

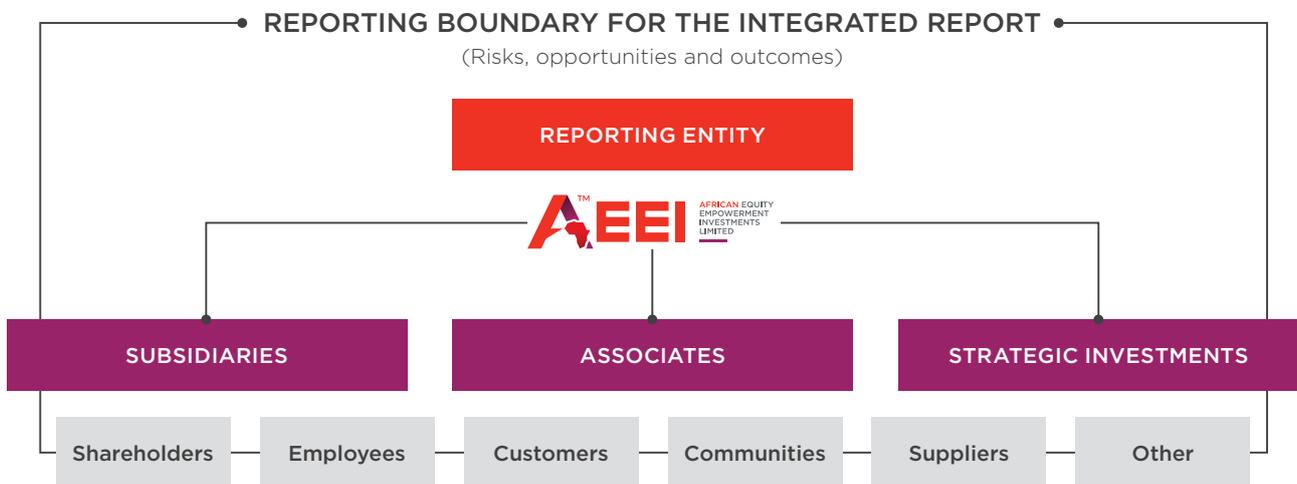
INTEGRATED BUSINESS OVERVIEW

4	ABOUT THIS REPORT
8	WHO WE ARE
8	Mission statement
8	Vision statement
8	Our shared values
9	Where we operate
10	Key facts
12	Revenue contribution per division
13	Our key performance indicators (KPIs)
14	What sets us apart
15	Our value-creating business model
16	Our recent awards and achievements
17	Flow of income and expenses
18	Our investment philosophy
18	Risks related to our activities
19	Products and services provided by the Group
20	GROUP STRUCTURE
27	FINANCIAL HIGHLIGHTS
28	FIVE-YEAR REVIEW
30	CREATING SHARED VALUE FOR SUSTAINABLE OUTCOMES in the short, medium and long-term
37	VISION 2020 VISION
38	Business model and strategic objectives
39	Our strategy to 2018 and Vision 2020 Vision
46	Materiality aspects and our response to stakeholders' interest

ABOUT THIS REPORT

African Equity Empowerment Investments Limited (AEEI, the Company or the Group) is committed to the principles of integrated reporting in terms of our thinking and our approach to long-term value creation and the role we play as a corporate citizen.

This integrated report is our primary report to stakeholders.



Our 2018 integrated report follows on our Vision 2020 Vision as reported on in the 2017 integrated report. It aims to provide a balanced, accurate and accessible assessment of our strategy, performance and opportunities and how these relate to material financial, economic, social, environmental and governance matters. These matters form the anchor of the content throughout this report.

The Group's leadership develops and directs the strategy and manages the business in an integrated way. Management takes into account the interests of our stakeholders and is cognisant of capital resources required to realise the strategy.

To ensure that the contents of this integrated report are aligned with material matters impacting our ability to create value, we were guided by the following in preparing our report:

- The International Integrated Reporting Council's (IIRC) Integrated Reporting <IR> Framework
- King IV Report on Corporate Governance™ for South Africa 2016 (King IV™)
- The Johannesburg Stock Exchange (JSE) Listings Requirements
- The International Financial Reporting Standards (IFRS)
- The Companies Act, 2008 (No. 71 of 2008), as amended (the Companies Act)
- The Global Reporting Initiative (GRI) G4 Guidelines
- Broad-based Black Economic Empowerment (B-BBEE) Regulations

SCOPE, BOUNDARY AND REPORTING CYCLE

Our integrated report covers the performance of the Group for the financial year ended 31 August 2018 as well as the material information related to the strategy, business model, governance, material matters and creating shared value, shareholders' interests, and our future outlook. It also incorporates the financial reporting boundary of the Group and its subsidiaries. This report extends beyond financial reporting and includes non-financial performance, opportunities, risks and outcomes attributable to or associated with our key stakeholders.

The Group's income is generated mainly in South Africa, with 29% generated from Asia, Europe, Dubai, Saudi Arabia, the United Kingdom (UK), the United States of America (USA), Ghana, Uganda, Zambia, Cameroon, Tanzania, Nigeria, Namibia, Kenya, Zimbabwe, Botswana, Spain, Ethiopia, Lesotho, Swaziland, Mozambique, Madagascar, Malawi and Mauritius. This report aims to enable our readers to obtain a balanced view and to make an informed assessment of the Group's ability to create stakeholder value in the short, medium and long-term.

MATERIALITY AND MATERIAL MATTERS

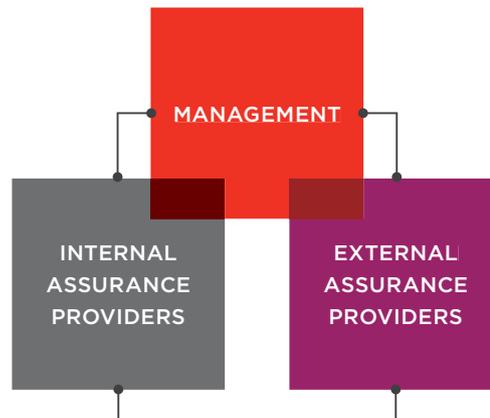
AEEI applied the principle of materiality in assessing which information is to be included in this report. Hence, this report focuses particularly on those matters and provides material information which relates to the Group's strategy, governance, performance and sustainability in respect of all business units and sectors, which comprise food and brands, technology, events and tourism, health and beauty, biotherapeutics, and strategic investments. All non-financial indicators include subsidiaries but exclude associates and strategic investments unless specifically indicated. Through a formal process the Board committees and executive management identified material matters, and in terms of relevance these were approved by the Board. Material matters and developments are comprehensively dealt with throughout the report. Our material matters, as described on pages 46 to 52, influence our strategy and inform the content of this report.

COMBINED ASSURANCE AND INTERNAL CONTROL FRAMEWORK

AEEI has a combined assurance model, which includes internal and external assessments of key strategic risks, internal controls and other material areas to support the integrity of the management, monitoring and reporting data.

The Board paid attention to the combined assurance through the audit and risk committee, which ensured that our combined assurance model adequately addresses the Group's risk and material matters. We continually look at optimising our combined assurance model to avoid duplication of efforts, rationalise collaboration efforts and manage assurance costs. This enables an effective control environment and ensures the integrity of the information used for reporting and decision-making.

COMBINED ASSURANCE



The Board, with the support of the audit and risk committee, is ultimately responsible for the system of internal control, which is designed to identify, evaluate, manage and provide reasonable assurance against material misstatement and loss. The audit and risk committee applied the combined assurance model to seek and optimise the assurance provided by management, the internal auditor and external assurance providers to ensure a strong ethical climate and to ensure compliance. They also monitored the relationship between the external assurance providers and the Company.

ABOUT THIS REPORT – continued

The Board approved the risk management policy during the year under review and through this process management identified key risks and implemented the necessary internal controls. This process is regularly evaluated and monitored by the internal audit team. The external audit covers accounting matters and controls during their audit.

Management provides the Board with assurance on its accountabilities in terms of implementing and monitoring the Group's risks register and plan, as well as the controls related to the Group's day-to-day activities, while fostering a strong ethical climate to ensure compliance.

As AEEI is listed on the JSE, it complies with the JSE Listings Requirements, the Companies Act and King IV™.

Certain information included in this report has been externally assured and reviewed including the following:

- The integrated report was reviewed by our external auditors, BDO Cape Inc.
- The consolidated and separate annual financial statements for the year ended 31 August 2018 were audited by BDO Cape Inc.
- External verification has been provided for the Broad-based Black Economic Empowerment (B-BBEE) accreditation level. The verification was carried out by an organisation accredited by the South African National Accreditation System (SANAS) – the Accreditation for Conformity Assessment, Calibration and Good Laboratory Practice Act, 2006 (Act No. 19 of 2006).
- External verification on the integrated report and the consolidated and separate financial statements for the year ended 31 August 2018 was performed in terms of the JSE Listings Requirements and the Companies Act.
- This integrated report was not subject to an independent audit or review.
- The sustainability review has not been independently assured, however, certain information contained in this review has been scrutinised by the Group's own internal control functions.

The information reported on is derived from the Group's own internal records and information available in the public domain.

The Board reviewed the effectiveness of controls for the year ended 31 August 2018, principally through a process of management self-assessment, including confirmation from executive management. It also considered reports from the internal audit, the external auditor and other assurance providers. (*King IV™ – Principle 5*)

SIGNIFICANT CHANGES DURING THE REPORTING PERIOD

The Group successfully listed its technology division – now trading as AYO Technology Solutions Ltd (AYO) – on the main board of the JSE on 21 December 2017. Subsequent to the listing, AYO became an associate on 24 August 2018 as AEEI now owns 49.36% of AYO.

AEEI through its investment in AEEI Events and Tourism, acquired an additional 24.5% shares from a shareholder in espAfrika (Pty) Ltd by exercising its pre-emptive rights, whereafter their shareholding ceased to exist.

During the financial year an impairment was raised on the intangible assets as well as goodwill of Genius amounting to R140m, as a result of the carrying amount of these intangible assets exceeding its recoverable amount, as a result of the cash generated from these assets.

The Group, through its subsidiary Premier Fishing SA (Pty) Ltd, acquired a 50.31% stake in Talhado Fishing Enterprises (Pty) Ltd (Talhado). All conditions precedent were met during the period under review. Talhado is the largest squid player in the South African market and this strategic acquisition is in line with the Group's strategy to diversify by expanding organically and through acquisitions.

POST BALANCE SHEET EVENTS

Subsequent to year-end, on the 9 November 2018, the Board approved a buyback of its shares, which management believe is trading at a discount to net asset value (NAV), thereby creating shareholder value.

A final gross dividend of 12.00 cents per share has been declared after the reporting period but before the financial statements were authorised for issue.

The directors are not aware of any other material facts or circumstances which occurred between the statement of financial position date and the date of this report that would require any adjustments to the annual financial statements.

DIRECTORS' RESPONSIBILITY AND APPROVAL OF THE INTEGRATED REPORT

The AEEI Board is ultimately responsible for ensuring the integrity of the integrated report and acknowledges its responsibility to ensure that the integrity of the integrated report is not compromised. The audit and risk committee also reviewed and recommended the integrated report and annual financial statements to the Board for approval. The Board has applied its mind to the integrated report and believes that it addresses all material matters and fairly represents the integrated performance of the Group.

The integrated report and the annual financial statements for the Group for the year ended 31 August 2018 were approved by the Board of directors and signed on their behalf by Reverend Dr VC Mehana and Mr K Abdulla on 26 November 2018. (*King IV™ - Principle 15*)

The special resolutions passed during the year for the Company relate to the approval:

- of the remuneration for executive and non-executive directors;
- for inter-company financial assistance;
- of financial assistance for the acquisition of shares in a related or interrelated company; and
- for the Company or its subsidiaries to repurchase Company shares.

DISCLAIMER: FORWARD-LOOKING STATEMENTS

In this report we make certain statements that relate to analyses and other information based on forecasts of future results based on historical data, which are based on estimations of new business and investment assumptions. These statements may also relate to our future prospects, developments and business strategy. As defined, these are forward-looking statements. These statements may be identified by words such as "expect", "look forward to", "anticipate", "intend", "plan", "believe", "seek", "estimate", "will", "project" or words of similar meaning which are intended to identify such forward-looking statements, but are not the exclusive means of identifying such statements. These are subject to a number of risks, uncertainties and factors, including, but not limited to, those described in disclosures and in the risk management report.

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

We welcome your feedback and comments on the integrated report. Please address any queries to the corporate affairs and sustainability director, Cherie Hendricks at cherie@aeei.co.za.

WHO WE ARE

African Equity Empowerment Investments Limited (AEEI or the Company or the Group) is a majority black-owned and black-controlled JSE-listed investment holding company based in South Africa and is a subsidiary of Sekunjalo Investment Holdings (Pty) Ltd.

AEEI is a diversified investment and empowerment company that has investments in fishing and brands, technology, events and tourism, health and beauty, as well as biotherapeutics, all supporting B-BBEE and small, medium and micro-enterprises (SMMEs) and strategic investments, some with international partners.

Due to our diverse portfolio, our growth strategy continues on an upward trajectory which is reflected in our financial year-end results. This growth strategy has laid a strong foundation for the next phase of the Group's evolution, which is reflected in our achievements in terms of Vision 2020 Vision. Restated revenue increased from R576 607 in 2017 to R700 691 in 2018. Assets increased from R2 822 153 in 2017 to R7 362 276 in 2018.

MISSION STATEMENT

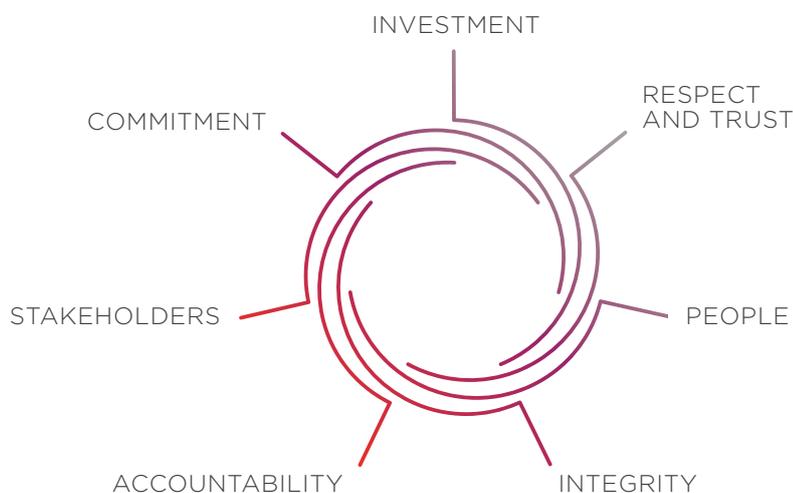
African Equity Empowerment Investments Limited is a diversified company that empowers people through profits and partnerships.

VISION STATEMENT

We are a dynamic and innovative company that creates superior stakeholder value.

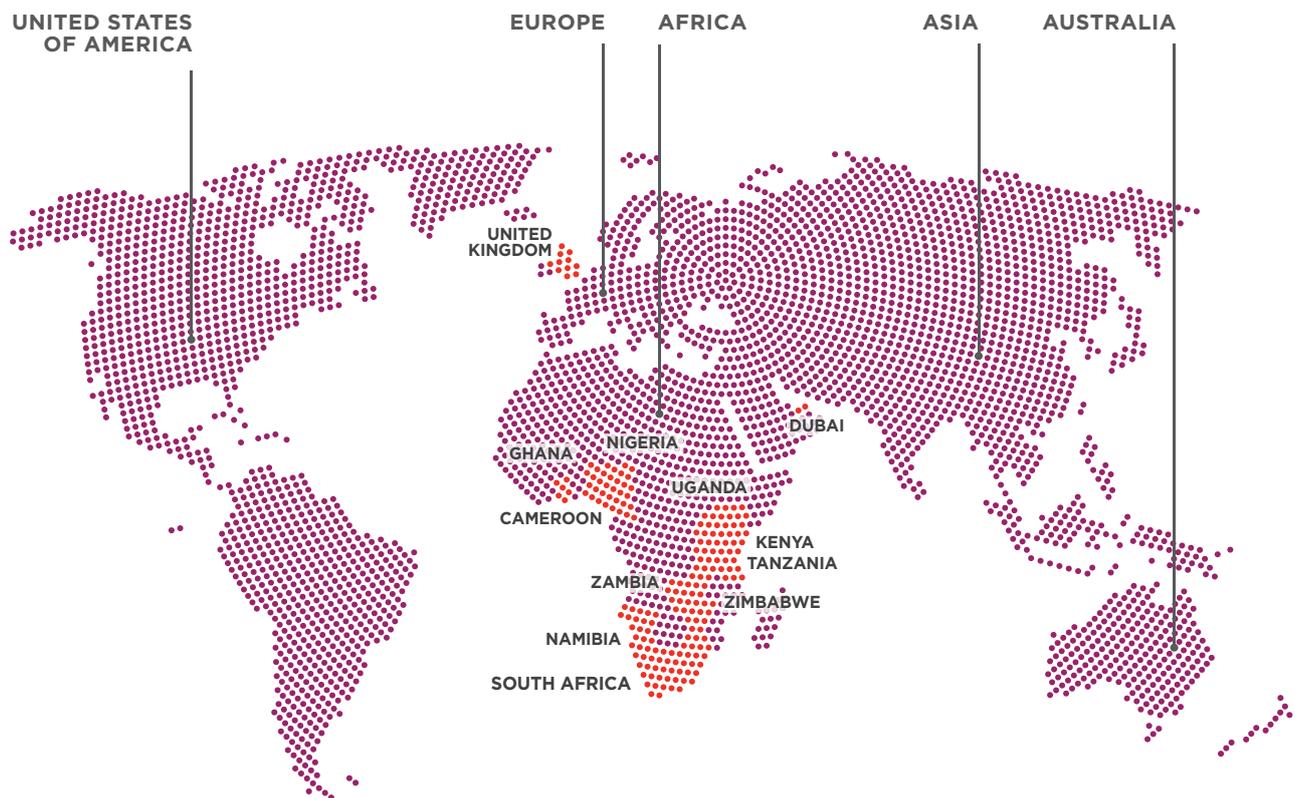
OUR SHARED VALUES

We are driven by our values:



WHERE WE OPERATE

AEEI's primary market remains in South Africa and we continue to expand our footprint into the rest of Africa. Outside South Africa we have a market presence in Asia, Europe, Dubai, Saudi Arabia, Spain, the UK, the USA, Ghana, Uganda, Zambia, Cameroon, Tanzania, Nigeria, Namibia, Kenya, Zimbabwe, Botswana, Ethiopia, Lesotho, Swaziland, Mozambique, Madagascar, Malawi and Mauritius.



WHO WE ARE – continued

KEY FACTS

3 May 1999

DATE OF LISTING
ON THE JSE

**V&A Waterfront,
Cape Town**

HEAD OFFICE

1

B-BBEE LEVEL

R2 206 114 059

MARKET
CAPITALISATION
AT 31 AUGUST 2018

889

NUMBER OF
PERMANENT
EMPLOYEES

(excluding new
acquisitions)

3 276

NUMBER OF
CONTRACTORS

29%

INCOME GENERATED
OUTSIDE SOUTH AFRICA

61.37%

MAJORITY
SHAREHOLDER
Sekunjalo Investment
Holdings (Pty) Ltd

73.72%

BLACK
OWNERSHIP

R7 362 276

TOTAL ASSETS 2017: 2 822 153 | 2016: 1 691 219

119 085

HEADLINE EARNINGS (R'000) 2017: 466 232 | 2016: 211 930

24.24

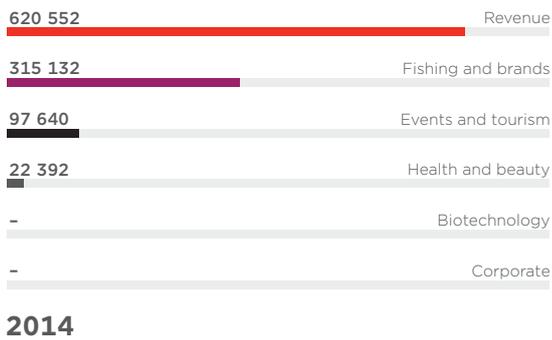
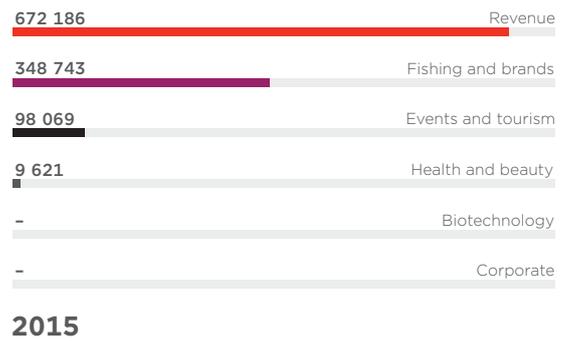
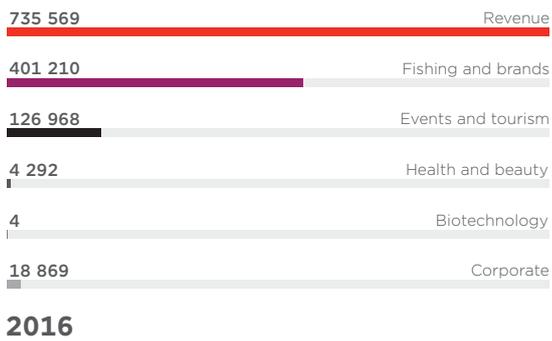
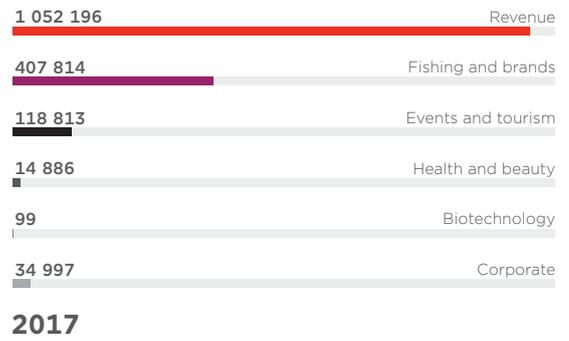
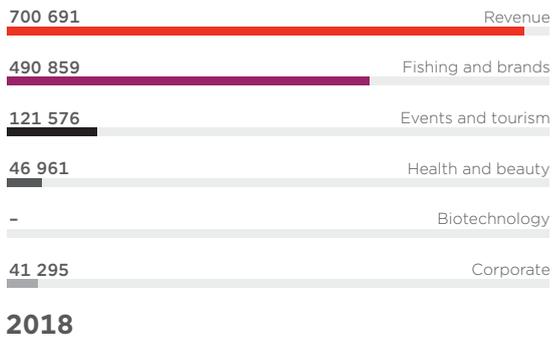
HEADLINE EARNINGS per share (cents) 2017: 94.89 | 2016: 43.13

43 238

DIVIDEND 2017: 25 804 | 2016: 12 283

WHO WE ARE – continued

REVENUE CONTRIBUTION PER DIVISION



OUR KEY PERFORMANCE INDICATORS (KPIs)

FINANCIAL KPIs	2018 TARGET	2018 ACHIEVEMENT	2019 TARGET
REVENUE GROWTH	20%	Achieved 22%	20% increase in revenue growth
PROFIT BEFORE TAX	20%	Achieved 852%	20% increase in operating profit
NET CASH FLOWS FROM OPERATING ACTIVITIES	15%	Achieved 64%	15% increase in cash flows
INCREASING NET ASSET VALUE	20%	Achieved 277%	20% increase in net asset value
GROWTH IN TOTAL ASSETS	20%	Achieved 164%	Grow total assets by 20%

NON-FINANCIAL KPIs	2018 TARGET	2018 ACHIEVEMENT	2019 TARGET
B-BBEE	Retain Level 1 status	Level 1 status	Retain Level 1 status
HEALTH AND SAFETY	Maintain zero fatalities	Zero fatalities	Maintain zero fatality
STAKEHOLDER RELATIONSHIPS	Increase communication to stakeholders	Increased communication to stakeholders	Increase stakeholder communication through various platforms
EMPLOYEE TRAINING AND DEVELOPMENT	Continue with training and development	426 employees undertook training	Continue with training and development

AEEI is recognised by its peers as a pioneer in promoting the interests of historically disadvantaged individuals (HDIs) and previously marginalised communities. The Group's commitment to transformation (including employment equity, skills development, social and enterprise development and corporate social investment), makes it a role model for B-BBEE.

AEEI has strong roots among HDIs and community organisations. These form the majority of the Group's shareholder base. Black ownership of AEEI exceeds 74.33% and most of its economic benefits are enjoyed by previously disadvantaged stakeholders.

WHO WE ARE – continued

WHAT SETS US APART

Vision 2020 Vision strategy, implementation plan with clear short, medium and long-term business strategies	Diversified business portfolio	Built on solid empowerment credentials and return on investment	Sustainable and organic growth while containing costs and driving efficiencies
Strong brand, credentials and proven delivery	Successful track record and excellent business reputation	Strong management team and experienced executives leading our business units	Hands-on approach in our business development strategy
Strong risk-based management of investments	Low debt and gearing ratio	Associates and strategic investment portfolio	B-BBEE partner of choice
Proven transformation culture and results	Rated as one of the JSE's most transformed companies	Investment in environmentally friendly products	Maintain our B-BBEE accreditation

OUR VALUE-CREATING BUSINESS MODEL

<div data-bbox="304 510 395 595" data-label="Image"> </div> <div data-bbox="276 620 437 680" data-label="Section-Header"> <h2>FINANCIAL CAPITAL</h2> </div> <div data-bbox="204 732 533 900" data-label="Text"> <p>Capital: R4.9bn Assets: R7.4bn Associate investments: R5.6bn Strategic investments: R420m</p> </div> <div data-bbox="189 1061 517 1108" data-label="Text"> <p> <i>Read more on page 5 of the online Sustainability Report.</i></p> </div>	<div data-bbox="759 510 831 595" data-label="Image"> </div> <div data-bbox="734 620 857 680" data-label="Section-Header"> <h2>HUMAN CAPITAL</h2> </div> <div data-bbox="643 732 970 871" data-label="Text"> <p>889 permanent employees (excluding recent acquisitions) Employment created for 3 276 contractors</p> </div> <div data-bbox="632 1061 954 1108" data-label="Text"> <p> <i>Read more on page 6 of the online Sustainability Report.</i></p> </div>	<div data-bbox="1193 510 1278 595" data-label="Image"> </div> <div data-bbox="1110 620 1355 680" data-label="Section-Header"> <h2>MANUFACTURED CAPITAL</h2> </div> <div data-bbox="1072 732 1415 1012" data-label="Text"> <p>Quality products Quality services Innovative organic products Capital investment in our businesses to increase capacity and efficiency Plant and equipment</p> </div> <div data-bbox="1067 1061 1390 1108" data-label="Text"> <p> <i>Read more on page 7 of the online Sustainability Report.</i></p> </div>
<div data-bbox="316 1196 391 1281" data-label="Image"> </div> <div data-bbox="248 1301 464 1361" data-label="Section-Header"> <h2>INTELLECTUAL CAPITAL</h2> </div> <div data-bbox="193 1424 544 1937" data-label="Text"> <p>Patents Copyrights Software licences Associate partnerships Strategic partnerships Empowerment partner of choice Software development Skill and experience of management and employees Consistently investing in training Collaborative research and development investments</p> </div> <div data-bbox="189 1984 517 2031" data-label="Text"> <p> <i>Read more on page 8 of the online Sustainability Report.</i></p> </div>	<div data-bbox="743 1196 844 1281" data-label="Image"> </div> <div data-bbox="627 1301 965 1361" data-label="Section-Header"> <h2>SOCIAL AND RELATIONSHIP CAPITAL</h2> </div> <div data-bbox="647 1424 965 1543" data-label="Text"> <p>Stakeholder engagement Leader in transformation Leader in social responsibility</p> </div> <div data-bbox="608 1984 976 2031" data-label="Text"> <p> <i>Read more on pages 9 and 10 of the online Sustainability Report.</i></p> </div>	<div data-bbox="1182 1196 1273 1281" data-label="Image"> </div> <div data-bbox="1158 1301 1303 1361" data-label="Section-Header"> <h2>NATURAL CAPITAL</h2> </div> <div data-bbox="1058 1424 1430 1610" data-label="Text"> <p>Responsible use of natural resources, effective environmental management systems, and long-term goals to address carbon emissions, water usage and electricity usage</p> </div> <div data-bbox="1067 1984 1394 2031" data-label="Text"> <p> <i>Read more on page 11 of the online Sustainability Report.</i></p> </div>

WHO WE ARE – continued

OUR RECENT AWARDS AND ACHIEVEMENTS

AEEI achieved the following:

<p>A top 10 JSE-listed Company in the Financial Mail's Top 100 JSE Companies for financial performance in 2016 and 2015</p>	<p>Winner – Highest Sustainability Data Transparency Index score – Financial Services sector in 2017 by the IRAS out of more than 300 Top JSE-listed companies</p>	<p>Accorded the honour to open the JSE in recognition of consistent financial growth over several years, as well as a strong trading period in the last 12 months, and recognised by its peers with several top awards and consistent financial performance – Raging Bull 2016</p>
<p>Level 1 B-BBEE status</p>	<p>Second place – Most Empowered Black-Owned Company 2017 – Empowerdex's most empowered JSE-listed companies</p>	<p>Winner of the Empowerdex Top 100 Most Empowered Companies in 2016</p>
<p>Winner of the Empowerdex Top 100 Empowered Management Control Company in 2016</p>	<p>Runner-up in the Empowerdex Most Empowered Black Ownership under the amended B-BBEE Codes of Good Practice</p>	<p>Impumelelo Certificate of Excellence Award – Top Empowered Companies – in recognition of our commitment to transformation in 2015</p>

FLOW OF INCOME AND EXPENSES

INCOME	<ul style="list-style-type: none"> Income is generated through the sales of products and services provided Management fees
OTHER INCOME	<ul style="list-style-type: none"> Associate income is generated through our investments in non-controlling shareholdings Private equity income is derived from the realisation or revaluation of investments and dividends received: <ul style="list-style-type: none"> Includes private equity income and fair-value adjustments, among others Fair-value adjustments arise from the revaluation of our investments on our balance sheet.
EXPENSES	<ul style="list-style-type: none"> We invest in our operations through infrastructure, technology and marketing We also invest in developing, motivating and retaining employees
IMPAIRMENT CHARGES	<ul style="list-style-type: none"> Intangible assets, goodwill and loans are subject to impairment testing and written down to the recoverable amount
TAX	<ul style="list-style-type: none"> Taxation is the regulatory requirement to pay direct and indirect taxes

WHO WE ARE – continued

OUR INVESTMENT PHILOSOPHY

AEEI'S HIGH-LEVEL INVESTMENT PHILOSOPHY IS TO:

- hold a diverse portfolio of investments in businesses;
- acquire control of the majority of its operational investments;
- acquire and maintain non-controlling stakes in its associates;
- acquire and maintain non-controlling stakes in strategic investments;
- add value, influence business processes, provide management expertise and synergies with existing investments;
- provide capital investment to grow the business;
- ensure above-market shareholder returns; and
- provide and maintain high-quality infrastructure and assets.

AEEI HAS A TRACK RECORD OF BEING AN EMPOWERMENT PARTNER OF CHOICE. AEEI INVESTS IN COMPANIES WITH THE FOLLOWING CHARACTERISTICS:

- Strong investment partners that are aligned with our strategic objectives
- Leading brand in its fields
- Defined growth strategy

RISKS RELATED TO OUR ACTIVITIES



RISK

- Financial
- Strategic
- Economic
- Human resources
- Technology
- Legal
- Environmental
- Operational



Refer to governance of risk management on pages 28 to 35 of the online corporate governance report for further information on the above risks.

PRODUCTS AND SERVICES PROVIDED BY THE GROUP

Through our various divisions, the following products and services are provided:

 <p>FISHING AND BRANDS</p>	<p>Sales, marketing and production of west coast rock lobster, south coast rock lobster, longline hake, squid, fishmeal, abalone and Seagro (organic fertiliser).</p>
 <p>EVENTS AND TOURISM</p>	<p>Events management, travel solutions as well as advertising and sponsorship income through the radio station.</p>
 <p>HEALTH AND BEAUTY</p>	<p>Manufacture, sales and marketing of an extensive range of natural products that are human, animal and plant safe and internationally recognised in the food, agriculture, hygiene and general health sectors. Imports and distributes four cosmetic brands from Europe and is the sole distributor of these products in Southern Africa.</p>
 <p>BIOTHERAPEUTICS</p>	<p>Focuses on healthcare applications and more specifically on the production of biopharmaceutical products (those that are derived from living genetically modified cells and are of a protein or carbohydrate nature).</p>
 <p>TECHNOLOGY (ASSOCIATES)</p> 	<p>The information and communications technology (ICT) group is a B-BBEE ICT group that provides effective business solutions and services that enhance business performance in government and to corporate customers. The ICT group comprises businesses that are leaders in their respective niche markets, have solid client bases and have achieved high levels of sustained organic growth. They offer numerous end-to-end solutions to a host of industries and continually adapt to the local and international ICT landscape. The process of adaptation was enabled by acquiring new businesses, partnerships and sourcing innovative technology within its existing portfolio.</p>

 *The above excludes our strategic investment portfolio. For further information refer to pages 114 to 134 of our responsible investments report.*

GROUP STRUCTURE



FISHING AND BRANDS



EVENTS AND TOURISM



HEALTH AND BEAUTY



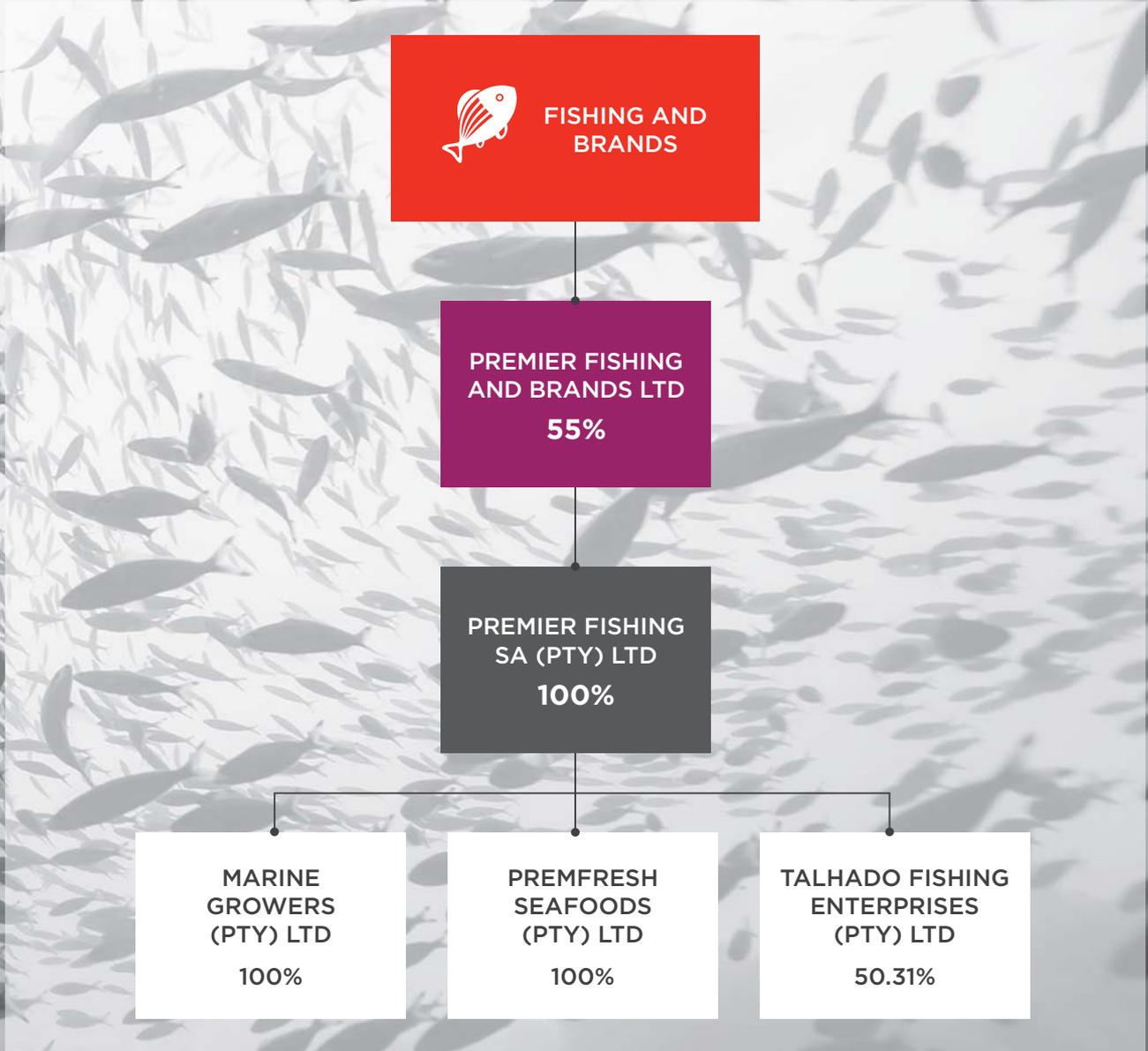
BIOTHERAPEUTICS



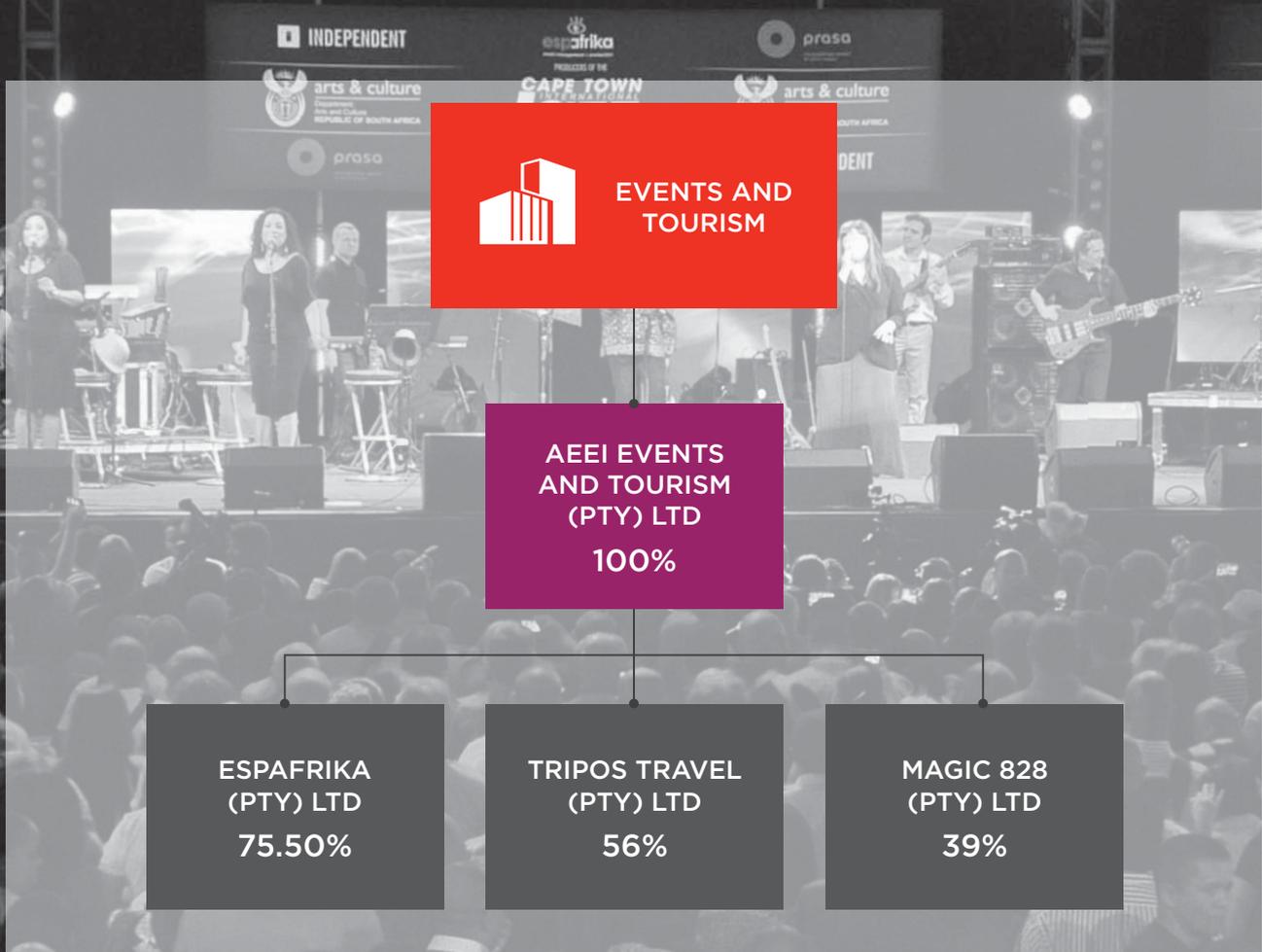
TECHNOLOGY (ASSOCIATES)

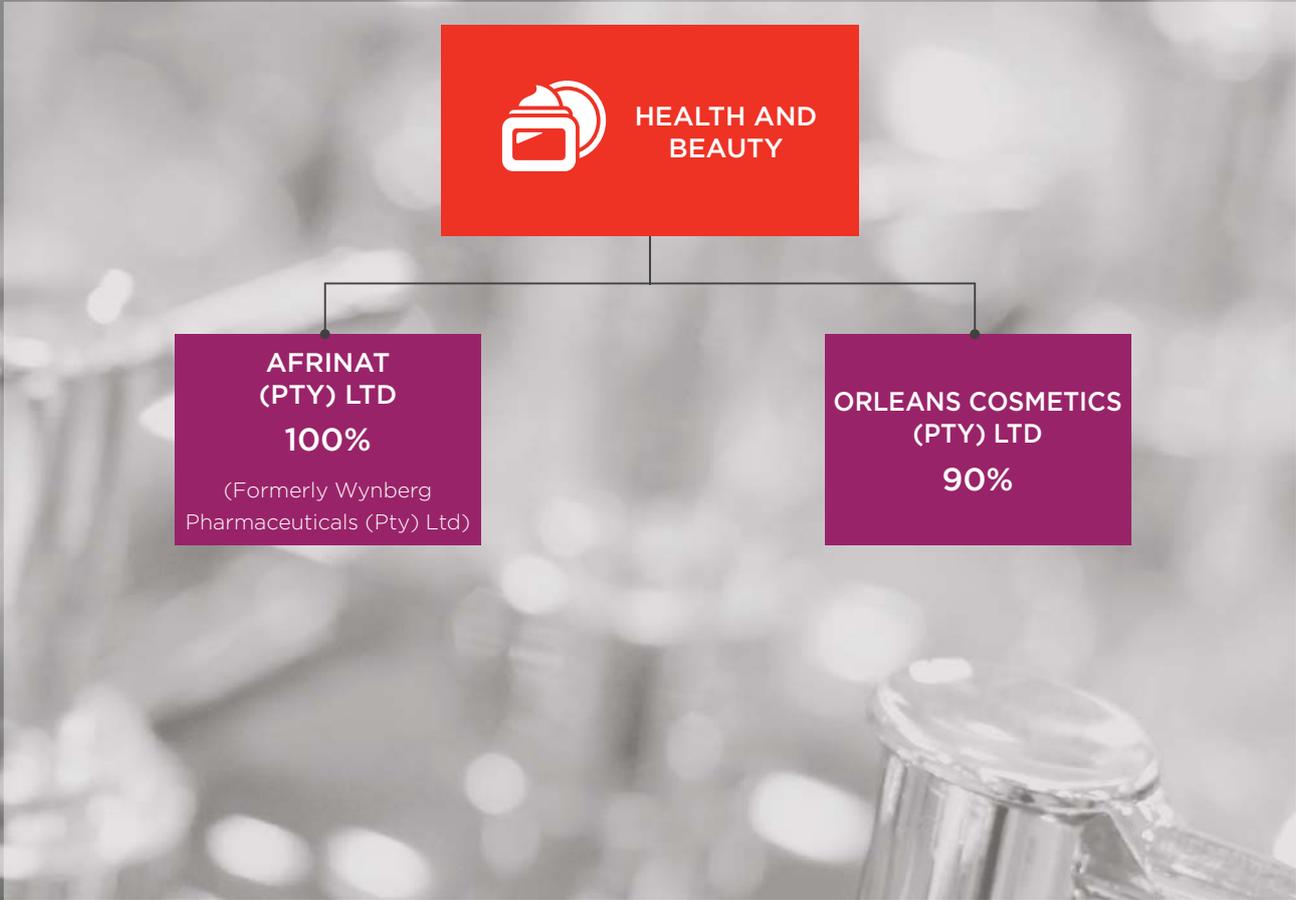


STRATEGIC INVESTMENTS

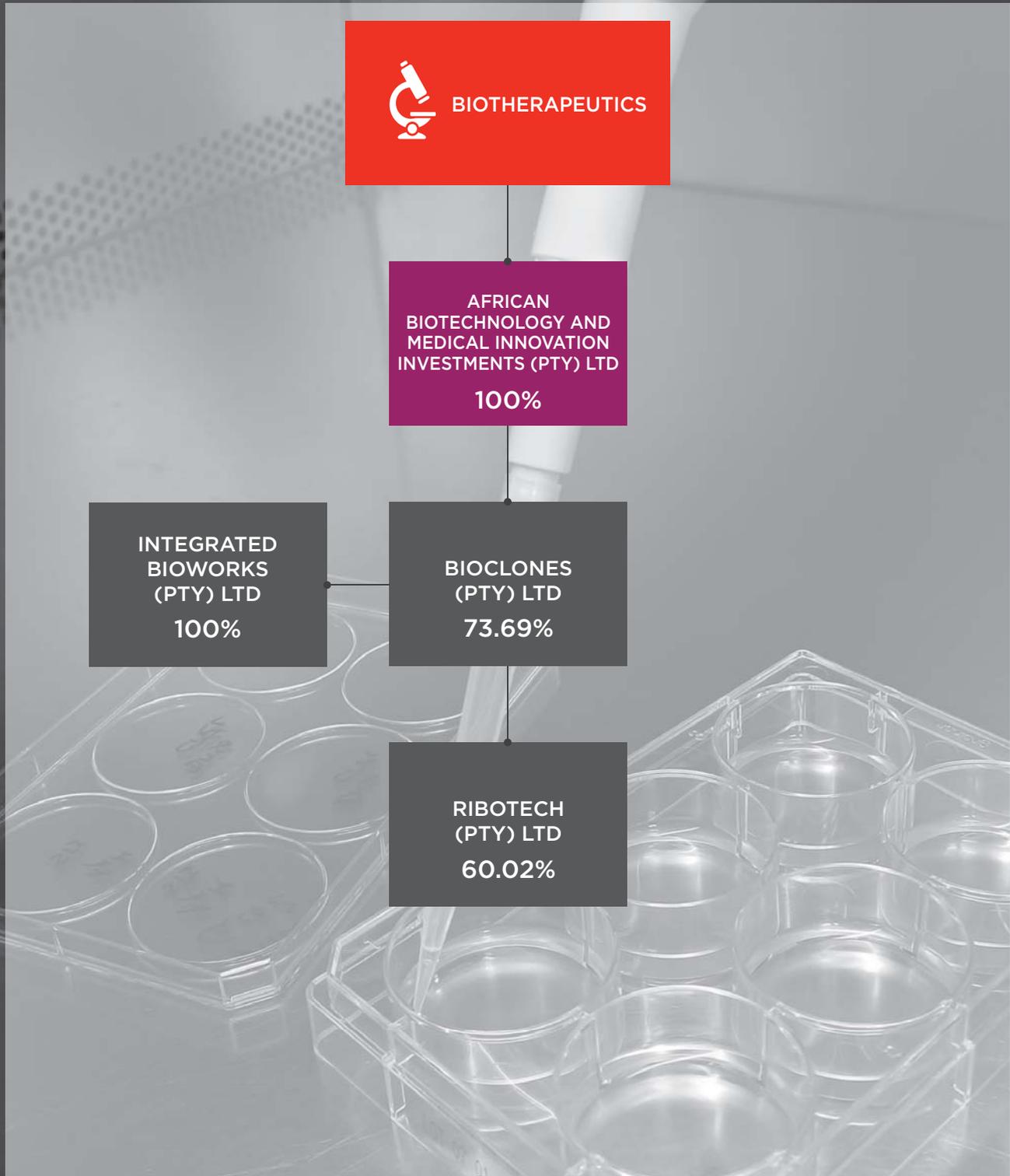


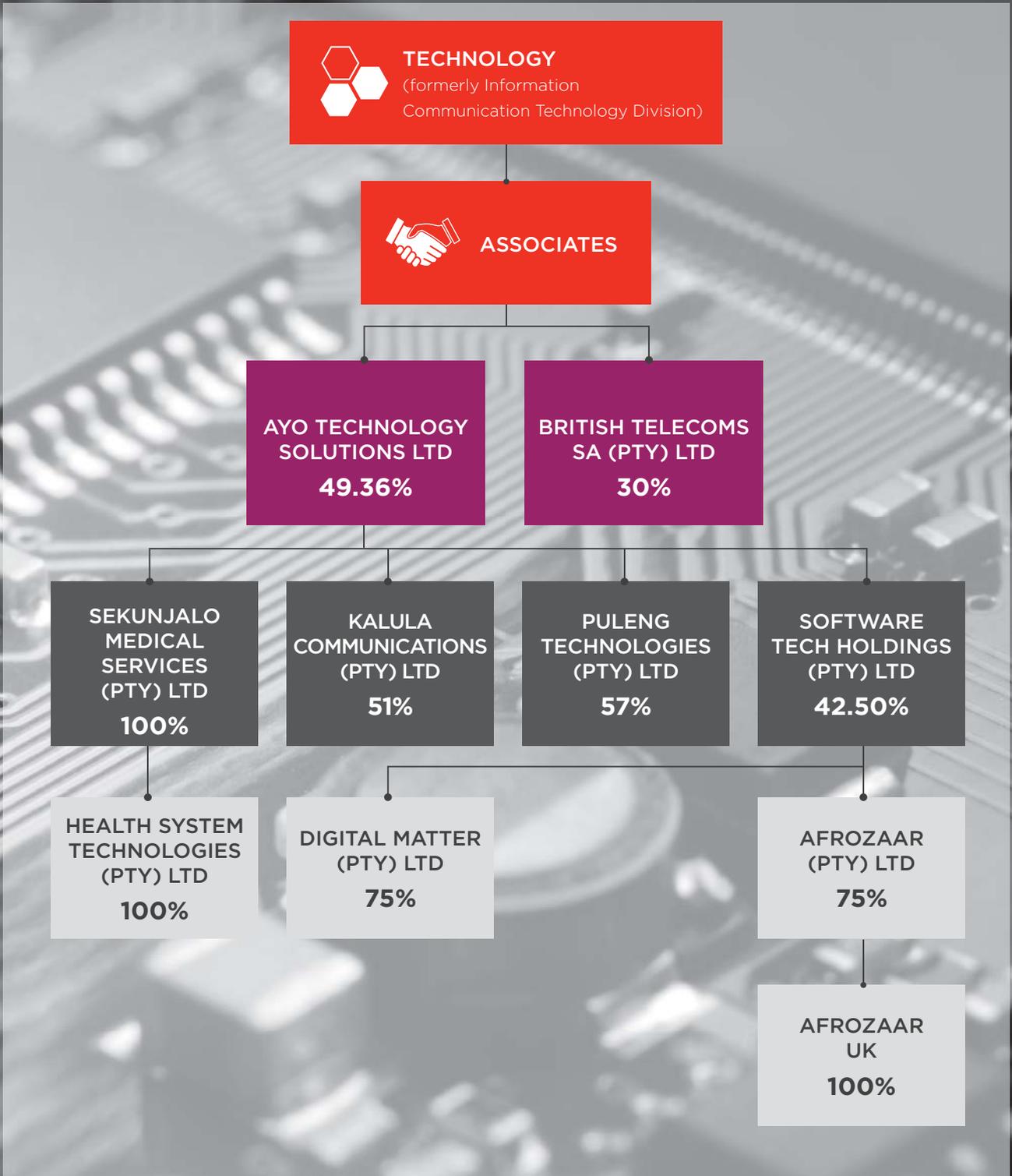
GROUP STRUCTURE – continued



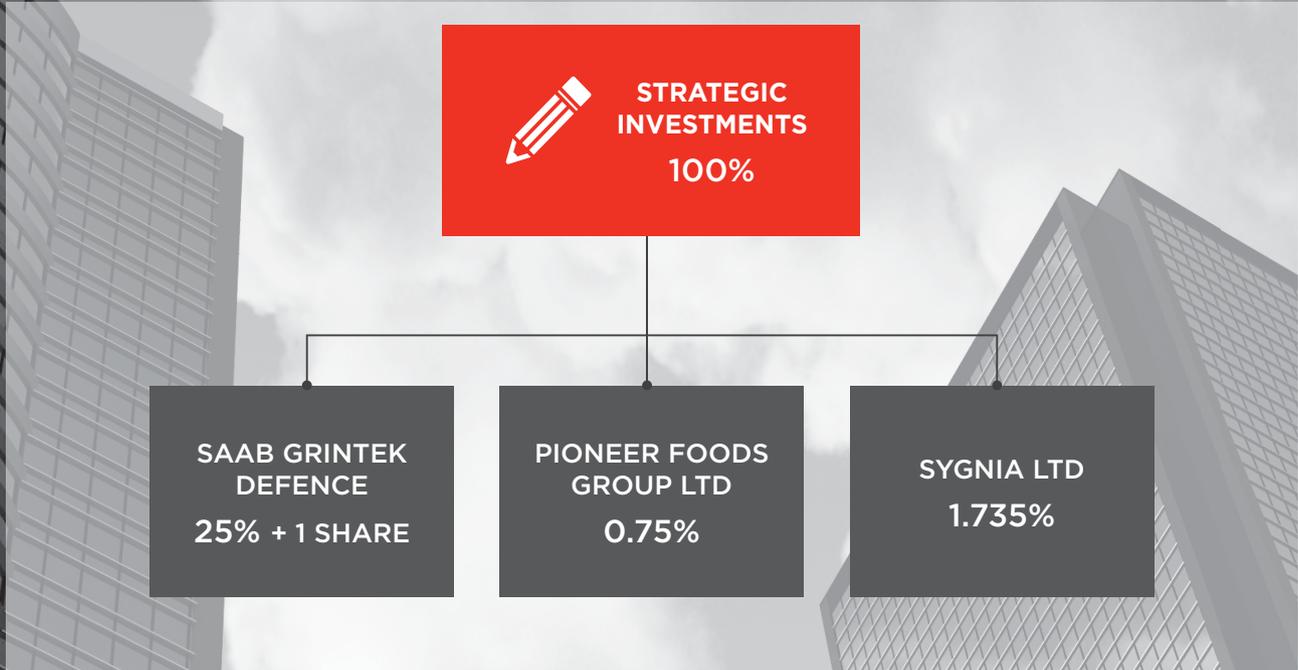


GROUP STRUCTURE – continued





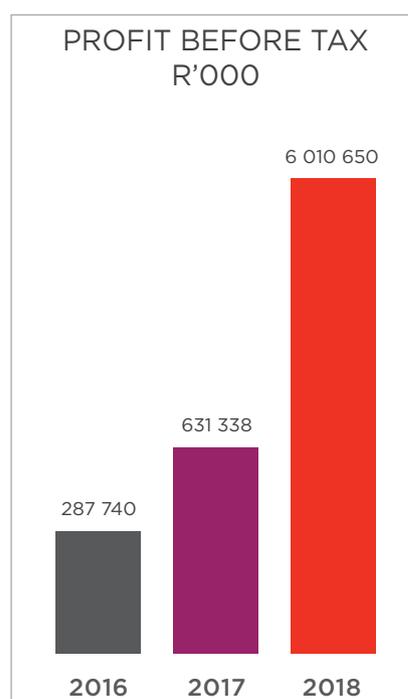
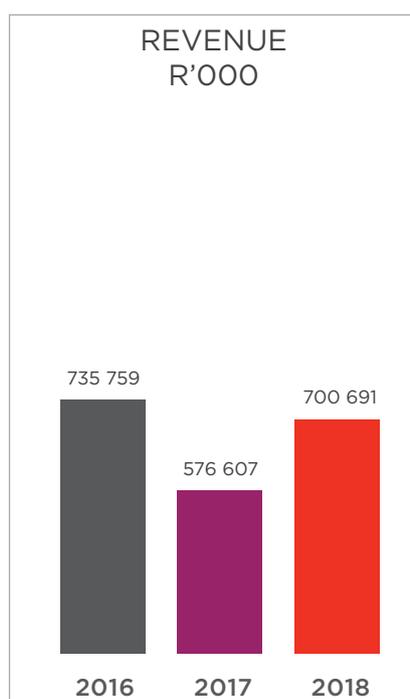
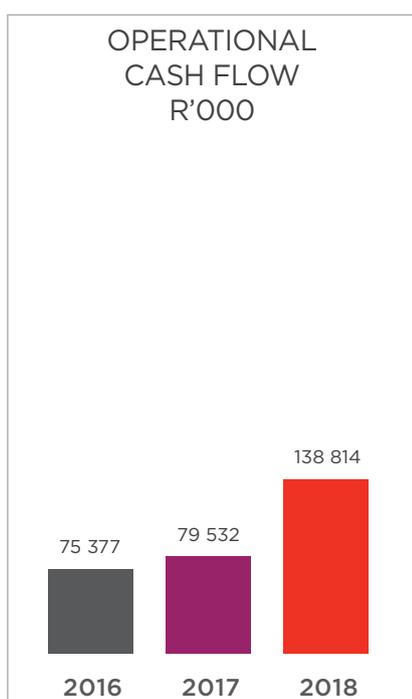
GROUP STRUCTURE – continued



FINANCIAL HIGHLIGHTS

	2018 R'000	Restated* 2017 R'000	2016 R'000	2015 R'000	2014 R'000
Revenue*	700 691	576 607	735 759	672 185	620 549
Profit before tax*	6 010 650	631 338	287 740	185 747	108 192
Profit after tax (including portion attributable to non-controlling interests)*	5 107 394	528 672	208 527	149 256	102 433
Headline earnings*	119 085	466 232	211 930	152 615	78 552
Net asset value - Group	5 665 049	2 038 120	1 001 035	804 549	665 072
Net asset value - Company	5 199 458	1 978 739	1 844 846	969 438	787 220
Total assets - Group	7 362 276	2 822 153	1 691 219	1 345 471	1 178 084
Total assets - Company	6 770 390	2 605 945	2 415 582	1 247 695	1 005 834
Earnings per share (cents)*	1 016.01	97.10	44.09	31.12	19.76
Headline earnings per share (cents)*	24.24	94.89	43.13	31.06	16.03
Net asset value per share - Group (cents)	999.25	260.00	186.52	144.93	115.81
Net asset value per share - Company (cents)	1 058.22	402.72	375.47	197.31	160.22

* These items have been restated.



FIVE-YEAR REVIEW

STATEMENT OF FINANCIAL POSITION

	2018 R'000	2017 R'000	2016 R'000	2015 R'000	2014 R'000
ASSETS	7 362 276	2 822 153	1 691 219	1 345 471	1 178 084
Property, plant and equipment	324 229	154 527	147 086	153 422	138 266
Intangible assets and goodwill	364 054	466 967	395 472	396 529	391 836
Investments, loans and other receivables	6 007 710	1 216 141	868 151	530 406	429 238
Deferred tax assets	9 158	17 578	17 310	16 162	11 901
Current assets	657 125	966 940	263 200	228 952	204 991
EQUITY	5 665 049	2 038 114	1 001 035	804 549	665 072
Equity attributable to equity holders of the parent	4 909 691	1 277 487	916 452	712 106	569 036
Non-controlling interest	755 358	760 627	84 583	92 443	96 036
LIABILITIES	1 697 227	784 033	690 184	540 922	513 012
Non-current financial liabilities	208 605	250 256	265 210	115 622	137 446
Deferred tax liabilities	1 278 257	211 046	299 102	239 015	210 489
Current liabilities	210 365	322 376	130 176	186 285	165 077
Liabilities of disposal	-	(360)	-	20 000	1 852
Net asset value					
Group	5 665 049	2 038 120	1 001 035	804 549	665 072
Company	7 291 224	1 978 739	1 844 846	969 439	787 220
Net asset value per share (cents)					
Group	999.25	260.00	186.52	144.93	115.81
Company	1 483.95	402.72	375.47	197.31	160.22

STATEMENT OF COMPREHENSIVE INCOME

	2018 R'000	Restated* 2017 R'000	2016 R'000	2015 R'000	2014 R'000
Revenue*	700 691	576 607	735 569	672 185	620 549
Profit before depreciation and amortisation (EBITDA)*	6 026 353	655 379	331 068	208 841	118 128
Profit before taxation*	6 010 650	631 338	287 740	185 747	108 192
Taxation	(1 062 789)	(155 029)	(79 332)	(36 491)	(5 759)
Profit for the year from continuing operations*	4 947 861	487 598	216 504	149 256	102 433
(Loss)/profit for the year from discontinued operations*	159 533	41 074	119	-	-
Profit for the year	5 107 394	528 672	208 527	149 256	102 433
Attributable to:					
Equity holders of the Company	4 992 064	477 089	216 623	152 897	96 802
Minority interests	115 330	51 583	(8 096)	(3 641)	5 631
Headline earnings	119 085	466 232	211 930	152 615	78 552
	cents	cents	cents	cents	cents
Earnings per share	1 016.01	97.10	44.09	31.12	19.76
Headline earnings per share	24.24	94.89	43.13	31.06	16.03
Diluted earnings per share	1 016.01	97.10	44.09	31.12	19.76

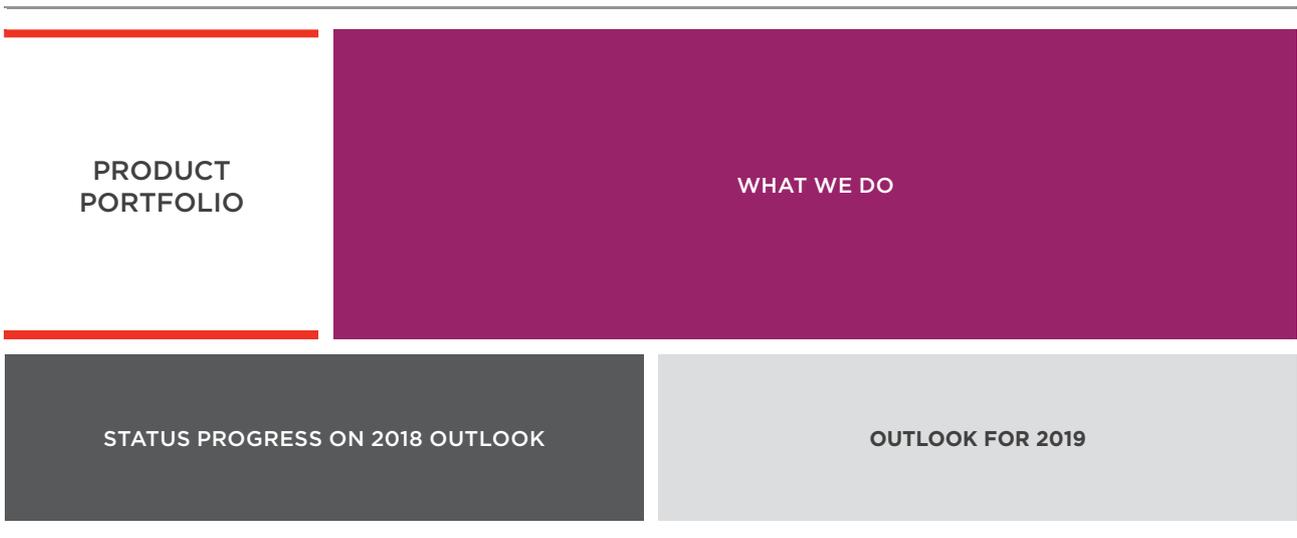
CREATING SHARED VALUE FOR SUSTAINABLE OUTCOMES

IN THE SHORT, MEDIUM AND LONG-TERM

African Equity Empowerment Investments Limited is a leading black economic empowered JSE-listed company that creates value for its stakeholders through its innovative and sustainable business model, concise strategy, diverse product portfolio, through our subsidiaries, associates and strategic investments, complemented by our experienced and empowered leadership team focuses on stakeholder wealth creation as well as our communities.

SEGMENTAL OVERVIEW

RESPONSIBLE INVESTMENTS





FISHING AND BRANDS

WHAT WE DO

Premier Fishing and Brands Ltd (Premier) listed on the JSE in March 2017. Premier Fishing SA (Pty) Ltd, a division of Premier Fishing and Brands, is the largest 100% black-owned fishing Company in South Africa. The Premier Group holds medium to long-term fishing rights in west coast rock lobster, south coast rock lobster, small pelagics, hake deep sea trawl, hake longline and squid. The Premier Group owns an abalone farm and also invests in organic agriculture and processes wild abalone.

STATUS PROGRESS ON 2018 OUTLOOK

- A 20% increase in revenue to R491m from R411m in 2017
- Delivered sustainable returns to shareholders – *achieved and ongoing*
- The acquisition of a 50.31% stake in Talhado Fishing Enterprises (Pty) Ltd – *achieved**
- The construction of the hatchery at the abalone farm was completed and is anticipated to produce six million animals per year – *achieved*
- Doubled the spat production on the existing hatchery at the abalone farm – *ongoing**
- 40 tons of additional holding capacity was installed for the farmed abalone – *achieved*
- Increased factory utilisation through the newly established trading operation – *achieved and ongoing*
- Implemented a centralised procurement for the entire Group – *achieved and ongoing*
- Abalone farm – 150 tonnes production capacity near completion – *ongoing*
- Employment created for 60 people at the abalone farm – *ongoing*
- Continue with the expansion of the abalone farm through a phased approach – *ongoing*
- Increase abalone spat production once expansion of the abalone farm is complete – *ongoing*
- Further installation of renewable energy through a phased approach – *ongoing*
- Continuous growth of outside quota holders – *ongoing*
- Explore growth opportunities in the market – *ongoing*
- Product diversification to further penetrate foreign markets – *ongoing*
- Procure fish species for local and international markets and enhance marketing capacity – *ongoing*
- Assisted small businesses to grow and add value – *achieved and ongoing*
- Continued to drive an efficient cost base – *achieved and ongoing*
- Enhanced planning to increase catch rates – *achieved and ongoing*
- Acquisition of small to medium-sized fishing companies – *ongoing*

OUTLOOK FOR 2019

- Deliver sustainable returns to shareholders
- Create employment for 200 people at the abalone farm
- Acquisition of additional small to medium-sized fishing companies
- Continue with the expansion of the abalone farm through a phased approach
- Further increase abalone spat production once expansion of the abalone farm is complete
- Complete the canning factory at the abalone farm
- Further installation of renewable energy through a phased approach
- Continuous growth of outside quota holders
- Explore growth opportunities in the market
- Product diversification to further penetrate foreign markets
- Explore the procurement of fish species for local and international markets
- Explore the enhancement of the Group's marketing capacity
- Explore other growth opportunities that exist in the market with outside quota holders
- Continue to explore innovative fishing and production techniques

* Not included in the Outlook for 2018, but has been achieved.



CREATING SHARED VALUE FOR SUSTAINABLE OUTCOMES – continued



EVENTS AND TOURISM

WHAT WE DO

This division features a cutting-edge global competitive company in events management and travel solutions. Over the past decade, the events company staged international music festivals throughout Africa and under the Cape Town International Jazz Festival brand; the festival has been named the fourth best jazz festival worldwide. In 2016 it was voted one of the World's Best Festivals by FEST 300 and voted the Best Festival in Cape Town in the OFLOCAL 2015 poll. Included in this division is a travel and tourism company and a Medium Wave commercial music radio station.

STATUS PROGRESS ON 2018 OUTLOOK

- Successfully launched new music events – *achieved and ongoing*
- Further develop the Royal Escape Experience Brand – *ongoing*
- Secure sponsorship for existing and new events – *ongoing*
- Expand into new markets outside South Africa – *ongoing*
- Continue working on customer service through educational trips, training and workshops for employees – *achieved and ongoing*
- Meet performance targets in the travel sector – *partially achieved and ongoing*
- Grow the corporate client market in the travel sector – *ongoing*
- Work towards further extending our footprint outside the Western Cape in the long-term – *achieved and ongoing*
- Develop, promote and sell outbound travel packages – *ongoing*
- Increase brand awareness and listenership – *ongoing*
- Extend broadcasting via programming – *ongoing*
- Increase advertising – *ongoing*
- Increase their broadcast area – *ongoing*
- Further growth in listenership – *ongoing*

OUTLOOK FOR 2019

- Successfully launch new music events
- Continue to develop the Royal Escape Experience Brand
- Secure sponsorship for existing and new events
- Expand into new markets outside South Africa
- Develop, promote and sell inbound packages for Southern Africa
- Evaluate prospects for acquisitions in the inbound tourism sector
- Promote and sell outbound leisure packages
- Work closely with suppliers to provide the best deals to clients
- Sell niche packages for the Harley Davidson Tours
- Grow the corporate client market in the travel sector
- Continue to work towards further extending our footprint outside the Western Cape in the long-term
- Develop, promote and sell outbound travel packages
- Further increase brand awareness and listenership
- Look at opportunities to expand Magic828 through government business
- Extend broadcasting via programming
- Increase advertising
- Perform at various community events
- Continue to explore joint ventures in marketing and advertising
- Increase their broadcast area by going digital
- Explore an e-Entertainment magazine with another entity



More information on page 117.



HEALTH AND BEAUTY

WHAT WE DO

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

STATUS PROGRESS ON 2018 OUTLOOK

- Conclude joint venture negotiations in two sectors - *ongoing*
- Expand into new sectors with innovative products - *ongoing*
- Retention of business - *ongoing*
- Expand into new markets outside South Africa - *achieved and ongoing*
- Work towards a future listing - *ongoing*
- Focus on strengthening cosmetic brands - *achieved and ongoing*
- Explore additional agencies in fragrance and make-up - *ongoing*
- Moved from research to commercialisation - *achieved**
- Introduction and successful registration of 15 products - *achieved**
- Introduction of pre-harvest products - *achieved and ongoing**
- Growth in the hygiene and sanitation sector - *achieved and ongoing**

OUTLOOK FOR 2019

- Growth of product portfolio into other sectors
- Conclude joint venture negotiations in various sectors
- Expand into new sectors with innovative products
- Retention of business
- Expand into new markets outside South Africa
- Work towards a future listing
- Focus on strengthening brands presence
- Explore additional agencies in fragrance and make-up
- Launch exclusive agencies in fragrance
- Work towards launch of make-up to retailers
- Diversify products and markets

* Not included in the Outlook for 2018, but has been achieved.

 More information on page 124.

CREATING SHARED VALUE FOR SUSTAINABLE OUTCOMES – continued



BIOTHERAPEUTICS

WHAT WE DO

This division researches and develops biopharmaceuticals and biosimilars for commercialisation, and also healthcare applications for the production of biopharmaceutical products.

STATUS PROGRESS ON 2018 OUTLOOK

- Work towards a future listing of the business – *ongoing*
- Pre-clinical work on breast cancer – *ongoing*
- Infrastructure and facility improvements – *ongoing*
- Regulatory and preparation process validation for production – *ongoing*
- Development work on cancer immunotherapy – *ongoing*
- Development for biosimilar drug – *ongoing*
- Production of protein-based reagents for use in research laboratories and industrial applications – *ongoing*

OUTLOOK FOR 2019

- The Company is finalising negotiations with an international partner to add four additional products to their portfolio of biosimilars
- This partnership entails a technology transfer to facilitate more efficient production of all products and final formulation which negates the need for cold chain
- Support from government to develop skills in this sector and increase employment in order to provide lower healthcare costs
- All approvals have been met for phase 1 human clinical trial in breast cancer patients and trial work is scheduled for 2019
- Pre-clinical work on other diseases such as incurable tuberculosis and lung cancer has started, with three additional cancers to follow in 2019



More information on page 129.



WHAT WE DO

The Group's subsidiary, AYO Technology Solutions Ltd (AYO) was listed on the main board of the JSE on 21 December 2017 as a leading B-BBEE ICT company with strong management expertise and a sound track record. Subsequent to the listing, AYO became an associate on 24 August 2018 as AEEI now owns 49.36% of AYO.

The AYO Group comprises businesses that are leaders in their respective niche markets with solid client bases and that have achieved high levels of sustained organic growth.

AYO is a B-BBEE ICT Group offering numerous end-to-end solutions to a host of industries. The AYO Group was established in 1996 and has evolved by continually adapting to the local and international ICT landscape. The process of adaptation was enabled by acquiring new businesses, partnerships and sourcing innovative technology within its existing portfolio.

AYO, through its divisions, subsidiaries and partners, provides solutions to both the public and private sectors within South Africa and abroad, with its private sector client base comprising mostly blue chip multinationals. The AYO Group maintains strong relationships and holds key value-added reseller or supplier agreements with principles such as Nokia Siemens Networks South Africa (Pty) Ltd, InterSystems Corporation, Cisco Systems, Microsoft Corporation, IBM and Riverbed Technology Inc., which provide the Group with continuous access to up to date technology.

The AYO Group has a strategic relationship with BT Communications Services South Africa (Pty) Ltd (BT). Their solutions include: specialist provider of optimised and integrated healthcare ICT solutions; network services; collaboration services, including Immersive Telepresence, Managed local area network (LAN) and information processes and technology (IPT) Services, System Integration, Enterprise Security Management, Converged Infrastructure, Enterprise Storage Management, Efficiency and Waste Management, Audio Technology Provider and Unified Communications; mobile solutions; strategic digital services; and asset tracking.

STATUS PROGRESS ON 2018 OUTLOOK

- Expanded on Proof of Concept implementation and established an Electronic Health Record (EHR) in African countries – *achieved*
- Expanded clinical functionality at existing clients and explored data warehouse solutions: Version 2 of Electronic Continuity of Care delivered in 2018 and ongoing Research and development on EHR – *achieved*
- Expanded into the South African private healthcare ICT sector – *achieved*
- Developed and continue to develop opportunities to become a technology provider of choice – *achieved and ongoing*
- Explored the acquisition of companies with complementary technologies and services while growing organically through new developments – *achieved and ongoing*
- Expanded into new sectors with innovative products, and also developed and continued implementing a Health Insurance Management system for the Nigerian National Health Insurance in Kano – *achieved*
- Retained and also grew business at existing clients in the UK's in-country digital partnership manager – *achieved and ongoing*

OUTLOOK FOR 2019

- Expand product portfolio to increase revenue
- Expand client base into fuel and non-fuel tanker fleets
- Expand into new sectors with innovative products
- Further develop opportunities to become a technology provider of choice
- Retain business won and continue to grow client base
- Further expand into new global markets
- Continue to expand on Proof of Concept implementation and establish an EHR in African countries

CREATING SHARED VALUE FOR SUSTAINABLE OUTCOMES – continued

STATUS PROGRESS ON 2018 OUTLOOK (continued)

- Expanded UK client base – *achieved*
- Defined a larger product strategy and marketing campaign to educate and influence targeted markets – *achieved*
- Productisation of platforms for self-service trials and activation (defined a world-first comprehensive digital publishing suite of products: The Publisher's Toolbox) – *ongoing**
- Establish strategic partnerships with respective cloud service providers – *achieved**
- Transition from digital marketing agency to digital transformation advisory – *achieved**
- Tracking revenue continues to grow – *achieved and ongoing*
- New InsOne customers and expanded their footprint in key accounts*
- New customers in Africa (i.e. Angola and Namibia) – *achieved*
- Delivered sustainable returns to shareholders – *achieved and ongoing*
- Well controlled and managed operating expenses – *achieved and ongoing*
- Increased effort in customer engagement resulted in increased revenue – *achieved*
- Penetrated the lower end of the market to cater for smaller contact centres and unified communications customers – *achieved*

OUTLOOK FOR 2019 (continued)

- Develop further opportunities to become a technology provider of choice
- Continue to explore the acquisition of companies with complementary technologies and services while growing organically through new developments
- Continue expansion in consulting service offerings in the international market and improve market positioning
- Grow product portfolio in the digital publishing and marketing sector
- Create and use a unique, consistent and persuasive consulting experience that attracts new clients and engages existing clients
- Grow the footprint of certain projects into the rest of the clients' operations

* Not included in the Outlook for 2018, but has been achieved.

 More information on page 132.



STRATEGIC INVESTMENTS

WHAT WE DO

The Group's strategic investments consist of stakes in Saab Grintek Defence (Saab), Pioneer Foods Group (Pioneer Foods) and Sygnia Ltd.

2018 PROGRESS

- Reviewed further business opportunities within our current strategic investments – *ongoing*
- Increase stakes in existing strategic investments – *ongoing*
- Continued to look for and explore further opportunities in new strategic investments – *ongoing*
- Acquire further strategic investments – *ongoing*

OUTLOOK FOR 2019

- Continue to review further business opportunities within our current strategic investments
- Look at opportunities to increase our stakes in existing strategic investments
- Explore opportunities to acquire further strategic investments
- Continue to pursue opportunities in new strategic investments

 More information on page 135.

VISION 2020 VISION

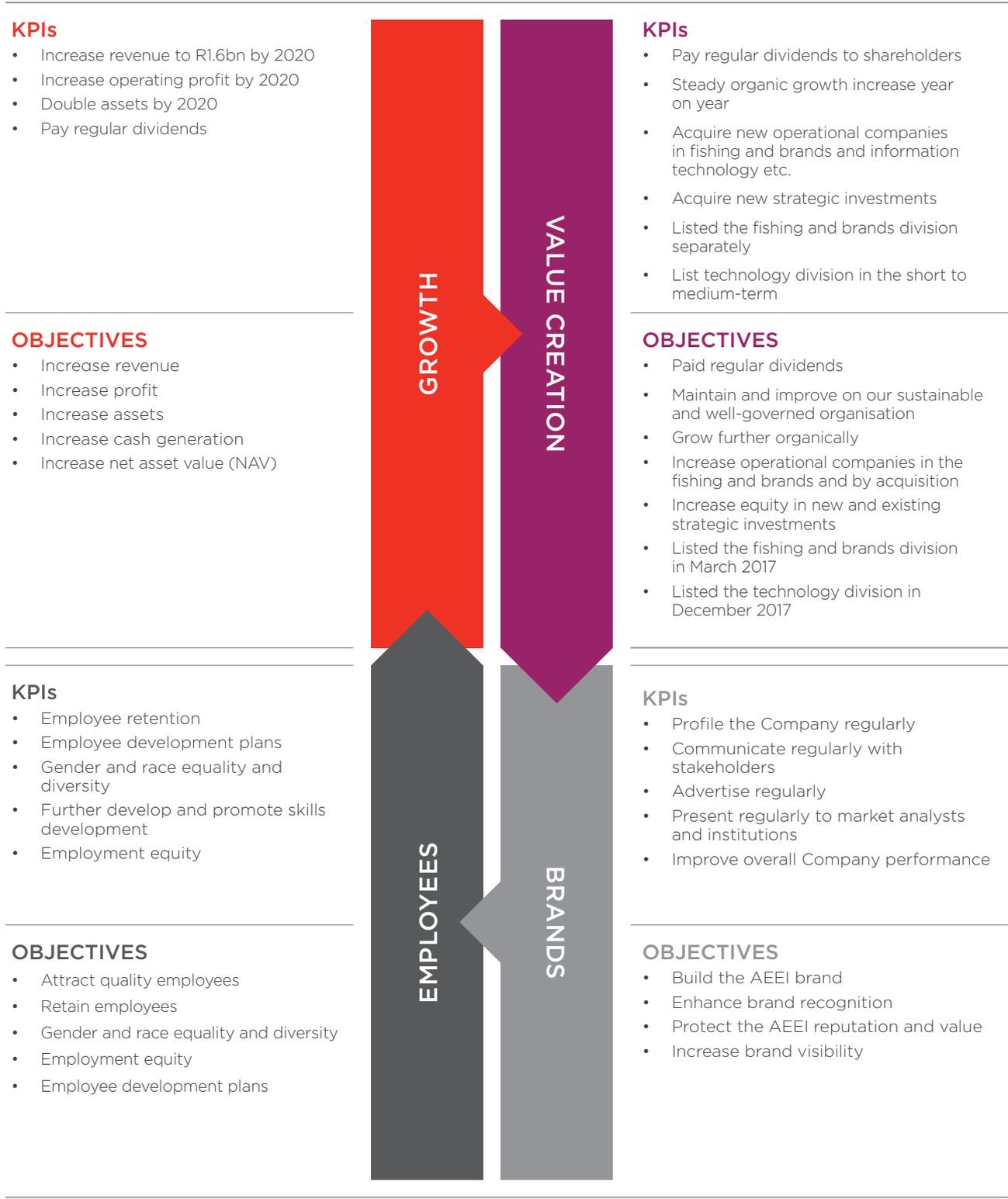
ORGANISATIONAL STRUCTURE



VISION 2020 VISION – continued

BUSINESS MODEL AND STRATEGIC OBJECTIVES

CREATING STAKEHOLDER VALUE



OUR STRATEGY TO 2018 AND VISION 2020 VISION

“The future belongs to those who see possibilities before they become obvious.”

John Scully

AEEI's business model, investment approach and philosophy resulted in it acquiring control of the majority of its operational investments as well as holding a significant minority stake in its associates and minority equity in strategic investments. This enables AEEI to add value through its extensive expertise and networks, while promoting a cascading entrepreneurial culture from management down to our employees. Through our assets and investments, we drive the businesses to become efficient on a sustainable basis, which generates revenue, dividends and cash flow to support the Group as a whole.

The Group's businesses remain on track to deliver on its growth plans and goals towards achieving its Vision 2020 Vision strategic plan for the 2020 financial year.

Through AEEI's achievement of economic growth and its social contract, it remains one of the few companies to have consistently topped the rankings in its sectors overall over the past few years. As a result of AEEI being recognised for its leadership qualities in the transformation of society and its innovative business model in South Africa, the Company continues to be invited to participate in a number of global forums and multilateral organisations.

One of AEEI's key strategic objectives is to create sustainable value for all its stakeholders and to integrate sustainable development into its strategy, governance, management and reporting, with the objective of reducing the negative impact on the environment.

AEEI's financial strategy is to grow through acquisitions and to leverage the existing portfolio by maximising the net asset base and improving cash generation, thereby growing income sustainably and managing its costs.

AEEI's strategic approach to risk is to regularly assess whether the risk process is effective in identifying and evaluating risks and to determine whether the business operations have managed the risks in line with the Group's strategy while considering mitigation action and the overall sustainability of the business.

The Board of directors delegated the action plans to the Group's executive management for implementation with clear deliverables. The Group's executives provide feedback at the quarterly Board meetings on progress made.

The following high-level KPIs are ongoing in terms of our Vision 2020 Vision:

- Double revenue
- Increase operating profit substantially
- Increase operational cash flow significantly
- Increase NAV significantly
- Substantially increase or double total assets
- Regularly pay dividends to shareholders
- Create medium to long-term shareholder value

VISION 2020 VISION – continued

- Develop positive director and stakeholder involvement in the strategy
- Building the AEEI brand
- Create employment and opportunities for employee growth
- Create a Group that leads in both profits and sustainable business practices

Listed below are the Group's achievements towards its Vision 2020 Vision:

- Group restated revenue grew to R701m from R577m
- Group restated profit before tax grew to R6.01bn from R631m
- Cash generated from operations increased from R80m to R131m
- Group NAV increased from R2bn to R5.6bn
- Group assets grew to R7.4bn from R2.8bn
- Listed the fishing and brands division in March 2017
- Acquired a 50.31% stake in a fishing company
- Listed the technology division in December 2017
- A significant reduction in debt to equity
- Solid cash management
- Payment of dividends and interim dividend
- Continued to deliver sustainable growth and clarified future investment opportunities
- Continued to build a resilient organisation for the future
- Improved return on investment by developing opportunities that can deliver medium to long-term earnings growth
- Provided a safe and healthy workplace and strived to reduce the environmental footprint of products and operations and supported local communities
- Engaged with and further developed a diverse supplier base and enterprise development clients
- Strengthened management systems that govern responsible operations
- Pursued partnerships with key stakeholders and formed joint venture initiatives to promote localisation
- Identified opportunities for local manufacture and the promotion of skills transfer
- Fostered equality within our work environment irrespective of gender, race, creed and other forms of diversity
- Developed personal plans for employees and promoted performance management
- Continued to build and retain critical skills and leadership capabilities
- Further promoted skills development and learnership programmes
- Continued to drive meaningful improvement in ensuring we have a diverse and inclusive workforce
- Continued to build leadership capacity among women
- Continued to engage with our employees at all levels, which provided us with the necessary feedback and input to improve their skills and training needs
- Ensured full compliance with the changing regulatory requirements

AEEI continues to nurture its foundation businesses and sustain the momentum of its Vision 2020 Vision. The Group also continues to support the development of a positive public attitude through increased innovation, the stimulation of green enterprises, upskilling new and existing employees and managers, investing in research and development and developing research centres relevant to our industry and intellectual property. The achievement of excellence in the execution of our investments also sustained and improved our competitive advantage.

OUR COMMON VISION AND COMMON OBJECTIVES

OUR SHARED VALUES

To our Group, shared value means understanding stakeholder expectations and societal needs, and communicating through stakeholder engagements.

WE ARE DRIVEN BY OUR VALUES

RESPECT AND TRUST



To always respect and trust fellow employees, customers, partners and all stakeholders.

PEOPLE



To always respect fellow employees, partners and all stakeholders. To provide sustainable employment opportunities for our employees and others as well as a safe and secure working environment and to maintain zero fatalities. To develop, attract and retain the correct skills and structures to meet and support our strategic growth.

INTEGRITY



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

ACCOUNTABILITY



To have responsible and accountable leaders who address the expectations of diverse stakeholders and who embrace their responsibilities with efficiency.

STAKEHOLDERS



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

COMMITMENT



To deliver on our promises and add value beyond expectations.

INVESTMENT



To stimulate investment in the areas of green enterprises, social innovation and societal development.

VISION 2020 VISION – continued

OUR COMMON OBJECTIVES

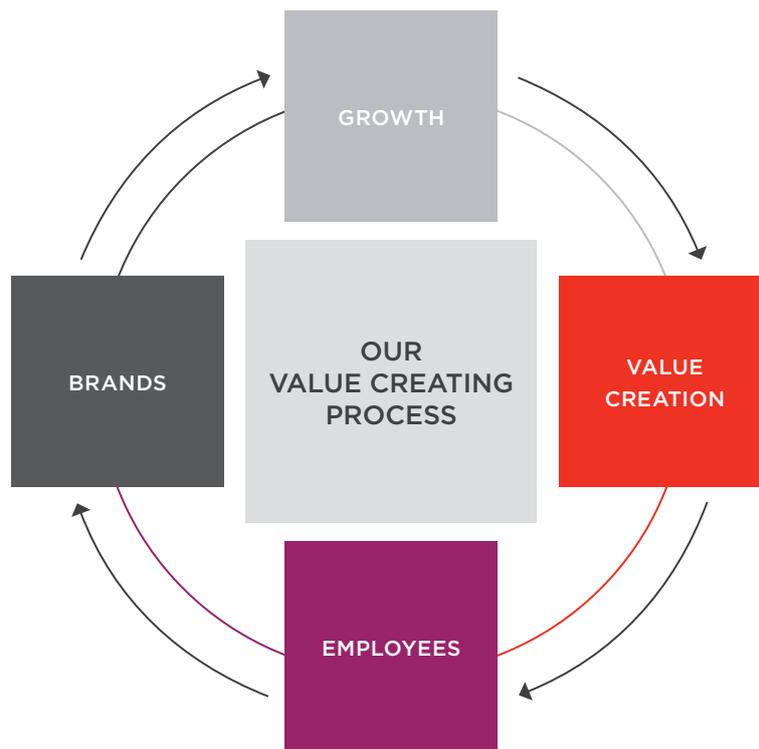
To sustain profitability by partnering with communities and government in a social contract to achieve economic growth and giving more South Africans access to this growing prosperity.

OUR COMMON GOAL

To ensure that the Group delivers long-term value to all its stakeholders; increases shareholder wealth, economic transformation and the development and upliftment of social communities; and builds long-term stakeholder relationships.

OUR INTEGRATED VALUE CHAIN

The Group continuously assesses innovative ways to sustain its existing businesses by adapting to changing environments and through our acquisition and new business development approaches. With our risk management approach and the impact of changing markets, competitors and the economic environment, management is constantly aware of how the Group can improve sustainability through constant change.



VALUE CREATION USING THE SIX CAPITALS

When making decisions on how to manage and grow our businesses, AEEI takes into account the six capitals, including the resources required. These are critical to AEEI's ability to create value. AEEI uses the input of each capital for the effective production and delivery of products and services, thereby creating value for our stakeholders.

 <p>FINANCIAL CAPITAL</p>	 <p>HUMAN CAPITAL</p>	 <p>MANUFACTURED CAPITAL</p>
<p>Creating and sustaining shareholder value and funding growth projects through the responsible use of access to capital, cash generated, use of assets as well as investing in strategic investments</p>	<p>We aim to provide a safe and healthy workplace with equal opportunities by addressing the shortage of skills, productivity, race and gender diversity and excellence through employee retention, training and skills development</p> <p>We want our employees to be proud ambassadors</p> <p>Continue to develop personal growth plans for employees and promote performance management</p>	<p>Having leading facilities, providing quality products and services and capital investment in our businesses to enable them to operate assets safely and reliably</p> <p>Continuously innovate to deliver sustainable solutions and capacity to accommodate expansion</p>
 <p>INTELLECTUAL CAPITAL</p>	 <p>SOCIAL AND RELATIONSHIP CAPITAL</p>	 <p>NATURAL CAPITAL</p>
<p>Retaining our intellectual capital, which includes our unique customer solutions, brands, knowledge-based assets, patents, copyrights, software, licences, protocols and procedures</p> <p>Maintaining and forming new strategic partnerships, and being an empowerment partner of choice</p>	<p>Attaining this capital through effective stakeholder engagement initiatives and being leaders in transformation and social responsibility</p>	<p>Doing business in an environmentally friendly manner</p> <p>Responsibly using natural resources, putting effective environment management systems and long-term goals in place to reduce carbon emissions and water and electricity usage</p>

OUTCOMES FOR OUR STAKEHOLDERS

The Board and executive management → evaluated risks → assessed the impact on our material matters → and evaluated the impact on our strategic priorities.

VISION 2020 VISION – continued

OUR INTEGRATED REPORTING MODEL

AEEI's strategy is to create sustainable value for all shareholders and stakeholders and to ensure that the Company remains attractive to investors by optimising shareholder returns. AEEI's sustainable value creation goes beyond short-term profitability and takes into account the broader economic, social and environmental factors.

Our approach to addressing these matters is to prioritise those most important to achieving sustainable businesses in the medium to long-term.

We have identified strategic enablers in order for us to execute our business model and achieve sustainable value creation. *(King IV™ – Principle 4)*

SOUND CORPORATE GOVERNANCE

Stakeholders can only derive full value from a business that is founded on integrity, honesty, accountability and respect. With the significant corporate governance developments during the year and taking into account emerging global trends, AEEI's improved focus makes it easier to manage our business transparently and with good governance.

The Board strives to ensure that AEEI is governed effectively, with integrity and in accordance with sound corporate governance practices. Our diverse Board enables an environment in which varied views can be exchanged as a result of the mix of skills, experience and backgrounds of all of the directors interacting as a unitary working group.

AEEI can only be a sustainable business if we continue to deliver on our promise to promote good corporate governance, which is an integral part of our business model which is built on delivering good governance outcomes in terms of an ethical culture, effective control, good performance and legitimacy. Our sound governance platform is embedded in our DNA and corporate culture. *(King IV™ – Principle 6)*

EMPLOYEE DEVELOPMENT

The Group continued to instil a culture of excellence and opportunity for all employees and to make them proud ambassadors for AEEI. *(King IV™ – Principle 14)*

Our employees are critical to our success and sustainability. Growing talented employees into new roles remain a core objective. Learnership programmes give impetus to employee development within AEEI.

Together with financial capital, our employees are our single most important resource. It is important for AEEI to attract and retain the right calibre of people, to keep them motivated in a safe, supportive working environment and to remunerate them accordingly. In doing so, AEEI continued with training and development during the year and ensured that employee development plans are in place for the retention of employees.

SOCIETY

In order to remain sustainable as a business, we continually contribute towards social and economic development and developing partnerships that enhance our long-term viability in a stable and growing economy.

In order to create an enabling environment and develop and enhance markets for our products, we were proactive and responsive to our stakeholders' interests and ensured that we implemented best practices when it came to responsible investing. Our aim is to invest in businesses that have a sustainable approach to doing business. *(King IV™ – Principle 3)*

ENVIRONMENT

AEEI's carbon emissions are low and we have a very low direct impact on the environment, but we are affected by the environment in which we operate and how climate change affects our business. We commit our businesses to a journey of responsible environmental stewardship. We acknowledge that a stable economy and a sustainable business require a sustainable environment.

AEEI and our various business units are not considered to make a particularly heavy demand on the natural environment. However, businesses in the Group are committed to being industry leaders and adding value to their services by implementing sustainable business practices that minimise the impact that their operations have on the environment. Environmental commitments are an integral part of their day-to-day activities. Our fishing and brands division works closely with the relevant authorities to safeguard various fish species and pays careful attention to the environmental impact of their operations. *(King IV™ – Principle 3)*

OUR FUTURE OUTLOOK AND PRIORITIES FOR 2019

- Execute our strategic agenda in line with our Vision 2020 Vision
- Increase revenue and operating profit
- Deliver sustainable returns to shareholders
- Drive organic growth
- Focus on pursuing selective acquisitions
- Maintain a strong stakeholder focus
- Further expand into new markets outside South Africa and the African continent and grow our business through greater collaboration with our associates and strategic partners
- Drive greater strategic alignment between our businesses for greater operational coordination
- Leverage the Group's combined power to further achieve efficiencies and growth
- Increase efforts to share skills and experience between our businesses
- Continue to promote responsible business practices and governance throughout the Group
- Continue building a culture of excellence, which our employees are proud to belong to
- Further build brand awareness
- Practice responsible environmental management by monitoring, managing and reducing our direct and indirect impacts on the environment
- Narrow the gap between the rich and poor through our business initiatives, social development programmes and innovative leadership
- Create employment opportunities
- Continue to explore innovative business practices
- Work towards listing the other divisions in the Group
- Explore additional agencies and joint venture partnerships
- Expand product portfolios

OUR KEY STAKEHOLDER ENGAGEMENT AND RELATIONS

Sustainable value creation depends on continuous and successful engagement with stakeholders.

AEEI appreciates the role of its stakeholders and remains committed to nurturing impactful relationships that deliver mutual benefits and encourage transparent, objective and relevant communication. The Group recognises that its businesses are one of the stakeholders in the socio-economic and environmental system. It is essential for the Group to compete successfully in an increasingly complex and ever-changing business environment and to systematically bring about the change needed for sustainable development. We have built and continue to maintain trust and respect with our various stakeholders, thus ensuring a positive impact on our reputation.

AEEI places great value on our high standards of ethics, communication and transparency of information in terms of the Promotion of Access to Information Act, 2000 (No. 2 of 2000) (Promotion of Access to Information Act), Protection of Personal Information Act, 2013 (No. 4 of 2013), and other regulations and directives relating to the dissemination of information.

We have identified stakeholder groups with whom we engage in a structured manner. Refer to key stakeholders on pages 90 to 97 for full details.

We addressed essential risks and opportunities and responded timeously and appropriately to issues raised in our interactions with our various stakeholders. *(King IV™ – Principle 16)*

OUR VALUE ADD

A measure of the value created by the Group is the amount of value added by its diverse activities to the cost of raw materials, products and services purchased. Refer to our value-added statement on page 98 for full details.

VISION 2020 VISION – continued

MATERIALITY ASPECTS AND OUR RESPONSE TO STAKEHOLDERS’ INTERESTS

OUR MATERIAL MATTERS

AEEI’s material matters are those challenges and opportunities that could substantively affect the Group’s ability to create sustainable value over the short, medium and long-term for our stakeholders.

We identified our material matters in terms of relevance from the risk assessment process. This process includes uncertain events with a potential negative effect on the Group, i.e. opportunities not materialising. It also takes into account the legitimate and reasonable needs, interests and expectations of all material stakeholders in the execution of the Board’s governance role and responsibilities and in the best interests of the Group.

AEEI focused its reporting on sustainable development and those directly affecting the Group’s ability to create value, as well as the Group’s impacts and responses to the expectations of its stakeholders.

DEFINING OUR MATERIAL THEMES

INTERNAL FACTORS <ul style="list-style-type: none"> • Strategic focus areas and KPIs • Group policies, values, Code of Conduct and Code of Ethics • Board discussions and engagement with senior executives • Issues raised through stakeholder engagements • Risk management process 	EXTERNAL FACTORS <ul style="list-style-type: none"> • Regulatory requirements • Economic, environmental, global and socio-political developments • Reporting frameworks • GRI reporting • Responsible investments
---	---

MANAGING OUR MATERIAL MATTERS

PROCESS	<ul style="list-style-type: none"> • The process of managing our material matters
IDENTIFICATION	<ul style="list-style-type: none"> • Through a formal process by each Board committee, including executives in the Group, material matters were reviewed and identified in terms of relevance, including information from meetings, engagements with key stakeholders, industry developments, regulations and economic research
PRIORITISATION	<ul style="list-style-type: none"> • We prioritise our material matters based on their potential impact
VALIDATION	<ul style="list-style-type: none"> • Management evaluates the potential impact as well as AEEI’s risk tolerance and implements strategies to mitigate against negative outcomes
REPORTING	<ul style="list-style-type: none"> • Management provides updates at each Board and committee meetings; in formal communications with employees; through interactions with regulatory bodies; and in shareholder reports
MONITORING	<ul style="list-style-type: none"> • Executive review and audit and risk committee oversight. Management continuously monitors and evaluates against performance and in consultation with stakeholders

These material matters were approved by the AEEI Board and take into account the issues raised, their relevance, our strategic component, the stakeholders, our governance structure and where further information can be found in the integrated report.

The following material matters were identified:



MATERIAL MATTER: FINANCIAL

<p>MATTERS</p> <ul style="list-style-type: none"> • Responsible use of capital generated to ensure a healthy financial position • Asset efficiency • Listed our technology division • Growth of businesses through associate and strategic investments • Shareholder returns 	<p>RELEVANCE</p> <ul style="list-style-type: none"> • Execution of our Vision 2020 Vision requires the successful integration of our acquisitions and strategic investments • AEEI requires long-term shareholders that understand our businesses and support our strategy 	<p>STRATEGY COMPONENT</p> <ul style="list-style-type: none"> • Double revenue by 2020 • Maximise growth and income sustainably • Increase operating profit, cash flow and assets • Create medium to long-term shareholder value • Cost containment
<p>STAKEHOLDERS</p> <ul style="list-style-type: none"> • Shareholders • Providers of capital • Strategic partners 	<p>GOVERNANCE STRUCTURE</p> <ul style="list-style-type: none"> • Board • Executive committee • Audit and risk committee • Investment committee 	<p>REPORT SECTION</p> <ul style="list-style-type: none"> • Chairman's report • CEO's report • CFO's report • Strategy • Vision 2020 Vision

COMBINED ASSURANCE:
Operational reviews, risk management, audit and risk committee and internal and external assurance of financial information

VISION 2020 VISION – continued



MATERIAL MATTER: HUMAN CAPITAL

MATTERS

- Employee recruitment and retention of key skills
- Remuneration and employee recognition
- Employee job satisfaction and diversity
- Training and development of employees
- Employee health and safety
- Maintain zero fatalities
- Diversity and cultural transformation
- Labour productivity and efficiency
- Labour costs
- Management retention and succession

RELEVANCE

- Human capital is a key input in the Group’s cost efficiency and competitiveness
- Diverse human capital
- Succession plans for senior executives and management
- Retention of key skills

STRATEGY COMPONENT

- Create employment and opportunities for employee growth
- Develop the human capital strategy, key relationships and monitor progress against KPIs and targets
- Create a Company that leads in both profits and sustainable business practices

STAKEHOLDERS

- Shareholders
- Customers (existing and potential)
- Suppliers
- Government
- Employees and trade unions
- Regulatory bodies
- Industry bodies
- Consultants
- Service providers

GOVERNANCE STRUCTURE

- Board
- Remuneration committee
- Executive committee
- Social, ethics and transformation committee

REPORT SECTION

- Remuneration
- Human capital
- Social, ethics and transformation

COMBINED ASSURANCE:

Regular management review, policies and procedures, remuneration committee and social, ethics and transformation committee functions



MATERIAL MATTER: BUSINESS OPERATIONS

MATTERS

- Capital investment in our businesses
- Stimulate economic growth by investing in small business development
- Risk and capital requirements
- Quality products and services
- Provide and maintain high-quality infrastructures

RELEVANCE

- The Group's strategy is to minimise risk through diversification, best practice manufacturing processes and managing customer relationships
- Exchange rate volatility may have an impact on business performance
- The uncontrollable costs of diesel and electricity
- Labour strikes and salary demands
- Interruptions to operations due to natural disasters
- Cybersecurity

STRATEGY COMPONENT

- Develop strategy
- Monitor and execute strategies
- Balance in the business
- Focus on costs
- Stimulate growth with SMMEs
- Grow and secure product range and market share
- Launch new products and services

STAKEHOLDERS

- Shareholders
- Customers
- Government
- Employees
- Trade unions

GOVERNANCE STRUCTURE

- Board
- Executive committee
- Investment committee
- Audit and risk committee

REPORT SECTION

- CEO's report
- Vision 2020 Vision
- CFO's report
- Responsible investments

COMBINED ASSURANCE:

Operational reviews, investment committee and audit and risk committee functions

VISION 2020 VISION – continued



MATERIAL MATTER: MACROECONOMIC

MATTERS

- Shareholder satisfaction
- Return on investment
- Socio-economic stability in key markets
- Alternative technologies
- Competitors

RELEVANCE

- The Group’s strategy is to minimise risk through its diverse portfolio
- Strategic investments
- Changes in the economic landscape
- Not achieving investment targets
- Failure to innovate in areas critical to our clients

STRATEGY COMPONENT

- Diverse portfolio of investments
- Strategic investments
- Organic growth of portfolio
- Growth by acquisition
- Listed the fishing and brands division
- Listed the IT division
- List the biotechnology division
- Increase business into other sectors
- Further expansion into Africa

STAKEHOLDERS

- All stakeholders

GOVERNANCE STRUCTURE

- Board
- Executive committee
- Investment committee
- Audit and risk committee

REPORT SECTION

- CEO’s report
- Vision 2020 Vision
- Responsible investment report

COMBINED ASSURANCE:

Operational reviews, investment committee and audit and risk committee functions



MATERIAL MATTER: NATURAL CAPITAL – THE ENVIRONMENT

MATTERS

- Energy consumption
- Water usage
- Carbon footprint
- Environmental impact
- Environmentally friendly products

RELEVANCE

- Our aim is to ensure that we actively manage our impact on the environment through an effective environmental management system for waste, water and electricity

STRATEGY COMPONENT

- Capital has been allocated to address the Group’s long-term goals
- Create a Company that leads in both profits and sustainable business practices
- Reduce the negative impact on the environment
- Green energy alternatives
- Produce environmentally friendly products

STAKEHOLDERS

- Shareholders
- Customers (existing and potential)
- Suppliers
- Government
- Employees and trade unions
- Regulatory bodies
- Industry bodies
- Consultants
- Service providers

GOVERNANCE STRUCTURE

- Board
- Executive committee

REPORT SECTION

- CEO’s report
- Environmental sustainability (responsible investments report)
- Social, ethics and transformation report

COMBINED ASSURANCE:

Management review, audit and risk committee function, internal audit, policies and procedures

VISION 2020 VISION – continued



MATERIAL MATTER: SOCIAL AND RELATIONSHIP CAPITAL

<p>MATTERS</p> <ul style="list-style-type: none"> • Compliance with laws and regulations • Ethical and transparent leadership • Governance • Social community and economic development • Transformation • B-BBEE • Collaborative stakeholder engagement • Corporate social investment • Support independent SMMEs 	<p>RELEVANCE</p> <ul style="list-style-type: none"> • AEEI's business depends on close relationships with key stakeholders • Government is an important industry stakeholder for most of our businesses • Incentive programmes 	<p>STRATEGY COMPONENT</p> <ul style="list-style-type: none"> • Compliance with laws and regulations governing our diverse business portfolio, as some business units depend on this • Adhering to ethical standards and avoiding corruption • Adhering to good corporate governance in the Group • Maintaining an acceptable B-BBEE accreditation • Meeting transformation targets • Creating value through social investment • Promoting social and economic development by assisting SMMEs • Effective risk management and compliance
<p>STAKEHOLDERS</p> <ul style="list-style-type: none"> • All stakeholders 	<p>GOVERNANCE STRUCTURE</p> <ul style="list-style-type: none"> • Board • Executive management • Social, ethics and transformation committee 	<p>REPORT SECTION</p> <ul style="list-style-type: none"> • CEO's report • Corporate governance report • Risk management report • Social, ethics and transformation committee report • Sustainability report

COMBINED ASSURANCE:
 Management review, policies and procedures, social, ethics and transformation committee function

(King IV™ – Principle 4)



For more information refer to the sustainability report on page 105.