

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

The definitions and interpretations commencing on page 7 of this Circular apply *mutatis mutandis* throughout this Circular.

ACTION REQUIRED BY AEEI SHAREHOLDERS

1. This Circular is important and should be read with particular attention to the section entitled “*Action Required by AEEI Shareholders*”, commencing on page 3 of this Circular.
2. If you are in any doubt as to what action to take in relation to this Circular, please consult your broker, CSDP, banker, accountant, legal advisor or other professional advisor immediately.
3. If you have disposed of all your AEEI Shares, this Circular, together with the accompanying Notice of General Meeting and Form of Proxy (*yellow*), should be forwarded to the purchaser of such AEEI Shares or to the broker, CSDP, banker or other agent through whom the disposal was effected.

AEEI does not accept responsibility and will not be held liable for any action of, or omission by, any CSDP or broker of any AEEI Shareholder to notify such AEEI Shareholder of the General Meeting or any business to be concluded thereat.



AFRICAN EQUITY EMPOWERMENT INVESTMENTS LIMITED

(Incorporated in the Republic of South Africa)
(Registration number: 1996/006093/06)
Share code: AEE ISIN: ZAE000195731
("AEEI" or "the Company")

CIRCULAR TO AEEI SHAREHOLDERS

relating to:

- the disposal of the BTSA Shares held by Kilomix to BTSA for an aggregate amount of R290 million;

and incorporating:

- a Notice of General Meeting; and
- a Form of Proxy (*yellow*) for use at the General Meeting by Certificated Shareholders and Dematerialised Shareholders with "own name" registration only.

Corporate Advisor and Sponsor



Joint Sponsor



Legal Advisors



Independent Reporting Accountants



Date of issue: Friday, 24 November 2023

This Circular is available in English only. Copies may be obtained during normal business hours from the registered office of AEEI and from the offices of Vunani Sponsors, whose addresses are set out in the "Corporate Information and Advisors" section of this Circular, from Friday, 24 November 2023 until the date of the General Meeting, (both days inclusive). A copy of this Circular will also be available on AEEI'S website (www.aeei.co.za).

CORPORATE INFORMATION AND ADVISORS

Directors

Valentine Colleta Dzvova (Chief Executive Officer)
Jowayne Shadwill Van Wyk (Chief Financial Officer)
Aziza Begum Amod*(Chairman)
Gamiem Colbie*
Carin-Lee Geuking-Cohausz#
Membathisi Mdladlana#
Stephen Nthite#
Bongikhaya Qama#
Willem Johannes Raubenheimer (Lead Independent Director)#

* Non-executive

Independent

Corporate Advisor and Sponsor

Vunani Sponsors Proprietary Limited
(Registration number 2008/005096/07)
Vunani House Block C, Vunani Office Park
151 Katherine Street
Sandton, 2196
Gauteng
(PO Box 652419, Benmore, 2010)

Joint Sponsor

Merchantec Proprietary Limited
(Registration number 2008/027362/07)
13th Floor, Illovo Point
68 Melville Road
Illovo, Sandton, 2196
(PO Box 41480, Craighall, 2024)

Transfer Secretaries

JSE Investor Services Proprietary Limited
(Registration number 2000/007239/07)
One Exchange Square
2 Gwen Lane
Sandown, Sandton, 2196
(PO Box 4844, Johannesburg, 2000)

Company Secretary and registered office

Cornell Kannemeyer
10th Floor, Convention Tower
Cnr Heererengracht & Walter Sisulu Foreshore,
Cape Town, 8001
(PO Box 181, Cape Town, 8001)

Date of incorporation: 20 May 1996

Place of incorporation: South Africa

Legal Advisors

Clyde & Co Incorporated
(Registration number 2014/107150/21)
4th Floor, North Wing
Nedbank Building
Clock Tower Precinct
Victoria and Alfred Waterfront
Cape Town, 8001, South Africa.
(PO Box 786448, Sandton, 2196)

Independent Reporting Accountants

Crowe JHB
(Practice number 903787)
9 Autumn Street
Rivonia, 2191
Gauteng
(PO Box 652550, Benmore, 2010)

FORWARD-LOOKING STATEMENT DISCLAIMER

This Circular includes statements about AEEI and/or the AEEI Group that are, or may be deemed to be forward-looking statements. All statements other than statements of historical fact are, or may be deemed to be, forward-looking statements, including, without limitation, those concerning strategy; the economic outlook for the industries in which AEEI and the Group operates or invests as well as markets generally; production; cash costs and other operating results; growth prospects and outlook for operations and/or investments, individually or in the aggregate; liquidity, capital resources and expenditure, statements in relation to the Disposal, its implementation and the benefits of the Disposal. These forward-looking statements are not based on historical facts, but rather reflect current expectations concerning future results and events and generally may be identified by the use of forward-looking words such as “believe”, “aim”, “expect”, “anticipate”, “intend”, “foresee”, “forecast”, “likely”, “should”, “planned”, “may”, “estimated”, “potential” or similar words and phrases. Examples of forward-looking statements include statements regarding a future financial position.

By their nature, forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. AEEI cautions that forward-looking statements are not guarantees of future performance. Actual results, financial and operating conditions, returns and the developments within the industries and market in which AEEI and/or the AEEI Group operates and/or invests may differ materially from those made in, or suggested by, the forward-looking statements contained in this Circular.

All these forward-looking statements are based on estimates, predictions and assumptions, as regards AEEI and the AEEI Group, all of which estimates, predictions and assumptions, although AEEI believes them to be reasonable, are inherently uncertain and may not eventuate or eventuate in the manner AEEI expects. Factors which may cause the actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied in those statements or assumptions include other matters not yet known to AEEI or not currently considered material by AEEI.

Shareholders should keep in mind that any forward-looking statement made in this Circular or elsewhere is applicable only at the date on which such forward-looking statement is made. New factors that could cause the business of AEEI not to develop as expected may emerge from time to time and it is not possible to predict all of them. Further, the extent to which any factor or combination of factors may cause actual results to differ materially from those contained in any forward-looking statement are not known. AEEI has no duty to, and does not intend to, update or revise the forward-looking statements contained in this Circular after the date of this Circular, except as may be required by law. Any forward-looking statement has not been reviewed nor reported on by AEEI's external auditor or any other expert.

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ACTION REQUIRED BY AEEI SHAREHOLDERS

This Circular is important and requires your immediate attention.

Please take careful note of the following provisions regarding the action required by AEEI Shareholders. If you are in any doubt as to what actions to take, please consult your broker, CSDP, banker, attorney, accountant or other professional advisor immediately.

If you have disposed of all of your AEEI Shares, this Circular, together with the Notice of General Meeting and Form of Proxy (*yellow*), should be forwarded to the purchaser of such AEEI Shares or to the broker, CSDP, banker or other agent through whom the disposal was effected.

The Board has decided to proceed with the General Meeting by way of electronic participation only and not by way of a physical meeting. The General Meeting will accordingly be accessible through electronic communication, as permitted by the JSE and in accordance with the provisions of the Companies Act and the Company's MOI. "Attendance" throughout this section will be deemed to refer to electronic attendance.

A General Meeting of AEEI Shareholders is scheduled to be held electronically at 10:00 on Thursday, 28 December 2023 to consider and, if deemed fit, to pass, with or without modification, the resolutions required to authorise and approve the implementation of the Disposal. A notice convening such General Meeting is attached to, and forms part of, this Circular.

Electronic participation at the General Meeting

Prior registration is necessary to participate in the General Meeting. Shareholders or their proxies will be given unique login details. Shareholders or their duly appointed proxy or proxies ("**General Meeting Participants**") must apply to the Transfer Secretaries, JSE Investor Services, by emailing a request to participate at the General Meeting to meetfax@jseinvestorservices.co.za, to be received by the Transfer Secretaries at least seven (7) Business Days prior to the General Meeting, being Thursday, 14 December 2023 ("**Electronic Registration Process**"). The Transfer Secretaries and the chairperson of the General Meeting will first validate such requests and confirm the identity of the Shareholder in terms of section 63(1) of the Companies Act, and, if the request is validated, further details on using the electronic communication facility will be provided. The Company will inform General Meeting Participants who notified the Transfer Secretaries of their intended participation in accordance with this paragraph, by no later than Tuesday, 19 December 2023 by email of the relevant details through which General Meeting Participants can participate electronically. Shareholders may also request access to the General Meeting and voting facilities from the chairperson of the General Meeting and the Company Secretary, prior to the commencement of the meeting, on the day of the General Meeting, being Thursday, 28 December 2023, by no later than 09:00, by emailing cornellk@aeei.co.za.

General Meeting Participants must note that they will be able to vote during the General Meeting. Such Participants who wish to have their vote(s) counted prior to the commencement of the General Meeting, must act in accordance with the voting instructions contained in the Notice of the General Meeting, i.e. to the extent applicable:

- i. complete the Form of Proxy (*yellow*); or
- ii. contact their CSDP.

It is recommended that Shareholders who elect to participate in the General Meeting through the online platform log into the online platform at least 15 minutes prior to the scheduled commencement of the General Meeting. Should Shareholders require assistance with accessing the online platform, they can email cornellk@aeei.co.za.

Shareholders will be liable for their own network charges and expenses in relation to electronic participation in and/or voting at the General Meeting. Any such charges will not be for the account of AEEI or the Transfer Secretaries. Neither AEEI nor the Transfer Secretaries can be held accountable in the case of loss of network connectivity or other network failure due to insufficient airtime, internet connectivity, internet bandwidth and/or power outages which may prevent any such Shareholder from participating in the General Meeting.

1. ATTENDANCE AT THE GENERAL MEETING

1.1 Dematerialised Shareholders without “own-name” registration

- 1.1.1 In accordance with the custody agreement between you and your CSDP or broker, you must advise your CSDP or broker if you wish to:
 - 1.1.1.1 participate electronically and speak at the General Meeting; or
 - 1.1.1.2 appoint a proxy to represent you at the General Meeting.
- 1.1.2 Your CSDP or broker should then issue the necessary letter of representation to you for you or your proxy to participate electronically in, speak and vote at the General Meeting. You will not be permitted to participate electronically in or speak at the General Meeting or send a proxy to represent you at the General Meeting, without the necessary letter of representation being issued to you. The letter of representation must be emailed to the Transfer Secretaries, JSE Investor Services, at meetfax@jseinvestorservices.co.za as part of the Electronic Registration Process prior to the General Meeting.
- 1.1.3 If you do not wish to, or are unable to, participate electronically in (or appoint a proxy to represent you at) the General Meeting and you have not been contacted by your CSDP or broker, it is advisable for you to contact your CSDP or broker immediately and furnish your CSDP or broker with your voting instructions in the manner and by the cut-off time stipulated by your CSDP or broker in terms of the custody agreement between you and your CSDP or broker.
- 1.1.4 If your CSDP or broker does not obtain voting instructions from you, your CSDP or broker will be obliged to act in accordance with the instructions contained in the custody agreement between you and your CSDP or broker.
- 1.1.5 You must not complete the attached Form of Proxy (*yellow*).

1.2 Dematerialised Shareholders with “own-name” registration and Certificated Shareholders

You may participate electronically in and speak at the General Meeting in person (or, if you are a company or other body corporate, be represented by a duly authorised natural person). Alternatively, you may appoint a proxy to represent you at the General Meeting by completing the attached Form of Proxy (*yellow*) in accordance with its instructions and returning it to the Transfer Secretaries, JSE Investor Services at One Exchange Square, 2 Gwen Lane, Sandown, Sandton, 2196 or via email to meetfax@jseinvestorservices.co.za, to be received by it, for administrative purposes, by no later than 10:00 on Wednesday, 27 December 2023 or thereafter by emailing such form to the Transfer Secretaries at the aforementioned email address (for the attention of the chairperson of the General Meeting) to be received at any time before the proxy exercises any rights of the AEEI Shareholder at such General Meeting.

IMPORTANT LEGAL NOTICES

1. GENERAL

- 1.1 This Circular does not constitute or form part of any offer or invitation to purchase, subscribe for, sell or issue, or any solicitation of any offer to purchase, subscribe for, sell or issue, any securities.
- 1.2 The release, publication or distribution of this Circular in jurisdictions other than South Africa and the US may be restricted by law.

2. APPLICABLE LAWS

- 2.1 The BTSA Disposal is proposed solely in terms of this Circular and this Circular sets out the terms and conditions on which the BTSA Disposal is to be implemented.
- 2.2 The BTSA Disposal involves the securities of a South African registered company which is listed on the JSE and is governed by, and must be construed in accordance with, the laws of South Africa including its procedural laws and disclosure requirements.
- 2.3 This Circular has been prepared for purposes of complying with the applicable disclosure requirements of the Companies Act and the Listings Requirements, and the information disclosed may not be the same as that which would have been disclosed had this Circular been prepared in accordance with the laws and regulations of any jurisdiction outside of South Africa.
- 2.4 Any AEEI Shareholder who is in doubt as to their position regarding the contents of this Circular should consult an appropriate independent professional advisor in the relevant jurisdiction without delay.

3. INFORMATION PROVIDED

Unless the context clearly indicates otherwise, all information provided in this Circular is provided as at the Last Practicable Date.

IMPORTANT DATES AND TIMES

2023

Record date for AEEI Shareholders to be recorded in the Register in order to receive the Circular and Notice of General Meeting	Friday, 17 November
Circular incorporating the Notice of General Meeting and Form of Proxy (<i>yellow</i>) distributed to AEEI Shareholders on	Friday, 24 November
Announcement of distribution of Circular and notice convening the General Meeting published on SENS on	Friday, 24 November
Announcement of distribution of Circular and notice convening the General Meeting published in the South African press on	Monday, 27 November
Last day to trade in AEEI Shares in order to be recorded in the Register to vote at the General Meeting on	Monday, 11 December
Record date for AEEI Shareholders to be recorded in the Register in order to be eligible to attend and participate in the General Meeting and to vote thereat, by close of trade on	Thursday, 14 December
For administrative purposes, Forms of Proxy (<i>yellow</i>) in respect of the General Meeting to be lodged at the Transfer Secretaries by 10:00 on	Wednesday, 27 December
General Meeting to be held at 10:00 on	Thursday, 28 December
Results of the General Meeting published on SENS on	Thursday, 28 December
Results of the General Meeting published in the South African press on	Friday, 29 December

Notes:

1. The above dates and times are subject to such changes as may be agreed to and approved by the JSE, if required. Any such amendment will be released on SENS.
2. AEEI Shareholders should note that as transactions in AEEI Shares are settled in the electronic settlement system used by Strate, settlement of trades takes place three Business Days after the date of such trades. Therefore, AEEI Shareholders who acquire AEEI Shares after close of trade on Monday, 11 December 2023, will not be eligible to attend at, participate in and to vote at the General Meeting.
3. If the General Meeting is adjourned or postponed, the above dates and times will change, but the Forms of Proxy (*yellow*) submitted in respect of the initial General Meeting will remain valid in respect of any adjournment or postponement thereof.
4. Although the salient dates and times are stated to be subject to change, such statement shall not be regarded as consent or dispensation for any change to time periods which may be required in terms of the Companies Act and the Listings Requirements, where applicable, and any such consents or dispensations must be specifically applied for and granted.
5. All times referred to in this Circular are references to South African Standard Time.

DEFINITIONS AND INTERPRETATIONS

In this Circular, unless otherwise stated or clearly indicated by the context, the words in the first column have the meanings stated opposite them in the second column, words in the singular include the plural and *vice versa*, words importing one gender include the other genders and references to a person include references to a body corporate and *vice versa*:

“AEEI” or “the Company”	African Equity Empowerment Investment Holdings Limited (Registration number 1996/006093/06), a public company duly registered and incorporated in accordance with the laws of South Africa, and listed on the Main Board of the JSE;
“Board” or “Directors”	the board of directors of AEEI at the Last Practicable Date, whose names appear in the “Corporate Information and Advisors” section of this Circular;
“AEEI Shareholders” or “Shareholders”	holders of AEEI Shares;
“AEEI Shares” or “Shares”	“B” class ordinary shares of no par value in the authorised and issued share capital of AEEI;
“AYO”	AYO Technology Solutions Limited (Registration number 1996/014461/06), a public company duly registered and incorporated in accordance with the laws of South Africa, and listed on the Main Board of the JSE;
“AYO Unbundling” or “Unbundling”	the <i>pro rata</i> unbundling by AEEI of its entire shareholding in AYO to Shareholders by way of a distribution <i>in specie</i> in the ratio of 1 AYO share for every 2.89 AEEI Shares held on the Unbundling record date, in terms of section 46 of the Companies Act and section 46 of the Income Tax Act, 1962 (Act 58 of 1962), as amended (“ Income Tax Act ”), constituting the disposal of the greater part of the assets of AEEI in terms of section 112 of the Companies Act (read with section 115 of the Companies Act), which Unbundling was detailed in the circular to AEEI Shareholders dated 1 June 2023;
“BT”	BT Limited a private company limited by shares registered and incorporated in accordance with company laws of England and Wales under registration number 2216369, which company is not a related party to AEEI or its Directors or associates as defined in section 10.1 of the Listings Requirements;
“BT Call Option”	the option granted to BT (or its nominee) in terms of the Shareholders Agreement to purchase the BTSA Shares held by Kilomix upon the occurrence of certain events described in the Shareholders Agreement;
“BTSA”	BT Communications Services South Africa Proprietary Limited (Registration number 2008/006072/07), a private company duly registered and incorporated in accordance with the laws of South Africa which is 30% owned by AEEI and 70% owned by BT;
“BTSA Disposal” or “the Disposal”	the proposed disposal of the BTSA Shares to BTSA for the Repurchase Price;
“BTSA Shares”	30 000 ordinary shares, constituting 30% of the issued share capital of BTSA, owned by Kilomix;
“Business Day”	a day other than a Saturday, Sunday or official public holiday in South Africa;
“Certificated Shareholders”	AEEI Shareholders who hold Certificated Shares;
“Certificated Shares”	AEEI Shares which have not been Dematerialised, title to which is represented by a Document of Title;
“Circular”	this circular to AEEI Shareholders, dated Friday, 24 November 2023, including the annexures hereto, the Notice of General Meeting and the Form of Proxy (<i>yellow</i>);

“Companies Act”	the Companies Act, 2008 (Act 71 of 2008), as amended;
“Competition Act”	the Competition Act, 1998 (Act 89 of 1998), as amended;
“Competition Commission”	the commission established pursuant to Chapter 4, Part A of the Competition Act;
“Competition Tribunal”	the tribunal established pursuant to Chapter 4, Part B of the Competition Tribunal;
“Conditions Precedent”	the conditions precedent to the BTSA Disposal as set out in paragraph 2.5 of this Circular;
“Corporate Advisor” or “Sponsor” or “Vunani Sponsors”	Vunani Sponsors Proprietary Limited (Registration number 2008/005096/07), a private company, incorporated and registered in accordance with the laws of South Africa, details of which are contained in the “Corporate Information and Advisors” section of this Circular;
“CSDP”	a central securities depository participant as defined in the Financial Markets Act;
“Dematerialise”	the process by which securities held in certificated form are converted to or held in electronic form as uncertificated securities and recorded as such in a sub-register of securities holders maintained by a CSDP and (“ Dematerialised ”) and (“ Dematerialise ”) shall bear corresponding meanings;
“Dematerialised Shareholders”	AEEI Shareholders who hold Dematerialised Shares;
“Dematerialised Shares”	AEEI Shares which have been Dematerialised and incorporated into the Strate system and which are no longer evidenced by physical Documents of Title;
“Dispute”	the dispute between Kilomix and BT over the validity of the alleged exercise by BT, by way of notice to Kilomix of the BT Call Option, which dispute was referred to arbitration under the rules of the International Chamber of Commerce;
“Documents of Title”	share certificates, certified transfer deeds, balance receipts and/or any other form of acceptable documents of title acceptable to AEEI in respect of AEEI Shares;
“Equality Court”	the specialised court established in terms of the Promotion of Equality and Prevention of Unfair Discrimination Act, 2002 (Act 4 of 2002), as amended;
“ESP Afrika”	ESP Afrika Proprietary Limited (Registration number 1998/019170/07), a private company duly registered and incorporated in accordance with the laws of South Africa and an indirect wholly-owned Subsidiary of AEEI;
“Financial Markets Act”	the Financial Markets Act, 2012 (Act 19 of 2012), as amended;
“Firm Intention Announcement”	the announcement released on SENS on 16 October 2023 wherein Shareholders were advised, <i>inter alia</i> , of AEEI’s firm intention to make an offer to Shareholders, other than Sekunjalo, to repurchase their Shares for a cash consideration of R1.15 per Share and to subsequently delist the Shares from the JSE;
“Form of Proxy”	the form of proxy (<i>yellow</i>) for use at the General Meeting by Certificated Shareholders and “own-name” Dematerialised Shareholders only;
“General Meeting”	the general meeting of AEEI Shareholders to be held at 10:00 on Thursday, 28 December 2023 via electronic communication, which meeting is convened in terms of the Notice of General Meeting, as same may be postponed or adjourned from time to time;
“Group”	AEEI and its Subsidiaries;
“Haraas Trust”	the Haraas Trust (Master’s reference IT2232/99), the beneficiaries of which are Dr. MI Survé, R Survé, S Survé, and N Kamies;
“IFRS”	International Financial Reporting Standards;

“Independent Reporting Accountants”	Crowe JHB (Practice number 903787), the Independent Reporting Accountants whose assurance report on the compilation of the <i>pro forma</i> financial information and agreed-upon procedures report are included, respectively, in Annexure 2 and Annexure 3 to this Circular, details of which are contained in the “Corporate Information and Advisors” section of this Circular;
“Joint Sponsor” or “Merchantec Capital”	Merchantec Proprietary Limited (Registration number 2008/027362/07), a private company duly registered and incorporated in accordance with the laws of South Africa, details of which are contained in the “Corporate Information and Advisors” section of this Circular;
“JSE”	JSE Limited (Registration number 2005/022939/06), a public company duly incorporated in accordance with the laws of South Africa and licensed to operate an exchange under the Financial Markets Act;
“Kilomax”	Kilomax Investments Proprietary Limited (Registration number 2008/023018/07), a private company duly registered and incorporated in accordance with the laws of South Africa and a wholly-owned Subsidiary of AEEI;
“Kilomix”	Kilomix Investments Proprietary Limited (Registration number 2008/023006/07), a private company duly registered and incorporated in accordance with the laws of South Africa and a wholly-owned Subsidiary of Kilomax;
“Last Practicable Date”	Thursday, 23 November 2023, being the last practicable date prior to the finalisation of this Circular;
“Legal Advisors”	Clyde & Co Incorporated (Registration number 2014/107150/21), a partnership duly incorporated in accordance with the laws of South Africa, details of which are contained in the “Corporate Information and Advisors” section of this Circular;
“Listings Requirements”	the Listings Requirements of the JSE, as amended from time to time;
“Litigation Parties”	BT, Kilomix, BTSA, AEEI and Kilomax, collectively;
“Mainstreet 1653”	Mainstreet 1653 Proprietary Limited (Registration number 2018/549747/07), a private company duly registered and incorporated under the laws of South Africa which is 60% owned by AEEI and 40% owned by AYO, and which holds 100% of SGT;
“Miramare Investments”	Miramare Investments Proprietary Limited (Registration number 2006/015147/07), a private company duly registered and incorporated in accordance with the laws of South Africa, which is 29% owned by LNA Trust, 14% owned by Gianna Altini Trust, 14% owned by Luca Altini Trust, 14% owned by Taralli Trust, 14% owned by Gaetano Altini Trust, 14% owned by JACC Trust, the ultimate beneficial owners of which are not related to AEEI or its Directors;
“MOI”	the memorandum of incorporation of AEEI as at the date of this Circular;
“Notice of General Meeting”	the notice convening the General Meeting, enclosed with and forming part of this Circular;
“PFB”	Premier Fishing and Brands Limited (Registration number 1998/018598/06), a public company duly registered and incorporated in accordance with the laws of South Africa, and previously listed on the Main Board of the JSE;
“PRASA”	the Passenger Rail Agency of South Africa established in terms of section 22 of the Legal Succession to South African Transport Services Act, 1989 (Act 9 of 1989);
“Register”	the register of Certificated Shareholders maintained by the Transfer Secretaries, and each of the sub-registers of Dematerialised Shareholders maintained by the relevant CSDPs in terms of the Financial Markets Act;

“Repurchase Price”	R290 million, being the aggregate cash consideration payable by BTSA for the Repurchase Shares;
“Scofish”	Scofish Proprietary Limited (Registration No.1991/000517/07), a limited liability private company duly incorporated with the laws of South Africa. Scofish Proprietary Limited is a wholly-owned subsidiary of Scofish Holdings Proprietary Limited. The shares in Scofish Holdings Proprietary Limited are held by The Standur Trust (100%). The latter is not in any way related to AEEI, or any other person or entity in the Sekunjalo Group;
“Sekunjalo”	Sekunjalo Investment Holdings Proprietary Limited (Registration number 1998/008480/07), a private company duly incorporated in accordance with the Laws of South Africa which is wholly-owned by the Haraas Trust;
“Sekunjalo Group”	Sekunjalo and its Subsidiaries;
“SENS”	the Stock Exchange News Service of the JSE;
“Settlement Agreement”	the written settlement agreement entered into between the Litigation Parties on 26 September 2023, in terms of which the Litigation Parties agreed to settle any and all claims and disputes between the Litigation Parties, on the terms and subject to the conditions set out therein;
“SGT”	SGT Solutions Proprietary Limited (Registration number 1963/006462/07), a private company duly registered and incorporated in accordance with the laws of South Africa, which is wholly-owned by Mainstreet 1653 and 60% owned by AEEI indirectly;
“Share Repurchase Agreement”	the written share repurchase agreement entered into between BTSA and Kilomix on 26 September 2023, in terms of which Kilomix agreed to sell and BTSA agreed to acquire the BTSA Shares, on the terms and subject to the conditions set out therein;
“Shareholders Agreement”	the written shareholders agreement between BT, Kilomix, BTSA, AEEI and Kilomax dated 4 November 2008 regulating the relationship between BT and Kilomix as shareholders of BTSA;
“South Africa”	the Republic of South Africa;
“Strate”	Strate Proprietary Limited (Registration number 1998/022242/07), a private company duly incorporated in accordance with the laws of South Africa, a central securities depository licensed in terms of the Financial Markets Act and responsible for the electronic clearing and settlement system provided to the JSE;
“Subsidiary”	a subsidiary as defined in the Companies Act;
“Transfer Secretaries” or “JSE Investor Services”	JSE Investor Services Proprietary Limited (Registration number 2000/007239/07), a private company duly incorporated in accordance with the laws of South Africa, details of which are contained in the “Corporate Information and Advisors” section of this Circular;
“US”	the United States of America; and
“ZAR” or “Rand”	South African Rand, the official currency of South Africa.



AFRICAN EQUITY EMPOWERMENT INVESTMENTS LIMITED

(Incorporated in the Republic of South Africa)

(Registration number: 1996/006093/06)

Share code: AEE ISIN: ZAE000195731

("AEEI" or "the Company")

Directors

Valentine Colleta Dzvova (Chief Executive Officer)

Jowayne Shadwill Van Wyk (Chief Financial Officer)

Aziza Begum Amod*(Chairman)

Gamien Colbie*

Carin-Lee Geuking-Cohausz#

Membathisi Mdladlana#

Stephen Nthite#

Bongikhaya Qama#

Willem Johannes Raubenheimer (Lead Independent Director)#

* Non-executive

Independent

CIRCULAR TO AEEI SHAREHOLDERS

1. INTRODUCTION

Shareholders are referred to the announcement released on SENS on Thursday, 28 September 2023 wherein AEEI Shareholders were advised that Kilomix, an indirect wholly-owned Subsidiary of AEEI, had entered into the Share Repurchase Agreement with BTSA, a Subsidiary of BT, in terms of which BTSA will acquire the BTSA Shares held by Kilomix for an aggregate amount of R290 million.

The Disposal constitutes a category 1 transaction as contemplated in section 9 of the Listings Requirements.

The purpose of this Circular is to provide Shareholders with the relevant information relating to the Disposal, and to give notice of the General Meeting in order for AEEI Shareholders to consider and, if deemed fit, to pass, with or without modification the resolutions required to approve and implement the Disposal. The notice convening the General Meeting is attached to and forms part of this Circular.

2. THE DISPOSAL

2.1 Background to and rationale for the Disposal

As set out in the announcements released on SENS on 5 November 2008 and 18 December 2008, Shareholders were advised that AEEI had acquired a 30% equity stake in BTSA, the South African operations of BT, a provider of communications solutions and services, for R27 million in a fully vendor financed transaction.

Pursuant to the acquisition, BT and Kilomix own 70% and 30%, respectively, of the issued share capital of BTSA.

In terms of the Shareholders Agreement, BT (or its nominee) has an option to purchase the BTSA Shares held by Kilomix upon the occurrence of certain events described in the Shareholders Agreement. These events include "an act or omission by Kilomix and/or any member of the Sekunjalo Group which results or is likely to result, in material damage to the reputation of BTSA, BT or the BT Group, and Kilomix and/or the relevant Kilomix shareholders do not remedy the relevant act or omission within 60 days of the happening thereof (if remediable)."

BT purported to exercise the BT Call Option by relying on certain acts and omissions which BT alleged were committed by members of the Sekunjalo Group, namely: (i) making false and misleading statements in AYO's pre-listing statement; (ii) the censure imposed by the JSE; (iii) materially misstating, alternatively being publicly alleged to have misstated, the business prospects and share value of AYO to the Public Investment Corporation ("**PIC**"), leading to the institution of action by the PIC; (iv) engaging in, alternatively being publicly alleged to have engaged in reputationally damaging conduct, which resulted in evidence being led before, and findings being made by, the Commission of Inquiry into Allegations of Impropriety Regarding Public Investment Corporation, chaired by the Honourable Justice Lex Mpati; (v) engaging in, alternatively being publicly alleged to have engaged in, reputationally damaging conduct which led to major South African banks closing the bank accounts of the entities within the Sekunjalo Group; and (vi) making presentations to the Parliament Standing Committee on Finance, which contained false and misleading statements, including, but not limited to, overstating the relationship between BT and BTSA on one hand, and the Sekunjalo Group on the other.

Kilomix denied the allegations made by BT and disputed that BT had validly exercised the BT Call Option.

As set out in the cautionary announcement released on SENS on 4 June 2021 and in the subsequent renewal of cautionary announcements, the last of which was published on 28 June 2023, Shareholders were advised of the Dispute between Kilomix and BT over the BT Call Option. Such Dispute has been the subject matter of an arbitration under the rules of the International Chamber of Commerce ("**ICC Arbitration**"). The relief sought by BT in the ICC Arbitration includes an order: (i) declaring that BT had validly exercised the BT Call Option; (ii) directing that the BTSA Shares be valued; (iii) directing Kilomix to transfer the BTSA Shares pending the valuation process; and (iv) that BT pays the purchase price in respect of the BTSA Shares upon determination of the value thereof.

At the commencement of the ICC Arbitration, Kilomix and BT entered into discussions to settle the Dispute. Pursuant thereto, and as set out in the announcement released on SENS on 28 September 2023, the Litigation Parties agreed to settle the Dispute and enter into the Settlement Agreement as detailed in paragraph 2.2 below. The ICC Arbitration was subsequently postponed *sine die* (without a date) pending implementation of the Settlement Agreement and the Share Repurchase Agreement.

The Board is of the view that regardless of Kilomix's prospects of success in the ICC Arbitration, the shareholder relationship with BT has broken down irretrievably and, being a minority shareholder in BTSA, Kilomix (and, indirectly, AEEI) will have minimal influence over the business of BTSA going forward. Therefore, a decision was taken to preserve Shareholder value by unlocking cash reserves for growth, redistribution to Shareholders and to limit further advisory and legal costs.

2.2 Settlement Agreement

The Litigation Parties have agreed to settle the Dispute on the basis that BTSA will repurchase, and Kilomix will sell, the BTSA Shares held by Kilomix for the Repurchase Price.

The Settlement Agreement is subject to the fulfilment that, by not later than 29 December 2023, or such later date as the Litigation Parties may determine in writing, the Share Repurchase Agreement becomes unconditional in accordance with its terms.

The Settlement Agreement constitutes the full and final settlement of any and all claims and disputes between the Litigation Parties, including any other company in either the Sekunjalo Group or the BT group, of whatsoever nature and howsoever arising between the Litigation Parties.

In terms of the Settlement Agreement, amongst other things:

- Kilomix undertakes to withdraw the action instituted in the High Court of South Africa, Gauteng Local Division, Johannesburg, against BTSA, BT and certain other parties ("**High Court Litigation**"), as set out in the announcement released on SENS on 28 September 2023; and
- each Litigation Party, undertakes (and each Litigation Party shall procure that each company in the BT group and the Sekunjalo Group, respectively, undertakes) not to institute any further claims of whatsoever nature against the other Litigation Parties (which includes reference to the BT group and the Sekunjalo Group, and their respective employees, directors and prescribed officers) arising from or relating to the subject matter of the ICC Arbitration and/or the High Court Litigation and/or matters related thereto.

The Sekunjalo Group will not receive any economic benefit arising from the Settlement Agreement, specifically, the waiver of claims contemplated therein and set out in the immediately preceding paragraph.

2.3 Share Repurchase Agreement

In terms of the Share Repurchase Agreement, Kilomix has agreed to sell, and BTSA has agreed to repurchase, the BTSA Shares for an aggregate amount of R290 million, in a single, indivisible transaction, with effect from the second business day after 19 December 2023 or such later date as Kilomix and AEEI may determine in writing ("**Condition Precedent Fulfilment Date**"), subject to AEEI convening the General Meeting by no later than the Conditions Precedent Fulfilment Date in order for Shareholders to consider and, if deemed fit, to pass the requisite resolutions to approve and implement the BTSA Disposal in accordance with the Companies Act and the Listings Requirements.

In the event that the Kilomix requests an extension of the Condition Precedent Fulfilment Date, BTSA shall not unreasonably withhold and/or delay its consent to such extension if the requested extension is necessitated as a result of (a) BTSA's audited financial statements for the financial year ended March 2023 not being finalised by 29 September 2023; and/or (b) BTSA breaching its obligations in terms of the Share Repurchase Agreement; and/or (c) any delays in obtaining the approval of the JSE of the Circular required to be distributed to the Shareholders convening the extraordinary general meeting and which delays are not caused by any deliberate act or omission on the part of AEEI and/or its related persons.

2.4 Shareholders Agreement

BT, Kilomix, BTSA, Sekunjalo and Kilomax jointly entered into an agreement on 4 November 2008, where Sekunjalo acquired 30% stake in BTSA for R27 million in a fully vendor financed transaction. All the conditions precedent to the agreement were met, namely:

- the approval of the South African Reserve Bank; and
- the execution of other ancillary secretarial items necessary to give effect to the acquisition.

The transaction was deemed unconditional and formally concluded.

The salient terms of the Shareholders Agreement are as follows:

- Kilomix can nominate two representatives to the board for so long as it owns 30% in BTSA.
- The Shareholders Agreement provides for standard tag along, come along and pre-emptive rights that are common for agreements of this nature.
- BT has a call option to purchase Kilomix 30% equity interest in the event Kilomix breaches the Shareholders Agreement or reputational damage.
- Kilomix has a put option to sell its 30% to BT should BT breach the Shareholders Agreement.
- Upon transfer of the 30% stake by Kilomix to BTSA, Kilomix will cease to be a party to the Shareholder Agreement, but without prejudice to any liability for any antecedent breach of BTSA prior to the sale and purchase of the BTSA Shares.
- Kilomix to remain as a "ring-fenced" insolvency-remote, special purpose vehicle whose sole purpose and business will be to hold the 30% stake in BTSA.

Tag-along rights

If BT receives an offer in writing from bona fide third person to purchase all of its equity interest which it wishes to accept, it shall first offer the equity interest to BEECo (Kilomix) in accordance with the provision of clause 15 of the Shareholders Agreement (pre-emptive rights), and BEECo (Kilomix) shall be entitled, in the event that it does not exercise its pre-emptive rights in accordance with the provisions of clause 15 of the Shareholders Agreement (pre-emptive rights), on written notice to BT within the 60 (sixty) day period referred to in clause 15.2.5 (pre-emptive rights) to require BT to procure that the third party also purchases all of BEECo's (Kilomix) equity interest on the same terms and conditions on which it purchases BT's shares, failing which BT shall not be entitled to sell its equity interest to the third party in question.

Come-along rights

If BT agrees at any time to sell all the shares owned by it to any purchaser who is not already a shareholder, then it shall offer the equity interest to BEECo (Kilomix) in accordance with the provision of clause 15 of the Shareholders Agreement (pre-emptive rights), and BEECo (Kilomix) shall be entitled, in the event that BEECo (Kilomix) does not exercise its pre-emptive rights in accordance with the provisions of clause 15 of the Shareholders Agreement (pre-emptive rights), to require BEECo (Kilomix) to sell all of its shares too, either to the same purchaser (or his nominee) or to BT itself for resale to the purchaser (or his nominee), as BT may elect, at the same price per share and subject to the same terms and conditions.

Pre-emptive rights

Each shareholder (“**Offeror**”) shall not sell any of its equity interest to anyone other than the existing shareholder (“**Offeree**”), without first offering to sell the whole of its equity interest to the Offeree at the same price as that and on the same terms and conditions as those which the Offeror is prepared to sell its equity interest under a bona fide transaction to such other person.

2.5 Conditions Precedent and Effective Date

The Disposal is subject to the fulfilment that, by not later than 29 December 2023, or such later date as the parties to the Share Repurchase Agreement may determine in writing, AEEI convenes the General Meeting in order for Shareholders to consider and, if deemed fit, to pass the requisite resolutions to approve and implement the BTSA Disposal in accordance with the Companies Act and the Listings Requirements.

The effective date of the Disposal will be the second business day following the fulfilment of the Conditions Precedent.

2.6 Application of the sale proceeds

The Board is yet to decide on how the sales proceeds will be utilised. Currently, various applications of the proceeds are being considered which include but are not limited to the declaration of a special dividend. Shareholders will be updated on how the proceeds will be utilised once the Board has made a definitive decision and, until such time, the proceeds will be invested in money market or similar liquid instruments.

2.7 Nature of the BTSA business

BTSA is the main operating entity of multinational, BT, in South Africa and the regional head office for the Sub-Sahara Africa region. BTSA supports multi-national ICT outsourcing contracts and provides local data and voice outsourcing solutions, global frame and Multiprotocol Label Switching Services (“**MPLS**”).

2.8 Common Directorships

Valentine Dzvova, the Chief Executive Officer of AEEI, and Khalid Abdulla, the Executive Deputy Chairman of AYO, are also directors of BTSA. As part of the closing conditions of the transaction, both Valentine Dzvova and Khalid Abdulla will resign from the BTSA board post the implementation of the Disposal.

No AEEI Directors have any financial or other interest in BTSA. There are no related party implications. Neither Valentine Dzvova or Khalid Abdulla have received or will receive any directors’ fees, remuneration or other financial benefit from BTSA or BT Limited, whether arising from the Disposal or otherwise.

3. PRO FORMA FINANCIAL EFFECTS OF THE DISPOSAL

The *pro forma* financial effects of the Disposal and the independent reporting accountant’s report thereon are set out in **Annexure 1** and **Annexure 2** of this Circular, respectively.

4. INFORMATION RELATING TO AEEI

4.1 Overview of AEEI

4.1.1 AEEI is a diversified investment and empowerment company that has investments in fishing and brands, technology, events and tourism, health and beauty, and biotherapeutics, all supporting Broad-Based Black Economic Empowerment and small-, medium- and micro-enterprises as well as strategic investments, some with international partners. The Company listed on the JSE on 3 May 1999, is a majority black-owned and black-controlled investment holding company based in South Africa and is a Subsidiary of Sekunjalo.

4.1.2 Major investments

AEEI's major investments, based on the Directors' intrinsic valuation of the portfolio, are set out below.

4.1.2.1 56.23% in PFB

PFB, which delisted from the JSE on 1 August 2023, is a vertically integrated group that specialises in the harvesting, processing and marketing of fish and fish-related products. PFB and its subsidiaries hold medium- to long-term fishing rights in west coast rock lobster, south coast rock lobster, small pelagics (anchovy and sardine), hake deep-sea trawl, longline hake and squid. In addition, PFB owns an abalone farm and invests in organic agricultural products through the Seagro range of products. They also offer sales, marketing and production of west coast rock lobster, south coast rock lobster, longline hake, squid, fishmeal, abalone and Seagro (organic fertiliser).

4.1.2.2 30% in BTSA

BTSA is engaged in the provision of support services for multi-national ICT outsourcing contracts, the provision of local data and voice outsourcing solutions, global frame and MPLS.

4.1.2.3 60% in Mainstreet 1653 (which in turn holds 100% of SGT)

SGT is a turnkey solutions integrator specialising in the design, supply, deployment, commissioning and maintenance of multi-technology telecommunication systems for mobile broadband and converged solutions, through partnerships with our customers and technology providers.

SGT specialises in integrated, leading-edge and comprehensive solutions across the entire spectrum of telecommunications. SGT's vision is to be the innovative systems integrator of choice for telecommunications solutions.

The AEEI Group structure following the Disposal is set out in **Annexure 4** to this Circular.

4.1.3 Strategy

AEEI's business model and philosophy has resulted in it acquiring control of the majority of its operational investments, holding a diverse portfolio of investments as well as holding non-controlling stakes in strategic investments and associates. This enables it to add value through its extensive expertise and networks, influence business processes, provide management expertise and synergies with existing investments while promoting an entrepreneurial culture within its management structure and staff. Through its assets and investments, the Company drives its underlying businesses to become efficient and sustainable, which generates revenue, provides capital to grow the business and encourages above market shareholder returns.

AEEI's investment decisions, across its entire portfolio are driven by the overall objective of creating and growing stakeholder value in a sustainable manner.

4.2 Prospects

The prospects of the AEEI Group in general are as follows:

- 4.2.1 On 16 October 2023, AEEI released the Firm Intention Announcement on SENS wherein Shareholders were advised, *inter alia*, that the Company will pursue a delisting. In the current operating environment and given the illiquidity of the Shares, the Board is of the opinion that AEEI's remaining portfolio no longer warrants a listing on the JSE as it can no longer justify the costs and administrative burden of a listing relative to its benefits.
- 4.2.2 In light of the ongoing litigation with various financial institutions as set out more fully in paragraph 19 below, AEEI acknowledges the challenges that persist in its pursuit of its strategic objectives. Despite these impediments, there is unwavering commitment to ensure the sustainability of AEEI while simultaneously working towards unlocking value for Shareholders.

The strategic outlook encompasses:

- 4.2.3 Addressing the banking challenges and rebuilding the relationship with banking institutions.
- 4.2.4 Delisting AEEI to address some of the challenges faced by the Group. A delisting would help mitigate listing costs and allow AEEI to resolve current issues with greater expediency.
- 4.2.5 Group portfolio consolidation strategy, which involves divesting non-key assets and focusing on the growth of its profitable key assets.
- 4.2.6 Despite economic and other challenges, the AEEI Group will continue to explore growth opportunities and partnerships within acceptable risk limits.

4.3 Overview of Historical Financial Information

The historical financial information (HFI) comprises the audited financial statements of BTSA as of 31 March 2021, 31 March 2022 and 31 March 2023. These financial statements are prepared in accordance with International Financial Reporting Standards for SME's and audited by PWC. This information must be read in conjunction with the differences between IFRS for SMEs and IFRS as explained by Crowe JHB and which is unaudited.

Responsibility for the HFI lies with BTSA's board of directors, who ensure compliance with International Financial Reporting Standards for SMEs and maintain internal controls to prevent material misstatements. As BTSA is an associate, AEEI does not control BTSA and relies on BTSA's internal controls for the preparation of financial statements.

4.4 AEEI Directors Warnings to Shareholders of AEEI

The directors of AEEI wish to caution shareholders that the historical financial information:

- 4.4.1 The directors of AEEI wish to caution shareholders that the historical financial information:
- 4.4.2 Has not been audited or reviewed by Crowe.
- 4.4.3 Is prepared in accordance with IFRS for SMEs.
- 4.4.4 Has been audited by PWC.
- 4.4.5 Is not comparable with information historically provided on BTSA as an associate in AEEI's consolidated AFS, due to the difference in basis of preparation and reporting period. The reporting period is different because AEEI consolidated AFS were for the year ending in August and the BTSA standalone financial statements are for the year ending March.
- 4.4.6 Ordinarily at the August year end of AEEI, PWC are engaged to perform audit procedures based on group audit instructions received from AEEI's auditors on the 1 September to 31 August financial information of BTSA purely for purposes of inclusion in AEEI's audited consolidated financial statements for their respective year ended 31 August. BTSA management performs a conversion of the IFRS for SME financial information to IFRS for purposes of the AEEI consolidated financial statement preparation. This reconciliation is subject to audit procedures performed by PwC in accordance with the group audit instructions received and referred to earlier.

4.4.7 AEEI Directors rely on the above process in taking responsibility for the consolidated financial statement of AEEI, which include equity accounted earnings of BTSA.

Should Shareholders be in doubt about the historical financial information of BTSA they are advised to seek independent professional advice.

5. **GENERAL MEETING**

The General Meeting will be held by way of electronic participation at 10:00 on Thursday, 28 December 2023, for the purposes of considering and, if deemed fit, passing, with or without modification, the resolutions as contained in the Notice of General Meeting.

6. **MATERIAL CONTRACTS**

AEEI has a management agreement with PFB. The services provided by AEEI in exchange for monthly management fees comprise of payroll and human resource assistance, strategic planning and business development, company secretarial services, general assistance with respect to compliance with statutory duties, marketing and communications.

7. **MATERIAL TRANSACTIONS**

The information relating to the vendors of material assets acquired by AEEI and/or its Subsidiaries during the three years preceding this Circular, as set out below, is detailed in **Annexure 5** to this Circular.

7.1 **Subscription of shares by PFB**

On 22 December 2022, PFB and AEEI released a joint announcement on SENS wherein Shareholders were advised that on 21 December 2022 Premier Fishing SA Proprietary Limited ("**PFSA**"), a wholly-owned Subsidiary of PFB, had entered into a binding subscription agreement in terms of which PFSA, which held 50.3% of the ordinary shares in Talhado Fishing Enterprises Proprietary Limited ("**Talhado**"), subscribed for an additional 607 ordinary shares in the issued share capital of Talhado at a subscription price of R95 million (the "**Subscription**").

In a separate, but linked transaction, on 21 December 2022 Talhado entered into a binding share repurchase agreement with Scofish in terms of which Talhado repurchased 30.35% of the ordinary issued share capital held by Scofish in Talhado, at a repurchase price of R95 million in cash (the "**Repurchase**").

Following the implementation of the Subscription and the Repurchase on 6 January 2023, PFSA holds 80.65% of the ordinary issued share capital of Talhado.

8. **MATERIAL LOANS**

No material loans were made by AEEI to the AEEI Group during the period from the 12 months ended 31 August 2022 up to and including the Last Practicable Date.

9. **STATEMENT OF WORKING CAPITAL**

The Board has considered the effects of the Disposal and, having provided for contingencies for legal and litigation costs, is of the opinion that, for a period of 12 months subsequent to the date of this Circular:

- AEEI will in the ordinary course of business be able to pay its debts;
- The assets of AEEI, as impacted by the Disposal, fairly valued, will be in excess of its liabilities. For this purpose the assets and liabilities are recognised and measured in accordance with the accounting policies applied to the latest audited financial results;
- The share capital and reserves of AEEI, as impacted by the Disposal, will be adequate for the ordinary business purposes; and
- The working capital of AEEI, as impacted by the Disposal, will be adequate for the ordinary business purposes.

10. MAJOR BENEFICIAL AEEI SHAREHOLDERS

The following major beneficial AEEI Shareholders, other than Directors, were, as at the Last Practicable Date, directly or indirectly, the beneficial owners of 5% or more of the issued share capital of AEEI:

AEEI Shareholder	Number of AEEI Shares held	Percentage of issued share capital (%)
Sekunjalo	346 685 622	70.60
Miramare Investments	25 859 927	5.27
Altopiano Investments (Proprietary) Limited	25 163 893	5.12
Total	397 709 442	80.99

Miramare Investments

Trust	%	Ultimate beneficial owner
LNA Trust	29%	Leonardo Altini
Gianna Altini Trust	14%	Giovanna Von Bormann
Luca Altini Trust	14%	Luca Altini
Lucia Altini Trust (Taralli Trust)	14%	Lucia Altini
Gaetano Altini Trust	14%	Gaetano Altini
JACC Trust	14%	Claudia Freeman

The above mentioned ultimate beneficial owners to the trusts are not related to AEEI or its Directors.

11. SHARE CAPITAL OF AEEI

The table below sets out the authorised and issued share capital of AEEI before and after the BTSA Disposal.

	Before the BTSA Disposal	After the BTSA Disposal
Authorised		
"B" class ordinary shares (listed)	1 000 000 000	1 000 000 000
"A" class convertible redeemable cumulative preference shares	1 000	1 000
"B" class redeemable preference shares	10 000 000	10 000 000
Issued Share Capital		
"B" class ordinary shares	491 022 434	491 022 434

12. MATERIAL CHANGES

The Directors are not aware of any material changes in the financial or trading position of AEEI since the publication of AEEI's condensed consolidated interim results for the six months ended 28 February 2023, up to and including the Last Practicable Date, save for the changes to the *pro forma* financial effects of the Unbundling as announced on SENS on 23 June 2023 and the BTSA Disposal as referred to in paragraph 3 above and set out in **Annexure 1** to this Circular.

13. MATERIAL RISKS

Details of the material risks are stipulated in the table below:

RISK AND RATIONALE	MITIGATION	OPPORTUNITIES
1 Lack of access to banking facilities	<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. 	<ul style="list-style-type: none"> • Diversification of banking facilities to less traditional mainstream banks. • Engage with banking institutions more robustly to re-establish a strong relationship which lays a foundation for long-term partnership.
2 Loss of support from stakeholders due to reputational damage	<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 AEEI's 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 focus on building AEEI's brand and reputation. • Improve communication with stakeholders. • Improve relationships with Shareholders and institutions to support AEEI's growth plans.
3 Loss of business demand due to the economic recession, tarnished reputation, and the negative impact of COVID-19	<ul style="list-style-type: none"> • The Group had to review its business operations, processes and structures under the "new norm". • Revised AEEI's strategic priorities. • The Group continues to follow the government's COVID-19 protocols in dealing with the pandemic. • Support services remain available to employees. • 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. • The pandemic has necessitated new revenue streams from the demand for products and services. • Enhancing assets. • Optimising plant and equipment. Improve margins that will optimise business operations. • Decrease losses and improve operational efficiency to reduce financial risk.

RISK AND RATIONALE	MITIGATION	OPPORTUNITIES
4 Non-compliance with regulatory requirements resulting in fines and penalties	<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. 	<ul style="list-style-type: none"> • Compliance with applicable laws and regulations by the Group. • Entrenching corporate governance and ethics awareness in businesses and employees.
5 Inability to raise funding due to reputational damage and economic downturn	<ul style="list-style-type: none"> • Continuous communication of the value proposition of our products, services and businesses. • Build agility in the way AEEI conducts its businesses. • Diversification of products, brands, services and companies in which AEEI invests. Continue to seek alternative markets for AEEI's products, brands and services. • Insurance cover has been taken out where applicable. 	<ul style="list-style-type: none"> • Focus on acquisition strategy to ensure revenue is not negatively affected. • Improve communication with the market regarding AEEI's value proposition. • Focus on internal reviews and reflect on the success of AEEI's strategy. • Acquiring good businesses at favourable prices.
6 Business interruption due to information technology systems downtime or breaches	<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. • Communication and promotion of safe IT protocols. 	<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.

RISK AND RATIONALE	MITIGATION	OPPORTUNITIES
7 Loss of critical skills due to reputational damage and the competitive job market	<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.
8 Inability to respond adequately to environmental challenges such as climate change	<p>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 change.</p>	<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. • Integrating ESG factors into our business units.

14. **DIRECTORS' REMUNERATION AND BENEFITS**

The remuneration of the Directors will not be varied as a result of the BTSA Disposal.

15. **DIRECTORS' INTEREST**

As at the Last Practicable Date, no AEEI Director held any beneficial interest in AEEI, other than as set out below:

Director	Direct	Indirect beneficial	Indirect non - beneficial	Total Shares	Total percentage (%)
WJ Raubenheimer	50 000	-	562 250	612 250	0,13
A Amod	5 000	-	-	5 000	0
CL Geuking-Cohausz	9 614 662	-	1 520 000	11 134 662	2.27
	9 669 662		2 082 250	11 751 912	2.39

At the Last Practicable Date, none of the Directors, including Directors who have resigned in the 18 months prior to the Last Practicable Date, directly or indirectly had a material beneficial interest in transactions effected by AEEI during the current or immediately preceding financial year, or during an earlier financial year in relation to any transactions concluded during that earlier year that remain in any respect outstanding or unperformed.

There have been no changes in the Directors' interests in AEEI Shares during the period from 31 August 2022 up to and including the Last Practicable Date.

16. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors, whose names are given in the "Corporate Information and Advisors" section of this Circular, collectively and individually accept full responsibility for the accuracy of the information contained in this Circular and certify that, to the best of their knowledge and belief there are no facts that have been omitted which would make any statement in this Circular false or misleading, and that all reasonable enquiries to ascertain such facts have been made and that this Circular contains all information required by law and the Listings Requirements.

17. IRREVOCABLE UNDERTAKINGS

The following Shareholder has given an irrevocable undertaking to vote in favour of the Disposal:

AEEI Shareholder	Number of AEEI Shares held	Percentage of issued share capital (%)
Sekunjalo	346 685 622	70.60
Total	346 685 622	70.60

18. COSTS

The total costs (exclusive of VAT) relating to the BTSA Disposal are set out in the table below:

Description	Rand (‘000)
Corporate Adviser and Sponsor – Vunani Sponsors	450
Joint Sponsor – Merchantec Capital	380
Legal Advisors – Clyde & Co	800
Printing and related costs – Ince Proprietary Limited	75
Independent Reporting Accountants' fees – Crowe JHB	275
JSE documentation fees	62
Contingency	150
Total	2 192

19. LITIGATION STATEMENT

- 19.1 The Group is party to an Equality Court application against ABSA Group Limited ("**ABSA**") and 26 others declaring that the decision of the banks to terminate and/or refusal of banking services and facilities to the Group and other parties involved in the application is inconsistent with their obligations under the Constitution and the Promotion of Equality and Prevention of Unfair Discrimination Act, 2000 (4 of 2000).
- 19.2 The Group is also party to a High Court Parallel Application against ABSA and 22 others raising constitutional rights that do not fall under the Equality Court. The application also seeks to highlight that the termination by the banks of their banking relationship with their clients, purely on notice is irrational, arbitrary, and reviewable under the Promotion of Administrative Justice Act, 2000 (3 of 2000), alternatively under the principle of legality and/or the common law. Furthermore, the application requires a reviewing, correcting, and setting aside of the withdrawal, termination, and closure by the banks of the financial products or services and banking relationships with the Group and the other applicants.
- 19.3 On 15 December 2021, the Group and 35 others instituted a complaint against the banks under the Competition Commission on the banks' abuse of dominance, market power and collusion. The Competition Commission is still investigating the banks conduct and is yet to give their conclusion on the investigations.

- 19.4 On 22 December 2021, AEEI together with 35 others (hereinafter “**the applicants**”) instituted an application with the Competition Tribunal against Nedbank, Standard Bank of South Africa Limited (“**Standard Bank**”), First Rand Bank Limited, ABSA, Mercantile Bank Limited, Sasfin Bank Limited, Investec Bank Limited, Bidvest Bank Limited and Access Bank Limited (hereinafter “**the respondents**”) to interdict the respondents on an interim basis from terminating their relationship with the applicants. On 16 September 2022, the Competition Tribunal ruled in favour of the applicants and ordered the respondents to reinstate or restore the bank accounts including all services that they provided to the applicants that held accounts with them, on the same terms and conditions as existed prior to the closure or termination of the accounts. The order was granted for the earlier of a six month period from such date or the finalisation of the investigation by the Competition Commission, with an extension having been granted by the Competition Tribunal to the Applicants for a further period of six months to mid-September 2023. On 6 October 2023, the Competition Tribunal heard a case brought by the applicants for another extension of the interim order granted by the Tribunal on 16 September 2022. Judgment has been reserved and the bank accounts of AEEI and its Subsidiaries remain open.
- 19.5 AEEI, and its Subsidiaries were party to the Nedbank Equality Court Application in the Western Cape Division, to interdict Nedbank from closing the applicants’ banking facilities, pending determination of the main case in the Equality Court. Nedbank appealed the decision by the Equality Court, which appeal was denied, Nedbank subsequently petitioned the Supreme Court of Appeal. The matter is yet to be heard.
- 19.6 AEEI and its Subsidiaries were part of the applicants in the matter against Standard Bank in both the High Court and the Equality Court interdicting Standard Bank from closing the applicants’ bank accounts. The Equality Court ruled in favour of the applicants and Standard Bank was ordered to refrain from closing the applicants bank accounts until September 2024 or until the determination of the main proceedings in the High Court Case number 13034/2022 and EC01/22 or whichever falls first.
- 19.7 AEEI (through its indirect wholly-owned Subsidiary Kilomix) and BT are co-shareholders of BTSA owning 30% and 70%, respectively. Kilomix and BT were involved in a dispute which related to the validity of the exercise by BT of a call option, in terms of the Shareholders Agreement, in respect of Kilomix’s 30% shareholding in BTSA. The Dispute was referred to arbitration which was set to be heard in July 2023. The Dispute has been settled and the Litigation Parties have entered into the Settlement Agreement. Pursuant thereto, the ICC Arbitration has been postponed *sine die* (without a date) pending implementation of the Settlement Agreement.
- 19.8 On 7 July 2023, Kilomix issued a summons against BT, BTSA and four directors of BTSA in the High Court of South Africa, Gauteng Local Division, Johannesburg, under case number 2023/066603 for a breach of the Shareholders Agreement and a breach of fiduciary duties by the BTSA directors. The summons has been withdrawn following the settlement of the Dispute in terms of the Settlement Agreement.
- 19.9 The ongoing litigation with banks has not significantly affected current operations as AEEI and its Subsidiaries maintain active bank accounts. While contingency third-party payment solutions are in place in case of an adverse litigation outcome, they are considered temporary measures. It is imperative for AEEI and its Subsidiaries to reestablish positive relationships with the banks to ensure the sustained continuity of their business operations.
- 19.10 On 28 May 2019, ESP Afrika instituted action against PRASA for damages of R15,219,380.00 plus VAT for the alleged breach of a sponsorship agreement concluded between the parties in terms of which PRASA was to provide sponsorship of the Cape Town International Jazz Festival. Pleadings have been closed and ESP Afrika is waiting for the case to be certified trial ready.
- 19.11 Proletariat Construction CC has initiated legal proceedings by serving a summons upon Marine Growers (Pty) Ltd (“**Marine Growers**”), an indirect Subsidiary of AEEI (56%), seeking the payment of R34,906,978.96 in connection with construction services provided. Marine Growers, as the respondent, has opted to contest the claim, asserting the absence of any reasonable basis for the Plaintiff’s demand. The legal proceedings were initiated in February 2022 and the matter is presently pending in the Western Cape High Court. No hearing date has been set.

20. **CONSENTS**

The Corporate Advisor and Sponsor, Legal Advisors, Joint Sponsor and Reporting Accountants have consented, in writing, to act in the capacities stated in this Circular and to their names being stated in this Circular and, where applicable, to the inclusion of their reports in the form and context in which they have been reproduced in **Annexure 2** and **Annexure 3** and have not withdrawn their consent prior to the date of issue of this Circular.

21. **CONFLICT OF INTEREST**

Vunani Sponsors is acting in the capacities of Corporate Advisor and Sponsor. As required in terms of the Listings Requirements, it is confirmed that in order to manage any potential or perceived conflict of interest that might arise as a result of Vunani Sponsors in these roles, Vunani Sponsors has in place appropriate checks and balances and divisions of responsibility amongst the persons involved in fulfilling these various functions.

Merchantec Capital has been appointed by AEEI as the Company's independent Joint Sponsor for purposes of, *inter alia*, reviewing this Circular and associated announcements to ensure compliance with the Listings Requirements.

22. **DOCUMENTS INCORPORATED BY REFERENCE**

The following information has been incorporated by reference in terms of paragraph 11.61 of the Listings Requirements and is available for viewing on the Company's website as set out below, and at the Company's registered office and at the Corporate Advisor and Sponsor's office:

22.1 **Historical financial information of AEEI**

Information	Website link
AEEI's condensed consolidated interim results for the six months ended 28 February 2023	https://aeei.co.za/wp-content/uploads/2023/06/AEEI-Long-Form-Feb-2023-final.pdf
AEEI's annual financial statements for the year ended 31 August 2022	https://aeei.co.za/wp-content/uploads/2022/12/AEEI-AFS-2022.pdf
AEEI's annual financial statements for the year ended 31 August 2021	https://aeei.co.za/wp-content/uploads/2021/12/2021-AEEI-Financial-Statements-31-Aug-2021.pdf
AEEI's annual financial statements for the year ended 31 August 2020	https://aeei.co.za/wp-content/uploads/2021/04/2020-Annual-Financial-Statements.pdf

22.2 **Historical financial information of BTSA**

Information	Website link
BTSA's annual financial statements for the year ended 31 March 2023.	https://aeei.co.za/wp-content/uploads/2023/11/2023-BTSA-audited-financial-statements.pdf
BTSA's annual financial statements for the year ended 31 March 2022.	https://aeei.co.za/wp-content/uploads/2023/11/2022-BTSA-audited-financial-statements-1.pdf
BTSA's annual financial statements for the year ended 31 March 2021.	https://aeei.co.za/wp-content/uploads/2023/11/2021-BTSA-audited-financial-statements-1.pdf

22.3 **Unbundling circular**

Information	Website link
The circular to AEEI Shareholders dated 1 June 2023 relating to the Unbundling	https://aeei.co.za/wp-content/uploads/2023/06/AEEI-CIRCULAR_COMBINED.pdf

23. DOCUMENTS AVAILABLE FOR INSPECTION

The following documents will be available for inspection during normal business hours at the registered office of AEEI and at the offices of Vunani Sponsors, whose addresses are set out in the “Corporate Information and Advisors” section of this Circular, from Friday, 24 November 2023, until the date of the General Meeting (both days inclusive):

- the Repurchase Agreement;
- the Settlement Agreement;
- the Shareholders Agreement;
- a copy of the MOI and a copy of the memorandum of incorporation of each of AEEI's major Subsidiaries;
- copies of the condensed consolidated interim results for the six months ended 28 February 2023 and the audited annual financial statements of AEEI for the years ended 31 August 2022, 31 August 2021 and 31 August 2020;
- copies of BTSA's annual financial statements for the years ended 31 March 2023, 31 March 2022 and 31 March 2021, together with the reporting accountant's report thereon;
- the signed Independent Reporting Accountants' limited assurance report on the *pro forma* financial information of AEEI, the text of which is included as **Annexure 2** to this Circular;
- the signed Independent Reporting Accountants' agreed-upon procedures report, the text of which is included as **Annexure 3** to this Circular
- all material contracts referred to in paragraph 6 of this Circular;
- the written consent letters referred to in paragraph 20 of this Circular; and
- a signed copy of this Circular.

SIGNED BY V C DZVOVA ON BEHALF OF THE DIRECTORS OF AEEI, BEING DULY AUTHORISED IN TERMS OF THE BOARD RESOLUTION GRANTED TO HER BY SUCH DIRECTORS



VALENTINE COLLETA DZVOVA

Chief Executive Officer

24 November 2023

PRO FORMA FINANCIAL INFORMATION OF AEEI

The tables below set out the *pro forma* financial effects of the BTSA Disposal on the unaudited interim Group results of AEEI for six months ended 28 February 2023.

The *pro forma* financial information has been prepared to illustrate the impact of the BTSA Disposal as if the transaction took place on 1 September 2022 for purposes of the *pro forma* statement of comprehensive income and on 28 February 2023 for purposes of the *pro forma* statement of financial position ("**SoFP**") Balance Sheet.

The *pro forma* financial information has been prepared using accounting policies that comply with IFRS and that are consistent with those applied in the unaudited interim results of AEEI for the six months ended 28 February 2023. The *pro forma* financial information has been presented in accordance with the Listings Requirements and the Guide on *Pro Forma* Financial Information issued by the South African Institute of Chartered Accountants ("**SAICA**").

The *pro forma* financial effects, which are the responsibility of the Directors of the Company, are provided for illustrative purposes only and, because of their *pro forma* nature may not fairly present AEEI's financial position or results of operations post the implementation of the transaction.

The *pro forma* financial information presented below does not purport to be indicative of the financial results and effects of the BTSA Disposal if the transaction had been implemented on a different date.

The *pro forma* financial information has been prepared based on the assumptions indicated in this Annexure. The *pro forma* financial information should be read in conjunction with the Independent Reporting Accountants' assurance report thereon contained in **Annexure 2** to this Circular.

Consolidated *Pro Forma* Statement of Comprehensive Income for the period ended 28 February 2023

	AEEI Group (Note 1) 2023 R'000	Effect of previous corporate action (Note 2) R'000	Disposal of investment in associate (Note 3) R'000	Transaction costs (Note 4) R'000	Investment income earned on funds invested (Note 5) R'000	AEEI Group after the disposal of investment in associate 2023 R'000
Revenue	344 634	0				344 634
Cost of sales	(193 417)	0				(193 417)
Gross profit	151 217	0	0	0		151 217
Other income	14 872	0				14 872
Operating expenses	(161 312)	(2 500)		(2 192)		(166 004)
Net impairment changes and impairment reversals	(210 269)	0	199 018			(11 251)
Investment income	5 167	0			7 019	12 186
Finance costs	(1 456)	0				(1 456)
Income from equity accounted investments	42 513	9 105	(42 513)			9 105
Loss on disposal of investment in associate		0	(640 049)			(640 049)
Loss on settlement of liability for dividend in specie		(686 872)				(686 872)
Loss before taxation	(159 268)	(680 267)	(483 544)	(2 192)	7 019	(1 318 252)
Taxation	39 591	0			(1 965)	37 626
Loss from continuing operations	(119 677)	(680 267)	(483 544)	(2 192)	5 054	(1 280 626)
Discontinued operations						
Loss from discontinued operations	(157 195)	157 195				0
Loss from operations	(276 872)	(523 072)	(483 544)	(2 192)	5 054	(1 280 626)
Other comprehensive income:						
Items that may be reclassified to profit or loss:						
Exchange differences on translating foreign operations	(3 448)	0				(3 448)
Other comprehensive (loss)/profit for the year net of taxation	(3 448)	0	0	0	0	(3 448)
Total comprehensive loss for the period	(280 320)	(523 072)	(483 544)	(2 192)	5 054	(1 284 074)
Total comprehensive loss attributed to:						
Owners of parent from continuing operations	(138 511)	(680 267)	(483 544)	(2 192)	5 054	(1 299 460)
Owners of parent from discontinued operations	(30 608)	157 195				126 587
Non-controlling interest from continuing operations	18 834	0				18 834
Non-controlling interest from discontinued operations	(130 035)	0				(130 035)
	(280 320)	(523 072)	(483 544)	(2 192)	5 054	(1 284 074)

	AEEI Group (Note 1) 2023 R'000	Effect of previous corporate action (Note 2) R'000	Disposal of investment in associate (Note 3) R'000	Transaction costs (Note 4) R'000	Investment income earned on funds invested (Note 5) R'000	AEEI Group after the disposal of investment in associate 2023 R'000
Loss attributable to ordinary equity owners of the parent for continuing operations						
Headline earnings adjustments						
Loss on settlement of liability for dividend in specie		686 872				686 872
Loss on disposal of investment in associate			483 544			483 544
Tax effects						
Headline loss from continuing operations	(138 511)	6 605	0	(2 192)	5 054	(129 044)
Loss attributable to ordinary equity owners of the parent for discontinued operations						
Headline earnings adjustments						0
Loss on disposals of property, plant and equipment	(230)	0				(230)
NCI effects of adjustments						0
Tax effects						0
Headline profit / (loss) from discontinued operations	(30 838)	157 195	0	0	0	126 357
Shares in issue ('000)	491 022	491 022	491 022	491 022	491 022	491 022
Weighted average shares in issue ('000)	491 022	491 022	491 022	491 022	491 022	491 022
Basic and diluted earnings/(loss) per share (cents) for continuing operations	(28,21)	(138,54)	(98,48)	(0,45)	1,03	(264,64)
Basic and diluted earnings/(loss) per share (cents) for discontinued operations	(6,23)	32,01	0,00	0,00	0,00	25,78
Basic and diluted earnings/(loss) per share (cents) for total operations	(34,44)	(106,53)	(98,48)	(0,45)	1,03	(238,86)
Headline earnings/(loss) per share (cents) for continuing operations	(28,21)	1,35	0,00	(0,45)	1,03	(26,28)
Headline earnings/(loss) per share (cents) for discontinued operations	(6,28)	32,01	0,00	0,00	0,00	25,73
Headline earnings/(loss) per share (cents) for total operations	(34,49)	33,36	0,00	(0,45)	1,03	(0,55)

Notes to the pro forma consolidated statement of comprehensive income

- The consolidated statement of comprehensive income has been extracted, without adjustment, from the published unaudited financial information of AEEI for the period ended 28 February 2023.
- Represents the financial effects of a separate corporate action.
On 1 June 2023, AEEI issued a circular to shareholders relating to the proposed unbundling of its entire shareholding in AYO by way of distribution *in specie*.
On 23 June 2023, AEEI published its updated *pro forma* financial effects in respect of the Unbundling.
The financial effects reported on in relation to the Unbundling have been included in these *pro forma* financial effects as their exclusion could render the final *pro forma* results less meaningful to recipients of this Circular.
The Unbundling circular and supplementary announcement relating to the updated *pro forma* financial effects of the Unbundling are available at www.aeei.co.za.

3. Represents the disposal by the AEEI of its 30% investment in BTSA.

Movements in carrying value of the investment in BTSA	ZAR '000
Carrying value of investment as at 31 August 2022	930 049
Share of profit from associate for the 6 months ending 28 February 2023	42 513
Carrying value of investment before impairment	972 562
Impairment of investment in associate	(199 018)
Carrying value of investment at 28 February 2023	773 544**
Calculation of profit/loss on disposal of investment in BTSA	
Proceeds on disposal of investment in BTSA	290 000
Less carrying value of investment in BTSA	(773 544)
Loss on disposal of investment	(483 544)

The disposal of the investment in BTSA is considered to have a continuing effect on the statement of comprehensive income as AEEI will no longer account for any proportion of the income of BTSA.

** At 28 February 2023 (Interim), it was not clearly confirmed whether the most viable realisation of the BT investment would be through sale of the asset or continue use. As such in determining the recoverable amount of the investment in term of IAS 36, both the value in use (VIU) and the fair value less cost to sale was estimated for impairment testing as per IAS36. Given that the VIU was the higher value, per IAS 36, the Value in use was deemed the recoverable amount. Post interim 28 February 2023, further research, discussions and assessment occurred, in terms of which Senior Management decided that given the Group's strategy, realising the BT investment through the sale of the asset as would make more business sense. As a result, the fair value of the BT was used as the recoverable amount to determine the impairment of the asset. As determined taking into account the guidance and principles within IFRS 13.

4. Represents the transaction costs in respect of the proposed transaction. There is no tax impact as the costs have been deemed capital in nature. This adjustment will not have a continuing effect on the consolidated statement of comprehensive earnings.
5. Represents investment income calculated on the disposal consideration at market rates for cash invested in the call account. An average rate of 6.85% was used.
- This adjustment will have a continuing effect on the consolidated statement of comprehensive earnings.

Consolidated Pro Forma Statement of Financial Position at 28 February 2023

	AEEI Group (Note 1) 2023 R'000	Effect of previous corporate action (Note 2) R'000	Disposal of investment in associate (Note 3) R'000	Transaction costs (Note 4) R'000	Investment income earned on funds invested (Note 5) R'000	AEEI Group after the disposal of investment in associate 2 023 R'000
Assets						
Non-current assets						
Property, plant and equipment	472 071	0				472 071
Right of use assets	32 422	0				32 422
Goodwill	43 196	0				43 196
Intangible assets	262 361	0				262 361
Investment in associate	773 638	45 873	(773 544)			45 967
Other financial assets	38 640	0				38 640
Finance lease receivables	0	0				0
Deferred tax	75 302	0				75 302
Loans receivable	0	0				0
Loans to related parties	0	0				0
Total non-current assets	1 697 630	45 873	(773 544)	0	0	969 959
Current assets						
Biological assets	83 073	0				83 073
Inventories	82 647	0				82 647
Current tax receivable	4 622	0				4 622
Trade and other receivables	148 527	0				148 527
Other financial assets	0	0				0
Finance lease receivables	0	0				0
Loan receivable	10 375	0				10 375
Cash and cash equivalents	205 246	(2 500)	290 000	(2 192)	7 019	497 573
Loans to related parties	0	0				0
Total current assets	534 490	(2 500)	290 000	(2 192)	7 019	826 817
Disposal group assets classified as held for sale	3 278 123	(3 278 123)				0
Total Assets	5 510 243	(3 234 750)	(483 544)	(2 192)	7 019	1 796 776
Equity and liabilities						
Equity attributable to equity holders of the parent						
Share capital	402 240	0				402 240
Reserves	(28 420)	37 791				9 371
Retained income	1 832 680	(443 164)	(483 544)	2 192	5 054	913 218
Equity attributable to equity holders of parent	2 206 500	(405 373)	(483 544)	2 192	5 054	1 324 829
Non-controlling interest	2 081 605	(2 049 616)				31 989
	4 288 105	(2 454 989)	(483 544)	2 192	5 054	1 356 818
Liabilities						
Non-current liabilities						
Other financial liabilities	4 706	0				4 706
Derivatives financial liabilities		0				0
Lease liabilities	29 047	0				29 047
Employee benefit obligation	1 849	0				1 849
Deferred tax	259 715	0				259 715
Total non-current liabilities	295 317	0	0	0	0	295 317

	AEEI Group (Note 1) 2023 R'000	Effect of previous corporate action (Note 2) R'000	Disposal of investment in associate (Note 3) R'000	Transaction costs (Note 4) R'000	Investment income earned on funds invested (Note 5) R'000	AEEI Group after the disposal of investment in associate 2 023 R'000
Current liabilities						
Provisions	27 063	0				27 063
Trade and other payables	75 122	0				75 122
Other financial liabilities	0	0				0
Lease liabilities	12 003	0				12 003
Deferred income	2 824	0				2 824
Current tax payable	17 701	0			1 965	19 666
Dividend payable	12 210	0				12 210
Contingent consideration liability	0	0				0
Loans from related parties		0				0
Bank overdraft	137	0				137
Total current liabilities	147 060	0	0	0	1 965	149 025
Disposal group liabilities classified as held for sale	779 761	(779 761)				0
Total liabilities	1 222 138	(779 761)	0	0	1 965	444 342
Total Equity and Liabilities	5 510 243	(3 234 750)	(483 544)	2 192	7 019	1 801 160
Number of shares in issue ('000)	491 022	491 022	491 022	491 022	491 022	491 022
Net asset value per share (cents)	873,30	(499,98)	(98,48)	0,45	1,03	276,33
Net tangible asset value per share (cents)	811,07	(499,98)	(98,48)	0,45	1,03	214,10

Notes to the *pro forma* consolidated statement of financial position

- The consolidated statement of financial position has been extracted, without adjustment, from the published unaudited financial information of AEEI for the period ended 28 February 2023.
- Represents the financial effects of a separate corporate action.
On 1 June 2023, AEEI issued a circular to Shareholders relating to the proposed unbundling of its entire shareholding in AYO by way of distribution *in specie*.
On 23 June 2023, AEEI published its updated *pro forma* financial effects in respect of the Unbundling.
The financial effects reported on in relation to the Unbundling have been included in these *pro forma* financial effects as their exclusion could render the final *pro forma* results less meaningful to the recipients of this Circular. The Unbundling circular and supplementary announcement relating to the updated *pro forma* financial effects of the Unbundling are available at www.aeei.co.za.
- Represents the derecognition of the investment in associate on disposal as well as the receipt of the disposal proceeds in cash.

Calculation of profit/loss on disposal of investment in BTSA

Cash proceeds on disposal of investment in BTSA	290 000
Derecognition of carrying value of investment in BTSA	(773 544)
Loss on disposal of investment	(483 544)

The carrying value of the investment in associate was accounted for in terms of IAS28 using the equity method. In accordance with IAS28 the investment in associate was initially recognised at cost and then adjusted each period by the post-acquisition change in the investor's share of the net assets of the associate. The carrying value of the investment is further adjusted for any impairments calculated in terms of IAS36.

- Represents the transaction costs in respect of the proposed transaction that will be settled from existing available cash.
- Represents investment income calculated on the disposal consideration at market rates for cash invested in the call account. An average rate of 6.85% was used.

INDEPENDENT REPORTING ACCOUNT'S REPORT – *PRO FORMA*

"The Board of Directors
 African Equity Empowerment Investments Limited
 10th Floor, Convention Tower
 Cnr Heererengracht & Walter Sisulu
 Foreshore
 Cape Town, 8001
 16 November 2023

To the Directors of African Equity Empowerment Investments Limited

Independent Reporting Accountant's Assurance Report on the Compilation of *Pro Forma* Financial Information included in a Circular.

We have completed our assurance engagement to report on the compilation of *pro forma* financial information of African Equity Empowerment Investments Limited ("the **Group**") by the directors. The *pro forma* financial information, as set out in Annexure 1 of the Circular, consists of the Consolidated *Pro Forma* Statement of Comprehensive Income and the Consolidated *Pro Forma* Statement of Financial Position and related notes. The applicable criteria on the basis of which the directors have compiled the *pro forma* financial information are specified in the Johannesburg Stock Exchange Limited (JSE) Listings Requirements.

The *pro forma* financial information has been compiled by the directors to illustrate the impact of the corporate action or event, described in the Circular, on the Group's financial position as at 28 February 2023, and the Group's financial performance for the period then ended, as if the corporate action or event had taken place at 1 September 2022 and for the period then ended. As part of this process, information about the Group's financial position and financial performance has been extracted by the directors from the Group's unaudited interim results for the six-month period ended 28 February 2023 published on 13 June 2023.

Directors' Responsibility for the *Pro Forma* Financial Information

The directors are responsible for compiling the *pro forma* financial information on the basis of the applicable criteria specified in the JSE Listings Requirements and described in Annexure 1 of the Circular.

Our Independence and Quality Management

We have complied with the independence and other ethical requirements of the Code of Professional Conduct for Registered Auditors issued by the Independent Regulatory Board for Auditors (IRBA Code), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour. The IRBA Code is consistent with the corresponding sections of the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards).

Crowe JHB applies the International Standard on Quality Management 1, Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Reporting Accountant's Responsibility

Our responsibility is to express an opinion about whether the *pro forma* financial information has been compiled, in all material respects, by the directors on the basis specified in the JSE Listings Requirements based on our procedures performed.

We conducted our engagement in accordance with the International Standard on Assurance Engagements (ISAE) 3420, Assurance Engagements to Report on the Compilation of *Pro Forma* Financial Information Included in a Prospectus which is applicable to an engagement of this nature issued by the International Auditing and Assurance Standards Board. This standard requires that we plan and perform procedures to obtain reasonable assurance about whether the *pro forma* financial information has been compiled, in all material respects, on the basis specified in the JSE Listings Requirements.

For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the *pro forma* financial information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the *pro forma* financial information.

The purpose of *pro forma* financial information included in a prospectus is solely to illustrate the impact of a significant corporate action or event on unadjusted financial information of the entity as if the corporate action or event had occurred or had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the corporate action or event at 28 February 2023 would have been as presented.

A reasonable assurance engagement to report on whether the *pro forma* financial information has been compiled, in all material respects, on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used by the directors in the compilation of the *pro forma* financial information provide a reasonable basis for presenting the significant effects directly attributable to the corporate action or event, and to obtain sufficient appropriate evidence about whether:

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

Our procedures selected depend on our judgement, having regard to our understanding of the nature of the company, the corporate action or event in respect of which the *pro forma* financial information has been compiled, and other relevant engagement circumstances.

Our engagement also involves evaluating the overall presentation of the *pro forma* financial information.

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

Opinion

In our opinion, the *pro forma* financial information has been compiled, in all material respects, on the basis of the applicable criteria specified in the JSE Listings Requirements and described in Annexure 1 of the Circular.

Restriction of use

This report has been prepared for the purpose of satisfying the requirements of the JSE Listings Requirements, and for no other purpose.



Crowe JHB
Gary Kartsounis
Partner
Registered Auditor
9 Autumn Street, Rivonia, 2191"

16 November 2023

INDEPENDENT REPORTING ACCOUNTANT'S AGREED-UPON PROCEDURES REPORT

AEEI NOTES:

Overview of Historical Financial Information

The historical financial information (HFI) comprises the audited financial statements of BT Telecommunication Services (Pty) Ltd ("**BTSA**") as of 31 March 2021, 31 March 2022 and 31 March 2023. These financial statements are prepared in accordance with International Financial Reporting Standards for SMEs and audited by PWC. This information must be read in conjunction with the differences between IFRS for SME's and IFRS as explained by Crowe JHB.

Responsibility for the HFI lies with BTSA's board of directors, who ensure compliance with International Financial Reporting Standards for SMEs and maintain internal controls to prevent material misstatements. As BTSA is an associate, AEEI does not control BTSA and relies on BTSA's internal controls for the preparation of financial statements.

Dispensation request

AEEI requested a dispensation from the JSE in terms of paragraphs 7.E.2 and 7.E.3 of the Listings Requirements of the JSE, which paragraphs require a report on the historical financial information on the subject of a Category 1 transaction as described under paragraphs 8.2 to 8.4 of the Listings Requirements, together with a reporting accountant's report thereon as described in paragraph 8.45 of the Listings Requirements. The reasons for the dispensation are as follows:

1. AEEI does not control BTSA and has not previously consolidated the results of BTSA in its annual financial statements.
2. BTSA AFS are prepared in accordance with IFRS for SMEs.
3. AEEI would be required to convert the BT AFS into IFRS, and it would not have been in AEEI's control to have BTSA agree to having its results converted to IFRS. BTSA indicated that this would not be possible when AEEI sought access to BTSA's financial records to comply with this requirement.
4. Crowe who are AEEI's Reporting Accounts would need to audit BTSA for all three years to provide an opinion, which would be a very time-consuming and costly exercise. BTSA indicated that they would not cooperate with this requirement.
5. Alternatively, PWC would need to be engaged by AEEI as the Reporting Accountants for AEEI so they can sign off on the historical financial information.

Modified Application of the Listing Requirements

The JSE granted dispensation with modifications, allowing for:

1. Disclosure of consolidated three-year HFI of BTSA audited by PWC, prepared in accordance with IFRS for SMEs.
2. Exemption from requiring the reporting accountant's sign-off on interim results after a 9-month lapse from 31 March 2023
3. Inclusion of a narrative description by the reporting accountant on the differences between IFRS and IFRS for SMEs.
4. Inclusion of an appropriate warning statement to shareholders regarding the source of the information and the reasons for non-compliance with HFI requirements.

Responsibility for historical financial information and AEEI Directors Warning to Shareholders of AEEI

1. BTSA financial statements for 31 March 2023, 2022 and 2021 are prepared by the BTSA board under the principles of IFRS for SMEs and audited by PWC.
2. Crowe have performed procedures on the historical financial information in accordance with requirements as stipulated by the JSE in a special dispensation granted to AEEI. The dispensation allowed for a modified application of the Listing Requirements and called for a narrative description on the most recent financial period of BTSA, of the differences in measurement and disclosure between IFRS and IFRS for SMEs.

AEEI Directors Warning to Shareholders of AEEI

The directors of AEEI wish to caution shareholders that the historical financial information:

1. Has not been audited or reviewed by Crowe.
2. Is prepared in accordance with IFRS for SMEs.
3. Has been audited by PWC.
4. Is not comparable with information historically provided on BTSA as an associate in AEEI's consolidated AFS, due to the difference in basis of preparation and reporting period. The reporting period is different because AEEI consolidated AFS were for the year ending in August and the BTSA standalone financial statements are for the year ending March.
5. Ordinarily at the August year end of AEEI, PWC are engaged to perform audit procedures based on group audit instructions received from AEEI's auditors on the 1 September to 31 August financial information of BTSA purely for purposes of inclusion in AEEI's audited consolidated financial statements for their respective year ended 31 August. BTSA performs a conversion of the IFRS for SME financial information to IFRS for purposes of the AEEI consolidated financial statement preparation. This reconciliation is subject to audit procedures performed by PwC in accordance with group audit instructions received and referred to earlier.
6. AEEI Directors rely on the above process in taking responsibility for the consolidated financial statement of AEEI, which include equity accounted earnings of BTSA.

Should Shareholders be in doubt about the historical financial information of BTSA they are advised to seek independent professional advice.

Commentary on Historical Financial Information

BT has been present in South Africa for more than 15 years, delivering telecommunications and related services to multinational companies across Africa and the world.

While the company experienced revenue setbacks in both 2021 and 2022, these were not out of line with global sentiment during a difficult trading period, and due to known external factors. The company's ability to effectively manage costs and secure new business deals played a pivotal role in its performance which AEEI included as equity accounted earnings in its consolidated AFS.

A. 31 March 2023

Revenue increased by 23% to R1 billion. This increase relates to new business and an extension of scope for services in the current year in the Resources, Manufacturing and Logistics ("**RML**") vertical. The Technology, Life Sciences & Business Services ("**TLBS**") vertical contributed to the increase with the addition of new customers & one-off sales. This increase in revenue and controlled cost of sales improved gross margins and resulted in an increase in the operating profit by 31% to R256 million. Non-current assets decreased by 3% to R310 million due to depreciation and amortisations. Current assets increased by 24% to R1.1 billion, due to higher trade receivables in line with revenue growth and an increase in cash and cash receivables. Current liabilities increased by 16% to R171 million and is in line with the increase in new business.

B. 31 March 2022

Revenue decreased by 22% to R871 million, due to lower revenue from the RML vertical. This reduction was aggravated by the fact that once-off termination charges and revenues in the prior year did not repeated in the current year. The reduction in revenue flowed through to profits - operating profit decreased by 16% to R195 million. Non-current assets decreased by 7% to R320 million due to depreciation and disposals. Current assets increased by 16% to R930 million mainly due to an increase in cash and cash equivalents owing to better collections resulting in a decrease in the accounts receivable balance at year end. Current liabilities decreased by 20% due to payments made at year end in terms of the normal payment cycles.

C. 31 March 2021

Revenue decreased by 6.9% to R1.1 billion due to Covid-related disruptions. The decrease mainly related to reduced scope of services in the RML vertical. This was partially compensated for by termination charges and unbudgeted revenues from once-off transactions. This was particularly relevant in the TLSBS vertical. Operating profit improved by 26% due to cost saving initiatives, improved margins from RML and restructuring of the operating model. Current assets increased by 8.5% due to an increase in cash and cash equivalents owing to better collection practices. Current liabilities decreased by 35% due to less outstanding payments to related parties, a decrease in dividends payable and accrued expenditure.

Historical financial information of BTSA

Information	Website link
BTSA's annual financial statements for the year ended 31 March 2023.	https://aeei.co.za/wp-content/uploads/2023/11/2023-BTSA-audited-financial-statements.pdf
BTSA's annual financial statements for the year ended 31 March 2022.	https://aeei.co.za/wp-content/uploads/2023/11/2022-BTSA-audited-financial-statements-1.pdf
BTSA's annual financial statements for the year ended 31 March 2021.	https://aeei.co.za/wp-content/uploads/2023/11/2021-BTSA-audited-financial-statements-1.pdf

INDEPENDENT REPORTING ACCOUNTANT'S AGREED-UPON PROCEDURES REPORT:

"The Board of Directors
African Equity Empowerment Investments Limited
10th Floor, Convention Tower
Cnr Heererengracht & Walter Sisulu
Foreshore
Cape Town, 8001

16 November 2023

To the Directors of African Equity Empowerment Investments Limited

Independent Reporting Accountants Agreed-upon Procedures Report on Information Included in a Circular

Purpose of this Agreed-Upon Procedures Report

Our report is solely for the purpose of assisting the Directors of African Equity Empowerment Investments Limited ("the **Group**") in satisfying the modified application of the JSE Listings Requirements as stipulated in the special dispensation granted by the JSE with regards to the Historical Financial Information in Annexure 3 of the Circular and may not be suitable for another purpose.

Responsibilities of the Directors

The Directors of the Group have acknowledged that the agreed-upon procedures are appropriate for the purpose of the engagement.

The Directors of the Group, are responsible for the subject matter on which the agreed-upon procedures are performed.

Practitioner's Responsibilities

We have conducted the agreed-upon procedures engagement in accordance with the International Standard on Related Services (ISRS) 4400 (Revised), Agreed-Upon Procedures Engagements. An agreed-upon procedures engagement involves our performing the procedures that have been agreed with the Directors of the Group, and reporting the findings, which are the factual results of the agreed-upon procedures performed. We make no representation regarding the appropriateness of the agreed-upon procedures.

This agreed-upon procedures engagement is not an assurance engagement. Accordingly, we do not express an opinion or an assurance conclusion.

Had we performed additional procedures, other matters might have come to our attention that would have been reported.

Professional Ethics and Quality Control

We have complied with the independence and other ethical requirements of the Code of Professional Conduct for Registered Auditors issued by the Independent Regulatory Board for Auditors (IRBA Code), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality, and professional behaviour. The IRBA Code is consistent with the corresponding sections of the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards).

Crowe JHB applies the International Standard on Quality Management 1, Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards, and applicable legal and regulatory requirements.

Procedures and Findings

We have performed the procedures described below, which were agreed upon with the Directors of the Group in the terms of engagement dated 4 October 2023 on assisting the Directors of the Group in satisfying the modified application of the JSE Listing Requirements as stipulated in the special dispensation granted by the JSE with regards to the Historical Financial Information in Annexure 3 of the Circular.

Procedure

Obtain the financial statements for the most recent financial period of BT Communications Services South Africa (Pty) Ltd ("**BTSA**") which were prepared using the IFRS for SME accounting framework and provide a narrative description of the potential differences in measurement and disclosure between IFRS for SME's and IFRS.

Findings

Financial statement balances and classes of transactions	Theoretical differences in Measurement and Disclosure
<ul style="list-style-type: none">• Property, plant, and equipment• Intangible assets• Inventories• Operating lease asset• Current tax receivable• Cash and cash equivalents• Share capital• Retained income• Trade and other payables• Provisions• Cost of sales• Operating expenses• Employee benefits• Foreign currency translations• Share based payments• Borrowing costs• Taxation• Deferred tax	<p>For these balances and transaction types, the accounting policies applied by BTSA under IFRS for SME's are aligned with the treatments that would have been employed had the company applied IFRS. We note that the deferred tax recognised on the balances discussed below could differ due to differing IFRS accounting treatments from those under IFRS for SME's.</p>
Loans to group companies and Other financial assets	
Comments:	These financial assets are carried at amortised cost. Initial recognition and subsequent measurement policies are aligned for items identified in BTSA financial statements. Impairment calculation models differ.
IFRS for SME's treatment per the financial statements	Impairments are based on the "Incurred loss model". Impairment testing is conducted when an impairment indicator is present.
IFRS treatment	Impairments are based on the "Expected loss model". Impairments are considered from the point of initial recognition of the instrument using a forward-looking approach and based on expectations of future losses.
Theoretical differences - Measurement	An amount of Expected Credit Loss would be required to be recognised against these financial assets. These appear to be short term assets where there has not been a significant increase in credit risk, therefore a 12-month expected credit loss would be calculated.
Theoretical differences - Disclosure	Disclosures relevant to BTSA could include:

Credit risk management practices and how they relate to the recognition and measurement of ECL such that a financial statement user can understand and evaluate how the entity determines whether the credit risk of financial instruments has increased significantly since initial recognition, including whether and how:

- financial instruments are considered to have low credit risk, including the classes of financial instruments to which the low credit risk exception has been applied.
- the presumption that financial assets with contractual payments more than 30 days past due have a significant increase in credit risk has been rebutted.
- the entity's definitions of default for different financial instruments, including the reasons for selecting those definitions.
- how instruments are grouped if ECL are measured on a collective basis.
- how the entity determines that financial assets are credit impaired.
- The entity's write-off policy, including the indicators that there is no reasonable expectation of recovery.

How the modification requirements have been applied, including how the entity:

- determines whether the credit risk of a financial asset that has been modified while subject to a lifetime ECL allowance has improved to the extent that the loss allowance reverts to being measured at an amount equal to 12-month ECL.
- monitors the extent to which the loss allowance on those assets subsequently reverts to being measured at an amount equal to lifetime ECL.

Disclosures for ECL include the basis of the inputs, assumptions and the estimation techniques used when:

- estimating 12-month and lifetime ECL.
- determining whether the credit risk of financial instruments has increased significantly since initial recognition; and
- determining whether financial assets are credit impaired.

Preparers should also explain:

- how forward-looking information has been incorporated into the determination of ECL, including the use of macro-economic information; and
- changes in estimation techniques or significant assumptions made during the reporting period and the reasons for those changes.

Provide a reconciliation for each class of financial instrument of the opening balance to the closing balance of the impairment loss allowance.

Explain the changes in the loss allowances disclosed in the reconciliation.

Explain, using relevant qualitative and quantitative information, how significant changes in the respective gross carrying amounts of financial instruments during the period contributed to the changes in the loss allowances.

The amount that best represents the entity's maximum exposure to credit risk at the reporting date, without taking account of any collateral held or other credit enhancements.

- except for lease receivables, a narrative description of collateral held as security and other credit enhancements, including:
 - a discussion on the nature and quality of the collateral held.
 - an explanation of any significant changes in quality as a result of a deterioration or changes in the entity's collateral policies during the reporting period; and
 - information about financial instruments for which the entity has not recognised a loss allowance because of the collateral; and

**Financial statement
balances and classes
of transactions****Theoretical differences in Measurement and Disclosure**

-
- quantitative information about the collateral held as security and other credit enhancements – e.g., quantification of the extent to which collateral and other credit enhancements mitigate credit risk – for financial assets that are credit-impaired at the reporting date.
-

**Trade and other
receivables**

Comments:	These financial assets are carried at amortised cost. Initial recognition and subsequent measurement policies are aligned for items identified in BTSA financial statements. Impairment calculation models differ.
IFRS for SME's treatment per the financial statements	Impairments are based on the "Incurred loss model". Impairment testing is conducted when an impairment indicator is present.
IFRS treatment	Impairments are based on the "Expected loss model". IFRS allows for the use of as simplified approach in that no credit loss allowance is recognised on initial recognition. Any loss allowance will be the present value of the expected cash flow shortfalls over the remaining life of the receivables. This approach uses the conventional matrix method (aged receivables list) of considering historically observed default rates and adjusted for forward-looking estimates.
Theoretical differences - Measurement	An amount of Expected Credit Loss would be required to be recognised against these financial assets. This impairment could be over and above the "Provision for doubtful debt" recognised in the AFS.
Theoretical differences - Disclosure	<p>For financial assets such as trade and lease receivables, and contract assets for which the loss allowance is always equal to lifetime ECL, reduced disclosures apply. See disclosures for Financial Assets above.</p> <p>Some disclosures specific to trade receivables include:</p> <ul style="list-style-type: none">• a reconciliation of movements in loss allowances.• an explanation of significant changes in gross carrying amounts; and• information about credit risk exposures and concentrations.

Financial statement balances and classes of transactions	Theoretical differences in Measurement and Disclosure
Reserves	
Comments:	Reserve arising from a “common control transaction. These transactions are outside the scope of both IFRS and IFRS for SMEs, however the guidance under both standards for accounting for these transactions is aligned.
Leases	
Comments:	Lease accounting for “Lessee’s”.
IFRS for SME's treatment per the financial statements	Leases are classified as finance leases if they transfer the risks and rewards incidental to ownership to the lessee. All other leases are classified as operating leases. Operating lease payments are recognised as an expense on a straight-line basis over the lease term. The difference between the amounts recognised as an expense and the contractual payments are recognised as an operating lease liability.
IFRS treatment	Lessees recognise assets and liabilities for all leases with a term of more than 12 months unless the underlying asset is of low value. A lessee is required to recognise a right-of-use asset representing its right to use the underlying leased asset and a lease liability representing its obligation to make lease payments. The right-of-use asset is initially measured at the amount of the lease liability plus any initial direct costs incurred by the lessee. Adjustments may also be required for lease incentives, payments at or prior to commencement and restoration obligations or similar. After lease commencement, a lessee shall measure the right-of-use asset using a cost model. Under the cost model a right-of-use asset is measured at cost less accumulated depreciation and accumulated impairment. The lease liability is initially measured at the present value of the lease payments payable over the lease term, discounted at the rate implicit in the lease if that can be readily determined. If that rate cannot be readily determined, the lessee shall use their incremental borrowing rate.
Theoretical differences - Measurement	The operating lease liabilities and corresponding adjustments to Profit/Loss and Retained earnings would be reversed out of the accounting records unless these related to low value leased assets or short-term leases. The company would recognise the relevant right-of-use assets and corresponding lease liabilities on the statement of financial position. Lease payments made monthly would be apportioned between capital balances owing and finance costs. The right-of -use assets will be amortised according to the lease term and the amortisation will be expensed in profit/loss.
Theoretical differences - Disclosure	The lessee will present right-of-use assets either separately or in the same line item in which the underlying assets would be presented on the balance sheet. It will present lease liabilities either as a separate line item or together with other financial liabilities. If right-of-use assets or lease liabilities are not presented as separate line items, an entity discloses in the notes their carrying amounts and the line items in which they are included. The lessee presents the depreciation charge of the right-of-use assets in the same line item/items in which similar expenses are shown in the income statement. Interest expense on the lease liabilities is presented as part of finance costs. The amount of interest expense on lease liabilities must be separately disclosed in the notes.

Revenue

Comments:	Recognised on provision of goods and services.
IFRS for SME's treatment per the financial statements	Revenue is measured at the fair value of the consideration received or receivable. Fair value of revenue is calculated by considering the amount of any trade discounts, prompt settlement discounts and volume rebates allowed by the entity. These are deducted when measuring the revenue from the transaction. When the revenue transaction contains multiple components, the revenue recognition criteria should be applied separately to each component. Where two or more transactions are connected in such a way that the commercial effect cannot be understood without looking at the transaction as a whole then the criteria will be applied to the entire transaction. Sales of goods are recognised when risks and rewards of ownership are transferred to the customer. Revenue from the provision of services to customers is recognised by reference to the stage of completion of the transaction at the reporting date. Where a transaction contains a financing element, the effect of the financing should be accounted for separately from the revenue arising from the related goods or services.
IFRS treatment	The entity will recognise revenue to depict the transfer of goods or services to customers in an amount that reflects the consideration that it expects to be entitled to in exchange for transferring those goods or services to the customer. IFRS applies a 5-step model for the recognition of revenue, being: 1) Identify the contract, 2) Separate the performance obligations, 3) Determine the transaction price, 4) Allocate the transaction price, 5) Recognise the revenue. Multiple contracts will need to be combined and accounted for as a single arrangement where the economics of the individual contracts cannot be understood without reference to the arrangement as a whole. The entity estimates, and includes in the transaction price at contract inception, the amount of variable consideration to which it expects to be entitled. An entity adjusts the promised amount of consideration for the effects of the time value of money if the timing of payments agreed to by the parties to the contract provides either the customer or the entity with a significant benefit of financing. Revenue is recognised when or as performance obligations are satisfied by transferring control of a promised good or service to a customer. Control either transfers over time or at a point in time.
Theoretical differences - Measurement	Revenue from bundled goods and services requires separation and may result in deferring or accelerating revenue. The provision of incentives to purchase (e.g., free goods or services provided as part of a sale) may require separation. Modifications to long term contracts are likely to take place over the contract term. Explicit guidance on the treatment of licenses may change the timing of revenue recognition. The guidance on contract costs is expected to result in the recognition of more assets.

**Financial statement
balances and classes
of transactions****Theoretical differences in Measurement and Disclosure**

Theoretical differences -
Disclosure

Entities must disclose both quantitative and qualitative information to describe the nature, timing, amount and uncertainty of revenue and cash flows from contracts with customers. Additional disclosures may be required for: - disaggregation of revenue into categories that show how economic factors affect nature, timing amount and uncertainty of revenue and cash flows; - movements in contract balances and information about significant changes in contract balances; - descriptive information about performance obligations, information about transaction price allocated to remaining performance obligations, revenue recognised from performance obligations satisfied or partially satisfied in prior periods.; - significant judgements related to methods used to recognise revenue over time and the appropriateness of the methods, judgements related to the transfer of control for performance obligations satisfied at a point in time, information about methods, inputs and assumptions used to determine and allocate the transaction price; - judgements about costs to obtain or fulfil a contract and methods of amortisation as well as closing balances of contract assets and amortisation recorded thereon.

Financial instruments

Comments:

IFRS contains a detailed standard dealing specifically with disclosure requirements for financial instruments.

Theoretical differences -
Disclosure

IFRS 7 applies to all types of financial instrument, except those that are specifically covered by another standard. The objective is to provide information to users of financial statements about an entity's exposure to risks and how the entity manages those risks. The categories of risks addressed are:

- Market risk – the risk that the fair value or cash flows of a financial instrument will fluctuate, because of changes in market prices. Market risk embodies not only the potential for loss, but also the potential for gain. It comprises three types of risk, as follows:
 - Interest rate risk – the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.
 - Currency risk – the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.
 - Other price risk – the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or by factors affecting all similar financial instruments traded in the market. Credit risk – the risk that the counterparty to a financial instrument will cause a financial loss for the entity by failing to discharge an obligation. Liquidity risk – the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities.

Restriction of use

This report has been prepared for the purpose of satisfying the modified application of the JSE Listings Requirements as stipulated in the special dispensation granted by the JSE with regards to the Historical Financial Information in Annexure 3 of the Circular, and for no other purpose.



Crowe JHB

Gary Kartsounis

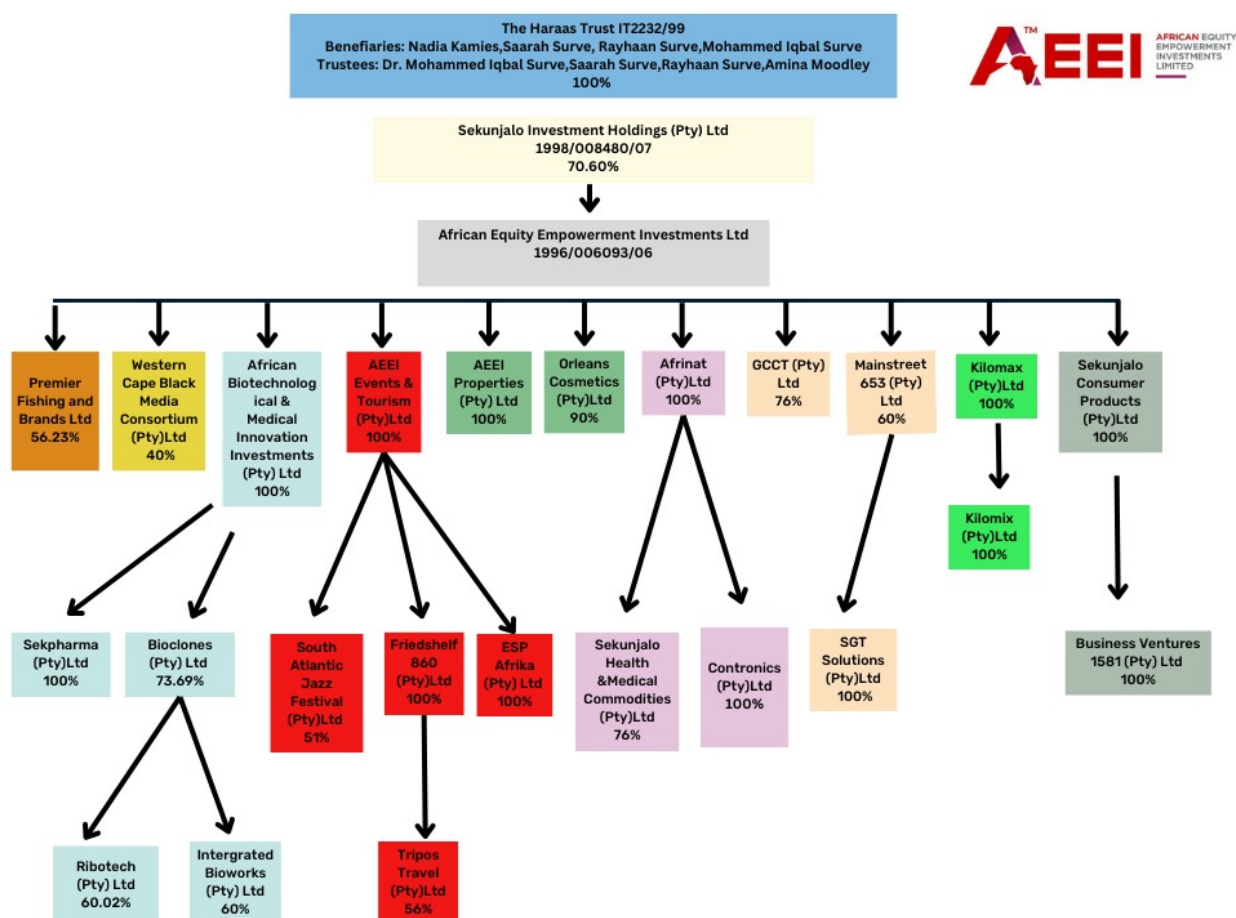
Partner

Registered Auditor

16 November 2023

9 Autumn Street, Rivonia, 2191"

AEEI GROUP STRUCTURE FOLLOWING THE DISPOSAL



VENDOR DETAILS

Vendor name	Vendor address	Vendor guarantee of book debts or other assets and whether or not "normal" warranties.	Vendors' agreements preclude the vendors from carrying on business in competition with AEEI or any of its Subsidiaries.	Liability for accrued taxation, or any apportionment thereof to the date of acquisition.	Reconciliation of amounts paid for the securities.	Promoter or Director beneficial interest, direct or indirect, in such transaction.	Amount of any cash or securities paid or benefit given within the three preceding years or proposed to be paid or given, to any promoter, not being a Director.	Transfer of the assets acquired into the name of AEEI or its Subsidiaries and whether assets have been ceded or pledged.
Scofish Proprietary Limited	First Floor, West Quay Building, V & A Waterfront, Cape Town	The vendor has not guaranteed the book debts or other assets of Talhado. Normal warranties for a transaction of this nature have been given by the parties.	The vendor is precluded from competing with Talhado for a period of 2 years after the vendor ceases to be a shareholder of the company.	Dividends tax – The vendor delivered a standard declaration and undertaking that the repurchase price is exempt from dividends tax.	The audited loss after tax attributable to Talhado for the year ended 31 August 2022 was R1,930,849.	None.	None.	The assets have been transferred into the name of Talhado and have not been ceded or pledged.



AFRICAN EQUITY EMPOWERMENT INVESTMENTS LIMITED

(Incorporated in the Republic of South Africa)

(Registration number: 1996/006093/06)

Share code: AEE ISIN: ZAE000195731

("AEEI" or "the Company")

NOTICE OF GENERAL MEETING

The definitions and interpretations commencing on page 7 of the Circular to which this Notice of General Meeting is attached (i) apply, unless the context clearly indicates otherwise, *mutatis mutandis* to this Notice of General Meeting and to the resolutions set out herein; and (ii) are hereby incorporated into this Notice of General Meeting by reference thereto.

If you are in any doubt as to what action you should take in respect of the following resolutions, please consult your CSDP, broker, banker, attorney, accountant or other professional advisor immediately.

Notice is hereby given that a General Meeting of AEEI Shareholders will be held at 10:00 on Thursday, 28 December 2023 to be conducted by and accessible to Shareholders, through electronic communication as envisaged in section 63(2)(a) of the Companies Act, the JSE and clause 21 of the MOI, in order to consider and, if deemed fit, approve with or without modification, the resolutions set out in this Notice of General Meeting.

The Board has determined that, in terms of section 59(1)(b) of the Companies Act, the record date for the purposes of determining which AEEI Shareholders are entitled to participate in and vote at the General Meeting is Thursday, 14 December 2023. Accordingly, the last day to trade AEEI Shares in order to be recorded in the Company's securities register to be entitled to vote at the General Meeting will be Monday, 11 December 2023.

Purpose

The purpose of the General Meeting of AEEI Shareholders is to consider and, if deemed fit, to approve, with or without modification, the ordinary resolutions set out in this Notice of General Meeting.

Ordinary Resolution Number 1 – Approval of the Disposal

"Resolved that, the Disposal (as more fully described in the Circular to which this Notice of General Meeting is attached) be and is hereby approved as a Category 1 transaction in terms of the Listings Requirements."

In terms of the Companies Act and the MOI, the adoption of ordinary resolution number 1 will require the support of more than 50% of the voting rights exercised on the resolution.

Ordinary Resolution Number 2 – Authority granted to Directors and Company Secretary

"Resolved as an ordinary resolution that, any Director or the Company Secretary of AEEI be and is hereby individually authorised and empowered to do all such things, sign all such documents and take all such actions or procure the doing of all such things, the signature of all such documents and the taking of all such actions as may be necessary for or incidental to the implementation of the Disposal and the resolution passed at the General Meeting at which this resolution is considered."

In terms of the Companies Act and the MOI, the adoption of ordinary resolution number 1 will require the support of more than 50% of the voting rights exercised on the resolution.

Entitlement to attend and vote at the General Meeting and appointment of proxies

AEEI Shareholders who wish to participate in the General Meeting should note that in terms of the Companies Act, they are required to provide reasonable satisfactory identification before being entitled to attend or participate in the General Meeting for the purposes of section 63(1) of the Act, and to obtain (or provide the representative or proxy with) details on how to access the General Meeting by means of electronic participation. Shareholders who wish to participate electronically must refer to the section titled "Electronic Participation Form".

Certificated Shareholders or own-name Dematerialised Shareholders may attend the General Meeting, or alternatively appoint a proxy to attend, and speak in their stead. The Form of Proxy (*yellow*) attached to the Circular, must be completed and returned to the offices of the Transfer Secretaries, **JSE Investor Services Proprietary Limited, One Exchange Square, 2 Gwen Lane, Sandown, Sandton, 2196, or via email to: meetfax@jseinvestorservices.co.za** to be received by the Transfer Secretaries, for administrative purposes, by 10:00 on Wednesday, 27 December 2023, or thereafter by emailing such form to the Transfer Secretaries at the aforementioned email address (for the attention of the chairperson of the General Meeting) to be received at any time before the Shareholder or proxy exercises any rights of the AEEI Shareholder at the General Meeting.

Certificated Shareholders or own-name Dematerialised Shareholders must note that they will be able to vote during the General Meeting. Such Participants who wish to have their vote(s) counted prior to the commencement of the General Meeting, must act in accordance with the voting instructions contained in this Notice of the General Meeting, i.e. to the extent applicable:

- i) complete the Form of Proxy (*yellow*); or
- ii) contact their CSDP.

Dematerialised Shareholders other than own-name Dematerialised Shareholders, must contact their CSDP or broker, as the case may be, and obtain the relevant letter of representation if they wish to attend the General Meeting. If AEEI Shareholders are unable to attend the General Meeting but wish to be represented thereat, they must furnish their CSDP or broker, as the case may be, with their instructions for voting at the General Meeting.

The completion and submission of a Form of Proxy by an AEEI Shareholder, will not preclude such AEEI Shareholder from attending the General Meeting.



CORNELL KANNEMEYER

Company Secretary

Johannesburg

24 November 2023

Registered office

10th Floor, Convention Tower
Cnr Heererengracht & Walter Sisulu
Foreshore
Cape Town, 8001

Transfer Secretaries

JSE Investor Services Proprietary Limited
One Exchange Lane
2 Gwen Lane
Sandown, Sandton, 2196



AFRICAN EQUITY EMPOWERMENT INVESTMENTS LIMITED

(Incorporated in the Republic of South Africa)

(Registration number: 1996/006093/06)

Share code: AEE ISIN: ZAE000195731

("AEEI" or "the Company")

ELECTRONIC PARTICIPATION FORM

ELECTRONIC PARTICIPATION IN THE GENERAL MEETING

1. Shareholders or their proxies who wish to participate in the General Meeting via electronic communication ("**Participants**"), must apply to the Company's Transfer Secretaries to do so by delivering the form below ("**Application**" or "**Application Form**") to the offices of the Transfer Secretaries, JSE Investor Services Proprietary Limited, One Exchange Square, 2 Gwen Lane, Sandown, Sandton, 2196, or via email to: meetfax@jseinvestorservices.co.za at least seven (7) Business Days prior to the General Meeting, being Thursday, 14 December 2023 to arrange for the Shareholder (or representative or proxy) to provide reasonable satisfactory identification to the Transfer Secretaries for the purposes of section 63(1) of the Companies Act, and to provide the Shareholder (or representative or proxy) with details on how to access the General Meeting by means of electronic participation.

The Application may also be posted, at the risk of the Participant, to JSE Investor Services Proprietary Limited, PO Box 4844, Johannesburg, 2000, so as to be received by the Transfer Secretaries by no later than the date set out above.

2. General Meeting Participants must note that they will be able to vote during the General Meeting. Such Participants who wish to have their vote(s) counted prior to the commencement of the General Meeting, must act in accordance with the voting instructions contained in the Notice of the General Meeting, i.e. to the extent applicable:
 - i. complete the Form of Proxy (*yellow*); or
 - ii. contact their CSDP.
3. Important notice:
 - i. Each Participant will be contacted by the Transfer Secretaries by no later than Wednesday, 27 December 2023 via email and/or SMS with the details allowing them to dial in.
 - ii. The cost of the Participant's electronic communication will be for his/her own expense and will be billed separately by his/her own service provider.
 - iii. The cut-off time to participate in the General Meeting will be 10:00 on Monday, 11 December 2023. No late dial-in will be accommodated.

APPLICATION FORM

Full name of the Shareholder	
ID number	
Email address	
Cell number	
Telephone number	
Name of CSDP or broker (if Shares are held in Dematerialised format)	
Contact number of CSDP/broker	
Contact person at CSDP/broker	
Number of share certificate (if applicable)	
Signature	
Date	

TERMS AND CONDITIONS FOR PARTICIPATION AT THE GENERAL MEETING VIA ELECTRONIC COMMUNICATION

The cost of dialing in using an electronic communication line to participate in the General Meeting is for the expense of the Participant and will be billed separately by the Participant's own service provider.

The Participant acknowledges that the electronic communications are provided by a third party and indemnifies the Company against any loss, injury, damage, penalty or claim arising in any way from the use or possession of the telecommunication lines, whether or not the problem is caused by any act or omission on the part of the Participant or anyone else. In particular, but not exclusively, the Participant acknowledges that he/she will have no claim against the Company, whether for consequential damages or otherwise, arising from the use of the electronic communications or any defect in it or from total or partial failure of the electronic communications and connections linking the electronic communications to the General Meeting.

General Meeting Participants must note that they will be able to vote during the General Meeting. Such Participants who wish to have their vote(s) counted prior to the commencement of the General Meeting, must act in accordance with the voting instructions contained in the Notice of the General Meeting, i.e. to the extent applicable:

- i. complete the Form of Proxy (yellow); or
- ii. contact their CSDP.

The Application will only be deemed successful if this Application Form has been completed and fully signed by the Participant.



AFRICAN EQUITY EMPOWERMENT INVESTMENTS LIMITED

(Incorporated in the Republic of South Africa)

(Registration number: 1996/006093/06)

Share code: AEE ISIN: ZAE000195731

("AEEI" or "the Company")

FORM OF PROXY

The definitions and interpretations commencing on page 7 of the Circular to which this Form of Proxy is attached, apply *mutatis mutandis* to this Form of Proxy unless the context clearly requires otherwise.

For use only by Certificated Shareholders or "own-name" Dematerialised Shareholders at the General Meeting to be held at 10:00 on Thursday, 28 December 2023 to be conducted by and accessible to Shareholders, through electronic communication as envisaged in section 63(2)(a) of the Companies Act, the JSE and clause 21 of the MOI.

Dematerialised Shareholders holding Shares other than with "own-name" registration, who wish to attend the General Meeting must inform their CSDP or broker of their intention to attend the General Meeting and request their CSDP or broker to issue them with the relevant letter of representation to attend and participate in the General Meeting. If they do not wish to attend the General Meeting, they must provide their CSDP or broker with their voting instructions in terms of the relevant custody agreement entered into between them and the CSDP or broker.

Dematerialised Shareholders, other than "own-name" Dematerialised Shareholders, must not complete this Form of Proxy.

Full name: I/We (BLOCK LETTERS)

of (address):

Telephone: (Work)

Telephone: (Home)

Email address:

Cell number:

being the holder(s) of

1. Shares hereby appoint: _____ or failing him/her,

2. _____ or failing him/her,

3. the chairperson of the General Meeting,

as my/our proxy to attend, speak and vote for me/us on my/our behalf at the General Meeting (or any postponement or adjournment thereof) convened for purpose of considering and, if deemed fit, passing, with or without modification, the resolutions to be proposed thereat and at each postponement or adjournment thereof, and to vote for and/or against such resolutions, and/or to abstain from voting for and/or against the resolutions, in respect of the Shares registered in my/our name in accordance with the following instructions and otherwise in accordance with the Companies Act, the MOI and the notes attached hereto:

No.	Resolution	Number of Shares		
		For	Against	Abstain
1.	Ordinary Resolution Number 1 Approval of the Disposal			
2.	Ordinary Resolution Number 1 Authority granted to Directors and Company Secretary			

Please indicate instructions to proxy in the space provided above by the insertion therein of the relevant number of votes exercisable.

One vote per Share held by AEEI Shareholders. AEEI Shareholders must insert the relevant number of votes they wish to vote in the appropriate box provided or "X" should they wish to vote all Shares held by them. If no instruction is provided, the proxy (if not the chairperson of the General Meeting) shall be entitled to vote or abstain from voting as he/she deems fit, provided that if the proxy is the chairperson of the General Meeting, he/she shall be deemed to be instructed to vote in favour of the resolutions set out above, in respect of all shares held by the AEEI Shareholder.

Signed at _____ on _____ 2023

Signature _____

Assisted by (where applicable) _____

Full name _____

Capacity _____

Signature _____

Please read the notes on the reverse side hereof.

Summary of the rights contained in section 58 of the Companies Act:

Although the following is a summary of section 58 of the Companies Act, Shareholders are reminded that the General Meeting will be conducted entirely by electronic facility/communication and as such, there will be no physical meeting).

In terms of section 58 of the Companies Act:

- a shareholder may, at any time and in accordance with the provisions of section 58 of the Companies Act, appoint any individual (including an individual who is not a shareholder) as a proxy to participate in, and speak and vote at, a shareholders meeting on behalf of such shareholder, a proxy may delegate her or his authority to act on behalf of a shareholder to another person, subject to any restriction set out in the instrument appointing such proxy;
- irrespective of the form of instrument used to appoint a proxy, the appointment of a proxy is suspended at any time and to the extent that the relevant shareholder chooses to act directly and in person in the exercise of any of such shareholder's rights as a shareholder;
- irrespective of the form of instrument used to appoint a proxy, any appointment by a shareholder of a proxy is revocable, unless the form of instrument used to appoint such proxy states otherwise;
- if an appointment of a proxy is revocable, a shareholder may revoke the proxy appointment by: (i) cancelling it in writing, or making a later inconsistent appointment of a proxy and (ii) delivering a copy of the revocation instrument to the proxy and to the company; and
- a proxy appointed by a shareholder is entitled to exercise, or abstain from exercising, any voting right of such shareholder without direction, except to the extent that the relevant company's memorandum of incorporation, or the instrument appointing the proxy, provides otherwise (see note 8).

Notes to the Form of Proxy:

1. The Form of Proxy must only be used by Certificated Shareholders or Shareholders who hold Dematerialised Shares in their own name.
2. All other beneficial owners who have Dematerialised their Shares through a CSDP or broker and wish to attend the General Meeting must provide the CSDP or broker with their voting instructions in terms of the relevant custody agreement entered into between them and the CSDP or broker.
3. A Shareholder entitled to attend the General Meeting, and to vote, may insert the name of a proxy or the names of two alternative proxies of the Shareholder's choice in the spaces provided with or without deleting "the chairperson of the General Meeting". The person whose name appears first on this Form of Proxy and who is present at the General Meeting will be entitled to act as proxy to the exclusion of such proxy(ies) whose names follow.
4. A Shareholder is entitled to one vote on a show of hands and, on a poll, one vote in respect of each Share held. A Shareholder's instructions to the proxy must be indicated by the insertion of the relevant number of votes exercisable by that Shareholder in the appropriate space provided. If an "X" has been inserted in one of the blocks to a particular resolution, it will indicate the voting of all the Shares held by the Shareholder concerned. Failure to comply with this will be deemed to authorise the proxy to vote or to abstain from voting at the General Meeting as he deems fit in respect of all the Shareholder's votes exercisable thereat. A Shareholder or the proxy is not obliged to use all the votes exercisable by the Shareholder or by the proxy, but the total of the votes cast and in respect of which abstention is recorded may not exceed the total of the votes exercisable by the Shareholder or the proxy.
5. This Form of Proxy shall be valid at any resumption of an adjourned or postponed meeting to which it relates although this Form of Proxy shall not be used at the resumption of an adjourned or postponed meeting if it could not have been used at the General Meeting from which it was adjourned or postponed for any reason other than it was not lodged timeously for the meeting from which the adjournment took place.
6. This Form of Proxy shall in addition to the authority conferred by the Companies Act except insofar as it provides otherwise, be deemed to confer the power generally to act at the General Meeting in question, subject to any specific direction contained in this Form of Proxy as to the manner of voting.
7. Where this Form of Proxy is signed under power of attorney, such power of attorney must accompany this Form of Proxy, unless it has been registered by AEEI or waived by the chairperson of the General Meeting.
8. A vote given in terms of an instrument of proxy shall be valid in relation to the General Meeting notwithstanding the death, insanity or other legal disability of the person granting it, or the revocation of the proxy, or the transfer of the Shares in respect of which the proxy is given, unless notice as to any of the aforementioned matters shall have been received by the Company's Transfer Secretaries, JSE Investor Services, not less than 24 hours before the commencement of the General Meeting (excluding Saturdays, Sundays and South African public holidays).
9. If a Shareholder does not indicate on this form that his/her proxy is to vote in favour of or against any resolution or to abstain from voting, or gives contradictory instruction, or should any further resolution(s), or any amendment(s) which may properly be put before the General Meeting be proposed, the proxy shall be entitled to vote as he/she thinks fit.
10. The chairperson of the General Meeting may accept or reject any Form of Proxy which is completed and/or received other than in accordance with these notes and instructions.
11. The completion and lodging of this Form of Proxy will not preclude the relevant Shareholder from attending the General Meeting, speaking and voting in person thereat to the exclusion of any proxy appointed in terms hereof, should such Shareholder wish to do so.
12. Documentary evidence establishing the authority of a person signing the form in a representative capacity must be attached to this Form of Proxy, unless previously recorded by the Company or unless this requirement is waived by the chairman of the General Meeting.
13. A minor or any other person under legal incapacity must be assisted by his parent or guardian, as applicable, unless the relevant documents establishing his capacity are produced or have been registered by the Company.
14. Where there are joint holders of Shares:
 - Any one holder may sign the form of proxy.
 - The vote(s) of the senior Shareholder (for that purpose seniority will be determined by the order in which the names of the Shareholders appear in the Company's register of shareholders) who tenders a vote (whether in person or by proxy) will be accepted to the exclusion of the vote(s) of the other joint Shareholder(s).
15. Forms of Proxy should be provided to the Transfer Secretaries:
Email to:
meetfax@jseinvestorservices.co.za
Hand deliveries to:
JSE Investor Services Proprietary Limited
One Exchange Square
2 Gwen Lane
Sandown, Sandton, 2196
Postal deliveries to:
JSE Investor Services Proprietary Limited
PO Box 4884
Johannesburg
2000

to be received by the Transfer Secretaries, for administrative purposes, by no later than 10:00 on Wednesday, 27 December 2023, or thereafter by emailing such form to the Transfer Secretaries at the aforementioned email address (for the attention of the chairperson of the General Meeting) to be received at any time before the appointed proxy exercises any of the Shareholder's votes at the General Meeting.

16. A deletion of any printed matter and the completion of any blank space need not be signed or initialed. Any alteration or correction must be signed and not merely initialed.