



AYO Technology Solutions Limited
(Registration number 1996/014461/06)
Annual Financial Statements
for the year ended 31 August 2024
Issued 25 April 2025

AYO Technology Solutions Limited

(Registration number 1996/014461/06)

Annual Financial Statements for the year ended 31 August 2024

General Information

Country of incorporation and domicile	South Africa
Nature of business and principal activities	AYO is a leading Broad-Based Black Economic Empowerment (“BBBEE”) information and communications technology (“ICT”) company, servicing customers in Africa and Europe. Refer to AYO’s Integrated Annual Report available on our website at www.ayotsl.com for a more detailed description of AYO’s operations, products and services.
Directors	A Makan A B Amod W Mclachlan L Jacobs V Dzvova Adv NA Ramathodi R.P Mosia S.M Rasethaba
Registered office	10th Floor Convention Towers Corner Heerengracht & Walter Sisulu Foreshore Cape Town 8001
Auditors	Crowe JHB Chartered Accountants (SA) Registered Auditors
Secretary	Wazeer Moosa
Company registration number	1996/014461/06
Level of assurance	These annual financial statements have been audited in compliance with the applicable requirements of the Companies Act 71 of 2008 amended (“Companies Act”).
Preparer	The annual financial statements were internally compiled by: Basani Kubayi
Issued	25 April 2025

AYO Technology Solutions Limited

(Registration number 1996/014461/06)

Annual Financial Statements for the year ended 31 August 2024

Index

The reports and statements set out below comprise the annual financial statements presented to the shareholder:

	Page
Responsibility statement on internal financial controls for the year ended 31 August 2024	3
Directors' Report	4 - 8
Independent Auditor's Report	9 - 12
Statement of Financial Position	13
Statement of Profit or Loss and Other Comprehensive Income	14
Statement of Changes in Equity	15 - 16
Statement of Cash Flows	17
Accounting Policies	18 - 29
Notes to the Annual Financial Statements	29 - 76

Level of assurance

These annual financial statements have been audited in compliance with the applicable requirements of the Companies Act of South Africa.

Published

25 April 2025

AYO Technology Solutions Limited

(Registration number 1996/014461/06)

Annual Financial Statements for the year ended 31 August 2024

Responsibility statement on internal financial controls for the year ended 31 August 2024

The directors, whose names are stated below, hereby confirm that:

- the annual financial statements set out on pages 12 to 76 fairly present, in all material respects, the financial position, financial performance and cash flows of AYO in terms of IFRS;
- to the best of our knowledge no facts have been omitted or untrue statements made that would make the annual financial statements false or misleading;
- internal financial controls have been put in place to ensure that material information relating to AYO company have been provided to effectively prepare the financial statements.
- the internal financial controls are adequate and effective and can be relied upon in compiling the annual financial statements, having fulfilled our role and function as executive directors with the primary responsibility and execution of controls.

The Chief Financial Officer, Ms Valentine Dzvova, was not employed by AYO during the financial year ended 31 August 2024 and cannot fully attest to the internal financial controls for the financial year. Her confirmation applies only from the date of her appointment onward.

Where we are not satisfied, we have disclosed to the Audit and Risk Committee and the auditors the deficiencies in design and operational effectiveness of the internal financial controls and have taken the necessary remedial action. We are not aware of any fraud involving directors.



Director
Chief executive officer
Friday, 25 April 2025



Director
Chief financial officer
Friday, 25 April 2025

AYO Technology Solutions Limited

(Registration number 1996/014461/06)

Annual Financial Statements for the year ended 31 August 2024

Directors' Report

The directors have pleasure in submitting their report on the annual financial statements of AYO Technology Solutions Limited for the year ended 31 August 2024.

1. Nature of business

AYO Technology Solutions Limited is incorporated in South Africa and is a leading Broad-Based Black Economic Empowerment ("B-BBEE") information and communications technology ("ICT") investment holding company, servicing clients in Africa and Europe. Its listing moved to the General Segment of the Main Board of the Johannesburg Stock Exchange on 11 December 2024. Refer to AYO's Integrated Annual Report available on our website at www.ayotsl.com for a more detailed description of AYO's operations, products and services.

2. Review of financial results and activities

The annual financial statements have been prepared in accordance with IFRS® Accounting Standards (IFRS), the requirements of the Companies Act, the Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council and the Listings Requirements of the JSE. The accounting policies have been applied consistently compared to the prior year.

Full details of the financial position, results of operations and cash flows of the company are set out in these annual financial statements.

3. Share capital

	2024		2023	
	Number of shares			
Authorised				
Ordinary shares of no par value			2 000 000 000	2 000 000 000
	2024	2023	2024	2023
	R	R	Number of shares	Number of shares
Issued				
Ordinary shares	3 821 752 228	4 349 278 773	325 982 729	343 185 485

Refer to note 15 of the annual financial statements for detail of the movement in authorised and issued share capital.

4. Dividends

No dividends were declared during the financial year.

5. Directorate

The directors in office at the date of this report are as follows:

Directors	Office	Designation	Changes
A Makan	Chief Executive Officer	Executive	
P Guzha	Chief financial officer	Executive	Resigned, 01 December 2024
Prof LCH Fourie	Interim Chairman	Non-executive	Resigned, 13 March 2024
V Dzvova		Non-executive	Resigned, 12 December 2023
A B Amod		Non-executive	
K Abdulla	Deputy Executive chairman	Executive	Resigned, 01 December 2023
J van Wyk		Non-executive	Resigned, 27 October 2023
W Mclachlan	Chief Operating Officer	Executive	Appointed, 13 March 2024
L Jacobs		Non-executive	Appointed, 13 March 2024
J Moodley		Non-executive	Appointed, 13 March 2024,
V Dzvova	Chief financial officer	Executive	resigned, 25 October 2024
Adv NA Ramathlodi			Appointed, 01 December 2024
R.P Mosia	Chairman	Non-executive	
S.M Rasethaba		Non-executive	
		Executive	

AYO Technology Solutions Limited

(Registration number 1996/014461/06)

Annual Financial Statements for the year ended 31 August 2024

Directors' Report

5. Directorate (continued)

Resignations/deaths/retirements/removals of directors

Directors	Cause of change	Office	Designation	Date
P Guzha	Resignation	Chief financial officer	Executive	01 December 2024
Prof LCH Fourie	Resignation	Interim chairman	Non-executive	13 March 2024
V Dzvoza	Resignation	Chief financial officer	Non-executive	12 December 2023
K Abdulla	Retirement	Deputy Executive chairman	Non-executive	01 December 2023
J van Wyk	Resignation		Non-executive	27 October 2023
J Moodley	Resignation		Non-executive	25 October 2024

Mr L Jacobs and Mr J Moodley were appointed as non-executive directors effective 13 March 2024. Mr J Moodley resigned as a director on 25 October 2024.

Professor LCH Fourie was appointed as the interim chairman on 17 April 2023, he resigned as a director on 13 March 2024.

Ms V Dzvoza and Mr J van Wyk were appointed as non-executive directors with effect from 17 April 2023. Mr J van Wyk resigned 27 October 2023. Ms V Dzvoza resigned as a director on 12 December 2023. Mr K Abdulla was an executive director of the Company from 12 March 2020. On 1 December 2023, he retired as a director of the Company.

Appointments of directors

Directors	Office	Designation	Date
A Makan	Chairperson	Executive	15 February 2023
P Guzha	Chief financial officer	Executive	15 February 2023
Prof LCH Fourie	Interim chairman	Non-executive	07 July 2020
V Dzvoza		Non-executive	12 April 2023
A B Amod		Non-executive	26 February 2013
K Abdulla	Deputy executive chairman	Executive	12 March 2020
J van Wyk		Non-executive	12 April 2023
W Mclachlan	Chief Operating Officer	Executive	13 March 2024
L Jacobs		Non-executive	13 March 2024
J Moodley		Non-executive	13 March 2024
V Dzvoza		Executive	01 December 2024
Adv NA Ramathlodi	Chairman	Non-executive	07 March 2018
R.P Mosia		Non-executive	21 August 2018
S.M Rasethaba		Non-executive	01 April 2021

6. Directors' interests in shares

As at 31 August 2024, the Directors of the Company held direct and indirect beneficial interest in 0.0004% (2023: 1.02819%) of its issued ordinary shares, as set out below:

2024

2024/2023	Direct beneficial 2024	Direct beneficial 2023	Direct non-beneficial 2024	Direct non-beneficial 2023	Total percentage 2024	Total percentage 2023
A Amod	1 250	1 250	-	-	-	-
K Abdulla	-	546 342	-	2 991 659	-	-
Subtotal	1 250	547 592	-	2 991 659	-	-
	1 250	547 592	-	2 991 659	-	-

7. Property, plant and equipment

There was no change in the nature of the property, plant and equipment of the company or in the policy regarding their use.

At 31 August 2024 the company's investment in property, plant and equipment amounted to R957 390 (2023: R 1 495 062), of which R36 534 (2023: R 154 302) was added in the current year through additions.

AYO Technology Solutions Limited

(Registration number 1996/014461/06)

Annual Financial Statements for the year ended 31 August 2024

Directors' Report

8. Special resolutions

A general authority was given to the board to repurchase shares in the company subject to the requirements of the Companies Act of South Africa. This authority was given in terms of a special resolution passed at the AGM held on Friday, 26 January 2024.

9. Events after the reporting period

Refer to note 36 for events after reporting period.

10. Liquidity and solvency

The Directors have performed the required liquidity and solvency tests required by the Companies Act for the Group. The directors are satisfied that the Group is solvent and have no reason to believe that the business will not be a going concern in the year ahead.

11. Going concern

Refer to the going concern assessment in note 35.

12. Litigation statement

The company becomes involved from time to time in various claims and lawsuits incidental to the ordinary course of business.

The extensive legal challenges, as set out below, which AYO is confronting simultaneously, together with the ongoing negative media focus on the company and heightened regulatory attention, are putting the business to a serious test, potentially threatening its longevity. Whilst these prolonged processes are straining AYO's financial and human resources, shifting its operational focus and impeding its ability to concentrate on the strategic mandate it is set to deliver on, it is important for shareholders to understand that some of these litigious matters were necessary to proceed with to ensure long-term sustainability and protect underlying investments of the company. It is also worth noting that AYO as a Company is not an applicant in all the banking related litigations however AYO subsidiaries are. For the sake of transparency to our shareholders, AYO discloses updates to these matters below:

Public Investment Corporation ("PIC") and Government Employees Pension Fund ("GEPF")

Court proceedings pursuant to the aforementioned matter, which commenced on 7 March 2023, ceased on 23 March 2023 following the amicable conclusion of the Settlement Agreement by the Parties, thus ending the prolonged litigation. The Settlement Agreement was subsequently made an order of court on 24 March 2023. The settlement agreement and amendments to the MOI was approved by shareholders at a general meeting in line with the JSE Listing Requirements on the 26 June 2024.

State Information Technology Agency

On 25 August 2020, the State Information Technology Agency ("SITA") brought an application in the Eastern Cape High Court for an order to interdict the Eastern Cape Department of Education ("ECDOE") from continuing with a contract that the ECDOE has with Sizwe Africa IT Group Proprietary Limited ("Sizwe") which is a subsidiary of AYO, for the supply and lease of tablets to matric learners in the Eastern Cape. The Eastern Cape High Court granted the order for the interdict. On 20 February 2025, SITA signed a settlement agreement with the ECDOE agreeing to withdraw the matter from court. Subsequently on the 20th of March 2025, the Bisho High Court made the settlement a legal binding agreement and an order of court.

AYO Technology Solutions Limited

(Registration number 1996/014461/06)

Annual Financial Statements for the year ended 31 August 2024

Directors' Report

12. Litigation statement (continued)

Access Bank South Africa Limited

This matter has been withdrawn

High Court Parallel Application

Pleadings has been closed and the matter is set to be heard from 17 to 20 June 2025. The matter is with Absa Bank Ltd and 22 Others (Parallel Application).

Nedbank and one Other

This matter is finalised with Nedbank having been successful in its appeal and the constitutional court dismissing the Sekunjalo Group's leave to appeal.

Standard Bank of SA Limited

Sekunjalo Group has an interdict in place and the matter is set to be heard in the SCA, Heads of Argument has been filed.

Competition Tribunal

Whilst the interim interdict is overturned, the competition commission's investigation into the banks anti-competitive behaviour is still ongoing.

Mpati Review Application

This matter concerns, inter alia, reviewing and setting aside certain issues relating to the unlawfulness of the proceedings, as well as, reviewing and setting aside the findings, remarks, conclusions and/or recommendations made by the Commission about the Applicants who were not the target of the Commission's terms of reference but were referred to in the Mpati Report. The matter is still pending.

Cortex Logic

The litigation arose from the non-repayment of loans provided to Cortex Logic Proprietary Limited. This matter is ongoing in order for AYO to recover the outstanding loans and interest thereon.

Futuretell Communication

The Company instituted action against Futuretell Communication Proprietary Limited for recovery of a loan to the value of R3.7 million resulting from a breach of the loan agreement entered into between the Parties in 2019. Default judgment was obtained by AYO on 7 September 2023, and we are in the process of navigating possible ways of recovering the debt.

South African Clothing and Textile Worker's Union ("SACTWU")

The litigation arose as a result of a dispute regarding the entitlement to dividends based on shares held. This matter is ongoing, and the discovery process is pending.

PL Myburgh and Daily Maverick

Defamation claims against the parties in respect of media articles published. The matter is pending.

Daily Maverick and amaBhungane

Defamation claims against the parties in respect of media articles published. The matter has not been enrolled on the pre-trial roll yet.

Mitigating actions

AYO Technology Solutions Limited

(Registration number 1996/014461/06)

Annual Financial Statements for the year ended 31 August 2024

Directors' Report

12. Litigation statement (continued)

1. Business continuity plans are in place and there is operational readiness to address potential negative litigation outcomes.
2. Continuous stakeholder engagement with subsidiaries, regulators and staff to secure their ongoing support and promote open and transparent relationships.

13. Auditors

Thawt Inc. ("THAWT") and Crowe JHB ("CROWE"), which is a member of Crowe Global ("CROWE Global") were re-appointed as the Company joint external auditors at the annual general meeting held on 26 January 2024. Thawt Inc. ("Thawt") resigned as the AYO company's joint external auditor and terminated its audit engagement, with effect from 30 October 2024. Thawt's stated reason for their resignation is the increase in their own firm-level continuance risks.

14. Secretary


The company secretary is Mr Wazeer Moosa.

Postal address: 10th Floor Convention Towers
Foreshore
Cape Town
Western Cape
8001


Business address: 10th Floor Convention Towers
Foreshore
Cape Town
Western Cape
8001

The annual financial statements set out on pages 13 to 76, which have been prepared on the going concern basis, were approved by the board of directors on 25 April 2025, and were signed on its behalf by:

Signed on behalf of the Board of Directors By:



Adv NA Ramathodi
Chairperson
Friday, 25 April 2025



A Makan
Executive
Friday, 25 April 2025



Crowe JHB
9 Autumn Street, Rivonia, 2191
P.O. Box 652550, Benmore, 2010, South Africa
Main +27 11 217 8000
Fax +27 11 217 8001
www.crowe.com/za
info@crowe.za.com
Practice No: 903787

Independent Auditor's Report

To the Shareholders of AYO Technology Solutions Limited

Report on the Audit of the Separate Financial Statements

Qualified Opinion

We have audited the separate financial statements of AYO Technology Solutions Limited (the "company") set out on pages 13 to 76 which comprise the separate statement of financial position as at 31 August 2024, and the separate statement of profit or loss and other comprehensive income, the separate statement of changes in equity and the separate statement of cash flows for the year then ended, and notes to the separate financial statements, including material accounting policy information.

In our opinion, except for the possible effects of the matter described in the *Basis for Qualified Opinion* section of our report, the separate financial statements present fairly, in all material respects, the separate financial position of AYO Technology Solutions Limited and its subsidiaries as at 31 August 2024, and its separate financial performance and separate cash flows for the year then ended, in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board and the requirements of the Companies Act of South Africa.

Basis for Qualified Opinion

We were unable to obtain sufficient and appropriate audit evidence about the value recorded in the separate statement of comprehensive income in the comparative period figures on the derecognition of certain financial instruments as disclosed in Note 22. This relates to an amount of R174.8 million which was expensed on derecognition of the instruments in the prior period. The accounting treatment applied for the recognition and measurement of the instruments is being reevaluated to determine if the values previously recognised were misstated. The evaluation process is not complete at the time of finalising our audit. The nature of the uncertainty relating to this matter is described in the Note 22. Consequently, we were unable to determine whether any adjustment to this amount is necessary.

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Separate Financial Statements* section of our report. We are independent of the company in accordance with the Independent Regulatory Board for Auditors' *Code of Professional Conduct for Registered Auditors* (IRBA Code) and other independence requirements applicable to performing audits of financial statements in South Africa. We have fulfilled our other ethical responsibilities in accordance with the IRBA Code and in accordance with other ethical requirements applicable to performing audits in South Africa. The IRBA Code is consistent with the corresponding sections of the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)*. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 35 Going Concern in the separate financial statements, which indicates events and conditions and legal matters to which the company is party.

As stated in Note 35, these events or conditions, along with other matters as set forth in Note 35, indicate that a material uncertainty exists that may cast significant doubt on the company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the separate financial statements of the current period. These matters were addressed in the context of our audit of the separate financial statements as a whole and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the *Basis for Qualified Opinion* section and the *Material Uncertainty Related to Going Concern* section, we have determined the matters described below to be the key audit matters to be communicated in our report.

Key Audit Matter	How our audit addressed the key audit matter
<p>Valuation of unlisted financial instruments</p> <p>The fair value of investments in unlisted financial instruments classified as “financial assets at fair value through profit or loss” as at 31 August 2024 amounted to R343.3 million (2023: R526.8 million).</p> <p>These financial instruments were measured based on unobservable inputs and are classified as “level 3 financial instruments”.</p> <p>As these financial instruments are unlisted and not traded in an active market, management determined the fair values of these financial instruments by using applicable valuation techniques with assistance from valuation experts.</p> <p>We considered the valuation of unlisted financial instruments to be significant to the audit because of the materiality thereof to the Company’s Financial Statements and the sensitivity thereof to the various unobservable valuation inputs, uncertain future cash flows and assumptions that require considerable judgement.</p> <p>The disclosures relating to investment in unlisted financial instruments are contained in note 1 (accounting policies) and notes 5, 11, and 34.</p>	<p>In assessing the fair value of the unlisted financial instruments, we:</p> <ul style="list-style-type: none">• Obtained an understanding of management’s internal control process for determining the fair values of these instruments; <p>We have made use of an auditors’ valuation expert to:</p> <ul style="list-style-type: none">• Assess the appropriateness of the valuation techniques used;• Assess the arithmetical accuracy of the valuation models;• Evaluate the cash flow projections and the process by which they were developed;• Assess the reasonability and appropriateness of the key inputs (including discount rate, expected volatility and growth rate assumptions);• Assess the sensitivity analysis of the key assumptions in the model and use this to inform the key inputs assessment <p>We assessed the capabilities, competence, and objectivity of the auditor expert and evaluated the adequacy of work performed by the expert.</p>
<p>Expected credit losses (“ECL”) on loan receivables</p> <p>Included in the Company’s net assets at year-end, are loan receivables with a carrying value of R430.2 million (2023: R725.9 million) which are accounted for in accordance with IFRS 9: Financial Instruments.</p> <p>The Company assesses the ECL associated with the loan receivables measured at amortised cost and recognises an allowance for ECL for these financial assets. ECL on these loan receivables are measured using the general approach.</p> <p>The measurement of the ECL under this approach reflects a probability weighted outcome, the time value of money and the best forward-looking economic information available to the Company. This incorporates the probability of default (“PD”), exposure at default (“EAD”) and the loss given default (“LGD”).</p> <p>We determined the ECL on these financial assets to be a matter of most significance to our current year audit due to the following:</p> <ul style="list-style-type: none">• the materiality of the financial assets over which the ECL model is applied;• the materiality of the related credit losses recognised; and• the degree of judgement and estimation applied by management in determining the ECL. <p>The disclosures relating to ECL on loans receivable are contained in note 1 (accounting policies), note 8 and note 9.</p>	<p>In assessing the ECL values recognised, we:</p> <ul style="list-style-type: none">• Obtained an understanding of management’s internal control process for determining the ECL’s.• We obtained an understanding of the methodology applied by management in performing the ECL computations and found this to be in line with the requirements of IFRS 9.• We evaluated the reasonableness of judgements and estimates used by management related to ECL’s.• We assessed the disclosure included in note 9 against the requirements of IFRS 9. We found the disclosure to be in line with the requirements of IFRS 9.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the documents titled "AYO Technology Solutions Limited Company Annual Financial Statements", "AYO Technology Solutions Limited Consolidated Annual Financial Statements", which includes the Directors' Report, the Audit Committee's Report and the Company Secretary's Certificate as required by the Companies Act of South Africa, and the document titled "AYO Technology Solutions Limited Integrated Report 2024". The other information does not include the consolidated or the separate financial statements and our auditor's reports thereon.

Our opinion on the separate financial statements does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the separate financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the separate financial statements, or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Separate Financial Statements

The directors are responsible for the preparation and fair presentation of the separate financial statements in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board and the requirements of the Companies Act of South Africa, and for such internal control as the directors determine is necessary to enable the preparation of separate financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the separate financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Separate Financial Statements

Our objectives are to obtain reasonable assurance about whether the separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these separate financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the separate financial statements, including the disclosures, and whether the separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

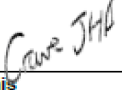
We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the separate financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

In terms of the IRBA Rule published in Government Gazette Number 39475 dated 4 December 2015, we report that Crowe JHB has been the auditor of AYO Technology Solutions Limited for five years.



G Kartsounis
Partner
Registered Auditor
25 April 2025
9 Autumn Street, Rivonia, 2191

AYO Technology Solutions Limited

(Registration number 1996/014461/06)

Annual Financial Statements for the year ended 31 August 2024

Statement of Financial Position as at 31 August 2024

Figures in Rand	Note(s)	2024	2023
Assets			
Non-Current Assets			
Property, plant and equipment	3	957 390	1 495 062
Right-of-use assets	4	-	8 739 277
Investments in subsidiaries	5	295 441 601	428 527 582
Investments in joint ventures	6	40 896 992	59 463 827
Investments in associates	7	1 431 188	687 070
Loans to related party companies	8	91 092 551	145 008 634
Loans receivable	9	11 216 389	196 969 636
Investments at fair value	11	47 891 922	98 274 459
Deferred tax	12	-	27 560 775
		488 928 033	966 726 322
Current Assets			
Loans to related party companies	8	215 517 548	375 210 284
Loans receivable	9	112 389 145	8 694 657
Trade and other receivables	10	126 276 554	274 446 150
Other financial assets	13	98 864 841	132 389 499
Cash and cash equivalents	14	44 165 960	42 871 204
		597 214 048	833 611 794
Total Assets		1 086 142 081	1 800 338 116
Equity and Liabilities			
Equity			
Stated capital	15	3 821 752 228	4 441 051 444
Reserves	16	(248 031 764)	(619 299 216)
Accumulated loss		(2 937 549 226)	(2 229 676 656)
		636 171 238	1 592 075 572
Liabilities			
Non-Current Liabilities			
Derivatives	17	248 031 764	-
Lease liabilities	4	-	375 833
Deferred tax	12	2 087 566	-
		250 119 330	375 833
Current Liabilities			
Trade and other payables	19	38 740 441	44 266 148
Lease liabilities	4	-	9 084 913
Current tax payable		7 717 513	13 681 301
Provisions	18	114 122 271	101 549 270
Dividend payable		39 271 288	39 305 079
		199 851 513	207 886 711
Total Liabilities		449 970 843	208 262 544
Total Equity and Liabilities		1 086 142 081	1 800 338 116

AYO Technology Solutions Limited

(Registration number 1996/014461/06)

Annual Financial Statements for the year ended 31 August 2024

Statement of Profit or Loss and Other Comprehensive Income

Figures in Rand	Note(s)	2024	2023
Revenue	20	7 164 153	3 455 825
Gross profit		7 164 153	3 455 825
Other operating income	21	23 062 896	26 348 110
Other operating gains (losses)	22	(185 673 056)	(63 387 402)
Movement in credit loss allowances	23	(369 751 360)	(199 095 011)
Other operating expenses	23	(229 343 708)	(494 186 890)
Operating loss	23	(754 541 075)	(726 865 368)
Investment income	24	94 380 756	147 626 837
Finance costs	25	(241 190)	(4 632 500)
Income from equity accounted investments		(17 822 718)	(12 541 665)
Loss before taxation		(678 224 227)	(596 412 696)
Taxation	26	(29 648 341)	(5 208 963)
Loss for the year		(707 872 568)	(601 621 659)
Other comprehensive income		-	-
Total comprehensive loss for the year		(707 872 568)	(601 621 659)

AYO Technology Solutions Limited

(Registration number 1996/014461/06)

Annual Financial Statements for the year ended 31 August 2024

Statement of Changes in Equity

	Share capital	Share premium	Total share capital	Share repurchase reserve	Share based payment reserve	Total reserves	Accumulated loss	Total equity
Figures in Rand								
Balance at 01 September 2022	4 268 042 642	173 444 480	4 441 487 122	-	11 809 375	11 809 375	(1 423 276 277)	3 030 020 220
Loss for the year	-	-	-	-	-	-	(601 621 659)	(601 621 659)
Other comprehensive income	-	-	-	-	-	-	-	-
Total comprehensive Loss for the year	-	-	-	-	-	-	(601 621 659)	(601 621 659)
PIC share buy back	-	-	-	(619 299 216)	-	(619 299 216)	-	(619 299 216)
Transfer from reserve	-	-	-	-	(11 809 375)	(11 809 375)	-	(11 809 375)
Treasury shares	(435 678)	-	(435 678)	-	-	-	-	(435 678)
Dividends	-	-	-	-	-	-	(204 778 720)	(204 778 720)
Total contributions by and distributions to owners of company recognised directly in equity	(435 678)	-	(435 678)	(619 299 216)	(11 809 375)	(631 108 591)	(204 778 720)	(836 322 989)
Balance at 01 September 2023	4 267 606 964	173 444 480	4 441 051 444	(619 299 216)	-	(619 299 216)	(2 229 676 658)	1 592 075 570
Loss for the year	-	-	-	-	-	-	(707 872 568)	(707 872 568)
Other comprehensive income	-	-	-	-	-	-	-	-
Total comprehensive Loss for the year	-	-	-	-	-	-	(707 872 568)	(707 872 568)
Share Repurchase	(619 299 216)	-	(619 299 216)	619 299 216	-	619 299 216	-	-
PIC Put Option	-	-	-	(248 031 764)	-	(248 031 764)	-	(248 031 764)
Total contributions by and distributions to owners of company recognised directly in equity	(619 299 216)	-	(619 299 216)	371 267 452	-	371 267 452	-	(248 031 764)
Balance at 31 August 2024	3 648 307 748	173 444 480	3 821 752 228	(248 031 764)	-	(248 031 764)	(2 937 549 226)	636 171 238
Note(s)	15	15	15					

AYO Technology Solutions Limited

(Registration number 1996/014461/06)

Annual Financial Statements for the year ended 31 August 2024

Statement of Changes in Equity

	Share capital	Share premium	Total share capital	Share repurchase reserve	Share based payment reserve	Total
--	---------------	---------------	---------------------	--------------------------	-----------------------------	-------

Figures in Rand

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.

AYO Technology Solutions Limited

(Registration number 1996/014461/06)

Annual Financial Statements for the year ended 31 August 2024

Statement of Cash Flows

Figures in Rand	Note(s)	2024	2023
Cash flows from operating activities			
Cash used in operations	27	(48 435 119)	(264 236 315)
Interest income	24	3 871 782	23 872 901
Dividends received	24	8 968 714	14 395 811
Finance costs	25	(241 190)	(4 632 272)
Tax paid	28	(5 407 458)	(12 000 000)
Net cash to operating activities		(41 243 271)	(242 599 875)
Cash flows from investing activities			
Purchase of property, plant and equipment	3	(36 534)	(154 302)
Proceeds from sale of property, plant and equipment	3	-	5 500
Loans to related party repaid	8	24 000 000	15 000 000
Loans advance to related party companies	8	(19 768 125)	(9 750)
Loans receivable repaid		28 659 651	51 742 733
Purchase of Investment at Fair value	11	-	(12 000 000)
Disposal of investments recognised at fair value through profit or loss	13	-	3 100 000
Amounts advanced to acquire other financial assets		(11 600 000)	(986 578)
Amounts repaid from other financial assets		30 306 896	27 591 490
Funds advanced to Trust accounts		-	(624 000 000)
Trust account transfers		-	235 136 607
Funds withdrawn from Trust accounts	24	-	636 206 764
Net cash from investing activities		51 561 888	331 632 464
Cash flows to financing activities			
Share buy back	15	-	(619 299 216)
Lease liabilities repayments		(8 990 149)	(18 328 452)
Dividends paid		(33 712)	(196 774 099)
Net cash to financing activities		(9 023 861)	(834 401 767)
Total cash movement for the year		1 294 756	(745 369 178)
Cash and cash equivalents at the beginning of the year		42 871 204	788 240 382
Cash and cash equivalents at the end of the year	14	44 165 960	42 871 204

AYO Technology Solutions Limited

(Registration number 1996/014461/06)

Annual Financial Statements for the year ended 31 August 2024

Accounting Policies

Corporate information

1. Material accounting policies

Management has considered the principles of materiality in IFRS Practice Statement 2 Making Materiality Judgements, and only those accounting policies which are considered material have been presented in these annual financial statements.

1.1 Basis of preparation

The annual financial statements have been prepared on the going concern basis and in accordance with IFRS® Accounting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) and Interpretations as issued by the IFRS Interpretations Committee (IFRIC), and comply with the South African Institute of Chartered Accountants (SAICA) Financial Reporting Guides as issued by the Accounting Practices Committee (APC), Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council (FRSC) and the requirements of the South African Companies Act, No 71 of 2008, as amended (Companies Act).

The annual financial statements have been prepared on the historical cost basis except for the investment in Subsidiaries and revaluation of certain financial instruments that have been measured at fair value, where applicable. The annual financial statements are presented in South African Rand which is the company's functional currency.

The material accounting policies incorporated in the preparation of these financial statements are set out below, these are consistent with the company unless otherwise indicated. These accounting policies are consistent with the previous year.

1.2 Joint arrangements

A joint arrangement is an arrangement of which two or more parties have joint control. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control. A joint arrangement is either a joint operation or a joint venture.

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement.

Joint ventures

An interest in a joint venture is accounted for using the equity method, except when the investment is classified as held-for-sale in accordance with IFRS 5 Non-current Assets Held for Sale and Discontinued Operations. Under the equity method, interests in joint ventures are carried in the statement of financial position at cost adjusted for post acquisition changes in the company's share of net assets of the joint venture, less any impairment losses.

The company's share of post-acquisition profit or loss is recognised in profit or loss, and its share of movements in other comprehensive income is recognised in other comprehensive income with a corresponding adjustment to the carrying amount of the investment. Losses in a joint venture in excess of the company's interest in that joint venture, including any other unsecured receivables, are recognised only to the extent that the company has incurred a legal or constructive obligation to make payments on behalf of the joint venture.

Profits or losses on transactions between the company and a joint venture are eliminated to the extent of the company's interest therein. Unrealised losses are eliminated unless the transaction provides evidence of an impairment of the asset transferred.

1.3 Significant judgements and sources of estimation uncertainty

The preparation of annual financial statements in conformity with IFRS requires management, from time to time, to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. These estimates and associated assumptions are based on experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Critical judgements in applying accounting policies

The critical judgements made by management in applying accounting policies, apart from those involving estimations, that have the most significant effect on the amounts recognised in the financial statements, are outlined as follows:

AYO Technology Solutions Limited

(Registration number 1996/014461/06)

Annual Financial Statements for the year ended 31 August 2024

Accounting Policies

1.3 Significant judgements and sources of estimation uncertainty (continued)

Entities in which the company holds less than 50% voting rights but does have control

Management have concluded that the Company has control of Main Street 1653 Proprietary limited (40% shareholding) ("Main-Street") and Software Tech Holdings Proprietary Limited (43% shareholding) ("Software Tech") even though the Company holds less than half of the voting rights. The entities are recognised as subsidiaries as the Company has control and power over the investee; it is exposed to or has rights to variable return from involvement with the investee; and it has the ability to use its power over the investee to affect the amount of the investor's return. Management applied judgment in assessing the impact of additional rights granted to the parent Company in the shareholder's agreement in respect of its investment in Main Street and Software Tech.

Entities in which the company holds more than 20% of the voting rights, but does not have significant influence

The Directors have concluded that the Company does not have significant influence over the following companies even though it holds more than 20% of the voting rights:

- Bамbelela Capital Proprietary Limited ("Bамbelela") (32% voting rights);
- 4 Plus Technology Venture Fund Africa Proprietary Limited ("4Plus") (25% voting rights) ; and
- Loot B2B Proprietary Limited ("Loot B2B") (30% voting rights).
- African Innovation Academy Proprietary Limited (25% voting rights).

Refer to note 11.

This is because the Company has no representation on the boards of Bамbelela, African Innovation, Loot B2B, and 4Plus, and does not participate in any financial or operational policy decisions for these entities. Its voting rights offer only limited decision-making authority. As a result, the investment has been accounted for at fair value through profit or loss ("FVTPL") in accordance with IFRS 9.

AYO Technology Solutions Limited

(Registration number 1996/014461/06)

Annual Financial Statements for the year ended 31 August 2024

Accounting Policies

1.3 Significant judgements and sources of estimation uncertainty (continued)

Classification of joint arrangements

Financial assets at fair value through profit or loss

Financial assets are measured at FVTPL at initial recognition if they are acquired principally for the purpose of selling in the short-term, if it forms part of a portfolio of financial assets in which there is evidence of short-term profit making, or, if it is designated in this category to eliminate or significantly reduce an accounting mismatch that would otherwise arise.

For the Company, all financial assets not classified as at amortised cost are measured at fair value through profit or loss.

Key sources of estimation uncertainty

Impairment of financial assets

The impairment provisions for financial assets are based on assumptions about risk of default and expected loss rates. The company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period. For details of the key assumptions and inputs used, refer to the individual notes addressing financial assets.

Models employed in estimating credit losses on the general approach are a combination of models using internal and external data. The company make use of Moody's Analytics RiskCalc SA financial statement Probability of Default (PD) and Loss Given Default (LGD) models, adjusted by management overlays were specific circumstances.

The company uses its historical experience since acquiring the financial asset, external indicators, and forward-looking information to calculate the expected credit losses using a provision matrix. It considers available reasonable and supportive forward-looking information that could be indicative of a deterioration in the counterparty's ability to pay. The company assesses factors such as credit ratings, interest rates, inflation rates and actual/adverse conditions in the industry or changes in value of security held.

AYO Technology Solutions Limited

(Registration number 1996/014461/06)

Annual Financial Statements for the year ended 31 August 2024

Accounting Policies

1.3 Significant judgements and sources of estimation uncertainty (continued)

Fair value estimation

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. The Company uses a variety of methods and makes assumptions that are based on market conditions existing at each reporting date. The use of discounted cash flow analysis requires the estimation of a number of significant components, including the future expected cash flows, and the weighted average cost of capital used to perform the discount. Many of these factors which are listed below may have a material impact on the valuation. Refer to note 34.

Terminal value growth rates

When calculating the terminal value, the Company assumes a long-term growth rate. A growth rate is assumed for each investment after taking into account industry reports on projected growth rates for the sector in which the investment falls under. The growth rate used is 4.5%.

Terminal values

When calculating the terminal value, the Company assumes the level of net capital investment required. This is assumed to be lower than during the specific forecast for high-growth companies. For mature, stable companies net capital investment during the specific forecast period and beyond is assumed to be the same.

Discount rates

Free cash flows are discounted at the investment's weighted average cost of capital (WACC), being the weighted cost of equity as determined using the capital asset pricing model (CAPM) and the weighted after-tax cost of debt and/or any other non-equity form of financing.

Risk-free rate

The risk-free rate utilised is the yield on 10-year government bonds. These yields were obtained from the financial press at the time of preparing the valuations. Where no 10-year SA bonds are in issue, the nearest long-term SA bond rate is used.

Beta

The equally weighted average of the relevant industry betas is used. The betas are calculated over a five-year period (where possible). This is assumed to provide a fair estimate of the Company's recent market price.

Specific risk premium

A specific risk premium was applied in all valuations.

Value of equity

The value of equity will be equal to the free cash flow value of the investment, less the carrying values (at the valuation date) of debt and any other form of financing, plus cash on hand (per the financial position) which is in excess of normal working capital requirements.

Useful lives and residual value of property, plant and equipment

Management assess the appropriateness of the useful lives of property, plant and equipment at the end of each reporting period. The useful lives of furniture IT and computer equipment are determined based on company replacement policies for the various assets. Individual assets within these classes, which have a significant carrying amount are assessed separately to consider whether replacement will be necessary outside of normal replacement parameters. The useful life of manufacturing equipment is assessed annually based on factors including wear and tear, technological obsolescence and usage requirements.

When the estimated useful life of an asset differs from previous estimates, the change is applied prospectively in the determination of the depreciation charge.

AYO Technology Solutions Limited

(Registration number 1996/014461/06)

Annual Financial Statements for the year ended 31 August 2024

Accounting Policies

1.3 Significant judgements and sources of estimation uncertainty (continued)

Classification of Funds in trust

Funds held in attorney trust accounts are deposited in interest-bearing trust call accounts for purposes such as future legal costs and unclaimed dividends. These funds are unrestricted and fully accessible to the company as needed.

In prior periods, these funds were not utilised operationally and were primarily held to earn interest, preserving value for shareholders. As such, management classified them as other receivables within trade and other receivables, reflecting their nature as financial assets held for investment purposes.

At the beginning of the financial year 2024, management exercised significant judgment in reassessing the nature of these funds. Due to their increased operational use, management determined that the funds now meet the criteria for classification as cash and cash equivalents. This reclassification reflects the change in their purpose and liquidity profile.

Refer to note 14

Recognition of deferred tax asset

1. Recognition of Deferred Tax Assets

Deferred tax assets are recognised for unused tax losses, tax credits, and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which these assets can be utilised. The assessment of recoverability is based on management's forecasts of future taxable income, which are prepared for each entity with unutilised assessed tax losses. These forecasts consider current market conditions, historical performance, and other relevant factors.

2. Measurement of Deferred Tax Assets

Deferred tax assets related to unused tax losses are measured at the tax rates that are expected to apply in the periods when the assets are realised. The recoverability of deferred tax assets is reassessed at each reporting date, and adjustments are made to reflect changes in the probability of future taxable profits.

3. Capital Losses and Temporary Differences

Deferred tax assets arising from capital losses are recognised only to the extent that it is probable that future capital gains will be available to offset these losses. This assessment is based on current valuations of investments, expected cash flows, and the likelihood of future disposals. Temporary differences that are expected to reverse in the ordinary course of business are assumed to be recoverable as they unwind.

4. Write-Off of Deferred Tax Assets

This reflects management's judgment, based on available evidence, that these assets are no longer recoverable. The write-off is consistent with the requirements of IAS 12, which prohibits the recognition of deferred tax assets unless there is sufficient certainty of future taxable profits.

5. Key Judgments and Estimates

The recognition and measurement of deferred tax assets involve significant judgment, particularly in assessing the probability of future taxable profits. Management's forecasts and assumptions are subject to inherent uncertainty, and actual outcomes may differ from these estimates. Changes in economic conditions, tax legislation, or the Group's performance could impact the recoverability of deferred tax assets in future periods. To the extent that future cash flows and taxable income differ significantly from estimates, the ability of the Group to realise the net deferred tax assets recorded at the end of the reporting period could be impacted.

Refer to Note 12.

AYO Technology Solutions Limited

(Registration number 1996/014461/06)

Annual Financial Statements for the year ended 31 August 2024

Accounting Policies

1.4 Property, plant and equipment

Property, plant and equipment other than land and buildings are carried at cost less accumulated depreciation and impairment.

PPE are depreciated on a straight-line basis over their expected useful lives to their estimated residual value.

Depreciation commences when the asset is available for use and ceases when the asset is derecognised. The depreciation charge for each period is recognised in the statement of profit or loss. The estimated remaining useful lives, residual values and depreciation methods are reviewed at each reporting date. If the expectations differ from previous estimates, the change is accounted for as a change in accounting estimate on a prospective basis.

Land and buildings are recognised based on the revaluation model. Revaluations are made with sufficient regularity such that the carrying amount does not differ materially from that which would be determined using fair value at the end of the reporting period.

Land is not depreciated.

The useful lives of items of property, plant and equipment have been assessed as follows:

Item	Depreciation method	Average useful life
Furniture and fixtures	Straight line	10 Years
Office equipment	Straight line	3 Years
IT equipment	Straight line	3 Years

Property, plant and equipment is derecognised on disposal or when no future economic benefits are expected through its continued use. Gains or losses which arise on derecognition are included in the statement of profit or loss in the period of derecognition. The gain or loss is calculated as the difference between the net disposal proceeds and the carrying amount of the asset at the date of the disposal. Refer to note 3.

1.5 Investments in subsidiaries

Investments in subsidiaries are carried at fair value with fair value changes recognised in profit or loss.

1.6 Financial instruments

Financial assets

Financial assets are initially recognised when the company becomes a party to the contractual provisions of the instrument.

Initial recognition

On initial recognition, financial assets are classified as financial assets measured at amortised cost or Fair value through profit or loss ("FVTPL"). The classification is determined based on the objectives of the business model within which the financial asset is held and the characteristics of its contractual cash flow.

Trade receivables that are not subject to significant financing components are initially measured at the relevant transaction prices.

Financial assets at amortised cost

Classification of financial assets at amortised cost.

The company classifies its financial assets at amortised cost only if both of the following criteria are met:

- The assets are held to collect the contractual cash flow; and
- The contractual terms give rise to cash flows that are solely payments of principal and interest.

Financial assets classified as at amortised cost include Loans to related party companies (note 8), Trade and other receivables (note 9), Other loans receivable, Other Financial assets (note 13) and Cash and cash equivalents (note 14).

Financial assets at fair value through profit or loss

AYO Technology Solutions Limited

(Registration number 1996/014461/06)

Annual Financial Statements for the year ended 31 August 2024

Accounting Policies

1.6 Financial instruments (continued)

Financial assets are measured at FVTPL at initial recognition if they are acquired principally for the purpose of selling in the short term, if it forms part of a portfolio of financial assets in which there is evidence of short-term profit making, or, if it is designated in this category to eliminate or significantly reduce an accounting mismatch that would otherwise arise. For the company, all financial assets not classified as at amortised cost are measured at fair value through profit or loss.

Financial assets classified at fair value through profit or loss are Investments at fair value through profit or loss and Other financial assets.

Subsequent measurement

Financial assets measured at amortised cost are subsequently measured using the effective interest method, reduced by relevant impairment allowances. Interest income and impairment losses on amortised cost financial assets are recognised in profit or loss.

Changes in the fair value of financial assets at FVTPL are recognised in profit or loss.

The company derecognises financial assets when the rights to receive cash flows from the financial assets have expired or where they have been transferred, and the company has also transferred substantially all risks and rewards of ownership.

Financial assets are presented as non-current assets, except for those with maturities within 12 months from the statement of financial position date, which are classified as current assets.

Refer to note 34 for the company's fair-value measurement methodology regarding financial assets at fair value through profit and loss.

Impairment of financial assets

The company recognises expected credit losses ("ECL") on financial assets measured at amortised cost. The company assesses, on a forward-looking basis, the ECL associated with these financial assets.

The company applies the IFRS 9 simplified approach to measure the expected credit losses which uses a lifetime expected loss allowance for trade receivable and finance lease receivables. The provision matrix was used to determine ECL on these balances.

Models employed in estimating credit losses on the general approach are a combination of models using internal and external data. The Group make use of Moody's Analytics RiskCalc SA financial statement Probability of Default (PD) and Loss Given Default (LGD) models, adjusted by management overlays were specific circumstances.

The company uses its historical experience since acquiring the financial asset, external indicators, and forward-looking information to calculate the expected credit losses using a provision matrix. It considers available reasonable and supportive forward-looking information that could be indicative of a deterioration in the counterparty's ability to pay. The company assesses factors such as credit ratings, interest rates, inflation rates and actual/adverse conditions in the industry or changes in value of security held. Refer to note 9.

Refer to Note 9 for a detailed analysis of how the impairment requirements of IFRS 9 are applied for loans to related party companies, loans receivable and other financial assets.

Definition of default

The company considers a financial asset in default when contractual payments are 90 days past due based on the company's experience on the increased risk of default once a financial asset is over 90 days past due. However, in certain cases, the company may also consider a financial asset to be in default when internal or external information indicates that the company is unlikely to receive the outstanding contractual amounts in full before considering any credit enhancements held by the company. Internally, we analyse debtor-specific financial forecasts based on historical performance and assess current performance against budgeted targets to identify any variances. Externally, we consider trends in interest rates, projections for economic growth in South Africa, and expected inflation rates, all of which can influence market conditions and the debtor's ability to meet obligations.

A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows. Indicators that there is no reasonable expectation of recovery include (i) negative operating cashflows of the counterparty; (ii) trading losses incurred by the counterparty; (iii) the counterparty being in a net liability position and (iv) ceasing enforcement activity.

AYO Technology Solutions Limited

(Registration number 1996/014461/06)

Annual Financial Statements for the year ended 31 August 2024

Accounting Policies

1.6 Financial instruments (continued)

The company still seeks to recover amounts that are legally owed, but which have been partially written off due to no reasonable expectation of full recovery.

ECL for financial assets measured at amortised cost is recognised in profit and loss and accumulated in an allowance account. The gross carrying amount of the financial assets is reduced by the balance of the allowance account. Refer to note 9.

Financial liabilities

Financial liabilities are recognised when the company becomes party to the contractual provisions of the relevant instrument. The company classifies financial liabilities at amortised cost or at fair value through profit or loss. The company's financial liabilities include loans payable, other financial liabilities and trade and other payables.

Trade and other payables, other financial liabilities, loans payable and bank overdraft

Trade and other payables, other financial liabilities, loans payable and bank overdraft are initially measured at fair value, and, where applicable, adjusted for transaction costs.

They are subsequently measured at amortised cost using the effective interest method.

Financial liabilities are classified as non-current if the company has an unconditional right to defer payment for more than 12 months from the reporting date.

Derivatives are measured at fair value through profit and loss, and, where applicable, adjusted for transaction costs. Derivatives are recognised in the statement of financial position at their fair value. Fair value is determined based on market conditions at the reporting date, and any changes in value are recognized in the statement of profit or loss and other comprehensive income for the year ended 31 August 2024.

1.7 Tax

Current tax assets and liabilities

Current tax for current and prior periods is, to the extent unpaid, recognised as a liability. If the amount already paid in respect of current and prior periods exceeds the amount due for those periods, the excess is recognised as an asset.

Current tax liabilities (assets) for the current and prior periods are measured at the amount expected to be paid to (recovered from) the tax authorities, using the tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and liabilities

Deferred tax is recognised by providing for temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the separate financial statements for financial reporting purposes.

Deferred tax is measured at tax rates (and laws) that have been enacted or substantively enacted at the reporting date and are expected to apply to temporary differences when they reverse.

Deferred tax is not provided on temporary differences arising on investments in subsidiaries, associates and joint ventures where the timing of the reversal of the temporary differences is controlled by the Group, and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences (as applicable) to the extent that it is probable that future taxable profits will be available against which the deferred tax assets can be used.

AYO Technology Solutions Limited

(Registration number 1996/014461/06)

Annual Financial Statements for the year ended 31 August 2024

Accounting Policies

1.7 Tax (continued)

Tax expenses

Current and deferred taxes are recognised as income or an expense and included in profit or loss for the period, except to the extent that the tax arises from a transaction or event which is recognised, in the same or a different period, to other comprehensive income, or a business combination.

Current tax and deferred taxes are charged or credited to other comprehensive income if the tax relates to items that are credited or charged, in the same or a different period, to other comprehensive income.

Current tax and deferred taxes are charged or credited directly to equity if the tax relates to items that are credited or charged, in the same or a different period, directly in equity.

1.8 Leases

A contract is, or contains a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

AYO Technology Solutions Limited

(Registration number 1996/014461/06)

Annual Financial Statements for the year ended 31 August 2024

Accounting Policies

1.8 Leases (continued)

Company as lessee

Lease liability

At the commencement date, the Group measures the lease liability at the present value of the lease payments, which are not paid as at that date. The lease payments are discounted using the interest implicit rate if that rate is readily available or the Group uses the incremental borrowing rate. The lease payments include fixed payments. Lease liability is subsequently measured by reducing the liability by lease payments and increasing it by interest expenses. When there is remeasurement, the corresponding adjustment is reflected in the measurement of the right-of-use asset. If the right-of-use asset is at zero profit/loss is recognised. Refer to note 4

The company remeasures the lease liability, when applicable, in accordance with the following table:

Lease liability remeasurement scenario	Lease liability remeasurement methodology
Change to the lease term.	- discounting the revised lease payments using a revised discount rate.
Lease contract has been modified and the lease modification is not accounted for as a separate lease.	- discounting the revised payments using a revised discount rate.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recognised in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Right-of-use assets

Right-of-use assets are presented as a separate line item on the Statement of Financial Position.

Lease payments included in the measurement of the lease liability comprise the following:

- the initial amount of the corresponding lease liability;
- any lease payments made at or before the commencement date;
- any initial direct costs incurred;
- any estimated costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, when the company incurs an obligation to do so, unless these costs are incurred to produce inventories; and
- less any lease incentives received.

Right-of-use assets are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. However, if a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the company expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. Depreciation starts at the commencement date of a lease.

For right-of-use assets which are depreciated over their useful lives, the useful lives are determined consistently with items of the same class of property, plant and equipment. Refer to the accounting policy for property, plant and equipment for details of useful lives.

The depreciation charge for each year is recognised in profit or loss unless it is included in the carrying amount of another asset.

1.9 Derivatives

Derivatives are measured at fair value through profit and loss, and, where applicable, adjusted for transaction costs. Derivatives are recognised in the statement of financial position at their fair value. Fair value is determined based on market conditions at the reporting date, and any changes in value are recognized in the statement of profit or loss and other comprehensive income for the year ended 31 August 2024.

1.10 Impairment of assets

The company assesses at each end of the reporting period whether there is any indication that an asset may be impaired. If any such indication exists, the company estimates the recoverable amount of the asset.

AYO Technology Solutions Limited

(Registration number 1996/014461/06)

Annual Financial Statements for the year ended 31 August 2024

Accounting Policies

1.10 Impairment of assets (continued)

Irrespective of whether there is any indication of impairment, the company also tests intangible assets with an indefinite useful life or intangible assets not yet available for use for impairment annually by comparing its carrying amount with its recoverable amount. This impairment test is performed during the annual period and at the same time every period. Company also tests goodwill acquired in a business combination for impairment annually.

If there is any indication that an asset may be impaired, the recoverable amount is estimated for the individual asset. If it is not possible to estimate the recoverable amount of the individual asset, the recoverable amount of the cash-generating unit to which the asset belongs is determined.

The recoverable amount of an asset or a cash-generating unit is the higher of its fair value less costs to sell and its value in use.

If the recoverable amount of an asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. That reduction is an impairment loss.

An impairment loss of assets carried at cost less any accumulated depreciation or amortisation is recognised immediately in profit or loss. Any impairment loss of a revalued asset is treated as a revaluation decrease.

An entity assesses at each reporting date whether there is any indication that an impairment loss recognised in prior periods for assets other than goodwill may no longer exist or may have decreased. If any such indication exists, the recoverable amounts of those assets are estimated.

The increased carrying amount of an asset other than goodwill attributable to a reversal of an impairment loss does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior periods.

A reversal of an impairment loss of assets carried at cost less accumulated depreciation or amortisation other than goodwill is recognised immediately in profit or loss. Any reversal of an impairment loss of a revalued asset is treated as a revaluation increase.

1.11 Share capital and equity

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities.

If the company reacquires its own equity instruments, the consideration paid, including any directly attributable incremental costs (net of income taxes) on those instruments are deducted from equity until the shares are cancelled or reissued. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the company's own equity instruments. Consideration paid or received shall be recognised directly in equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Ordinary shares are recognised at par value and classified as 'share capital' in equity. Any amounts received from the issue of shares in excess of par value is classified as 'share premium' in equity.

1.12 Employee benefits

Short-term employee benefits

Retirement benefits

The company provides retirement benefits to its full-time employees, primarily by means of monthly contributions to defined contribution provident funds. The company's contributions to retirement funds are recognised as an expense in the period in which employees render the related service.

Employee leave entitlement

The accrual is made for the estimated liability to the employees for annual leave up to the reporting date. The accrual is made for accumulated leave on the cost-to-company basis.

Bonus plans

The company recognised a liability and an expense for bonuses where contractually obliged or where there is a past practice that has created a constructive obligation.

AYO Technology Solutions Limited

(Registration number 1996/014461/06)

Annual Financial Statements for the year ended 31 August 2024

Accounting Policies

1.13 Provisions and contingencies

Provisions are recognised when:

- the company has a present obligation as a result of a past event;
- it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and
- a reliable estimate can be made of the obligation.

The amount of a provision is the present value of the expenditure expected to be required to settle the obligation.

Provisions are not recognised for future operating losses.

Contingent assets and contingent liabilities are not recognised.

1.14 Revenue from contracts with customers

The company recognises revenue from management income and dividend income as the major source.

Revenue is measured net of value added tax, based on the amount the Company expects to be entitled to in exchange for services transferred as per the contract with the customer.

Revenue recognition for the Company's major revenue streams comes from Management fee. Management fee is recognised as the customer simultaneously receives and consumes the benefit of the management services provided.

1.15 Borrowing costs

All borrowing costs are recognised as an expense in the period in which they are incurred.

1.16 Other income

Interest revenue comprises of interest earned on bank accounts and interest earned on loans receivable. Interest revenue is recognised, in profit or loss, using the effective interest rate method.

Dividend income is recognised when the Company's rights to receive payment are established.

1.17 Dividends

Dividends payable and the related tax are recognised as liabilities in the period in which the dividends are declared.

Notes to the Annual Financial Statements

Figures in Rand

2024

2023

2. New Standards and Interpretations

2.1 Standards and interpretations effective and adopted in the current year

During the period, the Company implemented the amendments to IAS 1: 'Presentation of financial statements', IAS 8: 'Accounting policies, changes in accounting estimates and errors' (amendment in the definition of material) and IAS 12 Deferred tax in relation to assets and liabilities arising from a single transaction. The application of the aforementioned amendments has had no material impact on the financial statements.

2.2 Standards and interpretations not yet effective

Management is in the process of assessing the impact of these standards, interpretations and amendments on the results of the Company. These standards are not expected to have a material impact on the Company in the future reporting periods and on foreseeable future transactions.

Certain amendments to accounting standards have been published that are not mandatory for 31 August 2024 reporting period and have not been early adopted by the Company. The amendments are not expected to materially impact the Company.

AYO Technology Solutions Limited

(Registration number 1996/014461/06)

Annual Financial Statements for the year ended 31 August 2024

Notes to the Annual Financial Statements

Figures in Rand

2024

2023

3. Property, plant and equipment

	2024			2023		
	Cost or revaluation	Accumulated depreciation	Carrying value	Cost or revaluation	Accumulated depreciation	Carrying value
Furniture and fixtures	1 981 011	(1 178 086)	802 925	1 981 011	(979 985)	1 001 026
Office equipment	1 299 774	(1 298 752)	1 022	1 299 774	(1 225 302)	74 472
IT equipment	1 985 134	(1 831 691)	153 443	1 948 600	(1 529 036)	419 564
Total	5 265 919	(4 308 529)	957 390	5 229 385	(3 734 323)	1 495 062

Reconciliation of property, plant and equipment - 2024

	Opening balance	Additions	Depreciation	Total
Furniture and fixtures	1 001 026	-	(198 101)	802 925
Office equipment	74 472	-	(73 450)	1 022
IT equipment	419 564	36 534	(302 655)	153 443
	1 495 062	36 534	(574 206)	957 390

Reconciliation of property, plant and equipment - 2023

	Opening balance	Additions	Depreciation	Total
Furniture and fixtures	1 203 724	-	(202 698)	1 001 026
Office equipment	175 179	-	(100 707)	74 472
IT equipment	772 854	154 302	(507 592)	419 564
	2 151 757	154 302	(810 997)	1 495 062

Property, plant and equipment encumbered as security

Property, plant and equipment is not pledged as security for liabilities.

AYO Technology Solutions Limited

(Registration number 1996/014461/06)

Annual Financial Statements for the year ended 31 August 2024

Notes to the Annual Financial Statements

4. Leases

Details pertaining to leasing arrangements, where the company is lessee are presented below:

	2024		
	Cost or revaluation	Accumulated depreciation	Carrying value
Buildings	32 912 948	(32 912 948)	-

	2023		
	Cost or revaluation	Accumulated depreciation	Carrying value
Buildings	33 870 813	(25 131 536)	8 739 277

Depreciation recognised on right-of-use assets

Depreciation recognised on each class of right-of-use assets, is presented below. It includes depreciation which has been expensed in the total depreciation charge in profit or loss (note 23), as well as depreciation which has been capitalised to the cost of other assets.

Buildings	8 100 701	20 309 118
-----------	-----------	------------

Other disclosures

Interest expense on lease liabilities	229 010	4 632 272
---------------------------------------	---------	-----------

Lease liabilities

The maturity analysis of lease liabilities is as follows:

Within one year	-	9 231 792
Two to five years	-	375 833
	-	9 607 625
Less finance charges component	-	(146 879)
	-	9 460 746
Non-current liabilities	-	375 833
Current liabilities	-	9 084 913
	-	9 460 746

In the current year the company did not have any leases as lease contracts were cancelled as part of cost cutting initiatives. The company no longer has any lease liabilities and right of use assets.

AYO Technology Solutions Limited

(Registration number 1996/014461/06)

Annual Financial Statements for the year ended 31 August 2024

Notes to the Annual Financial Statements

5. Interests in subsidiaries

Name of subsidiary	% holding 2024	% holding 2023	Carrying amount 2024	Carrying amount 2023
Sekunjalo Medical Services Proprietary Limited	100,00 %	100,00 %	79 652 681	118 225 657
Software Tech Holdings Proprietary Limited	42,59 %	42,59 %	2 941 918	6 613 188
Main Street 1653 Proprietary Limited	40,00 %	40,00 %	46 314 905	53 015 081
Zaloserve Proprietary Limited	55,50 %	55,50 %	60 131 132	65 025 622
NSX Solutions Consulting Proprietary Limited	100,00 %	100,00 %	-	-
AYO International Holdings Proprietary Limited	100,00 %	100,00 %	-	-
Kalula Communications Proprietary Limited	76,00 %	76,00 %	42 239 204	36 095 750
Kathea Communication Solutions Proprietary Limited	100,00 %	100,00 %	64 161 761	149 552 284
			<u>295 441 601</u>	<u>428 527 582</u>

Subsidiaries with material non-controlling interests

All subsidiaries with the exception of AYO International Holdings Proprietary Limited ("AIH") are incorporated in South Africa and the place of business is in South Africa. AIH is incorporated in Mauritius and its place of business is in Mauritius.

AYO Technology Solutions Limited

(Registration number 1996/014461/06)

Annual Financial Statements for the year ended 31 August 2024

Notes to the Annual Financial Statements

6. Joint arrangements

Joint ventures

Vunani FinTech Fund is a jointly-controlled entity which was formed to invest in disruptive financial services technology as part of AYO's (go to market) strategy. Vunani FinTech Fund is jointly managed by AYO, Bамbelela and Vunani Capital.

Summarised financial information of material joint ventures

Vunani Fintech Fund Proprietary Limited	Ownership interest 2024	Ownership interest 2023	Carrying amount 2024	Carrying amount 2023
	50%	50%	40 896 992	59 463 827

Summarised Statement of Profit or Loss and Other Comprehensive Income

	Vunani Fintech Fund	
	2024	2023
Fair value gains on investments	3 002 005	7 079 919
Interest income	442 559	858 819
Other expenses	(2 556 531)	(2 034 775)
Interest expense	(37 372 988)	(30 473 795)
Profit before tax	(36 484 955)	(24 569 832)
Tax expense	(648 716)	(1 529 263)
Profit (loss) from continuing operations	(37 133 671)	(26 099 095)
Total comprehensive income	(37 133 671)	(26 099 095)
Share of the total comprehensive loss		

Summarised Statement of Financial Position

	Vunani Fintech Fund	
	2024	2023
Assets		
Loans to group companies	23 190 922	4 032 450
Investment at fair value through profit or loss	402 007 035	432 907 821
	425 197 957	436 940 271
Current		
Trade and other receivables	2 522	575 000
Loans to group companies	2 737 066	4 332 977
Cash and cash equivalents	1 552 228	551 238
Total current assets	4 291 816	5 459 215
Liabilities		
Non-current		
Loan from shareholder	148 725 174	129 674 427
Deferred tax liability	51 643 244	53 539 793
Total non-current liabilities	200 368 418	183 214 220
Current		
Current financial liabilities (excluding trade payables)	165 631 965	147 309 724
Trade payables	606 037	460 928
Total current liabilities	166 238 002	147 770 652

AYO Technology Solutions Limited

(Registration number 1996/014461/06)

Annual Financial Statements for the year ended 31 August 2024

Notes to the Annual Financial Statements

6. Joint arrangements (continued)

Total net assets	(362 314 604)	(325 525 657)
Share of net assets	(181 157 302)	(162 762 829)

Reconciliation of net assets to equity accounted investments in joint ventures

Opening balance	59 463 827	72 513 375
Cumulative unrecognised losses	(18 566 835)	(13 049 548)

Carrying value of investment in joint venture	40 896 992	59 463 827
--	-------------------	-------------------

Investment at beginning of period	59 463 827	72 513 375
Share of profit	(18 566 835)	(13 049 548)

Investment at end of period	40 896 992	59 463 827
------------------------------------	-------------------	-------------------

The summarised information presented above reflects the financial statements of the joint venture after adjusting for differences in accounting policies between the company and the joint venture.

AYO Technology Solutions Limited

(Registration number 1996/014461/06)

Annual Financial Statements for the year ended 31 August 2024

Notes to the Annual Financial Statements

7. Investments in associates

The following table lists all of the associates in the company:

Name of Associates	% ownership interest 2024	% ownership interest 2023	Carrying amount 2024	Carrying amount 2023
Global Command and Communication Technologies Pty Ltd ("GCCT")	24 %	24 %	1 313 692	530 148
Crealpha (Pty) Ltd	30 %	30 %	117 496	156 922
			<hr/>	<hr/>
			1 313 692	530 148
			<hr/>	<hr/>
			1 431 188	687 070
			<hr/>	<hr/>

AYO Technology Solutions Limited

(Registration number 1996/014461/06)

Annual Financial Statements for the year ended 31 August 2024

Notes to the Annual Financial Statements

7. Investments in associates (continued)

Summarised financial information of associates

2024

Summarised statement of profit or loss and other comprehensive income	Revenue	Profit (loss) from continuing operations	Total comprehensive income
Global Command and Communication Technologies Pty Ltd ("GCCT")	101 505 285	3 264 805	3 264 805
Crealpha (Pty) Ltd	-	(131 420)	(131 420)
	101 505 285	3 133 385	3 133 385

Summarised statement of financial position	Non-current assets	Current assets	Non-current liabilities	Current liabilities	Total net liabilities
Global Command and Communication Technologies Pty Ltd ("GCCT")	14 870 569	68 174 546	61 861 472	56 090 028	(34 906 385)
Crealpha (Pty) Ltd	8 536 995	22 036 230	30 000 000	107 176	466 049
	23 407 564	90 210 776	91 861 472	56 197 204	(34 440 336)

Reconciliation of net assets to equity accounted investments in associates	Total net assets	Interest in associate at % ownership	Investment in associate
Global Command and Communication Technologies Pty Ltd ("GCCT")	(34 906 385)	(8 377 533)	(8 377 533)
Crealpha (Pty) Ltd	466 049	139 815	139 815
	(34 440 336)	(8 237 718)	(8 237 718)

Reconciliation of movement in investments in associates	Investment at beginning of 2024	Share of profit	Investment at end of 2024
Global Command and Communication Technologies Pty Ltd ("GCCT")	530 148	783 553	1 313 701
Crealpha (Pty) Ltd	156 922	(39 426)	117 496
	687 070	744 127	1 431 197

2023

Summarised statement of profit or loss and other comprehensive income	Revenue	Profit (loss) from continuing operations	Total comprehensive income
Global Command and Communication Technologies Pty Ltd ("GCCT")	95 582 768	1 462 334	1 462 334
Crealpha (Pty) Ltd	-	1 852 576	1 852 576
	95 582 768	3 314 910	3 314 910

Summarised statement of financial position	Non-current assets	Current assets	Non-current liabilities	Current liabilities	Total net liabilities
Global Command and Communication Technologies Pty Ltd ("GCCT")	17 842 245	63 471 894	3 035 457	116 449 872	(38 171 190)
Crealpha (Pty) Ltd	8 096 833	21 128 297	30 000 000	809 509	(1 584 379)
	25 939 078	84 600 191	33 035 457	117 259 381	(39 755 569)

Reconciliation of net assets to equity accounted investments in associates	Total net assets	Interest in associate at % ownership	Investment in associate

AYO Technology Solutions Limited

(Registration number 1996/014461/06)

Annual Financial Statements for the year ended 31 August 2024

Notes to the Annual Financial Statements

7. Investments in associates (continued)

Global Command and Communication Technologies Pty Ltd ("GCCT")	(38 171 190)	(9 161 086)	(9 161 086)
Crealpha (Pty) Ltd	(1 584 379)	(475 314)	(475 314)
	(39 755 569)	(9 636 400)	(9 636 400)

Reconciliation of movement in investments in associates

	Investment at beginning of 2023	Share of profit	Investment at end of 2023
Global Command and Communication Technologies Pty Ltd ("GCCT")	179 188	350 960	530 148
Crealpha (Pty) Ltd	-	156 922	156 922
	179 188	507 882	687 070

8. Loans to related party companies

Loans to group companies are presented at amortised cost, which is net of loss allowance, as follows:

Subsidiaries

Sizwe Africa IT Group (Pty) Ltd The loan bears interest at the prime rate and is repayable on or before 31 July 2025.	4 585 061	-
Mainstreet 1653 Proprietary Limited The loan bears interest at the prime rate plus 2% and is repayable on 28 February 2024. Interest accrued on the loan is payable semi-annually. Interest of R7.2 million (2023: R5.8 million) accrued. The loan is secured by a cession of AEEI shares in Main Street 1653 Proprietary Limited. The loan is fully impaired in the current year.	-	48 748 303
AYO International Holdings The loan bears interest at 4% per annum and is repayable on 31 August 2024. The loan is fully impaired in the current year.	-	14 296 272
AYO International Holdings The loan is unsecured, bears interest at 4% per annum and is fully impaired in the current year	-	493 052
Kalula Loan 1 The loan is unsecured, bears interest at the prime rate and is repayable on 2 December 2024.	6 338 152	4 582 977
Kalula Loan 2 The loan bears interest at the prime rate plus 2% and is repayable on 2 December 2024. The loan is secured by trading stock of Kalula with a carrying value of R60 million (2023: R28million).	17 598 953	12 327 880
Kalula Loan 3 The loan is unsecured, bears interest at the prime rate and is repayable on 25 June 2025.	1 969 265	1 598 672
Kalula Loan 4 The loan bears no interest, however, AYO is entitled to interest accrued on cash balances held by Kalula related to the loan. The loan is due for repayment. The loan is secured by trading stock of Kalula with a carrying value of R60 million (2023: R28 million).	31 527 154	25 642 209

62 018 585	107 689 365
-------------------	--------------------

AYO Technology Solutions Limited

(Registration number 1996/014461/06)

Annual Financial Statements for the year ended 31 August 2024

Notes to the Annual Financial Statements

8. Loans to related party companies (continued)

The current year interest on the Kalula loan 1 is R0.7 million (2023: R0.6 million) and the impairment is R0.02 million (2023: R0.6 million)

The current year interest on the Kalula loan 2 is R2.3 million (2023: R1.8 million) and the impairment is R0.05 million (2023: R1.5 million)

The current year interest on the Kalula loan 3 is R0.2 million (2023: R0.2 million) and the impairment is R0.005 million (2023: R0.2 million)

The current year interest on the Kalula loan 4 is R0.0005 million (2023: R0.0004) and the impairment is R0.5 million (2023: R3.1 million)

The current year interest on the Sizwe loan is R0.07 million (2023: Rnil) and the impairment is R0.3 (2023: Rnil)

Joint ventures

Loan 1: Vunani Fintech Fund (Pty) Ltd	91 092 551	147 317 294
The loan is unsecured, bears interest at the prime rate and the loan is repayable on 28 March 2024. The gross carrying amount of the loan is R165.8m (2023:147.3m).		

Loan 2: Vunani Fintech Fund (Pty) Ltd	81 794 159	129 681 294
The loan is unsecured, bears interest at the prime rate plus 2%. R35 million of the loan is repayable on 14 October 2025, R15 million is repayable on 19 April 2026, R39.2 million is repayable on 1 June 2026 and R10.8 million is repayable on 4 April 2027. The gross carrying amount of the loan is R148.7m (2023:129.7m).		

172 886 710	276 998 588
--------------------	--------------------

The current year interest on the VFF loan 1 is R18.3 million (2023: R15.0 million) and the impairment is R74.5 million (2023: Rnil)

The current year interest on the VFF loan 2 is R19.1 million (2023: R15.5 million) and the impairment is R67.0 million (2023: Rnil)

The current year combined interest on the VFF loan is R37.4 million (2023: R30.4 million) and the impairment is R141.5 million (2023: Rnil)

Associates

Loan 1: GCCT	16 991 409	29 706 823
The loan bears interest at the prime rate plus 2% and is repayable on 28 February 2024. Interest accrued on the loan is payable semi-annually. The Gross amount of the loan is R45.4 million. R7.5 million was repaid in the current year (2023: Rnil).		

Loan 2: GCCT	33 637 815	38 470 839
The loan bears interest at the prime rate and due for repayment. The loan is secured by the current assets of GCCT with a carrying amount of R68.1 million (2023: R63.4 million) and non-current assets of GCCT with a carrying amount of R14.8 million (2023: R17.8 million) as at 31 August 2023. The carrying amounts of the assets secured are measured in accordance with the applicable IFRS standard and none of these assets were revalued in the current year. The Gross amount of the loan is R32.9m.		

Loan 3: GCCT	22 997 824	27 896 254
The loan is unsecured, bears interest at the prime rate. The loan repayment date is 31 November 2023. The Gross amount of the loan is R45.4m.		

AYO Technology Solutions Limited

(Registration number 1996/014461/06)

Annual Financial Statements for the year ended 31 August 2024

Notes to the Annual Financial Statements

8. Loans to related party companies (continued)

Loan 4: GCCT - 3 993 548

The loans are unsecured, bear interest at the prime rate and the loans are repayable as follows:

A total of R4.3 million no later than 31 August 2023.

A total of R4.5 million no later than 31 August 2023.

A total of R4.8 million no later than 28 February 2023.

A total of R3.8 million no later than 31 May 2023.

The outstanding balance inclusive of interest will be repaid no later than 31 December 2023. This was settled in the current year.

Crealpha (Pty) Ltd - 27 258 416

The loan is unsecured, has no fixed repayment terms. The loan bears no interest for the first three years from the date of draw down and thereafter shall bear interest at the prime rate. The gross amount of the loan is R32.8m (2023: R27.4m). The loan was fully impaired in the current year.

73 627 048	127 325 880
-------------------	--------------------

The current year interest on the GCCT loan 1 is R4.1 million (2023: R2.5 million) and the impairment is R9.1 million (2023: R1.5 million)

The current year interest on the GCCT loan 2 is R5.0 million (2023: R6.9 million) and the impairment is R11.7 million (2023: R1.9 million)

The current year interest on the GCCT loan 3 is R3.6 million (2023: R2.99 million) and the impairment is R8.5 million (2023: R1.4 million)

Split between non-current and current portions

Non-current assets	91 092 551	145 008 634
Current assets	215 517 548	375 210 284
	306 610 099	520 218 918

Fair value of group loans receivable

Current interest rates are variable and average between 11.75% and 13.75% (2023: between 11% and 13.75%). The carrying amount of loans to related parties is considered to be a reasonable approximation of the fair value as interest is charged at market rates.

Refer to note 9 for the detail on the estimated credit losses (ECL).

AYO Technology Solutions Limited

(Registration number 1996/014461/06)

Annual Financial Statements for the year ended 31 August 2024

Notes to the Annual Financial Statements

Figures in Rand	2024	2023
9. Loans receivable		
Loans receivable are presented at amortised cost, which is net of loss allowance, as follows:		
Cumulative preference shares – 4Plus	-	58 055 547
On 9 April 2020, AYO subscribed for 1 500 cumulative, redeemable, non-participating convertible preference shares of no par value ("preference shares") in 4Plus for consideration of R15 million and on 4 May 2020, AYO subscribed for a further 1 500 cumulative, redeemable, non-participating preference shares in 4Plus for consideration of R15 million. On 21 December 2021 and 2 February 2022, AYO subscribed for 500 preference shares in 4Plus for a consideration of R5 million each. On 6 April 2022 AYO subscribed for 2000 preference shares for a consideration of R20 million. At 31 August 2022, AYO holds 6 000 cumulative, redeemable, non-participating convertible preference shares of no par value in 4Plus. The preference shares are redeemable on 9 April 2027, 4 May 2027, 21 December 2028, 2 February 2029 and 6 April 2029 respectively. AYO has the right to convert the preference shares into ordinary shares equal to the redemption amount of redemption date. Interest is accrued at prime rate plus 2%. These were fully impaired in the current year as loan is assessed to be in stage 3 (credit impaired). The Gross amount is 110 million.		
Preference Shares - Bamblela	112 389 144	116 212 327
On 28 September 2018, AYO subscribed for 500 000 cumulative, redeemable, non-participating convertible class C preference shares of no par value in Bamblela for consideration of R145 million. The preference shares are redeemable on 31 March 2025. AYO has the right to convert the preference shares into ordinary shares equal to the redemption amount of redemption date. Interest is accrued at variable prime rate multiplied by adjustment rate at 72%. R11.2 million was repaid in the current year (2023: R36.7 million). The Gross amount is 115 million.		
Preference shares - Dinaledi Technologies Proprietary Limited ("Dinaledi")	11 216 390	12 534 567
On 1 November 2021, AYO subscribed for 50 cumulative and redeemable preference shares of no par value in Dinaledi valued at R20 million. The preference shares are redeemable on the 10th anniversary from subscription date. Interest is accrued at the designated coupon rate. The Gross amount is 22 million.		
Loan - Fueltech Solutions (Pty) Ltd	-	18 861 851
The loan is unsecured. The loan is interest-free for the first two years, thereafter interest is charged at the prime rate. The loan is repayable on 27 May 2032. The loan was fully repaid in the current year.		
	123 605 534	205 664 292

AYO Technology Solutions Limited

(Registration number 1996/014461/06)

Annual Financial Statements for the year ended 31 August 2024

Notes to the Annual Financial Statements

Figures in Rand

2024

2023

9. Loans receivable (continued)

Stages definitions:

Stage 1 loans are performing loans where there has been no significant increase in credit risk. If a loan is in Stage 1, a one-year ECL is applied.

Where there has been a significant increase in credit risk, a loan is regarded as being in Stage 2 and a lifetime ECL is applied. If we are unable to assess the credit risk at the loan's inception then there is insufficient basis to determine whether there has been a significant increase in credit risk and in this case we have used management's assessment of the staging of the loan and noted this fact.

Where there is objective evidence of an impairment then the loan is regarded as credit impaired and included in Stage 3 and a lifetime ECL is applied. No interest should be accrued on the loan.

Where any loan has been impaired in full, we have not performed any re-measurements on them.

Forward looking/macro-economic information

Three macro-economic scenarios (base, optimistic and down-turn) have been defined based on the expectation of future macro-economic conditions. A probability percentage is assigned to each scenario based on management's expectations.

The forecasts are used to adjust the probability of default "PD" and loss given default "LGD" used in the model to ensure these components are reflective of expected future macro-economic conditions.

The company has identified the interest rates, the expected economic growth rate in South Africa as well as the inflation rate, to be the most relevant macro-economic factors. We also review the forecasted future performance of specific industries that our debtors trade in.

Other loans receivable:

Loans receivables includes borrowings to entities that are non-related to the Group, it also includes redeemable cumulative preference shares.

Some of the loans receivable had a significant increase in credit risk which resulted in expected credit loss being recognised by company. The below loans receivables were impaired due to significant doubt on the recoverability of the debt:

Cumulative preference shares – Bamblela Capital Proprietary Limited ("Bamblela")

An impairment of R2.7 million was raised against the preference shares in the current year. Interest earned in the current year is R9.96 million (2023: R9.4 million) and a repayment of R11.2 million (2023: Nil).

Cumulative preference shares – 4Plus Technology Venture Fund Africa Proprietary Limited ("4Plus")

The 4 Plus Pref Shares were fully impaired in the current year. Interest earned in the current year is R12.3 million (2023: R20.1 million).

Preference shares – Dinaledi Technologies Proprietary Limited ("Dinaledi")

An impairment of R2.0 million (2023: R3.3 million) was raised against the preference shares in the current year. The total accumulated impairment on the loan is R10.8 million (2023: R8.7 million). Interest income earned in the current year was R0.7 million (2023: R0.7 million)..

Split between non-current and current portions

Non-current assets	11 216 389	196 969 636
Current assets	112 389 145	8 694 657
	123 605 534	205 664 293

2024	Stage 1 Performing	Stage 2 Under- performing	Stage 3 Non- performing	Total
Other loans receivable	-	136 967 231	395 076 235	532 043 466
Loans to related party companies	-	483 322 119	126 857 259	610 179 378

AYO Technology Solutions Limited

(Registration number 1996/014461/06)

Annual Financial Statements for the year ended 31 August 2024

Notes to the Annual Financial Statements

Figures in Rand			2024	2023
9. Loans receivable (continued)				
Other financial assets	345 337	-	12 600 000	12 945 337
Gross Amount	345 337	620 289 350	534 533 494	155 168 181
Expected credit loss rate %				
Other loans receivable	-	9	100	-
Loans to related party companies	-	36	100	-
Expected credit loss				
Other loans receivable	-	(13 361 875)	(395 076 235)	(408 438 110)
Loans to related party companies	-	(176 459 348)	(126 857 259)	(303 569 279)
Other financial assets	-	-	(12 600 000)	(12 600 000)
Carrying value of loans with expected credit losses				
Other loans receivable	-	123 605 534	-	-
Loans to related party companies	-	306 862 771	-	-
Other financial assets	345 336	-	-	-
	-	-	-	-
2023	Stage 1: Performing	Stage 2: Under-performing	Stage 3: Non-performing	Total
Other loans receivables	116 212 326	140 742 042	279 624 041	536 578 409
Loans to related party companies	340 536 216	194 634 493	12 168 865	547 339 574
Other financial assets	460 961	1 000 000	-	1 460 961
Gross Amount	457 209 503	336 376 535	291 792 906	085 378 944
Expected credit loss rate %				
Other loans receivables	-	36	100	76
Loans to related party companies	-	12	35	49
Expected credit loss				
Other loans receivables	-	(51 290 077)	(279 624 041)	(330 914 118)
Loans to related party companies	-	(22 843 032)	(4 277 623)	(27 120 655)
Carrying value of loans with expected credit losses				
Other loans receivables	116 212 326	89 451 965	-	205 664 291
Loans to related party companies	340 536 216	171 791 461	7 891 242	520 218 919
	460 961	1 000 000	-	1 460 961

The significant change in the ECL rate is attributable to a combination of the Gross carrying amount of the loan moving from one stage to another, increased credit risk on loans that are not making repayments

Methodology for calculating Expected Credit Losses

The methods for calculating Expected Credit Losses for each financial asset type depends on the underlying assets and their properties. Sometimes several techniques and models may be used within a single asset class. Calculation methods and models may differ from company to company based on the types of assets in each category.

AYO Technology Solutions Limited

(Registration number 1996/014461/06)

Annual Financial Statements for the year ended 31 August 2024

Notes to the Annual Financial Statements

Figures in Rand

2024

2023

9. Loans receivable (continued)

Category	Type of credit loss model used*
Other loans receivable and Loans to related party companies	Moody's Analytics "RiskCalc" SA financial statement PD (Probability of Default) and LGD (Loss Given Default) model and data. Estimated ratings and LGD's have been applied to certain assets.

Adjusted for items such as implied group support. Where the counterparty is an investment holding company, the PD and LGD measurement may be applied to operating subsidiaries that generate the cash flow for the counterparty.

Calculated through-the-cycle loss rates are converted into point-in-time (PIT) losses and then into ECL percentages using Moody's Analytics ImpairmentCalc product and their GCorr economic forecasts and scenarios.

Basis of valuation

The loans receivables were valued based on the risk of the counterparty under the general approach.

Loan terms

Loans with fixed terms

Where a loan has a fixed term, this term is applied to the calculation of the ECL and a 1 year or lifetime ECL is applied depending on the staging of the loan.

Loans repayable on demand

Where a loan is repayable on demand, an assessment is made of the debtor's ability to repay if demand for immediate repayment was made. If there are:

Sufficient cash and near cash investments to make repayment, it is assumed that the risk is negligible and no ECL is raised.

Insufficient cash resources, or a restriction on repayment is imposed by sub-ordination, covenants or any other reason, the term of a loan is estimated by assessing how long it will take to repay in the normal course of business with reference to the cash flow of the debtor entity.

The cash flow is estimated using the most recent financial year's financial statements or management accounts. We use a Debt Service Cover ratio calculation to estimate the available cash flow and assume that this can be used to repay the loan. Where the cash flow is negative or very low, we assume a repayment period based on management's strategic plans for the business.

In the absence of any defined refinancing plans that indicate otherwise, we have assumed a maximum term of 5 years for the loans in line with the general funding cycle of the business.

The ECL is calculated over the term of the loan.

Loans with no fixed terms of repayment

Loans with no fixed terms of repayment have been treated as repayable on demand regardless of the stated intention of management regarding repayment of the loan.

Interest rates

The interest rates used are the stated rates of each loan. ECL calculations include the interest rate of each loan.

Methodology

Measurement of PD and LGD

AYO Technology Solutions Limited

(Registration number 1996/014461/06)

Annual Financial Statements for the year ended 31 August 2024

Notes to the Annual Financial Statements

Figures in Rand	2024	2023
-----------------	------	------

9. Loans receivable (continued)

The PD's and LGD's were measured using Moody's Analytics RiskCalc. These are historical through the-cycle PD and LGD measures.

Investment holding companies

Where the nature of the counterparty is an investment holding company holding shares for the purposes of long-term investment, we have looked at the underlying investments to determine the risk. If the investments are controlling interests, we assumed that the holding company has access to the cash flow generated by the underlying investments due to its ability to control the dividend policy. We thus based the measurement of the PD and LGD on the consolidated entity (the investment holding company and its subsidiaries) or where there is a single investment and no consolidated financial statements are prepared, we have based the PD on that of the underlying investment and the LGD on the underlying investment, adjusted by cash and other assets or liabilities of the investment holding company. The PD's and LGD's are measured by Moody's Analytics RiskCalc. Where the investments are non-controlling, the approach has been adapted to consider the cash flows received by the investment holding company via dividends and the sustainability of these dividends based on the risk of the underlying investments.

Investment companies

Where the nature of the counterparty is one that has investments in assets that can be easily realised at an objective market value, the PD is derived by RiskCalc. The LGD is based on the value of the assets. Where an asset is real estate, the property valuation (as per the financial statements or management's valuation) is used with the application of a haircut to take into account the recovery rates typically achieved by the South African banking industry for the relevant property class. Where the breakup value exceeds the total liabilities by a small margin, this implies an LGD to be 0%. It is common practice by banks, to set a theoretical zero LGD to a minimum level of 5% in similar circumstances.

Figures in Rand	2024			2023		
	Other financial assets	Loans to related party	Other loans receivable	Other financial assets	Loans to related party	Other loans receivable
Opening balance	-	(27 120 655)	(330 914 118)	-	-	(152 352 000)
ECL movement relating to new credit advanced	(11 600 000)	-	-	-	-	-
Subtotal	(11 600 000)	(27 120 655)	(330 914 118)	-	-	(152 352 000)
Changes in models and parameters	(1 000 000)	(276 448 624)	(77 523 992)	-	(27 120 655)	(178 562 118)
	(12 600 000)	(303 569 279)	(408 438 110)	-	(27 120 655)	(330 914 118)

AYO Technology Solutions Limited

(Registration number 1996/014461/06)

Annual Financial Statements for the year ended 31 August 2024

Notes to the Annual Financial Statements

Figures in Rand	2024	2023
10. Trade and other receivables		
Financial instruments:		
Trade receivables	16 150 322	18 189 861
Loss allowance	(5 689 316)	(5 087 315)
Trade receivables at amortised cost	10 461 006	13 102 546
Trade Receivable-Related parties	53 401 512	68 796 591
Provision for impairment of related party receivables	(14 081 477)	(14 081 477)
Deposits	13 772 960	16 567 044
*NSX Receivable	121 262 240	121 979 884
Provision for impairment of NSX receivables	(58 791 952)	(53 743 995)
Trust Funds	-	89 589 826
Accrued Income	-	266 122
Non-financial instruments:		
VAT	-	26 148 150
Prepayments	9 293 152	14 862 346
Provision for impairment of prepayments	(9 040 887)	(9 040 887)
Total trade and other receivables	126 276 554	274 446 150

Provisions for impairment of prepayments

Due to the uncertainty of the going concern and business operations of a related party who was prepaid to provide a service, management raised a provision against the prepayment.

Provisions for expected credit loss on related party receivables

A provision for expected credit losses was recognised for related party receivables due to doubt over recoverability of the receivables as a result of poor forecasted trading performance of the related parties.

Loss allowance on other receivables

The gross balances are immaterial and therefore any ECL on these balances would also be immaterial and has therefore not been disclosed.

Funds held in trust

Funds held in attorney trust accounts are unrestricted and accessible, earning interest in call accounts. Previously classified as other receivables, management reassessed their nature in 2024 due to increased operational use and reclassified them as cash and cash equivalents, reflecting their revised purpose and liquidity. Significant judgment was applied in this reclassification.

*NSX is a 100%-owned subsidiary of AYO and performs a treasury function on AYO's behalf, as AYO does not maintain its own bank account. AYO transferred its cash holdings to NSX, which subsequently processes third-party payments for AYO. The receivable balance represents these funds and will reduce as NSX settles obligations on AYO's behalf. No interest is charged on this intercompany receivable.

AYO Technology Solutions Limited

(Registration number 1996/014461/06)

Annual Financial Statements for the year ended 31 August 2024

Notes to the Annual Financial Statements

Figures in Rand

2024

2023

10. Trade and other receivables (continued)

	Trade receivables 2024	Trade receivables 2023	Related party receivables 2024	Related party receivables 2023	NSX receivables 2024	NSX receivables 2023
Reconciliation of expected credit loss						
Loss allowance opening balance	(5 087 315)	(4 007 948)	(14 081 477)	(14 081 477)	(53 743 995)	-
Net movement charged to profit or loss: changes in models and parameters	(602 001)	(1 079 367)	-	-	(5 047 957)	(53 743 995)
Subtotal	(5 689 316)	(5 087 315)	(14 081 477)	(14 081 477)	(58 791 952)	(53 743 995)
	(5 689 316)	(5 087 315)	(14 081 477)	(14 081 477)	(58 791 952)	(53 743 995)

Fair value of trade and other receivables

The fair value of trade and other receivables approximates their carrying value due to their short-term nature.

During the reporting period, the gross carrying amount of trade receivables decreased by R2m (2023: increased by R10.6m). This reduction was primarily driven by earlier payments by subsidiaries. The loss allowance for trade receivables increased by R0.6m (2023: increased by R1.1m), reflecting the lower gross carrying amount and the associated reduction in expected credit losses. The loss allowance as a percentage of gross trade receivables decreased by 11% (2023: 26%), as the credit risk profile of the customer base did not change significantly during the period.

AYO Technology Solutions Limited

(Registration number 1996/014461/06)

Annual Financial Statements for the year ended 31 August 2024

Notes to the Annual Financial Statements

Figures in Rand

2024

2023

11. Investments at fair value

Investments held by the company which are measured at fair value, are as follows:

Designated at fair value through profit or loss:

Investment - AOH	-	-
On 11 October 2021, AYO subscribed for 25% of the issued share capital in AOH. AOH is a Company with interests in the property sector.		
Investment - Kyramanzi	-	-
On 7 January 2022, AYO subscribed for 20% of the issued share capital in Kyramanzi. Kyramanzi is a Company with interests in the property sector.		
Investment - Louisyahna	-	-
On 4 July 2021, AYO subscribed for 20% of the issued share capital in Louisyahna. Louisyahna is a company which operates in property technology		
Investment - Synclabs	-	-
On 1 June 2022, AYO subscribed for 15% of the issued share capital in Synclabs. Synclabs is a company with interests in e-learning. It was fully impaired in prior years.		
Investment - African Innovation Academy	-	-
On 7 March 2023 AYO subscribed 25 issued shares 25% ranking equally with each other for R12 million. The academy needs capital as they identified investment opportunities in the area of information Technology and Communications skills development in Africa. It was fully impaired in prior years.		
Investment - Loot B2B	-	-
On 8 March 2019, AYO subscribed for 18.7% of the issued share capital in Loot B2B. On 18 December 2020 AYO subscribed for additional 10.87% in Loot B2B. Loot B2B specialises in e-commerce. It was fully impaired in prior years.		
Investment - 4Plus	-	-
On 2 April 2019, AYO subscribed for 9.3% of the issued share capital in 4Plus. 4Plus has interests in digital media, artificial intelligence, software development and telecommunications. On 5 October 2019, AYO subscribed for a further 5% of the issued share capital in 4Plus and on 16 December 2019 for a further 8% of the issued share capital in 4Plus. On the 18 December 2020 AYO subscribed for a further 2% of the issued share capital in 4Plus. On 20 September 2021 AYO subscribed or a further 1% of the issued share capital in 4Plus. As at 31 August 2022, AYO has a total shareholding of 25% in 4Plus . It was fully impaired in prior years.		
Investment - Bambelela	47 891 922	98 274 459
On 28 September 2018, AYO concluded the acquisition of a 32% shareholding in Bambelela. Bambelela holds a 49% shareholding in Vunani Limited a diversified financial services group. A fair value loss of R50,3 million (2023: R16,4 million) was recognised in the current year. The fair value loss in the current year is as a result of the underlying investments in Bambelela incurring material losses.		
Investment - Fueltech Proprietary Limited ("Fueltech")	-	-
On 28 July 2022, Ayo subscribed for 10% of ordinary shares in Fueltech for a subscription price of R10 million. Fueltech is a company with interests in the Fuel technology sector.		

47 891 922

98 274 459

Split between non-current and current portions

Non-current assets	47 891 922	98 274 459
--------------------	------------	------------

AYO Technology Solutions Limited

(Registration number 1996/014461/06)

Annual Financial Statements for the year ended 31 August 2024

Notes to the Annual Financial Statements

Figures in Rand	2024	2023
11. Investments at fair value (continued)		
Fair value information		
Refer to note 34 Fair value information for details of valuation policies and processes.		
12. Deferred tax		
Deferred tax liability		
Investment in subsidiaries	(2 181 994)	(30 928 566)
Right of use asset	-	(2 290 660)
Deferred tax on prepaid expenses	(68 112)	-
Total deferred tax liability	(2 250 106)	(33 219 226)
Deferred tax asset		
Deferred tax on prepaid expenses	-	8 621 557
Other investments	-	19 866 008
Deferred tax on lease liabilities & allowances for credit loss	162 540	2 845 831
Deferred tax on provisions	-	29 446 605
Deferred tax balance from temporary differences other than unused tax losses	162 540	60 780 001
Deferred tax liability	(2 250 106)	(33 219 226)
Deferred tax asset	162 540	60 780 001
Total net deferred tax liability	(2 087 566)	27 560 775
Reconciliation of deferred tax asset / (liability)		
At beginning of year	27 560 775	19 893 787
Other Investments	(19 866 008)	-
Fair value adjustments on investments in subsidiaries	28 746 571	(25 521 684)
Prepaid expenses	(8 689 669)	11 340 501
Provisions	(29 446 604)	26 428 809
Right-of-use assets	2 290 660	10 426 090
Lease liabilities	(2 554 402)	(11 738 262)
Allowance for credit losses	(128 889)	24 259
Fair value adjustments on investment at fair value through profit or loss	-	(3 292 725)
	(2 087 566)	27 560 775
Recognition of deferred tax asset		

Deferred tax assets have been recognised for unutilised assessed tax losses to the extent that it is probable that future taxable profits will be available to utilise these losses. Management has prepared forecasts with assessed tax losses, based on current market conditions and historical performance, to support the recoverability of these assets. Deferred tax assets related to capital losses have been assessed separately, considering the likelihood of future capital gains arising from the disposal of investments, supported by current valuations and expected cash flows. Temporary differences expected to reverse over time have been assumed to be recoverable as they unwind in the ordinary course of business. The recoverability of the remaining net deferred tax asset has been evaluated based on historical taxable profits, projected future profitability, and the likelihood of sufficient future taxable income. As a result of this assessment, deferred tax assets of R80.4m (2023: Rnil) are unrecognised, reflecting management's judgement that these assets are unlikely to be recovered.

AYO Technology Solutions Limited

(Registration number 1996/014461/06)

Annual Financial Statements for the year ended 31 August 2024

Notes to the Annual Financial Statements

Figures in Rand	2024	2023
-----------------	------	------

13. Other financial assets

**Other financial assets are comprised of:
At fair value through profit or loss**

Vunani securities

AYO invested funds in the stock market through Vunani securities. The portfolio has a current value of R98 million (2023:R130 million). A fair value lgain of R2.2 million (loss 2023: R5.5 million) from the invested funds was recognised in the profit or loss. Refer to Note 21.

	98 519 504	130 928 499
--	------------	-------------

Loans and receivables at amortised cost

Supplier development loan

These above loans were provided as part of the Company's enterprise supplier development program. The loans are interest free and were due for repayment on 31 May 2023. The loan was fully impaired in the current year.

	-	1 000 000
--	---	-----------

Staff loans and salary advances

The above loans bear no interest, are dependent on service terms committed and are repayable on demand should the employee leave the employment of the Company earlier than committed service term.

	345 337	461 000
--	---------	---------

	98 864 841	132 389 499
--	-------------------	--------------------

14. Cash and cash equivalents

Cash and cash equivalents consist of:

Bank balances	6 526 166	42 871 204
Funds Held in Trust	37 639 794	-
	44 165 960	42 871 204

Funds held in trust refer to note 10.

Credit quality of cash at bank and short-term deposits, excluding cash on hand

The credit quality of cash at bank and short-term deposits, excluding cash on hand that are neither past due nor impaired can be assessed by reference to external credit ratings (if available) or historical information about counterparty default rates. Refer to the table below for credit rating in long-term in terms of Moody's Investors Service ("Moody's") where available.

Credit rating

ABC Botswana Limited BBB-	3 191 279	6 572 407
Vunani Securities	3 334 888	34 590 660
First National Bank Limited – Ba2	732 218	1 708 137
Standard bank BB-	36 907 576	-
	44 165 961	42 871 204

AYO Technology Solutions Limited

(Registration number 1996/014461/06)

Annual Financial Statements for the year ended 31 August 2024

Notes to the Annual Financial Statements

Figures in Rand 2024 2023

15. Share capital

Authorised

2 000 000 000 Ordinary shares of no par value	2 000 000 000	2 000 000 000
---	---------------	---------------

The ordinary shares have the right to vote at annual general meetings and elect the Board.

Reconciliation of number of shares issued:

Reported as at 01 September 2023	343 185 485	343 319 040
Shares repurchased	(17 202 756)	(133 555)
	325 982 729	343 185 485

AYO acquired 133 555 of its own shares through purchases on the JSE to the value of R435 555 at an average price of R3.26124 per share in the prior year. The acquired shares have been accounted for as treasury shares.

In the current year AYO cancelled 17 202 756 shares. These shares related to the specific repurchase of AYO shares from the GEPF for R619 423 100 (R619 299 216 repurchase amount and R123 884 transaction cost) at a price of R36.00720 per share for the transaction.

Issued

Ordinary	4 349 278 773	4 349 278 773
Share premium	173 444 480	173 444 480
Share issue cost written off against share premium	(78 314 035)	(78 314 035)
Treasury shares and cancelled shares	(622 656 990)	(3 357 774)
	3 821 752 228	4 441 051 444

16. Share repurchase reserve

In the prior year, R619 million was paid to the PIC in terms of a share buyback settlement agreement which was only approved at a shareholders meeting in June 2024 and therefore only implementable during the 2024 financial year.

As the payment is an equity transaction it was recognised directly through equity and reduced share capital in the current year when the transaction was implemented.

In the current year movement in the reserves arises from AYO's obligation to purchase 5% of the PIC's shares in three years' time.

PIC Option	(248 031 764)	-
PIC Settlement agreement advance payment	-	(619 299 216)
	(248 031 764)	(619 299 216)

17. Derivatives

At fair value through profit (loss)

Derivatives	248 031 764	-
-------------	-------------	---

The Company reached a settlement agreement with the Government Employees Pension Fund ("GEPF") to repurchase 17,202,756 ordinary shares ("AYO Shares") for R619,423,100 ("Initial Repurchase"). After this transaction, the GEPF will retain a minimum stake of 25.01% in the Company.

After three years from the Initial Repurchase, the GEPF has the option to sell an additional 5% of the AYO shares it holds back to AYO. This sale will occur at the higher of R20 per share or the prevailing 90-day volume-weighted average price of AYO Shares traded on the JSE, subject to regulatory approvals and the Company's solvency and liquidity as defined in the Companies Act, 2008 (Act 71 of 2008), as amended.

AYO Technology Solutions Limited

(Registration number 1996/014461/06)

Annual Financial Statements for the year ended 31 August 2024

Notes to the Annual Financial Statements

Figures in Rand

2024

2023

17. Derivatives (continued)

The put option was valued using the Black-Scholes model with the following inputs:

Stock price - 0.50

Strike price - 20.00

Term of option - 2.83287671232877

Dividend yield - 0%

Volatility - 266%

Risk-free interest rate - 10%

Sensitivity analysis

RISK FREE RATE

Increase by 1%

Value of the Put Option R 241 088 056

Decrease by 1%

Value of the Put Option R 255 175 192

VOLATILITY

Increase by 10%

Value of the Put Option R 248 201 512

Decrease by 10%

Value of the Put Option R 247 831 283

Split between non-current and current portions

Non-current liabilities

248 031 764

-

Fair value disclosures

Refer to note 34 Fair value information for details of the fair valuation policies and processes.

AYO Technology Solutions Limited

(Registration number 1996/014461/06)

Annual Financial Statements for the year ended 31 August 2024

Notes to the Annual Financial Statements

Figures in Rand 2024 2023

18. Provisions

Reconciliation of provisions - 2024

	Opening balance	Additions	Utilised during the year	Total
Provision for bonuses	1 683 411	1 656 578	(1 683 411)	1 656 578
VAT dispute	99 865 859	12 599 834	-	112 465 693
	101 549 270	14 256 412	(1 683 411)	114 122 271

Reconciliation of provisions - 2023

	Opening balance	Additions	Utilised during the year	Reversed during the year	Total
Reimbursement – Puleng severance cost	1 210 000	-	(1 210 000)	-	-
Fine - JSE	2 000 000	-	(1 502 000)	(498 000)	-
Provision for bonuses	5 083 797	776 000	(4 176 000)	-	1 683 411
VAT dispute	-	99 865 859	-	-	99 865 859
	8 293 797	100 641 859	(6 888 000)	(498 000)	101 549 270

Provision for Bonuses

The Company recognises a liability and an expense for bonuses based on a formula that takes into account the monthly salary earned by the employees. The Company recognises a bonus provision where contractually obliged or where there is a past practice that has created a constructive obligation, the amount can be measured reliably and the Directors are of the opinion that it is probable that such bonuses will be paid as experienced in prior years. The timing for bonus payments is during the month of December each year. The amount remains uncertain as it is dependent on key performance measures which are yet to be finalised at financial year end.

Fine - JSE

The Company recognised a fine provision due to non-compliance with the regulator for the reporting period.

VAT dispute

On 9 November 2023 AYO received a VAT assessment from SARS after a verification audit. The outcome of the assessment process, is that SARS disallowed a full input tax deduction on mixed expenses that AYO incurred and rather applied the apportionment method, leading to a liability recognised as a provision. However, AYO is in dispute with the method applied by SARS as it does not yield a fair and equitable result. SARS allowed AYO to respond to the assessment, AYO responded to the assessment and the matter is pending and still ongoing. At the time of reporting SARS had not responded to AYO. The timing and amount are both subject to SARS determination which have no certainty of when it will be received.

19. Trade and other payables

Financial instruments:

Trade payables	28 265 491	34 315 490
Other Payables	98 021	920 286
Accrued leave pay	698 016	833 315
Audit fee accrued charge	9 678 913	8 197 057
	38 740 441	44 266 148

Fair value of trade and other payables

The fair value of trade and other payables approximates their carrying amounts due to its short-term nature.

AYO Technology Solutions Limited

(Registration number 1996/014461/06)

Annual Financial Statements for the year ended 31 August 2024

Notes to the Annual Financial Statements

Figures in Rand	2024	2023
20. Revenue		
Revenue from contracts with customers		
Rendering of services	7 164 153	3 455 825
Disaggregation of revenue from contracts with customers		
The company disaggregates revenue from customers as follows:		
Rendering of services		
Management fees received	7 164 153	3 455 825
Timing of revenue recognition		
At a point in time		
Over time		
Management fees	7 164 153	3 455 825
21. Other operating income		
Profit on cancellation of lease	146 590	7 094 819
Other rental income	480 000	960 000
Other recoveries	600 000	-
Dividend received	13 492 714	14 395 811
Commission received	7 121 219	2 640 898
Sundry Income	1 222 373	1 246 467
	23 062 896	26 337 995

AYO Technology Solutions Limited

(Registration number 1996/014461/06)

Annual Financial Statements for the year ended 31 August 2024

Notes to the Annual Financial Statements

Figures in Rand		2024	2023
22. Other operating losses			
Losses on disposals			
Investment in subsidiaries	5	-	(11 122 527)
Foreign exchange losses			
Net foreign exchange loss		-	(129 953)
Fair value gains (losses)			
Investment in subsidiaries	5	(133 085 981)	119 912 132
Financial assets designated as at fair value through profit or loss		(55 144 950)	8 139 346
Fair value gains/(losses) on other financial assets		2 557 875	(5 361 488)
*Non-hedging derivatives		-	(174 824 912)
		(185 673 056)	(52 134 922)
Total other operating losses		(185 673 056)	(63 387 402)

* As per the share sale agreements, AYO had a put and call option with AEEI over their shares in GCCT. These options lapsed in the prior year and an asset of R174.8 million was derecognised. The appropriateness of the initial recognition and measurement of the options is under consideration by management as part of a JSE Proactive monitoring process. This evaluation is not yet finalised at the time of publication of these financial statements. As a result management is unable to determine the financial impact on the prior periods.

23. Operating loss

Operating loss for the year is stated after charging (crediting) the following, amongst others:

Movement in credit loss allowances		
Trade and other receivables	5 649 958	1 522 742
Loans receivables at amortised cost	75 052 776	189 862 005
Loans to group companies	276 448 625	8 153 629
Other financial assets	12 600 000	-
	369 751 359	199 538 376

Expenses by nature

The total cost of sales, selling and distribution expenses, marketing expenses, general and administrative expenses, research and development expenses, maintenance expenses and other operating expenses are analysed by nature as follows:

*VAT dispute	12 599 834	99 865 859
Employee costs	29 258 975	66 943 164
Depreciation, amortisation and impairment	8 674 907	21 473 960
Other expenses	28 912 499	49 836 750
Legal fees	58 213 379	70 284 226
Consulting fees	47 363 043	101 621 514
Advertising cost	24 961	34 547 721
Retrenchment cost	-	27 583 709
VAT asset write-off	44 296 110	-
Management fees - AEEI	-	6 930 000
	229 343 708	479 086 903

AYO Technology Solutions Limited

(Registration number 1996/014461/06)

Annual Financial Statements for the year ended 31 August 2024

Notes to the Annual Financial Statements

Figures in Rand	2024	2023
24. Investment income		
Interest income		
Loans to:		
Loans to related party companies	66 384 089	55 918 732
Other financial assets	656 482	3 099 375
Investments in financial assets:		
Cash and cash equivalents	5 686 515	36 123 142
Loans receivable	21 653 670	52 485 588
Total interest income	94 380 756	147 626 837
25. Finance costs		
Lease liabilities	229 010	4 632 272
Late payment of tax	12 180	228
Total finance costs	241 190	4 632 500

AYO Technology Solutions Limited

(Registration number 1996/014461/06)

Annual Financial Statements for the year ended 31 August 2024

Notes to the Annual Financial Statements

Figures in Rand	2024	2023
26. Taxation		
Major components of the tax expense		
Current		
Local income tax - current period	-	12 875 951
Deferred		
Originating and reversing temporary differences	29 648 341	(7 666 988)
	29 648 341	5 208 963
Reconciliation of the tax expense		
Reconciliation between accounting profit and tax expense.		
Accounting loss	(678 224 227)	(596 412 696)
Tax at the applicable tax rate of 27% (2023: 27%)	(183 120 541)	(161 031 428)
Tax effect of adjustments on taxable income		
Impairment losses	99 832 867	56 702 648
Donations	133 407	6 184 884
Legal fees	5 920 584	3 389 217
Fines and penalties	3 289	5 578 851
Interest on lease liabilities	61 833	1 251 714
Income from equity accounted joint venture	4 812 134	3 386 869
Expected credit losses	-	(24 000)
Provisions non-deductible	(4 168 180)	60 476 081
Consulting fees	6 096 265	18 466 590
Profit/ Loss on disposal of assets	-	1 084 750
Dividend income exempt from tax	(3 643 033)	(3 886 869)
Expenses in respect of exempt income	12 249 576	19 754 000
Fair value and accounting adjustments	55 442 527	14 913 000
VAT asset write-off	11 959 950	-
Interest income on preference shares exempt from tax	(23 947 445)	(21 037 344)
Prepaid expense	1 503 682	-
Lease payment actual	(2 616 347)	-
Profit/ loss on JSE listed shares	39 579	-
Right of use amortisation	2 187 189	-
Income received in advance	(71 853)	-
Unrecognised tax losses	46 972 858	-
	29 648 341	5 208 963

AYO Technology Solutions Limited

(Registration number 1996/014461/06)

Annual Financial Statements for the year ended 31 August 2024

Notes to the Annual Financial Statements

Figures in Rand	2024	2023
27. Cash used in operations		
Loss before taxation	(678 224 226)	(596 412 700)
Adjustments for non-cash items:		
Depreciation	574 206	1 005 543
Depreciation - right-of-use asset	8 100 701	20 436 118
Fair value adjustments on investments in subsidiaries	133 085 980	(124 190 024)
Loss on sale of property, plant and equipment	(146 590)	5 500
Profit on lease disposal	-	(7 094 819)
Fair value adjustments on investments at fair value	50 382 537	13 252 896
Impairment of Loans receivable	75 052 776	600 000
Fair value adjustments on other financial assets	-	(5 500 428)
Impairment losses of Loans to related party companies	276 448 625	212 072 015
Movements in provisions	12 600 000	92 758 056
Loss on derecognition of derivatives	-	174 824 912
Expected credit losses on trade receivables	602 000	1 078 000
Loss on sale of shares in subsidiary	-	11 122 527
IFRS 2 Adjustment	-	(11 809 000)
Share of profit or loss of equity accounted investments	17 822 718	12 541 665
Funds in trust legal fees	-	30 890 072
Impairments on other financial assets	12 600 000	-
Fair value adjustments on other financial assets	2 258 352	-
Adjustment for items which are presented separately:		
Interest income	(94 380 755)	(147 626 836)
Dividends received	(13 492 714)	(14 395 811)
Finance costs	241 190	4 632 500
Changes in working capital:		
Write down of VAT Receivable	44 296 110	-
(ncrease in trade and other receivables	104 221 727	59 731 032
Credit loss allowance NSX	5 047 957	-
(Increase) decrease in trade and other payables	(5 525 713)	7 842 543
	(48 435 119)	(264 236 239)
28. Tax paid		
Balance at beginning of the year	(13 681 301)	(12 805 350)
Current tax recognised in profit or loss	-	(12 875 951)
Prior year tax payment	556 330	-
Balance at end of the year	7 717 513	13 681 301
	(5 407 458)	(12 000 000)

AYO Technology Solutions Limited

(Registration number 1996/014461/06)

Annual Financial Statements for the year ended 31 August 2024

Notes to the Annual Financial Statements

29. Changes in liabilities arising from financing activities

Reconciliation of liabilities arising from financing activities - 2024

	Opening balance	Fair value changes	Total non-cash movements	Cash flows	Closing balance
Other financial liabilities measured at fair value	-	248 031 764	248 031 764	-	248 031 764
Finance lease liabilities	9 460 746	-	-	(9 460 746)	-
	9 460 746	248 031 764	248 031 764	(9 460 746)	248 031 764
Total liabilities from financing activities	9 460 746	248 031 764	248 031 764	(9 460 746)	248 031 764

Reconciliation of liabilities arising from financing activities - 2023

	Opening balance	Total non-cash movements	Cash flows	Closing balance
Finance lease liabilities	52 935 792	(25 145 497)	(18 329 549)	9 460 746
	52 935 792	(25 145 497)	(18 329 549)	9 460 746
Total liabilities from financing activities	52 935 792	(25 145 497)	(18 329 549)	9 460 746

AYO Technology Solutions Limited

(Registration number 1996/014461/06)

Annual Financial Statements for the year ended 31 August 2024

Notes to the Annual Financial Statements

30. Litigation

The extensive legal challenges, as set out below, which AYO is confronting simultaneously, together with the ongoing negative media focus on the Group and heightened regulatory attention, are putting the business to a serious test, potentially threatening its longevity. Whilst these prolonged processes are straining AYO's financial and human resources, shifting its operational focus and impeding its ability to concentrate on the strategic mandate it is set to deliver on, it is important for shareholders to understand that some of these litigious matters were necessary to proceed with to ensure long-term sustainability and protect underlying investments of the Group. It is also worth noting that AYO as a Company is not an applicant in all the banking related litigations however AYO subsidiaries are. For the sake of transparency to our shareholders, AYO discloses updates to these matters below.

Public Investment Corporation ("PIC") and Government Employees Pension Fund ("GEPF")

On 31 May 2019 AYO received a summons issued by the PIC and GEPF. The summons sought a declaration that the subscription agreement entered into by the PIC with AYO be declared unlawful and set aside and that AYO be ordered to pay the PIC R4.3 billion together with interest of 10.25% per annum accrued from 22 December 2017 to date of final payment. AYO opposed the action. Court proceedings pursuant to the aforementioned matter, which commenced on 7 March 2023, ceased on 23 March 2023 following the amicable conclusion of the Settlement Agreement by the Parties, thus ending the prolonged litigation.

The Settlement Agreement was subsequently made an order of court on 24 March 2023. R619 million was paid in advance to the PIC in terms of the settlement agreement. The settlement agreement and amendments to the MOI were approved by shareholders at a general meeting in line with the JSE Listing Requirements on the 26 June 2024.

State Information Technology Agency

"On 25 August 2020, the State Information Technology Agency ("SITA") brought an application in the Eastern Cape High Court for an order to interdict the Eastern Cape Department of Education ("ECDOE") from continuing with a contract that the ECDOE has with Sizwe Africa IT Group Proprietary Limited ("Sizwe") which is a subsidiary of AYO, for the supply and lease of tablets to matric learners in the Eastern Cape. The Eastern Cape High Court granted the order for the interdict.

On 20 February 2025, SITA signed a settlement agreement with the ECDOE agreeing to withdraw the matter from court. Subsequently on the 20th of March 2025, the Bisho High Court made the settlement a legal binding agreement and an order of court."

Access Bank South Africa Limited

This matter has been withdrawn.

High Court Parallel Application

Pleadings has been closed and the matter is set to be heard from 17 to 20 June 2025. The matter is with Absa Bank Ltd and 22 Others (Parallel Application).

Nedbank and one Other

This matter is finalised with Nedbank having been successful in its appeal and the constitutional court dismissing the Sekunjalo Group's leave to appeal.

Standard Bank of SA Limited

Sekunjalo Group has an interdict in place and the matter is set to be heard in the SCA, Heads of Argument has been filed.

Competition Tribunal

Whilst the interim interdict is overturned, the Competition Commission's investigation into the bank's anti-competitive behaviour is still ongoing.

Mpati Review Application

AYO Technology Solutions Limited

(Registration number 1996/014461/06)

Annual Financial Statements for the year ended 31 August 2024

Notes to the Annual Financial Statements

30. Litigation (continued)

This matter concerns, inter alia, reviewing and setting aside certain issues relating to the unlawfulness of the proceedings, as well as, reviewing and setting aside the findings, remarks, conclusions and/or recommendations made by the Commission about the Applicants who were not the target of the Commission's terms of reference, but were referred to in the Mpati Report. The matter is still pending.

Cortex Logic

The litigation arose from the non-repayment of loans provided to Cortex Logic Proprietary Limited. This matter is ongoing in order for AYO to recover the outstanding loans and interest thereon.

Futuretell Communication

The Company instituted action against Futuretell Communication Proprietary Limited for recovery of a loan to the value of R3.7 million resulting from a breach of the loan agreement entered into between the Parties in 2019. Default judgment was obtained by AYO on 7 September 2023, and we are in the process of navigating possible ways of recovering the debt.

South African Clothing and Textile Worker's Union ("SACTWU")

The litigation arose as a result of a dispute regarding the entitlement to dividends based on shares held. This matter is ongoing, and the discovery process is pending.

PL Myburgh and Daily Maverick

Defamation claims against the parties in respect of media articles published. The matter is pending.

Claim against the company – Sizwe Africa IT Group (Sizwe)

Daily Maverick and amaBhungane

Defamation claims against the parties in respect of media articles published. The matter has not been enrolled on the pre-trial roll yet.

Mitigating actions

Business continuity plans are in place and there is operational readiness to address potential negative litigation outcomes.

Continuous stakeholder engagement with subsidiaries, regulators and staff to secure their ongoing support and promote open and transparent relationships.

AYO Technology Solutions Limited

(Registration number 1996/014461/06)

Annual Financial Statements for the year ended 31 August 2024

Notes to the Annual Financial Statements

31. Related parties

Relationships

Ultimate controlling company

Controlled entities

The Haraas Trust

Refer to note 5

AYO Technology Solutions Proprietary Limited ("Namibia")

Afrozaar Proprietary Limited

AYO International Holdings Proprietary Limited

Digital Matter Proprietary Limited

Headsetsolutions Africa Proprietary Limited

Health Systems Technologies Proprietary Limited

Kalula Communications Proprietary Limited

Kathea Communication Solutions (Pty) Ltd

Jabster Technologies (Pty) Ltd

Main Street 1653 Proprietary Limited

NSX Solutions Consulting Proprietary Limited

Publishers Toolbox (UK) Limited

Puleng Technologies Proprietary Limited

Sekunjalo Medical Services Proprietary Limited

SGT Solutions Proprietary Limited

Sizwe Africa IT Group Proprietary Limited

Software Tech Holdings Proprietary Limited

Zaloserve Proprietary Limited

Refer to note 6

Vunani Fintech Fund Proprietary Limited

Refer to note 7

CreAlpha Proprietary Limited

Global Command and Control Technologies

Proprietary Limited

Collateral Trading Proprietary Limited

African Equity Empowerment Investments Limited

Loot B2B Proprietary Limited

espAfrika Proprietary Limited

Independent Newspapers Proprietary Limited

Loot Online Proprietary Limited

African News Agency Proprietary Limited

Premier Fishing SA Proprietary Limited

Independent Media Proprietary Limited

Sekunjalo Investments Holdings Proprietary Limited

African Online Retail Proprietary Limited

Tripos Travel Proprietary Limited

ANA Publishing Proprietary Limited

Sekunjalo Development Foundation

Joint control

Significant influence

Entity controlled by key management personnel

Common control

Family member of key management personnel

Entity related to family member of key management personnel

Entity owned by key management personnel

Dr FM Surve

Omnicare Family Healthcare Centre

Collateral Trading Proprietary Limited

Related party balances

Loan accounts - Owing (to) by related parties

CreAlpha Proprietary Limited	38 382 606	29 235 000
Loot B2B Proprietary Limited – cumulative redeemable preference shares	34 997 234	34 997 234
AYO International Holdings Proprietary Limited	15 393 544	14 789 000
Global Command and Control Technologies Proprietary Limited	106 123 339	105 067 000
Headsetsolutions Africa Proprietary Limited (fully impaired)	872 641	872 641
Jabster Technologies Proprietary Limited	5 116 711	-
Kalula Communications Proprietary Limited	58 003 907	54 821 000
Kathea Communication Solutions (Pty) Ltd	10 266 260	-

AYO Technology Solutions Limited

(Registration number 1996/014461/06)

Annual Financial Statements for the year ended 31 August 2024

Notes to the Annual Financial Statements

31. Related parties (continued)

Loot B2B Proprietary Limited – cumulative redeemable preference shares (fully impaired)	34 997 234	-
Main Street 1653 Proprietary Limited	55 910 975	48 748 000
NSX Solutions Consulting Proprietary Limited	1 324 678	915 000
Sizwe Africa IT Group Proprietary Limited	3 564 672	-
African Equity Empowerment Investments Limited	-	10 381 702
Vunani Fintech Fund Proprietary Limited	314 357 139	276 999 000

Accumulated impairment on loans receivable from related parties

African Equity Empowerment Investments Limited	-	1 459 664
Kathea Communication Solutions (Pty) Ltd	10 266 260	-
Sizwe Africa IT Group Proprietary Limited	252 673	-
Headsets Solutions Africa Proprietary Limited	872 641	872 641
NSX Solutions Consulting Proprietary Limited	914 522	914 522
Loot B2B Proprietary Limited	34 997 234	34 997 234
CreAlpha Proprietary Limited	32 871 542	1 819 000
CreAlpha Technologies Proprietary Limited - IFRS 9 day one loss	5 511 064	5 511 064
Vunani Fintech Fund Proprietary Limited	158 774 785	-
Loot B2B Proprietary Limited	34 997 234	32 747 000
Kalula Communications Proprietary Limited	570 383	10 669 412
Global Command and Control Technologies Proprietary Limited	34 418 536	5 000 000
Main Street 1653 Proprietary Limited	55 910 975	-
Jabster Technologies (Pty) Ltd	5 116 711	-

Amounts included in Trade receivable regarding related parties

espAfrika Proprietary Limited	77 280	77 280
Global Command and Control Technologies Proprietary Limited	46 557	41 000
Health Systems Technologies Proprietary Limited	5 475 120	2 720 000
Independent Newspapers Proprietary Limited	10 537 250	10 537 250
Sizwe Africa IT Group Proprietary Limited	600 000	-
Loot Online Proprietary Limited	1 199 450	1 199 450
African Equity Empowerment Investments Limited	161 677	-
African News Agency Proprietary Limited	445 165	445 165

Other receivables from (payables to) related parties

Premier Fishing SA Proprietary Limited	963 196	-
SGT Solutions Proprietary Limited	4 524 000	-
AYO Technology Solutions Namibia	19 659 480	25 646 000
NSX Solutions Consulting Proprietary Limited	135 349 421	157 903 000
Independent Newspapers Proprietary Limited	14 081 477	14 081 477
Independent Media Proprietary Limited	-	3 891 000
Sekunjalo Investments Holdings Proprietary Limited (Fully Impaired)	-	1 930 000

Accumulated impairment on other receivables from related parties

Independent Newspapers Proprietary Limited	14 081 477	14 081 477
NSX Solutions Consulting Proprietary Limited	58 791 952	53 743 995
Sekunjalo Investments Holdings Proprietary Limited (Fully Impaired)	-	1 930 000

Amounts included in Trade Payable regarding related parties

African Online Retail	1 738	1 738
espAfrika Proprietary Limited	522 500	-
Independent Newspapers Proprietary Limited	136 295	22 000
Loot Online Proprietary Limited	4 823	-
NSX Solutions Consulting Proprietary Limited	21 220 708	21 220 708
Sizwe Africa IT Group Proprietary Limited	97 444	189 000
Tripos Travel Proprietary Limited	435	172 000
AYO Technology Solutions Namibia	255 000	255 000
African Equity Empowerment Investments Limited	-	725 000

AYO Technology Solutions Limited

(Registration number 1996/014461/06)

Annual Financial Statements for the year ended 31 August 2024

Notes to the Annual Financial Statements

31. Related parties (continued)

Investments in related parties

Vunani Fintech Fund	72 055 999	-
Software Tech Holdings Proprietary Limited	6 613 188	6 431 000
Sekunjalo Medical Services Proprietary Limited	118 225 657	108 182 000
Kalula Communications Proprietary Limited	36 095 750	23 557 000
Vunani Fintech Fund Proprietary Limited	72 055 999	74 610 000
Global Command and Control Technologies Proprietary Limited (Associate)	1 222 897	695 000
Main Street 1653 Proprietary Limited	53 015 081	30 582 000
CreAlpha Technologies Proprietary Limited (Associate)	352 771	95 000
Kathea Communication Solutions Proprietary Limited	149 552 284	97 088 000

Prepayments to related parties

Independent Newspapers Proprietary Limited	9 040 887	9 040 887
--	-----------	-----------

Accumulated impairment on prepayments to related parties

Independent Newspapers Proprietary Limited	9 040 887	9 040 887
--	-----------	-----------

Related party transactions

Interest received from related parties

African Equity Empowerment Investments Limited	930 706	1 081 000
AYO International Holdings Proprietary Limited	604 221	579 000
Global Command and Control Technologies Proprietary Limited	13 055 875	12 559 000
Jabster Technologies Proprietary Limited	116 711	-
Kalula Communications Proprietary Limited	3 182 756	2 592 000
Kathea Communication Solutions Proprietary Limited	266 260	-
Main Street 1653 Proprietary Limited	7 162 672	5 824 000
NSX Solutions Consulting Proprietary Limited	146 555	113 000
Sizwe Africa IT Group Proprietary Limited	69 609	-
Dinaledi Proprietary Limited (Pref shares)	721 458	-
Vunani Fintech Fund Proprietary Limited	37 380 143	30 488 000
CreAlpha Proprietary Limited	3 636 727	-
Loot B2B Proprietary Limited	-	4 209 000

Purchases from (sales to) related parties

Kalula Communications Proprietary Limited	-	18 157 000
Sizwe Africa IT Group Proprietary Limited	-	979 000
Loot Online Proprietary Limited	-	18 061

Rent paid to (received from) related parties

CreAlpha Proprietary Limited	-	286 000
------------------------------	---	---------

Administration fees paid to (received from) related parties

African Equity Empowerment Investments Limited	-	6 930 000
Health Systems Technologies Proprietary Limited	-	3 709 000

Management fee income from related parties

Health Systems Technologies Proprietary Limited	7 688 153	-
SGT Solutions Proprietary Limited	3 476 000	-

Dividend income from related parties

SGT Solutions Proprietary Limited	4 524 000	4 000 000
-----------------------------------	-----------	-----------

AYO Technology Solutions Limited

(Registration number 1996/014461/06)

Annual Financial Statements for the year ended 31 August 2024

Notes to the Annual Financial Statements

31. Related parties (continued)

Corporate service and Commission income from related parties

Health Systems Technologies Proprietary Limited	3 121 219	2 641 000
---	-----------	-----------

Recoveries from/(expenses) to related parties

African Equity Empowerment Investments Limited	140 589	-
Global Command and Control Technologies Proprietary Limited	435 349	425 000
Sizwe Africa IT Group Proprietary Limited	521 739	-

Administration and management fees expense paid to/(received from) related parties

Health Systems Technologies Proprietary Limited	2 316	-
African Equity Empowerment Investments Limited	-	6 930 000
Health Systems Technologies Proprietary Limited	-	3 709 000

Advertising and marketing expenses to related parties

African News Agency Proprietary Limited	-	3 900 000
ANA Publishing Proprietary Limited	-	1 850 000
Independent Newspaper Proprietary Limited	-	5 225 000

Consulting fees to related parties

Collateral Trading Proprietary Limited	-	115 000
African Equity Empowerment Investments Limited	-	232 500

Donations to related parties

African Online Retail Proprietary Limited	-	1 732 649
Loot Online Proprietary Limited	-	2 660

Socio-economic development expense to related parties

Sekunjalo Development Foundation	-	18 010 000
----------------------------------	---	------------

Entertainment expenses to related parties

espAfrika Proprietary Limited	750 000	-
-------------------------------	---------	---

Information, communication and technology expenses to related parties

Kalula Communications Proprietary Limited	4 676	-
Loot Online Proprietary Limited	3 584	13 283
Sizwe Africa IT Group Proprietary Limited	-	18 000

Printing and stationary expenses to related parties

Loot Online Proprietary Limited	1 683	10 059
Sizwe Africa IT Group Proprietary Limited	1 573	-

Printer rental expenses to related parties

Sizwe Africa IT Group Proprietary Limited	56 652	86 000
---	--------	--------

Rental expenses to related parties

Premier Fishing SA Proprietary Limited	975	-
CreAlpha Proprietary Limited	-	286 000

Subscriptions expenses to related parties

Health Systems Technologies Proprietary Limited	1 494	1 000
Sizwe Africa IT Group Proprietary Limited	3 747	-

Travel expenses paid to related parties

Tripos Travel Proprietary Limited	421 708	1 929 268
-----------------------------------	---------	-----------

Licenses expenses

Health Systems Technologies Proprietary Limited	309	-
Sizwe Africa IT Group Proprietary Limited	988 460	874 000

AYO Technology Solutions Limited

(Registration number 1996/014461/06)

Annual Financial Statements for the year ended 31 August 2024

Notes to the Annual Financial Statements

31. Related parties (continued)

Office expenses paid to related parties

Loot Online Proprietary Limited	15 814	5 000
Sizwe Africa IT Group Proprietary Limited	-	1 000

Directors fees paid to related parties

Collateral Trading Proprietary Limited	490 066	-
--	---------	---

Compensation to directors and other key management

Short-term employee benefits	19 376 972	30 598 610
------------------------------	------------	------------

AYO Technology Solutions Limited

(Registration number 1996/014461/06)

Annual Financial Statements for the year ended 31 August 2024

Notes to the Annual Financial Statements

32. Directors' emoluments

Executive

2024

Directors' emoluments	Basic salary	Bonuses	Sign off bonus	Other benefits	Provident fund	Directors fees	Director fees - AEEI	Total
Services as director or prescribed officer								
A Makan	3 214 286	300 000	-	-	385 597	-	-	3 899 883
K Abdulla	1 179 948	-	5 000 000	21 000	163 743	-	-	6 364 691
P Guzha	1 834 273	171 949	-	-	220 112	-	-	2 226 334
W Mclachlan	954 077	98 304	-	94 873	130 693	-	-	1 277 947
A B Amod ^	-	-	-	-	-	933 459	-	933 459
Prof Dr LCH Fourie	-	-	-	-	-	658 000	-	658 000
N A Ramathlodi #	-	-	-	-	-	466 730	-	466 730
R.P Mosia #	-	-	-	-	-	850 047	-	850 047
S.M Rasethaba #	-	-	-	-	-	560 076	-	560 076
	7 182 584	570 253	5 000 000	115 873	900 145	3 468 312	-	17 237 167

Services as director or prescribed officer of any other company in the group

V Dzvova	-	-	-	-	-	-	877 000	877 000
J Van Wyk	-	-	-	-	-	-	295 000	295 000
	-	-	-	-	-	-	1 172 000	1 172 000
	7 182 584	570 253	5 000 000	115 873	900 145	3 468 312	1 172 000	18 409 167

AYO Technology Solutions Limited

(Registration number 1996/014461/06)

Annual Financial Statements for the year ended 31 August 2024

Notes to the Annual Financial Statements

32. Directors' emoluments (continued)

2023

Directors' emoluments	Basic salary	Bonuses and performance related payments	Fees for services as director	Management, consulting or technical fees	Other material benefits	Pensions receivable or received	Other Group Company remuneration	Total
Services as director or prescribed officer								
H Plaatjes *	1 530 000	-	-	-	10 000 000	301 000	-	11 831 000
I T Bundo *	1 900 000	-	-	-	8 000 000	340 000	-	10 240 000
V Govendor *	1 056 000	-	-	-	7 500 000	202 000	-	8 758 000
A Makan	1 728 000	250 000	-	-	-	232 000	-	2 210 000
A B Amod ^	-	-	876 488	100 000	-	-	2 246 000	3 222 488
K Abdulla	4 720 000	-	-	-	84 000	708 000	-	5 512 000
Dr D George #	-	-	642 758	100 000	-	-	-	742 758
Prof Dr LCH Fourie #	-	-	438 244	100 000	-	-	-	538 244
P Guzha	976 000	325 000	-	-	-	131 000	-	1 432 000
Dr W.A Mgoqi #	-	-	766 927	100 000	-	-	-	866 927
Adv NA Ramathlodi	-	-	438 244	100 000	-	-	320 000	858 244
R.P Mosia #	-	-	788 839	100 000	-	-	344 000	1 232 839
S.M Rasethaba #	-	-	525 893	141 344	-	-	-	667 237
	11 910 000	575 000	4 477 393	741 344	25 584 000	1 914 000	2 910 000	48 111 737
Services as director or prescribed officer of any other company in the group								
V Dzvova	-	-	-	-	-	-	3 325 000	3 325 000
J Van Wyk	-	-	-	-	-	-	2 469 000	2 469 000
	-	-	-	-	-	-	5 794 000	5 794 000
	11 910 000	575 000	4 477 393	741 344	25 584 000	1 914 000	8 704 000	53 905 737

* Executive Directors

^ Non-Executive Directors

Independent Non-executive Directors

AYO Technology Solutions Limited

(Registration number 1996/014461/06)

Annual Financial Statements for the year ended 31 August 2024

Notes to the Annual Financial Statements

33. Financial instruments and risk management

Categories of financial instruments

Categories of financial assets

2024

	Note(s)	Fair value through profit or loss - Designated	Amortised cost	Total	Fair value
Investments in subsidiaries	5	295 441 601	-	295 441 601	295 441 601
Loans to group companies	8	-	306 610 099	306 610 099	-
Loans receivable	9	-	123 605 534	123 605 534	-
Investments at fair value	11	47 891 922	-	47 891 922	47 891 922
Trade and other receivables	10	-	126 024 289	126 024 289	-
Cash and cash equivalents	14	-	44 165 960	44 165 960	-
Other financial assets		98 519 504	345 337	98 864 841	98 519 504
		441 853 027	600 751 219	1 042 604 246	441 853 027

2023

	Note(s)	Fair value through profit or loss - Designated	Amortised cost	Total	Fair value
Investments in subsidiaries	5	428 527 582	-	428 527 582	428 527 582
Loans to group companies	8	-	520 218 918	520 218 918	-
Loans receivable	9	-	205 664 293	205 664 293	-
Investments at fair value	11	98 274 459	-	98 274 459	98 274 459
Trade and other receivables	10	-	242 476 541	242 476 541	-
Cash and cash equivalents	14	-	42 871 204	42 871 204	-
Other financial assets		130 928 499	1 461 000	132 389 499	130 928 000
		657 730 540	1 012 691 956	1 670 422 496	657 730 041

Categories of financial liabilities

2024

	Note(s)	Fair value through profit or loss - Designated	Amortised cost	Total	Fair value
Trade and other payables	19	-	38 740 441	38 740 441	-
Dividend payable		-	39 271 288	39 271 288	-
Derivatives	17	248 031 764	-	248 031 764	248 031 764
		248 031 764	78 011 729	326 043 493	248 031 764

AYO Technology Solutions Limited

(Registration number 1996/014461/06)

Annual Financial Statements for the year ended 31 August 2024

Notes to the Annual Financial Statements

33. Financial instruments and risk management (continued)

2023

	Note(s)	Amortised cost	Leases	Total	Fair value
Trade and other payables	19	44 266 148	-	44 266 148	-
Finance lease obligations	4	-	9 460 746	9 460 746	-
Dividend payable		39 305 040	-	39 305 040	-
		83 571 188	9 460 746	93 031 934	-

Financial risk management

Overview

The company is exposed to the following risks from its use of financial instruments:

- Credit risk;
- Liquidity risk; and
- Market risk.

The overall responsibility for the establishment and oversight of the risk management framework rests with the Board. The Board, through the audit and risk committee is responsible for the development and monitoring of the risk management process of the Company. The Company's risk management is predominantly controlled by the Company's risk officer who identified, evaluated risks with input from the Group's executives under policies approved by the Board.

The company's risk management policies are established to identify and analyse the risks faced by the company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the company's activities.

Risk	Exposure arising from Measurement	Management
Liquidity risk	Trade payables, lease obligations, contingent consideration arrangements, derivative financial liabilities.	Cash flow forecasts
Credit risk	Trade receivables, loans receivable and cash equivalents	Credit ratings for banks and aging analysis
Market risk – interest rate	Loans at variable rates of interest	Sensitivity analysis
Market risk – share prices	Investments in equity shares	Sensitivity analysis
		Available cash resources, borrowing facilities.
		Credit evaluation, securities, use of credit limits, diversification of bank deposits
		Loan diversification, management of credit worthiness of borrowers
		Diversification of investment portfolio

Credit risk

Credit risk is the risk that the Company incurs a financial loss resulting from a borrower failing to repay a loan, advance or meet contractual obligations. Credit risk for the Company arises from trade receivables, cash and cash equivalents, and contractual cash flows of loans and other financial assets carried at amortised cost.

Credit risk exposure arising on cash and cash equivalents is managed by the group through dealing with well-established financial institutions with high credit ratings.

AYO Technology Solutions Limited

(Registration number 1996/014461/06)

Annual Financial Statements for the year ended 31 August 2024

Notes to the Annual Financial Statements

33. Financial instruments and risk management (continued)

In order to calculate credit loss allowances, management determine whether the loss allowances should be calculated on a 12 month or on a lifetime expected credit loss basis. This determination depends on whether there has been a significant increase in the credit risk since initial recognition. If there has been a significant increase in credit risk, then the loss allowance is calculated based on lifetime expected credit losses. If not, then the loss allowance is based on 12 month expected credit losses. This determination is made at the end of each financial period. Thus the basis of the loss allowance for a specific financial asset could change year on year.

If customers are independently rated, these ratings are used to determine the credit limit granted to the customer. If there is no independent rating, executive management assesses the credit quality of the customer by considering its financial position, past experience and other factors to determine the credit limit granted to the customer. On a continuous basis, management monitors the performance of each customer against their credit limit to ensure that no credit limits are exceeded. No credit limits were exceeded during the reporting period.

The Company only deposits cash with major banks that have a good reputation and a high-quality credit standing and limits exposure to any one counterparty.

The Company maintains cash balances in reputable attorneys' trust accounts, compliant with the Law Society of South Africa's requirements. These funds are independently monitored by the Company, mitigating associated risks. Additionally, the Attorneys Fidelity Fund offers protection against losses resulting from theft or misappropriation of client funds by an attorney, compensating clients in instances of dishonesty. Consequently, the risk of default or loss is assessed as low.

Liquidity risk

The company is exposed to liquidity risk, which is the risk that the company will encounter difficulties in meeting its obligations as they become due.

Liquidity risk for the Company arises from trade payables, lease obligations, other financial liabilities and loans payable. The Company faces liquidity risk due to limitations in borrowing facilities from traditional bank sources; however, it maintains sufficient working capital. Additionally, the Company has access to alternative cash resources that may be pursued, in line with the provisions of IFRS 9 regarding financial instruments and liquidity management.

2024

	Note(s)	Less than 1 year	2 to 5 years	Total	Carrying amount
Non-current liabilities					
Financial liabilities at fair value	17	-	248 031 764	248 031 764	248 031 764
Current liabilities					
Trade and other payables	19	38 740 441	-	38 740 441	38 740 441
Dividend payable		39 271 288	-	39 271 288	39 271 288
		78 011 729	248 031 764	326 043 493	326 043 493

AYO Technology Solutions Limited

(Registration number 1996/014461/06)

Annual Financial Statements for the year ended 31 August 2024

Notes to the Annual Financial Statements

33. Financial instruments and risk management (continued)

2023

		Less than 1 year	2 to 5 years	Total	Carrying amount
Non-current liabilities					
Lease liabilities		-	375 833	375 833	375 833
Current liabilities					
Trade and other payables	19	44 266 148	-	44 266 148	44 266 148
Lease liabilities		9 231 792	-	9 231 792	9 231 792
		53 497 940	375 833	53 873 773	53 873 773

Risk management

The Company manages liquidity risk by maintaining sufficient cash resources and obtaining adequate amounts of credit facilities from suppliers to ensure that the Company has adequate funding to settle its commitments when they are due. The entities within the Company perform a rolling monthly forecast of projected cash inflows and cash outflows. Net cash requirements are compared to available cash resources to determine if there any shortfalls. As at the reporting date the forecast cash flows show that the available cash resources are expected to be sufficient over the forecast period of 12 months from the reporting date.

Risk management

The Company's loan receivables are comprised of loans that have interest rates which are linked to the prime rate. The Company has not hedged against changes in the prime rate.

The Company invests cash at floating rates of interest and cash reserves are maintained in short-term investments (less than one year) to maintain liquidity, while achieving a satisfactory return for shareholders

Capital risk management

Capital risk specifically relates to the adequacy and management of the Company's capital structure. It focuses on ensuring that the Company has sufficient capital to support its operations, absorb losses, meet regulatory requirements, and achieve its strategic objectives.

Our management of financial risks is closely linked to our management of capital risks. Please refer to the financial risks table above. In addition to these financial risks, the Company manages its capital risk by maintaining a dividend policy that supports adequate capital levels. We are also aware of funding risks, as the Company cannot raise funds from traditional sources like banks, which exposes us to potential challenges in obtaining adequate funding or facing higher interest rates. To mitigate this funding risk, the Company ensures that its underlying subsidiaries are operationally profitable and capable of generating sufficient working capital to meet solvency and liquidity requirements.

Cash flow interest rate risk

The company's main interest rate risk arises from loans with variable rates, which expose the company to cash flow interest rate risk.

Interest rate sensitivity analysis

Profit or loss is sensitive to higher/lower interest income from cash and cash equivalents and loans receivable because of changes in interest rates. The following table shows the impact on the Company's profit before tax if interest rates were 3% (2023: 3%) higher or lower as at the reporting date. The sensitivity analysis includes the financial assets and financial liabilities balances with variable interest rates at financial year-end, with all other variables held constant.

Impact on profit before tax	2024	2023
Interest rate – increase by 3% (2023: 3%)	2 831 423	4 428 805
Interest rate – decrease by 3% (2023: 3%)	(2 831 42)	(4 428 805)

AYO Technology Solutions Limited

(Registration number 1996/014461/06)

Annual Financial Statements for the year ended 31 August 2024

Notes to the Annual Financial Statements

34. Fair value information

Fair value hierarchy

The table below analyses assets and liabilities carried at fair value. The different levels are defined as follows:

Financial assets and financial liabilities measured at fair value in the statement of financial position are grouped into three levels of a fair value hierarchy. The three levels are defined based on the observability of significant inputs to the measurement as follows:

Level 1 – Quoted unadjusted prices in active markets for identical assets or liabilities.

Level 2 – Inputs other than quoted prices (included in level 1) that are observable for the asset or liability (directly or indirectly).

Level 3: Unobservable inputs for the asset or liability.

Levels of Fair value measurements

Level 1

Recurring Fair value measurements

Assets

	Note(s)		
Equity investments at fair value through other comprehensive income	11		
*Listed shares - Vunani Securities		95 411 474	130 928 537
Total		95 411 474	130 928 537

Level 3

Recurring Fair value measurements

Assets

	Note(s)		
Investments in subsidiaries at fair value	5		
Investments in unlisted subsidiaries		295 441 601	428 527 582
Financial assets designated at fair value through profit (loss)	11		
Investment in Bambelela		47 891 922	98 274 459

Liabilities

	Note(s)		
Financial liabilities at fair value through profit (loss)	17		
Derivatives		248 031 764	-
Total		95 301 759	526 802 041

*The value is based on the share prices of the shares in the portfolio as indicated in the investor statement. Amortise carrying amount approximates fair value.

AYO Technology Solutions Limited

(Registration number 1996/014461/06)

Annual Financial Statements for the year ended 31 August 2024

Notes to the Annual Financial Statements

Figures in Rand 2024 2023

34. Fair value information (continued)

Reconciliation of assets and liabilities measured at level 3

	Note(s)	Opening balance	Gains (losses) recognised in profit (loss)	Additions	Closing balance
2024					
Assets					
Investments in subsidiaries at fair value	5				
Investments in unlisted subsidiaries		428 527 582	(133 085 981)	-	295 441 601
Financial assets designated at fair value through profit (loss)	11				
Investment in Bambelela		98 274 459	(50 382 537)	-	47 891 922
Liabilities					
Financial liabilities at fair value through profit (loss)	17				
Derivatives		-	-	248 031 764	248 031 764
Total		526 802 041	(183 468 518)	(248 031 764)	95 301 759
2023					
Assets					
Investments in subsidiaries at fair value	5				
Investments in listed subsidiaries		304 337 976	124 189 606	-	428 527 582
Financial assets designated at fair value through profit (loss)	11				
Investment in Bambelela		116 058 987	(17 784 528)	-	98 274 459
Total		420 396 963	106 405 078	-	526 802 041

Gains and losses recognised in profit or loss are included in Other income on the Statement of Comprehensive Income, except for gains and losses on financial assets and liabilities which have been included in fair value adjustments.

Unlisted equity investments

Fair values have been estimated using a discounted cash flow model. The discounted cash flow model requires management to make assumptions about the model inputs, including forecast cash flows, the discount rate, credit risk and volatility. The probabilities of the various estimates within the range can be reasonably assessed and are used in management's estimate of fair value for these unquoted equity investments.

Option contract

The option contract was valued using the Black-Scholes option pricing model.

The following variables were taken into consideration: current underlying price of the share, options strike price, time until expiration, implied volatility of the share and risk-free rate.

AYO Technology Solutions Limited

(Registration number 1996/014461/06)

Annual Financial Statements for the year ended 31 August 2024

Notes to the Annual Financial Statements

	Note(s)	Opening balance	Gains/losses recognised in profit or loss	Purchases	Closing balance
34. Fair value information (continued)					
Investment at fair value					
The fair value of the investment in Bambelela is based on the Net Asset Value of its investments in Vunani Fintech Fund Proprietary Limited and Vunani Limited. A sensitivity analysis was performed on the key inputs for the investment in Bambelela.					
Sensitivity analysis					
The value of Bambelela is driven by the net asset value of Vunani Fintech Fund Proprietary Limited and Vunani Limited. All other inputs are fairly constant and predictable, a sensitivity analysis has been performed by increasing and decreasing the net asset value of the underlying investments by 10%.					
Share Price		Weighted average range of probabilities			
		High		Low	
31 August 2024					
Bambelela				945 969	(945 969)
31 August 2023					
Bambelela				1 076 788	(1 076 788)
				2 022 757	(2 022 757)

Sensitivity analysis by Company, for shareholding percentage and reflecting the adjusted Valuation

Increase	Cost of debt 1%	Beta 0,1%	Specific Risk Premium 1%	Debt - Equity Ratio 10%	Terminal Growth Rate 1%
Kalula Communication Proprietary Limited	54 609 847	52 849 703	60 577 234	59 152 541	59 068 850
Kathea Communication Proprietary Limited	64 656 814	67 813 004	70 435 121	70 618 576	67 796 275
Main Street Group Proprietary Limited	117 218 635	118 899 389	121 151 866	112 028 191	120 311 889
Software Tech Holdings Proprietary Limited	11 592 371	11 718 512	11 826 970	11 821 480	11 696 107
Zaloserve Proprietary Limited	60 824 450	63 424 218	66 096 874	67 725 627	63 737 655
Health System Technologies Proprietary Limited	79 846 770	80 145 156	80 496 923	80 326 946	80 223 821
Decrease	Cost of debt 1%	Beta 0,1%	Specific Risk Premium 1%	Debt - Equity Ratio 10%	Terminal Growth Rate 1%
Kalula Communication Proprietary Limited	56 567 653	58 485 778	51 087 068	51 699 695	52 515 280
Kathea Communication Proprietary Limited	63 670 976	60 730 537	58 510 963	58 469 398	60 914 669
Main Street Group Proprietary Limited	114 402 891	112 889 041	111 028 116	112 028 191	111 872 627
Software Tech Holdings Proprietary Limited	11 540 080	11 421 362	11 326 911	11 287 092	11 449 112
Zaloserve Proprietary Limited	59 193 195	56 618 582	54 478 858	52 112 380	56 500 540
Health System Technologies Proprietary Limited	79 462 897	79 187 015	78 884 276	78 922 573	79 145 102

35. Going concern

The annual financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that the necessary funds will be available to support future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

AYO Technology Solutions Limited

(Registration number 1996/014461/06)

Annual Financial Statements for the year ended 31 August 2024

Notes to the Annual Financial Statements

Figures in Rand

2024

2023

35. Going concern (continued)

The Board carefully determined the appropriate basis for preparing the audited financial statements, taking into account the Company's significant risks, outstanding legal matters, current financial performance, financial budgets, and an assessment of the Company's solvency and liquidity, alongside its current financial position and available cash resources.

In the past, AYO received a summons from the Public Investment Corporation (PIC) and the Government Employees Pension Fund (GEPF), which sought to declare the subscription agreement between the PIC and AYO unlawful and demanded payment of R4.3 billion plus interest. A settlement agreement was reached, and AYO paid R619 million to the PIC in March 2023. Although this payment lowered the net asset value, AYO continues to demonstrate solvency and liquidity. The transaction, classified as a Specific Initial Repurchase under JSE Listing requirements, received shareholder approval on 26 June 2024, facilitating its completion.

The settlement agreement includes a Put Option granting the PIC the right to sell up to an additional 5% of PIC shares back to AYO, exercisable three years after the approval of the Specific Initial Repurchase. A liability of R248 million has been recorded; however, this liability is contingent upon AYO's solvency and liquidity at the time the option is exercised, which condition is specifically included in the settlement agreement, ensuring that no going concern issue arises from this option.

AYO has transitioned into an investment holding company and remains fully operational through its diversified portfolio. Several of its subsidiaries, with over two decades of established presence and have historically demonstrated strong trading performance. While these subsidiaries remain profitable, their growth has recently slowed. However, once the ongoing litigation, banking, and reputational challenges are resolved, they are well-positioned to regain momentum and return to optimal performance.

It is important to note that the judgements and assumptions made in this context involve inherent material uncertainty regarding future cash flows, and any significant deviations could raise doubts about the Company's ability to continue as a going concern. The current year has seen considerable losses primarily due to accounting adjustments that are not anticipated to recur. The reversal of these adjustments in future, such as expected credit losses on loans and impairments of intangible assets, is expected to improve the financial outlook for the Company. This year has been focused on cleaning up the financial position of the company, setting the stage for better performance in the future, free from legacy issues. Despite the uncertainties and the recent history of losses, although these losses have been decreasing, the Board is confident that, based on all available information, and after thoroughly reviewing the Company's financial forecasts and current financial position, it is appropriate to assume that the Company will continue as a going concern in preparing the separate annual financial statements.

There is ongoing litigation involving the Company, its subsidiaries, and banking institutions in South Africa. While limited access to external funding poses challenges, the company has effectively managed to be self-sufficient through improved working capital management and maintaining leaner cost structures. Revenue growth has been observed in several subsidiaries, with those that have lost major contracts successfully replacing them with new agreements in many cases. The Company is actively pursuing funding opportunities in other jurisdictions, as its operating subsidiaries offer globally appealing products and services. Currently, the Company is utilising third-party payment solutions, and its subsidiaries are operating normally with existing transactional facilities, with no anticipated operational disruptions in the foreseeable future.

The Board has also evaluated a recent liquidation application made against the Company by a shareholder. The Board with the advice from its legal advisors has determined that this matter is not material to the Company's going concern status, as no new issues have been raised that have not been previously addressed.

The Board remains fully committed to sustaining AYO's operations and has no plans to cease trading, scale back activities, or liquidate the Company. Based on its assessment, AYO is fundamentally capable of continuing as a going concern, supporting future stability and growth. However, material uncertainties—including ongoing litigation, banking challenges, and potential significant cash outflows—have been identified. As a result, the Board acknowledges that these factors raise a material uncertainty regarding the company's ability to continue as a going concern. Despite these uncertainties, the Board remains focused on safeguarding the company's long-term viability and unlocking future value.

AYO Technology Solutions Limited

(Registration number 1996/014461/06)

Annual Financial Statements for the year ended 31 August 2024

Notes to the Annual Financial Statements

Figures in Rand

2024

2023

36. Events after the reporting period

Thawt Inc. ("Thawt") resigned as the AYO group's joint external auditor and terminated its audit engagement, with effect from Wednesday, 30 October 2024.

Mr Pride Guzha has resigned as Chief Financial Officer ("CFO") and executive director of AYO, effective 1 December 2024.

Mrs Valentine Dzvova has been appointed as the new CFO and executive director of AYO, effective 1 December 2024.

The company has received a notice of motion filed in the High Court of South Africa, Western Cape Division, Cape Town, by a minority shareholder holding 0.13% of the company's shares, seeking to wind up AYO. The company has engaged its legal counsel to oppose the application, and the Board of Directors ("Board") is confident in its ability to successfully defend against the claim while actively addressing the legal and operational considerations.

37. MAJOR SHAREHOLDERS

MAJOR SHAREHOLDERS (5% AND MORE OF THE SHARES IN ISSUE)
Sekunjalo Investment Holdings (Pty)
Government Employees Pension Fund

Number of shares

Percentage of total issued share

149 679 677

45,78

82 579 899

25,26

232 259 576

71,04