

AYO TECHNOLOGY SOLUTIONS LIMITED

(Incorporated in the Republic of South Africa)

Registration number: 1996/014461/06

JSE share code: AYO

ISIN: ZAE000252441

("AYO" or "the Company")

DISPOSAL BY SIZWE AFRICA OF ITS 70% INTEREST IN CYBERANTIX

1. Introduction

The board of directors of AYO hereby advises shareholders that Sizwe Africa IT Group Proprietary Limited ("**Sizwe**" or the "**Seller**"), an indirect 55% owned subsidiary of AYO, entered into a sale of shares and claims agreement ("**Agreement**") dated 17 September 2024 ("**Signature Date**") with Mustek Limited ("**Mustek**" or the "**Purchaser**") and Cyberantix Proprietary Limited ("**Cyberantix**") for the sale of Sizwe's 70% interest in the issued share capital of Cyberantix ("**Sizwe Shares**") and all shareholder claims on loan account or otherwise held by Sizwe against Cyberantix ("**Sizwe Claims**"), as one indivisible transaction, for a total consideration of R20 million ("**Disposal**").

The directors of Sizwe are Amit Makan and Pride Guzha, who are directors of AYO, and Shabana Ebrahim who is a director of Mustek. The remaining 30% interest in Cyberantix is owned by NIL Data Africa Proprietary Limited, which is not a related party to AYO or any of its subsidiaries.

2. The Disposal

2.1 Nature of the Cyberantix business

Cyberantix is a South African Level 2 B-BBEE company that provides Security Operations Centre as a Service (**SOCaaS**), primarily focusing on cybersecurity solutions for small to medium enterprises, mid-sized corporations, government and larger enterprises. The company's services include real-time monitoring, incident detection and response, as well as advanced cyber defense solutions such as SOAR (Security Orchestration, Automation, and Response) technologies. These services help businesses mitigate cyber risks, ensure compliance and strengthen their overall security posture.

CyberAntix operates with a modular approach to its security services, allowing businesses to scale their cybersecurity measures based on their needs. The company offers a variety of services such as threat hunting, penetration testing, security architecture consulting and incident remediation. It is also involved in advanced cybersecurity disciplines such as forensics, security engineering, and red-blue teaming.

2.2 Details pertaining to the Purchaser

The Purchaser, whose directors are Hein Engelbrecht, Shabana Aboo Baker Ebrahim, Isaac Mophatlane, CJ Coetzee, Pamella Marlowe, Ralph Patmore and Shelly Thomas, is listed on the Johannesburg Stock Exchange ("**JSE**"). As one of South Africa's largest assemblers and distributors of information and communications technology ("**ICT**") products, the Mustek group has evolved into a seamless end-to-end ICT and sustainable technology solutions provider.

2.3 Rationale for the Disposal and application of Disposal proceeds

Cyberantix is a cybersecurity business operating in the ICT industry. While the business has significant growth potential, this is expected over the medium to long term and will require further investment to become fully scalable.

The majority of Cyberantix' clients are not aligned to the Sizwe group's strategic priorities. As a result, management believes it would be more advantageous to partner with an already existing scaled cybersecurity company capable of executing the larger projects currently undertaken by the company.

The proceeds generated from the Disposal will allow Sizwe to allocate resources toward other strategic priorities within the company. Sizwe is actively engaging with cybersecurity partners in the market with the aim of securing a partnership by the end of 2024.

2.4 Consideration

The total consideration payable by Mustek in respect of the Disposal is apportioned as follows:

2.4.1 R8 million in respect of the Sizwe Shares; and

2.4.2 R12 million in respect of the Sizwe Claims,

payable by the Purchaser on the effective date by crediting such amount to the Seller's indebtedness under its trading account with the Purchaser.

2.5 Conditions precedent and effective date

There are no conditions precedent to the Disposal. The effective date of the Disposal is the Signature Date.

2.6 Warranties

The Agreement contains warranties which are standard for a transaction of this nature.

2.7 Financial Information

The audited net asset value of Cyberantix for the year ended 30 June 2024 was R2 825 263.

The audited profit attributable to Cyberantix for the year ended 30 June 2024 was R4 081 628.

The financial statements were prepared in accordance with International Financial Reporting Standards and the Companies Act, 2008 (Act 71 of 2008), as amended.

3. Classification of the Disposal

The Disposal is classified as a Category 2 transaction in terms of the JSE Listings Requirements. It is the intention of the Company to imminently submit a request for ruling to the JSE to obtain certainty regarding potential related party implications. Shareholders will be kept informed in this regard.

Cape Town
8 October 2024

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