

ETION LIMITED

(Incorporated in the Republic of South Africa)
(Registration Number: 1987/001222/06)
(Share Code: ETO)
(ISIN: ZAE000097028)
("Etion" or "the Company" or "the Group")

ETION

VOLUNTARY UPDATE REGARDING ETION'S UNLOCKING OF SHAREHOLDER VALUE STRATEGY

1. Finalisation of the Etion Connect disposal.

Shareholders of the Company ("**Shareholders**") are referred to the announcement released on SENS on 28 June 2022 wherein Shareholders were advised that the Company and Etion Connect Proprietary Limited ("**Etion Connect**"), a wholly-owned subsidiary of the Company, had entered into an agreement with Etion Telecommunications Proprietary Limited ("**Purchaser**") in terms of which the Company would sell the business of Etion Connect, comprising all of the assets (save for certain excluded assets), all the liabilities and transfer all of the employees of Etion Connect to the Purchaser ("**Disposal**") for a purchase consideration amounting to R71.5 million ("**Purchase Consideration**").

The Company is pleased to announce that the conditions precedent to the Disposal have been met and the Purchase Consideration has been received from the Purchaser. Accordingly, Shareholders are advised that the Disposal has been successfully concluded.

2. Update on the disposal of Etion Create, Parsec Properties and the exit of the head office lease.

Shareholders are further referred to the announcement released on SENS on 8 June 2022, and further regularised on 24 August 2022, wherein Shareholders were advised that the Company had entered in an agreement with Reunert Applied Electronic Proprietary Limited ("**Reunert**") in terms of which Reunert would acquire 100% of the issued share capital of Etion Create Proprietary Limited ("**Etion Create**") from the Company (the "**Create Disposal**"). Shareholders are hereby advised that the Company has obtained Competition Commission approval for the Create Disposal. The Create Disposal is subject to shareholder approval at the general meeting of Shareholders, which will be held on 21 September 2022 ("**General Meeting**"). The Company expects to receive the Create Disposal proceeds during October 2022, subject to obtaining Shareholder approval at the General Meeting and the TRP compliance certificate.

Shareholders are further advised that the Company has successfully sold its shares in Parsec Properties Proprietary Limited ("**Parsec Properties**"), a wholly-owned subsidiary of the Company, which owns the Etion Create building located at 76 Regency Avenue ("**Parsec Disposal**"). During August 2022, the Company received net proceeds amounting to R6.91 million ("**Parsec Proceeds**") from the Parsec Disposal, representing the amount by which the market value of the Parsec Properties building exceeded the total Nedbank Limited property loan liability which was assumed by the purchaser as part of the Parsec Disposal. In addition, Parsec Properties was able to declare and pay a dividend amounting to R1.5 million to the Group, bringing the total equity realised through the Parsec Disposal to R8.41 million.

Furthermore, the Company has reached an agreement with the owners of its head office building, located at 85 Regency Avenue, to exit the lease agreement which expires in October

2027. The Company paid a once off exit fee of R12 million (ex VAT) in August and will pay the monthly rental for the months up and until October 2022 as full and final settlement of the Company's remaining lease obligations.

The Company will keep Shareholders informed of the progress of the Create Disposal, following the General Meeting, and will provide further details regarding the process of distributing, to Shareholders, the net proceeds received by the Company from the abovementioned disposals in due course.

Pretoria
7 September 2022

Sponsor and Transaction Advisor

PSG Capital



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