

INTEGRATED REPORT 2020



Join our exciting journey

About AYO

As we navigate the adverse post-COVID-19 economic environment, our gaze is firmly focused on the road that lies ahead. Join us on this exciting journey of creating South Africa's most successful technology investment Group.

2020 Highlights

REVENUE
R2.89
BILLION
+47%

TOTAL ASSETS
R5
BILLION

GROSS PROFIT
R625
MILLION
+12%



4 - 13



14 - 25

INTRODUCTION

- About our Integrated Report
- Our investment case
- Our value creation process
- Our capitals

OUR BUSINESS

- Message from the Chairman
- Who we are
- Our Group in numbers
- Group companies
- Products & markets
- Business model



26 - 47



48 - 71



72 - 81



82 - 111

OUR STRATEGY

- CEO reflections
- Strategy & focus areas
- Material matters
- Risks & opportunities
- Our trade-offs
- Corporate governance

OUR LEADERSHIP

- Board of directors
- Management speak

COMMITTEE REPORTS

- Nominations committee
- Audit and risk committee
- Social, ethics and transformation committee
- Investment committee
- Remuneration committee

OUR IMPACT

- Director's perspective
- Advancing on SDGs

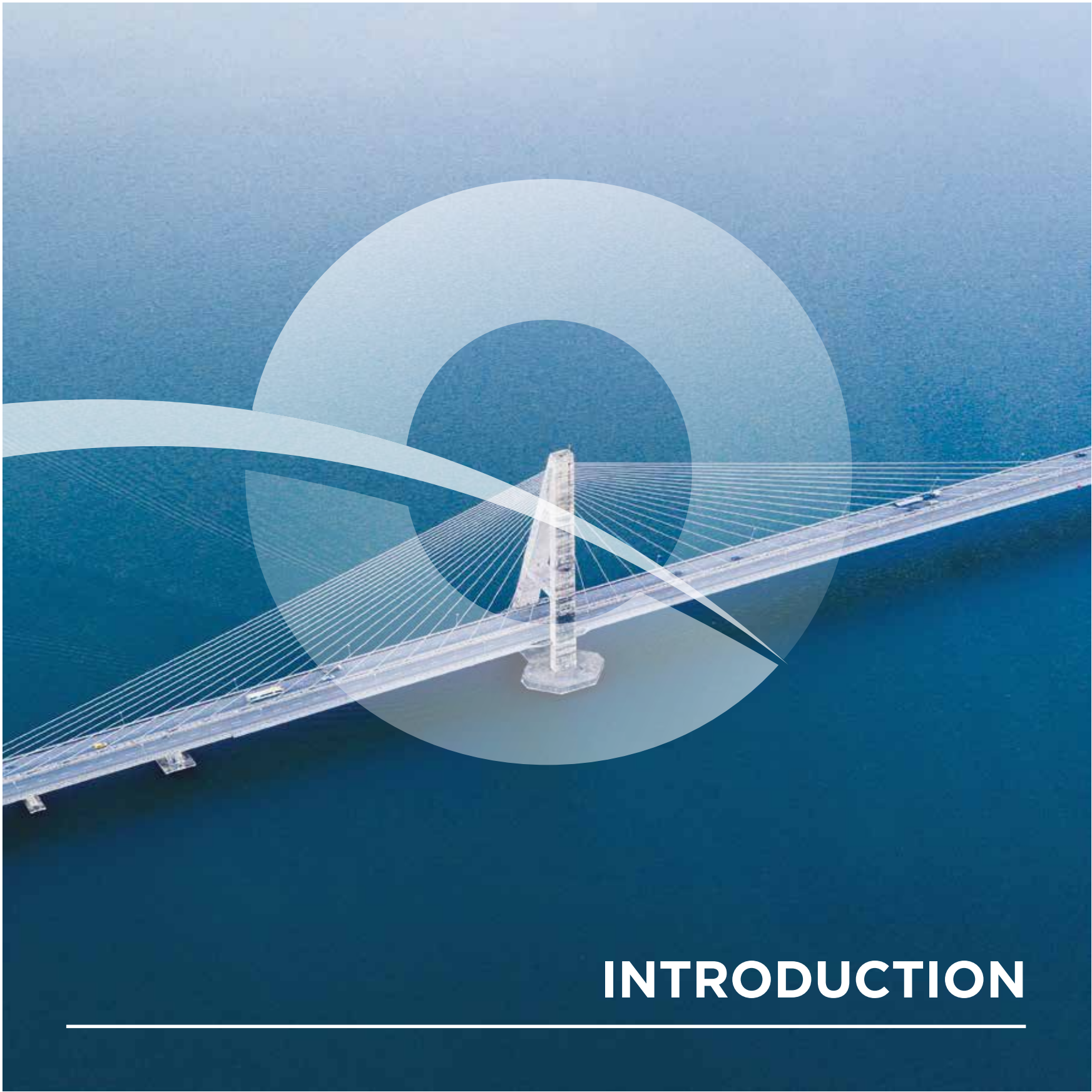
OUR PERFORMANCE

- CFO report
- Our capitals
- Stakeholder engagement
- Subsidiaries' reports
- Financial reports

SECTION I: INTRODUCTION

- About our Integrated Report 6
- Our investment case 9
- Our value creation process 10
- Our capitals 11





INTRODUCTION

About our Integrated Report

AYO Technology Solutions Limited (“AYO”, “the Company” or “the Group”) is pleased to present to you our third Annual Integrated Report.

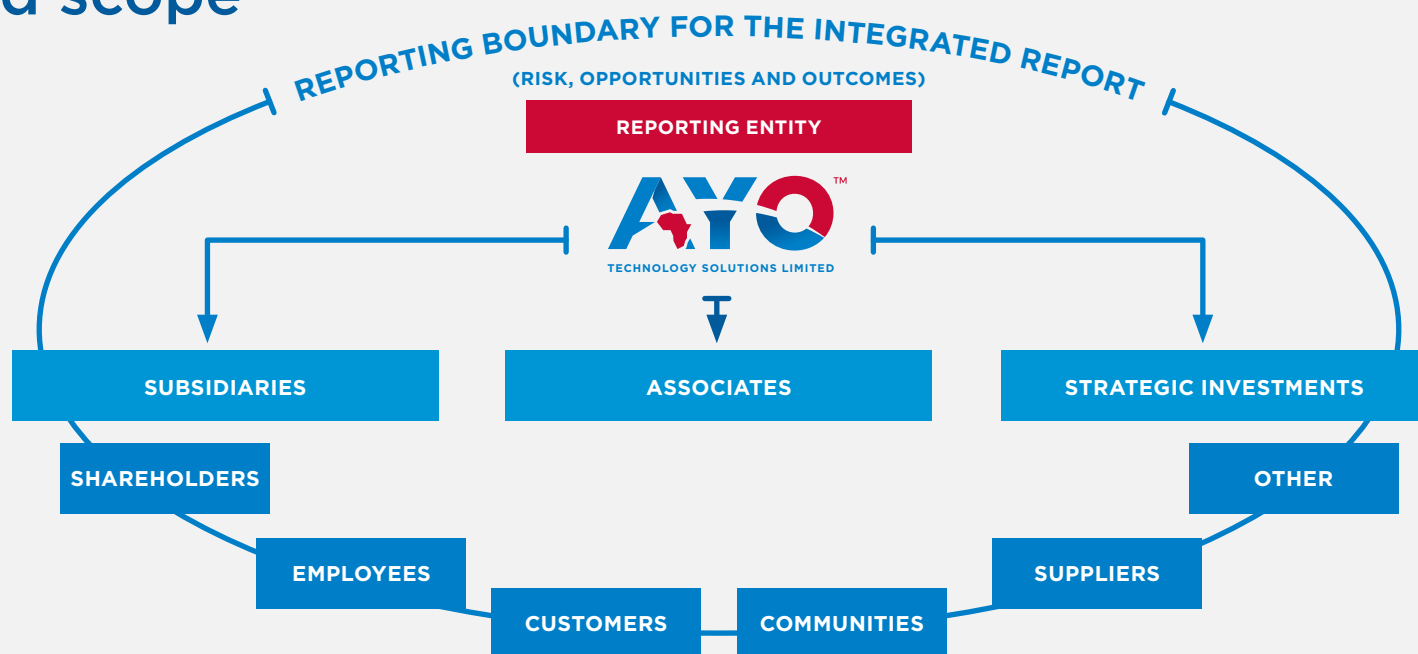
THE INTEGRATED REPORT IS OUR PRIMARY REPORT TO ALL STAKEHOLDERS.

Our Integrated Report provides quantitative and qualitative disclosures on our performance, allocation of our capitals, relationships with our stakeholders and how our leadership, culture and execution are aligned to deliver value, while managing risks and changes in our business environment. It is a complete, accurate and balanced assessment of our strategy, performance and opportunities to utilise our expertise and capitals to create sustainable value for our stakeholders. AYO continues to operate in conformity with its MOI, relevant constitution documents and all applicable legislation, including the Companies Act. Our report continues to evolve towards enhanced disclosures to meet the needs of our investors, analysts and other stakeholders.

In preparing our Integrated Report, we were guided by the principles and requirements contained in:

- the International Integrated Reporting Council's (IIRC) Integrated Reporting <IR> Framework
- the International Financial Reporting Standards (IFRS)
- the Companies Act No.71 of 2008, as amended (the Companies Act)
- the Johannesburg Stock Exchange (JSE) Listings Requirements
- the King IV™ Report on Corporate Governance for South Africa 2016 (King IV™)
- the Global Reporting Initiative (GRI) G4 Guidelines and
- the Department of Trade and Industry's B-BBEE Regulations.

Boundary and scope



OPERATING BUSINESSES

The content of this report covers the activities of all divisions and subsidiaries of AYO, across all regions of operation in South Africa and outside of South Africa, as relevant. The emphasis is on AYO's South African operations, which contribute 99% of the Group's revenue. All subsidiaries, joint ventures and associate companies recognised in the annual financial statements are included in this report.

REPORTING PERIOD

This report provides material information relating to our strategy and business model, operating context, material risks, stakeholder interests, performance, prospects and governance for the period 1 September 2019 to 31 August 2020.

FINANCIAL AND NON-FINANCIAL REPORTING

The report extends beyond financial reporting and includes non-financial performance, opportunities, risks and outcomes attributable to or associated with our key stakeholders, which have a significant influence on our ability to create value.

TARGET READERS

This report is primarily intended to address the information requirements of investors (our equity and preference shareholders and prospective investors). We also present information relevant to the way we create value for other key stakeholders, including our staff, clients, regulators and society.

MATERIALITY

We apply the principle of materiality in assessing what information should be included in our Integrated Report. The report focuses comprehensively on those issues, opportunities and challenges that impact materially on AYO's ability to be a sustainable business that consistently delivers value to shareholders and all stakeholders. Through a formal process, the Board committees and executive management continuously identified and assessed material matters that influence our long-term business strategy, targets and short to medium-term business plans against our operating environment and informed the content of this report. These were then approved by the Board of directors of AYO. Our material matters are described in detail on pages 34 and 35 of this report.

Forward-looking statements

In this report we make certain statements that relate to AYO's future performance and prospects. Such statements are based on analyses and forecasts of future results based on historical data, estimations of new business and investment assumptions. As defined, these are forward-looking statements.

Forward-looking statements are not statements of fact, but statements by the management of the Group based on its current estimates, projections, expectations, beliefs and assumptions. While these statements represent our judgements and future expectations at the time of preparing this report, they are subject to emerging risks, uncertainties and other important factors that could influence actual results to differ materially (positively or negatively) from our expectations.

AYO neither intends nor assumes any obligation to update or revise these forward-looking statements in light of developments that differ from those anticipated. Thus, no assurance can be given that any forward-looking statements will materialise, and undue reliance should not be placed on such statements.



Integrated risk management and combined assurance

The Board, with the support of the audit and risk committee, is ultimately responsible for AYO's system of internal control, designed to adequately assess the Group's risks and material matters and provide reasonable assurance against material misstatement and loss. We adopt a combined assurance model, which seeks to optimise the assurance obtained from management and internal and external assurance providers while fostering a strong ethical culture and mechanisms to ensure compliance.

Through our enterprise risk management approach, approved by the Board, management identifies key risks facing AYO and implements the necessary internal controls. The process is monitored and evaluated under the direction of internal audit, while external audit covers key controls and accounting matters in the course of their audit. Other levels of external assurance are obtained as and when required. We continually strive to optimise our combined assurance model to enable effective control environment and ensure the integrity of the information used for reporting and decision-making.

The Board and the audit and risk committee assessed the effectiveness of control for the year ended 31 August 2020 as satisfactory, principally through a process of management self-assessment, including formal confirmation from executive management and also considered reports from internal audit, external audit and other assurance providers. Read the detailed report of the audit and risk committee on page 60.

An independent audit of the consolidated annual financial statements was performed by Crowe JHB Inc and Thawt Inc for the year ended 31 August 2020. Refer to our consolidated annual financial statements, which contain an independent auditor's report.

External verification has been provided for the Broad-Based Black Economic Empowerment (B-BBEE) accreditation level. The verification has been performed by an organisation accredited by the South African National Accreditation System (SANAS).

The remainder of the Integrated Report has not been subjected to an independent audit or review. The information reported on, other than that mentioned above, is derived from the Group's own internal records and information available in the public domain.

Management, the Board and the audit and risk committee have reviewed this report.



The audit and risk committee oversees the combined assurance model as well as related assurance outcomes.

Board responsibility statement

AYO's Board of Directors acknowledges its responsibility to ensure the integrity of the Integrated Report. The Board has accordingly applied its collective mind and, in its opinion, this Integrated Report addresses all material matters and fairly represents the Group's integrated performance. The CEO and CFO confirm that the annual financial statements set out on pages 106 to 110 fairly represent in all material respects the financial position, financial performance and cash flow of the Group in terms of IFRS. No facts have been omitted or untrue statements made that would make the annual financial statements misleading. Adequate and effective internal controls have been put in place and we have fulfilled our role and function within the combined assurance model pursuant to principle 15 of the King IV™ Code.

This report was approved by the Board of Directors of the AYO Group on 22 December 2020.

Signed on behalf of the Board.

Dr Wallace Mgoqi
Chairman
22 December 2020

Howard Platjes
Chief Executive Officer
22 December 2020

Isaiah Tatenda Bundo
Chief Financial Officer
22 December 2020



AYO's compelling investment case

AYO is a high growth-potential investment company that provides a good annuity income for investors. Combined with a strong delivery on social values it is an obvious choice for savvy investors, keen on realising significant and long-term value.

COMPANY

Solid business strategy

AYO has a focused and disciplined acquisition approach as well as realistic, achievable growth plans for its existing portfolio.

Strong leadership

AYO has collectively over three centuries worth of business experience. Academics, business leaders, politically and legally savvy experts together, have developed a clear vision of the technologies that are worth investing in.

Sound governance

Governance is continuously monitored and improved. Stakeholders are engaged, comms are open, honest and transparent.

Track record

High-growth opportunities usually also carry high risk, particularly in the case of emerging businesses. AYO is not a "start-up"- it has a solid 24 year track record.

PORTFOLIO

Investing in the future

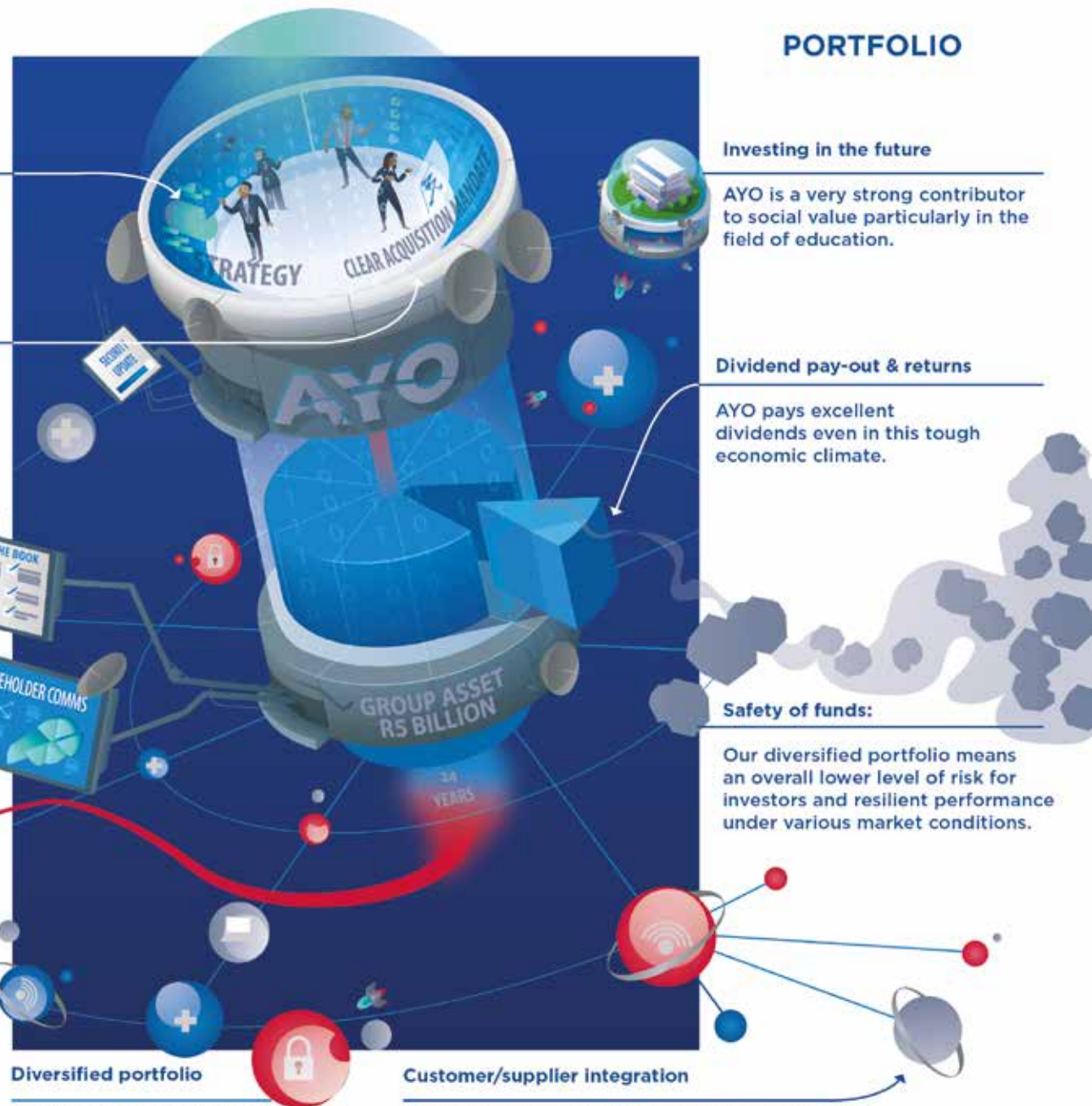
AYO is a very strong contributor to social value particularly in the field of education.

Dividend pay-out & returns

AYO pays excellent dividends even in this tough economic climate.

Safety of funds:

Our diversified portfolio means an overall lower level of risk for investors and resilient performance under various market conditions.



Diversified portfolio

Established businesses that are leaders in key technology fields, such as cyber security, connectivity, health care and unified communications.

Customer/supplier integration

The companies within the Group have solid, often exclusive, relationships with their international suppliers. Collectively, they have over 500 organisational clients, who are inextricably reliant on AYO's products and services for their business processes.

Brief overview

OUR VALUE CREATION PROCESS

As a leading technology investment company, we are committed to delivering products and services that disrupt the status quo and advance life, business and economics. As a responsible corporate citizen, we focus on advancing the UN Sustainable Development Goals (SDGs) in South Africa and on the African continent as a whole, to promote prosperity and social value while protecting the planet.







We have a sound, sustainable, balanced business model. We create value by disciplined and focused capital allocation, deliberate operational excellence and an inclusive partnership approach. Our unique combination of assets, skills, solid practices and sound governance places us in a distinct position to deliver value-based growth.



MANAGING RESOURCES AND RELATIONSHIPS FOR THE LONG RUN

AYO's driving business imperative is to manage its resources and relationships for sustainable long-term value for all our stakeholders, while simultaneously contributing to the advancement of UN SDGs on the African continent. The six capitals represent the resources

and relationships that we depend on to create such value and meet our strategic objectives. By carefully monitoring, managing and allocating our capitals, we empower our shareholders, customers, subsidiaries, partners, employees and community.

CAPITALS	THE CAPITALS WE MANAGE	WHAT DOES IT MEAN?
	<p>FINANCIAL CAPITAL</p> <ul style="list-style-type: none"> - R5 billion total assets - R3.2 billion in cash and cash equivalents - 47% increase in revenue to R2.89 billion 	<p>Disciplined and responsible capital allocation is the most important function of an investment holding company. Our investment decisions are informed by careful consideration of opportunities and risks and aim to fund sustainable growth and returns for the Group and our shareholders.</p>
	<p>HUMAN CAPITAL</p> <ul style="list-style-type: none"> - Competent and diverse leadership team - 1 275 employees - R1.1 million investment in employee training and development 	<p>Our Company is steered by a well-balanced diverse Board with the right foresight, business acumen and expertise. In charge of operations, we have an excellent executive team with skills and experience across multiple business disciplines. We focus on attracting and retaining high-performing employees by fostering a people-centred culture, investing in their training and development and becoming an employer of choice.</p>
	<p>MANUFACTURED CAPITAL</p> <ul style="list-style-type: none"> - Focus on innovation - Proprietary in-house designed software and tools utilised across industry verticals - Reputable brands 	<p>The Group has long been propelled by a strong culture of innovation and proprietary systems developed by our Group companies are widely implemented across critical industry segments such as healthcare and financial services. As an important player in the technology industry we continue to support national and international innovation initiatives, including Fast Company's Most Innovative Companies 2020 and the South Africa Innovation Summit 2020, to assist today's innovators in building a better tomorrow.</p>
	<p>INTELLECTUAL CAPITAL</p> <ul style="list-style-type: none"> - 124 key technology-related skills - Solid business processes and checks to execute our strategy - Rigorous governance practices 	<p>We believe that knowledge creates value. Thus, as a Group, we support the honing and development of technology-related skills in our team. Our business and governance processes continuously improve allowing us to enhance our innovation capacity, maximise our resources and deliver utmost value to our stakeholders.</p>
	<p>SOCIAL AND RELATIONSHIP CAPITAL</p> <ul style="list-style-type: none"> - Partnership-based business philosophy - Solid customer relationships with over 250 organisational clients across all industry sectors and verticals - Focused CSI programmes designed to advance UN SDGs in South Africa 	<p>Our partnership mentality is one of the cornerstones of our business philosophy. We adopt a collaborative approach in all our relationships – with our clients, suppliers and associated businesses. We strive for effective stakeholder engagement and impactful social transformation in all our activities.</p>
	<p>NATURAL CAPITAL</p> <ul style="list-style-type: none"> - Environmentally-friendly office and processes - Responsible use of natural resources - Carbon-neutral operations 	<p>We respect and value our natural environment and consciously conserve natural resources, reduce waste and optimise our operations to achieve effective net-zero impact on the environment.</p>

CREATING VALUE FOR SUSTAINABLE DEVELOPMENT

We generate economic value through a multi-capital approach, which not only leverages financial resources, but also skilled employees, processes and governance structures, strategic relationships and innovation. In the process of managing our multiple capitals we make significant contributions to the United Nations Sustainable Development Goals. Our CSI programmes, focusing on education, arts & culture and social and enterprise development play a significant role in empowering young minds and businesses.

Our priorities for sustainable development are directly associated to those of South Africa and the continent. Our country's strategic development imperatives inform our business decisions, processes and community programmes. We are confident that our activities lead to meaningful and measurable outcomes aligned with the following SDGs and provide detailed review of such contributions on page 76.



SUSTAINABLE DEVELOPMENT GOALS

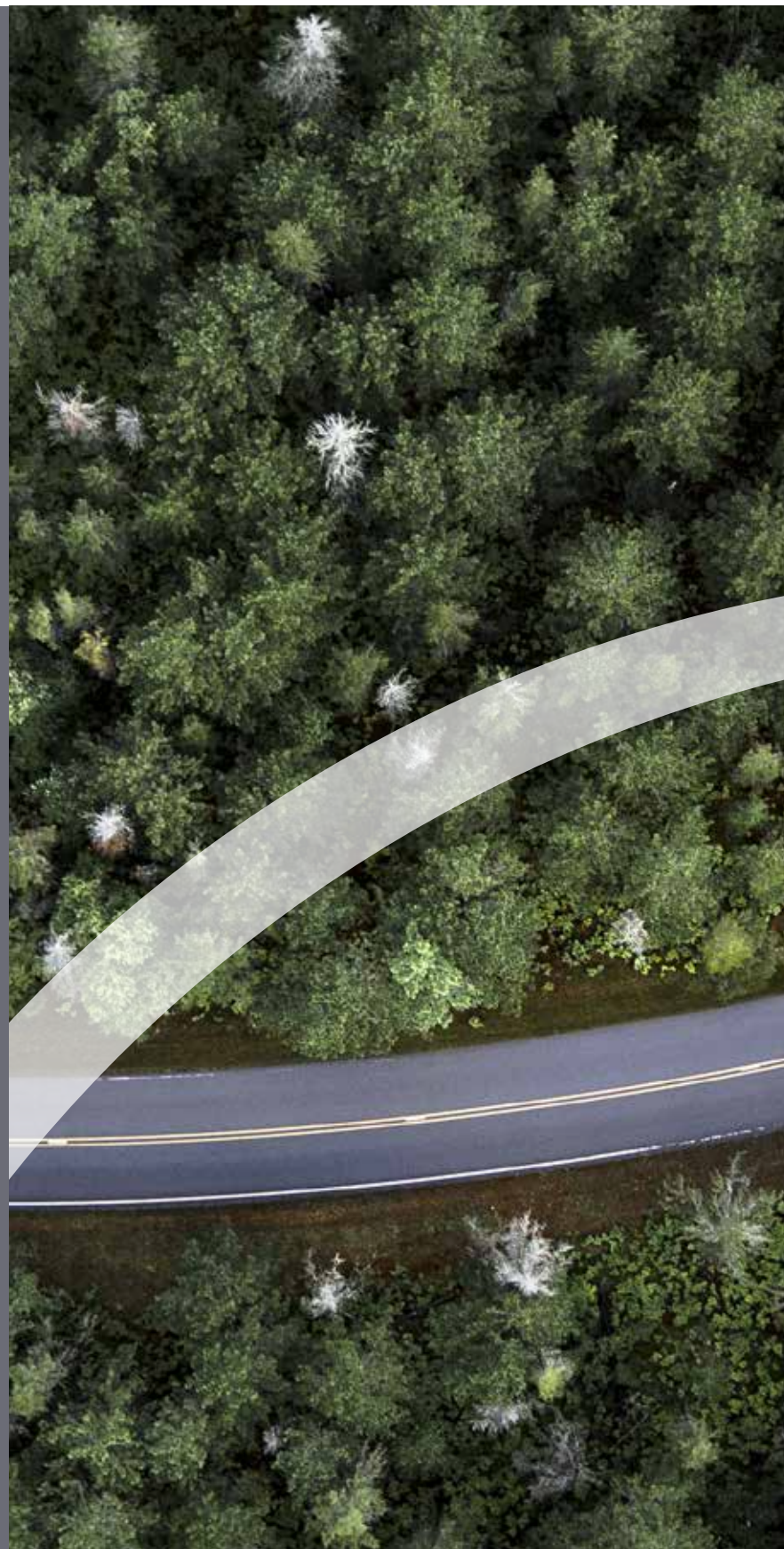


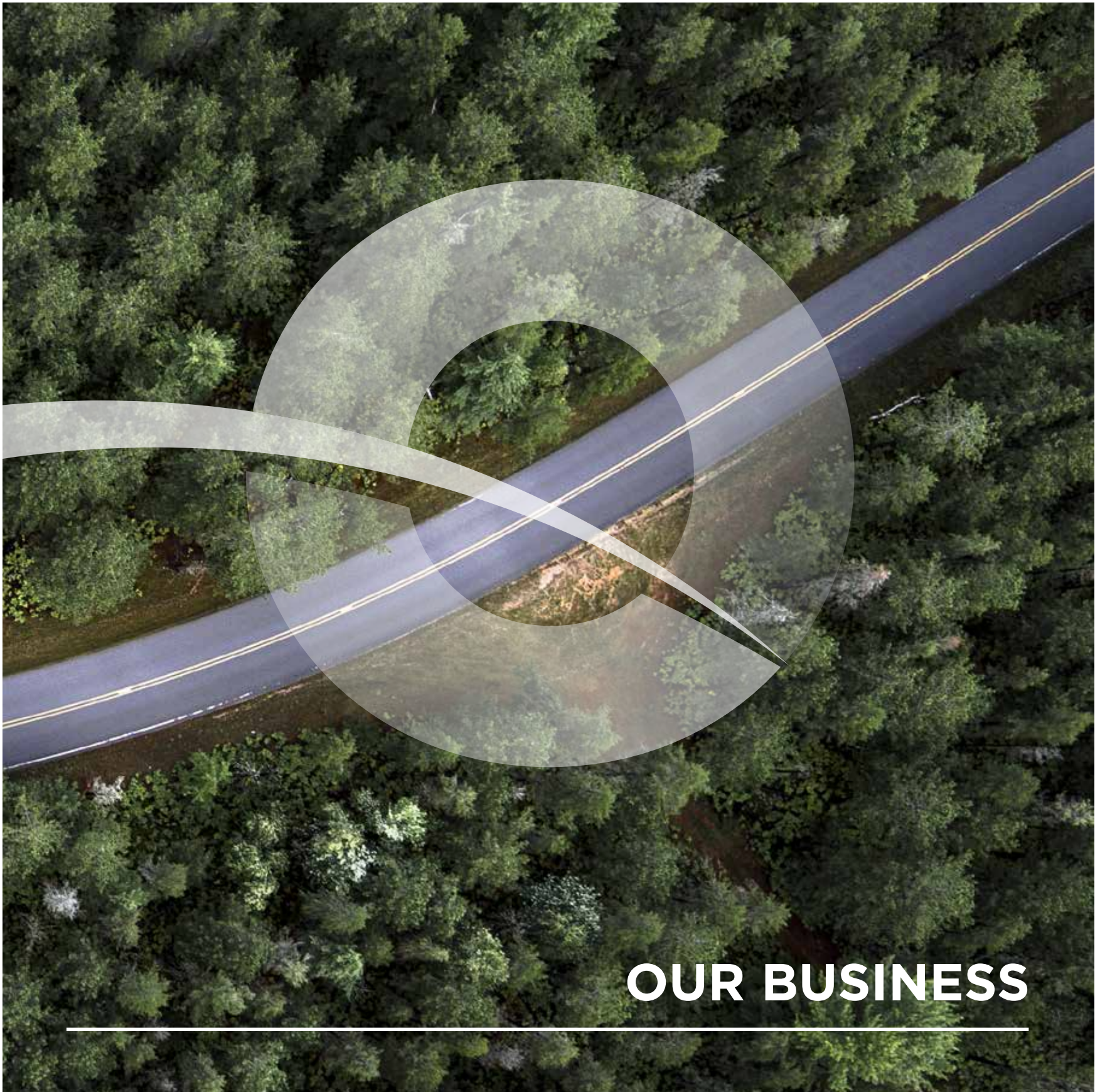
“ DEVELOPMENT IS ABOUT
MORE THAN MONEY,
OR MACHINES, OR GOOD POLICIES.
**IT'S ABOUT REAL PEOPLE
AND THE LIVES THEY LEAD.**

PAUL KAGAME, PRESIDENT OF THE REPUBLIC OF RWANDA

SECTION 2: OUR BUSINESS

- Message from the Chairman 16
- Who we are 18
- Our Group in numbers 19
- Group companies 20
- Products & markets 22
- Business model 24





OUR BUSINESS



The road ahead

MESSAGE FROM OUR CHAIRMAN

Dear Stakeholder,

2020 is not a year that will be hastily forgotten not just by us at AYO but on a global level. Certainly no one could ever have predicted, or even imagined, the black swan events that took place, brought the entire world to a standstill and shuttered economies the Earth over. Yet, an optimist sees an opportunity in every challenge, and I am really proud of what the resilient, buoyant and capable team at AYO has managed to achieve in this remarkably gloomy year. Despite all the setbacks, all the curve balls, all the obstacles we faced, we have delivered a very positive performance, have reached many significant milestones and we are confident that the journey we have embarked on, will only lead to many more successes going forward.

Unlike many businesses who were ill prepared for the calamities of 2020, AYO's challenges didn't start with COVID-19. Since listing on the Johannesburg Stock Exchange back in December 2017, the AYO name has been implicated in a media whirlwind of false accusations, enquiries and investigations, which, albeit challenging at the time, turned out to be a blessing in disguise, as it conditioned our Group to take setbacks in our stride and turn every challenge into an opportunity to grow and flourish. It is this resilience that we have developed over the last couple of years that enabled us to be one of the very few groups, globally, to report on its successes and growth in 2020.

“ YET, AN OPTIMIST SEES AN OPPORTUNITY IN EVERY CHALLENGE, AND I AM REALLY PROUD OF WHAT THE RESILIENT, BUOYANT AND CAPABLE TEAM AT AYO HAS MANAGED TO ACHIEVE IN THIS REMARKABLY GLOOMY YEAR.

1. SHARPENING THE SAW

Leading a solid, steady business can be a difficult job. New York's Business Times reports that ninety percent of public companies worldwide failed to achieve sustained, profitable growth over the past decade. And the critical problem at the core of this phenomenon is that these companies are straying too far beyond the boundaries of their core business. Diversification comes at a cost, not the least of which, is sapping management time and resources.

Since 1996, AYO has been an investment holding company. Our core knowledge and experience, the way we add value, is to identify and acquire the right growth opportunities and then nurture them to fulfil their potential. Now, more than ever, South Africa needs its own young, innovative businesses supported. Thus, we took a step back from operating activities and sharpened our focus back to our core competence.

2. PUTTING PEOPLE FIRST

Streamlining operations did not come at the expense of our people. AYO has always placed the highest emphasis on good corporate citizenship and concentrated on improving the lives of people in our community. I am proud of our leadership's approach in the face of the most significant global crisis we faced, in our lifetimes and the steadfast commitment to our employees physical, mental and financial wellbeing.

But AYO didn't stop there. In the eye of the storm, AYO intensified its CSI focus and reach to assist the most vulnerable with the necessities to make their lives a little bit better in these difficult times. The Group's commitment to advancing the wellbeing of the less fortunate has always been formidable but reflecting on the initiatives of 2020 brings tears of pride to my eyes.

3. PREPARING FOR THE ROAD AHEAD

The global COVID-19 lockdown in the second half of the reporting period lead to a subdued economic activity worldwide. Workers adjusted their lounges into make-shift offices. Restaurants shut down. Airports became enveloped in eerie silence. AYO took this opportunity to prepare itself for the exciting journey that lies ahead, as we are confident that even after the darkest night, dawn will come.

4. AYO IN EVERY HOME

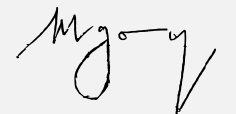
Going forward, it is not inconceivable that AYO could be in every South African home, and the continent of Africa, for that matter, in one form or another within the next decade. If we can conceive it in AYO, we can achieve it. Our combined strengths, insights, expertise and experience will see us through and it is our steadfast aim to continue driving innovation and advancing life, business and economics, for the benefit of all African people.

We welcomed two new members to our Board – Professor Louis Fourie and Khalid Abdulla – whose expertise and strategic outlook are already making incredible contributions to the Group's direction and investment strategy. We continued to improve our governance, reporting and processes. We appointed a new external auditing team and inaugurated a team of Group executives, which has done wonders for co-ordinating the operational management of the Group.

With that, we feel ready and powerful, like a sprinter at the starting line, excited to catapult the AYO Group and all our stakeholders to new heights. We are ready to build Africa's own tech giant.

Credit is due to the Executive Management team and specifically the CEO, Howard Plaatjes, for their tenacity, resilience and grit in the eye of the perfect storm that was 2020. It is said that "God gives the hardest battles to his strongest soldiers" and AYO's team certainly proved to be the fiercest army. They have worked tirelessly, tackling global adversity with confidence, strength and optimism and for that I am proud. They are capable, determined and ambitious and I do not have an ounce of doubt in my mind that with such a winning team the only way forward is up. I am humbled and grateful to steer them into the exciting journey ahead and look forward to reporting on their inevitable successes in 2021.

Here is to an exciting journey ahead!



Dr Wallace Mgoqi


Chairman AYO Technology Solutions

22 December 2020

Who we are

Founded in 1996, AYO Technology Solutions is a flagship South African technology investment company with interests in disruptive technologies that advance life, business and economics. The Group's diverse investment portfolio touches on all aspects of technology from connectivity to communications and software development.

AYO's vision is to be the leading Africa-based technology group driving smart living, playing and working throughout the continent and beyond. This will be achieved through pro-active acquisition strategy which aims to identify, secure and scale upcoming disruptive businesses with impact in the fields of:

	<p>INFRASTRUCTURE advancing penetration and access to connectivity.</p>
	<p>EDUCATION lowering the cost and increasing access to 21-century skills</p>
	<p>LONGEVITY extending span and quality of life through digital healthcare</p>
	<p>E-COMMERCE modernising business marketplaces and logistics</p>
	<p>TRUST advancing cybersecurity verification and blockchain encryption</p>
	<p>INDUSTRY optimising manufacturing processes through robotics and AI</p>
	<p>CLIMATE investing in renewable clean energy</p>

AYO has been listed on the Johannesburg Stock Exchange since 2017 and our current asset base is valued at nearly R5 billion.

OUR BUSINESS PHILOSOPHY:

AYO's investments are much more than asset-driven equity acquisitions.

As a significant player in the African technology space we aim for a balanced portfolio, which benefits not just our internal stakeholders but, improving the lives of the community as a whole, all the while driving the progress of Africa into a globally competitive powerhouse. There is a long road ahead for the African continent in reaching par with Northern hemisphere counterparts. We address this disparity by diversifying the Group's interests amongst developing and established technologies.

OUR APPROACH:

While we strive for an equity stake that allows for meaningful influence over the business entities we invest in, our approach is one of decentralised management. Involvement is mainly focused on scale and support, which is achieved through creating an environment for inter-group collaboration, strategic direction and operational, managerial and financial assistance.

Through close and synergistic working relationships with subsidiary and associated businesses, AYO is able to unlock shared value for clients that is far greater than the sum of its organisational parts. This commitment to organic and exponential growth that enables digital economic transformation has seen AYO grow into a multi-faceted, multi-skilled group of companies with the full range of expertise a diverse client-base deserves.

Our Group in numbers

AYO is a dynamic, evolving business that continuously creates tangible value for all links in the South African value chain and delivers real measurable results.



PEOPLE

1 275
EMPLOYEES

124
CERTIFIED SKILLS

R1.1
MILLION
INVESTMENT IN TRAINING
AND DEVELOPMENT



CUSTOMERS

8
SUBSIDIARIES

500+
CUSTOMERS

350+
CURRENT PROJECTS



COMMUNITY

20+
CSI INITIATIVES

10 000+
BENEFICIARIES

R2.4
MILLION
SPENT ON CSI

28
COVID-RELATED
INTEGRATIONS



RESULTS

R2.89
BILLION
TURNOVER

R103.6
MILLION
PROFIT
BEFORE TAX

R5
BILLION
TOTAL ASSET
VALUE

“ YOU DON'T BUILD A BUSINESS.
YOU BUILD PEOPLE,
THEN PEOPLE BUILD THE BUSINESS.

ZIG ZIGLAR

Group companies

AYO's Investment portfolio touches on all aspects of technology from connectivity and hardware to telecommunications equipment, software development and virtual/augmented reality simulation. We continue to invest in technologies that advance life, business and economics.



100%

PERCENTAGE OWNERSHIP

Since 1980, Health System Technologies (HST) has been a specialist technology provider to the healthcare industry. Client base consists of large public and private health sector organisations in South Africa and Nigeria. Key successful projects include an Enterprise Healthcare Information System, a Centralised Laboratory Information System and Health Information Exchange.

In the recent COVID-19 pandemic, HST was instrumental in the delivery of timely test results and statistics, implementing 28 private laboratory integrations with the National Health Laboratory Service (NHLS) and licencing its proprietary software to two temporary field hospitals. These projects were delivered in record time at no cost to the Department of Health - HST's contribution to the nation's plight.



100%

PERCENTAGE OWNERSHIP

Founded almost two decades ago, Puleng Technologies is one of the most reputable cyber security companies in South Africa. Servicing large blue-chip multinationals, financial institutions, SOEs and public sector clients, Puleng focuses on securing the two most valuable assets of any organisation - its data and its users. The business' core offerings include the development of efficient Governance, Risk and Compliance (GRC) programmes and providing data centre infrastructure, thus effectively protecting sensitive client data and mitigating IT risks.



76%

PERCENTAGE OWNERSHIP

Headset Solutions was established in 1993 and is currently one of the largest importers and distributors of notable brands within the telecommunications and consumer electronics markets. Headset Solutions is the sole distributor of the PolyCom range of audio, video and consumer products in Africa. The company's portfolio further includes brands like Jabra and Konftel. With client base spanning across 10 African countries, largest inventory on the continent and over 1 million headsets sold over the last 10 years, Headset Solutions is widely recognised as the leading reseller in the unified communications industry.



55%

PERCENTAGE OWNERSHIP

Founded in 2001, Sizwe is a well-established level 1 B-BBEE contributor and major South African ICT service provider. With more than 600 employees and vast geographical footprint across the country, Sizwe is the leading and preferred ICT solutions provider across the full spectrum of technology from physical infrastructure, managed services, fibre and facilities management, solar solutions and finance options. Sizwe's strength lies in deep-rooted strategic partnerships with global original equipment manufacturers (OEMs) and vendors including Samsung, Dell, HP, Apple, Microsoft, Cisco and many others. Their client base spans across public and private sectors in varied industry verticals from mining to education and government.



40%

PERCENTAGE OWNERSHIP

SGT Solutions has been operating in South Africa for the past 14 years. A turnkey solutions integrator, the company provides multi-technology communications systems for mobile broadband, networking and microwave transmission. SGT Solutions' impressive client list includes mobile network operators, large public and private organizations and SOEs.



32%

PERCENTAGE OWNERSHIP

One of the early pioneers of mobile app development and secure content distribution, Afrozaar was founded in 2010. Offering a specialised digital media product set that assists media and brand groups with the commercialisation of digital content, Afrozaar services clients such as retailers, media groups and brand agencies in Africa, the USA and Europe. The platform, known as Publisher's Toolbox, is complemented by Acacia Cloud Solutions - an Amazon partner and cloud infrastructure business. Afrozaar has offices in Cape Town and London and boasts a customer list including The Telegraph Media Group, Media 24, Independent Media Group, African News Agency and Conde Nast amongst many others.



32%

PERCENTAGE OWNERSHIP

Formed in 2000, Digital Matter is a specialist company with global presence, focusing on mobile tracking software and devices. Suitable for all industry sectors, the company's offerings include intuitive fleet tracking platform, remote device management system, battery-powered tracking and Internet of Things (IoT) sensor devices. Their devices are used for tracking of all types of assets across difficult terrains from containers at sea to livestock in remote areas. More recently, Digital Matter's Oyster2 and Telematics Guru devices were used as a proactive and preventive solution to rhino poaching in South Africa. Digital Matter is a certified Microsoft Corporation development partner.



24%

PERCENTAGE OWNERSHIP

For the last 20 years, GC2T has been the national sovereign command and control capability of the Department of Defence. Today, the company is the leading technology provider for enabled awareness solutions across the commercial, security and military domains. Solutions include asset and force tracking across the globe (land, air or maritime), integrated situational awareness pictures to support managers, leaders and commanders to make informed and timeous decisions and constructive simulation technology.

Products and markets

DIVERSIFIED RANGE OF PRODUCTS AND SERVICES ACROSS MARKETS AND INDUSTRY VERTICALS






The AYO Group offers a broad range of technology-driven products and services across geographical markets and industry verticals.

IN 2020 KEY REVENUE CONTRIBUTORS INCLUDED:

	Enterprise managed services
	Hardware as a service
	Cyber security solutions
	Resale and distribution of unified communications technology
	Connectivity infrastructure development

Our subsidiary businesses are deeply entrenched in their clients' industries. Their intimate understanding of the verticals they service, allows them to develop unique products and strategies that are best suited to solve industry challenges, integrate their offerings in the clients' business processes and thus, provides them with sustainable competitive advantage.

AYO'S KEY CLIENT PARTNERS IN 2020 OFFERED SERVICES IN THE FOLLOWING SECTORS:

	Banking and financial services
	Healthcare and medicine dispensing
	Primary and secondary education
	Telecommunications
	Public services

AYO's primary market remains in South Africa, yet we continue to expand our presence in other important African markets including Nigeria, Kenya and the rest of the SADEC region. While less significant at present, we maintain activities across the rest of Africa, North America, Europe and Asia.

Our reach



Collectively we service customers across the African continent, North America, Europe and Asia.

AFRICAN COUNTRIES:

- Ghana
- Nigeria
- Cameroon
- Uganda
- Ethiopia
- Kenya
- Tanzania
- Malawi
- Zambia
- Zimbabwe
- Botswana
- Namibia
- Swaziland
- Lesotho
- Madagascar
- Mauritius



WORLD COUNTRIES:

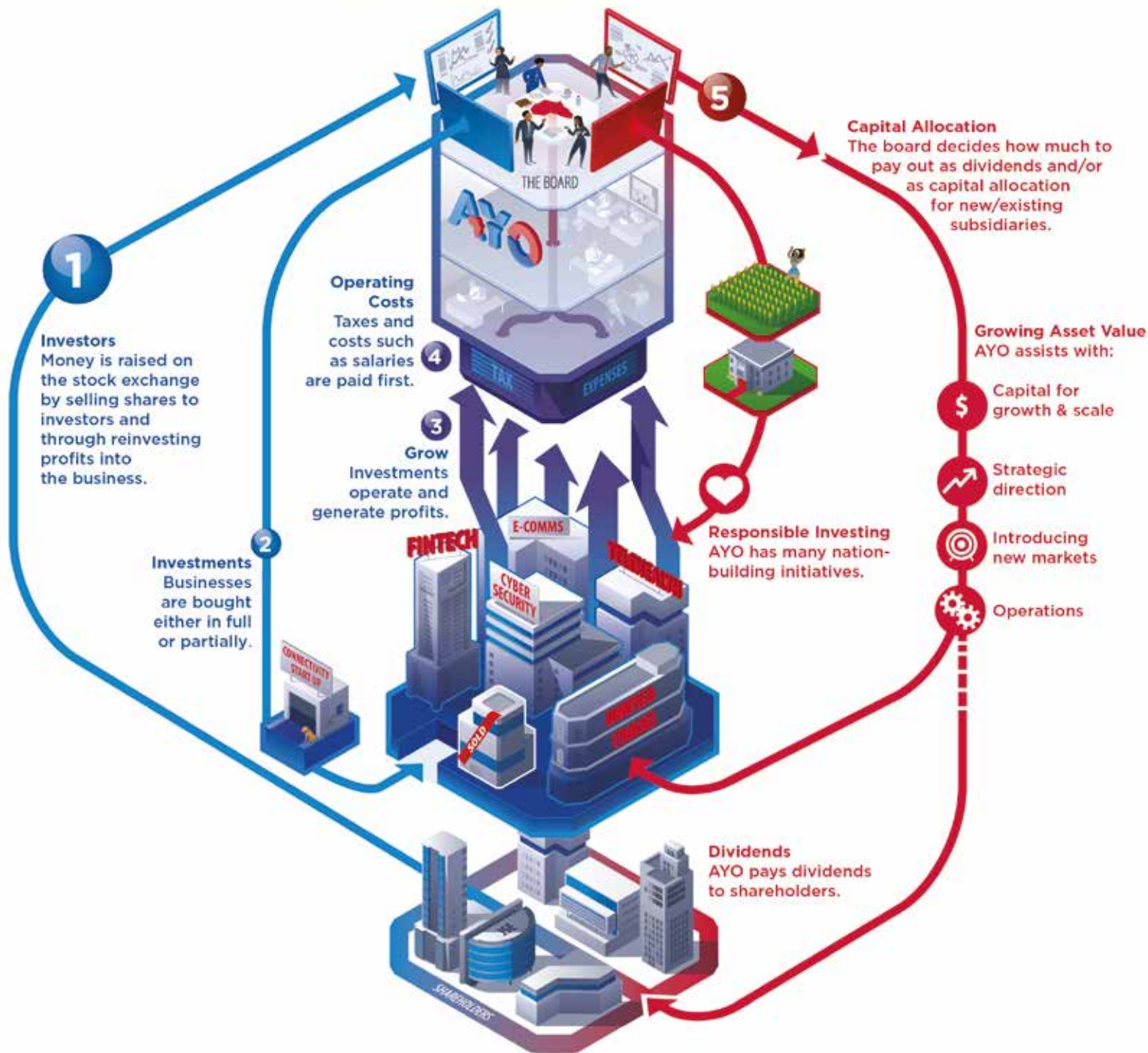




AYO's business model

Investment holding companies do not manufacture anything. There are no products, services or selling to customers; how does money flow in our system and what value do we create?

Follow the flow to see how it works.





“ PRICE IS WHAT YOU PAY.
VALUE IS WHAT YOU GET

WARREN BUFFET

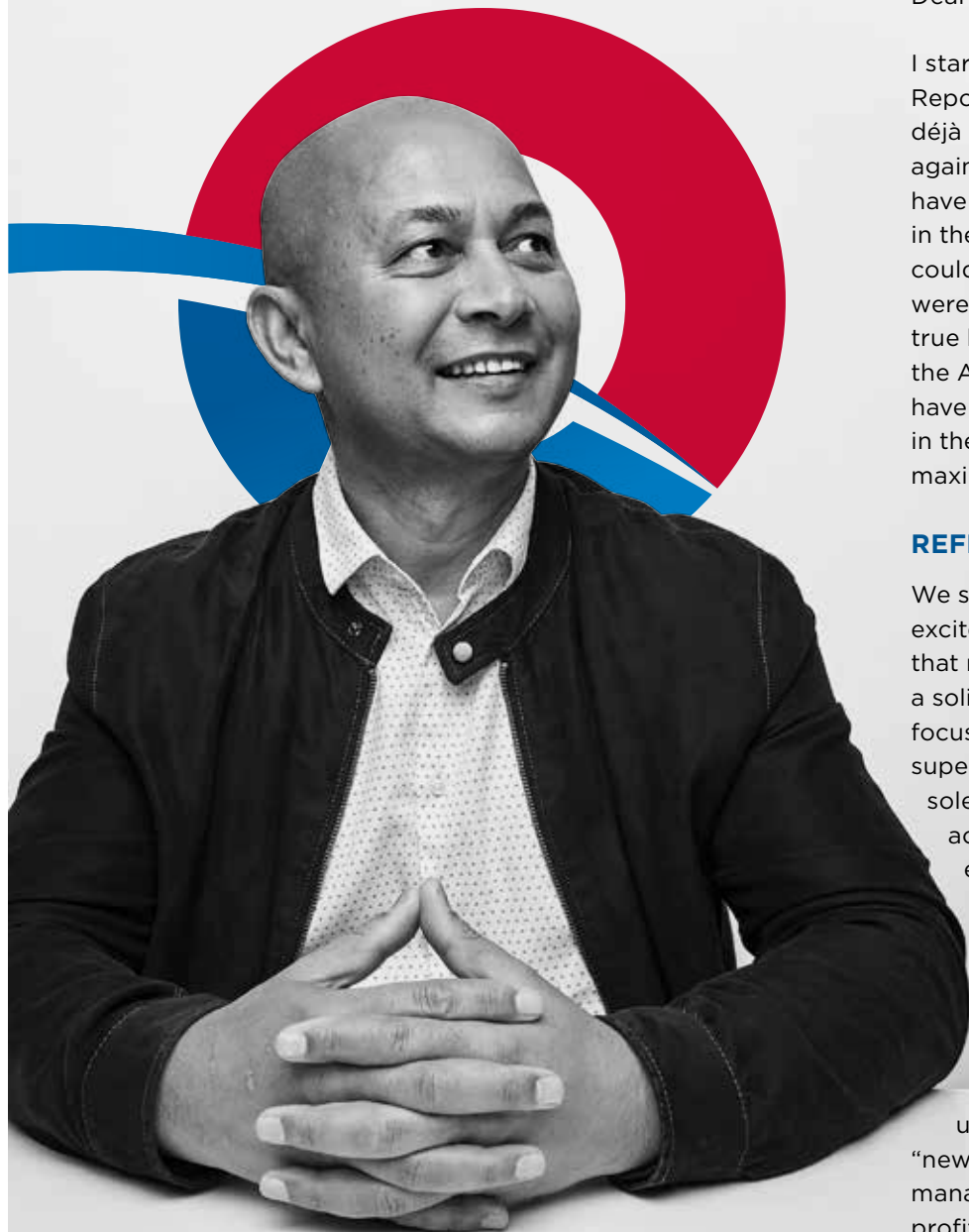
SECTION 3: OUR STRATEGY

- CEO reflections	28
- Strategy & focus areas	31
- Material matters	34
- Risks & opportunities	36
- Our trade-offs	43
- Corporate governance	46





OUR STRATEGY



Well-positioned for the road ahead

REFLECTIONS FROM OUR CHIEF EXECUTIVE OFFICER

Dear Stakeholder,

I started my inaugural address to you in the 2019 Integrated Report with “2019 was a year we won’t hastily forget...”. In a déjà vu like moment, the exact same words come to mind, yet again. While we were all certainly expecting and to an extent have become accustomed to an accelerated rate of change in the ways we work, play and live in the 21st century, nothing could have prepared us for the sudden and pivotal events we were to face in 2020. Yet, I believe it is in trying times that true leaders surface above the rest and I am proud of what the AYO team has achieved in this extraordinary year. We have navigated the proverbial storm, strengthened our stance in these shaky economic times and positioned ourselves to maximise the opportunities that lie on the road ahead.

REFLECTING ON A TURBULENT YEAR

We started our financial year filled with optimism and excitement having shaken off the negative media frenzy that marred our operations in the years before. We had built a solid team, crystallised our strategic direction and firmly focused on pursuing the opportunities that would allow us to supersede our pre-listing commitments. Our attention was solely on growth and value creation both through strategic acquisitions and through the organic development of our existing investments. And then came the almost surreal moment when an unassuming virus changed the course of global economies in a heartbeat.

AYO is a stoic Group. It’s diversity, agility, prudent investment discipline and operational excellence is what sets it apart from the ordinary and what enabled our commendable performance in this unsettling period. Very swiftly, the team adapted to the “new normal” ensuring exemplary business continuity and managed to produce strong revenue growth and adequate profitability in the present business context. All but one of the Group’s investments contributed positively to the overall results and I congratulate the individual CEOs on their sterling job leading their respective teams during the period.

Not only did our Group companies step up to the plate when in the blink of an eye our entire nation became solely reliant on technology, but they went above and beyond delivering an essential service to actively participating in the global fight against the pandemic. A key achievement deserving mention here is the contribution of HST, who implemented 28 critical integration projects between their anchor client, NHLS, and numerous private laboratories to enable the communication, cross-reference and consolidation of PCR test results across different platforms, to provide our Government and media with real-time statistics of infection rates and active cases. They further provided their proprietary IT systems to the two temporary field hospitals in the Western Cape, all at no cost, demonstrating to the whole country how a true leader and excellent corporate citizen should behave in a moment of crisis.

As strong and resilient as the AYO Group is, we could not completely escape the economic disruption of the pandemic. The instant and near-complete shutdown of non-essential business operations in March 2020 slowed down the progress of our acquisition projects and forced the Group to re-focus operations to ensure we preserve and protect our shareholders' investments from the ensuing economic roller-coaster. Thus, while we remained on course with our underlying strategy, negotiations and due diligence assessments were stalled and the exciting announcements I was looking forward to making in respect of significant transactions, such as the 100% acquisition of Kathea Communications and 60% share capital acquisition of Disruptive Vision, amongst others, could not be completed in the frame of the financial year. Notwithstanding, we continue to work on maximising our shareholders' capital, grow our asset base and enhance our portfolio to create value for our stakeholders and promote technology-rooted African development.

FULL SPEED AHEAD

Vladimir Lenin said that “there are decades when nothing happens and then there are weeks where decades happen”. COVID-19 is definitely one of these defining moments and I believe its net effect has been the acceleration of trends and events that were already under way. With technology expected to be the primary driver for the country's economic revival and AYO's strong operational foundation and cash balance, I am feeling positive and excited about the future.

The South African economy is still for the most part, an old-style industrial type and thus, has enormous potential to benefit from modern technological advancements. I believe industries such as retail, logistics, agriculture, education and manufacturing will undergo deep disruption and transformation in the very near future. Similarly, the new trends we have been observing in financial services, communications and advertising, driven by underlying technologies such as blockchain, IoT and big data analytics will see significant increase in rates of adoption across the African continent. As stressful as this year has been, it has served to level the playing field and has essentially given Africa an opportunity to overcome decades of lagging behind more developed economies and leapfrog legacy systems into a competitive economic powerhouse.

This presents exciting opportunities for a solid investment group like AYO with a firm grasp on modern, disruptive technologies and we aim to take advantage of the circumstances to further diversify our portfolio with fresh new acquisitions that will complement our existing offering in the market, enhance the African digital ecosystem and enable us to create further stakeholder value for years to come.

I am also extremely proud of the initiatives AYO has led and participated in over the past year to promote and support education, innovation, entrepreneurship and the development of our communities. I believe it is not just our responsibility, as good corporate citizens, but also our duty as a business to uplift and nurture our emerging and future leaders. I am humbled by the quality of local talent and innovative ideas that we have encountered through platforms like the Fast Company Most Innovative Companies event and the SA Innovation Summit and look forward to engaging further with these bright young minds to make South Africa a better place for all.

Last but definitely not least, I would like to extend my sincere gratitude to our engaged and inspired Board and our dedicated staff for their astounding achievements during this chaotic year. Your perseverance, commitment and positivity have been the driving engine behind all our successes. Your passion and professionalism shines through all our common endeavours and thanks to you, we can be proud of the strong, resilient and thriving Group that AYO has become. I wish to acknowledge and thank our business partners, clients, subsidiaries and associated companies for their continuous support and integrity. We are who we are because of you.

To you, our stakeholder, I pledge tremendous gratitude for your continued support and confidence in us. Your trust in our shared vision to propel AYO into a respected and admired driver of Africa's economic turnaround motivates and inspires us every day to be and do better; to forge ahead and create a better tomorrow for all.



Howard Platjes

Chief Executive Officer

22 December 2020

“ AYO IS A
STOIC GROUP.
IT'S DIVERSITY,
AGILITY, PRUDENT
INVESTMENT
DISCIPLINE AND
OPERATIONAL
EXCELLENCE
IS WHAT SETS IT
APART FROM THE
ORDINARY AND
WHAT ENABLED
OUR COMMENDABLE
PERFORMANCE
IN THIS
UNSETTLING
PERIOD.



AYO's business strategy

Africa has the capacity to be a global economic superpower! With the abundant resources available, there are many opportunities to reshape the economy through various innovative technologies bringing in a Digital Economy. Transformed.

See how AYO will transform the Now into Wow.

WOW

A transformed economy is built from individual companies embracing digital technologies. Processes move faster, more efficiently and become cheaper; making companies more profitable.

Advancing life, business and economics.

HOW

AYO has identified several areas of **life, business and economics** that will be strongly impacted by technology in the next decade. As we anticipate high demand in these sectors, we acquire and scale businesses with innovative offerings in these fields and enable them to reach their full potential.

We do that by providing assistance in the form of:

-  Capital for growth & scale
-  Strategic direction
-  Exposure to new markets and clients
-  Operational support

NOW

In spite of its abundant natural resources, sizeable work force and arable land, Africa is not fulfilling its potential in the world's economy. The need is to link these resources with technological innovations to unlock globally competitive opportunities for new and existing businesses.

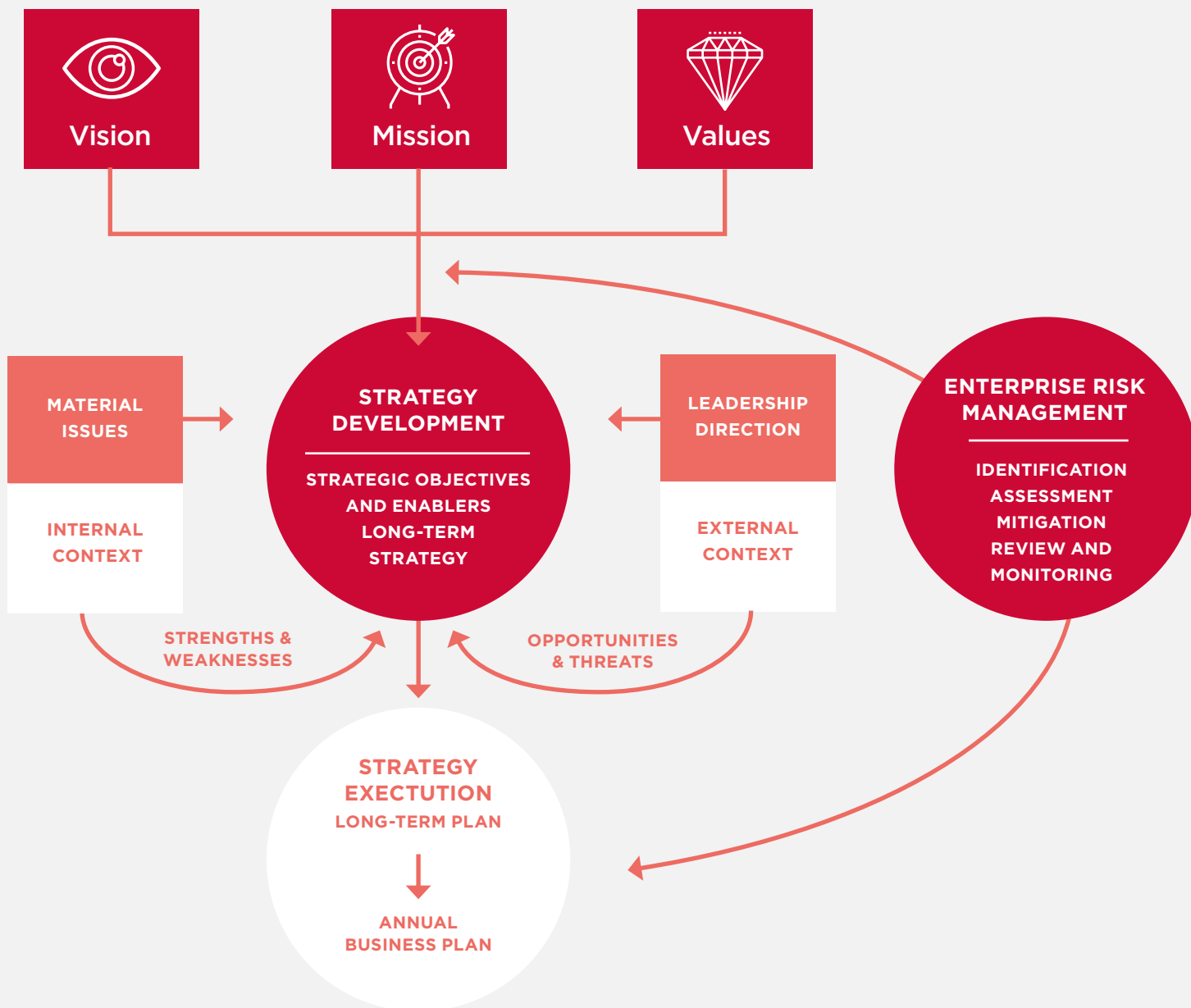


Roadmap to the future

As part of our strategy planning process, we scan the external environment for megatrends and recognise how technology can shape the way people work, play and live in the 2020s and beyond. We identify risks and opportunities that could disrupt our clients' industry sectors.

Materiality assessment provides further insights into the changing needs of all our stakeholders.

Our integrated strategy planning process drives strategy formulation and implementation across the short, medium and long-term horizons.

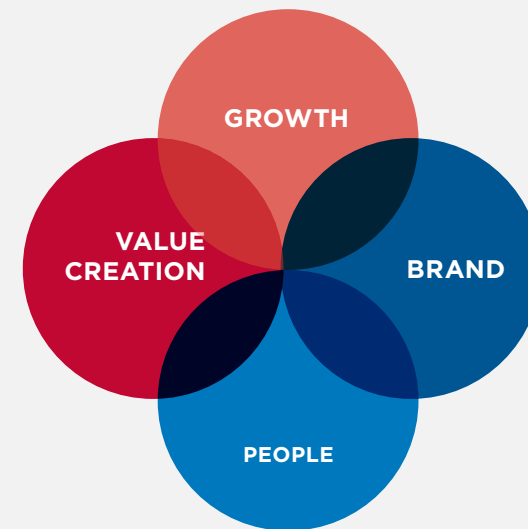










Aligning our strategy for a sustainable future

FOCUS AREAS

Guided by our vision to be Africa's leading technology Group and the United Nations' Sustainable Development Goals (SDGs) we are seeking to contribute to the advancement of life, business and economics to create a progressive society free of poverty and inequality. This means making the strategic choices that allow us to promote meaningful socio-economic development while safeguarding our resilient organisation into a sustainable future.

We concentrate on four focus areas that are critical to our business and that enable us to make impactful contribution to the advancement of an uplifted society.







	FOCUS AREA	PRIORITISED RELEVANT SDGs	CONTEXT
GROWTH	Discipline strategic investments	 	As a conscientious investor AYO's top business priority is the disciplined allocation of the capital we manage. Strategic, responsible acquisitions in the technologies we believe will drive economic advancement in the next decade will strengthen our position, advance our growth prospects and enable us to be a key contributor to an empowered, fair and just society.
VALUE CREATION	Partnerships for growth	  	<p>AYO is an African business and subscribes to the Ubuntu African values – we are who we are through each other. We cannot create value for our business without creating value for all our stakeholders. And we can't do it alone.</p> <p>We believe in nurturing holistic partnerships with all our stakeholders, our subsidiaries, clients and community. Our partnership mentality and cohesiveness as a Group allow us to unlock shared value that is far greater than the sum of our organisational parts.</p>
PEOPLE	Talent development	  	<p>People are the driving force of our organisation and we believe that talent development is integral to our future success both as a business and as a society. Our modern world, driven by technology advancements, demands constant learning, upskilling and reskilling so we can remain relevant in this ever-changing environment. Thus, talent development and further education is a principal focus area for AYO in terms of our own employees and all our CSI initiatives.</p> <p>Our development interventions prepare individuals to operate optimally in adverse conditions and unforeseen situations. Through prioritising both personal and professional development we strive to solidify our positioning as both employer of choice and responsible corporate citizen.</p>
BRAND	Reputation management	 	<p>A brand's reputation is its most important asset and in the words of Benjamin Franklin "it takes many good deeds to build a good reputation". Building and preserving the good standing of our brand name is of critical importance to our business.</p> <p>Thus, we are led by the principles of integrity, honesty, and transparency in all our business activities. We believe that doing what we say and saying what we do, consistently, will inspire the trust of our partners, clients and stakeholders and in turn enable us to create value for the Group and society at large.</p>

Focusing on issues that matter

MATERIAL MATTERS

Our material matters are issues that have the potential to impact, both positively and negatively, our ability to create value in the short-, medium- and long-term. These are identified through a process of analysing the business environment, our operating context, the capitals we rely on, as well as feedback from our stakeholders and subsidiary business units. Managing our material matters effectively could support or hinder our ability to execute our strategy and remain competitive. Thus, our approach to strategic decision making continually encompasses these matters' potential impact on our operations. We also use them to measure our success by incorporating them in tracking our performance.

MATERIAL MATTER	WHY IS IT IMPORTANT
<p>ECONOMIC ENVIRONMENT</p> 	<p>Trading environment on both macro- and micro-economic level naturally affects the businesses that operate within and AYO is no exception. A buoyant economy inherently fuels an upward spiral performance for its participants, while a deflated market elicits cost-cutting and operational shrinkages. South Africa was already in a vulnerable position even prior to the devastation caused by COVID-19 and local business partners and clients continuously search for ways to optimise or automate processes in order to reduce costs.</p> <p>This presents both a challenge and an opportunity for a technology-based company like AYO. While organisational clients have become much more frugal with their budgets, technological innovations that enhance their performance can serve to strengthen our customer partnerships and increase our revenues.</p>
<p>COVID-19</p> 	<p>There has been no business globally that has not been affected by COVID-19 in 2020. The situation was particularly volatile in South Africa where economic activity was effectively brought to a standstill for almost a quarter of the year by the strict lockdown imposed by government.</p> <p>Conversely, COVID-19 accelerated the mass adoption of certain trends, such as online shopping and remote working. These rapid behaviour shifts unlocked growth opportunities for our Group, particularly in the fields of cybersecurity and unified communications. While we expect the surged demand in these fields to equalise in the medium-term, the projected permanent shift to hybrid ways of work, learning and communication is viewed as a medium- and long-term growth opportunity for the AYO Group.</p>
<p>BUSINESS OPERATIONS</p> 	<p>Material to the success of any organisation is its agility and ability to quickly adapt its business operations to the rapidly changing external environment. AYO is focused on achieving optimal business structure and operating capacity that enables it to best service its stakeholders and deliver on its value creation imperatives, while simultaneously maximising efficiency by offering consolidated Group services to our investees.</p> <p>In 2020, the Company reviewed its diversification into operational activities and reverted its focus to only the core business interests. This transformation enabled us to deliver quantifiable benefits to our subsidiary businesses and realise synergies within the Group.</p>
<p>REGULATORY LANDSCAPE</p> 	<p>We acknowledge the role of a rigorous regulatory framework in advancing investor confidence as well as promoting good corporate citizenship and focus on overall societal upliftment. We recognise the positive impact of South Africa's B-BBEE regulations, King IV™ reporting standards and the JSE on our local economy and their ability to address inequalities and promote economic growth.</p> <p>At AYO, we keep abreast of our regulatory environment aiming to swiftly respond to changing requirements and proactively implement new or improve existing business and reporting processes. We continuously engage with regulatory bodies to go beyond compliance and develop industry-leading best practices, which minimise regulatory risks and enhance our responsible corporate citizen positioning.</p>

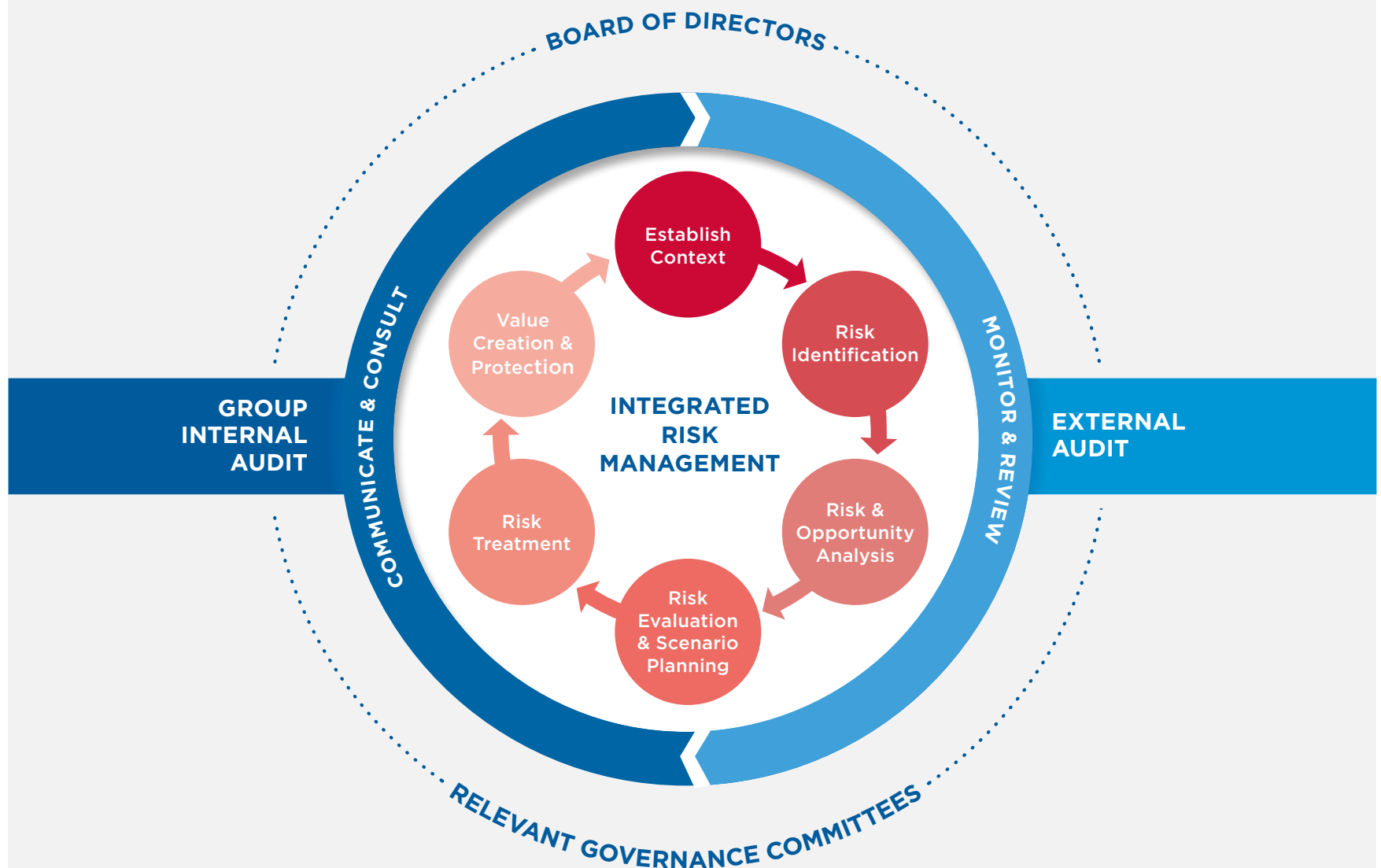
MATERIAL MATTER	WHY IS IT IMPORTANT
<p>TECHNOLOGY</p> 	<p>Availability, penetration and adoption of new technologies has a direct material impact on all our Group operations. Network quality and coverage, data affordability and access to sophisticated devices affect the types of products and services our clients are able to purchase and implement.</p> <p>Additionally, maintaining solid partnerships with international OEMs gives us access to global technological advancements, which in turn, enables us to improve our products and services portfolio. Our medium and long-term investment decisions are influenced by emerging global trends and technological developments and their potential to penetrate and disrupt the African landscape.</p>
<p>SKILLS DEVELOPMENT</p> 	<p>Rapid technological advancements have led to the automation of industries and processes and rendered traditional competencies obsolete. The work environment of tomorrow will require proficiencies in fields that are not invented yet and these shifts are taking root faster than we can anticipate. Thus, fostering an environment conducive to life-long education and skills development is imperative to the continual growth of our society as well as our business.</p> <p>At AYO, we acknowledge that the deliberate continual development of our staff can give us a strong competitive advantage and at the same time improve our employee value proposition and the quality of talent we attract. We also believe that contributing to the skills development objectives of our customers can have a positive influence on the technologies that these organisations adopt (that we supply) as well as enhance our relationships with them. Further, we recognise the crucial role of skills development in securing economic and social progress for our society and prioritise education and skills development in our CSI initiatives.</p>
<p>RELATIONSHIP MANAGEMENT</p> 	<p>Successful businesses are built on good relationships. From collaborations with subsidiary companies and partners to foster Group cohesiveness, to meaningful engagements with regulators and media, healthy business relationships have been and will remain paramount to AYO's corporate strategy and approach. Consistent, open and honest communications with our stakeholders promotes trust and collaborative environment for sustained shared value creation.</p> <p>We recognise that in the past we have not been as forthright as we could have been in our communications and have prioritised proactive public engagements going forward a significant element to our business strategy. This will strengthen our brand positioning in the marketplace and unlock further partnership opportunities for the Group.</p>
<p>RESPONSIBLE CORPORATE CITIZENSHIP</p> 	<p>Responsible corporate citizenship is another element, which strongly influences our brand perception and positioning. Beyond that, we believe that as a significant player in the industry it is our duty to set a stellar example of appropriate business behaviour.</p> <p>Our commitment to improving standards of living and quality of life for our society, informs our investment decisions as we seek opportunities that enrich communities and promote access to services thus addressing the inequalities grappling our nation.</p> <p>Ethical behaviour as outlined in the King IV™ Code is integral to our culture and business practices. We engage in meaningful CSI projects where we can realise tangible benefits for the community and promote the advancement of our prioritised SDGs.</p>

Future-proofing our business

RISKS AND OPPORTUNITIES

External context and internal operating environments continuously present our business with both risks and opportunities. We approach these risks and opportunities in an integrated, cohesive manner, which strives to not only deal with uncertainty in the external environment and minimise the downside exposure, but also seeks to capitalise on the upside potential to achieve our strategic objectives and execution. With that, we aim to fortify our Group as a resilient organisation that is able to create value now and in the future, by efficiently addressing environmental challenges while fully utilising market gaps.

AYO has a mature risk management framework that is aligned with the International Risk Management Standard and the requirements set out in South Africa's King IV™ Governance Code. During the reporting period we further strengthened our internal audit function to enable swift identification and response to material risks in a standardised and systematic manner.



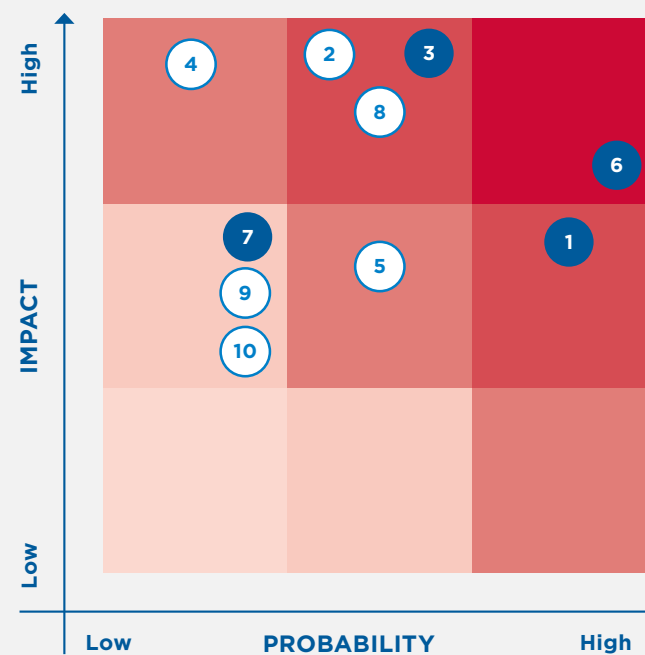
As an investment holding company, AYO is exposed to a broad range of risks, which arise both within our external environment and as a consequence of our business decisions and operations. The Board approves the Group’s risk profile, appetite and tolerance levels, which are set out in a formal Group Risk Charter. To ensure effective risk management oversight, each Board committee monitors relevant risks within the ambit of its scope.

The internal audit unit performs an independent objective assurance function on the adequacy and effectiveness of the Group’s governance mechanisms, risk management and internal controls. The external audit partner provides an audit opinion in accordance with all relevant prerequisites set out in the Companies Act, the JSE Listing Requirements and the King IV™ Governance Code. They work closely with the audit and risk committee, providing advice on financial reporting, tax and business issues and make recommendations to management to improve internal controls and process efficiencies to add further value to the Company.

Critical risks are identified by consistently monitoring the external and internal operating environment and taking into account implementation of mitigation and management strategies. This provides the Executive Committee and the Board with a robust assessment of the principal risks facing the Group and informs the selection of the appropriate risk treatment. The top 10 principal risks, as identified through the risk management process, are charted in the Group’s risk rating matrix, in terms of the severity of impact and likelihood of occurrence, reflecting the rate at which the Group will experience adverse impacts if the risk materialised. The risk appetite and tolerance for each principal risk is reviewed and approved by the Board to enable optimal informed risk-based decision-making.

AYO'S TOP RISK	RBS CATEGORY	CAPITALS IMPACTED
1. Economic uncertainty	● ● ●	● ● ●
2. Loss of major customers	● ● ●	● ● ●
3. Adverse regulatory pressure	● ● ● ●	● ● ●
4. Reputational impairment	● ● ● ● ●	● ● ● ●
5. Investment performance	● ● ●	● ● ● ●
6. Interest rate risk	●	● ● ●
7. Unplanned legal actions	● ● ● ●	● ● ●
8. Execution of strategic acquisitions for future growth	● ● ●	● ● ● ●
9. Cyber threats and data security	● ● ● ●	● ● ● ●
10. Talent and skills shortage	● ●	● ● ● ●

- Business risk
- Social & relationship capital
- Financial risk
- Intellectual capital
- Operational risk
- Financial capital
- Legal risk
- Human capital
- Reputational risk
- Manufactured capital



- Low
- Medium
- High
- EXTERNAL
- INTERNAL



ECONOMIC UNCERTAINTY

OPPORTUNITY:

To expand our market reach and customer/product mix to assist our clients in navigating unstable economic conditions.

CONTEXT:

2020 has certainly demonstrated just how delicate global economic stability is. The COVID-19 pandemic has had far-reaching consequences for businesses, large and small, across the entire world. Volatile macroeconomic conditions can have drastic impact on enterprise and government expenditure, reducing revenues for the Group and impacting negatively on operating costs, investments' performance and projects roll-out plans.

MITIGATION:

AYO's acquisition strategy is firmly focused on investment in new technologies which are deeply integrated in modern life, business and economics. Such technologies have proven to be, to a degree, sheltered from the severity of economic downturn impact and in fact, during the reporting period have shown resilience and even growth.

We continuously strive to further the diversity of our products and services as well as

customer industries and groups in order to both be able to offer an enhanced all-inclusive service to our clients and minimise our exposure to industry-specific downturns.

This strategy delivered positive results in the reporting period, as the increased demand for our cyber security and unified communications products, more than offset the delays in contract finalisations of our other divisions which were adversely impacted by the pandemic.



LOSS OF MAJOR CUSTOMERS

OPPORTUNITY:

To enhance our integration into major clients' operations by offering all-inclusive solutions through symbiotic collaborations amongst Group companies.

CONTEXT:

With several large contracts and organisational clients serviced by the Group's various divisions, a loss of any significant deal or customer may negatively impact the Group's overall performance. Whether such losses result from external factors beyond our control (such as macro-economic downturn or competitive outbidding) or Group-specific circumstances like reputational impairment, it is important that the impact on operations, capacity and expenditure is proactively managed.

MITIGATION:

Best practices within the Group, particularly from our healthcare and cyber security divisions, have demonstrated that exposure to potential client loss can be adequately minimised by integrating our offering into the clients' core business operations or processes. Coupled with continuous upgrades to our services, to incorporate latest technological innovations and cost-effective solutions, this integration strengthens our client relationships and makes AYO an indispensable link in their supply chain.

We aim to replicate these solid customer bonds across all our operating entities business models.

Collaborations among Group companies enables AYO to maximise existing client relationships, diversify our offering to important organisational clients, further our integration into their operations and increase revenue per customer. The management team actively engages with all operating entities within the Group to identify and enable such co-operation endeavours.



ADVERSE REGULATORY PRESSURE

OPPORTUNITY:

To demonstrate that AYO's subscribes to the highest standards of governance practices as expected from an exemplar South African corporate citizen.

CONTEXT:

Historically, AYO's governance and reporting have been perceived as weak by regulators as an indirect result of negative media sentiments. This has led to unprecedented challenges and audits of our past financial results and severe, even disproportionate, sanctions for erroneous statements. AYO acknowledges that stringent regulatory requirements benefit and protect both companies and shareholders and strives to keep abreast of and comply with changing regulatory context to both augment the brand's image and avoid significant financial and reputational repercussions.

MITIGATION:

A core focus point for the Group during the reporting period has been the strengthening of our internal audit function, which champions the Group's governance compliance, evaluates our governance and reporting practices and provides combined assurance. The unit works closely with our corporate sponsors to ensure awareness and understanding of the latest regulatory developments, advises management and the financial reporting team on requirements and best practices and reports directly to the chair of the audit and risk committee. During the financial year, the unit has completed a full compliance review with JSE listing requirements and King IV™

Governance Code. It is envisioned that in the next reporting period the unit will provide regular training workshops to management and directors of all Group entities to ensure adequate understanding of regulations and requirements at all levels of the organisation, and will also develop a close working relationship with the external audit partners for further efficiencies.

Additionally, priority attention has been placed on the Group's governance reporting during the reporting period with the first separate AYO King IV™ Implementation Report being published this year, aiming to clearly demonstrate the Group's commitment to adhering to the King IV™ principles to all stakeholders.



REPUTATIONAL IMPAIRMENT

OPPORTUNITY:

To proactively engage with media and all stakeholders to ensure that information in the public domain regarding the Company is accurate and promote a positive corporate citizen image for AYO.

CONTEXT:

Incorrect statements, allegations and negative media attention, whether founded or not, lead to reputational harm and have long-lasting effects on a business' operations, performance and stakeholder engagement. Since the completion of the PIC inquiry in December 2019, which cleared AYO of any wrongdoing, the media hype around the story has subsided. Yet, the brand continues to be subjected to unfavourable media portrayals and erroneous statements have been publicised on various occasions, eroding the goodwill generated by the Company's value-creating initiatives.

MITIGATION:

The Group has developed and implemented a comprehensive marketing and communication plan during the reporting period, which includes both proactive brand-building activities as well as swift decisive responses to hostile media narratives.

We acknowledge that re-building brand trust is a long-haul process and will require concerted efforts in the long-term. Our approach is to engage with all stakeholders, media and industry peers and demonstrate rather than describe, honest and transparent corporate citizenship behaviour as well as the positive impact of our initiatives on

the broader society and the advancement of the UN SDGs. We actively lead and participate in events and programmes that promote education, entrepreneurship and economic advancement of disadvantaged and marginalised societal groups. We continuously report on our engagements in upliftment projects in the media. In industry-led events we share our views on technology-driven opportunities for the advancement of South African economy aiming to inspire and motivate entrepreneurs and business counterparts, while building a reputation of a positive, knowledgeable, leading brand.



INVESTMENT PERFORMANCE

OPPORTUNITY:

To create a balanced investment portfolio of complementary businesses which provides both stability and growth to our shareholders.

CONTEXT:

Operating entities within the Group are well-established, mature leaders within their respective fields, which negatively affects organic growth opportunities. Thus, acquisition of new investments, particularly ones in success or take-off business lifecycle stages, needs to be aggressively pursued to mitigate the impact of our mature portfolio on our growth performance. Further, the ever-shorter lifespan of technological innovation poses business risks for the Group and necessitates innovative expansion of current product and service offerings.

MITIGATION:

In order to maintain balance in AYO's portfolio and deliver asset growth, the Board and executive team spend a considerable amount of time identifying and understanding the technologies that are expected to cause, and the industries that will experience, the strongest disruption in the next decade. In this respect, Prof Fourie, with his strong technological academic background, has been a welcome addition to the Board and the investment committee. This deep understanding of the future technological environment informs the Group's investment mandate and enables us to better identify promising acquisition targets to mitigate financial risks and ensure achievement of ambitious growth targets.

Given AYO's partnership mentality, such progressive, less mature, acquisitions can collaborate with existing operating units to modernise the services currently on offer, while gaining access to new clients and/or markets for their own product portfolio.

Additionally, the Group is evaluating potential opportunities for market diversification into less developed African markets for our mature subsidiaries, where they can still achieve significant growth. Pursuing such opportunities at Group level will reduce the operational challenges of entering new territories and contribute to economies of scale.



INTEREST RATE RISK

OPPORTUNITY:

To maximise investment value in the short- and medium-term and reduce the impact of lower interest rates on the Group.

CONTEXT:

The Group has a significant cash holding balance of R3.2 billion from which interest income is earned. Macro-economic conditions in the second half of the reporting period have led to a substantial decrease in the prime interest rate of 300 basis points, which resulted in an interest income decrease of 25% for the Group from R323 million to R242 million. These volatile conditions are likely to continue in the short- to medium-term, which puts pressure on our financial performance.

MITIGATION:

While interest rates are set by the South African Reserve Bank and completely out of our control, the impact of the reduced lending rate (currently at its lowest level since 1988) on the Group's financial performance is material. We acknowledge that it is imperative for the Group to maintain sufficient cash reserves at hand to meet its operating and scaling needs. Yet, maintaining a large proportion of our assets in cash deposits at this point is ill-advised.

Additionally, the unfavourable country financial rating has weakened investor interest in local businesses, creating opportunities for AYO to acquire suitable targets at advantageous valuations and terms.

The Board, with the support of the investment committee, is therefore evaluating investment opportunities for the Group both in the form of acquisition targets and financial investments to minimise the negative impact of the current low interest rates on AYO's financial performance.



UNPLANNED LEGAL ACTIONS

OPPORTUNITY:

To proactively engage with legal counterparts to seek constructive solution to perceived injustices for a mutually beneficial outcome.

CONTEXT:

On 31 May 2019, AYO received a summons issued by the Public Investment Corporation (“PIC”) and the Government Employee Pension Fund (“GEPF”). Additionally, a defamation claim by Magda Wierzycka against AYO and seven others is pending in the Western Cape High Court. AYO has instructed the Group’s attorneys to oppose both claims. While it is unlikely for any of the two matters to be heard before the courts in the next financial year, such unplanned legal shenanigans impact on our resources and our ability to deliver on our strategy.

MITIGATION:

Despite the release of the long-awaited report from the PIC Commission of Inquiry in late December 2019, which found no misconduct on AYO’s behalf in the share subscription transaction in question, the PIC did not withdraw the legal action that they have embarked on earlier in the year. The end of the reporting period saw the appointment of Abel Sithole as the new CEO of the PIC. Since the public announcement of the appointment, AYO has attempted to proactively engage with the new leader and we are hopeful that both organisations will grasp the opportunity for constructive dialogue and find a way to work together for the benefit of both our stakeholders.

The defamation claim, on the other hand, while much less significant in its potential financial impact, has demonstrated to our team the need for a robust business continuity plan, as even such frivolous matters, can impact on our internal resources at crucial business times and detract us from important opportunities. The claim has given AYO the opportunity to hone its legal response and stakeholder engagement to protect the business from any negative publicity that could arise from this and similar situations in the future.



EXECUTION OF STRATEGIC ACQUISITIONS FOR FUTURE GROWTH

OPPORTUNITY:

A strong focus on implementing our target acquisition strategy remains the corner stone of continual positive performance and growth.

CONTEXT:

Identifying, acquiring and scaling target business units with strong growth potential is the basis of AYO’s business model. External diversions such as media attacks or frivolous legal claims, amongst others, strain our internal resources and may result in missed growth opportunities or delayed strategy implementation for the Group. This could negatively impact our financial performance and delivery on set growth targets.

MITIGATION:

AYO prides itself on running lean efficient operations with a small, very capable team delivering strong performance through challenging times year after year. The pressure the Group was under at the beginning of the reporting period, however, being subjected to three simultaneous audits, while also responding to the above-mentioned legal matters and negative media narratives has taken a toll on our human resources, leading to exhaustion and diminished focus. Additions were made to the team at both Board and operational level to ensure that the Company has sufficient capacity to realise market opportunities and deliver on its strategic imperatives.

Khalid Abdulla joined the Board and the executive team to assist in the implementation of our target acquisition strategy, contributing valuable deal-making experience. On operational level a Group executive management team was established to work closely with the Executive Committee and ensure seamless implementation of strategic directives. The Group executive team also works closely with the subsidiary companies to identify potential symbiotic relationships and realise common projects.



CYBER THREATS AND DATA SECURITY

OPPORTUNITY:

Protecting the security of sensitive data and users can prevent critical business interruptions.

CONTEXT:

Cyber-attacks and data breaches, be they malicious or accidental, could compromise confidential information and result in business interruptions, reputation impairment or even loss of revenue. The national COVID-19 lockdown forced the implementation of remote working protocols without sufficient time to establishing relevant data protection practices, while cyber threats have risen tremendously on a global level.

MITIGATION:

Data protection has long been a priority at AYO with relatively high levels of awareness and compliance amongst employees, particularly as one of the most significant subsidiaries of the Group, Puleng Technologies, is a specialist cyber-security unit. However, we acknowledge that cyber-attacks continuously evolve in their complexity and magnitude, which requires us to be vigilant at all times.

During the reporting period the internal audit team undertook an in-depth assessment of the IT security protocols and practices across all Group units, evaluating their appropriateness and effectiveness. The Board has approved the appointment of a full-time specialist IT auditor who will join the internal audit function in the coming financial year and will monitor and augment the Group's cyber security software and processes on ongoing basis.



TALENT AND SKILLS SHORTAGE

OPPORTUNITY:

To position AYO as an “employer of choice” in the South African talent market space.

CONTEXT:

Highly specialised technical skills are in short supply globally and the South African ICT industry is one of the worst affected, with top industry talent being lured by lucrative opportunities in more developed economies. Additionally, the fast pace of technological advancement and innovation necessitates continual education and upskilling of specialist staff. Failing to attract, retain and invest in ongoing talent development could impact on our ability to innovate, service our customers effectively and remain competitive.

MITIGATION:

Talent attraction and retention has long been recognised as and remains a key priority for the AYO Group. We continue to enhance and refine our employee value proposition by focusing on not just fair remuneration, but an all-encompassing reward philosophy inclusive of career prospects and opportunities, culture and values, conducive working environment, compensation and benefits. AYO's remuneration policy was again reviewed and adjusted during the reporting period in line with legislative requirements and industry best practices with additional short- and long-term incentives included for key staff roles.

We continue to invest in the ongoing upskilling and development of our staff, as well as welcoming and training fresh young talent, through our learnership and internship programmes. We also look beyond our current business needs and invest heavily in education initiatives across the country, which enables us to both develop a strong future talent pool and advance an important UN SDG, namely SDG 4 - Quality Education.

While significant incentives have been put in place to motivate and retain key individuals in critical roles, we aim to further our efforts in this regard in the next financial year, with strong focus on succession planning and business continuity.

Having the courage to make tough choices

OUR TRADE-OFFS

As a business, our ultimate goal is to create maximum sustainable long-term value for our stakeholders. But as the popular adage goes, “there is no such thing as a free lunch”. In executing our strategy, we often have to make difficult decisions, balancing what economists call the opportunity costs. This refers to matching the availability and quality of our capital inputs with the opportunities and their associated expected outcomes, as well as balancing the short- and long-term impacts of our operations. This decision-making process is done in an integrated manner, informed by our four key strategic focus areas and pertinent material considerations.

STRATEGIC FOCUS:

Disciplined strategic Investments

CAPITALS IN PLAY:



FINANCIAL, INTELLECTUAL, MANUFACTURED, HUMAN.

UNDERSTANDING THE TRADE-OFF:

As a responsible investor, our core function is to identify and acquire business investments that diversify our portfolio, complement our product and services mix and enhance our customer offering. While we are confident in our investments’ long-term contribution to the Group’s financial performance, the capital outlay associated with purchasing equity or financing the scaling of a subsidiary, reflects negatively on our short-term cash balance.

Further, successful onboarding of a new unit within the Group often requires operational and structural modifications and serves to stretch the short-term demands on our internal resources, particularly our team.

With each investment decision, we strive to balance the costs, risks and anticipated benefits by assessing its strategic fit with the rest of our portfolio, performing thorough due diligence checks and applying stringent financial performance criteria. While investment is by definition a forward-looking exercise with an associated inherent risk, we take our responsibility as a custodian of our shareholders’ capital seriously and continuously strive to deliver above market average returns for them in the short-term while enabling the sustainable long-term growth of the investment portfolio.

We see the completion of an acquisition negotiation not as an end of a project but rather as the start of a long and involved business partnership. While we are far from a “helicopter parent” company mentality and adopt a decentralised management approach with our subsidiaries, our new investments often need operational assistance from our experienced team of Group executives. This is an important trade-off between investing the human and intellectual capital of AYO and growing the long-term manufactured capital value for the Group.

STRATEGIC FOCUS:

Partnerships for growth

CAPITALS IN PLAY:



INTELLECTUAL, MANUFACTURED, HUMAN, SOCIAL, FINANCIAL

UNDERSTANDING THE TRADE-OFF:

Our partnership mentality is an underlying business principle for AYO. We believe that creating a collaborative environment for our Group companies and nurturing symbiotic relationships (i.e. investing in social capital) will enhance every aspect of our business.

The sheer diversity of our Group, encompassing all demographic segments, in terms of people, and business units of different sizes and lifecycle stages, provides an enriching experience for our human capital, encourages them to further their skills and stretches their potential. It also enhances our ability to innovate and service our customer base, thus bringing about an upswing in our manufactured and intellectual capital. Ultimately, these collaborations lead to the implementation of successful projects, leading to an increase in our financial capital.

Given the positive impact of collaborative partnerships on so many of our capitals, creating a conducive environment that enables the growth of and symbiosis amongst our business units, is paramount to our future success. Thus, we continue to invest time, energy and resources to strengthening relationships and creating platforms for joint projects within the Group. During the reporting period a new management layer of Group executives was created with the mandate to support the stable of subsidiaries within their respective disciplines and drive communication and shared projects amongst the units. We have already seen a number of effective implementations to date and look forward to reporting on more of their successes in the future.

STRATEGIC FOCUS:

Talent development

CAPITALS IN PLAY:



HUMAN, SOCIAL, INTELLECTUAL, MANUFACTURED, FINANCIAL

UNDERSTANDING THE TRADE-OFF:

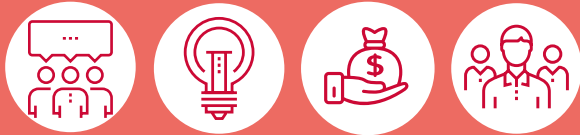
Continual education, up-skilling and re-skilling carries more than high financial costs. It requires significant time investment from the employees and puts pressure on their available time as they need to balance work and training commitments. Yet, we believe that no investment in the further development of our talent is too big, as it not only has positive influence on our intellectual and manufactured capital, but also benefits the employees in their personal capacity and also instils loyalty and commitment (social capital).

As a leading business enterprise and a good corporate citizen, we are also deeply committed to creating value for the broader community as well and have identified talent development as a priority business objective not just within but outside the organisation. Our financial investment and partnerships with key NPOs saw the successful launch of a new science lab at Kulani Secondary School in Langa and a number of other educational projects, which are described in more detail in Our Impact section of this report.

These initiatives enable us to not only advance the promotion of UN SDG 4: Quality Education and generate positive brand associations and goodwill, but also to balance the short- and long-term value of our talent development investment. By giving young, underprivileged learners access to world-class science facilities we aim to inspire their love for learning and look fondly at them while they flourish into their full potential. It makes us proud to be a part of the developmental journey of our future leaders.

STRATEGIC FOCUS:

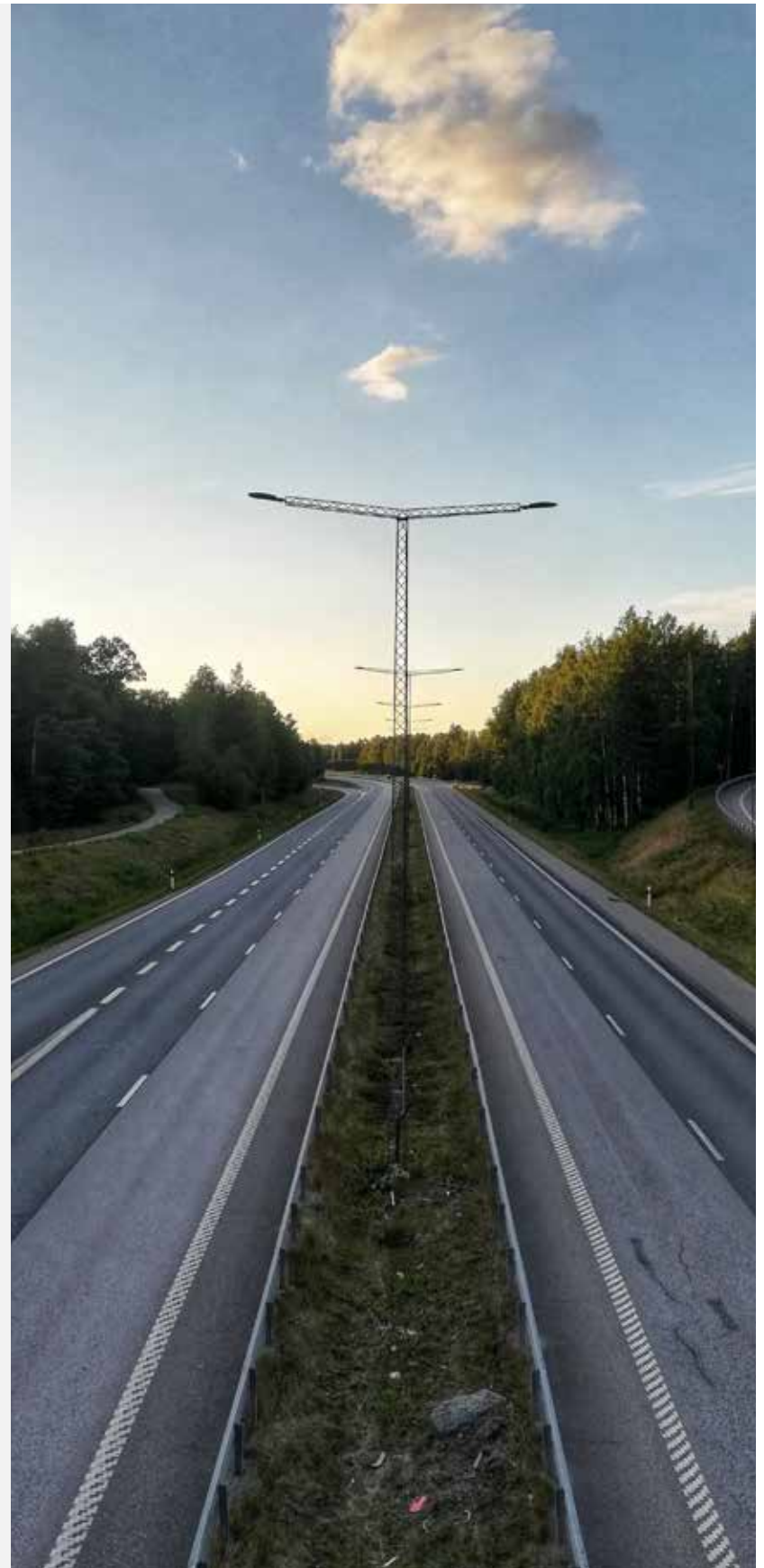
Reputation management

CAPITALS IN PLAY:**SOCIAL, INTELLECTUAL, FINANCIAL, HUMAN****UNDERSTANDING THE TRADE-OFF:**

A brand's reputation is its most important asset. Positive brand perception builds confidence, inspires loyalty and ultimately, leads to higher revenues. Thus, it is one of AYO's strategic priorities to establish itself as a respected thought leader in the technology space and an admired industry frontrunner.

Building a strong reputation requires more than just "doing the right thing". It involves commitment, engagement with peers and stakeholders and consistent communication, which economically translates to human and financial capital outlay. The social and intellectual capital gains, however, more than offset such investment. In the technology industry specifically, where a company's assets are primarily based on intangible properties, a strong brand can exponentially increase the value it creates for its stakeholders.

While we have always prioritised integrity and honesty in our operations, we believe we could improve on the publicity of our good ethics and industry knowledge. As we grow into our business leadership standing, we make a concerted effort to engage with our audiences (customers, industry peers, business community, media) and open conversations, voice insights and opinions, share successes and address challenges together. We understand that respect needs to be earned and it is a long road we have embarked on, so we will continue to make concerted efforts to grow our social capital in this way. After all, we cannot put a price on growing our brand value.





Progressing with integrity

SPOTLIGHT ON CORPORATE GOVERNANCE

AYO embeds the highest standards of governance in its operations, striving to manage its affairs with integrity, honesty and transparency, thus creating long-term value for all its stakeholders. Our aim is to not simply comply with relevant governance guidelines as prescribed in the King IV™ Code, but to be seen as an exemplar corporate citizen implementing best global practices.

AYO has laid a strong foundation for making corporate governance a way of life. The Company has a strong, well-balanced Board incorporating diverse skills and insights, which is knowledgeable, active and independent. Five committees assist the Board in discharging its duties and serve as a mechanism for governance and strategic oversight. A full library of policies, codes and strategic frameworks is developed, regularly updated and implemented to ensure the business is conducted ethically and responsibly.

Integrity is paramount to our business. Our employees' behaviour is governed by the Group's Code of Ethical Conduct, which is based on the premise of integrity, responsibility and excellence. A Code of Conduct for Strategic Partners provides the ethical and legal framework for our business relationships and informs the behaviour of all our business units, advisors, partners and any consortium we may operate in.

Our approach to progressing business interests with integrity is based on four pillars, which just like a four-legged table are meticulously balanced for optimal outcomes.



LEADERSHIP ENGAGEMENT

The very leaders of our organisation – our Chairman, Dr Wallace Mgoqi, the Chief Executive Officer, Mr Howard Plaatjes, and the Director of Corporate Affairs, Ms Vanessa Govender, together with the other members of the Board – set up the direction and governance structure of AYO and serve as role models of ethical behaviour for all employees in the Group. The audit and risk committee works closely with the internal audit unit on matters relating to governance and compliance with the head of the unit reporting directly to the committee chair. The close engagement between the Board, the Executive Team, the relevant Board committees and operational units within the organisation serve to promote open communication, transparent practices and adherence to the ethical principles adopted by the Group.



COMPLIANCE STRUCTURE

A full library of no less than 50 documents sets a robust framework for ethical behaviour and good corporate citizenship at AYO. This extensive collection guides decision-making and behaviour of all our employees, executives and directors in areas as diverse as competition law compliance, electronic communications, access to sensitive information and even gift and hospitality acceptance. Policies, developed to encourage and protect whistle blowers or avert insider trading, also form part of the governance compliance framework.

Employees, directors and executives are expected to familiarise themselves with the relevant policies and accept the Code of Ethical Conduct governing the organisation. Board members are required to declare their interests on a regular basis, which promotes transparency and ethical behaviour from the top down.



COMMUNICATION AND TRAINING

The effective implementation of our extensive governance framework is contingent on the effective dissemination of the information to all employees of the Group, as well as regular refresher training and communication. Employees are initially introduced to the full complement of governance documents in their welcoming induction. The information is then kept top-of-mind through regular internal communications both in the form of staff circulars and newsletters and through face-to-face meetings and workshops.

During the reporting period key functional roles within the Company, including Group executives, financial reporting and internal audit team members and the company secretary attended a series of training workshops with the corporate sponsor Vunani, which introduced them to relevant compliance requirements from legislative frameworks such as the Companies Act, the JSE Listing Requirements and the King IV™ Governance Code. It is envisioned that refresher, as well as more detailed training, will continue to be provided to the team in 2021 and beyond.



MEASUREMENT AND REPORTING

To assess the level of awareness, implementation and compliance with our governance framework, a detailed measurement initiative was carried out during the reporting period using the approved King IV™ evaluation tool. This involved self and peer evaluation of Board directors, detailed description of application examples and assessment of compliance against all relevant legislation. The measurement initiative not only identified our best practices and areas of governance that we can improve on, but also resulted in increased awareness of regulations and cross learnings amongst the leadership layers.

In 2020, the Group also published its first stand-alone King IV™ Implementation Report, which is available to all stakeholders from our website and our offices. The report aims to showcase the Group's stellar corporate governance framework and implementation, in line with our strategic focus area of building brand value and trust, and will be a consistent addition to our reporting suite going forward.

SECTION 4: OUR LEADERSHIP

- Board of directors 50
- Management speak 54

COMMITTEE REPORTS

- Nominations committee 58
- Audit and risk committee 60
- Social, ethics and transformation committee 63
- Investment committee 66
- Remuneration committee 68





OUR LEADERSHIP

Board of directors

“THE STRENGTH OF ANY ORGANISATION IS A DIRECT RESULT OF THE STRENGTH OF ITS LEADERS

JOHN MAXWELL

As the famous leadership expert, John Maxwell, says, an organisation is only as strong as its leaders. At AYO we have a diverse, knowledgeable and active Board, which steers the Group from the foundation of a clear mission, vision for the future, purposefully designed strategy and a culture conducive to success. Through oversight, the Board ensures that AYO capitalises on opportunities, manages risks and creates value in an ethical, responsible and effective manner. The Board’s duties are discharged with the assistance of five Board committees, each with its formally mandated terms of reference.

The prudent selection of directors sitting on the Board underpins the effectiveness of the structure and ensures optimal combination of expertise and experience to encourage healthy debate and drive the Group’s accelerated growth. With AYO’s renewed focus as a purely technology investment entity during the reporting period, two new Board members were appointed during the financial year, whose specific areas of expertise complement the existing constitution and help promote the Company’s strategic objectives. There were no Board resignations in the 2020 financial year, but shortly after, on 11 November 2020, Mr Sello Rasethaba stepped off the Board.

Prof Louis Fourie is a celebrated academic and thought leader in the field of technology. His invaluable input in terms of insights into future leading technologies, as well as strong business acumen, has helped AYO sharpen its investment strategy and pipeline, prioritise future areas of interest and inform acquisition decisions.

Khalid Abdulla joined the Board as an executive director in March 2020. His extensive commercial and deal-making experience is utilised in acquisition and investment negotiations, which are critical to AYO’s strategy implementation.

LEFT TO RIGHT: DR WALLACE MGOQI, HOWARD PLAATJES, TATENDA BUNDO, VANESSA GOVENDER



A key addendum to the Board is the company secretary, Mr Wazeer Moosa, who is responsible for the proper compilation and timely circulation of documents pertaining to the Board’s affairs, raising matters that may warrant the attention of the Board and assisting and advising the governing body and its committees. Mr Moosa was selected and appointed by the Board and has displayed the necessary competence, qualifications and experience for the position. 2020 financial year was the second year of Mr Moosa’s tenure at AYO and his contributions in terms of statutory compliance and disclosure, aligned with all relevant legislation, have proven invaluable to the organisation.

We have a well-rounded, diverse, knowledgeable and active Board, the majority of which comprises of non-executive directors and an independent non-executive chairman, as follows:

LEFT TO RIGHT: KHALID ABDULLA, PROFESSOR LOUIS FOURIE, AZIZA AMOD, DR DENNIS GEORGE, ISMET AMOD, ROSEMARY MOSIA,
DR NGOAKO RAMATHLODI, *SELLO RASETHABA (ABSENT ON DAY OF SHOOT)



DIRECTOR	OFFICE	DESIGNATION	APPOINTMENT DATE
H Plaatjes	Chief Executive Officer	Executive	21 Dec 2018
IT Bundo	Chief Financial Officer	Executive	22 Jan 2019
V Govender	Corporate Affairs	Executive	21 Dec 2018
* K Abdulla	Deputy Executive Chairman	Executive	12 Mar 2020*
Dr WA Mgoqi	Chairman	Non-executive	20 Aug 2018
AB Amod		Non-executive	26 Feb 2013
Dr DH George		Non-executive	20 Aug 2018
RP Mosia		Non-executive	21 Aug 2018
^ SM Rasethaba		Non-executive	24 Aug 2018
Adv Dr NA Ramatlhodi		Non-executive	7 Mar 2018
I Amod		Non-executive	22 Jan 2019
* Prof LCH Fourie		Non-executive	7 Jul 2020*

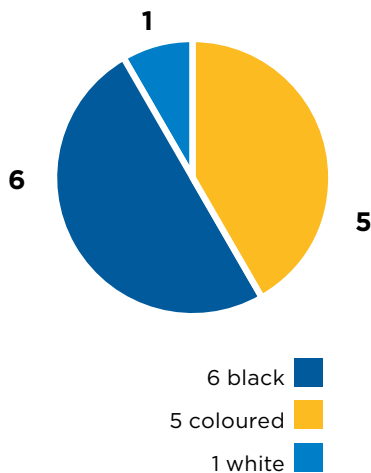
* NEW APPOINTMENTS

^ RESIGNED AS OF 11 NOVEMBER 2020

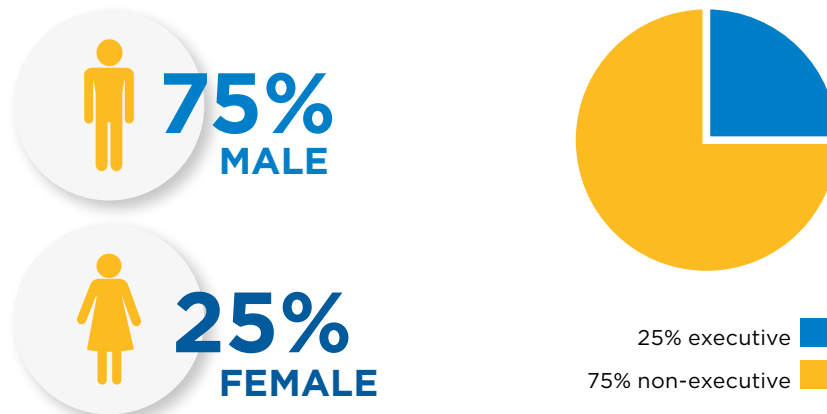
Governance structure



Board race distribution



Board diversity statistics



“ GREAT LEADERS DON'T
SET OUT TO BE LEADERS.
**THEY SET OUT TO
MAKE A DIFFERENCE**
WARREN BUFFET



Management speak

REFLECTIONS FROM OUR CHIEF EXECUTIVE OFFICER

A corner stone in the successful execution of AYO's value-creating strategy is to provide the appropriate level of support to its underlying investments. This can be challenging at times, given the diversity of our Group companies in terms of size, lifecycle stages, inherent resources and capabilities as well as strategies and objectives. Thus, a key development during the reporting period was the establishment of a senior team of Group executives – handpicked experts in their respective fields, whose mandate is to work closely with the investee companies to promote Group cohesion, identify collaboration opportunities and facilitate the achievement of our strategic objectives.

The team works closely together, as well as with our Executive Committee and the investee companies' teams, to maximise the Group's resources, promote common goals and unlock shared value, which is much greater than just the sum of its parts. They have already proven to be a valuable link in the Group's operating chain, in the short space of time since assuming their respective portfolios, and share the following focus points for their roles in the upcoming year:



INVESTMENTS

[in-vest-muhnt]

the investing of money or capital in order to gain profitable returns, as interest, income, or appreciation of assets.

WAKEEL MCLAHLAN

Group Executive -
Investments

“My role focuses on building value for the AYO Group through aggressive acquisitive growth. In the short term, I am looking at enhancing our current portfolio of investments, as well as creating synergistic value for these investments, while boosting the overall Group's offering by introducing complimentary products and services promoting the advancement of the 4iR.”



TECHNOLOGY

[tek-nol-uh-jee]

the branch of knowledge that deals with the creation and use of technical means and their interrelation with life, society, and economics.

MAHOMMED DOOLA

Group Executive -
Technology

“My portfolio is centred around directing and leading collaborative projects within the AYO Group to maximise the inherent technology know-how within our diverse subsidiaries, unlock shared opportunities and create valuable solutions for our collective clients. In the next six to twelve months I look forward to enhancing the Company’s IT controls and processes and actively participating in the delivery of key technology projects across the Group.”



BUSINESS DEVELOPMENT

[dih-vel-uhp-muhnt]

the act or process of developing; growth; progress: business development.

XOLO MOTSWASELE

Group Executive -
Business Development

“My focus as the GE: Business Development is to provide meaningful support to our subsidiary businesses, ensure the strategic alignment within the Group and identify and develop opportunities for collaboration and innovative applications of current products. I also work with the GE: Marketing on strengthening AYO’s positioning as an industry leader and engaging with industry peers at prominent ICT platforms, such as Africa Com and SA Innovation Summit. These are powerful stages that will begin to shape the African agenda through technology and position AYO as a valuable contributor.”



MARKETING

[mahr-ki-ting]

the activities involved in the creating, communicating, delivering and exchanging offerings that have value for customers, clients, partners and society at large.

JENI KOSTOVA

Group Executive - Marketing

“As the GE: Marketing, my portfolio focuses on the articulation and delivery of our Company’s and investments’ brand and communications strategies. I aim to enhance the image and positioning of each one of our subsidiaries as an undisputed leader in their respective niche markets and promote AYO as a trustworthy, inspiring and knowledgeable player in the technology field. Going forward I also plan to work closely with our investee companies to assist them into diversifying the application of their proprietary technologies into new industries and develop a collaborative platform for engagement and cross-pollination amongst our brands.”



PEOPLE

[pee-puhl]

the division of business that is charged with finding, screening, recruiting and training talent and all things people related.

SNOW MOKGALABONE

Group Executive - People

“The GE: People, as the name implies, handles the human factor within the organisation and I look forward to making my mark on this important portfolio. AYO has historically been committed to being an employer of choice and supporting the development of our employees. My top priorities in the upcoming period focus on driving the Group’s succession management plan to ensure long-term sustainable value creation, employee engagement and integrated performance management. We have an abundance of great talent within our stable and I am truly passionate about motivating and encouraging them to reach their full potential.”



FINANCIAL CONTROLS AND SYSTEMS

[kuhn-trohl] [sis-tuhm]

the procedures policies and means, by which an organisation monitors and controls the direction, allocation and usage of its financial resources.

NOMVUYO DUBE

Group Executive -
Financial Controls and Systems

“My role as the GE: Financial Controls and Systems is challenging and diverse. The AYO Group comprises of a number of subsidiary companies of various sizes, lifecycle stages and levels of sophistication of their internal financial control systems. The teams within the different operating units are also of various levels of experience and confidence. My job, therefore, in the upcoming year will be to maximise efficiencies through implementing a unified financial controls system across the Group, supporting the subsidiary teams during the roll out and ensuring the consistency, accuracy and integrity of financial reporting throughout the organisation.”



FINANCE

[fi-nans, fahy-nans]

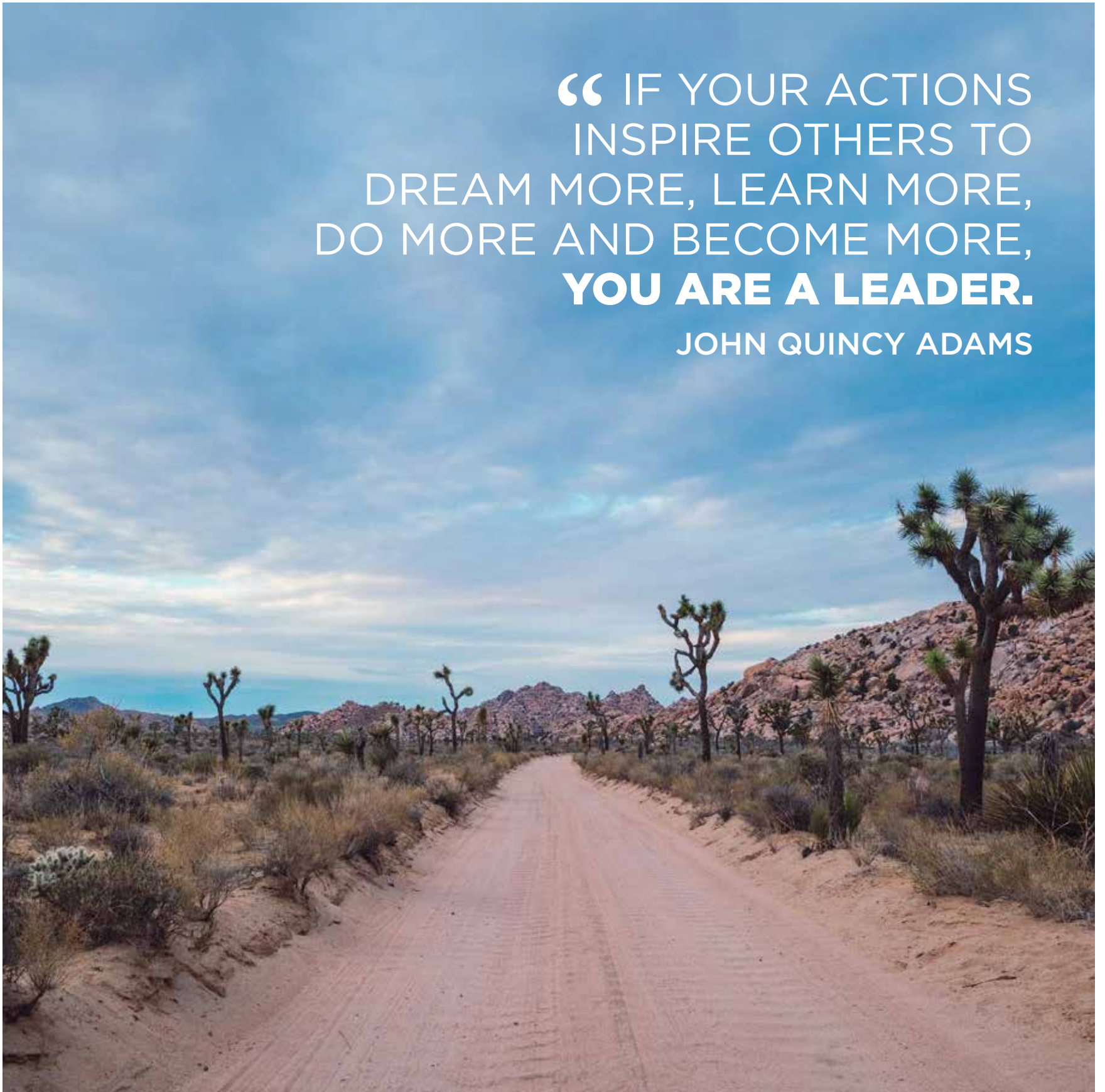
the management of revenues; the conduct or transaction of money matters generally, especially those affecting the public, as in the fields of banking and investment.

NOKUKHANYA SITHOLE

Group Executive -
Finance

“I have recently joined the AYO team and am excited for the challenge ahead in this role, looking forward to dive into such an important portfolio. I believe that the current economic conditions, as unsettling as they are, have given rise to some great opportunities for AYO in terms of growth and will aim to support the Company as it makes the most of these opportunities, by optimally utilising its resources. As the Group grows, which it has done rapidly over the last few years, the demands on its financial management and reporting become much more complex and my objective is to align AYO’s processes with global best practices and nurture and support the finance team in these challenging but exciting times.”

“ IF YOUR ACTIONS
INSPIRE OTHERS TO
DREAM MORE, LEARN MORE,
DO MORE AND BECOME MORE,
YOU ARE A LEADER.
JOHN QUINCY ADAMS





Nominations committee reports

Dear Stakeholder,

As the chair of the nominations committee, I am delighted to present to you a brief summary of the activities and resolutions of the committee during the 2020 financial year.

The key function of the nominations committee is to ensure that the Board comprises the appropriate balance, knowledge, skills, experience, diversity and independence for it to discharge its governance role and responsibility objectively and effectively, as well as to monitor and evaluate the performance of individual directors and the governing body as a whole. The committee consists of three non-executive directors and met thrice during the financial year.

Our mandate is to maintain a Board size that promotes accountability and encourages healthy, constructive debate and decision-making, while meeting regulatory and MOI requirements. With the rapid growth of AYO in the three years since listing and the Group's ambitious growth strategy founded on aggressive acquisition expansion, the committee felt that the Board would strongly benefit from the addition of specialised skills and input that would enable it to make headway with its strategy delivery. Thus, two new Board members were nominated and appointed during the year.

During the period 6 May 2019 to 12 March 2020, the Chief Financial Officer for the AYO Group, Mr Tatenda Bundo, acted as a Chief Investment Officer in addition to his mandated responsibilities on an interim basis. Due to the excessive demands of these crucial roles and the dual responsibility, corporate finance advisors were regularly engaged to assist with the initial screening, detailed assessment and valuation of potential investments, prior to presenting the opportunities to the AYO executive team and investment committee to assess the alignment of the proposal with the Group's investment strategy. The nominations committee was of the opinion that the role of identifying, screening, assessing and valuating potential acquisitions is critical to the execution of

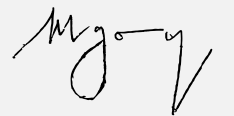
the Group's strategy and resolved to expand the Board with an additional executive director who would carry out this important function. On 12 March 2020, Mr Khalid Abdulla was officially appointed as the Executive Deputy Chairman for the Group with the principle responsibility of spear-heading the execution of the Group's investments identification and assessments.

Technology advances at a rapid rate and keeping abreast of the latest developments in the field is particularly important for the Group. It enables us to identify new technologies worth investing in, that will drive exponential, yet sustainable future growth for our business and promote the advancement of life, business and economics in our country and community. This was the rationale behind the appointment of Professor Louis Fourie as a non-executive independent director to the AYO Board, effective 7 July 2020. Professor Fourie is a respected academic in the fields of science and technology. He is currently an adjunct professor in information science at the Graduate School of Business at the University of Arkansas and has held a number of illustrious posts in academia over a long successful career. Professor Fourie's deep understanding of technology and progressive future outlook provide a rich background for the Board's deliberations and enable informed decision-making in terms of our strategy implementation. We are honoured and proud to have a director of such high calibre in our team and are impressed by the quality and value of his input in the short time since his appointment.

With these new appointments, AYO boasted a knowledgeable, strong and diverse Board by the end of the reporting period, comprising of 12 members, eight of whom - non-executive and six - independent, in line with the Group's policy for promotion of broader diversity at Board level. The composition of the governing body was more than satisfactory with 87% HDI membership and 25% female representation.

The nominations committee will continue to assess the composition of the Board against its evolving skills, expertise and demographic diversity needs and recommend appointments of directors with due regard to the potential contribution such new appointments can make at Board level to the promotion and execution of the Group's strategy and objectives. We will continue to monitor, discuss and annually agree to measurable targets in terms of diversity

and contributions of Board members and report our findings and recommendations. The Group's strategic plan and skills requirements, as well as diversity policy, will continue to inform our nominations in 2021 and beyond. Full Board diversity policy is available to interested parties on the Company's website at www.ayotsl.com



Dr Wallace Mgoqi

Chair of Nominations Committee

22 December 2020

NOMINATIONS COMMITTEE MEETING STATISTICS

MEETINGS	ATTENDANCE
3	100%



Audit and risk committee report

Dear Stakeholder,

On behalf of the audit and risk committee, I am pleased to address you and report on the committee's activities for the financial year ending 31 August 2020, as recommended by the King IV™ Code, the JSE Listing Requirements and the Companies Act.

The audit and risk committee was busy and active during the reporting period, holding eight formal meetings with an overall attendance rate of 85%. The meetings were attended by the five non-executive directors, all of whom have proven to have the requisite business acumen, skills and experience to contribute meaningfully to the affairs of the committee, as well as executive directors, the internal auditor and representatives of the appointed external audit partners, who were invited to contribute as required.

Before I dive into reporting on the activities and the outcomes delivered by the committee, I would like to reiterate the role, purpose, lines of accountability and key functions the committee performs. The audit and risk committee has an independent role with accountability to both the Board and shareholders. It does not assume a management function, which remains the responsibility of the executive team, but rather provides an independent oversight of the effectiveness of the Company's assurance arrangements and the integrity of the Group's annual financial statements and other external reports. Additionally, we assist the Board in carrying out its duties relating to accounting policies, internal controls, financial reporting practices and identification of significant risk exposure. The committee has the power to make decisions relating to its statutory duties and is accountable for its performance in this regard.

AUDIT AND RISK COMMITTEE MEETING STATISTICS

MEETINGS	ATTENDANCE
8	85%

We believe that timeous, direct and honest communication is instrumental to the committee's ability to effectively deliver on its mandate. Thus, we maintain unrestricted, continuous interaction throughout the year with the executive management team and the internal audit unit, whose head reports directly to me. We also work closely with the external audit partners who are in direct contact with myself and the other members of the committee continuously. Finally, I am available at the Annual General Meeting to answer any questions that shareholders in the Group may have.

The committee executed its responsibilities pursuant to paragraph 22.15(h) of the JSE Listing Requirements during the reporting period. The most notable committee deliberations and inputs in 2020 pertained to the following topics:

FINANCIAL REPORTING

One of the key responsibilities of the audit and risk committee is the review and oversight of the Group's financial reporting, application of accounting policies and publication of interim and annual financial statements in accordance with IFRS, JSE Listing Requirements and the Companies Act. During the reporting period the committee reviewed and approved the publication of Group and Company Annual Financial Statements, as well as re-stated Interim Results for the periods ending 28 February 2018 and 28 February 2019.

The committee is satisfied that all published financial results were prepared in accordance with the framework concepts and the measurement and recognition requirements of IFRS, the SAICA Financial Reporting Guides and Financial Reporting Pronouncements, as issued by the Financial Reporting Standard Council. We considered the appropriateness of the accounting policies adopted by the Group, the treatment of significant transactions and the processes implemented in the preparation of the financial statements. We are satisfied that the statements fairly represent AYO's financial position for the period, implementing the updated IFRS requirements.

The committee further reviewed and accepted the 2020 Integrated Annual Report as a document of the required quality and integrity.

The new IFRS requirements that came into effect in 2018 and were adopted by the Group in the 2019 financial reports, namely IFRS 9 and IFRS 15, had no major deviations from our adopted classification of financial assets and thus, had no material effect on our performance results. During this reporting period, changes that became effective in the framework, affected IFRS 16, which sets out the principles for recognition, measurement, presentation and disclosure of leases. On transition to IFRS 16, the Group measured liabilities at present value and made no adjustments to its opening balance of retained earnings on 1 September 2019, which resulted in a significant increase of the financial position as of opening date. Detailed explanation of this effect is included in the Group's Reviewed Preliminary Condensed Financial Results, which are available on the Company's website.

EXTERNAL AUDIT

Following a positive and productive business relationship with audit partner BDO South Africa Inc., spanning over 22 years, the Group sought fresh view and input and set out in pursuit of a new external audit partner. The committee felt that in line with our Group's mission to promote and support small and medium South African businesses and in the interest of our business' integrity, the opportunity should be opened to a transformed, progressive, local auditing partner, provided it complies with the appropriate and requisite stringent professional requirements. After careful consideration and evaluation, an appointment was made to Thawt Inc., under the leadership of Mr Afzal Khan, working in association with Crowe JHB Inc led by Mr Gary Kartsounis.

The new partnership progressed well in its inaugural year with the external auditing partner team performing reasonably and professionally. Both Mr Khan and Mr Kartsounis interacted extensively with the committee, attending several committee meetings, providing valuable input and guidance in the preparation of the Group's financial statements. The committee was satisfied with the scope of services and level of professionalism contributed as well as the costs of services rendered by the two companies.

INTERNAL AUDIT

As any other considerable business organisation, the AYO Group relies on internal control mechanisms and systems, designed to assess the adequacy of governance structures, provide assurance as to the reliability and integrity of financial reports and manage risk. In the past, this function was fulfilled by the head of internal audit of our parent company – AEEI. However, our rapid growth since listing has resulted in an increased scope for the internal audit function and associated requirements for our internal audit entity. Thus, a formal internal audit team was established on 1 March 2020 with the head of the unit, Mr Sanda Mnyazi, working closely with and reporting directly to me.

The internal audit unit is facing a huge amount of work, starting with drafting a formal unit charter, reviewing and assessing an extensive library of governance framework documents, preparing a detailed internal audit plan, risk assessment and evaluating the processes and mechanisms in place across the various operating companies in the Group. As a fairly new unit whose function was somewhat inhibited by the remote working protocols adopted in the second half of the financial year, internal audit did not provide much input to the external audit partner in this reporting period. With view of the nature and scope of the work to be done, the committee has approved additional resources to be recruited by the team and we look forward to closer engagement between the three structures in the next financial period.

RISK MANAGEMENT

The governance of risk has been delegated to the committee by the Board and is a key deliverable for the unit. During the year, the committee once again reviewed the Group's Risk Management Policy, Risk Appetite and Tolerance Statement as well as the Charter of the Audit and Risk Committee itself, and is satisfied that the above documents are fully aligned with all relevant legislation, the JSE Listing Requirements and the King IV™ Code.

The committee further reviewed the Group budget and strategy for the 2021 financial year with the view of early detection and identification of possible material risks. As the AYO Group has reached a state of maturity, it is envisioned

that future revenue growth will be driven primarily by new acquisitions, which inherently have a higher associated level of risk. Vunani Corporate Finance was engaged to perform in-depth valuations of the Group's current portfolio of investments.

RELATED PARTY TRANSACTIONS POLICY

The committee, in consultation with our corporate sponsor, Vunani, developed, approved and adopted a Related Party Transactions Policy during the reporting period. The AYO Group has grown rapidly in a short amount of time since listing, while itself belonging to a larger family of organisations through its parent company network. Thus, the amount and complexity of transactions the Group enters into with various related parties, increasingly provides basis for variances of interpretation in certain IFRS standards. The committee identified this as potential legislative risk and resolved to formalise AYO's approach and classifications of such complex transactions. The committee envisions to regularly assess and update this new policy as well as to facilitate annual refresher workshops for directors and key staff going forward, to ensure full compliance and accurate disclosure of such transactions in future.

Finally, the committee reviewed and assessed the adequacy, expertise and experience of the Chief Financial Officer, as well as the financial department, as per paragraph 3.84(g)(i) of the JSE Listing Requirements. 2020 was the second year and first full reporting period of Mr Tatenda Bundo's tenure in the executive role. We are very pleased with the progress Mr Bundo has made in this short space of time in terms of the efficiency and accuracy of the Group's financial reporting processes and delivery. We are of the view that Mr Bundo is a professional of the highest standard and is well-positioned to fulfil this important role.



Rosemary Mosia

Chair of Audit and Risk Committee

22 December 2020



Social, ethics and transformation committee report

Dear Stakeholder,

It is my pleasure to address you this year and outline the key activities and outcomes of the initiatives spearheaded by the social, ethics and transformation committee during the 2020 financial year period. The committee's main purpose is to govern the ethics of the Group in a way that supports the establishment of an ethical culture and assist management in the formulation and implementation of policies, principles and practices to foster the sustainable growth of the Company. This report aims to summarise AYO's performance in respect of non-financial aspects involving social, economic and environmental governance and the incorporation of the United Nations Global Compact principles in our efforts to create value within our communities and society.

We started the reporting period by finalising the transfer of AYO from the jurisdiction of the HWSETA to that of the MICT SETA. This re-classification presented our Group with the prospect to accelerate the implementation of various training interventions through the AYO Academy. We immediately seized the opportunity and positioned the unit as the training institution and supplier of skills for the Group and the industry at large, by fortifying our efforts in respect of internship, learnership and staff development programmes.

A total of 21 internship opportunities were presented to previously disadvantaged young talent – 15 in the first half of the reporting period and six in the second. Following the successful learnership initiative of 2019 where all learners who completed the programme were absorbed as permanent staff members in the Group, ten new positions were opened to selected HDIs providing them with much needed workplace experience, with strong focus on applicants with disabilities.

Our staff development projects were designed to address upward mobility in occupational levels in order to achieve equitable representation through succession planning. The focus was on promoting skilled black male and female employees into mid-management positions.

This was achieved through implementation of training initiatives focusing on certification-based education, compliance training and executive management programmes. Additionally, an all-encompassing diversity training curriculum was rolled out to all employees within the Group.

During the period, we further assisted seven employees with bursaries to further their education in the field of their existing positions and career aspirations. All bursaries were rewarded on condition that the staff member(s) has a retainer in place and the business sees a positive return on investment.

Transformation both, within the Group and in our society at large, has always been and remains a key driver of AYO's socio-economic development activities. We take our responsibility in this regard seriously and aim not simply to be compliant, but to create value within our communities and society and to pursue initiatives with real tangible and measurable impact in the lives of their intended beneficiaries.

A lot of thought and effort was put into indirect empowerment during the period with the Company spending a total of R9.7 million on enterprise, supplier and socio-economic development initiatives.

Our investment into the Inyosi Fund, which disburses ED loan funding to black-owned ICT businesses, contributed to numerous entities, aligned to the broader scope of products and services required in the industry, and ultimately resulted in strengthening of AYO's value chain. This investment was supplemented with a grant made to a specialised entity for the development of robust cyber forensic investigations infrastructure including digital laboratories, web-based training, data collection and technology assessment. The two initiatives brought AYO's total investment in enterprise development projects to R5.5 million.

The Group pioneered a supplier development programme in the previous reporting period, designed to improve the economic participation of black-owned SMEs into its supply chain by providing them with business development support services and tailored financial solutions. The programme was particularly successful and its implementation continued in the 2020 financial year, assisting beneficiary businesses to scale up and compete with larger, more established ICT providers. A total of R2.5 million was invested in the initiative during the period.

A further R1.7 million was spent on socio-economic transformation projects during the year that foster technology learning culture within disadvantaged communities and provide the necessary tools and resources to prepare learners for the work environment. The projects were implemented in symbiotic partnerships with Sakhikamva Foundation, SAME Foundation and QASA and aimed to provide comprehensive support of beneficiary communities, focusing on all aspects of work readiness from infrastructure (building and equipping school science laboratories) to economic support (offering special bursary grants to high-achieving young learners) and integrated job-shadowing opportunities.

Of course, we couldn't ignore the impact of the COVID-19 pandemic on these vulnerable communities and supplemented our education-focused investments with generous donations of food parcels, grocery vouchers and PPE to community-based organisations.

In terms of direct empowerment, AYO has remained an exemplary corporate citizen, achieving its employment equity objectives once again in 2020. Yet, the committee was of the view that even more could be done to enable transformation and agreed on even more stringent targets for the future, aiming for 55% female and 70% black representation at Board level.

Despite all of the above successes, the Company's B-BBEE score was reduced to level 4 during the reporting period, stemming from unsatisfactory achievement of procurement targets. This performance was driven by procurement with respect of a large contract AYO was delivering on, which required purchases' flow via a supplier which was not recognised and accredited in terms of the B-BBEE Act. With the termination of the said contract at the end of the reporting period, we look forward to significantly improving the Company's B-BBEE score to the previously achieved level 3, or even level 2, in the upcoming year.

The establishment, promotion and monitoring of ethical culture within the organisation is another key deliverable for the committee and I am very proud of the progress we have achieved in this respect. Several programmes were introduced and implemented during the period with the objective to integrate ethical behaviour into the operational processes and conduct of all employees within the Group.

AYO seeks to uphold the 10 principles of the United Nations Global Compact and serve as an example to peer

organisations in terms of ethical leadership and operations. Thus, an exhaustive list of legislation literature was considered to develop an ethical governance framework, consisting of a Code of Ethical Conduct governing the behaviour of all level employees as well as external partners, a Way We Work Policy facilitating the implementation of the Global Compact principles in the business' operations and an Indicators-Based Monitoring Plan, which enables the committee to objectively and accurately assess the implementation of adopted ethical behaviour principles. The framework encompasses all aspects of ethical corporate citizenship and follows a multi-dimensional monitoring approach covering clarity with regards to policies and procedures, positive role modelling, transparency, approachability, feasibility, commitment and enforcement.

A notable development in the promotion and encouragement of ethical behaviour has been the establishment of a fraud cracker hot line, managed by an external third-party provider. We believe this new initiative, in conjunction with the newly adopted Anti-Corruption and Bribery Policy, will assist in the timely detection of unethical practices, should such practices take place, protection of whistle-blowers and entrenchment of the honourable ethos we pride ourselves in.

In closing, I would like to thank the members of the committee for their dedication, input and hard work in 2020. They have proven to be a highly devoted team, achieving high levels of attendance to all four committee meetings, despite the disruptions experienced during the national lockdown, participating actively in the affairs of the committee and going beyond the call of duty to promote good corporate citizenship throughout the organisation. They have more than delivered on the committee's tenure to lead transformation within the Group and to ensure that AYO is and remains a committed, socially responsible corporate citizen, contributing generously to the creation of value. I am confident in my report that the committee has fulfilled its mandate as prescribed by the Companies Regulations to the Companies Act and there are no instances of material non-compliance to disclose. I congratulate them on a successful term and look forward to reporting on many more constructive implementations in 2021.



Dr Dennis George

Chair of Social, Ethics and Transformation Committee
22 December 2020

SOCIAL, ETHICS AND TRANSFORMATION COMMITTEE MEETING STATISTICS

MEETINGS	ATTENDANCE
4	85%





Investment committee report

Dear Stakeholder,

I am thrilled to address you once again, this time from my seat as the chair of the investment committee, and share with you the main activities of the committee during the reporting period.

AYO is a technology investment Group and this central business focus renders tremendous importance on the input and contribution of the investment committee in the achievement of the Group's strategic priorities. The main purpose of the committee is to inform the Group's investment strategy, set criteria and targets for investments, evaluate proposals for acquisition and disposal of investments and ensure that proper legal, financial and due diligence processes are strictly followed during acquisition negotiations, so that AYO can continue to create long-term sustainable value for its stakeholders.

Corporate governance regulations stipulate that an investment committee should comprise of a minimum of three directors, including two non-executive and one executive director. As investments are an integral part of our business model and strategy, the Board felt that AYO's investment committee would benefit from diversity of skills, expertise and viewpoints and five directors fulfilled the function in the previous reporting period, i.e. 2019. This year, we extended the team even further, with the appointments of Khalid Abdulla and Professor Louis Fourie joining the investment committee. We welcome the contribution these two gentlemen have added to the committee already and appreciate the value of having such strong, knowledgeable and active team involved in the deliberation of critical investment decisions.

The committee met four times during the 2020 financial year, three of which enjoyed full attendance and one apology received on one occasion. In these meetings we deliberated and discussed a number of investment decisions, concerning both current assets in the AYO portfolio and brand new

investments. Unfortunately, the national lockdown imposed in the country on 26 March 2020 significantly affected due diligence investigations on several projects in our pipeline, resulting in delays in negotiations and closings. Notwithstanding, the committee is not deterred and continues to work on said projects and expects a number of deals to be finalised in the next reporting period.

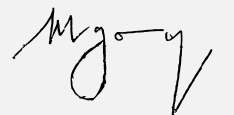
In the last few months, the interim period between the end of the financial year and the publication of this report, the Group has already officially announced its intention and progress on acquiring stakes in Kathea Communications and Disruptive Vision, via the JSE SENS service. We expect to meet all regulatory and statutory requirements for the completion of the two transactions in the very near future and I hope to update you on the inclusion of these strategically important units to the AYO portfolio in my next address. Several other key investment projects are also nearing completion and I invite you to follow our announcements via the JSE SENS, which are available on the AYO website, for timeous information on new investments for the Group.

In respect of investments within our existing portfolio, during the reporting period AYO increased its shareholding in Kulula Communications from 51% to 76%. The committee is of the view that the increased shareholding will improve the subsidiary's B-BBEE score and empower the business' competitiveness within the South African trading landscape.

In my 2019 report I mentioned the formation of a specialised FinTech Fund, in which AYO had invested R100 million, which aims to support emerging South African ICT businesses, putting them on an accelerated growth trajectory, thus driving overall economic growth and development. The committee has been following the performance of the said fund during 2020 and is very pleased with the delivered results. We view the fund's success as a case study for the advancement of socio-economic developmental goals, while simultaneously realising robust returns for its shareholders.

The committee will continue to actively advance the Group's investment strategy in 2021, aiming to achieve significant market penetration and product diversification as well as unlock synergistic value through complimentary portfolio additions. We will look for further expansion opportunities in the SADC and East Africa regions to enhance our geographic footprint and market diversification.

With AYO's solid investment philosophy and strategy firmly in place and a number of negotiations well under way, I believe we can look forward to a successful year ahead that will deliver meaningful contribution to our society and maximum value creation for our stakeholders.



Dr Wallace Mgoqi

Chair of Investment Committee

22 December 2020

INVESTMENT COMMITTEE MEETING STATISTICS

MEETINGS	ATTENDANCE
4	95%



Remuneration committee report

Dear Stakeholder,

I am delighted to present to you the remuneration committee report for the 2020 financial year. The report highlights the key outcomes of the committee's deliberations in its formal meetings and the main components of AYO's remuneration policy and philosophy, as well as illustrates how the policy was implemented to promote value creation and the achievement of the Group's strategic objectives.

The remuneration committee, as mandated by the Board, is the custodian of AYO's remuneration policy, its remuneration to non-executive directors and incentives for executive directors and key staff. We are also responsible for establishing a standardised approach to fair and transparent policies as well as guiding principles for the application of remuneration practices across the Group. We seek to ensure that total remuneration is externally competitive to attract, motivate and retain skilled resources, while also aligned with the organisation's strategic objectives, stakeholders' expectations and shareholders' interests.

The committee held three formal meetings during the reporting period, enjoying high attendance and engagement of directors and invited executives. In those meetings we reviewed and updated AYO's remuneration policy in the context of the latest market trends and the Company's target deliverables and also reviewed the annual remuneration of staff members across all levels of the organisation.

REMUNERATION COMMITTEE MEETING STATISTICS

MEETINGS	ATTENDANCE
3	88%

REWARD PHILOSOPHY

AYO recognises and acknowledges the important impact of the human factor on a company's ability to achieve its strategic objectives and long-term sustainable value creation. This is particularly relevant within the ICT sector, where critical skills are rare, sought-after and mobile. Thus, the Group's remuneration philosophy is anchored in the King IV™ Code principle of Total Rewards striving to provide a holistic, attractive employee value proposition including monetary and non-monetary compensation, which attracts, engages, motivates, develops and retains the top talent available in the marketplace.

To achieve this, AYO deliberately integrates five key elements in its employee rewards proposition, namely career opportunities, growth and recognition; alignment of personal and Company culture and values; competitive compensation; attractive benefits; and safe, healthy and pleasant work environment. This allows us to leverage the proper mix of rewards to satisfy personal and financial needs of our employees, given our business environment, operating context and affordability constraints. The ultimate aim is to ensure that AYO is able to develop, motivate and maintain a robust talent pipeline that enables our business growth and continuity.

AMENDMENTS TO THE REMUNERATION POLICY

AYO's Remuneration Policy is a "working document", continuously evolving and fine-tuning to ensure alignment with new effective legislation, relevant King IV™ governance principles, industry best practices and employees' and shareholders' interests. There has been 66.26% support for the tabled remuneration policy and implementation report at the 2020 Annual General Meeting. The committee engaged with policy precluding shareholders but received no further input from them and consulted external benchmarks to amend the policy to better meet the needs of all stakeholders.

We are confident of the fact that AYO's remuneration policy is prepared in accordance with industry best practices and governance as contained in the King IV™ Code on Corporate Governance, we comply with applicable legislation, including but not limited to the Companies Act 71 of 2008 (as amended). It has been developed in consultation with Top Executive Survey and Execeval™ system of Deloitte, particularly in the determination of executive remuneration, and within the

context of AYO's business requirements and objectives. A thorough assessment of the remuneration philosophy, policies and practices of the top ten JSE-listed ICT companies further informed the formulation of the document. Together with the committee's implementation report, it will be presented to shareholders for a separate non-binding advisory vote at the Company's next Annual General Meeting. In the event that less than 75% support is achieved for either the policy or the implementation report at the AGM, AYO will again invite dissenting shareholders to submit reasons for such votes in writing and schedule further engagement thereafter.

Remuneration comprises of a total guaranteed package, bonus payments, short-term and long-term incentives.

TOTAL GUARANTEED PACKAGE (TGP)

TGP is AYO's guaranteed pay to all its employees and is calculated on the total cost-to-company basis, inclusive of Company's contributions for selected benefits. The TGP is increased in September each year with consideration of the official Consumer Price Index, internal and external benchmarks, the Company's performance and affordability.

An increase of 7% of TGP, as approved by the Board at the end of the previous reporting period, was successfully implemented with effect from 1 September 2019. With the economic disruption caused by the COVID-19 pandemic and lockdown, the Group implemented a temporary salary reduction of 20% for all executive directors and staff for the period May to July 2020. Full TGP allocations were reinstated with effect from 1 August 2020 and the committee has recommended an annual increase of 5% of TGP to the Board for the next financial year.

BONUS PAYMENTS

A bonus payment equivalent to one month's TGP is paid to all staff in the employ of the Company on an annual basis. The award of this discretionary bonus is recommended by the remuneration committee and serves to recognise, reward and motivate employees to continue to display motivation and diligence to promote the strategic objectives of the business.

SHORT-TERM INCENTIVES (STI)

STI is essentially a performance bonus, designed to incentivise management to drive business performance in order to increase shareholder value. This annual incentive is awarded discretionary, based on the individual’s performance throughout the year in respect of both company and role-specific financial and non-financial metrics. Targets are set in respect of profit growth, return on average net assets, operational efficiency, strategic stakeholder engagement and risk management. Performance is measured against contribution towards the attainment of targets within its relevant weighting per discipline . Given the maturity of our business and the Company’s specific operating context and challenges, these factors are deemed to be appropriate measures of the business and individual performance.

The STI targets are determined by the committee, agreed with the executive team and senior management and thereafter approved by the Board. The targets have been set reasonably high to encourage problem-solving and initiative, while the weightings of the various metrics aim to promote collaboration and teamwork. A hurdle rate of average monthly core inflation (as published) is set and must be achieved prior to target metrics, before the allocation of STI is considered.

GROUP TARGETS:

Target setting and weighting of short-term incentives		
Measure	Percentage of bonus	Maximum % Annual TGP
Financial	70%	150%
Non-Financial	30%	150%

Specific threshold, target and stretch target levels have been defined for each metric. Below the threshold, no STI is achieved. Based on the performance, a score is calculated linearly between the threshold and on target or between the on target and stretch target.

Metric	Percentage of Bonus
Financial	70%
Earnings performance and return on capital	20%
Working capital management and operational expenditure control (OPEX)	10%
Profit before tax	20%
Organic and acquisitive growth	20%
Non-financial	30%
Technology and innovation	5%
Transformation	5%
Strategic stakeholder engagement and risk management	10%
AYO brand	10%

* Base reset annually to include acquisitions.

** Improvements are generally on past performance and baseline is agreed by the remunerations committee annually.

A maximum attainable level of 150% of TGP can be reached under the incentive with the Board having the authority to extend the bonus cap to 250% of annual TGP. This can only occur if there is exceptional growth in profits, retaining market position despite unusual trading and perception complexities. Notwithstanding the attainment of good business performance, unsatisfactory individual performance automatically disqualifies a person from being considered for STI in the year under review.

LONG-TERM INCENTIVES (LTI)

LTIs are compensation schemes that, in addition to fixed pay and STIs, are designed to reward performance based on the achievement of the Group’s long-term financial goals and aligning the interests of management with those of shareholders. Traditionally, LTIs are awarded at a certain date within a financial year but only paid to an employee after a period of two years. Thus, they serve as a retention policy for a company’s key executives.

A new LTI compensation scheme has been drafted during the reporting period to enable attraction and importantly, retention of key management over the long term – at least five years. The scheme proposes that a proportion of the shares vest to employees annually, in order to keep employees productively engaged for the duration of the period. It is envisioned that the new scheme will be proposed to the Board for review in the next reporting period.

EXECUTIVE DIRECTORS' REMUNERATION

AYO's executive directors are employees and hold standard employment contracts with the Company. Their basic remuneration package is determined by the nominations committee at the time of their appointment. The decision is informed by two market benchmarks and occasionally, the services of an independent senior remuneration consultant are also utilised to guide the committee on market movements and trends in the executive remuneration landscape.

Director	Base Pay	Bonus	Sign on Bonus	Short Term Incentive	Long Term Incentive	Other Benefits	Medical Aid	Other Group Remuneration	Provident Fund	Total
H Platjies	3 485 665	321 000		3 000 000	1 100 000				318 055	8 224 720
T Bundo	2 857 268	267 500		2 500 000	1 000 000		42 952		261 500	6 929 220
V Govender	2 579 442	235 400		1 800 000	600 000				197 079	5 411 921
K Abdulla	1 935 437		4 000 000			33 000	18 691	2 358 000	93 424	8 419 552

NON-EXECUTIVE DIRECTORS' FEES

Non-executive directors are not employees of the Company and thus, do not participate or benefit from the Company's performance schemes and incentives. They are paid set fees for participating in and attending Board meetings as well as for their participation and input in the affairs of the various Board committees.

The determination of non-executive directors' fees is influenced by various factors, including but not limited to the SA Guide to Executive Remuneration and Reward national survey and industry market rates, relative size and complexity of the organisation, individual responsibilities and accountability, estimated time required for preparation and attendance of meetings, relevant experience and specialist knowledge. No arrangements exist for compensation in respect of loss of office. The fee structure is reviewed annually by the Board and disclosed in the remuneration report as prescribed in section 30(4) of the Companies Act.

AYO non-executive directors' fees for 2020 financial year

Director	AYO directors' fees	Other group fees	Total Directors
Dr Wallace	1 225 000	-	1 225 000
Aziza Amod	850 000	794 000	1 644 000
Dr Dennis George	925 000	-	925 000
Sello Rasethaba	550 000	-	550 000
N Ramatlhodi	400 000	458 000	858 000
Ismet Amod	625 000	413 000	1 038 000
Rosemary Mosia	700 000	207 000	907 000
Prof Fourie	50 000	-	50 000

APPRECIATION AND FORWARD FOCUS

I am particularly grateful to the members of the committee for their dedication, valuable contributions and consistent engagement during this disrupted period. I am satisfied that we have fulfilled our mandate and complied with our obligations and statutory functions as outlined in the committee charter, as well as duties assigned by the Board.

We look forward to further engaging with shareholders and all relevant stakeholders in the next reporting period on matters relating to the Group's remuneration and rewards practices. We will persist to review and update our remuneration policy and designed incentives to ensure their continual relevance and competitiveness, facilitate the tabling, approval and implementation of proposed amendments and oversee and enhance our employee value proposition for the achievement of AYO's strategic goals.



Aziza Amod

Chair of Remuneration Committee

22 December 2020

Full remuneration report is available on our Group website at www.ayotsl.com. The report, as well as the remuneration policy, will also be presented at the next Annual General Meeting and I will be available to answer any questions regarding the policy, implementation and the activities of the committee.

SECTION 5: OUR IMPACT

- Director's perspective 74
- Advancing on SDGs 76





OUR IMPACT



Director's perspective

INTERVIEW WITH VANESSA GOVENDER

Life at AYO is fast-paced, challenging and demanding and Vanessa Govender is “the glue that holds it all together”. As the Executive Director: Corporate Affairs, she manages governance matters, people and talent management, Group shared services as well as corporate social responsibility – an area she is deeply passionate about.

In this interview we chat to Vanessa about the successes and trials of 2020 and her expectations for the coming year.

“OUR GROUP COMPANIES HAVE ALREADY MOVED INTO A NEW MINDSET AND ARE APPLYING THEIR EXISTING SOLUTIONS TO SOLVE COMPLETELY DIFFERENT, YET VERY IMPORTANT, **CRISES WE FACE HERE IN AFRICA - FROM CLIMATE CHANGE TO ILLEGAL HUMAN TRAFFICKING AND WILDLIFE CONSERVATION.**”

How would you describe the year 2020 at AYO?

2020 was undoubtedly a year like no other, not just for AYO but for every business and person on the planet. It has tested us in every possible way, both as people and in our professional capacities, and it certainly forced us all to re-evaluate our priorities. The times of lockdown and isolation and, of course, the economic downturn that followed, taught us all that simply surviving is an achievement in itself under the circumstances.

AYO, however, has been facing all sorts of challenges and had already built a level of resilience that we were able to draw from, to face the challenges of 2020.

We started the period looking very buoyant. We still had two interim audits taking place simultaneously and stretching our resources, but operationally we were in a good space. Our focus was on refining our governance processes, honing in our investment strategy and operational excellence. We welcomed two additions to our Board – Professor Louis Fourie, with his strong academic background in innovation and technology and Khalid Abdulla who brings valuable expertise and experience to our investment team.

We were steadfast on our business trajectory, and then came COVID-19. This immediately forced us to shift our focus and concentrate on the health and well-being of our staff above all else. Our urgent priority was to ensure our business continuity processes were in place under the new circumstances while minimising the impact, as much as possible, on our employees and their families. We swiftly arranged for tools and resources required by our employees for remote office functionality – from internet access to telehealth support for their wellbeing. We supported, motivated and engaged with our employees with a robust internal communications plan, and I have to say, I am very proud of what our teams have achieved during the most trying of times.

Other than remote working protocols, what else changed for AYO during COVID?

Real leaders are forged in a crisis and AYO truly took the opportunity to stand out in this time that challenged the entire world. As an important player in the South African business landscape and as good corporate citizens, we have always viewed corporate social investment and the upliftment of our communities as one of our key responsibilities. However, as a technology-focused enterprise, our CSI focus was centred primarily around education and SMME support. With COVID-19, we widened our horizons to include basic necessities like food and wellbeing to our CSI initiatives, in addition to the programmes we already had running. We contributed to numerous organisations that were entrenched in their immediate communities to provide thermometers, sanitizers, face masks and food vouchers to the most vulnerable. And this is just at AYO Company level.

With one of our subsidiaries, Health System Technologies, who has long been an integral player in the South African healthcare industry, we implemented 28 integration projects, which enabled the National Health Laboratory System (NHLS) to collaborate with over a hundred private testing laboratories countrywide to deliver the wide-spread testing and communicate real time results that all of us followed on our mobile apps during lockdown. Another one of our subsidiaries offered online fitness and yoga classes open to everyone through their social media accounts. We remained committed to having a positive impact on people's lives.

And now that the global pandemic has slowed down what are your hopes for 2021?

The pandemic may have slowed down, but I don't believe it is behind us yet. Many of the changes we adopted in 2020 – the way we work, communicate, travel and so on are here to stay. This is the “new normal”.

Luckily, technology has a key role to play in this new way of life and for a company like AYO the future looks very exciting.

We remain true to our business imperative to transform South Africa's economy by driving innovation, supporting entrepreneurship and improving the lives of our community.

Even before the pandemic, AYO promoted innovation by partnering with Fast Company's inaugural Most Innovative Companies event and various enterprise development initiatives. We continue to support Africa's entrepreneurs in partnership with the SA Innovation Summit, Thabo Mbeki Foundation and our own AYO Academy.

With the “new normal” now entrenched in our lifestyles, we look forward to further supporting our subsidiary businesses and the country's entrepreneurs to maximise the value they bring to their customers and communities. We remain focused on playing our role in addressing key SDGs through technology. Our Group companies have already moved into a new mindset and are applying their existing solutions to solve completely different, yet very important, crises we face here in Africa – from climate change to illegal human trafficking and wildlife conservation.

We believe that unprecedented challenges unlock the greatest of opportunities and are firmly focused on harnessing these opportunities as a Group, but also for our country and our continent. We have our eyes set on the key technologies that we believe will transform the next decade and are ready to support the organisations that best utilise these technologies for our community's benefit, be them subsidiaries or CSI beneficiaries. Africa has many challenges that technology can solve. The road ahead is particularly exciting for us and we look forward to being part of this transformation one community at a time.

Powering South Africa's journey

CREATING SUSTAINABLE VALUE FOR ALL BY ADVANCING UN SDGs

Over and above delivering sustainable value creation for our internal stakeholders, at AYO, we embrace our responsibility and moral duty, as a conscientious corporate citizen, to support and promote the advancement of our nation as a whole. This is best achieved through commitment to and diligent progression of UN SDGs, as they provide a common purpose and language for governments and businesses the world over to work together to find meaningful solutions to global problems. Thus, AYO makes a concerted effort to contribute to the meeting of national developmental objectives and tracks progress against the “universal lens” which is the SDG framework.



ZERO HUNGER

Food insecurity has long been an issue in South Africa with 11% of the population (6.5 million people) suffering from hunger in 2019, according to Statistics SA. The situation was exacerbated by the sudden COVID-19 lockdown and NPOs and community organisations had their hands full trying to feed the millions of households who have lost their income in the pandemic. Although AYO historically has focused its social responsibility programmes in the fields of education and entrepreneur support, where we are best suited to make meaningful impact, we could not stand aside as spectators to this national emergency.

AYO contributed over R40,000 in food vouchers and donations to Ladles of Love, Hunger Has No Religion, Home of the Aged and Ill and other community-based organisations, thus directly assisting over 10,000 beneficiaries, including 38 frail care recipients, in these precarious and desperate times.



GOOD HEALTH AND WELL-BEING

The taxi industry is a fundamental segment of the South African public transport system and plays an integral role in the country's economy. Besides employing some 400 000 people, it drives over 14 million commuters to and from work each day, enabling them to earn a living and take an active part in the economy. Like most economic sectors, the taxi industry was grounded to a halt by the COVID-19 pandemic.

With the ease of lockdown restrictions, the economically strained workforce was eager to return to work, yet commuters and taxi operators alike, were exposed to significant risk as personal protective equipment was scarce and expensive. Without basic hygiene and screening measures such as hand sanitisation and temperature checks, the taxi industry could easily transform from an economic enabler for commuters to a contributing factor to the country's COVID-19 infection rate.

AYO took the initiative to address the issue and donated 200 infra-red thermometers and 30 litres of hand sanitiser to taxi associations to promote the good health and well-being of vulnerable South African commuters.



QUALITY EDUCATION

The disparity of quality education between the South African public and private schooling institutions is prime evidence of the enormous wealth gap dividing the country. While a small minority of students have unrestricted access to world-class science facilities and the latest technology at their fingertips in well-funded private schools, the vast majority of pupils are still to experience the true power of quality education.

Education and technology, which are the focal points of AYO's investments, are inextricably connected. Thus, the lion's share of our CSI initiatives is centred around promoting access to, and nurturing the love for, quality education amongst the less-fortunate South African school goers. We carry out these programmes in partnership with well-established organisations in the field, such as the Masinyusane foundation and Joyful Computer Literacy.

In the 2020 financial year, our contributions benefited over 900 children in rural Polokwane, Eastern Cape and Kwazulu Natal, through four literacy programmes, disbursing over 42 000 hours of literacy coaching and over 8 000 books through AYO-funded school libraries.





GENDER EQUALITY

Ending all discrimination against women and girls is not just a basic human right. It is crucial for sustainable future. Empirical evidence exists that empowering women and girls helps overall economic growth and development. The STEM (science, technology, engineering and mathematics) fields still represent the highest disparity in gender equality, with less than 30% of students pursuing further education and careers in these fields being young women.

At AYO, we believe that encouraging young girls to explore training and employment opportunities in the STEM area will be a powerful enabler for future economic development in South Africa. Thus, we have partnered with Techno Girl Campaign – a collaborative initiative between UNICEF, the Department of Education and the Presidency – in order to play an active role in the practical engagement of female learners in these critically important fields.

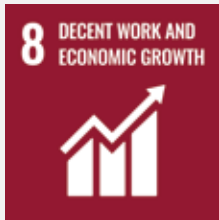
The programme involves hands-on mentorship, training and job shadowing opportunities for girls in secondary school, during holidays over a sustained three-year period to fully prepare them for further education and careers in science and technology-related fields. While the implementation of remote working protocols due to the pandemic disrupted the progress of the project during the reporting period, a virtual job shadowing programme was developed to continue our work on the campaign in the short-term.



AFFORDABLE AND CLEAN ENERGY; RESPONSIBLE CONSUMPTION AND PRODUCTION; CLIMATE ACTION

Although technology’s impact on the environment is trivial in comparison to more traditional industries, such as mining, aviation or shipping, the rapid proliferation of devices and their ever-extending usage is quickly increasing the importance of affordable, clean energy for the sector and demanding the prioritisation of climate action and responsible production and consumption by leading technology-focused businesses. The world’s “tech addiction” has resulted in 50 billion smart devices collecting, analysing and sharing data in 2020, which also means exponential growth in the demand for transistors and microprocessors, and it is not going to subside anytime soon. But while this is great news for the economy, it is a lot less optimistic for our carbon consumption.

It is, therefore, imperative that the technology sector of the future has reliable, affordable and consistent access to clean energy sources and actively pursues resources other than coal and fuel to power its energy needs. It is with that “big picture” vision in mind that AYO has expanded its horizons to become an enabler of responsible technology production and consumption for the industry in South Africa and actively pursue investment in the renewable energy field. While the transaction was not completed during the reporting period due to COVID-19 related delays, we look forward to reporting on our positive impact towards these critically important SDGs in the upcoming year.



DECENT WORK AND ECONOMIC GROWTH

SDG 8 recognises the importance of sustained economic growth and high levels of economic productivity through the creation of well-paid quality jobs. Thus, it is of particular importance in the South African context where besides high rates of unemployment, the substantial national wealth gap is powered by the abundance of low-skilled and low-waged workforce. At AYO, we acknowledge and embrace our responsibility to promote the achievement of this paramount developmental objective in order to drive inclusive and sustainable economic transformation.

Our success in the technology industry is contingent on our ability to attract and retain critical rare skills, which can be challenging in this age of global mobility for talented individuals. For that reason, we place a strong emphasis on “growing our own timbre”, thus achieving two important objectives simultaneously – nurturing and developing talent and providing opportunity for decent work.

AYO Academy is our flagship empowerment initiative in this respect, and it continues to grow from strength to strength each passing year. Through the Academy, 21 participants have joined the Group in various learnership and internship initiatives during the reporting period. These programmes have been a great enabler for young people from disadvantaged backgrounds to gain valuable workplace experience and promote access to future employment opportunities. All of the graduates of our 2019 internship programme have further been absorbed into permanent positions across the Group.

In addition, our partnership with the Masinyusane foundation, referenced under SDG 4, has resulted in the hiring, training and employment of 46 literacy coaches, themselves previous beneficiaries of the educational programme, who lead and staff the project, thus creating an upward cycle of education, empowerment, employment and upliftment of the community.



INDUSTRY, INNOVATION AND INFRASTRUCTURE

Building resilient infrastructure and fostering innovation are crucial drivers of economic growth and development. Technological progress, which is an additional focus of this SDG, is also an important way to facilitate sustainable development. And while we agree that as an under-developed country, South Africa needs to accelerate the development of its industrial sector, we are of the view that infrastructure investment in any field is important and have again, prioritised the educational sector as a doubly-beneficial investment in both infrastructure and the future leaders of our country.

Building educational facilities, particularly science and technology labs in underfunded areas, is not just an investment in infrastructure. It is also an investment in the future of bright, young minds and a positive step towards reducing inequality and providing access to quality education for all. Thus, AYO participates in a number of partnerships with stellar NPOs like the SAME and Sakhikamva foundations to provide state-of-the-art learning and training facilities at some of South Africa’s most underprivileged schools.

During the reporting year we saw the completion of two projects in the field, namely the building, equipment and opening of a science and technology lab at Kulani High School in Langa, Cape Town and that of the 4iR STREAM lab at Goodwood College in Ruyterwacht. While technically speaking these investments were in brick, mortar and equipment of the physical facilities, we view our involvement in the projects as a contribution to the building of a better, stronger South Africa for tomorrow.



REDUCED INEQUALITY

In a largely unequal society, opportunities are scarce for many marginalised groups and differently-abled people in South Africa who remain one of the hardest-hit clusters with limited access to education and employment. Yet, in the pursuit of a truly inclusive economy, it is imperative that we create opportunities for all our citizens, regardless of age, gender, race, ethnicity, origin, religion or disability, to lead productive, economically active lives and contribute to the overarching national progress.

At AYO, we believe that differently-abled individuals can be a tremendous contribution to the country's economic value chain under the right circumstances and we put a lot of energy and focus into creating opportunities for this often neglected community. For years we have been partnering with the QuadPara Association of South Africa (QASA) to facilitate the education, training and employment of people with physical disabilities. During the 2020 financial year we sponsored the building and equipment of two QASA training centres and funded the work readiness training of a 57-people strong class of 2020, made up entirely of black quadriplegic and paraplegic youths aged 18-35 years old.

We are particularly proud of the tangible results we have seen from our partnership with QASA. For 2020, 55 of the 57 alumnae were successfully placed in full-time employment positions post-graduation and one established a small business in the field of physical fitness! Naturally, we understand that this is only the beginning of the journey towards reducing inequality and creating equal opportunities for such a vulnerable segment of our society and look forward to a long and prosperous partnership with QASA in the future. In addition, we believe that there is no better proof to our commitment to assist and support South Africa's differently-abled youths than our own practices, and thus have included several disabled interns in AYO Academy's 2021 intake.



PARTNERSHIPS TO ACHIEVE THE GOAL

The premise of SDG 17 is that a successful sustainable development agenda requires multi-stakeholder partnerships. While this goal is seldom prioritised by businesses and governments the world over, whose focus is heavily weighted towards more well-known global issues like eradicating poverty and hunger, we believe that the prospects of promoting the advancement of the other 16 goals will remain difficult, if not utterly unachievable, without concerted efforts for collaboration and support.

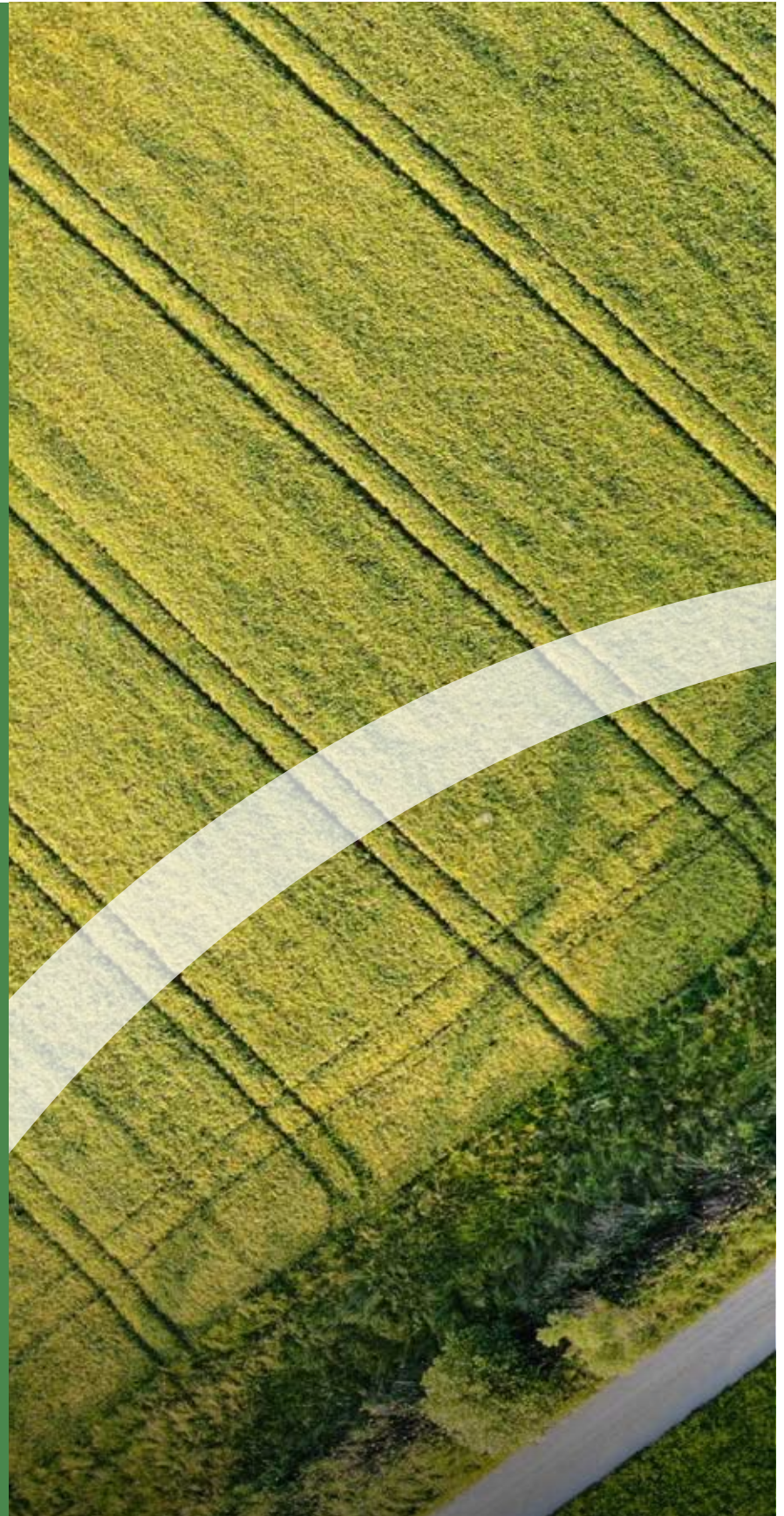
In the South African context, “the partnership goal” refers to the need for cross-company, cross-sector and cross-industry collaboration – a philosophy which is at the heart of AYO’s business model. Since our establishment 24 years ago, we have continuously promoted inter-Group co-operation and have created robust partnership platforms within the AYO stable. We also view our external partners, particularly customers and suppliers, as members of the extended AYO family and work towards long-term symbiotic relationships that hold tangible benefits to every link in the value chain.

As one of the most-established leaders in our industry, we also embrace our corporate duty to assume greater responsibility in the technology sector and mentor, assist and uplift the emerging technology businesses in South Africa in as many ways as possible. From direct investment in innovative subsidiaries, to silent support through our Fintech and Technology Investment funds, to hosting and participating in industry events, such as the SA Innovation Summit and Fast Company’s Most Innovative Companies Awards, we spend a tremendous amount of time, energy, capital and commitment on partnering with budding industry players to pursue our common goal – South Africa’s economic transformation.

Our pioneering supplier development programme, launched in 2019, has enabled us to partner with emerging black-owned SMEs and integrate them into our value chain, while simultaneously providing them with business development support services and tailored financial support. During the 2020 financial year, AYO spent nearly R9 million on supplier and enterprise development programmes through the Inyosi Fund, African Mineral Technologies and other initiatives. But beyond the investment, we are proud of how our SD and ED partners have blossomed into successful emerging businesses and have effectively become key drivers to the country’s economic transformation and technological revolution.

SECTION 6: OUR PERFORMANCE

- CFO report	84
- Our capitals	86
- Stakeholder engagement	98
- Subsidiaries' reports	102
- Financial reports	106





OUR PERFORMANCE



The journey is on

CHIEF FINANCIAL OFFICER REPORT

“IN A CHALLENGING AND UNPRECEDENTED YEAR, THE GROUP HAS PERFORMED REASONABLY WELL, RECORDING **MARKED INCREASE IN TOTAL REVENUE, UNDERPINNED BY THE SOLID PERFORMANCE OF OUR STRATEGIC INVESTMENTS.**”

Dear Stakeholder,

2020 was certainly one of the most trying years of our lifetime. Sudden and unprecedented challenges prejudiced countries, businesses and individuals, shifted priorities and focus and brought a general sense of apprehension the world over. Despite the short-term challenges, however, I believe that AYO's compelling investment proposition remains solid and the Group is well-positioned to continue on its strong growth trajectory witnessed over the last two years.

The reporting period was characterised by two distinct halves for our business with the COVID-19 lockdown having significant impact on operating costs and performance over the second half of the year. Strong organic growth of our strategic investments and operational excellence resulted in robust first-half results, with the Group reporting 95% increase in revenue and 25% increase in EPS and HEPS for the period ended 29 February 2020.

Soon after, however, the global pandemic shook our already fragile economy to its core and challenged business strategies, models and operations. In the face of these abrupt and extraordinary challenges, we took immediate steps to review our investment and cost structure, stabilise the business in the short-term and ensure we are well-positioned to weather the proverbial storm while gearing ourselves to deliver exceptional value to our shareholders in the aftermath.

Unlike many other industries whose operations were acutely disrupted by the pandemic, the technology sector appeared to be much more resilient. Technology has an essential role to play in supporting individuals and businesses to adapt to the “new normal” and we saw a marked rise in the demand for our products and services, particularly the unified communications and cyber security divisions, in the second half of the year. Yet, given future uncertainties, we expect to be negatively impacted by the anticipated economic downturn and reduced business spend going forward and focus on further diversifying our investment portfolio to ensure sustained future growth and deliver maximum shareholder value.

Thus, we undertook a purposeful and systematic review of our investment strategy and stress-tested our balance sheet under various best-case and worst-case scenarios to develop a comprehensive response plan that looks beyond the short-term measures and positions the business for sustained value creation for all its stakeholders, including taking an important role in the country’s digital transformation.

Retaining and growing the value of our assets was our primary objective in this process. Our acquisition negotiations suffered unexpected delays with remote working protocols impacting on legal and financial due diligence investigations. Simultaneously, the business went into cash conservation mode focusing on business continuity and managing the operational cost structure to protect its traditionally strong cash holding position. Unfortunately, the reporting period also saw the implementation of five prime lending rate cuts by the South African Reserve Bank for a total of 300 basis points, which put pressure on AYO’s interest income and subsequently, overall profitability.

Notwithstanding the devastating effects of the pandemic, our hampered acquisitions and impaired interest earnings, AYO’s investment portfolio proved to be well-balanced and robust and all but one of the divisions contributed positively to the

Group’s profitability. This is a testament to the strength and soundness of our investment strategy and we are particularly proud of the growth recorded by our individual subsidiaries, despite the interruptions in their global supply chains and pressure on their operating efficiencies.

Beyond AYO’s acquisition advances, the pandemic had a disruptive effect on the overall investment market in South Africa, putting pressure on business valuations and dampening investors’ risk appetite. For the Group, this is the proverbial silver lining, as it allows us to intensify our acquisition endeavours in the near-term to make the most of the current investor’ advantageous climate and counteract the impact of depressed cash balance interest earnings.

Thus, our core focus in the next financial year will be on further expanding our investment portfolio into emerging technology sectors to fortify our already resilient Group and deliver sustainable profitability in the short-, medium- and long-term. I am firmly of the opinion that the ICT sector will be the primary driver for the country’s economic revival going forward and our stronghold in the industry allows us to play a crucial role in this important transition.

With our strong and balanced portfolio of leading technology players, we are able to benefit not just our internal stakeholders but also improve the lives of the South African community and drive the progress of Africa into a globally competitive economic powerhouse. Whilst there is a long road ahead, AYO’s solid strategic direction, strong financial position and prudent investment approach enable the Group to make the most of the current business environment to advance the country’s sustainability and transformation goals.

In closing, I would like to extend my sincere gratitude to my colleagues on the Board as well as the highly skilled finance team for their commitment, professionalism and support. It has been a pleasure and a privilege to work with you under these most challenging circumstances and I am certain that together we will rise above the challenges to report on many more successes in future.



Isaiah Tatenda Bundo
Chief Financial Officer
22 December 2020



FINANCIAL CAPITAL

As an investment holding company, we consider capital allocation our most important function. Our investment strategy and capital allocation model aim to deliver sustainable long-term growth and fair short-term dividend pay-outs for our shareholders, while simultaneously accelerate enterprise and economic development in South Africa.

During the year, we sought to maximise value-creation by injecting financial capital to strengthen our stake in thriving investments such as Headsets Solutions and Puleng Technologies, where we increased our ownership to 76% and 100% respectively. This additional investment will allow the subsidiary businesses to fund organic expansion and operational requirements, while entrenching AYO's leadership position in the fields of unified communication and cyber security and reinforcing shareholders' value.

GOALS

INVEST	SUSTAIN	IMPACT
Invest in attractive growth opportunities that are well-positioned to disrupt traditional business models through technology and accelerate African economic development.	Sustainable investment returns across our diversified portfolio.	Impact investing through strategic CSI initiatives for promotion of SDGs.

IMPACT ON SDGs



KEY INITIATIVES

<p>Increased shareholding in Puleng Technologies from 57% to 100%</p>	<p>Increased shareholding in Headsets Solutions from 51% to 76%</p>	<p>Concluded binding offer to acquire 100% of issued share capital in Kathea Communication to strengthen existing unified communication assets and 60% of issued share capital in Disruptive Vision to diversify AYO's portfolio into sustainable energy creation.</p>
---	---	--

OPERATIONAL ACHIEVEMENTS

Strategic capital allocation

47% Increase in revenue

Maintain healthy balance sheet and cash flow

WAY FORWARD

Considered investment into strategically identified acquisition targets to diversify AYO's portfolio into emerging technologies to secure medium- and long-term sustainable growth.

Money market investment to safeguard financial capital gains in the short-term, while providing sound level of income, high liquidity and low risk in this period of reduced interest earning potential.

Entrepreneurship development expenditure into small and medium enterprises for improved B-BBEE scoring and SDGs advancement.

INVESTING IN THE ROAD TO DIGITAL TRANSFORMATION

A wide-angle photograph of a mountain trail at sunset. The trail is a dirt path with a chain-link fence on either side, leading up a grassy slope. In the distance, a drone is flying in the sky, silhouetted against the bright, hazy light of the setting sun. The background shows rolling mountains and a valley with some buildings and trees.



MANUFACTURED CAPITAL

AYO aims to enable its clients and beneficiaries to maintain and where possible, enhance their manufactured capital assets, particularly technological infrastructure, rather than deplete or degrade them. We seek to continuously innovate our hardware, technologies and business processes to allow customer organisations to meet their growth aspirations by making minimum use of financial capital and natural resources and maximum use of human skills and involvement.

Our leasing-based revenue models provide customers with access to comprehensive technological inventories without an initial capital

outlay requirement, thus not compromising their operating cash flows. On the other hand, our recently introduced cloud and online based platforms serve to strengthen our client partnerships, while providing the Group with sustainable annuity income.

As a stellar corporate citizen, AYO invests extensively in technology infrastructure in the educational sector, building classrooms and science labs and providing laptops, tablets and smart boards to schools and organisations across the country. Nurturing and supporting South Africa's future scientists and business leaders, is our investment in a better tomorrow.

GOALS

ENABLE	ENTRENCH	PROVIDE
<p>Enable client organisations through modern technological infrastructure and financially viable access to leading disruptive technology.</p>	<p>Entrench AYO's status in our partners' operating models through value-based approach to hardware leasing.</p>	<p>Provide access to and promote love for technology and learning amongst South African youth.</p>

IMPACT ON SDGs



KEY INITIATIVES

<p>Concluded large hardware leasing equipment contract in the education sector to minimise the disruptive effects of COVID-19 lockdown on high-school students.</p>	<p>Onboarded two new product ranges to the unified communications portfolio, namely PolyCom Audio and Video and Jabra Audio and Video, to enhance the Group's product offering in the marketplace.</p>	<p>Contributed over R1,4 million to school infrastructure initiatives to promote equal access to education in South Africa's disparate learning system.</p>
---	--	---

OPERATIONAL ACHIEVEMENTS

Successful roll-out of key awarded lease-based technology tenders

Rapid growth of unified communications portfolio driven by new brand ranges

Optimal balance of appropriate stock holding for excellent customer service and adequate cash flow position

WAY FORWARD

Continued optimisation of lease-based revenue models for enhanced customer service.

Pivoting of existing technology offerings to diversified industries and clients for organic growth, e.g. modifications to sovereign tracking solutions for the logistics industry or publishing technologies for the sport market.

Further development in educational infrastructure as the focus of our CSI investment strategy.

IN PURSUIT OF EXCELLENCE, **BUILDING THE ROAD TO TOMORROW**





INTELLECTUAL CAPITAL

Innovation doesn't simply drive growth. In the 21st century, innovation has become a prerequisite for businesses to remain relevant, competitive and sustainable. At AYO, we strive to maximise our intellectual capital, proprietary developed technologies and key international digital trends, to empower our clients' leadership positioning, transform their industries and advance life, business and economics for a better South Africa.

Our deep understanding of and decades-long engagement with the healthcare industry, put us the forefront of the fight against

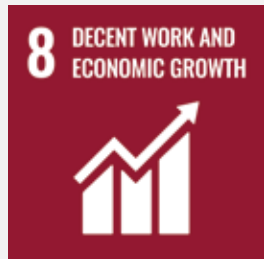
COVID-19 in 2020 and enabled us to play a critical role in this important crusade. Our cyber security know-how and experience empowered numerous client organisations to rapidly adopt digital routes-to-market and ensured business continuity while protecting the integrity of client, user and organisational data.

Building on our culture of continued innovation and focus on sustainability, we are moving beyond purely technological services and solutions into green energy and materials for a prosperous future.

GOALS

RAISE	DEVELOP	POSITION
Raise South Africa and the entire African continent to a globally competitive innovation hub empowering 4iR and digital transformation.	Develop innovative new technologies and pivot existing innovations to promote sustainable economic development and accelerated growth.	Position the AYO brand as a respected thought leader in the field of technology.

IMPACT ON SDGs



KEY INITIATIVES

Industry engagement and brand positioning through strategically identified thought leadership events including Fast Company's Most Innovative Companies Awards, SA Innovation Summit and Africa Com.	Launch of R200 million annual technology innovation fund aiming to support, scale and nurture technology-based small- and medium-sized innovative businesses driving nation-wide economic development.	28 integration projects' roll-out between NHLS and private laboratories for real-time sharing and reporting of COVID-related testing and statistics.
--	--	--

OPERATIONAL ACHIEVEMENTS

Significant customer and revenue growth for our services in the fields of user and data security driven by our exceptional expertise and team proficiency, positioning the brand as the undisputed leader in the South African marketplace.

7 successful new technology launches during the reporting period in the areas of connectivity, healthcare, cyber security and digital entertainment.

Effective implementation of Group-wide shared treasury, HR and financial controls services contributing to operational efficiencies, economies of scale and process consistency.

WAY FORWARD

2021 will see further collaboration amongst our operating units to enable cross-industry innovation and services pivoting to drive Group-wide growth.

Strategic investments in innovations and technologies that have the potential to transform industries and disrupt the way consumers work, play and live.

Concerted focus on environmentally friendly technologies for positive global impact and a healthy planet for future generations.



INNOVATING THE WAY
TO A BETTER TOMORROW



HUMAN CAPITAL

Our aspiration to be the employer of choice in the South African competitive talent marketplace is driven by a strong commitment to our people. We embrace diversity and acknowledge the positive contribution of a multi-skilled, multi-cultural team on our ability to deliver sustainable business growth and promote the advancement of UN SDGs. We whole-heartedly support the professional as well as personal development of our employees and continuously facilitate formal and informal engagement sessions to entrench an inclusive corporate culture. Our total rewards philosophy incorporates a

unique combination of career and growth opportunities, recognition, culture and values, compensation, benefits and work environment to motivate, engage and inspire the best available talent.

Beyond our own staff, we believe education is the ultimate solution to alleviate poverty, reduce inequality and promote economic growth. We strive to demonstrate, rather than articulate, our commitment to our country's youth and thus, make generous investments in the educational development of tomorrow's leaders.

GOALS

ENABLE	ENCOURAGE	COMMIT	INNOVATE
Position AYO as an employer of choice in South Africa to enable the attraction and retention of top calibre talent for sustainable business growth.	Diverse, inclusive and rewarding work environment that recognises and encourages innovation, collaboration and commitment.	Continual commitment to the personal and professional development of our team.	A long-term pipeline of talented innovators to drive economic inclusivity and growth.

IMPACT ON SDGs



KEY INITIATIVES

AYO Academy remains our primary human development initiative implementing learnership and internship opportunities for South African youth.	Personal and family wellbeing programme rolled out in the midst of lockdown to assist employees and their loved ones with physical and mental health concerns.	Building, furnishing, equipment and launch of state-of-the-art science lab and 4iR STREAM lab at under-resources schools in Langa and Goodwood.	Nurturing future leaders through entrepreneur and innovator support platforms including Fast Company's Most Innovative Companies Awards and SA Innovation Summit.
---	--	---	---

OPERATIONAL ACHIEVEMENTS

16 interns and five learners graduated from AYO Academy during the reporting period. All interns were absorbed into permanent positions within the Group.

Optimal business continuity during national lockdown thanks to our swiftly developed and implemented employee engagement protocols.

Setting industry standards for diversity and empowerment by not merely meeting but far-exceeding B-BBEE Code stipulated targets.

WAY FORWARD

In 2021 and beyond, AYO will continue to invest time, support and resources in the development of our staff to uphold our highly engaged and motivated team and simultaneously address the business' succession planning objectives.

A medium-term plan has been developed for SETA accreditation of AYO Academy to adequately address our business needs as well as the wide skills scarcity gap in South Africa.

Our social impact investments will continue to focus on education as an enabler for our marginalised youth into economic inclusivity, diminution of inequality and a conduit to decent work opportunities and economic growth.



PREPARING PEOPLE
FOR THE ROAD AHEAD



ENVIRONMENTAL CAPITAL

Acting responsibly towards our environment and the communities we operate in is embedded in our core values. Our philosophy of minimising environmental impact and promoting resource efficiency guides our investment decisions. Maintaining sustainable operations and continually improving our processes help us minimise our environmental footprint.

We are cognisant of the fact that increased use of technology brings about an increase in energy demand. Global electricity consumption has more than doubled in the last decade in order to power billions

of devices, data centres and technology infrastructure. Future developments, such as digital coin mining and electric vehicle penetration, are expected to put further pressure on energy demand and exacerbate the need for clean energy.

As an industry leader and responsible corporate citizen, AYO embraces this opportunity to contribute to a greener economy and create inclusive economic prospects for all groups of society while minimising the harmful environmental effects.

GOALS

CARBON NEUTRAL	RENEWABLE ENERGY	SUSTAINABLE FUTURE
Carbon neutral operations throughout the AYO Group.	Investment in renewable energy and sustainable materials battery innovations to provide an environmentally friendly solution to increasing power needs.	Investment in technologies with positive impact on our environment and industries, such as agriculture and agri-processing for improved food supply and crop yield and ultimately, a sustainable future.

IMPACT ON SDGs



KEY INITIATIVES

During the reporting period AYO concluded a binding offer for 60% of the issued share capital of Disruptive Vision – a company specialising in green energy solutions. The transaction will be finalised in the next financial year and provide a steppingstone for the Group in the sustainable energy creation sector.	Focus on environmentally sound technologies, such as smart data centres, which use resources in a sustainable manner, minimise pollution and reduce electricity and water usage.	Pivoting of our proprietary sovereign defence thermal imaging technology for innovative application in wildlife tracking and anti-poaching initiatives to restore natural biodiversity.
--	--	---

OPERATIONAL ACHIEVEMENTS

5-Star Green Star SA Design rating for our corporate headquarters.

Concerted environmental awareness drive amongst employees resulting in 24% reduction of paper and other consumables usage during the reporting period.

Carbon neutral operations.

WAY FORWARD

Given the increasing importance and need for environmentally sound technologies, AYO will actively pursue investments in technology-based businesses positioned to combat climate change and deliver sustainable energy, farming and industrial solutions.

We will further develop and pivot our capabilities in tracking technologies to address the needs of the logistics industry and wild-life conservation in a cost-effective and environmentally friendly manner.

We will continue to lead by example by empowering our staff, partners and investee businesses to reduce their consumption of electricity, paper and water and together contribute to a healthier, more sustainable planet for future generations.



CONSERVING NATURAL
RESOURCES FOR A
LASTING JOURNEY



SOCIAL AND RELATIONSHIP CAPITAL

Sustainable business is built on a foundation of long-term relationships with customers, suppliers, partners, regulators and industry peers. We recognise the importance of a stellar corporate image and positive peer engagements on our ability to create stakeholder value, and have placed renewed emphasis on brand positioning activities during the reporting period.

The African philosophy of Ubuntu, “we are who we are through each other”, is central to our own core principles and we relentlessly strive to uplift and support the communities we operate in. Traditionally, our outreach projects have focused on education and improving

access to employment opportunities to underprivileged and vulnerable groups in our society. However, the COVID-19 pandemic in 2020 exacerbated the plight of our beneficiaries, bringing to the forefront pressing concerns for even the most basic of human needs – the need for food and essential healthcare.

AYO quickly stepped up to the plate and boosted its comprehensive social responsibility programmes by implementing additional interventions delivering food, essential personal protective equipment and consumables and tools to assist our vulnerable communities in this challenging period.

GOALS

TRUST AND RESPECT	NURTURE	UPLIFT AND SUPPORT
Establish trust and respect for the AYO brand in the marketplace as a knowledgeable, honest and socially active corporate citizen.	Continuously nurture positive relationships with all AYO stakeholders to enable shared value creation and growth.	Uplift and support our community by promoting a culture of learning and providing access to quality education to all South Africans.

IMPACT ON SDGs



KEY INITIATIVES

Concerted engagement with industry peers, innovators, entrepreneurs and global technology leaders through respected collaboration platforms, including Fast Company’s Most Innovative Companies Awards, SA Innovation Summit and Africa Tech Festival, positioning AYO as knowledgeable leader and active promoter of economic growth.	Active pursuit and engagement with strategically identified international leading suppliers and partners to enhance AYO’s local portfolio of technology products and services and introduce latest global innovations to the South African market.	Rapid response to the unexpected challenges created by the global COVID-19 pandemic to alleviate the devastating impact of economic shutdown on the poor and enable implementation of health and safety protocols by the taxi industry.
--	--	---

OPERATIONAL ACHIEVEMENTS

Enhanced brand positioning through proactive engagement with key industry initiatives as evident from positive media coverage during the reporting period.

Onboarding of two new brands (international partners) by the unified communications division.

Successful implementation of eight CSI initiatives with tangible measurable impact on beneficiary communities.

WAY FORWARD

AYO will continue to focus on nurturing its peer relationships in 2021 and beyond as we acknowledge and value the powerful impact of positive brand image on our operations. Becoming an admired and respected industry leader is a long-term strategic focus for the business as it will enable future value-creation. Thus, we will invest considerable energy and effort into building our most valuable asset - our brand.

The upliftment and education of the South African community is, and has always been, at the core of our business. Our strategic CSI initiatives have empowered thousands of marginalised beneficiaries over the years and will continue to do so in future. Our focus going forward in this respect, is to raise awareness of the social investment projects we drive so they can become even more accessible to potential beneficiaries and serve as an example and motivation to our industry peers.



WE ARE NOT ALONE ON THE JOURNEY



On the journey together

STAKEHOLDER ENGAGEMENT



INVESTORS

VALUE PROPOSITION:

- Sustainable capital growth
- Safety of investment
- Fair dividend pay-out

WHY ARE THEY IMPORTANT:

Investors provide the necessary financial capital, which is essential to fund our strategic acquisitions, support and scale our subsidiaries and drive business growth. We appreciate the trust our shareholders have put in us and consider it our privilege and duty to protect and grow their financial assets.

HOW WE ENGAGED WITH THEM:

- Annual and interim reports
- Annual General Meeting
- SENS announcements
- Media updates on performance and important milestones

THEIR KEY NEEDS AND EXPECTATIONS:

- Disciplined and responsible management of financial assets
- Understanding our investment strategy
- Portfolio performance and prospects
- Transparent and compliant governance



SUBSIDIARIES

VALUE PROPOSITION:

- Scalability of operations
- Strategic and operational support
- Access to new markets, industries and clients
- Symbiotic inter-Group partnerships

WHY ARE THEY IMPORTANT:

Our subsidiaries give us the operational leverage to optimise the value chain, enhance our market positioning and drive cross-industry innovation and shared growth. Supporting and scaling our underlying subsidiaries allows us to maximise value creation for all our stakeholders.

HOW WE ENGAGED WITH THEM:

- Strategic direction through Board participation
- Operational assistance via the Group Executives Team
- Consistent unstructured engagement throughout the year for assistance with pertinent challenges

THEIR KEY NEEDS AND EXPECTATIONS:

- Balanced approach to operational support and autonomy
- Financial backing for growth strategies
- Collaboration opportunities within the Group
- Strong parent brand



INDUSTRY PEERS

VALUE PROPOSITION:

- Thought leadership
- Support for emerging South African businesses and innovators for shared promotion of economic growth
- Contribution to an integrated South African technology value chain for shared business success

WHY ARE THEY IMPORTANT:

Technology plays a vital role in economic growth and has the potential to accelerate job creation and social upliftment in South Africa. A cohesive and supportive technology industry that backs entrepreneurs and inventors can thus propel our country into a globally competitive economic powerhouse.

HOW WE ENGAGED WITH THEM:

- Industry events such as Fast Company's Most Innovative Companies Awards, SA Innovation Summit and Africa Tech festival
- Thought leadership, inspiration and constructive debate through social and mainstream media
- Investment allocation through Technology Innovation Fund

THEIR KEY NEEDS AND EXPECTATIONS:

- Access to capital due to rigid and risk averse financial sector
- Collaborative platforms for industry-wide partnerships, innovation and support



EMPLOYEES

VALUE PROPOSITION:

- Empowering, stimulating and rewarding working environment that enables the personal and career development of talented individuals

WHY ARE THEY IMPORTANT:

Our employees are critical to our sustained business success. Their knowledge, skills and commitment are instrumental to the implementation of our strategy. Nurturing a happy and productive team is therefore a paramount AYO business principle.

HOW WE ENGAGED WITH THEM:

- Prioritising employee health and safety above all in the face of the COVID-19 pandemic with free access to physical and mental health support and resources
- Robust formal and informal internal communication channels, enabling clear expectations, enhanced productivity and teamwork and trust
- Regular formal and informal social engagements to celebrate personal, team and organisational achievements

THEIR KEY NEEDS AND EXPECTATIONS:

- Job security in a turbulent economic environment
- Fair, industry, compatible remuneration
- Career development and personal growth opportunities
- Inclusive and empowering culture



COMMUNITY

VALUE PROPOSITION:

- Sustainable community and economic transformation through investment in and promotion of quality education for meaningful and measurable outcomes to the country's biggest challenges

WHY ARE THEY IMPORTANT:

Nurturing thriving and prosperous communities is the ultimate mandate for all participants in the economic ecosystem, as investing in and supporting our communities is the best way to ensure sustainable growth for our society. This is particularly important in the African context where issues of inequality, poverty and hunger can only be addressed through the intentional, unified efforts of all stakeholders.

HOW WE ENGAGED WITH THEM:

Our philosophy in terms of community engagement is "actions speak louder than words". Thus, we aim for meaningful interventions at the time and in the manner in which our community needs support the most:

- Donations of food vouchers and parcels to the most vulnerable in the face of COVID-19 crisis
- Donation of PPE and tools to the taxi industry for swift and safe return to economic activity
- Systematic and deliberate investment in education with eight completed strategically targeted projects

THEIR KEY NEEDS AND EXPECTATIONS:

- Real impact programmes for lasting community transformation, rather than publicity-led initiatives
- Innovation that promotes life, business and economics in all communities and enables inclusive sustainable growth



REGULATORS

VALUE PROPOSITION:

- Setting up industry standard for good corporate citizenship and continuously refining corporate governance practices and transparency

WHY ARE THEY IMPORTANT:

AYO acknowledges and respects the role of regulatory bodies, particularly government and the JSE, in contributing to the integrity of South Africa's economy and promoting investor confidence. We believe that trust and respect are critical factors for a sustainable economy and strive to develop a healthy relationship with regulators founded on compliance and proactive engagement.

HOW WE ENGAGED WITH THEM:

- Timeous and accurate communication of business activities via formal channels such as JSE SENS service
- Proactive disclosure of intent as well as completion of regulated transactions
- Active co-operation and engagement to address regulators' queries or suggestions
- Full compliance with regulatory decisions concerning the business

THEIR KEY NEEDS AND EXPECTATIONS:

- Responsible corporate citizenship
- Compliance with all legal, regulatory and certification requirements
- Accurate and timely disclosure of business performance
- Responsible taxpayer behaviour



VALUE PROPOSITION:

- Engaging, informative and inspiring thought leadership content that promotes innovation, economic growth and technological advancement of South African businesses and communities

WHY ARE THEY IMPORTANT:

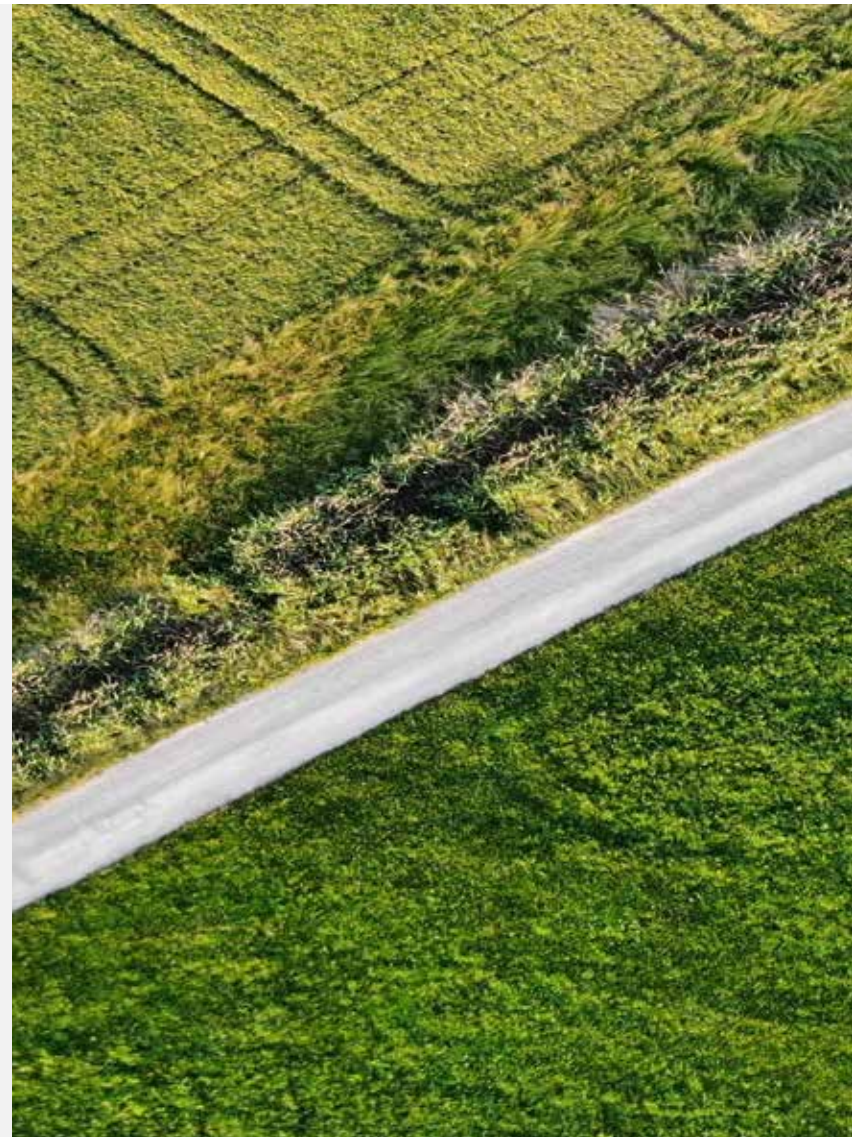
Media is an important platform to reach out to society, share our industry knowledge and insights and inspire emerging entrepreneurs and innovators to develop local solutions to global problems. It is also a central enabler to our communication strategy, allowing our brand to engage with industry peers, communities and stakeholders to collectively address our common challenges.

HOW WE ENGAGED WITH THEM:

AYO has a strong, amicable and professional relationship with local business and technology media and regularly contributes interesting and pertinent thought leadership content, which is prominently featured in many respected publications. We have proactively engaged with the media to correct their mis-perceptions and have now reached a consensus with a number of publishers on the accurate representation and reference to AYO.

THEIR KEY NEEDS AND EXPECTATIONS:

- Informative, relevant and engaging content on global technological developments that can inspire local application of latest international trends to solve pertinent African problems
- Consistent, proactive, professional engagement and dialogue
- Economic support through high advertising “share of voice”



As a business deeply-rooted in Africa, we are guided by the spirit of Ubuntu – “We are who we are through each other”. Thus, we treat all our stakeholders as partners in our value creation journey. We believe that the road to success is never-ending but sharing it with our partners makes the voyage worthy and prosperous.

Subsidiaries' reports



Puleng Technologies can once again report on a particularly successful year, despite having to navigate the business during the unprecedented times over the last six months. We continue to increase our revenue and profitability, underpinned by a strong balance sheet and cashflow.

Our core business in the User Security arena has been our strongest performer. Many clients increasingly recognize the importance of ensuring a secure digital experience for their employees, contractors, third parties and end customers. Puleng's offering in this discipline is the strongest in the South African market with exceptional subject matter expertise and an experienced deployment and support team. We continue to make investment in this area to bring the next level of innovation to clients.

With the deadline looming for organisations to comply with the POPI Act, we have seen a significant increase in revenue from our Data Security business and have built a strong pipeline of new projects in the division. Our Application Security portfolio has great traction, as businesses compete to gain digital market share and roll out applications at a rate never seen before. Puleng is well positioned to assist these organisations to mitigate risk and go to market faster and most importantly securely.

We have made investments into our Infrastructure, Governance Risk & Compliance and Cyber Security business during the year. We are optimistic that these investments will provide the next level of growth and increase our market presence and new client acquisition in 2021.

I am proud of our team's ability to continuously deliver and of their "can-do" attitude during these extreme circumstances globally. I appreciate and sincerely thank each and every one of them for their dedication, passion and professionalism. A special thank you is also due to our clients, vendors, partners, and suppliers for the tremendous support during 2020.

Muhammed Mayet

Chief Executive Officer

Puleng Technologies



Health Systems Technologies (HST) had a reasonably successful 2020, managing to meet and marginally exceed budgeted expectations for the financial year, despite the COVID-19 pandemic and a market outlook that is still adversely impacted by negative publicity.

Our South African operations for the second half of the reporting period focused heavily on COVID-19-related integrations. Since the 1990's HST has been the official technology partner of the National Health Laboratory System (NHLS). With the onset of the pandemic, however, NHLS did not have the capacity to process the vast volume of PCR tests and sought to integrate its testing and reporting capabilities with the numerous private laboratories operating nationwide. This posed a technological challenge, as each lab uses its own software system, and consolidating results proved problematic. HST implemented a total of 28 integration projects during the period, to enable the real time consolidation and reporting of test results and national statistics. In addition, we also provided the software infrastructure for the two COVID-19 temporary hospitals in the Western Cape. These projects were completed in record time and at no cost, as HST's contribution to the nation's fight against the pandemic – an achievement we are particularly proud of.

In pursuit of product and services diversification, HST signed a distributor agreement with AGFA Healthcare, for the supply and implementation of Enterprise Imaging Solutions for radiology and has established a new business unit to grow this exciting opportunity, complementing our existing range of products and services. We remain committed to developing "proudly South African health IT products", which will be marketed on the African continent at large. The first module, being an Enterprise Master Client Index, has been completed and we look forward to take it to market in the upcoming period.

The outlook for 2021 is subdued, following the loss of a major customer. Retention of existing customers remains a challenge, whilst establishing new customers is proving difficult in the South African environment. Nevertheless, our Nigerian operations managed to build on the momentum gained in the previous period, and the outlook for the short and medium-term from our African operations remains positive.

HST will endeavour to mitigate for these aspects outside of our control by marketing a portfolio of advanced health information systems that adds real value to healthcare enterprises at both administrative and clinical levels.

Gerrit Henning

Chief Executive Officer

Health System Technologies



2020 was a bittersweet year for Headset Solutions, influenced heavily by the impact of the COVID-19 pandemic. While demand for our equipment surged with the rapid implementation of remote working protocols nationwide, we experienced stock shortages as suppliers' factories worldwide were shut down and logistics proved challenging. Nevertheless, we still managed to grow revenue by 32% in the financial year, which is a significant achievement in the current economic climate.

Headset Solutions onboarded two new product ranges, namely PolyCom Audio and Video and Jabra Audio and Video, in June 2019. These two new brands represented 32% of the FY20 revenue stream – a much faster growth than anticipated.

Advancing our B-BBEE score is a key priority of Headset Solutions and we managed to achieve a level 3 BEE rating (up from level 4) on the new industry codes. We acknowledge black ownership and the associated procurement points as a major factor driving supplier purchase decisions within our target market and will endeavour to maintain and further improve our scoring in the future.

Headset Solutions believes that making a difference in education is critical for the future of South Africa. Our investment in supporting initiatives within the school system has seen us spend approximately R700,000 per annum for the past 5 years. In the past 3 years, Headset Solutions has offered 32 bursaries to students in disadvantaged schools. In 2020, 5 bursaries were offered, enabling underprivileged youth to gain access into the world of work. Headset Solutions also offers learnerships and internships to disadvantaged students, which run for a year. At the end of the year, we either absorb these students in permanent positions in our company or find placements for them in other businesses.

In August 2020, Headset Solutions donated 6 laptops to Simanyene High School. Each laptop came pre-loaded with Microsoft Office to give learners the tools, not just for their learning, but to also develop skills which would stand them in good stead for the future. These 6 laptops form part of Headset Solutions' commitment to donate 40 laptops.

Headset Solutions' outlook for 2021 is optimistic, despite the challenges faced in the past financial year, and we look forward to report on many successes in the upcoming period.

Tony Brown

Chief Executive Officer

Headset Solutions



Sizwe Africa IT Group had a good year (2020) in that we met our financial targets despite facing a few challenges along the way:

While our business continuity processes were in place and we continued to service key clients during the lockdown, we were affected by the impact of COVID-19, which resulted in decline of clients' spend during the second half of the financial year.

We continue to lose contracts due to the residual adverse media sentiment to AYO as a shareholder. The executive team is hard at work, planning the shift in focus from a service business to a revenue-generating company focused on new markets, as our existing clients are closing their doors on us. The effect of the lost tenders is evident and will affect our operating profit and cash flow in the months to come. It is with a sad heart that I report on retrenching 204 employees to date due to lost contracts.

Our pipeline for 2021 is driven by partnerships that we anticipate will lead to bigger opportunities to mitigate the current challenges. We will continue to build the Sizwe brand as a "partner of choice", as well as diversify our portfolio through new products and service offerings. We will endeavour to keep the best technical skills and retain client partner certifications as critical enablers to the growth of the Group. Maintaining our stellar level 1 B-BBEE rating is also a priority.

Early results of our diversification strategy are optimistic. Our new service offering, CyberAntix (Security Operations Centre) has onboarded its first client and we are working on a pipeline to attract more clients and grown this division, focused on enterprise security. The team is finalising the last details and integrations of the Sizwe Cloud Hosting and Online Platform, which will go live before year end. A few clients have been onboarded already.

The Group continues to be fully committed to a transparent and disciplined governance process and complies with all requirements and material aspects as set out in the King IV™ Code.

Hanno van Dyk

Chief Operating Officer

Sizwe Africa IT Group



SGT Solutions has been able to succeed in delivering strong results despite a turbulent year. Overall sales volume has declined, but careful cost reduction and tight project execution have resulted in good profitability despite the circumstances.

The most obvious reason for the turbulence of the past financial year is the COVID-19 epidemic, which has caused so many disruptions to the economy. In SGT's case, the telecommunications industry was declared as delivering an essential service, which was critical to being able to sustain the company despite the disruption of working-from-home and other lockdown rules. SGT did experience a downturn in volume during lockdown, with major customers experiencing delays in internal processes due to the pandemic, as well as budget cuts in anticipation of the economic downturn. This led to pressure on communication spending by consumers and businesses alike, thereby impacting on budget decisions for the network operators.

On the positive side SGT has been able to gain market share in most of its business segments during this tough time, which has positioned it well for the upcoming recovery period. This is evidenced by deeper penetration of its synchronisation solution into MTN Group (winning a crucial Group tender) and winning the order to refresh the voice and data monitoring technology in Vodacom. Our field services have similarly been able to show an improvement in market share for installation services for the telecoms network operators.

For the year ahead, we believe that the recovery of the SA economy as a whole will lead to opportunities for expansion into more areas of business, assisting in the growth path for SGT. The company has identified the following key focus areas with strongly positive prospects:

- Expansion of field services into preventative maintenance and monitoring as well as specialised engineering services;
- Network build in specialised technologies, such as satellite networks and secure radio communication;
- Introduction of cloud-based RAN solutions in the local market; and
- Expansion of SGT's customer base for vandal-proof security containers for the protection of batteries and other equipment at cellular base stations.

Our overall outlook for 2020/21 is cautiously optimistic, despite very competitive and turbulent market conditions.

Dr Vincent Scholtz

Chief Executive Officer

SGT Solutions



In 2020 Afrozaar experienced a decline in revenue, although we achieved 20% more revenue than budgeted.

Between the struggling global publishing industry and COVID-19 pandemic, there was a significant slow-down in our pipeline opportunities. The investment made to date into the UK and global markets to establish a business network, in-country office and team representation is showing initial signs of confidence in the strategy applied. We will further focus on developing this international operation in the upcoming year.

Afrozaar's strategic expansion plans were suspended and managed conservatively from March 2020. Through aggressive management of costs and client accounts in arrears, the year end result was ahead of PBT expectations.

All key accounts have reduced their spend, with some publishing accounts unable to renew their licenses, thus justifying and supporting the team's strategy to focus on new markets, namely global events and sport. We have already managed to secure two new accounts based in the newly targeted markets in the UK and US, during the period of global lockdown, which is an exceptional achievement.

Afrozaar's UK subsidiary Publisher's Toolbox digital product ecosystem continues to evolve and mature with each implementation. We have successfully pivoted the platform to the sports market, where exciting growth opportunities being pursued. Thus, we are cautiously optimistic for the 2021 financial year with projected growth driven by international expansion and innovative applications of our proprietary technologies.

Richard Cheary

Chief Executive Officer

Afrozaar



The past financial year has been materially affected by the worldwide COVID-19 pandemic. Digital Matter, like most companies, has been significantly impacted and while we expect the negative consequences of the pandemic to linger for years to come, in the short-term, Digital Matter managed to navigate the year reasonably well under the circumstances.

Sasol is an important anchor client for Digital Matter. Due to macro-economic and operational setbacks, including the global drop in oil price and a cost overrun on a mega project in the USA, Sasol implemented a severe cost cutting and cash preservation initiative in the second half of the year. Digital Matter lost a significant Rail Tracking project as a result. Spend in general at Sasol has been reduced and this greatly impacted our revenues for the financial year.

Despite all key accounts and customers reducing, limiting and temporarily suspending their spending, Digital Matter did manage to meet revenue budget, and with some very aggressive cost management through control of overheads and negotiations with suppliers Digital Matter managed to end the year ahead of budgeted PBT.

Looking forward, in 2021 we will focus on retaining and rebuilding revenue and project work at Sasol and expanding the tracking offerings and customer base. Revenue pressure and committed operating costs, coupled with the ongoing uncertainty of the COVID-19 aftermath, have dampened our optimistic projections. We are bracing for a breakeven target in 2021 with expected reduction in revenue, COS and OPEX.

Jeremy Williams

Managing Director

Digital Matter



2020 saw GC2T continue to pursue its diversification strategy adopted previously. The goal is to maintain 70-75% of income/revenue derived from defence exports and non-defence contracts. This revenue mix allows the company to fulfil its strategic and sovereign capability mandate, while being able to grow into new market segments with existing products and services.

South Africa is still facing severe defence budget cuts, and these have affected GC2T's revenue locally. Although the country's economy suffered harsh negative consequences from the COVID-19 outbreak, it had the opposite effect for GC2T. We managed to secure additional work with the DoD through broader roll-out of the Chaka Command and Control capability for multi-departmental joint operations. However, the closing of borders and lockdown all over the world hampered our ability to deliver hardware and meet our milestones for export business, as well as delayed import logistics of subcontracted materials.

GC2T's initial 2019 profit figures were adjusted to accommodate specific international accounting standards, which resulted in overall loss of R10.1 million for the 2019 FY. GC2T would have realised a profit in 2020, had COVID-19 not delayed the delivery of international milestones to the African Union. While our operating losses of R3.04 million in 2020 are definitely a step in the right direction, our focus is firmly on turning our profitability around going forward. We have embarked on an organisational restructuring process, with a view to reduce OPEX by 18% and salary bill by at least 20% to ensure financial viability and long-term sustainability.

The new fiscal year will see GC2T undertake further market diversification efforts and pursuing more export opportunities. We aim to rapidly expand the brand into the African market. The sovereign capability status of GC2T brings close alignment with the South African government and is also opening doors to additional government departments and the planned Border Management Agency. The company has been successful in entering non-defence market sectors including application of Command and Control in a format, that is applicable in the civilian space. GC2T continues to drive expansion into other potential market segments, such as public health, safety and security through market partnerships and public-private initiatives.

Ratilal Rowji

Chief Executive Officer

Global Command and Control Technologies

Consolidated statement of financial position

AS AT 31 AUGUST 2020

	31 August 2020 R'000	31 August 2019 R'000
Assets		
Non-current assets	805 533	653 462
Property, plant and equipment	91 110	102 776
Right of use of assets	35 292	-
Goodwill	131 152	131 152
Intangible assets	82 783	79 828
Investments in equity- accounted joint ventures	18 963	33
Loans to related party companies	120 165	108 562
Other loans receivable	192 411	156 764
Investments at fair value through profit or loss	62 921	24 619
Other financial assets	1 000	12 355
Finance lease receivables	25 189	350
Operating lease receivable	-	110
Deferred tax assets	44 547	36 913
Current assets	4 183 370	4 476 137
Inventories	142 364	178 991
Loans to related party companies	65 898	-
Other loans receivable	12 670	17 199
Trade and other receivables	692 926	584 491
Other financial assets	23 228	12 242
Finance lease receivables	18 052	669
Current tax receivable	3 061	2 329
Cash and cash equivalents	3 225 171	3 680 216
Total assets	4 988 903	5 129 599
Equity and liabilities		
Equity		
Stated capital	4 444 410	4 444 410
Reserves	(39 847)	(30 470)
Retained income	(227 111)	(77 458)
Equity attributable to shareholders of AYO	4 177 452	4 336 482
Non-controlling interests	118 640	134 392
Total equity	4 296 092	4 470 874
Liabilities		
Non-current liabilities	30 903	63 042
Other financial liabilities	-	797
Derivative financial liability	7 587	3 934
Lease liabilities	16 190	2 853
Employee benefit obligation	6 375	6 665
Deferred income	751	11 244
Contingent considerations liabilities	-	37 549
Current liabilities	661 908	595 683
Trade and other payables	523 665	443 836
Loans to related party companies	-	20 863
Other financial liabilities	887	38 500
Lease liabilities	24 395	12 683
Deferred income	47 889	18 589
Current tax payable	11 628	24 124
Provisions	35 541	26 094
Dividend payable	9 382	5 093
Contingent considerations liabilities	5 097	4 795
Bank overdraft	3 424	1 106
Total liabilities	692 811	658 725
Total equity and liabilities	4 988 903	5 129 599

Consolidated statement of profit or loss and other comprehensive income

FOR THE YEAR ENDED 31 AUGUST 2020

	2020 R'000	2019 R'000
Revenue	2 885 214	1 959 292
Cost of sales	(2 259 858)	(1 400 019)
Gross profit	625 356	559 273
Other operating income	68 569	10 046
Other operating gains/(losses)	(82 562)	(44 434)
Other operating expenses	(692 846)	(549 407)
Movement in credit loss allowance	(59 827)	(12 823)
Finance income	241 794	322 856
Finance costs	(17 429)	(10 918)
Profit from equity-accounted investments	20 571	(1 608)
Profit before taxation	103 626	272 985
Taxation	(70 846)	(91 186)
Profit after taxation	32 780	181 799
Other comprehensive income:		
Items that will not be subsequently reclassified to profit or loss:		
Gains on property revaluation	-	221
Items that will be subsequently reclassified to profit or loss:		
Exchange differences on translating foreign operations	(834)	(250)
Income tax relating to items that will not be reclassified	-	32
Total items that will not be subsequently reclassified to profit or loss	(834)	3
Total comprehensive income for the year	31 946	181 802
Profit after taxation attributable to:		
Shareholders of AYO	21 343	150 599
Non-controlling interests	11 437	31 200
Total profit after taxation	32 780	181 799
Total comprehensive income attributable to:		
Shareholders of AYO	20 509	150 602
Non-controlling interests	11 437	31 200
Total comprehensive income	31 946	181 802
Earnings per share (cents)		
Basic earnings per share (cents)	6.20	43.76

Consolidated statement of changes in equity

FOR THE YEAR ENDED 31 AUGUST 2020

	Stated capital R'000	Share premium R'000	Total share capital R'000	Foreign currency translation reserve R'000	Revaluation reserve R'000
Balance at 1 September 2018	4 261 130	183 280	4 444 410	(32)	-
Total comprehensive income for the year	-	-	-	(218)	221
Profit for the year	-	-	-	-	-
Total other comprehensive income for the year	-	-	-	(218)	221
Transfer between share premium and share capital	9 853	(9 853)	-	-	-
Derecognition relating to sale of business	-	-	-	-	-
Raising of NCI put option liabilities	-	-	-	-	-
Dividends	-	-	-	-	-
Business combinations	-	-	-	-	-
Changes in ownership acquisition of minorities	-	-	-	-	-
Balance at 1 September 2019	4 270 983	173 427	4 444 410	(250)	221
Adoption of IFRS 16 on 1 September 2019	-	-	-	-	-
Restated balance on 1 September 2019	4 270 983	173 427	4 444 410	(250)	221
Total comprehensive income for the year	-	-	-	(663)	-
Profit for the year	-	-	-	-	-
Total other comprehensive income for the year	-	-	-	(663)	-
Acquisition of additional shares in subsidiary	-	-	-	-	-
Dividends	-	-	-	-	-
Change in ownership - disposal of subsidiary	-	-	-	-	-
Changes in ownership acquisition of minorities	-	-	-	-	-
Balance at 31 August 2020	4 270 983	173 427	4 444 410	(913)	221

NCI put option options reserve R'000	Share-based payment reserve R'000	Changes in ownership reserve R'000	Total reserves R'000	Retained income R'000	Total attributable to shareholders of AYO R'000	Non- controlling interests R'000	Total equity R'000
-	11 809	-	11 777	(7 502)	4 448 686	20 294	4 468 980
-	-	-	3	150 599	150 602	31 200	181 802
-	-	-	-	150 599	150 599	31 200	181 799
-	-	-	3	-	3	-	3
-	-	-	-	-	-	-	-
-	-	-	-	10	10	(384)	(374)
(14 795)	-	-	(14 795)	-	(14 795)	-	(14 795)
-	-	-	-	(223 681)	(223 681)	(3 730)	(227 411)
-	-	-	-	-	-	101 172	101 172
-	-	(27 455)	(27 455)	3 115	(24 340)	(14 160)	(38 500)
(14 795)	11 809	(27 455)	(30 470)	(77 459)	4 336 482	134 392	4 470 874
-	-	-	-	1 012	1 012	(10)	1 002
(14 795)	11 809	(27 455)	(30 470)	(76 447)	4 337 494	134 382	4 471 876
-	-	-	(663)	21 343	20 680	11 437	32 117
-	-	-	-	21 343	21 343	11 437	32 780
-	-	-	(663)	-	(663)	-	(663)
-	-	-	-	3 495	3 495	(3 495)	-
-	-	-	-	(175 503)	(175 503)	(2 722)	(178 225)
-	-	-	-	(463)	(463)	(17 213)	(17 676)
-	-	(8 714)	(8 714)	-	(8 714)	(3 286)	(12 000)
(14 795)	11 809	(36 169)	(39 847)	(227 575)	4 176 989	119 103	4 296 092

Consolidated statement of cash flows

FOR THE YEAR ENDED 31 AUGUST 2020

	2020 R'000	2019 R'000
Cash flows from operating activities		
Cash receipts from customers	2 494 984	1 950 208
Cash paid to suppliers and employees	(2 467 054)	(2 000 528)
Cash utilised in operations	27 930	(50 320)
Investment income	201 654	285 644
Finance costs	(16 354)	(6 466)
Dividend income	-	3 021
Tax paid	(91 986)	(117 794)
Net cash from operating activities	121 244	114 085
Cash flows from investing activities		
Acquisition of property, plant and equipment	(23 281)	(31 775)
Proceeds from the disposal of property, plant and equipment	4 971	14 425
Acquisition of intangible assets	(11 484)	(19 937)
Proceeds from disposal of intangible assets	59	93
Proceeds from disposal of subsidiary	-	1 203
Purchase of additional shares from minority interests	(12 000)	
Acquisition of subsidiaries net of cash acquired	(187)	(112 306)
Loans advanced to related party companies	(58 350)	(103 547)
Other loans advanced	(70 747)	(169 670)
Purchases of investments at fair value through profit or loss	(107 985)	(90 659)
Amounts advanced to acquire other financial assets	(13 030)	(809 366)
Amounts repaid from other financial assets	12 805	901 226
Funds held in Trust	-	(101 294)
Finance lease receipts	6 447	7 135
Net cash to investing activities	(272 782)	(514 472)
Cash flows from financing activities		
Loan from shareholder repaid	-	(5 000)
Dividends paid	(168 693)	(221 108)
Dividends paid to minorities	(2 722)	(2 520)
Payments of contingent consideration arrangements	(38 625)	(4 460)
Repayments of other financial liabilities	(38 825)	(1 133)
Finance lease repayments	-	(10 254)
Loans received from related party companies	-	20 330
Repayment of loans from related parties	(21 252)	-
Lease liabilities repayments	(35 430)	-
Payment of long service awards	(277)	-
Net cash to financing activities	(305 824)	(224 145)
Total cash movement for the period	(457 362)	(624 532)
Cash at the beginning of the period	3 679 110	4 303 642
Total cash at the end of the period	3 221 748	3 679 110

“ DON'T TELL PEOPLE YOUR PLANS,
SHOW THEM YOUR RESULTS.

ZOLA NENE



**SECTION VI:
SUPPLEMENTARY INFORMATION**

- Analysis of shareholder information 114
- Shareholder's diary 115
- Corporate information 116



SUPPLEMENTARY INFORMATION

Analysis of shareholder information

SHAREHOLDER INFORMATION AS AT 31 AUGUST 2020

Analysis of shareholders	Number of shareholders	Percentage of total shareholders	Number of shares	Percentage of total issued shares
1 - 5 000	915	80,19%	8 99 230	0,26%
5 001 - 10 000	92	8,06%	590 431	0,17%
10 001 - 100 000	99	8,68%	2 485 995	0,72%
100 001 - 1 000 000	17	1,49%	3 789 097	1,10%
1 000 001 - and more	18	1,58%	336 359 191	97,74%
Totals	1141	100,00%	344 123 944	100,00%

Major shareholders (5% and more of the shares in issue)	Number of shares	Percentage of total issued shares
African Equity Empowerment Investments Limited	169 866 829	49,36%
Government Employees Pension Fund	99 782 655	29,00%
	269 649 484	78,36%

Shareholder spread	Number of shareholders	Percentage of total shareholders	Number of shares	Percentage of total issued shares
Non-public:	5	0,44%	45 376	0,01%
Directors	3	0,26%	3 000	0,00%
>than 10% of I/C	2	0,18%	42 376	0,01%
Public	1136	99,56%	344 081 568	99,99%
Totals	1141	100,00%	344 123 944	100,00%

Distribution of shareholders	Number of shareholders	Percentage of total shareholders	Number of shares	Percentage of total issued shares
Individuals	766	83,35%		0,00%
Nominee companies and trusts	61	6,64%		
Public companies	1	0,11%	42 376	0,01%
Close corporations and private companies	91	9,90%		
Totals	919	100,00%	42 376	0%

Share trading statistics	Market price per share (cents)
High	560
Low	92
Year-end	520
Volume traded (shares)	218 033
Value traded (rand)	1 037 225
Volume of shares traded as a percentage of issued capital	0,06%
Market capitalisation at 31 August 2019 (rand)	1 789 451 009
Market capitalisation at 14 November 2019 (rand)	1 892 688 567

Shareholder's diary

FINANCIAL REPORTS

Announcement of interim results	May 2021
Interim report	May 2021
Announcement of annual results	November 2021
Integrated report	December 2021

DIVIDEND PAYMENT

Gross dividend (cents per share)	65
Dividend net of dividend withholding tax (cents per share)	52
Announcement date	Thursday, 19 November 2020
Last date to trade cum dividend	Tuesday, 8 December 2020
Trading ex-dividend commences	Wednesday, 9 December 2020
Record date	Friday, 11 December 2020
Date of payment	Monday, 14 December 2020

Share certificates may not be dematerialised between Wednesday, 9 December 2020 and Friday, 11 December 2020, both days inclusive.

LISTING

Johannesburg Stock Exchange Sector: Diversified Industrials
 Share Code: AYO
 ISIN Code: ZAE000252441

Corporate information

Directors:

Dr Wallace Mgoqi (Chairman)*#,
 Howard Platjes (Chief executive officer)^,
 Isaiah Tatenda Bundo (Chief financial officer)^,
 Vanessa Govender (Corporate affairs director)^,
 Khalid Abdulla (Executive deputy chairman)^,
 Rosemary Mosia** , Aziza Amod* ,
 Sello Rasethaba** , Dennis George** ,
 Ngoako Ramatlhodi** , Prof Louis Fourie** and
 Ismet Amod*

** Non-executive
 # Independent
 ^ Executive
 • Resigned effective 11 November 2020*

Registered office:

1st Floor, North Block, Waterway House, 3 Dock Road, V&A Waterfront, Cape Town, 8001

Company secretary:

Wazeer Moosa
 1st Floor, North Block, Waterway House, 3 Dock Road, V&A Waterfront, Cape Town, 8001
 Email: wazeer.moosa@ayotsl.com

Joint auditor:

Thawt Inc.
 3 Monte Vista Blvd, Monte Vista, Cape Town, 7460

Joint auditor:

Crowe Jhb Inc.
 3 Sandown Valley Crescent, Sandown, Sandton, 2031

Transfer secretaries:

Link Market Services South Africa Proprietary Limited
 Rennie House, 13th Floor, 19 Ameshoff Street, Braamfontein, 2001

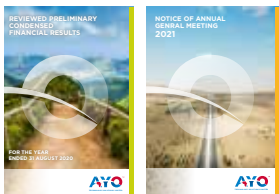
Joint sponsor:

Vunani Proprietary Limited
 151 Katherine Street, Vunani Office Park, Sandown, 2196

Joint sponsor:

Merchantec Capital
 13th Floor, Illovo Point, 68 Melville Rd, Illovo, Sandton, 2196

ayotsl.com



To download this report and other documents in this report series, visit www.ayotsl.com

