

Intergrated Report 2024



Contents

03 The letter from the Director

04 2024 Figures

06 People & Culture

07 Sustainability

09 Who we are

09 About COOi Studios

10 The Capabilities

11 Our Manifesto

12 2024 in review

15 Our strategy

18 Governance

Letter from the Director

COOi turned **five years** old this past May (**2024**), and I can attest to the growing pains of an organisation. As we transition from being a start-up to a growing business, they are certain responsibilities, I have decided to take-on, one of them is reporting on our progress, which I think is an adult thing to do. It gives on two perspectives, reflect on the hard work, but also learn where you flunked and could do better. I suppose the beauty of having been around for a while, we sort of have experience and data to help us make decisions. Today, we are more aware of money wasters, and activities that have an return on investment, which is a huge feat!

After three and half years in business, we got a rude awakening for our financial books not being in order, so we fired our accountant and learnt the ropes of how to file a tax return, update accounting master data, the works. It was a painful exercise, but totally worth it. In the same breadth we also installed company policies, procedures and processes. The results were beyond measure, I never knew that one could improve profitability by running better operations.

We also spent the past eighteen months panel beating our employee value proposition, which has favoured our recruitment and retention agenda, but this is an ongoing project.

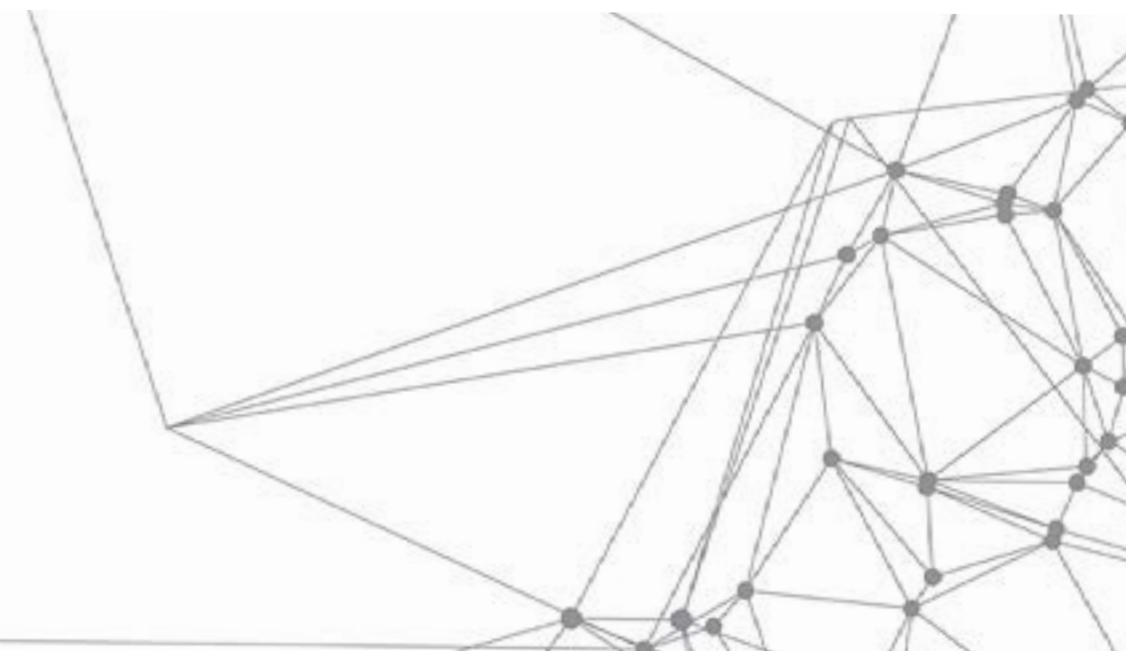
As we now better understand our services, we also know the types of customers that buy them, which has helped a lot. We use to spend lots of time speaking to people who don't need or can't afford our solutions. We have expanded our industry focus, now covering telecommunications, resources, health, consumer and financial services, focusing mainly on listed entities.



Our team is working tirelessly in delivering on our business strategy, something we are finding challenging. With juggling, business constraints, limited resources and client demands, for now I am happy we just have one! I am looking forward to sharing our progress in our next integrated report instalment.

The sustainability of our business is our business, so we have taken some steps into contributing to the sustainable development goals, with targets that if not achieved will affect our business bottom line. Enclosed in the report is a first stab of our environmental, social and governance (**ESG**) strategy.

This report is a labour of appreciation for all those that have invested in us, be it; you mentored myself or a COOi team members, you put us in a room or introduced us to someone who could uptake our services, you gave us a speaking opportunity, a supplier who helped us deliver better, a partner who contributed to our growth through financial or in-kind support and last but not least a customer who put their bum on the line and gave us an opportunity to deliver for you, thank you to the village! Enjoy our report!



2024 Figures : COOi Studios Financial and Operational Performance Analysis

Gross Profit Margin: 96.1%



WIn 2024, COOi Studios achieved a notable improvement in gross profit margin, rising from 66.5% in 2023 to an impressive 96.1%. This enhancement was attributed to our work on internal operational processes and procedures , ultimately contributing to higher profitability.

Net Profit Margin: 11.9%



In 2024, we achieved a net profit margin of 11.9%, marking a significant turnaround from the negative margin of -10.6% in 2023. This notable shift signals a renewed trajectory towards enhanced profitability.

Revenue & Net Profit:



Although our revenue for 2024 decreases by 38.7% compared to the previous year's revenue, our net profit increased by 168.7%. In 2024, we shifted our client base from majority public sector to private sector, which meant abandoning existing clients and starting small with new ones.

Operating Cash Flows:



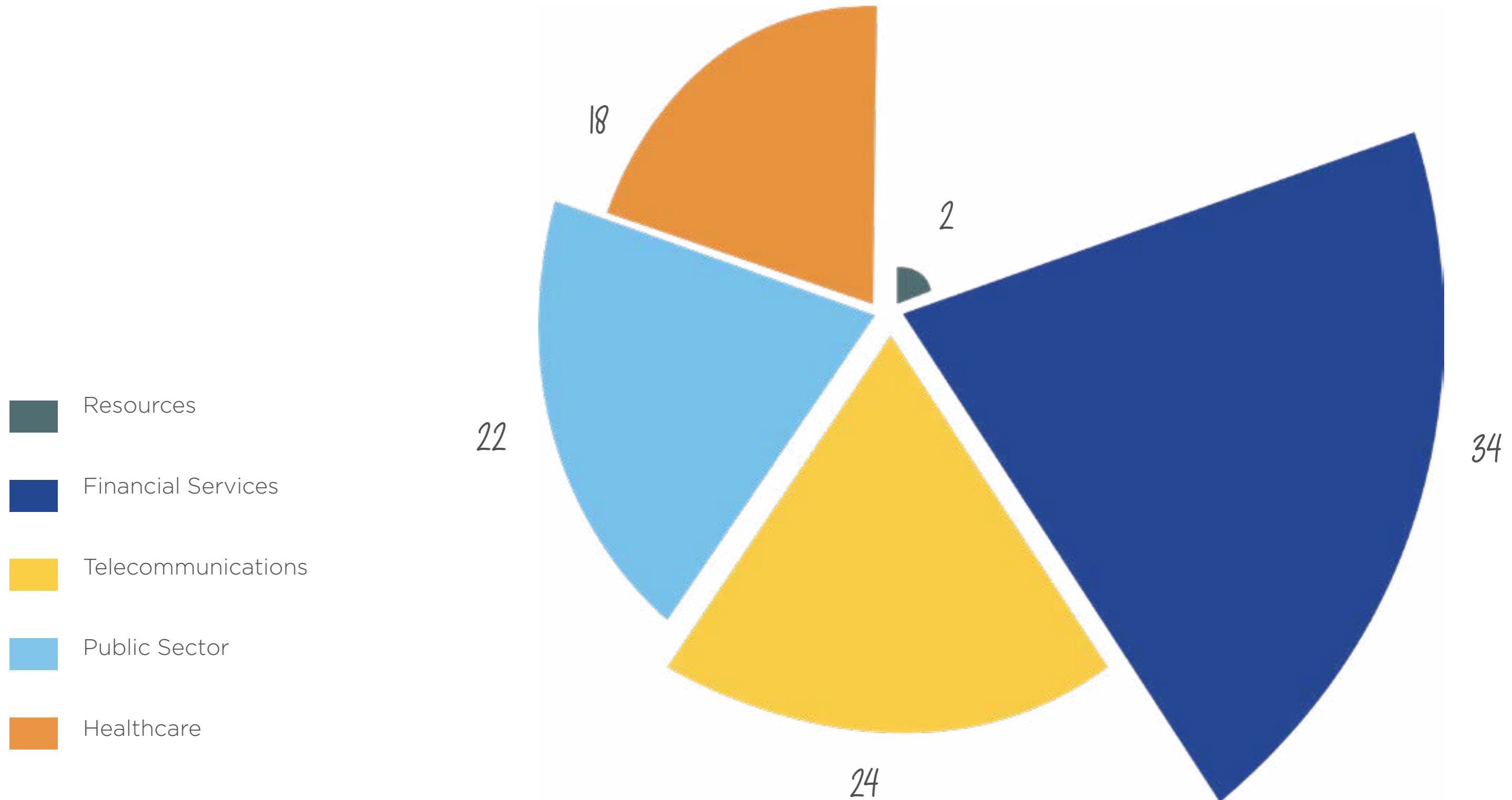
Net cash flows from operating activities improved by 197.4%, moving from a deficit in 2023 to a surplus in 2024, indicating better cash management, attributed by our enhanced processes and procedures inner work.

Operating Costs:



The operating expenses for COOi Studios decreased by approximately 0.463% from 2023 to 2024. While this decrease may seem minimal, it indicates a potential improvement in cost management or operational efficiency. However, it's essential to further analyse the components of operating expenses to identify areas where cost-saving measures were implemented or where there may be room for further optimisation. By continually monitoring and optimising operating expenses, COOi Studios can enhance its bottom line and improve overall financial performance.

Percentage Per Sector Revenue



People and Culture



Talent and Turnover

Talent and Turnover:
Our talent turnover for the year, ended 29 Feb 2024, was **23.53%**.

An enhancement in the turnover rate underscores the success of our efforts to enhance the Employee Value Proposition (EVP). Our diligent efforts have contributed to this achievement, and we are committed to further advancing our initiatives to drive continued improvement.

Female to Male Ratio:
Our female to male ratio is **2.7:1**. This is evidence of how COOi Studios strives to achieve the most when it comes to Gender Diversity and representation along with Workplace Culture and Inclusion.

Learning and Development Hours Across Workforce
COOi team afforded its employees **460.5** hours of learning and development. This speaks to our professional development pillar on our EVP and is an effort to give our clients the best human resources.

Sustainability

Women Empowerment - Market Access

Our Focus

At COOi Studios, we take immense pride in our commitment to sustainability, even as a small or medium-sized enterprise (SME). We firmly believe that every business, irrespective of its size, holds a crucial responsibility to prioritise Environmental, Social, and Governance (ESG) principles. Our dedication to these principles is not just a statement, but a practice deeply integrated into every aspect of our operations.

Our Journey: 2019 - 2024 (Fix and Focus)

Our journey began in January 2019 when COOi Studios was officially registered as a company. By May of the same year, we had opened our first studio, marking the start of our hands-on operations. A significant milestone was achieved in March 2020 when we signed our first contract, solidifying our presence in the industry.

In our pursuit of innovation and sustainability, we created COOi Climate Tech and established the Innovation Directors Forum. These initiatives underscore our commitment to addressing climate change through technological advancements and fostering a culture of innovation within organisations.

In 2023, we hosted our first “COOi Born to Succeed” sustainability summit, a landmark event that highlighted our dedication to sustainable development and gender equality.

Additionally, we applied to join the UN Global Compact, aligning our goals with global standards for responsible business practices.

Future: A Company Focused on Change

Looking ahead, we aim to become a UN Global Compact member, reinforcing our commitment to sustainability on a global scale. By the end of FY 2024, we plan to publish our first comprehensive sustainability report, outlining our ESG strategy and detailing our progress and future goals.

We intend to partner with at least three local sustainability organisations by 2026, enhancing our community impact and collaborative efforts towards a greener future. By 2030, our ambitious goal is to transition to 100% renewable energy sources for all studio operations, demonstrating our commitment to reducing our carbon footprint and promoting renewable energy.

Our Work

At the heart of COOi Studios is COOi Climate Tech, a pioneering initiative that develops affordable, low greenhouse gas technologies. Utilising AI, advanced computing, and blockchain, we aim to reduce CO2 emissions across various sectors, including mining, consumer goods, health, and finance. Our innovative solutions are designed to meet the specific needs of these industries while promoting environmental sustainability.

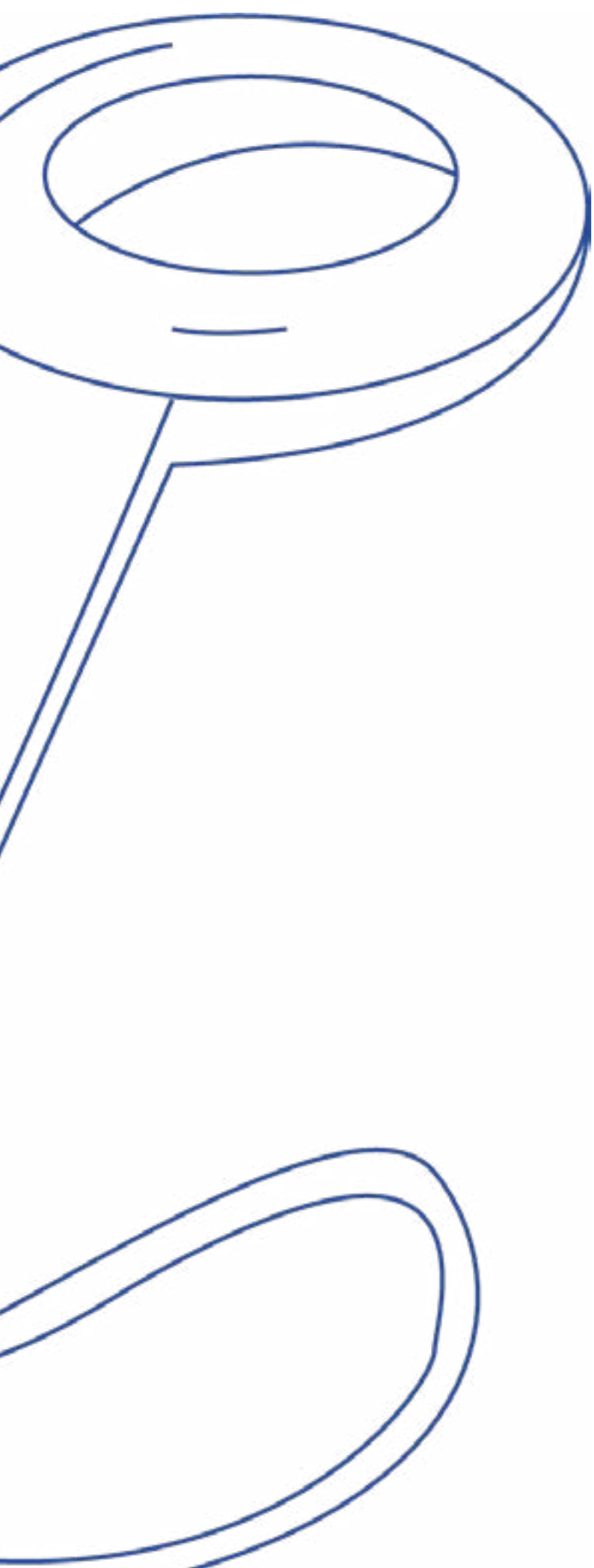
“Born to Succeed,” a non-profit under COOi Studios, is dedicated to providing career guidance and mentorship programs for women. This initiative targets the high unemployment rates in South Africa by equipping women with the skills and opportunities needed to secure meaningful employment.

The Innovation Directors Forum is another cornerstone of our efforts, fostering an innovative culture within organisations, particularly those focused on digital transformation. This forum provides a platform for knowledge exchange and collaboration, driving forward-thinking solutions in the industry.

Our Sustainable Business Objectives

Our sustainable business objectives are aligned with several key goals, including achieving gender equality and empowering all women and girls. We are committed to promoting sustained, inclusive, and sustainable economic growth, as well as full and productive employment and decent work for all. Furthermore, we aim to revitalise the global partnership for sustainable development, working collaboratively with various stakeholders to achieve these objectives.





Environmental Impact

Our commitment to the environment is evident in our efforts to reduce our carbon footprint and promote energy efficiency. At COOi, we utilise cloud technology to minimise energy consumption associated with on-premises servers. We also prioritise the use of sustainable products, implementing practices such as going paperless, using reusable mugs and water bottles, and opting for eco-friendly packaging materials.

To further reduce our environmental impact, we offer remote work options and encourage sustainable commuting practices among our employees. Moving forward, we pledge to participate in Arbor Week as an organisation and sustainably dispose of all end-of-life electronic equipment.

Social Impact and Gender Equality

Supporting our employees and local community is a fundamental aspect of our social responsibility. Our focus on employee wellbeing, diversity, equity, and inclusion is reflected in our policies and initiatives. “Born to Succeed” has assisted over 120 young women in securing internships and employment, directly impacting lives and contributing to reducing unemployment rates in our local community. COOi Studios is a Black female-led B-BBEE organisation with 65% of our staff being women. We are committed to valuing diversity, equity, and inclusion, continuously striving to uplift youth and women. Our transparent communication policies ensure that equal work earns equal pay for all employees, regardless of gender. We focus on hiring youth and invest in upskilling our staff, providing them with learning and training opportunities to advance both the organisation and their personal growth.

Through initiatives like our Born to Succeed Sustainability Summit and our coding bootcamp aimed at girls, we promote inclusivity and diversity, empowering women and girls to thrive in tech and business. Our summit specifically aims to support female entrepreneurs, ensuring their startups have lasting success.

Governance and Global Partnerships for Sustainable Development

Ethical governance and adherence to the law are paramount in our business operations. We recognize the challenges in ensuring supply chain sustainability, and we strive to do business with green businesses whenever possible. To enhance our governance practices, we pledge to have our employees undergo annual ethics training, client’s data protection training, and process governance training.

Through the Born to Succeed Sustainability Summit, we have assisted 80 female entrepreneurs in forming partnerships with private and public sector members, furthering their business goals. The Innovation Directors Forum continues to bring together innovation directors and digital managers, fostering a collaborative environment for sharing knowledge and expertise within the South African context.

Moving Forward

As we look to the future, COOi Studios remains dedicated to driving positive change through our commitment to sustainability, social responsibility, and ethical governance. We pledge to continue our efforts to value diversity, equity, and inclusion, and to uplift youth and women within our community. By maintaining our focus on sustainable practices and innovative solutions, we aim to create a lasting impact and set a standard for others to follow in the pursuit of a more sustainable and equitable world.

B-BBEE Status level1
67% Female Leaders
Small Business spend = 9%

Who we are

Purpose:

At COOi Studios, our purpose is to foster ecosystems that empower large enterprises to leverage advanced technologies, enabling sustainable growth and innovation.

About COOi Studios:

COOi Studios is a premier technology design company dedicated to aiding the world's leading enterprises in constructing their digital cores. We deliver data-driven strategic direction, inclusive and resilient product designs, and rapid application development using emerging technologies. Our innovative methodologies in design and technology have enabled us to create impactful solutions across various key sectors, including financial services, consumer goods, resources, telecommunications, health, and public services. Through strategic ecosystem partnerships with tech giants and startups, we consistently deliver tangible outcomes that add value for our clients, communities, and the environment.

Vision:

To be the data-driven partner of choice.

Values:

Agile: We swiftly adapt to change and continuously improve.

Entrepreneurial: We embrace innovation and take initiative to explore new opportunities.

Integral: We uphold the highest standards of integrity in all our actions.

Respect: We value diverse perspectives and foster a culture of inclusion.

Tenacious: We persistently pursue excellence and overcome challenges.





Capabilities

Strategy:

Digital Strategy: We provide frameworks to leverage technology for achieving business objectives.

Business Process Mapping: We visualise and analyse workflows to identify opportunities for improvement and efficiency.

AI/ML Cloud Automation Strategies: We utilise AI and machine learning to streamline and optimise cloud operations.

Operating Model: We define frameworks for how companies create and deliver value.

Sustainable Business Models: We prioritise long-term profitability, environmental responsibility, and social impact.

Design:

Human-Centred Design: We conduct thorough research, including ethnographic studies, to understand user needs and behaviours deeply.

Idea to Concept Cultivation: We transform initial ideas through brainstorming, refinement, prototyping, and testing with real users.

Innovative Product Development using Service Design: We focus on the entire user experience to develop holistic and valuable offerings.

Technology:

Advanced Analytics and Predictive Modelling: We provide data-driven insights and forecasting.

Cloud-Powered Automation: We enable scalable and efficient operations in the cloud.

Emerging Technologies (Gen AI & Metaverse): We explore cutting-edge AI and virtual world technologies.

Clean Tech Prototyping: We develop sustainable technology solutions.

Our Manifesto

Innovation-Driven Partnerships: We believe in the power of collaboration. By partnering with tech giants and startups, we drive innovation and deliver transformative solutions that create real value for our clients and their communities.

Sustainable Growth: Sustainability is at the core of our operations. We are committed to developing business models and technologies that foster long-term profitability, environmental stewardship, and social responsibility.

Human-Centric Approach: Our mission is to place humans at the centre of technological advancement. We strive to understand the needs and behaviours of users deeply and design solutions that enhance their lives.

Excellence through Agility: We embrace agility in all our processes, ensuring we can adapt swiftly to changes and continuously improve our methods to deliver the best outcomes.

Integrity and Respect: We conduct our business with the utmost integrity and respect for diverse perspectives, fostering an inclusive and collaborative culture.

Relentless Pursuit of Excellence: We are tenacious in our pursuit of excellence, constantly pushing boundaries and overcoming challenges to achieve outstanding results for our clients.

At COOi Studios, we are dedicated to transforming enterprises through data-driven insights, cutting-edge technologies, and a commitment to sustainable and human-centric growth. Together with our partners, we are shaping the future of business and technology.

2024 in Review

Q1: March - May

Financial Accuracy and Data Integrity

COOi Studios embarked on an internal Accounting & Financing clean-up program to review financials since inception. We conducted a thorough audit of all information to ensure accuracy and updated our accounting systems to enhance compliance and data integrity. This initiative aimed to streamline our financial processes and ensure transparency in our reporting.

COOi Studios Director at the South African Investment Conference

Sandiso Sibisi, the Director of COOi Studios, had the privilege of moderating a vibrant panel of industry leaders. The panel included Minister of Tourism Patricia de Lille, Professor Madeleine de Cock Buning, Vice President of Public Policy EMEA at Netflix, Tshifhiwa Tshivhengwa, Chief Executive Officer of the Tourism Business Council of South Africa, and Velma Corcoran, Regional Lead for the Middle East and Africa at Airbnb. The discussion centred on addressing the challenges and opportunities within the digital and creative economy, particularly focusing on how the South African tourism sector can harness digital opportunities and emerging trends to drive substantial growth.



Generative AI Capability Development:

We've initiated the development of our Generative AI capabilities, leveraging the OpenAI API from Microsoft. This technology promises to revolutionise various sectors with its ability to generate content, solutions, and insights autonomously.

Q2: June - August 2024

Partnered with BCX for Youth Internship/Development Programme

The COOi Studios partnership with BCX has allowed COOi Studios to host Interns. We have seen tremendous value in this relationship which allows for Interns to be upskilled, learn on the job and eventually be absorbed into the COOi Team. By working together with BCX we can support the development of youth as well as reduce unemployment in South Africa.

SAICA Financial Excellence Programme

We successfully on-boarded onto the SAICA Financial Excellence Programme, benefiting from an assigned accounting service provider to bolster our capacity in accounting and finance. This strategic support fueled our Financial Accuracy and Data program in effort to improve internal processes and procedures. .

merSETA Knowledge Management and Learning Hub Project

COOi Studios successfully completed the plan, analysis and design phase of The Knowledge Management and Learning Hub project for the MerSETA. The analysis phase consisted of gathering comprehensive functional and non-functional requirements, and platform specifications through stakeholder interviews. This culminated in a design thinking workshop where a prototype for the platform was developed. The project was put on hold due to a wider program suspension at MerSETA.

Financial Services leap growth

COOi Studios experienced significant financial growth by securing a major project with Nedbank and two projects with Old Mutual in the financial services sector. These partnerships not only solidified our entry into this competitive market but also provided invaluable experience and fostered key relationships, positioning us for continued success in the industry.

Q3: September - November 2024

Implemented Skills Incentive Programme

The SIP is an employee reward programme for those employees whose skill sets are considered in demand within the current market and required by the company's clients. It forms part of the Employee Value Proposition at COOi Studios. The programme provides a monetary reward for qualifying employees.

Began Learning and Development Programme

COOi Studios is committed to attracting the best talent, continually striving to improve the workplace, its performance and productivity and helping towards creating a better future for its employees. By identifying learning and development programmes for our employees, we are able to retain employees and support the growth of their careers.

First Telecommunications Client

We received our first telecommunications client, Telkom, and had the privilege of running two projects with them. The telecommunications industry is increasingly borrowing strategies from financial services to enhance customer engagement and offer personalised experiences.

Participation at CGCA Summit

At the CGCA Summit, we showcased three cutting-edge projects: a retail price scraping tool, an IoT smart farm, and an immersive shopping VR experience. These demonstrations highlighted the transformative potential of emerging technologies in revolutionising traditional industries.



Q4: December 2024 - February 2025

Mentorship Programme

In December 2024, we relaunched our mentorship programme, which is a programme that matches employees with business leaders from other organisations to mentor and coach our employees on their career journey. This programme contributes to our dynamic EVP, of investing in our people.

COOi Studios at Investing in African Mining Indaba 2024

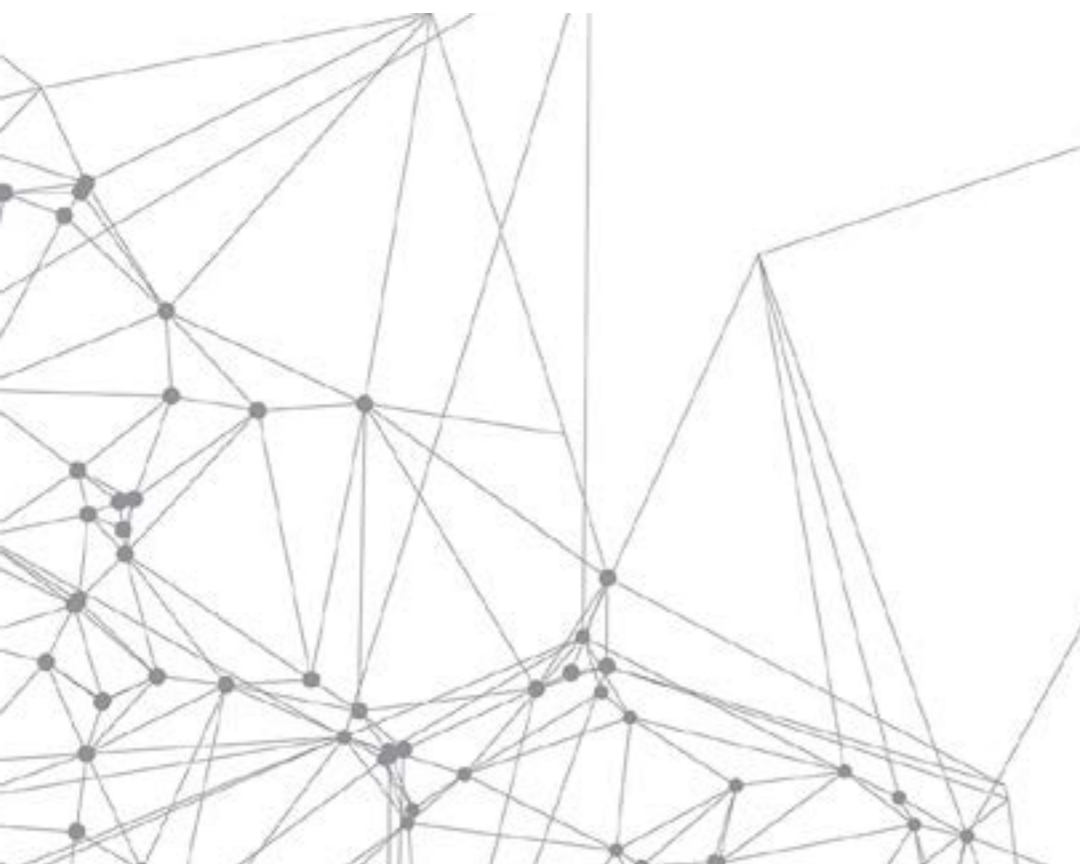
COOi Studios, led by Sandiso Sibisi, made a significant impact at Mining Indaba 2024 in Cape Town. Highlights included the “Tech In Action: A Mixed Reality Experience” presentation by Sandile Khumalo, the Operator Driven Productivity Report Launch, and numerous media engagements. The event fostered innovation, connections, and showcased COOi’s contributions to the mining sector. The “Addressing Human Factors” report emphasised the importance of optimising work environments, training programs, and operator well-being to enhance productivity amidst the shift towards automation in the mining industry.

Scaled Staff

By assessing the human capacity needs of the organisation, COOi Studios can quickly adapt to the needs of their clients and market requirements. We have grown our Technology team, brought a Marketing specialist on board in order to deliver quality and add value for our clients.

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Our Strategy

Impact and Growth

Scaling our staff by 100% and introducing our Strategy capability, we have made substantial strides and showcased immense growth. We have also established dedicated in-house teams for Marketing and multiplied the Technology team, enhancing both our capacity to deliver quality work and our operational efficiency. Additionally, we're proud to have launched our Mentorship Programme, fostering growth and development within our organisation.

Growth Levers

Leveraging Treacy and Wiersema's Value Disciplines to drive our strategic goals, we developed Growth Levers that translated to:

Product Leadership: We prioritise the development of the best and most innovative offerings by continuously investing in research, development, and differentiation. Operational

Excellence: We focus on enhancing efficiency in processes and reducing costs to deliver high-quality products and services.

Customer Intimacy: We are committed to building strong relationships with clients by providing personalised solutions and exceptional service tailored to individual needs. This approach allows us to understand and fulfil our clients' requirements effectively.

2025 - 2027 Strategy

Strategic Goal 1: Grow Revenue through Market Penetration and Product Development

Objective: To drive revenue growth by enhancing our presence in existing markets and introducing new products to these markets.

Why We Are Doing This:

To solidify COOi Studios' position as the data-driven partner of choice, it is crucial to maximise the potential of our existing markets. By penetrating deeper into these markets with current products and introducing innovative new products, we can expand our market share, increase revenue, and deliver greater value to our clients.

Strategies:

Market Penetration:

Customer Intimacy: Host targeted events like the Africa Tech Lunch to strengthen relationships with existing clients and demonstrate our expertise and innovations.

Accounts-Based Marketing: Implement a focused marketing strategy throughout the year, emphasising significant events and client engagement initiatives.

Product Development:

Innovate Offerings: Enhance our product portfolio by integrating advanced analytics, predictive modelling, cloud automation, and cleantech solutions.

Leverage Emerging Technologies: Develop and introduce new products that utilise cutting-edge technologies such as Gen AI, Co-Pilot, and Metaverse to address evolving client needs and market trends.

Key Targets

Revenue Growth: Achieve a targeted percentage increase in revenue from existing markets by year-end.

Product Launches: Successfully introduce at least three new products or services in existing markets within the fiscal year.

Customer Engagement: Increase customer satisfaction and retention rates by 15% through enhanced engagement strategies and personalised solutions.

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Expected Outcomes: By focusing on market penetration and product development, COOi Studios will achieve significant revenue growth, strengthen client relationships, and enhance our market leadership in technology design and innovation.

Strategic Goal 2: Deliver Quality Projects for Our Clients

Objective: To consistently deliver high-quality projects that exceed client expectations, ensuring satisfaction and fostering long-term partnerships

Why We Are Doing This:

Delivering quality projects is essential to maintaining our reputation, building client trust, and achieving long-term business success. By ensuring that each project meets the highest standards, we can drive customer satisfaction, secure repeat business, and enhance our market position.

Strategies:

Individual Team Goals:

Set Clear Objectives: Define specific goals for each team to ensure alignment with overall project quality standards.

Monitor Progress: Regularly review team performance and provide feedback to ensure continuous improvement.

Customer Feedback:

Encourage Feedback: Implement mechanisms for on-the-spot customer feedback to address issues promptly and improve service delivery.

Act on Insights: Use feedback to refine processes and enhance project outcomes.

Streamline Processes:

Process Optimization: Continuously review and streamline project management processes to increase efficiency and reduce errors.

Standardisation: Set and adhere to rigorous project standards to ensure consistency and quality.

Employee Recognition:

Recognize Excellence: Implement recognition programs to reward employees who consistently deliver high-quality work.

Foster a Positive Culture: Promote a culture of excellence and continuous improvement among employees.

Key Targets

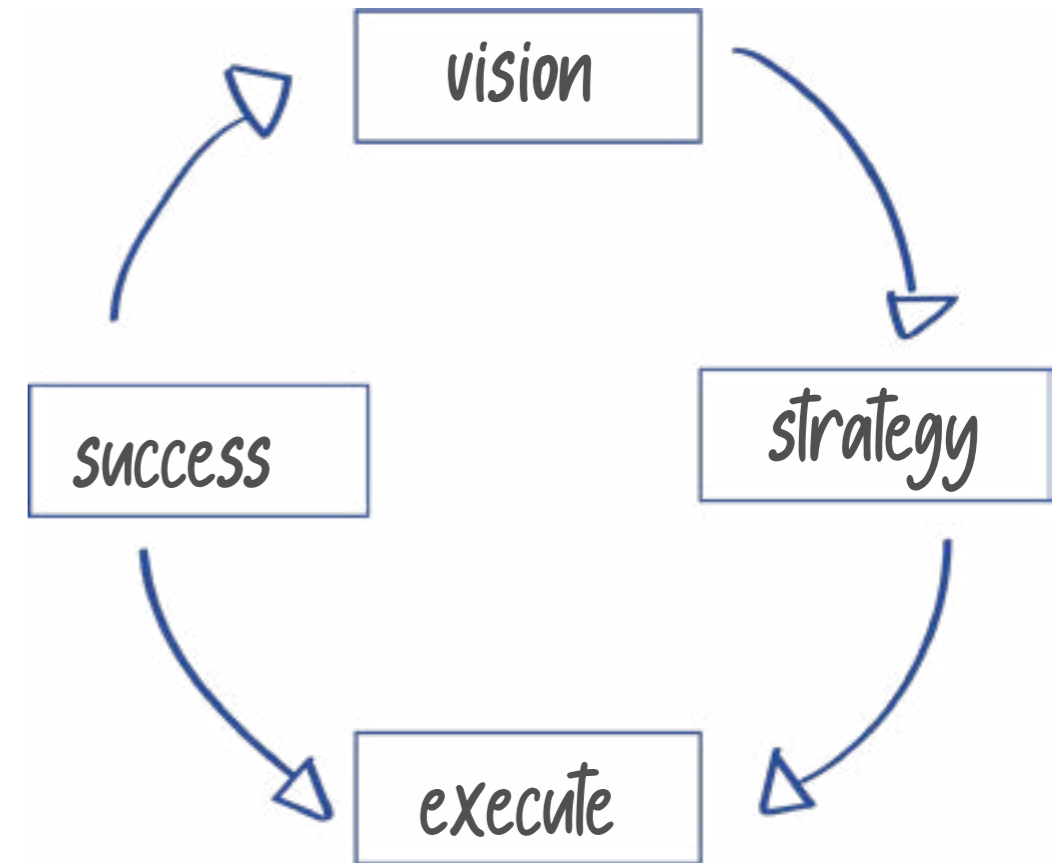
Project Success Rate: Achieve a high project success rate by adhering to established quality standards and processes.

Customer Satisfaction: Increase client satisfaction scores by 20% through improved project delivery and feedback mechanisms.

Employee Engagement: Enhance employee engagement and motivation by implementing effective recognition and reward programs.

Expected Outcomes:

By delivering quality projects, COOi Studios will strengthen client relationships, enhance our reputation for excellence, and secure a steady stream of repeat business and referrals.





Strategic Goal 3: Attract and Retain Talent

Objective: To attract, develop, and retain top talent through robust recruitment, comprehensive benefits, and continuous development opportunities.

Why We Are Doing This:

Our people are our greatest asset. By attracting and retaining top talent, we ensure the continued innovation, creativity, and excellence that define COOi Studios. A strong talent pool enables us to deliver superior solutions to our clients and achieve our strategic goals.

Strategies:

Recruitment and Onboarding:

Stringent Recruitment Process: Implement a rigorous recruitment process to identify and attract the best talent in the industry.

Effective Onboarding: Ensure new hires are integrated smoothly into the company with comprehensive onboarding programs.

Employee Benefits:

Competitive Compensation: Offer market-related salaries and comprehensive benefits packages to attract top talent.

Incentive Programs: Provide additional incentives such as skills-based bonuses and recognition awards.

Development Opportunities:

Continuous Learning: Offer ongoing training and development programs to help employees grow professionally.

Leadership Development: Provide leadership programs to develop future leaders within the organisation.

Management Training:

Train Managers: Equip managers with the skills needed to effectively lead and support their teams.

Focus on Culture: Promote a culture of continuous improvement and employee well-being.

Key Targets:

Talent Acquisition: Successfully recruit key roles by specified dates, ensuring that the team is fully staffed with high-calibre individuals.
Employee Retention: Reduce turnover rates by 10% through enhanced engagement and satisfaction initiatives.

Development Programs: Ensure all employees have access to tailored development programs and achieve a high participation rate.

Expected Outcomes:

By attracting and retaining top talent, COOi Studios will build a dynamic, skilled, and motivated workforce capable of driving innovation and delivering exceptional results for our clients.

Governance

Robust corporate governance is essential for SMMEs, their success and the trust of clients, investors, and stakeholders. With good governance, we have ensured that we operate with transparency, accountability, and ethical integrity, mitigating risks and protecting the interests of all parties involved. By prioritising corporate governance, we have enabled COOi Studios to:

Mitigate risks: By implementing robust governance structures, we have reduced the likelihood of missteps and minimised potential losses, ensuring the long-term viability of COOi Studios.

Build a strong brand: Our commitment to good governance enhances our reputation and builds trust with our clients, investors, and partners, ultimately driving business growth and opportunities.

To ensure the integrity and transparency of our operations, we prioritise corporate governance and this has included:

Finance audits: Our finance function is overseen by a dedicated expert, and we are adopting consistent accounting policies to ensure accuracy and transparency.

Compliance monitoring: We stay ahead of regulatory requirements, closely monitoring SARS and other compliance obligations to maintain the highest standards. By combining innovation, speed, and good governance, COOi Studios is revolutionising the way businesses grow and thrive in today's fast-paced landscape.



Think. Ideate. Pilot.

Thank you, for your attention!