

INTEGRATED REPORT 2024



Reflections

Change is a constant in the ever-evolving business and economic landscape, and challenges are inevitable. Yet, AYO has not only endured but is now beginning to thrive despite facing more than its fair share of obstacles. With a strategic turnaround plan that is starting to bear fruit, we are beginning to realise our full potential. The past year has brought significant shifts and changes, but we are optimistic about our future. We are committed to growing revenue, delivering exceptional service to our customers, making a positive impact in the communities we serve, and creating enduring value for all our stakeholders.

Join us as we reflect on this transformative journey.

2024 Highlights

REVENUE
R1.9 billion

↓ 17%

OPERATING LOSS

↓ 62%

OPEX (R323 million)
reduction post IFRS
adjustments

↓ 38%

CASH GENERATED FROM OPERATIONS

↑ 105%

GP MARGIN

(from 16% to 19%)

↑ 19%

LPS

(208.68) cents

↑ 13%

HLPS

(177.09) cents

↓ 3%



INTRODUCTION

Presenting AYO's 7th 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 2024 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
38	Our value creation model
39	Our capitals
42	Our principal risks
47	Material matters
50	Focus areas
52	Key performance indicators
54	Our strategic trade-offs

OUR GOVERNANCE

An overview of how our ethical leadership and good governance practices support the creation and preservation of stakeholder value, while minimizing its erosion.

58	Our Board and governance structure
66	Committee reports
67	- Nominations committee
68	- Audit and risk committee
69	- Investment committee
70	- Social ethics and transformation committee
72	- Remuneration committee

OUR PERFORMANCE

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

78	CEO address
82	Group companies' operational reviews
86	CFO address
90	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 2024 financial year, which runs from 1 September 2023 to 31 August 2024. It also covers any material events up until Board approval on 28 March 2025.

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 external auditors, Crowe JHB, 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

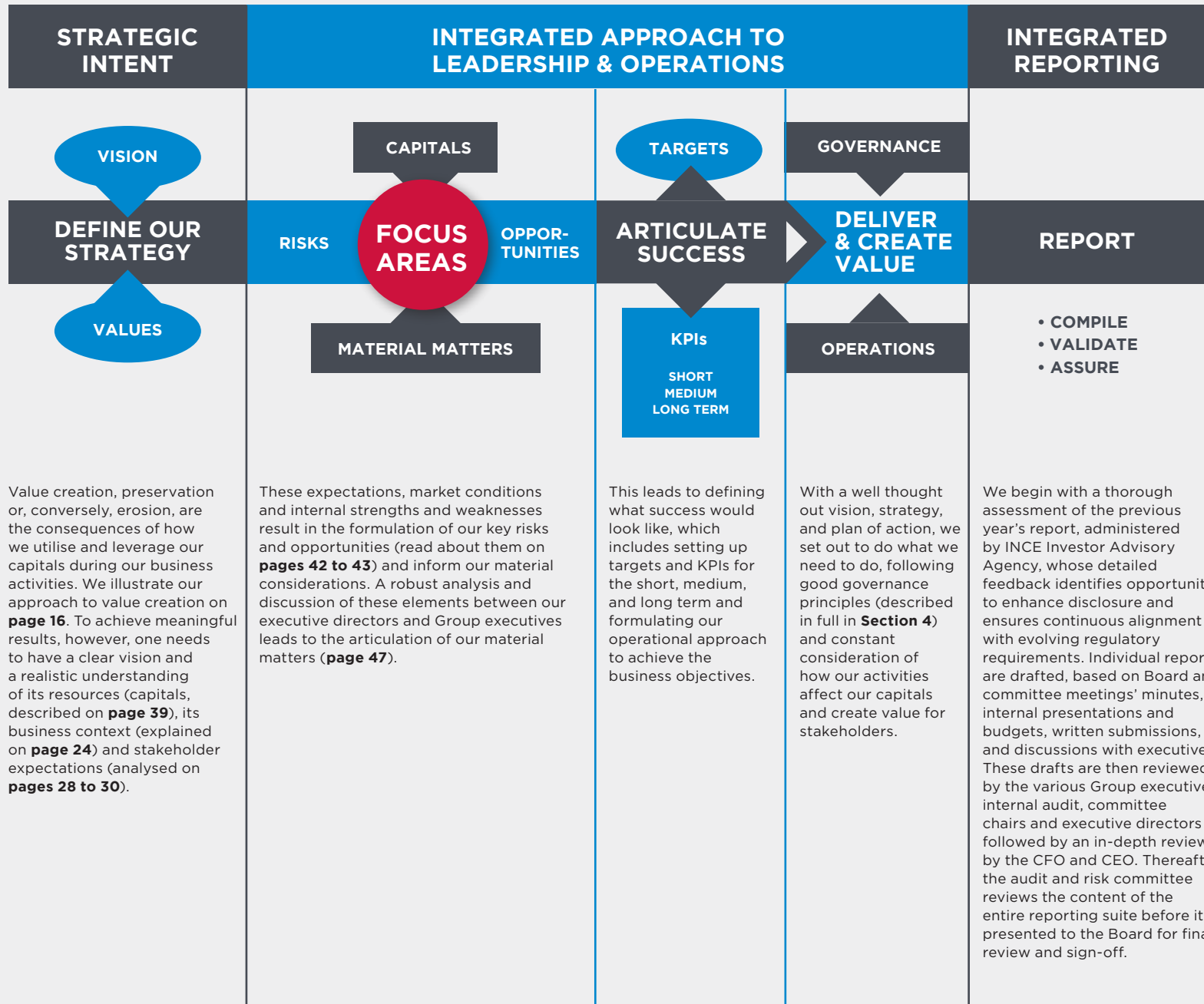
This report includes certain statements that are forward looking. They may be identified by words such as 'believe', 'anticipate', 'expect', 'plan', 'estimate', 'project', 'target', 'hope', 'predict' or 'intend'. By their nature, these statements involve risk and uncertainty, as they relate to events 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 auditors.

Forward-looking statements made on 28 March 2025 at the time of publishing this report are informed by AYO's economic forecast and business plans as at 31 August 2024. 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 2024, 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
28 March 2025

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 28 March 2025.

Signed on behalf of the Board:



Adv Ngoako Ramatlhodi
Chairman
28 March 2025



Valentine Dzvova
Chief Financial Officer
28 March 2025



Amit Makan
Group Chief Executive Officer
28 March 2025

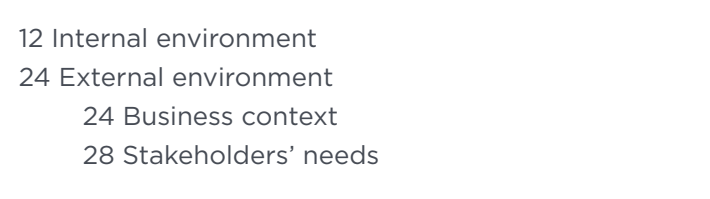


“AT AYO TECHNOLOGY SOLUTIONS WE ARE COMMITTED TO BUILDING A DIGITAL-FIRST FUTURE THROUGH OUR DIVERSE AND DYNAMIC PORTFOLIO. BY INVESTING IN COMPANIES OF VARIOUS SIZES, SPANNING MULTIPLE INDUSTRIES AND AT DIFFERENT STAGES OF GROWTH, WE HARNESS THE POWER OF DIVERSITY TO DRIVE INNOVATION AND CREATE SUSTAINABLE VALUE.”



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

Ayo Technology Solutions (AYO) is driven by a strategic vision to become a leading empowered technology investment group. As the world rapidly embraces the digital revolution, the potential for technology to drive economic transformation and social progress has never been greater. Therefore, with a focus on building a diverse and future-focused portfolio, AYO is uniquely positioned to unlock this potential and foster meaningful change, as well as excellent long-term shareholder value.

Africa is witnessing a digital renaissance, with advancements in technology shifting how people work, live and play. The continent has seen remarkable growth in internet connectivity, mobile technology and innovative solutions tailored to its unique challenges. This digital awakening is opening new opportunities for economic growth and inclusion, from transforming education and healthcare access to revolutionising finance and driving productivity across key sectors.

Technology's impact permeates every aspect of life, enabling greater efficiencies and creating new pathways for success. This new digitally-driven era has also necessitated sophisticated cyber diligence and intelligence too.

AYO's investment strategy capitalises on these trends by building a robust and diversified portfolio that spans critical sectors, including cybersecurity, cloud services, telecommunications and digital health platforms. By investing in technology that enhances accessibility and fosters digital inclusivity, AYO is committed to promoting economic sustainability and empowering African communities. We are not merely passive investors; our approach is hands-on, focusing on scaling solutions that solve real-world problems and contribute to long-term development.

The case for investing in AYO lies in our ability to identify, nurture and scale technology ventures that have transformative potential. Our portfolio of companies are strategically selected to address Africa's most pressing needs while creating new opportunities in emerging digital markets. Africa's technological ingenuity inspires our mission and validates our approach. We believe in harnessing the continent's unmatched potential to innovate and leapfrog into a digital-first future.

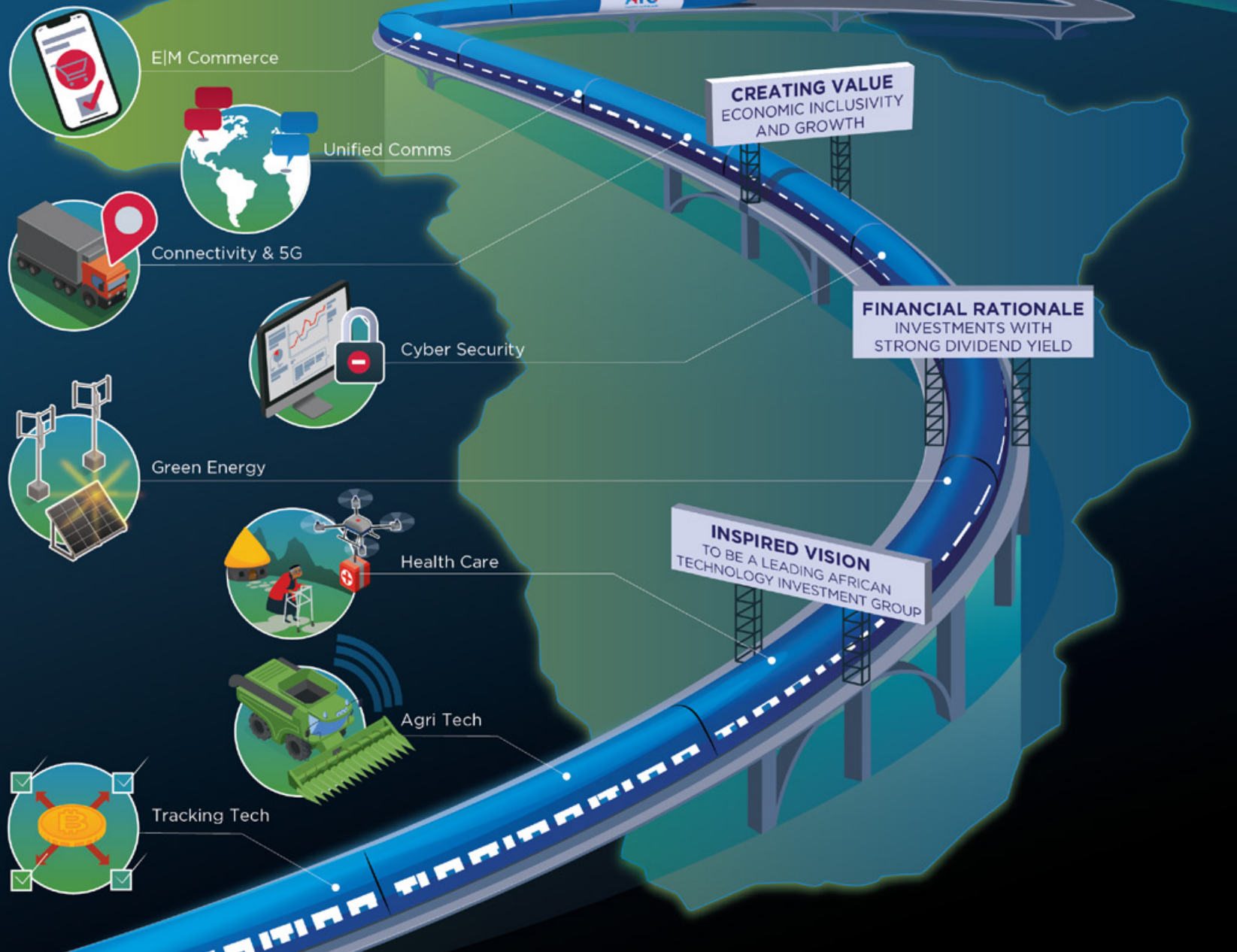
AYO is focused on creating value for stakeholders while driving impactful transformation. Our investment case is built on the promise of technology to uplift economies, improve quality of life and redefine possibilities.



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 R1.6 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, country and continent are 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 Africa. For example, for many of the continent's countries 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, 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%
-------------------	-----

Joint ventures

VUNANI FINTECH FUND

SNAPNSAVE	30.1%
BXCHANGE IMALI/AKELO	1.82%
FLOW LIVING	9.98%
OZOW	10.73%
CLICK2SURE	24.46%
BLNS LIMITED	6.32%
LIFEQ INC	2.06%
RMED ONLINE (PTY) LTD	10.83%
PAWAPAY HOLDINGS	2.06%
PINEAPPLE TECH (PTY) LTD	4.92%
PULSELIVE	11.21%
UNICORN CHAPTER	10.73%

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?

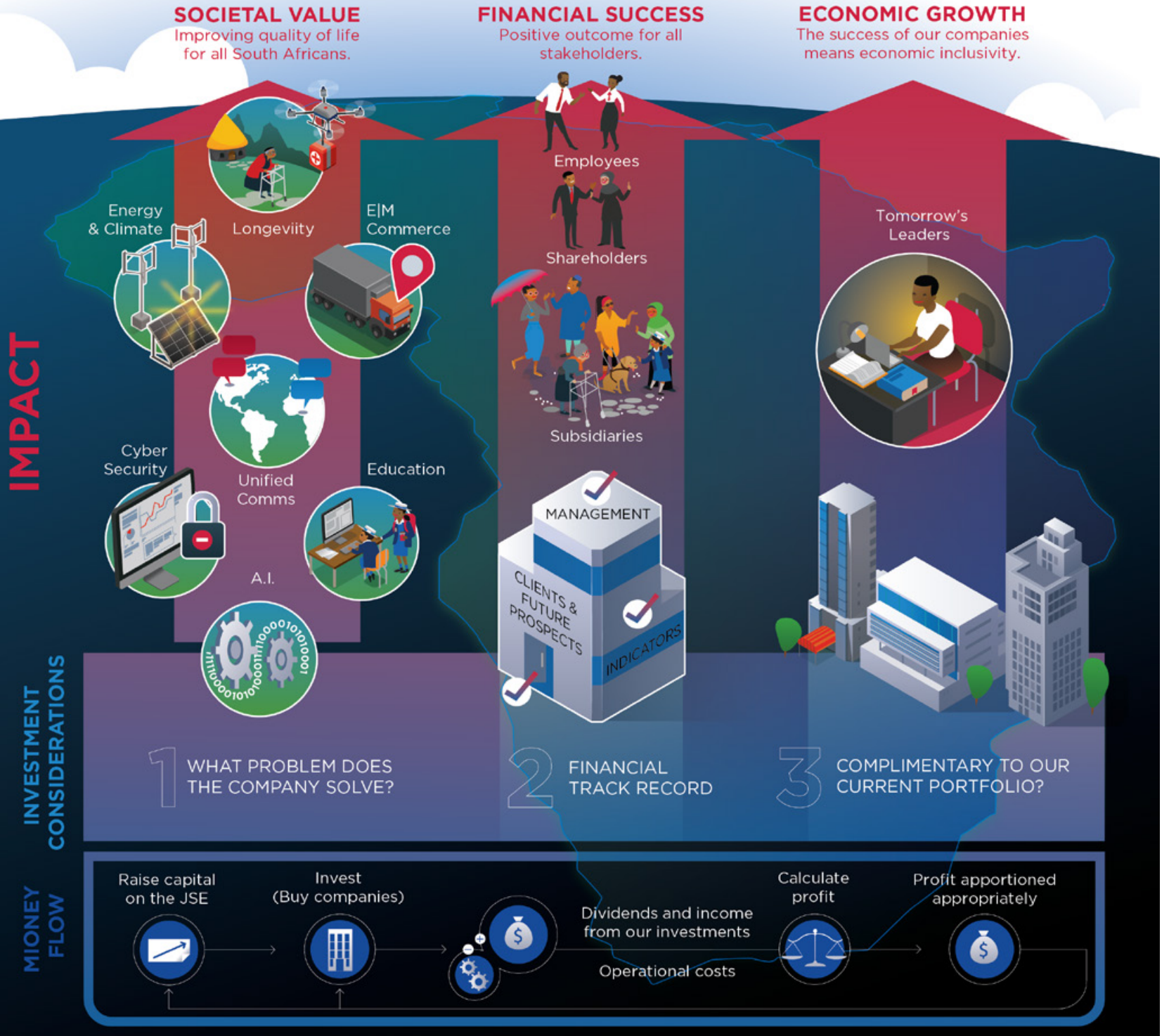
Like any other business, AYO uses its capitals, or resources, to create value for our stakeholders. While our inputs may not be as tangible as raw materials used in a manufacturing environment, they are extremely important to our investees. Sometimes the resources they need are financial, to fund scaling 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.



Health System Technologies (HST) has been a specialist technology and software provider for the medical and health care industries for many years. The extensive track record speaks volumes to 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 healthcare sector.

HST's electronic patient record system has been used by medical and research facilities in the Western Cape for 24 years, continuously evolving in span and complexity. Their products have been rolled out in Nigeria, 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.

HST is continually developing its proprietary Intellectual Property (IP) around several products, including Infrastructure as a Service (IaaS) solutions, that it offers to existing clients who have shown interest in South Africa and providers beyond South Africa's borders.

In 2024, HST refreshed its brand, established an academy to upskill developers to continue building its range of products, develop new partnerships and deliver growth.



A value-added distributor of voice, audio-visual, video conferencing and workspace management products, Kathea Communications Solutions (Kathea) is a company focused on the future of work and collaboration in the 21st century. With Kathea's product range, service and sales centres based in Africa, it can cost-effectively service clients throughout Africa.

Kathea's workspace management division has been the African representative of Condeco and iOffice+SpacelQ – the two market leaders in the "smart workspace" environment. In 2022, the two brands merged to form Eptura – a global worktech company – which Kathea represents 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, and enhance employee productivity.

Kathea is also a distributor of well-known Video Conferencing brands such as HP, Logitech, Jabra, Yealink and Lenovo. These brands have been the leaders in collaboration and the adoption of hybrid and remote working solutions. We are proud of being partners with the leaders in collaboration solutions. This sector saw a boost with the Covid pandemic as more corporates adopted remote working and hybrid environments.

2024 saw a stabilisation of the hybrid work environment in South Africa, which, coupled with uncertainty around the local market's future due to the elections that took place in May, limited Kathea's growth this year. As a result the company embarked on strategic cost containment and management measures, driven by its new acting Chief Executive Officer who has brought fresh perspective and strategies to the company.

SUBSIDIARIES

100% OWNED

100% OWNED



For over three decades, Headset Solutions has proudly served as the authorised distributor of Poly and Jabra across Africa. As the supplier of choice for customers, call centers, and offices throughout the continent, Headset Solutions delivers unmatched quality and reliability in the telecommunications space. Our extensive client base spans virtually every industry, with a strong presence among enterprise end customers.

Our product range features premium, durable audio phones, enterprise headsets and a comprehensive selection of videoconferencing equipment, fully integrated with leading collaboration platforms such as Zoom and Microsoft Teams. As hybrid and remote work environments expanded, Headset Solutions was at the forefront, enabling thousands of organisations - large and small, across diverse industry verticals - to seamlessly adapt to the new ways of working.

Supported by a robust network of over 1 300 channel partners and user-friendly online access, Headset Solutions has cemented its position as the leading distributor of telecommunications and consumer electronics in Africa. Our successful expansion strategy has allowed us to establish representation in South Africa, Mauritius, Kenya and Nigeria, reflecting our ongoing commitment to innovation and growth across the continent.

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.

The company's 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 systems 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



Afrozaar, founded in 2010, was one of the early pioneers in mobile app development and to secure content distribution. Afrozaar ensures enterprise scalability through well-defined mobile cloud architecture to achieve a sustainable digital app ecosystem that is configurable at a modular level.

Fast becoming a leader in the digital transformation of traditional media and brand groups around how they value their digital processes, assets and respective audiences. The digital enablement and transformation of traditional media and brand agencies is an area Afrozaar enjoys, and it has several successes worth repeating.

As a software engineering company specialising in the delivery of digital solutions across traditional publishing; brand and broadcasting agencies; e-commerce and corporate content ecosystems. The Afrozaar engineering team is committed to constantly collaborating, sharing and learning with those we form sustainable relationships with.

32% OWNED



Digital Matter has been building innovative products and solutions since 2000.

The company's strategic focus is on building software platforms integrated with hardware to track events, tasks and assets in niche work environments.

There are two flagship offerings InspectionOne, a paperless solution for enterprise companies to independently verify the audit trail of all tasks and activities. It is typically used in heavy industrial or petrochemicals environments where there are maintenance or explosion risks.

Tracksmart, a tracking solution for assets that do not necessarily form part of traditional vehicle fleets, particularly unpowered environments where assets require monitoring and protection from events such as impact or theft.

32% OWNED



GC²T has been the national sovereign command and control capability of the South African Department of Defence. Today, as the only original equipment manufacturer (OEM) on the African continent, providing Enabled Awareness Solutions (EAS), having as its core products and services – Command and Control Technologies. The company is the leading technology provider for EAS locally and primarily on the African continent across the commercial, security and defence domains.

Solutions include asset and blue force tracking across the globe across land, air or maritime domains. An integrated EAS providing the common operating picture/imagery to support leaders, commanders, decision makers and managers to reach informed and timeous outcomes/decisions. In the arena of training – live, virtual and constructive simulation technologies are readily available for deployment. GC²T's training range – BattleTek – integrates live, virtual and constructive simulation systems to provide an all-encompassing live, virtual, constructive (LVC) experience, which remains indispensable for elevating operational preparedness.

24% OWNED

“FOR AYO TECHNOLOGY SOLUTIONS, DIGITAL TRANSFORMATION IS NOT JUST A BUSINESS CASE, IT’S A LIFE IMPERATIVE. WITHOUT BUILDING THE BRIDGE TO CROSS THE DIVIDE HOW CAN WE CREATE THE NECESSARY CHANGE TO SUSTAIN AN EQUITABLE SOCIETY?”

ADV DR NA RAMATLHODI, 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 more than R185 million between 2019 and 2024 in this fintech portfolio, which has produced more than 155% growth to date and was valued at R472.6 million as of 31 August 2024. The portfolio includes 12 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.

Vunani to check descriptions are still relevant



**30.1%
INVESTMENT**



SNAP n SAVE

The business is modelled after US-based Ibotta, and is a consumer loyalty programme, offering deals and cash rewards for the purchase of products from participating brands. The SnapnSave app offers users discounts and cashback on their daily purchases from a variety of retailers – both online and in-store – on a wide range of products, including groceries, clothing, electronics, and more.



**1.82%
INVESTMENT**



Unicorn Chapter

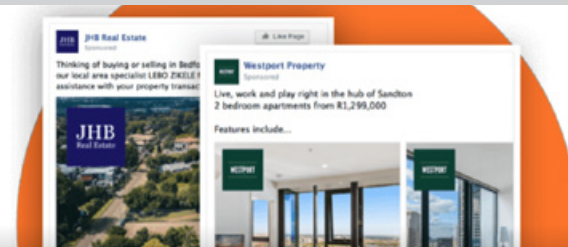
The business systems and related assets in respect of BxChange Imali Proprietary Limited’s digital wallet were sold to Akelo Group. Akelo Group invests in high growth, and established cash-generative businesses in the financial technology sector. The company is uniquely positioned to unlock real value through the organic and acquisitive growth of our ecosystem and the continual introduction of additional products and services through our various platforms. It aims to influence technology across the value chain from point of processing to point of fulfilment either directly or through partnerships.



**10.73%
INVESTMENT**

Unicorn Chapter

Unicorn Chapter is a mirror of the Ozow structure. It was set up to develop innovative intellectual property that could be utilised internationally in the payments sector. The Fintech Fund paid a nominal amount of USD 60.89 (USD 0.01 for 6 089 shares), 10.73%. The company is registered in Amsterdam.



**9.98%
INVESTMENT**



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

10.73%
INVESTMENT



Ozow is a fintech company that offers a payment gateway and related financial services. Its payment platform enables individuals and businesses to make and receive payments online and via mobile devices. It offers innovative payment solutions that make online transactions faster, safer, and more convenient.

10.83%
INVESTMENT



A healthcare digital marketplace and booking platform connecting healthcare practitioners with their patients. In 2020, the platform was integrated into all Discovery client facing products.

24.46%
INVESTMENT



The company previously provided digital insurance platform servicing customers like WeFix Massmart and Lewis retail groups. It is in the process of being liquidated.

2.06%
INVESTMENT



PawaPay is a UK-based fintech company that offers a mobile payment platform for Africa and other emerging markets. PawaPay provides a mobile payment platform that enables users to make payments, send money, and access financial services using their mobile phones. The platform is designed to be secure, convenient, and accessible, even in areas with limited financial infrastructure. PawaPay has partnered with various organisations, including mobile network operators, banks, and financial institutions, to expand its reach and services. By leveraging mobile technology, PawaPay is helping to drive financial inclusion and economic development in underserved communities.

6.32%
INVESTMENT



BALNS is a hardware wallet for blockchain payment transactions, allowing users to buy and trade between cryptocurrencies in a safe and cost-efficient way.

4.92%
INVESTMENT



Pineapple is an insurance company, offering a range of insurance products that cater to individuals and businesses. With its affordable premiums, flexible policies, and excellent customer service. 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.

2.06%
INVESTMENT



LIFEQ is a, health and wellness technology company that provides innovative solutions for individuals, businesses, and healthcare organisations by providing 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.

11.21%
INVESTMENT



A sports social and media platform easily described as a mix of Strava and ESPN sport. The company provides sports news, updates, and analysis to audiences in Africa and beyond.

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 global conflict on the rise, as well as widespread political instability and economic pressures, there is a re-prioritised expenditure on defence capabilities and command and control technologies.

The opportunity



GC²T's advanced command and control system infrastructure is currently operational with the African Union's Multinational Task Force. GC²T is expanding its offering to other targeted African countries, in a directed marketing capture approach. GC²T is also providing a specific solution through a strategic partner to a Middle Eastern Gulf State country.

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 2024, the crisis has deepened with Eskom looking for a 40% hike in tariffs and municipalities and industry not paying their bills, with an ever-present threat of load shedding. This has a devastating impact on the local economy.

The opportunity



Connectivity remains a critical business requirement heavily impacted by electricity shortages. While endpoint receiver devices are designed to function independently for a limited time, they become ineffective when cell towers lose power and can no longer transmit signals. Recognising this challenge, SGT capitalised on the opportunity by installing and maintaining reliable, high-security power solutions for its customers, addressing a significant need while boosting revenue streams. Additionally, our synchronisation solutions have secured a market-leading position in South Africa and across the broader African continent, providing telecom operators with precise timing systems that unlock excellent revenue potential.

EVOLVING SA LEGISLATION

UN SDGs impacted



The context

In a progressive endeavour to provide universal access to quality healthcare to all South Africans, the President of South Africa passed the National Health Insurance (NHI) Bill in May 2024, which aims to create a single healthcare platform for the country’s 60 million+ population.

The opportunity



Ensuring access to quality healthcare is a universal imperative. However, for this to become a reality in South Africa, 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 and extend its offering into other regions, including the Middle East. HST’s long-term strategy is to shift its focus to organically or acquisitively grow, ensuring its portfolio includes wellness and every aspect of healthcare.

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, the shift to remote, hybrid or agile workspace, is here to stay. The trend for companies to reduce office floor space in favour of greater flexibility, increased productivity and staff satisfaction continues, albeit the market has somewhat stabilised post the Covid-era boom.

The opportunity



Already established as market leaders in their respective niches, our two subsidiaries – Kathea Communications being a value added distributor and Headset Solutions being a volume distributor – 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

Mobile connectivity serves as a cornerstone for digital transformation and socioeconomic development in sub-Saharan Africa. With the advancement of technology, particularly in the mobile space, many new services can now be extended to previously under-served market segments, which is critical to bridging the digital divide.

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 the end of this reporting period, the portfolio value has grown more than 9.18% 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
- Secure whistle blowing platform

Salient engagement points

- Staff retention rate remains positive amidst intense business uncertainty and highly stressful reporting period
- Significant staff 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 associated companies
- Strong parent brand

Engagement platforms

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

Salient engagement points

- Chief Operating Officer is 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

- Settlement agreement reached with significant shareholder, the PIC was finalised in 2024, along with a renewed commitment to re-build value in AYO, which includes support of subsidiaries
- Embedding of turnaround strategy and stability of new executive and management team, with streamlined operations, cost management and a 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 Shoeshine initiative for under privileged schools
- Selected feeding schemes and care packages delivered



“FOR AYO, GOOD BUSINESS IS ABOUT ALIGNING OUR VISION WITH THAT OF OUR STAKEHOLDERS TO CREATE MEANINGFUL CHANGE AND DRIVE SHARED PROSPERITY. OUR SUCCESS IS NOT JUST MEASURED IN PROFITS, BUT IN THE SHARED VALUES WE UPHOLD AND THE PARTNERSHIPS WE FOSTER TO BUILD A BETTER, MORE INCLUSIVE FUTURE FOR ALL.”

AMIT MAKAN, CEO

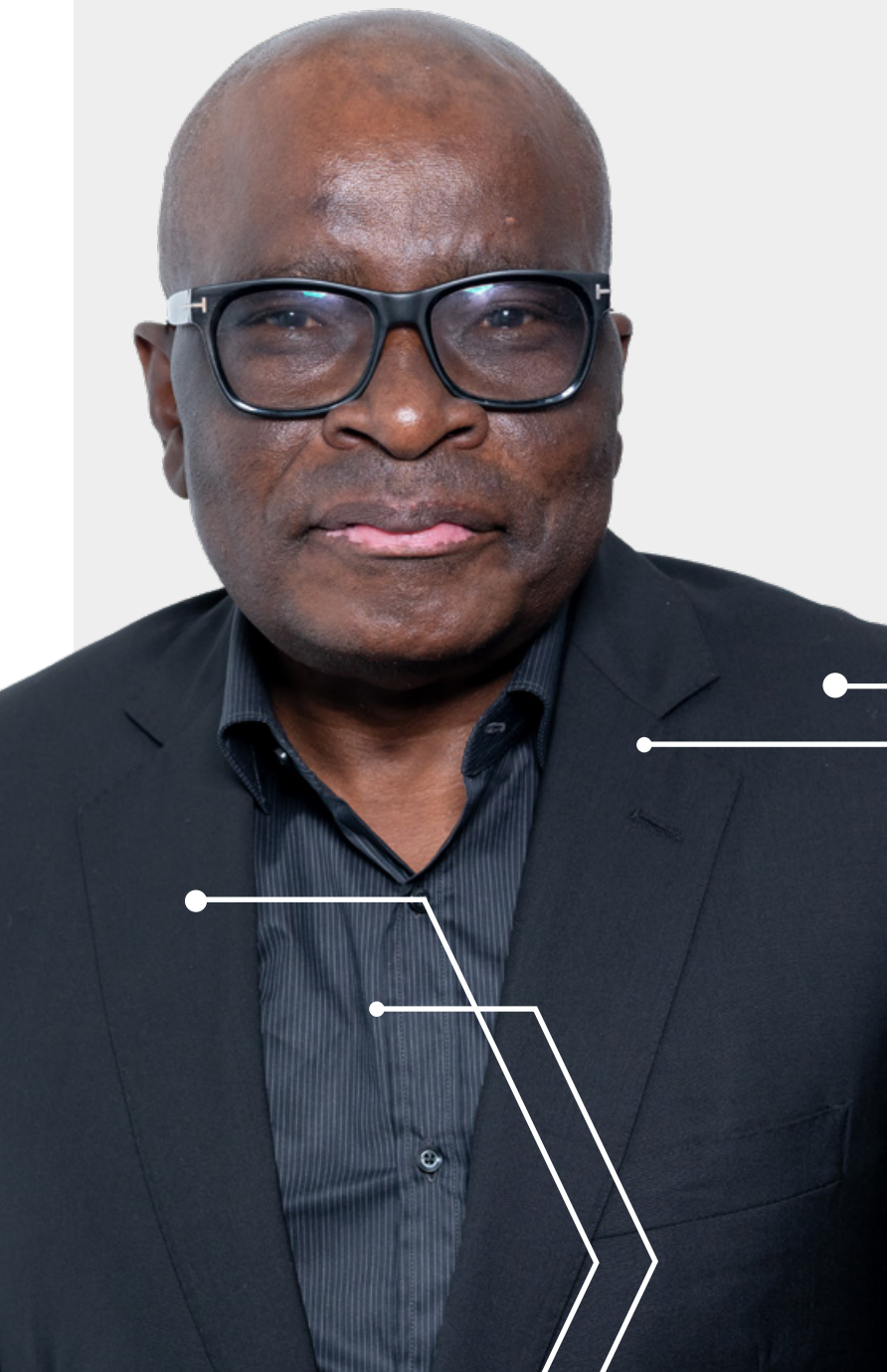


This section articulates our strategy to the creating, preserving, and minimising the erosion of value. As described in the introduction of this report, we apply an integrated approach to defining our strategy. Our resources (**capitals**), **risks and opportunities** and critical events that impact 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 report 2024
- 38 Our value creation model
- 39 Our capitals
- 42 Our principal risks
- 47 Material matters
- 50 Focus areas
- 52 Key performance indicators
- 54 Our strategic trade-offs





Chairman's Report 2024

“GREAT THINGS IN BUSINESS ARE NEVER DONE BY ONE PERSON. THEY’RE DONE BY A TEAM OF PEOPLE.”

- STEVE JOBS, FOUNDER AND CEO OF APPLE

In this my first report as Chairman, I would like to open by acknowledging our Group's greatest asset: our people. Dedication, resilience, unwavering commitment and professional excellence have been the driving force behind the Group's progress this year. Through their collective efforts, AYO has successfully and significantly reduced operating costs and firmly bedded down its turnaround strategy. In a year that encompassed ongoing challenges as well as opportunities, our people have been the common denominator in our journey toward recovery and growth, embodying the spirit of innovation, determination and excellence that defines our organisation.

A DEMANDING OPERATING ENVIRONMENT

The economic landscape in South Africa during the 2024 financial year has been shaped by the anticipation and aftermath of the national elections. Pre-election, uncertainty weighed heavily on investor confidence, with markets reacting cautiously to political and economic instability, compounded by slow growth, persistent load shedding, and concerns about fiscal sustainability.

Post-election, while there have been some signs of optimism tied to new leadership and policy commitments, the markets remain volatile, reflecting the need for concrete reforms to restore confidence. South Africa's economic recovery remains fragile, with market reactions underscoring the urgency of addressing structural challenges to unlock growth and investment potential.

It is in this constrained economic environment, coupled with our own specific set of roadblocks, that AYO operated this period under review.

On the plus side there have been several milestones that have been achieved in this year too, notably the conclusion of the Settlement Agreement between the Public Investment Corporation (PIC) and AYO that was overwhelmingly supported by shareholders. AYO can now move forward together with the PIC to rebuild value in the Group.

Some of this value is apparent in the results we have posted for this trading period. While yet to return to profitability after a period of years marked by disinformation, banking obstacles and costly and time-consuming legal battles, our results do show an upward trajectory that demonstrates confidence in our offering.

RESTRUCTURED

In last year's report we made mention of a turnaround strategy. At the time, a new executive and management team had taken over the reins and with fresh perspective and razor-sharp insight they set about returning AYO to competitiveness and operational efficiency. I am pleased to report that the restructuring of AYO into an ICT investment company is complete, and that AYO is firmly back on track.

Part of our transformation journey over the past 12-months, has been to reduce costs - across the Group - improve customer service, recover outstanding loans, analyse contracts and partnerships across our overall portfolio. Key to ensuring this success, as aforementioned, has been the executive and the management, not only their professional capability but their commitment to the challenge and change.

CHANGES TO THE BOARD

During the period under review, several changes to the Board of Directors occurred, reflecting both transitions in leadership and strategic appointments aimed at supporting AYO Technology Solutions' growth and governance objectives.

As the duly appointed Chairman of the Board, I extend my deepest gratitude to the outgoing Interim Chairperson Professor Louis Fourie for his invaluable service during a critical period for AYO. I would also like to extend my heartfelt thanks to Mr Pride Guzha for his exemplary leadership and steady hand as Chief Financial Officer. Following this reporting period, he has been appointed Chief Executive Officer at Sizwe Africa IT, and we wish him every success in this well-deserved role.

In his place, we warmly welcome Mrs Valentine Dzvova, whose extensive experience and professional qualifications make her an invaluable addition to the team. Mrs Dzvova brings a wealth of financial acumen, strategic insight and a proven track record of driving organisational excellence, which will undoubtedly strengthen our leadership and support our continued growth.

During the period under review, the Company also welcomed Mr Wakeel McLachlan, a Chartered Accountant with over a decade of experience who was appointed as an Executive Director. Mr McLachlan is the Chief Operating Officer of AYO and holds directorships in several of the Group subsidiaries.

Further bolstering the Board, and given the Group's greatest asset, its people, AYO appointed Mr Lucien Jacobs, as a Non-Executive Director. Mr Jacobs has 15 years of Human Resources experience and holds a BCom Honours in HR and is currently pursuing a Master's in Business Administration.

The Board noted the contributions made by exiting directors and thanked them for their years of service. The Board now looks forward to the valuable insights and contributions of these new appointments, which are expected to strengthen AYO's strategic capabilities and governance. The collective expertise and leadership of the Board will play a crucial role in navigating the Company through the next phase of its journey.

SUBSIDIARIES

Subsidiaries have generally been stable, with many of them showing considerable improvement. While a few under-performed, the vast majority are moving in a positive direction. Management is paying close attention to underperforming subsidiaries and taking the necessary steps to resolve and drive their growth.

Unfortunately, the ongoing threat to the closure of transactional bank accounts by South Africa's major banks, and that of AYO and some of its subsidiaries' credit facilities, have negatively impacted the Company. This has placed unnecessary strain on Group companies, impeding the potential for more than organic growth. Overall, this has contributed to value erosion of AYO's assets.

GOVERNANCE, INTERACTION AND VALUE CREATION

The Board of AYO 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), and with its sponsors to ensure compliance with the Listing Requirements and the statute of incorporation.

Key Board focus areas during the year included reviewing the strategy of the Company to mitigate the impact of the current economic conditions. The Board empowered the Group Chief Executive Officer and executive committee to implement the necessary measures and resources to drive the Board-approved strategy.

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 – a hotline was set up during the year and is actively monitored.

Our ability to create value hinges on fostering and maintaining strong relationships with our key stakeholders. The Board remains actively informed about stakeholder engagements and directly interacts with members at the Annual General Meeting (AGM) to ensure AYO effectively understands and addresses their interests and concerns.

AYO Technology Solutions is deeply committed to transformation, viewing it as a fundamental business imperative with social, moral and strategic significance. Through continuous evolution and targeted initiatives, we contribute to building a more equitable and inclusive society. To further this commitment, the Board's structure and diversity are reviewed annually to ensure it remains representative and inclusive.

OUTLOOK

While we anticipate that operating conditions will continue to be challenging due to national and international geo-politics and economics, and expected legal developments regarding the banking situation in the year ahead, we have made great strides in setting a firm and positive course for future profitability. This will potentially entail the further expansion of the Group into new geographical areas including emerging markets and developing countries where opportunities for empowered digital transformation abound.

An imperative for us in 2025 is to ensure that the facts around AYO and its subsidiaries are conveyed to the market to debunk what has become to many, an urban myth. We will therefore place an emphasis on communication and open and transparent engagement with all stakeholders, building on what we have done in the financial year, for example, by proactively issuing SENS announcements.

GRATITUDE

While I have been a member of the Board for several years, stepping into the chairmanship role brings with it a new dynamic and greater responsibility. I would therefore like to convey my sincere gratitude to our shareholders and all stakeholders for their support and trust in me.

I would like to express my thanks to my fellow Board members for their unwavering dedication, wisdom and invaluable contributions over the past year. Equally, my profound appreciation extends to our executive team for their relentless drive in executing our strategy, and to our employees, whose remarkable resilience and commitment have been truly inspiring during what has once again been a year of change and challenge.

To our Company Secretary, Mr Wazeer Moosa, I thank you for your dedicated service to the Board and the Company, and for your steadfast commitment to upholding the principles of corporate governance.

As a Group, we look forward to the year ahead and the opportunities it holds. Our strength is rooted in our people, who have the proven ability to lead, envision and adapt to mercurial market conditions and who are committed to delivering on AYO's true potential to digitally transform, empower and include everyone in the conversation, ultimately delivering sustainable stakeholder value.



Advocate N Ramathodi

Chair of the Board

28 March 2025

“ I WOULD LIKE TO EXPRESS MY THANKS TO MY FELLOW BOARD MEMBERS FOR THEIR UNWAVERING DEDICATION, WISDOM AND INVALUABLE CONTRIBUTIONS OVER THE PAST YEAR. EQUALLY, MY PROFOUND APPRECIATION EXTENDS TO OUR EXECUTIVE TEAM FOR THEIR RELENTLESS DRIVE IN EXECUTING OUR STRATEGY, AND TO OUR EMPLOYEES, WHOSE REMARKABLE RESILIENCE AND COMMITMENT HAVE BEEN TRULY INSPIRING DURING WHAT HAS ONCE AGAIN BEEN A YEAR OF CHANGE AND CHALLENGE.”

ADVOCATE N RAMATLHODI



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 64**), 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



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

- R1.6 billion total assets
- R216 million in cash reserves and equivalents
- R1.9 billion gross revenue

THE CHALLENGES WE FACED

- Ongoing banking challenges and escalating legal costs
- Loss of interest income and high transactional costs due to banking dispute
- Reduction in cash reserves due to settlement with major shareholder
- Continued public scrutiny and disinformation

THE VALUE WE CREATED

-  R154.2 million total tax contribution
-  R10.7 million in Group staff training and development

THE BOTTOM LINE

The impaired relationship with the banking industry and resultant litigation, along with continued disinformation in the public space, remain the main contributors to the erosion of financial capital. Resolution with the Public Investment Corporation (PIC) and some relief by the courts have bolstered resolve and created renewed interest (albeit in its infancy) in AYO's abilities to deliver services and products. The banking challenge will continue to be a focus for AYO in 2025.

Focus area





HUMAN CAPITAL

- 677 employees
- R10.7 million investment in Group training and development
- Embedded culture of trust, loyalty and commitment

THE CHALLENGES WE FACED

- Ongoing lengthy simultaneous litigation processes over the course of the entire reporting period placing a drain on personnel time, capacity and emotions.
- AYO's prolonged negative media coverage continues to cause significant erosion to the value of our brand and makes it difficult to present an alternative media narrative - despite the fact that AYO has true potential

THE VALUE WE CREATED

-  R449 million in Group gross annual salary bill
-  Investment into training and skills development giving AYO a well-rounded multi-functional team and a solid succession pipeline maintains a positive staff retention rate.

THE BOTTOM LINE

AYO continued to implement its turnaround strategy, contain costs, streamline operations and expand into new markets in this reporting period, a vote of confidence in what the Group has to offer and in how its services are valued. Human capital has always been one of our key resources, and thus people development remains a focus area in the future strategy as too, expansion into broader markets.

Focus area



Our capitals






SOCIAL/RELATIONSHIP CAPITAL

- 120+ principal OEM partnerships
- 500+ organisational clients across Africa
- R2.6 million in Group CSI spend

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 remains reduced
- Excessive demands on our people and reduced resources, affects the availability of our team for community support projects despite their willingness

THE VALUE WE CREATED

-  Mandela Day initiatives
-  Assistance and support to feeding schemes and bursaries awarded to staff
-  Team building initiatives across the Group

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 continued to develop the intellectual capital of our business in this challenging period, our brand reputation continues to suffer from unwarranted and 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



Our capitals






MANUFACTURED CAPITAL

- R28 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.
- R174 million in stock on hand
- R48 million in work in progress for costs to fulfil contracts

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.
- Fluctuating Rand exchange rate

THE VALUE WE CREATED

-  Budget-friendly business accommodation (in shared offices)
-  Adequate stock holding enables fast and reliable sales to 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. 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 affects all businesses, AYO's risk landscape continues to be significantly shaped by ongoing banking challenges. These challenges deeply impact our operations, reputation and overall ability to create and preserve value for our stakeholders.

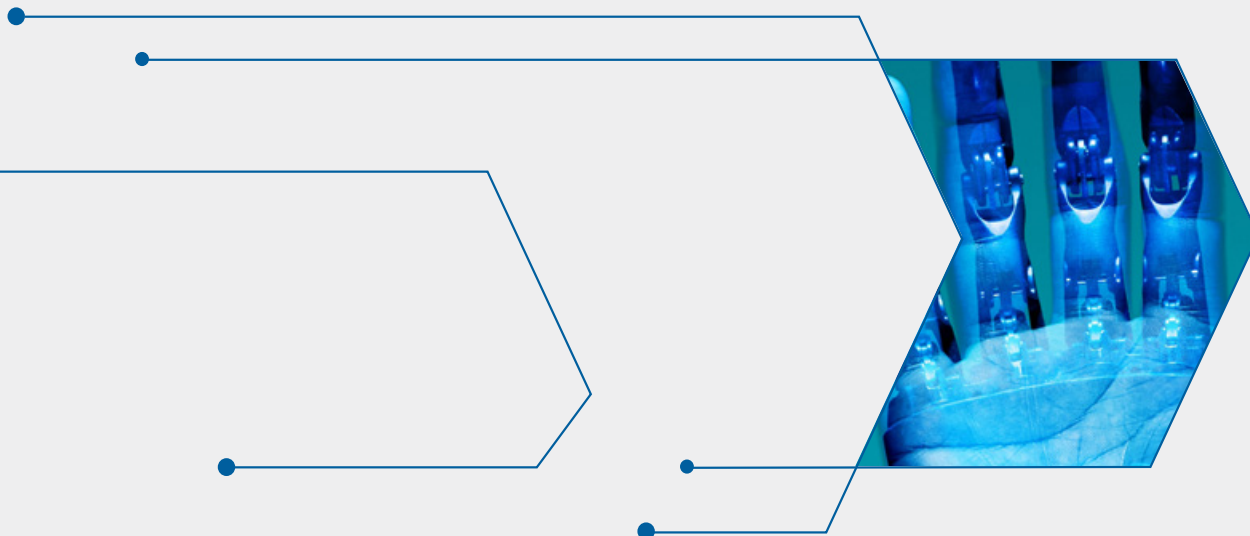
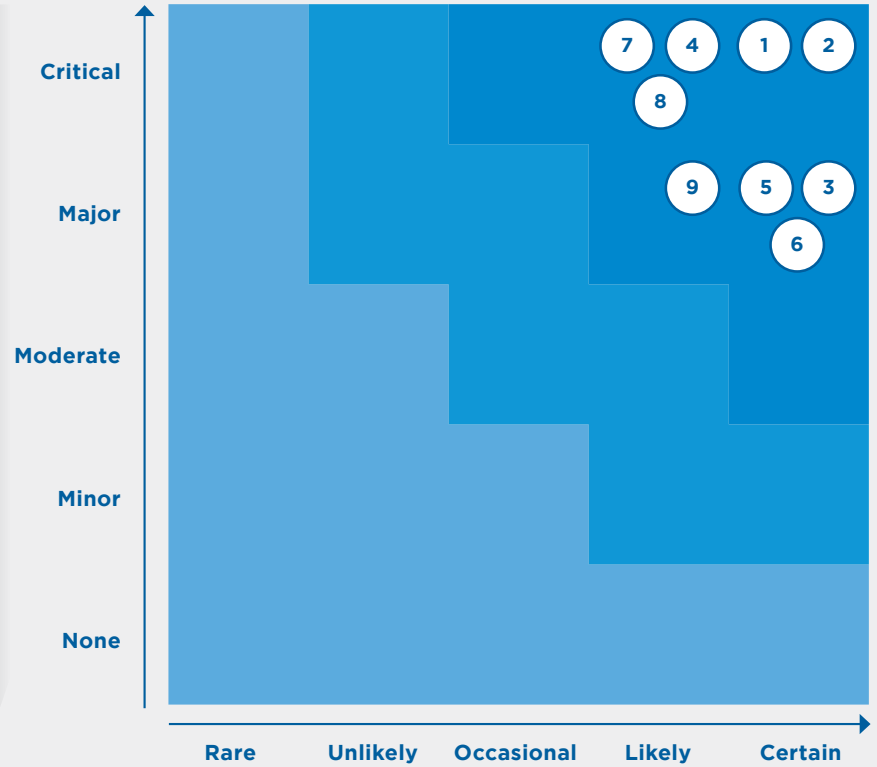
Risk monitoring remains a continuous and integral activity within the business. The Operations Committee (OPSCO) team meets quarterly to identify, assess and review the principal risks facing the Group, ensuring appropriate mitigation measures are in place. The updated risk register is subsequently presented to the Audit and Risk Committee for thorough evaluation. This process not only ensures that risks are effectively managed, but also informs strategic decisions made at the Board level, aligning them with the Group's long-term objectives and resilience efforts.

“RISK MANAGEMENT IS NOT A DEPARTMENT; IT'S AN ATTITUDE. IT THRIVES WHEN IT'S WOVEN INTO THE FABRIC OF EVERY DECISION AND ACTION ACROSS THE ORGANISATION.”

AUTHOR UNKNOWN

This section focuses on the 9 most critical risks for the organisation during the 2024 reporting time frame.

AYO'S TOP RISKS	
1	Business longevity
2	Erosion of shareholder value
3	Economic and political climate
4	Limited diversification of investments
5	Related parties
6	Staff attraction and retention
7	Regulatory compliance
8	Irregular expenditure
9	Data and safety protection



1 Business longevity

AYO continues to navigate a challenging operating environment marked by ongoing banking closures, a hostile business climate and heightened scrutiny, all of which have contributed to value deterioration and an increased cost of doing business. These factors, compounded by persistent negative media coverage and revenue declines, have created significant headwinds for the Group, impacting its ability to operate efficiently and preserve shareholder value.

MITIGATING ACTIONS

AYO has implemented its turnaround strategy and is committed to implementing measures to mitigate risks, stabilise operations and position the business for sustainable growth. It communicates with the market in an open and transparent manner and reports timeously. It has developed a trusting relationship with the JSE and the PIC. AYO has also embarked on several legal cases to definitively clear its name.



Capitals Impacted



Focus area

2 Erosion of shareholder value

AYO and its subsidiaries continue to face significant challenges, including persistent cash flow constraints, declining revenue and the loss of key suppliers and customers. These issues have been exacerbated by the closure of credit facilities, which has further strained operational capabilities and impacted the Group's ability to maintain liquidity. Consequently, the investment value of certain subsidiaries has declined, reflecting the broader market share erosion experienced in a highly competitive and constrained environment.

MITIGATING ACTIONS

The Company regularly reviews the value of its investments through an independent party, and actively pursues strategies to stabilise operations, find alternative payment solutions, recover lost market share and restore value across its portfolio. Now that settlement with the PIC has been concluded, there is a renewed commitment to re-building value in AYO.



Capitals Impacted



Focus area

3 Economic and political climate

Over 50% of the world's countries had political elections in 2024. Despite South Africa forming a Government of National Unity (GNU) in May, and ratings agency Fitch retaining its outlook on the country as stable (in September), Foreign Direct Investment (FDI) remains a challenge. This is exacerbated by continued Inflationary pressures, uncertainty around the stability of South Africa's energy grid and deep-seated corruption. Globally, political environments also continue to be volatile. These factors have an impact on the broader business sector.

MITIGATING ACTIONS

AYO is committed to developing and delivering strategic resilience measures, operational efficiency and proactive stakeholder engagement to navigate the complex landscape. The Group continuously monitors and evaluates significant events impacting the global and South African economies, ensuring that business plans incorporate contingencies to mitigate the effects of a subdued economy. At the same time, AYO actively identifies opportunities arising from the external environment and rapidly aligns operational capacity to capitalise on these gaps, creating sustainable value for stakeholders.



Capitals Impacted



Focus area

4 Limited diversification of investments

Protracted and continued disinformation campaigns, litigation as well as reputational harm has had an impact on the Group and its subsidiaries' ability to do business due to associated reputational risk. This has led to a limited ability to diversify investments and hampered progress.

MITIGATING ACTIONS

The Group remains committed to addressing these risks through targeted interventions aimed at stabilising operations, enhancing reputation and safeguarding the sustainability of the business. The Group will ensure it creates mechanisms that allow for further and diversified investments so that it can create growth and sustainability. Our aim is to consolidate current investments and extract as much value from these assets.



Capitals Impacted



Focus area

5 Related parties

Loans are proving irrecoverable due to constrained operational and business environments. This impacts performance and ability to repay loans.

MITIGATING ACTIONS

Implement proactive measures, including developing a robust loan policy to ensure clear terms and accountability for future transactions. For historical loans, regular monitoring of repayment structures and timelines is crucial, alongside taking appropriate actions to recover outstanding amounts when necessary. These steps help safeguard the business from financial loss and maintain operational stability. Management intervention has occurred to improve operations to support businesses and their ability to repay.



Capitals Impacted

6 Staff attraction and retention

Inaccurate media reports can significantly harm a company’s brand perception and disrupt its daily operations. This can undermine staff morale, the confidence in the Company and overall business stability, potentially leading to the loss of critical skills and experience. The allure of competitive international salaries and the perception of improved living and working conditions abroad have also fuelled South Africa’s emigration rate and can deter skilled professionals from joining the organisation. The inability to attract and retain top talent also impacts succession planning and the development of future leadership.

MITIGATING ACTIONS

AYO has implemented a proactive approach in this regard, with an active engagement policy and regular communication across the divisions including Group-wide bursary schemes, wellness initiatives and team building initiatives. These are helping to regain employee trust, retain expertise and position AYO as an employer of choice in a competitive market.



Capitals Impacted



Focus area

7 Regulatory compliance

Compliance with JSE, FSCA and any other regulatory bodies continuously evolves. Non compliance, risks punitive measures which can exacerbate reputational damage and heighten the liability risks for directors. These can also negatively impact the Group’s ability to attract and secure investment opportunities, further constraining its growth potential and operational flexibility.

MITIGATING ACTIONS

Addressing these issues remains critical to restoring stakeholder confidence and ensuring the Group’s long-term sustainability. The Group has focused on engagement with the regulator and its company sponsors as well as partners to be in a better position to deliver on regulatory requirements. Further, the Group has bolstered its skilled professionals and regularly engages in training and development to ensure its personnel are fit for purpose.



Capitals Impacted



Focus area

8 Irregular expenditure

The AYO Group comprises multiple investments and subsidiaries that operate in a dynamic fast-paced business ecosystem, as well as an evolving regulatory framework. Ignorance of, and/or non-compliance to Company finance policies and procedures could result in misappropriation or loss of funds, threatening overall shareholder value and brand reputation.

MITIGATING ACTIONS

Group executives and management are obliged to keep abreast of current standards and consistently update their skills and qualifications. Frequent reviews are made of policies and procedures, and the requisite amendments are implemented, Group-wide. An internal audit is conducted across identified high-risk areas on an annual basis, although additional audits may be done if required.



Capitals Impacted



Focus area

9 Data and safety protection

With a growing dependence on digital, the potential for cybercrime has increased and crime is expected to cost \$12 trillion globally by 2025. The impact of information security breaches on the Group could result in non-compliance with the Protection of Personal Information Act (POPIA) as well as cyberattack, leading to financial losses, exposure of sensitive competitive advantages and critical data loss.

MITIGATING ACTIONS

Ayo operates within the cybersecurity sector, prioritising robust measures to safeguard its assets, reputation and regulatory compliance. These include sophisticated firewalls for data protection, VPNs to prevent unauthorised access, restricted access to sensitive information, and a detailed business continuity plan to address data breaches or IT failures effectively. Ayo has expanded its ability to provide value in the cyber security space and turn the risk into a opportunity.



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 embedding the turnaround strategy, streamlining operational efficiencies and appointing personnel to secure sustainability.

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 the 2023 order of court was finalised in June 2024 which now allows AYO to begin the process of re-creating value to and use for the benefit of all stakeholders.

Capitals impacted: 

Stakeholders affected: 

Focus areas: 

Banking challenges resolution

The exceptional challenges faced by our business, specifically around the banking challenges the Company and Group face, if not resolved, can pose a threat to AYO's longevity. Thus, in addition to restructuring and laying the foundations for growth, AYO has also focused on maintaining and improving its relations with its bankers and third party payment providers and maintains the requisite strict controls and balances to ensure the Company's continued compliance.

Capitals impacted: 

Stakeholders affected: 


Focus areas: 

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. 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.

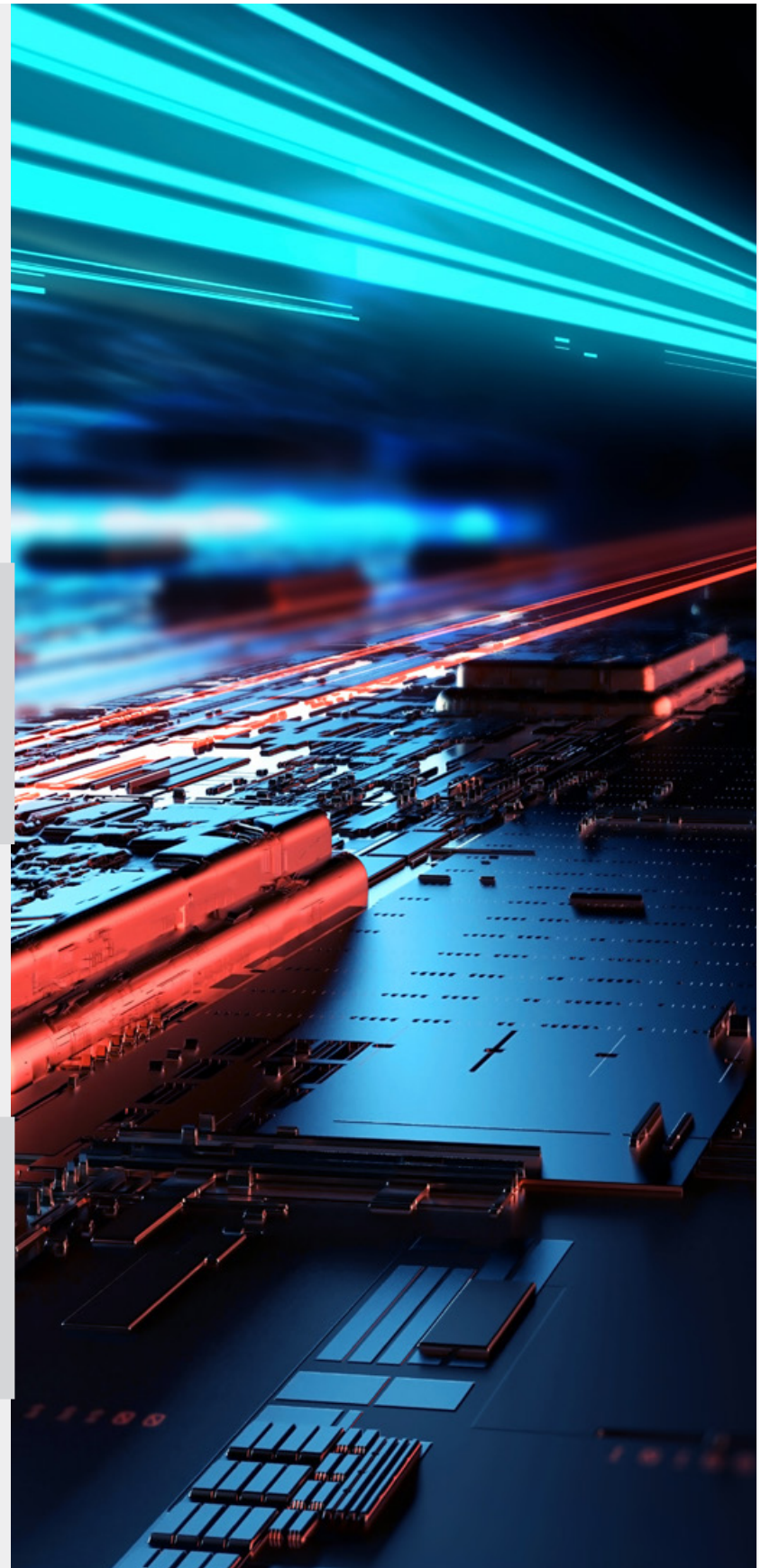
Capitals impacted:



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, 2024 still saw several matters 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.
- Reclamation of standard business banking processes, reducing excessive third-party costs and suppressing negative media narrative.

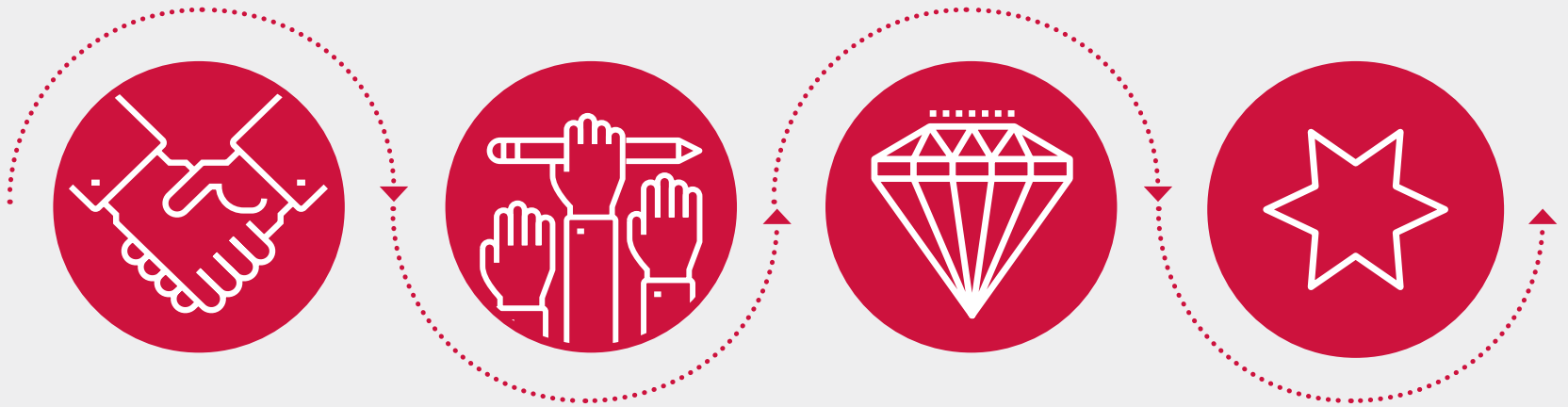


PEOPLE DEVELOPMENT

“Building capacity from within” has been AYO's philosophy since inception, 28 years ago. Investment in the training and development of our people not only promotes UN SDGs such as “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 maximum value creation, until the overwhelming obstacles impeding our progress are adequately addressed and successfully resolved. That said, with the all clear from the Board and shareholders to financially support our subsidiaries where needed, the embedding of our turnaround strategy and deployment of key personnel, we have preserved and grown financial and non-financial value and protected our resources (capitals).

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.
- Healthy cash reserves, enabling adequate response to potential future challenges.



BRAND REPUTATION

Sustained negative media commentary and the additional legal challenges faced once again this year, have caused severe damage to our brand. This continues to have 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 media's aggression is to factually respond when the need arises and to foster a transparent and engaged relationship with them. We are approachable and willing to engage.

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 - outcome still pending as waiting on court dates for the main hearing.	—
PIC dispute	Settlement of dispute and implementation of settlement agreement which was adopted and approved by 99% of shareholders.	+
Regulatory Compliance	Compliance with the JSE Listing Requirements and CIPC regulations was effected and the PIC's shares were transferred. The settlement agreement has met all conditions.	+







PEOPLE DEVELOPMENT

Staff Retention Status	Despite the stressful and challenging work environment, intervention such as strong internal communication strategy resulted in AYO Company losing only one employee over this period.	+
Employee value proposition	Engagements with staff indicate that AYO staff retain confidence in the Group and its abilities. Employees are still engaged with the executive and that a fair and adequate remuneration policy, clear incentive structure, continuous learning opportunities and team events build on staff motivation and satisfaction.	✓
Employment equity indicators	AYO meets BBBEE scorecard requirements in terms of racial and gender equality, HDIs and females in management and transformation.	+





VALUE PRESERVATION

Financial support for growth strategies	Post resolution with the PIC and a commitment from them to re-building, financial support of subsidiaries has been granted - where required and approved.	
Investments for growth	AYO remains focused on its existing investments to extract the most value therefrom. Despite lucrative investment opportunities the board of AYO once again took a prudent view to not invest until such time that the banking challenges are resolved.	
Boosting compliance and governance throughout the Group	Matters arising in 2023 necessitated an in-depth probe into compliance and governance at one of AYO's subsidiaries. The Board being prudent and diligent, extended its oversight into a Group-wide audit of compliance and corporate governance to ensure value can be grown throughout the Group and reported that requisite measures are in place.	
Financial indicators	Despite a decrease in turnover, there was a significant reduction in operating expenses and reported losses. Ongoing legal expenses remain a factor. However, AYO now has 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 and an engaged relationship.	



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. A solid turn-around strategy was embedded including streamlined operational and cost efficiencies and we believe AYO will return to profitability in the short term.

PRIORITISING PEOPLE VS CASH FLOW

AYO has always put people first and in this year we did not deviate from our Group 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 few 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.


Thus we 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

Much of the information circulating in the market is inaccurate and requires correction, resulting in persistent negative media reporting. We have been hesitant to engage publicly, as our primary priority has been to focus our attention on our business operations. However, we are now adopting a more open and proactive approach to media engagement, but we will not hesitate to pursue legal action when necessary.

“TECHNOLOGY IS A FORCE FOR PROGRESS THAT CAN HELP RESTORE TRUST IN THREE WAYS: BY BUILDING STRONGER ECONOMIES, BY CREATING BETTER-PAID AND MORE FULFILLING JOBS, AND BY SCALING SUSTAINABILITY IMPACT.”

THE WORLD ECONOMIC FORUM

The background of the page features a complex, abstract graphic. It consists of several white, jagged lines that resemble circuit traces or data paths, set against a dark purple and green background. The lines are interconnected with small white dots, creating a network-like structure. The overall aesthetic is modern and technological.

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 period.

OUR GOVERNANCE

58	Our Board and governance structure
66	Committee reports
67	Nominations committee
68	Audit and risk committee
69	Investment committee
70	Social ethics and transformation committee
72	Remuneration committee



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 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 implementation report regarding King IV™ may be found on the Company's website at <https://ayotsl.com/corporate-governance/>)

The Board Charter was reviewed against evolved regulatory requirements and remained unchanged in this reporting period.

MEETINGS

4	MEETINGS
1	SPECIAL MEETING
95%	ATTENDANCE

COMPOSITION

The AYO Board during this financial year, underwent several changes.

The Board now consists of three executive and five non-executive directors. 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 eight 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 pages 60-62.

BALANCE OF POWER AT BOARD LEVEL

The Board has satisfied it self with the policy evidencing a clear balance of power and authority at board of directors' level, to ensure that no one director has unfettered powers of decision-making.



Directors' profiles



ADV DR NGOAKO RAMATLHODI
Independent Non-Executive Director

Age: 69

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

Board tenure: 7 years

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

Committees: ARC

AMIT MAKAN
Chief Executive Officer

Age: 43

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

Board Tenure: 19 months

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

WAKEEL MCLACHLAN
Executive Director and Chief Operating Officer

Age: 38

Qualifications: Bachelor of Accounting Science, Postgraduate Diploma in Applied Accounting Sciences, National Diploma: Internal Auditing, Management leadership programme at Stellenbosch Graduate School

Board Tenure: 5 months

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



ROSEMARY MOSIA
Independent Non-Executive Director

Age: 57

Qualifications: MBA

Board tenure: 6 years

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

Committees: All committees, SET (c)

LUCIEN JACOBS
Non-Executive Director

Age: 36

Qualifications: BCom Honours Degree in Human Resources and MBA candidate

Board Tenure: 5 months

Skills icons: A,F,G,L

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



VALENTINE DZVOVA
Executive Director and Chief Financial Officer

Age: 41

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

Board Tenure: 1 month***

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

AZIZA AMOD
Non-Executive Director

Age: 61

Board tenure: 12 years

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

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

SELLO RASETHABA
Independent Non-Executive Director

Age: 66

Qualifications: BA Accounting, MPhil Accounting

Board tenure: 6 years (interrupted)

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

Committees: ARC; REM



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

PRIDE GUZHA*
Chief Financial Officer

Age: 40

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

Board Tenure: 19 months

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

JOEL MOODLEY*
Non-Executive Director

Mr Moodley was not available for the photoshoot

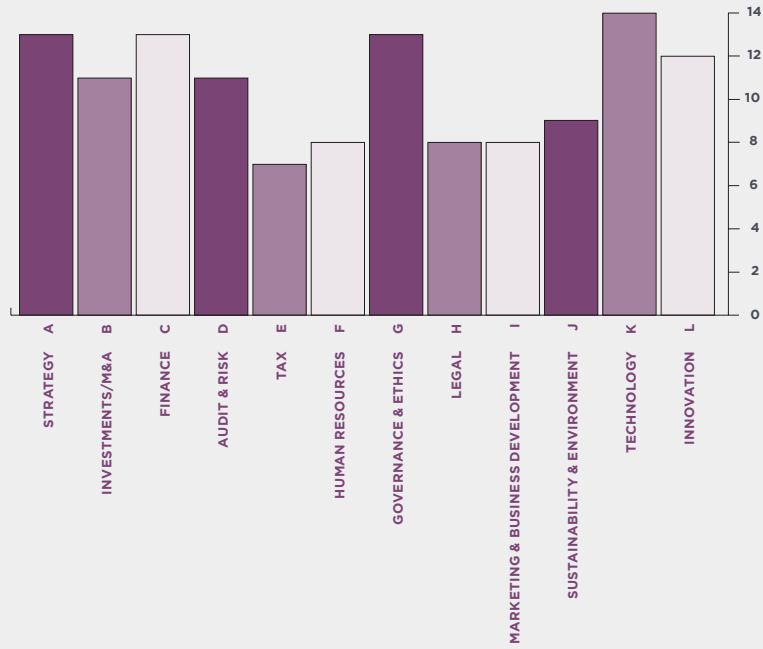
Resigned*

* Resigned

** Retired

*** Resigned in 2023 and appointed to the company on 1 December 2024

BOARD SKILLS AND EXPERIENCE



Governance structure

AS AT 31 AUGUST 2024 THE BOARD STRUCTURE:

Nominations Committee (NOM)	Audit and Risk Committee (ARC)	Social, Ethics and Transformation Committee (SET)	Investment Committee (INV)	Remuneration Committee (REM)
Chair: Adv. Dr N A Ramatlhodi (C) Aziza Amod Rosemary Mosia	Chair: Rosemary Mosia (C) Aziza Amod Adv Ramatlhodi Sello Rasethaba	Chair: Aziza Amod (C) Rosemary Mosia Lucien Jacobs	Chair: Adv. Dr N A Ramatlhodi (C) Aziza Amod Rosemary Mosia Wakeel Mclachlan	Chair: Aziza Amod (C) Sello Rasethaba Lucien Jacobs
* 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 2024

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 2024 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.

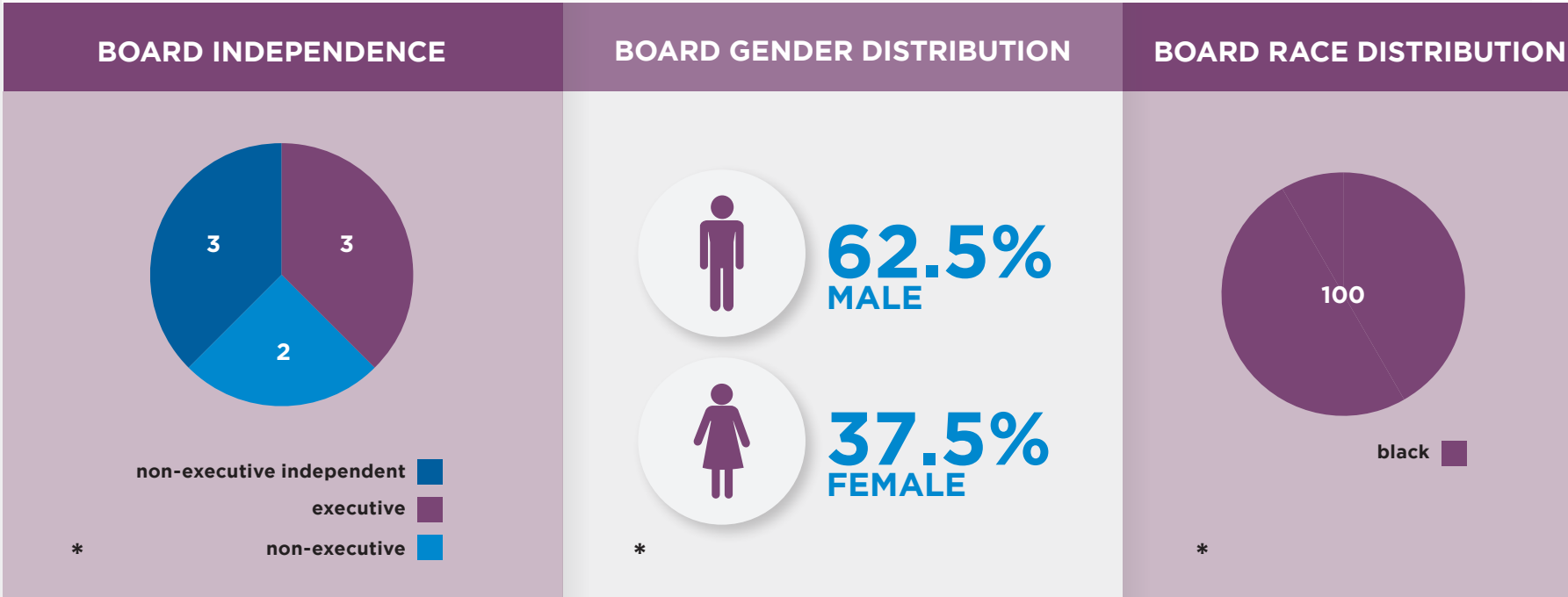


Focus areas for 2025

The key outcomes the Board will strive for in the current year stem from the work already in progress in 2024:

- **Conclusive resolution to the Group’s impasse with the banking sector.**
- **Continued cost management initiatives throughout the Group and improvement of margins.**
- **Stringent corporate governance and compliance measures.**
- **Stakeholder engagement and repositioning of the Group to restore trust in AYO and build positive brand reputation.**
- **Expand to new territories to diversify client base and grow revenue.**

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 2024.

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 with a complex, interconnected network of white lines and dots, resembling a digital or data network. The overall aesthetic is modern and technological.

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 resignation of Prof Fourie, who was the interim Chairman of the Board and Chairman of the Committee, Adv N A Ramatlhodi, who is now Chairman of the Board, now occupies the role of Chairman of the Nominations Committee.



Advocate N Ramatlhodi
Group Chairman and
Chair NOM 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 was reviewed and re-accepted in this financial year under review.

The Board has adopted a Diversity at Board Level Policy, underscoring its commitment to recognizing the critical importance of diversity in the composition of the Board. This policy aims to foster an inclusive environment that enhances decision-making by incorporating a wide range of perspectives. Attributes such as gender, race, culture, field of knowledge, skills, and experience are highly valued, with a strong emphasis on achieving diversification in terms of gender and ethnicity. By encouraging diversity in these key areas, the Board seeks to ensure a balanced and dynamic approach to its responsibilities and strategic objectives.

The Nominations Committee (“Committee”) conducted a thorough assessment of the Board’s composition and identified the appointment of three directors whose attributes align with the strategic needs of the organization. In their evaluation, the Committee emphasized the importance of the candidates’ race and specialized skills, deeming these attributes essential to strengthening the Board’s overall capacity and perspective. Furthermore, the directors are young professionals, selected to support the Board’s succession plans and ensure sustained leadership over time. As the principal body responsible for fostering diversity, the Committee is committed to promoting inclusivity, evaluating diverse candidates, and ensuring the Board reflects a broader range of perspectives and experiences.

Committee meeting statistics

MEETINGS	ATTENDANCE
2	100%

Salient outcomes

- Reviewed potential candidates and recommended the appointment of new directors to the Board.
- Recommended that AYO’s Chief Operating Officer, Mr Wakeel Mclachlan be appointed as an executive director.
- 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 6th AGM. The Committee plans to improve its composition and expertise in the 2025 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
4	93.8%

Salient outcomes

- Assessed the Group’s financial reporting procedures against the stipulations in paragraph 3.84(g)(ii) of the JSE Listings Requirements and found the processes adequate and the team well-resourced and skilled.
- Reviewed and accepted the interim and annual financial statements for the Group and the Company, as well as the 2024 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.
- Committee reviewed the relevant provisions of section 3.84(g)(ii)(aa) to (dd) of the JSE Listings Requirements, which outline the criteria for assessing the appropriateness of the audit firm. In line with these requirements, the Committee carefully considered the information provided by the audit firm regarding its expertise, experience, and compliance with regulatory standards. Based on this evaluation, the Committee recommended the re-appointment of the audit firm, recognizing its continued alignment with the Board’s expectations and the JSE’s governance principles.
- Examined and updated the Group risk register to ensure that all significant risks are accounted for and sufficient mitigating processes are in place.
- Review and consideration of the engagement feedback with FRIP and the JSE in relation to the accounting treatment for options relating to SGT and GCCT.

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 2024 financial year.

Investment (INV) committee

“Due to the continued banking challenges, the investment team’s capacity in the short term remains focused on assisting with the resolution of this crises, as well as identifying strategic acquisitions 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 resourced with the membership of three non-executive and one executive director.

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
4	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.
- While a moratorium was placed on all acquisitions and investments in 2023 due to the banking challenges the Group faces, with the settlement of the PIC matter concluded, the committee considered several proposals that would complement its portfolio this financial year. There was no finality to report by year end.

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 expanding on the momentum gained in 2024 upon the successful resolution of our current operating challenges.



Advocate N Ramatlhodi
Group Chair and
Chair INV Committee

Social, ethics and transformation (SET) committee

“The committee remains steadfast in its commitment to fostering a culture of inclusion, innovation and accountability. By focusing on technology, diversity and community impact, we aim to create a sustainable, empowered future for all stakeholders – people and planet. It may take some time, but given our resilience as a Group and our dedication to digital transformation, I have no doubt that the future is already in our hands.”

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 a new director, Mr Lucien Jacobs, being appointed in this financial year. Ms Mosia and Mrs Amod were re-elected with Mrs Aziza Amod remaining as chairperson.

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.
- Implementation of whistle blowing and fraud prevention hotline to ensure anonymity and swift remedial action.
- Bursaries, skills development and training awarded to several employees and IODSA provided to non-executive directors.
- BBBEE Level 2 certification achieved during this reporting period.
- Several team building exercises took place across the Group to build morale and show appreciation to our staff.
- Ongoing implementation, to: Embedding of implementation of corporate restructure, which commenced in 2022, consequent to our banking challenges.

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 2024 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 again been a challenging time for the Group; however, following the successful deployment of our turnaround strategy, AYO’s remuneration plan has been recalibrated to align with the evolving operational landscape and the responsibilities undertaken by our leaders. We remain steadfast in our commitment to fair, responsible and transparent remuneration practices that strike a balance between shareholder value and employee well-being.”

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.
- Assiduous stakeholder engagement.

The remuneration committee, which consists of Ms Amod as chair, Mr Rasethaba and Mr Jacobs, who are the custodians of all remuneration matters at AYO. During the 2024 financial year, the committee met twice, 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

In the previous reporting period, the committee appointed 21st Century Consulting to review the policy and recommend further enhancements. Taking all shareholders’ and consultants’ comments into account, a new policy has been drafted that was approved by the Board and that 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 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. The criteria used to evaluate performance reflects this status.

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 2024 and will continue to promote exemplary compensation practices going forward.



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
2	90%

**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 2024:

FOCUS AREA	PERFORMANCE CRITERIA	WEIGHTING 2024	WEIGHTING 2023
Dispute resolution	<ul style="list-style-type: none"> Satisfactory resolution of banking crisis Considerate engagement with critical stakeholders 	40%	40%
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%	40%
Brand reputation	<ul style="list-style-type: none"> Crisis communication and reputational value erosion minimisation 	5%	5%

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	3 214	300	-	-	-	386	3 900
Mr P Guzha	1 834	171	-	-	-	221	2 226
Mr K Abdulla	1 179	-	-	-	5 021	165	6 365
Mr W Mclachlan	954	98	-	-	95	131	1 278

NON-EXECUTIVE DIRECTORS' EMOLUMENTS

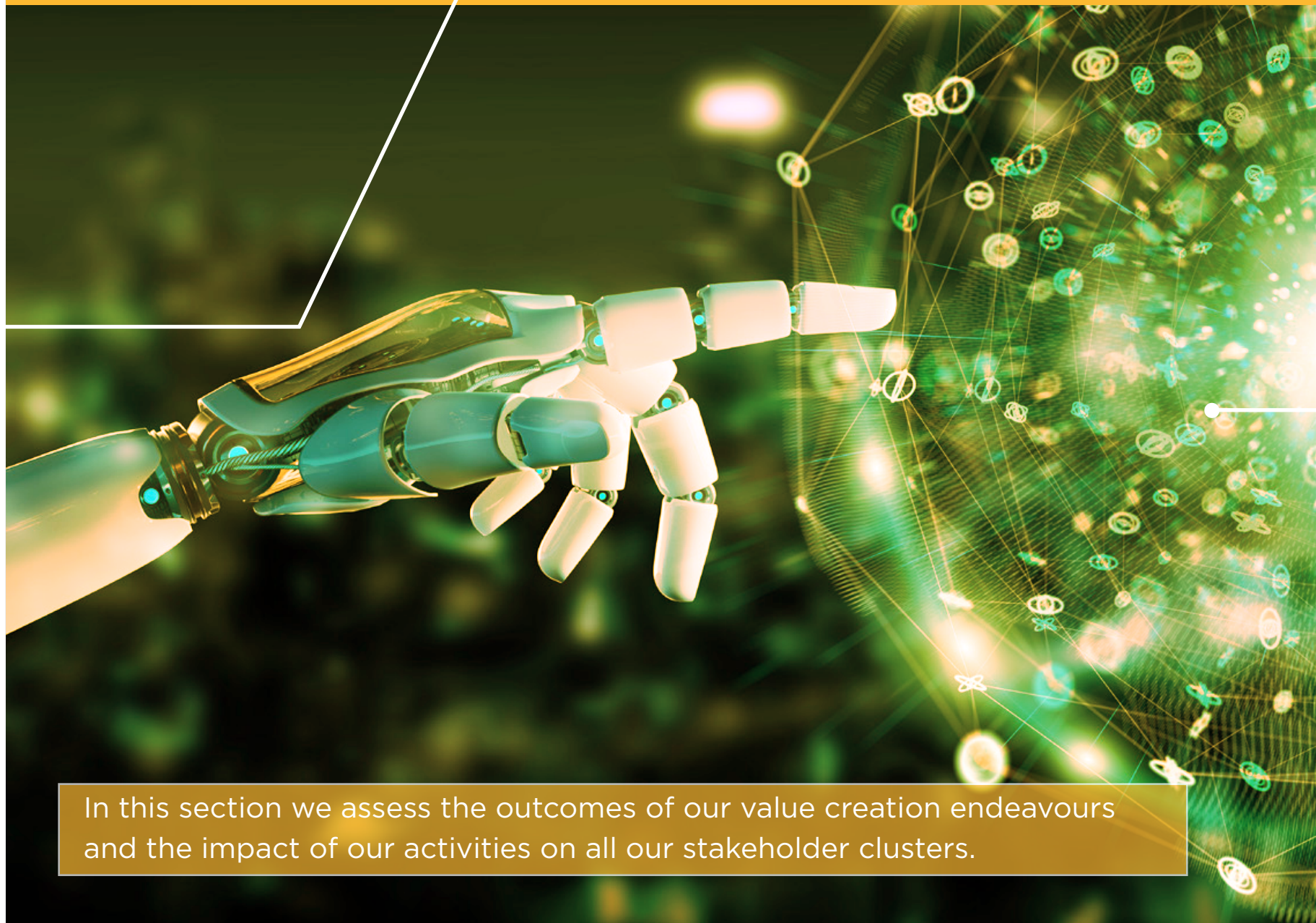
	Directors fees
	R'000
Prof L Fourie	658
A Amod	933
R Mosia	850
S Rasethaba	560
Adv Dr N Ramathlodi	467
J Moodley	Nil
L Jacobs	Nil
Total	3 468



SHAREHOLDER ENGAGEMENT AND ACTIONS TAKEN FOLLOWING NON-BINDING ADVISORY VOTES


Following the non-binding advisory votes on the issuer's remuneration policy, the issuer-initiated engagement with shareholders through an invitation to all dissenting shareholders which was distributed via SENS after the 2024 AGM, encouraging feedback and dialogue regarding objections to the policy. However, only one shareholder responded before the 2024 AGM while no additional input was received from other shareholders after the invitation was sent out.

The issuer's remuneration committee carefully considered the feedback provided by the responding shareholder. As a direct result, the committee has undertaken a comprehensive review and redrafting of the remuneration policy to address the concerns raised. This revised policy is intended to better align with shareholder expectations and will be presented for approval at the 2025 Annual General Meeting (AGM).

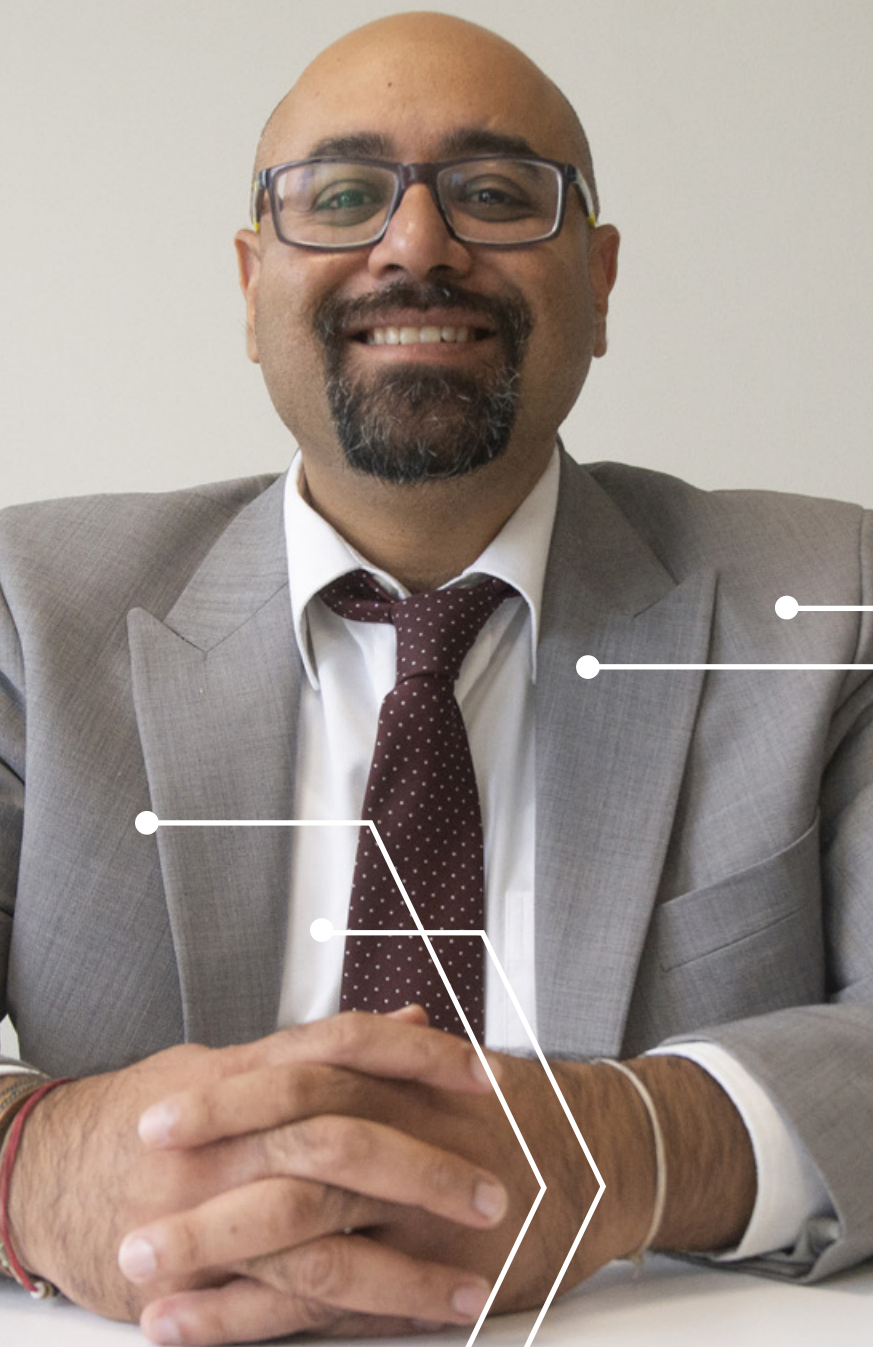


In this section we assess the outcomes of our value creation endeavours and the impact of our activities on all our stakeholder clusters.

OUR PERFORMANCE



78 CEO address
82 Group companies operational reviews
86 CFO address
90 Extracts from annual financial statements



CEO address

“ IF YOU WANT TO GO FAST,
GO ALONE. IF YOU WANT TO
GO FAR, GO TOGETHER.”

- African Proverb

As we conclude the fiscal year ending 31 August 2024, I am grateful to present this, my second report detailing AYO Technology Solutions' (AYO's) performance, challenges and strategic direction. Most annual reports are geared around a central theme, but for us in 2024, this report, like our business, is all about our people - the A-Team.

Without the dedication, resilience and expertise of our executive leadership, management teams, and the remarkable personnel at our head office and investee companies, we would not be here to reflect on what has been a progressive year in our turnaround strategy.

While challenges persist, the biggest of which is undoubtedly banking, this financial year has also been marked by some success, driven by a focused and accountable management structure. By implementing a purposeful approach, we have empowered individuals from the executive team to take responsibility for the performance of specific subsidiaries and this has yielded some positive results.

PERFORMANCE

Through maximising cost savings and recoveries, AYO continues to have a healthy Net Asset Value (NAV) and has maintained a robust balance sheet – without any external debt. Notably, Gross Profit has remained constant despite a reduction in revenue due to a relentless external environment, which is testimony to GP margin improvement (from 16% to 19%) and management's implementation of tighter margin controls across the Group. Furthermore, employee costs and consulting fees have significantly reduced because of management's cost cutting and restructuring initiatives.

Over the past 12 months, we introduced a business model to collect management fees from our subsidiaries resulting in an improved cash position. This has been phased in gradually and systematically to avoid restricting working capital of subsidiaries, which has been severely limited due to the banking challenges faced by the Group.

The company has made significant progress in improving its financial performance this year, notably reducing operating losses and achieving a strong turnaround in cash generation. After excluding non-operational accounting adjustments, the operating loss improved by 62%, highlighting the effectiveness of our operational strategies and cost management.

Additionally, the company generated R19.1 million in cash from operations this year, compared to a cash outflow of R390.9 million last year. This 105% improvement underscores our focus on operational efficiency and working capital management, enabling the shift from cash utilisation to generation. These results demonstrate the resilience of our business model and provide a solid foundation for future growth and value creation.

AYO has also extended its turnaround strategy to key subsidiaries, such as Sizwe Africa IT (Sizwe) in the Managed Services division where a new Board, management team and a dedicated sales leader was appointed. This has helped to vastly improve working capital and cash flow, GP margins and compliance, which has significantly strengthened Sizwe's position in the market.

SGT Solutions in the Managed Services division contributed the second largest revenue and performed well with an increase in revenue and profit after tax.

In the Health division, Health System Technologies (HST) continued to perform well, with the largest profit after tax across the Group, following the appointment of a new interim CEO, and with the Board having adopted a new growth strategy during the period.

The Unified Communications division improved its performance with increased revenues overall, and largely because of the expansion into new territories.

Whilst the Software Technology division experienced a decline due to loss of key contracts by a subsidiary, strategic interventions are underway to turnaround the division.

The fully complete resolution of the AYO-Public Investment Corporation (PIC) Settlement marked a major milestone during this financial year. At the general meeting held on 26 June 2024, 99% of shareholders present or represented by proxy voted overwhelmingly in favour of the Initial Specific Repurchase and Memorandum of Incorporation (MOI) changes, concluding a chapter in AYO's history, and opening the door to a renewed and reinvigorated partnership with the PIC.

The banking challenges we have faced in recent years have continued to pressure the overall business in this financial year, although the Group has instituted measures to mitigate negative impacts as far as possible. Despite this and the continued public scrutiny and media misinformation, we have emerged stronger, more resilient and more determined than ever to succeed and realise AYO's full potential.

CEO address (continued)

A LOOK AHEAD

Predicting the future remains a complex task, especially against the backdrop of a global macro-economic environment characterised by uncertainty. With over half the world participating in elections in 2024, it is hoped that 2025 will usher in a period of stabilisation whilst technology, as a tool for connection and innovation, will undoubtedly continue to dominate and shape global dynamics.

AYO is well-positioned to capitalise on these opportunities. Our progress over the past year has bolstered our confidence, demonstrated our resilience and re-established trust in our brand, just as our impeccable service and product delivery track record deserves. Our growth strategy emphasises organic expansion, agility and adaptability to market conditions, and we are confident that our endurance and forward-thinking approach will enable us to navigate the complexities of the modern era and seize opportunities for sustainable growth.

APPRECIATION

Because our people are at the heart of everything we do, we have implemented several initiatives to engage meaningfully with our team. Witnessing the warmth and enthusiasm with which these enterprises have been embraced, including a range of teambuilding, wellness and community outreach programmes across the Group, is deeply gratifying, and is a testimony to the leadership in our subsidiaries.

While our commercial focus is on technology, we are still in the business of being human.

In closing, I extend my heartfelt appreciation to the AYO board of directors for their guidance, to our management teams for their unwavering commitment, and to every member of the AYO family whose hard work and dedication drive our progress. To the people who make AYO work – thank you for your resilience, innovation and passion.

A special thank you to our shareholders for their continued trust and belief in our vision. Together, we are building a company that not only delivers value, but also leaves a lasting positive impact on the communities we serve.



Amit Makan
Chief Executive Officer
AYO Technology Solutions

28 March 2025



“WHILE OUR COMMERCIAL
FOCUS IS ON TECHNOLOGY,
WE ARE STILL IN THE BUSINESS
OF BEING HUMAN.”

AMIT MAKAN
CHIEF EXECUTIVE OFFICER

Group companies' operational reviews



Health System Technologies (HST) has demonstrated robust financial performance for the year ended 31 August 2024. The company reported a net profit after tax of R11.3 million, up from R10.5 million the previous year. This growth reflects effective cost management strategies put in place during the year under review.

As technology is constantly changing, we expanded our product range and developed new partnerships in both the public and private sectors. Our focus was on enhancing service offerings, improving operational efficiencies and exploring new market opportunities.

HST has undergone a rebranding exercise to modernise our logo and attract new clients. We have also been building our brand by attending numerous conferences to increase brand awareness. Actively marketing and meeting with new customers is a key strategy to drive revenue growth, including meeting with clients across South Africa to promote our Hospital Information System – we are committed to delivering quality service.

Our staff base has stabilised, and we are now focused on talent retention, and within my role as the appointed CEO, I have worked to create fresh approaches and strategies. As a management team, we have developed a five-year plan that includes updating our business model to adopt a more wellness-oriented approach and making our system more accessible for the National Health Insurance (NHI). Additionally, we established the HST Academy with five learnerships in place. This initiative will help us obtain maximum BEE points and make HST more competitive in tender processes. We are also in the process of obtaining ISO certification to further enhance our credibility and operational standards.

Our five-year plan also includes expanding into other regions such as the Middle East and strategically looking at providing solutions to the private sector. In the long-term, we are shifting our focus from healthcare to wellness through the development and implementation of a complete healthcare platform.

In conclusion, HST is poised for continued growth and success. We are committed to innovation, quality service and expanding our market presence. With a strong financial foundation and strategic vision, we look forward to achieving new milestones and delivering exceptional value to our clients and stakeholders in the financial year ahead.

Wakeel Mclachlan

Chief Executive Officer
Health System Technologies



Much of the focus of the past financial year at Sizwe Africa IT was on recovery from the significant losses and irregular expenditure that occurred in the previous period. The new management team and Board appointed in this financial year embarked on several interventions to improve cash flow and working capital management, not to mention the recapitalisation of the business.

There was a need to engage all stakeholders to the business and hold roadshows to ensure that we communicate the strategy and the vision of the business going forward, this to create stability and advise the market we are rejuvenated, this included our most important stakeholder, our staff, who we actively engaged at all regional levels.

Other major interventions include the appointment of forensic investigators to drive the recovery of the previous irregular expenditure and prosecution of offenders. In relation to the fraud, we went further to clean up our SMME database to ensure we have the right partners, with skills, capacity and accreditations, this as a risk mitigation strategy to prevent the past from recurring.

A major revenue and margin driver required sales interventions, ensuring tighter performance management and margin controls, as well as improved organisational management reforms such as leadership meetings at the Exco, managerial and all employee levels.

Despite the challenges and revenue slip to R805 million (from R1.2 billion in the prior period), Sizwe Africa IT managed to reduce its loss by 34% to R51 million (from R72 million in the previous period), with an improved average margin of 17% (compared to 9% in the prior period).

Sizwe also managed to continue with some good CSI initiatives and Awards in these tough economic times as one of the business imperatives, including the shoeshine initiative for Mandela Day, donating hardware, infrastructure and services to disadvantaged schools nationally, and continuing with the Company bursary scheme for employees and their families.

Pride Guzha

Chief Executive Officer
(Appointed 1 December 2024)
Sizwe Africa IT Group



For over three decades, Headset Solutions has proudly served as the authorised distributor of Poly and Jabra across Africa. As the supplier of choice for customers, call centers and offices throughout the continent, Headset Solutions delivers unmatched quality and reliability in the telecommunications space. Our extensive client base spans virtually every industry, with a strong presence among enterprise end customers.

Our product range features premium, durable audio phones, enterprise headsets and a comprehensive selection of videoconferencing equipment, fully integrated with leading collaboration platforms such as Zoom and Microsoft Teams. As hybrid and remote work environments expanded, Headset Solutions was at the forefront, enabling thousands of organisations – large and small, across diverse industry verticals – to seamlessly adapt to new ways of working.

During FY24, Headset Solutions achieved a 60% revenue growth from the prior year and a 69% increase in operating profit year-on-year. Additionally, 88 new channel partners joined the Headset Solutions family during FY24.

Supported by a robust network of over 1 300 channel partners and user-friendly online access, Headset Solutions has cemented its position as the leading distributor of telecommunications and consumer electronics in Africa. Our successful expansion strategy has allowed us to establish representation in South Africa, Mauritius, Kenya and Nigeria, reflecting our ongoing commitment to innovation and growth across the continent. During FY25, Headset Solutions will continue to build on its African expansion programme to increase its footprint and bring our partners better, faster service.

Nielle Truter
Chief Operating Officer
Headset Solutions



Kathea is a value-added distributor of voice, audio visual, video conferencing and workspace management products, solutions and services. The business has a diverse portfolio of leading global brands including Jabra, HP/Poly, Yealink, Logitech, CTouch, Condec and Jupiter, as well as a broad network of channel partners.

The business has experienced a challenging financial year due to sluggish local economic growth and political uncertainty, resulting in a decrease in corporate spending impacting sales.

The South African market has also seen increased competition in brands and distribution, which has led to margin erosion.

Despite these challenges, the company has remained resilient during this consolidatory period, with management focused on stabilising the business by being proactive in addressing vendor concerns, actively managing the cash flow and stock levels of the business, seeking alternative banking and credit solutions and utilising foreign exchange contracts to mitigate against exchange rate risk. This concerted effort has led to a turnaround in revenue trajectory and improvements in margins, which management believes will be reflected in the next financial year.

Kathea looks forward to strengthening its relationships with vendors and reseller partners and building trust with end customers in the market in the year ahead. The company is looking to diversify its offerings and explore new market opportunities in the 2025 financial year. With its diverse portfolio of leading brands and strong channel partner network, the business is well positioned to rebound strongly after this period of consolidation, with the outlook remaining positive.

Wakeel Mclachlan
Acting Chief Executive Officer
Kathea



SGT Solutions has achieved healthy growth in revenue of 14% during the financial year under review, while retaining good profit margins despite tough economic conditions in the market. This has been an especially difficult year for our field services team, where our customers are more and more turning to large international companies to deliver these services in tandem with their product supply agreements.

However, the good news is that our high-security safe solution for battery protection at telecoms base stations, has been very successful in the market, leading to outstanding results for the Power Technology division in SGT. The track record of this product is excellent, and we expect more significant orders for this solution in the new financial year.

We have also had a very good year for our synchronisation product offering, which has a leadership position in the South African and wider African markets for precise timing solutions for telecoms operators. SGT has received a platinum award by Microchip, our OEM partner for this business. Microchip is a global leader in synchronisation equipment, and we are proud to have gained this recognition.

The overall market position of SGT remains strong, but we are cognisant of the threat to our field services and are adjusting our approach to this segment to remain a key service partner to our customers.

For the year ahead, we believe that the recovery of the South African 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 in South Africa through international OEMs who need local partners.
- Consolidation of legacy infrastructure, especially in fixed networks, using our deep knowledge of the legacy technologies.
- 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 2025 is cautious, expecting some consolidation in the field services segment while starting to grow our ICT offering in the market.

Dr Vincent Scholtz
Chief Executive Officer
SGT Solutions



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

The 2024 Financial Year (FY) for GC²T has achieved, in a second successive year, positive Operating Profit, and a positive Net Profit, more than doubling the prior year net profit.

As the only OEM on the African continent, providing EAS focusing 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 continues to increase its revenue, while carefully managing its cost base and realising all associated efficiencies. The key contracts are the African Union and the South African Air Force. Additional contracts were achieved via a strategic partner, which services the Middle Eastern Gulf country market.

The cash flow position is currently good as GC²T implemented good working capital management practices that ensures that the reliable performance leads to an improved liquidity position.

The defence industry will face local budget cuts along with a change in senior SANDF personnel, however, with the Government of National Unity in place, the cuts may be smaller than expected. The potential for the defence budget to remain steadfast may also be on the cards. The majority of GC²T's revenue is from exports thus such budget cuts will not materially affect GC²T.

GC²T continues to engage African countries indirectly, via strategic collaborations with third party OEMs.

Lastly, GC²T has, with a well-planned schedule, and extensive work effort, achieved ISO 9001, 2015 certification, during the last quarter of the FY. Achieving ISO certification has positive implications for the company, as it will mean that our products and services meet international standards that are universally recognised by international vendors, clients, and the end-users.

This is a substantial achievement for GC²T.

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 has been to continue expanding the sales team and reach. Afrozaar remained focused on three key territories in this past financial year: the 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 focus for 2025.

The company’s products face growing global competition, and enhancements are needed. With the correct funding structure, its products and revenue can grow in 2025. The commercial model remains conservative, with respectable gross margins and dependable annuity income. Cash flow is a challenge for the business, which highlights the need to access investment capital to ensure the core engineering competency is stabilised through the establishment of Production platform support teams, thus allowing the key account, project or product development and sales teams to be focused on the main success factors determining performance in the coming years as we target a global market.

Richard Cheary
Chief Executive Officer
Afrozaar



For more than 20 years, Digital Matter has delivered innovative products and customised solutions that push the boundaries of technology. While mobility remains at the core of our offerings, our expertise now encompasses a wide range of end-to-end solutions, including web, mobile and desktop applications, web services, databases and system integrations. As the technology landscape continues to evolve, we’ve broadened our capabilities to include mobile solutions on Android, building on our extensive experience with the Microsoft mobile stack.

Our strategic focus is on developing software platforms seamlessly integrated with hardware to track events, tasks and assets, catering to niche work environments with precision and efficiency. A dedicated management team is actively seeking opportunities to drive growth, foster an environment that nurtures innovation, and position Digital Matter to capitalise on the transformative opportunities presented by the digital revolution. In this regard, while our revenue over the past financial year declined by approximately 15%, the company remained profitable due to stringent cost management and control.

Regarding future growth, the business is pivoting to Tracking and is investing in this area with a view to remaining sustainable over the long term. The company is also targeting new markets such as Europe, with requisite certification and the opening of new sales channels part of the planning for 2025.

Jeremy Williams
Managing Director
Digital Matter





CFO report

“SUCCESS IS NOT FINAL,
FAILURE IS NOT FATAL:
IT IS THE COURAGE TO
CONTINUE THAT COUNTS.”

- Winston Churchill

In this, my first report as AYO's Chief Financial Officer, I am pleased to share that the Group has made significant strides in stabilising its performance, demonstrating real promise in the past financial year. This progress has been achieved notwithstanding the ongoing challenges posed by global and South African political and market conditions, as well as the Group's unique external challenges. After several turbulent years, we are finding our rhythm, building momentum and fostering stronger engagement with external stakeholders, all of which contribute to a more optimistic outlook.

This positive trajectory is reflected in our annual financial results, which, while still presenting challenges, highlight the dedication and professionalism of our broader team in managing costs and improving performance.

THE NUMBERS

The Group posted a gross profit increase from 16% in the prior financial year to 19%, largely due to the successful implementation of our turnaround strategy. This includes stringent cost containment measures, skilled management deployment to subsidiaries, and improved contract margins. However, the Group reported a loss of R725 million for the year, primarily due to IFRS/accounting adjustments such as R117 million in impairments of investments, intangible assets, and goodwill, along with R304 million in credit loss allowances on non-performing loans.

Despite these significant one-off items, the Group's operational performance improved markedly. The loss before taxation is R577 million, down from R671.3 million last year. Excluding non-operational adjustments, the operating loss is R220.9 million, a 62% improvement from an operating loss R582.9 million in the prior period. Additionally, the Group generated R19.1 million in cash from operations this year, compared to a cash outflow of R390.9 million last year, reflecting a 105% improvement in cash generation. This shift from cash utilisation to generation highlights enhanced operational efficiency and working capital management, crucial for sustaining and growing the business. Overall, the operational improvements demonstrate the Group's ability to convert performance into cash flow, reinforcing our commitment to recovery and growth.

The improvement in gross profit was achieved against the backdrop of a 17% decline in Group revenue, which decreased from R2.3 billion in the previous year to R1.9 billion in the current reporting period. This reduction is primarily attributed to a decline in revenue from the Managed Services division. Within this division, Sizwe IT Group recorded revenue of R805 million, down from R1.2 billion in the prior year, largely due to the completion of some contracts awarded in the previous period.

In contrast, the Unified Communications division (comprising Kathea Communication Solutions and Kalula Communications) posted an improved performance, with revenue increasing from R545 million to R574 million. This growth was driven by the continued adoption of technology integration across platforms and devices to streamline operations, as well as the division's expansion into new territories.

While operating costs remained elevated in the current period due to legacy contractual obligations, restructuring expenses, ongoing litigation costs and impairments of non-performing investments, we are encouraged to note that operating expenses have improved by nearly 24% from the prior year. Normalised operating expenditure after excluding the effect of impairment of goodwill and intangible assets are 38% lower than the prior year. Our team remains committed to further reducing these costs.

Operating gains included fair value adjustments on investments and derivatives, while other operating losses amounted to R64 million, an improvement from R79 million in the prior year. The prior year's losses were primarily due to the derecognition of derivatives.

The Group invested in the stock market to enhance returns, earning dividend income of R8.9 million (2023: R7 million). However, the portfolio incurred fair value losses of R2.2 million compared to gains of R5.6 million in the prior year. Interest and investment income totalled R96 million, down from R150 million in the prior year, due to loan repayments which resulted in the cessation of interest charges and impairment of non-performing loans.

Banking constraints and ongoing litigation continued to challenge the Group, limiting access to external funding and constraining organic growth initiatives. Regardless of these obstacles, AYO and its subsidiaries have shown remarkable resilience, as reflected in their overall performance amidst the challenging environment.

CHALLENGES AND OPPORTUNITIES

One of our greatest challenges remains the lack of access to traditional financial tools and funding, which has constrained our ability to accelerate growth. However, this limitation has also proven to be a double-edged sword, allowing us to adopt a slow and steady growth model that has been effective in driving sustainable improvements this year. It has also afforded us the opportunity to keenly observe how the global technology sector is evolving and how we might apply those trends to the markets where we operate. Despite these positive effects, we recognise the necessity of accessing traditional banking loan facilities and continue to exercise our legal rights to secure such financing.

A further challenge is that most of our businesses rely on imports, making fluctuating exchange rates a recurring issue. Nevertheless, we have mitigated this risk by leveraging USD-based transactions for our international sales, ensuring a balanced approach to managing currency volatility.

In terms of opportunities, AYO has actively worked to expand its footprint across the African continent, a region rich with potential. While structural challenges such as political instability, infrastructure gaps and currency volatility persist, urbanisation, a growing middle class and increasing mobile and internet penetration offer immense opportunities for technology-driven solutions.

Key growth areas include fintech, e-commerce, healthcare and education, where we aim to provide scalable IT infrastructure, cloud-based solutions and tailored digital services. By positioning AYO as a trusted partner in Africa's digital transformation, we are tapping into emerging markets, fostering regional collaboration and driving tech-enabled growth that aligns with our strategic objectives.

SUBSIDIARY PERFORMANCE

Our subsidiaries have contributed to the Group's improving performance, with highlights including:

Managed Services division

This division is focused on providing network infrastructure, telecommunications solutions, support services and end-to-end solutions to enterprises. The decline in revenue for this division was impacted by Zaloserve. AYO consolidated revenue of R805 million, down from R1.2 billion in 2023. However, the company improved its gross profit to R137 million in the current year, up from R121 million in the prior year, reflecting an improvement in margins from 10% in the prior year to 17% in the current year.

Improved margins on contracts, upselling to existing clients, stringent cost containment and new management contributed to a better-than-expected performance.

SGT Solutions was the standout performer of the year within this division, driven by strong growth, largely attributable to the expertise, dedication and customer-centric approach of the teams managing and maintaining these accounts. The company contributed R395 million to the Group's consolidated revenue, up from R346 million in the prior year, as well as an increase in gross profit from R67 million to R70 million in the current year, despite a decrease in margins from 19% in the prior year to 18% in the current year.

Unified Communications division

This division is a reseller of unified communication devices and gaming equipment from globally recognised brands, including Jabra, Konftel, Logitech, HP Poly and Yealink, among others.

While domestic markets have stabilised and been relatively flat as they embrace the new "normal" hybrid working environment, companies in this division looked beyond the borders of South Africa, expanding into African markets where they have made good inroads, particularly in servicing demands for audio and visual equipment.

The division's revenue increased by 5% in the current year, from R546 million in the prior year to R575 million in the current financial year. However, the division's gross profit margin decreased from 22% in the prior year to 16% in the current year due to a change in the sales mix in video, which generates lower margins. A further contributor to margin challenges was the depreciation of the Rand against the US Dollar, as most of the division's equipment is imported.

Software and Consulting division

This division provides scalable digital solutions to retailers, media groups and brand agencies in Africa and Europe. It also offers a specialised digital media product set to assist organisations with the commercialisation of digital content.

Revenue declined by 12% and gross profit reduced from 34% in the prior year to 26% in the current year, contributing to a loss for the reporting period. This subdued performance was primarily due to the loss of key contracts by one of the subsidiaries in this division. We are implementing strategic interventions aimed at reversing this trend and revitalising the performance of the division.

Healthcare division

This division is a specialist provider of optimised and integrated healthcare Information, Communication and Technology (ICT) solutions. It provides modular and integrated healthcare information systems across all levels of the public and private sectors.

For the period under review, the division posted a slight increase in revenue, improving from R66 million to R69 million, with a 13% increase in gross margin. The division is currently developing a strategy to secure additional customers from the private healthcare sector and is exploring a continental expansion strategy for its products and services as Africa continues its digital adoption progress.

Corporate division

The Corporate division comprises the corporate head office, NSX Consulting and equity-accounted investments. During the financial year, the division demonstrated improved cost management, with operating expenses decreasing by 16% to R465 million. This reduction is a direct result of stringent cost containment measures implemented across the division, reflecting our commitment to operational efficiency and financial discipline.

However, equity-accounted investments recorded an increased loss of 42%, amounting to R17.8 million. This was primarily due to the underperformance of the Vunani Fintech Fund, which fell short of expectations. It is important to note that such performance is not unusual for a portfolio with a significant number of start-ups, as these investments often face initial volatility and require time to mature.

Despite this setback, the division remains focused on optimising its investment strategy and supporting the growth potential of its portfolio companies. The cost-saving measures implemented in the corporate head office and NSX Consulting have laid a strong foundation for continued financial stability and operational efficiency moving forward.

This performance underscores the division's ability to navigate challenges while maintaining a disciplined approach to cost management and investment oversight. We remain optimistic about the long-term potential of our equity-accounted investments and will continue to monitor and support their development.

LOOKING AHEAD

Although there are persisting external challenges, AYO's performance this year demonstrates resilience and adaptability. Our strategy remains focused on fostering organic growth, expanding into new markets, identifying strategic investment opportunities and leveraging our position as a leader in digital innovation to drive sustainable value. With a solid foundation, a clear vision and the dedication of our people, I am confident in AYO's ability to build on this momentum and capitalise on the opportunities ahead.

Finally, echoing my colleagues' sentiments throughout this report, I would like to extend my heartfelt gratitude to every person who has worked tirelessly to ensure that AYO maintains its course. It is through your combined dedication, resilience and steadfast loyalty that we have been able to lay strong foundations for our future growth.

Your efforts have been nothing short of mammoth, and your unwavering commitment to our collective success has not gone unnoticed.

Thank you for your continued belief in our vision and for your invaluable contributions. Together, we will continue to build on the solid groundwork laid, striving for even greater achievements in the years to come.

A special note of thanks must also go to our external auditors, whose diligence and thorough approach have ensured the integrity and transparency of our reporting. Your expertise and commitment to the highest standards of professionalism have been invaluable to our business



Valentine Dzvoza
Chief Financial Officer
AYO Technology Solutions

28 March 2025



Consolidated statement of profit or loss and other comprehensive income

for the year ended 31 August 2024

	Notes	2024 R'000	2023 R'000
Revenue	24	1 871 765	2 253 494
Cost of sales	25	(1 524 581)	(1 902 233)
Gross profit		347 184	351 261
Other operating income	26	22 349	21 484
Other operating Losses	27	(58 215)	(99 748)
Other operating expenses	28	(648 119)	(855 856)
Movement in expected credit losses		(304 971)	(203 932)
Finance income	29	96 330	150 461
Finance costs		(13 751)	(22 402)
Loss from equity-accounted investments	7	(17 823)	(12 541)
Loss before taxation		(577 016)	(671 273)
Taxation	30	(147 821)	16 816
Loss after taxation		(724 837)	(654 457)
Other comprehensive income:			
Items that will be subsequently reclassified to profit or loss:			
Exchange differences on translating foreign operations		15	(3 006)
Total items that will be subsequently reclassified to profit or loss		15	(3 006)
Other comprehensive (loss)/income for the year net of tax		15	(3 006)
Total comprehensive loss for the year		(724 822)	(657 463)
Loss after taxation attributable to:			
Shareholders of AYO		(680 265)	(633 510)
Non-controlling interests		(44 572)	(20 947)
Total loss after taxation		(724 837)	(654 457)
Total comprehensive loss attributable to:			
Shareholders of AYO		(680 250)	(636 516)
Non-controlling interests		(44 572)	(20 947)
Total comprehensive loss		(724 822)	(657 463)
Loss per share (cents)			
Basic and diluted loss per share (cents)	31	(208.68)	(184.53)

Consolidated statement of financial position

as at 31 August 2024

	Notes	31 August 2024 R'000	31 August 2023 R'000
Assets			
Non-current assets		327 160	905 049
Property, plant and equipment	3	28 020	34 798
Right-of-use of assets	4	38 452	43 846
Goodwill	5	12 974	75 458
Intangible assets	6	47 596	109 524
Investments in equity-accounted joint ventures and associates	7	42 328	60 151
Loans to related party companies	8	88 544	137 239
Other loans receivable	9	11 216	207 241
Investments at fair value through profit or loss	10	47 891	98 274
Other financial assets	14	1 374	-
Deferred tax	11	8 765	138 518
Current assets		1 249 362	1 565 916
Inventories	12	174 496	132 451
Costs to fulfil contracts - Work in Progress	12.1	47 788	106 208
Loans to related party companies	8	162 798	282 848
Other loans receivable	9	112 389	8 375
Trade and other receivables	13	365 191	633 923
Other financial assets	14	170 047	208 300
Finance lease receivables		-	3 131
Current tax receivable		271	1 023
Cash and cash equivalents	15	216 382	189 657
Non-current assets held for sale	35	15 703	-
Total assets		1 592 225	2 470 965
Equity and liabilities			
Equity			
Share capital	16	3 821 752	4 441 051
Reserves	17	(285 008)	(656 335)
Accumulated loss		(2 950 182)	(2 270 418)
Equity attributable to shareholders of AYO		586 562	1 514 298
Non-controlling interests		59 634	111 673
Total equity		646 196	1 625 971
Liabilities			
Non-current liabilities		342 082	85 008
Lease liabilities	18	27 086	28 616
Derivatives	23	248 032	-
Employee benefit obligation	19	2 922	3 231
Deferred income	20	902	-
Deferred tax	11	54 938	52 040
Other financial liabilities		8 202	1 121
Current liabilities		603 033	759 986
Trade and other payables	21	288 369	405 362
Other financial liabilities		2 528	8 189
Lease liabilities	18	19 010	22 856
Deferred income	20	8 304	19 995
Current tax payable		23 547	45 330
Provisions	22	214 269	218 318
Dividend payable		47 001	39 930
Bank overdraft	15	5	6
Non-current liabilities held for sale	35	914	-
Total liabilities		946 029	844 994
Total equity and liabilities		1 592 225	2 470 965

Condensed consolidated statement of changes in equity

for the year ended 31 August 2024

Notes	Stated capital R'000	Share premium R'000	Total share capital R'000	Foreign currency translation reserve R'000	Revaluation reserve R'000	NCI put options reserve R'000	Share-based payment reserve R'000	Changes in ownership reserve R'000	Share option redemption reserve	Total reserves R'000	Retained income R'000	Total attributable to shareholders of AYO R'000	Non-controlling interests R'000	Total equity R'000
Balance at 1 September 2022	4 268 043	173 445	4 441 488	1 727	535	(14 795)	11 809	(31 021)	-	(31 745)	(1 452 901)	2 956 843	150 561	3 107 402
Total comprehensive income for the year	-	-	-	(3 006)	-	-	-	(5 148)	-	(8 154)	(637 320)	(645 974)	(20 947)	(666 921)
Profit for the year	-	-	-	-	-	-	-	-	-	-	(637 820)	(637 820)	(20 947)	(658 767)
Total other comprehensive income for the year	-	-	-	(3 006)	-	-	-	(5 148)	-	(8 154)	-	(8 154)	-	(8 154)
Dividends	36	-	-	-	-	-	-	-	-	-	(204 779)	(204 779)	(6 375)	(211 154)
Treasury shares		(436)	(436)	-	-	-	-	-	-	-	-	(436)	-	(436)
^Transfer from reserve		-	-	-	-	-	(11 809)	-	-	(11 809)	-	(11 809)	-	(11 809)
PIC share buy back		-	-	-	-	-	-	-	(619 299)	(619 299)	-	(619 299)	-	(619 299)
#Derecognition of put option		-	-	-	-	14 795	-	-	-	14 795	24 222	39 017	-	39 017
Change in ownership - reduction in shareholding of subsidiary		-	-	-	-	-	-	-	-	-	-	-	(11 566)	(11 566)
Balance at 31 August 2023	4 267 607	173 445	4 441 052	(1 279)	535	-	-	(36 169)	(619 299)	(656 212)	(2 269 918)	1 514 844	111 673	1 626 516
Total comprehensive income for the year	-	-	-	15	-	-	-	-	-	15	(680 265)	(675 940)	(44 572)	(724 822)
Profit for the year	-	-	-	-	-	-	-	-	-	-	(680 265)	(675 955)	(44 572)	(724 837)
Total other comprehensive income for the year	-	-	-	15	-	-	-	-	-	15	-	15	-	15
Dividends	36	-	-	-	-	-	-	-	-	-	-	-	(7 467)	(7 467)
Share Repurchase	16	-	-	-	-	-	-	-	619 299	619 299	-	-	-	-
PIC call option	23	-	-	-	-	-	-	-	(248 032)	(248 032)	-	(248 032)	-	(248 032)
Prior year adjustment		-	-	-	-	-	-	-	-	-	-	-	-	-
Balance at 31 August 2024	4 267 607	173 445	4 441 052	(1 264)	535	-	-	(36 169)	(248 032)	(285 008)	(2 950 183)	590 872	59 634	646 196

^ Share-based payment reserve

Prior to listing, the Company issued 31 960 000 shares to a BBBEE Consortium at an issue price of R1.50 per share. The shares were issued for cash and the BBBEE Consortium is restricted from selling the shares for a period of five years from the issue date. The fair value of the shares at the date of issuance was R1.87, which was the net asset value of the Company on transaction date. In line with IFRS 2, an adjustment of R11 809 375 was recognised to account for the difference between the issue price and the fair value of the shares. The adjustment was recognised as an expense in the Statement of profit or loss, with the contra recognised directly in equity. The restriction period lapsed in December 2022 and share based payment reserved was realised in the income statement

This resulted from options which were not exercised which lapsed on 9 February 2023.

Condensed consolidated statement of cash flows

for the year ended 31 August 2024

	Notes	2024 R'000	2023 R'000
Cash flows from operating activities			
Cash receipts from customers		2 037 174	1 582 151
Cash paid to suppliers and employees		(2 018 108)	(1 972 605)
Cash generated/(utilised) in operations	32	19 066	(390 878)
Finance income	29	14 910	34 514
Finance costs		(11 951)	(21 135)
Dividend income		9 696	108
Tax paid/(refunded)	34	(36 475)	(19 802)
Net cash from (to) operating activities		(4 754)	(397 193)
Cash flows from investing activities			
Acquisition of property, plant and equipment	3	(7 467)	(10 110)
Proceeds from the disposal of property, plant and equipment		1 970	3 910
Acquisition of intangible assets	6	(5 763)	(2 103)
Loans advanced to related party companies		-	(759)
Loans to related parties repaid		24 601	15 796
Other loans receivable repaid		28 660	51 208
Other loans advanced		(232)	-
Purchases of investments at fair value through profit or loss	10	-	(12 000)
Amounts advanced to acquire other financial assets	14	(11 600)	(1 117)
Amounts repaid from other financial assets		30 323	27 591
Finance lease receipts		3 130	13 149
Disposal of investments held at fair value		-	3 100
Funds held in Trust fund transfers Accounts	13	-	235 137
Funds withdrawn in Trust Accounts	13	-	636 207
Funds advanced in Trusts	13	-	(624 000)
Net cash from investing activities		63 622	336 009
Cash flows to financing activities			
Dividends paid	35	(903)	(198 274)
Share buy back		-	(619 299)
Advances received from other financial liabilities		6 028	-
Repayments of other financial liabilities		(12 090)	(6 265)
Lease liabilities repayments	18 & 35	(24 924)	(36 305)
Payment of long service awards		(270)	(588)
Net cash to financing activities		(32 159)	(860 731)
Total cash movement for the period		26 709	(921 915)
Cash at the beginning of the period		189 651	1 111 833
Effect of exchange rate		16	(267)
Total cash at the end of the period	16	216 377	189 651

Separate statement of profit or loss and other comprehensive income

for the year ended 31 August 2024

	Notes	2024 R'000	2023 R'000
Revenue	19	7 164	3 456
Other operating income	20	23 063	26 348
Other operating gains (losses)	21	(185 673)	(63 387)
Movement in credit loss allowances	22	(369 149)	(135 050)
Other operating expenses		(229 946)	(558 232)
Operating loss	22	(754 541)	(726 865)
Investment income	23	94 381	147 627
Finance costs	24	(241)	(4 633)
Income from equity accounted investments		(17 823)	(12 542)
Loss before taxation		(678 224)	(596 413)
Taxation	25	(33 958)	(5 209)
Loss for the year		(712 182)	(601 622)
Other comprehensive income			
Total comprehensive loss for the year		(712 182)	(601 622)

Separate statement of financial position

as at 31 August 2024

	Notes	2024 R'000	2023 R'000
Assets			
Non-current assets		678 702	999 946
Property, plant and equipment	2	957	1 495
Right-of-use assets			8 739
Investments in subsidiaries	3	295 442	428 528
Investments in joint ventures	4	40 897	59 464
Investments in associates	5	1 431	687
Loans to related party companies	6	280 704	145 009
Loans receivable (at amortised cost)	7	11 216	196 970
Investments at fair value	9	47 892	98 274
Deferred tax	10	163	60 780
Current assets		407 603	833 612
Loans to related party companies	6	25 906	375 210
Loans receivable (at amortised cost)	7	112 389	8 695
Trade and other receivables	8	126 277	274 446
Other financial assets	11	98 865	132 389
Cash and cash equivalents	12	44 166	42 871
Total assets		1 086 305	1 833 557
Equity and liabilities			
Equity			
Stated capital	13	3 821 752	4 441 051
Reserves		(248 032)	(619 299)
Accumulated loss		(2 941 859)	(2 229 677)
Total equity		631 861	1 592 076
Liabilities			
Non-current liabilities		254 592	33 595
Derivatives	15	248 032	
Deferred tax	10	6 560	33 219
Lease Liabilities			376
Current liabilities		199 852	207 887
Trade and other payables	17	38 740	44 266
Current tax payable		7 718	13 681
Provisions	16	114 122	101 549
Dividend payable		39 271	39 305
Lease Liabilities			9 085
Total liabilities		454 443	241 482
Total equity and liabilities		1 086 305	1 833 557

Separate statement of cash flows

for the year ended 31 August 2024

	Notes	2024 R'000	2023 R'000
Cash flows from operating activities			
Cash receipts from customers		155 334	2 335
Cash paid to suppliers and employees		(203 769)	(267 007)
Cash used in operations	27	(48 435)	(264 672)
Interest income	23	3 872	23 873
Dividends received	23	8 969	14 396
Finance costs	24	(241)	(4 632)
Dividends paid Tax paid	28	(5 407)	(12 000)
Net cash to operating activities		(41 243)	(243 036)
Cash flows from investing activities			
Purchase of property, plant and equipment	2	(37)	(154)
Proceeds from sale of property, plant and equipment	2		6
Loans to related party repaid	6	24 000	15 000
Loans advance to related party companies	6	(19 768)	10
Cash advanced in loans to shareholders			51 743
Loans advance to related party companies	9	28 660	(12 000)
Disposal of investments recognised at fair value through profit or loss	11		3 100
Amounts advanced to acquire other financial assets		(11 600)	(987)
Amounts repaid from other financial assets		30 307	27 591
Net cash from investing activities		51 562	84 309
Cash flows to financing activities			
Share buy back	13		436
Lease liabilities repayments		(8 990)	(18 328)
PIC Share Option	24		
Dividends paid		(34)	(196 774)
Net cash to financing activities		(9 024)	(214 667)
Total cash movement for the year		1 295	(373 394)
Cash and cash equivalents at the beginning of the year		42 871	788 240
Cash and cash equivalents at the end of the year	12	44 166	414 847

Separate statement of changes in equity

for the year ended 31 August 2024

	Stated capital R'000	Share Premium R'000	Total share capital R'000	Share Repurchase Reserve R'000	Share-based payment reserve R'000	Retained income R'000	Total equity R'000
Balance at 1 September 2021	4 270 965	173 445	4 444 410	-	11 809	(896 416)	3 559 804
Total comprehensive income for the year	-	-	-	-	-	(303 287)	(303 287)
Loss for the year	-	-	-	-	-	(302 793)	(302 793)
Total other comprehensive income for the year	-	-	-	-	-	-	-
Dividends	-	-	-	-	-	(223 574)	(223 574)
Treasury shares	(2 922)	-	(2 922)	-	-	-	(2 922)
Balance at 31 August 2022	4 268 043	173 445	4 441 488	-	11 809	(1 422 783)	3 030 514
Total comprehensive income for the year	-	-	-	-	-	(601 622)	(601 622)
Profit for the year	-	-	-	-	-	(601 622)	(601 622)
Total other comprehensive income for the year	-	-	-	-	-	-	-
Dividends	-	-	-	-	-	(204 779)	(204 779)
Treasury shares	(436)	-	(436)	-	-	-	(436)
PIC Call option	-	-	-	(619 299)	-	-	(619 299)
Derecognition of shared based payment	-	-	-	-	(11 809)	-	(11 809)
Balance at 31 August 2023	4 267 607	173 445	4 441 052	(619 299)	-	(2 229 184)	1 592 075
Total comprehensive income for the year	-	-	-	-	-	-	-
Profit for the year	-	-	-	-	-	(712 182)	(712 182)
Total other comprehensive income for the year	-	-	-	-	-	-	-
Dividends	-	-	-	-	-	-	-
Treasury shares	-	-	-	-	-	-	-
Share Repurchase	(619 299)	-	(619 299)	619 299	-	-	-
PIC Call option	-	-	-	(248 032)	-	-	(248 032)
Derecognition of shared based payment	-	-	-	-	-	-	-
Closing balance	3 648 308	173 445	3 821 753	(248 032)	-	(2 941 366)	631 861

Major shareholders

SHAREHOLDER INFORMATION AS AT 31 AUGUST 2024

Analysis of shareholders		Percentage of total issued shares	
1 – 5 000		0.71%	
5 001 – 10 000		0.39%	
10 001 – 100 000		1.97%	
100 001 – 1 000 000		5.79%	
1 000 001 – and more		91.14%	
		100.00%	

	Number of shares	Percentage of total issued shares
MAJOR SHAREHOLDERS (5% AND MORE OF THE SHARES IN ISSUE)		
Sekunjalo Investment Holdings (Pty)	149 679 677	45.78%
Government Employees Pension Fund	82 579 899	25.26%
	232 259 576	71.04%

Shareholder spread	Number of shareholders	Percentage of total shareholders	Number of shares	Percentage of total issued shares
Non-public	4	0.04%	232 260 847	71.04%
Directors	2	0.02%	1 271	–
>than 10% of I/C	2	0.02%	232 259 576	71.04%
Public	8 939	99.96%	94 661 591	28.96%
Totals	8 943	100.00%	326 922 438	100.00%

Type	Common stock equivalent held	Percentage of total shares outstanding	Market value (ZAR)	Number of shareholders
Institutions	–	–	–	–
Individuals/Insiders	3 539 251	1.08%	1 415 700	97
VC/PE Firms (>5% stake)	146 940 549	44.95%	58 776 220	4 020
Treasury shares held by AYO	939 709	0.29%	375 884	1
Public and Other	175 502 929	53.68%	70 201 172	4 826
Total	326 922 438	100.00%	130 768 976	8 943

SHARE TRADING STATISTICS		Market price per share (cents)
High		148
Low		30
Year-end		50
Volume traded (shares)		46 936 847
Value traded (rand)		31 411 029
Volume of shares traded as a percentage of issued capital		14.36%
Market capitalisation at 31 August 2024 (rand)		163 461 219
Market capitalisation at 29 November 2024 (rand)		160 191 995

Corporate information

Directors:

Adv Ramatlhodi – Chairman*#
Amit Makan – CEO^
Wakeel Mchlachan – COO^
Valentine Dzvova – CFO^
Aziza Amod*
Rosemary Mosia*#
Sello Rasethaba*#
Lucien Jacobs*
Pride Ghuzza+
Joel Moodley+

* Non-executive # Independent

^ Executive + Resigned

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

Auditor:

Crowe Jhb Inc.
3 Sandown Valley Crescent, Sandown, Sandton, 2031

Transfer secretaries:

JSE Investor Services Proprietary Limited
2 Gwen Lane, 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



www.ayotsl.com

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

To download this report and other documents in this report series, visit www.ayotsl.com