

AVENG LIMITED

Incorporated in the Republic of South Africa

(Registration number: 1944/018119/06)

ISIN: ZAE000302618

SHARE CODE: AEG

("Aveng" or "the Company" or "the Group")



SETTLEMENT OF UNCERTIFIED CLAIM AND REPAYMENT OF EXTERNAL DEBT AND RENEWAL OF CAUTIONARY ANNOUNCEMENT

Settlement of Uncertified Claim

Aveng is pleased to announce that it has reached settlement on and received payment of R282 million (AUD25 million) for a long-outstanding claim. This long-standing claim was previously disclosed as an amount that had been subject to protracted legal proceedings and reported in the amounts due from / (to) contract customers in the December 2021 interim results.

The settlement results in a small profit to the previously reported position, reduced ongoing legal costs and the removal of litigation uncertainty. This dispute dates back prior to March 2016, when McConnell Dowell instituted action against its client, with a view to recovering previously expended costs. Through the course of this protracted litigation and delay, McConnell Dowell has significantly grown its business despite having liquidity tied up in this dispute. The resolution of the dispute is a significant achievement and the resulting additional liquidity has currently been retained in McConnell Dowell and is reserved for future investment opportunities that add incrementally to the Group's growth and performance.

Repayment of External Debt

Aveng has continued its debt reduction strategy during the year to 30 June 2022, through the scheduled repayment of R275 million in June 2022. The cumulative repayments have reduced external debt by R350 million in the financial year to 30 June 2022. Should the Trident Steel transaction be successfully concluded, it is expected that the proceeds will be utilised to settle the remaining debt in South Africa, create further liquidity and strengthen the financial position of Aveng.

Renewal of cautionary announcement

In line with the cautionary announcement released on the SENS on 13 June 2022, negotiations continue to progress and shareholders are advised to exercise caution when dealing in the Company's securities.

The Group expects to release its full year results on or about 23 August 2022.

5 July 2022

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