation and the Company's MOI and other relevant constitutional documents.

AEEI's application and adoption of the various recommendations set out in King IV™ is outlined in our application statement, which is available on: www.aeei.co.za/about-us/corporate-governance/king-iv-on-corporate-governance-report/.

LEADING FROM THE TOP DOWN



Our culture, values, and governance are set and supported by the Board and management. All employees in the Group embrace our culture in the organisation.



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WHO GOVERNS US

OUR BOARD STRUCTURE



1 Valentine Dzvova (39)

CHIEF EXECUTIVE OFFICER
CA(SA), ACMA, CGMA (Charter Global Management Accountant), Cert.Dir® (IoDSA), Certified Internal Auditor, Postgraduate Diploma in Accounting, BCom Accounting
Appointed: 12 March 2020



2 Jowayne van Wyk (36)

CHIEF FINANCIAL OFFICER
CA(SA), BAcc Hons, BCom Accounting, SAICA Independent, Reviewer Certificate
Appointed: 1 August 2020



3 Stephen Nthite (51)

INDEPENDENT NON- EXECUTIVE DIRECTOR
Bachelor of Jurisprudence (BJuris), Bachelor of Laws (LLB), Admitted Attorney
Appointed: 26 August 2021



4 Bongikhaya Qama (45)

INDEPENDENT NON-EXECUTIVE DIRECTOR
Project Management, Finance for Non-Financial Managers Certificate, Customer Relations Certificate, Facilitation and Data Management Certificate
Appointed: 2 July 2020



5 Carin-Lee Geuking-Cohausz (55)

INDEPENDENT NON-EXECUTIVE DIRECTOR
BA Social Sciences, Psychology (Hon), Clinical Psychology (MA), Anthropology: Undergraduate degree
Appointed: 1 January 2022



6 Ambassador Membathisi Mdladlana (70)

INDEPENDENT NON-EXECUTIVE DIRECTOR
BA Majors in Education and IsiXhosa
Appointed: 27 August 2021



7 Willem Raubenheimer (63)

LEAD-INDEPENDENT NON-EXECUTIVE DIRECTOR
CA(SA) BCom (Hons), Diploma in Forensic Accounting
Appointed: 9 July 2020



8 Aziza Amod (60)

NON-EXECUTIVE CHAIRPERSON
Finance for Non-financial Managers
Appointed: 12 November 2012



9 Gaamiem Colbie (33)

NON-EXECUTIVE DIRECTOR
BTech Cost and Management Accounting, Postgraduate Diploma, Professional Accountant in Practice
Professional Accountant (SA)
Appointed: 30 August 2019



EXPERTISE:

■ Leadership ■ Finance ■ Strategy ■ Compliance and governance ■ Risk and opportunity management ■ Taxation ■ Asset management ■ Technology and information governance ■ Environmental sustainability ■ Human resources - people management and remuneration ■ Mergers and acquisitions ■ Social, ethics and transformation governance

OBJECTIVES OF THE BOARD

KING IV™

The Board is the principal decision-maker and is supported by various committees and the executive management team. Board members accept responsibility as custodians of governance within the Group. The Board members bring diversity to Board deliberations and create sustained value by constructively challenging management.

The Board is responsible for the strategic direction of the Group and the Company's governance framework. The governance framework supports the Company's strategic focus areas. The Board's governance oversight is guided by its commitment to its responsibilities and governance objectives.

The following objectives provide a mechanism to evaluate and measure King IV™ principles, outcomes and performance:

KING IV™ PRINCIPLES	OBJECTIVE	PERFORMANCE OUTCOMES
1 - 3	Leadership, ethics and corporate governance	The Board sets the tone to lead the Group ethically, responsibly, and effectively according to good corporate governance practices. Board members must act independently in decision-making, competence, diligence and inclusivity with the necessary awareness and insight. The Board ensures that the Group plays a pivotal role in society.
4 - 5	Strategy, performance, and reporting	The Board takes responsibility and accountability for the performance of the Group. It also supports the Group in setting its purpose and achieving its strategic objectives.
6 - 10	Governing structures and delegation	The Board provides guidance and oversight to the Group on managing risk compliance, remuneration governance, and enterprise risk management to support good governance practices.
11 - 15	Governance areas	The Board provides leadership and vision to the Group to sustain growth and deliver our strategic objectives and purpose for all stakeholders. They conduct their duties collectively and individually, applying integrity, responsibility, accountability, competence, fairness, and transparency.
16 - 17	Stakeholder relationships	The Board ensures a stakeholder-inclusive approach.

NON-EXECUTIVE AND EXECUTIVE DIRECTOR AGREEMENTS

Non-executive directors sign a Non-executive Agreement with the Company, which details their duties, fees, and obligations. In addition, all directors are subject to retirement by rotation in terms of the Company's MOI. Executive directors have an Executive Agreement and are subject to a 3-month notice period.

RESPONSIBILITIES OF THE BOARD

The Board fulfils its primary governing roles and responsibilities: approving policies and planning, providing oversight and monitoring and setting and steering the company's strategic direction.

The Board has committed to fulfilling the following responsibilities:

- Delegate the management of the Group to the executive management team.
- Ensure compliance with appropriate legislation (including regulations), and best practices.
- Govern disclosures so that stakeholders can assess the performance of the Group effectively.
- Ensure that a robust strategy is in place and executed by management.
- Oversee the management of technology and information.
- Oversee the risk management function.
- Protect the interests of the Group's stakeholders and ensure responsible, fair, and transparent employee practices.

BOARD COMPOSITION, INDEPENDENCE, KNOWLEDGE, AND SKILLS

During the year, the Chairperson reviewed the Board's composition, focusing on diversity, independence, skills, experience, and expertise regarding the Company's strategy, purpose, changing external environment and future prospects.

The majority of our Board members are independent non-executive directors and comprise five independent non-executive directors, two non-executive directors and two executive directors who have the appropriate balance of knowledge, skills, experience, diversity and independence to discharge their duties effectively and objectively. The size gives the Board adequate membership for its five committees while maintaining adequate levels of independence.

Our non-executive directors bring independent judgement and experience to the Board's deliberations and decisions, with the structure of the Board ensuring that no one individual or group of individuals has unfettered powers of decision-making.

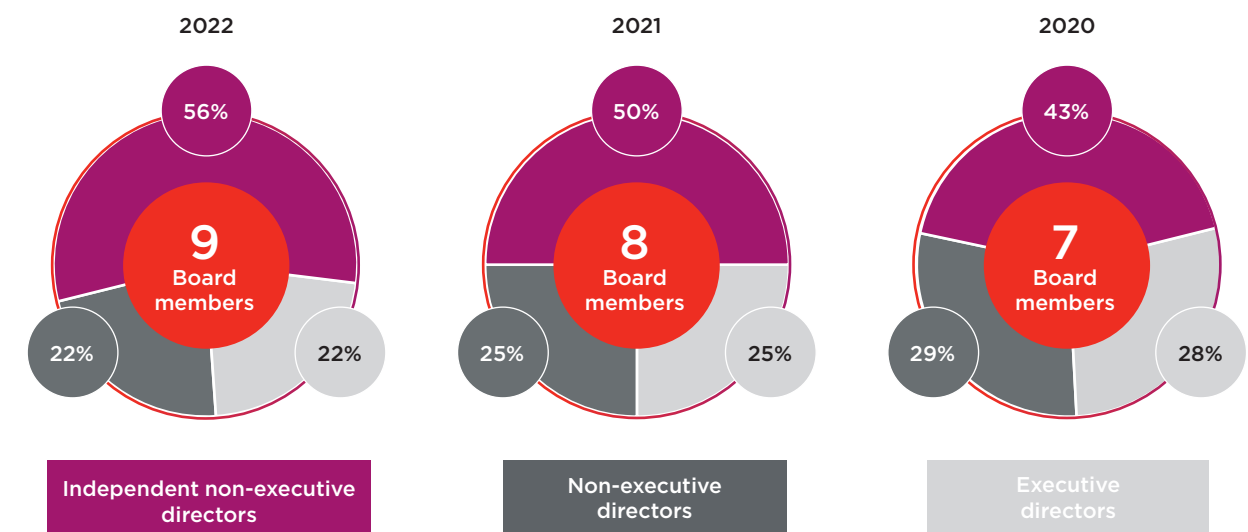
CHANGES TO THE BOARD

With the focus on growing the Board's independence and diversity, Carin-Lee Geuking-Cohausz was appointed to the Board effective 1 January 2022 as an independent non-executive director and a member of the Social, Ethics and Transformation Committee. She was appointed as the chairperson of the Social, Ethics and Transformation Committee effective 1 April 2022.

BOARD DIVERSITY

We are committed to promoting diversity at Board level in a transformed society. Our Diversity Policy considers and promotes the validity of the voluntary diversity targets having due regard for the demographics of our country, including the Group's customer profile. In considering new appointments, the Nominations Committee considers the Board's current composition regarding the voluntary diversity targets and gaps identified in the Board's fields of knowledge, skills, and experience. The Board will continue to look at promoting diversity in terms of further gender equity representation.

EXECUTIVE AND NON-EXECUTIVE DIRECTORS %

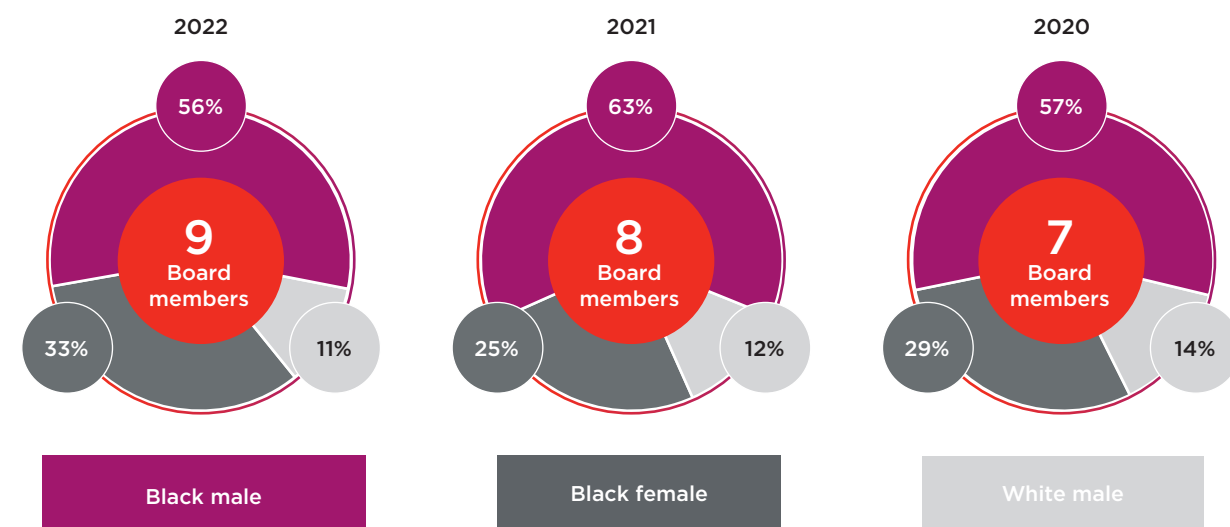


PROMOTION OF DIVERSITY AT BOARD LEVEL %

2022 %	2021 %	2020 %	
89	88	86	Voting rights of black Board members
33	25	29	Voting rights of black women Board members
100	100	100	Black executive members
11	13	14	Black women executive members
44	43	43	Black independent non-executive Board members

OBJECTIVES OF THE BOARD CONTINUED

BOARD DEMOGRAPHICS %



BOARD TENURE, KNOWLEDGE, AND SKILLS

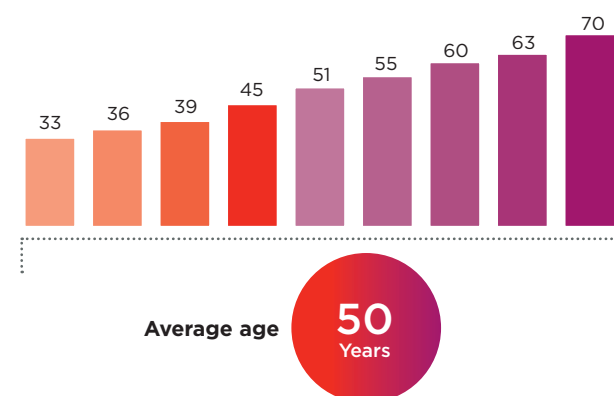


Non-executive directors must retire by rotation at the AGM or after nine years of being on the Board. The staggered rotation of members ensures the introduction of new expertise and perspectives while retaining valuable industry knowledge, skills and experience while maintaining continuity. King IV™ specifically states that independent non-executive directors may serve for longer than nine years if a vigorous assessment is conducted annually to establish that the director “exercises objective judgement and there is no interest, position, association or relationship which, when judged from the perspective of a reasonable and informed third party, is likely to influence unduly or cause bias in decision-making”. The Board is of the view that all non-executive directors are independent and specifically reviewed the independence of directors. Aziza Amod will be up for re-election at the next AGM as she has reached her nine-year tenure.

Tenure	Years
< 1 year	1
1 – 2 years	3
2 – 5 years	4
5 – 9 years	1

EXECUTIVE AND NON-EXECUTIVE AGE

Age (years)



Younger than 60 years	%
2022	78
2021	75
2020	71

BOARD KNOWLEDGE AND EXPERIENCE

The Board determines the required composition of skills in response to the rapidly changing environment. The appropriate mix of skills and experience ensures that the Board is well-equipped to guide the Company's strategy and create value.

We have expanded and strengthened our Board's knowledge and skills over the last few years to ensure and create value for our stakeholders. The Board is well diversified to add value to the Group.

KNOWLEDGE AND SKILLS

	NUMBER OF BOARD MEMBERS
Leadership	9
Finance	8
Strategy	7
Compliance and governance	9
Risk and opportunity management	9
Taxation	4
Asset management	6
Technology and information governance	8
Environmental sustainability	8
Human resources - people management and remuneration	8
Mergers and acquisitions	5
Social, ethics and transformation governance	9

ETHICAL AND RESPONSIBLE LEADERSHIP

The Board assumes ultimate responsibility for the Group's ethical performance and adherence to human rights principles. The Board provides effective leadership based on a principled foundation by setting an example of doing business responsibly, they have demonstrated their continued commitment to our values and ethical conduct. Responsible leadership, instilled by the values of responsibility, transparency, accountability, and fairness, has been a defining characteristic of the Company since its inception. The Company's fundamental objective has always been to do business ethically while building a sustainable company that recognises its activities' short and long-term impacts on the economy, society, and the environment in which we operate.

The continued enhancement of the Group's ethical culture remains top of mind through the relevant Board committees and the executive management, especially against the backdrop of various commissions of inquiry, state capture, and corporate failures. In addition, due to material matters, such as the impact of COVID-19, and the Fourth Industrial Revolution, a challenging macroeconomic environment increases the emphasis on treating stakeholders fairly and the fight against corruption. Accordingly, this responsibility is delegated to executive management.

CONFLICT OF INTEREST



Directors and the public officer are required to inform the Board timeously of conflicts or potential conflicts of interest that they may have relating to particular items of business or other directorships. At the start of each Board meeting, the chair requests Board members to declare any actual and/or potential conflict of interest with matters to be considered at that meeting. The company secretary maintains a signed register of the director's interests in and outside the Company.

Directors may accept other Board appointments, provided that any potential conflicts are disclosed appropriately, considered, and managed and that the appointments do not conflict with the Group and/or adversely affect the director's duties. Any proposed Board appointment must be agreed upon with the chairperson before the director accepts such an appointment.

A director or prescribed officer is prohibited from using their position or any confidential price-sensitive information to benefit themselves or any related third party. If this should arise, the Board will immediately take action against the relevant director or prescribed officer.

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RESPECTED CORPORATE CITIZEN



AEEI is an economic entity and a good corporate citizen with a social and moral standing in society with all the attendant responsibilities. Further information is provided in AEEI's Sustainability Report, available online at <https://aeei.co.za/investor-relations/integrated-reports-and-online-suite-of-reports/>.

PRESCRIBED OFFICER

Valentine Dzvova is the prescribed officer of the Company and performs her function and exercises her duties to the same standard of conduct applicable to all directors. She is subject to the same liability provisions and is not remunerated separately for this function.

COMPANY SECRETARY

Damien Terblanche was the company secretary until 30 September 2022 and was accountable to the Board but was not a Board member and was not involved in the Company's day-to-day operations. The Board satisfied itself that an arm's length relationship existed between the company secretary and the Company.

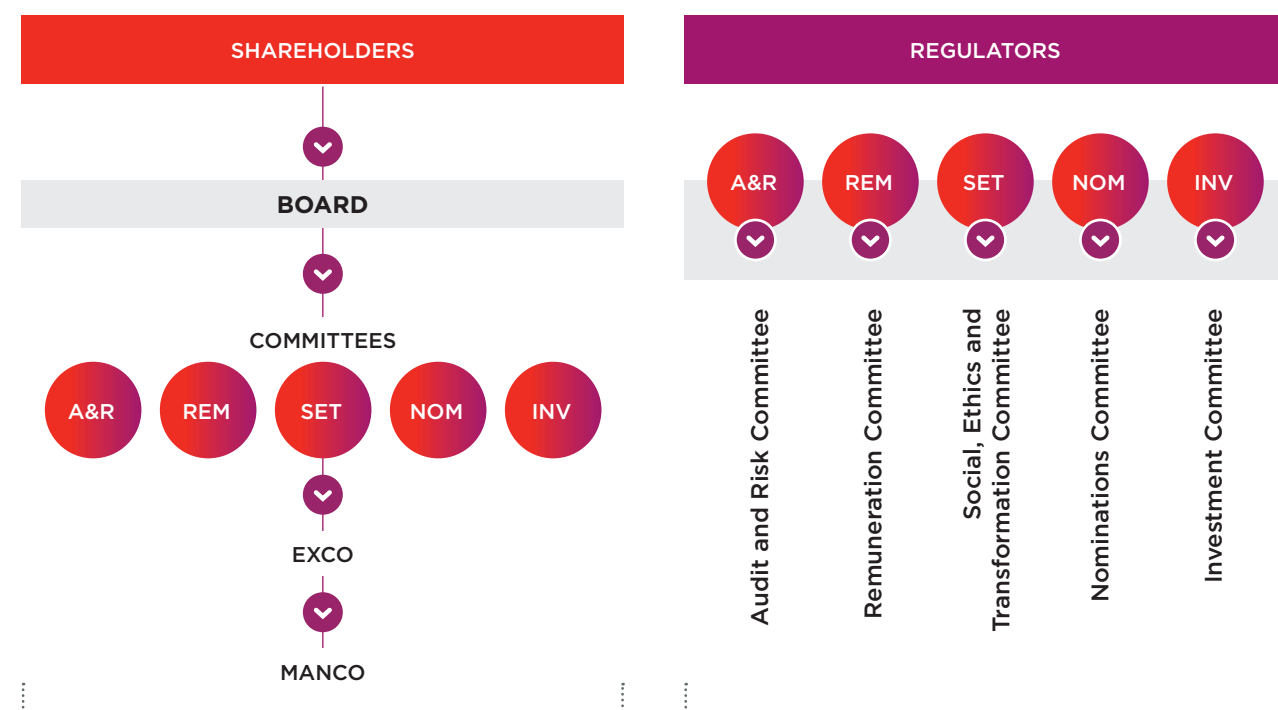
The Board considered the company secretary's qualifications, experience and competence and is satisfied that were appropriate. All directors had unlimited access to the services of the company secretary. The company secretary's appointment and removal are a matter for the Board.

During the year, the company secretary:

- made the Board aware of changes to any relevant laws affecting the Company;
- prepared Board and committee packs and recorded detailed minutes of meetings;
- ensured that Board and committee meetings, including the AGM of the Company, were appropriately conducted and orderly;
- guided the directors regarding their duties, responsibilities and powers, and responsibilities and liabilities under the Companies Act and King IV™;
- disclosed the corporate actions, SENS announcements and directors' dealings in securities and ensured compliance with the JSE Listings Requirements and the Companies Act; and
- reviewed agreements and made recommendations to the executive management team.

Cornell Kannemeyer was appointed as the company secretary effective 10 November 2022.

STRUCTURE OF DELEGATION



OVERVIEW OF OUR COMMITTEES

BOARD OF DIRECTORS - CHAIRPERSON - AZIZA AMOD			
COMMITTEE	CHAIRMAN	MEMBERS	PURPOSE
A&R Audit and Risk	Willem Raubenheimer	<ul style="list-style-type: none"> Gaamiem Colbie Bongikhaya Qama Stephen Nthite By invitation: <ul style="list-style-type: none"> Valentine Dzvova – <i>chief executive officer</i> Jowayne van Wyk – <i>chief financial officer</i> Independent External Auditors Alan Ipp – <i>Independent Consultant</i> Internal auditor 	<ul style="list-style-type: none"> To assist the Board in its evaluation of the integrity of the financial statements, the efficiency of internal controls, financial accounting practices and information technology systems. Promotes and facilitates communication between the Board, executive management, external auditors and the internal auditor. To oversee the effectiveness of the internal financial controls. To oversee the integration of environment-related risks into the risk framework. Oversees the levels of assurance applied to information for the integrated reporting suite. Manages the relationship with the external auditors and assesses their independence and effectiveness. Evaluates the efficiency of the information systems. Oversees the internal and external audit function. Ensures that measures are in place to enhance the integrity and objectivity of the financial statements and external reports. Monitors and assesses the risk management process, including policies, procedures, exposure, and practices. Ensures corrective action is taken to address the top ten risks. Assume accountability for the effectiveness of governance functions pertaining to technology. Reviews and monitors the information technology and ensures that appropriate policies, frameworks, and procedures are in place. Reports on information technology risks and exposure.
REM Remuneration	Gaamiem Colbie	<ul style="list-style-type: none"> Aziza Amod Bongikhaya Qama By invitation: <ul style="list-style-type: none"> Valentine Dzvova – <i>chief executive officer</i> Alan Ipp – <i>Independent Consultant</i> 	<ul style="list-style-type: none"> Assist the Board with monitoring the Company's remuneration practices, policies and procedures. Monitor and align the remuneration structure with best market practices. Align executive remuneration in line with the Group's strategic objectives. Perform the statutory functions required in terms of King IV™, the JSE Listings Requirements and the Companies Act.

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BOARD OF DIRECTORS – CHAIRPERSON – AZIZA AMOD			
COMMITTEE	CHAIRMAN	MEMBERS	PURPOSE
 Social, Ethics and Transformation	Carin-Lee Geuking-Cohausz	<ul style="list-style-type: none"> Aziza Amod Bongikhaya Qama Membathisi Mdladlana By invitation: <ul style="list-style-type: none"> Valentine Dzvova – <i>chief executive officer</i> Jowayne van Wyk – <i>chief financial officer</i> 	<ul style="list-style-type: none"> Monitors, advises and oversees the Group's social and economic development, sustainability, ethics, transformation, health and safety and ESG matters. Is responsible for ensuring that the Group conducts its operations ethically. Ensures that the Group meets current needs without compromising the ability of future generations to meet their needs. Is committed to sustainable development practices. Reports on, oversees, and monitors climate-related risks, opportunities, processes, and practices. Monitors our impact on climate change, including greenhouse gasses from our operations, water and electricity resources, food security, health and infrastructure and how land and water are used for agricultural and/or processing activities.
 Nominations	Aziza Amod	<ul style="list-style-type: none"> Bongikhaya Qama Gaamiem Colbie By invitation: <ul style="list-style-type: none"> Valentine Dzvova – <i>chief executive officer</i> 	<ul style="list-style-type: none"> The Nominations Committee is mandated to judge whether directors are overcommitted in terms of Board positions. This enables directors and executives to meet their commitments and effectively discharge their duties. Is the custodian of appointments to the Board. Assists the Board in identifying suitable candidates for appointment for election by the shareholders at the AGM.
 Investment	Gaamiem Colbie	<ul style="list-style-type: none"> Aziza Amod Stephen Nthite Valentine Dzvova Jowayne van Wyk 	<ul style="list-style-type: none"> The committee has an independent role and operates as an overseer. Makes recommendations to the Board for its consideration and final approval regarding investment opportunities. Ensures that investments are adjudicated to ensure that they are both a strategic fit with synergistic benefits to the current level of return, with a reasonable payback period based on the specific industry. The investment committee must consider ESG matters in investment proposals tabled before it.

Board committee updates:

The chairs of the various Board committees provide verbal reports to the Board regarding the actions of their respective committees and the material matters arising from their latest meetings.

Corporate reports:

Based on the quarterly corporate reports, the Board reviews and monitors the information provided by the corporate office regarding regulatory compliance, changes to policies and frameworks, the reports from external sponsors, including the Company's share price.



The role, responsibilities and focus areas for the year under review for each committee are comprehensively addressed in the online corporate governance report, available on www.aeei.co.za/investor-relations/integrated-reports-and-online-suite-of-reports/.

BOARD AND COMMITTEE ATTENDANCE

	BOARD AND SPECIAL BOARD MEETINGS	AUDIT AND RISK COMMITTEE	REMUNERATION COMMITTEE	SOCIAL, ETHICS AND TRANSFORMATION COMMITTEE	NOMINATIONS COMMITTEE	INVESTMENT COMMITTEE
Total number of meetings	5	4	2	2	3	3
Valentine Dzvova	5	–	–	–	–	3
Jowayne van Wyk	5	–	–	–	–	3
Aziza Amod	5	–	2	2	3	2
Gaamiem Colbie*	5	4	2	–	3	3
Willem Raubenheimer	3	4	–	–	–	–
Bongikhaya Qama	5	4	2	2	3	–
Stephen Nthite	5	4	–	–	–	3
Membathisi Mdladlana	4	–	–	2	–	–
Carin-Lee Geuking-Cohausz**	4	–	–	2	–	–

* Gaamiem Colbie was appointed as the chairman of the Remuneration Committee effective 1 April 2022.

** Carin-Lee Geuking-Cohausz was appointed to the Board and a member of the Social, Ethics and Transformation Committee effective 1 January 2022. She was appointed as the chairperson of the Social, Ethics and Transformation Committee effective 1 April 2022.

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BOARD ACTIVITIES

During the year, the Board and its various committees discussed, monitored, and oversaw the Company's performance and key strategic initiatives.

In preparation for each Board meeting, besides the general agenda items, the non-executive chairperson and chief executive provide the company secretary with additional agenda items to be discussed at the meetings. A board pack is prepared and disseminated to Board members in advance to allow the members to apply their minds and make informed decisions at the Board meetings.

At each Board meeting, the CEO and CFO provided feedback and updates on the progress made against the Company's strategic objectives and performance. They advised the Board on material matters, strategic risks, the effects of the COVID-19 pandemic on the performance of the business units, the preservation and optimisation of capital and reputational damage.

The chairs of the various Board committees provide verbal reports to the Board regarding the actions of their respective committees and the material matters arising from their latest meetings.

Based on the quarterly corporate reports, the Board reviews and monitors the information provided by the corporate office regarding regulatory compliance, changes to policies and frameworks, the reports from external sponsors, including the Company's share price.

The Board's quarterly meetings are used to discharge its duties regarding the JSE Listings Requirements, Companies Act, King IV™, and any other applicable regulatory requirements, including monitoring its strategic direction and approach to risk management.

OTHER KEY AREAS OF RESPONSIBILITY

- Monitored and considered the financial performance of the Group.
- Monitored and discussed strategic risk, challenges, the economic environment, and the effects on the businesses.
- Investigated opportunities to increase the investment portfolio and asset base.
- Monitored and oversaw the implementation of the updated Code of Ethics and Code of Conduct.
- Monitored and updated the Board Annual Workplan.
- Responded to the COVID-19 pandemic and ensured business resilience and the impact on employee health and wellness.

SEPTEMBER TO DECEMBER 2021	JANUARY TO APRIL 2022	MAY TO AUGUST 2022
<ul style="list-style-type: none">▪ Approved the 2021 Annual Financial Statements and final dividend declaration to shareholders▪ Approved the 2021 Integrated Report and online suite of reports▪ Approved the Notice of AGM to shareholders and directors standing for re-election▪ Discussed the reappointment of the external auditors▪ Approved the appointment of Carin-Lee Geuking-Cohausz as an independent non-executive director▪ Discussed the ongoing banking challenges faced by the Group and the Board's response to the closing of bank accounts and alternative banking arrangements that are in place▪ Discussed the reputational risk matters▪ Approved resolutions, including a resolution for the amendment of the Company's MOI▪ Reviewed and discussed the Internal Audit plan▪ Reviewed and discussed the JSE's Proactive Monitoring Report and noted that there were no matters material to AEEI in the report▪ Discussed outcome of JSE inquiries on the SGD transaction	<ul style="list-style-type: none">▪ The AGM was held in February, with all resolutions and special resolutions passed by majority votes	<ul style="list-style-type: none">▪ Approved the interim results▪ Approved the 2023 budget▪ Approved the Business Continuity Plan▪ Approved the following updated policies:<ul style="list-style-type: none">- Code of Conduct- Code of Ethics- Remuneration Policy- Transformation Policy and Charter- Investment Committee Charter- Social, Ethics and Transformation Committee Workplan▪ Approved the following new policies:<ul style="list-style-type: none">- Human Rights Policy- Climate Change Policy- Environmental, Social Governance, Environmental and Sustainability Data Reporting Policy▪ Disposed of Magic 828 (Pty) Ltd▪ Considered the sale of the stake in British Telecommunication Services South Africa (Pty) Ltd▪ Discussed the audit fees subject to the recommendation from the Audit and Risk Committee▪ Deliberated on the banking challenges and updates on related legal applications

- Engaged with all stakeholders on pertinent matters affecting the Group, including shareholders, employees, regulators, clients, and our strategic partners.
- Monitored and reviewed our investment portfolio in non-performing companies and disposed of Magic 828 (Pty) Ltd.
- Reviewed and discussed our succession planning, including Board skills and ensured that Board members were kept abreast of legislative changes.
- Managed reputational risk considering the negative media coverage.
- Ensured and protected value for our various stakeholder groups.

- Engaged with regulators on pertinent matters.
- Training provided to executives and employees on POPI Compliance and ensuring that the POPI Compliance Workplan is adhered to.
- Reviewed and updated existing policies and procedures in line with legislative and governance changes.
- Reviewed and updated the Social, Ethics and Transformation Workplan, including the progress on the UN SDG commitments and embracing ESG.
- Monitored our top risks in terms of our risk register.

- Monitored and ensured that the Company operates ethically and maintains an ethical culture.
- Monitored and ensured that there were no human rights violations.
- Conducted Board evaluations.
- Ensured that the Remuneration Policy is fair and responsible.
- Monitored and guided the Group on the effects of the COVID-19 pandemic and the effect on the various business units and employees.
- Discussed Former Judge Health's report on the Mpati Commission's Report.
- Discussed and managed the "New way of work".

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2023 AND BEYOND FOCUS AREAS

Some of the key focus areas of 2022 will continue in 2023.

- Delivery of the Group's strategy and targets.
- Monitor and maintain oversight of regulatory compliance.
- Monitor and manage reputational risks.
- Monitor the Business Continuity Plan.
- Review and monitor reports from the committees and action plans.
- Monitor, review and manage our top risks timeously.
- Strengthen the Company's response to climate change.
- Strengthen the Company's response to ESG matters.

EXECUTIVE COMMITTEE'S STRATEGIC FOCUS AREAS

The key focus areas of the executive during the year included:

- Managing the effects of the COVID-19 pandemic by focusing on cash flow management solutions, operational efficiencies, and liquidity of the business.
- Managed the adverse effect on the reputation and brand of the Company and took appropriate action.
- Implemented the strategy and business model.
- Managed the day-to-day operations of the Company.
- Managed the capital requirements and responsibly allocated and invested the Company's resources.
- Provided reports to the Board and its committees relating to the overall performance and risk management of the Group.
- Prepared the 2023 budget for the Board's approval.
- Ensured that the Integrated Report, Annual Financial Statements and Interim Results were delivered timeously to stakeholders.
- Engaged with the Sponsors and external auditors on material matters affecting the Company.
- Provided strategic and operational support and guidance to the subsidiaries in the Group.
- Managed the Company's investment portfolio.
- Managed the "evolving world of work" and ensured employees' mental and physical well-being.
- Monitored and managed the Protection of Personal Information Act (POPIA) 4 of 2013, data, cybersecurity, and cybercrime.
- Engaged extensively with lawyers and professional advisors with regards to ongoing court challenges with banking institutions.

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CHIEF EXECUTIVE OFFICER'S REPORT



What an extraordinary year this has been, whilst certain challenges have come our way, our ability to face them has strengthened as too our determination to overcome them.

RESILIENCE AND PERSISTENCE PAYS OFF

There is no delicate way to put this, but it has been a largely grim year. In the spirit of transparency (a hallmark of this Company and of my leadership style), I must confess that the business has taken some strain with unique challenges that have come our way. Many of these challenges – COVID-19 aside – we could not have foreseen. One of the largest obstacles facing the business is the prospect of having our transactional banking facilities withdrawn. Further to the unpredictability of the situation is the perplexity of it, given the complete lack of any transgression by AEEI.

It is now a matter of public record that AEEI has co-joined legal action with other affected entities to prevent South Africa's banks from terminating its bank accounts. We believe in the fairness and reasonableness of our Courts in finding the truth and upholding the company's Constitutional freedoms.

Evidence of this can be seen in the outcome of the Western Cape Equality Court's interim interdict application, in which the Court held that the banks have, indeed, treated our Group differently. Further, the Court rejected Nedbank's appeal against the order to re-open any closed bank accounts for the same reason. The main case will only be heard in 2023.

Due to the threat of the imminent closure of these vital trading mechanisms, our share price has been negatively affected and several mergers and acquisitions have been stymied. This has also been exacerbated by the vast amount of ongoing (and unwarranted) negative media attention toward AEEI and certain of its investments. Several pipeline deals have been postponed as it has now been the Group's experience that, upon being acquired by the AEEI Group, these companies' bank accounts have also been terminated.

For instance, we recently tried to acquire Italian Summer (as announced via the Stock Exchange News Service) but stopped short of concluding the deal as we could not risk Italian Summer and its operating subsidiary, Engineering Data Systems, losing their bank accounts. Such a move would devalue both of these companies on day one and would jeopardise hundreds of jobs. This is the reality of the situation we, as a Group, experience.

Despite the unconscionable hardships that the Company has endured, the unwavering support of our stakeholders, partners, suppliers, and especially our loyal employees, has been a highlight and a boon. Their trust and support are not misplaced, as AEEI has built a strong asset foundation over the years and has more than delivered on its promise, and will do so again in the years to come.

I am confident in making this statement because of the key asset that the Company has in its executives, who are endowed with the expertise, resilience, and flexibility to adapt and put in place the measures to mitigate obstacles and navigate these choppy waters. Supported by a strong Board and a loyal and encouraging employee base, we have put mechanisms in place to ensure the sustainability and stability of the Group.

THE YEAR IN REVIEW

Our Group revenue of R2.33bn represents a marginal decrease of 0.24% compared to the prior year. Revenue improvement of 6% from the IT division counteracted the 17% reduction in revenue from the fishing division, which saw a revenue decline mainly due to the scarcity of squid supply. Overall, the revenue result is encouraging and affirms our strategy to hold a diversified portfolio.

As a result of the marginal decrease in revenue, pressure on gross margins and operating costs, the Group ended up with a basic loss per share which is 73% higher than the prior year. However, the Group has a strong balance sheet despite taking impairments on some investments. We believe this balance sheet stands us in good stead for future growth.



TECHNOLOGY

AYO Technology Solutions Ltd (AYO) strives to become a leading Africa-based technology group by pioneering smart living and working throughout the continent and beyond. AYO has developed a diverse investment portfolio that touches on all aspects of technology, from connectivity and communications to software development and cloud-based services. AYO believes that it has made good investments in companies that are involved in the telecommunications sector and network solutions sector (managed services division), as well as companies that are involved in the workplace connectivity sector (unified communications division).

Although there are ample positive opportunities in this division's outlook, AYO has not escaped the impact of the pandemic, banking challenges and brand damage. Despite this, AYO managed to increase revenue by 4% from R1.7bn to R1.76bn. In the medium to long term, AYO expects a revival of demand for its products and services, which demand had been subdued due to clients spending less in the face of COVID-19 and the general harsh trading environment.

AYO remains committed to achieving its vision of being the leading empowered digital and technology service provider for business partners across the African continent. AYO has a desirable balance sheet, competent and highly-skilled employees, and a passionate and strong leadership team to deliver on its mission.

AYO continues to steadfastly keep the channels of participatory communication open with South Africa's Public Investment Corporation (PIC), which holds shares in AYO.



FISHING AND BRANDS

Premier Fishing and Brands Ltd (Premier) performed relatively well once again, despite the scarcity of the squid resource. Revenue from squid declined by 50% compared to 2021. This resulted in overall revenue for Premier declining by 17%.

Sustainability in the fishing sector is of vital importance and speaking directly to this is Premier's abalone farm, that not only farms abalone sustainably but has also created much-needed employment in the Gansbaai area. To date, the farm has already increased its production to well over 200 tons since the expansion started. The Fishing Rights Allocation Process (FRAP 2021) was a major success, which saw Premier being awarded 15-year fishing quotas. Export sales prices and demand are currently on an upward trend and management confidently hopes that this continues in the next financial year. The fishing and brands division is sound, and we are confident that the proposed delisting will ensure that AEEI will continue to secure maximum value from this investment.

AEEI in concert with other group companies holding shares in Premier Fishing and Brands Ltd (PFB), has embarked on a process to buy out the remaining shareholders in PFB and ultimately delist the company from the JSE. The need for compliance with JSE float requirements and the cost vs benefit of remaining listed have necessitated this development.

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HEALTH AND BEAUTY

It has been a particularly challenging year for our cosmetics division, Orleans Cosmetics (Pty) Ltd (Orleans). The business had to contend with the impact of COVID-19 in the form of a decrease in sales due to constrained customers, compounded by long delays in importing products due to supply chain challenges.

Most notably, the lack of new products and support for one of its significant products, Gatineau, led to more revenue losses.

Despite these challenges, Orleans managed to increase revenue by 7.6% to R33.8m from R31.4m compared to the previous year.

Fortunately, Gatineau has been acquired by a new company and improvements in the product offering are already evident and will bolster revenue in 2023 and beyond.

Management is also actively seeking new distribution opportunities to diversify the offering and increase the revenue base and ultimately return to profitability. The feasibility of developing its own brand of cosmetic products is also being reviewed.

AfriNat is well positioned to be a business of the future, as it works with organic and sustainable products and thus responds to ESG matters, which are critical to the preservation of the environment. It is a fledgling business with immense growth potential.

Despite achieving organic growth, AfriNat had a challenging year. Various factors influenced performance, including a tough export market for local citrus farmers, which has been under severe pressure owing to an amendment in regulations, specifically in respect of False Coddling Moth risks. The amendments have put export pricing at risk and have caused delays in the importing of manufacturing inputs due to supply chain challenges. As a result, revenue decreased by 10.5% to R11.9m from R13.3m compared to the prior year.

Despite this, the outlook for the new financial year is promising. Trial work will continue to broaden AfriNat's reach into the other major export fruit classes. AfriNat will also be continuing the pursuit of new untapped regions and markets, which it embarked on in the current year.



EVENTS AND TOURISM

The events and tourism division has been particularly badly impacted by the fallout from the local and international COVID-19 restrictions.

It is anticipated that, with the removal of lockdown regulations, 'Africa's Grandest Gathering' hosted by espAfrika, will take place in 2023 (again dependent on prevailing COVID-19 conditions).

Efforts to stage an event in 2022 were not fruitful due to the COVID-19 restrictions still being in place, and the time required to organise and raise sponsorships for an event of the magnitude of the Cape Town International Jazz Festival.

The lifting of COVID regulations and the ensuing increased travel and tourism, coupled with the right sizing of Tripos Travel, led to the business being slightly profitable in the current year up from a loss in the prior year. Provided that no further lockdowns occur, we anticipate that the business will continue on a positive trajectory.

The Group's radio station investment, Magic828 (Pty) Ltd, continued to struggle to gain new revenue and a decision was made to curb further investment into the business by disposing of the business during the current financial year.



RESEARCH AND DEVELOPMENT

No progress has been seen this year as the funding was not available to continue the research. We are actively engaging with potential partners to complete the Phase I/IIa human trial project to establish the safety and efficacy of the solution.

Genius has continued to register the intellectual property (IP) which can be referred to as a generation 3 dendritic cell vaccine in the international regions, including the USA, South America, China, Japan and Europe, which will be in effect at least till 2038 depending on the registration date. This protects the IP so that when the research is complete, we can enter the respective markets with the technology or at least protect it if similar IP is registered.

We are hopeful of gaining an international partner to complete this research project so that we can expand it to incorporate other cancers as well which is part of the medium-term plan.



STRATEGIC INVESTMENTS

We continue to hold shares in British Telecommunication Services South Africa (BTSA), as well as Sygnia. Both add to the diversity of our investment portfolio and yield a good return through regular annual dividend flows.

The arbitration process with BT Ltd continues and is expected to be heard in the first half of 2023. We remain confident that there will be a positive and amicable resolution to the current dispute.

STRATEGIC OUTLOOK

Looking to the future, whilst it remains uncertain, we will focus on maintaining our existing value and further mitigating any impacts of the banking scenario. We will also continue to work on re-establishing our previously sound relationship with banking institutions as, surely, sanity will prevail.

The Group may elect to continue with legal action to clear our name and brand and to ensure that we can continue to grow our Group, give back to our stakeholders, and hold our heads high as a proudly successful and transformed South African business. The recent positive outcome of the Interdict applications made to the Equality Court and Competitions Tribunal give us hope that the Courts will act justly and bring a permanent end to the banking challenges we have endured over the past two years.

Future investments and developments will be kept on track, with the teams looking for the ideal opportunities, for such time as the Group can once again confidently announce such without fear of reprisal for it or its intended partnerships.

GRATITUDE

The trials and tribulations of the last few years have, in fact, made us stronger and more determined to overcome the challenges that have befallen us. COVID-19 tested our mettle as well as the economic repercussions that continue to reverberate around the world, but it also taught us the value of digging deep, combining strengths, and building trust with one another through simple, open, and honest communication.

I am tremendously blessed and privileged to work with an array of exceptionally talented, professional, and caring human beings, from whom I learn every day, and who continue to surprise me with their dedication to performance and upholding the values of AEEI.

A simple thank you, therefore, seems too trite to express the enormous appreciation I have for every person with whom I have engaged with this year. Nevertheless, my sincere and humble gratitude must go to my Board, executives, colleagues, shareholders, our partners, mentors, and supporters.

Thank you.

VALENTINE DZVOVA
Chief executive officer

DELIVERING ON OUR STRATEGY

One of our key material matters is to create sustainable value for all our stakeholders and integrate sustainable development into strategy, governance, management, and reporting, with the strategic objective of reducing our negative impact on the environment. Our financial strategy is to grow through acquisitions and the leveraging of the existing portfolio by maximising the net asset base and improving cash generation, thereby growing income sustainably and managing costs.



We exist to empower previously disadvantaged individuals through job creation and maximising shareholder wealth generation through strategic investments



Our vision is to be a dynamic and innovative company that creates superior stakeholder value

OUR STRATEGIC AMBITIONS

Employer of choice	Sustainable business units	Innovative and sustainable products and solutions	Maintain zero operational fatalities
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DELIVERING ON OUR STRATEGY

Optimising our assets to sustain our business	Operating our asset base to its fullest potential	Growth of our businesses
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STRATEGIC FOCUS AREAS

Unlock infrastructure to support the business over the short-, medium-, and long-term	Identifying and realising opportunities based on our Group's asset base	Remain competitive through a reduced cost base Use of technology to remain competitive Creative business development
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KEY ENABLERS

Access to capital to enable support of the growth of our existing business and the ability to acquire more businesses	Leadership and culture – embedding a culture that fosters diversity, innovation, organisational effectiveness, employee health and safety	Committed employees who believe in the Company and its purpose	Stakeholders – engaging with key stakeholders for advice and support	Product – quality and consistency	Efficient operational activities to meet customer demands
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OUR OPERATING CONTEXT

The economy is still reeling from the effects of the COVID-19 pandemic and trading conditions such as lower business confidence, supply shortages, load shedding, inflationary pressures, foreign exchange volatility, civil unrest, the high cost of fuel, flooding, poverty, high unemployment, and the recent Ukraine-Russia war affected major supply industries. Economic recovery is likely to be slow across all markets and would require significant investment to stimulate growth. Our Group operated within this context in addition to unique challenges as the banking issues we currently face. It was our focus to stabilise the business within this tough context and preserve value for all our stakeholders.

The health, safety, and well-being – including the mental health of employees and “the new way of work” – remain a key priority for us.

During the year, the Board had to review its operational plans towards achieving its strategy and objectives, identifying crucial focus areas, and modernising our infrastructure.

Our executive management was responsible for developing and refining the Company's strategy, in collaboration with the Board, through observing the volatile Macroeconomic environment and regularly assessing the short- to medium term impact on our business. This included evaluating external factors, liquidity of our clients, our cash requirements, and ways to contain costs. In addition, executive management was responsible for implementing the strategy with the Board's oversight. The strategy includes the impact on the six capitals, the risks and opportunities facing the Company, and how the strategy is underpinned by the principles of sustainability and stewardship.


CREATING VALUE THROUGH RELATIONSHIPS

Our report extends beyond financial reporting and includes non-financial performance, opportunities, risks, and outcomes attributable to or associated with our key stakeholders. Our financial performance is a result of how we interacted with all our various stakeholders.

The Group had challenges in its relationship with banking institutions, and we engaged with banking institutions in this regard and kept all our stakeholders abreast of developments in these engagements. We maintained communication with the JSE on listing and regulatory issues throughout the year, seeking their advice on transactions and responding to any concerns raised.

Our engagement with suppliers enabled us to ensure consistent delivery of products and services and better manage our working capital through negotiated terms. We also supported our suppliers by making payments on time. Our clients partnered with us and ensured that they paid us on time, which helped us manage our liquidity. Our commitment to creating strong bonds with our stakeholders based on mutual respect and understanding remains unwavering.

Through our various operations, we will continue to explore opportunities to maximise our Group's capital and operational efficiencies and play our part in creating long-term stakeholder value.

 Refer to pages 58 to 63 for further information on our performance and strategy.

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MATERIAL MATTERS IMPACTING OUR STRATEGY

The 2022 financial year was characterised by uncertain geopolitical and socioeconomic growth factors, a challenging operating environment, evolving stakeholder needs and low growth, which has impacted our strategy. Our materiality process includes identifying, assessing, compiling, prioritising, deliberating, applying and validating our material matters and developments that have the potential to impact our sustainability.

MATERIAL MATTER	IMPACT ON OUR STRATEGY	OUTCOMES	RISKS AND CHALLENGES	CAPITAL AFFECTED
FINANCIAL	<ul style="list-style-type: none"> We remained focused on protecting and safeguarding our assets. We continued to manage the variables under our control, improve our liquidity, and ensure resilience. We looked at streamlining our investment portfolio. 	<ul style="list-style-type: none"> We optimised business continuity. We maintained adequate liquidity levels. We reinvested revenue in our operational businesses to ensure self-sustainability. Following the COVID-19 pandemic, we optimised business continuity following business disruptions. We ensured cost efficiencies and cost optimisation across all business units. 	<ul style="list-style-type: none"> Uncertain geopolitical, Macroeconomic and Socioeconomic growth factors. Low GDP growth and high levels of unemployment. Increased competition and the threat of new entrants. 	<div>FC IC</div> <div>MC HC</div> <div>SRC</div>
THE ENVIRONMENT AND SOCIAL AND RELATIONSHIP CAPITAL	<ul style="list-style-type: none"> Proactively identifying relevant and emerging legislation. Continue to refine our assurance approach, compliance, and risk management. Additional demands on regulation, governance, and risk management. 	<ul style="list-style-type: none"> As investors and stakeholders have shown an increased interest in ESG issues over the past few years, we ensured transparency in our reporting. Continue developing our relationships with our key stakeholders to build social capital. 	<ul style="list-style-type: none"> Entrenching corporate governance and ethics awareness in our businesses and employees. Regulatory and policy changes could have an impact on our business operations. Sound governance principles are critical in building trust and preventing corporate failure. Failing to meet human capital demands. 	<div>FC HC</div> <div>MC SRC</div> <div>NC</div>
BUSINESS OPERATIONS AND HUMAN CAPITAL	<ul style="list-style-type: none"> We had to revisit our strategic priorities. Due to the uncertain duration of the COVID-19 pandemic, we had to manage our financial and manufactured capital to ensure sustainability. Employee safety, health, and well-being remained paramount. 	<ul style="list-style-type: none"> The COVID-19 pandemic impacted our ability to create short- to medium-term value for our stakeholders in all our business operations. We had to review our business model, risks, opportunities, and value chain. 	<ul style="list-style-type: none"> Changes in corporate restructuring and the new way of work. Remote working and downsizing office space. The pandemic significantly impacted our business model and the Group. Various sectors of the economy have had to close for extended periods while others have closed permanently. Supply chains have been interrupted and working patterns disrupted. As a result, the pandemic has had a material impact on our ability to create value in the short- to medium-term for our stakeholders. It has forced us to review our risks across our value chain and to reconsider our outlook and prospects. 	<div>FC SRC</div> <div>HC NC</div> <div>IC</div>
HUMAN CAPITAL AND SOCIAL AND RELATIONSHIP CAPITAL	<ul style="list-style-type: none"> Global and environmental challenges continue to evolve and we have to consider the social and economic impact that our businesses have on the environment in which we operate. 	<ul style="list-style-type: none"> Ensure direct and indirect developmental outcomes from our activities: <ul style="list-style-type: none"> Leverage investments Employment Skills development Health and safety Transformation Community development Environmental stewardship 	<ul style="list-style-type: none"> Integrating ESG factors into our business units. We need to harness innovation and technology and identify solutions to increase our efficiencies and consumption. 	<div>FC NC</div> <div>HC SRC</div>

CHALLENGING OUTLOOK

- The Gross Domestic Product *per capita* has been on a steady decline and the exchange rate volatility plays a key role in this. It continues to impact the cost of raising capital.
- The country's depressed economy and the high unemployment rate have negatively impacted our businesses, consumers, and investors.
- The electricity grid continues to be under severe strain, with load shedding affecting an already depressed economy. With no improvement in sight, the economy cannot function to its full potential with insufficient electricity supply, the intentional sabotage of electricity power stations, and infrastructure damage.

CHALLENGING OUTLOOK

- The high interest rates continue to affect consumer confidence, severely reducing consumer spending.
- High fuel prices continue to affect production and logistics.
- The recent floods and violence in KwaZulu Natal and Gauteng continue to disrupt the supply chain and affect employment.
- The Ukraine-Russia war – Russian and Ukraine are big players in global food and oil markets. This impacts our economy as food prices such as grain and oil continue to rise.

MANAGING OUR MATERIAL RISKS RELATED TO OUR ACTIVITIES

Our risk management process is designed to identify, assess, quantify, and mitigate events by providing reasonable assurance that our strategic objectives will be achieved through the risk's potential positive and negative effects.

Our risk management approach continues to evolve as we define risks that may impact our ability to deliver sustainable value for our stakeholders. Our value creation strategy depends on management being able to leverage opportunities and the associated risks without jeopardising the direct interests of our stakeholders.

As new trends and developments shape the Macroeconomic environment, our themes have remained consistent but have been amended to reflect the pressure on revenue, the depressed economic climate, slow economic recovery, heightened cyber risk, the effect of the COVID-19 pandemic, and increased banking challenges to ensure organisational resilience.

MATERIAL RISKS












	RISK AND RATIONALE	CONSEQUENCES	MITIGATION	OPPORTUNITIES	LINK TO MATERIAL MATTER/ STRATEGY
1	Lack of access to banking facilities	<p>The relationship of the Group with banking institutions has been strained and has culminated in some bank account closures. If this continues there is a risk of:</p> <ul style="list-style-type: none"> operational and business disruption; closure of operations; loss of income through loss of major customers and inability to attract new customers; reputational damage; retrenchment of employees; unnecessary legal fees; and limited access to bank funding. 	<ul style="list-style-type: none"> Transparent communication with all stakeholders regarding our banking facilities. The Group looked at alternative banking arrangements and kept stakeholders abreast of the Group's situation. The Group had to review its business operations and processes. 	<p>Diversification of banking facilities to less traditional mainstream banks.</p> <p>Engage with banking institutions more robustly to re-establish a strong relationship which lays a foundation for long-term partnership.</p>	


Our Board delegated the management of risks to the Audit and Risk Committee and is committed to effective risk management to pursue the Group's strategic objectives to grow shareholder value sustainably. In our material matters, our key risks and opportunities represent the issues that impact our ability to create sustainable value for our stakeholders.

A key responsibility of the Audit and Risk Committee is to review the top material risks that the Group faces, respond to new and emerging risks, and ensure alignment with regulatory changes and best practices. In doing so, the committee takes stakeholder needs into account, including corporate governance principles, risk trends, global trends, and external dynamics. With our sound risk management, we can anticipate and respond to operating changes and make decisions under conditions of uncertainty.

	RISK AND RATIONALE	CONSEQUENCES	MITIGATION	OPPORTUNITIES	LINK TO MATERIAL MATTER/ STRATEGY
2	Loss of support from stakeholders due to reputational damage	<p>As a Company that is in the public eye there is a risk that stakeholders may cease supporting the Company due to negative media articles, perceived governance implementation failures and bank account closures. This would result in:</p> <ul style="list-style-type: none"> Loss of credibility and legitimacy due to negative media and untested allegations that it cannot control. Operational and business disruption. Inability to trade and continue business operations. 	<ul style="list-style-type: none"> Transparent communication with material stakeholders regarding media allegations. Engaged with third parties that raised issues that may have the potential to damage/ impact our reputation. Regular engagement with institutions regarding any concerns raised. Meticulous compliance with the relevant laws, regulations and Acts. 	<ul style="list-style-type: none"> Increase our focus on building our brand and reputation. Improve our communication with stakeholders. Improve our relationships with shareholders and institutions to support our growth plans. 	
3	Loss of business demand due to the economic recession, tarnished reputation and the negative impact of COVID-19	<p>The economic recession in local and international markets and the uncertain economic climate and the impact of the COVID-19 pandemic as we enter the third year and return business recovery to pre-COVID-19 levels could result in:</p> <ul style="list-style-type: none"> A negative effect on the growth and sustainability of the business. A negative effect on business operations. Decrease in revenue. Negative impact on liquidity. Employee infection or demise. Stringent laws and regulations. Inability to export products. Loss of significant clients and market share. 	<ul style="list-style-type: none"> The Group had to review its business operations, processes and structures under the "new norm". The Group continues to follow the government's COVID-19 protocols in dealing with the pandemic. The following services remain available and accessible for employees: <ul style="list-style-type: none"> health-line for COVID-19 support; financial support; counselling services for individuals and families; advisory services on health, daily behaviours, and planning; and managerial advice for oversight and keeping in contact during remote working. Streamlining and resizing businesses to reduce operational expenditure and the strain on cash resources. Management teams identified areas of innovation in operations to increase efficiency and develop products and services that respond to the current environment. 	<ul style="list-style-type: none"> The health and safety of employees are optimised. Productivity increased due to saving on travel time to the workplace. The pandemic has necessitated new revenue streams from the demand for products and services. Enhancing our assets. Optimising our plant and equipment. Improve margins that will optimise our business operations. 	

	RISK AND RATIONALE	CONSEQUENCES	MITIGATION	OPPORTUNITIES	LINK TO MATERIAL MATTER/ STRATEGY
4	Non-compliance with regulatory requirements resulting in fines and penalties	<p>The ever-changing regulatory environment could result in inadequate controls and processes. Inadequate monitoring and response to the requirements of the applicable legislation could result in:</p> <ul style="list-style-type: none"> a negative effect on the reputation of the Company; a decrease in community support; loss of income; and negative effect on stakeholder relationships. 	<ul style="list-style-type: none"> Training and awareness are continuously assessed and provided across the Group. Policies and procedures are updated regularly to adapt to all new regulations and legislative requirements. King IV™ compliance review completed annually through a Governance Instrument. The use of field experts and consultants to ensure compliance. 	<ul style="list-style-type: none"> Compliance with applicable laws and regulations governing the Group's results in the Group is seen as being a good corporate citizen. 	 
5	Inability to raise funding due to reputational damage and economic downturn	<p>The negative reputation that the Company is currently under in addition to the economic downturn could result in:</p> <ul style="list-style-type: none"> a loss of stakeholder confidence; a negative effect on the sustainability of the business and business operations; loss of income; and slow growth. 	<ul style="list-style-type: none"> Continuous communication of the value proposition of our products, services and businesses. Build agility in the way we conduct our businesses. Diversification of products, brands, services and companies we invest in. Continue to seek alternative markets for our products, brands and services. Insurance cover has been taken out where applicable. 	<ul style="list-style-type: none"> Focus on our acquisition strategy to ensure revenue is not negatively affected. Improve communication with our markets regarding our value proposition. Focus on internal reviews and reflect on the success of our strategy. Acquiring good businesses at favourable prices. 	  

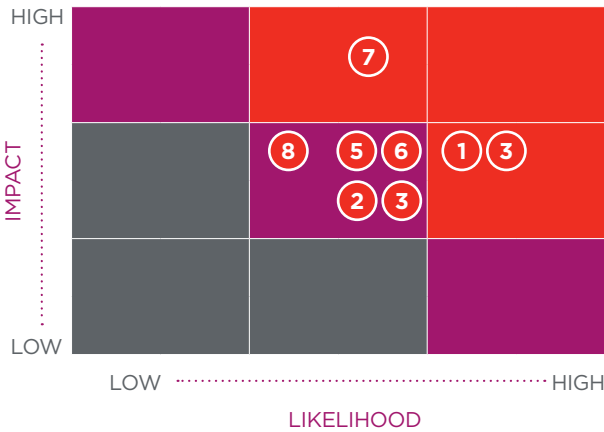
	RISK AND RATIONALE	CONSEQUENCES	MITIGATION	OPPORTUNITIES	LINK TO MATERIAL MATTER/ STRATEGY
6	Business interruption due to information technology systems downtime or breaches	<p>There is potential for downtime and security breaches due to inadequate IT integration into strategy, outdated systems, lack of knowledge by employees and undefined reliance on third party IT service providers. This could result in:</p> <ul style="list-style-type: none"> a negative effect on business operations and sustainability; a harmful effect the reputation of the Company; possible financial loss; and business interruptions in the Group's systems from malicious software and increasingly advanced cyber and ransomware attacks, leading to a loss of information and an increased risk of fraud. 	<ul style="list-style-type: none"> Restrict access to the Group's communication and technology systems through e.g., firewalls. The monitoring of the IT systems for possible IT-related breaches, cyber ransomware attacks and malicious software. The rollout and implementation of the new IT system. Back-ups are performed daily and stored on different external servers and off-site. Service level agreements with third party IT service providers. 	<ul style="list-style-type: none"> The Group can maintain data integrity and decrease downtime on a secure IT system. Uninterrupted business practices will lead to efficiency and maximising profits. Optimising "The Way We Work" in a digital world. 	 
7	Loss of critical skills due to reputational damage and the competitive job market	<p>Limited investment in scarce skills and programmes, inadequate skills transfer and limited training opportunities focussed on technical skills, inadequate succession planning, negative brand reputation and non-competitive employee incentive schemes could result in employees looking at other opportunities resulting in:</p> <ul style="list-style-type: none"> a negative effect on the sustainability of the business and business operations; and a negative effect on the reputation of the Company. 	<ul style="list-style-type: none"> A bursary scheme is in place. Market-related remuneration and equal pay. Career development opportunities, including internal skills training. Employee wellness programmes. Training and upskilling of employees. Succession planning for critical skills is on the Board agenda. 	<ul style="list-style-type: none"> Become an employer of choice by offering an ethical working culture and an environment that attracts and retains superior employees. 	 

	RISK AND RATIONALE	CONSEQUENCES	MITIGATION	OPPORTUNITIES	LINK TO MATERIAL MATTER/ STRATEGY
8	Inability to respond adequately to environmental challenges such as climate change	<p>Being the controlling shareholder of a fishing company and other large companies in various sectors with the potential for a significant carbon footprint, there is a risk that our response to these challenges could be inadequate resulting in:</p> <ul style="list-style-type: none">an increase in carbon emissions which negatively impacts our position in the communities that we operate in;lack of continuous monitoring of climate change and waste management; andnon-compliance with regulatory laws regarding environmental sustainability resulting in fines, penalties and reputational damage.	<ul style="list-style-type: none">Adherence to marine management policies from the Marine and Coastal Management to ensure no overfishing takes place.Recycling and better waste removal techniques are being employed across the Group.Communication on climate change in the organisation so that employees are more aware and can make climate-friendly changes in their own lives.	<ul style="list-style-type: none">There is an opportunity for the Group to maintain a clean, safe environment, reduce carbon emissions and be seen as a good corporate citizen.	

Emerging risks:

- Business resilience – the uncontrollable elements such as pricing, exchange rate volatility, and inflation could impact our earnings
- The delivery of strategic projects and business opportunities
- Cybersecurity and privacy in a more digital and remote working environment
- Business security and crisis management – the pandemic resulted in some of our business unit's operations being halted, calling into question the sustainability of their business models
- The effects of climate change on sustainability

RISK METRICS



RANKING OF RISKS

RISK SCORE	RISK MAGNITUDE	RESPONSE
16-25	High	Unacceptable level of risk – High level of control intervention required to achieve an acceptable level of residual risk
8-15	Medium	Unacceptable level of risk, except under unique circumstances or conditions – Moderate level of control intervention required to achieve an acceptable level of residual risk
1-7	Low	Mostly acceptable – Low level of control intervention required if any

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CHIEF FINANCIAL OFFICER'S STATEMENT



“Resilience is all about being able to overcome the unexpected. Sustainability is about survival. The goal of resilience is to thrive.”

Jamais Casco

Growth to relieve unemployment

ENHANCING SHAREHOLDER RETURNS DESPITE A CHALLENGING OPERATING ENVIRONMENT

The financial capital we source from our equity and debt investors and our retained earnings enables our business continuity and growth, including making strategic investments. Our value is created and preserved through:

- increasing NAV, returns on investments, dividends and share price;
- investing in and growing our client franchises and our employees sustainably;
- following good ESG practices that ensure a sustainable business for the long-term; and
- increasing mental wellness awareness as a priority of human capital.

OPERATING IN AN UNPRECEDENTED MACROECONOMIC ENVIRONMENT

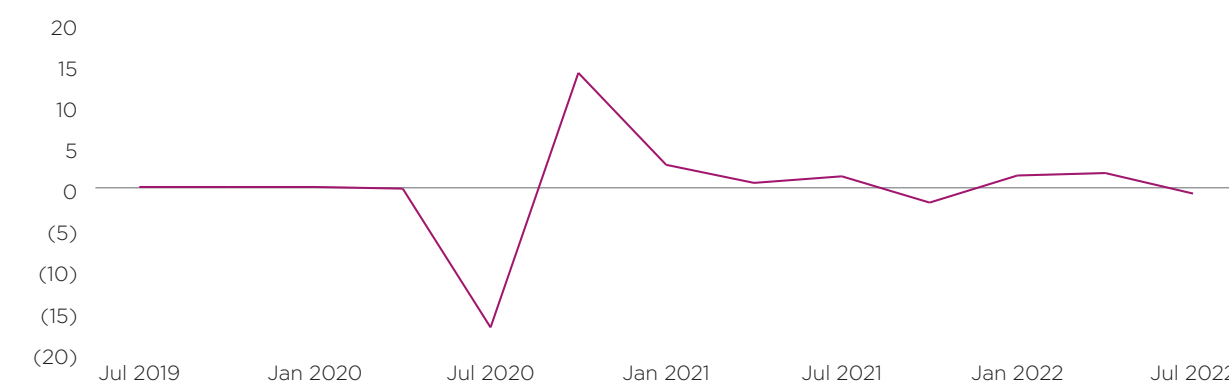
During the 2022 financial year, we went through a tumultuous period with an unprecedented attack through media articles, but we kept our focus to steady the ship for future growth.

As we continue to navigate this “new normal”, we lock arms (virtually) to find new ways of working and surviving.

AEEL's sustainability and business model will continue to be resilient, flexible and adaptable to the “new normal”. AEEL, as a diversified investment holding company, has delivered and reinvented itself as a Group for the financial year ending 31 August 2022.

SOUTH AFRICAN GDP

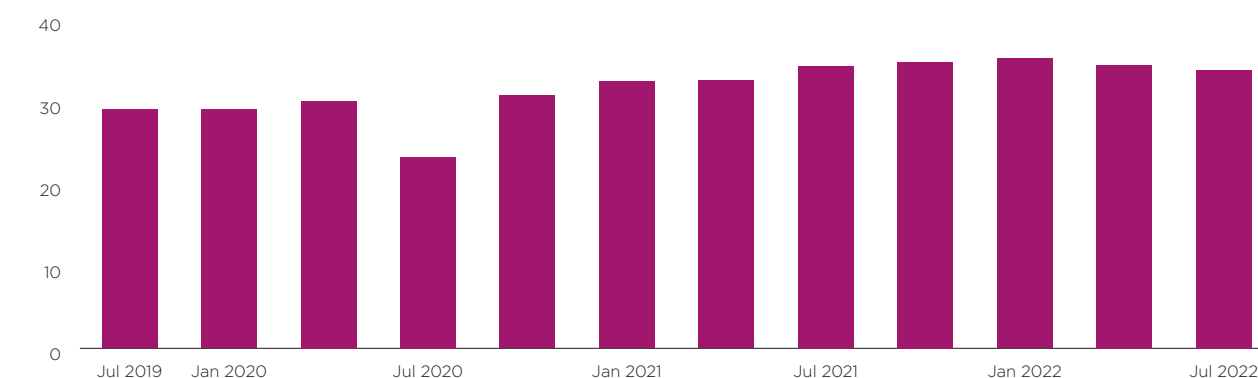
The South African economy recorded a record average inflation of 7% for the 2022 financial year. Despite the gains made during the year, however, the economy is still smaller than before the COVID-19 pandemic. South Africa's economy is projected to grow by 2.1% in 2022.



Source: [TRADINGECONOMICS.COM](https://tradingeconomics.com) | [STATISTICS SOUTH AFRICA](https://statistics-southafrica.com)

SOUTH AFRICAN UNEMPLOYMENT RATE

Equal opportunity and equal treatment in the labour market are at the core of decent work. The unemployment rate in South Africa currently stands at 34.4% and many job creation investments are needed to stimulate the country's economic growth.



Source: [TRADINGECONOMICS.COM](https://tradingeconomics.com) | [STATISTICS SOUTH AFRICA](https://statistics-southafrica.com)

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DELIVERY ON OUR KEY FOCUS AREAS

2022 FINANCIAL OVERVIEW

KEY PERFORMANCE INDICATORS	AUGUST 2022 R'000	AUGUST 2021 R'000
Revenue	2 333 470	2 339 169
Total assets	6 029 757	6 449 826
AEEI Group net asset value	4 877 422	5 413 723
Group net asset value per share (cents)	993.32	1 102.54

INCOME STATEMENT	AUGUST 2022 R'000	AUGUST 2021 R'000
Revenue	2 333 470	2 339 169
Cost of sales	1 740 930	1 659 382
Gross profit	592 540	679 787
Loss before taxation	(330 829)	(180 848)

DIVISIONAL REVENUE – 2022 IMPACT

SEGMENTS	AUGUST 2022 R'000	AUGUST 2021 R'000
– Fishing and Brands	470 416	569 852
– Technology	1 799 794	1 700 818
– Events and Tourism	10 643	7 448
– Health and Beauty	45 119	44 454
– Corporate	7 498	16 597
– Group Revenue	2 333 470	2 339 169

FISHING AND BRANDS DIVISION

Premier Fishing and Brands Ltd (Premier) had a tough year which saw overall revenue dropping by R100m from R575m to R475m, mainly as a result of the squid division. The squid sector saw reduced catch rates, which was industry-wide. However, whilst the export market for squid remains very strong as the market saw high prices per kilogram, the Group, unfortunately, could not capitalise on the price factor due to low volumes caught, which was industry-wide. Gross profit margins from 2021 to 2022 remained relatively consistent. Profit before tax rose to R19m (2021: R18m), primarily due to a grant received from the Department of Trade and Industry (DTI), as well as solid performances for the lobster sector as well as solid divisional performances in the pelagic and the hake sector.

FISHING RIGHTS APPLICATION PROCESS (FRAP)

The FRAP was officially concluded in March 2022. Premier's applications were scored and rated based on the quality of how they operated the fishing rights, the efficiency and usage of the assets and resources, investment into the vessels and the management of the entire crew over the past 15 years. Premier is pleased to announce that the Department of Agriculture, Forestry and Fishing (DAFF) granted them all its fishing rights for the next 15 years in March 2022 in the following sectors:

- South Coast Rock Lobster
- Anchovies
- Pilchards
- Squid
- Hake – deep sea
- Hake – longline

The Premier Group looks forward to the next 15 years of fishing. It will look to continue its good management of the entire fleet and crew and continue the massive strides it has made in job creation, corporate social investment, and transformation.

TECHNOLOGY

AYO Technology Solutions Ltd's (AYO) revenue increased by 6% from R1.7bn to R1.8bn due to improved revenue generation from the managed services and unified communications divisions.

The acquisition of Kathea Communication Solutions (Pty) Ltd (Kathea) in 2021 has proved itself by performing significantly well in the current financial year, as it earned revenue of R236m in the current year. In the prior year, the AYO Group consolidated revenue of R93m from Kathea for the six months from 1 March 2021 to 31 August 2021.

On 1 November 2021, the AYO Group disposed of its 100% shareholding in Puleng Technologies (Pty) Ltd (Puleng). Due to a change in control, Global Command and Control Technologies (Pty) Ltd is now an associate of AYO and remains part of the AEEI Group as a subsidiary. The Group's gross profit percentage decreased from 26% in the prior year to 22% in the current year due to the prior year margin including high gross profits earned by Puleng.

GLOBAL COMMAND AND CONTROL TECHNOLOGIES (PTY) LTD (GC²T)

GC²T experienced a challenging year resulting in a loss before tax of R21.8m from a loss of R10.7m reported in the prior year. The primary challenge was the delays in finalising a contract with a key client, resulting in an associated programme that could not be initiated. The delay of the contract was addressed as a matter of urgency with the client. Even though COVID-19 measures in South Africa were lifted last year, it still impacted engagement and interaction with several of GC²T's key stakeholders and clients resulting in GC²T not being able to mitigate the above-mentioned delays as quickly as expected. Positive outlooks for GC²T include an African Union (AU) contract that management has concluded for the duration of one year as well as a three-year contract with the South African Airforce via Armscor worth R110m.

EVENTS AND TOURISM DIVISION

The revenue of the events and tourism division decreased due to the COVID-19 pandemic, which led to the cancellation of events and large public gatherings, including the division's flagship event, the annual Cape Town International Jazz Festival, also known as "Africa's Grandest Gathering." Staff retrenchments and streamlining of operating costs were necessary for the current year to curtail costs in the reality of having no income.

Tripos Travel (Pty) Ltd has had improved revenue from R8m to R17m in the past year due to the increased travel recovery following the COVID-19 downturn. Corporate and leisure clients have begun travelling more frequently and this has doubled revenue. Industry forecasts are positive for more growth in the next 6-12 months. Overall revenue in this division was R18m (2021: R10m).

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HEALTH AND BEAUTY DIVISION

Orleans Cosmetics (Pty) Ltd had a challenging year but increased revenue marginally to R33.8m.

The Company continues to recover from the COVID-19 pandemic with customer sales improving marginally. The delay in deliveries of products from overseas suppliers due to global supply chain issues negatively affected sales.

The impact of the COVID-19 pandemic was not as severe as originally contemplated in the cosmetics industry and it remained resilient, with the majority of the sales in skincare.

AfriNat (Pty) Ltd operates in three sectors: agriculture which includes pre-and post-harvest, hygiene and sanitation, and food preservation, which focused on providing sustainable solutions in food production and processing from seed to table.

The overall revenue for 2022 is R11.8m compared to R13.1m in the prior year. The revenue and overall loss are primarily attributed to logistical delays in raw materials and they were unable to meet market requirements. The European markets deterred local citrus farmers from exporting, causing a ripple effect and leading to a minimal uptake of their products.

RESEARCH AND DEVELOPMENT DIVISION

The research and development division are engaged in product development phases at different stages, including developmental work on the dendritic cell vaccine (DCV) for cancer immunotherapy and communicable diseases such as extreme drug-resistant tuberculosis.

There was minimal progress during 2022 due to the multiple strains of the COVID-19 pandemic and funding not being available. Our legal teams have registered and maintained the IP registrations into new territories worldwide for the maturation of the dendritic cells, which is the basis of this technology. Management continues to seek alternative funding partners to derive value from these high potential innovative products.

CORPORATE DIVISION

The Group’s strategic investments consist of BT Communications Services South Africa (Pty) Ltd (BT), African Legend Investments (Pty) Ltd (ALI) and Sygnia Ltd (Sygnia). These investments continue to bolster the value of our diversified investment portfolio with a regular annual dividend flow. Sygnia’s share price decreased year on year, resulting in the value of our investment decreasing by R2.4m as at 31 August 2022. Our investment in ALI increased by R2.8m as at our financial year end. The corporate division’s revenue decreased from R30m to R22m, however, the profit before tax increased from R2.5m to R5.7m. The increase in profit before tax is mainly due to the increase in our associate BT’s equity results which countered the loss of R7.8m from the disposal of Magic 828 (Pty) Ltd (Magic 828). Magic 828 was sold during the year. The radio station contributed R2.1m revenue and losses of R4.5m for 11 months to 31 July 2022 when it was sold.

STRATEGIC INVESTMENTS

Our strategic investments in British Telecommunication Services South Africa Proprietary Limited (BT) and Sygnia Ltd (Sygnia) continue to yield good returns. In the current financial year, our strategic investments yielded revenue of R42m in equity accounted earnings from BT and R5m in dividends from Sygnia (2021: R28m from BT and R3m from Sygnia.)

MATERIAL MATTERS THAT HAVE AFFECTED OUR STRATEGY

We identified our material matters in terms of relevance from our risk assessment process, which included uncertain events that could potentially negatively affect the Group. In addition, the risk assessment process took into account the legitimate and reasonable needs, interests and expectations of our material stakeholders in the best interests of the Group and the capital affected. Refer to Material Matters Impacting our Strategy on pages 50 and 51 for detailed information.

FINANCIAL OUTLOOK

Our fishing and brands division is well-positioned for growth over the next few years. The allocation of the FRAP 15-year quota allocation will have a positive effective on the growth of the business.

AYO continues to focus on its acquisition strategy to complement and enhance the businesses they currently own. This will enable them to service a substantial client base in a number of industry verticals, including financial services, telecommunications, public enterprises, health care and media.

The health and beauty division withstood the post-COVID-19 financial slump and is on a trajectory to improve its results in 2023.

SPECIAL THANKS AND APPRECIATION

A special thank you goes to our incredible team and the employees in the Group. We could not have done it without you. I would like to thank you for making our year a success despite all the challenges and hurdles we faced to ensure the sustainability of our business with minimal distraction from outside forces by remaining focused.

2022 has been an extremely challenging year for AEEI and its subsidiaries, our team, associates, partners and stakeholders, and I would like to thank you graciously for your unwavering loyalty and support during one of our most turbulent years.

CONCLUSION

AEEI has demonstrated that it is well-positioned to mitigate risk, flexible enough to change strategic direction in the face of adversity, and remains focused on further growth by improving its profitability and delivering greater value to its shareholders.



JOWAYNE VAN WYK
Chief financial officer

GROUP FINANCIAL POSITION

SUMMARISED BALANCE SHEET

	AUGUST 2022 R'000	AUGUST 2021 R'000
Non-current assets	3 036 320	2 862 570
Current assets	2 993 437	3 587 256
Total assets	6 029 757	6 449 826
Total liabilities	1 152 335	1 036 103
Group’s share of equity	2 569 520	2 831 016
Group’s net asset value (cents)	993.32	1 102.54

OUR KEY PERFORMANCE INDICATORS

OUR STRATEGIC EXECUTION AND TRADE-OFFS FOR 2022

The Board had to make various decisions to deliver on our strategy and KPIs. The challenges with banking institutions had a negative effect on all the business units and impacted our ability to create value for our stakeholders in the short-term. This was exacerbated by the ripple effect of the COVID-19 pandemic, the macroeconomic climate, high-interest rates, volatile exchange rate, the constant increase in fuel prices and civil unrest, which led us to review our business portfolio.

However, the Board's strategic focus was to continue unlocking shareholder value and responding to critical issues and the COVID-19 response strategy albeit in a difficult environment. The Board remains committed to returning the financial performance to pre-COVID-19 levels.

FINANCIAL KPIs	DELIVERING ON OUR STRATEGY	TRADE-OFF CAPITALS IN PLAY
<ul style="list-style-type: none"> Revenue growth Increase net asset value Growth in total assets Normalised profit before tax Net cash from operating activities 	<ul style="list-style-type: none"> We implemented our revised operational plans We discussed and implemented plans to optimise the allocation of financial capital We activated interventions to improve operational sustainability We implemented financial and human capital to optimise our resources We operated efficiently and responsibly We discussed and approved funding of the Company's investment portfolio We monitored the Company's investment strategy We monitored currency volatility and acted accordingly to minimise any potential impact 	<div>FC</div> <div>MC</div> <div>HC</div> <div>IC</div>
NON-FINANCIAL KPIs	DELIVERING ON OUR STRATEGY	TRADE-OFF CAPITALS IN PLAY
<ul style="list-style-type: none"> Brand and reputation B-BBEE level Stakeholder relations Employee training and development Diversity Social development Enterprise development 	<ul style="list-style-type: none"> We continuously monitored our brand and reputation and took appropriate action through living our purpose and engaging with our stakeholders We protected AEEI's reputation and value and increased brand visibility We increased our B-BBEE level of accreditation We approved the restructure of the business processes to enable service excellence despite the impact of COVID-19 and the macroeconomic climate We profiled the Company through various platforms We invested in our human capital We engaged talent by harnessing our employee's skills and abilities We invested in employee training and initiatives We continuously monitored transformation and employment equity at all levels in the Group We continued to improve on gender and race diversity in the Group 	<div>MC</div> <div>HC</div> <div>SRC</div> <div>IC</div>

Note: The impact of the banking facilities and the prolonged COVID-19 pandemic during the year under review severely impacted our financial and non-financial KPIs.

OUR OUTLOOK AND PRIORITIES FOR 2023

The timing for our next growth phase depends on how the macroeconomic environment unfolds and stabilises. With the uncertain macroeconomic environment, we will continue to assess various scenarios to inform our decisions. For the next 12-18 months, our aim is to ensure our businesses survive and stabilise, ready to take on the opportunities that we are confident we can harness in the future. Key to harnessing these opportunities is the need for us to rebuild a strong relationship with banking institutions and securing stable and reliable banking facilities. Regaining the good reputation of our brand will also be of utmost importance.

➤	Re-establish a good relationship with banking institutions
➤	Continue to manage our reputation and brand
➤	Ensure survival and sustainability of the businesses by focusing on stringent cash management, operational efficiencies, and smart innovation
➤	Seek opportunities to increase revenue and profit without risking the assets of the business
➤	Deliver sustainable growth to shareholders
➤	Leverage the Group's combined synergistic power to achieve efficiencies
➤	Focus on selective acquisitions in line with the Group's risk appetite
➤	Continue to engage with our stakeholders proactively
➤	Grow our businesses through greater collaboration with our associates and strategic partners outside of South Africa and Africa
➤	Attract, retain, and develop our human capital
➤	Build a resilient workforce
➤	Maintain competitive remuneration to our employees
➤	Continue to drive transformation
➤	Create employment opportunities, especially for youth and women
➤	Continue to promote responsible business practices and good corporate governance
➤	Identify opportunities to expand our product portfolio
➤	Explore additional joint-venture partnerships
➤	Continue to practice responsible environmental management

The Company will continue working towards improving its SDGs and continue to improve reporting on its ESGs Data Transparency Index.

POST-BALANCE SHEET EVENTS

On 11 November 2022, AEEI and Premier Fishing and Brands Ltd (PFB) announced on SENS that AEEI, in concert with other related entities, are working on a potential transaction to buy out the minority shareholders in PFB and delist the company. On 9 December 2022 PFB and AEEI published a joint announcement of a firm intention for the offer to PFB minority shareholders.

On 4 November 2022 and 16 November 2022, AEEI announced on SENS that it would be concluding a small related party transaction whereby a portion of shares held in Sygnia Ltd by AEEI would be sold to Sekunjalo Investment Holdings (Pty) Ltd.

In the previous financial year, AYO disposed of 5.5% of its shareholding in Zaloserve (Pty) Ltd (Zaloserve) to Zaloserve management. On 19 October 2022, the Board approved the transaction to reverse the sale of 5.5% of the issued share capital. As of 19 October 2022, the AYO Group held 55% equity interest in Zaloserve.

The Chief Executive Officer of AYO, Mr Howard Platjes, having reached retirement age, has elected to exercise his right to retire with effect from 13 December 2022.

AYO was publicly censured by the JSE on 21 December 2022 for a failure to comply with JSE Listings Requirements for certain transactions concluded between 2017 and 2019. AYO has issued a public response on the Stock Exchange News Service. The censure and response thereto are available for viewing on the JSE SENS Announcements webpage.

SHARE SUBSCRIPTION BINDING AGREEMENT
Shareholders holding securities in Premier Fishing and Brands Ltd (PFB) and African Equity Empowerment Investments Ltd respectively are advised that Premier Fishing SA (Pty) Ltd (PFSA), a wholly owned subsidiary of PFB entered into a binding subscription agreement where PFSA will subscribe for 607 Ordinary shares of Talhado Fishing Enterprises (Pty) Ltd (Talhado) for a subscriptions price of R95,000,000 and Talhado will enter into a binding share repurchase agreement to subscribe for 607 Scofish (Pty) Ltd (Scofish) shares, for a repurchase price of R95,000,000.

The lease term for the premises located at the V&A Waterfront, the group head offices were revised after year end, a new lease contract was signed into effective 1 December 2022. The effect of the lease contract cancellation on the reported financial statements are that a lease liability and right of use assets reported on the statement of financial position will be written off to a nil value in the next financial year.

OUR STAKEHOLDER NEEDS AND EXPECTATIONS

We believe that the strength of our relationships with our key stakeholders is critical to achieving our strategic objectives and creating mutual value for the Company and its stakeholders. As such, our stakeholder management approach involves a thorough understanding of key stakeholders and assessing the material matters, including risks and opportunities. Our approach provides for our stakeholder's needs and meeting their expectations. We create and protect value and continue to look at minimising value erosion.

We continue to strive to respond timeously and appropriately to issues raised through our interactions as stakeholders' needs continue to evolve with new development and trends.



SHAREHOLDERS, THE INVESTMENT COMMUNITY, AND PROVIDERS OF CAPITAL

Our engagement with our shareholders and the investment community emphasised the benefits to shareholders and the investment community through our financial performance.

We have a diverse shareholder base, with most of them taking a medium- to long-term view of their investment in AEEI. We have a total of 6 509 shareholders as of 31 August 2022.

PRIMARY CONCERNS	THEIR NEEDS AND EXPECTATIONS	HOW WE ADDRESSED THESE CONCERNS AND EXPECTATIONS	HOW WE ENGAGED WITH THEM
<ul style="list-style-type: none">▪ Liquidity concerns post COVID-19 and their impact on the business▪ Business and operational performance▪ Market confidence and share price▪ Return on investment capital▪ Reputational damage▪ Banking facilities▪ Shareholder returns▪ Capital management▪ Growth of the businesses▪ Risks and opportunities▪ Environmental constraints▪ Impairments	<ul style="list-style-type: none">▪ Creating sustainable growth in our businesses▪ Value-add and return on investments▪ Share price appreciation▪ Sound balance sheet▪ Growth in net asset value▪ Payment of regular dividends▪ Experienced leadership team▪ Transparent reporting and disclosure▪ Ethical operations on a sustainable basis▪ Managing costs▪ Sound ESG practices in our business units	<ul style="list-style-type: none">▪ We adjusted the execution of our strategic activities in response to the COVID-19 pandemic environment▪ We switched our primary focus from increasing our returns and profitability to resilience and stabilising our businesses in a volatile environment▪ We regularly engaged with shareholders, investors, and capital providers to maintain relevance▪ We made transparent disclosures by increasing our levels of reporting▪ We addressed adverse media reports and we are committed to address the issues raised by the different interested parties▪ We repaid debt to strengthen the balance sheet and reduce long-term finance costs	<p>We proactively communicated our strategy and activities to our shareholders, the investment community, and providers of capital through:</p> <ul style="list-style-type: none">▪ our AGM;▪ our interim results;▪ SENS announcements and trading updates;▪ our Integrated Report, annual financial statements, and online suite of reports;▪ sustainability information;▪ pre- and post-results feedback;▪ print media to address reputational damage and banking facilities;▪ various direct engagements with bankers, strategic partners, and shareholders to address reputational damage concerns;▪ <i>ad hoc</i> online meetings (as requested); and▪ our website – www.aeei.co.za.



SHAREHOLDERS, THE INVESTMENT COMMUNITY, AND PROVIDERS OF CAPITAL

HOW WE DELIVERED VALUE TO THEM – VALUE CREATION, VALUE PRESERVATION AND VALUE EROSION


The Group's negative outcome in results is against the backdrop of a very challenging year and tumultuous operating environment. We believe that our operational plans mitigated a more pronounced erosion of value. This resilience will ensure sustainability, resulting in long-term value creation.

- We executed our strategy to ensure the long-term sustainability of our investment portfolio by managing the risks and positioning ourselves to capitalise on opportunities in our markets.
- ⊕ We ensured transparent, relevant, and timeous reporting to provide investors with pertinent information to make informed decisions.
- We remained resilient through the crisis of the last two years.
- We operated within our risk appetite.
- Our revenue decreased marginally from R2.34bn to R2.33bn
- Our headline earnings loss decreased from (R108m) to (R182m).
- Headline earnings loss per share decreased from (22.08c) to (37.16c).
- Normalised headline earnings loss decreased from (R0.7m) to (R12.6m).
- Normalised headline earnings loss per share decreased from (0.14c) to (2.56c).
- Total assets decreased from R6.4bn to R6bn.
- No dividend was declared in order to extinguish debt and maintain adequate working capital levels in the face of a tough trading environment (2021: R196m).
- We used our capital responsibly, maintained sound corporate governance practices, and committed to transparent reporting.
- NAV per share decreased from 1 102.54c to 993.32c.

KEY OBJECTIVES AND METRICS WE TRACK:	CAPITALS IMPACTED
<ul style="list-style-type: none">▪ NAV per share▪ Share price performance▪ NAV per share growth▪ AGM voting outcomes▪ Return on investments▪ Headline earnings per share▪ Earnings per share▪ Liquidity▪ Environmental, social and governance risks▪ The post COVID-19 pandemic impact on our operations	<div>FC</div> <div>IC</div> <div>SRC</div> <div>NC</div>


⊕ Value creation ● Value preservation - Value erosion

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- OUR PERFORMANCE
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- REMUNERATION COMMITTEE
- SUPPLEMENTARY INFORMATION

<div>EMPLOYEES</div>			
We value the relationship with our employees by taking into account training and development, human capital requirements, transformation and diversity.			
PRIMARY CONCERNS	THEIR NEEDS AND EXPECTATIONS	HOW WE ADDRESSED THESE CONCERNS AND EXPECTATIONS	HOW WE ENGAGED WITH THEM
<ul style="list-style-type: none">Employee health and safetyThe evolving world of workReputational damage and banking facilitiesThe economyTransformation and diversityJob security in a volatile economic climateMarket-related remunerationClear career paths and opportunities for career development, including skills trainingEducational programmesEmployee wellness programmesCorporate social investment and socio-economic development in communitiesEmployee engagement and communication – the importance of open and honest feedbackProtection of Personal Information (POPI)	<ul style="list-style-type: none">A safe and healthy working environmentReputational damage to the business and business continuity in respect of banking facilitiesFlexible working conditionsCompetitive, market-related remunerationCareer development, growth, and opportunities in the GroupContributing to an inclusive society through employment equity and gender equalityAn environment that is enabling and empowering	<ul style="list-style-type: none">We ensured that health and safety protocols were adhered to and procedures followed throughout the COVID-19 pandemic and continue to provide PPEWe addressed any reputational damage with all employees through various platformsWe ensured acceptable working conditions for all employeesWe ensured remuneration is in line with market-related trendsWe invested in skills development and provided growth opportunitiesWe remained committed to transformation and diversity, and this forms part of the Transformation PlanSocio-economic development (SED) and corporate social investment (CSI) projects focus on Company-specific areas of supportWe have bursary programmes to assist with secondary and tertiary educationWe created employment for interns and contractorsWe put into place third party payment solutions in response to banking challenges	<ul style="list-style-type: none">Feedback and input from our employees assist us in understanding and responding to their concerns and needs. Communication channels include:<ul style="list-style-type: none">open-door policy;newsletters, electronic communication, and notice boards; andCEO's communiqué and direct communication between managers, teams, and individuals.Work performance reviews have been linked to personal development plansOur employees were kept abreast of the actions taken by the Company in response to negative media attention and reputational damage, including our approach to banking facilities and business continuityWe have a 7-day Mental Health Survival online course made available to all employeesPerformance evaluation, including job grading and job specification requirementsWe provide training and development opportunitiesAnonymous whistle-blowing hotline and dedicated email addressCareer development and succession plans are in place to achieve our strategic objectives and ensure that we have the right skills to succeed


<div>EMPLOYEES</div>	
HOW WE DELIVERED VALUE TO THEM – VALUE CREATION, VALUE PRESERVATION AND VALUE EROSION	
We assessed the relationship with our employees through the value we created, including performance against specific KPIs.	
<ul style="list-style-type: none">● Candidates for new vacancy positions are sourced from within the Group before being advertised externally. Preference is provided for transformation, gender and race diversity in the Transformation Plan.✚ Continued progress is being made in delivering on our Transformation Plan and strategy, including persons with disabilities.● A decline in the number of misconduct incidents and Commission for Conciliation, Mediation and Arbitration (CCMA) referrals demonstrates an improvement in employee relations.✚ We paid R564m in salaries and wages.✚ We concluded an 8% salary increase across the Group despite the challenging economic climate.✚ We ensured business continuity despite the adverse reputational damage and banking challenges.✚ We spent R7.7m on training and development with 374 employees receiving training.✚ We enabled our employees to work remotely.✚ We increased interventions on our employees' physical, mental, and financial well-being by providing emotional and mental health counselling.● A pension/provident fund is in place to assist employees in investing for their future retirement. In addition, Group risk insurance, which is linked to the provident fund, provides a lump-sum payment in the event of the disability or death of an employee.● Funeral cover is provided either through the existing retirement funds or as part of the collective bargaining council agreements.● Share ownership schemes are in place in some subsidiaries and associate companies.	
KEY OBJECTIVES AND METRICS WE TRACK: <ul style="list-style-type: none">Employee health and welfareA diverse and inclusive employee profileAn innovative cultureCareer development and employment opportunitiesEmployee attrition	CAPITALS IMPACTED <div><div>HC</div><div>IC</div><div>SRC</div></div>


✚ Value creation ● Value preservation - Value erosion

<div>BUSINESS PARTNERS</div>			
We value our relationship with our business partners and ensure their needs and expectations are met.			
PRIMARY CONCERNS	THEIR NEEDS AND EXPECTATIONS	HOW WE ADDRESSED THESE CONCERNS AND EXPECTATIONS	HOW WE ENGAGED WITH THEM
<ul style="list-style-type: none">▪ <i>Clients:</i><ul style="list-style-type: none">- Sustainability of our businesses and products- Innovative products and solutions- Ethical and quality products and brands- Competitive pricing and delivery- B-BBEE and transformation▪ <i>Service providers and suppliers:</i><ul style="list-style-type: none">- Long-term sustainable support for small black-owned supplier companies- Fair and transparent treatment and sustainability- Fair payment terms▪ <i>Joint-venture partners:</i><ul style="list-style-type: none">- Financial performance, transparency, growth and leadership- Reputational damage- Access to banking facilities and its impact on clients- The Protection of Personal Information (POPI)	<ul style="list-style-type: none">▪ Delivery of quality products and services▪ Distribution of innovative sustainable products and services▪ Developing innovative business solutions▪ The long-term security of supply▪ Environmental constraints and the impact on the economy▪ Pricing of products due to a depressed economy▪ Adherence to regulatory requirements▪ Good corporate governance and ethics practices▪ Adherence to POPI	<ul style="list-style-type: none">▪ <i>Clients:</i><ul style="list-style-type: none">- We supplied additional product ranges and innovative solutions, including technical expertise- We focused on manufacturing excellence, long-term security of supply and cost efficiencies▪ <i>Service providers and suppliers:</i><ul style="list-style-type: none">- We ensured timeous and fair payment terms- We engaged with suppliers on product relationships with small black-owned businesses to ensure their sustainability▪ <i>Joint-venture partners:</i><ul style="list-style-type: none">- We remained committed to ethical business practices and respected the interests of all our partners▪ <i>Protection of Personal Information Act compliance:</i><ul style="list-style-type: none">- We have a system in place to mitigate, identify and rectify any breaches▪ <i>Reputational damage:</i><ul style="list-style-type: none">- We addressed the adverse reputation of the Group through meetings, the media, and SENS disclosures▪ <i>Access to banking facilities:</i><ul style="list-style-type: none">- Despite the banking challenges, we ensured timeous payment to suppliers and service providers- We communicated with them and provided assurance that we had access to alternate banking facilities and payment solutions	<ul style="list-style-type: none">▪ We engaged with them through various forums, including:<ul style="list-style-type: none">- quality and performance reviews;- contract negotiations and ongoing interactions in the ordinary course of business;- supplier audits, including POPI compliance;- industry forums;- updated service level and non-disclosure agreements in line with POPI; and- online meetings, telephonic and electronic interactions.▪ In a fast-changing competitive environment, we continued to foster relationships and understand our clients' needs and expectations▪ We continuously worked towards understanding the needs of our customers, service providers and joint-venture partners▪ We took an ethical approach to do business and remained open to clear and transparent business practices, alignment on standards, requirements, service, objectives, and customer satisfaction▪ We ensured that our B-BBEE scores met key clients' needs and vice versa

<div>BUSINESS PARTNERS</div>	
HOW WE DELIVERED VALUE TO THEM - VALUE CREATION, VALUE PRESERVATION AND VALUE EROSION	
We continued to:	
<ul style="list-style-type: none">+ Ensure continuity of long-term supply of products and services.+ Provide impactful and innovative business solutions.+ Provide professional services and technical expertise.● Ensure timeous delivery and payment.● Provide quality products and services.● Enhance our procurement from community-based service providers and create employment.● Adhere to regulatory compliance and laws in the supply of ethical products.● Strive for good corporate governance practices and ethical behaviour.● Assist with enterprise and supplier development.● Ensure appropriate environmental and social compliance.● Continued to install green energy at our abalone farm through a phased approach.● Safeguard the privacy of their information by developing and executing a detailed POPI implementation and tracking plan.	
KEY OBJECTIVES AND METRICS WE TRACK:	CAPITALS IMPACTED
<ul style="list-style-type: none">▪ Client satisfaction▪ Client concerns and complaints▪ Brand value amongst our peers▪ Impactful solutions, new products, and new services are well received in the market▪ Reputation▪ Breach of POPI▪ Monitor the impact of climate change on their operations, including water and electrical resources	<div>MC</div> <div>IC</div> <div>SRC</div> <div>NC</div>


+ Value creation ● Value preservation - Value erosion

<div>COMMUNITIES AND NGOS</div>			
We maintained strong relationships in the communities in which we operate.			
PRIMARY CONCERNS	THEIR NEEDS AND EXPECTATIONS	HOW WE ADDRESSED THESE CONCERNS AND EXPECTATIONS	HOW WE ENGAGED WITH THEM
<ul style="list-style-type: none">▪ They expect us to create awareness of social and environmental issues they face and assist them in obtaining the desired outcomes for their communities, businesses, and families▪ They expect us to be responsible corporate citizens and partner with community initiatives to contribute to socio-economic development and environmental issues▪ Pioneer responsible corporate citizenship	<ul style="list-style-type: none">▪ Socio-economic development▪ Partnering on common social and environmental issues▪ Enterprise development▪ Development of society through employment opportunities▪ Financial access for learnership programmes▪ Social welfare	<ul style="list-style-type: none">▪ We collaborated with them for the greater good regarding matters concerning society and the environment▪ We addressed these through:<ul style="list-style-type: none">– socio-economic development programmes;– enterprise development initiatives;– development of society through employment opportunities and internships;– financial access for learnership programmes;– social welfare;– environmental, social and governance matters; and– embracing transformation in line with B-BBEE legislation.	<p>We continued:</p> <ul style="list-style-type: none">▪ to ensure that social welfare is aligned with national policies;▪ to support early childhood development as part of our socio-economic development;▪ monthly disbursement of salaries to an NGO to employ Grade R teachers in one of our communities;▪ to provide access to funding through defined learning programmes; and▪ our contribution to the growth of small businesses through enterprise development initiatives.

<div>COMMUNITIES AND NGOS</div>	
HOW WE DELIVERED VALUE TO THEM - VALUE CREATION, VALUE PRESERVATION AND VALUE EROSION	
We ensured:	
<ul style="list-style-type: none">+ We provided basic and tertiary education support through our bursary, tertiary and learnership programmes.+ Our investment in education, training and development programmes will continue to enhance further growth prospects.+ Our partnership with community-based entities created new jobs and financial and in-kind support for new businesses.+ Health, welfare and NGOs also received direct support.+ We invested in sports facilities and programmes.● We invested in an early childhood development (ECD) facility and continue to assist them with their basic needs.● We ensured that the ECD facility could employ certificated early childhood development teachers by paying their monthly salaries.● Paying our taxes and royalties to the government contributed to the welfare of society.+ Our support of local businesses resulted in the promotion of social and economic development.+ With the landscape changing in B-BBEE, we will continue to assist communities and businesses.+ We ensured that our socio-economic contribution is aligned with the Government's National Development Plan.	
KEY OBJECTIVES AND METRICS WE TRACK: <ul style="list-style-type: none">▪ Providing career opportunities▪ Promoting socio-economic transformation by enabling economic inclusion, job creation and poverty alleviation▪ Promoting education and learnership programmes▪ Our impact on the environment▪ Breach of human rights	CAPITALS IMPACTED <div><div>FC</div><div>HC</div><div>SRC</div><div>NC</div></div>

+ Value creation ● Value preservation - Value erosion

OUR STAKEHOLDER NEEDS AND EXPECTATIONS CONTINUED

<div>REGULATORS</div>			
We value our relationship with our business partners and ensure their needs and expectations are met.			
PRIMARY CONCERNS	THEIR NEEDS AND EXPECTATIONS	HOW WE ADDRESSED THESE CONCERNS AND EXPECTATIONS	HOW WE ENGAGED WITH THEM
<ul style="list-style-type: none">▪ Ongoing compliance with regulatory frameworks and good governance▪ Transformation, including gender and race diversity▪ Environmental responsibility▪ Socio-economic development▪ Corporate social responsibility▪ POPI compliance	<ul style="list-style-type: none">▪ Compliance with all legal, regulatory frameworks and requirements▪ Responsible taxpayer▪ Participating in industry and regulatory groups	<ul style="list-style-type: none">▪ We maintained sound governance principles and procedures▪ We ensured timeous regulatory submissions of all relevant regulations to authorities▪ We have policies and procedures in place▪ We are represented in industry bodies▪ We remained sensitive to employment levels in line with regulatory requirements▪ We invested in employee development▪ We remained committed to ethical business practices and supported social and environmental sustainability▪ Our corporate social initiatives promoted SED▪ Protection of Personal Information Act compliance: We instituted an implementation plan for compliance which is tracked quarterly, and have a system in place to mitigate, identify and rectify any breaches	<ul style="list-style-type: none">▪ We continued to:<ul style="list-style-type: none">– ensure resilient business and management practices and processes;– ensure compliance with all industry requirements and obtained clarity where necessary;– maintain transparent communication;– remain professional and reacted to matters raised promptly;– report on ethics, governance, the impacts on society and our environmental stewardship; and– interacted with regulators and industry stakeholders to ensure sound regulatory frameworks.▪ We ensured that all policies and agreements were updated with new legislative requirements

HOW WE DELIVERED VALUE TO THEM - VALUE CREATION, VALUE PRESERVATION AND VALUE EROSION

We ensured that:

- + We continue to pay all taxes as required.
- Payment to regulatory bodies was made timeously to ensure compliance.
- We contributed to government revenues by paying direct, indirect and employee taxes.
- + We continued to work closely with government and regulatory bodies to ensure compliance.

KEY OBJECTIVES AND METRICS WE TRACK:

- Delivery of compliance with regulatory changes and meeting regulatory requirements
- Maintaining and ensuring transparent and ethical business standards
- Direct and indirect tax contributions
- B-BBEE contributor status

CAPITALS IMPACTED

FC

IC

SRC

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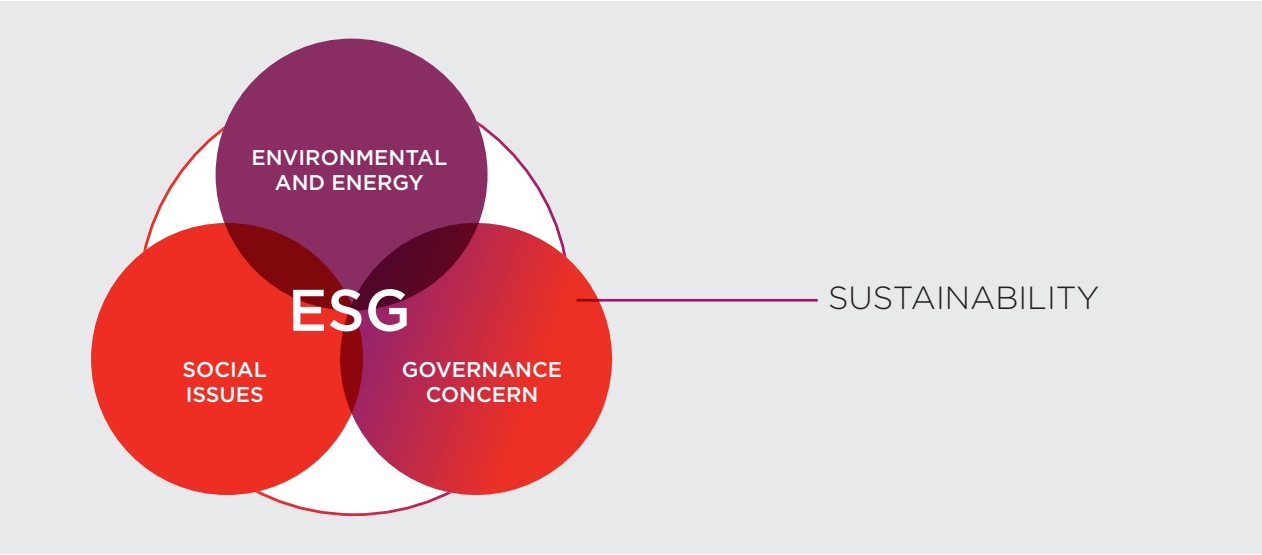
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REGULATORY AND REPORTING

The Board has ultimate accountability for our sustainability and has tasked the Social, Ethics and Transformation Committee to manage and monitor sustainability and ESG. The Audit and Risk Committee ensures the integration of ESG-related risks into the risk management framework.

AEEI is committed to providing various stakeholders with ESG data that meets both local and international standards for accuracy, consistency, completeness, and reliability.

AEEI's full disclosure can be found in the Sustainability Report on: www.aeei.co.za/investor-relations/integrated-reports-and-online-suite-of-reports/.

The role of business has changed with greater expectations for companies to embody and contribute to achieving the SDGs. Key stakeholders' expectations and requirements continue to evolve and are becoming more specific with companies having to provide comprehensive, meaningful, and comparable sustainability performance data they can use to identify and/or quantify specific sustainability risks.

We subscribe to the United Nations Global Compact's 10 principles on human rights, labour, environment, and anti-corruption. The GRI index remains a key framework against which we disclose our information. AEEI is not a member of the Carbon Disclosure Project - Driving Sustainable Economies, Water Disclosure Project, nor is it a signatory to the UN Global Compact. However, policies, procedures, systems, and controls from environmental management are influenced by their recommendations as well as by the Task Force on Climate-Related Financial Disclosures (TCFD).

SUSTAINABILITY, ENVIRONMENTAL, SOCIAL GOVERNANCE (ESG) FRAMEWORK

Our products and services are the tangible outputs of our business activities, and our social and ethical responsibilities guide our day-to-day activities. Our ESG focuses on environmental areas that would impact our journey to environmental stewardship. AEEI's goal has always been to provide management with innovative solutions for every subsidiary and client while remaining committed to social responsibility and ESG.

BOARD OF DIRECTORS

The Board of directors is primarily responsible for overseeing sustainability issues through its committees listed below. The Board exercises ethical leadership and sound judgement to grow our business sustainably. The Board evaluates how the Group's strategy supports the delivery of its purpose and associated ESG risks and opportunities that can impact our business.

CHIEF EXECUTIVE OFFICER

The CEO is accountable to the Board for the implementation of the Company's strategy.

SOCIAL, ETHICS AND TRANSFORMATION COMMITTEE	AUDIT AND RISK COMMITTEE	REMUNERATION COMMITTEE	NOMINATIONS COMMITTEE
<p>The committee's primary role is to supplement, support, advise, and provide guidance on the effectiveness of sustainable development and social and ethics related matters, and to ensure that the Group is and is seen to be a responsible corporate citizen.</p> <p>The committee:</p> <ul style="list-style-type: none">Ensures that the Company is and remains a committed, socially responsible corporate citizen.Reports on organisational ethics, sustainable development, and stakeholder relationships.Ensures compliance with statutory duties and encourages leading practice by having the committee progress beyond mere compliance to contribute to value creation.Oversees the Group's SDGs and ESG approach, including the execution thereof.Monitors our impact on climate change, including greenhouse gases from our operations, water and electricity resources, food security, health, and infrastructure.Monitors the Company's social impact, oversees compliance and ensures sound ethical and governance practices.Responsible for the oversight of transformation management, ensuring that management has implemented and maintained an effective transformation management process in the Group.Assists the Board to lead transformation within the Company and ensure appropriate policies and procedures are in place.Ensures compliance with the amended B-BBEE Codes of Good Practice as revised from time to time.Managing and ensuring best environmental practices.	<p>The committee has an independent role with accountability to both the Board and shareholders. The committee does not assume the functions of management, which remain the responsibility of the executive directors, executive management and other members of senior management.</p> <p>The committee:</p> <ul style="list-style-type: none">Is responsible for overseeing and reviewing the integrated reporting process.Reviews the annual financial statements, interim reports, and preliminary results announcements.Ensures integration in terms of integrated reporting and the application of our business model.Ensures that the combined assurance model is applied.Oversees the internal audit function.Responsible for risk management and considers the top risks and monitors the progress of mitigating risks. Findings and recommendations are reported at Board level.Responsible for the governance of technology and information.Oversees the integration of environment-related risks into the risk management framework.Oversees the levels of assurance applied to integrated reporting suite.Recommends the services of the external auditor.	<p>The committee's main purpose is to implement the guiding principles in the application of remuneration governance, practices, and policies and to ensure that the Group remunerates fairly, responsibly and transparently so as to promote the achievement of the strategic objectives and positive outcomes in the short-, medium- and long-term.</p> <p>The committee:</p> <ul style="list-style-type: none">Reviews and approves the remuneration and benefits policy and the reward philosophy and strategy adopted by the Company.Ensures that the Company remunerates responsibly, fairly, and transparently.Reviews and approves the reward philosophy and strategy.Determines the remuneration packages of the executive directors and senior managers.Recommends to the Board the fees to be paid to non-executive directors for their services.	<p>The committee's main purpose is to ensure that the Board comprises the appropriate balance of knowledge, skills, experience, diversity and independence for it to discharge its governance role and responsibilities objectively and effectively.</p> <p>The committee:</p> <ul style="list-style-type: none">Is the custodian of appointments to the Board.Assists the Board in identifying suitable candidates for appointment for election by the shareholders at the AGM.Oversees the application of good corporate governance practices as defined by King IV™.

DAILY RESPONSIBILITY IS DELEGATED TO DIVISIONAL MANAGEMENT

The daily responsibility and accountability for the execution rest with divisional management supported by the CEO and the Social, Ethics and Transformation Committee.

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OUR APPROACH TO ESG

Embedding ESG is a continuous process with regulations continuing to evolve and new ESG factors emerging. There is an increased focus on ESG-related matters from stakeholders. We have increased our reporting year-on-year as this assists us in creating and preserving value for our stakeholders and contributing to a more sustainable operating environment.

Our framework consists of 244 key sustainability indicators to track, document, and publicly disclose our progress regarding our ESG which is available in our online Sustainability Report.

We benchmark our progress against our peers and our ESG rating remains in the top tier of the Financial Services Sector of companies listed on the JSE.

 Further information can be found in our online Sustainability Report at www.aeei.co.za/investor-relations/integrated-reports-and-online-suite-of-reports/.

This includes:

- Economic
- Governance
- Human Capital
- Health and Safety
- Environmental
- CSI/SED Expenditure

OUR MATERIAL AREAS OF SUSTAINABILITY AND ESG

We have identified the following material areas of sustainability:

MATERIAL AREAS OF SUSTAINABILITY AND ESG

ENVIRONMENT

- Promoting and managing environmental sustainability in our businesses and with our clients
- Promoting responsible business practices throughout our Group
- Managing our impact on climate change, energy efficiency and renewable energy
- Promoting sustainable water usage throughout our business operations
- Monitoring all materials and waste management

SOCIAL

- Transformation and empowerment
- Ensure and promote responsible procurement
- Continue to support our corporate social investment initiatives

MATERIAL AREAS OF SUSTAINABILITY AND ESG

GOVERNANCE

- Legal and regulatory compliance:
 - Ensuring that we comply with the relevant laws and regulations in our business and keeping abreast of any changes
 - Data privacy
- Maintaining a diverse and balanced Board to support our value creation
- Maintain and ensure corporate governance practices
- Ensuring that we conduct our business ethically and transparently
- Incorporate ESG factors in all our processes
- Manage cyber security and new trends
- Engaging our stakeholders

HUMAN CAPITAL

- Develop and empower our employees
- Ensure fair and transparent remuneration
- Ensure fair labour practices and human rights
- Ensure workplace transformation and diversity
- Promoting from within the organisation
- Skills development
- Attracting and retaining talent
- Health, safety, and well-being

PRODUCTS AND SERVICES

- Ensuring we provide responsible products and services to our clients
- Financing and empowerment infrastructure
- Treating our clients fairly
- Promoting responsible investment
- Stakeholder engagement

 The Group's material matters, can be found on pages 50 and 51.

For its disclosure for Environmental, Social and Governance Data in the Financial Services: Investments sector of the Sustainability Data Transparency Index (SDTI) Reporting in South Africa, AEEI was ranked first in its sector by Integrated Reporting & Assurance Services (IRAS) for its reporting in 2021 (published in August 2022) with an overall score of 87.37% from a total of 270 JSE-listed companies. For 2020, AEEI won first place in its sector with a score of 89.71% and also won the award in 2015 and 2016 (Top in Sector).

 Our full Sustainability Report can be found on www.aeei.co.za/investor-relations/integrated-reports-and-online-suite-of-reports/.

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REMUNERATION COMMITTEE



REFLECTIONS FROM THE CHAIRMAN

Dear Shareholders

As the chairman of the Remuneration Committee, I am pleased to present my first Remuneration Committee Report.

The past two years have been extremely difficult for our employees, business units and clients as the COVID-19 pandemic continues to impact the global economy, trading conditions and the social landscape. The challenges of the COVID-19 pandemic will have a lasting effect and we will need to live with the various variants in the foreseeable future.

New international trends are changing the remuneration and governance landscape significantly with institutional investors and regulators being more specific regarding what they want from companies in which they are invested which includes ESG and human capital measurements. The focus on the vertical and horizontal pay gap continues to grow – the CEO's salary compared to that of the lowest paid worker. Many companies are moving towards paying a living wage rather than a minimum wage to make an impact on people's lives. The horizontal pay gap, also known as the gender pay gap remains a highly controversial issue.

This Remuneration Report sets out the Group's remuneration philosophy and policy, transparency principles and disclosures set out in King IV™, the JSE Listings Requirements and the Companies Act. It describes how the Remuneration Policy has been implemented and discloses payments made to non-executive and executive directors during the year. This report will be considered and voted upon at the forthcoming AGM of shareholders on behalf of the Remuneration Committee.

In the face of the deteriorating macroeconomic environment and slower growth due to the COVID-19 pandemic, the Group's remuneration objectives for motivating and retaining employees continued to be severely compromised. As a result, we shifted our objectives to financial and short-term operational resilience while championing the King IV™ Code on Corporate Governance and in line with our commitment to fair and responsible remuneration.

During the year, we reviewed our remuneration practices to ensure that they remain relevant and aligned with our strategy. We also ensured that any resultant changes did not have a material effect on our human capital and that the Group remains committed to implementing fair, transparent and responsible remuneration practices that support our business model and strategy.

Remuneration and reward systems continue to remain sensitive matters, especially in the socio-political environment. As such, the committee will continue to review and adapt to changes in market conditions to ensure that our policy and principles remain appropriately aligned with our overall business strategy. We remain committed to maintaining strong relationships with our shareholders, built on trust and a clear understanding of the quantum, rationale and drivers of executive remuneration and that our Remuneration Policy and practices have been implemented.

Gaamien Colbie

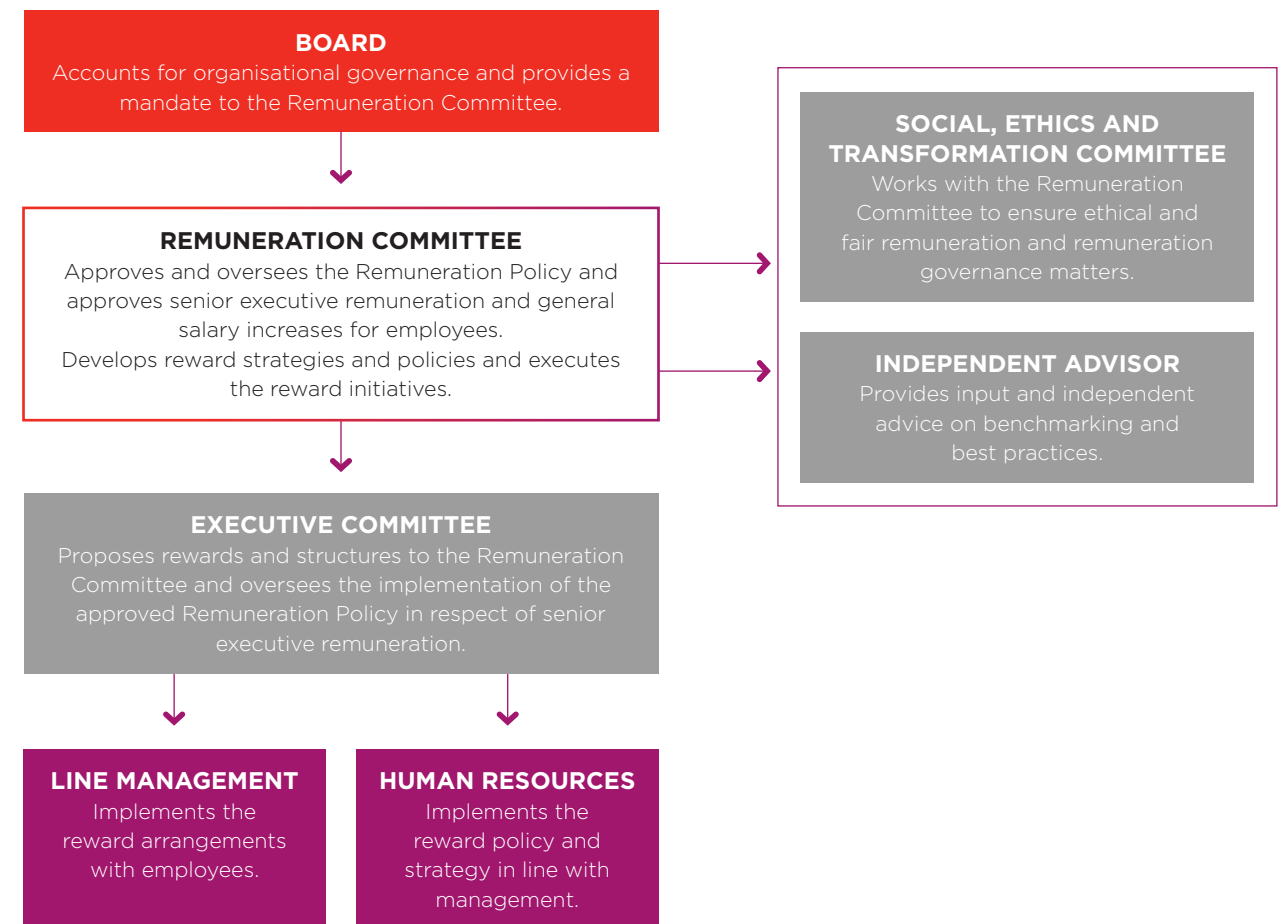
Chairman of the Remuneration Committee

REMUNERATION COMMITTEE REPORT AND OUTCOMES

BACKGROUND

This report describes the material matters and summarises the Group's approach to transparent, fair and responsible remuneration. It sets out how the committee discharged its duties regarding the statutory requirements and other duties assigned by the Board. It also provides an overview of the Group's remuneration philosophy and remuneration framework.

ROLES AND ACCOUNTABILITIES



RESPONSIBILITIES AND REPORTING

This Remuneration Report highlights our policy's key components and how these align with our performance and strategic objectives for the 2022 financial year.

AEEI's ethos is an appreciation for an employee's commitment, diligence, care, and attention to detail. We respect and recognise our employees for their contributions during the year and inspire them to realise their full potential and believe in rewarding them accordingly. Accordingly, we consistently applied the principle that our remuneration should be fair, transparent, and competitive and reflect the Group's and business units' performance.

Our executives' remuneration is aligned to the long-term strategic goals of the Group to deliver sustainable value to shareholders and to build the business. Critical decisions and their related impact in setting targets in

terms of performance-related remuneration were made for the executives and senior management of the Group. Weightings of performance, as well as specific financial targets, were reviewed and amended accordingly. The committee was satisfied and will continue to monitor remuneration against the appropriate strategic objectives, performance, and market benchmarks.

The committee remains mindful to ensure overall remuneration was appropriate for the performance of the Group against its operational peers. In doing so, the committee considered the challenging macroeconomic environment, the ongoing impact of the COVID-19 pandemic, the overall risk environment, its risk appetite and risk profile and the need to attract, retain, and motivate key talent to deliver the Group's strategic objectives.

COMPOSITION OF THE COMMITTEE	
Chairman	Gaamiem Colbie*
Members	Aziza Amod Bongikhaya Qama
By invitation	Valentine Dzvova – chief executive officer Alan Ipp – Independent Consultant
Number of meetings held	Two

* Gaamiem Colbie was appointed as the chairman of the committee effective 1 April 2022.

GOVERNANCE, ROLE, AND SCOPE
Governance The Board is responsible for the governance of remuneration matters by setting the direction for how remuneration should be approached and addressed on an organisation-wide basis and has delegated this responsibility to the Remuneration Committee. The Board established the Remuneration Committee to monitor the Group's remuneration practices and perform the statutory functions required in King IV™, the JSE Listings Requirements, and the Companies Act. The committee is governed by its charter, which is reviewed annually. The Board tasked the Remuneration Committee with overseeing the execution and implementation of the Remuneration Policy, the achievement the Group's strategic objectives, and the translation of positive results into market-related, yet affordable, performance-linked rewards. It also ensures balanced and transparent outcomes that align with shareholder interests over the short- and long-term. In addition, our policy ultimately enables the attraction and retention of valuable talent. The chairman provides feedback to the Board after each meeting, which includes key decisions made and relevant discussion.

Role The Remuneration Committee's primary purpose is to implement the guiding principles in the application of remuneration governance, practices, and policies and to ensure that the Group remunerates fairly, responsibly, and transparently to promote the achievement of the strategic objectives as well as positive outcomes in the short, medium, and long-term.
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Scope The Remuneration Policy aims to provide for competitive market-aligned remuneration, the need for which remuneration having been balanced with the need for cost containment. The policy needs to be seen within the context of total rewards, which embraces all elements of an employee value proposition for the Group including career and growth opportunities, recognition, culture and values, compensation, benefits, and the work environment. The total reward is differentiated between the various categories of employees, structured to meet their specific needs, in our South African businesses.

2022 FOCUS AREAS
During the financial year, the Remuneration Committee assisted the Board by:
<div><ul style="list-style-type: none">▪ Determining, agreeing and developing the Group's overall policy on remuneration in line with the requirements of applicable laws, JSE Listings Requirements and King IV™ to give effect to the Board's direction on fair, responsible and transparent remuneration.▪ Ensuring compliance with applicable laws.▪ Reviewing and determining the remuneration for the executives.▪ Measuring key performance against KPIs and strategic objectives.▪ Reviewing and determining the remuneration for non-executive directors.▪ Reviewing the Remuneration Policy and Implementation Report for presentation at the AGM for separate non-binding advisory votes.▪ Reviewing performance targets to ensure that they are both challenging and linked to the Group's revised strategic objectives.</div> <div><ul style="list-style-type: none">▪ Considering the remuneration and employment conditions of all employees, the performance of the Group and the individual, current views and guidelines of shareholders, market conditions and the impact of the COVID-19 pandemic and macroeconomic climate.▪ Continuing to keep under review the relationship of risk to remuneration.▪ Satisfying itself that the remuneration structure for senior executives does not raise environmental, social or governance risks, nor does it inadvertently motivate irresponsible behaviour.▪ Retaining absolute discretion to reduce variable compensation in light of risk and the Group's overall performance.▪ Receiving guidance as required.▪ Determining performance incentives and assessing the remuneration components.</div>

2023 FOCUS AND BEYOND
<div><ul style="list-style-type: none">▪ Ensuring that the implementation of the Remuneration Policy is in line with the Remuneration Implementation Policy.▪ Ensure the continued fulfilment of the requirements of the Remuneration Committee's Policies.▪ Continue dialogue with stakeholders ensuring the relevance and appropriateness of the Remuneration Policy in achieving our strategic objectives.▪ Ensure that the Remuneration Policy and resultant outcomes support our strategic objectives and are</div> <div><p>appropriate in the environment of unprecedented health, safety and macroeconomic challenges including the impact of the COVID-19 pandemic. The duration, nature, and extent of these challenges are uncertain.</p><ul style="list-style-type: none">▪ Monitor changes in executive remuneration, especially those of our competitors.▪ Focus on fair, responsible, and transparent remuneration.</div>

DETERMINATION OF PERFORMANCE INCENTIVES
The Remuneration Committee reviewed the targets set in terms of performance-related remuneration for the CEO, the executive management team, and senior management; these targets include individual performance factors and a combination of portfolio-specific targets. In addition, the Group has formal and informal frameworks for performance that are directly linked to either an increase in total cost-to-company or annual short, medium, incentive bonuses.

Remuneration components The CEO and executive management team's performances are assessed against predetermined objectives that include, <i>inter alia</i> , strategic leadership, execution of the strategy through business results and stakeholder relations. The Board recognises that the successful delivery of the Group's objectives should constitute both financial and non-financial performance measures.
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Remuneration comprises the following key elements:

BASE SALARY
<ul style="list-style-type: none">▪ Base salary is guaranteed annual pay on a cost-to-company basis.▪ Benchmarking is performed with reference to companies comparable in size, industry, and business complexity.▪ The level of responsibility that the individual assumes.
PERFORMANCE BONUSES
<ul style="list-style-type: none">▪ Motivates executive directors and key management to achieve the strategic objectives of the Group.
OTHER BENEFITS
<div><ul style="list-style-type: none">▪ Membership of the pension/provident fund (providing death, disability and dread disease benefits).▪ Medical aid.</div> <div><ul style="list-style-type: none">▪ Unemployment Insurance Fund.▪ Funeral cover.</div> <p>The above improves our employees' financial security.</p>
METHODOLOGY
<div><ul style="list-style-type: none">▪ Annual increase parameters are set, taking into account the financial performance, general economic environment, governance compliance, strategy, risk management practices, individual performance, and the Group's performance.▪ It takes into account the general market in which the business operates and the skills required.▪ General adjustments to guaranteed pay levels are effective 1 September annually.▪ Executive directors have key financial measures, including profits, cash flow and asset growth weighted</div> <div><p>to 70% and the remaining 30% weighted to non-financial measures for most of the executives in the Group.</p><ul style="list-style-type: none">▪ Performance bonuses are dependent on the financial performance and achievement of the individual's agreed strategic KPIs.▪ Performance bonuses are not earned if the minimum financial target is not met.▪ Performance bonuses are paid annually.▪ This is determined as a fixed percentage of the base salary.</div>
ELIGIBILITY
<ul style="list-style-type: none">▪ All permanent employees in the Group.▪ Commencing from junior management upwards.

REMUNERATION COMMITTEE REPORT AND OUTCOMES

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CONDITIONS FOR DETERMINING PERFORMANCE BONUSES

FINANCIAL TARGETS	NON-FINANCIAL TARGETS
<ul style="list-style-type: none"> Executive directors: <ul style="list-style-type: none"> Profit before tax Key management <ul style="list-style-type: none"> Divisional operating profit 	<ul style="list-style-type: none"> Performance against individual job requirements Operational efficiencies Organic growth Strategic acquisitions

The Group aims to ensure that the performance-based remuneration of executive directors and senior management should form a significant portion of their expected total compensation. Accordingly, the committee ensures an appropriate balance between fixed and performance-related elements of executive remuneration and the aspects of the package linked to short-term performance and those linked to long-term shareholder value creation.

EXECUTIVE DIRECTORS' SERVICE CONTRACTS

Executive directors do not have fixed-term contracts but have permanent employment agreements with the Company. The remuneration of executives is determined on a cost-to-company basis and is subject to an annual review by the Remuneration Committee. Provident or pension fund and healthcare provision form part of the overall cost-to-company packages. Executive directors are members of the Group's provident fund and are required to retire as a director of the Board at the age of 65 unless requested by the Board to extend their term. There are no other special benefits for executive directors.

The contracts of executive directors do not contain termination packages or excessive notice periods. An executive director may, subject to the provisions of the Companies Act, No. 71 of 2008 and the JSE Listings Requirements, be appointed by contract for such period as the Board may determine. Executive directors are not subject to retirement by rotation at the AGM of the Company.

PRESCRIBED OFFICER

Valentine Dzvova is not remunerated separately for her role as the prescribed officer of the Company.

PERFORMANCE APPRAISALS

The Remuneration Committee reviewed performance appraisals for the Group executive management and management of subsidiaries. In addition, it was part of the appraisal process for the performance of the CEO and CFO. The performance appraisals are based on specific elements, including KPIs when considering salary increases.

NON-EXECUTIVE DIRECTORS' REMUNERATION

The non-executive directors receive fees for serving on the Board and its committees. The fees for non-executive directors are reviewed annually by the Nominations Committee. Thereafter, it is referred to the Remuneration Committee, which seeks to ensure that the fees are market-related and presented to the shareholders for approval.

The Board recommends the fees to shareholders for approval at the AGM of the Company. In addition, the contribution of each non-executive director, and their participation in the activities of the Board and its committees is considered. Changes to the fee structure are effective 1 September each year, subject to the approval by shareholders at the AGM, which is typically held between February and April of each year. The annual fees payable to non-executive directors are, as in the past, fixed and not subject to the attendance of meetings. However, in the event of non-attendance regularly, this will be reviewed and amended accordingly.

IMPLEMENTATION OF REMUNERATION

The Remuneration Committee ensured that total remuneration is aligned with sustainable value-creating strategic objectives and the legitimate expectations of all stakeholders while being mindful of the income gap in South Africa. As a result, it is satisfied that the variable remuneration outcomes for the 2022 financial year align with the Group's financial performance.

GUARANTEED REMUNERATION

The 2022 guaranteed remuneration of the executive directors is set out below:

	2022 R'000	2021 R'000
Valentine Dzvova	2 598	2 064
Jowayne van Wyk	1 949	1 748

SHORT-TERM INCENTIVE

Performance bonuses are paid to executive directors based on financial and non-financial performance targets.

The table below sets out the targets for actual targets achieved:

PERFORMANCE	Weighting	Threshold	Target
Profit before tax	70%	70%	70%
Non-financial targets	30%	30%	30%

There are no long-term incentives for executive directors.

The table below sets out the remuneration received by executive directors for the 2022 financial year:

2022	Base Remuneration R'000	Performance Bonus R'000	Provident Fund & Medical Aid R'000	Company Contribution to UIF & Skills Development Levy R'000	Total R'000
Valentine Dzvova	2 175	500	393	30	3 098
Jowayne van Wyk	1 610	350	316	23	2 299

The 2022 annual remuneration of the non-executive directors is set out below:

	2022 R'000	2021 R'000
Aziza Amod	717	682
Willem Raubenheimer	489	350
Bongikhaya Qama	243	231
Ismet Amod	-	172
Ambassador Membathisi Mdladlana	246	-
Stephen Nthite	246	-
Carin-Lee Geuking-Cohausz	154	-
TOTAL	2 095	1 435

Gaamiem Colbie waived his non-executive directors' remuneration for the 2022 financial year.

Ambassador Membathisi Mdladlana and Stephen Nthite were not remunerated for their attendance at the August 2021 board meeting.

Carin-Lee Geuking-Cohausz's remuneration only reflects her attendance at meetings since her appointment on 1 January 2022.

AEEI covers all reasonable travelling and accommodation expenses incurred by directors in order to attend Board and committee meetings.

Non-executive directors do not have any employment contracts, nor do they receive any benefits associated with permanent employment.

The Board has approved the information provided in this report on the recommendation of the Remuneration Committee. For the year under review, the Remuneration Committee is satisfied that it has fulfilled and complied with its obligations and statutory duties as reflected in its charter in terms of the policy and duties assigned by the Board.

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AEEI’S REMUNERATION POLICY

INTRODUCTION

AEEI’s Remuneration Committee is primarily responsible for overseeing the remuneration and incentives of the Group’s executive directors and key management and providing strategic guidance.

To assist in achieving AEEI’s long-term strategic goals, the Remuneration Committee has a formal Remuneration Policy in place. In addition, each major subsidiary has its own Remuneration Committee and a policy specific to its business unit, including the industry in which it operates, taking into account AEEI’s long-term strategic goals.

The Remuneration Committee’s main aim is to assist the Board in fulfilling its responsibilities in establishing formal and transparent policies and guiding principles of a standardised approach in applying remuneration practices within all its business units and functions.

OVERVIEW OF THE MAIN PROVISIONS OF THE REMUNERATION POLICY

The Remuneration Policy is aimed at aligning remuneration practices that will enable the committee to support the Group in achieving its strategic objectives, translating these into market-related, yet affordable performance-linked rewards, and ensuring balanced and transparent outcomes that align with shareholders’ interests over the short and long-term, and ultimately enable the attraction and retention of valuable talent. Our remuneration approach aligns with our ethical approach, corporate governance philosophy, shared values, and best practices.

The Remuneration Policy is designed to achieve the following strategic objectives:

- Support the attainment of AEEI’s strategic business objectives and strategies.
- Attract, retain, and motivate key and talented individuals.
- Compete in the marketplace to be an employer of choice.
- Reward individual, team and business performance and encourage superior performance.
- Support AEEI’s shared values.
- Promote the achievement of the Group’s strategic objectives within its risk appetite.
- Promote positive outcomes.
- Promote an ethical culture and responsible corporate citizenship.

The Remuneration Policy addresses the Group’s remuneration and includes provisions for:

- Arrangements towards ensuring that the remuneration of executive management is fair and responsible in the context of overall employee remuneration in the organisation.

- The use of performance measures that support positive outcomes across the economic, social, and environmental context in which the Group operates and all the capitals that the Group uses or affects.
- The Company to attract, engage, and retain talent to drive performance and to meet the Group’s strategic objectives.

EXECUTIVES AND EMPLOYEES

The remuneration of the executives is reviewed annually by the Remuneration Committee, which seeks to ensure that balance is maintained between the fixed (base salary) and variable (discretionary bonus) elements of remuneration, as well as between the short-term (base salary and discretionary bonus) and the long-term financial performance objectives of the Group.

Cost-to-company remuneration incorporates the following elements:

1. BASE SALARY
Base salary is guaranteed annual pay on a cost-to-company basis. It is subject to annual review, and adjustments are effective 1 September of each year, coinciding with the commencement of the Group’s financial year. Benchmarking is performed with reference to companies comparable in size, industry, business complexity and the level of responsibility that the individual assumes.
2. BENEFITS
Benefits form part of the total cost-to-company and include:
 - Membership of the pension/provident fund (providing death, disability and dread disease benefits)
 - Medical aid
 - Unemployment insurance fund
 - Funeral cover

COMPLIANCE

The Remuneration Policy is reviewed annually to ensure that the remuneration framework remains effective in supporting the achievement of the Company’s business objectives and remains in line with best practices. AEEI complied with the Remuneration Policy and relevant remuneration governance codes and statutes. The recommended practice, as stated in Principle 14 of King IV™, has been applied and is explained throughout this report through the outcomes achieved.

During the year, the committee engaged the services of an independent external advisor to support our endeavours to act independently and provide specialist input.

NON-BINDING ADVISORY VOTES ON THE REMUNERATION POLICY AND IMPLEMENTATION REPORT

In the event that more than 25% of the votes are cast on the resolutions at the AGM, the Board will invite dissenting shareholders to send reasons for such votes in writing. Thereafter, further engagements may be scheduled to address legitimate and reasonable objections and concerns raised appropriately.

IMPLEMENTATION REPORT

This part of the report focuses on the performance outcomes against the targets set for 2022.

SALARY INCREMENT

The Remuneration Committee reviewed the targets set in terms of performance-related remuneration for the CEO, executive management team and senior management in the Group, including individual performance factors and a combination of portfolio-specific targets. As a result, for the year ended 31 August 2022, a general salary increase was approved based on the annual average current price index of 8% for all employees in the Group and 10% for the CEO and CFO.

DISCRETIONARY BONUS

A discretionary bonus may be awarded and calculated as a percentage of the qualifying executive/senior management/employee’s base salary according to seniority and the level of responsibility assumed. Qualifying executives and senior management may receive a discretionary cash bonus, dependent on meeting both financial and qualitative strategic performance objectives. Employees may receive a discretionary cash bonus, dependent on meeting their personal and the Company’s strategic objectives. Financial, qualitative, personal, and Company strategic performance are aimed at ensuring sustainable long-term value creation to the benefit of all stakeholders. The total base salary and bonus paid will be deemed to be fair to the Company and the executive/senior manager/employee.

The Remuneration Committee will assess the CEO and executive management team’s performance against a set of predetermined objectives that include, *inter alia*, strategic leadership, execution of the strategy through business results and stakeholder relations.

The successful delivery of the Group’s objectives constitutes financial and non-financial performance measures, with the key financial measures, including profits, cash flow, and asset growth weighted to 70% and the remaining 30% weighted to non-financial measures for most executives in the Group. The committee remains mindful of ensuring that overall remuneration is appropriate for the performance of the Group and in relation to its operational peers. In doing so, the Remuneration Committee will consider the overall risk environment, its risk appetite and risk profile and the need to attract, retain, and motivate key talent to deliver the Group’s strategic objectives (*Principle 14*).

SHAREHOLDER VOTING/FEEDBACK

As required by King IV™ and the JSE Listings Requirements, the Company will put a non-binding advisory vote to shareholders regarding the approval of the Remuneration Policy and the Implementation Report. The Company seeks the support from its shareholders at the upcoming AGM. If any shareholders are inclined not to support the resolutions, we would ask that the reasons for such a decision be communicated to the Company so that consideration can be given to those reasons. Please forward any comments to the company secretary at cornell.kannemeyer@aeei.co.za.

Should either vote receive 25% or more votes against, the Company will:

- Issue a SENS announcement regarding the outcome of the voting results.
- Invite shareholders to engage with the Company regarding their dissatisfaction with either of the votes.
- Schedule engagements with concerned shareholders to record their concerns and objections.
- Assimilate all responses and schedule a Remuneration Committee meeting to analyse concerns and issues raised to formulate changes to the policy and implementation required.
- Develop a formal response to shareholders that articulates the concerns raised, the details of where the changes will be made to address concerns raised and provide responses for areas where the Company, despite the shareholder feedback, believes its current policy and/or implementation is adequate.

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Results of the shareholders’ votes at the most recent AGM held on 24 February 2022, as a percentage of the total number of shares voted at the AGM, are indicated below and therefore, no shareholder engagement was required:

	2022 %	2021 %	2020 %
Approval of the Remuneration Policy	84.30	97.30	99.85
Implementation of the Remuneration Policy	84.30	97.30	99.85
Non-executive directors’ fees	84.30	100.00	99.85

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DISCLAIMER

In this report, we make certain statements that relate to analysis and other information built on forecasts of future results based on historical data, based on estimations of new business and investment assumptions. These statements may also relate to our future prospects, developments, business strategy and estimates of amounts not yet determinable. Examples of these forward-looking statements include, but are not limited to, the impact of the COVID-19 pandemic on the Group’s businesses, results of operation, financial condition and liquidity and statements regarding the effectiveness of actions taken by the Company to address or limit the impact of COVID-19 on the business.

As defined, these are forward-looking statements. These statements may be identified by words such as “expect,” “look forward to,” “anticipate,” “intend,” “plan,” “believe,” “seek,” “estimate,” “will,” “project,” or words of similar meaning, which are intended to identify such forward-looking statements but are not the exclusive means of identifying such statements. These are subject to a number of risks, uncertainties and factors, including, but not limited to, those described in disclosures in the risk management report.

Should one or more of these risks or uncertainties materialise or underlying expectations not occur or assumptions prove incorrect, actual results, performance or achievements of AEEI may (negatively or positively) vary materially from those described explicitly or implicitly in the relevant forward-looking statement. AEEI neither intends nor assumes any obligation to update or revise these forward-looking statements considering developments that differ from those anticipated. This forward-looking statement has not been reviewed or reported on by AEEI’s auditors.

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SHAREHOLDERS' INFORMATION

ANALYSIS OF SHAREHOLDERS AS AT 31 AUGUST 2022

	Number of shareholders	Percentage of total shareholders	Number of shares	Percentage of total shares issued
1 – 5 000	5 970	91.72	1 915 791	0.39
5 001 – 10 000	167	2.57	1 362 101	0.28
10 001 – 100 000	256	3.93	8 358 979	1.70
100 001 – 1 000 000	87	1.34	27 995 388	5.70
1 000 001 – and more	29	0.45	451 390 175	91.93
TOTAL	6 509	100.00	491 022 434	100.00

MAJOR SHAREHOLDERS (5% AND MORE OF THE SHARES IN ISSUE)

	Number of shares	Percentage of total issued share capital
Sekunjalo Investment Holdings (Pty) Ltd	321 252 394	65.43
Miramare Investments (Pty) Ltd	49 859 927	10.15
TOTAL	371 112 321	75.58

DISTRIBUTION OF SHAREHOLDERS

	Number of shareholders	Percentage of total shareholders	Number of shares	Percentage of total shares issued
Individuals	6 325	97.17	46 078 325	9.38
Nominee companies and trusts	73	1.12	21 563 361	4.39
Public companies	26	0.40	11 825 520	2.41
Close corporations and private companies	85	1.31	411 555 228	83.28
TOTAL	6 509	100.00	491 022 434	100.00

NON-PUBLIC AND PUBLIC SHAREHOLDING

	Number of shareholders	Percentage of total shareholders	Number of shares	Percentage of total shares issued
Non-public	7	0.17	390 888 623	79.61
▪ Directors	3	0.07	11 751 912	2.39
▪ >Than 10% of I/C	1	0.02	321 252 394	65.43
▪ Associates	3	0.07	57 884 317	11.79
Public	6 502	99.89	100 133 811	20.39
TOTAL	6 509	100.00	491 022 434	100.00

SHARE TRADING STATISTICS

High	150
Low	40
Year-end	78
Volume traded (shares)	33 325 183
Value traded (rand)	238 851 785
Volume of shares traded as a percentage of the issued capital	6.78
Market capitalisation at 31 August 2022 (rand)	387 997 499
Market capitalisation at 30 November 2022 (rand)	432 099 741

VOTING RIGHTS

SHARE CAPITAL

AUTHORISED

1 000 000 000 “B” class ordinary shares (listed)

1 000 “A” class convertible redeemable cumulative preference shares

10 000 000 “B” class redeemable preference shares. 15% of the “B” class ordinary shares in issue at the beginning of the financial year are at the disposal of the directors in terms of a resolution of shareholders passed at the last AGM of the Company.

This authority remains in force until the next AGM of the Company.

“B” class ordinary shares each carry one vote per share.

ISSUED

491 022 434 “B” class ordinary shares

Reconciliation of number of issued “B” class ordinary shares

	2022 R'000	2021 R'000
Opening balance	491 022	491 022
Closing balance	491 022	491 022

SHAREHOLDERS' DIARY

FOR THE YEAR ENDED 31 AUGUST 2022

FINANCIAL REPORTS

Announcement of annual results	November 2022
Integrated Report	November 2022
Announcement of interim results	May 2022
Interim report	May 2023

INDEPENDENT ASSURANCE

AUDITORS' REPORT

Crowe JHB (Crowe) and THAWT Inc., a member of Crowe Global, audited our 2022 consolidated Annual Financial Statements and provided an unqualified opinion thereon.

INDEPENDENT THIRD-PARTY ASSURANCE

Independent third-party assurance over 244 key sustainability indicators was provided by Integrated Reporting & Assurance Services (IRAS).

In accordance with the guidance provided by AccountAbility (www.accountability.org), independent third-party assurance (ITPA) to the level of Type 2 (Moderate) has been provided by Integrated Reporting & Assurance Services (IRAS). This includes a review of AccountAbility's AA1000 Assurance Principles Standard (APS), as well as a limited review of the reasonability of data supplied for 199 key sustainability indicators (where data has been provided).

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ADMINISTRATION

COMPANY SECRETARY

Company secretary Cornell Kannemeyer cornell.kanneyer@aeei.co.za

EXECUTIVE MANAGEMENT TEAM

Chief executive officer	Valentine Dzvova	valentine@aeei.co.za
Chief financial officer	Jowayne van Wyk	jowayne@aeei.co.za
Prescribed officer	Valentine Dzvova	valentine@aeei.co.za

BUSINESS ADDRESS AND REGISTERED OFFICE

1st Floor, Waterway House North,
3 Dock Road, Victoria & Alfred Waterfront,
Cape Town, 8001, South Africa
Postal address: PO Box 181, Cape Town, 8000, South Africa
Telephone: +27 21 427 1500

EMAIL AND WEBSITE

Email address: info@aeei.co.za
Website: www.aeei.co.za

COMPANY REGISTRATION NUMBER

1996/006093/06

TRANSFER SECRETARIES

JSE Investor Services (Pty) Ltd
13th Floor, 19 Ameshoff Street, Braamfontein, 2001
Postal address: PO Box 4844, Johannesburg, 2000, South Africa
Telephone: +27 11 713 0800
Telefax: +27 86 674 4381
Website: www.jseinvestorservices.co.za

JOINT AUDITORS

Crowe JHB and THAWT Inc.

JOINT SPONSORS

Vunani Capital and Merchantec Capital

LISTING

Johannesburg Stock Exchange Sector: Diversified Industrials
Share code: AEE
ISIN code: ZAE000195731

ABBREVIATIONS AND ACRONYMS

AEEI	African Equity Empowerment Investments Ltd (“the Company”) or (“the Group”)
AGM	Annual general meeting
B-BBEE	Broad-based Black Economic Empowerment
bn	Billion
COVID-19	Coronavirus (severe acute respiratory syndrome)
CPI	Consumer price index
CSI	Corporate social investment
EBITDA	Earnings before interest, taxation, depreciation, and amortisation
ED	Executive director
EPS	Earnings per share
ESG	Environmental, social and governance
GDP	Gross domestic product
GRI	Global Reporting Index
HE	Headline earnings
HEPS	Headline earnings per share
IAS	International Accounting Standards
IFRS	International Financial Reporting Standards
IRAS	Integrated Reporting & Assurance Services
JSE	JSE Limited
KING IV™	King IV™ Report on Corporate Governance for South Africa (2016)
m	Millions
POPI	Protection of Personal Information Act, No. 4 of 2013
R	South African rand
R'000	South African rands in millions
SASB	Sustainability Accounting Standards Board
SDGs	Sustainable Development Goals
SDTI	Sustainability Data Transparency Index
SME	Small and medium-sized enterprises
SMME	Small, medium, and macro enterprise

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This image shows a full page of blank, lined paper. It features approximately 20 horizontal blue or grey lines spaced evenly apart, typical of notebook paper. The lines extend across the entire width of the page, leaving small margins at the top and bottom. There are no vertical lines, text, or other markings on the page.

