

# UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL RESULTS AND CASH DIVIDEND DECLARATION

FOR THE SIX MONTHS  
ENDED 28 FEBRUARY 2021



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## AYO TECHNOLOGY SOLUTIONS LIMITED

(Incorporated in the Republic of South Africa)

Registration number: 1996/014461/06

Share code: AYO

ISIN: ZAE000252441

("AYO" or the "Group" or the "Company")





## Join us as we reflect on our journey

Join our exciting journey as we navigate the adverse post-Covid-19 economic environment with our gaze fiercely focused on the road that lies ahead. Join us on this exciting journey of creating South Africa's most successful technology investment group.

"Patient because history is on their side, these masses do not despair because today the weather is bad. Nor do they turn triumphalist when, tomorrow, the sun shines."

(Thabo Mbeki, I am an African)

This is the story of AYO.

The past year has been one of turmoil and uncertainty, but we look forward to growing revenue, continued commitment to servicing our clients, positively impacting the communities in which we operate and creating value for our shareholders.

## 2021 Highlights

REVENUE

**R859** MILLION  
(36%)

EARNINGS PER SHARE

**(30.11)**  
CENTS PER SHARE  
(184%)

HEADLINE EARNINGS PER SHARE

**(25.09)**  
CENTS PER SHARE  
(170%)



## Overview of the AYO Group

Founded in 1996, AYO is a 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 a leading Africa-based technology Group driving smart living, playing and working throughout the continent and beyond. We aim to achieve our vision through a pro-active acquisition strategy which aims to identify, secure and scale upcoming disruptive businesses in the fields of infrastructure, education, longevity and health, e-commerce, industry automation, cyber security and green energy solutions.

AYO is listed on the Johannesburg Stock Exchange and has an asset base valued in excess of R4.6 billion as of 28 February 2021.

### The impact of Covid-19

No business in the world has been left unaffected by the Covid-19 pandemic. This extraordinary phenomenon has challenged every company-idling capacity, eroding profitability and assets and defying traditional business models. It has magnified every existing inequality in our society. We find ourselves in a unique environment that none of us has experienced before, with no playbook on how to navigate this crisis. We are writing the script each and every day.

At AYO, our aim is to keep the DNA of the business intact while we steer through the unpredictable challenges. We remain focused on our business mandate, so that when we come out of this incredible situation, we have all the building blocks we started with, to spring right back onto our growth trajectory.

### Business philosophy

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

As a significant player in the African technology space, AYO aims for a balanced portfolio, which benefits not just its internal stakeholders, but improves 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. AYO addresses this disparity by diversifying the Group's interests amongst developing and established technologies.

### AYO's approach

While the Company strives 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 and operational direction, 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 and a diverse client-base deserves.

As at 28 February 2021, the AYO Group employed over 1 100 people and had over 500 clients in both the public and private sector with operations located in South Africa, Mauritius, East Africa, West Africa and the United Kingdom.



## Group financial performance

The Group's revenue decreased by 36% to R859 million for the six months ended 28 February 2021 as compared to revenue of R1.3 billion in the prior six-month period ended 29 February 2020.

There has been an overall decrease in the Group revenue due to the loss of a large contract with a significant customer. Additionally, there were other significant contracts with major customers in the managed service division which came to the end of their term and were not renewed in the current financial period. The significant decrease in revenue has resulted in a significant decrease in the profit before tax as compared to the prior period.

The Covid-19 pandemic as well as the poor economic environment has had a negative impact on the current and forecasted financial performance of some of the Group's investments which in turn led to the Group recognising fair value losses on its investments and an increased expected credit loss allowance on loans advanced to some investee companies and trade debtors. The total fair value losses and credit loss allowances recognised in the current period amounts to R8 million, as compared to an amount of at least R78 million in the prior corresponding period. Loss before tax for the current financial year excluding the fair value losses and expected credit losses is R29 million.

The Group has a significant cash holding balance of R2.7 billion from which it earns interest income. There was a significant decrease in the prime overdraft rate, which resulted in a significant decrease in the interest rate that the Group obtained for its cash holding. Interest income decreased by 33% to R94 million in the current period as compared to the corresponding prior period. Further to the aforementioned, the Group had a decrease in cash holding as it invested in equities, which resulted in the decrease in interest income.

The Group continues to pursue strategic acquisitions as part of its growth strategy. Refer to note 25 for details relating to strategic acquisitions made subsequent to period-end.

“WE ARE ALL NAVIGATING THIS NEW NORMAL TOGETHER. **AS WE LOCK ARMS VIRTUALLY AND TRY TO HELP ONE ANOTHER IN THE WAYS WE CAN**, OUR VAST WORLD SUDDENLY FEELS A LITTLE SMALLER AND A LOT MORE CONNECTED.”



## Divisional performance

	<b>Unaudited six months ended 28 February 2021 R'000</b>	Unaudited six months ended 29 February 2020 R'000	Audited year ended 31 August 2020 R'000
<b>Software and consulting</b>			
Revenue	22 552	27 578	56 954
Gross profit	6 037	11 228	20 840
EBITDA	498	3 478	7 533
(Loss)/profit before tax	(9)	3 504	6 812

The software and consulting services division focuses on providing scalable digital solutions to retailers, media groups and brand agencies in Africa and Europe. The products developed are primarily focused on assisting clients in optimising business processes and customer experiences using technology. The division also offers a specialised digital media product set in assisting organisations with the commercialisation of digital content.

Revenue decreased by 18% mainly as a result of an ICT contract coming to an end, which impacted on the ability of the division to generate additional revenue from the major customer. The division continues to aggressively manage costs and pursue additional clients to ensure that margins and profitability are maintained. Covid-19 has also had a negative impact on revenues because clients are less willing to increase or continue with digital solutions.

There has been a decrease in the gross profit margin. Even though there was a decrease in revenue, the change in gross profit margin is due to a change in the sales mix with more hardware sales which in turn resulted in a decrease in the gross profit margin.

	<b>Unaudited six months ended 28 February 2021 R'000</b>	Unaudited six months ended 29 February 2020 R'000	Audited year ended 31 August 2020 R'000
<b>Security solutions</b>			
Revenue	128 083	189 631	344 881
Gross profit	45 360	54 853	111 729
EBITDA	5 422	10 528	22 473
Profit before tax	5 311	10 741	22 330

The security solutions division deploys customised security systems to organisational clients with its key focus on identity, access management and governance, risk and compliance (“GRC”) management. There was a significant one-off hardware sale to a customer in the prior period which contributed approximately R60 million to revenue. As it was a one-off sale, revenue decreased in the current year period by 32%.

Although there has been a decrease in the revenue, the gross profit margin in the division has increased from 29% to 35% due to an increase in service-based revenue which earns a higher margins than hardware sales.



	<b>Unaudited six months ended 28 February 2021 R'000</b>	Unaudited six months ended 29 February 2020 R'000	Audited year ended 31 August 2020 R'000
<b>Unified communications</b>			
Revenue	45 585	38 821	90 793
Gross profit	14 955	9 989	27 423
EBITDA	911	299	3 800
Profit/(loss) before tax	371	(476)	2 588

The unified communications division is a reseller of telecommunications and gaming equipment of globally recognised brands. The division is a distributor for Poly, Konftel and Jabra.

Revenue for the division increased by 17%. The segment has continued to benefit from the "work from home" policy undertaken by the majority of companies due to the Covid-19 pandemic. The pandemic presented an opportunity for the division to sell its audio and video conferencing equipment to staff working remotely. On 16 of March 2021, the Group completed the acquisition of a 100% equity interest in Kathea Communications with effective date 1 March 2021.

	<b>Unaudited six months ended 28 February 2021 R'000</b>	Unaudited six months ended 29 February 2020 R'000	Audited year ended 31 August 2020 R'000
<b>Healthcare</b>			
Revenue	57 819	53 725	120 251
Gross profit	22 407	16 111	39 190
EBITDA	17 491	3 593	24 570
Profit before tax	16 584	4 812	24 377

The healthcare division is a specialist provider of optimised and integrated healthcare ICT solutions. The division provides modular and integrated healthcare information systems across all levels in the public and private sector.

Revenue for the division increased by 8% due to the increased need for healthcare services due to Covid-19. The Healthcare division has an improved gross profit margin as well as an EBITDA margin due to contractual increases with clients, and also increased requests for work with major clients. The division is currently developing a strategy to obtain customers from the private health care sector. The division also continues to focus on meeting and exceeding its ongoing service level commitments and KPIs with all of its customers.



## Divisional performance *(continued)*

	Unaudited six months ended 28 February 2021 R'000	Unaudited six months ended 29 February 2020 R'000	Audited year ended 31 August 2020 R'000
<b>Tracking solutions</b>			
Revenue	72 499	18 851	89 365
Gross profit	18 481	3 601	29 541
EBITDA	11 665	(7 113)	3 050
Profit/(loss) before tax	8 422	(10 325)	(2 708)

Revenue for this division increased significantly in the current period compared to the prior period ended 29 February 2020, due to revenue earned from a significant contract with a continental union. The division is a leading technology provider for enabled awareness solutions and training and simulation both nationally and internationally. The solutions include asset and force tracking across the world, integrated situational awareness pictures and constructive simulation technology.

The revenue increased by 285% as a result of fulfilling key milestones on a significant contract with a continental union. The contract was awarded in the prior financial year, however, due to the lockdown, the business was only able to fulfil its performance obligations in the current year. The aforementioned reasons are also the driver of the resultant higher gross profit and EBITDA margins. This division is focused on rapidly expanding into the African markets through the provision of its command-and-control solutions, as well as becoming a training service provider within the private sector.



	<b>Unaudited six months ended 28 February 2021 R'000</b>	Unaudited six months ended 29 February 2020 R'000	Audited year ended 31 August 2020 R'000
<b>Managed services</b>			
Revenue	<b>532 883</b>	1 018 453	2 182 970
Gross profit	<b>126 774</b>	216 754	396 633
EBITDA	<b>(127 156)</b>	18 919	131 721
(Loss)/profit before tax	<b>(96 922)</b>	20 893	50 228

The managed services division is focused on providing network infrastructure, support services and end-to-end solutions for enterprises.

Included in this division are the operational results of AYO, Zaloserve, SGT Solutions and NSX.

AYO's ICT MSA with a multinational company in terms of which AYO rendered a host of ICT services to the multinational company was terminated on 31 July 2020. The termination of the contract has contributed to the significant decrease in the overall Group's revenue for this division. In the prior period revenue of R222 million was recognised for this contract. AYO continues to focus on its acquisition strategy to counter the loss in revenue resulting from termination of the contract.

Zaloserve offers various ICT services to its customers, including a focused spectrum of physical infrastructure, metro and long-distance optic fibre, facility management, continuous energy supply, networking and security solutions to hosting, storage server processing, mobility, data centre, end-user computing and associated consumables.

Although Zaloserve's revenue has decreased by 62%, it is still the Group's highest revenue contributor. Zaloserve had significant revenue contracts with major customers which came to the end of their contract terms in the current period under review. These contracts were not renewed, resulting in a significant decrease of 62% in revenue in the current period. Revenue from Zaloserve of R347 million was recognised in the current period. The contracts which were not renewed contributed revenues of R18 million per month. Although these were tendered for, Zaloserve did not win the tenders, as these institutions usually change service providers every cycle. Zaloserve continues to tender for new revenue opportunities although there has been a redirection in national government spend from IT services and infrastructure to healthcare in order to curb the impact of Covid-19.

SGT Solutions is a turnkey solutions integrator specialising in the design, supply, deployment, commissioning, and maintenance of multi-technology telecommunication systems for mobile broadband and converged solutions. SGT Solutions also specialises in integrated, leading-edge, and comprehensive solutions across the entire spectrum of telecommunications.

Revenue in SGT increased by 25% due to additional power sales being made to the country's significant telecommunication companies.



# Governance matters

## 1. DIRECTORATE

The directors in office up to the date of this report are as follows:

Director	Office	Designation	Date of appointment
H Plaatjes	Chief executive officer	Executive	21 December 2018
IT Bundo	Chief financial officer	Executive	22 January 2019
V Govender	Corporate affairs	Executive	21 December 2018
I Amod	Health Technology	Executive	22 January 2019
K Abdulla	Deputy executive chairman	Executive	12 March 2020
Dr WA Mgoqi	Chairman	Non-executive <sup>#</sup>	20 August 2018
AB Amod		Non-executive	26 February 2013
Dr DH George		Non-executive <sup>#</sup>	20 August 2018
RP Mosia		Non-executive <sup>#</sup>	21 August 2018
Adv Dr NA Ramathlodi		Non-executive <sup>#</sup>	7 March 2018
SM Rasethaba		Non-executive <sup>#</sup>	1 April 2021
Prof LCH Fourie		Non-executive <sup>#</sup>	7 July 2020

<sup>#</sup> *Independent*

Mr SM Rasethaba who had resigned as a non-executive director of the company on 11 November 2020 was re-appointed as non-executive director on 1 April 2021.

Mr I Amod was a non-executive director of the Company from 22 January 2019 and was appointed as an executive director on 1 April 2021.

## 2. LITIGATION

On 31 May 2019, AYO received summons issued by the Public Investment Corporation (“PIC”) and the Government Employees Pension Fund (“GEPF”). The summons seeks a declaration that the subscription agreement entered into by the PIC with AYO be declared unlawful and set aside and that AYO be ordered to pay the PIC R4 290 654 165, together with interest of 10.25% per annum accrued from 22 December 2017 to the date of final payment. AYO has instructed its attorneys to oppose the action and the matter is currently in discovery.

In the event that the PIC and GEPF are successful in their court application, management believes that they will be able to reconfigure the Company into a pure investment holding company. AYO has several subsidiaries that have been in existence for more than 20 years, delivering both satisfactory trading performance and dividend income for AYO.

The State Information Technology Agency (“SITA”) brought an application in the Eastern Cape high court for an order to interdict the Eastern Cape Department of Education (“ECDOE”) from continuing with a contract that the ECDOE has with Sizwe for the supply and lease of tablets to matric learners in the Eastern Cape. The Eastern Cape high court granted the order for the interdict. The ECDOE, supported by Sizwe, are appealing the ruling.



There is a pending defamation claim by Magda Wierzycka against AYO and seven others in the Western Cape High Court. The claim is for the amount of R3 million. AYO is contesting the claim. No provision has been made in respect of this matter as it has not yet been heard before the courts.

AYO's previous banker, First National Bank Limited ("FNB") had given the Company notice to close its transactional banking facility with effect from 3 May 2021. The Company did not have any lending facilities with FNB. The Company instituted legal proceedings against FNB for its decision to close the Company's transactional banking facility. Pending the hearing of AYO's main application, the interdict was struck off the roll for lack of urgency. The action by FNB primarily affected the transactional bank accounts held by AYO Technology Solutions Limited itself and one other subsidiary of AYO, which has an alternative transactional banking service provider. Therefore, other than the account closures as mentioned above, no other entity within AYO's group of companies was affected by FNB's decision. AYO has put in place alternative third-party payment solutions which will ensure continuity of its business. Furthermore, AYO is in the process of engaging with other banks.

### 3. GOING CONCERN

The unaudited interim condensed consolidated financial results have been prepared based on accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

Although the Covid-19 pandemic has had a negative overall impact on the Group's financial performance due to companies reducing their spend on IT infrastructure and government redirecting overall spend into healthcare to curb the impact of Covid-19 on the country. AYO and its subsidiaries have been classified as essential service providers and as such management does not expect significant operational disruptions on the Group because of the Covid-19 pandemic.

The directors have determined the appropriate basis of preparation of the unaudited condensed financial results after considering the Group's outstanding legal matters, the current financial performance of the Group, the Group's financial budgets and assessing the solvency and liquidity of the Group taking into account the current financial position and existing cash resources and borrowing facilities.



## Governance matters *(continued)*

### 4. DECLARATION OF ORDINARY DIVIDEND

Notice is hereby given that a gross final dividend of 65 cents per share has been declared by the Board of AYO out of income reserves in respect of ordinary shares of no-par value for the period ended 28 February 2021.

A dividend withholding tax of 20% or 13 cents per share will be applicable, resulting in a net dividend of 52 cents per share, unless the shareholder concerned is exempt from paying dividend withholding tax.

The issued share capital at the declaration date is 344 123 944 ordinary shares.

The company's income tax number is 9389007031.

The salient dates of the dividend distribution are as follows:

Gross dividend (cents per share)	65
Dividend net of dividend withholding tax (cents per share)	52
Announcement date	Tuesday, 25 May 2021
Last day to trade cum dividend	Tuesday, 8 June 2021
Trading ex-dividend commences	Wednesday, 9 June 2021
Record date	Friday, 11 June 2021
Date of payment	Monday, 14 June 2021

Share certificates may not be dematerialised between Wednesday, 9 June 2021 and Friday, 11 June 2021, both days inclusive.

### 5. EVENTS AFTER REPORTING PERIOD

Refer to note 24 for events after reporting period.

### 6. FUTURE PROSPECTS

The effects of Covid-19 are having a significant impact on the technology sector, affecting raw materials supply, disrupting the electronics value chain, and causing an inflationary risk on products.

More positively, the disruption has caused an acceleration of remote working and a rapid focus on evaluating and de-risking the end-to-end value chain. Remote work, online education and social distancing will create demand for products and services delivered by the technology industry.

AYO is exceptionally well-positioned to take advantage of these opportunities with solutions that respond to major questions around safety, privacy, sustainability, and trust:



- remote working – Kalula is experiencing strong demand for communication and telecom equipment;
- cybersecurity – Puleng has tremendous products and skills to deliver critical cybersecurity solutions;
- online learning – Zaloserve has the nationwide infrastructure to roll out e-learning products and services to students;
- laboratory services – HST has the software and skills to manage complex data networks in healthcare facilities; and
- crisis management – GCCT has command and control specialist solutions for defence and monitoring social distancing.

Even with the aforementioned opportunities, AYO will not be able to escape the ravages on the global and local economy. Customers will postpone purchases on IT infrastructure. Cash flow challenges will test our businesses and our businesses may require subsidising during the crisis to confirm readiness in its aftermath.

As companies seek business solutions to address remote work and social distancing, the demand for developer and engineering talent is likely to increase. Retaining top talent will be essential for AYO.

As an ICT investment holding group, AYO is ready with a strong balance sheet to make strategic acquisitions. Company valuations are becoming more attractive for investment and the Group has several targets in mind.

AYO is actively seeking commercial engagement with one of its significant shareholders, the PIC, to ensure continued support for AYO's investment programme.

## 7. APPRECIATION

We wish to thank our employees, Group executives, management, our Board as well as our strategic partners, business partners and stakeholders for their loyalty and dedication in contributing to the success of the Group.

**Dr Wallace Mgoqi**

Independent non-executive chairman

25 May 2021

**Howard Platjies**

Chief executive officer

25 May 2021



## Consolidated statement of financial position

		Unaudited six months ended 28 February 2021 R'000	Unaudited six months ended 29 February 2020 R'000	Audited year ended 31 August 2020 R'000
	Notes			
<b>Assets</b>				
<b>Non-current assets</b>		<b>943 829</b>	<b>902 393</b>	<b>805 533</b>
Property, plant and equipment	7	98 183	81 544	91 110
Right-of-use of assets	8	75 114	64 186	35 292
Goodwill		131 152	131 152	131 152
Intangible assets	9	87 964	80 097	82 783
Investments in equity-accounted joint ventures		20 060	9 324	18 963
Loans to related party companies	10	160 317	114 124	120 165
Other loans receivable	11	203 205	162 103	192 411
Investments at fair value through profit or loss	12	103 750	212 766	62 921
Other financial assets		1 009	12 775	1 000
Finance lease receivables		22 854	17 191	25 189
Deferred tax		40 221	17 131	44 547
<b>Current assets</b>		<b>3 680 060</b>	<b>4 189 272</b>	<b>4 183 370</b>
Inventories	13	107 653	164 313	142 364
Loans to related party companies	10	65 612	-	65 898
Other loans receivable	11	-	18 247	12 670
Trade and other receivables	14	769 827	629 242	692 926
Other financial assets		9 920	9 197	23 228
Finance lease receivables		16 550	8 385	18 052
Current tax receivable		24 277	2 953	3 061
Cash and cash equivalents	15	2 686 221	3 356 935	3 225 171
<b>Total assets</b>		<b>4 623 889</b>	<b>5 091 665</b>	<b>4 988 903</b>
<b>Equity and liabilities</b>				
<b>Equity</b>				
Stated capital		4 444 410	4 444 410	4 444 410
Reserves		(37 805)	(39 089)	(39 847)
Retained income		(554 411)	(8 940)	(227 111)
<b>Equity attributable to shareholders of AYO</b>		<b>3 852 194</b>	<b>4 396 381</b>	<b>4 177 452</b>
Non-controlling interests		129 183	133 006	118 640
<b>Total equity</b>		<b>3 981 377</b>	<b>4 529 387</b>	<b>4 296 092</b>
<b>Liabilities</b>				
<b>Non-current liabilities</b>		<b>61 369</b>	<b>60 839</b>	<b>30 903</b>
Other financial liabilities		-	818	-
Derivatives financial liability		7 857	6 722	7 587
Lease liabilities	16	47 866	32 501	16 190
Employee benefit obligation		5 646	6 475	6 375
Deferred income		-	10 353	751
Contingent consideration liability	17	-	3 970	-
<b>Current liabilities</b>		<b>581 143</b>	<b>501 439</b>	<b>661 908</b>
Trade and other payables	18	468 375	354 892	523 665
Loan payable		10 046	-	-
Other financial liabilities		803	12 000	887
Lease liabilities	16	31 710	25 277	24 395
Deferred income	19	15 095	16 917	47 889
Current tax payable		7 159	11 444	11 628
Provisions		27 872	43 713	35 541
Dividend payable		13 593	10 999	9 382
Contingent consideration liability	17	2 389	5 596	5 097
Bank overdraft	15	4 101	20 601	3 424
<b>Total liabilities</b>		<b>642 512</b>	<b>562 278</b>	<b>692 811</b>
<b>Total equity and liabilities</b>		<b>4 623 889</b>	<b>5 091 665</b>	<b>4 988 903</b>



# Consolidated statement of profit or loss and other comprehensive income

		Unaudited six months ended 28 February 2021 R'000	Unaudited six months ended 29 February 2020 R'000	Audited year ended 31 August 2020 R'000
Revenue	1	859 422	1 347 059	2 885 214
Cost of sales		(625 407)	(1 034 524)	(2 259 858)
<b>Gross profit</b>		<b>234 015</b>	312 535	625 356
Other operating income	2	6 256	6 378	68 569
Other operating gains/(losses)	3	24 981	73 752	(82 562)
Other operating expenses		(359 024)	(372 641)	(692 846)
Movement in credit loss allowances		(62 477)	-	(59 827)
Finance income	4	93 535	138 679	241 794
Finance costs	5	(4 626)	(7 635)	(17 429)
Profit from equity-accounted investments		1 096	9 291	20 571
<b>(Loss)/profit before taxation</b>		<b>(66 244)</b>	160 359	103 626
Taxation	6	(21 038)	(35 633)	(70 846)
<b>(Loss)/profit after taxation</b>		<b>(87 282)</b>	124 726	32 780
<b>Other comprehensive income:</b>				
<b>Items that will be subsequently reclassified to profit or loss:</b>				
Exchange differences on translating foreign operations		2 042	95	(834)
<b>Other comprehensive income for the period</b>		<b>2 042</b>	95	(834)
<b>Total comprehensive income for the period</b>		<b>(85 240)</b>	124 821	31 946
<b>Profit after taxation attributable to:</b>				
Shareholders of AYO		(103 619)	122 837	21 343
Non-controlling interests		16 337	1 889	11 437
<b>Total profit after taxation</b>		<b>(87 282)</b>	124 726	32 780
<b>Total comprehensive income attributable to:</b>				
Shareholders of AYO		(101 577)	122 932	20 509
Non-controlling interests		16 337	1 889	11 437
<b>Total comprehensive income</b>		<b>(85 240)</b>	124 821	31 946
<b>Earnings per share (cents)</b>				
Basic (loss)/earnings per share (cents)	20	(30.11)	35.70	6.20



## Condensed consolidated statement of changes in equity

	Unaudited six months ended 28 February 2021 R'000	Unaudited six months ended 29 February 2020 R'000	Audited year ended 31 August 2020 R'000
<b>Balance at the beginning of the period</b>	<b>4 296 092</b>	<b>4 470 874</b>	<b>4 470 874</b>
Change in accounting policy - IFRS 16	-	751	1 001
Total profit or loss attributable to shareholders of AYO	<b>(103 619)</b>	122 837	21 343
Total profit or loss attributable to non-controlling interests	<b>16 337</b>	1 899	11 437
Dividends paid	<b>(223 681)</b>	(55 059)	(175 503)
Dividends paid to non-controlling interests	<b>(5 794)</b>	-	(2 722)
Disposal of subsidiary	-	-	(463)
Foreign currency translation reserve	<b>2 042</b>	95	(663)
Changes in ownership reserve	-	(8 714)	(8 714)
Movement in non-controlling interests - disposal of subsidiary	-	-	(17 213)
Movement in non-controlling interest - changes in ownership	-	(3 286)	(3 285)
<b>Balance at the end of the period</b>	<b>3 981 377</b>	<b>4 529 387</b>	<b>4 296 092</b>
	Unaudited six months ended 28 February 2021 R'000	Unaudited six months ended 29 February 2020 R'000	Audited year ended 31 August 2020 R'000
<b>Comprising of:</b>			
Stated capital	<b>4 444 410</b>	4 444 410	4 444 410
Reserves	<b>(37 805)</b>	(39 089)	(39 847)
Retained income	<b>(554 411)</b>	(8 940)	(227 111)
Non-controlling interests	<b>129 183</b>	133 006	118 640
<b>Total equity</b>	<b>3 981 377</b>	<b>4 529 387</b>	<b>4 296 092</b>



## Condensed consolidated statement of cash flows

	Unaudited six months ended 28 February 2021 R'000	Unaudited six months ended 29 February 2020 R'000	Audited year ended 31 August 2020 R'000
<b>Cash (utilised in)/generated from operations</b>	<b>(214 599)</b>	<b>(113 374)</b>	<b>27 930</b>
Finance income	83 590	108 762	201 654
Finance costs	(7 888)	(7 635)	(16 354)
Dividend income	254	-	-
Tax paid	(43 793)	(33 468)	(91 986)
<b>Net cash utilised from operating activities</b>	<b>(182 436)</b>	<b>(45 715)</b>	<b>121 244</b>
<b>Cash flows from investing activities</b>			
Net additions to property, plant and equipment	(22 520)	(4 841)	(18 310)
Net additions to intangible assets	(9 778)	(4 388)	(11 425)
Purchase of additional shares from minority interest	-	-	(12 000)
Acquisition of subsidiaries, net of cash acquired	-	(187)	(187)
Loans advanced to related party companies	(33 801)	-	(58 350)
Other loans advanced	(50 499)	-	(70 747)
Purchase of investments at fair value through profit or loss	(24 000)	(107 985)	(107 985)
Amounts advanced to acquire other financial assets	-	-	(13 030)
Amounts repaid from other financial assets	13 636	2 489	12 805
Finance lease receipts	3 837	-	6 447
<b>Net cash to investing activities</b>	<b>(123 125)</b>	<b>(114 552)</b>	<b>(272 782)</b>
<b>Cash flows from financing activities</b>			
Repayments of other financial liabilities	-	(24 271)	(38 825)
Repayments of lease liabilities and finance leases	(11 156)	(51 352)	(35 430)
Loans received from related party companies	10 000	-	-
Repayment of loans from shareholders	-	(21 252)	(21 252)
Payment of long service awards	(209)	-	(277)
Payments for contingent consideration arrangements	(5 500)	(39 000)	(38 625)
Dividends paid	(221 408)	(46 633)	(168 693)
Dividends paid to minorities	(5 794)	-	(2 722)
<b>Net cash to financing activities</b>	<b>(234 067)</b>	<b>(182 508)</b>	<b>(305 824)</b>
<b>Total cash movement for the period</b>	<b>(539 628)</b>	<b>(342 775)</b>	<b>(457 362)</b>
Cash at the beginning of the period	3 221 748	3 679 110	3 679 110
<b>Total cash at the end of the period</b>	<b>2 682 120</b>	<b>3 336 334</b>	<b>3 221 748</b>



## Accounting policies and basis of preparation

The unaudited condensed consolidated interim financial results for the six months ended 28 February 2021 have been prepared in accordance with the JSE Limited Listings Requirements (“Listings Requirements”) for condensed financial results and the requirements of the Companies Act, 2008 (Act 71 of 2008), as amended (“Companies Act”). The Listings Requirements require financial reports to be prepared in accordance with the framework concepts and the measurement and recognition requirements of International Financial Reporting Standards (“IFRS”) the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council, and also that they as a minimum contain the information required by IAS 34 “Interim Financial Reporting”. The accounting policies applied in the preparation of the unaudited condensed consolidated interim financial results are in terms of IFRS and are consistent with the accounting policies applied in the preparation of the previous audited consolidated annual financial statements except for the new and revised IFRS standards as detailed below.

### Reporting entity

The condensed consolidated interim financial results for year ended 28 February 2021 comprises the Company, its subsidiaries, and joint ventures.

### Use of judgements and estimates

In preparing the condensed consolidated interim financial results in conformity with IFRS, management is required to make estimates and assumptions that affect the amounts represented in the reviewed provisional condensed consolidated financial results and related disclosures. Estimates and assumptions are based on historical experience and expectation of future events and are reviewed on an ongoing basis. Actual results in the future could differ from these estimates which may be material to the condensed consolidated interim financial results. Significant judgements made by management that could have a significant effect on the carrying amounts recognised in the condensed consolidated interim financial results include:

### Business combinations

In the calculation of goodwill arising from a business combination the Group allocates the excess fair value of the consideration transferred, over the net of the fair value of the identifiable assets and liabilities of the acquired entity. Management made judgements in determining the fair value allocation of the consideration transferred as well as estimates of the useful lives of the intangible assets recognised in the business combination.



## Subsidiaries consolidated when less than 50% interest is held

The Group consolidates subsidiaries with an effective interest of less than 50% when the Group has control and power over the investee; it is exposed to or has rights to variable returns from involvement with the investee; and it has the ability to use its power over the investee to affect the amount of the investor's returns. The rights to appoint a majority of directors and key management personnel at the investee give the Company the power to direct the relevant activities of the investee. Although AYO only has a 40% equity interest in Main Street 1653 Proprietary Limited ("Main Street") and 24% equity interest in GCCT it has been determined that AYO controls Main Street and GCCT, respectively in terms of IFRS 10 Consolidated Financial Statements. As per the shareholders agreement, AYO has the rights to variable returns from involvement with Main Street and GCCT and it has the ability to use its power over the investee to affect the amount of the returns in Main Street and GCCT. Management applied judgement in assessing the impact of additional rights granted to the parent company in the shareholder's agreement in respect of its investment in Main Street and GCCT.

## Entities in which the Group holds more than 20% of the voting rights, but does not have significant influence

The directors have concluded that the Group has no significant influence over Bambelela Capital Proprietary Limited ("Bambelela") and 4Plus Technology Venture Fund Africa Proprietary Limited ("4Plus") even though it has 32% of the voting rights in Bambelela and 22% of the voting rights in 4Plus. This is because the Group has no representation on the board of directors and AYO does not participate in any financial or operating policy decision in Bambelela and 4Plus. The voting rights only provide AYO with limited decision-making powers. Consequently, the investments have been accounted for in accordance with IFRS 9 at fair value through profit for loss ("FVTPL").

## Put option over non-controlling interest

The Group estimates the fair value of the written put option over non-controlling interest. The estimation is based on the American binomial pricing model. Management made judgements with regards to inputs into the model in determining the fair value of the written put options.



# Accounting policies and basis of preparation

*(continued)*

## Fair value measurement of investments

The Group has an established control framework with respect to the measurement of fair values. The fair valuation calculations are performed by Vunani Corporate Finance on a half yearly and annual basis. The valuation reports are approved by the Investment Committee in accordance with the Group's reporting policies.

## Earnings per share

Earnings per share are calculated on the weighted average number of shares in issue in respect of the year and is based on profit attributable to ordinary shareholders. Headline earnings per share are calculated in terms of the requirements set out in Circular 01/2019 issued by SAICA.

## Preparation

The unaudited condensed consolidated interim financial results for the period ended 28 February 2021 have been prepared under the supervision of the Group chief financial officer, Isaiah Tatenda Bundo CA(SA) and have not been reviewed by the company's auditors.



# Notes to the unaudited condensed financial results

## 1. REVENUE

	Unaudited six months ended 28 February 2021 R'000	Unaudited six months ended 29 February 2020 R'000	Audited year ended 31 August 2020 R'000
<b>Revenue from contracts with customers</b>			
Sale of goods	367 665	685 106	1 434 156
Rendering of services	491 757	661 953	1 451 058
	<b>859 422</b>	<b>1 347 059</b>	<b>2 885 214</b>
<b>Disaggregation of revenue from contracts with customers</b>			
The Group disaggregates revenue from customers as follows:			
Sale of goods	367 665	685 106	1 434 156
Rendering of services	491 757	661 953	1 451 058
Fees earned	163 183	449 145	1 167 238
Services revenue	328 574	212 808	283 820
<b>Total revenue</b>	<b>859 422</b>	<b>1 347 059</b>	<b>2 885 214</b>

## 2. OTHER OPERATING INCOME

	Unaudited six months ended 28 February 2021 R'000	Unaudited six months ended 29 February 2020 R'000	Audited year ended 31 August 2020 R'000
Corporate services fees income	1 954	3 054	3 785
Recovery of credit losses	72	1 900	1 900
Other income	2 987	1 105	1 982
Administration and management fees	309	142	525
Rental income	106	120	171
Income received from SETA	730	57	125
Fees earned	98	-	166
*Compensation on cancellation of contract	-	-	59 915
	<b>6 256</b>	<b>6 378</b>	<b>68 569</b>

\* The income relates to compensation received from the cancellation of the contract with the major customer.



## Notes to the unaudited condensed financial results *(continued)*

### 3. OTHER OPERATING GAINS/(LOSSES)

	Unaudited six months ended 28 February 2021 R'000	Unaudited six months ended 29 February 2020 R'000	Audited year ended 31 August 2020 R'000
Loss on sale of business	-	-	(6 627)
Gain on bargain purchase	-	(645)	-
Fair value gains/(loss) on non-controlling interest ("NCI") written put option	-	(2 787)	(3 653)
Net foreign exchange gains/(losses)	9 523	(1 800)	(1 801)
Fair value losses on contingent considerations	(1 871)	(1 411)	(1 378)
Fair value gains/losses on other financial assets designated as at fair value through profit or loss	16 824	80 145	(70 228)
Profit on sale of property, plant and equipment	505	250	1 326
Fair value losses on investment in joint arrangements	-	-	(201)
	<b>24 981</b>	73 752	(82 562)



#### 4. FINANCE INCOME

	Unaudited six months ended 28 February 2021 R'000	Unaudited six months ended 29 February 2020 R'000	Audited year ended 31 August 2020 R'000
Bank and cash	71 539	122 804	203 079
Interest - Group companies	2 565	271	1 732
Loans receivable	6 701	6 717	13 555
Cumulative preference shares - Bamebelela	4 048	4 990	9 936
Cumulative preference shares - 4Plus	2 929	-	1 478
Cumulative preference shares - Loot B2B	-	-	886
Funds in Trust	2 255	3 612	6 404
Other financial assets	3 498	285	4 724
	<b>93 535</b>	<b>138 679</b>	<b>241 794</b>

#### 5. FINANCE COSTS

	Unaudited six months ended 28 February 2021 R'000	Unaudited six months ended 29 February 2020 R'000	Audited year ended 31 August 2020 R'000
Bank	468	382	1 338
South African Revenue Service	-	-	2 920
Lease liabilities	2 934	2 241	6 122
Vendor financing programme	1 073	3 159	5 388
Group Loans	32	1 853	1 389
Long service awards	119	-	272
	<b>4 626</b>	<b>7 635</b>	<b>17 429</b>



## Notes to the unaudited condensed financial results *(continued)*

### 6. INCOME TAX EXPENSE

	Unaudited six months ended 28 February 2021 R'000	Unaudited six months ended 29 February 2020 R'000	Audited year ended 31 August 2020 R'000
<b>Major components of the tax expense</b>			
South African normal taxation	18 298	15 851	78 516
Foreign normal taxation	-	-	371
<b>Total current tax expense</b>	<b>18 298</b>	<b>15 851</b>	<b>78 887</b>
<b>Deferred tax expense</b>			
Deferred tax arising on originating and reversing temporary differences	2 740	19 782	(8 041)
<b>Total deferred tax expense</b>	<b>2 740</b>	<b>19 782</b>	<b>(8 041)</b>
<b>Total tax expense</b>	<b>21 038</b>	<b>35 633</b>	<b>70 846</b>

### 7. PROPERTY, PLANT AND EQUIPMENT

	Unaudited six months ended 28 February 2021 R'000	Unaudited six months ended 29 February 2020 R'000	Audited year ended 31 August 2020 R'000
Opening balance	91 110	102 776	102 776
Additions	22 846	6 190	23 281
Additions through business combinations	-	-	35
Disposals	(1 879)	(2 349)	(9 545)
Transferred to right of use asset	-	(10 021)	-
Disposal of subsidiary	(72)	-	(5 288)
Impairment	(2 153)	-	(68)
Depreciation	(11 669)	(15 052)	(20 081)
<b>Closing balance</b>	<b>98 183</b>	<b>81 544</b>	<b>91 110</b>



## 8. RIGHT-OF-USE ASSETS

	Unaudited six months ended 28 February 2021 R'000	Unaudited six months ended 29 February 2020 R'000	Audited year ended 31 August 2020 R'000
Opening balance	35 292	-	-
IFRS 16 - Initial recognition 1 September 2019	-	72 135	74 315
Reclassification of existing finance leases under IFRS 16	-	20 817	650
Additions - new leases entered into	62 456	-	3 482
Disposal	(7 652)	-	(845)
Depreciation	(14 982)	(28 766)	(42 310)
<b>Closing balance</b>	<b>75 114</b>	<b>64 186</b>	<b>35 292</b>

The significant increase in the right-of-use assets balance is as a result of new lease agreements entered into in the current financial period.

## 9. INTANGIBLE ASSETS

	Unaudited six months ended 28 February 2021 R'000	Unaudited six months ended 29 February 2020 R'000	Audited year ended 31 August 2020 R'000
Opening balance	82 783	79 828	79 828
Additions	9 835	4 436	11 533
Disposals	-	-	(58)
Amortisation	(3 414)	(4 477)	(6 967)
Impairment	-	-	(2 666)
Foreign exchange	(1 240)	310	1 113
<b>Closing balance</b>	<b>87 964</b>	<b>80 097</b>	<b>82 783</b>



## Notes to the unaudited condensed financial results *(continued)*

### 10. LOAN TO RELATED PARTY COMPANIES

	Unaudited as at 28 February 2021 R'000	Unaudited as at 29 February 2020 R'000	Audited as at 31 August 2020 R'000
<b>Digital Health Africa Proprietary Limited</b>	-	168	-
The loan was unsecured, bore no interest and had no repayment terms.			
<b>African Equity Empowerment Investments Limited ("AEEI")</b>	6 070	5 639	5 872
The loan receivable to HST is unsecured and interest is charged at the prime overdraft rate. There are no fixed terms of repayment, however, AEEI has been granted an unconditional right to defer payment for at least 12 months.			
<b>Bowwood and Main No 180 Proprietary Limited ("Bowwood")</b>	50 768	-	49 041
The loan is unsecured and bears interest at the prime overdraft rate, compounded monthly. The loan is repayable in a single instalment by the issue of ordinary shares by the Borrower, in terms of a subscription agreement, to SGT Solutions.			
<b>AEEI</b>	9 948	-	10 973
The loan receivable to AYO company is unsecured, bears interest at prime plus 2% and was repayable by 31 August 2021.			
<b>AEEI</b>	4 896	-	5 884
The loan receivable to GCCT is unsecured, bears interest at prime plus 2% and was repayable by 31 August 2021.			
<b>Vunani Fintech Fund Proprietary Limited</b>	154 247	108 317	114 293
The loan is unsecured, bears interest at prime and repayable on 28 March 2024. AYO subordinated the loan for the benefit of other creditors and to allow the Fund's total assets to exceed its liabilities.			
	<b>225 929</b>	<b>114 124</b>	<b>186 063</b>
<b>Split between non-current and current portions:</b>			
Non-current assets	160 317	114 124	120 165
Current assets	65 612	-	65 898
<b>Total</b>	<b>225 929</b>	<b>114 124</b>	<b>186 063</b>



## 11. OTHER LOANS RECEIVABLE

	Unaudited as at 28 February 2021 R'000	Unaudited as at 29 February 2020 R'000	Audited as at 31 August 2020 R'000
<b>Volt Business Solutions Proprietary Limited</b>	<b>6 991</b>	12 235	-
The loan is unsecured and bears interest at a rate of prime plus 2%. 50% of the balance is repayable on 1 January 2022 and the remaining balance due on 1 January 2024. This loan was impaired in full in the current year.			
<b>Cortex Logic Proprietary Limited</b>	-	12 129	12 670
The loan is unsecured and bears interest at a rate of prime plus 2%. R5 million of the balance was repayable on 30 November 2020 with the remaining balance payable on 28 February 2021.			
<b>Cumulative preference shares – Bamebelela Capital Proprietary Limited</b>	<b>161 806</b>	155 986	160 932
In December 2018, AYO subscribed for 500 000 cumulative, redeemable, non-participating convertible class C preference shares of no par value in Bamebelela for consideration of R145 million. The preference shares are redeemable on 31 March 2022. Interest is accrued at variable price prime rate multiplied by adjustment rate of 72%.			
<b>Cumulative preference shares – 4Plus Technology Venture Fund Africa Proprietary Limited (“4Plus”)</b>	<b>34 408</b>	-	31 479
AYO subscribed for 3 000 cumulative, redeemable, non-participating convertible preference shares of no par value in 4Plus for consideration of R30 million. The preference shares of 1 500 are redeemable on 2 April 2027 and the remaining balance on 4 May 2027, respectively. AYO has the right to convert the preference shares into ordinary shares equal to the redemption amount at redemption date. Interest is accrued at prime rate plus 2%.			
	<b>203 205</b>	<b>180 350</b>	<b>205 081</b>
<b>Split between non-current and current portions:</b>			
Non-current assets	203 205	162 103	192 411
Current assets	-	18 247	12 670
<b>Total</b>	<b>203 205</b>	<b>180 350</b>	<b>205 081</b>



## Notes to the unaudited condensed financial results *(continued)*

### 12. INVESTMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

	Unaudited as at 28 February 2021 R'000	Unaudited as at 29 February 2020 R'000	Audited as at 31 August 2020 R'000
<b>Investments comprises of:</b>			
Bambelela	47 968	96 344	31 139
Loot B2B	10 000	2 850	-
4Plus	45 782	113 572	31 782
<b>Closing balance</b>	<b>103 750</b>	<b>212 766</b>	<b>62 921</b>

#### Bambelela

On 28 September 2018, AYO concluded the acquisition of a 32% shareholding in Bambelela. Bambelela holds a 49% shareholding in Vunani Limited a diversified financial services group.

#### Loot B2B

On 8 March 2019, AYO subscribed for 18.7% of the issued share capital in Loot B2B. Loot B2B specialises in e-commerce. Loot B2B was previously known as K201810234 (South Africa) Proprietary Limited.

#### 4Plus

On 3 May 2019, AYO subscribed for 10.53% of the issued share capital in 4Plus. 4Plus has interests in digital media, artificial intelligence, software development and telecommunications. On 1 September 2019, AYO subscribed for a further 5% of the issued share capital in 4Plus and on 13 December 2019 for a further 7.41% of the issued share capital in 4Plus. AYO has a total shareholding of 22.94% in 4Plus.

#### Reconciliation of investments

Opening balance	62 921	24 619	24 619
Additions	24 000	107 985	107 984
Changes in fair values	16 829	80 162	(69 682)
<b>Closing balance</b>	<b>103 750</b>	<b>212 766</b>	<b>62 921</b>



### 13. INVENTORIES

	Unaudited as at 28 February 2021 R'000	Unaudited as at 29 February 2020 R'000	Audited as at 31 August 2020 R'000
Finished goods	55 302	61 385	51 374
Consumables	2 446	-	2 578
Work in progress	57 065	120 920	100 271
	<b>114 813</b>	<b>182 305</b>	<b>154 223</b>
Inventory written down to net realisable value	(7 160)	(17 992)	(11 859)
<b>Total inventories</b>	<b>107 653</b>	<b>164 313</b>	<b>142 364</b>

The carrying value of inventory of R108 million is at net realisable value. R7 million of inventory was written down to net realisable value in the current year (2020: R18 million).

### 14. TRADE AND OTHER RECEIVABLES

	Unaudited as at 28 February 2021 R'000	Unaudited as at 29 February 2020 R'000	Audited as at 31 August 2020 R'000
Trade receivables	622 684	455 601	475 986
Loss allowance	(10 364)	(15 642)	(13 178)
<b>Trade receivables at amortised cost</b>	<b>612 320</b>	<b>439 959</b>	<b>462 808</b>
Deposits	17 275	13 443	14 108
Accrued income	3 592	26 608	6 150
Funds held in Trust	108 169	110 662	111 423
Related party receivables	3 894	781	12 058
Provision for impairment of related party receivables	(13 819)	-	(10 249)
Contract termination receivable*	-	-	68 903
Other receivables	889	-	-
<b>Non-financial instruments</b>			
Value added income tax	7 778	4 609	506
Prepayments	36 918	39 716	34 517
Provision for impairment of prepayments	(9 041)	(9 041)	(9 041)
Sundry items	1 852	2 505	1 743
<b>Total</b>	<b>769 827</b>	<b>629 242</b>	<b>692 926</b>

\* This receivable relates to compensation receivable for the cancellation of the contract with a major customer.



## Notes to the unaudited condensed financial results *(continued)*

### 15. CASH AND CASH EQUIVALENTS

	Unaudited as at 28 February 2021 R'000	Unaudited as at 29 February 2020 R'000	Audited as at 31 August 2020 R'000
<b>Cash and cash equivalents consists of:</b>			
Cash on hand	192 483	159	171
Bank balances	2 493 738	3 356 776	3 225 000
Bank overdraft	(4 101)	(20 601)	(3 424)
<b>Total</b>	<b>2 682 120</b>	<b>3 336 334</b>	<b>3 221 747</b>

### 16. LEASE LIABILITY

	Unaudited as at 28 February 2021 R'000	Unaudited as at 29 February 2020 R'000	Audited as at 31 August 2020 R'000
<b>Maturity analysis</b>			
Less than one year	31 710	25 277	24 395
One to five years	27 973	30 160	16 190
More than five years	19 893	2 341	-
<b>Total lease liability</b>	<b>79 576</b>	<b>57 778</b>	<b>40 585</b>
Non-current liabilities	47 866	32 501	16 190
Current liabilities	31 710	25 277	24 395
	<b>79 576</b>	<b>57 778</b>	<b>40 585</b>
<b>Amounts recognised in profit or loss</b>			
Interest on lease liability	2 934	2 967	6 122
Depreciation	33 351	28 767	42 310

The average lease term was three to five years and the average effective borrowing rate was 10% (2020: 10%).

Interest rates are linked to prime at the contract date. All leases have fixed repayments and no arrangements have been entered into for contingent rent.



## 17. CONTINGENT CONSIDERATION LIABILITY

	Unaudited as at 28 February 2021 R'000	Unaudited as at 29 February 2020 R'000	Audited as at 31 August 2020 R'000
Opening balance	5 097	42 344	42 344
Settlements	(552)	(31 367)	(38 625)
Fair value adjustments	(2 156)	(1 411)	1 378
<b>Closing balance</b>	<b>2 389</b>	<b>9 566</b>	5 097
<b>Split between non-current and current portions:</b>			
Non-current liabilities	-	3 970	-
Current liabilities	2 389	5 596	5 097
<b>Total</b>	<b>2 389</b>	<b>9 566</b>	5 097

The contingent consideration arrangement for Zaloserve requires AYO to pay the former owners of Zaloserve for achieving certain earn-out targets for the 2019, 2020 and 2021 financial years, up to a maximum undiscounted amount of R5.5 million for each financial year.

The contingent consideration arrangement for SGT Solutions required AYO and AEEI to pay the former owners of SGT Solutions for achieving certain earn-out targets for the 2020 and 2021 financial years up to a maximum undiscounted amount of R20 million for each financial year. The terms of the agreement were adjusted in February 2020 and the liability was settled in the prior financial year at a settle amount of R33.5 million

The fair value of the contingent consideration arrangements was calculated as the present value of the future expected cash flows. The calculation was based on the assumption that the earn-out targets will be met based on the best available forecast information at acquisition date and were discounted at the weighted average cost of capital of the relevant subsidiary.



## Notes to the unaudited condensed financial results *(continued)*

### 18. TRADE AND OTHER PAYABLES

	Unaudited as at 28 February 2021 R'000	Unaudited as at 29 February 2020 R'000	Audited as at 31 August 2020 R'000
Trade payables	245 862	263 906	221 026
Leave pay and other accruals	197 358	65 696	233 262
SARS - PAYE, UIF and SDL	7 872	4 897	-
Amounts received in advance	1 958	1 098	1 909
Value added taxation	15 325	19 295	24 479
Contract termination payable	-	-	42 989
<b>Total</b>	<b>468 375</b>	<b>354 892</b>	<b>523 665</b>

The fair value of trade and other payables approximates carrying value due to its short-term nature.

\* This payable relates to compensation payable for the cancellation of the contract with a major customer.

### 19. DEFERRED INCOME

The Group generates deferred revenue on future warranties and maintenance contracts where upfront payment has been received.

The deferred revenue is released to the statement of profit or loss in line with the costs incurred over the period of the contract.

	Unaudited six months ended 28 February 2021 R'000	Unaudited six months ended 29 February 2020 R'000	Audited year ended 31 August 2020 R'000
<b>Reconciliation</b>			
Opening balance	48 640	28 530	29 833
Additions	199	1 536	86 939
Reversals through the profit and loss	(33 744)	(2 796)	(68 132)
<b>Closing balance</b>	<b>15 095</b>	<b>27 270</b>	<b>48 640</b>
<b>Split between non-current and current portions:</b>			
Non-current liabilities	-	10 353	751
Current liabilities	15 095	16 917	47 889
<b>Total</b>	<b>15 095</b>	<b>27 270</b>	<b>48 640</b>



## 20. EARNINGS PER SHARE

	Unaudited six months ended 28 February 2021 R'000	Unaudited six months ended 29 February 2020 R'000	Audited year ended 31 August 2020 R'000
Earnings per share ("EPS") is derived by dividing the earnings attributable to equity holders of AYO by the weighted average number of ordinary shares.			
Basic and diluted earnings per share (cents)	(30.11)	35.70	6.20
There are no dilutive options and other dilutive potential ordinary shares, therefore, basic and diluted earnings per share are the same.			
The earnings and weighted average number of ordinary shares used in the calculation of basic and diluted earnings per share are as follows:			
(Loss)/earnings attributable to owners of AYO	(103 619)	122 837	21 343
Weighted average number of shares ('000)	344 124	344 124	344 124
<b>Headline earnings per share</b>			
Headline (loss)/earnings is determined as follows:			
(Loss)/earnings attributable to owners of AYO	(103 619)	122 837	21 343
<b>Adjusted for:</b>			
Profit on sale of property, plant and equipment	(487)	(250)	(1 326)
Loss on disposal of subsidiary	-	-	6 627
Impairment of property, plant and equipment	2 153	-	69
Impairment of Intangibles	1 838	-	2 665
Goodwill impairment	-	645	644
Tax effects of adjustments	13 766	-	(2 430)
<b>Headline (loss)/earnings</b>	<b>(86 349)</b>	<b>123 232</b>	<b>27 592</b>
Weighted average number of shares ('000)	344 124	344 124	344 124
Headline (loss)/earnings per share (cents)	(25.09)	35.81	8.02

# Notes to the unaudited condensed financial results *(continued)*

## 21. CONTINGENCIES

### Litigation

On 31 May 2019 AYO received a summons issued by the PIC and GEFP. The summons seeks a declaration that the subscription agreement entered into by the PIC with AYO be declared unlawful and set aside and that AYO be ordered to pay the PIC R4.3 billion together with interest of 10.25% per annum accrued from 22 December 2017 to date of final payment. AYO has instructed its attorneys to oppose the action and the matter is currently in discovery.

In the event that the PIC and GEFP are successful in their court application, management believes that they will be able to reconfigure the Company as AYO has several subsidiaries that have been in existence for more than 20 years, delivering both satisfactory trading performance and dividend income for AYO.

The State Information Technology Agency ("SITA") brought an application in the Eastern Cape high court for an order to interdict the Eastern Cape Department of Education ("ECDOE") from continuing with a contract that the ECDOE has with Sizwe for the supply and lease of tablets to matric learners in the Eastern Cape. The Eastern Cape high court granted the order for the interdict. The ECDOE, supported by Sizwe, are appealing the ruling.

There is a pending defamation claim by Magda Wierzycka against AYO and seven others in the Western Cape High Court. The claim is for the amount of R3 million. AYO is contesting the claim. No provision has been made in respect of this matter as it has not yet been heard before the courts.

AYO's previous banker, First National Bank Limited ("FNB") had given the Company notice to close its transactional banking facility with effect from 3 May 2021. The Company did not have any lending facilities with FNB. The Company instituted legal proceedings against FNB for its decision to close the Company's transactional banking facility. Pending the hearing of AYO's main application, the interdict was struck off the roll for lack of urgency. The action by FNB primarily affected the transactional bank accounts held by AYO Technology Solutions Limited itself and one other subsidiary of AYO which has an alternative transactional banking service provider. Therefore, other than the account closures as mentioned above, no other entity within AYO's group of companies was affected by FNB's decision. AYO has put in place alternative third-party payment solutions which will ensure continuity of its business. Furthermore, AYO is in the process of engaging with other banks.

### Options

The share sale agreements for Mainstreet and GCCT give AYO the option to sell its 40% shareholding in Main Street and its 24% shareholding in GCCT to AEEI at a price defined by a formula in the share sale agreements ("AYO put options"). The AYO put option for Main Street has been valued at Rnil as at 28 February 2021, (2020: R2 million) and the AYO put option for GCCT has been valued at Rnil as at 28 February 2021 (2020: R21 million). The options are exercisable between two to four years from the date of purchase of Main Street and GCCT. As at 28 February 2021, the minimum period of two years from date of purchase had not elapsed. The asset is not recognised as the recognition criteria of an asset is not met, due to the inflow of economic benefits not being probable.



## 22. RELATED PARTIES

Entity name	Relationship
African Equity Empowerment Investments Limited	Holding company
Afrinat Proprietary Limited	Fellow subsidiary
Bowwood and Main No. 180 Proprietary Limited	Fellow subsidiary
espAfrika Proprietary Limited	Fellow subsidiary
Orleans Cosmetics Proprietary Limited	Fellow subsidiary
Vunani Fintech Fund Proprietary Limited	Joint venture
Digital Health Africa Proprietary Limited	Joint venture company of a subsidiary
Mustek Limited	Company with similar directors to Sizwe
Sizwe Asset Finance Proprietary Limited	Company with similar directors to Sizwe
BT Communications Services South Africa Proprietary Limited	Associate of holding company
3 Laws Capital Proprietary Limited	Common shareholding
African News Agency Proprietary Limited	Common shareholding
Sekunjalo Investment Holdings Proprietary Limited	Common shareholding
Sekunjalo Properties Proprietary Limited	Common shareholding
Bambelela Capital Proprietary Limited	Investment
Loot B2B Proprietary Limited	Investment
Volt Business Solutions Proprietary Limited	Investment
4Plus Technology Venture Fund Africa Proprietary Limited	Investment



## Notes to the unaudited condensed financial results *(continued)*

	Unaudited six months ended 28 February 2021 R'000	Unaudited six months ended 29 February 2020 R'000	Audited year ended 31 August 2020 R'000
<b>Significant related party transactions during the year include:</b>			
<b>Sales to related parties</b>			
Sizwe Asset Finance Proprietary Limited	-	126 944	526 078
<b>Purchases of information technology management services from related parties</b>			
BT Communications Services South Africa Proprietary Limited	3 664	149 529	211 515
Mustek Limited	-	8 184	32 236
Sizwe Asset Finance Proprietary Limited	-	48 386	90 581
<b>Corporate service income from related parties</b>			
African Equity Empowerment Investments Limited	11	-	680
Independent News and Media Proprietary Limited	8 720	3 054	3 105
<b>Fair value gains/(losses) on investments in related parties</b>			
4Plus Technology Venture Fund Africa Proprietary Limited	-	-	(81 790)
Bambelela Capital Proprietary Limited	16 829	-	14 957
Loot B2B Proprietary Limited	-	-	(2 850)
<b>Administration and management fees expense to related parties</b>			
African Equity Empowerment Investments Limited	3 780	3 780	7 560
<b>Protective equipment purchased from related parties</b>			
Afrinat Proprietary Limited	-	-	3 060
<b>Subscriptions expenses to related parties</b>			
Sekunjalo Investments Holdings Proprietary Limited	890	445	1 781
<b>Interest received from related parties</b>			
4Plus Technology Venture Fund Africa Proprietary Limited	2 929	-	1 478
African Equity Empowerment Investments Limited	376	-	1 750
AYO International Holdings Proprietary Limited	267	248	508
Bambelela Capital Proprietary Limited - cumulative redeemable preference shares	4 048	4 990	9 936
Loot B2B Proprietary Limited	-	-	886
Volt Business Solutions Proprietary Limited	291	700	1 384
Bowwood and Main No. 180 Proprietary Limited	1 727	-	1 040



	Unaudited six months ended 28 February 2021 R'000	Unaudited six months ended 29 February 2020 R'000	Audited year ended 31 August 2020 R'000
<b>Related party balances include the following:</b>			
<b>Loans receivable from related parties</b>			
African Equity Empowerment Investments Limited	6 070	5 639	5 872
4Plus Technology Venture Fund Africa Proprietary Limited – cumulative redeemable preference shares	34 408	-	31 478
African Equity Empowerment Investments Limited	14 844	5 639	22 729
Bambelela Capital Proprietary Limited – cumulative redeemable preference shares	161 806	155 986	160 933
Loot B2B Proprietary Limited – cumulative redeemable preference shares	-	-	15 886
Vunani Fintech Fund Proprietary Limited	154 247	108 317	114 293
Bowwood and Main No. 180 Proprietary Limited	50 768	-	49 040
Volt Business Solutions Proprietary Limited	6 991	12 235	-
<b>Investments in related parties at cost</b>			
4Plus Technology Venture Fund Africa Proprietary Limited at cost	197 230	113 572	183 230
Bambelela Capital Proprietary Limited at cost	31 139	96 344	31 139
Loot B2B Proprietary Limited at cost	25 000	15 000	15 000
<b>Accumulated fair value gains/(losses) on investments in related parties</b>			
4Plus Technology Venture Fund Africa Proprietary Limited	(151 448)	-	(151 448)
Bambelela Capital Proprietary Limited	43 383	-	31 139
Loot B2B Proprietary Limited	(15 000)	(12 150)	(15 000)
<b>Carrying amounts of investments in related parties</b>			
4Plus Technology Venture Fund Africa Proprietary Limited	45 782	113 572	31 782
Bambelela Capital Proprietary Limited	47 968	96 344	31 139
Loot B2B Proprietary Limited	10 000	2 850	-
<b>Other receivables from related parties</b>			
Independent Newspapers Proprietary Limited	8 802	3 651	5 571
Sekunjalo Investments Holdings Proprietary Limited	1 894	-	1 930
<b>Lease liability payable to related parties</b>			
Sekunjalo Properties Proprietary Limited	1 205	-	2 589



# Notes to the unaudited condensed financial results *(continued)*

## 23. FAIR VALUE INFORMATION

Fair value is determined using valuation techniques as outlined below. Where possible, inputs are based on quoted prices and other market determined variables.

### Fair value hierarchy

Financial assets and financial liabilities measured at fair value in the statement of financial position are grouped into three levels of a fair value hierarchy. The three levels are defined based on the observability of significant inputs to the measurement as follows:

- **Level 1** Quoted unadjusted prices in active markets for identical assets or liabilities.
- **Level 2** Inputs other than quoted prices (included in level 1) that are observable for the asset or liability (directly or indirectly).
- **Level 3** Inputs for the asset or liability that are unobservable.

There have been no transfers between levels in the current year.

The following table shows financial assets and liabilities for which fair value is disclosed at reporting date:

Financial instrument	Notes	Fair value hierarchy
<b>Financial assets</b>		
Other financial assets – not designated at fair value through profit/(loss)		Level 2
Other financial assets – designated at fair value through profit/(loss)		Level 2
Trade receivables	15	Level 3 <sup>1</sup>
Cash and cash equivalents	15	Level 1 <sup>2</sup>
Foreign exchange contract		Level 1 <sup>1</sup>
Investments at fair value through profit/(loss)	12	Level 3
<b>Financial liabilities</b>		
Other financial liabilities		Level 3 <sup>1</sup>
Trade payables	18	Level 3 <sup>2</sup>
Bank overdraft	15	Level 1 <sup>2</sup>
Contingent consideration liability	17	Level 3
Derivatives – Put options over non-controlling interests		Level 3

<sup>1</sup> The fair value of these instruments approximates their carrying value, due to their short-term nature.

<sup>2</sup> The carrying value of cash is considered to reflect its fair value.



The following table shows assets and liabilities measured at fair value at reporting date:

	Unaudited as at 28 February 2021 R'000	Unaudited as at 29 February 2020 R'000	Audited as at 31 August 2020 R'000	Valuation method	Fair value hierarchy
<b>Financial assets</b>					
<b>Investments at fair value through profit/(loss)</b>					
Bambelela Capital Proprietary Limited	47 968	96 344	31 139	Percentage of net assets value	Level 3
Loot B2B Proprietary Limited	10 000	2 850	-	Percentage of net assets value	Level 3
4Plus Technology Venture Fund Africa Proprietary Limited	45 782	113 571	31 782	Discounted cash flow	Level 3
<b>Total investments at fair value through profit/(loss)</b>	<b>103 750</b>	<b>212 765</b>	<b>62 921</b>		
<b>Other financial assets - designated at fair value through profit/(loss)</b>					
Cadiz Investment Enterprise Development Fund	-	10 172	9 702	Investor statement	Level 2
Nesa Capital Fund	-	188	-	Investor statement	Level 2
SGB Securities Proprietary Limited	-	3 011	-	Investor statement	Level 1
Numus Capital Proprietary Limited	1 250	-	-	Investor statement	Level 1
<b>Total other financial assets - designated at fair value through profit/(loss)</b>	<b>1 250</b>	<b>13 371</b>	<b>9 702</b>		
<b>Financial liabilities</b>					
Written put options over non-controlling interests	7 857	6 722	7 587	Binomial option pricing model	Level 3
Contingent consideration liabilities	2 389	9 566	5 097	Discounted cash flow	Level 3
<b>Total financial liabilities</b>	<b>10 246</b>	<b>16 288</b>	<b>12 684</b>		



## Notes to the unaudited condensed financial results *(continued)*

### Reconciliation of assets and liabilities measured at level 2 and 3

	Opening balance R'000	Additions R'000	Disposals/ Settlements R'000	Gains/ (losses) in profit or loss R'000	Closing balance R'000
<b>28 February 2021</b>					
<b>Financial assets</b>					
<b>Investments at fair value through profit/(loss)</b>					
Bambelela Capital Proprietary Limited	31 139	-	-	16 829	47 968
Loot B2B Proprietary Limited	-	10 000	-	-	10 000
4Plus Technology Venture Fund Africa Proprietary Limited	31 782	14 000	-	-	45 782
<b>Total investments at fair value through profit/(loss)</b>	<b>62 921</b>	<b>24 000</b>	<b>-</b>	<b>16 829</b>	<b>103 750</b>
<b>Other financial assets – designated at fair value through profit/(loss)</b>					
Cadiz Investment Enterprise Development Fund	9 702	-	(8 701)	8	1 009
Numus Capital Proprietary Limited	1 080	-	-	170	1 250
<b>Total other financial assets – designated at fair value through profit/(loss)</b>	<b>10 782</b>	<b>-</b>	<b>(8 701)</b>	<b>178</b>	<b>2 259</b>
<b>Financial liabilities</b>					
Written put options over non-controlling interests	7 587	-	-	270	7 857
Contingent consideration liabilities	5 097	-	(552)	(2 156)	2 389
<b>Total financial liabilities</b>	<b>12 684</b>	<b>-</b>	<b>(552)</b>	<b>(1 886)</b>	<b>10 246</b>



	Opening balance R'000	Additions R'000	Disposals/ Settlements R'000	Gains/ (losses) in profit or loss R'000	Closing balance R'000
<b>28 February 2020</b>					
<b>Financial assets</b>					
<b>Investments at fair value through profit/(loss)</b>					
Bambelela Capital Proprietary Limited	16 182	-	-	80 162	96 344
Loot B2B Proprietary Limited	2 850	-	-	-	2 850
4Plus Technology Venture Fund Africa Proprietary Limited	5 587	107 984	-	-	113 571
<b>Total investments at fair value through profit/(loss)</b>	<b>24 619</b>	<b>107 984</b>	<b>-</b>	<b>80 162</b>	<b>212 765</b>
<b>Other financial assets - designated at fair value through profit/(loss)</b>					
Cadiz Investment Enterprise Development Fund	10 190	-	-	(18)	10 172
Nesa Capital Fund	188	-	-	-	188
SGB Securities Proprietary Limited	-	3 000	(1)	12	3 011
<b>Total other financial assets - designated at fair value through profit/(loss)</b>	<b>10 378</b>	<b>3 000</b>	<b>(1)</b>	<b>(6)</b>	<b>13 371</b>
<b>Financial liabilities</b>					
Written put options over non-controlling interests	3 934	-	-	2 788	6 722
Contingent consideration liabilities	42 344	-	(33 500)	722	9 566
<b>Total financial liabilities</b>	<b>46 278</b>	<b>-</b>	<b>(33 500)</b>	<b>3 510</b>	<b>16 288</b>



## Notes to the unaudited condensed financial results *(continued)*

	Opening balance R'000	Additions R'000	Disposals/ Settlements R'000	Gains/ (losses) in profit or loss R'000	Closing balance R'000
<b>31 August 2020</b>					
<b>Financial assets</b>					
<b>Investments at fair value through profit/(loss)</b>					
Bambelela Capital Proprietary Limited	16 182	-	-	14 957	31 139
Loot B2B Proprietary Limited (previously K2018010234 (South Africa) Proprietary Limited)	2 850	-	-	(2 850)	-
4Plus Technology Venture Fund Africa Proprietary Limited	5 587	107 985	-	(81 790)	31 782
<b>Total investments at fair value through profit/(loss)</b>	<b>24 619</b>	<b>107 985</b>	<b>-</b>	<b>(69 683)</b>	<b>62 921</b>
<b>Other financial assets - designated at fair value through profit/(loss)</b>					
Cadiz Investment Enterprise Development Fund	10 234	-	-	(532)	9 702
Nesa Capital Fund	188	-	(188)	-	-
Numus Capital Proprietary Limited	-	1 055	-	25	1 080
<b>Total other financial assets - designated at fair value through profit/(loss)</b>	<b>10 422</b>	<b>1 055</b>	<b>(188)</b>	<b>(507)</b>	<b>10 782</b>
<b>Financial liabilities</b>					
Written put options over non-controlling interests	3 934	-	-	3 653	7 587
Contingent consideration liabilities	42 344	-	(38 625)	1 378	5 097
<b>Total financial liabilities</b>	<b>46 278</b>	<b>-</b>	<b>(38 625)</b>	<b>5 031</b>	<b>12 684</b>

The fair value adjustments are recognised directly in profit or loss. The fair value of investments and contingent considerations are based on the discounted cash flow method, while the NCI put liability and contingent consideration liabilities is calculated using the Binomial Option Pricing Model.



## 24. EVENTS AFTER THE REPORTING PERIOD

On 17 August 2020, AYO concluded a binding offer to acquire 100% of the issued share capital and outstanding shareholder claims in Kathea Communication Solutions Proprietary Limited (“Kathea Communication”) for an upfront consideration of R59.8 million and an earn-out of R30 million. Kathea Communication is a value-added distributor of voice, audio visual, video conferencing and workspace management products solutions and services and represents some of the top brands in the communication, collaboration, audio visual and workspace technology arenas.

The Kathea Communication acquisition is now unconditional and has been implemented, with the effective date of the share and purchase agreement being, 1 March 2021.

At the time of issue of the unaudited interim financial results, AYO did not have sufficient information to provide the disclosures as required by IFRS 3 Business Combinations as the initial accounting for the transaction was incomplete.

Management has assessed the current economic conditions as well as the projected inflation and gross domestic product on the expected credit loss allowances (“ECL”) for loans receivables and trade receivables as a result of the Covid-19. As at the date of publication of the interim financial results, management considers the ECL to be appropriate and no further adjustment is required to the interim financial results.

On 1 April 2021, Mr SM Rasethaba was reappointed as an independent non-executive director of the Company.

On 1 April 2021, Mr I Amod was appointed as an Executive Director of the Company. Mr I Amod previously served as a Non-executive Director of the Company.

AYO’s previous banker, First National Bank Limited (“FNB”) had given the Company notice to close its transactional banking facility with effect from 3 May 2021. The Company did not have any lending facilities with FNB. The Company instituted legal proceedings against FNB for its decision to close the Company’s transactional banking facility. Pending the hearing of AYO’s main application, the interdict was struck off the roll for lack of urgency. The action by FNB primarily affected the transactional bank accounts held by AYO Technology Solutions Limited itself and one other subsidiary of AYO which has an alternative transactional banking service provider. Therefore, other than the account closures as mentioned above, no other entity within AYO’s group of companies was affected by FNB’s decision. AYO has put in place alternative third-party payment solutions which will ensure continuity of its business. Furthermore, AYO is in the process of engaging with other banks.



## Condensed segmental analysis

Segment profit represents profit before tax earned by each segment without the allocation of central administration costs, fair value adjustments, finance income and finance costs. This is the measure that is reported to the chief operating decision-maker for the purposes of assessing the segment performance and resource allocation. The accounting policies of the reportable segments are the same as the Group's accounting policies.

	Segmental revenue			Gross profit		
	Unaudited six months ended 28 February 2021 R'000	Unaudited six months ended 29 February 2020 R'000	Audited year ended 31 August 2020 R'000	Unaudited six months ended 28 February 2021 R'000	Unaudited six months ended 29 February 2020 R'000	Audited year ended 31 August 2020 R'000
Software and consulting	22 552	27 578	56 954	6 037	11 228	20 840
Security solutions	128 083	189 631	344 881	45 360	54 853	111 729
Unified communications	47 443	38 821	95 296	14 955	9 989	27 423
Healthcare	57 819	57 025	120 251	22 407	16 111	39 190
Tracking solutions	72 499	18 851	89 365	18 481	3 601	29 541
Managed services	539 146	1 032 078	2 201 123	126 775	216 753	396 633
Eliminations	(8 120)	(16 925)	(22 656)	-	-	-
<b>Total revenue and gross profit</b>	<b>859 422</b>	<b>1 347 059</b>	<b>2 885 214</b>	<b>234 015</b>	<b>312 535</b>	<b>625 356</b>
Administration and support services				(359 025)	(372 641)	(692 846)
Movement in credit loss allowances				(62 477)	-	(59 827)
Other operating income				6 256	6 378	68 569
Other operating gains/(losses)				24 981	73 752	(82 562)
Finance income				93 535	138 678	241 794
Finance costs				(4 626)	(7 635)	(17 429)
Profit on equity accounted investment				1 097	9 291	20 571
<b>Profit before taxation</b>				<b>(66 244)</b>	<b>160 358</b>	<b>103 626</b>



	Segmental assets		
	Unaudited	Unaudited	Audited
	as at	as at	as at
	28 February 2021 R'000	29 February 2020 R'000	31 August 2020 R'000
Software and consulting	17 865	18 729	28 611
Security solutions	75 071	64 285	68 760
Unified communications	80 862	71 482	97 166
Healthcare	98 156	57 221	92 229
Tracking solutions	95 766	92 640	90 905
Managed services	4 234 280	4 770 177	4 566 686
<b>Total</b>	<b>4 602 000</b>	<b>5 074 534</b>	<b>4 944 357</b>
Deferred tax	21 889	17 131	44 546
<b>Total consolidated assets</b>	<b>4 623 889</b>	<b>5 091 665</b>	<b>4 988 903</b>
	Segmental liabilities		
	Unaudited	Unaudited	Audited
	as at	as at	as at
	28 February 2021 R'000	29 February 2020 R'000	31 August 2020 R'000
Software and consulting	12 370	11 395	12 937
Security solutions	37 852	40 650	34 540
Unified communications	13 522	100 011	31 227
Healthcare	26 829	26 765	24 358
Tracking solutions	9 863	135 762	13 826
Managed services	542 076	247 695	575 924
<b>Total consolidated liabilities</b>	<b>642 512</b>	<b>562 278</b>	<b>692 812</b>



## Condensed segmental analysis

(continued)

	Segmental depreciation and amortisation			Segmental additions to property, plant, equipment and intangible assets		
	Unaudited six months ended	Unaudited six months ended	Audited year ended	Unaudited six months ended	Unaudited six months ended	Audited year ended
	28 February 2021	29 February 2020	31 August 2020	28 February 2020	29 February 2019	31 August 2020
	R'000	R'000	R'000	R'000	R'000	R'000
Software and consulting	513	122	865	108	65	1 999
Security solutions	199	231	518	-	811	-
Unified communications	721	197	1 222	94	836	1 177
Health care	1 559	742	2 115	1 678	2 250	7 953
Tracking solutions	3 531	1 172	6 284	111	15	1 705
Managed services	20 931	17 064	62 763	30 370	6 600	22 015
<b>Total</b>	<b>27 454</b>	<b>19 528</b>	<b>73 767</b>	<b>32 361</b>	<b>10 577</b>	<b>34 849</b>



## Corporate information

**Directors:** Howard Platjies (Chief executive officer)^  
Isaiah Tatenda Bundo (Chief financial officer)^  
Vanessa Govender (Corporate affairs director)^  
Khalid Abdulla (Executive deputy chairman)^  
Dr WA Mgoqi (Chairman)\*\*  
Ismet Amod^  
Rosemary Mosia\*\*  
Aziza Amod\*  
Dr Dennis George\*\*  
Adv Dr NA Ramathlodi\*\*  
Professor Louis Fourie\*\*  
SM Rasethaba\*\*  
*\* Non-executive # Independent ^ Executive*

**Business address:** 1st Floor, Waterway House North  
3 Dock Road,  
V&A Waterfront,  
Cape Town, 8001

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

**Transfer secretaries:** JSE Investor Services 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 Road,  
Illovo,  
Sandton, 2196



## Glossary of terms and acronyms

<b>Adv</b>	Advocate
<b>AEEI</b>	African Equity Empowerment Investments Limited
<b>AYO</b>	AYO Technology Solutions Limited
<b>Bambelela</b>	Bambelela Capital Proprietary Limited
<b>B2B</b>	Business to business
<b>B2C</b>	Business to customer
<b>Board</b>	The Board of Directors
<b>B-BBEE</b>	Broad-Based Black Economic Empowerment
<b>Dr.</b>	Doctor
<b>EBITDA</b>	Earnings before interest, tax, depreciation and amortisation
<b>EPS</b>	Earnings per share
<b>GCCT</b>	Global Command and Control Proprietary Limited
<b>Group</b>	AYO Technology Solutions Limited including its subsidiaries and joint ventures
<b>HEPS</b>	Headline earnings per share
<b>ICT</b>	Information, communication and technology
<b>IFRS</b>	International Financial Reporting Standards
<b>Inc.</b>	Incorporated
<b>JSE</b>	Johannesburg Stock Exchange
<b>Kalula</b>	Kalula Proprietary Limited
<b>Kathea Communication</b>	Kathea Communication Solutions Proprietary Limited
<b>KPI</b>	Key Performance Indicator
<b>Mainstreet</b>	Mainstreet 1653 Proprietary Limited
<b>MSA</b>	Master Service Agreement
<b>NCI</b>	Non-controlling interest
<b>Puleng</b>	Puleng Technologies Proprietary Limited
<b>SARS</b>	South African Revenue Service
<b>SETA</b>	Services Sector Education and Training Authority
<b>SLA</b>	Service Level Agreement
<b>SGT Solutions</b>	SGT Solutions Proprietary Limited
<b>SMME</b>	Small to Medium Enterprises
<b>Sizwe</b>	Sizwe IT Proprietary Limited
<b>Tamlalor</b>	Tamlalor Proprietary Limited
<b>USD</b>	United States Dollar
<b>Zaloserve</b>	Zaloserve Proprietary Limited



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