

ALTRON

Home 



Integrated Annual Report

FOR THE YEAR ENDED 29 FEBRUARY 2024



Passionate about our customers,
 Passionate about solving real-world problems
 from the everyday to the epic.

01

Introduction

- 05** About our report
- 06** Creating value through our purpose

02

About Altron group

- 08** Message from our Chairperson
- 11** Our leadership structures
- 14** Our group structure
- 15** Group at a glance
- 18** Our business model

03

Understanding our context

- 23** Operating context
- 25** Our stakeholders
- 27** Our key strategic risks and opportunities
- 33** Material matters

04

Responding strategically

- 36** Message from our Chief Executive Officer
- 39** Our strategy
- 44** Driving our customer obsession
- 45** Developing a high-performance culture
- 50** Deepening our ESG aspirations

05

Our performance

- 57** Chief Financial Officer's review
- 59** Performance by segment

06

Governance

- 85** The Board
- 91** Abbreviations
- 91** Corporate information

NAVIGATING OUR REPORT



The capitals



Financial



Manufactured



Intellectual



Human



Social and relationship



Natural

Risks areas



Growth



Execution



Technology



Business resilience



People

Material matters (MM)

- MM1** A strong company culture
- MM2** Attracting and developing key and critical skills
- MM3** Building sustainable supply chains
- MM4** Corporate governance structures and policies
- MM5** Creating a diverse and inclusive workforce
- MM6** Ethics
- MM7** Employee satisfaction and performance
- MM8** Financial resilience
- MM9** Investor relations
- MM10** Positive social impacts

Strategic response

- Customer obsession**
- Grow revenue**
- Improve operating leverage**
- Transformative growth**
- ESG**

Key stakeholder groups

- Investors**
- Government**
- Regulators**
- Our people**
- Our customers**
- Upstream suppliers**
- Downstream service providers**
- Society**



Netstar

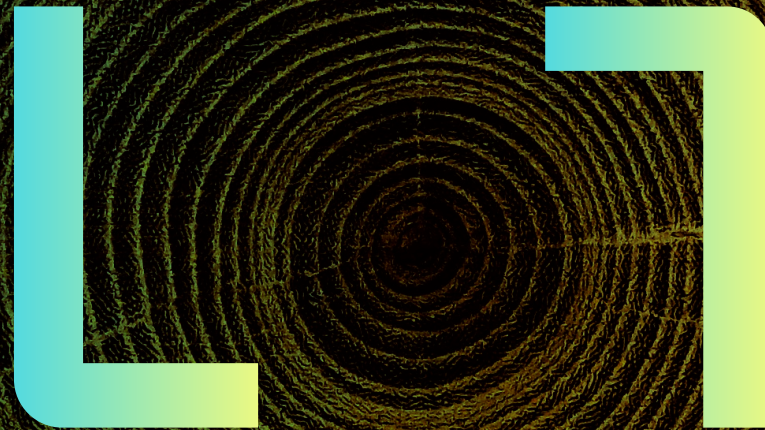
Netstar, a trusted brand provides telematics, fleet intelligence, vehicle-tracking and recovery services for corporate and individual customers in South Africa and Australasia.

[more info ↗](#)

01

Introduction

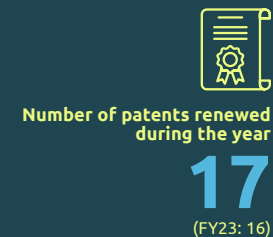
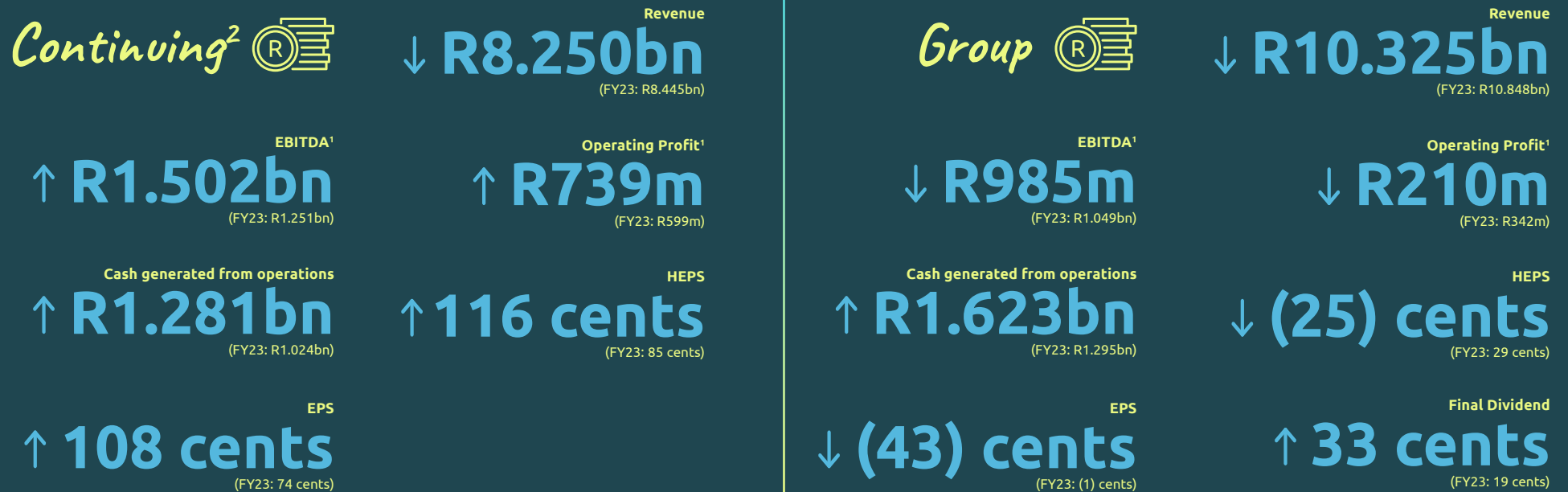
- 05 About our report
- 06 Creating value through our purpose





Altron is a proudly South African technology group. We harness the power of data, technology and human ingenuity to solve real-world problems, from the everyday to the epic. A technology industry leader since 1965, we're partnering with customers across all industries to help them grow, build a thriving economy and transform today into a simpler, safer and smarter tomorrow. Altron operates in four continents and employs 4 700 people.

Altron *in numbers*



¹ EBITDA and Operating Profit before capital items.

² Continuing operations performance excludes Altron Documents Solutions and Altron Rest of Africa.

[#] South African operations



About our report

Reporting standards and frameworks

This report was compiled in accordance with the King IV Report on Corporate Governance for South Africa (King IV™), the IFRS Foundation's Integrated Reporting and Connectivity Council, and the Johannesburg Stock Exchange (JSE) Sustainability Disclosure Guidance. The Board of Directors (Board) approved the use of these standards and frameworks based on management's assessment that they were current and relevant to Altron's context as a primarily South African company and that they ensured a fair balance of financial, governance, and sustainability information.

The report serves as a standalone summary of the company's strategic approach and activities during the year. Supplementary information, including audited financial statements, can be found in the rest of the reporting suite.

Financial reporting is prepared in accordance with the Companies Act (Act 71 of 2008), the Listings Requirements of the JSE (JSE Listings Requirements), and the IFRS Accounting Standards.

The Altron group 2024 reporting suite



Annual Statutory Report



Remuneration Report



Audited Annual Financial Statements



King IV Application Register

Scope and boundary

This report goes beyond reporting on financial and operational metrics and considers the environmental and social performance of all Altron group operations and divisions for the 12 months up to 29 February 2024. Financial data includes our United Kingdom, Australia, UAE, and Southeast Asia operations. Environmental data (carbon emissions) is currently limited to our South African operations.

Assurance

PricewaterhouseCoopers Inc. has audited the Annual Financial Statements, which form part of the reporting suite. Their unqualified audit opinion can be found in our FY24 Audited Annual Financial Statements.

VOS Quantum Solutions has independently verified our broad-based black economic empowerment (B-BBEE) level. Empowerdex verified the ownership section of our B-BBEE rating.

Dialogue has confirmed our e-waste recycling figures. Although every effort is made to ensure the integrity of our broader environmental, social and governance (ESG) data, this is currently not independently verified.

Forward-looking statements

This report contains certain forward-looking statements relating to Altron's future plans, operations and performance. Such statements can be identified by words such as "anticipate", "expect", "plan", and "intend" and are not guarantees of, or commitments to, future actions, strategies or results.

Subject to compliance with applicable laws and regulations, Altron does not undertake to update these statements after the publication of this report.

Board approvals

Altron's Company Secretary compiled this report with input from the executive management team, division leaders, Board Committee chairs and the Board Chairperson, all of whom provided invaluable insight into Altron's internal and external business operating environments during the year.

The data in this report was subject to an internal verification process. In the case of financial data, the internal verification process was complemented by an external audit process.

The Board and Audit and Risk Committee were afforded sufficient time to review the report in its entirety before approving it on 27 June 2024.

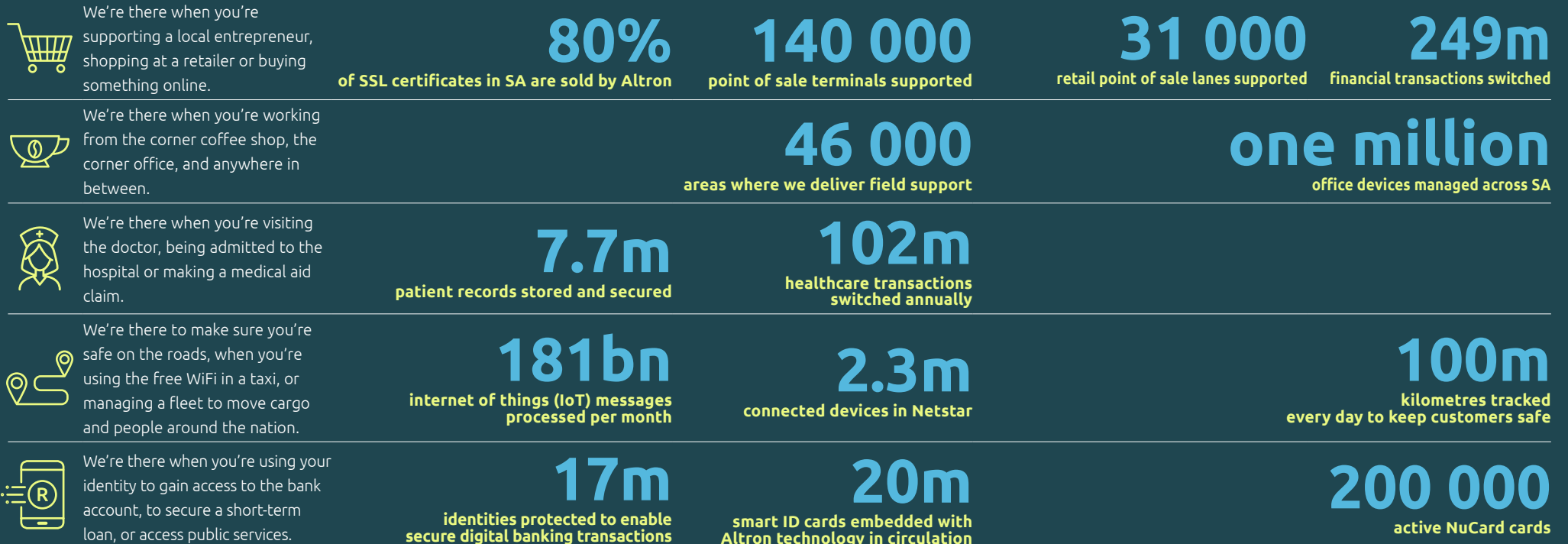
Signed Altron Board

28 June 2024

Welcome to **Altron Limited's** (Altron's, the company's or the group's) 2024 Integrated Annual Report. This report captures the group's financial and operational performance during the financial year ended 29 February 2024. It also captures our impact on, and contribution to, the broader natural environment and society.

Creating value through our purpose

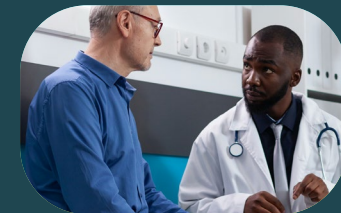
Our purpose is to use technology today to create a *simpler, safer, and smarter tomorrow*. The value we deliver therefore lies in our ability to harness the power of data, technology and human ingenuity to solve real-world problems for our customers across all industries, helping them grow and build a thriving economy.



Fighting the scourge of rhino poaching
See page 52



Digitising and protecting our nation's identities
See page 77



Reducing the cost of cancer treatment
See page 68

From the everyday to the epic – we find solutions to immensely complex problems



ALTRON Digital Business

Altron Digital Business brings IT services capability across the group to deliver enterprise-grade solutions that help you operate, optimise and transform your business.



02

About Altron group

- 08** Message from our Chairperson
- 11** Our leadership structures
- 14** Our group structure
- 15** Group at a glance
- 18** Our business model

Message from our Chairperson



"The group is strategically focused on *becoming the leading platform and IT services business* in its chosen markets."

Stewart van Graan
Chairman

External operating context

In FY24, Altron navigated a complex external environment characterised by geopolitical tensions and macroeconomic volatility. Global conflicts and shifting alliances have exacerbated geopolitical fragmentation. South Africa, for example, aligned with BRICS, and faced unique challenges as China and Russia came under pressure. Moreover, digital geopolitics, including cybersecurity, data privacy, and digital governance, are on the rise. These global issues require us to adapt and respond effectively to ensure our operations remain secure and compliant with international standards.

On the economic side, the global economy's interconnectedness means that trends and events in one part of the world can significantly impact South Africa. Economic recessions, trade disputes, and fluctuations in commodity prices all contribute to a complex economic landscape. This global paradox of geopolitical fragmentation and economic connectedness

requires us to operate as a connected whole in a fragmented world. Understanding and navigating these dual realities is crucial for Altron.

Focusing in on the local South African context, marred by energy stability issues, the group must navigate daily operational challenges with agility.

Despite this, the company's commitment to the highest standards of corporate governance continued to support resilience and ethical business practices. The organisation's strategic realignment, including the divestment of specific business units, underscored a focus on creating sustainable long-term value amid a fluid commercial backdrop.

Creating value through purpose-driven business alignment

Altron's newly articulated purpose-driven approach, aimed at transforming today into a simpler, safer, and smarter tomorrow, serves as a North Star for the business. With a foundation built on customer obsession and growth-focused dynamics, the company seeks to catalyse long-term value creation, seamlessly integrating this purpose into its culture, strategies, and operational execution to avoid the pitfalls of purpose washing.

The group is strategically focused on becoming the leading platform and IT services business in its chosen markets. Altron's alignment with this strategy has led to significant improvements in financial performance. By adjusting its operations to better reflect the core strengths

of its businesses, the company has achieved notable revenue growth and efficiency gains. Despite the challenges posed by divestments and market conditions, Altron has maintained robust revenue growth in continuing operations, underpinned by a disciplined approach to capital allocation and a relentless focus on customer value. (See the message from our CEO on page 36 and the CFO's review on page 57 for more detail on the group's financial outcomes.)

Altron is also further embedding sustainability into its decision-making processes, enhancing its ESG practices, and setting clear, measurable targets for improvement. The group's updated Sustainability Framework targets five critical areas: environmental impact, social responsibility, employee engagement, corporate governance, and community engagement. This strategic approach mitigates risks and enhances Altron's

MESSAGE FROM OUR CHAIRPERSON CONTINUED

competitive edge by aligning business operations with responsible practices that appeal to partners and customers alike. Environmental initiatives include reducing the company's carbon footprint through energy-efficient technologies and renewable energy, complemented by waste reduction and recycling efforts.

On the social and governance fronts, Altron promotes a diverse and inclusive workforce, focusing on equal opportunity while participating in community initiatives that support local development, particularly in education and technology access.

The company adheres to rigorous governance standards to ensure transparency and accountability, regularly reviewing these practices to align with evolving regulations.

Altron's purpose-driven approach goes beyond compliance and achieving short-term financial goals; it sets a foundation for sustainable, long-term value creation. Through strategic alignment with its purpose, Altron is building a resilient, agile business capable of thriving in today's dynamic market environment. The journey towards a simpler, safer, and smarter tomorrow is ongoing, and Altron remains committed to continuous improvement and innovation in all aspects of its operations.

Sustaining long-term value through strategic trade-offs

Strategic trade-offs have been pivotal in sustaining long-term value for our stakeholders. In our continuous effort to refine our operational focus and enhance shareholder

value, we raised significant provisions and impairments, particularly in our non-core businesses, which reflect the group's strategic priorities and the realities of the current business environment.

The decision to reclassify Altron Nexus as held for sale was not taken lightly. This move aligns with the focus on core IT services and platform businesses. The impairment and provisions associated with Altron Nexus reflect broader market realities and internal strategic realignments. Specifically, the group was impacted materially by not securing the next phase of the Gauteng Broadband Network contract. This development necessitated a recalibration of its operational focus due to the business losing the majority of its annuity revenue and financial expectations. Consequently, at half-year, the group raised provisions totalling R334 million to address the impacts on revenue and profitability, aligning the business' structure with its anticipated future operations.

Similarly, for Altron Document Solutions, after the unsuccessful sale attempt, the group recognised the need to realign its operational strategy to better suit the market conditions and Altron's strategic direction. This led to the decision to provide R95 million related to inventory, debtors, and finance lease assets, acknowledging the challenges posed by slow-moving inventory and the financial difficulties faced by key customers.

These provisions, together with an impairment raised at a group level of R33 million in relation to goodwill held on the group balance sheet for Altron Nexus, are part of a broader strategy. They were informed by in-depth business reviews to identify and address areas where performance optimisation was necessary.

This review process was critical as it allowed us to make informed decisions that support the group's long-term strategic objectives, and enabled us to set strict performance targets against which the businesses are assessed on an ongoing basis.

These financial adjustments also reflect our commitment to transparency and good governance. By addressing these impairments proactively, we align the business with its strategic vision and ensure that the group's financial statements accurately reflect its operational realities and prospects. This approach supports our broader governance framework, prioritising ethical business practices and robust financial management.

As we move forward, these strategic decisions will enable a honed focus on core operations, leveraging Altron's strengths to deliver enhanced value to our stakeholders. We are committed to navigating these challenges with a clear focus on operational excellence and strategic growth.

Pleasingly, despite the challenges faced during the year, cash generated from operations increased by 25%. This improved cash flow generation, combined with the positive momentum in the group's continued operations and strong balance sheet, enabled an increase in dividend payout.

As announced at half-year, we raised the dividend payout from at least 40% to at least 50% of HEPS from continued operations. Consequently, we declared a final dividend of 33 cents per share, representing a 74% increase.

Board and governance

The past year has been pivotal for Altron's Board of Directors, marked by strategic introspection and an unwavering dedication to excellence in governance. We engaged in a comprehensive Board evaluation, reflecting our commitment to continuous improvement and accountability. The results have been heartening, revealing robust Board support for regular performance appraisals and effective management of both financial and non-financial value drivers. Our executive engagements have been rich in discourse, cementing the relationship between the Board and management and fostering an environment where strategic decisions are thoroughly vetted and aligned with our collective vision.

During the year, we also sought to bolster our governance capabilities by integrating platform business model expertise, ensuring our governance strategies remain cutting-edge and well-suited to oversee the group's strategic direction. This was exemplified by the appointment of Mr Grigoris Kouteris as an Independent Non-Executive Director post-year-end, effective from 17 May 2024. Grigoris brings internationally-driven experience and expertise in the fintech, Software as a Service (SaaS), and MarTech industries. With Grigoris' exposure across developed and emerging markets, skill set, and expertise, the Board is confident in his capacity to help drive value creation and impactful change. The Altron Board welcomes Grigoris and looks forward to his contribution.

Looking ahead, our agenda is set to maintain and elevate transparency. Notable emphasis will be placed on succession planning and strengthening diversity within the Board and executive team, echoing our belief that multiple perspectives foster innovation and resilience.



MESSAGE FROM OUR CHAIRPERSON CONTINUED

We stand united in our pursuit of governance that not only complies with but sets new standards for excellence, reflecting our ethos of stewardship and leadership. I am assured that the Board's proactive stance and collective efforts signal a well-functioning and effective governance structure poised to propel Altron into a future of sustained success and impactful leadership.

B-BBEE

Our dedication to B-BBEE remains firm as we strive to implement a new structure that reflects our commitment to transformation and social equity. The Board, in conjunction with various board committees and the executive team, is monitoring finalising the progress to ensure its implementation in the first half of FY2025.

Outlook and appreciation

As we look to the future, Altron is well-positioned to harness organic growth and explore acquisitions that resonate with its strategic vision.

In closing, I extend my profound gratitude to every member of the Altron family for their resilience and hard work. I also extend a special thanks to the executive team for their unwavering commitment to leading the business

with purpose. Our appreciation goes to our shareholders and customers, whose trust and partnership are invaluable.

United in our mission, we remain committed to steering Altron through the evolving landscape, ensuring value creation and thriving in a world marked by technological advancement and transformative change.

We're
passionate
about

Data



Technology

solving
real world
problems



Human ingenuity

Our leadership structures

The Board (as at date of publication)

Altron is governed by a Board of 12* Directors, of which six are Independent Non-Executives.

Legend for leadership structures:

- Independent Non-Executive Director (Blue)
- Non-Executive Director (Teal)
- Executive Director (Orange)

Legend for committees:

- AARC: Audit and Risk Committee
- NOMCO: Nomination Committee
- REMCO: Remuneration Committee
- SESCO: Social, Ethics and Sustainability Committee
- IC: Investment Committee
- Committee Chairperson (Dark Blue)



Stewart van Graan ⁽⁶⁸⁾

CHAIRMAN

Independent Non-Executive Director
BCom (Hons) in Information Systems (UCT)
Programme for Management Development (UCT Graduate School of Business)

Joined: 2017
 Tenure: 7 years

NOMCO

IC



Werner Kapp ⁽⁴⁹⁾

CHIEF EXECUTIVE OFFICER

B. Juris (Nelson Mandela University)
Masters in Business Leadership (UNISA SBL)
NTT GDLP (IMD)

Joined: October 2022
 Tenure: 2 years

IC

SESCO



Carel Snyman ⁽⁵²⁾

CHIEF FINANCIAL OFFICER

CA(SA)
BCom Acc (UCT)
BCom Acc Honours (UKZN)

Joined: June 2023
 Tenure: 1 year

IC



Grant Gelink ⁽⁷⁴⁾

INDEPENDENT NON-EXECUTIVE DIRECTOR

CA(SA)
BCompt (Hons) (UNISA)
BCom (UND) (Hons) (UNISA)

Joined: 2012
 Tenure: 12 years

AARC

NOMCO



Dr Phumla Mnganga ⁽⁵⁶⁾

INDEPENDENT NON-EXECUTIVE DIRECTOR

PhD (Wits Business School)
MBL (UNISA) Programme in Business Leadership (UNISA)
BEd (Psych) (UKZN)
HDip (UKZN)
BA (UKZN)

Joined: 2019
 Tenure: 5 years

REMCO

NOMCO



Sharoda Rapeti ⁽⁶⁰⁾

INDEPENDENT NON-EXECUTIVE DIRECTOR

Higher National Diploma in Electrical Engineering (Durban University of Technology)
MBA (University of Wales)

Joined: 2021
 Tenure: 3 years

SESCO

AARC

REMCO

* Including Grigoris Kouteris appointed 17 May 2024

OUR LEADERSHIP STRUCTURES CONTINUED



Tapiwa Ngara ⁽⁴²⁾
NON-EXECUTIVE DIRECTOR

Bachelor of Business Science (Finance)(UCT)
CA (SA)
MBA (London Business School)

Joined: 2023
Tenure: 1 year

IC



Alupheli Sithebe ⁽⁴¹⁾
INDEPENDENT NON-EXECUTIVE DIRECTOR

BCom Acc (RAU)
BCom Acc Honours (UNISA)
CA(SA)
MBA (GIBS)

Joined: 2021
Tenure: 3 years

AARC

SESCO



Robert Venter ⁽⁶⁴⁾
NON-EXECUTIVE DIRECTOR

BA (Econ) (UCLA)
MBA (UCLA) (Dean's List)

Joined: 1997
Tenure: 27 years

NOMCO

REMCO

IC

SESCO



Antony Ball ⁽⁶⁵⁾
NON-EXECUTIVE DIRECTOR

BCom (Hons) (UCT)
MPhil (Management Studies) (University of Oxford)

Joined: 2017
Tenure: 7 years

REMCO

NOMCO



Brett Dawson ⁽⁵⁹⁾
NON-EXECUTIVE DIRECTOR

CA(SA)
BCom (Wits)
BAcc (Wits)

Joined: 2017
Tenure: 6 years

IC



Grigoris Kouteris ⁽⁴⁹⁾
INDEPENDENT NON-EXECUTIVE DIRECTOR

MPhil Electronic Engineering (UMIST)
BEng (Hons) Electronic Engineering (UMIST)

Joined: May 2024
Tenure: 1 month

Independent Non-Executive Director

Non-Executive Director

Executive Director

AARC Audit and Risk Committee

NOMCO Nomination Committee

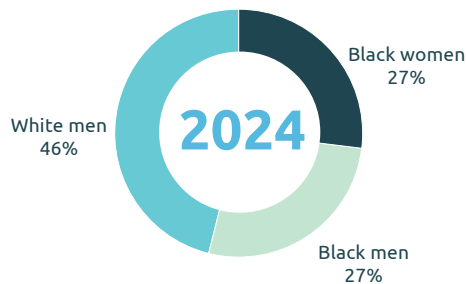
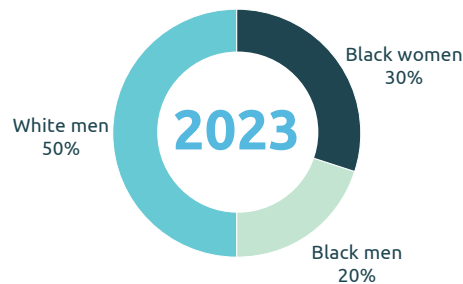
REMCO Remuneration Committee

SESCO Social, Ethics and Sustainability Committee

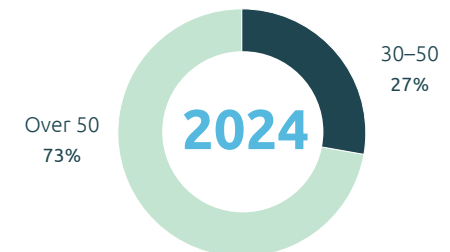
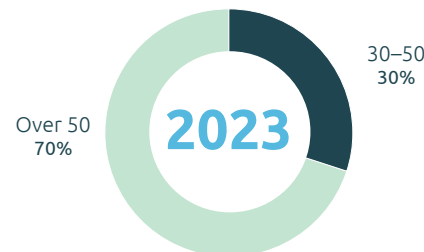
IC Investment Committee

Committee Chairperson

Breakdown of Board by race and gender*



Age distribution of Board members*



* Excluding Grigoris Kouteris appointed 17 May 2024

OUR LEADERSHIP STRUCTURES CONTINUED

Executive Committee (as at date of publication)

The executive leadership team executes and reports against the Board-approved strategy.

Executive Director (orange bar)

Executive Committee (blue bar)



Werner Kapp (49)
CHIEF EXECUTIVE OFFICER



Carel Snyman (52)
CHIEF FINANCIAL OFFICER



Dr Bongani Andy Mabaso (37)
CHIEF TECHNOLOGY OFFICER



Marisa Jansen van Vuuren (39)
CHIEF MARKETING OFFICER



Collin Govender (47)
CHIEF OPERATING OFFICER

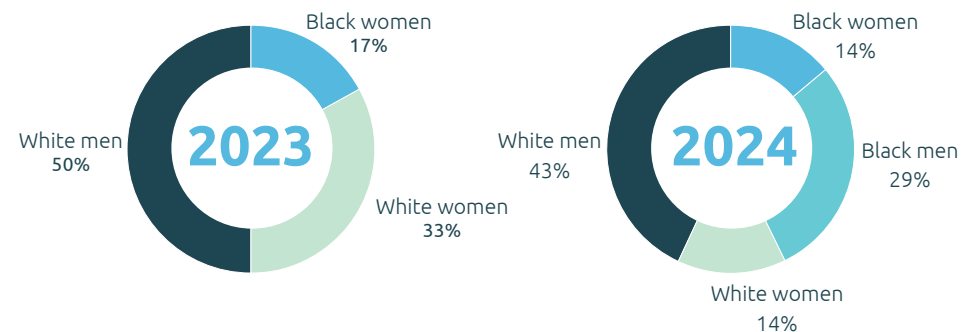


Mbali Ngcobo (38)
COMPANY SECRETARY



Hansie Schutte (58)
LEGAL

Breakdown of Executive Leadership by race and gender, FY23 versus FY24

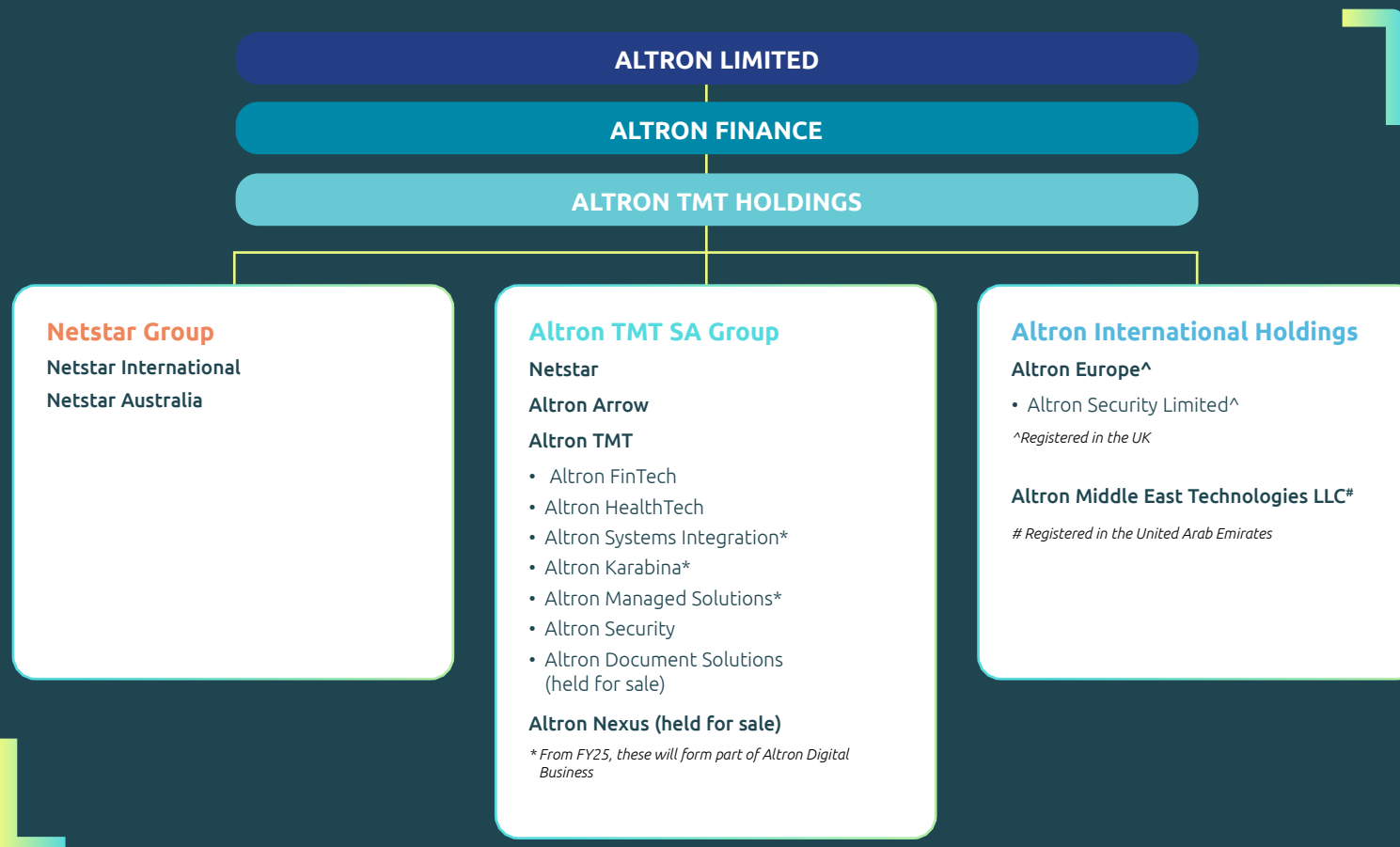


Our group structure

Reporting boundary

We have divested most of our holdings in Africa and are on track to divest the rest, subject to regulatory approvals. We continue to support our customers throughout Africa by working with partners to maintain our presence in Africa. We have exited the UK market, and the deregistration of the relevant entities is underway.

Our presence in Southeast Asia is through partners rather than owned companies. These facilities are included in our financial data, but excluded from our non-financial data.



Group at a glance

About us

Altron is a proudly South African technology group. Since 1965, we've been harnessing the power of data, technology and human ingenuity to solve real-world problems. As a technology industry leader, we see change as an opportunity to redefine the competitive landscape and create a simpler, safer and smarter tomorrow. Our portfolio of businesses help you equip and enable everyone, anywhere in your business with the information and technology they need to create value.

Why we exist

In a constantly evolving world, technology does not stand still and nor do we.

Our purpose is to use technology today to create a simpler, safer and smarter tomorrow



Simpler

We help reduce complexity and create operational ease for our customers – this enables them to improve client experiences, power employee productivity and accelerate time to market.



Safer

Our technology keeps people, data and property safe. Whether in the real world or the digital realm, we are trusted to deliver solutions for a rapidly evolving business landscape.



Smarter

We combine the power of data, technology and human ingenuity to create solutions that give more people access to new digital services, unlocking greater value for our customers and communities.

Our guiding principles

We have built our business on three solid principles, which guide our operation and the mindset we adopt when approaching each interaction.



Purpose driven

For almost six decades, we have harnessed the power of data and technology to transform today into a simpler, safer and smarter tomorrow.



Customer obsessed

We are a trusted partner that delivers critical national solutions to the public sector and many of South Africa's biggest brands.



Growth focused

Where there is change, we see opportunity; we are here to help our customers redefine tomorrow's competitive landscape.

South African operations

Our geographies

The majority of our operations are based in South Africa. As part of our operational changes in recent years, we have divested from many African operations, resulting in a primarily focused international footprint in Australia. Netstar International provides vehicle-tracking and fleet management services in this region.

While we have reduced our direct involvement in African operations, our strategic partnerships with leading international technology vendors and solution providers allow us to indirectly extend our reach to other countries across the continent. These partnership models contribute to our revenue generation and give us the ability to support our customers in these markets.

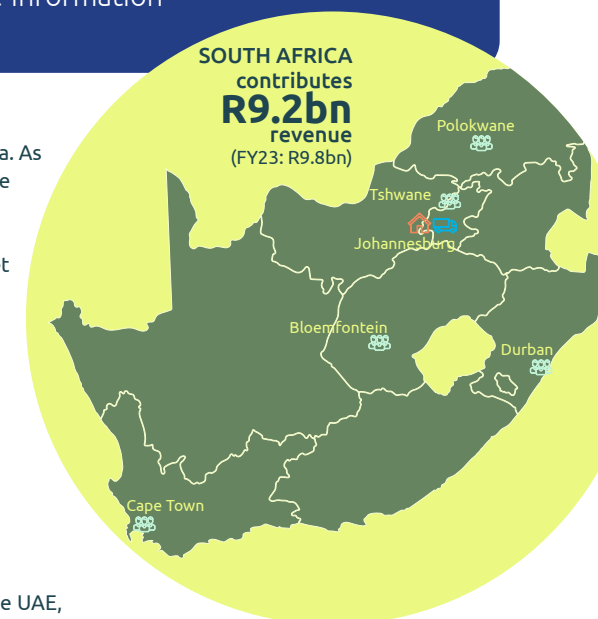
Furthermore, strengthening our global footprint has steadily expanded our presence in Australasia and the UAE, allowing us to support our customers in these markets.

Revenue from our other international operations

	FY23	FY24
Africa	R463m	R382m
United Kingdom	R6m	R3m
South East Asia	R55m	R85m
UAE	R50m	R64m
Australia	R297m	R314m

Our impact

Every day, we impact lives in countless ways. We power healthcare, financial technology, connectivity and South Africa's vital business infrastructure – all while safeguarding these businesses, their assets and their digital identity. What truly fuels our passion is Altron's 59-year legacy of using distinctive South African ingenuity to find unique solutions to immensely complex and challenging problems.



Head office Warehouse Offices

Total Revenue
Revenue
R10.3bn
(FY23: R10.8bn)

Total number of employees
Number of employees#
4 597
(FY23: 5 009)

GROUP AT A GLANCE CONTINUED

Our operating model

Sold ATM Business: R216m cash generated on exit

Assets held for sale*



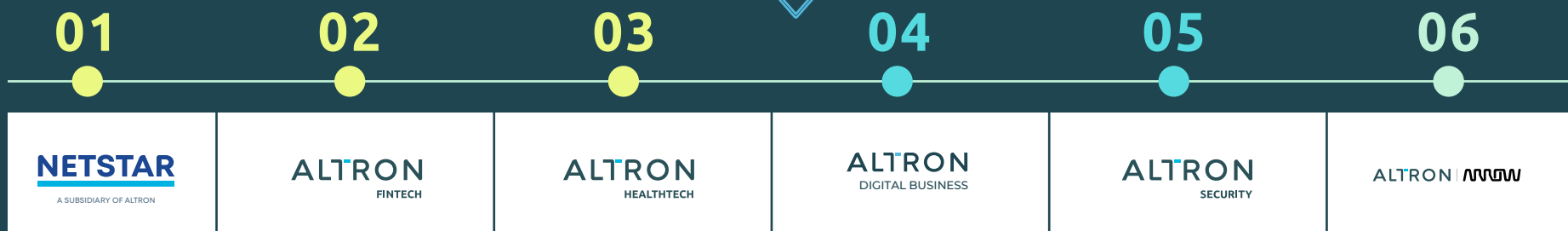
*Profit improvement strategy



Platforms

IT Services

Distribution



Platforms

IT Services

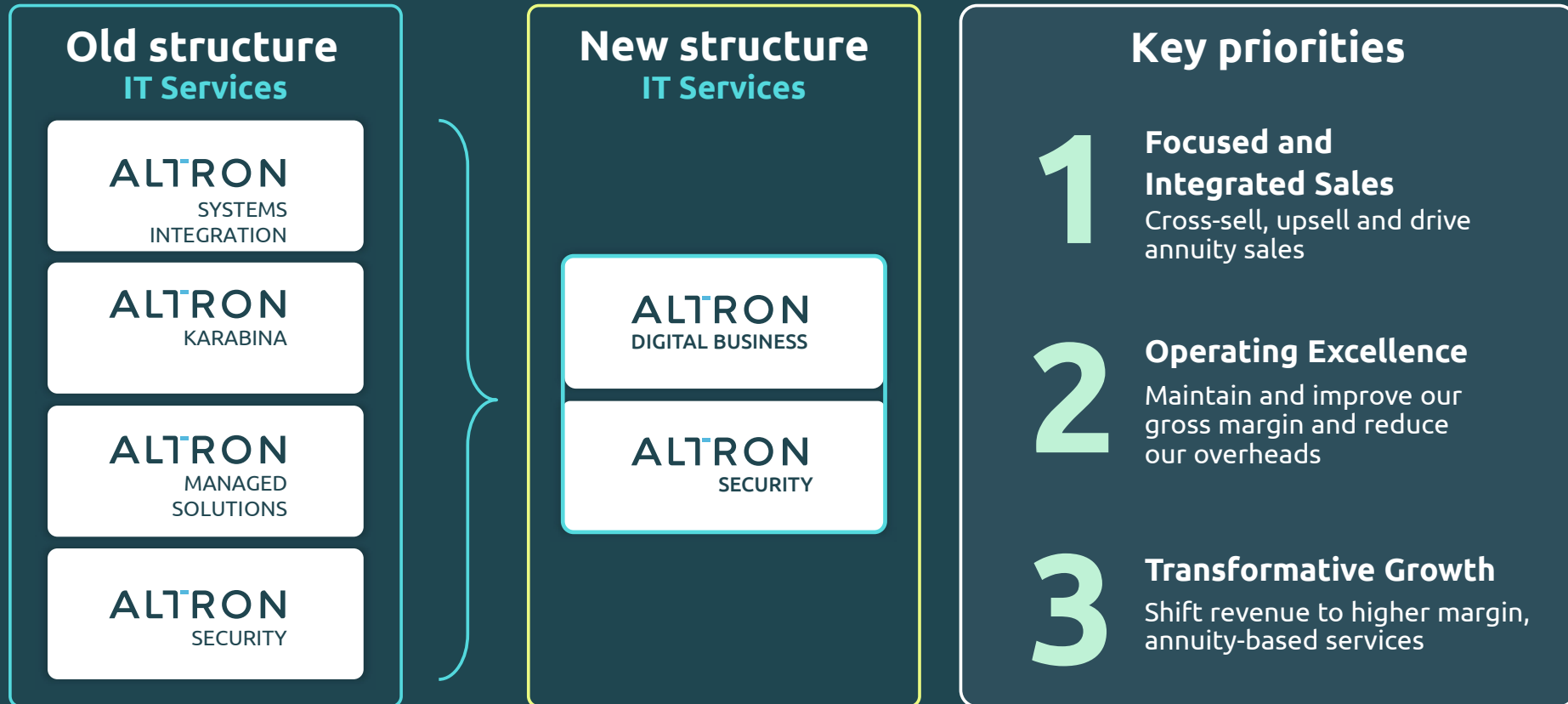
Distribution



GROUP AT A GLANCE CONTINUED



Altron Digital Business effective 1 March 2024



- ✓ Aligned with strategy to create the Leading Platform and IT Service business
- ✓ Integrated value proposition and improved solutions for customers
- ✓ Improved cross-sell and collaboration
- ✓ Remove duplication of costs

Our business model

OUR INPUTS



Financial capital

We maintain a strong balance sheet by optimising our net debt ratio to secure sufficient working capital and closely monitoring our sales and transaction revenue.



Manufactured capital

We import electronic components from across the globe for use in our integrated systems and distribution to customers. We also make use of buildings to house our operations.



Intellectual capital

Our intellectual property (IP) is foundational to our success.



Human capital

Our technology business is built on people who possess critical scarce skills.



Social and relationship capital

We proactively manage our relationship with our people, suppliers, regulators, investors and broader communities.



Natural capital

We closely track our carbon footprint and use renewable energy where possible.

OUR BUSINESS ACTIVITIES

We develop, install, and maintain *IT, payment and communications systems* that integrate and automate cloud functionality, data, and security to create a seamless user experience for our customers and those they serve. We also digitalise mobile assets and provide vehicle-tracking and telematics services directly to consumers, original equipment manufacturers (OEMs), and small and large fleets in South Africa and Australia.

Our solutions, previously divided into three* segments in FY24 have now consolidated into two segments:

Own Platforms

proprietary platforms based on the intellectual property that we own and manage

IT Services

that deliver enterprise-grade solutions, helping our customers operate, optimise and transform their businesses

SUPPORTING FUNCTIONS

The following internal functions support us in our core operations:

Financial management

Human capital management

Legal and compliance management

Information and risk management

Marketing and communications

GOVERNANCE

Governance is embedded in everything we do through various governance frameworks, policies and procedures. At the highest levels, Altron follows a two-tier governance structure in which our Board provides strategic direction, and the executives are responsible for delivering on strategy.

Audit and Risk Committee

Social, Ethics and Sustainability Committee

Nominations Committee

Remuneration Committee

Investment Committee

Executive Committee

* Own Platforms, Digital Transformation and Managed Services

OUR BUSINESS MODEL CONTINUED



Activities and impact across our segments

Own Platforms	Outputs	Outcomes
<p>NETSTAR*</p> <p>Provides telematics, fleet intelligence, vehicle-tracking and recovery services for corporate and individual customers in South Africa and Australasia.</p>	<ul style="list-style-type: none"> • Contributed 20% to Altron's overall revenue (FY23: 17%) • 27% increase in subscribers to over 1.7 million (FY23: 1.3 million) subscribers • 2.3 million connected devices (FY23: 1.6 million) • 4.11% improvement in the time taken to recover a stolen vehicle (FY23: 3.11%) • 1 177 people employed in South Africa (FY23: 1 129), 69 people employed in Australia (FY23: 69) 	<ul style="list-style-type: none"> • Greater security for vehicle assets with real-time tracking geofencing and monitoring • Enhancing protection of drivers through monitoring driver behaviour, automated incident alerts and accident reduction • Maximising fleet efficiencies through real-time tracking, optimising route planning and efficient dispatching • Enhancing compliance through simplified statutory reporting and achieving regulatory compliance • A disincentive to engage in criminal activity in broader society.
<p>ALTRON HEALTHTECH</p> <p>Transforming healthcare through technology by providing a comprehensive range of innovative software and data solutions to both medical practices and corporate clients.</p>	<ul style="list-style-type: none"> • Revenue growth 7% (FY23: 8% increase) supported by growing corporate segment • Transaction value processed R102 million (FY23: 7% increase) • Value collected for clients R106.5 billion (FY23: 17% increase) • 6% increase in operating profit¹ (FY23: 5%) 	<ul style="list-style-type: none"> • Efficient administrative and financial operations so that doctors can prioritise the care of their patients • Corporate health solutions assisting corporate customers to comply with employee health and safety regulatory requirements • Improved engagement of patients with chronic conditions.
<p>ALTRON FINTECH</p> <p>Provides a fintech payment processing platform and commerce enablement platform to allow our customers to do business in-store and online.</p>	<ul style="list-style-type: none"> • 24% increase in operating profit¹ (FY23: 21% increase) • R193 billion in transactions processed (FY23: R146 billion) • 352 people employed (FY23: 351) 	<ul style="list-style-type: none"> • Enabling financial and digital inclusion in our communities • Electronic financial transactions can be concluded efficiently and with high levels of security and trust, supporting a well-functioning economy with concomitant social benefits.
Managed Services	Outputs	Outcomes
<p>ALTRON MANAGED SOLUTIONS</p> <p>Provides specialist IT infrastructure for retail and banking operations and generic computer systems and support for retail and banking customers.</p>	<ul style="list-style-type: none"> • 6% increase in operating profit¹ (FY23: 118% increase) • 741 people employed (FY23: 1 342) 	<ul style="list-style-type: none"> • Retailers and banks have suitable IT infrastructure to meet their clients' needs with no need to invest in internal IT support skills • Social benefits of efficient and functional banks and retailers.

* Netstar is a 100% owned subsidiary.

¹ Operating Profit before capital items.

OUR BUSINESS MODEL CONTINUED

Activities and impact across our segments

Digital Transformation	Outputs	Outcomes
<p>ALTRON SECURITY</p> <p>Provides cybersecurity and digital identity security services for businesses, primarily regulated organisations.</p>	<ul style="list-style-type: none"> • 3% decrease in operating profit¹ (FY23: 222% increase) • 172 people employed (FY23: 188) 	<ul style="list-style-type: none"> • Signing Hub prevented nearly 2.4 million pages of documentation from being printed. • Personal data is safeguarded. • Higher levels of trust enable our clients and those they serve to fully embrace the functionality of our integrated solutions.
<p>ALTRON KARABINA</p> <p>Is a leading Microsoft Systems integrator using the power of the three Microsoft clouds (Azure, Microsoft 365, and Dynamics 365) to drive the digital transformation of our customers.</p>	<ul style="list-style-type: none"> • 57% increase in operating profit¹ (FY23: 44% increase) • 179 people employed (FY23: 175) 	<p>Using the power of the three Microsoft clouds, we enhanced productivity and collaboration within companies. Companies have a greater understanding of their clients and are therefore better able to meet their needs. We are actively partnering with customers on their digital transformation journey.</p>
<p>ALTRON SYSTEMS INTEGRATION</p> <p>Transitioned from being a product portfolio business to providing an integrated portfolio of services and infrastructure</p> <p>Partnering with our customers to drive their business outcomes using the best-of-breed technologies from leading partners.</p>	<ul style="list-style-type: none"> • 2% increase in revenue (FY23: 18% increase) • 1 125 people employed (FY23: 1 130) 	<p>Digitally empowered and capacitated organisations across all sectors that can focus on their core activities and objectives rather than implementing and maintaining IT infrastructure. We are actively driving business outcomes for our customers, for example, through data monetisation, a more efficient workforce, tighter controls for governance, risk and compliance, enabling new revenue opportunities using data insights, and running their IT estates more cost-efficiently.</p>
Other	Outputs	Outcomes
<p>ALTRON ARROW*</p> <p>Imports electronic components and software for the South African market.</p>	<ul style="list-style-type: none"> • 34% increase in operating profit¹ (FY23: 117% increase) • 76 people were employed (FY23: 74) 	<ul style="list-style-type: none"> • Having a dedicated, vertically integrated importer of electronic components enables Altron's other operations to focus on their core tasks • Local electronics distribution supports the digital transformation of South Africa's broader economy • RoHS, REACH and NEMA compliance limit environmental footprint.

* Altron Arrow is a 50% owned subsidiary.

¹ Operating Profit before capital items.

OUR BUSINESS MODEL CONTINUED

Activities and impact across our segments

Held for sale in FY24	Outputs	Outcomes
<p>ALTRON DOCUMENT SOLUTIONS</p> <p>Distributes and maintains Xerox equipment and software across 26 sub-Saharan countries.</p>	<ul style="list-style-type: none"> • 4% increase in operating profit¹ (FY23: 419% decrease) • 432 people employed (FY23: 506) 	<p>The key outcomes and benefits for corporate print customers:</p> <ul style="list-style-type: none"> • Enhanced business productivity: Xerox's state-of-the-art technology and solutions, including ConnectKey Technology®, streamlines workflows and digitises business processes, enhancing overall productivity • Data security: Partnering with companies like McAfee and Cisco, Xerox provides robust security solutions that safeguard critical business data, ensuring customers' peace of mind regarding information security • Cost and time savings: Designed for convenience, Xerox products and solutions lead to cost and time savings, enabling customers to focus on core business activities. <p>The key outcomes and benefits for production printing and graphic arts customers:</p> <ul style="list-style-type: none"> • Unrivalled experience and support capabilities: With over 50 years of industry experience and a strong technical support infrastructure, our customers benefit greatly, backed by Xerox's global reputation for high-quality, consistent, and dependable technology • Profitability: Emphasising high-value applications and process automation, Xerox technology helps print service providers increase profitability and expand their business • Innovation and engagement: Leveraging advanced colour technology and embellishment capabilities, Xerox enables engaging prints that attract new clients and foster customer loyalty.
<p>ALTRON NEXUS*</p> <p>Provide mission-critical communication solutions.</p>	<ul style="list-style-type: none"> • 209% decrease (FY23: 386% decrease) in operating profit¹ 	<p>Business operations and emergency services can continue without interruption, even in times of crisis.</p>

* Altron Nexus is a 100% owned subsidiary.

¹ Operating Profit before capital items.



ALTRON FinTech
 Altron FinTech leads the fintech revolution with a focus on innovation, operational excellence, and sustainable growth, highlighted by our pioneering solutions like NuCash, enhancing customer experiences and promoting financial inclusion.

[more info ↗](#)



Understanding our context

- 23** Operating context
- 25** Our stakeholders
- 27** Our key strategic risks and opportunities
- 33** Material matters

Operating context

Global environment

In FY24, the global economy continued to navigate a landscape marked by recovery and uncertainty, driven by post-pandemic adjustments, geopolitical tensions, and environmental challenges. For Altron, this global context underscores the importance of resilience and innovation in technology solutions.

1. Economic recovery and digital transformation

Globally, businesses are seeking ways to adapt and thrive amid fluctuating economic conditions. Altron's role in fostering growth can be seen in our ability to help clients harness digital transformation, create additional revenue streams, and enter adjacent markets. By focusing on growing sectors, such as telematics, healthcare, fintech, and cybersecurity, we seek to bolster our financial resilience while contributing to a more robust economic foundation worldwide.

2. Geopolitical tensions and supply chain resilience

With ongoing geopolitical tensions affecting supply chains, there is an increased need for operational efficiency and resilience. Altron's expertise in digital business services can help mitigate these risks by offering solutions that enhance supply chain transparency and reliability, thus ensuring uninterrupted operations for our clients.

3. Environmental sustainability and technology

As global awareness of environmental sustainability grows, Altron is positioned to offer solutions that not only address operational challenges but also contribute to a greener planet. This includes energy-efficient technologies and services that reduce the environmental impact of business operations, aligning with global efforts towards sustainability.

4. People challenges

The demand for flexible work arrangements, coupled with the rise of remote and hybrid work models, marks a shift in global business practices. Companies, including Altron, are now adapting their operations to meet these preferences while embracing the intricate challenges of managing distributed teams. Maintaining productivity and upholding robust cybersecurity measures have become crucial in this dispersed work environment.

Simultaneously, the technology industry is witnessing a war for talent, further intensified by the distributed workforce model propelled by the COVID-19 pandemic. As organisations vie for highly skilled professionals, Altron must invest in talent retention and upskilling initiatives, contending with multinational information and communication (ICT) giants.

Related material matters

MM1 MM4 MM7 MM8

A strong company culture
Corporate governance structures and policies
Employee satisfaction and performance
Financial resilience.

MM1 MM3 MM4 MM7

A strong company culture
Building sustainable supply chains
Corporate governance structures and policies
Employee satisfaction and performance.

MM1 MM4 MM7 MM10

A strong company culture
Corporate governance structures and policies
Employee satisfaction and performance
Positive social impacts.

MM1 MM2 MM4 MM5 MM6 MM7

A strong company culture
Attracting and developing key and critical skills
Corporate governance structures and policies
Creating a diverse and inclusive workforce
Ethics
Employee satisfaction and performance.

Responding strategically

Capitalising on the opportunities that these challenges present, we are leveraging our strengths in technology solutions to support remote work ecosystems, enhancing cybersecurity offerings, driving digital transformation and automation, and contributing to environmental sustainability through the efficient delivery of products and services.

Despite talent retention challenges in technology, Altron views this as an opportunity to cultivate the required skills within our ecosystem, addressing the talent crunch in a purpose-led manner that aligns with our commitment to nurturing talent and innovation.

As a technology leader, Altron is harnessing these trends to foster growth, streamline operations, and drive innovation, thus fulfilling our commitment to transforming today for a simpler, safer, and smarter tomorrow.

OPERATING CONTEXT CONTINUED

South Africa in focus

In South Africa, Altron operates in a unique context with specific economic growth, infrastructure, and skills development challenges.

1. Economic stagnation

With South Africa's GDP growth lagging, Altron sees an opportunity to stimulate economic activity by leveraging technology to unlock new business models and revenue streams for our clients. This approach directly supports the company's purpose of transforming today into a simpler, safer, and smarter tomorrow, fostering an environment where businesses and the economy at large can flourish.

2. Infrastructure gaps

South Africa continues to grapple with extensive infrastructure challenges that have considerably impacted business operations nationwide. Loadshedding has been a particular disruptor, with the energy crisis leading to power outages affecting 95% of businesses, according to a Business Unity South Africa survey. Water scarcity, another critical issue, saw major cities facing supply interruptions, while logistical hurdles have slowed down commerce due to inefficiencies within the transport networks.

Altron's technology solutions aim to bridge these gaps, providing efficiencies that reduce operational costs and improve service delivery. Altron contributes to business growth and the broader economy by focusing on innovative solutions.

3. Skills development and brain drain

Addressing the skills gap and mitigating the brain drain is critical for sustaining growth in South Africa. Altron's commitment to enhancing skills through technology, rather than replacing them, reflects a strategic approach to talent development and retention. By investing in skills enhancement programmes and leveraging technology to improve access to education and training, Altron plays a crucial role in building a more skilled and resilient workforce.

Related material matters

MM1 MM2 MM4 MM5 MM6 MM7

Financial resilience

Investor relations

A strong company culture

Corporate governance structures and policies

Ethics

Positive social impacts.

MM1 MM2 MM4

A strong company culture

Building sustainable supply chains

Corporate governance structures and policies.

MM1 MM2 MM4 MM5

A strong company culture

Attracting and developing key and critical skills

Creating a diverse and inclusive workforce

Employee satisfaction and performance.

Responding strategically

South Africa's growth is imperative, and technology is a vital catalyst in this journey. At Altron, we are committed to propelling this growth, harnessing technology and entrepreneurial spirit to ignite opportunities and drive innovation.









Our investments in IT infrastructure, both broad and targeted, lay the foundations necessary for sustainable expansion.

Confronting the skills gap head-on, we invest in targeted training initiatives and leverage technology to enhance education and automate processes, amplifying human potential.

Through these strategic investments in infrastructure, technology, and talent, we demonstrate our optimism – a belief put into action as we shape a simpler, safer and smarter tomorrow for South Africa.

Our stakeholders










Stakeholder group	Key concerns	Engagement	Related material matters	Strategic response
 Investors	<ul style="list-style-type: none"> Understanding our business and strategy Strategic execution Return on investment. 	<ul style="list-style-type: none"> We have set a clear strategy with measurable KPIs to assess the execution of this strategy The Managing Directors have received training on engaging with the media and investor community. This provides investors with greater access to management, beyond the Chief Executive Officer (CEO) and Chief Financial Officer (CFO) We have hosted investors on a number of site visits The number of analysts writing research on Altron has been expanded Newly launched investor relations website. 	<p>MM1 MM4 MM6 MM9</p> <p>Financial resilience Investor relations A strong company culture Corporate governance structures and policies.</p>	
 Government	<ul style="list-style-type: none"> A diverse workforce. 	<ul style="list-style-type: none"> Altron Limited is a Level 3 B-BBEE contributor. 	<p>MM4 MM6 MM10</p> <p>Corporate governance structures and policies Ethics Positive social impacts.</p>	
 Regulators	<ul style="list-style-type: none"> Compliance with JSE Listings Requirements Compliance with the conditions of sector-specific operating licences Compliance with Competition Commission requirements in our acquisitions and divestitures, as well as general contracting. 	<ul style="list-style-type: none"> We operated within the terms of our sector-specific licences during the year. There were no reported violations. 	<p>MM4 MM6</p> <p>Corporate governance structures and policies Ethics Positive social impacts.</p>	
 Our people	<ul style="list-style-type: none"> Opportunities to develop their skills Support for their broader communities Secure employment with competitive remuneration Diversity and inclusiveness. 	<ul style="list-style-type: none"> Conducted a series of employee and client engagement initiatives, including 51 interviews across various operating companies, a leadership strategy session, and Chief Executive Officer's (CEO's) Coffee Mornings with 196 participants over 26 sessions, contributing to the development of our purpose statement. 	<p>MM1 MM2 MM4 MM6 MM7 MM10</p> <p>A strong company culture Attracting and developing key and critical skills Creating a diverse and inclusive workforce Ethics Employee satisfaction and performance Positive social impacts.</p>	

Strategic response

-  Improve operating leverage
-  Transformative growth
-  Customer obsession
-  Grow revenue
-  ESG

OUR STAKEHOLDERS CONTINUED

Stakeholder group	Key concerns	Engagement	Related material matters	Strategic response
 Our customers	<ul style="list-style-type: none"> Service excellence Affordability of offerings Innovative offerings that meet changing business needs. 	<ul style="list-style-type: none"> Aligned with Altron's new corporate identity and purpose, we are building an integrated customer data platform, digitised distribution platforms, and intelligent marketing and sales frameworks to enable personalised, relevant messaging and seamless customer experiences. This will also yield customer intelligence to inform messaging and product decisions Newly re-launched website. 	<p>MM1 MM6 MM10</p> <p>A strong company culture</p> <p>Ethics</p> <p>Positive social impacts.</p>	 
 Upstream suppliers	<ul style="list-style-type: none"> Sustained strategic partnerships Outstanding customer service Revenue growth. 	<ul style="list-style-type: none"> We work with the world's leading OEMs, such as Microsoft, Huawei, Nvidia and Cisco, to meet our customers' needs. These OEMs rely on us to do justice to their brands and exceed expectations for service delivery while expanding their customer base. 	<p>MM3 MM4 MM6</p> <p>Building sustainable supply chains</p> <p>Corporate governance structures and policies</p> <p>Ethics.</p>	 
 Downstream service providers	<ul style="list-style-type: none"> Sustainable service contracts Development opportunities. 	<ul style="list-style-type: none"> We are constantly seeking ways to do business with emerging enterprises and to create opportunities for new companies to be launched We provide development support by partnering with our emerging enterprise suppliers to help them meet their contractual obligations During the year, our procurement spend on black-owned businesses totalled R2.19 billion (FY23: R2.65 billion). 	<p>MM3 MM4 MM6</p> <p>Building sustainable supply chains</p> <p>Corporate governance structures and policies</p> <p>Ethics.</p>	 
 Society	<ul style="list-style-type: none"> Reliable financial and business infrastructure Opportunities to limit environmental impacts Support for corporate social investment (CSI) initiatives within our broader communities. 	<ul style="list-style-type: none"> Our business provides reliable, seamless and secure back-end IT services to sectors essential for society's normal functioning. When we do our job well, society benefits By digitalising day-to-day business and financial processes, we are empowering customers to reduce their reliance on paper Our employees are encouraged to suggest CSI projects within our broader communities and are given time off to volunteer for these projects. 	<p>MM10</p> <p>Positive social impacts.</p>	 

Our key strategic risks and opportunities

Managing strategic and operational risks in times of persisting uncertainty

Our risks are assessed and managed through a carefully considered and relevant, robust risk assessment framework

Risk ranking	Risk area	Description	Strategic response	Opportunities
1	 Growth	<p>Altron's primary focus is growth, with strategic imperatives encompassing growing revenue, improving operating leverage and transformative growth. We are attuned to the broader economic context, governance dynamics, and infrastructure nuances in South Africa, alongside potential shifts post the 2024 elections. These elements bear on our operations and stakeholder relationships.</p>	 <p>The appointment of Dr Andy Mabaso will drive our transformative growth, focusing on artificial intelligence (AI), data analytics and expanding our platform ecosystem.</p> <p>To address growth risk, Altron has prioritised the profit improvement initiatives at Netstar, and the formation of Altron Digital Business (see page 17 and the message from our CEO on page 36). Focusing on high growth areas within our business units is crucial to supporting our ambitions. Our financial oversight correlates with our growth trajectory, ensuring we remain on course towards our ambitious goals.</p>	<p>These challenges present opportunities for Altron to streamline operations, enter new markets, and leverage the formation of Altron Digital Business to innovate and drive market expansion.</p>
2	 Execution	<p>At the heart of Altron's ethos is a group-wide dedication to customer obsession – a guiding principle that informs every facet of our operations. By placing customer experience first, we aim to elevate service delivery to new heights across all divisions. Netstar identified service delivery as a pivotal area of focus, with Altron Security also emphasising the importance of service occupancy. These operational aspects are vital to our commitment to delivering excellence without compromising profitability. We proactively manage these areas to uphold high delivery standards and sustain healthy margins.</p>	 <p>Altron is reinforcing customer obsession and is defining and implementing a high-performance culture plan to mitigate execution risk. Monitoring and managing third-party risks are also essential for maintaining the company's reputation.</p>	<p>A focus on execution offers the potential to refine service delivery models, creating a competitive edge and enhancing customer loyalty through exceptional service and delivery.</p>

OUR KEY STRATEGIC RISKS AND OPPORTUNITIES CONTINUED



Risk ranking	Risk area	Description	Strategic response	Opportunities
3	 Technology	<p>Continuously modernising our systems, especially in pivotal sectors like fintech where platform availability is critical, remains a key priority due to the inherent risks associated with platform modernisation. As we roll out comprehensive fleet services solutions for Netstar, we are mindful of the related complexities. Additionally, we are actively addressing the challenges presented by mass generative AI, particularly the risks of misinformation and disinformation, to maintain the integrity and trustworthiness of our digital solutions.</p>	 <p>The appointment of a Chief Operating Officer (COO) will drive operational efficiencies and enhance customer experience. The Board approved an AI policy draft during the year to support the ethical and responsible use of AI, supported by the formation of an AI Ethics Review Committee and implementing ethical AI training.</p>	<p>The rapid evolution of technology opens doors to innovation in product offerings, creating advanced and ethical AI solutions that can set industry standards and improve customer experiences. Our newly appointed Chief Technology Officer (CTO), focusing beyond the daily operational tasks that fall under the COO, steers our AI strategy and the development of customer-centric solutions. This deliberate separation of duties ensures that while our COO enhances our operational capabilities, our CTO is free to craft strategic AI-related solutions that set industry standards and elevate customer offerings.</p>
4	 Business resilience	<p>Cybersecurity attacks are an ongoing top risk for businesses worldwide. Business operations may also face disruptions due to internal and external causes, necessitating robust business continuity planning across all business units.</p>	   <p>Our cyber resilience programme continues to improve Altron's posture with an added focus on a comprehensive review of the business continuity management (BCM) programme. This includes implementing a critical skills plan and a revitalised critical communications plan as new components of the BCM programme.</p>	<p>Strengthening our resilience programmes across the group offers Altron a chance to be a resilient market leader, offering best-in-class services to clients and creating additional revenue streams.</p>
5	 People	<p>Attracting and retaining critical talent globally continues to challenge some of Altron's business units.</p>	 <p>Ongoing and new initiatives are designed to mitigate this risk by enhancing Altron's competitiveness in the global talent market.</p>	<p>Investing in talent management allows Altron to cultivate a strong employer brand, leading to higher retention rates and attracting top industry talent, which can drive innovation and performance.</p>

OUR KEY STRATEGIC RISKS AND OPPORTUNITIES CONTINUED

Unpacking our strategic risks

1. Working capital, cash consumption and debtors

Risk description

In the dynamic economic landscape, Altron has unwaveringly focused on the robustness of its working capital, cash flow, and debt management. Despite a reduction in supply chain disruptions over the past year, the intensified economic pressure on customer spending and procurement continues to necessitate vigilant financial management. Our dedicated initiatives to enhance margins through cost reductions and increased operational efficiencies have improved our working capital.

Strategic response

The improvements we have seen are not merely reactive adjustments to past challenges, but are part of a deliberate strategic reorientation geared towards future resilience. Moving forward, Altron is dedicated to reinforcing our financial agility further. Our strategic initiative to divest from capital-heavy aspects of our business underscores this forward-thinking mentality. Although we have made considerable strides, we are mindful that the path to achieving financial flexibility that supports our transformative growth aspirations is ongoing, especially within the prevailing macroeconomic context. Upholding strong working capital and debtor management remains a critical objective that will retain our focused commitment.



Risk area: Growth



Related material matters

MM1 MM3 MM8 MM9

A strong company culture

Building sustainable supply chains

Financial resilience

Investor relations.

2. Cyber resilience and information protection

Risk description

Many of our services are based on our ability to facilitate the secure transmission of sensitive personal and financial data across digital networks. This necessitates heightened vigilance within the continually evolving threat landscape.

Strategic response

Altron has embraced a comprehensive zero-trust cybersecurity model, surpassing traditional perimeter defences to verify and authenticate user interactions within our systems. This risk is actively managed but will remain residually high due to the inherent nature of this risk and the continually evolving threat landscape.



Risk area: Technology



Related material matters

MM1 MM2 MM4 MM6

A strong company culture

Attracting and developing key and critical skills

Corporate governance structures and policies

Ethics.

OUR KEY STRATEGIC RISKS AND OPPORTUNITIES CONTINUED

Unpacking our strategic risks

3. Platform risks

Risk description

The need to continuously modernise our platforms remains a top risk within a constantly evolving technology landscape. We are actively modernising our foundational technology platforms within Netstar, Altron HealthTech, and Altron FinTech to stay ahead of the digital curve. Additionally, we are vigilant in mitigating the risks associated with mass generative AI, such as misinformation and disinformation, to ensure the continued integrity and reliability of our platforms.

Strategic response

Altron is actively enhancing the resilience of its digital platforms against the backdrop of evolving AI technologies. This risk is actively managed but will remain residually high due to the inherent nature of this risk and the continually evolving threat landscape.



Risk areas: Business resilience and execution



Related material matters

MM1 MM2 MM4 MM6

A strong company culture

Attracting and developing key and critical skills

Corporate governance structures and policies

Ethics.

4. Socio-economic pressures

Risk description

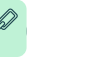
Altron acknowledges the socioeconomic pressures that continue to challenge the operational landscape for our customers and employees. These pressures manifest through inflation, societal unrest, and a broader macroeconomic downturn. Additionally, the South African energy sector's volatility, particularly the impact of loadshedding, has led to reduced transaction volumes within our fintech and healthtech sectors. As we approach the 2024 elections, the potential for political fluctuations adds complexity to our strategic planning. Concurrently, the cost and effort to maintain ESG compliance are increasing, reflecting our commitment to sustainable business practices.

Strategic response

In response to these multifaceted socioeconomic pressures, Altron is implementing a resilient strategy to mitigate impact and harness potential growth areas. We are refining our operational models to be adaptable and robust against inflationary and macroeconomic pressures. Our investment in alternative energy solutions and infrastructure optimisation is designed to counteract the adverse effects of loadshedding. To navigate the uncertainties of the political climate, we maintain a flexible and anticipatory stance. Moreover, our approach to ESG compliance is integral to our business ethos, ensuring sustainability while strategically managing associated costs. Through these concerted efforts, Altron aims not only to withstand current socioeconomic challenges but to emerge stronger and more agile for the future.



Risk area: Business resilience



Related material matters

MM1 MM8 MM10

A strong company culture

Financial resilience

Positive social impacts.

OUR KEY STRATEGIC RISKS AND OPPORTUNITIES CONTINUED

Unpacking our strategic risks

5. Critical skills risk

Risk description

Altron competes on the global stage for key scarce and critical skills.



Strategic response

This risk is actively managed by multiple initiatives but will remain residually high owing to the global skills shortage.

Risk areas: People and execution



Related material matters

MM1 MM2 MM4 MM6

A strong company culture
 Attracting and developing key and critical skills
 Creating a diverse and inclusive workforce
 Employee satisfaction and performance.

6. Third-party risk

Risk description

Altron acknowledges the intricacies of third-party risk management, where dependencies on external vendors and partners are a reality of modern business. A lapse in a third party's performance can disrupt our operations, with potential cascading effects on our financial health and legal obligations. Maintaining organisational resilience in the face of such risks is imperative to safeguard our stakeholders' interests and uphold our service commitments.



Strategic response

In response to these challenges, Altron has placed customer satisfaction and a high-performance culture at the forefront of its risk mitigation strategy. By intensifying our focus on customer-centric practices, we aim to transcend traditional third-party management approaches. Concurrently, we are enhancing our oversight mechanisms to actively monitor and manage third-party interactions, ensuring alignment with our stringent standards for quality and reliability. This strategic initiative is pivotal in preserving Altron's reputation and fostering enduring customer trust.

Risk areas: Execution



Related material matters

MM1 MM4 MM6 MM8

A strong company culture
 Corporate governance structures and policies
 Ethics
 Financial resilience.

OUR KEY STRATEGIC RISKS AND OPPORTUNITIES CONTINUED



Unpacking our strategic risks

7. Divestiture risk

Risk description

Altron's strategy includes streamlining its portfolio to focus on core competencies, which involves divesting non-core businesses. However, the process has encountered challenges, with the costs and timelines for offboarding these assets often exceeding initial expectations. Delays in finalising transactions can adversely affect the value of the assets, compounding the risk. Regulatory complexities further complicate divestitures, requiring meticulous navigation to avoid potential pitfalls.

Strategic response

Altron's legal team is integral to the strategic management and execution of divestitures. New management with experience in profit improvement strategies has been appointed to actively manage these businesses for value throughout their disposal process. Targeted operating models are being used to deliver improved performance, supported by strict working capital management. Throughout the disposal process, management will interrogate all strategic options to ensure that shareholder value is maximised. This proactive approach is vital in steering the company towards its strategic objective of a more focused and agile business model.

The profit improvement strategy within Altron Document Solutions has progressed with the business generating a profit in H2 FY24 supported by positive cash flow generation and strict working capital management.

Altron Nexus, despite a disappointing FY24 performance impacted by the loss of GBN, provisions, impairments, restructuring, and delays at the port, is in an early turnaround. The business did not draw on group cash resources in H2 FY24.

Overall, the medium-term outlook shows Altron Document Solutions' turnaround is gaining positive momentum, with active sales processes underway for both businesses.



Risk areas: Execution



Related material matters

MM1

MM2

MM4

Corporate governance structures and policies

Financial resilience

Investor relations.

Material matters

Identifying material matters

We identify those factors that influence our enterprise value (financial materiality) and those that capture our impact on people, the environment and the economy (impact materiality).

External operating environment

Stakeholder focus areas

Key risks and opportunities

Our material matters

What matters most

Ten of the most material topics identified are included in alphabetical order below.

Material topic

Steps required to enhance our ability to add value or mitigate impact

MM1

A strong company culture



Ensure Altron's people are engaged by embedding company ethics, values and high-performance behaviours, driving brand internalisation and engaging in effective internal communication.

MM2

Attracting and developing key and critical skills



Attract and retain world-class talent and implement succession planning to ensure continuity in leadership and operations. Develop our people's skills across the board, whether they are in leadership, management or technical positions.

MM3

Building sustainable supply chains



Engage suppliers to mitigate supply chain constraints and manage sustainability along the supply chain. Monitor compliance with Altron's supplier requirements, including our B-BBEE procurement requirement.

MM4

Corporate governance structures and policies



Ensure effective Board diversity and independence management, plus an appropriate spread of skills. Ensure a suite of appropriate and up-to-date policies and policy frameworks in line with Altron's risk profile.

MATERIAL MATTERS CONTINUED



Material topic

Steps required to enhance our ability to add value or mitigate impact

MM5

Creating a diverse and inclusive workforce



Ensure employment equity in a diverse and inclusive environment and ensure there is no discrimination in the workplace.

MM6

Ethics



Develop internal and supplier ethics awareness, training and programmes to prevent bribery, fraud and corruption both within the group and along the value chain and ensure that all contracts contain our standard ethical conduct clause and ethics line details.

MM7

Employee satisfaction and performance



Create an enabling working environment by using appropriate workplace technologies, managing performance in line with strategy, and ensuring remuneration is fair, equitable, responsible and above the living wage.

MM8

Financial resilience



Support organic and inorganic growth across the group by efficiently containing costs and using capital. Effectively manage Altron's mergers and acquisitions. Ensure balance sheet resilience.

MM9

Investor relations



Manage shareholder expectations and access to shareholder capital. Deliver shareholders with appropriate returns on their investments.

MM10

Positive social impacts



Address the shortage of ICT skills, support human rights, and support employment and wealth creation in local communities. Offer products that contribute to our economy and have a positive social impact (for example, by supporting digital and financial inclusion).



ALTRON HealthTech
 Altron HealthTech transforms healthcare through technology by providing a comprehensive range of innovative software and data solutions to both medical practices and corporate clients.

[more info ↗](#)

04

ALTRON

Responding strategically

- 36 Message from our Chief Executive Officer
- 39 Our strategy
- 44 Driving our customer obsession
- 45 Developing a high-performance culture
- 50 Deepening our ESG aspirations



Message from our Chief Executive Officer

Continuing² operations Revenue
 ↓ **R8.250bn**
 (FY23: R8.445bn)

Continuing² operations EBITDA¹
 ↑ **R1.502bn**
 (FY23: R1.251bn)



“As a company with a longstanding history of reinventing itself and adapting to changing circumstances, Altron recognises the *importance of staying ahead of the curve.*”

WERNER KAPP
 Chief Executive Officer

Q: Having been at Altron for nearly two years, can you reflect on what you've learned about the organisation's impact and evolution?

A: Founded in 1965, Altron is the original South African technology brand. Over this time, the business has consistently leveraged data, technology, and human ingenuity to tackle real-world problems. This hasn't only enhanced our nation, but also helped to build a considerable legacy. Our newly articulated purpose – using technology to transform today into a simpler, safer, and smarter tomorrow – is deeply entrenched in our South African roots. This historical perspective informs our forward-looking strategies and reminds us of the resilient foundation on which we're built.

Q: How has the group's strategy evolved to meet technological and market demands?

A: Our strategy is purpose-driven, customer-obsessed, and growth-focused. We want to become the leading platform and IT services business in our chosen markets. To achieve this, we're committed to growing revenue by maximising the value our customers derive from their digital investments. This involves enhancing our services and ensuring they are increasingly integrated and customer-centric. We drive operating leverage by improving gross profit margins and managing costs effectively. Additionally, we focus on transformative growth by investing in data services, leveraging AI and scaling our operations in selected high-potential industries. This strategic approach is supported

by efficient capital allocation, a commitment to collaboration across our various divisions, and fostering a high-performance culture. We're committed to ensuring that everything we do is done responsibly for the environment and our communities while adhering to the highest levels of governance. This holistic strategy ensures that we stay ahead of rapid technological advancements and changing market conditions, positioning Altron for sustained success.

This year, we have developed a sustainability framework to guide sustainability-related efforts across the Group. This aligns with our strategic focus areas and underscores our commitment to ESG. We recognise ESG as a critical enabler of our core strategy.

Q: How did Altron perform over the past year?

A: It's been quite a year! Despite pervasive macroeconomic challenges, we achieved solid revenue growth in our continuing operations, adjusting for the sale of the ATM Business – which impacted our financial metrics, as our current year's performance encompasses only four months of the ATM Business compared to the prior year's full 12-month period. Our continuing operations reflect a strong strategy execution with significant improvements in core operations. On a like-for-like basis, adjusting for this sale, we've achieved revenue growth of 8%, with EBITDA and operating profit growing 27% and 33%, respectively.

¹ EBITDA before capital items.

² Continuing operations performance excludes Altron Documents Solutions and Altron Rest of Africa.

MESSAGE FROM OUR CHIEF EXECUTIVE OFFICER CONTINUED

These figures aren't just numbers; they represent substantial improvements in our core operations and show that we're not just holding steady in challenging times, but setting a firm course for transformative growth.

If we look at the group level, we made the decision to raise provisions of R462 million relating to our Altron Nexus and Altron Document Solutions businesses. While the provisions negatively impacted our results, these decisions are a testament to our strategic realignment and growth trajectory going forward.

(See message from our Chairmain's review on page 08 and CFO's review on page 57 for more detail on our strategic choices regarding the provisions raised and our financial results).

Q: Can you provide insights into the performance of your own platforms – Netstar, Altron FinTech, and Altron HealthTech?

A: Let's start with **Netstar**. This past year has been exceptional. We've seen a remarkable 27% growth in our subscriber base, which now totals 1.7 million subscribers. This includes consumer and enterprise segments, with our enterprise subscriptions growing impressively by 33%. We've also targeted key operational efficiencies, notably our contract fulfilment ratio and pre-fitment conversion rate. We've improved the contract fulfilment ratio from 72% to 94%. Our pre-fitment conversion ratio, which is around converting the devices we fit on the dealer floor into revenue, improved from 32% to 66%. We expanded our fitment centre partnerships to 67, enabling us to expand our reach and service our customers faster.

Our in-house churn team has also done a stellar job, reducing churn from 22% to 16%, which speaks volumes regarding our commitment to retaining our customers through excellent service. We're incredibly proud of our Global Fleet Bureau, the most technologically advanced and largest of its kind on the African continent. It leverages AI and machine learning to add value, not only to our enterprise customers but also to better serve our consumer business.

Moving on to **Altron FinTech**, we've managed a solid 5% revenue growth off a strong comparative base, largely by transitioning towards more sustainable, long-term annuity revenue, growing from 70% to 74% year-on-year. Altron FinTech is the second biggest contributor to group EBITDA, achieving a 22% growth in EBITDA to R330 million supported by a four percentage point margin expansion from 26% to 30%. Our innovative products, like the multi-acquiring bank DebiCheck solution, supported this transition, offering merchants flexibility and reducing downtime. We're leading the market here, which has been vital to maintaining our competitive edge in the financial services sector.

Altron HealthTech, too, has shown promising growth, reporting a 7% increase in revenue, with 95% annuity revenue. EBITDA grew by 3%, impacted by a planned R22 million investment. In the mature private practice sector, revenue increased by 6%, gaining 1.8 new customers for every customer churned, with 2 500 net new customers. The corporate sector delivered 9% revenue growth, contributing 25% of revenue, with 25 new corporate logos. Launching our HealthONE Oncology solution in collaboration with Dr Seedat and Dis-Chem Oncology was a significant achievement. This platform is a

game-changer in the oncology space, aiming to improve the quality of care and enhance cost efficiency by standardising treatment protocols across the ecosystem. We're now gearing up for the next phase, which involves integrating advanced analytics for deeper insights.

These performances underscore our strategic focus on leveraging technology to deliver innovative, customer-focused solutions across all sectors.

Q: Can you elaborate on the performance and contributions of Altron's IT services?

A: Certainly! **Altron Systems Integration** has seen a significant turnaround this year, focusing on profitability and operational efficiency. We managed to drive up gross profit by 16% on the back of a three-percentage point improvement in our gross margins, and we reduced our operating expenses by 13%. Additionally, we achieved a 2% growth in revenue and a particularly pleasing growth in EBITDA, going from R5 million to R93 million.

Altron Karabina delivered notable operational efficiency gains. Despite the modest 3% revenue growth, the team did a fantastic job by changing the margin mix, resulting in a 9% improvement in gross profit margin and a 31% improvement in gross profit. Through tight expense management, the business delivered 14% growth in EBITDA and expanded the EBITDA margin from 12% to 14%. While revenue growth was muted, this only supports our case for integration in the Altron Digital Business to drive future revenue.

Altron Security's performance was disappointing, with revenue growth of 3% and a 3% reduction in EBITDA. To address challenges in the business, we sharpened our sales focus, improved our project services management with better routines, and tightened expense management. While there is work to be done, this remains an attractive business that generates high double-digit margins due to its niche offering.

Altron Managed Solutions delivered a robust performance, particularly after divesting its ATM Business. On a like-for-like basis, excluding the ATM Business, Altron Managed Solutions achieved 9% revenue growth, supported by growth in outsourcing revenue, with a 6% increase in EBITDA to R54 million.

Q: What prompted the launch of Altron Digital Business?

A: By consolidating Altron Systems Integration, Altron Karabina, and Altron Managed Solutions into one entity, we're not just restructuring; we're strategically positioning ourselves to harness synergies that weren't fully realised when these units operated separately, to ultimately drive growth in revenue.

The rationale for this significant reorganisation extends across several areas. Firstly, enhancing collaboration – bringing these segments together fosters greater teamwork and reduces overlaps and redundancies that were present when these units operated independently. This integration facilitates a unified approach to innovation and service delivery that's more in tune with our strategic goals.

MESSAGE FROM OUR CHIEF EXECUTIVE OFFICER CONTINUED

Secondly, focusing on high-margin, annuity-based services is crucial. The restructuring allows us to shift our focus more strategically towards these services, essential for building a sustainable revenue model that can withstand market fluctuations and drive long-term growth.

Operational efficiency is also a major priority. The combined capabilities of these units are expected to improve efficiencies. With shared resources and a streamlined service portfolio, we can optimise our cost structure and enhance our competitive edge in the market.

Moreover, Altron Digital Business launched a new go-to-market strategy emphasising integrated solutions tailored to our customers' needs. This approach moves away from offering isolated products or services to delivering comprehensive, end-to-end solutions that provide more value and better align with customer objectives.

In essence, the formation of Altron Digital Business is a strategic move designed to capitalise on our internal strengths, reduce inefficiencies, and align more closely with our customers' evolving needs. It represents a deliberate shift towards sustainability and enhanced customer value, ensuring that Altron remains at the forefront of technological innovation and service excellence.

Q: How did Altron Arrow perform this year?

A: Altron Arrow had another exceptional year. We achieved 18% growth in revenue off a strong comparative base. This growth was accompanied by margin expansion and strict cost controls, significantly improving our working capital management. As a result, Altron Arrow delivered a 33% year-on-year growth in EBITDA.

Q: What's the status of Altron Document Solutions and Altron Nexus?

A: Altron Document Solutions and Altron Nexus are currently classified as held for sale, and we are actively managing their disposal. For Altron Document Solutions, we've seen some positive developments recently. After appointing a management team with extensive experience in business turnarounds, the segment achieved profitability and positive cash flow in the second half of FY24. This success has resulted directly from targeted management actions to streamline operations and focus on core profitable activities.

On the other hand, Altron Nexus has faced more significant challenges and is still underperforming, although it is on a path of improvement. Similar to Altron Document Solutions, we brought in a new management team, although later in the year, extending the turnaround timeline. The primary issues have related to provisions, impairments, and operational delays, notably at ports, which have impacted our logistics and delivery schedules. Despite these hurdles, the new management is making strides in stabilising the business, and we are beginning to see gradual improvements, with the business not relying on any cash from the Group in the second half of FY24.

Q: What's Altron's outlook?

A: As we look towards the future, Altron is strategically positioned to continue our growth trajectory by implementing our three strategic horizons, each designed to escalate our progress towards becoming the leading platform and IT services business in our chosen markets.

Our first horizon focused on foundational growth, where we realigned our core operations and implemented profit improvement strategies in critical areas like Netstar and Altron Systems Integration. We strengthened our leadership team with key individuals at a group level, such as Carel Snyman, our CFO; Dr Andy Mabaso, our Chief Technology Officer; Marisa Jansen van Vuuren, our Chief Marketing Officer and welcomed Collin Govender into the role of Chief Operating Officer. We also made vital appointments within our business units, most notably Grant Fraser in Netstar, and Craig Stewart in Altron Digital Business. This phase was crucial in setting a solid operational base and has effectively prepared us for the following stages of growth.

Moving into our second horizon, we are accelerating growth and target an operating profit of R1.1 billion from continued operations by 2026. This includes substantial investments in both our platform businesses and IT services. We are deepening our focus on areas that promise high growth potential, such as data services and AI, which will enable us to offer more innovative solutions to our customers and enhance our competitive edge.

As we progress, our third horizon will concentrate on transformative growth, where we will use judicious capital allocation to widen our platform ecosystem to expand its network effects, explore bolt-on acquisitions and further expand our capabilities in data and AI. This will enhance our service offerings and create sustainable value for our shareholders.

Throughout these phases, we remain committed to integrating ESG principles into all aspects of our operations, ensuring that our growth is both

responsible and sustainable. The roadmap we've set is ambitious but achievable, grounded in a solid strategy that has already begun to yield results. With the continued support of our team and stakeholders, I'm confident that Altron will not only meet, but exceed our future targets, ensuring long-term success and value creation in the ever-evolving tech landscape.

Q: Any final thoughts?

A: I would like to extend a heartfelt thank you to our incredible people – your unwavering dedication, hard work, and passion drive our success. Each of you has played a crucial role in navigating challenges and achieving our goals. Your commitment to innovation and excellence in the technology sector is truly inspiring.

To our shareholders, your trust and confidence in our vision have been invaluable. Your support has enabled us to pursue our strategic objectives with determination and focus. We remain committed to delivering long-term value and sustainable growth.

To our customers, thank you for your loyalty and for choosing us as your technology partner. Your feedback and collaboration have been instrumental in shaping our solutions and services, allowing us to better meet your needs.

Together, we've built a strong foundation, and I'm excited about the future as we continue to work towards our vision of becoming the leading platform and IT services business in our chosen markets.

Our strategy

Where we're going

How we'll get there

Strategy | to become the leading platform and IT services business

ALTRON

PURPOSE

To use technology today to create a *simpler, safer and smarter tomorrow*

MISSION

To be our customer's trusted partner on their digital transformation journey

STRATEGY

Become the leading platform and IT services business in our chosen markets

GOAL

Operating profit R1.1bn (in FY26)

Three growth levers



Customer obsession



Grow revenue



Improve operating leverage



Transformative growth



ESG

Enabled through

EFFICIENTLY ALLOCATING CAPITAL

DIFFERENTIATION THROUGH COLLABORATION

DEVELOPING A HIGH-PERFORMANCE CULTURE

Delivering on

SHORT TERM

Execute on profit improvement strategy for Netstar and Altron Systems Integration

MEDIUM TERM

Triple 2021 continuing operating profit by 2026

LONG TERM

Create value for shareholders from our portfolio of leading platform and IT services businesses





Our first horizon focused on foundational growth, where we realigned our core operations and implemented profit improvement strategies in critical areas like Netstar and Altron Systems Integration. We strengthened our leadership team with key individuals at a group level, such as Carel Snyman, our CFO; Dr Andy Mabaso, our Chief Technology Officer; Marisa Jansen van Vuuren, our Chief Marketing Officer and welcomed Collin Govender into the role of Chief Operating Officer.

OUR STRATEGY CONTINUED

Three growth levers

Grow revenue



Why it matters

Growing revenue and annuity revenue is crucial for Altron's expansion and ability to invest in new technologies and markets. This growth also signifies Altron's successful adaptation to market demands and our ability to innovate.

Performance

We are proud to report a dynamic increase in revenue. Our performance in this regard underscores our successful navigation through market shifts and demonstrates our unwavering commitment to innovation and growth.

The effective deployment of our target operating models has positioned our operations on a path to achieve their growth targets. Our continuing operations are showcasing robust progress. Adjusting for Altron Managed Solutions' divestiture of its ATM Business effective 1 July 2023, we have seen a solid 8% uptick in revenue growth. Our Own Platforms segment has stood out, where Altron FinTech, Altron HealthTech, and particularly Netstar are experiencing revenue growth of 5%, 7% and 12% respectively

Netstar has achieved a landmark of two million connected devices, with subscriber numbers increasing to over 1.7 million, indicative of double-digit growth across enterprise and consumer sectors. The introduction of our cutting-edge Global Fleet Bureau positions Netstar to tap into the vast potential of big data, driving the digital transformation of mobile assets for our valued clients.

Improve operating leverage



Why it matters

Improved operating leverage is indicative of our ability to manage costs and maximise profit from revenue growth. It demonstrates our continual pursuit of operational efficiency and the effective allocation of resources.

Performance

Operating costs increased year-on-year, driven by the planned investments in our people, brand, and sales to drive growth, some of which were once-offs. Excluding planned once-off costs, operating expenses increased in line with inflation. Targeted cost reductions relating to our real estate consolidation will result in a reinvestment of the savings into growth.

Enhanced operational efficiencies within Altron Karabina and Altron Systems Integration supported robust performance within the Digital Transformation segment, reflecting our commitment to refining business processes and improving productivity.

Overall, our strategic actions, including the reorganisation of non-core operations and the strengthening of management teams, have addressed past financial impacts and set the stage for sustainable profitability and continued operational excellence.

OUR STRATEGY CONTINUED

Transformative growth

Why it matters

Transformative growth enables Altron to maintain a competitive edge in a rapidly evolving technology landscape. It involves developing new products, services, and business models that cater to the future needs of our customers.

Performance

We are focused on igniting transformative growth, launching initiatives to integrate our IT service capabilities across the group and working within a simplified operating model. This strategy has spurred innovation and catalysed transformation within our operations, leading to enhanced optimisation and forward-thinking business models. To drive this transformative growth, we have appointed Dr Bongani Andy Mabaso as our Chief Technology Officer. Andy leads Altron's group-wide technology function, product design, and innovation strategy. Key aspects of his role include AI and data analytics, and expanding Altron's platform ecosystem. Altron Nexus and Altron Document Solutions are classified as held for sale in discontinued operations, and we are actively seeking to exit these businesses despite market challenges. We are targeting high-growth sectors – telematics, fintech, healthtech, and security – tapping into the vast digitalisation wave. Our strategic positioning in these key markets and planned investments in data-as-a-service and business scaling will support our strategy to become the leading platform and IT services business in our chosen markets.

Two focus areas

Customer obsession

Why it matters

Understanding our customers' central role, we have diligently worked to integrate their feedback into our service offerings, enhancing their experience and ensuring our growth aligns with their evolving needs.

Performance during the year

Our steadfast focus on customer-centricity has been pivotal. Through strategic partnerships with leading industry players and key public sector entities, we have advanced solutions that bolster efficiency and resonate with customer satisfaction. Notably, this year has seen us strengthen our position as a trusted partner, supporting many of South Africa's biggest brands. We have revitalised our brand presence and sharpened our go-to-market strategy, underscored by a disciplined sales execution plan.

Focus for FY25

We will continue to enhance customer experiences, further integrating customer feedback into developing new solutions and services, aiming to strengthen customer loyalty and trust.

ESG

ESG principles are becoming increasingly important to stakeholders and crucial to sustainable business practices. Embracing ESG principles is crucial for our long-term value creation and risk management.

As a central focus area of our Group strategy, the year under review saw the development of a formal sustainability framework, which will be executed on as part of delivering on our KPIs at executive level. This framework comprises a long-term plan along with immediate actions.

The new framework consists of five priority areas for targeted improvement and captures those activities that are already underway. Formalising the framework included selecting several sustainability champions across the business to oversee the rollout of the group-wide strategy. The framework's three-horizon roadmap encapsulates our commitment to operating with integrity and responsibility, creating value that extends beyond financial metrics to social and environmental responsibility.

For detailed information on our ESG performance, please see page 50.

Moving forward, the three-horizon roadmap outlines detailed cascading strategies in our pursuit of sustainability objectives. This roadmap forms part of our next group strategy review process.

The focus for FY25 is to continue contributing to the five sustainability priority areas put forward and to provide increased effort towards delivery of the identified horizon two and three focus areas, while continuing with existing horizon one initiatives.

For detailed information on our sustainability framework and focus areas, please see page 55.



As we look towards the future, Altron is strategically positioned to continue our growth trajectory towards becoming the leading platform and IT services business in our chosen markets.

OUR STRATEGY CONTINUED

Three enablers

1

Efficiently allocating capital

- Altron maintains a strong balance sheet with low gearing, providing financial flexibility to navigate uncertainties and capitalise on select growth opportunities
- Our disciplined capital allocation approach prioritises investments in innovation and growth while supporting an attractive dividend policy, showcasing commitment to shareholder value creation
- Our cash-generative nature further reinforces our ability to sustainably fund strategic initiatives and support consistent returns to shareholders, with a dividend policy of paying out at least 50% of headline earnings per share from continuing operations.

2

Differentiation through collaboration

- Altron's differentiation strategy is enhanced by collaboration, both within the group and with external partners, to create and deliver innovative technology solutions
- This approach has been instrumental in forging our presence in the healthtech, fintech, and vehicle-tracking sectors, as well as in our digital business services.

3

Developing a high-performance culture

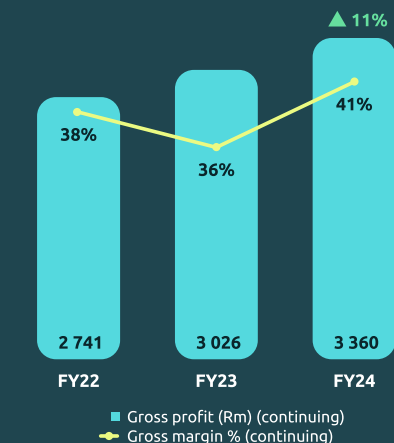
- Our Board, exemplifying diversity in skills and experience, steers the company with strategic insights and robust oversight, instilling a performance-driven ethos that underpins our growth trajectory. Altron is led by an experienced management team with industry expertise committed to fostering a high-performance culture that is essential for sustained value creation
- We launched our purpose, which helps drive a high-performance culture. This purpose provides a clear and inspiring vision for all employees, aligning their efforts with the company's strategic goals
- The operational management team's deep industry knowledge and execution capabilities position Altron to successfully deliver on our strategic imperatives, leveraging a culture where excellence is the standard.





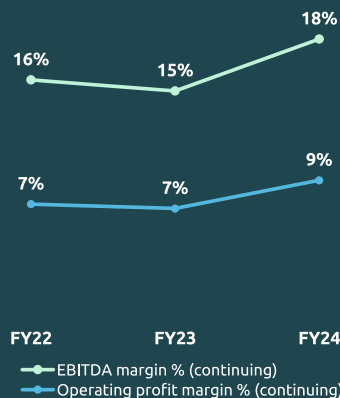
OUR STRATEGY CONTINUED

Execution driving performance

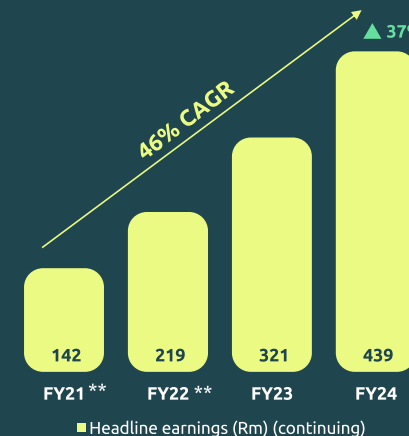


Improving gross profit and gross margin %*

* Excludes the impact of acquisitions and disposals.



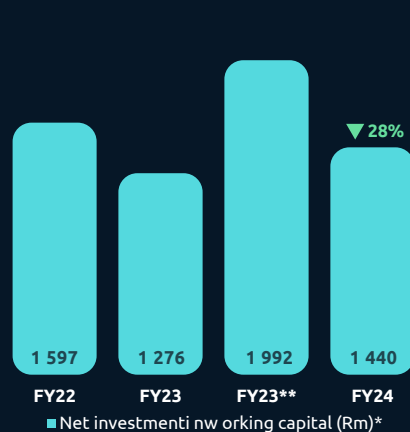
Expanding margins over time



Growing earnings over time

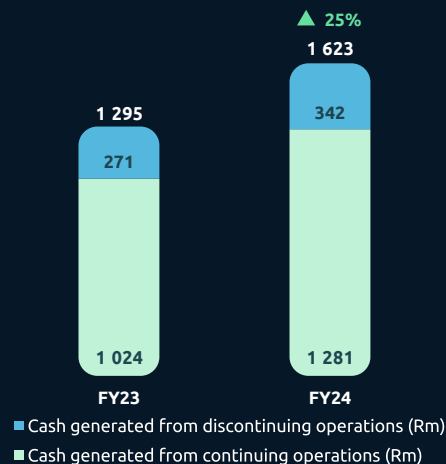
** Headline earnings has been adjusted to exclude Nexus for the comparable periods.

Financial efficiency enhancing investment returns

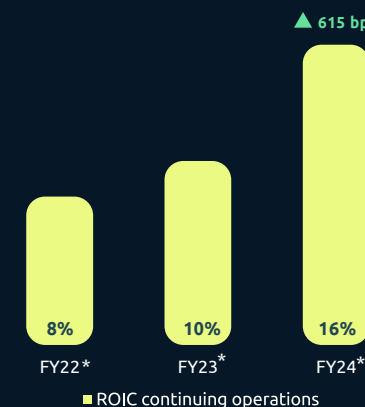


Reducing investment in Group working capital (R152m cash release R400m relates to Non-Cash Adjustments)

* Excludes the impact of acquisitions and disposals
 ** FY23 working capital restated to exclude contract liabilities and contract fulfilment costs



Improving group cashflow generation



Growing ROIC

* ROIC = Operating profit before capital items excl (defined pension benefit plan & ROU Interest)/Invested capital. An effective tax rate of 27% was utilised.

Driving our customer obsession

At Altron, we're passionate about leveraging technology, data, and human ingenuity to create a simpler, safer, and smarter tomorrow for our customers and the broader economy.

Purpose-driven transformation

Spearheaded by our newly appointed Chief Marketing Officer, Marisa Jansen van Vuuren, who joined us in August 2023, we have made impressive strides in simplifying our value proposition across the group to present a unified message to the market.

We have also refreshed the brand to more accurately reflect our purpose-driven, customer-obsessed and growth-focused ethos. Our new creative direction reflects the emotive power of storytelling and refreshed purpose. This has made it easier for customers to work with us as we no longer approach solutions from a product-focused perspective but rather from a customer viewpoint that seeks to solve their most pressing problems.

Adopting innovative marketing technologies

We have embraced advanced marketing technologies across the group to enhance our engagement with customers. Our focus on developing an integrated customer data platform and digitised distribution channels allows us to deliver personalised, relevant messaging, creating seamless customer experiences. This technology

Envisioning Altron's future while honouring our heritage

As South Africa's original technology brand, Altron has a storied past. Since 1965, we have used the transformative power of data, technology, and human creativity to find solutions to real-world problems. We embrace change as an opportunity – not only to redefine the competitive landscape but to forge a simpler, safer, and smarter tomorrow.

FY24 was marked by a major milestone in Altron's history as we unveiled a new corporate identity that represents a leap in our journey. The 'viewfinder' is at the centre of this transformation, creatively crafted from our logo's 'L' and 'T'. More than just a visual element, it embodies our respect for the past while guiding our vision towards the future. The viewfinder is a symbol of this duality, aligning our rich history with our focus on solving contemporary challenges through the synergy of human ingenuity and cutting-edge technology.



stack is not just a conduit for communication but also a source of customer intelligence that enables our messaging and product development strategies to be increasingly relevant.

Customer satisfaction assessments

As part of our commitment to a customer-centric approach, we are working towards standardising customer experience measurement across Altron. Adopting platforms that utilise natural language processing allows us to delve deeper into customer sentiments beyond traditional NPS scores. This initiative will pave the way for improved service and engagement, ensuring that our customers' experiences reflect the high standards of the Altron brand.

Excellent performance metrics

Our always-on back-end administrative and IT systems empower our customers to conduct sales, submit medical aid claims and process payments. Any downtime in these systems has a direct bearing on their revenue and incurs penalties for us. In the case of a service interruption, it is imperative that we restore these services as quickly as possible, whether by providing remote, online support or by sending one of our highly trained field operators.

During the year, our divisions reported the following performance levels:

Altron Document Solutions reported that the average time to restore service to its clients was 6.91 hours, 21% faster than in FY23 and 31%

faster than our national average service level agreement target. The division also delivered consumables within 1.34 days on average, 21% faster than the previous year's performance and 1.66 days better than its average national service level agreement target. The average uptime across all active Altron Document Solutions' managed devices was 96.82%, which is 1.8% better than the target.

Netstar is obtaining notable market share gain, with enterprise customers increasing 33% and consumer customers increasing 14%. Net subscriber additions improved by 60% to c.370,000. Customer retention efforts reduced churn from 22% in FY23 to 16%, enhancing customer loyalty.

Looking ahead

As we move forward, our marketing efforts will continue to evolve with our customers' needs at the forefront. The initiatives we have set in motion this year are just the beginning of a strategic pivot that centres on making our customers the heroes of their stories.

Developing a high-performance culture



Altron's human capital initiatives throughout FY24 have furthered our high-performance culture and solidified our stance as an employer of choice, committed to attracting, developing, and retaining top talent in the ICT sector. Leveraging our evolving business landscape, we have concentrated on fostering a nurturing workplace that aligns with our organisational goals and supports our employees' professional journeys.

Developing a purpose-driven culture

Our transformative leap in driving a purpose-led organisational culture has been catalytic, interweaving Altron's ethos within the employee experience. This transition, especially under the new leadership of CEO Werner Kapp, has resonated positively, spotlighting customer-centric and purpose-led approaches that resonate across all levels of our workforce.

Purpose and values

Our purpose comes to life through how we live our values daily. Our values act as the cornerstone of our business conduct. They guide our decisions, shape how we engage with our employees, customers, and communities, and foster a culture of respect and integrity. These values have underpinned the creation of a high-performance culture – a vital step to realise our strategic goal of becoming the leading platform and IT services business.

Our values

- We believe in openness, honesty and integrity
- We collaborate across teams
- We get things done and enjoy doing them
- We embrace diversity and inclusion
- We are passionate about customers, partners, employees and communities.

Cultivating high-performance behaviours

The necessity for high-performance behaviours has been acknowledged to accelerate our strategic execution. Grounded in feedback from our employee engagement surveys, we initiated a series of focus groups led by 100 leaders. The candid discussions with 473 employees were instrumental in shaping the definition of our high-performance behaviours. Through this collaborative process, five high-performance behaviours were identified. Consistently living out these behaviours is the key to fostering a culture of excellence within Altron. The journey from ideation to implementation involves embedding these behaviours into our daily routines, a challenge we are prepared to embrace.

Strategic leadership and culture champions

A task force of 35 leaders will spearhead this initiative, ensuring that actionable strategies are used to embed each behaviour into Altron's ways of work. This includes addressing challenges that prevent employees from speaking up and creating an environment that encourages open communication. The establishment of culture champions will be pivotal, enlisting passionate individuals from across the organisation to drive these behaviours home within the various business units over the coming months.

Employee engagement and wellness

Our employee engagement score continues to improve, nearing the global benchmark for our industry. We recognise the need to strive towards reaching this benchmark, and numerous initiatives are underway to improve engagement further. Engagement topics include issues surrounding work/life balance and the impact of transitioning the business. Through these measures and our continuous dialogue with employees to understand and act on their feedback, we are building a robust and responsive Altron – one where every team member feels valued, heard, included and empowered to achieve their best.

During the year, participation in our employee wellness programme saw an uptick, with 14.2% of our people participating. Of the matters addressed through this programme, we have noted that mental wellness remains a top concern. We will continue to engage in initiatives to bolster mental health in the workplace and employee resilience within a challenging socioeconomic context. Therefore, employee wellness has been prioritised as a critical human capital initiative, and project planning is underway to proactively address identified areas.

DEVELOPING A HIGH-PERFORMANCE CULTURE CONTINUED

The Altron Way – High Performance Behaviours Unpacked

To provide further insight on what is expected from each high-performance behaviour pillar that comprises The Altron Way, we have unpacked each pillar in greater detail below. All high-performance behaviours are underpinned by our anchoring Altron Values.



Speak up and out

It's okay to say what you need to say, no matter who you say it to.

Speak up respectfully when you:

- have good ideas
- need to challenge the status quo
- face unexpected challenges
- see people not living our values



Seek clarity and provide clarity

Clarity is a two-way street that empowers you and others.

Clarity happens when you:

- ask questions to make sure you know what is expected of you
- clearly communicate your expectations of others
- calmly help someone understand your expectations by listening, giving feedback, and explaining the reasons behind our decisions
- check in regularly to make sure that you and the team are on track to achieve the right outcome



Collaborate for mutual success

Let's step together to achieve more.

Collaboration happens when you:

- break down silos to share knowledge, skills and resources willingly across the Group
- are willing to selflessly assist your colleagues for the greater good of Altron
- involve and include the right people when creating solutions or addressing problems
- create support structures and processes that help us to work together efficiently
- are open to having your thinking challenged to benefit from diverse ideas



I'm accountable and you're accountable

You can count on me and we can count on each other.

You're taking accountability when you:

- accept responsibility for your own actions and the quality of your work
- always do what you said you would do
- speak up when things don't go according to plan
- remind others when they are not executing with excellence, no matter their role



See excellence and recognise excellence

See it, say it and celebrate it!

People feel recognised and appreciated when you:

- say thank you
- acknowledge, recognise, and celebrate achievements – big and small
- recognise everyone's achievements



Amplify Diversity and Strengthen Inclusion

Our diversity is what makes us stand out. We welcome and seek out people from all walks of life to bring unique perspectives to Altron.

People feel seen and included when you:

- contribute to building a culture where all employees feel valued, respected and empowered to bring their unique perspectives and talents to work, each day
- champion inclusive behaviours, listen to diverse perspectives and ensure equitable opportunities for all employees

DEVELOPING A HIGH-PERFORMANCE CULTURE CONTINUED

Health and safety

Ensuring a safe workplace is a central aspect of our human capital strategy. Our health and safety performance reflected the generally white-collar nature of our industry: 31 injuries, most of which were minor. We were all deeply saddened by the one tragic loss of life this year following a motor vehicle accident while the employee was on duty, our first fatality in more than six years. This incident, along with the slight increase in injuries on duty (primarily due to human error), has reinforced our resolve to continually enhance our health and safety protocols. This area is a focal point in our commitment to creating a secure and safe work environment for all employees. In line with our occupational health and safety approach, all the injuries triggered a review and remedial action was taken where indicated to improve our employees' at-work safety.

Balancing skills and diversity in our people profile

The global increase in remote work and heightened emigration from South Africa means Altron competes on the global stage for key, scarce, and critical skills.

Training and development

We invested R48.3 million in employee skills development (FY23: R64 million) and our graduate recruitment and training programme. Our graduate intake for the year was 66 and serves to address the skills gap while showcasing our dedication to nurturing future industry leaders. A portion of this went to Netstar's technician academy, where 55 technicians received training on installing vehicle-tracking units before being dispatched to nationwide fitment centres. In addition, strategies used across Altron included paid graduate programme positions for 66 IT graduates.

B-BBEE levels

We remain committed to expanding our diversity gains throughout the company. During the year, 83% of our new hires were black, and 25% were black women. Altron TMT SA Group – Altron's South African operations – is a Level 1 B-BBEE contributor, while our holding company, Altron Limited, is a Level 3 B-BBEE contributor.

	FY23	FY24
Level 1	Altron TMT SA Group Altron TMT Altron FinTech ACS Altron Karabina Altron Nexus	Altron TMT SA Group Altron TMT Altron FinTech ACS Altron Karabina Altron Nexus
Level 2	Altron Head Office Netstar Altron FinTech Altron HealthTech Altron Security Altron Systems Integration Altron Managed Solutions Altron Document Solutions	Altron Head Office Netstar Altron FinTech Altron HealthTech Altron Security Altron Systems Integration Altron Managed Solutions Altron Document Solutions
Level 3	Altron Altron Arrow	Altron Altron Arrow

Employee demographic profile

At Altron, we recruit candidates who embody our values in a non-discriminatory, fair and transparent manner. Recruitment decisions are based on a potential employee's ability, qualifications, experience and competencies relative to the job requirements while considering the demographics of the economically active population and the applicable laws of the country where they will be employed.

We have observed a progressive shift in our workforce demographics, with a decrease in white male representation and an encouraging increase in female representation across all racial groups. These changes signify our commitment to diversity and exemplify our inclusive culture. Of our 4 278 permanent, full-time employees in South Africa (FY23: 5 012), 74% are black (defined as African, Coloured or Indian South African citizens), and 29% are black women. The proportion of black people in middle, senior, and executive management in South Africa is captured in Table 2. We do not collect race data for our international offices as this is not required in those countries.



DEVELOPING A HIGH-PERFORMANCE CULTURE CONTINUED

	Number of black employees	Number of women employees	Total number of employees by type
Permanent employees (full-time)	3 130	1 609	4 278
Temporary employees (full- and part-time, including learnerships, interns and graduates)	252	145	309

Table 1: South African employees by gender, race, and employment type (number as at 29 February 2024)

Altron does not employ non-guaranteed hours employees. Although it outsources its cleaning services, it does not have a significant number of non-workers.

Employee category	Black men (%)	Black women (%)	Total black people (as % of employees at that level)
Group executives and divisional management	20%	7%	27%
Senior management	21%	8%	29%
Rest of employees (general)	45%	30%	75%
Overall % of black people by gender	45%	29%	74%

Table 2: South African black employees as a percentage of the overall workforce by employee category (percentage as at 29 February 2024)

Employee category	Under 30 years old		30 to 50 years old		Over 50 years old	
	Black	White	Black	White	Black	White
Group executives and divisional management	0%	0%	30%	70%	20%	80%
Senior management	0%	0%	44%	56%	10%	90%
Employees (all our people)	91%	9%	77%	23%	39%	61%

Table 3: Ages of South African employees by race and employee category (number as at 29 February 2024)

“Our values guide how we do business, make decisions, and treat employees, customers, and communities. In this way, we drive a high-performance culture to execute our strategy of becoming the leading platform and IT service business.” – **Collin Govender, Chief Operating Officer**



Our transformative leap in driving a purpose-led culture has been catalytic, interweaving Altron's ethos within the employee experience.

DEVELOPING A HIGH-PERFORMANCE CULTURE CONTINUED

Disputes linked to labour law, discrimination and human rights

Our anonymous Altron Ethics Line and other channels did not log any allegations of discrimination or human rights incidents relating to our work and workers during the year.

Several labour law disputes were resolved through mediation. No labour-related outcomes were awarded against us.

Flexible working arrangements

The move within the Woodlands campus symbolises Altron's adaptation to a hybrid work culture and our commitment to efficient cost management. This transition to a workspace that aligns with our revitalised brand and hybrid work model is a testament to our agility and foresight.

Altron has refined its Flexible Working Arrangements policy in line with our strategic vision and in response to evolving workplace dynamics. We now embrace a broader, more adaptable approach to in-office collaboration, departing from the previous three-day in-office requirement to a policy that encourages regular planned in-office time, as dictated by team logistics and project needs.

Additionally, we have revised travel and accommodation policies to support our hybrid workforce. This considers the needs of employees who have chosen to reside further from the office and ensures equitable treatment in covering these expenses when necessary. This pivot aligns with our brand's agility and highlights our commitment to sustaining an environment that nurtures productivity and employee wellbeing.

Fair and competitive remuneration

The highest 10% of Altron's employees earn R1.57 million per annum on average, nearly 12 times the salary of the lowest 10% of earners, who earn R129 671 per year on average. This differential is due to our industry's nature, which relies heavily on attracting and retaining highly skilled and experienced technical employees, which comes at a premium.

Despite the pay gap, we are committed to ensuring every Altron employee receives fair remuneration that exceeds minimum wage. This will ensure that even our lowest-paid employees can achieve a dignified standard of living. The lowest 10% of earners at Altron receive an average income of more than R10 000 per month and are comfortably within this range.

Altron has taken further steps to refine our remuneration framework in the past year, linking it directly with strategic business objectives. Notably, this includes implementing a minimum shareholding requirement at the senior executive level to align the interests of management and shareholders and ensure sustained commitment to Altron's success. Additionally, the alignment of the performance metrics of both the short-term and long-term incentive schemes to our strategic objectives was carried out during the year.

Please see our Remuneration Report for disclosures relating to Directors' fees and Executive Directors' remuneration.

Looking ahead

Our future outlook remains firm on reinforcing a high-performance culture, enhancing diversity and inclusion, upskilling our leadership, and improving operational efficiency. With robust succession planning and a forward-looking talent development approach, we are geared to continue progressing as an industry leader.

Deepening our ESG aspirations

We recognise that embracing ESG principles is not just a matter of compliance but a strategic imperative.

ESG considerations are being progressively integrated into our overarching group strategy as part of one of our key focus areas, reflecting our commitment to sustainable business practices and a thriving society. This ensures that sustainability is embedded into our everyday decision-making. Our dedicated approach to ESG fosters long-term value for our stakeholders while addressing the pressing challenges of our times.

FY24 constituted a period of strategy development, formalising our approach to sustainability and ESG practices. The process of developing the new strategic framework was collaborative and leveraged the insights of nominated sustainability champions across the different operating companies, as well as buy-in at an executive and Board level. The framework not only maps our path forward, but also captures activities already underway for improved coordination, recognition of progress, and shared learnings.

A community partner

Our products and services play a vital role in enabling companies, banks, medical facilities, and emergency services to work efficiently and effectively, supporting economic and social stability. However, we acknowledge that in the context of South Africa, which is lagging on many social development metrics, we have a responsibility to do more.

We manage our socioeconomic development (SED) at the group, division and subsidiary levels. Each division or subsidiary contributes between 50% and 100% of its SED budget (pinned at 1.5% of each division's operating profit) to our flagship SED partnership with PROTEC. The divisions and subsidiaries use their discretionary CSI budgets to support appropriate community initiatives that are meaningful to our people.

Altron's Remuneration, Social and Ethics Committee oversees all SED and CSI initiatives within the company.

Flagship SED project – PROTEC

PROTEC, a non-profit organisation in South Africa, has been pivotal in advancing Science, Technology, Engineering and Maths (STEM) education since 1982. They support high school students, particularly in disadvantaged areas, with educational programmes guiding them towards successful STEM careers. With a history of excellent matric pass rates, approximately 75% of PROTEC learners continue to tertiary education in technical fields. The investment in PROTEC underpins Altron's commitment to enhancing the quality of STEM education, particularly in underserved communities,

CASE STUDY



Somnotho's inspiring academic journey

Somnotho Mzolo's journey is a beacon of inspiration – a tale of resilience amid adversity.

Hailing from Soweto, Somnotho attended Bona Comprehensive School, where, despite health challenges during his crucial matric year, he emerged as PROTEC's top learner. His academic brilliance shone through with seven As, including an impressive 95% in Mathematics and an overall average of 87.71%.

Somnotho is now poised to take on Actuarial Science at the University of the Witwatersrand with the support of a Gauteng City Region Academy bursary. His story is not just one of personal success but a testament to the potential of young minds in underserved communities when given opportunities to excel.

fostering a more robust, skilled society that will fuel innovation and sustain Altron's future talent pipeline.

In FY24, we disbursed R5.5 million to four PROTEC branches, with disbursements contributing to the exceptional achievement of 123 matriculants, out of which 113 attained bachelor passes, demonstrating a 92% success rate. This includes 229 distinctions, highlighting the impact of the PROTEC-Altron partnership, particularly in the Soweto project, which produced five of the top 10 PROTEC matriculants. This performance is a testament to the dedication of the learners and the facilitators, and it aligns with PROTEC's longstanding mission to drive success in STEM careers for disadvantaged learners across South Africa.



DEEPENING OUR ESG ASPIRATIONS CONTINUED

Discretionary CSI projects

Our commitment to community support continued this year, with Altron employees actively contributing to various initiatives. Below is an overview of the CSI donations for the year:

Netstar donated R50 000 to the Hope Foundation to support social upliftment. The funds were donated for a corporate social investment event of which the Hope Foundation was the beneficiary. Netstar also partnered with Toyota SA Unite to safeguard rhinos and enhance wildlife protection in the Pilanesberg National Park (read more on page 52).

Altron Security supported various CSI initiatives. Altron Security has donated a total of R22 040 to the Cradle of Hope through the annual Santa Shoebox Drive (72 boxes), supporting vulnerable families in Krugersdorp. Additionally, employees have dedicated time to Mandela Day initiatives, such as donating food and animal products to the SPCA Sandton and supporting Lerato House, a preschool in Diepsloot, by maintaining and repainting classrooms. Moreover, Altron Security provides monthly funding for food and other necessities for the children.

Altron FinTech fostered youth development through the Tiger's View Soccer Academy, with an investment of R64 267 towards sports equipment and nourishment, and the Ilizwe School Uniform Project, dedicating R133 462 to provide essential items for 240 children in need.

The Altron FinTech Cares programme collected donations from employees for the Alberton SPCA and the Abram Kriel Children's Home.

This programme also supports a counselling programme for a women's support group in the Western Cape and the Elrich Park Community Programme in the Free State.

Through a collaborative effort across Altron business units, the Alex Youth Centre was equipped with WiFi and printers, an investment totalling R284 000 to aid in the education and development of Alexandra's youth.

Developing downstream contractors

We leverage our position as a large player in South Africa's IT sector to develop downstream enterprises and small suppliers by contracting them to provide field customer support. This secures these SMEs a guaranteed revenue stream that they can use as the basis for their growth.

We understand that a secure revenue stream is only one aspect of building a successful business. We further support our downstream partners by giving them access to our facilities and infrastructure, providing mentorship and access to finance through grants and loans, most of which are at highly preferential payment terms. During the year, 16 black and black women-owned SMEs received R32.54 million in support through loans at preferential or standard rates, grants, discounts and/or free use of facilities.

Moreover, Altron FinTech collaborates with microlenders to help them become NCR registered, subsequently aiding them in developing a sustainable business model through necessary training, thereby promoting true financial and digital inclusion. Recognising the

impact of loadshedding on these small microlenders, which disrupted their operations and livelihood, Altron FinTech partnered with Altron Arrow to import back-up batteries. Through a financing arrangement, these back-up batteries were provided to the microlenders, ensuring their operations could continue uninterrupted.

Developing SA's STEM skills

South Africa faces a critical shortage of IT skills. We run several initiatives to develop and inspire the pool of STEM talent available to our industry and the country.

One such initiative includes 60 young professionals, thereby taking steps to address both IT skills shortages and youth unemployment. Graduates will be placed in different business units, where they will gain experience in data and AI, workforce management, and software engineering.

Altron Nexus has a year-long Systems Support Learnership programme, which provides participants with intensive training in the fundamentals of hardware, software, networking, security and servers. During the year, 10 young participants were welcomed to the programme.

Similarly, Altron HealthTech partnered with Belgium Campus iTversity and Bothale Village in Tshwane to provide graduates with work experience to prepare them for work in the healthtech sector.

We are implementing strategies that cultivate a workplace environment that embraces and fosters diversity, acknowledges every individual's unique contributions, bridges the skills gap through continuous learning, and enhances digital literacy across society.

DEEPENING OUR ESG ASPIRATIONS CONTINUED

Managing our environmental impact

We monitor and control our emissions of greenhouse gases, water usage, and waste production.

Climate

Altron continues to invest in solar photovoltaic (PV) systems to decrease emissions and costs associated with using energy from the grid.

During the year, Altron FinTech (Nupay) installed a 150 kilowatt solar PV system at its Newmarket Building facility. The installation generates sufficient energy most of the time during the day to power Altron Nupay operations, reducing its carbon emissions by minimising the need for diesel and grid electricity while avoiding loadshedding. This investment will drive long-term savings in the future.

Altron Arrow continued to increase the amount of solar PV powering their Jet Park facility, with an estimated 116 kW reduction in power used from the grid. An investment was also made in an additional inverter, which will enable Altron Arrow to better leverage the savings offered by renewable energy and minimise the need for the use of generators during loadshedding.

Netstar is actively planning an investment in a solar PV system at its Midrand facility. This is anticipated to decrease non-renewable energy consumption by 50% and reduce dependence on diesel generators during loadshedding.

Further investments in energy-saving initiatives within Netstar's Midrand facility were made,

which included replacing globes in the Midrand facility with LED lights. This is expected to save them 28 kWA per month in energy usage annually. Netstar also introduced more efficient air-conditioning within their Midrand facility. These initiatives will benefit the group in two ways: by reducing greenhouse gas (GHG) emissions and the company's energy costs. Altron's total generation from renewable sources was 707 077 kWh in FY24 and accounts for 6% (FY23: 5%) of Altron's electricity consumption. We managed to decrease the carbon emitted from electricity use by 1 446 tCo2e through the additional solar PV systems introduced and the departure from facilities occupied by Altron Security and Altron Card Solutions during the year.

During FY24, electricity was the primary source of our emissions, followed by employee commuting and mobile combustion (emissions from company-owned vehicles).

Loadshedding led to an increase in diesel consumption, resulting in an increase of over 29% in stationary combustion. Looking ahead, this impact will be mitigated by the use of more renewable energy and the closure of facilities across the country, which will consolidate teams at campuses equipped with solar PV systems.

Carbon emissions from air travel increased by 126%, which the group will look to rectify through implementing our travel policy.

We plan to submit our FY24 data to CDP before September 2024 and hope to improve our CDP score, which was a D in 2023.

CASE STUDY

Enhancing wildlife protection in *Pilanesberg National Park* through technology

Netstar, in collaboration with Toyota South Africa, has bolstered the Pilanesberg Wildlife Trust's anti-poaching efforts at Pilanesberg National Park. This alliance illustrates Altron's dedication to utilising technology to create a future that is simpler, safer, and smarter. Initiated in 2019, the partnership has skilfully integrated state-of-the-art vehicle-tracking and data analysis technologies to enhance the operations of anti-poaching units.

The innovative tracking solutions from Netstar have impressively covered over 80 000km within the park, providing crucial data that bolsters the safety of anti-poaching operations and strategic planning through insightful analytics and future predictive modelling.

A vital aspect of this project is Netstar's advanced vehicle-tracking systems, which are paramount in acquiring and analysing data. When combined with Netstar's heat map technology, a detailed understanding of vehicular patterns emerges, which is instrumental in refining the patrols and strategies of anti-poaching teams. Additionally, through a partnership with Altron Nexus, Netstar has helped to enhance the park's communication infrastructure. This has included upgrading communication towers, installing groundbreaking radios and integrating sustainable solar power solutions, ensuring up to five days of autonomous operation.

The technology-focused collaboration also extends to support critical conservation efforts, such as the rhino dehorning initiative, which has markedly diminished poaching activities in the park, demonstrating the powerful combination of modern technology with traditional conservation techniques.

Moving forward, Netstar is preparing to roll out pioneering solutions designed to widen the scope of protection for a diverse range of assets, extending from non-motorised vehicles to the rhinos themselves. These forward-looking solutions are poised to expand the role of technology in conservation.

DEEPENING OUR ESG ASPIRATIONS CONTINUED

Category	FY24 (tCO ₂ e)	FY23 (tCO ₂ e)	FY22 (tCO ₂ e)
Scope 1			
Stationary combustion – diesel	847	660	168
Company-owned vehicles	5 118	6 529	9 299
LP gas	3	1	1
Refrigeration gas	107	193	435
Total Scope 1	6 075	7 382	9 901
Scope 2			
Purchased electricity (Grid emission factor used: 1.04)	9 735	11 181	8 977
Total Scope 2	9 735	11 181	8 977
Scope 3			
Business travel (flights, vehicle use, accommodation)	6 078	3 218	2 693
Employee commuting	5 837	7 142	2 588
Paper usage	11	17	20
Water	5	20	13
Waste (recycled)	2	2	2
Waste (landfill)	24	20	22
Total Scope 3	11 958	10 418	5 338
ALTRON TOTAL CARBON EMISSIONS	27 767	29 981	24 217
Intensity Indicators (Scope 1 and 2 only)			
Emissions per full-time equivalent employee	3.4	3.4	3.5
Emissions per square meter of general letting area	0.2	0.2	0.2

The methodology for calculating Altron's carbon footprint follows the GHG protocol and emission factors were used from DEFRA 2.0. Because of the hybrid working environment at Altron, it remains a challenge to calculate average monthly workforce occupancy, so the capacity of buildings was considered to be their normal capacity. Within Scope 3 emissions, flight data used emission factors with Radio Frequency (RF) and for economy domestic flights, short-haul economy was used, and for business domestic, short-haul business was used.

There was 14% of total emissions extrapolated this year, 13% of which took place in calculating staff commuting; providing a slightly more accurate estimation of carbon emissions contributed from this category. The organisational boundaries of our facilities are currently informed by equity share, although a significant portion of our Woodlands campus has tenants, associated emissions are currently classified as Scope 1 and 2 to keep data comparable.

Waste

We documented a minimum of 85 tonnes of recycled waste throughout the organisation during the year, of which 36% (85 tonnes) was paper and cardboard, approximately 58% (136 tonnes) was e-waste, and 6% (14 tonnes) was other general recyclable waste. Our strategy for handling this waste is in line with the universal principles of reduce, reuse, and recycle.

Reduction

We decreased the amount of paper consumed across the Altron by 45%, from 18 tonnes in FY23 to 10 tonnes in FY24, primarily due to the continued implementation of SigningHub for the company's internal financial controls.

Reuse

Whenever feasible, we prefer to donate outdated technologies instead of discarding them. For instance, our vertically integrated component supplier, Altron Arrow, contributes outdated inventory to Wits University for utilisation in its labs. Owing to the swift evolution in the electronics industry, any component that surpasses a certain age is considered obsolete, irrespective of its unused condition and perfect operation.

Recycling

Over 73% (83 908 tonnes) of regular recyclable waste was kept away from landfills through recycling efforts during the year, and a minimum of 220 kilograms of wet waste was recycled at our Woodlands campus. At least 31 tonnes of waste was reported as dispatched to landfill.

Being an IT company that offers IT products, we have a legal and moral duty to handle the end-of-life of our electronic products. In accordance with the National Environmental Waste Act, we have designated two certified e-waste service providers that recycle outdated components in a secure and approved method to prevent harmful materials from entering the environment. We submitted our inaugural extended producer responsibility compliance report under the Act to the Department of Forestry, Fisheries, and the Environment in January 2024.

DEEPENING OUR ESG ASPIRATIONS CONTINUED

Throughout the year, we dispatched 136 tonnes of e-waste to our authorised e-waste recycling service, primarily due to the necessity to write-off outdated equipment.

Water

Water consumption throughout the group decreased due to enhanced data gathering, with water intensity documented at 0.3 kilolitres per square metre. We are committed to reducing this figure by promoting increased efficiencies in the workplace. Netstar's Midrand office enhanced its efficiency by repairing leaks and drips, leading to an estimated monthly conservation of 2 000 litres a month at this location.

Innovation in sustainable practices

Altron Document Solutions has embedded corporate responsibility into its core strategy by integrating environmentally sustainable practices, bolstering its market position.

Initiatives like the eco-range programme demonstrate innovation in repurposing technology. At the same time, Big Data and AI advancements drive remote support and preventative maintenance operational efficiencies that minimise environmental impact, showcasing a forward-looking approach to business sustainability. These measures, coupled with corporate social responsibility efforts that deliver reconditioned technology to educational institutions, not only elevate the company's reputation but also resonate with a consumer base that increasingly values ethical and environmentally conscious business operations. Through this multifaceted commitment to sustainability and ethics, Altron Document Solutions carves out a competitive edge in a market rapidly shifting towards sustainability as a critical decision-making factor.

Looking ahead

The endeavours of the past year have laid a solid foundation for implementing a bolstered sustainability framework. The framework serves as a North Star, prioritising actions and allocating resources in a coordinated effort to advance our sustainability goals at a group level and across operating companies.

Recognising the dynamic nature of sustainability challenges, our forward-looking strategy has been designed to be responsive to emerging global trends and local needs. Our sustainability governance structures reflect this by championing transparency, accountability, and ethical business conduct. Our governance framework is designed to serve not only as a compliance mechanism but also as a catalyst for sustainable business growth and stakeholder trust.

Central to our new framework is the notion of leveraging our employees' passions, which align personal aspirations with organisational goals, fostering a motivated and purpose-driven workforce. Additionally, expanding our network of partnerships will play a critical role in creating shared value across our value chains.

As part of our sustainability framework, we are poised to implement strategies that cultivate a workplace environment that embraces and fosters diversity, acknowledges every individual's unique contributions, bridges the skills gap through continuous learning, and enhances digital literacy across society. These commitments are central to our vision of fostering a culture of belonging, driving employee engagement, and ensuring that our digital transformation efforts yield benefits that extend well beyond our organisational boundaries, delivering societal impact.

Acknowledging the critical importance of environmental responsibility, FY24 saw us develop strategies aimed at managing and reducing our environmental impact. This entailed aligning ongoing activities, such as greenhouse gas emissions measurement, with our long-term environmental management goals. These strategies will continue to be implemented in the coming years. Currently, our focus is on measuring and reducing our GHG emissions footprint and coordinating a comprehensive waste management programme across the Group.

FY25 heralds the continued implementation of our sustainability focus areas, marking a coordinated step forward in our purpose-driven, future-fit enterprise. Our focus remains steadfast on creating shared sustainable value for our stakeholders and contributing positively to the global sustainability agenda.

DEEPENING OUR ESG ASPIRATIONS CONTINUED



ALTRON SUSTAINABILITY FRAMEWORK

Enabling our Purpose: We use technology to transform today into a simpler, safer and smarter tomorrow.

01

Building organisational resilience

Ensuring agility and future relevance by embracing a high-performance culture that prioritises innovation.

- Innovation with purpose
- Succession planning



02

Empowering our people

Mechanisms to encourage engaged employees, ongoing learning and development, ensuring employee wellness and fair and competitive remuneration.

- Altron Way rollout
- EVP
- Leadership development
- PGM



03

Facilitating digital transformation

Driving technological innovation by elevating customer experience and accessibility of digital services.

Focusing on community upliftment by enhancing community's digital access and driving technological innovation.

- HealthTech patient management
- FinTech financial services
- Data lake project
- Continue with Protec and current community programs



04

Embedding diversity and inclusion

Fostering a diverse and inclusive work environment through diverse management structures and a culture of belonging and transparency.

- Setup of the B-BBEE Trust
- Drive feasible diversity targets



05

Managing and reducing our environmental impact

Managing and reducing our environmental impact

Monitoring climate risks, adopting renewable energy solutions, managing waste, reducing water consumption, and considering sustainable supply chains.

- Reduce GHG emissions footprint
- Coordinate a waste management program across the group



Initiatives we are prioritising

Enablers

Good governance structures and sustainability champions

Partnerships across our value chains

Increasing company-wide awareness of ESG

Leveraging our people's passions



ALTRON Security
Altron Security provides cybersecurity and digital identity security services for businesses, primarily regulated organisations.

[more info ↗](#)

05

Our performance

- 57 Chief Financial Officer's review
- 59 Performance by segment



Chief Financial Officer's review

Continuing² Operating Profit¹
 ↑ **R739m**
 (FY23: R599m)

Cash generated from operations
 ↑ **R1.281bn**
 (FY23: R1.024bn)



"Looking ahead, we remain committed to our strategic priorities, *focusing on revenue growth, operational efficiency, and profitability enhancement.*

Carel Snyman
 Chief Financial Officer

FY24 was both challenging and transformative. Despite facing significant headwinds, including provisions and impairments totalling R462 million related to discontinued operations, our agile response and strategic focus on core business areas have positioned the group for recovery and growth. Our performance during the year underscores the resilience of our continuing operations and the effectiveness of our strategic realignment towards more profitable and sustainable sectors.

Navigating challenges with strategic agility

Our financial performance reflects a dual narrative. We have navigated through the financial adjustments necessitated by the non-cash impairments and provisions, related to our discontinued operations, Altron Nexus and Altron Document Solutions, including a goodwill impairment at the group level.

Our continuing operations have shown remarkable resilience and growth underpinned by the profit improvement strategies in Netstar and Altron Systems Integration, further supported by a focus on high-performing segments like Altron FinTech, Altron HealthTech, and, notably, Netstar. The operational efficiencies and strategic initiatives within these

segments show promising sustainable growth opportunity and underline our commitment to leveraging technology and innovation for value creation.

The discontinuation and restructuring of non-core operations, including Altron Nexus and Altron Document Solutions, were pivotal decisions that, while temporarily impacting our financials, are aligned with our long-term strategy to streamline operations and focus on profitability and cash flow generation.

HEPS from continuing operations increased by 36% to 116 cents, a testament to the robustness of these segments. EPS from continuing operations was 108 cents, representing an increase of 46% compared to FY23. Conversely, the group HEPS of (25) cents is >100% lower

than FY23, having been adversely affected by the nNon-Cash Adjustments. Likewise, group EPS of (43) cents is >100% lower than FY23. These figures reflect the dual narrative of our current financial standing – challenges within certain sectors but undeniable growth and potential in others.

Financial performance overview

The group achieved revenue of R10.3 billion, which was R523 million (5%) lower than the prior period's revenue of R10.8 billion, due to the sale of the ATM Business within Altron Managed Solutions on 1 July 2023, resulting in only four months of revenue being included in the current financial period compared to 12 months in the prior period.

¹ Operating Profit before capital items.

² Continuing operations performance excludes Altron Documents Solutions and Altron Rest of Africa.



CHIEF FINANCIAL OFFICER'S REVIEW CONTINUED

Year-on-year revenue by division/subsidiary (Rm)

	FY24	FY23
Netstar	2 074	1 859
Altron FinTech	1 099	1 044
Altron HealthTech	374	350
Altron Systems Integration	2 041	2 003
Altron Karabina	362	350
Altron Security	449	436
Altron Managed Solutions (excluding the ATM Business)	846	773
Altron Arrow	802	679

Year-on-year EBITDA by division/subsidiary (Rm)

	FY24	FY23
Netstar	797	629
Altron FinTech	330	271
Altron HealthTech	106	103
Altron Systems Integration	93	5
Altron Karabina	49	43
Altron Security	101	104
Altron Managed Solutions (excluding the ATM Business)	54	51
Altron Arrow	69	52

Year-on-year Operating profit¹ by division/ subsidiary (Rm)

	FY24	FY23
Netstar	222	192
Altron FinTech	289	233
Altron HealthTech	102	96
Altron Systems Integration	87	(20)
Altron Karabina	36	23
Altron Security	72	74
Altron Managed Solutions (excluding the ATM Business)	36	34
Altron Arrow	67	50

Operating profit¹ for the group was significantly impacted, with the current period recording R210 million compared to R342 million in FY23. Discontinued operations contributed to an operating loss of R529 million, inclusive of the substantial provisions raised during the first half of the year.

Working capital and cash flow management

In calculating our working capital, we have reconsidered the inclusion of contract liabilities due to the nature of these contracts extending beyond 12 months. We have restated the FY23 working capital to exclude contract liabilities and contract fulfilment costs. The result of this adjustment is an increase in working capital of R716 million, and we will account for working capital on this basis going forward.

Using the adjusted working capital base, our net working capital investment improved to R1.4 billion from R2 billion last year. R152 million in cash was released from working capital. This together with R400 million attributed to the Non-Cash Adjustments, resulted in overall working capital improving by R552 million.

The group continues to focus on improving its working capital management and working with the different business units to optimise working capital investment in line with business performance.

The group increased cash generated by operations by 25% to R1.6 billion in FY24, and subsequently repaid R425 million of its revolving debt facilities.

Enhancing our team

As we fortify the foundations of our financial governance and strategic oversight, I am delighted to report significant strides in strengthening our Finance team's leadership and capability.

We have established a new senior role within our team – Executive: Risk and Compliance. Pearl Hlabangana has been appointed to this pivotal position, bringing a wealth of expertise.

Mateen Waja also joined our Finance team in FY24 from Altron Managed Solutions. His appointment marks a significant step in enhancing our team's capabilities, ensuring we remain on the cutting edge of financial strategy and operational efficiency.

These strategic appointments underscore our commitment to robust financial stewardship and align with our vision for growth and operational excellence.

Outlook

Looking ahead, we remain committed to our strategic priorities, focusing on revenue growth, operational efficiency, and profitability enhancement. The optimisation of working capital, coupled with our robust balance sheet and cash-generative capabilities, sets a solid foundation for executing strategic initiatives and delivering long-term shareholder value.

FY24 has been a period of significant challenge and change for Altron. However, through strategic realignment and a focus on our core strengths, we have not only navigated these challenges but also laid the groundwork for future growth and success. As we continue to adapt and evolve, our commitment to operational excellence, strategic growth, and shareholder value remains unwavering.

Our continuing operations generated cash of R1.3 billion

¹ Operating Profit before capital items.

NETSTAR

Performance by segment

Revenue
 ↑ **R2.074bn**
 (FY23: R1.859bn)

EBITDA before capital items
 ↑ **R797m**
 (FY23: R629m)

Operating profit before capital items
 ↑ **R222m**
 (FY23: R192m)

Netstar

At a glance

Netstar is a vehicle telematics business that supplies industry-leading stolen vehicle recovery services, insurance telematics solutions, advanced vehicle and fleet tracking and fleet management and intelligence solutions to corporate and individual subscribers in South Africa and Australasia. The division's solutions comprise immaculately engineered and fitted hardware, easy-to-use software applications, powerful analytical tools, and support from highly experienced personnel and professional call centres. Netstar's business model is to supply stolen vehicle recovery services, fleet and asset telematics and managed services via its global fleet bureau services across multiple industry sectors. Netstar provides products and services from OEM installed devices to the consumer market (motor dealer channel, insurance, direct and digital) and the enterprise market (light fleet, commercial fleet, car rental, mining and security).

Vehicle tracking is about more than just guarding against the loss of an asset; it is also about gathering real-time intelligence on driver behaviour, petrol consumption and a fleet's location in real-time.

"Thirty years ago, we started as a pioneer in vehicle tracking and recovery, and today, we stand as a beacon of trust and innovation in the industry. Since 1994, we've made using South African roads simpler, safer, and smarter."

– Grant Fraser, Managing Director of Netstar Group



Financial performance

Netstar delivered 12% growth in revenue, totalling R2.074 billion, of which R1.846 billion was annuity revenue. We expanded our EBITDA margin by 4% and grew EBITDA by 27% to R797 million, with operating profit before capital items up 16% at R222 million.



Challenges

The global technology landscape is evolving, and with it, older communication networks are being decommissioned. We have experienced pressure in Australia due to the legislative change of migrating all devices from a 3G to a 4G network. This opened up the market for increased competition. However, leveraging this legislative shift as an impetus for growth, Netstar strategically adapted its service offerings, moving from a cash sale model to a full-service rental model. This strategic shift aims to maintain our competitive edge and customer loyalty in a changing market.

Scarcity of skilled technicians remains a challenge. This results in a bottleneck when installing and servicing increasingly sophisticated telematics solutions. Netstar addressed this challenge by investing in a training academy, which trained 60 technicians for deployment, showing a proactive approach to capacity building, and through building our fitment centre partnerships.

The economic environment also posed challenges, mainly reflected in the increased rejection rates of debit orders within the consumer base, a trend not unique to Netstar but reflective of broader economic difficulties. Netstar's, proactive collections process, involving a pre-legal phase with negotiated payment holidays, aimed to retain customers and manage bad debt, showing a customer-centric yet pragmatic approach to financial management.

¹ EBITDA and Operating Profit before capital items.

Netstar's profit improvement strategy, articulated through ongoing operational enhancements and strategic foresight, has delivered commendable outcomes. This approach, rooted in an unwavering commitment to innovation and customer-centric service, has improved efficiencies and bolstered our market position, reflecting our dedication to driving sustainable growth and profitability.

PERFORMANCE BY SEGMENT CONTINUED

Netstar continued



Opportunities

Netstar's strategy to refocus on core fundamentals such as boosting customer-centricity, enhancing operational efficiencies, and building our Big Data as a Service (BDaaS) offering has led to notable opportunities and gains across the business.

Boosting customer-centricity

Netstar's strategic focus on customer-centricity delivered market share growth. Our net subscriber additions increased by 60% to 370 000, boosting our subscriber base by 27% to over 1.7 million customers. The number of connected devices increased from 1.6 million to 2.3 million. Consumer subscriptions grew by 14%, while our higher-margin enterprise segment expanded by 33%, reflecting our growing presence in the light and commercial fleet space and the car rental industry. Our retention team was crucial in reducing churn from 22% last year to 16%, achieving a 95% customer retention rate. Previously, customer retention was managed by an outsourced call centre. By bringing this function in-house, our dedicated retention team can now directly engage with customers, understanding their issues and offering tailored solutions. Our customer-centric approach also involved a detailed segmentation of our customer base into distinct categories: OEM customers (e.g., our partnership with Toyota), consumer customers and enterprise customers.

- **OEM customers:** The OEM segment benefits from our ability to provide tailored solutions that integrate seamlessly with their vehicles,

enhancing safety and efficiency. We are expanding our OEM partnerships. With Toyota, we have broadened our reach into Southeast Asia. Recently, we were appointed to install UD trucks with Netstar's AI cameras to provide future customers with the ability to monitor events live.

- **Consumer customers:** This segment primarily includes individual vehicle owners who seek reliable vehicle recovery services. We simplified our product offerings to cater to their specific needs, ensuring our devices could provide essential functionalities like stolen vehicle recovery. This approach also included incentivising dealers to convert pre-fitted devices into paying customer subscriptions, thus improving our market penetration.
- **Enterprise customers:** This diverse group is further segmented into light and commercial fleet customers. Light fleet customers are typically smaller businesses with a few vehicles, while commercial fleet customers manage large fleets and require more complex telematics solutions.

This segmentation strategy extended beyond sales and into the operational processes. By physically segmenting the sales, fitment and planning teams, we ensured that each customer type received tailored service. For instance, commercial customers with complex fitment needs are now serviced by dedicated teams, significantly improving our customer onboarding process. This meticulous segmentation has allowed us to fast-track the implementation of devices, enhancing the overall customer experience.

By understanding and addressing the distinct needs of our diverse customer base, Netstar has delivered a more personalised and efficient service, driving substantial growth and solidifying our position as a leading telematics and stolen vehicle recovery provider in the industry.

Enhancing operational efficiencies

Netstar has made strides in improving operational efficiencies. We expanded our fitment centre partnerships to 67, accelerating the fitment

process and broadening our reach into remote areas. Remarkably, while FY23 saw us fitting one vehicle every four minutes, FY24 saw this accelerate to four vehicles per minute. This expansion increased our contract fulfilment rate from 72% to 94%.

Our pre-fitment strategy on dealer floors has been particularly effective, keeping our market share above 50% and improving our pre-fitment conversion rate from 32% to 66%. This strategy involves installing a tracking device in vehicles while on the dealer floor, ensuring the vehicles are protected even before being sold. This initiative initially faced challenges as the devices installed were costly, and not all of them were converted into paying subscriptions, leading to financial losses.

To address this, we shifted to using a more cost-effective device specifically designed for tracking and recovery functionalities without the high cost associated with full telematics features. Furthermore, we incentivised dealers by offering



PERFORMANCE BY SEGMENT CONTINUED

Netstar continued

commissions for each pre-fitted device converted into a paying customer subscription. This approach reduced our initial outlay and motivated dealers to actively promote our services to buyers. Additionally, we limited the number of dealers involved in the pre-fitment programme. These measures have substantially improved our pre-fitment conversion rate, ensuring more installed devices transition to active, paying subscriptions. This improvement has contributed to maintaining a robust market share and enhancing our overall profitability.

We also launched five new products aimed at enhancing asset protection and connectivity. The first is our narrowband Internet of Things (NB-IoT) device, a battery-operated wireless Global Positioning System (GPS) product with an Internet of Things (IoT) SIM, which can be fitted onto movable and non-movable assets. This will not only allow our customers to better protect their

non-motorised assets, but also their valuable cargo. Secondly, we launched our 590 device for the consumer and light fleet market. This device follows a one-box strategy, allowing us to manufacture cost-effectively and at scale. Our 590 device engages in vehicle-to-vehicle communication, creating a mesh network to further enhance our coverage. The third device is Startag, an active Radio Frequency (RF) device, which will improve our recoveries through its unique installation method and reduce installation times. The fourth is a device built specifically for the Australian municipality market, providing full routing and telematics with satellite connectivity for communication anywhere globally. Lastly is our CAPS device, which was launched to improve safety in the mining industry.

Building our BDaaS offering

- Netstar's investment in AI and machine learning is revolutionising our BDaaS offering. We have built the continent's largest, most

technologically advanced global fleet bureau, which supports our growing commercial fleet customers, emergency contact centre, and vehicle recovery operations. By managing over 2.3 million connected devices, processing 181 billion data points per month, and analysing over 170 000 hours of video, we are significantly improving the safety of our customers' drivers, assets and cargo. Our bureau offers comprehensive solutions, including real-time tracking, geofencing and monitoring for asset protection, as well as monitoring driver behaviour and automated incident alerts to reduce accidents and improve worker retention.

- The bureau also maximises operational efficiencies through real-time tracking for timely services, optimised route planning and efficient dispatching. Compliance assurance helps customers avoid fines and penalties with simplified statutory reporting and regulatory adherence. Additionally, our bureau promotes sustainability by reducing emissions and

implementing green efficiency practices. Data-driven decision-making is facilitated through actionable insights and trend identification, leading to performance improvement and growth. Cost savings are achieved by lowering fuel and maintenance costs, decreasing insurance premiums and enabling cost-effective operations. Our managed service model allows customers to offload tasks for resource optimisation, access expertise, focus on core business growth and benefit from 24/7 assistance.

- Our investment in machine learning has proved invaluable for our fleet customers. We offer proactive services such as detailed information on the functionality of onboard AI cameras and identification of driver transgressions. For instance, our partnership with Putco has notably reduced accidents and associated claims by monitoring driver behaviour patterns.
- We are also scaling through strategic partnerships and integrations. Collaborating with Microsoft on an industry-reference architecture for AI telematics, we have developed the industry's first fleet copilot. This advanced interface enables users to execute tasks and access information more efficiently.
- Looking forward, we will continue to improve our leading indicators to support more robust future performance. Innovation continues to be the keystone of our strategy. Our focus on developing new products to enhance data aggregation from multiple devices underscores our commitment to maintaining a cutting-edge stance in the market. This forward-looking approach firmly positions Netstar within Altron's vision of a simpler, safer and smarter future powered by technology.





ALTRON

FINTECH

PERFORMANCE BY SEGMENT CONTINUED

Revenue
 ↑ **R1.099m**
 (FY23: R1.044m)

EBITDA before capital items
 ↑ **R330m**
 (FY23: R271m)

Operating profit before capital items
 ↑ **R289m**
 (FY23: R233m)

At a glance

Altron FinTech provides a fintech payment processing and commerce enablement platform to allow our customers to do business in-store, online and through mobile channels. The business offers end-to-end banking IT systems that support a range of services, including debit order processing, payment and switching services, card personalisation and issuance, credit management software as well as debit and credit card payment solutions. Each division within Altron FinTech contributes to revenue generation through specific offerings and income models, resulting in a comprehensive suite of fintech solutions for their customers.

Card Personalisation and Issuance generates income by selling devices for card personalisation and issuance. Additionally, it earns revenue through the maintenance of these devices, ensuring its continued functionality and efficiency.

Integrated Transaction Solutions generates income through multiple streams. Firstly, it earns revenue by selling devices used for transactions. This includes both devices that are sold outright and devices that are rented out and maintained by Altron.

“Recognition of our innovative leadership in payment solutions was further solidified by winning the Pax OEM Partner of the Year Award for the third consecutive year, reflecting our unwavering commitment to excellence and quality in our industry.

– Johan Gellatly, Managing Director of Altron FinTech

Furthermore, it earns fees based on the value or volume of transactions processed through their switch. This revenue model allows Altron to benefit from the growth and usage of our transaction processing services.

Credit Management Solutions offers IP software that enables clients to manage their credit. It earns fees for each software installation, providing a valuable solution for managing credit-related processes. Additionally, Altron earns fees for each credit bureau enquiry made through its platform, further contributing to their revenue.

Payment and Collection focuses on enabling microlenders to operate their businesses efficiently by utilising Altron’s infrastructure and proprietary software. Altron provides an integrated solution encompassing various services, including issuing cards, processing transactions, performing checks and verifications, and handling collections. Revenue is generated through fees for each service provided throughout the value chain, ensuring a comprehensive payment and collection solution for microlenders.

During the year, Altron FinTech serviced over 12 000 businesses across all nine provinces. Its employee complement comprised 352 employees.

Altron FinTech leads the fintech revolution with a focus on innovation, operational excellence, and sustainable growth, highlighted by our pioneering solutions like NuCash, enhancing customer experiences and promoting financial inclusion.

PERFORMANCE BY SEGMENT CONTINUED

ALTRON FinTech continued



Financial performance

Altron FinTech achieved a 5% growth in revenue, driven by a 12% increase in annuity revenue coming off a strong comparative base, supported by higher prior-year hardware sales. Hardware sales experienced a decline compared to the prior year as we strategically shift our focus from irregular hardware sales to cultivating long-term, profitable annuity revenue, by investing in managed services for point of sale (POS) terminals. Altron FinTech has become a R1.1 billion revenue business and is the second biggest contributor to group EBITDA, registering a 22% growth in EBITDA to R330 million, supported by a 4% margin expansion. Operating profit before capital items increased 24% to R289 million.



Challenges

Throughout the year, we encountered challenges in maintaining consistency and reliability with third-party service providers, particularly concerning transaction processing infrastructure and customer query resolution times.

A considerable challenge remains the scarcity of skilled resources. The rise of remote and hybrid working models and the gig economy have heightened the risk of losing vital talent to competitors, including those abroad. Our strategy includes embracing these work models to retain and attract top talent, ensuring our ability to deliver high-quality, innovative solutions.

On the cybersecurity front, the escalating prevalence of threats within the financial sector necessitates constant vigilance. Our comprehensive cybersecurity strategy is continuously refined to address the sophisticated risk landscape, heightened by the emergence of

AI-enhanced threats. Proactive efforts to safeguard our systems and data are paramount, and we remain vigilant in our pursuit to pre-emptively counteract such vulnerabilities.

Concurrently, systemic infrastructure risks such as power outages from loadshedding and telecommunications failures represent a persistent concern. We proactively mitigate the risks associated with loadshedding through strategic investments in backup power solutions to ensure business continuity. Notably, our investment in solar power generation for the Alberton facility epitomises our approach, resulting in reduced power consumption from Eskom and reduced diesel fuel consumed for power generation.



Opportunities

Our investment in research and development reached R15 million for FY24, demonstrating our dedication to fostering innovative solutions that meet emerging market needs.

This investment led to several developments, including the Point-to-Point Encryption (P2PE) Terminal Tracking App, which empowers retailers to digitally manage their P2PE terminals with increased efficiency and compliance, and

introducing buy-now-pay later (BNPL) options at integrated retail pay points. Our first-to-market BNPL service on PIN Entry Devices has been particularly well received, especially by Tier 2 retailers, as it complements our omnichannel strategy and enhances the consumer experience.

A key highlight of the year was the successful rollout of NuCash. This cash disbursement service has transformed the way payouts are handled by enabling merchants to disburse funds directly into their customers' bank accounts. This service eliminates the complexities of non-disbursement queries and the hassle of managing additional cards. NuCash ensures a swift and efficient transfer process, providing the freedom of instant fund availability within minutes and allowing customers to benefit from their preferred banks or cards.

In addition to these developments, we introduced several innovative products. Notably, our multi-acquiring bank DebiCheck solution allows merchants to choose from multiple banks, enhancing flexibility and reducing downtime. For integrated retail clients, we now offer a failover option between two acquiring banks, ensuring service continuity during outages.

Recognition of our innovative leadership in payment solutions was further solidified by winning the Pax OEM Partner of the Year Award for the third consecutive year, reflecting our unwavering commitment to excellence and quality in our industry.

Looking to the future, Altron FinTech is committed to staying at the forefront of the fintech revolution. By pioneering the implementation of generative AI in our operations, we aim to boost efficiency and customer service quality. As we advance towards a green economy and seek to bridge the gap in scarce and skilled resources, our strategic focus is firmly on sustainable growth. These initiatives, alongside our continued efforts to refine our product suite and deliver outstanding service, set us on a course for long-term success and reinforce our commitment to operational excellence and customer satisfaction.



PERFORMANCE BY SEGMENT CONTINUED

ALTRON FinTech continued Overview of the business

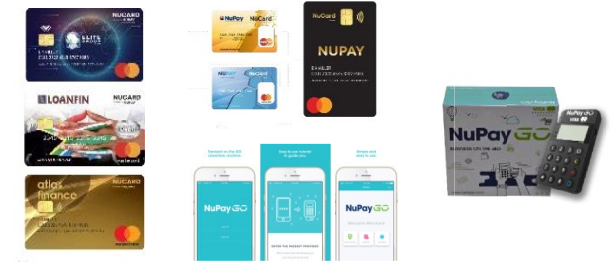
Credit management solutions



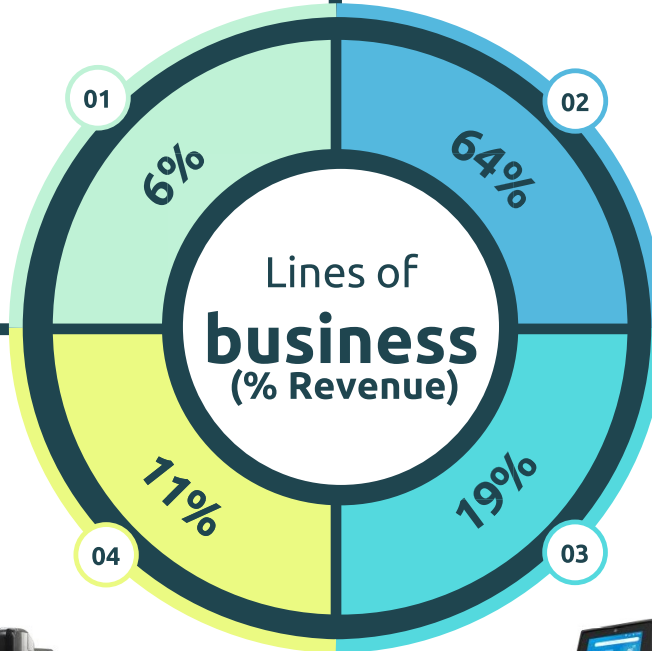
Card personalisation and issuance



Payment & collection solutions



Integrated transaction solutions



PERFORMANCE BY SEGMENT CONTINUED

ALTRON FinTech continued

CASE STUDY



Empowering financial inclusion in Tembisa

Overview

Altron FinTech joined forces with a microfinance and lending business looking to broaden financial inclusion in Tembisa. The enterprise was driven by a mission to make credit more accessible, especially to those underserved by traditional financial institutions. This initiative was crucial in uplifting the township's economy by enabling residents to build credible credit histories and access previously inaccessible funds.

The challenge

Establishing a credible lending operation amid a landscape plagued by unregulated lenders was paramount. The client needed a secure and legal framework for loan distribution and collection, which was compliant and instilled trust in the community.

The solution

Altron FinTech provided a multifaceted digital finance solution, enabling the client to swiftly incorporate multiple services from Altron's suite, including merchant payment service (MPS) and NuCover, alongside the DebiCheck system. These tools ensured secure, authenticated transactions and amplified collection rates, while NuCover added value to their customers with essential funeral and lifestyle cover.

Our impact

With Altron FinTech's support, the client established their operation within the regulatory boundaries of the National Credit Regulator, fostering trust and legitimacy. As a result, they attracted customers who traditionally relied on informal lenders and even those rejected by larger banks, paving the way for responsible financial growth within the community.



Revolutionising loan disbursement and collection

A customer transitioned from an unregistered microlender to a registered credit provider with the National Credit Regulator through Altron FinTech's solutions, addressing the critical challenges of security and cost-effectiveness in loan distribution.

Previously, the customer faced risks and high costs associated with cash withdrawals for loan disbursement. The need for a safer, more cost-efficient method was critical for business growth and customer trust.

Adopting Altron FinTech's NuCard solution, the client drastically cut down on bank charges, enhanced security, and eliminated the need for cash on the premises. NuCard facilitated safe and quick loan distribution, winning over customers with its convenience and security.

NuCard's efficiency transformed the client's business, enabling expansion from a single branch to five across South Africa. By leveraging Altron FinTech's robust digital solutions, the client saved on operational costs and provided a credible, secure service that attracted more customers, contributing to the economic development of the regions they served.



PERFORMANCE BY SEGMENT CONTINUED

Revenue
 ↑ **R374m**
 (FY23: R350m)

EBITDA before capital items
 ↑ **R106m**
 (FY23: R103m)

Operating profit before capital items
 ↑ **R102m**
 (FY23: R96m)

At a glance

Altron HealthTech's vision is to transform healthcare through technology by providing a comprehensive range of solutions to both private practice and corporate clients.

It provides end-to-end support to its private practices through its administration and clinical decision-support solutions. These solutions allow clinicians to focus on providing the best possible care to their patients, enabled by innovative clinical technologies. Its administrative support solution allows for automated billing, medical claim settlements and supports the booking process and electronic files.

Altron HealthTech's comprehensive software solution for its corporate clients focuses on occupational health, primary healthcare and wellness. This goes beyond complying with the Occupational Health and Safety Act to support improved employee productivity and wellness.

Large pharmacy corporate clients utilise Altron HealthTech's medical claims switching solution to ensure settlements are done in real time.

As we continue to navigate the complexities of the healthcare sector, our unwavering commitment to transforming healthcare through technology remains at the core of our mission, driving us towards delivering greater value to our clients and positively impacting the healthcare landscape.

"Our commitment to delivering customer-centric solutions that evolve with customer needs ensures we stay ahead of the curve, improving patient outcomes and healthcare management."

– Leslie Moodley, Managing Director of Altron HealthTech

The clinical decision-support service launched in FY23 uses algorithmic medicine to track patients' medical profiles and identify those most at risk based on their demographic information, laboratory data, and other medical information. The service then automatically initiates a request for follow-up appointments, adding a layer of intelligent patient management to Altron HealthTech's service offering. The service is fully Protection of Personal Information Act (POPIA) compliant, and early anecdotal evidence indicates the new service has already improved patient outcomes by prompting patients to go to their doctors before a medical problem worsens.

In order to transform healthcare through technology and meet its growth objectives, Altron HealthTech launched its Business Platform Strategy in FY22. This strategy sees Altron HealthTech use its own IP-based solutions to provide an interoperable platform to allow new partnerships and ecosystems to be created and produce new value propositions for the market. The clinical decision-support solution is but one of the new solutions created. The advantage of this model is the increased pace at which solutions can be created and launched into the market. This transformation to a business platform model is allowing us to build new solutions on the rich datasets we have.

By allowing users across the value chain to unlock new value, we are futureproofing Altron HealthTech, keeping it relevant in a highly competitive market while mitigating risks.

PERFORMANCE BY SEGMENT CONTINUED

ALTRON HealthTech continued

Financial performance

HealthTech's revenue increased to R374 million, a 7% rise compared to FY23. Notably, Altron HealthTech added 25 new corporate logos and 2 500 net new practice management customers, with 1.8 customers added for every customer churned. This growth includes a 9% increase in corporate revenue and a 6% increase in private practice revenue. EBITDA growth of 3% was achieved, with EBITDA impacted by R22 million investment expensed. Operating profit also experienced an uplift to R102 million, reflecting an improvement of 6% from FY23.

These achievements are particularly noteworthy given the stagnant nature of the private medically insured sector and the prevailing economic pressures on consumers.

Challenges

FY24 brought to the fore continued challenges, most notably how economic constraints have led to a behavioural shift in healthcare consumption. Patients, feeling the pinch of less disposable income and depleted medical aid savings, are increasingly bypassing traditional doctor visits.

In response to these economic and behavioural challenges, our team has dedicated considerable efforts to increase and diversify our revenue streams. One strategic response has been to intensify our focus on corporate deals, where we have observed a growing pipeline. By forging strong corporate relationships and tailoring our solutions to meet the specific needs of this

segment, we are capturing new revenue opportunities that are less dependent on individual patient transactions.

Additionally, the healthcare sector faces a challenge with technology adoption among healthcare professionals, often exacerbated by a lack of training and resistance to changing established practices.

To address technology adoption specifically, we have implemented comprehensive training and education initiatives designed to facilitate and accelerate the integration of our technological solutions within healthcare practices.

Opportunities

Altron HealthTech has invested in pivoting its business model to a business platform model thereby allowing it to protect its current base while allowing development of new revenue streams. This allowed Altron HealthTech to further solidify its client base within the private practice segment, achieving an improved win-to-cancellation ratio of 1.83:1 (FY23: 1.72:1). This indicates robust client acquisition, outpacing customer loss due to retirement and emigration. A few of these cancellations were due to churn, reflecting the company's effective retention strategies. Concurrently, corporate offerings, particularly occupational health solutions, witnessed substantial 9% growth, underscoring Altron HealthTech's expanding influence in the corporate healthcare market.

In FY24, Altron HealthTech's innovative cash flow financing solutions bolstered the financial

stability of medical practices facing economic challenges, allowing healthcare providers to focus on delivering quality patient care. By offering immediate settlement of medical claims, these solutions ease cash flow pressures, enabling doctors to concentrate on patient health rather than financial management. This enhances the operational efficiency and sustainability of healthcare practices and fortifies Altron HealthTech's market position by fostering dependable, long-term client relationships and expanding its revenue base, illustrating Altron's dedicated investment in the prosperity of healthcare services and improved patient outcomes.

We expanded our platform ecosystem through partnerships including:

- Dis-ChemOncology
- CareConnect
- Mettle
- Fit Vault
- Omniscient

These initiatives are targeted to broaden our revenue streams and strengthen our position as innovators in the healthcare technology space.

The introduction of National Health Insurance (NHI) poses some headwinds, along with opportunities for Altron HealthTech. Given our strong position in the private sector primary healthcare space, solutions can be easily tailored to meet the needs of the NHI for all South Africans.

Looking forward, Altron HealthTech is poised to capitalise on its strategic investments, innovative

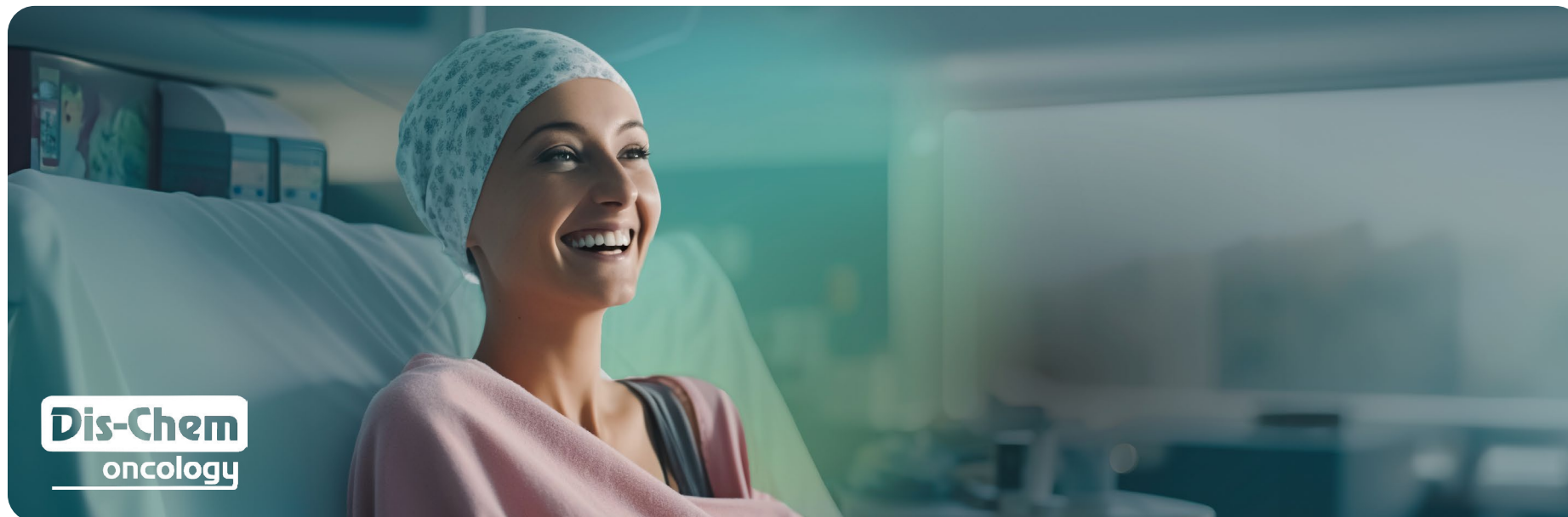


partnerships, and advanced data capabilities to open up additional revenue streams and catalyse growth. Our proactive approach, underscored by a successful foray into the oncology domain, has set the stage for us to tackle chronic diseases with greater vigour. As we move ahead, our commitment to delivering customer-centric solutions that evolve with customer needs ensures we stay ahead of the curve, improving patient outcomes and healthcare management.

PERFORMANCE BY SEGMENT CONTINUED

ALTRON HealthTech continued

CASE STUDY



Transforming healthcare through *technology and collaboration*

Leveraging data to create meaningful impact

Altron HealthTech's strategic partnership with Omnisient illustrates our dynamic response to the ever-changing healthcare landscape and our commitment to pioneering advancements in healthcare technology. By enhancing our data capabilities in collaboration with Omnisient, we can leverage our business platform model to scale the burgeoning data opportunity. Moreover, this partnership underscores a shared ethos of innovation, as it harnesses over 100 million medical transactions annually to benefit patients and healthcare providers while ensuring the utmost privacy and security of patient information. The impact is manifold – from potentially helping reduce costs to contributing to the strategic placement of healthcare facilities, ensuring they meet real-time demand.

Reducing the cost and improving the outcomes of cancer treatments

Our collaboration with Dis-Chem Oncology represents a leap forward in clinical efficiencies and cost management in one of the most resource-intensive areas of healthcare. As we continue to combat rising healthcare costs, particularly within oncology, using digital health technology to streamline operations, enhance patient safety, and ensure the consistent application of approved treatment protocols is critical. Our efforts here have been towards mitigating costs and facilitating a more patient-centred approach to healthcare.

ALTRON

SYSTEMS INTEGRATION



For **Altron Systems Integration**, this year was a pivotal period of transformation and integration. Seizing the opportunity within the burgeoning South African IT services market, we made major strides in redefining our operational model. Our focus was clear – to execute our profit improvement strategy and establish a business primed for growth.

PERFORMANCE BY SEGMENT CONTINUED

Revenue
↑ **R2.041bn**
(FY23: R2.003bn)

EBITDA before capital items
↑ **R93m**
(FY23: R5m)

Operating profit before capital items
↑ **R87m**
(FY23: (R20m))

At a glance

Altron Systems Integration draws on third-party technologies to produce integrated IT systems that bridge cloud-based, data, AI and automation for its corporate customers. The business leverages industry best practice to design, implement, and support sustainable ICT-based business solutions that are strategically aligned, tailored to specific needs, cost-effective, and optimised for performance.

With a highly skilled and experienced professional team, Altron Systems Integration takes a consultative approach to addressing critical customer challenges, offering solutions that span from legacy integration to digital transformation. The division's extensive catalogue of ICT services covers a broad spectrum, ensuring comprehensive support for their clients' needs.

To underscore the principle of integration, **Collin Govender, the Group's Chief Operating Officer, served as the transitional Managing Director of both Altron Karabina and Altron Systems Integration. This strategic dual leadership prepared both entities for seamless integration into the Altron Digital Business, along with Altron Managed Solutions, effective 1 March 2024.**

"Integration through the Altron Digital Business operating model aligns with the group strategy to be the leading platform and IT service business."



Financial performance

Revenue grew marginally by 2%, as we intentionally exited non-profitable business. However, top-line revenue growth remains below our aspirations. Integration into Altron Digital Business is targeted to support growth in higher-margin, annuity-based revenue, as annuity revenue remained stable at 52% year-on-year. The transformation is a calculated step towards realising the full potential for top-line growth, and the success of our profit improvement strategy offers a firm foundation for this evolution. The profit improvement strategy included the right-sizing of the organisation in terms of expenses, with operating expenses down 13% year-on-year. Despite previous declines in EBITDA and operating profit, EBITDA increased to R93 million from R5 million last year. This improvement was supported by a 16% increase in gross profit, with a 3% increase in gross margin.



Challenges

Altron Systems Integration is witnessing a transformative phase. The business has seen notable operating profit growth, showcasing the efficacy of our strategic initiatives. Despite this, the organisation is not immune to the macroeconomic headwinds impacting the broader IT services sector. Our flat revenue growth necessitates a persistent and dynamic approach to our sales strategy and cost management.

Our strategic pivot focuses on scaling areas such as outsourcing, infrastructure, and workforce management to organically expand our gross margins over time. We have signed key contracts across these areas (see Opportunities below); however, while these key contracts signal a strong trajectory for growth, it is essential to note that the revenue from these multi-year agreements will accrue incrementally over time rather than reflecting immediate top-line growth in the first year.

PERFORMANCE BY SEGMENT CONTINUED

ALTRON Systems Integration continued

Resource attrition and skill shortages also continue to pose a challenge. This industry-wide risk requires us to intensify our investment in talent acquisition and retention, particularly through graduate programmes to cultivate a robust pipeline of skilled professionals.



Opportunities

Our journey towards operational excellence has yielded promising early signs of improvement, with the profit improvement strategy yielding tangible results in three critical areas.

1. **Scaling outsourcing, infrastructure, and workforce management**

Altron Systems Integration has successfully signed two major workforce transactions, including the largest workforce management contract on the continent, demonstrating our expertise and market leadership. The business has also achieved a record by signing the largest outsourcing contract in our history, underscoring our capability to deliver complex, large-scale projects. The expansion of our infrastructure business has also been pivotal.

2. **Delivering on the new sales strategy**

Introducing 48 cross-sell opportunities has been a game-changer, driving R2.041 billion in revenue and indicating our strong position to capitalise on the existing customer base. Enhanced customer relevance has been critical in supporting deal renewals, reflecting the alignment of our services with customer needs.

3. **Reducing costs through efficiencies**

Diligent management of operating expenses, which have decreased year-on-year, reflects our unwavering commitment to operational prudence and sustainability.

Altron Systems Integration's noteworthy achievements have been recognised industry-wide, as evidenced by our accolades at the Huawei Awards, where we secured titles including Enterprise Sales Partner and Cloud Fast Growth Partner. These accomplishments reinforce Altron Systems Integration's reputation as a leading provider and Huawei's Longest-standing Enterprise Partner for 2023.

Looking ahead, deeper integration through the Altron Digital Business operating model will allow the Altron group to grow organically by supporting cross-selling between divisions within their established customer bases. Using this revised strategy, we will avoid duplication of effort between our divisions and respond more strategically to tenders with a diversified, well-considered solution that draws expertise from every corner of Altron as the need arises.

CASE STUDY



Optimising efficiency – Altron Systems Integration's workforce management *success with Hungry Lion*

Altron Systems Integration demonstrated our capabilities in workforce management through a strategic partnership with the prominent food retailer, Hungry Lion. The collaboration involved developing and integrating a workforce management solution coupled with a data analytics system tailored to streamline operations across Hungry Lion's extensive network of stores in South Africa and beyond.

The initiative focused on optimising staffing efficiency, a major cost factor in the sector. By implementing our innovative data-driven workforce management system, Hungry Lion reduced overtime costs by 22%, resulting in substantial savings and improved profitability.



FY24 was marked by considerable transitions and a commitment to strengthening our core services. The central focus for the year has been the successful divestiture of the ATM business, a foundational shift intended to streamline our services and systems. This transition period has also seen a concerted effort to reshape all systems and processes for better integration under the new Altron Digital Business structure (effective 1 March 2024).

PERFORMANCE BY SEGMENT CONTINUED

Revenue
 ↓ **R1.179bn**
 (FY23: R1.822bn)

EBITDA before capital items
 ↓ **R51m**
 (FY23: R117m)

Operating profit before capital items
 ↓ **R33m**
 (FY23: R73m)

At a glance

Altron Managed Solutions provides and supports specialist and generic IT systems to corporate customers, primarily in the retail and banking sectors. It was formed in 1989, when Altron purchased the National Cash Register's South African unit, and has since grown to include point of sales (POS) solutions and the full scope of managed IT services.

The driving force behind Altron Managed Solutions is a solid commitment to harnessing technological advancements that align with the core business needs of our clients. To achieve this, we leverage an ecosystem of strategic partners to deploy agile and cost-effective services. Our approach is centred on integrating best-of-breed technology solutions into highly flexible managed services bundles. Altron Managed Solutions also plays a crucial role in assisting organisations with planning, designing, implementing, operating, and managing the most suitable technologies.

"The forthcoming integration of Altron Managed Solutions into the Altron Digital Business is poised to unlock opportunities for the business."

In July 2023, we sold the ATM Hardware and Support portion of Altron Managed Solutions to NCR Corporation (formerly National Cash Register). Throughout this time, Altron Managed Solutions' management has steadfastly focused on ensuring a smooth transition for the ATM business' banking customers and employees by actively and openly communicating about the change.



Financial performance

Altron Managed Solutions sold the ATM Business in July 2023, generating proceeds of R216 million on exit. On a like-for-like basis, excluding the ATM Business, the remaining Altron Managed Solutions segment achieved 9% revenue growth. This was supported by growth in outsourcing revenue. EBITDA increased 6% to R54 million. The adjusted operating profit for the period rose to R36 million, marking a year-on-year increase of 6% in line with the strategic plan to return the retail maintenance business to profitability. The retail maintenance business's turnaround was accomplished through a combination of systems enhancements, strategic outsourcing, and cost optimisation efforts. The balance sheet has been fortified following loan repayments post the ATM business divestiture.

PERFORMANCE BY SEGMENT CONTINUED

ALTRON Managed Solutions continued



Challenges

The retail sector's contraction within the current macroeconomic context posed considerable challenges for the business, reflected in hardware sales.

Another challenge was managing the organisational restructuring, which involved tough decisions regarding workforce reorganisation and cost optimisation in the face of changing market dynamics. These decisions were made with the utmost consideration for our employees' wellbeing and the long-term health of the company, ensuring we are well-positioned for future growth and success.

In response to heightened loadshedding, we implemented interventions such as providing field engineers with mobile power packs while remote employees were supplied with inverters to ensure continuity of operations. We have also installed generators in warehouses. However, while these interventions have been successful, the ongoing operational costs associated with managing loadshedding remain challenging due to the high expense of maintaining and operating these systems.

In line with our commitment to lessen our environmental footprint, we have explored several avenues. Our switch to using scooters for logistics has been a constructive step forward, helping reduce fuel consumption and carbon emissions. Acknowledging the group-wide imperative to reduce our environmental impacts, we remain invested in continuous innovation, seeking feasible and sustainable alternatives.



Opportunities

The integration of Altron Managed Solutions into the Altron Digital Business is poised to unlock opportunities for the business. A cornerstone of this integration is the enhancement of our sales team capabilities. This year, considerable investment has been made in sales training programmes designed to elevate the customer experience by harmonising sales approaches across the newly formed Altron Digital Business, ensuring that customer engagement is knowledgeable, seamless and customer-centric.

Another opportunity lies in the synchronisation of service delivery. We have worked diligently to overhaul customer service, focusing on refining processes that had previously caused friction. Through these enhancements, we have maintained our customer obsession while cutting inefficiencies to ensure that our service levels match Altron's high customer engagement and satisfaction standards.

We will continue our journey towards operational excellence by leveraging insights and analytics. Introducing dashboards embedded with AI is just one example of our commitment to using technology to enhance service delivery and customer satisfaction.

CASE STUDY

Personal and professional *empowerment in action*

Our commitment to diversity and inclusion has taken a concrete form through our structured personal development initiatives, particularly aimed at empowering our female employees. This year, we embarked on a series of workshops designed to bolster self-confidence and assertiveness among our female employees.

The investment in these workshops, totalling R320 000, has catalysed an uplift in morale and productivity within our teams.

The topics covered in these workshops included effective communication, leadership skills, and personal empowerment. We equipped our participants with tools to reframe their thinking, assert their presence in professional settings, and take ownership of their career trajectories. As a testament to the success of this programme, we have observed transformative changes in the participants, who now exhibit increased self-confidence and an enhanced ability to advocate for themselves within the business.

This initiative did not just improve individual participants' professional lives; it also had a ripple effect, enhancing the overall work environment. Our leaders report that our female employees' heightened engagement and empowerment have contributed to a more dynamic, inclusive, and productive workplace culture.

Going forward, we intend to build on this success and extend similar empowerment programmes across the business, ensuring that every team member has the opportunity to develop and succeed. With a focus on personal development, we are paving the way for a more diverse, inclusive, and robust organisational future.



PERFORMANCE BY SEGMENT CONTINUED

Revenue
 ↑ **R362m**
 (FY23: R350m)

EBITDA before capital items
 ↑ **R49m**
 (FY23: R43m)

Operating profit before capital items
 ↑ **R36m**
 (FY23: R23m)

At a glance

A leading Microsoft Systems integrator, Altron Karabina uses the power of Azure, Microsoft 365 and Dynamics 365 cloud computing platforms to drive digital transformation for their customers. By leveraging these three cloud computing platforms, businesses can use Microsoft's powerful software tools and resources to streamline operations, improve productivity, and scale their businesses.

Altron Karabina's trusted platform spans **application infrastructure, data and AI, productivity and collaboration, and business applications. The business division also enables its customers to create their own intelligent systems and experiences to compete and grow using Microsoft Azure for Infrastructure as a Service (IaaS), Platform as a Service (PaaS), and Software as a Service (SaaS) solutions.**

179 Altron Karabina employees deliver technical, consulting, advisory and project skills to a wide range of customers across the African continent, with offices in Johannesburg, Cape Town and Pretoria.

Altron Karabina provides Microsoft-based cloud, data, analytics and AI-based computing solutions. With the integration into the Altron Digital Business underway, we are poised to streamline our service offerings and enhance customer experiences. This strategic move will position Altron as an IT services sector leader, equipped to navigate the complexities of market dynamics while delivering unparalleled value to our customers.

"Integrating into Altron Digital Business will enable us to provide a more unified and cohesive set of offerings customers, simplifying the customer engagement process."



Financial performance

Altron Karabina's revenue growth at 3%, with annuity revenue down to 25% from 27% in FY23, does not reflect the true potential of this business and supports the rationale for the integration into Altron Digital Business. However, by prioritising higher-margin business and project efficiencies, Altron Karabina delivered a pleasing performance, with gross margin increasing 9% and gross profit increasing 31%. EBITDA expanded by 14% to R49 million, reflecting ongoing efforts to drive operational efficiencies. Operating profit before capital items showed a 57% improvement.



Challenges

Revenue was negatively impacted due to a reduction in demand from two major clients, which historically contributed close to half of our revenue. This downturn compelled us to critically examine our sales strategy, once again supporting the rationale for the integration into Altron Digital Business.

Adding complexity to our operational environment, Microsoft, a pivotal partner and cornerstone of our service offerings, overhauled its engagement and incentive models in the previous financial year. The new frameworks altered the nature of incentives, transitioning from benefits based on overall cloud consumption to rewards focused solely on incremental consumption. These changes necessitated a strategic response from our team to align with the new paradigms and safeguard our competitive edge in the marketplace. Licensing revenue now contributes a marginal percentage of overall revenue, with a focus on growing higher-margin outsourcing and professional services, which together now make up the bulk of revenue.

PERFORMANCE BY SEGMENT CONTINUED

ALTRON Karabina continued

Internally, we faced hurdles with employee retention, particularly within our skilled workforce, where we saw churn due to emigration and competitive international opportunities that were challenging to match locally. This brain drain can impact service delivery, where continuity and expertise are critical.

We are driven to innovate our approaches to mitigate the impacts of these challenges and convert them into opportunities for sustained growth and excellence.

Opportunities

As Altron Karabina positions itself for the future, we believe opportunity lies in integrating into Altron Digital Business. This will enable us to provide a more unified and cohesive set of offerings to our clients, simplifying the customer engagement process and avoiding the duplication of efforts across divisions. Such integration will allow for more efficient cross-selling opportunities, making it possible to offer comprehensive solutions that draw on a broader range of expertise from across Altron.

Moreover, our software sales division has showcased resilience and growth. This has been underpinned by a strategic drive to expand our margins. Complementing this growth, we have been dedicated to developing repeatable products and creating a portfolio that can be consistently offered to our customers, solidifying our market presence and enhancing profitability.

Internally, we are responding to skill shortages with intensified investment in graduate programmes, doubling our efforts to cultivate homegrown talent and reduce turnover. These efforts are designed not only to maintain service excellence but also to underpin our innovative drive, ensuring that we have the capabilities to fulfil the complex needs of our clients.

In embracing these opportunities, Altron Karabina is committed to navigating the current economic headwinds with strategic foresight, ensuring we remain at the forefront of the IT services sector and continue to deliver exceptional value to our clients.

CASE STUDY



Fostering career growth:

Karabina's graduate programme

Karabina's graduate programme, initiated in 2017, is designed for junior consultant-level employees with minimal consulting experience. The six-month programme aims to develop professional consultants through structured mentoring and training, including:

- One-on-one mentoring sessions
- Self-study with a focus on the Microsoft suite
- Microsoft exams and certifications
- Regular performance reviews and feedback to address skills gaps and development needs.

Mentors ensure that graduates are on track with their technical and soft skills and meet defined monthly deliverables. Graduates also participate in shadowing work to gain practical experience.

Initially focused on Microsoft data competency with six graduates, the programme has expanded to include cloud infrastructure and D365, maintaining a retention rate of over 50%. In FY24, the programme expanded to include sales and project management, with a total intake of 20 graduates. Graduates are placed with clients from the outset, contributing to projects and generating positive feedback. The programme's success has facilitated career advancement opportunities within Altron, with some graduates progressing to mentor recruits.

Karabina's graduate programme has successfully fostered career growth, enhancing professional consulting skills and expanding job opportunities within the company.

ALTRON

SECURITY

PERFORMANCE BY SEGMENT CONTINUED

Revenue
 ↑ **R449m**
 (FY23: R436m)

EBITDA before capital items
 ↓ **R101m**
 (FY23: R104m)

Operating profit before capital items
 ↓ **R72m**
 (FY23: R74m)

At a glance

Altron Security is trusted by leading nation-states and highly regulated and newly regulated industries to establish customer trust and demonstrate compliance. Its solutions protect the identities of machines, employees, consumers and citizens through the application of cryptography, identity security and compliance management. Altron Security provides the cryptography mechanisms on the South African national identity cards, which prove the citizen's identity.

Financial performance

Altron Security's performance was disappointing, with revenue growth of 3% and a 3% reduction in EBITDA. Annuity revenue, however, increased to 89% from 83% in FY23. Challenges such as a loss in the UK, capital expenditure constraints by key customers, and the drop in project services revenue contributed to the decline in EBITDA.

"We have laid a solid foundation with our revised go-to-market strategy, focused sales execution, and robust operational structures designed to support growth in FY25."

– Andrew Whittaker, Managing Director of Altron Security

Altron Security has proactively taken several strategic steps to manage these challenges:

- Protecting gross profit margin: Focused efforts are underway to maintain profitability despite revenue fluctuations
- Closing the UK business: This decision was made to mitigate losses and streamline operations
- Implementing growth plans across segments: Supported by an improved sales cadence
- Tighter expense management: Moving forward, the business will enforce stricter expense controls to ensure financial stability.

These measures aim to safeguard the business's financial health and position it for sustainable growth despite the current challenges.

Challenges

Throughout the year, Altron Security navigated a complex landscape of challenges shaped by external market conditions and considerable internal changes. Integrating LAWtrust into Altron Security was a central focus for the first half of the year, leading to a strategic reorganisation of sales and service management teams. While essential for long-term growth, this move introduced initial disruptions and contributed to a year of largely flat revenue growth.

Positioned for growth in FY25, **Altron Security** navigated market pressures and a transformative year with strategic agility, pivoting towards managed services, and leveraging vendor consolidation opportunities, all while keeping a sharp focus on our major enterprise customers.

PERFORMANCE BY SEGMENT CONTINUED

ALTRON Security continued

The company's decision to exit the UK market was driven by strategic decisions related to achievable software margins, further influenced by the macroeconomic environment. This strategic withdrawal aimed to refocus efforts on growth opportunities in South Africa, the rest of Africa, and the Middle East, aligning with our broader objectives. Additionally, capital expenditure constraints by key customers, and the drop in project services revenue further impacted our performance.

Altron Security is responding to the concentration risk within our customer base by diversifying our revenue streams. While this remains a risk, we are actively working towards mitigating it and bolstering our financial stability.

Employee churn also continued to pose challenges. Our approach involved enhancing recruitment in the middle and junior tiers, promoting internal talent, filling gaps and motivating employees with clear career paths. This period of integration and change led to some senior-level turnover yet opened opportunities for fresh leadership perspectives and reinforced our commitment to effective succession planning. A comprehensive review of our remuneration packages ensured our competitiveness as an employer within the cybersecurity sector, addressing remuneration as a critical factor in employee retention.

These measures collectively underscore our commitment to creating a resilient, satisfied workforce, laying a solid foundation for Altron

Security's continued innovation and success in a dynamic industry landscape.



Opportunities

Altron Security has strategically positioned itself to seize growth opportunities, leveraging market trends, technological advancements, and the synergies from integrating its acquired entities. One area of opportunity lies in vendor consolidation, where industries aim to streamline costs by reducing the number of service providers. Altron Security's comprehensive cybersecurity solutions are well-suited to capitalise on this trend, offering a compelling value proposition to enterprises seeking to rationalise their cybersecurity vendors. Additionally, the rising demand for national cryptographic infrastructure across Africa has positioned Altron Security as a frontrunner in delivering cryptographic solutions to nation-states, a testament to its expertise and innovative capabilities in this critical area of cybersecurity.

The company's proprietary platforms, SigningHub and BioTrust, have seen renewed interest, indicating a growing market demand for advanced document signing and digital identity verification solutions. This aligns perfectly with



Altron Security's strategy to meet and exceed market expectations with our innovative products. The shift towards managed security services, particularly in areas such as privileged account management, further highlights Altron Security's strategic emphasis on developing higher-margin offerings that foster long-term customer relationships and recurring revenue streams.

Integrating LAWtrust into Altron Security has enhanced our data security and cryptography capabilities, paving new avenues for growth and solidifying its market position as a leader in integrated cybersecurity solutions.

Looking ahead, we are optimistic about our trajectory. We have laid a solid foundation with our revised go-to-market strategy, focused sales execution, and robust operational structures designed to support growth in FY25. A keen emphasis on our top 25 enterprise customers underpins this strategy.

The ongoing transition from traditional offerings to managed services and the cultivation of proprietary intellectual property, such as national BioTrust and Signing Hub enhancements, are pivotal to Altron Security's growth strategy.



PERFORMANCE BY SEGMENT CONTINUED

ALTRON Security continued

CASE STUDY



Propelling South Africa forward with pioneering *digital identity and security advancements*

Altron Security joined forces with the Council for Scientific and Industrial Research (CSIR) to pioneer digital identity and security advancements, marking a considerable stride in South Africa's journey towards embracing the Fourth Industrial Revolution. This partnership centred around CSIR's Centre for the Fourth Industrial Revolution, a division sponsored by the Department of Science and Innovation, which aims to propel South Africa into the forefront of technological innovation with a focus on data, AI, and identity security.

Altron Security, leveraging its expertise and leadership in identity security, engaged with the CSIR to explore and define the future role of digital identity across various sectors, including banking, government services, and beyond. This collaboration involved envisioning and developing solutions ensuring secure, efficient, and trustworthy digital interactions for citizens and organisations. Through workshops, presentations, and strategic planning sessions, Altron Security and the CSIR worked hand-in-hand to address some of the most pressing challenges in digital transformation, highlighting the critical role of identity security in facilitating safe and seamless digital experiences.

This partnership not only underscored Altron Security's commitment to innovation and excellence in the cybersecurity space but also positioned the company as a key player in shaping the digital future of South Africa. By working closely with the CSIR, Altron Security contributed to a national effort to harness the potential of the Fourth Industrial Revolution, demonstrating the transformative power of collaboration between the public sector and industry leaders in advancing technological progress and national development.



ALTRON
ARROW

PERFORMANCE BY SEGMENT CONTINUED

Revenue
↑ **R802m**
(FY23: R679m)

EBITDA before capital items
↑ **R69m**
(FY23: R52m)

Operating profit before capital items
↑ **R67m**
(FY23: R50m)

At a glance

Altron Arrow is a distributor of electronic components and cybersecurity software. As a 50% joint venture with Arrow Electronics, a Fortune 120 company listed on the New York Stock Exchange, Altron Arrow has established itself as a prominent player in the industry. The partnership between Altron and Arrow Electronics has spanned over 25 years, highlighting their longstanding collaboration. Their offerings include various electronic components, such as semiconductors, passive components, connectors, and electromechanical components. Additionally, they provide software solutions related to the IT cybersecurity industry.

Revenue generation for Altron Arrow is typically based on selling these electronic components and software solutions to their customers. They act as an intermediary between manufacturers of these components and the businesses that require them, facilitating the distribution and delivery process.

By leveraging its strong partnership with Arrow Electronics, Altron Arrow can access a vast network of suppliers and manufacturers, ensuring a diverse and comprehensive product

Altron Arrow has identified several strategic opportunities poised to drive growth and reinforce its market position.

"In the face of these challenges, Altron Arrow has identified several strategic opportunities poised to drive growth and reinforce its market position."

– Renato Martins, Managing Director of Altron Arrow

portfolio. Through efficient supply chain management, reliable distribution channels, and customer-focused services, Altron Arrow generates revenue by meeting the demands of businesses needing electronic components and software solutions throughout sub-Saharan Africa.

Financial performance

This strong revenue performance, supported by strict cost controls and positive market dynamics, resulted in a 33% growth in EBITDA to R69 million and a 34% increase in operating profit before capital items to R67 million, despite a strong comparative base.

Challenges

The past fiscal year posed multifaceted challenges for Altron Arrow. On the one hand, the industry saw a resolution to the semiconductor shortage, translating into improved efficiency and prompt service delivery. Yet, this restoration of balance in the supply chain initiated a shift in pricing dynamics. OEMs faced with an abundance of stock began to reduce prices, which cascaded down to us, the distributors, pressing margins and obliging a recalibration of our financial strategies.

Concurrently, the grey market – an arena outside of official distribution networks – persisted in exerting competitive pressure. With some customers veering towards these alternative channels, drawn by lower

PERFORMANCE BY SEGMENT CONTINUED

ALTRON Arrow continued

costs despite the increased risks and often compromised quality, Altron Arrow's emphasis on enhancing our value proposition became increasingly crucial. We responded with an unwavering commitment to maintain and elevate our customer service excellence and product integrity, reaffirming our dedication to client satisfaction and long-term partnerships.

Internally, we faced the industry-wide challenge of sourcing and securing engineering expertise. The scarcity of such skilled professionals necessitated a proactive approach, compelling us to deepen our engagement with academic institutions and develop strategic alliances to ensure a continuous infusion of talent. Collaboration with the University of the Witwatersrand continues to yield promising

results in cultivating emerging engineering talent and enhancing Altron Arrow's industry-academia linkages. These initiatives enrich our talent reservoir and ensure the company is infused with fresh perspectives and the latest technological insights. This endeavour is not merely about fulfilling immediate needs but is a strategic investment in our human capital, ensuring a robust foundation for sustained innovation and growth in the evolving technological landscape.



Opportunities

In the face of these challenges, Altron Arrow has identified several strategic opportunities poised to drive growth and reinforce its market position. The software solutions and services sector,

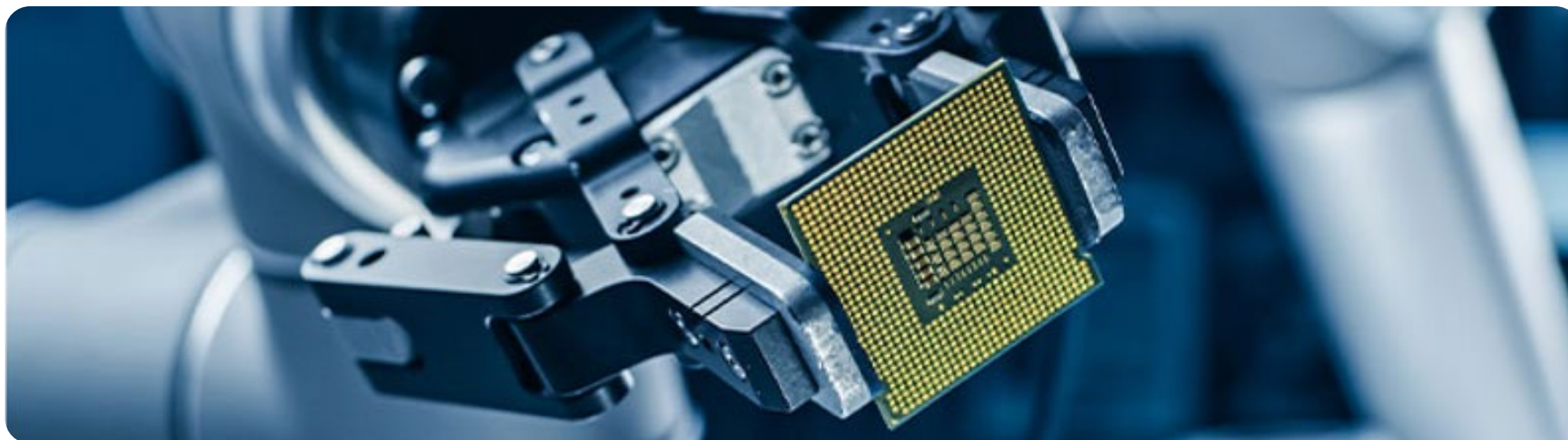
particularly within the Enterprise Computing Solutions business, stands as a beacon of potential expansion. These offerings are increasingly integral to our value proposition, aligning with the digital transformation goals of our customers and the broader market.

Innovation remains a cornerstone of Altron Arrow's strategy, exemplified by the development of AI-powered tools such as the CEO dashboard. This pioneering application offers unprecedented supply chain transparency to our customers, streamlining their operations and reinforcing Altron Arrow's reputation as a technologically progressive partner.

Employee engagement has remained robust, with Altron Arrow's commitment to workforce satisfaction translating into a dedicated and

driven team. This internal dynamism is anticipated to be a catalyst for continued success, even in a landscape of shifting market tides.

Looking ahead, we acknowledge the impermanence of the recent market boom caused by exceptional global conditions, including component shortages and OEM price increases, temporarily setting a new high-water mark. Altron Arrow remains committed to its core innovation and stringent cost management strategies, positioning itself not just to withstand but to capitalise on evolving market trends and shifting customer expectations. This proactive and pragmatic approach is designed to navigate the complexities of a normalising market and maintain a trajectory of strategic growth and resilience.



ALTRON

DOCUMENT SOLUTIONS

PERFORMANCE BY SEGMENT CONTINUED

Revenue
 ↑ **R1.353bn**
 (FY23: R1.194bn)

EBITDA before capital items
 ↓ **(R65)m**
 (FY23: (R61m))

Operating profit before capital items
 ↑ **(R65)m**
 (FY23: (R68m))

At a glance

Altron Document Solutions is the world's largest Xerox distributor and Africa's leading document solutions, technology and services company. It markets and services the complete range of Xerox document equipment, software solutions and services to 26 sub-Saharan African and Indian Ocean Island countries. Xerox products include office and production devices and scanners. Altron Document Solutions also offers various services and solutions, such as software, managed print services and technical offerings.

Being an outlier in Altron's strategy to expand into capital-light subsectors, the business has been held for sale since 31 August 2020. Altron Document Solutions will continue to be held for sale while we seek a suitable buyer.

Financial performance

During the year, the group took decisive action to implement a profit improvement strategy. These necessary measures were undertaken to address the prevailing factors that were adversely impacting business performance. Targeted strategic initiatives included a renewed focus on customer experience and value, cost reductions through efficiency gains, working capital optimisation, and risk mitigation, which were instrumental in steering the business towards stability and profitability. Despite initial losses

"Through reinvention, ADS continues to demonstrate market leadership and positive momentum in our core Print Business, while *strategically expanding into the high-growth digital services market.*"

– Warren Mande, Managing Director of Altron Document Solutions

primarily driven by once-off costs, the profit improvement strategy for Altron Document Solutions showed promising results in the second half of FY24, achieving an Operating Profit of R53 million and a positive cash generation leading to the repayment of R45 million of the group loan, rendering the business financially independent and no longer reliant on cash flow from the group. This positive shift in financial metrics, including revenue, cash flow, and profit generation, highlights the positive momentum in the profit improvement strategy journey.



Challenges

FY24 presented a complex set of challenges for Altron Document Solutions. The business grappled with losses and a constricted cash flow, demanding urgent and strategic action. Under Warren Mande's leadership, a comprehensive profit improvement strategy was rolled out in the first half of the year, targeting revenue stream revitalisation and stringent cost control measures. Furthermore, in a rigorous assessment of financial risks, Altron Document Solutions meticulously scrutinised debtor and inventory risks, resulting in the need to raise provisions. This proactive stance on risk management was a crucial component of the profit improvement strategy, reflecting the leadership's commitment to restoring the business's fiscal health.

Workforce adjustments were also undertaken as part of the cost optimisation strategy. These measures, though challenging, were essential to recalibrate our financial trajectory. The leadership aimed to mitigate the impact on their employees, focusing on voluntary programmes and early retirements to lessen the impact of the transition.

Altron Document Solutions emerged resiliently from a challenging first half to a position of stability and sustainability, implementing strategies for sustained growth and customer support.

PERFORMANCE BY SEGMENT CONTINUED

ALTRON Document Solutions continued

The restructuring process did not stop with workforce management. Altron Document Solutions was reorganised into three strategically focused business units: Production Solutions, Integrated Channels, and Office Solutions. Each unit faced unique challenges during the restructuring process. The need for clear communication, employee buy-in, and customer reassurance was paramount to maintaining operational continuity. Despite these hurdles, the strategic pivot towards customer-focused integrated business units has positioned Altron Document Solutions at the forefront of innovation and service excellence, setting a foundation for sustainable profitability and growth.

Opportunities

The strategic restructuring of Altron Document Solutions into three integrated units has set the stage for leveraging growth opportunities. By restructuring operations, the company has enhanced customer alignment and fostered swift and informed decision-making processes. This reorganisation positions each unit to address the specific needs of their market segments with heightened end-to-end accountability.

The Production Solutions unit leads its market segment, targeting the commercial printing and exam printing sectors, where heavy-duty machinery operates as critical infrastructure and assets. We have invested in customer success management, including dedicated customer success managers, whose role is pivotal in guiding customers through the advanced functionalities of the sophisticated equipment to enrich the user experience and maximise the value and

productivity derived from these investments. We are also focusing on innovations in service modernisation, leveraging data and augmented reality to enact predictive maintenance and optimising service delivery, with the goal of maximising both technology uptimes and customer return on their investment in Xerox's digital printing press portfolio. Furthermore, we have introduced a gamification approach to employee incentives to optimise the previously mentioned innovations, recognising and rewarding efficient, proactive service behaviours.

The Integrated Channels unit has focused on implementing a robust, integrated team dedicated to managing partner distribution channels comprehensively. This consolidation is intended to facilitate business growth by simplifying processes, optimising inventory management, and boosting partner support – streamlining the path from product to market.

The shift towards digitisation and adopting AI-enabled document workflows in the Office Solutions unit represents a transformative leap beyond traditional managed print services. The emphasis on AI-powered digital transformation strategies promises to deliver additional value to clients, reinforcing the unit's commitment to innovation and client-focused service.

Altron Document Solutions is well-positioned and advanced in implementing initiatives in service modernisation, AI/data leverage, and digital transformation, fortifying its potential for continued market leadership in the document solutions landscape and ensuring its readiness to meet customer demands within an evolving AI-enabled digital landscape.

CASE STUDY



Intelligent Automation *Enabling Digital Transformation in Retail*

Altron Document Solutions partnered with the retailer to leverage its expertise in document process optimisation, automation, and digitalisation by implementing a solution that automated document flow, eliminating manual processes and enhancing operational efficiency.

This allowed the customer to transition from paper to digital thus implementing automated systems for data processing and a seamless integration with the retailers, existing ERP system. The significant reduction in costs saw a return on investment of 1.500% for the customer saving them time and human error. This resulted in reduction in administrative burdens and increased staff morale.

Altron Document Solutions' approach addressed the retailer's challenges and laid the foundation for sustained growth. By leveraging technology and fostering continuous improvement, empowered its client to thrive in the digital era, driving meaningful change and new opportunities for success.



PERFORMANCE BY SEGMENT CONTINUED

Revenue
 ↓ **R659m**
 (FY23: R1.018bn)

EBITDA before capital items
 ↓ **(R421m)**
 (FY23: (R93m))

Operating profit before capital items
 ↓ **(R433m)**
 (FY23: (R140m))

At a glance

Altron Nexus provides mission-critical communication solutions that enable public and private safety and security. Our ability to deliver high-quality, highly resilient solutions is confirmed in our ISO 9001 and ISO 45001 certifications. Our portfolio of offerings ranges from collaboration solutions to professional mobile radio networks and solutions. Whether our customers require these services as a turnkey implementation or a flexible subscription model, we can deliver the required quality and service levels. Altron Nexus has been providing solutions to some of the most critical sectors in the region for over 55 years.

Financial performance

The financial performance of Altron Nexus reflects a period of strategic redirection, with a strong emphasis on mission-critical communications for public and private safety. The business streamlining resulted in Altron Nexus reporting an EBITDA and operating loss for the year. Performance was particularly challenging, impacted by provisions, impairments, restructuring, and delays at the port.

Altron Nexus' financial performance was affected by the need to raise provisions to manage exposure due to the City of Tshwane and Gauteng Broadband Network projects.

"Altron Nexus' evolution is emblematic of our drive to adapt, innovate, and lead in an industry where *reliability, security, and communication* are paramount."

– Louis du Toit, Managing Director of Altron Nexus



Challenges

The year saw considerable transformation at Altron Nexus. We successfully navigated considerable challenges under Louis du Toit's leadership following his appointment as the Managing Director of Altron Nexus, including the restructuring and right-sizing necessitated by the loss of key contracts, most notably the GBN contract. This loss resulted in the majority of our annuity revenue being lost, necessitating a substantial restructuring effort that took time to implement. Our refocus on mission-critical communications has been strategic and deliberate during this time.

It reinforces our focus on this specialised sector and underscores our capabilities to provide indispensable communication solutions. We have solidified our position in the southern African market, ensuring that our expertise continue to serve as the backbone for safety and security operations.

In the wake of these changes, we have committed to a Culture of Helpfulness, a cornerstone initiative designed to bolster team spirit and foster a secure environment for our employees. By championing psychological safety and collaboration, we are bolstering our company culture and reinforcing the notion that we are more than a workforce; we are a community united by a common goal.

The agility we have demonstrated in facing these challenges is not just about weathering the storm but is indicative of our strategic evolution. We are committed to steering through these transitional phases with resilience and foresight. We are not just managing change; we are shaping it to fit our vision for the future, where we continue delivering indispensable value in mission-critical communications.

PERFORMANCE BY SEGMENT CONTINUED

ALTRON Nexus continued



Opportunities

FY24 was characterised not only by challenges but also by the unfolding of opportunities. Amid the backdrop of strategic refocusing, we have captured new contracts that have reinforced our dominance in mission-critical communications within southern Africa.

The contract for rebuilding the Western Cape's police network is a testament to our capability and strategic growth direction. We also successfully renewed some major business with the City of Cape Town and were awarded a contract to repair and restore infrastructure for the Gautrain.

The initiatives to rejuvenate our sales engine and culture signal our commitment to retaining and expanding our market position. We are deeply invested in bridging the skills gap through focused training and apprenticeships in critical radio signalling. Furthermore, our pursuit of operational efficiencies has laid the groundwork for a leaner, more agile operation.

Looking ahead, Altron Nexus envisions the potential to expand its portfolio through the management of a services network, considering an operational expenditure model where Altron Nexus could build, operate, and maintain critical communications networks as a service. This shift towards a more service-oriented and scalable approach may allow Altron Nexus to offer flexible and adaptable communication solutions to clients. Additionally, Altron Nexus aims to explore leveraging its expertise to collaborate with network operators in deploying mobile networks

for push-to-talk and mission-critical push-to-talk services, potentially broadening the reach and integration of critical communication services. Our proactive shift towards platform and subscription revenues could open new avenues for sustainable growth, aligning with global trends and possibly building a solid, annuity-based revenue stream. This includes services such as push-to-talk over cellular, mission-critical push-to-talk over cellular, and an Integrated Command and Control Centre, ensuring robust communication channels. Lastly, Nexus's focus on enhancing the chain of evidence seeks to strengthen the integrity and traceability of evidence, supporting public, private, and commercial safety, and enhancing the judicial process through improved evidence management.

With over 55 years of meeting critical communication needs, our journey continues through targeted growth and strategic agility. This year, we have not just adapted to change; we have harnessed it, propelling us towards new opportunities and reinforcing our commitment to deliver when it matters most.

CASE STUDY

Delivering business sustainability and growth through renewed purpose

In the field of critical communications technology, Altron Nexus has continued to adapt and innovate. During FY24, we faced various challenges head-on while identifying and leveraging opportunities that resonate with our core mission. Our team of dedicated professionals embodies our renewed purpose each day, a purpose that is vital for the wellbeing of the communities we serve – from radios that enable ambulance drivers to save lives to systems that ensure the safety of mining operations.

Altron Nexus' strategic decision to focus on mission-critical communications has proven proactive and profitable. The contract for the reconstruction of the Western Cape's police network exemplifies our commitment to public safety and our ability to deliver complex, high-stakes projects with expertise and precision. This project was more than just a business venture; it was a statement of our purpose – to deploy technology that ensures the safety and security of communities.

Beyond our financial ambitions, we have embraced a sustainable model of operation that speaks to the heart of environmental and social governance. In a sector where the typical technology life cycle is a mere three to five years, the solutions we provide stand the test of time, remaining functional and serviceable for up to 15 years. This is not incidental but a deliberate approach to sustainability that reduces the frequency of technology turnover, thereby lessening environmental impact and resource demand. At the centre of this approach is our unique, certified component repair centre – the only one of its kind in the country. Here, we breathe new life into components that others might discard, extending the functionality of our systems and reinforcing our commitment to a circular economy.

Looking ahead, our strategy will continue prioritising long-term growth and stability in the rapidly changing critical communications sector, underpinned by a firm foundation of ESG-focused practices.



ALTRON Arrow
Altron Arrow Imports electronic components and software for the South African market.

[more info ↗](#)

06

Governance

- 85 The Board
- 91 Abbreviations
- 91 Corporate information



The Board

Resignations and appointments

Directors are appointed through a transparent, formal procedure in accordance with the terms of reference of the Nomination Committee and the Board Charter. The selection process considers a potential Director's qualifications, experience, availability, number of other board appointments, and their contribution to the diversity of the Board. The Chairperson is reappointed annually by the Board.

In terms of the company's Memorandum of Incorporation, one-third of our Directors are required to retire by rotation at each Annual General Meeting. They may choose to stand for re-election. Shareholders are also entitled to vote on the re-election of Non-Executive Directors who have served on the Board for nine or more years and/or those who are 70 years or older.

Our Board includes one person who is over 70 years old. Grant Gelink has been a Board member for 12 years and currently serves as the Chairman of our Audit and Risk Committee. Given his experience and historical insight into Altron's financial dimensions, we welcomed his re-election to the Board during a year marked by continued transition at the leadership level. In the 2024 Board independence assessment, Grant Gelink was thoroughly evaluated, and the Board is satisfied with his sustained independence.

Altron's former CEO, Robert Venter, has been a Board member for 27 years. He, however, holds invaluable institutional knowledge from his 16 years as a senior leader in the company and continues to take an active interest in ensuring it achieves its strategic goals.

Samuel Sithole resigned as a Non-Executive Director and Chairman of the Investment Committee on 20 March 2023. Tapiwa Ngara, previously serving as an alternate Non-Executive Director to Antony Ball, resigned from that role and was appointed as a Non-Executive Director and the new Chairman of the Investment Committee. Tapiwa is a qualified chartered accountant with extensive experience in investment management.

Carel Snyman was appointed as the new CFO in June 2023. Carel is a chartered accountant with over 20 years of experience, including as a financial executive at listed entities. He has the experience and skills to drive Altron's growth strategy. Carel was appointed as a member of the Investment Committee in February 2024.

Grigoris Kouteris was appointed as an Independent Non-Executive Director post-year-end, effective from 17 May 2024. His well-suited internationally-driven experience and expertise in the fintech, SaaS, and MarTech industries integrate with the group's strategic direction.

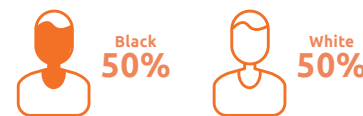
Board competencies

Our Board members collectively bring a strong blend of financial, business management and ICT skills to their roles as overseers of Altron's strategic path. Together with the CEO's background as a leader in South Africa's ICT sector and the CFO's fiscal insight, the Board embodies the skills and experience needed to drive Altron's future growth.

We sought to augment our Board's skill set with platform business model expertise and, subsequent to the year-end, have appointed a new Board member with these skills, a testament to our forward-looking governance strategy.

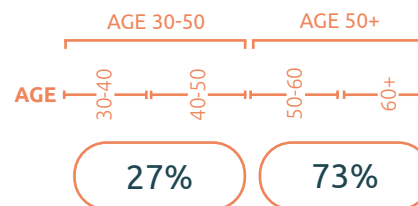
Board Demographics

The Board's racial profile remained in line with FY23, and black members (using the expanded definition of black) make up 50% of the Board (FY23: 50%).



Altron's Board Diversity policy outlines the Board's race and gender diversity targets.

The percentage of younger people (between the ages of 30 and 50) on the Board during the year was (27%). Most of our Board members (70%) are over the age of 50, with four being over the age of 60.



The Board asserts that its age profile provides a suitable balance between experience in the technology sector and a willingness to consider new ways of operating to drive innovation. This flexibility is supported by a commitment to continued learning at all company levels, including the Board.

Board evaluation

The Board engaged in a comprehensive self-assessment to gauge the effectiveness of our governance structure and processes. Board members completed a 102-question survey, showcasing our commitment to transparency and ongoing enhancement.

The appraisal encompassed a wide array of categories crucial to our operations and governance:

- Board composition: Reflecting on the diversity, expertise, and balance of skills within the Board
- Board role and duties: Ensuring clarity and fulfilment of the Board's roles and responsibilities
- Board matters: Scrutinising the overall performance and strategic oversight of the
- Board Company Secretariat (CoSec): Assessing the effectiveness of CoSec support and compliance with statutory and regulatory requirements
- CEO: Evaluating the CEO's leadership, vision alignment, and execution against corporate objectives
- Chairman: Reviewing the leadership provided by the Chairman, including his role in ensuring efficient Board operations and maintaining a strategic direction for the company
- Committees: Analysing the structure, effectiveness, and contributions of various Board committees
- External audit: Considering the relationship with, and scrutiny of, the external auditors to ensure financial transparency and integrity
- Meetings: Appraising the quality, frequency, and productivity of Board meetings.

THE BOARD CONTINUED

This thorough process highlighted several positive findings, including strong support for regular Board performance appraisals, effective identification of financial and non-financial value drivers, active interaction between Board members and executive/senior personnel, clear review processes for delegated authorities and reserved powers, and consistent provision of constructive support by the Board to the CEO and executives. Additionally, there is a comprehensive understanding of roles and responsibilities, familiarity with organisational values and objectives, and encouragement for Board members to thoroughly interrogate financial results. The assessment also indicates satisfaction with access to information, the establishment of specialist committees, and the leadership of the Chairman. Furthermore, it highlighted areas for improvement, including succession planning, enhancements to reporting processes and diversity in Board and executive composition.

These insights provide a valuable roadmap for our ongoing journey of governance optimisation, ensuring Altron remains at the forefront of industry best practices. The Board is pleased to acknowledge the cohesion and efficacy identified through this appraisal and is dedicated to addressing the identified areas for improvement with the same vigour and commitment that have always characterised our approach to governance.

The Board is satisfied that it fulfilled its responsibilities in accordance with the company's Memorandum of Incorporation, Companies Act, JSE Listings Requirements and King IV.

Company Secretary

Mbali Ngcobo continued to serve as group Company Secretary for the year under review. The Board deemed the group Company Secretary to have the requisite competence, qualifications and experience to carry out the duties of this role and was satisfied that the group Company Secretary has an arms-length relationship with the Board.

Continued learning

All new Directors receive a formal induction to Altron that sets out their expected duties as Directors. Recognising the critical need for the continuous development of our Board members, learning and development initiatives have been instituted as a standing item on the Board meeting agenda. This commitment ensures that Board members are consistently updated on the latest trends, regulatory changes, and best practices in corporate governance, enhancing their decision-making capabilities and strategic oversight.

Board conflicts of interest

Procedures are in place for Altron's Directors to notify the Company Secretary of any actual or potential conflict of interest and declare any personal financial interests quarterly and prior to Board and committee meetings. Where such a conflict exists, the affected Director is expected to recuse themselves from the discussion and decision-making process.

Delegation of authority

Our Delegation of Authority clearly defines the responsibilities of Altron's executives and divisional management. It is reviewed annually and forms part of the company's Limits of Authority Framework.

A selection of such matters is set out below.

Key Board focus areas in FY24

Board focus areas	Description
Purpose-driven business performance	The Board approved the new purpose statement and received regular updates on initiatives to foster a high-performance culture and a client-focused approach aimed at achieving this purpose. Looking ahead, the Board will seek to establish metrics that will help activate Altron's purpose and tracking performance.
Strategic execution	Under the Board's oversight, Altron has rigorously pursued strategic measures to enhance operational excellence. The Board guided a targeted reorganisation of non-core operations and the strengthening of management teams, reflecting the group's resolve to refine its focus and bolster leadership. These deliberate actions were critical in establishing a foundation for sustainable growth and profitability.
Dividends	The Board resolved to increase the interim dividend by 56% to 25 cents per share, reflecting a boost in the dividend payout ratio from at least 40% to a minimum of 50% of the headline earnings. A year-end dividend of 33 cents per share was declared. The company's robust cash flow and strong financial position underpinned this decision, enabling a higher distribution to shareholders.
B-BBEE	The Board remains committed to empowering its South African business to the highest level of Broad-Based Black Economic Empowerment ("B-BBEE") and as such, believes that any new B-BBEE Transaction should be a catalyst for South Africa's societal advancement and industry innovation. The Proposed B-BBEE Transaction is currently in final implementation and will take into account maintaining Altron's current B-BBEE ownership credentials and adequately safeguard value for current shareholders of Altron.
Business resilience and ethical use of AI	The Board was kept abreast of the comprehensive review of Altron's BCM programme, particularly for Altron Digital Business. Furthermore, an initial draft of an AI policy was approved to foster ethical and judicious AI utilisation, underpinned by creating an AI Ethics Review Committee and the provision of ethical AI training for employees.
New and amended policies	The Board approved the following new and amended policies: Flexible Working Arrangements policy and Artificial Intelligence policy.
ESG	The Board oversaw the deepening of Altron's focus on ESG as a pivotal strategic area, underpinned by a renewed Sustainability Framework with five focal points for enhancement. A strategic three-year plan was introduced, signifying our pledge to ethical and accountable operations while pursuing value that transcends traditional financial considerations to contribute to societal progress and business resilience.

THE BOARD CONTINUED

Board activities and key resolutions

The Board's primary responsibilities are to:

1. Approve the company's strategy and oversee its execution
2. Oversee the company's financial and operational management and performance
3. Ensure the company's policy landscape provides appropriate guidance in an ever-changing context

Make high-level strategic decisions on new matters brought to its attention.

Board committees

The Board oversees the company's strategic direction and compliance with relevant regulations and legislation. It is supported in this role by five Board committees, each governed by their respective terms of reference. The Board committees that served during the year were:

- Audit and Risk Committee (AARC)
- Nominations Committee (NomCo)
- Remuneration Committee (RemCo)
- Social, Ethics and Sustainability Committee (SesCo)
- Investment Committee (InvestCo).

Board and committee meeting attendance

Attendance at Board and committee meetings averaged 89% during the year, with many Board members recording 100% attendance. This, coupled with the robust level of debate in our Board and committee meetings, is indicative of a Board that is aware of the challenges and opportunities that Altron encountered during the year and Board members who are actively involved in making decisions around them.

Board and Board Committee meetings and attendance (Board members as at date of publication)

Member	Board	AARC	InvestCo	NomCo	RemCo	SesCo	Attendance – total number	Attendance %
Number of meetings	7	4	6	3	4	3	27	
Stewart van Graan								
(Board Chairman and Chair: NomCo)	6	0	4	2	0	0	12	75%
Phumla Mnganga (Chair: RemCo)	7	0	0	3	4	0	14	100%
Grant Gelink (Chair: AARC)	7	4	0	1	0	0	12	86%
Sharoda Rapeti (Chair: SesCo)	7	4	0	0	4	3	18	100%
Alupheli Sithebe	6	4	0	0	0	3	13	93%
Antony Ball	5	0	0	2	3	0	10	71%
Brett Dawson	5	0	5	0	0	0	10	77%
Robert Venter	7	0	5	3	4	1	20	87%
Tapiwa Ngara (Chair: InvestCo)	7	0	6	0	0	0	13	100%
Werner Kapp	7	0	6	0	0	2	15	94%
Carel Snyman	6	0	0	0	0	0	6	86%
Nicholas Bofilatos	2	0	3	0	0	0	5	100%
							Average attendance	13
								89%

Board committee activities

AARC

During FY24, the AARC was chaired by Grant Gelink (Independent Non-Executive Director) and included members Alupheli Sithebe (Independent Non-Executive Director) and Sharoda Rapeti (Independent Non-Executive Director).

The committee recorded 100% attendance, supplemented by the presence of various invitees from within Altron and beyond.

Message from the AARC chair

Altron is exposed to a range of financial, corporate, cyber, privacy, data, and environmental risks. These risks must be actively monitored and carefully managed to safeguard our assets, strengthen our resilience, and ensure that we have the financial resources to take advantage of emerging business opportunities as they arise.

Further strengthening our oversight, we have outsourced elements of the internal audit function on a project basis to external experts, enhancing our internal financial controls and addressing specific areas of need. The appointment of our new CFO, with his deep expertise and proactive approach to financial oversight, has been instrumental in this process, ensuring rigorous financial stewardship and contributing to the improved resilience of our financial operations.

THE BOARD CONTINUED

Key AARC focus areas in FY24

AARC focus areas	Description
Disposals and acquisitions	The AARC oversaw steps towards streamlining Altron's business portfolio, focusing on the sale of non-core operations such as Altron Nexus (a decision taken this year) and Altron Document Solutions. Despite provisions and impairments affecting these units, active disposal processes are underway. These processes aim not only to comply with all pertinent laws and global financial standards but also to ensure value management and the return to profitability of these businesses. Both Altron Nexus and Altron Document Solutions have been restructured, with management teams strengthened and profit improvement strategies implemented.
Internal financial controls	The committee takes a proactive stance to ensure that Altron's internal financial controls are rigorous and robust. Acknowledging the complexities involved in the business's reorganisation, especially for operations held for sale, the committee has overseen a meticulous approach to provisioning and potential write-offs, ensuring financial accuracy and transparency. Moreover, with the strategic decision to outsource certain elements of our internal audit on a project basis, we have strengthened our financial controls framework.
Accounting standards compliance	The committee is satisfied that the accounting practices followed during the year align with international accounting standards and South Africa's legislative landscape.
Dividends	The committee recommended a gross interim dividend of 25 cents per share and a final dividend of 33 cents per share for the financial year ended 29 February 2024.
Risk management	The committee continually seeks to advance Altron's risk management, focusing on stringent financial controls and robust risk strategies. Notably, our proactive efforts led to the procurement of favourable cyber insurance rates, underscoring the efficacy of our cybersecurity measures. This strategic vigilance ensures Altron's readiness against diverse risks, affirming our commitment to safeguarding stakeholder value.

Dynamic risk governance

In addition to our established Enterprise Risk Management programme, our Integrated Governance, Risk, and Compliance Forum conducts internal combined assurance for all divisions using a dynamic risk management approach to oversee the management of identified risks and scan the horizon for emerging risks. The forum comprises executives at the group level and management at the division/subsidiary level.

Dynamic risk governance allows for more tailored, responsive risk management with high levels of accountability. It complements, rather than replaces, the three lines of defence approach to risk management, which distributes the responsibility for identifying and managing risk through all levels of the company, with an internal audit function taking responsibility for assessing the risk environment and the effectiveness of internal controls.

We appointed a new Executive: Risk and Compliance, effective 1 April 2024, who will spearhead the management of risk areas across the group. While this will predominantly influence FY25, the appointment marks a strategic enhancement in our risk governance, underlining our commitment to robust, forward-looking risk management.

The governance framework ensures a balance of power and authority on the Board, such that no single director has unfettered powers of decision-making.

Please see page 27 for our list of risk areas, cybersecurity, business resilience, legal issues, and compliance are discussed below.

Cybersecurity

Cybersecurity is of utmost importance to any company. However, it is especially critical for Altron because our customers entrust us with the security of their own and their clients' information in highly regulated environments. Any breach in our security could severely damage our reputation and erode trust with our clients. We must maintain the highest level of security measures to prevent cyberattacks, data breaches and other potential threats.

We are progressively implementing a zero-trust approach to cybersecurity for both our internal processes and those we provide to our customers. Zero-trust is a security framework that assumes that every user, device and network connection is potentially malicious until proven otherwise, regardless of whether they are inside or outside the organisation's perimeter. The traditional approach to cybersecurity assumes that anything within an organisation's network can be trusted, but this is no longer adequate, given the rise of sophisticated cyber threats. With the zero-trust approach, access to resources is granted on a need-to-know basis, and all access requests are verified and authenticated before access is granted. The system also monitors for anomalous behaviour.

During the year, we recorded no substantive breaches of cybersecurity originating from our systems.

Human behaviour influences cybersecurity, which can impact an organisation's security defences. Cybercriminals often use social engineering attacks to manipulate individuals to disclose sensitive information.

THE BOARD CONTINUED

During the year, 55% of staff received training or repeat training on data privacy, including approximately 2 000 collective hours of POPIA training.

By cultivating a security-conscious culture and providing training to our people, we better safeguard ourselves against cyberattacks and minimise the risk of data breaches.

Business resilience

Throughout the financial year, our dedication to business resilience has been demonstrated through the rigorous development and implementation of our BCM programme. We established comprehensive disaster recovery plans and crisis committees across our business units, which not only fortified our resilience but also became a commercial offering, evidencing our expertise in this domain. This year also marked the creation of a business continuity plan for the newly formed Altron Digital Business. This initiative reflects our commitment to adaptability, ensuring our resilience measures are compliant, agile, and responsive to the evolving business landscape and potential crises.

Legal and compliance

Our legal function proactively helps us manage our legal exposure through sound contracting, preventative law, compliance and crisis management. As a result, there was no new material litigation during the financial year.

Throughout the year, we have engaged in a comprehensive review and active management of legal matters critical to the company's strategic direction. We have developed an AI policy, reaffirmed our commitment to privacy and data management, and ensured adherence to electronic waste regulations. Additionally, we successfully navigated the complexities of FinTech regulatory compliance and protected our intellectual property (IP) through diligent portfolio management. Our team's efforts in pre-emptive legal counsel and crisis management have been instrumental in maintaining a clear legal standing.

Key legislative and compliance activities

Privacy/data management enhancement	Conducted extensive employee training on data privacy and improved data security measures in line with regulatory requirements.
Electronic waste regulation compliance	Ensured proper disposal of electronic waste, reflecting our commitment to environmental sustainability.
FinTech regulatory compliance	Conducted a comprehensive review of the FinTech regulatory and compliance universe to ensure we maintained stringent compliance with industry standards.
IP management	Streamlined our portfolio to maximise value, resulting in cost savings and enhanced IP protection measures against infringement risks.

NomCo

Stewart van Graan (Chairman of the Board, Independent Non-Executive Director) chairs the NomCo, which includes Antony Ball (Non-Executive Director), Grant Gelink (Independent Non-Executive Director), Dr Phumla Mnganga (Independent Non-Executive Director), and Robert Venter (Non-Executive Director).

The committee recorded 73% attendance during the year.

The NomCo reviews the Board's composition, including skills and experience. It also identifies candidates for Director positions and develops succession planning.

Key NomCo focus areas during FY24

NomCo focus areas	Description
CFO	The NomCo selected and appointed Carel Snyman as the new group CFO, overseeing a smooth transition.
Divisional manager appointments	<p>The year also saw NomCo facilitate key appointments to fortify our leadership structure:</p> <ul style="list-style-type: none"> Marisa van Vuuren stepped into the role of Chief Marketing Officer to steer our marketing strategies in line with Altron's focus on customer obsession Craig Stewart took the helm of the newly integrated Altron Digital Business, bringing a unified vision to our digital endeavours Dr Andy Mabaso was appointed Chief Technology Officer, with his key focus area being to drive our transformative growth, focusing on AI, data analytics and expanding our platform ecosystem Collin Govender was appointed Chief Operating Officer to lead the key group functions of HR, IT, strategy execution, and our deepening focus on ESG Warren Mandé transitioned to Altron Document Solutions to manage the business for value while held for sale Louis du Toit's appointment as Managing Director for Altron Nexus reflected our commitment to driving operational excellence while seeking the right buyer for the business. <p>These strategic appointments are integral to our robust executive team, poised to lead Altron's journey towards innovation and market leadership.</p>
Succession planning	Succession planning for the Chairman of the Board, Board committee Chairpersons and critical executive roles remain a predominant focus area, with heightened emphasis expected in FY25. Enhanced initiatives will deepen the talent pool, ensuring a seamless transition in leadership, aligning with the company's long-term goals and reinforcing our commitment to robust corporate governance.
Board evaluation	The Board undertook a robust self-assessment, evaluating key aspects such as Board composition, roles, performance, and executive interactions, with notable strengths identified. The review also pinpointed areas for growth, underpinning our commitment to governance excellence and strategic improvement.
Strengthening the platform expertise on the Board	The group is in an exciting transition period, which has created an opportunity for a dynamic and visionary individual to join the Board to provide guidance and expertise to unlock further value in the platform businesses.

THE BOARD CONTINUED

RemCo

Dr Phumla Mnganga (Independent Non-Executive Director) chaired the RemCo, with members Antony Ball (Non-Executive Director), Sharoda Rapeti (Independent Non-Executive Director), and Robert Venter (Non-Executive Director).

The committee recorded 100% attendance during the year.

Please see our full Remuneration Report for detailed information on the committee's work, the Remuneration policy, and its implementation during the year.

Key RemCo focus areas during FY24

RemCo focus areas	Description
Refined the short-term and long-term incentive structures	Altron refined its incentive programmes to reflect its strategic goals and shareholder input more closely. We tailored the long-term incentive plan to focus on performance and broadened leadership eligibility, reinforcing our investment in sustained growth and talent retention. Simultaneously, we recalibrated short-term incentive metrics to sharpen the connection between individual performance and the company's strategic priorities.
Minimum Shareholding Requirement policy	A minimum shareholding requirement was introduced to align the interests of shareholders and management, ensuring sustained commitment to the organisation's success.
A focus on including ESG metrics as part of the revised Altron strategy	In FY23, the committee laid the groundwork for embedding ESG principles within our remuneration policies. This year, we have advanced towards integrating ESG metrics into the short-term incentive plans for our executive leadership and Managing Directors. However, we are taking deliberate steps to ensure these metrics are strategically aligned and operationally relevant. The committee is committed to finalising these metrics and will continue to refine our approach to ensure that our remuneration practices drive responsible and sustainable business growth.
Annual salary increases and bonuses	RemCo approved the basis for annual salary increases during the year.

InvestCo

The InvestCo remains a standalone committee. Tapiwa Ngara took over as its Chairman after Sam Sithole's resignation in March 2023. Members include Stewart van Graan (Independent Non-Executive Director), Brett Dawson (Non-Executive Director), Robert Venter (Non-Executive Director), Werner Kapp (CEO) and Carel Snyman (CFO).

The committee recorded 89% attendance during the year. Please refer to the Board and Board Committee meetings and attendance table for committee meetings and attendance.

SesCo

The SesCo was chaired by Sharoda Rapeti (Independent Non-Executive Director) and included Alupheli Sithebe (Independent Non-Executive Director), Robert Venter (Non-Executive Director) and Werner Kapp (CEO).

The committee recorded 100% attendance during the year.

Key SesCo focus areas during FY24

SesCo focus areas	Description
AI policy implementation	Developed and adopted a comprehensive AI policy, establishing an Ethical AI Review Committee and specific training programmes for personnel.
Ethics, fraud, and compliance	Exercised due diligence in overseeing internal fraud and corruption through rigorous reporting and review protocols and evaluated the updated Code of Ethics. The committee oversaw the reinvigorated campaign for ethical conduct and monitored developments in legal cases involving Altron.
Brand and marketing	Oversaw the alignment of stakeholder engagement in relation to marketing and brand strategies.
Technology resilience and business continuity	Oversaw the enhancement of technological resilience by ensuring a robust cybersecurity awareness programme. Monitored the procurement of cyber insurance to match the organisation's control levels. Upheld the integration of ethical considerations into business resilience planning.
Human capital management	Reviewed advancements in employee engagement and leadership forums, emphasising the advancement of diversity and inclusion. Monitored initiatives addressing work/life balance and the implementation of flexible working arrangements. Evaluated and guided the Flexible Working Arrangements policy amendments to align with organisational objectives.
Sustainability	Reviewed and endorsed the updated Sustainability Framework, which delineates five critical areas for targeted improvement.
B-BBEE and transformation	Oversaw the implementation of the B-BBEE transaction, along with ongoing attention to B-BBEE compliance and levels of certification across the business.

Key InvestCo focus areas during FY24

InvestCo focus areas	Description
Investments and Capital Expenditure	Approves acquisitions, disposals and capital expenditure in line with the group strategy. The committee oversaw the decision to hold Altron Nexus a for sale business.
Dividend Policy	Review the dividend policy in line with the group strategy.

Abbreviations

Term	Abbreviation
Artificial Intelligence	AI
Audit and Risk Committee	AARC
Business Continuity Management	BCM
Buy-Now-Pay Later	BNPL
Chief Executive Officer	CEO
Chief Financial Officer	CFO
Corporate Social Investment	CSI
Council for Scientific and Industrial Research	CSIR
Earnings per Share	EPS
Environmental, Social and Governance	ESG
Greenhouse Gas	GHG
Group Earnings Before Interest, Taxes, Depreciation, and Amortisation	EBITDA
Headline Earnings per Share	HEPS
Information and Communication	ICT
Information Technology	IT
Infrastructure as a Service	IaaS
International Financial Reporting Standards	IFRS
Internet of Things	IoT
Investment Committee	InvestCo
Johannesburg Stock Exchange	JSE
King IV Report on Corporate Governance for South Africa	King IV
National Health Insurance	NHI
Nominations Committee	NomCo
Original Equipment Manufacturers	OEMs
Platform as a Service	PaaS
Point-to-Point Encryption	P2PE
Protection of Personal Information Act	POPIA
Radio Frequency	RF
Remuneration Committee	RemCo
Science, Technology, Engineering and Maths	STEM
Social, Ethics and Sustainability Committee	SesCo
Socioeconomic Development	SED
Software as a Service	SaaS
Solar Photovoltaic	PV
Stolen Vehicle Recovery	SVR
United Arab Emirates	UAE

Corporate information

Altron Limited

Registration number: 1947/024583/06

Share code: AEL

ISIN: ZAE000191342

Registered office

Altron Campus,
20 Woodlands Drive
Woodlands Office Park
Woodmead
2191

Postal address

PO Box 981
Houghton 2041
Gauteng
South Africa

Group secretary

Mbali Ngobo
(LLB, LLM)
Email: mbali.ngcobo@altron.com
Telephone: +2711 205 7950

Principal bankers

ABSA Bank Limited
Rand Merchant Bank (a division of FirstRand Bank Limited)
Nedbank Limited
The Standard Bank of South Africa Limited
Investec Bank Limited

Transfer secretaries

Computershare Investor Services Proprietary Limited
Rosebank Towers
15 Biermann Avenue
Rosebank, 2196
(Private Bag X9000, Saxonwold, 2132)
South Africa

Sponsor

Investec Bank Limited

Auditors

PricewaterhouseCoopers Inc.

Altron Campus, 20 Woodlands Drive Woodlands Office Park Woodmead, Gauteng, South Africa, 2191