

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")

THIS ANNOUNCEMENT AND THE INFORMATION CONTAINED HEREIN IS RESTRICTED AND IS NOT FOR RELEASE, PUBLICATION OR DISTRIBUTION, DIRECTLY OR INDIRECTLY, IN WHOLE OR IN PART, IN OR INTO CANADA OR ANY OTHER STATE OR JURISDICTION IN WHICH SUCH RELEASE, PUBLICATION OR DISTRIBUTION WOULD BE UNLAWFUL.

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UNBUNDLING BY AEEI OF ITS SHAREHOLDING IN AYO: CASH PAYMENT IN RESPECT OF FRACTIONAL ENTITLEMENTS

1. INTRODUCTION

Shareholders are referred to:

- the various announcements released on SENS relating the unbundling of AEEI's entire shareholding in AYO to AEEI Shareholders ("**Unbundling**"), by way of a *pro rata* distribution *in specie* in the ratio of 1 AYO Share for every 2.89 AEEI Shares held on the Unbundling record date, the last of which was dated 18 July 2023; and
- the circular to Shareholders containing the details of the Unbundling ("**Circular**") distributed to Shareholders on 1 June 2023.

Unless expressly defined in this announcement, capitalised terms herein have the meaning given to them in the Circular.

The salient dates and times included in the Finalisation Announcement remain unchanged.

2. CASH VALUE OF FRACTIONAL ENTITLEMENTS

As set out in the Circular, where a Shareholder's entitlement to the AYO Distribution Shares in terms of the AYO Unbundling, calculated in accordance with the Distribution Ratio, gives rise to a fraction of an AYO Distribution Share, such Fractional entitlements will be rounded down to the nearest whole number, resulting in allocations of whole numbers of AYO Distribution Shares only, and a cash payment in respect of the fractional entitlement to AEEI Shareholders being credited to AEEI Shareholders' accounts held at their CSDP or Broker.

AEEI Shareholders will accordingly be paid the cash proceeds, by AEEI, (net of any applicable taxes or costs) of the sale of the fractional entitlements to the AYO Distribution Shares.

In accordance with the JSE Listings Requirements, the applicable cash payment in respect of fractional entitlements will be determined with reference to the volume weighted average price ("**VWAP**") of consolidated shares traded on the JSE on Wednesday, 26 July 2023, less 10%.

The VWAP of AYO Shares traded on the JSE on Wednesday, 26 July 2023 was 250.00000 ZAC per share. This amount, discounted by 10%, is 225.00000 ZAC per share and will be used to determine the cash payment for the fractional entitlements.

The cash payment for the fractional entitlement is subject to dividend withholding tax (“DWT”) at a rate of 20%. Therefore, the net rate for the fractional entitlement is 180.00000 ZAC (“Cash Proceeds”).

3. TAXATION

AEEI Shareholders are referred to Annexure 7 of the Circular, which sets out the tax implications of the Unbundling. Shareholders are advised that the fractional entitlement will be subject to DWT at a dividend tax rate of 20%.

4. RESPONSIBILITY STATEMENT

The Independent Board accepts responsibility for the information contained in this announcement. To the best of the Independent Board’s knowledge and belief, the information contained in this announcement is true and the announcement does not omit anything likely to affect the importance of the information contained herein.

Cape Town

27 July 2023

Transaction Adviser and Sponsor



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Disclaimers

Subject to any applicable law or regulations, AEEI Shareholders should note that in the event that any difficulty arises in connection with the Unbundling, AEEI may settle that difficulty as it, in its sole discretion, deems expedient.

The release, publication or distribution of this announcement in jurisdictions other than South Africa may be restricted by law and therefore persons into whose possession this announcement may come should inform themselves about, and observe, any such applicable restrictions or requirements. Any failure to comply with such restrictions or requirements may constitute a violation of the securities laws

and regulations of any such jurisdiction. To the fullest extent permitted by applicable law, the Company disclaims any responsibility or liability for the violation of any restrictions or requirements by any person.

This announcement is for information purposes only and is not, and should not be construed as to constitute, an offer to sell or the solicitation of an offer to buy securities and neither this document nor anything herein nor any copy thereof may be taken into or distributed, directly or indirectly, in or into any jurisdiction in which to do so would be prohibited by applicable law. In South Africa, the information contained in this announcement does not constitute or form a part of any offer to the public for the sale of, or subscription for, or an invitation, advertisement or the solicitation of an offer to purchase and/or subscribe for, securities as defined in and/or contemplated by the Companies Act. Accordingly, this announcement does not, nor does it intend to, constitute a "registered prospectus" or an advertisement relating to an offer to the public, as contemplated by the Companies Act and no prospectus has been, or will be, filed with the South African Companies and Intellectual Property Commission in respect of this announcement.

Notice to US AEEI Shareholders

This announcement is not an offer of any securities for sale in the United States. The AYO Distribution Shares have not been and will not be registered under the US Securities Act of 1933 (US Securities Act), or with any securities regulatory authority of any state or other jurisdiction in the United States and may not be offered, sold, exercised, transferred or delivered, directly or indirectly, in or into the United States at any time except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act and applicable state and other securities laws of the United States.

The AYO Distribution Shares are expected to be distributed to AEEI Shareholders by way of an unbundling constituting a transaction meeting the conditions of Staff Legal Bulletin No. 4 of the staff of the US Securities and Exchange Commission for "spin-off" transactions. All Overseas AEEI Shareholders located in the US are therefore eligible to receive the AYO Distribution Shares.

The AYO Distribution Shares have not been and will not be listed on a US securities exchange or quoted on any inter-dealer quotation system in the United States. Neither AEEI nor AYO intends to take any action to facilitate a market in the AYO Distribution Shares in the United States. Consequently, it is unlikely that an active trading market in the United States will develop for the AYO Distribution Shares.

The AYO Distribution Shares have not been approved or disapproved by the United States Securities and Exchange Commission, any state securities commission in the United States or any other regulatory authority in the United States, nor have any of the foregoing authorities passed comment upon, or endorsed the merit of, the Unbundling or the accuracy or the adequacy of this announcement. Any representation to the contrary is a criminal offence in the United States. AEEI Shareholders with a registered address in the United States should consult their own legal and tax advisers with respect to the legal and tax consequences of the Unbundling in their particular circumstances.

Notice to AEEI Shareholders located in Canada

This announcement does not constitute an offer for the sale or distribution of any AYO Distribution Shares in Canada. All AEEI Shareholders located in Canada will not receive any AYO Distribution Shares and will be dealt on the basis outlined in Annexure 8 to the Circular.

Notice to AEEI Shareholders in the European Economic Area (EEA) and the UK

This announcement is not a prospectus, as such term is defined in the Prospectus Regulation (EU) 2017/1129, on the basis that the AYO Distribution Shares are not being admitted to trading on a regulated market situated or operating within the EEA or the UK. Accordingly, any person making or intending to make any offer for AYO Distribution Shares should do so in circumstances in which no obligation arises for AEEI or AYO to produce a prospectus for such offer. None of AEEI or AYO has authorised the making of any offer of AYO Distribution Shares through any financial intermediary.

Notice to AEEI Shareholders located in Australia

The Unbundling is not regulated by the fundraising provisions of the Australian Corporations Act of 2001 (Cth). Accordingly, this announcement is not a prospectus and has not been lodged with or reviewed by the Australian Securities and Investments commission.

The AYO Distribution Shares have not been and will not be quoted on ASX Limited or any other Australian securities exchange. None of AEEI, or AYO intends to take any action to facilitate a market in the AYO Distribution Shares in Australia. Consequently, it is unlikely that an active trading market in Australia will develop for the AYO Distribution Shares.

Notice to AEEI Shareholders located in Japan

This announcement does not and will not constitute or form part of, or be construed as, an offer, invitation or recommendation to purchase, sell or subscribe for any securities in Japan or solicitation of any offer to purchase, sell or subscribe for any securities in Japan. The AYO Distribution Shares have not been and will not be registered under the Financial Instruments and Exchange Law of Japan (Law No. 25 of 1948 of Japan, as amended).

Notice to AEEI Shareholders in Switzerland

No AYO Distribution Shares may be offered, sold or advertised directly or indirectly into or in Switzerland except in a manner that will not result in a public offering within the meaning of Article 652a or 1156 of the Swiss Code of Obligations. This announcement has not been prepared with regard to the disclosure standards for prospectuses under Article 652a or 1156 of the Swiss Code of Obligations, the listing rules of SIX Swiss Exchange or similar rules of other Swiss trading venues, and therefore does not constitute a prospectus within the meaning of Article 652a or 1156 of the Swiss Code of Obligations, the listing rules of SIX Swiss Exchange or similar rules of other Swiss trading venues. This announcement may not be distributed, published or otherwise made available in Switzerland except in a manner that will not constitute a public offering of the AYO Distribution Shares.

Notice to AEEI Shareholders in South Korea

The AYO Distribution Shares have not been, and will not be, registered under the Financial Investment Services and Capital Markets Act of South Korea and the regulations thereunder (FISCMA). Accordingly, the AYO Distribution Shares may not be offered, sold, delivered or transferred, directly or indirectly, in South Korea or to, or for the account or benefit of, any resident of South Korea (as defined in FISCMA) except as otherwise permitted under applicable South Korean laws and regulations.

Notice to AEEI Shareholders in the People's Republic of China (PRC)

This announcement does not constitute a public offer of AYO Distribution Shares, whether by way of sale or subscription, in the PRC. Except to the extent consistent with applicable laws and regulations in the PRC. The AYO Distribution Shares are not being offered and may not be offered or sold, directly or indirectly, in the PRC to or for the benefit of, legal or natural persons of the PRC. According to the laws and regulations in the PRC, with the exception to the extent consistent with applicable regulations in the PRC, AYO Distribution Shares may, subject to the laws and regulations of the relevant jurisdictions, only be offered or sold to non-PRC natural or legal persons in any jurisdiction other than the PRC.

General

The information contained in this announcement constitutes factual information as contemplated in Section 1(3)(a) of the Financial Advisory and Intermediary Services Act, No. 37 of 2002, as amended (FAIS Act) and should not be construed as an express or implied recommendation, guide or proposal that any particular transaction in respect of the AEEI Shares or in relation to the business or future investments of AEEI, is appropriate to the particular investment objectives, financial situations or needs of a prospective investor, and nothing contained in this announcement should be construed as constituting the canvassing for, or marketing or advertising of, financial services in South Africa. AEEI is not a financial services provider licensed as such under the FAIS Act.

Forward-looking statements

This announcement contains statements about AEEI and the AEEI group of companies (“**the Group**”) that are, or may 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 Unbundling, its implementation and the benefits of the Unbundling. 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 or phrases 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 known and unknown risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. The Company 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 markets in which the Company and/or the Group operates and/or invests may differ materially from those made in, or suggested by, the forward-looking statements contained in this announcement. All these forward-looking statements are based on estimates, predictions and assumptions, as regards the Company and the Group, all of which estimates, predictions and assumptions, although the Company believes them to be reasonable, are inherently uncertain and may not eventuate or eventuate in the manner the Company 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 matters not yet known to the Company or not currently considered material by the Company.

Investors should keep in mind that any forward-looking statement made in this announcement or elsewhere is applicable only at the date on which such forward-looking statement is made. New factors that could cause the business of the Company and the Group 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, performance, or achievement to differ materially from those contained in any forward-looking statement is not known. The Company has no duty to, and does not intend to, update, or revise the forward-looking statements contained in this announcement or any other information herein, except as may be required by law. Any forward-looking statement has not been reviewed nor reported on by the Company's external auditor or any other expert.