

INTEGRATED REPORT 2023



Reflections

The past year has been one of considerable change and challenge, but we look forward to further growing revenue, continued commitment to serving customers, positively impacting the communities in which we operate and creating value for stakeholders.

Join us as we reflect on our journey.

2023 Highlights

REVENUE

R2.3 billion

↑ 28%

LPS

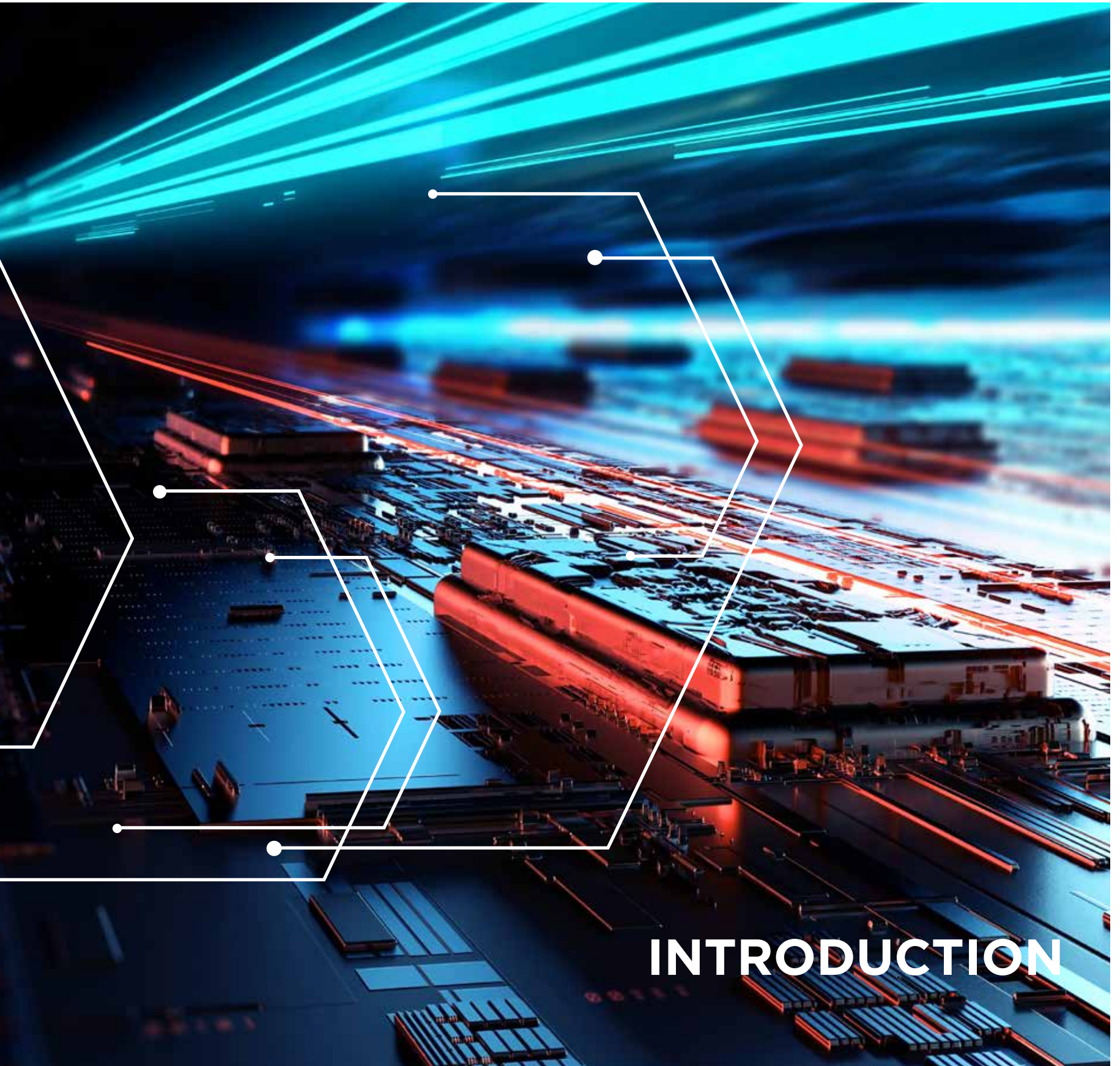
(179.97) cents

↓ (130%)

HLPS

(177.63) cents

↓ (193%)



INTRODUCTION

Presenting AYO's 6th Annual Integrated Report

The annual integrated report is our primary and most comprehensive report to all our stakeholders.

- Our integrated report
- Our integrated process
- Forward-looking statements

REPORTING SUITE

As part of our comprehensive integrated, financial and ESG reporting, our 2023 reporting suite includes three publications with detailed disclosures on our performance, governance, and outcomes.



GROUP ANNUAL FINANCIAL STATEMENTS

These reports include detailed data relating to the Group's respective financial position and performance. The information enables readers to assess our financial strength and outlook and includes risk and regulatory disclosures. They are primarily of interest to the investment community, analysts, regulators, and financial service providers.



NOTICE OF AGM

The notice of AGM includes all relevant information as well as forms for electronic and proxy participation for our shareholders.

REPORT STRUCTURE

We strive to continually improve the quality of our reporting to enable stakeholders to make an informed assessment of both our up-to-date performance and prospects for value creation. This report includes four sections, which describe all aspects of our business and their relevance to our ability to create and sustainably preserve value:

OUR BUSINESS

A comprehensive description of our Group and our business context.

12	Internal environment
24	External environment
24	Business context
28	Stakeholders' needs

OUR STRATEGY

A summary of our resources (capitals), matters material to our business, significant risks and opportunities and our strategic decisions and trade-offs in our value creation endeavours.

34	Chairman's address
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58	Our Board and governance structure
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70	Social ethics and transformation committee
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OUR PERFORMANCE

A consolidated presentation of our performance and analysis of our value-creation outcomes.

78	CEO address
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89	Extracts from annual financial statements

Detailed stand-alone reports provide further data, information, and disclosures relevant to specific financial and investment decisions.

NAVIGATING THIS REPORT

Our capitals, focus areas and stakeholder groups are integral to our decision making and reporting. The following three sets of icons are used throughout this document for easy reference to these common themes.

OUR CAPITALS



FINANCIAL CAPITAL



HUMAN CAPITAL



SOCIAL AND
RELATIONSHIP CAPITAL



INTELLECTUAL CAPITAL



MANUFACTURED CAPITAL



NATURAL CAPITAL

FOCUS AREAS



DISPUTE RESOLUTION



PEOPLE DEVELOPMENT



VALUE PRESERVATION



BRAND REPUTATION

STAKEHOLDERS' INTERESTS



EMPLOYEES



SUBSIDIARIES



SHAREHOLDERS



REGULATORS



SOCIETY

REPORTING PERIOD

This report covers the 2023 financial year, which runs from 1 September 2022 to 31 August 2023. It also covers any material events after this date up until the Board approval date of 13 December 2023.

BOUNDARY AND SCOPE

The information included in this report relates to activities and events at Group level, including disclosures relating to our operating subsidiaries both in terms of financial and non-financial performance.

The financial reporting boundary has been set to include results of all AYO's divisions, strategic investments, and joint ventures. The integrated reporting boundary has been calibrated to reflect all material information and events within our economic, operating, and regulatory environments that have the potential to affect our value creating abilities both in the past and going forward in time.



OUR INTEGRATED REPORTING BOUNDARY

Our financial reporting boundary



Subsidiaries

Joint ventures

Strategic investments

RISKS • OPPORTUNITIES • OUTCOMES

SHAREHOLDERS

CUSTOMERS

EMPLOYEES

SUPPLIERS

REGULATORS

PARTNERS

COMMUNITIES

MATERIALITY

We apply the principle of materiality in assessing the issues and topics we discuss in this and our supplementary reports. Determining materiality is a Group-wide activity and our material matters are continuously reviewed in our business strategic planning cycle. An in-depth description of this process is presented in section four of this report. The contents of the integrated report are based on the outcomes of this process.

REPORTING FRAMEWORK AND COMPLIANCE

The integrated report is prepared in line with the principles and requirements of:

- the International Integrated Reporting Council's (IIRC) Integrated Reporting <IR> Framework (2021)
- the Global Reporting Initiative (GRI) universal, sector and material topic standards
- the King IV Code of Corporate Governance (King IV™)
- the International Financial Reporting Standards (IFRS)
- the South African Institute of Chartered Accountants ("SAICA") financial reporting guides issued by the Accounting Practice committee
- the Johannesburg Stock Exchange (JSE) Listings Requirements
- the Companies Act No. 71 of 2008, as amended.

ASSURANCE

The integrity of this report is endorsed by our coordinated assurance process, where AYO's executive management and Board, with the oversight of the audit and risk committee, approve and sign-off the various sections for materiality and accuracy. Accredited service providers have rigorously assessed and provided assurance on selected non-financial metrics and disclosures. The Group's joint external auditors, Crowe JHB and THAWT Inc, have independently audited the consolidated Group Annual Financial Statements and have reviewed the financial spreads extracted thereof in the Our Performance section of this report. Their detailed auditor's report and unmodified audit opinion are published in the Group Annual Financial Statements.

FORWARD-LOOKING STATEMENTS

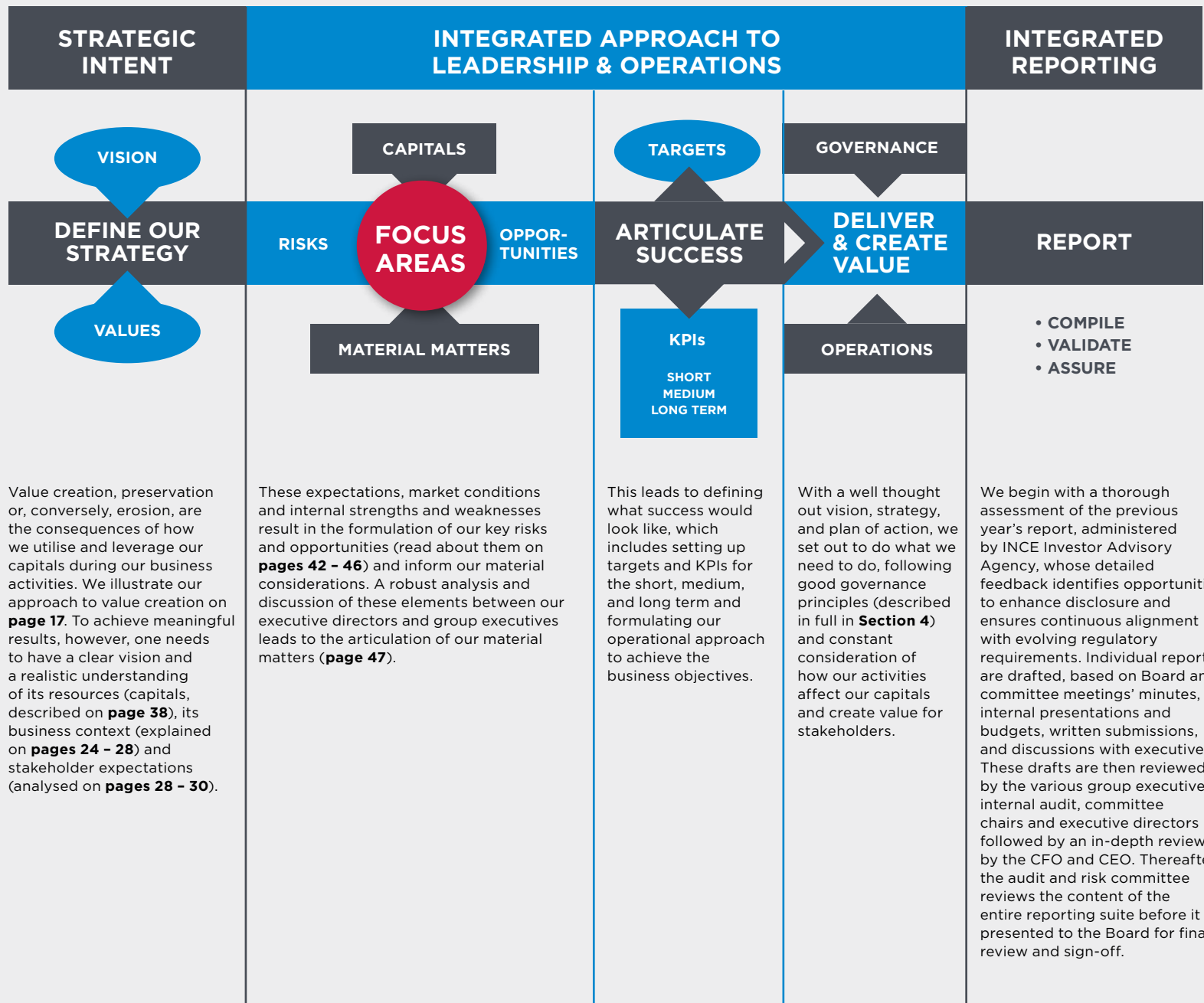
This report includes certain statements that are forward looking. They may be identified by words such as 'believe', 'anticipate', 'expect', 'plan', 'estimate', 'project', 'target', 'hope', 'predict' or 'intend'. By their nature, these statements involve risk and uncertainty, as they relate to events and depend on circumstances that occur in the future. Known and unknown risks and other internal and external factors may affect such future events and may cause the actual results, performance, and outcomes to differ materially from those expressed or implied by these forward-looking statements. No assurance can be given that these forward-looking statements will prove to be correct, and stakeholders should not place undue reliance on such statements.

Forward-looking statements have not been reviewed or reported on by the Group's joint auditors.

Forward-looking statements made on 29 January 2024 at the time of publishing this report are informed by AYO's economic forecast and business plans as at 31 August 2023. The company does not undertake, other than in the terms stipulated in the JSE Listings Requirements, to update or revise any of these statements, whether because of new information, future events or otherwise.

OUR INTEGRATED PROCESS

This integrated report is the product of a collaborative process involving multi-disciplinary executives with input from the executive directors, Board members, committee chairs and expert consultants. The chart below illustrates our integrated approach to strategy development, decision making, governance, management and ultimately, reporting.



GROUP COMPANY SECRETARY CERTIFICATION

In terms of Section 88(2)(e) of the Companies Act, I, Wazeer Moosa, in my capacity as Group Company Secretary, confirm that, to the best of my knowledge, for the year ended 31 August 2023, AYO has filed with the Companies and Intellectual Properties Commission (CIPC) all such returns and notices, as required of a public company in terms of the Companies Act and that all such returns and notices appear to be true, correct and up to date.



Wazeer Moosa
Group Company Secretary
30 January 2024

BOARD RESPONSIBILITY STATEMENT

The Board acknowledges its responsibility for ensuring the integrity of this integrated report. The directors confirm that this report provides a fair, balanced, and appropriate account of the Group's strategy, risks, performance, and prospects and addresses all material matters that impact or could impact AYO's capacity to create and preserve value in the short, medium, and long term. The Board is confident that the integrated report has been prepared in accordance with the International <IR> Framework (2021) in all material respects.

This report was approved by the Board of directors of AYO on 30 January 2024.

Signed on behalf of the Board:



Professor Louis Fourie
Chairman
30 January 2024



Pride Guzha
Chief Financial Officer
30 January 2024



Amit Makan
Chief Executive Officer
30 January 2024

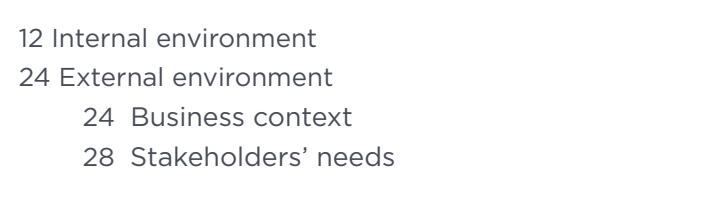


“AS WE BELIEVE IN THE POWER OF DIVERSITY, OUR PORTFOLIO IS SPREAD AMONGST COMPANIES AND INVESTMENTS OF DIFFERENT SIZES, INDUSTRIES, AND LIFECYCLE STAGES.”



In this section we describe material factors in our internal and external environment, which inform our strategy and decision-making.

OUR BUSINESS



12	Internal environment
24	External environment
24	Business context
28	Stakeholders' needs

Our compelling investment case

LEADING AFRICA'S TECHNOLOGY TRANSFORMATION

Technology started in Africa, given that the world's oldest stone stools – technological advancements for that era – were found on the continent. It is no wonder then, that Africa is a fertile ground for ingenious and impactful advancements that are eagerly being watched and, in many cases, snapped up, by global players. It is in this playground of exciting development and prospects that Ayo Technology Solutions (AYO) has found a home.

Established with the belief that technology can be harnessed to drive progress and transformation, the Group's investments span a wide spectrum of technology, from cybersecurity and cloud services to transformative digital platforms that empower businesses and healthcare across the continent. AYO's business strategy goes beyond just investing in technological solutions; it focuses on harnessing technology to support digital inclusivity that promotes economic sustainability.

Africa's tech landscape has yielded remarkable innovations in the past few years; M-Pesa, Kenya's pioneering mobile payment platform, has redefined financial inclusion for millions, while South Africa's Yeigo, whose founders, UCT graduates, invented the world's first Voice over Internet Protocol (VoIP) for any mobile smartphone, that has since enabled a proliferation of data-driven communications. These examples, among many, underscore Africa's capacity to innovate and solve unique challenges in ways that have a profound impact.

The challenges and opportunities facing Africa have fostered an environment that demands creative, pragmatic, and scalable solutions solving problems faced in Africa. In this context, AYO is well placed to champion the narrative, and its business case.

As we present AYO's investment case in the following document it is crucial to recognize that these stories are not merely testaments to technological achievement but also to the remarkable potential of Africa's innovation ecosystem. It is here that tomorrow begins.



AYO's Compelling Investment Case

AYO is a high growth-potential investment company that provides a good annuity income for investors, combined with a strong delivery on social value. It is an obvious choice for savvy investors, realising significant long term value. AYO has been listed on the JSE since 2017 and our current asset base is valued at R3.05 billion.

JOIN THE AFRICAN TECHNOLOGY REVOLUTION



About AYO

AYO is a technology investment company with interests in disruptive technologies that advance life, business, and economics. AYO supports and motivates African technology companies to thrive, and in so doing, contributes to the socio-economic welfare and prosperity of communities. The business has developed a diverse investment portfolio that touches on all aspects of technology, from connectivity and communications to software development, cloud, and managed IT services.

AYO strives to be a leading Africa-based technology group, pioneering smart living and working throughout the continent, and globally. The future-focused investment strategy aims to discover, secure and scale disruptive businesses that make an impact on society, be it through infrastructure, education, health, safety, e-commerce, industry automation, cyber security, or the environment.

AYO also considers the current challenges the company and country is facing and adopts an agile approach to securing its investment portfolio, mitigating risk whenever possible. This gives our shareholders and stakeholders reassurance that we have their and our underlying investments best interests at heart. A win for AYO, is a win for all.

OUR BUSINESS PHILOSOPHY

We believe that a business' success and sustainability is determined by how well it solves a market's problem or fulfils a need. In essence, this is how a company creates and preserves value. The more fundamental the need being addressed, the bigger the business opportunity is.

Therefore, AYO's starting point in defining our strategy begins with pinpointing the most pressing social needs and problems we face in Africa. We believe AYO has the capability and capacity to address these challenges. We look at the core, basic needs of our society, such as accessible healthcare, quality education and reliable telecommunications infrastructure, as well as more temporary but pressing issues affecting the country. For example, the electricity crisis and its impact on business and connectivity. From a perspective of sustainable investment, we also consider wider, global challenges that affect South Africa and the rest of the world, such as climate change, agricultural sustainability, and the inequality of wealth. Having identified the critical issues we, as a nation, face, we then set off to apply our capitals and resources to develop or adapt the appropriate technology to find solutions that will have an exponential impact on our society.

At times this involves acquiring new businesses. At times, it is about pivoting existing offerings or expanding our services. Sometimes we develop new technology from scratch and sometimes we adapt what we already have to solve a different problem or service a different industry. Ultimately, the approach or the solution may vary, but the premise on which the business is built remains. The bigger the challenge and the better the solution, the more value we create for all.

OUR APPROACH

Similarly, our investment approach begins with the concept of shared value in mind. What we can do for our investees is as important as what value they bring to our portfolio and what positive impact we can have on society together.

Managing a diverse portfolio of subsidiaries and investments, we believe in the power of the collective. At AYO, we share the powerful vision of empowering all lives on the African continent through technology, and we acknowledge that each business unit has a contribution to make towards this important goal. Our purpose is to create a collaborative environment that enables our diverse companies to work together, explore synergies and unlock shared value.

We believe that working together, building on our diversity and individual strengths, we can solve more and bigger problems and ultimately, create more value for our society. Thus, our primary role is to create a conducive environment, that enables our companies to collaborate, pool resources and develop solutions to South Africa's biggest challenges.

As an investor, our role is to nurture and grow our investee companies. Like a "lawnmower parent", we believe in removing obstacles and providing support to our "children" when they face stumbling blocks but respecting their independence and enabling them to trailblaze their own path to success. We offer earnest support wherever it may be needed - be it strategic direction, operational assistance, or financial backing when appropriate. But the approach is one of constructive input, and partnership. The emphasis is on enabling growth and scale, so that together we can better solve our societal challenges, create opportunities, enhance lifestyles, and initiate positive change.

GLOBAL FOOTPRINT

The AYO Group services more than 500 organisational clients throughout the African continent, Europe, North America and Asia



OEM AND SUPPLIER NETWORK

With over 120 principal OEM partnerships, the AYO Group is at the forefront of bringing international technology in Africa.



AYO GROUP STRUCTURE

Subsidiaries

KATHEA	100%
HST	100%
HEADSET SOLUTIONS	76%
SIZWE AFRICA IT GROUP	55%
SGT SOLUTIONS	40%
AFROZAAR	32%
DIGITAL MATTER	32%

Associated companies

GC ² T	24%
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Joint ventures

VUNANI FINTECH FUND

SNAPNSAVE	30%
BXCHANGE	24.9%
FLOW	10.9%
OZOW	10.7%
CLICK SURE	19.6%
BALNS	3.8%
LIFEQ	2.1%
RECOMED	13.8%
PAWAPAY	1.8%
PINEAPPLE	11.5%
PULSELIVE	10.2%

Our value creation model

The business of an investment holding company is a mystery to many. How does a company that doesn't manufacture anything or offer any services work?

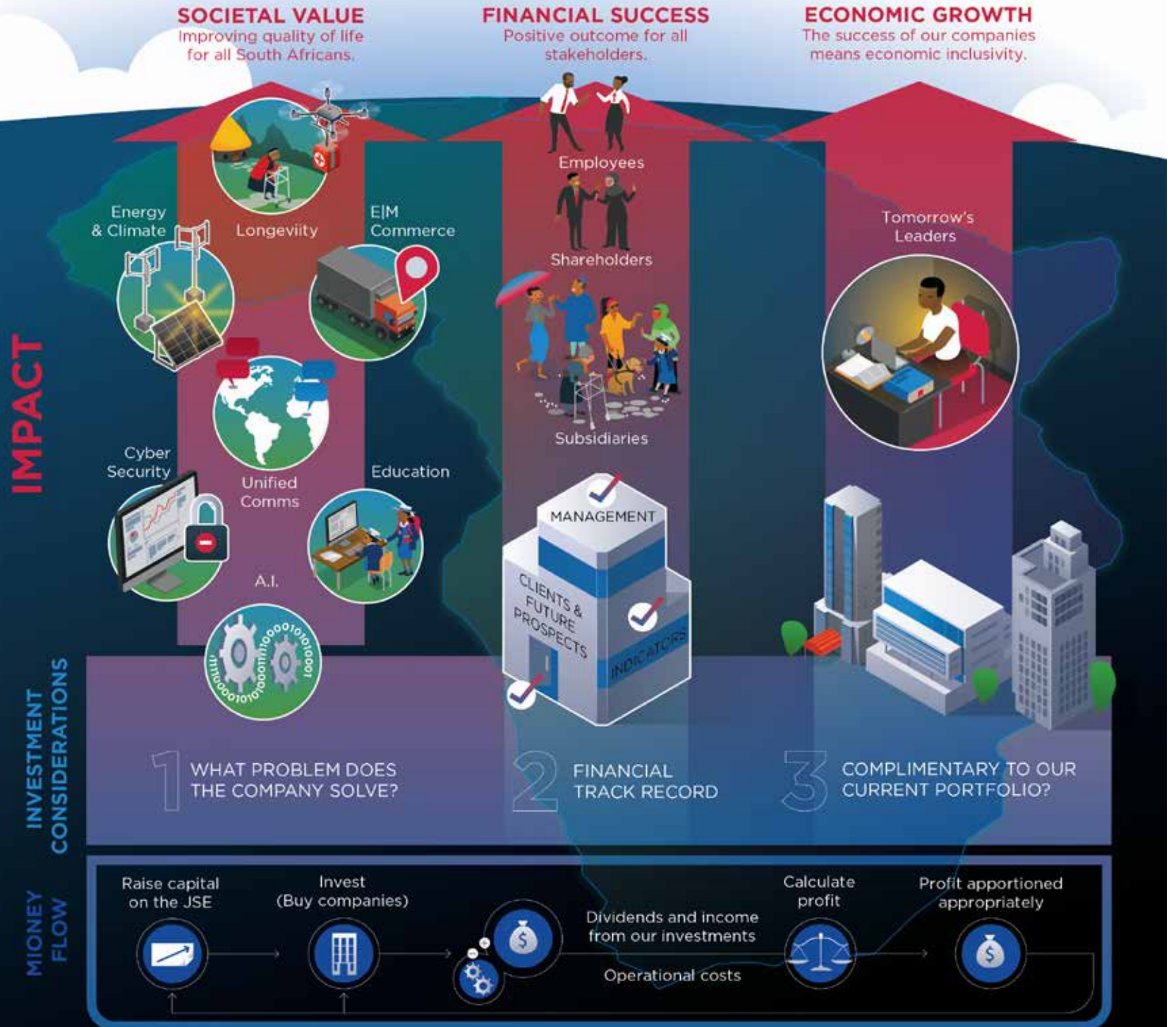
Like any other business, AYO uses its capitals, or resources, to create value for our stakeholders. While our inputs may not be as tangible as raw materials used in a manufacturing environment, they are extremely important to our investees. Sometimes the resources they need are financial, to fund scaling to the next economic tier. Sometimes they rely on our human capital to lend a hand with operational requirements that are better outsourced. And sometimes, it is the value of our OEM partner network that gives our companies the leg up they need to develop new cutting-edge products or enter new markets.

By supporting our subsidiary companies, we strive to grow them as individual businesses, which in turn, increases their own value, increases the value of our portfolio and ultimately, increases value for our shareholders and society. We earn fees and dividends from our investments, thus, the more successful they can be in the market, the better the return for our investors and stakeholders.



AYO's Value Creation Model

Investment holding companies do not manufacture anything. There are no products, services or selling to customers; how does money flow in our system and how do we create value?



AYO GROUP

Our companies

The AYO Group is a conglomeration of subsidiary companies and strategic investments that touch on all aspects of technology and service all types of customers across various market segments. Their combined product range plays a critical role in South African infrastructure and services, while also providing opportunities for economic inclusivity, empowering communities, and driving transformation. As we believe in the power of diversity, our portfolio is spread amongst companies and investments of different sizes, industries, and lifecycle stages.

Our subsidiaries are companies who benefit from our direct involvement through strategic direction (as we participate at Board level), operational support and financial backing. They are sizeable businesses who provide critical and essential services to corporate and government enterprises. On the other hand, our investments, managed via Vunani Fintech Fund, are younger, growing firms, who deeply understand technology and utilise it in creative ways to make previously unavailable services accessible to the wider South African market. These emerging businesses rely vastly on agility and speed of execution. To facilitate this necessary flexibility, AYO's involvement with these companies is one of a financial enabler, rather than an actively involved parent brand.



Since 1980, Health System Technologies (HST) has been a specialist technology and software provider for the medical and health care industries. This 40 years plus track record speaks volumes for the agility and resilience of the company in an industry driven by innovation, where product lifecycles rarely last longer than a few years. It is this long-standing deep industry understanding and involvement that enables HST to develop products and services that completely and accurately address the challenges of the African health care sector.

HST's electronic patient record system has been used by medical and research facilities in the Western Cape for 23 years, continuously evolving in span and complexity. Their laboratory information system, developed in 2005, to this day remains the largest deployment of its kind in the world. Their products have been rolled out in Nigeria and Tanzania, while during the COVID pandemic in South Africa, the HST team integrated more than 28 independent laboratory software programmes enabling them to "talk to each other" to provide vital national statistics, including test results, patient data and infection rates.

Currently, HST is continually developing its proprietary Intellectual Property (IP) around several products, including Software as a Service (SaaS) solutions, that it will offer to existing clients who have shown interest, as well as to other provinces in South Africa and providers beyond South Africa's borders. In 2023, HST continued to build its range of products, develop new partnerships, and explore potential growth.



A value-added distributor of voice, audio-visual, video conferencing and workspace management tools, Kathea is a company focused on the future of work and collaboration in the 21st century. Their voice collaboration solutions range from cloud-based PABX, that route calls anywhere in the world without the roaming charges to VoIP, Dect and WiFi phones. With Kathea's product range service and sales centres based in Africa, it can cost-effectively service clients in Latin America, Europe, the US, or the Far East.

Katheas workspace management wing has been the African representative of Condeco and iOffice+SpaceIQ - the two market leaders in the "smart workspace" environment. Last year the two brands merged to form Eptura - now the largest global player with an estimated market value of USD 25 billion, placing Kathea in a fortunate position to represent the biggest world brand in the rapidly growing African market. Their workspace management systems are essential to the hospitality industry, retail, and facilities management, as well as in the booming agile office space sector.

Katheas impressive growth and success in this reporting period, is attributed to strategic initiatives focusing on technical services (pre, installation, and post), product management with a dedicated focus on each brand, companies moving back to office and the need for upgrading boardrooms and telephony equipment, and the establishment of Kathea's "Customer Experience Room," which includes demo facilities, at its new offices.

SUBSIDIARIES

100% OWNED

100% OWNED



For nearly three decades, Headset Solutions, the authorised distributor of Poly, Jabra, and Konftel for Africa, has been the supplier of choice for call centres and offices across the continent. Their extensive client list spans virtually all industries with several enterprise end customers. Headset Solutions' product range includes quality, durable audio gear, as well as a wide range of video-conferencing equipment, integrated for collaboration platforms such as Zoom and Microsoft Teams.

With the proliferation of hybrid and remote working environments prompted by the Covid-19 pandemic, Headset Solutions has enabled seamless business transition into the new ways of work for thousands of organisations, big and small, across every industry vertical. Boasting an impressive network of more than 800 channel partners and easy online access, the company is the leading distributor of telecommunications and consumer electronics in Africa.

Its successful Africa expansion plan has seen significant returns in 2023, with its Jabra brand being a standout with a 163% increase in revenue this financial year.

76% OWNED



Sizwe Africa IT Group (Sizwe) offers managed services, technology infrastructure and support to major corporate and government clients, including the South African Revenue Service (SARS), South African State Security Agency (SASSA), Airports Company of South Africa (ACSA), numerous government departments and municipalities and major corporates like South African Breweries (SAB) and Telkom.

Since its inception in 1999, Sizwe's business has evolved to offer a wide range of services from cloud hosting and back-up, to cyber security and data centre infrastructure. Having fostered OEM partnerships with more than 20 global brands, including Cisco, HP Enterprise, Microsoft, IBM, Huawei, and many others, Sizwe is able to embed proprietary products and applications in customised, cost-effective offerings. Their progressive and future-orientated approach propels them to continuously innovate, adapt to evolving customer needs and bring cutting edge technologies to the African continent. In 2022, Sizwe Africa IT Group became the first and only local partner to obtain Cisco IoT Advantage certification, positioning them as the front runner of cyber security in a world where the staggering number of connected devices means growing security threats.

As Africa and the world at large continues to embrace the digital ecosystem as a mainframe for work, play and life, Sizwe's offerings have the scope to match the need and appetite for its solutions that enable the 'connectivity' that informs our everyday decisions and outputs.

55% OWNED



Servicing customers throughout the SADC region, SGT Solutions is a highly technical business that few, if any, consumers would have heard about. Africa's vast and varied terrain requires multi-technology system to provide communications and network coverage reliably and cost-effectively to different points. In big metropolitan centres this involves the roll-out of high-speed 5G networks, which is one of SGT Solutions' offerings in partnership with Huawei in a continent-wide project. In less populated areas, however, the more cost-effective approach is to utilise radio microwave transmission linking mobile base stations with each other and with customers. The design, build, deployment, and maintenance of this network is SGT Solutions' core service, utilised by customers including major networks like Vodacom, Number Portability Company and air traffic and navigation users.

With South Africa and the wider African continent continually experiencing an energy crisis, SGT Solutions' DC power solutions are also fast becoming indispensable. The technology includes low cost, vandalism proof DC modules, which sustain cell phone masts during extended periods of load shedding and enable continual signal transmission when AC power is not available.

SGT's position in the 5G network synchronisation segment coupled with the continent's upgrade from legacy infrastructure, is also an opportunity for SGT to expand its offerings, as too, its interests in the solar installation segment.

40% OWNED



Mobile apps have been around since 2010 and so has Afrozaar. One of the early pioneers in the industry, for more than a decade the team at Afrozaar has been developing content management and distribution platforms, which provide memorable user experiences, incentivise community engagement and allow client organisations to monetise their digital assets. Something like a highly specialised TikTok for specific interests, like sport or travel.

Their Mojo Community platform offers passionate content creators and influencers the opportunity to share their best creative videos and photos in a competitive format with incentives and prizes across different challenges, such as the Travel Bug Challenge or the Food Fanatics Challenge. The platform has collaborated with major sporting brands including the British & Irish Lions, Sports Pro Media, Professional Squash Association and Welsch Cycling, transforming sports organisations into media powerhouses.

In the broader consumer segment, Afrozaar's augmented reality (AR) product, Augmenta, offers customers the opportunity to create engaging AR brand activations that build digital communities and foster deep consumer connection. Their creative, yet straightforward "no code" implementation makes augmented reality cost-effective and accessible to even the youngest of brands.

32% OWNED



A well-known player in the logistics industry, Digital Matter is the leading global developer of low-power GPS and IoT hardware for fleet and asset tracking and management. Their products, suitable and used across all industry sectors, include intuitive fleet tracking platform, remote device management system, battery-powered tracking, and Internet of things (IoT) sensor devices.

Since inception in 2000, the company has designed and manufactured over one million devices, used for tracking all types of assets across difficult terrains – from containers at sea to livestock in remote rural areas. Digital Matter has four global offices, and their devices are active in more than 120 countries. Their sophisticated sensors are used in cold chain distribution (like Woolworths trucks), agriculture and waste management, while their battery-powered trackers allow for up to 10 years of tracking and monitoring of non-powered assets.

Digital Matter has successfully developed three flagship product offerings – AssetAuditor, an effective solution for managing and auditing fixed assets, and InspectionOne, a paperless solution for enterprise companies to independently verify the audit trail of all tasks and activities. Tracksmart is a proprietary transport tracking solution for assets that do not necessarily form part of traditional vehicle fleets.

32% OWNED



For the last 20 years, GC²T has been the national sovereign command and control capability of the Department of Defence. Today, as the only OEM on the African continent, providing Enabled Awareness solutions focussing on Command and Control, the company is the leading technology provider for enabled awareness solutions across the commercial, security and military domains.

Solutions include asset and force tracking across the globe (land, air or maritime), integrated situational awareness imagery to support managers, leaders, and commanders to make informed and timeous decisions and constructive simulation technology. GC²T's training range, BattleTek, integrates live and virtual simulation systems to provide an all-encompassing LVC (live, virtual, constructive) experience.

GC²T provides tracking, navigation, surveillance, simulation, air defence, command and control services to the South African Air Force, Denel and the African Union.

24% OWNED



“ AYO TECHNOLOGY SOLUTIONS EMBRACES TRANSFORMATION. WE PERCEIVE TRANSFORMATION AS AN ESSENTIAL BUSINESS MANDATE WITH SOCIAL, MORAL, AND STRATEGIC DIMENSIONS. BY CONTINUALLY TRANSFORMING OUR BUSINESS AND IMPLEMENTING INITIATIVES, WE CONTRIBUTE TO THE DEVELOPMENT OF A MORE EQUITABLE AND INCLUSIVE SOCIETY.”

PROFESSOR LOUIS FOURIE, INTERIM CHAIR OF THE BOARD

AYO GROUP

Investments

M-commerce solutions for Africa providing economic inclusivity to small and medium vendors and access to goods and services to consumers

AYO's subsidiary companies are mature, scaled businesses that provide the Group with consistent revenue stream and investment capital. Of course, the opportunity for exponential growth from such a high base is, by definition, limited. This is where our strategic investments in fintech come in.

Managed and administered by Vunani Fintech Fund, AYO has invested R192,3 million between 2019 and 2023 in this fintech portfolio, which has produced more than 130% growth to date and was valued at R431 million as of 31 August 2023. The portfolio includes 11 companies, which connect and give access to various services, primarily via mobile platforms. In Africa, where most of the web traffic is generated via smart phones, "online" practically means "mobile". Thus, Vunani's investments not only provide growth for shareholders and support for entrepreneurs, but essentially enable economic inclusivity for a substantial, previously untapped, market segment.



**30%
INVESTMENT**



SNAPnSAVE

Highly scalable business, modelled after US-based Ibotta, SNAPnSAVE is a consumer loyalty programme, offering cash rewards for the purchase of products from participating brands. Customers include Johnson and Johnson, Pioneer Foods, and Tiger Brands.



**24.9%
INVESTMENT**



Powered by Google App Engine on a PaaS (platform as a service) basis, BXChange offers a mobile wallet with a pre-paid debit MasterCard to the under-served market within South Africa.



**10.9%
INVESTMENT**

flow

Mobile property marketplace connecting sellers and buyers, as well as landlords and tenants, with major customers including Seef, Broll, Remax and Century 21 Group.

10.7%
INVESTMENT



An online payment gateway facilitating over R1.6 billion in monthly transactions for more than 1 million merchants.

13.8%
INVESTMENT



A healthcare digital marketplace and booking platform connecting health care practitioners with their patients. In 2020 the platform was integrated in all Discovery client facing products, which represent 50% of the private health insurance market in South Africa.

19.6%
INVESTMENT



Digital insurance platform servicing customers including WeFix, Massmart and Lewis retail groups.

1.8%
INVESTMENT



A mobile money payment platform focused on the mobile money infrastructure provided by telecommunications companies in Africa. The platform processes more than 100 million transactions per year across 10+ African countries.

3.8%
INVESTMENT



Developed by UCT students and co-funded by major Swiss banks, **BALNS** is a hardware wallet for blockchain payment transactions, allowing users to buy and trade between cryptocurrencies in a safe and cost-efficient way.

11.5%
INVESTMENT



A peer-to-peer mobile insurance platform, which sells short term insurance products and performs intermediary services (acting as a user interface for the underlying insurer) via mobile app.

2.1%
INVESTMENT



LIFEQ is a health monitoring app using non-invasive wearables (e.g. a smart watch) to measure specific parameters like oxygen inhalation levels and resting metabolic rate and provide health information and potential disease warnings including sleep apnea, diabetes or heartbeat irregularities.

10.2%
INVESTMENT



A sports social and media platform easily described as a mix of Strava and ESPN sport.

OUR BUSINESS

OUR GROUP



EXTERNAL ENVIRONMENT

- Business context
- Stakeholders' needs

Business context

Our business does not exist in a vacuum. The environment in which we operate both informs and influences our strategic direction and our decision-making process. Global and regional economic, political, and social developments, as well as the needs and expectations of our key stakeholders, affect our operations, pose risks and challenges, but also extend us the opportunity to play a significant role in South Africa's socioeconomic development and create value by promoting the achievement of UN SDGs locally.



Economic and political environment

Below we describe some of the external events during the reporting period that have materially impacted on our strategy and operations and how our response to these creates value for our stakeholders and society.

GLOBAL POLITICAL INSTABILITY

UN SDGs impacted



The context

With the Russian-Ukrainian conflict sending political and economic shocks throughout the globe, along with several areas of conflict across the continent, the African Union and its member states have re-prioritised expenditure on defence capabilities and command and control technologies.

The opportunity



GC²T's command and control infrastructure is already deployed by the African Union's multi-national task force. By extending this offering to the individual member states, we have an opportunity to create a seamlessly integrated African defence system.

SA ENERGY CRISIS

UN SDGs impacted



The context

South Africa’s energy grid continues to experience a collapse in generating capacity, which has been the case since 2007. In 2023, the crisis has deepened, having a devastating impact on the local economy. Unfortunately, the medium-term outlook still does not appear promising with rolling load shedding expected to continue for the next 5-10 years.

The opportunity



Connectivity is one of the critical business requirements that has been severely impacted by the electricity shortage. While receiver devices at endpoint are sophisticated enough to function for reasonable periods without power, it is of no use when the actual masts are disconnected and cannot emit signal. SGT has seized this opportunity to install and service, reliable power solutions for its customer base, thus solving a pressing problem while increasing revenues. Further, there are potential interests in solar with other Group companies and their partnerships that present opportunity for growth.

EVOLVING SA LEGISLATION

UN SDGs impacted



The context

In a progressive endeavour to provide universal access to quality healthcare to all South Africans, Parliament has been hard at work to draft and pass the National Health Insurance (NHI) Bill, which will create a single healthcare platform for the country’s 55 million + population.

The opportunity



For NHI to become a reality, a basic requirement is a single database of electronic health records (EHR) accessible by all healthcare practitioners. HST, which has, for more than 25 years, provided the service to the Western Cape Provincial government, is currently working on a solution to integrate private and provincial public records.

NEW WORLD OF WORK

UN SDGs impacted



The context

While most sectors of the economy have recovered well post the Covid-19 lockdowns of 2020 and 2021, some of the effects from the pandemic, particularly the shift to remote, hybrid or agile workspace, are set to stay. As in 2022, the trend for companies reducing office floor space in favour of greater flexibility, increased productivity, and staff satisfaction, continues.

The opportunity



Already established as market leaders in their respective niches, our two subsidiaries – Kathea Communications and Headset Solutions – are maximising this opportunity by supplying cutting edge products to their diverse customer base spread throughout the African continent. Solutions include audio and video conferencing equipment, as well as smart office management systems.

INCREASED CONNECTIVITY

UN SDGs impacted



The context

International statistics place smart phone penetration in Africa in the upper 80s and lower 90s percentiles, with even further growth expected in the next 3-5 years. With the advancement of technology, particularly in the mobile space, many new services can now be extended to previously under-served market segments.

The opportunity



The Vunani fintech portfolio is mandated to respond to this exact opportunity. Their investments to date have already opened services including insurance, payment solutions, property management and various marketplaces to a large and previously untapped low-income market. By 2023 the portfolio value has grown more than 130% with the forward outlook being even more promising.

Our key relationships

AYO's ability to create and preserve sustainable value is contingent on quality engagements with our stakeholders, based on mutual trust, respect and open communication. We aim to build, maintain, and strengthen these relationships and align the interests of our key stakeholders with our purpose-led journey.

OUR SELF-ASSESSMENT OF THE RELATIONSHIP QUALITY

- ★ ☆ ☆ ☆ Strained relationship, requiring significant consideration and effective communication to overcome challenges

- ★ ★ ☆ ☆ Established relationship that requires further nurturing to improve its quality

- ★ ★ ★ ☆ Good quality relationship with room for further improvement

- ★ ★ ★ ★ Very strong relationship, based on shared vision and mutual value



EMPLOYEES



Basis of assessment:
Staff engagement post restructure

If our Board is our GPS navigation system leading the way, our team is the engine that “makes the wheels turn”. Their ideas, knowledge, skills, experience, and commitment are instrumental to our value creation process.

Needs and expectations

- Safe, healthy and inclusive working environment
- Job security and sustainability
- Competitive and fair remuneration
- Ongoing investment in training and development

Engagement platforms

- Regular formal and informal sessions for business updates and ideas forums
- Training and development programmes and professional courses
- Team building events
- Employee wellness hotline
- Whistle blowing platform

Salient engagement points

- 90% staff retention rate amidst intense business uncertainty and highly stressful reporting period
- Over 90% participation in volunteer team building activities and functions
- Strong interest and full attendance and participation in training programmes
- Engaged, productive and collaborating office environment



SUBSIDIARIES



Basis of assessment:
Level and quality of engagement

Being our operating entities, our subsidiaries play a critical role in our value creation process, our social impact and our financial performance.

Needs and expectations

- Balanced approach to operational and financial management support and autonomy
- Financial backing for growth and scale strategies
- Collaboration opportunities with sister companies
- Strong parent brand

Engagement platforms

- Strategic direction through board participation
- Operational assistance via Group Executives team
- Standardised group-wide processes and AYO-run shared services
- Quarterly assessment via Group Internal Audit team

Salient engagement points

- Appointment of Chief Operating Officer, responsible for coordinating intra-Group activities and driving subsidiary engagement
- Working together as a team with joint legal resources to address banking challenges affecting most companies within the Group
- Engaging with shareholders on a regular basis to ensure transparency and inclusion



SHAREHOLDERS



Basis of assessment:
AGM attendance and effectiveness of communication

Our shareholders provide the financial capital we need for sustainable growth, thus enabling our value creation potential.

Needs and expectations

- Sustainable capital growth
- Safety of investment
- Attractive dividend pay-out
- Realistic, sound and value-driven investment strategy
- Disciplined and responsible management of financial assets
- Good governance and ethical business practices

Engagement platforms

- Annual general meeting
- Annual and interim reports
- Regular SENS announcements
- Investor centre page on AYO website

Salient engagement points

- Critical settlement agreement reached with significant shareholder, the PIC, and renewed commitment to re-build value in AYO, which includes support of subsidiaries
- Streamlined operations and new executive team managing costs and taking hard-line approach on governance and compliance



REGULATORS



Basis of assessment:

Alignment with regulatory requirements and regulatory notices

Regulatory bodies like JSE, FSCA and government committees provide structure to our operating environment and ensure ethical corporate behaviour, good governance practices and satisfactory reporting disclosure.

Needs and expectations

- Responsible corporate citizenship
- Compliance with all legal and regulatory requirements
- Accurate and timely reporting of business performance
- Responsible taxpayer behaviour

Engagement platforms

- Compliance buffer and clear lines of communication via corporate sponsors
- Formal communication (filing and submissions) and cooperation in requests for information
- Attendance of regulatory workshops and training sessions
- Annual and interim reporting

Salient engagement points

- Providing clarity on reporting and governance enquiries
- Providing clarity on the settlement agreement with the PIC
- Understanding and application of evolving disclosure requirements



SOCIETY



Basis of assessment:

CSI investment and UN SDGs promote progress

Our relationship with South African communities impacts on our brand and reputation. Our strategic alignment with UN SDGs, including quality education and reduced inequalities, allows us to create sustainable value for our society.

Needs and expectations

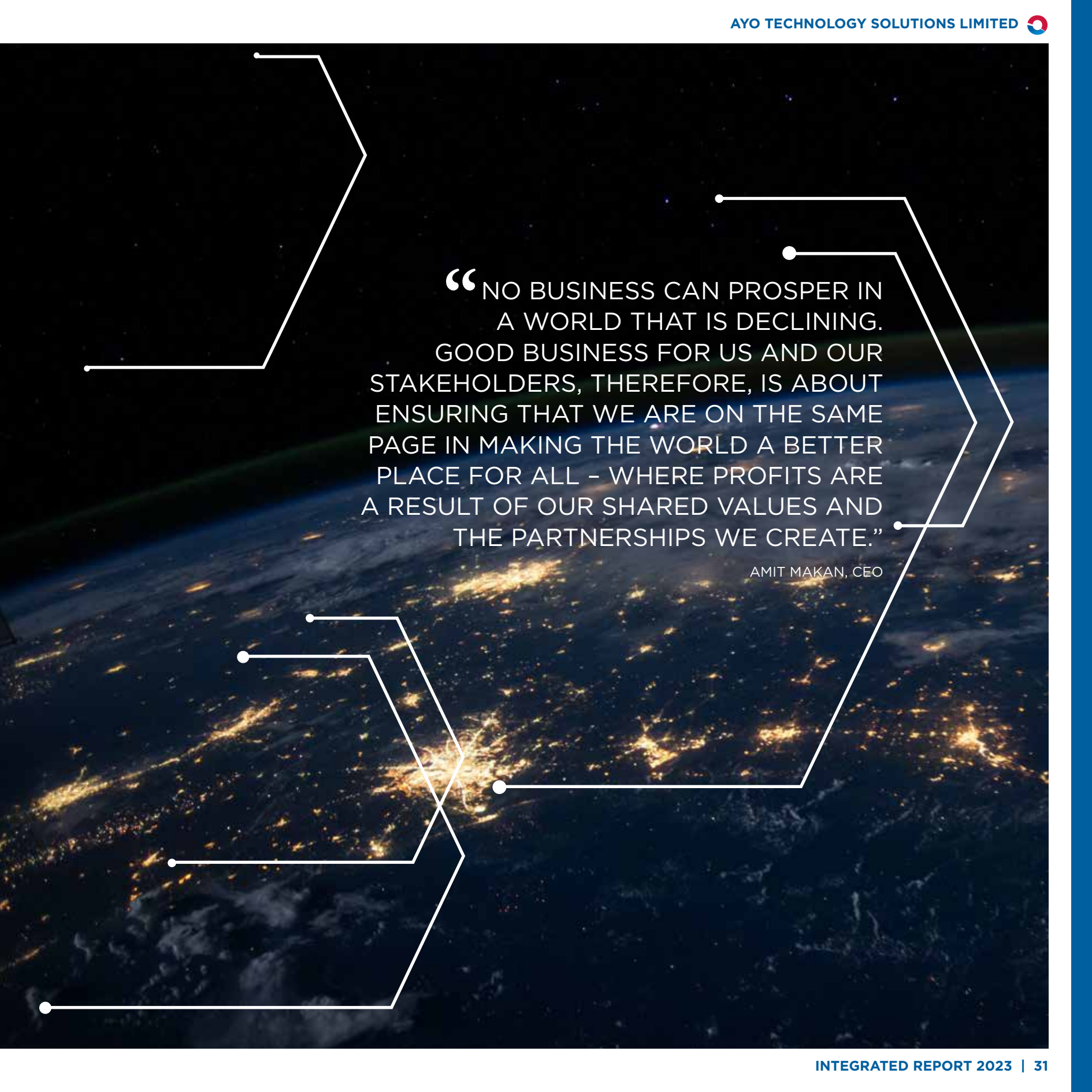
- Tangible contribution to transformation
- Improved access to services and opportunities through mobile and digital platforms
- Partnering and support on common social challenges
- Timely crisis support when disasters occur

Engagement platforms

- Direct investment into inclusive services and entrepreneurship via Vunani fintech fund
- Progressive Social Economic Development (SED) and sponsorship programmes supporting entrepreneurship and SMMEs
- Direct and indirect community donations
- Volunteer and financial support for community events

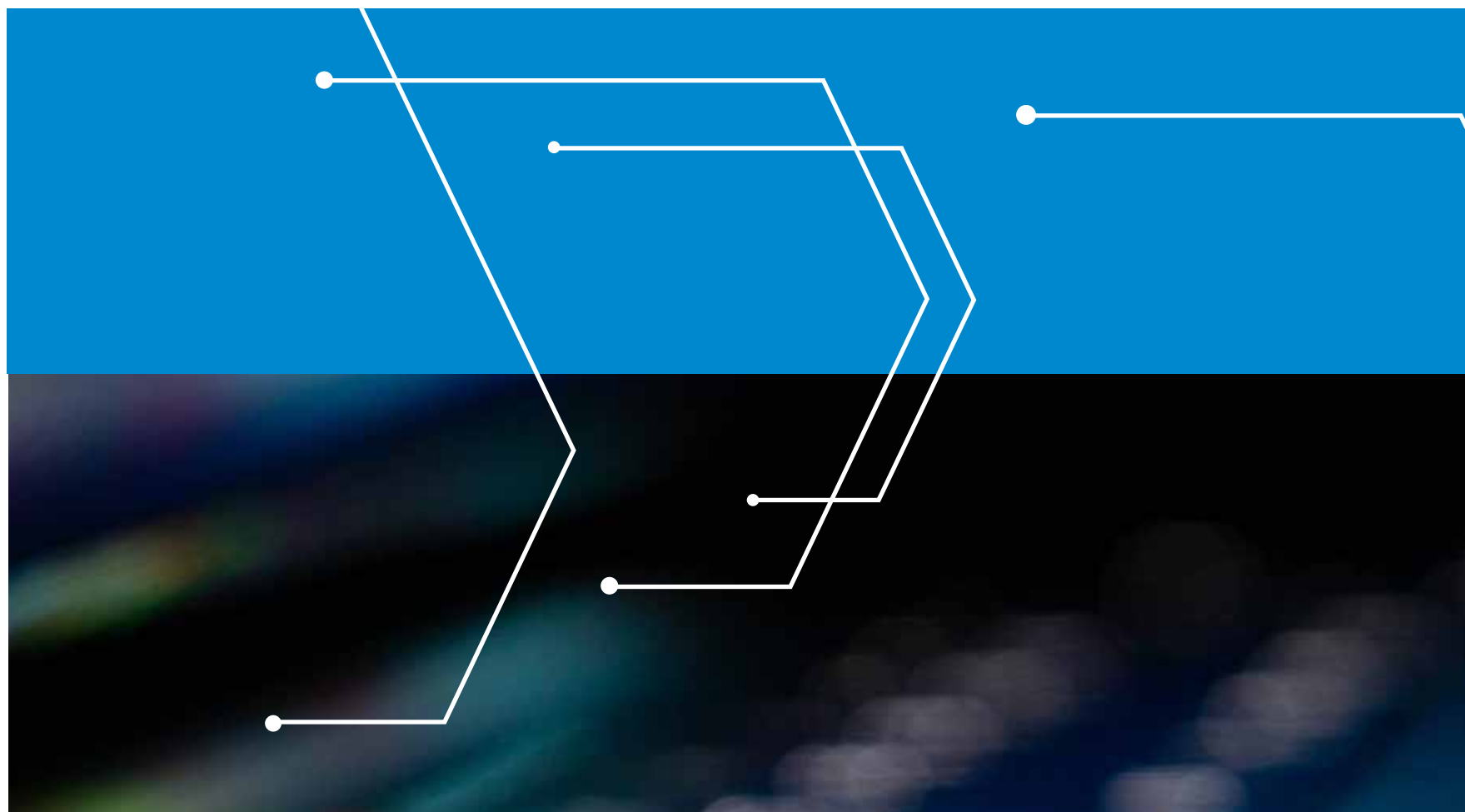
Salient engagement points

- Mandela Day initiative for the Culemborg Safe Space Night Shelter
- Natural disaster support for victims of the Turkish earthquake



“NO BUSINESS CAN PROSPER IN A WORLD THAT IS DECLINING. GOOD BUSINESS FOR US AND OUR STAKEHOLDERS, THEREFORE, IS ABOUT ENSURING THAT WE ARE ON THE SAME PAGE IN MAKING THE WORLD A BETTER PLACE FOR ALL - WHERE PROFITS ARE A RESULT OF OUR SHARED VALUES AND THE PARTNERSHIPS WE CREATE.”

AMIT MAKAN, CEO



This section articulates our strategy to the creating, preserving, and minimising the erosion of value. As described in the introduction of this report, we apply an integrated approach to defining our strategy. Our resources (**capitals**), **risks and opportunities** and critical events that impact our business (**material matters**) collectively inform the central objectives we set for ourselves (**focus areas**). While we strive to create maximum value for all stakeholder clusters, we must be cognisant of our business constraints and make some balancing decisions (**strategic trade-offs**) to define a course of action that optimises the resultant benefits amidst sometimes conflicting interests. We then define what success looks like and set up measurable targets (**KPIs**) to evaluate our performance.

OUR STRATEGY

- 34 Chairman’s reflections
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- 39 Our capitals
- 42 Our principal risks
- 47 Material matters
- 50 Focus areas
- 52 Our strategic trade-offs
- 54 Key performance indicators



Reflections from our Chairman

“ RESILIENCE IS ALL ABOUT BEING ABLE TO
OVERCOME THE UNEXPECTED...THE GOAL
OF RESILIENCE IS TO THRIVE

- JAMAIS CASCIO, INSTITUTE FOR THE FUTURE

The overall performance of AYO, as a company, reflects the tough times we have experienced during the past financial year. In the face of the current challenging local and international economic environment, the company's leaders and employees have done their utmost best to create shareholder value.

A CHALLENGING BUSINESS ENVIRONMENT

The South African economy is currently characterised by high interest rates, stubborn inflation, political instability, a lack of clear policy direction, and record levels of unemployment.

Business confidence is low, as companies struggle to protect margins while managing the effects of the worst year of loadshedding in South African history and a weakening currency. The South African economy remains lacklustre.

Consumers are under strain with high fuel costs, food price inflation and the combination of over indebtedness and high interest rates eating into discretionary spending and reducing demand for capital goods. Retrenchments and limited salary increases compound the pressure on personal budgets.

In addition to the economic situation, the PIC/GEPF court case that started in 7 March 2023 was a serious concern and consumed an enormous amount of time. Fortunately, an acceptable settlement was reached between Ayo Technology Solutions and the PIC/GEPF.

Despite these hurdles, the Group has shown commendable resilience. Although some of our targets have been missed and the higher-than-expected restructuring costs contributed to the loss in the current financial year. The company is, however, committed to improving our performance in future, and I have no doubt it will do so.

RESTRUCTURING

Due to the challenging environment, the company implemented a turnaround strategy, and the Board and executive management have made significant strides in creating efficiencies and reducing costs.

One of the major actions after extensive planning and consultation, was a restructuring of the company into an ICT Investment company. As a result, numerous employees accepted packages or were transferred to other entities within the Group in December 2022, including the CFO, Mr Tatenda Bundo, who wanted to pursue further studies and Ms Vanessa Govender, the Corporate Affairs Director. At the same time, the CEO, Mr Howard Plaatjes had already decided to retire.

In February 2023, the Board appointed Mr Amit Makan as CEO of the company and Mr Pride Guzha as CFO. Mr Makan holds a B.Bus. Sci (Hons) and two Masters Degrees from UCT, with Certifications

in Finance and Sustainable Investments from Harvard Business School. He has 25 years' professional experience in marketing, digital transformation, and has managed and served as CTO and CEO in several companies. Mr Pride Guzha holds a Bachelor's Degree in Financial Management and a PGD in Applied Accounting Science from Unisa, as well as an MBA from Henley Business School. He also qualified as a Chartered Account (SA) with eight years of experience.

CHANGES TO THE BOARD

We were deeply saddened by the untimely loss of our esteemed Chair, Dr Wallace Mgoqi and Dr Dennis George, a Non-executive Director. Dr Mgoqi was highly regarded and respected for his invaluable leadership, contributions, and sound judgement in Board deliberations during his tenure. His enduring impact has played a pivotal role in shaping the trajectory of the company.

Dr George's steadfast commitment and insightful guidance have left an indelible mark on our organisation and his wealth of wisdom has consistently proven invaluable in navigating challenges and fostering growth. They will be sorely missed.

In their place we welcomed Ms Valentine Dzvova and Mr Jowayne van Wyk as Non-Executive Directors.

SUBSIDIARIES

Although a few subsidiaries under-performed, the predominant share of the foundational investments has exhibited noteworthy growth and has actively contributed to the creation of value. These investments have not only shown resilience in difficult times but have also demonstrated a capacity for generating returns and enhancing overall value within their respective portfolio or context.

Unfortunately, the closing of bank accounts by some banks, leading to constrained and limited banking facilities, imposes significant obstacles on subsidiaries, impeding their potential for growth. The limitations imposed by the lack of robust financial infrastructure curtail their ability to capitalize on burgeoning market opportunities and necessitate a cautious approach, diverting attention from proactive expansion efforts to the essential task of maintaining stability in the prevailing operational landscape.

GOVERNANCE, INTERACTION, AND VALUE CREATION

The Board of Ayo Technology Solutions Limited views governance and compliance as critical tools for value creation and is committed to fostering a culture of transparency, integrity, and honesty. The company is in regular discussions with regulating authorities such as the Johannesburg Stock Exchange (JSE) to ensure compliance with the Listing Requirements and the statute of incorporation.

Key Board focus areas during the year included revising the strategy of the company to mitigate the impact of the current economic conditions. The Board further aims to empower the Group Chief Executive Officer and executive committee, to ensure that they have the necessary resources to drive effective leadership and implement the strategy approved by the Board.

The Board also sets the ethical tone at AYO. The Code of Ethics and Business Conduct emphasises our commitment to high ethical standards and a zero-tolerance approach to fraud and corruption.

Our ability to create value is critically dependant on maintaining good relationships with our key stakeholders. The Board is kept informed of engagements with stakeholders and interacts with members at the AGM to ensure that AYO understands and addresses their interests and concerns.

Ayo Technology Solutions embraces transformation. We perceive transformation as an essential business mandate with social, moral, and strategic dimensions. By continually transforming our business and implementing initiatives, we contribute to the development of a more equitable and inclusive society. The structure and diversity of the Board are also reviewed annually to ensure inclusivity.

OUTLOOK

While we expect economic conditions to remain challenging for the foreseeable future, we have great faith in the resilience and talent in Ayo Technology Solutions and its subsidiaries, as well as the leadership abilities of the executive team.

We will continue to improve operational efficiencies and open new channels to interact with stakeholders.

ACKNOWLEDGEMENTS

FY2023 has been another demanding year, and I would like to express our sincere thanks to our shareholders and all stakeholders for their support. I also want to extend my heartfelt gratitude to my fellow Board members for their dedication, sagacity, continued support, and valuable insights over the past year. In similar vein, our profound appreciation goes to our executive team for its drive to execute our strategy, as well as our employees who showed remarkable resilience in a very challenging year.

Lastly, I want to thank our Company Secretary, Mr Wazeer Moosa, for his devoted service to the Board and company, as well as his commitment to corporate governance.

Contemplating what has been a tumultuous year, it becomes evident that we have limited control over uncertainties in the external environment. Nevertheless, we possess the capability and agility to formulate plans and implement contingencies to alleviate the external environment's impact on our capacity to generate value and pursue emerging opportunities.

Our strategy involves deepening, diversifying, and differentiating our investments in innovative technologies.

We look forward to the year ahead and the opportunities it holds. Our strength is rooted in our ability to learn, adjust, and effectively react to dynamic environments to create sustainable long-term stakeholder value.



Professor Louis Fourie
Interim Chair of the Board

30 January 2024

“ I WOULD LIKE TO EXPRESS OUR SINCERE THANKS TO OUR SHAREHOLDERS AND ALL STAKEHOLDERS FOR THEIR SUPPORT. I ALSO WANT TO EXTEND MY HEARTFELT GRATITUDE TO MY FELLOW BOARD MEMBERS FOR THEIR DEDICATION, SAGACITY, CONTINUED SUPPORT, AND VALUABLE INSIGHTS OVER THE PAST YEAR.

PROFESSOR LOUIS FOURIE



Our value creation model

KEY INPUTS

The quality and availability of our capitals is critical to our ability to create and preserve value. The capitals described here are further unpacked on **page 39**.



FINANCIAL CAPITAL

Our cash position, sustained asset base and operating revenue



HUMAN CAPITAL

Our people, collective knowledge and skills and culture



SOCIAL AND RELATIONSHIP CAPITAL

Our stakeholder relationships and key OEM partnerships



INTELLECTUAL CAPITAL

Our intellectual property and brands, processes, and systems



MANUFACTURED CAPITAL

Our fixed assets, such as buildings, vehicles, technology devices and stock



NATURAL CAPITAL

The natural resources we use, such as electricity and water

Our resources are finite and our diverse stakeholders' interests often compete for scarce capital allocation. This compels us to make some strategic trade-offs described on **(page 54)**.

Informed by our strategic focus areas (**page 50**), material matters (**page 47**) and risks and opportunities (**page 42**), we direct our capitals to activities that maximise value creation.

BUSINESS ACTIVITIES



OUTPUTS

A balanced portfolio of complimentary companies in various lifestyle stages that diversify risk and income.

OUTCOMES

SHAREHOLDERS



Consistent dividend return



Investment value preservation

EMPLOYEES



Market-related earnings



Training and career development



Inspired and purpose-driven culture

SUBSIDIARIES



Strategic direction



Collaboration opportunities with sister companies



Financial support for growth and scale

REGULATORS



Tax contribution to the fiscus



Good corporate citizenship and regulatory compliance

SOCIETY



Impact-driven CSI strategy



Support and investment in education initiatives and people development



Direct investment in disaster relief and community development programmes

Our capitals







FINANCIAL CAPITAL

- R3 billion total assets
- R187 million in cash reserves and equivalents
- R2.3 billion gross revenue

THE CHALLENGES WE FACED

- Ongoing banking challenges and escalating legal costs
- Conflicting stakeholder interests in the first half of the year, preventing AYO from providing financial support to and investing in the growth of subsidiaries
- Loss of interest income and high transactional costs due to banking dispute
- Reduction in cash reserves due to settlement with major shareholder

THE VALUE WE CREATED

-  Distributed R60 cents per share (Net R48 cents per share - this was an Interim dividend paid in December 2022 only)
-  R590 000 in staff training and development
-  R37.6 million total tax contribution
-  R2.1 million in donation and support

THE BOTTOM LINE

The impaired relationship with the banking industry and resultant litigation, as well as the unresolved differences with our important shareholder, were the two main contributors to the erosion of financial capital. Steps were taken to address the two issues with temporary relief by the courts in our banking conflict being maintained and settlement having been reached with the PIC, which has led to renewed commitment to re-build value in the company. The banking challenge, will however, remain a focus area for AYO in 2024.

Focus area





HUMAN CAPITAL

- 972 employees
- R590 000.00 investment in training and development
- Embedded culture of trust, loyalty, and commitment

THE CHALLENGES WE FACED

- As in 2022, several lengthy simultaneous litigation processes over the course of the entire reporting period, leading to the “emotional fatigue” of our employees
- AYO’s prolonged negative media coverage continues to cause significant erosion to the value of our brand and makes attracting high calibre talent challenging and costly

THE VALUE WE CREATED

-  R24,138,304.32 annual salary bill
-  9 courses (amongst 7 Staff) giving AYO well-rounded multi-functional team and solid succession pipeline

THE BOTTOM LINE

By demonstrating to our staff that they are our top priority during this busy, highly stressful reporting period marred with uncertainty, AYO managed to minimise the risk of staff attrition and foster unparalleled loyalty and camaraderie in the team. As we have always considered our human capital one of our key resources, people development remains a focus area in the future strategy.

Focus area



Our capitals







SOCIAL/RELATIONSHIP CAPITAL

- 120+ principal OEM partnerships
- 500+ organisational clients across Africa
- R2 million+ investment in impactful CSI community-focused support

THE CHALLENGES WE FACED

- Money available for CSI initiatives is directly related to our net profit. With legal and reputational challenges impacting on our profitability, funding for community support projects is reduced
- Excessive demands on our people and reduced resources, affects the availability of our team for community support projects.

THE VALUE WE CREATED

-  GC²T awarded five employees long service awards – 10, 15 and 20 years.
-  SGT received a platinum award by Microchip, their OEM partner
-  Mandela Day initiative
-  Assistance and support to the Turkish earthquake victims

THE BOTTOM LINE

Strong meaningful relationships, particularly with OEM partners, customers and suppliers are an important differentiator and success enabler for AYO. We have had great successes in this regard with important international partners like Huawei, Poly, Jabra, Logitech, and Cisco during the reporting period and will continue to nurture these relationships going forward.






INTELLECTUAL CAPITAL

- 137 specialised technology certifications
- Proprietary software and platforms used by customers across the globe
- Strict SOPs and checks in place ensuring good governance and ethical operations

THE CHALLENGES WE FACED

- Ongoing litigation and negative media coverage impact on our brand reputation
- The strain of the reporting period's challenges on our resources affects the money and time AYO and our team can dedicate to continual staff development and certification

THE VALUE WE CREATED

-  Customised, proprietary platforms and software embeds subsidiary companies in their clients' business operations
-  Continual investment in specialised technology certifications and skills development
-  Ethical and compliant governance from an exemplary corporate citizen

THE BOTTOM LINE

While we have managed to develop the intellectual capital of our business in this challenging period, which is a big win, our brand reputation continues to suffer from unwarranted, yet relentless, negative attention. We acknowledge the impact of negative publicity on our biggest intellectual asset – our brand – and continue to prioritise this focus area.

Focus area









MANUFACTURED CAPITAL

- R35 million fixed assets (property, plant and equipment)
- Modern, secure, cloud-based technology platforms
- Fully portable office equipment (including laptop-based fixed telephone lines) enable remote work and agile response to load shedding.
- R239 million in stock on hand

THE CHALLENGES WE FACED

- Maintaining sufficient stock levels protects us from supply chain interruptions, but challenges cash flow
- Escalating cost of continuous re-investment in tools and equipment.

THE VALUE WE CREATED

-  Group office: Reduced operational expenditure by moving offices this year among other cost saving initiatives
-  Budget-friendly business accommodation (in shared offices)
-  Adequate stock holding enables fast and reliable sales to their customers
-  Flexible work tools enabling remote work and minimising load shedding impact

THE BOTTOM LINE

The sophisticated IT equipment we use and our investment in cloud-based communication and data storage enable us to operate seamlessly across the load shedding stages. This, as well as the confidence that our data is safe and accessible in the cloud, reaffirms the validity of the continual manufactured capital investment.




NATURAL CAPITAL

- Future investment strategy focused on renewable energy and “green” technology
- Negligible impact of operations on the environment

THE CHALLENGES WE FACED

- Organic growth and further investments in our natural capital are slow to materialise due to ongoing banking and reputational challenges.

THE VALUE WE CREATED

-  Minimal (if any) impact of our operations on natural resources

THE BOTTOM LINE

AYO’s operations already have negligible (or no) impact on natural resources. To create value in this domain we look at investing in companies that grow natural capital (e.g. renewable energy, water purification or food security technology). Our planned investment in EDS folded at the last moment, which once again emphasises that we need to resolve the current crises to regain our strategic momentum.













Our principal risks

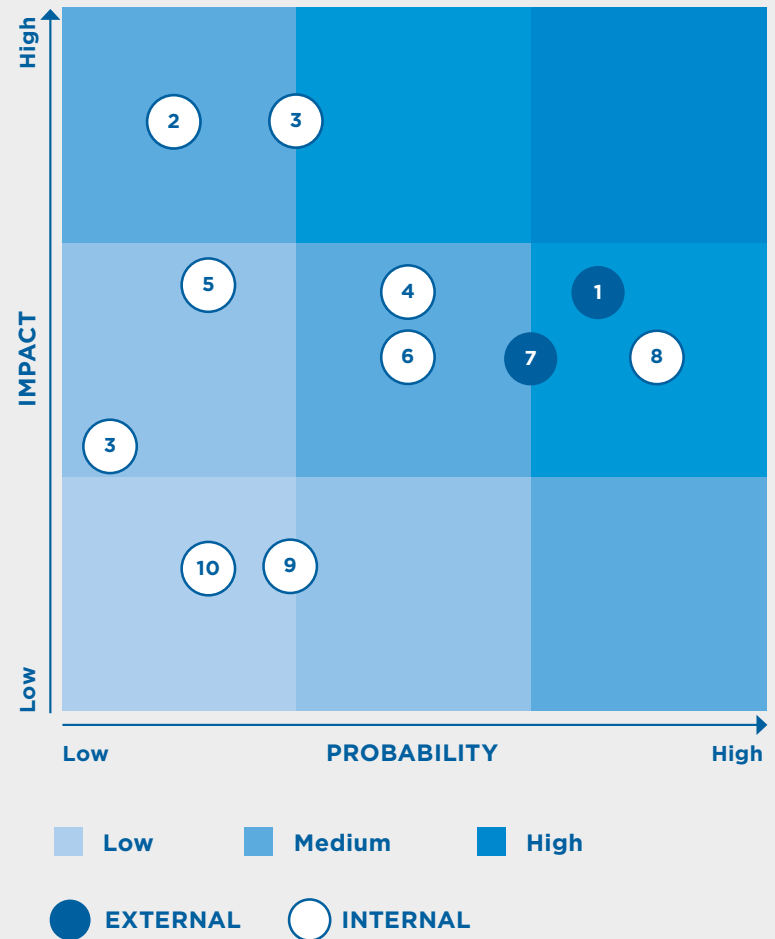
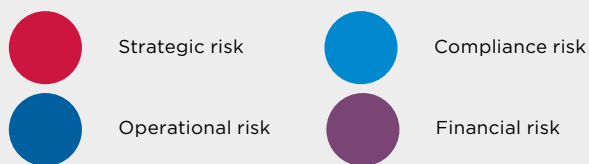
Beyond the economic and political climate, which affect all businesses, AYO's risk landscape remains influenced by our banking challenges, which affect us deeply on an operational level and which impacts our reputation and our ability to create and preserve value. Risk monitoring is an ongoing activity in the business with the OPSCO team meeting quarterly to identify and review principal risks for the Group and ensure adequate redress measures are in place. The risk register is then presented to the audit and risk committee for review and informs the strategic decisions taken at Board level.

**RISK MANAGEMENT”
IS A CULTURE,
NOT A CULT. IT
ONLY WORKS IF
EVERYONE LIVES
IT, NOT IF IT'S
PRACTICED BY A
FEW HIGH PRIESTS.**

TOM WILSON

This section focuses on the 10 most critical risks for the organisation during the 2023 reporting time frame.

AYO'S TOP RISK	RISK CATEGORY
1 Economic and political climate	
2 Regulatory compliance	
3 Business longevity	
4 Succession planning	
5 Staff retention	
6 Erosion of subsidiaries' value	
7 Erosion of shareholders' value	
8 Cash preservation	
9 Data safety and protection	
10 Related party disclosures	



1 Economic and political climate

While South Africa has emerged from the Covid-induced recession and the economic and financial outlook has improved significantly, volatility remains high in the context of local and international political unrest. Inflationary and energy pressures and rampant corruption in the country, continued pressure on foreign direct investment into South Africa, and the ongoing Ukraine-Russia war all contribute to a highly precarious and ambiguous economic climate, which ripples to affect every business organisation.

MITIGATING ACTIONS

- Continuously monitor and follow the development of significant events that affect the global and South African economy.
- Include contingencies in our business plans to provide for negative impact of subdued economy.
- Identify opportunities that emerge from this external environment and swiftly focus operational capacity to fill the gap and create value.



Capitals Impacted



Focus area

2 Erosion of shareholders' value

With the already well-explained challenges testing the resilience of AYO, the Company may be compelled to sell its investments at lower than market value. Such a scenario would significantly affect shareholders' value as the losses from the revenue contribution of the traded subsidiary will be amplified by the losses from the discounted sales price. This may further trigger other subsidiaries to consider potential sales or management buyouts.

MITIGATING ACTIONS

- A Group Chief Operating Officer was appointed to focus on stakeholder engagement with subsidiary companies and improve communication flow.
- The executive team, through Board participation in subsidiary businesses, contextualises current challenges and neutralises concerns.
- Engagement with critical shareholders to emphasise the importance of creating value at subsidiary level through financial assistance to enlist their support.



Capitals Impacted



Focus area

3 Business longevity

The extensive legal challenges AYO is simultaneously confronting, together with the ongoing negative media focus on the Group and heightened regulatory attention, are putting the business to a serious test, potentially threatening our longevity. These prolonged processes are straining our financial and human resources, forcing our operational focus, and impeding our ability to concentrate on the strategic mandate we are set to deliver on.

MITIGATING ACTIONS

- Business continuity plans in place and operational readiness to address potential negative litigation outcomes.
- Mediation discussions in progress with the PIC to avoid further litigation.
- Continuous stakeholder engagement with subsidiaries, regulators, and staff to secure their ongoing support and promote open and transparent relationships.



Capitals Impacted



Focus area

4 Cash preservation

AYO's banking challenges have necessitated the use of third-party treasury services, which come at a high cost. Interest income, which has historically contributed significantly to the Group's financial performance, has been severely diminished, as well. Additionally, the prolonged litigation with the banking cartel in various judicial institutions, has led to exorbitant mounting of legal expenses, which further promotes the erosion of value.

The settlement with the Public Investment Corporation (PIC) resolved long-standing disputes between the parties, but the settlement figure diminished cash reserves.

MITIGATING ACTIONS

- The favourable, albeit temporary, relief granted by the Equality Court and the first Competition Tribunal hearing eased some of the pressure on cash preservation.
- Amicable dispute resolution with the PIC has resulted in mutually beneficial terms to re-create value in AYO.



Capitals Impacted



Focus area

5 Erosion of shareholders' value

Our subsidiary companies, as our principal investments, are of extreme importance to our business and financial performance. With the current banking challenges (which affect not just AYO Company, but many of the businesses in the Group), our inability to offer them financial assistance in this challenging period, due to lack of shareholders' support, and the reputational damage, our subsidiaries' performance is suffering, leading to decrease in the value of these investments.

MITIGATING ACTIONS

- Regular valuation of subsidiary companies by an independent valuer – Vunani Capital.
- Engagement with and (non-financial) support to subsidiary companies to promote their sustainability and growth.
- Board of directors' approval for disposal of investments if deemed the most appropriate course of action.



Capitals Impacted



Focus area

6 Regulatory compliance

Regulatory requirements continuously evolve. Compliance with JSE, FSCA and any other regulatory body is a priority for AYO. However, given the legal challenges the business has faced during the reporting period, our team is stretched to its limits, which increases the risk of oversight of stringent obligations and subsequent liability for non-compliance.

MITIGATING ACTIONS

- Adequate internal audit and reporting teams, who regularly attend regulatory body training events to keep abreast of latest requirements.
- Compliance checklist process followed and consultation with corporate sponsors prior to any market announcements.
- Company secretary assessment of compliance with King IV™ Code and Companies Act.



Capitals Impacted



Focus area

7 Succession planning

Leadership continuity and succession planning is paramount to the organisation. With the pressure AYO's executive team is under, as mentioned already, the prospect of unintentional oversight of fiduciary or compliance duties may lead to negative consequences for directors, such as public censures and fines. The Group needs to ensure continuity at Board level in the case of directors' regulatory investigations and penalties, however unlikely they may be.

MITIGATING ACTIONS

- Directors' liability insurance taken by the Company on behalf of directors.
- Directors continuous coaching in the provisions of laws and regulations.
- Company secretary monitoring of directors' actions to ensure compliance.



Capitals Impacted



Focus area

8 Staff retention

Ongoing media attacks on the AYO brand, uncertainty driven by prolonged litigation and the stressful work environment these factors have brought on, negatively impacts staff morale. Key staff members may seek stability outside of the organisation. The already critical "brain drain" challenge the entire country is facing, losing competent recruits to emigration, exacerbates the difficulty of replacing valuable employees.

MITIGATING ACTIONS

- Regular formal and informal engagement with the team promotes cohesiveness, improves morale and reduces uncertainty and anxiety.
- Continuous investment in people development to ensure business continuity in the case of critical staff members' resignations.



Capitals Impacted



Focus area

9 Data safety and protection

Leaks of confidential internal information to external parties, whether accidental or malicious, could have devastating impact on our brand, share price and operations. This threat is exacerbated by accessibility of our servers and cloud network from potentially unauthorised devices (like employees' personal computers), which is at times necessary due to load shedding and remote working arrangements.

MITIGATING ACTIONS

- Sophisticated firewalls installed to protect data safety and integrity.
- VPN employment to prevent unauthorised access to data
- Restricted access to sensitive data.
- Detailed business continuity plan in place for data breaches or IT failures.



Capitals Impacted

10 Related party disclosures

With 7 subsidiaries and more than 20 strategic investments, as well as an intricate web of suppliers and service providers, identifying, recording, and adequately reporting related party transactions is a challenge. Failure to recognise such transactions, however, may lead to erroneous disclosures in the annual financial statements, non-compliance with accounting standards and JSE Listings Requirements and potential penalties.

MITIGATING ACTIONS

- New suppliers are screened before the start of their business relationship with the Group and expected to declare any connection to an individual or a company within the Group that may classify the parties as related.
- Directors are required to declare and disclose any conflicts of interest that may have or may in the future result in a related party transaction at each Board and/or committee meeting.
- Processes in place to identify and record related party transactions throughout the Group monthly, reviewed and approved by the CFO.



Capitals Impacted

“THE ESSENCE OF RISK MANAGEMENT LIES IN MAXIMISING THE AREAS WHERE WE HAVE SOME CONTROL OVER THE OUTCOME, WHILE MINIMISING THE AREAS WHERE WE HAVE ABSOLUTELY NO CONTROL OVER THE OUTCOME

PETER BERNSTEIN

Material matters

In order to optimise the value we create, we focus on the issues that have the most significant potential impact on our business - our material matters. We apply integrated thinking to identify and prioritise these matters, which in turn informs our strategy, resource allocation and operational focus. This continual process takes place at Board and executive level and then filters down via the OPSCO team to daily operations.

	IDENTIFY	PRIORITISE	INTEGRATE	ASSESS & REPORT
INPUTS	<ul style="list-style-type: none"> - Risks and opportunities in our external environment - Critical issues and opportunities within the Group - Stakeholder needs and expectations 	<ul style="list-style-type: none"> - Robust deliberation, discussion and analysis of identified issues - Scenario planning - Consideration of capitals requirements and trade-offs - Appropriate governance structures 	<ul style="list-style-type: none"> - Determine strategic focus areas and priorities - Articulate desired outcomes - Set targets, milestones and KPIs to measure progress 	<ul style="list-style-type: none"> - Monitor performance against set KPIs and objectives - Evaluate effectiveness and relevance of measures - Contextualise strategic decisions and provide progress updates to relevant stakeholders
PROCESS	<p>We analyse our external and internal business context, the quality and availability of our capitals, and the needs and expectations of our stakeholders to identify the factors with the highest strategic, legislative, financial and reputational significance to our business in the short, medium and long term.</p>	<p>The identified risks, opportunities and important events are considered by our Board and executive team, with consideration for their likelihood of occurrence and potential impact, as well as the capitals affected by the possible scenarios to determine the most critical factors, which in turn, inform our strategic focus areas.</p>	<p>Material matters are integrated into our strategy in the form of focus areas with clearly identified KPIs, milestones and timelines set in place to measure progress. These KPIs are cascaded down the business and translated into operational objectives with resources allocated for the optimal achievement of targets.</p>	<p>To ensure the quality of our relationship with and enlist the support of our important stakeholders, we strive to present a full and accurate description of our material matters, decision making process and outcomes to them through this report and any other relevant engagement platform.</p>

Following the process described in the above table, we have identified and focused on the following material matters during the reporting period, which we address in our strategic focus areas:

Business longevity and survival

The exceptional challenges faced by our business in the past couple of years and in this reporting period, if unresolved, can pose a tangible threat to the existence of AYO. Thus, much of this financial year has been focused on implementing the restructuring and laying the foundation for AYO's growth.

Capitals impacted: 

Stakeholders affected: 

Focus areas: 

PIC engagement

Bygone conflict with this important shareholder, driven by a sustained campaign of misinformation in the media, resulting in reputational damage, affected our ability to execute our strategic mandate and create value. A mutually agreed settlement agreement was reached and made an order of Court in this reporting period, which will allow AYO to begin the process of re-creating value to the benefit of all stakeholders.

Capitals impacted: 

Stakeholders affected: 

Focus areas: 

Banking challenges resolution







Succession planning

Building a sustainable organisation for the now and the future requires continual investment in people and purposeful talent development. Our team has been stretched to the limit and despite our best efforts, this may lead to burnout and untimely exit of critical employees, such as some of the executive team who left during this reporting period. It is imperative that we prepare for such possibility and to create a working environment conducive to business sustainability.

Capitals impacted: 

Stakeholders affected: 

Focus areas: 

Restore brand reputation

The sustained media smear of AYO has significantly impaired our brand’s reputation and perception. Albeit unwarranted and often untrue, negative articles and associations influence our image and have detrimental consequences for our ability to grow our business and secure new customers or investments.

Capitals impacted:    

Stakeholders affected:     

Focus areas:   

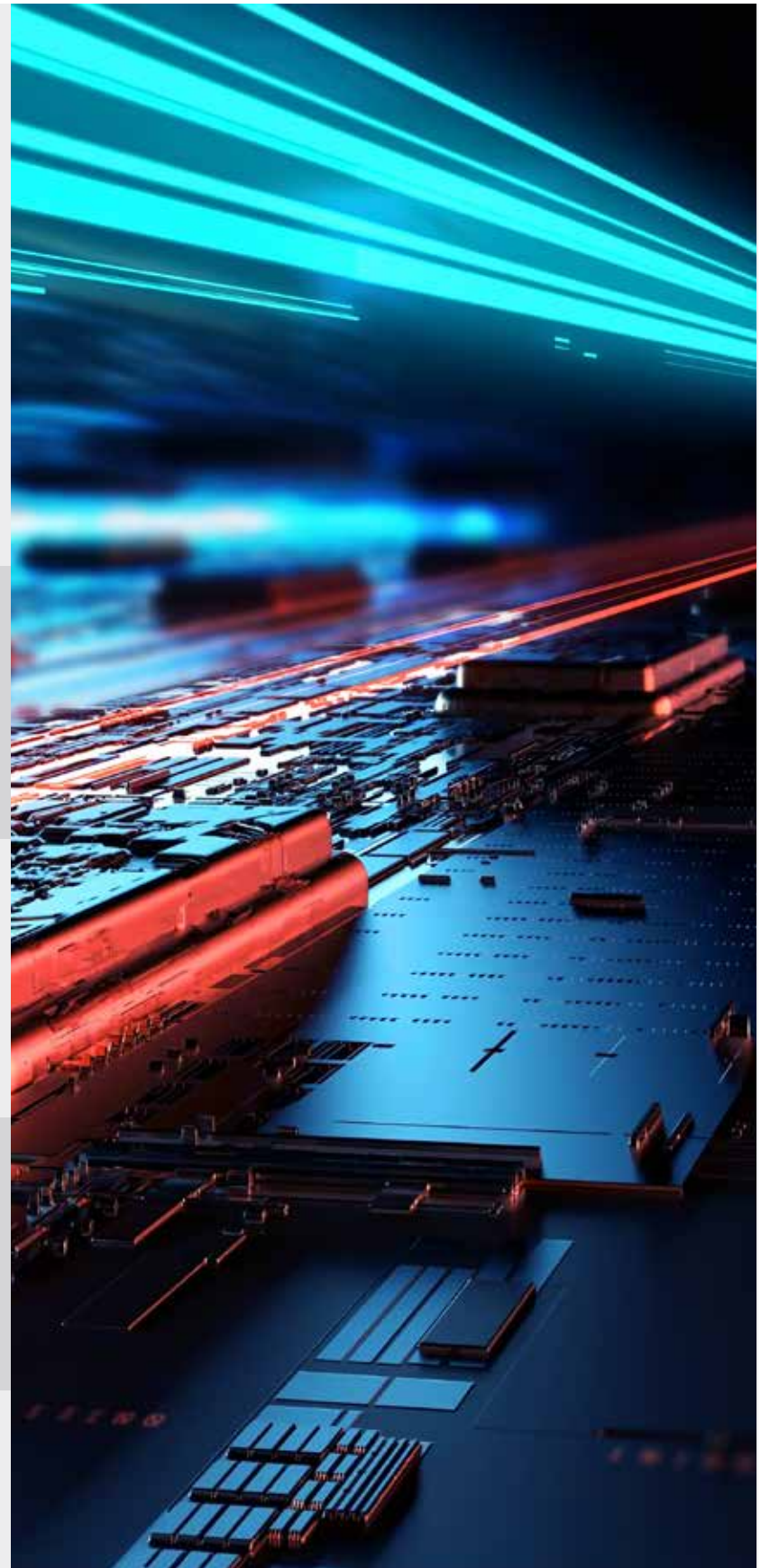
Integrity, ethics and governance

Reputational challenges and public legal battles affect how regulators perceive and interact with us. It is critical that we demonstrate good governance and exemplary corporate citizenship to restore the trust and respect of regulators and by extension, of shareholders, the business community and society at large.

Capitals impacted:    

Stakeholders affected:   

Focus areas:   



Focus areas

Informed by the most pressing difficulties we need to overcome, the risks and opportunities in our external and internal business context and the availability and quality of our resources, we identify the focus areas that we believe will create the most value in the short and medium term as well facilitate AYO's sustainability and prosperity in the long run. We prioritise the themes that will enable us, in the fastest possible way, to refocus on our strategic mandate and have the highest potential positive impact for all our stakeholder clusters. We believe that socio-economic change and value creation begins at home, thus also ensure that our focus areas are aligned with the UN SDGs.



DISPUTE RESOLUTION

Whilst our differences with a major shareholder, the PIC, have been amicably resolved and we are committed to re-building value in AYO, 2023 still saw several disputes requiring attention. These included the ongoing challenges with the banking industry, and the continuing hostility from much of the media. The drain on our resources, both human and financial, made it difficult for us to fully focus on value creation or advancement of our strategic mandate, which can only be fully realised once all issues are behind us.

IMPACT OF POTENTIAL SUCCESS

- Ability to refocus our attention and resources to strategic mandate, growth and value creation
- Return to "business as usual" with focus on customer acquisition at subsidiary level and investment portfolio expansion at Group level
- Funding of scaling strategies for subsidiaries, currently impeded by shareholder unfavourable vote
- Reclamation of standard business banking processes, reducing excessive third-party costs and suppressing negative media narrative

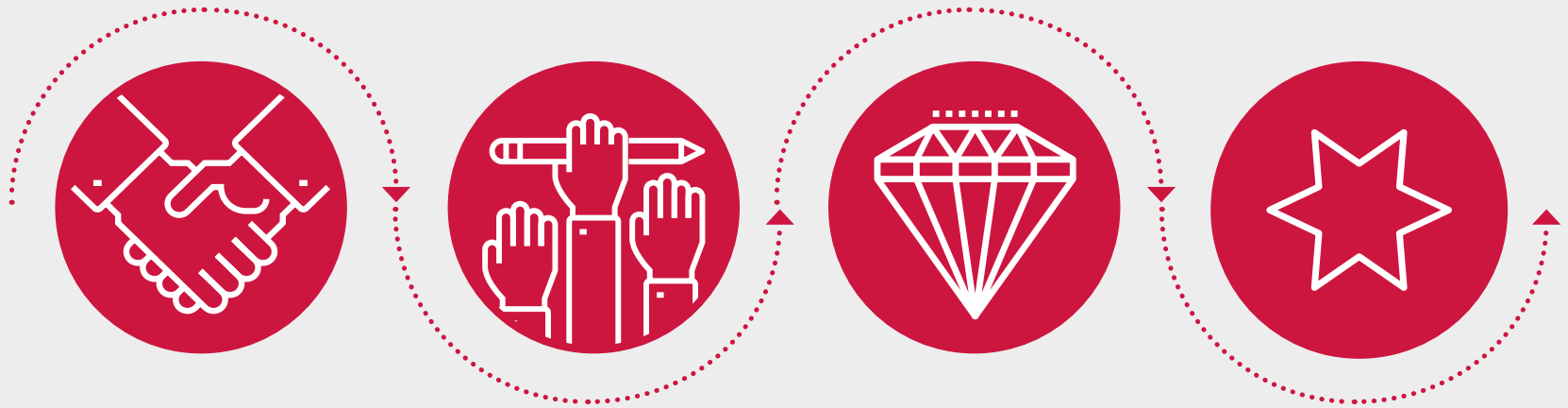


PEOPLE DEVELOPMENT

"Growing our own timber" has been AYO's philosophy since inception, 27 years ago. Investment in the training and development of our people not only promotes UN SDGs like "quality education", "reduced inequality" and "decent work and economic growth", but also provides us with a rich succession pipeline, reinforces our commitment to our staff (thus, fostering a strong relationship with this important stakeholder) and allows us to unlock the unexplored capacity of our talented team.

IMPACT OF POTENTIAL SUCCESS

- Business continuity in the event of losing critical team members
- A rich pool of talented individuals who can imagine unorthodox solutions to unique African problems and drive inclusive socio-economic growth
- Motivated, loyal, and invigorated employees
- Agile organisation, where multi-skilled workers can "put on different hats" and fill gaps, as dictated by business requirements



VALUE PRESERVATION

As already made clear, AYO cannot concentrate on value creation, until the overwhelming obstacles impeding our progress are adequately addressed and successfully resolved. Thus, in the short term, we opted to sacrifice strategic momentum to resolve critical issues, while striving to preserve financial and non-financial value and protect our resources (capitals). This is a difficult resolution, on which we engage with our stakeholders, and we appreciate their understanding and support.

IMPACT OF POTENTIAL SUCCESS

- Sufficient financial resources to return to our robust value-creating strategy in the medium term
- Enhanced shareholder relationship, fostered during this difficult period of strategic downturn
- Healthy cash reserves, enabling adequate response to potential future challenges



BRAND REPUTATION

Sustained negative media commentary and the additional legal challenges faced again this year, have caused severe damage to our brand. This has far-reaching implications for every aspect of our business from implementing our acquisition/growth strategy to securing new business and attracting talent for the workplace. Our approach to date, of not getting involved in direct confrontation with hostile media, has not yet yielded the desired results. Thus, we have no choice but to respond to media's aggression – factually - to protect our brand.

IMPACT OF POTENTIAL SUCCESS

- Respected and trusted strong business brand, gauged by customers and peers on the basis of quality service delivery and actual outcomes, rather than hearsay.
- Amicable relationship with regulators and reduced waste of resources on unnecessary and unjustified inspections and enquiries.
- Social licence to operate, earned based on trust and value-creating mutually beneficial community and stakeholder engagement initiatives.

Key performance indicators



DISPUTE RESOLUTION

Banks' withdrawal of transactional facilities	Challenge by banks as to extension of the Competition Tribunal's ruling - ruling still pending.	
PIC dispute	Settlement of dispute with out of court agreement, which saw AYO pay over an agreed sum and the parties to jointly commit to re-building value in the company going forward.	
Regulatory Compliance	Despite the PIC settlement being made an order of court, the JSE required AYO to adhere to the Listing Requirements, which has resulted in protracted negotiations between all parties, to finalise the settlement agreement and to advise CIPC of the new shareholding and board.	
Public Censure and fine of AYO's Executive Deputy Chairman	On 5 September, despite the matter being set down to be heard on 14 September at the Financial Tribunal, the JSE published a public censure and issued an exorbitant fine of R2 million against Mr K Abdulla. Mr Abdulla has disputed the need for the severity of the JSE's actions as compared to those handed down to other parties whose transgressions were far worse. The outcome of the financial tribunal was not reported in this period.	
Daily Maverick/ Zama litigation	Following brand damaging false "whistle blower report", AYO has initiated legal proceedings against the publication and their "informant" - the matter is pending.	




PEOPLE DEVELOPMENT

90% retention rate	Despite the stressful and challenging work environment, intervention such as strong internal communication strategy and advance salary payments resulted in AYO not losing a single employee in this critical period.	
Employee value proposition	Engagement with staff post restructure indicate that AYO staff retain confidence in the Group and its abilities. Employees are still engaged with the executive and that fair and adequate remuneration policy, clear incentive structure, continuous learning opportunities and team events build on staff motivation and satisfaction.	
Employment equity indicators	AYO exceeds all BBBEE scorecard requirements in terms of racial and gender equality, HDIs and females in management and transformation.	





VALUE PRESERVATION

Financial support for growth strategies	Resolution with the PIC and a commitment from them to re-building, has laid the grounds for discussion around financial support of subsidiaries.	
Investments for growth	AYO is currently focusing on its existing investments to extract the most value therefrom. Despite lucrative investment opportunities the board of AYO took a prudent view to not invest until such time that the banking challenges are resolved.	
Boosting compliance and governance throughout the Group	Irregular expenditure at a significant subsidiary, has led to a diminished profit for that entity, which has an impact on AYO's bottom line. An investigation is underway, and results will be published outside of this reporting period. AYO and the other significant shareholder affected, are closely monitoring developments, and have made the requisite plans with this subsidiary for increased corporate governance and compliance to sustain and grow value.	
Financial indicators	Despite the Group's turnover increasing, underlining the ability and capabilities of the group and its companies to deliver services and products, the Group posted a significant loss in this period due mainly to the ongoing legal expenses and the restructuring of the company, the upside of which, is a streamlined and more cost-effective executive and operations team.	



BRAND REPUTATION

Stakeholder engagement	Successful communication roll-out with all stakeholder clusters on important developments through the year, resulting in improved relationship capital.	
Media coverage	Decreased frequency of AYO hostile articles and improved accuracy of reporting throughout the media landscape. Increased positive media coverage through amicable media channels.	



POSITIVE



NEGATIVE



NEUTRAL

Our strategic trade-offs

As part of our integrated thinking, we continuously assess the availability and quality of capital inputs, our short-, medium- and long-term needs and objectives, and prospects. Our strategic focus areas and material considerations underline our decisions when we are faced with challenging choices, requiring trade-offs between various stakeholder interests. Below are some of the decisions we took this year and the rationale behind them.

CONCENTRATING RESOURCES TO DISPUTE RESOLUTION

The impasse we find ourselves in with the banking sector, posed a real threat to the sustainability of our business. Thus, it was imperative for us to resolve these conflicts and we allocated significant resources (both human and financial) to the task. This diminished our capacity to execute our acquisition growth strategy and thus, create value for our shareholders. Our current focus is on preserving value in the short term, growing our underlying investments in the medium term, and creating long terms sustainable value through both organic and acquisitive growth which includes synergistic value.

Given the positive outcomes to date with our critical conflict issues, we believe this was a well-placed decision. To mitigate further risk, we have implemented a solid turn-around strategy that we trust will see AYO return to profitability by 2024.

PRIORITISING PEOPLE VS CASH FLOW

As in 2022, the banking industry's rigid and callous approach towards our company, together with the slow wheels of justice, led to several dead ends throughout the year. On a few occasions we found ourselves in a position where it was possible that AYO would remain fully "unbanked", thus unable to process any payments, including salaries. Of course, this remains extremely unsettling for our team, who continued to put in tremendous amount of effort in defending AYO's position while having no personal financial security. AYO has always put people first and did not deviate from its values.

To protect our people, and our business, we have made contingency plans with third parties. Our people are the backbone of our business and our investment in their job security is paramount. Our team proved to us that we have made the right choice and that the mutual trust and respect values that we share are a tangible result of the ethical culture we have created together.


DIVIDEND PAY-OUTS IN LEAN PERIODS

AYO's undertaking to its shareholders at listing was to deliver regular solid dividend income while growing the underlying value of their investment. Our shareholders, particularly the Government Employee Pension Fund (GEPF) through the Public Investment Corporation (PIC), whose ultimate beneficiaries are vulnerable retirees and orphans, have come to rely on AYO's dividend, particularly in the tough economic conditions brought upon by the pandemic. With the challenges experienced in the last three years, leading to impaired financial performance, the Board has had to once again, make a difficult choice between delivering on the brand's promise to shareholders and cash preservation.

Ultimately, we believe that failing our shareholders would be a negative reflection on our ethical business reputation and will erode their trust in us in the long term. Thus, we paid out a small dividend at the end of December 2022, but have elected to withhold dividends at the financial year end. This, we believe, is a responsible decision and one that will ultimately benefit our shareholders by affording us the scope to preserve cash and set about the task of re-building value in AYO for the long-term.


ALWAYS PROTECTING OUR BRAND

While it is true that we are now accustomed to being the target of negative media attention and for the most part remain silent in the face of aggressive provocations, last year we changed our approach and challenged our critics. Following a false "whistle blower" report, Daily Maverick published a deceptive article, despite being presented with sufficient proof to the contrary prior to publication. AYO instigated legal action against the media and its "informant", the outcome of which is still pending.



“THE MOST IMPORTANT THING IS TO MAKE THE TECHNOLOGY INCLUSIVE - MAKE THE WORLD CHANGE. NEXT, PAY ATTENTION TO THOSE PEOPLE WHO ARE 30 YEARS OLD, BECAUSE THOSE ARE THE INTERNET GENERATION. THEY WILL CHANGE THE WORLD; THEY ARE THE BUILDERS OF THE WORLD.”

JACK MA, ALIBABA



Holistic approach to corporate governance and purposeful application of the King IV™ principles contribute immensely to value creation. AYO's governance is established by the tone set at the top through purpose-driven leadership by the Board and the executive team, and the values and behaviours expected from all employees in the organisation. Our leaders drive and enable this mindset, so that our Group can thrive and create value in this agile and challenging period.

OUR GOVERNANCE

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 - 70 Social ethics and transformation committee
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Board report

AYO's Board of Directors is a professional, active, purpose-driven unit that effectively and efficiently leads the Group with intent, integrity and ardour.

PURPOSE

The Board assumes ultimate responsibility for the performance and affairs of the Company. As such, the Board sets and steers AYO's strategic direction, provides effective leadership on an ethical foundation and is the custodian of corporate governance in the organisation.

The Board further oversees the execution of the adopted business strategy and monitors the application and effectiveness of governance processes and policies through duly constituted committees.

TERMS OF REFERENCE

In line with the conditions of paragraph 7.F.6 of the Companies Act and paragraph 8.63(r) of the JSE Listings Requirements, the Board governs in accordance with its official charter, as outlined in the Group's Memorandum of Incorporation (MOI), which is fully compliant with the provisions of the Companies Act, the King IV™ Code of Corporate Governance, AYO's Code of Ethical Conduct and formal Decision Making Framework.

The Board Charter (as updated in 2020) was reviewed against evolved regulatory requirements and remained unchanged in this reporting period.

MEETINGS

9 - MEETINGS

4 - QUARTERLY MEETINGS

5 - SPECIAL MEETINGS

95% - QUARTERLY MEETINGS

COMPOSITION

The AYO Board during this financial year, underwent several changes. This was as a result of three of the executives leaving the company – retirement, studies and redundancy of position – as well as the sudden and untimely death in the second half of the year, of Dr Mgoqi and Dr George.

The board now consists of 3 executive and 6 non-executive directors. Mr Jowayne van Wyk resigned from the board due to health concerns at the end of October after this reporting period, nevertheless, we are recording this for the sake of transparency. As recommended by the King IV™ Code and global best practices, majority of our non-executive Board members are independent.

The varied expertise, skills and experience that these 9 Board directors bring, ensure not only demographic diversity but robust, rigorous discussions and ultimately, effective leadership. A brief bio on each of our professional leaders is included on **page 60**.



Directors' profiles



PROF LOUIS FOURIE
Interim Non-Executive Chairman

Age: 66

Qualifications: PhD, MBA cum laude

Board tenure: 3 years

Skills icons: B,C,D,G,J,K,L

Committees: NOM (c); INV (c); REM

AMIT MAKAN
Chief Executive Officer

Age: 42

Qualifications: MA MPhil B.Bus.Sci (Hons), Certifications in Finance, Sustainable Investment & Fintech (University of Cape Town & Harvard Business School)

Board Tenure: 9 months

Skills Codes: A,C,I,J,K,L

PRIDE GUZHA
Chief Financial Officer

Age: 39

Qualifications: MBA, CA(SA), Postgraduate Diploma in Accounting, BCom Financial Management

Board Tenure: 9 Months

Skills Codes: A,B,C,D,E,G,H,K,L



KHALID ABDULLA
Executive Deputy Chairman

Age: 58

Qualifications: MBA, BCompt (Hons), CTA, Project Management

Board tenure: 4 years

Skills icons: A,B,C,D,E,G,H,I,K,L

Committees: INV

AZIZA AMOD
Non-Executive Director

Age: 60

Board tenure: 11 years

Skills icons: A,B,C,D,F,G,H,I,J,K,L

Committees: All committees, REM (c); SET (c)

ROSEMARY MOSIA
Independent Non-Executive Director

Age: 56

Qualifications: MBA

Board tenure: 5 years

Skills icons: A,B,C,D,F,G,H,I,J,K,L

Committees: ARC (c); SET; NOM; INV



ADV DR NGOAKO RAMATLHODI
Independent Non-Executive Director

Age: 68

Qualifications: BA Law, LLB, MSc, Honorary Doctor of Law

Board tenure: 6 years

Skills icons: A,B,C,D,E,G,H,I,K,L

Committees: ARC

SELLO RASETHABA
Independent Non-Executive Director

Age: 65

Qualifications: BA Accounting, MPhil Accounting

Board tenure: 5 years (interrupted)

Skills icons: A,B,C,D,F,G,H,K,L

Committees: ARC; REM

VALENTINE DZVOVA*
Non-Executive Director

Qualifications: CA(SA), ACMA, CGMA (Charter Global Management Accountant), Cert.Dir® (IoDSA), Certified Internal Auditor, Postgraduate Diploma in Accounting, BCom Accounting

Board Tenure: 4 months

Skills icons: A,B,C,D,E,F,G,J,K



JOWAYNE VAN WYK*
Non-Executive Director

Qualifications: CA(SA), BAcc Hons, BCom Accounting, SAICA Independent, Reviewer Certificate

Board Tenure: 4 months

Skills icons: A,B,C,D,E,F,G,J,K

HOWARD PLAATJES*
Chief Executive Officer

Age: 61

Qualifications: BCom (Hons) Finance, Executive Leadership Development Programme, Management Development Programme

Board tenure: 4 years

Skills icons: A,B,C,D,E,F,G,I,J,K,L

TATENDA BUNDO*
Chief Financial Officer

Age: 41

Qualifications: BCom Accounting, CA(SA)

Board tenure: 4 years

Skills icons: A,B,C,D,E,G,H,K,L

* Resigned

Directors' profiles



VANESSA GOVENDER
 Director of Corporate Affairs

Age: 51

Qualifications: Diploma Human Resources Management, NC Strategic Human Resource Management, NC Occupationally Directed Education and Training Practices

Board tenure: 4 years

Skills icons: A,F,G,I,J,K,L

DR DENNIS GEORGE
 Independent Non-Executive Director

Age: 65

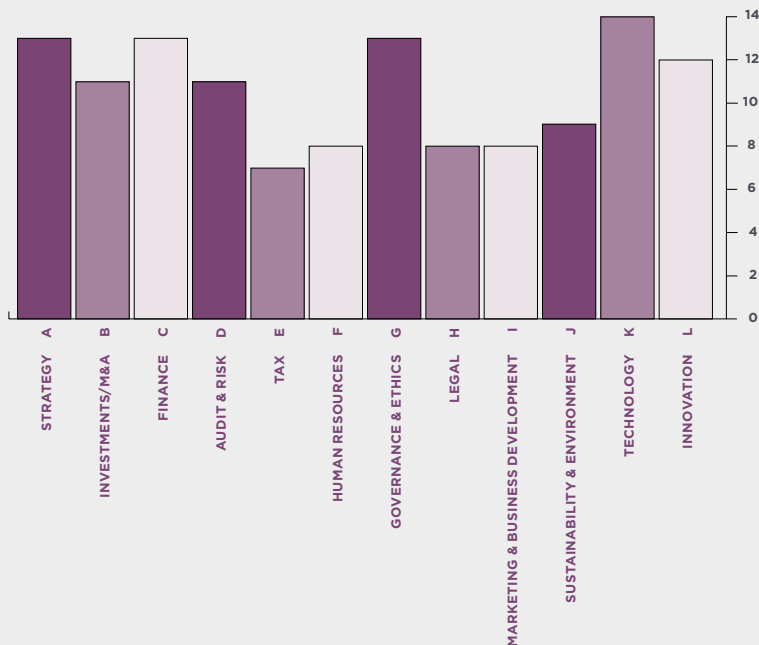
Qualifications: MBA Technology and Innovation, PhD Technology and Innovation

Board tenure: 4 years

Skills icons: A,B,C,D,F,G,H,I,J,K,L

Committees: SET (c); ARC

BOARD SKILLS AND EXPERIENCE



Governance structure

AS AT 31 AUGUST 2023 THE BOARD STRUCTURE:

Nominations Committee (NOM)	Audit and Risk Committee (ARC)	Social, Ethics and Transformation Committee (SET)	Investment Committee (INV)	Remuneration Committee (REM)
Chair: Prof Louis Fourie (C) Aziza Amod Rosemary Mosia	Chair: Rosemary Mosie (C) Aziza Amod Adv Ramatihodi Sello Rasethaba	Chair: Aziza Amod (C) Rosemary Mosia	Chair: Prof Louis Fourie (C) Khalid Abdulla Aziza Amod Rosemary Mosia	Chair: Aziza Amod (C) Professor Louis Fourie Sello Rasethaba
* By invitation: Executives	* By invitation: Executives	* By invitation: Executives	* By invitation: Executives	* By invitation: Executives

DELEGATION OF AUTHORITY

REPORTING TO THE BOARD

EXECUTIVE COMMITTEES

Salient discussion points 2023

FOCUS AREAS

Beyond the ordinary matters the Board deals with in their deliberations, such as approval of financial and annual reports, budgets, dividend declarations and committee's feedback, important discussions in 2023, related to all four strategic focus areas of the Group.



1. DISPUTE RESOLUTION

- Court applications with Western Cape High Court, Equality Court and Competitions Tribunal against the banks' decision to withdraw transactional facilities
- Settlement with PIC



2. PEOPLE DEVELOPMENT

- Staff retention measures to counteract the uncertainty caused by the banking crisis
- Stakeholder (including employee) communication during legal proceedings



3. VALUE PRESERVATION

- AYO and subsidiaries' restructure post the withdrawal of transactional banking facilities
- Securing alternative transactional banking facilities/solutions
- Investment pipeline outside of South Africa



4. BRAND REPUTATION

- Judicial application to set aside the Mpati report, based on Judge Heath's findings
- Liaison with media in a transparent manner and responding to queries timeously and in a factual manner.

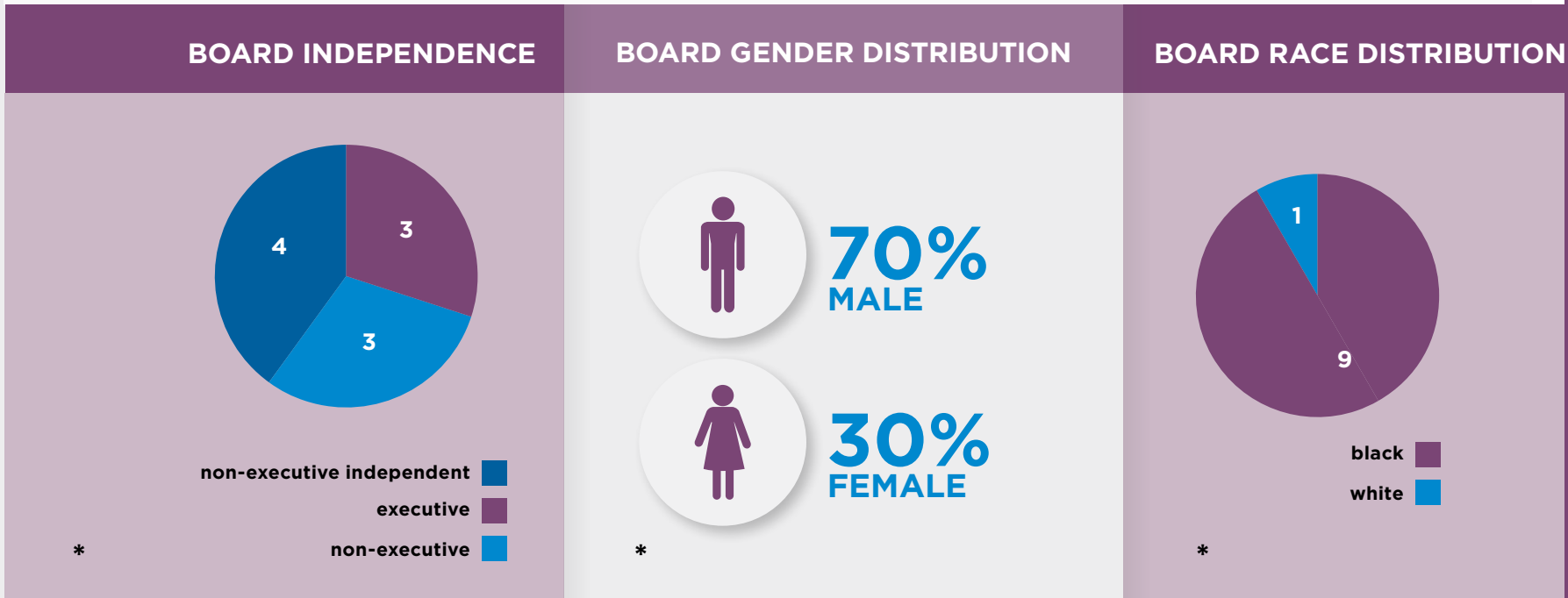


Focus areas for 2024

The key outcomes the Board will strive for in the upcoming year stem from the work already in progress in 2023:

- **Conclusive resolution to the Group’s impasse with the banking sector**
- **Cost management initiatives throughout the group**
- **Amicable and mutually beneficial relationship with the PIC**
- **Stakeholder engagement to restore AYO’s brand reputation**
- **Re-positioning of the group to focus on rebuilding trust in the brand.**

Successful conclusion of these ongoing critical issues will enable us to regain our strategic momentum and resume our business and social mandate.



*The above charts are based on Board composition as at 31 August 2023.

COMMITTEE REPORTS

A hand is shown on the right side of the page, with the index finger pointing towards a bright, glowing node in a network of white lines and dots. The background is a dark blue gradient, and the network structure is composed of interconnected white lines and dots, some of which are blurred to create a sense of depth. The overall aesthetic is futuristic and digital.

Nominations (NOM) committee

“AYO’s Board is a diverse, capable and knowledgeable team that leads with high integrity and ethics and maximises the Group’s value creation capacity by considering business’ and societal needs and expectations.”

Committee purpose

The nominations committee is responsible for:

- Ensuring that the Board has the appropriate composition in terms of structure, size, diversity (of skills and demographics) and independence to function effectively
- Spearheading the formal and transparent process of nomination, election, and appointment of directors
- Induction and ongoing training of directors
- Succession planning for AYO’s Board, executive team, and senior management

Committee composition

Due to the passing of Dr Wallace Mgoqi, who was the Chairman of the Committee, Prof Fourie as acting Chairman of the Board, now also occupies the role of Chairman of the Nomination Committee.

Terms of reference

The committee’s charter, which was updated in 2020, remained unchanged and is fully aligned with the requirements of the King IV™ Code of Corporate Governance and is due for review in the 2024 financial year

Committee meeting statistics

MEETINGS	ATTENDANCE
3	100%

Salient outcomes

- Evaluated the size and composition of the Board, post the resignation of Mr Plaatjes, Mrs Govender and Mr Bundo, and recommended to the board for the appointment of the current CEO and CFO.
- Reviewed the composition of the Board and noted that the board is to be strengthened with two or more independent non-executive directors due to the passing of Dr Wallace Mgoqi and Dr George.
- Found no significant matters or material concerns in respect of the Board and the committees’ performance
- With view of the challenges the Group faced, resolved to offer regular refresher training to directors on their fiduciary duties

Self-evaluation

The nominations committee is satisfied that it has adequately fulfilled its responsibilities in accordance with its mandate during the reporting period.



Audit and risk (ARC) committee

“Our assurance practices and risk management initiatives continue to evolve and mature. Our finance and internal audit teams are well-resourced with skilled and highly experienced professionals and our relationship with the external audit partners is open and supportive.”

Committee purpose

The main role of the audit and risk committee is to provide independent oversight of:

- Integrity and accuracy of AYO’s financial statements and all official reports issued by the Company
- Governance of risk in the organisation
- Effectiveness of all assurance processes, including the internal and external audit function

Committee composition

Composition of the committee remains unchanged during this reporting period, after all members stood for re-election and gained the support of shareholders at the 5th AGM. However, during the reporting period, Dr George, a key member of the committee passed away and was not replaced. The Committee plans to improve its composition and expertise in the 2024 financial year.



Committee composition

Composition of the committee remains unchanged during this reporting period, after all members stood for re-election and gained the support of shareholders at the 5th AGM. However, during the reporting period, Dr George, a key member of the committee passed away and was not replaced. The Committee plans to improve its composition and expertise in the 2024 financial year.

Terms of reference

The audit and risk committee charter, which stipulates the terms of reference for the committee was reviewed and updated in 2022. The revised document is fully aligned with the requirements of the King IV™ Code and is available on AYO’s website at ayotsl.com.

Committee meeting statistics

MEETINGS	ATTENDANCE
3	93.3%

Salient outcomes

- Assessed the Group’s financial reporting procedures against the stipulations in paragraph 3.84(g)(i) of the JSE Listings Requirements and found the processes adequate and the team well-resourced and skilled.
- Recommended, due to the resignation of Mr Bundo, that Mr Guzha be appointed in the position of CFO having satisfied themselves that he has the appropriate set of skills and experience
- Reviewed and accepted the interim and annual financial statements for the Group and the Company, as well as the 2023 integrated annual report.
- Oversaw the re-appointment of the Group’s external audit partner and reviewed the assurance reports and progress updates of the internal and external audit units.
- Examined the ongoing updates of the Group risk register to ensure that all significant risks are accounted for and sufficient mitigating processes are in place.

Self-evaluation

The audit and risk committee executed its statutory responsibilities pursuant to section 94(7) of the Companies Act, paragraph 3.84(g) of the JSE Listings Requirements and the King IV™ Code for Corporate Governance for the 2023 financial year.

Investment (INV) committee

“Due to the continued challenges the Group is handling with its banking partners and shareholder, the investment team’s capacity in the short-term remains focused on assisting with the resolution of this crises, so that AYO can swiftly regain its strategic momentum.”

Committee purpose

The investment committee’s principal role is to:

- Consider investment opportunities in respect of acquisitions, listed securities or any other financial instruments to advance AYO’s mandate
- Approve acquisitions and disposals in line with the limits of authority as delegated by the Board
- Review and approve the periodic evaluations of the Group’s assets for inclusion in official financial reports

Committee composition

The committee is well-resourced with the membership of four non-executive and one executive director. However with the passing of Dr Mgoqi, the committee’s size reduced by one. Dr Mgoqi was also the Chairman of the Committee and Prof Fourie now fulfils that role.

Terms of reference

The investment committee charter was reviewed during the year to ensure alignment with the stipulations of the King IV™ Code. Found adequate and relevant, the document remained unchanged.

Committee meeting statistics

MEETINGS	ATTENDANCE
3	100%

Salient outcomes

- Evaluated the performance of AYO’s portfolio given the challenging operating context.
- Reviewed and approved the valuations and loan impairments of the Group’s underlying assets, prepared by the independent corporate finance advisors, for inclusion in the interim and annual financial statements.
- Recommended that a moratorium be placed on all acquisitions and investments due to the banking challenges.

Self-evaluation

The investment committee is satisfied that it has adequately fulfilled its responsibilities in accordance with its mandate during the reporting period. As acquisitive growth remains a critical part of AYO’s long-term strategy, we look forward to shifting the committee’s focus back to our core purpose upon the successful resolution of our current operating challenges.



Social, ethics and transformation (SET) committee

“Meaningful stakeholder engagement, based on a foundation of mutual trust and respect, has been the core focus of the organisation in 2023. Our ethical approach and behaviour are evident in both conflict resolution talks and the emphasis we placed on our people.”

Committee purpose

The SET committee’s main purpose is to:

- Ensure that AYO is governed and operates in an ethical manner
- Steer the social and economic development initiatives of the Group
- Monitor implementation of and progress towards transformation targets, including BBBEE compliance and employment equity
- Promote good corporate citizenship across the organisation

Committee composition

In line with the requirements of section 72(4) of the Companies Act, the SET committee consists of three non-executive directors. With all three presented for and re-elected at the fifth AYO AGM, the composition of the committee remained unchanged during the financial year. However due to the passing of Dr George, the committee reduced in number by one. Dr George was also the Chairman of the Committee and Mrs Aziza Amod took up the role of acting chairperson until such time that a replacement has been appointed.

Terms of reference

Updated in 2020, the SET committee was reviewed during the period and found relevant and adequately compliant with all relevant requirements. The document remained unchanged and is available on the Company’s website. The terms of reference is due for review in the 2024 financial year.

Committee meeting statistics

MEETINGS	ATTENDANCE
2	100%

Salient outcomes

- Updated directors’ interests’ disclosure process to ensure more transparent procurement and accurate disclosure.
- Engagement of new independent, externally managed service provider for our whistle blowing and fraud prevention hotline, to ensure anonymity and swift remedial action.
- Full skills audit and several refresher training interventions, led by IODSA registered directors.
- Completion of corporate restructure, which commenced in 2022, consequent to our banking challenges, resulting in several retrenchments.

Self-evaluation

The committee has been involved in the monitoring the implementation of behavioural and ethical directives at operational level. We are confident that we have successfully fulfilled our responsibilities during 2023 in line with the committee’s mandate, the Companies Act, the JSE Listings Requirements and the King IV™ Code’s provisions.



“MEANINGFUL STAKEHOLDER ENGAGEMENT, BASED ON A FOUNDATION OF MUTUAL TRUST AND RESPECT, HAS BEEN THE CORE FOCUS OF THE ORGANISATION IN 2023. OUR ETHICAL APPROACH AND BEHAVIOUR ARE EVIDENT IN BOTH CONFLICT RESOLUTION TALKS AND THE EMPHASIS WE PLACED ON OUR PEOPLE.”

AZIZA AMOD, CHAIR SET COMMITTEE



Remuneration (REM) committee

“It has once again been a challenging period for the Group, however, post restructuring, AYO’s remuneration plan has addressed these circumstances and the responsibilities assumed by our leaders. We remain committed to implementing fair, responsible and transparent remuneration practices that balance shareholder and employee outcomes, reward excellence and that promote achievement of our strategy.”

Background statement

AYO believes in fair and responsible remuneration that motivates and rewards excellence to ensure long-term success and sustainability. This is achieved via;

- a flexible, holistic compensation model, which allows for tailored incentives linked to the Company’s objectives for the period
- rigorous remuneration governance
- accurate and transparent reporting, and
- assiduous stakeholder engagement.

The remuneration committee, which consists of Ms Amod as chair, Mr Rasethaba and Professor Louis who stepped in after the unexpected passing of Dr Mgoqi, is the custodian of all remuneration matters at AYO. During the 2023 financial year, the committee met three times, enjoying full attendance on each occasion, and deliberated on several important topics:

- updates and enhancements of the remuneration policy
- criteria for awarding STIs and LTIs in this extraordinary period.

REMUNERATION POLICY REVIEW AND STAKEHOLDER ENGAGEMENT

The committee is satisfied that the remuneration policy is now relevant, fit for purpose and aligned with all relevant statutory requirements. In the previous reporting period, the committee appointed 21st Century Consulting to review the policy and recommend further enhancements. All shareholders’ and consultant’s comments have now been addressed in a new proposed draft of the policy and should the Board ratify the amendments, the updated document will be tabled at the next annual general meeting.

INCENTIVE CRITERIA

LTIs and STIs are critical components of AYO’s remuneration plan, which ensure that employees’ activities are aligned with the short and long-term strategy of the business and rewarded appropriately. The unique situation of the Group in this reporting period, marred with exhaustive litigation and contextual challenges, has brought about a shift in focus areas for the moment, as described in this report. Thus, the criteria used to evaluate performance had to reflect this change.

Non-financial KPIs, particularly ones relating to conflict resolution, stakeholder engagement and reputational matters, have been temporarily elevated in weighting to 75%, while financial KPIs have been redefined in terms of cost management, rather than revenue growth.

The decisions taken by the remuneration committee during the reporting period have enabled the Company to address its pertinent challenges and reward the team fairly for their commitment and diligence. As such, the committee is satisfied that it has successfully delivered on its mandate for 2023 and will continue to promote exemplary compensation practices going forward.

FOCUS AREAS

FUTURE AREAS OF FOCUS

- continue to monitor and enhance remuneration policy to balance the interests of all stakeholders and secure shareholders' support
- ensure KPIs used to determine STIs and LTIs are aligned with current business focus
- benchmark AYO's remuneration to industry best practices and pay scales

Committee meeting statistics

MEETINGS	ATTENDANCE
5	100%

**REMUNERATION COMMITTEE
ROLE AND RESPONSIBILITIES**

Remuneration policy governance

- Oversee the design, articulation and regular review of a remuneration policy and framework
- Ensure that all remuneration-related decisions are compliant with any and all regulatory requirements, AYO's strategic objectives, risk tolerance, financial conditions and future prospects.
- Regularly review and ensure that the remuneration elements are aligned with the Company's needs and strategic objectives.

Remuneration administration

- Determine specific remuneration packages for executive directors and group executives.
- Determine annual targets and criteria to measure the performance of and incentivise executive directors and group executives, aligned with the short-, medium- and long-term objectives for the Company.
- Select appropriate benchmarking indicators and comparative group for evaluating remuneration levels.
- Determine overall annual remuneration for all staff, including STIs and LTIs.
- Determine annual non-executive directors' fees.

Report on all remuneration related matters to stakeholders

- Report on all remuneration related matters to stakeholders.
- Stakeholder engagement on remuneration related matters.

Remuneration policy

APPROACH TO REMUNERATION

The remuneration policy is designed to:

- Attract and retain critical talent and skilled workforce
- Motivate and reward consistent high performance
- Ensure short-term success and long-term sustainability
- Promote an ethical culture and responsible corporate citizenship
- Reward employees and directors in a fair, equitable and competitive manner

Our dynamic approach to remuneration and target-setting aligns individual behaviours with corporate objectives. We structure compensation around the execution of our strategy, which is measured by performance criteria. We pay for performance and different components of our reward structure recognises and rewards individual and collective performance.

	STRATEGIC INTENT	DESCRIPTION	ELIGIBILITY
GUARANTEED PAY AND BENEFITS	Attract and retain talented, high-performing people	<ul style="list-style-type: none"> • Total cost-to-company remuneration, including Company contribution for selected benefits 	All employees
BONUS PAYMENTS	Motivate and reward consistent performance	<ul style="list-style-type: none"> • Discretionary bonus payment equivalent to one month's total guaranteed pay 	All employees
STI	Incentivise performance aligned with set business objectives	<ul style="list-style-type: none"> • Individual annual incentive up to a maximum of 150% of total guaranteed pay, awarded on the achievement of pre-determined criteria 	Executive directors and Group executives
LTI	Align shareholder and employee interests	<ul style="list-style-type: none"> • A retention package of up to 100% annual guaranteed pay, awarded based on achievement of pre-defined KPIs and payable at the end of the next interim reporting period 	Executive directors and Group executives

Criteria and KPIs for STI and LTI are determined annually by the remuneration committee. Reward packages are reviewed annually and adjusted for inflation, equality and fairness, as necessary at the beginning of each financial year.

Bonuses, STIs and LTIs are forfeited if an employee has been dismissed or voluntarily resigned during the financial year. In case of mutual separation, retrenchment, retirement or death, the benefits are paid pro-rata for the period worked.

NON-EXECUTIVE DIRECTORS' REMUNERATION

AYO believes that the duties and responsibilities of non-executive directors extend beyond meeting attendance. Therefore, non-executive directors' fees are set as single retainer amounts. Non-executive directors do not participate in any short or long-term incentive programmes.

Implementation report

The following criteria, aligned with AYO's strategic focus areas, have been set and performance benchmarked against, in the allocation of STI and LTI for the executive management team in 2023:

FOCUS AREA	PERFORMANCE CRITERIA	WEIGHTING 2023	WEIGHTING 2022
Dispute resolution	<ul style="list-style-type: none"> - Satisfactory resolution of banking crisis - Considerate engagement with critical stakeholders 	40%	50%
People development	<ul style="list-style-type: none"> - Internal communication and retention of critical staff - Succession planning 	15%	15%
Value preservation	<ul style="list-style-type: none"> - Cost management effectiveness - Value erosion risk management 	40%	25%
Brand reputation	<ul style="list-style-type: none"> - Crisis communication and reputational value erosion minimisation 	5%	10%

EXECUTIVE DIRECTORS' REMUNERATION

	Basic salary	Bonus	STI	LTI	Other benefits	Provident Fund	Total
	R'000	R'000	R'000	R'000	R'000	R'000	R'000
Mr A Makan	1 727 526	250 000	-	-	-	232 155	2 209 681
Mr P Guzha	975 609	325 000	-	-	-	130 889	1 431 498
H Plaatjes	1 530 375	-	-	-	10 000 000	300 520	11 830 895
T Bundo	1 753 534	146 059	-	-	8 000 000	339 528	10 239 121
V Govender	1 056 407	-	-	-	7 500 000	202 239	8 758 646
K Abdulla	4 719 792	-	-	-	84 000	708 222	5 512 013


NON-EXECUTIVE DIRECTORS' EMOLUMENTS

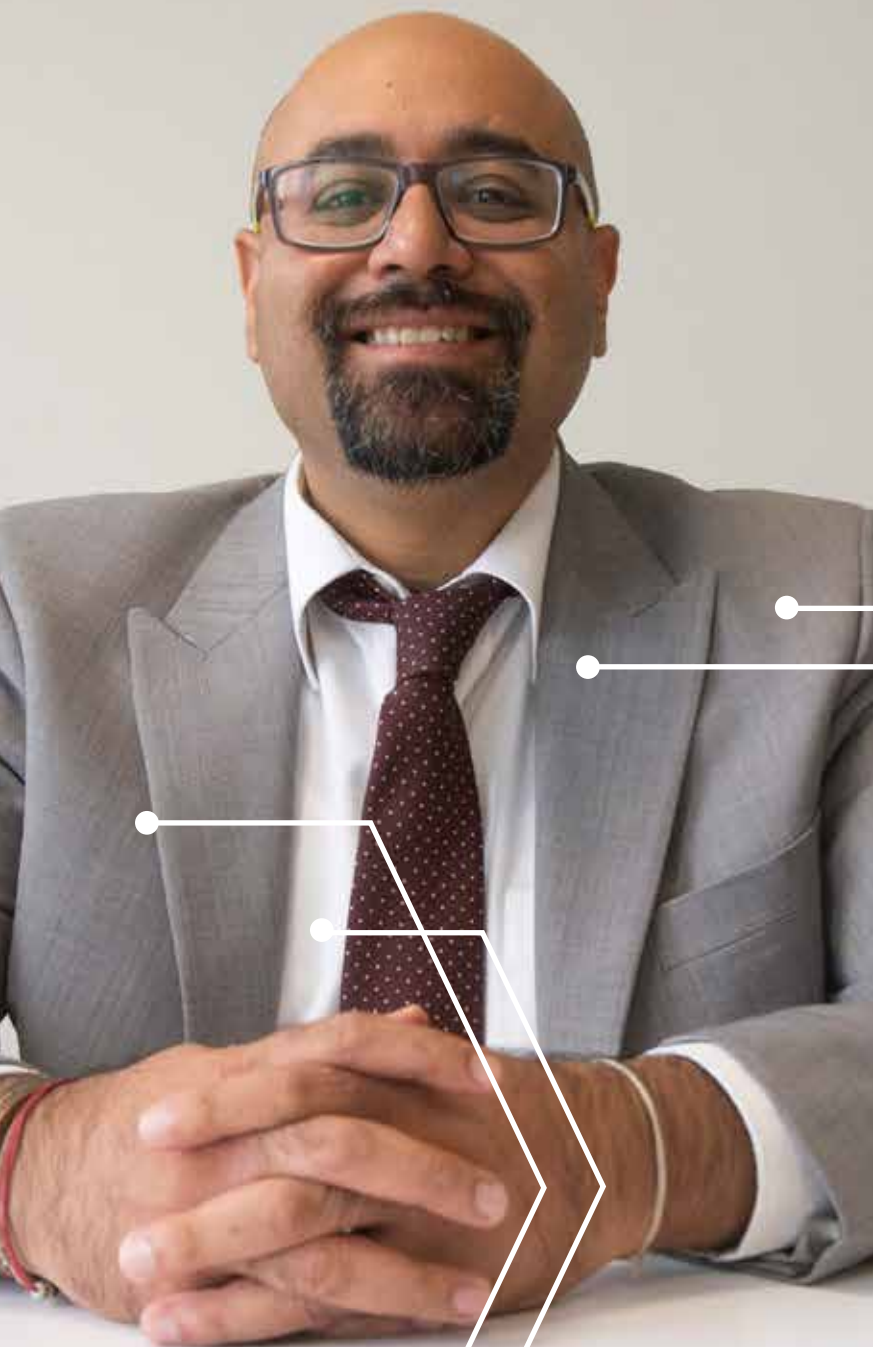
	Directors fees	Consulting fees	Total
	R'000	R'000	R'000
Prof Dr L Fourie	438 244	100 000	538 244
Dr W Mqoqi	876 488	100 000	976 488
A Amod	876 488	100 000	976 488
Dr D George	642 758	100 000	742 758
R Mosia	788 839	100 000	944 188
S Rasethaba	525 893	141 344	667 237
Adv Dr N Ramathlodi	438 244	100 000	538 244
Total	4 477 391	741 344	5 218 734



In this section we assess the outcomes of our value creation endeavours and the impact of our activities on all our stakeholder clusters.

OUR PERFORMANCE

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CEO Address

“ MONEY WON'T CREATE SUCCESS, THE FREEDOM TO MAKE IT WILL.

- NELSON MANDELA

As I reflect on my first six months in office that was half of the financial year ending August 2023, I cannot help but think about how much has been achieved, despite the challenges that AYO has faced this year.

One of the biggest risks facing the company at the time of starting, was undoubtedly the litigation by one of AYO's major shareholders, the Public Investment Corporation (PIC). Fortunately, the matter was settled, out of court and amicably, and the relationship with this valued stakeholder is developing with the view that we are both committed to growing value in AYO, which is still well positioned to deliver on its original intention of becoming an African technology leader.

I know I speak for the entire Group when I say that we are grateful that our beloved former Chairperson Dr Wallace Mgoqi, and Board member Dr Dennis George, who supported the company's vision from the outset, lived to witness this new chapter of reconciliation that lays the path for progression. Sadly, we lost both shortly afterwards due to ill-health. Their wisdom and guidance will be forever missed.

In our previous annual report, we spoke of change, its inevitability but also the opportunities that it can bring, and such is what has taken place this year. The settlement with the PIC, the passing of these key leaders, the retirement of Mr Howard Platjes my predecessor, and the appointment of a new Interim Chairperson, Professor Louis Fourie, have all been events that have changed us but have also given rise to deep introspection. They have also provided an opportune time for the company to pause, reset and to chart the way forward with renewed vigour.

As onerous as compliance might seem, and as witnessed this year by the continued wave of de-listings in the South African environment, AYO acknowledges the necessity of the rigours and responsibilities of being a publicly traded entity and has renewed its commitment to regulators, such as the Johannesburg Stock Exchange (JSE) and its Listing Requirements, in the interest of upholding transparency and good corporate governance.

PERFORMANCE

In the spirit with which I propose to lead AYO into the future, I believe in straight talking. Thus, I will deal with the outcome of this financial year first. AYO's revenue was up by 28% to R2.3 billion, however, the Group incurred a significant loss in this operating period due to the decrease in gross margins across subsidiaries, lower fair value adjustments on investments, the derecognition of derivatives and the impairment of loans. Our financial statements lay this bare and there is no avoiding that this, and the company's legal and banking challenges, have had a detrimental effect on our bottom line.

That said, there is light at the end of the tunnel with several divisions contributing to the positive trajectory we have seen in our increased revenue. This is a major success for the Group in a year that was somewhat of a watershed and bodes well for our future. It is a testament to our underlying subsidiaries' professional abilities to service and deliver the goods to their clients, and an indication of the foresight AYO had to acquire and invest in those technologies that inform our everyday lives, which have become ever-more digital and will do for the foreseeable future.

Most underlying investments have shown growth and value creation over the past year, the most meaningful coming from the unified communications and health divisions, with Sizwe Africa IT breaking the billion-rand mark. The software technology sector also demonstrated growth. Some minority investments, such as the Vunani Fintech Fund, have also borne fruit and shown exceptional potential, which is exciting.

However, not all investments had the benefit of positive outcomes, such as in the case of Sizwe Africa IT Group which, despite its exceptional revenue, encountered significant challenges. We have been pleased to see that a major turnaround strategy has been implemented to put the company on a more favourable pathway to success. Interventions like the appointment of a new CEO, tighter corporate governance and financial management have been implemented at this subsidiary, and AYO hopes to see an upturn in the next financial year, the developments of which we will monitor closely.

Management's focus in this reporting year has been on supporting subsidiaries to stabilise them in this harsh business environment, to preserve value for shareholders and on the turnaround strategy that will see AYO's own sustainability assured.

MOVING FORWARD

The 2023 year of action will continue in 2024 as there are still hurdles to be overcome. The management team is implementing and fine-tuning a turnaround strategy with the support of the Chairperson and Board of Directors, who are steadfast about driving the business towards profitability, and maximising shareholder value.

The major risk, however, is the ongoing threat of becoming unbanked. Whilst several legal battles have been fought and won by the company and the wider Group, there are more battles on the horizon before we can say the war has been won – by either side.

Without bank accounts, and with limited and restricted banking and credit facilities, subsidiaries will be throttled in their ability to grow, which would be a travesty considering that these market segments are growing steadily as demand for their services and country's continued digital progression, mounts. Under these tough circumstances, the attention of subsidiary CEOs has been limited to maintaining the status quo, rather than on an aggressive growth trajectory. Settling the legal matters with South Africa's banks is therefore an imperative.

Having spent these past six months on a steep learning curve getting to know its people and its potential, I can safely say that AYO has the potential to deliver on the original promise made when it first listed in 2017. It will not be overnight, because its reputation has been tarnished (beyond any risk the banks believe they are open to), but AYO remains a solid proposition.

The strategic outlook in the year ahead, dependent on a risk mitigation strategy from restricted banking in the South Africa market, includes embedding our expansion and growth plans for subsidiaries into new markets.

CEO address

GRATITUDE


AYO is staffed with a committed team of professionals who believe in its future and its capabilities. I am looking forward to being part of the progress at AYO, and am very grateful to the subsidiary management teams, and all the people that make up the company for their tenacity, relentless strength, and commitment to driving growth within their organisations and for AYO. This includes the interim Chairperson of the Board, members of the Board, staff, subsidiary management teams, shareholders, and all stakeholders I have had the good fortune of engaging with thus far. I look forward to your continued partnership in the year ahead and working together to realise AYO's true potential to be an African force of transformation in the digital landscape.



Amit Makan

Chief Executive Officer

30 January 2024



“ I AM LOOKING FORWARD TO BEING PART OF THE PROGRESS AT AYO, AND AM VERY GRATEFUL TO THE SUBSIDIARY MANAGEMENT TEAMS, AND ALL THE PEOPLE THAT MAKE UP THE COMPANY FOR THEIR TENACITY, RELENTLESS STRENGTH, AND COMMITMENT TO DRIVING GROWTH WITHIN THEIR ORGANISATIONS AND FOR AYO.

AMIT MAKAN
CHIEF EXECUTIVE OFFICER

Group companies operational reviews



HST had an excellent year financially and exceeded its budget, posting revenue of R65 897 up from R64 101 in the previous reporting period. Given the extraordinarily challenging conditions, this is an excellent achievement and serves as evidence for the resilience and agility of our business

We continue to focus on delivering excellent quality service to our clients, based on deep understanding of their business context and needs and purposeful, meaningful and consistent engagement. As a result, HST has several established clients whose steady support anchor the company's revenue, and is in negotiation with new distributorships for our products and services since our reputation for delivery speaks for itself.

The company is continuing to build its range of products, develop new partnerships and explore potential growth. The WCG are currently testing the third phase of our Enterprise Master Consumer Index (EMCI), together with the City of Cape Town. In terms of our ODS (Operational data Store), ECCR mapping has been completed and we have awaiting NHLS to extract additional BI data for the Western Cape government. Also, a win for the company this year, is that our Inpatient Workflow module is still in progress and a budget for additional resources has been allocated to fast track the development.

In terms of the Western Cape Government, one of our anchor clients, the latest enhancements for the ECCR were deployed to production in May 2023, and the support and maintenance services continue to be delivered with a 100% compliance record and management.

I remain positive about the prospects for growth in the upcoming reporting period with exciting opportunities now firmly within reach.

While the impasse with our banking service providers still has an impact on our business, we have nevertheless adapted, built a healthy resilience and a robust agility to problem solving that has stood our business in good stead.

Adam Abdurahman
Chief Operating Officer
Health System Technologies



Sizwe Africa IT appointed me as Chief Executive Officer in the last quarter of this financial year during which time, I have focused on assisting the company get back on track to where it was in terms of revenue and profit, and I have also had a strategic eye on avenues of growth. The company has broken the billion-rand mark once again, reporting revenue of R1.2B. Unfortunately, due to the low margin of 11% compared to 20%, the company posted a R62M loss after tax. The low margins are as a result of the mix of the award of box dropping and services tenders.

Part of this loss is irregular expenditure that is currently being investigated and addressed. Other significant expenses are building costs, software purchases, interest on VAT penalties, as well as salaries. All these expenses have been heavily scrutinized, and plans have been put in place not to repeat these costs and/or reduce them significantly in the new year.

EXCO has been in deep discussions with key stakeholders to initiate a turnaround strategy, which commenced in the financial year under review, and which will focus on the expenses, as well as ensuring sound governance and compliance measures are adhered to, whilst looking to increase margins by focusing more on services contracts.

New business has been hard to come by due to much the same challenges facing the rest of the AYO group such as the banking issue and negative publicity that has had a ripple effect on the company, but we still onboarded three significant clients namely, PRASA, City of Johannesburg and Metropolitan Trading Company (MTC). These clients contributed R280M in revenue for the company.

The Western Cape Government and SARS remained Sizwe Africa's top two strategic clients with a combined revenue of R426M.

Mahomed Doola
Chief Executive Officer
Sizwe Africa IT



Headset Solutions has had an excellent year, having exceeded budget, and delivering an increased revenue of R223m up from R134m, with an increase in operating profit of 150%. This is largely due to the success of our African expansion plan.

The first phase of our African expansion plan was to get new partners via which we can grow the business. This was successfully achieved, and the second phase of this project will be to increase the number of partners in the region to entrench our presence in these markets, with an eye to slowly increasing our gross profit margins.

Our most successful brand that continues to dominate, is Jabra, which in the financial year under review saw an increase of 163% in revenue year on year.

As in 2022, however, the weakened and fluctuating Rand exchange rate continues to be a concern for the company to which we have now instituted certain foreign exchange contracts to mitigate risk, as well as a healthy inventory on hand to service our customers.

We continue to have strong relationships with our more than 250 channel partners, which bodes well for a future that is digitally driven and requires cutting-edge audio-visual equipment.

Nielle Truter

Chief Operations Officer
Headset Solutions



Kathea is a technology distribution business that represents leading brands including Jabra, Poly, Yealink, Logitech, CTouch, Condeco, Jupiter. Kathea imports and markets these products to the Southern African market through a partner community of resellers and system integrators. Kathea also offers partner enablement services to go with these technologies.

The brands that Kathea represents position the business to operate in three main technology areas: equipping of boardrooms for video collaboration, provision of personal devices for business use (such as headsets) and supplying solutions that help businesses manage the utilisation of their boardrooms and other shared workspaces.

Kathea has demonstrated impressive growth. Despite the formidable market conditions, our total revenue increased from R235 million to R323 million in the fiscal year 2022/2023. Our success is attributed to strategic initiatives focusing on Technical Services (pre, installation, and post), Product Management with a dedicated focus on each brand, and at our new offices, the establishment of Kathea's "Customer Experience Room", which includes demo facilities.

The gross margin surpassed budget expectations, exceeding them by 56%.

However, it's crucial to note that not all sectors performed equally. While the Video/VC side of our business experienced substantial growth from R110.9 million to R198.6 million, our Voice/Headset side faced a drop in overall revenue, decreasing from R97.7 million to R89.8 million. This decline can be attributed to aggressive competitors in a saturated market and a shift back to physical office spaces and face-to-face meetings. We remain positive to find other competitive advantages beyond mere pricing and stock availability.

Other wins for Kathea in this period include Logitech designating Kathea as the exclusive VC distributor for South Africa and new clients that were onboarded. Adding to the success of this year and laying the foundations for 2024, each brand we represent also now has a dedicated Product Manager, providing focused attention to vendor relationships.

Though our workspace management unit faced a reduction in activity due to direct vendor dealings, the demand for Condeco solutions remains robust. Furthermore, our service offerings are in the process of reconstruction, with a target to meet the demand for services through SLAs with our second-tier customers in 2024.

Enterprise demand remains strong and the 2024 outlook is certainly one of continued expansion and good growth.

Francois van Eysen

Chief Executive Officer
Kathea Communications



SGT posted a solid financial year despite the tough economic conditions. The company saw good growth in order intake, exceeding budget, however the turnover remained relatively flat, maintaining a profit in line with the previous financial year. Revenue was generated across the various business units, with the diversity of offerings balancing out to afford the company to post decent overall results.

A strong recovery in the Power Technologies (PT) division at the end of the financial year contributed to the overall success of SGT, including a significant order for high security safes from the American Tower Company. This sets PT up for growth and profitability in the 2024 financial year. Further gains and traction came from the provision of recovery and consolidations services to the Openserve (Telkom) exchanges.

SGT also retained its Level 1 B-BBEE status, and was recertified for ISO:9001, ISO:14001 (Environmental Management) and ISO:45001 (Health and Safety) in this year, whilst also preparing for certification for ISO:27001 (IT Security).

The financial year was not without its challenges, with supply chain issues, the expansion of fibre networks that compete with SGT's legacy business in fixed line infrastructure. However, this does create opportunities for SGT to provide recovery/optimization solutions and services. Network monitoring, part of our core business, has also seen a change in this year with network providers going direct to OEMs. This has resulted in SGT partnering with EXFO; a cost-effective OEM for monitoring to address high TCO of NetScout.

The overall market position of SGT remains strong, having been selected by Vodacom again to be a preferred service provided for installation of microwave links on their towers and continued investment in network monitoring to ensure quality of service for their customers.

Our synchronisation offering has gained market share and our contract with a leading telco has contributed to healthy business volume in the year. Our high-security safe solution for battery protection at telecoms base stations has also gained significant traction, with a high-volume order that will continue into the new financial year. The track record of this product is excellent, and we expect more significant orders for this solution.

The constant risk of having bank accounts closed has also had an impact on how we approach the business in this financial year, and we have set the measures in place to mitigate this risk for 2024.

For the year ahead, we believe that the recovery of the SA economy will lead to opportunities for expansion into more areas of business, assisting in the growth path for SGT. The company has identified the following key focus areas with strongly positive prospects:

- Expansion of field services into radio and antenna installations for existing clients
- Providing point-to-multipoint microwave solutions to Telcos for cost effective fixed wireless broadband connections, augmenting their fibre roll-out
- Expansion into ICT networks with Alcatel-Lucent as partner, with focus on municipal and industrial customers.

Our overall outlook for 2024 is optimistic, expecting solid growth while maintaining healthy profitability.

Dr Vincent Scholtz
Chief Executive Officer
SGT Solutions



AYO lost effective control of GC²T in November 2021. Since then the company has been equity accounted for in AYO's results. The following therefore is an overview of the company's performance in so far as it remains a solid investment for AYO.

The 2023 Financial Year (FY) for GC²T has for the first time resulted in a positive Operating Profit and a positive Net Profit since being acquired.

As the only OEM on the African continent, providing Enabled Awareness solutions focussing on Command and Control, GC²T is now starting to bear fruit for the seeds that were planted in the last three years or so. The company was able to experience revenue growth whilst reducing and maintaining a low-cost base. The primary reason for this has been the realising of contracts in a timely manner. The key contracts are the African Union C3IS MNJTF Support and Maintenance contract and the conversion of the SAAF CMSP, now known as the SAAF UIS contract from Armscor. Additional contracts were achieved with ETION Create, which services the Middle East market, and Saudi Arabia. Several smaller SANDF/DoD contracts, such as LEGEND (Fellowship) etc., were also achieved.

The cashflow position has been affected positively, and previous financial year's delays experienced with contracts, which funded portions of the direct operational costs, has now recovered quite well. GC²T had built up sufficient positive cash that allowed it to fund its operational needs. Cost savings in this FY bode well for 2024.

GC²T continues with its 2019 diversification strategy goal of 70-75% revenue from exports, however the ratio of local to international has been increased, resulting in a percentile of circa 60% due to the multi-year SAAF contract locally. GC²T is hopeful that the diversification ratio for international to local, return in the short to medium term to 75%. This revenue mix allows the company to be more resilient to local defence budget fluctuations, while being able to grow into new market segments with existing products and services.

GC²T is still facing local defence budget cuts along with a change in senior SANDF personnel. These have affected GC²T's revenue but there are indications that the Command-and-Control needs and contracting for the SANDF is now achieving the requisite attention, and that its use in the various arms of services is being re-ignited.

GC²T continues to engage African countries indirectly, via strategic collaborations, such as DCD, or Paramount Group, ADG Mobility or OTT. The configured solutions will be deployed to UN Infantry Battalions for peacekeeping and armed support missions. Potential for contracting remains exceedingly high. GC²T has also been contracted to provide a basic Command-and-Control system for the Milkor vehicle, which will be delivered early 2024.

Although no new contracts were being placed on GC²T for the LIALLS and BBOCCS and projects, the previous year's deliverables were still being completed and milestones were delivered in this financial year, which also added to funding of the cash flow to meet some of the operating expenses.

Ratilal Rowji
Chief Executive Officer
GC²T



Afrozaar's Publisher's Toolbox and PT Sportsuite products provide a modular digital ecosystem for media and sports content providers.

With its now mature technology platform, the priority is to expand the sales team and reach. Afrozaar remains focused on three key territories: United Kingdom/Europe, Africa and North America. The UK office has done well this year in growing the business in the region. Establishing in-country representation in the US will be the main focus for 2024.

The company's products are facing growing competition globally and enhancements are needed. With the correct funding structure, its products can grow significant market share and revenue in 2024. The commercial model remains sound, with respectable gross margins and dependable annuity income. Bolstering the development and sales teams will therefore be the main success factor determining performance in the coming year.

Richard Cheary
Chief Executive Officer
Afrozaar



Digital Matter has had a steady year with several key developments and opportunities being realised. In this year under review, we continued to focus efforts on building world class products which provide solutions for niche opportunities.

The flagship InspectionOne solution is migrating to a web-based solution as technology platforms in the market evolve, and as the cost of hardware devices continues to drop, efforts to provide the solution to smaller operations who can benefit from the technology, are front and centre for the sales teams.

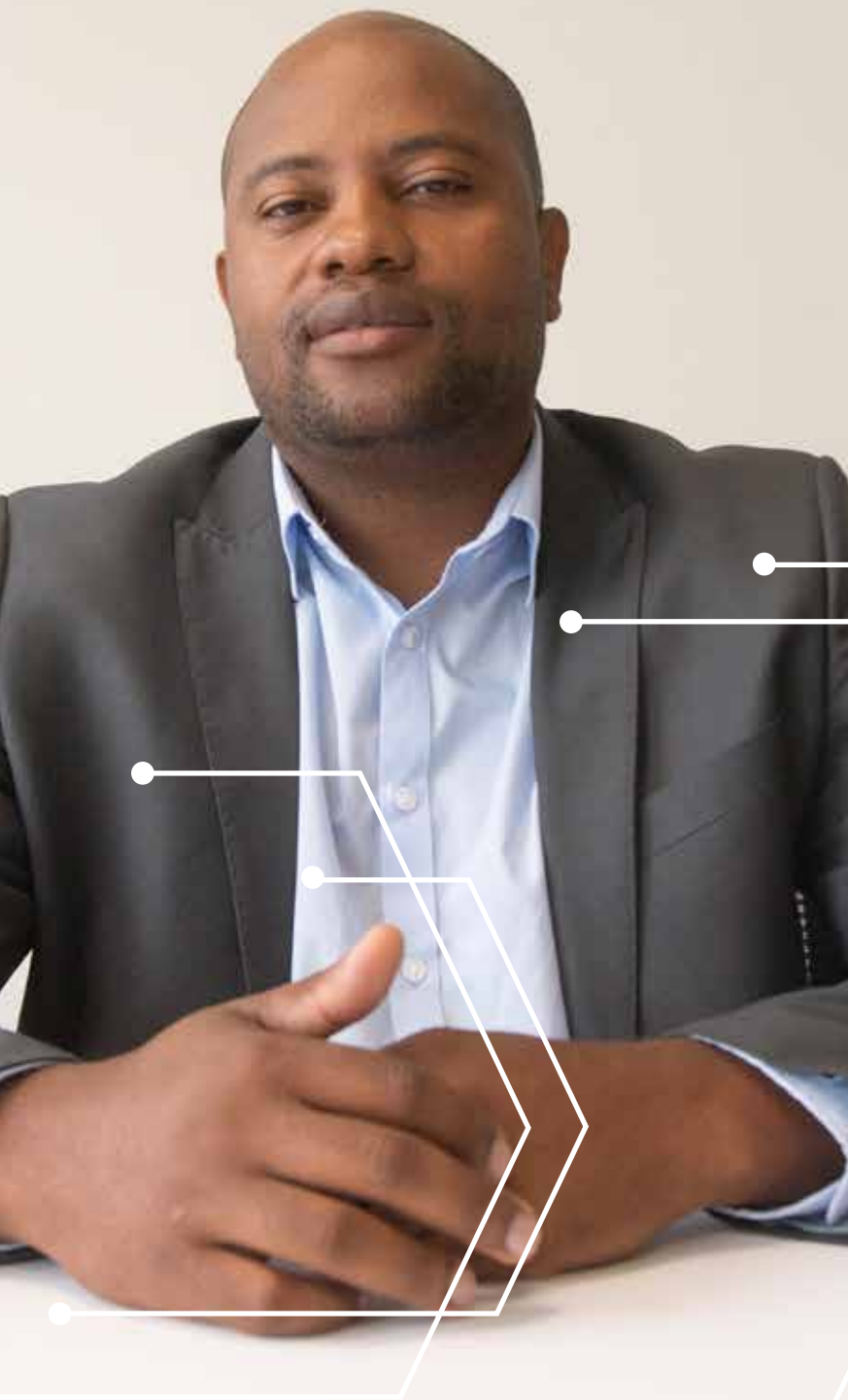
The company is also starting to see growing demand for our specialised GPS tracking solutions for high value transit cargo. Internal development in the last three years in both hardware and software applications, has resulted in new products and platforms which are gaining traction in the market.

Road and Rail solutions continue to play a strong role in the offering and demand from customers, consequently investment in R&D and business development in this space, will start to increase setting us up for a solid 2024 and beyond.

Revenues in this period under review, have continued to be strong while operational and overhead cost control has resulted in a strong balance sheet and reserves to now invest in and grow our resource team, marketing and sales efforts and product development.

Jeremy Williams
Managing Director
Digital Matter





CFO report

OVERVIEW

In this, my first report as Chief Financial Officer, the Group has once again faced several challenges over this past financial year including ongoing litigation and the threat of closure of our transactional banking facilities, which has necessitated the use of third parties. Nevertheless, there have been some excellent wins for the underlying subsidiaries over the period, and for the Group, settlement with the Public Investment Corporation (PIC), has meant renewed energy and determination to make AYO succeed.

Part of our operating strategy is to ensure efficiencies across the Group, which we have by and large now achieved, although the rightsizing and restructuring of our business has come at some cost initially. It has however, laid the foundation for a more streamlined and agile operation across the board, results of which are beginning to be seen.

In the macro-environment, the country continues to deal with inflation, devaluation of its currency, investment downgrades, the increase in the cost of living, as well as the fallout of the external ongoing war with Russia-Ukraine, which has also had an impact. Coming off the back of an economy interrupted by Covid-19, these factors have influenced South Africa's tough economic conditions, and to an extent, the Group's performance in this period.

GROUP PERFORMANCE

The subsidiaries performed well, particularly the unified communications division, along with the managed services division that generated better revenues compared to the prior period, but did not have better margins, which resulted in losses.

Significant increase in revenue across most of the divisions has shown a demand for AYO's services and products and underlines the strength of its diversified offering.

INCOME STATEMENT

Revenue in the Group has increased significantly by 29% from R1.8 billion in the prior year to R2.2 billion in the current year. This is due to improved revenue generation from the managed services and unified communications divisions.

The unified communications division includes Kathea Communications Proprietary Limited ("Kathea Communications"), which delivered excellent results in the current financial year, earning revenue of R324 million up from R236 million reported in the prior year. Kalula revenue has also grown from R134 million to R223 million. The revenue growth for these two entities is attributed to continuous demand for communications products and expansion into new territories.

Sizwe IT Group grew its revenue from R933 million to R1.2 billion in the current year as a result of more distribution contracts. The company is a major revenue contributor to the consolidated Group revenue.

The Group generated a loss before taxation of R653 million for the year ended 31 August 2023 as compared to a loss before tax of R233 million in the prior financial year, mainly due to the decrease in gross margins, lower fair value adjustments on investments, VAT adjustment because of apportionment difference with SARS, derecognition of derivatives and the impairment of loans as well as the cost of restructuring.

BALANCE SHEET

The Group has seen an overall decrease in its total asset value, including non-current assets that have decreased in the current year as compared to the previous reporting period. The right of use assets and intangible assets have also decreased due to the winding down of the assets due to depreciation being recognised.

Investments at fair value did not perform well during the current year due to certain strategic investments suffering from the effects of the economic downturn. In terms of the Group's current assets, however, the working capital components have increased.

Trade and other receivables increased significantly in the current year as a result of additional funds transferred to attorney's trust accounts, the payment made to settle a shareholder, while inventories increased due to upcoming contracts expected to be serviced shortly after the financial year end. Other financial assets have also seen a slight decrease due to the utilisation of funds and fair value adjustments in the current year.

Cash holdings have declined due to working capital requirements as well as the provision of the settlement of the shareholder repayment of R619 million, which was made an order of court in March 2023.

The Group had an increase in liabilities, the majority of which relate to its day-to-day operations the most significant of which are trade and other payables and VAT provision.

FUTURE OUTLOOK

The Group expects to continue with its cost efficiencies and monitoring outputs, supporting subsidiaries, as well as nurturing relationships with current customers and our suppliers to ensure that AYO strengthens existing contracts and maximises its current opportunities to the best of its abilities. In line with its go-to market strategy, the Group will continue to explore opportunities to deliver on its mandate to be a leading and trusted player in the African technology space.

Critically, the group aims to ensure that it remains in good standing as a responsible environmental and social corporate citizen, by acting in a transparent and accountable manner in accordance with governance and compliance requirements.

APPRECIATION

I express my gratitude to the Board, executive management, group executives, employees, and our valued strategic partners, business associates, and other essential external stakeholders for their unwavering support and loyalty throughout a demanding financial year.



Pride Guzha
Chief Financial Officer

30 January 2024



Consolidated statement of profit or loss and other comprehensive income for the year ended 31 August 2023

	Audited 2023 R'000	Audited 2022 R'000
Revenue	2 253 494	1 755 179
Cost of sales	(1 902 233)	(1 367 534)
Gross profit	351 261	387 645
Other operating income	21 484	16 012
Other operating (losses) gains/losses	(79 795)	58 877
Other operating expenses	(865 808)	(807 370)
Movement in credit loss allowances	(193 980)	(47 412)
Finance income	150 461	147 394
Finance costs	(22 402)	(13 556)
Loss from equity-accounted investments	(12 541)	25 250
Loss before taxation	(651 320)	(233 160)
Taxation	12 506	(32 904)
Loss after taxation	(638 814)	(266 064)
Other comprehensive income:		
Items that will be subsequently reclassified to profit or loss:		
Exchange differences on translating foreign operations	(3 006)	(478)
Total comprehensive loss for the period	(643 747)	(266 542)
Loss after taxation attributable to:		
Shareholders of AYO	(617 867)	(270 303)
Non-controlling interests	(20 947)	4 239
Total loss after taxation	(638 814)	(266 064)
Total comprehensive loss attributable to:		
Shareholders of AYO	(622 800)	(270 781)
Non-controlling interests	(20 947)	4 239
Total comprehensive loss	(643 747)	(266 542)
Earnings per share (cents)		
Basic loss per share (cents)	(179.97)	(78.60)

Consolidated statement of financial position as at 31 August 2023

	Audited 2023 R'000	Audited 2022 R'000
Assets		
Non-current assets	872 962	1 196 036
Property, plant and equipment	34 798	38 627
Right-of-use of assets	43 846	94 360
Goodwill	75 458	75 458
Intangible assets	109 524	121 912
Investments in equity accounted joint ventures and associate	60 151	72 692
Loans to related party companies	137 239	280 764
Other loans receivable	207 241	252 833
Investments at fair value through profit or loss	118 227	116 059
Derivatives	-	113 738
Finance lease receivables	-	3 131
Deferred tax	86 478	26 462
Current assets	2 185 338	2 615 099
Inventories	238 659	200 251
Loans to related party companies	282 848	125 405
Other loans receivable	8 375	151 541
Trade and other receivables	1 253 345	785 303
Other financial assets	208 300	223 210
Finance lease receivables	3 131	13 149
Current tax receivable	1 023	1 328
Cash and cash equivalents	189 657	1 114 912
Total current assets	2 185 338	2 615 099
Total assets	3 058 300	3 811 135
Equity and liabilities		
Equity		
Stated capital	4 441 051	4 441 488
Reserves	(36 913)	(31 745)
Accumulated loss	(2 250 465)	(1 452 902)
Equity attributable to shareholders of AYO	2 127 525	2 956 841
Non-controlling interests	111 673	150 561
Total equity	2 265 346	3 107 402
Liabilities		
Non-current liabilities	32 968	120 626
Derivatives	-	39 017
Lease liabilities	28 616	76 660
Employee benefit obligation	3 231	3 233
Other financial liabilities	1 121	1 717
Current liabilities	759 986	583 107
Trade and other payables	405 362	393 604
Other financial liabilities	8 189	12 567
Lease liabilities	22 856	29 869
Deferred income	19 995	45 075
Current tax payable	45 330	14 824
Provisions	218 318	51 784
Dividend payable	39 930	32 305
Bank overdraft	6	3 079
Total current liabilities	759 986	583 107
Total liabilities	792 954	703 733
Total equity and liabilities	3 058 300	3 811 135

Condensed consolidated statement of changes in equity as at 31 August 2023

	Audited 2023 R'000	Audited 2022 R'000
Balance at the beginning of the period	3 107 402	3 600 127
Total comprehensive income attributable to shareholders of AYO	(607 360)	(270 303)
Total comprehensive income attributable to non-controlling interests	(20 947)	4 239
Dividends paid	(211 154)	(223 574)
Foreign currency translation reserve	(3 006)	(165)
Movement in liabilities reserve	9 799	
BEE share reserves	(11 809)	-
Movement in non-controlling interest - changes in ownership	(10 847)	-
Derecognition of put option liability	24 221	-
Treasury shares	(435)	(2 922)
Balance at the end of the period	2 265 346	3 107 402
	2023	2022
Comprising of:	R'000	R'000
Stated capital	4 444 410	4 444 410
Treasury shares	(3 359)	(2 922)
	4 441 051	4 441 488
Reserves	(36 913)	(31 745)
Retained income	(2 250 465)	(1 452 902)
Non-controlling interests	111 673	150 561
Total equity	2 265 346	3 107 402

Condensed consolidated statement of cash flows for the year ended 31 August 2023

	Audited 2023 R'000	Audited 2022 R'000
Cash utilised in operations	(1 001 812)	(221 253)
Finance income	34 246	66 069
Finance costs	(21 135)	(9 182)
Dividend income	108	8 430
Tax paid	(20 235)	(21 984)
Net cash to operating activities	(1 008 828)	(177 920)
Cash flows from investing activities		
Purchase of property, plant and equipment	(10 110)	(11 566)
Sale of property, plant and equipment	3 910	302
Purchase of intangible assets	(2 103)	(1 672)
Loss of control of subsidiary	-	(56 496)
Loans advanced to related party companies	(759)	(32 463)
Loans from related party companies	15 795	5 781
Other loans advanced	(8 743)	(165 438)
Other loans repaid	51 852	46 053
Disposal of investments held at fair value	3 100	-
Purchase of investments at fair value	(12 000)	(46 350)
Amounts advanced to acquire other financial assets	(1 117)	(65 129)
Amounts repaid from other financial assets	27 591	6 313
Funds held in trust fund transfers	235 137	-
Funds withdrawn in trust	636 207	32 101
Funds advanced in trust	(624 000)	(316 864)
Finance lease receipts	13 149	23 261
Net cash to investing activities	327 909	(582 167)
Cash flows from financing activities		
Other loans received	-	17 629
Other financial liabilities repayments	(6 265)	(65 099)
Lease liabilities repayments	(36 305)	(26 385)
Movement in long term service awards	(588)	(443)
Dividends paid	(198 274)	(214 311)
Share buy back	436	(2 922)
Net cash to financing activities	(240 996)	(291 531)
Total cash movement for the period	(921 915)	(1 051 618)
Cash at the beginning of the period	1 111 833	2 163 722
Effect of exchange rate	(267)	(271)
Total cash at the end of the period	189 651	1 111 833

Major shareholders

SHAREHOLDER INFORMATION AS AT 31 AUGUST 2023

Analysis of shareholders	Number of shareholders	Percentage of total shareholders	Number of shares	Percentage of total issued shares
1 - 5 000	8 104	94,19%	2 151 695	0,63%
5 001 - 10 000	187	2,17%	1 275 268	0,37%
10 001 - 100 000	226	2,63%	6 729 676	1,96%
100 001 - 1 000 000	63	0,73%	18 779 073	5,46%
1 000 001 - and more	24	0,28%	315 189 453	91,59%
Totals	8 604	100,00%	344 125 165	100,00%

Major shareholders (5% and more of the shares in issue)	Number of shares	Percentage of total issued shares
Sekunjalo Investment Holdings (Pty)	127 957 277	37,18%
Government Employees Pension Fund	99 782 655	29,00%
	227 739 932	66,18%

Shareholder spread	Number of shareholders	Percentage of total shareholders	Number of shares	Percentage of total issued shares
Non-public:	4	0,05%	227 739 932	66,18%
Directors	2	0,02%		0,00%
>than 10% of I/C	2	0,02%	227 739 932	66,18%
Public	8 600	99,95%	116 385 233	33,82%
Totals	8 604	100,00%	344 125 165	100,00%

Distribution of shareholders	Common Stock Equivalent Held	Percentage of total shares outstanding	Market value (ZAR)	Number of shareholders
Institutions	-	-	-	-
Individuals/Insiders	148	0,04%	17 802	-
VC/PE Firms (>5% stake)	169 866 829	49,50%	20 384 019 480	-
Sovereign Wealth Funds (>5% stake)	99 782 655	29,08%	11 973 918 600	-
Public and Other 3	73 387 651	21,38%	8 806 518 120	-
Total	343 037 283	100,00%	41 164 474 002	-

Share trading statistics	Market price per share (cents)
High	478
Low	51
Year-end	51
Volume traded (shares)	671 432
Value traded (rand)	2 020 711
Volume of shares traded as a percentage of issued capital	0,20%
Market capitalisation at 31 August 2023 (Rand)	175 024 597
Market capitalisation at 30 November 2023 (Rand)	411 822 582

Corporate information

Directors:	Prof. Louis Fourie (Acting Chairperson)** Amit Makan (Chief Executive Officer)^ Pride Guzha (Chief Financial Officer)^ Rosemary Mosia** Aziza Amod* Sello Rasethaba** Valentine Dzvova * Ngoako Ramatlhodi**
	<i>* Non-executive * Independent ^ Executive</i>
Registered office:	10th Floor, Convention Tower, Cnr Heerengracht & Walter Sisulu Avenue, Foreshore, Cape Town, 8001
Company secretary:	Wazeer Moosa 10th Floor, Convention Tower, Cnr Heerengracht & Walter Sisulu Avenue, Foreshore, Cape Town, 8001 Email: wazeer.moosa@ayotsl.com
Joint auditor:	Thawt Inc. 3 Monte Vista Blvd, Monte Vista, Cape Town, 7460
Joint auditor:	Crowe Jhb Inc. 3 Sandown Valley Crescent, Sandown, Sandton, 2031
Transfer secretaries:	JSE Investor Services Proprietary Limited 2 Gwen Ln, Sandown, Sandton, 2196
Joint sponsor:	Vunani Proprietary Limited 151 Katherine Street, Vunani Office Park, Sandown, 2196
Joint sponsor:	Merchantec Capital 13th Floor, Illovo Point, 68 Melville Rd, Illovo, Sandton, 2196



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CONNECT WITH AYO

We encourage and welcome comments, feedback and suggestions on our reporting suite from all our stakeholders. Please direct your remarks to:

Wazeer Moosa
Company Secretary
Email: wazeer.moosa@ayotsl.com