
AYO TECHNOLOGY SOLUTIONS LIMITED

(Incorporated in the Republic of South Africa)

Registration number: 1996/014461/06

JSE share code: AYO

ISIN: ZAE000252441

("AYO" or "AYO Group")

VOLUNTARY SHAREHOLDER ANNOUNCEMENT

In accordance with paragraph 3.4(a) of the JSE Limited Listings Requirements, the board of directors of AYO ("**Board**" or "**Directors**") hereby advises stakeholders of a matter that could potentially be price sensitive. The matter concerns certain irregular expenditure during the 2023 financial year ended 31 August 2023, which occurred in Sizwe Africa IT Group Proprietary Limited ("**Sizwe**"), a 55% owned subsidiary of AYO forming part of the managed services segment of the AYO Group, which has recently come to light.

AYO believes in upholding the highest standards of transparency, accountability, and adherence to regulatory compliance, and it is with regret that we must inform stakeholders of the identified irregularities. AYO's nominee directors are appointed in a non-executive capacity to the Sizwe board of directors ("**Sizwe Board**") and, accordingly, are not directly involved in the day-to-day operations and business activities of Sizwe.

An internal audit revealed that certain expenditure incurred during the 2023 financial year, by certain employees of Sizwe, did not follow due processes and procedures prescribed by the company and was beyond the ambit of the formal authority delegated to such employees.

Such irregular expenditure will be accounted for in AYO's results to be released for the 2023 financial year. The effect of the foregoing on both earnings per share and headline earnings per share is between 6.05 cents and 7.39 cents based on a weighted average number of shares in issue of 343,8 million. The foregoing does not necessitate AYO issuing a trading statement.

The Sizwe Board is committed to taking the necessary steps to fully investigate and address such irregular expenditure, including reporting the matter in terms of the relevant laws and regulations. The investigation is being conducted in collaboration with external experts to ensure an unbiased and proper review. As a part of this process, the Sizwe employees suspected of being involved in such irregularities have been suspended from their employment and will be subjected to the appropriate disciplinary processes.

No AYO Directors, AYO employees or AYO representatives have been implicated in the matter.

The Directors wish to advise all stakeholders that we remain focused on our core business operations and the value we bring to our customers, employees and stakeholders. While this incident is regrettable, we will ensure that this matter is dealt with appropriately.

The financial information in this announcement has not been reviewed nor reported on by AYO's external auditors.

Cape Town
5 September 2023

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