

UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL RESULTS AND CASH DIVIDEND DECLARATION

FOR THE SIX MONTHS
ENDED 28 FEBRUARY 2022

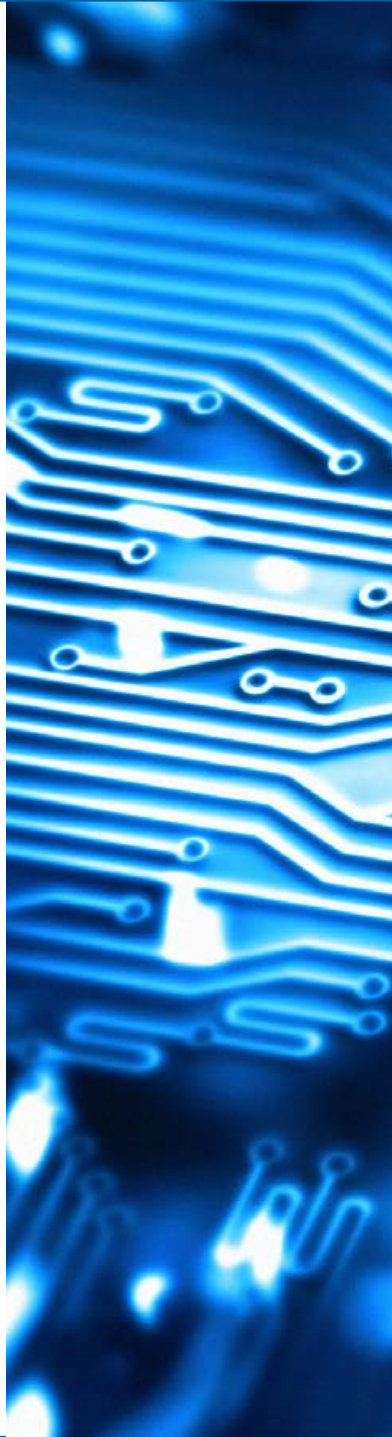


Index

OVERVIEW OF THE AYO GROUP	4
GROUP FINANCIAL PERFORMANCE	5
DIVISIONAL PERFORMANCE	6
GOVERNANCE MATTERS	10
CONSOLIDATED STATEMENT OF FINANCIAL POSITION	14
CONSOLIDATED STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME	15
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY	16
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS	17
ACCOUNTING POLICIES AND BASIS OF PREPARATION	18
NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL RESULTS	21
CONDENSED SEGMENTAL ANALYSIS	50
CORPORATE INFORMATION	53
GLOSSARY OF TERMS AND ACRONYMS	Inside back cover

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

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.

2022 Highlights

REVENUE

R792 MILLION
(8%)

EARNINGS PER SHARE

(34.31)
CENTS PER SHARE
(14%)

HEADLINE EARNINGS PER SHARE

(35.90)
CENTS
PER SHARE
(43%)



Overview of the AYO Group

Founded in 1996, AYO is a technology holding company with interests in disruptive technologies that advance life, business, and economics. We have developed a diverse investment portfolio that touches on all aspects of technology, from connectivity and communications to software development and cloud-based services.

We strive to become a leading Africa-based technology group, pioneering smart living, and working throughout the continent and beyond. It is a lofty ambition, but we are on our way to achieving our future-focused investment strategy. A strategy that aims to identify, secure and scale upcoming disruptive businesses with impact in 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 R4.1 billion as at 28 February 2022.

Business philosophy

We trust that through inclusivity, collaboration, and common purpose, we can spearhead the progress of Africa into an innovative technology hub and a globally competitive powerhouse. Applying creativity, innovation, and technology to solve pertinent problems in Africa is our approach, which we believe will enable us to transform AYO into an authentic African technology giant. It is AYO's ultimate driving purpose to find solutions to the most critical problems in Africa through investing in and incubating technological innovation on the continent, to deliver the most outstanding value for our business, our African economy, and our long-suffering communities.

AYO's approach

The principles of shared value underpin our investment approach. Our subsidiaries and investments are much more than asset-driven equity acquisitions. In making investment decisions we look at what an investment can do for our balance sheet, and how we can create value for the investee and what positive impact we can have on society in general.

Through close and synergistic working relationships with subsidiaries and associated businesses, AYO creates a collaborative environment that enables the companies within the Group to unlock shared value for stakeholders and clients that is far greater than the sum of its organisational parts. This supportive environment enables the AYO group of companies to flourish into captains of their respective niches and transforms us into a diverse, multi-faceted Group with the wide range of expertise to find novel solutions to complex African challenges and create excellent value.

While we strive for an equity stake that allows for meaningful influence over the business entities in which we invest, our approach is one of supportive assistance, rather than dogmatic control. We adopt a decentralised management system. Involvement is mainly focused on enabling growth and scale of our investee companies through input in the strategic process, and operational support, rather than complete functional takeover.



Group financial performance

The Group's revenue decreased by 8% to R792 million for the six months ended 28 February 2022 as compared to revenue of R859 million in the prior six month period ended 28 February 2021.

On 1 November 2021, the Group disposed of its 100% shareholding in Puleng Technologies Proprietary Limited ("Puleng") and lost control of Global Command and Control Technologies Proprietary Limited ("GCCT"). These entities contributed revenues of R128 million and R72 million respectively in the six month period ended 28 February 2021. In the current period under review the Group has consolidated revenue of R8 million from Puleng and GCCT which was generated in the 2-month period of 1 September 2021 to 31 October 2021. The disposal of Puleng and loss of control of GCCT resulted in an overall decrease in revenue for the Group as compared to the prior period. The decrease in revenue was however offset by the inclusion of revenue of R82 million from Kathea Communications Proprietary Limited ("Kathea") in the results for the six months ended 28 February 2022. The Group acquired Kathea on 1 March 2021 and therefore no revenues of Kathea were included in the prior six month period.

Additionally, a subdued economic environment in addition to the continued negative publicity and ongoing banking challenges facing the Group has constrained the Group's business development, organic growth initiatives, and its ability to complete significant acquisitions resulting in no significant revenue growth for the Group.

The Group's gross profit margins have decreased mainly because of the managed services division earning lower margins from its current contracts compared to the higher margin once-off contracts it obtained in the prior period and the disposal of Puleng which earned higher margins in the prior six months period.

The Group implemented cost saving initiatives, retrenchments and restructuring which resulted in a decrease in overall operating expenditure.

In prior years, the Group earned an average of 3.5% per annum from its cash holdings. To obtain a higher return on cash holdings, the Group invested in the stock market. The Group earned dividend income of R3 million and had fair value gains of R19 million from its investments in the stock market during the current period under review. The Group therefore generated interest income and investment income totalling R66 million in the current period under review as compared to interest income and investment income of R94 million in the prior period. The decrease in overall interest and investment income is mainly because of a decline in overall cash balances.

The Group generated a loss before taxation of R85 million for the six months ended 28 February 2022 as compared to a loss before tax of R66 million in the prior period mainly because of the decrease in revenue and gross margin.

Divisional performance

	Unaudited six months ended 28 February 2022 R'000	Unaudited six months ended 28 February 2021 R'000	Audited year ended 31 August 2021 R'000
Software and consulting			
Revenue	19 782	22 552	43 607
Gross profit	6 140	6 037	9 310
EBITDA	321	498	1 729
Profit/(Loss) before tax	244	(9)	408

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 12% mainly as a result of an ICT contract being cancelled in the prior year, which accounted for a substantial part of revenue. A new contract was obtained in the current financial period from a significant customer in the United Kingdom which countered the loss of revenue from the contract which was cancelled in the prior period. The new contract has a higher margins compared to the previous contract. The improve margin from the new contract resulted in an improvement in overall gross profit margin in the current period compared to the prior period.

The division continues to aggressively manage costs and pursue additional clients to ensure that margins and profitability are maintained.

	Unaudited two months ended 31 October 2021 R'000	Unaudited six months ended 28 February 2021 R'000	Audited year ended 31 August 2021 R'000
Security solutions			
Revenue	-	128 083	226 585
Gross profit	-	45 360	80 704
EBITDA	(3 036)	5 422	6
(Loss)/Profit before tax	(3 171)	5 311	(665)

The security solutions division deployed customised security systems to organisational clients with its key focus on identity, access management and governance, risk and compliance (“GRC”) management. This division was disposed of on 1 November 2021. The results shown above are for the two months of September and October 2021 when the division was a part of the Group.

The division had challenges with its customers due to banking issues and the negative media publicity facing the Group which resulted in non-renewal of contracts and no revenue being earned. This ultimately resulted in the division incurring losses and in the decision to dispose of it.



	Unaudited six months ended 28 February 2022 R'000	Unaudited six months ended 28 February 2021 R'000	Audited year ended 31 August 2021 R'000
Unified communications			
Revenue	142 189	45 585	190 163
Gross profit	34 465	14 955	51 519
EBITDA	13 114	911	13 215
Profit before tax	11 413	371	11 225

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 amongst other brands.

On 1 March 2021, the Group completed the acquisition of a 100% equity interest in Kathea which has contributed to the significant increase in metrics. Kathea generated revenue of R82 million, gross profit of R19 million, EBITDA of R9 million and profit before tax of R8m for the six months ended 28 February 2022. The division experienced an increased demand of audio and visual equipment. The division has continued to benefit from the "work from home" policy undertaken by most companies due to the Covid-19 pandemic, and even with returning to office, the increase in virtual meetings has benefited the division.

	Unaudited six months ended 28 February 2022 R'000	Unaudited six months ended 28 February 2021 R'000	Audited year ended 31 August 2021 R'000
Healthcare			
Revenue	32 354	57 819	89 932
Gross profit	15 200	22 407	35 498
EBITDA	10 972	17 491	25 550
Profit before tax	10 360	16 584	23 958

The healthcare division is a specialist provider of optimised and integrated healthcare Information, Communication and Technology ("ICT") solutions. The division provides modular and integrated healthcare information systems across all levels in the public and private sector.

The division had a public sector contract that ended in the prior financial year and was not renewed, resulting in a significant decrease in revenue by 44% from R58 million in the prior six-months ended 28 February 2021 to R32 million in the current period under review. The recurring contracts have a higher gross margin which resulted in the significant increase in the gross profit percentage in the current period as compared to the prior period.



Divisional performance *(continued)*

	Unaudited two months ended 31 October 2021 R'000	Unaudited six months ended 28 February 2021 R'000	Audited year ended 31 August 2021 R'000
Tracking solutions			
Revenue	8 677	72 499	111 063
Gross profit	3 373	18 481	29 708
EBITDA	(712)	11 665	5 016
Profit/(Loss) before tax	1 124	8 422	(2 522)

There were changes to the directorate in this division which resulted in AYO losing control of this division in terms of IFRS 10 - Consolidated Financial Statements on 1 November 2021. The results shown above are for the two months of September and October 2021 when the division was still a subsidiary of the Group.

The division is a leading technology provider for enable 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.

As from 1 November 2021, the division is equity-accounted in the Group financials. A loss of R0.5 million was equity-accounted for the period from 1 November 2021 to 28 February 2022.

	Unaudited six months ended 28 February 2022 R'000	Unaudited six months ended 28 February 2021 R'000	Audited year ended 31 August 2021 R'000
Managed services			
Revenue	588 946	532 883	1 038 142
Gross profit	109 629	126 774	239 863
EBITDA	(160 407)	(127 156)	(391 473)
Loss before tax	(102 821)	(96 922)	(232 928)



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 Technology Solutions Limited ("AYO"), Zaloserve Proprietary Limited ("Zaloserve"), SGT Solutions Proprietary Limited (SGT Solutions") and NSX Solutions Consulting Proprietary Limited ("NSX").

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.

AYO consolidated revenue of R402 million (2021: R347 million) and a gross margin of R82 million (2021: R92 million) from Zaloserve. Zaloserve obtained significant once off contracts from Government departments in the current period which resulted in a 17% increase in revenue from R347 million in the prior period to R402 million in the current period under review. The contracts obtained in the current period generate a lower margin than those obtained in the prior period which resulted in the decrease in gross profit percentage for Zaloserve. The division continues to try and find other opportunities and potential clients to engage in services they can offer.

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.

AYO consolidated revenue of R184 million (2021: R190 million) and a gross margin of R25 million (2021: R35 million) from SGT Solutions. SGT Solutions had significant orders from a customer in the prior period which were more than the average quantities that the customer normally purchases. In the current period under review the orders normalised resulting in an overall reduction in revenue for the Company from R190 million in the prior period to R184 million in the current period under review.

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
Dr. WA Mgoqi	Chairman	Non-executive [#]	20 August 2018
K Abdulla	Deputy executive chairman	Executive	12 March 2020
AB Amod		Non-executive [#]	26 February 2013
Prof. LCH Fourie		Non-executive [#]	7 July 2020
Dr. DH George		Non-executive [#]	20 August 2018
RP Mosia		Non-executive [#]	21 August 2018
SM Rasethaba		Non-executive [#]	1 April 2021
Adv. NA Ramathlodi		Non-executive [#]	7 March 2018

[#] *Independent*

2. LITIGATION

On 31 May 2019 AYO received a summons issued by the Public Investment Corporation (“PIC”) and 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 R4.3 billion together with interest of 10.25% per annum accrued from 22 December 2017 to date of final payment. AYO instructed its attorneys to oppose the action.

The Company has since been reconfigured into an investment holding company and will continue to trade as such through the portfolio of investments it holds should the PIC and GEPF be successful in their application. AYO has some subsidiaries that have been in existence for more than 20 years, delivering both satisfactory trading performance and dividend income for AYO. These subsidiaries are expected to continue trading at an optimal level independent of the PIC funding.

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 Africa IT Group Proprietary Limited (“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, together with costs. 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.



There is a claim for approximately R6.6 million from Volt Africa Proprietary Limited (“VOH”) (hereinafter “the Volt Claim”), in which the Claimant (Volt) alleges that the aforesaid amounts constitutes alleged overpayments made to Afrozaar Proprietary Limited (“Afrozaar”) under the auspices of two service contracts previously concluded between the respective parties. There is also a claim in respect of Afrozaar for approximately R5.6 million from BSA Software Services Inc (hereinafter “the BSA Claim”), in which copyright infringement is alleged due to use of available software on applications not otherwise authorised under developers licence agreement. For the claims against Afrozaar, prospects of success of the Volt claim are difficult to anticipate at this point as the claimant has not fully expanded on its claim nor responded to our submission or observations, therefore the claim merits are unclear. For the BSA claim the prospects of success are difficult as the matter is new. Afrozaar is a subsidiary company within the software and consulting services division.

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.

The board of directors (“Board”) have determined the appropriate basis of preparation of the unaudited interim consolidated financial results after considering the Group’s significant risks, 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. The Board has no intention to cease trading, curtail operations or liquidate the Group.

On 31 May 2019 AYO received a summons issued by the PIC and GEPP. 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.

The Company has since been reconfigured into an investment holding company and will continue to trade as such through the portfolio of investments it holds should the PIC and GEPP be successful in their application. AYO has some subsidiaries that have been in existence for more than 20 years, delivering both satisfactory trading performance and dividend income for AYO. These subsidiaries are expected to continue trading at an optimal level independent of the PIC funding.

The judgements and assumptions described above inherently include material uncertainty on the timing of future cash flows and therefore any significant deviations may cast significant doubt on the Group’s ability to continue as a going concern. Whilst there are material uncertainties as described above, the Board, based on the information available to them, after considering the financial forecasts of the Group and its current financial position are of the opinion that the going concern assumption is appropriate in the preparation of the consolidated annual financial statements.



Governance matters *(continued)*

4. SHARE CAPITAL

Authorised capital

The Company's authorised share capital of 2 000 000 000 ordinary shares of no par value remains unchanged.

	Unaudited six months ended 28 February 2022	Unaudited six months ended 28 February 2021	Audited year ended 31 August 2021
Issued share movements			
Opening balance	344 123 944	344 123 944	344 123 944
Shares repurchased	(305 964)	-	-
Closing balance	343 817 980	344 123 944	344 123 944

The Company acquired 305 964 (2021: nil) of its own shares through purchases on the JSE during the period under review. The acquired shares have been accounted for as treasury shares.

5. DECLARATION OF ORDINARY DIVIDEND

Notice is hereby given that a gross interim dividend of 35 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 2022.

A dividend withholding tax of 20% or 7 cents per share will be applicable, resulting in a net dividend of 28 cents per share, unless the shareholder concerned is exempt from paying dividend withholding tax.

The issued share capital at the declaration date is 343 817 980 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)	35
Dividend net of dividend withholding tax (cents per share)	28
Announcement date	Friday, 20 May 2022
Last day to trade cum dividend	Tuesday, 7 June 2022
Trading ex-dividend commences	Wednesday, 8 June 2022
Record date	Friday, 10 June 2022
Date of payment	Monday, 13 June 2022

Share certificates may not be dematerialised between 8 June 2022 and 10 June 2022, both days inclusive.

6. EVENTS AFTER REPORTING PERIOD

Refer to note 21 for events after reporting period.

7. FUTURE PROSPECTS

AYO strives to become a leading Africa-based technology group, pioneering smart living, and working throughout the continent and beyond. AYO has developed a diverse investment portfolio that touches on all aspects of technology, from connectivity and communications to software development and cloud-based services. AYO believes that it has made good investments into companies that are involved in the telecommunications sector and network solutions sector (managed services division) and companies that are involved in the workplace connectivity sector (unified communications division).

The current banking crisis that the Group faces has resulted in a significant amount of management's time and focus on managing the banking situation and litigation and has had a negative impact on the Group's ability to optimise its cash on hand and return on its investments. The on-going litigation with the PIC as well as the PIC voting against special resolutions to provide financial assistance to subsidiaries has affected the Company's ability to fund its subsidiaries growth initiatives. The negative media and PIC litigation has also impacted the Company's ability to acquire other companies.

Despite the negative impact of Covid-19 and the current negative operating environment caused by the banking crises and the PIC's litigation the Board believes that AYO's investments are resilient and well positioned for growth in the future.

The Group expects to nurture relationships with current customers and suppliers to ensure that it grows current contracts and exploits its current opportunities to the best of its abilities. In line with its go-to-market strategy, the Group will continue to look for opportunities to acquire or partner with companies in disruptive technologies.

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 investments and the Group has several targets in mind.

AYO continues to seek commercial engagement with one of its significant shareholders, the PIC, to ensure continued support for AYO's vision.

8. APPRECIATION

We wish to thank our employees, Group executives, management, our Board as well as our strategic partners, business partners and external stakeholders for their loyalty and support during a tough period for AYO.



Dr Wallace Mgoqi

Independent non-executive chairman

20 May 2022



Howard Platjies

Chief executive officer

20 May 2022



Consolidated statement of financial position

	Notes	Unaudited six months ended 28 February 2022 R'000	Unaudited six months ended 28 February 2021 R'000	Audited year ended 31 August 2021 R'000
Assets				
Non-current assets		1 145 017	943 829	990 573
Property, plant and equipment		44 379	98 183	50 792
Right-of-use of assets		100 982	75 114	117 209
Goodwill		144 593	131 152	144 593
Intangible assets	1	131 456	87 964	157 636
Investments in equity-accounted joint ventures		67 768	20 060	43 502
Investments in associates	2	3 443	-	-
Loans to related party companies	3	261 326	160 317	222 252
Other loans receivable	4	255 480	203 205	84 356
Investments at fair value through profit or loss	5	107 683	103 750	125 141
Other financial assets	7	-	1 009	-
Finance lease receivables		22 070	22 854	22 854
Deferred tax		5 838	40 221	22 238
Current assets		2 964 020	3 680 060	3 176 223
Inventories		141 531	107 653	148 875
Loans to related party companies	3	93 712	65 612	38 542
Other loans receivable	4	197 066	-	168 661
Trade and other receivables	6	766 532	769 827	487 512
Other financial assets	7	228 042	9 920	146 904
Finance lease receivables		11 799	16 550	13 474
Current tax receivable		11 840	24 277	8 533
Cash and cash equivalents	8	1 513 498	2 686 221	2 163 722
Non-current assets held for sale and assets of disposal groups	9	-	-	59 790
Total assets		4 109 038	4 623 889	4 226 586
Equity and liabilities				
Equity				
Stated capital		4 443 158	4 444 410	4 444 410
Reserves		(32 949)	(37 805)	(31 581)
Retained income		(1 179 030)	(554 411)	(938 353)
Equity attributable to shareholders of AYO		3 231 179	3 852 194	3 474 476
Non-controlling interests		147 472	129 183	125 651
Total equity		3 378 651	3 981 377	3 600 127
Liabilities				
Non-current liabilities		131 757	61 369	116 102
Other financial liabilities	10	18 823	-	-
Derivatives financial liability		16 192	7 857	19 953
Lease liabilities		92 520	47 866	90 673
Employee benefit obligation		3 805	5 646	5 476
Deferred income		417	-	-
Current liabilities		598 629	581 143	486 704
Trade and other payables	11	428 926	468 375	312 312
Loans from related party companies		10 979	10 046	10 601
Other financial liabilities	10	26 799	803	2 136
Lease liabilities		18 983	31 710	34 979
Deferred income		36 192	15 095	33 252
Current tax payable		3 735	7 159	7 349
Provisions		27 943	27 872	33 502
Dividend payable		35 834	13 593	28 344
Contingent consideration liability		9 228	2 389	24 228
Bank overdraft	8	9	4 101	1
Liabilities directly associated with assets classified as held for sale	9	-	-	23 653
Total liabilities		730 386	642 512	626 459
Total equity and liabilities		4 109 038	4 623 889	4 226 586



Consolidated statement of profit or loss and other comprehensive income

	Notes	Unaudited six months ended 28 February 2022 R'000	Unaudited six months ended 28 February 2021 R'000	Audited year ended 31 August 2021 R'000
Revenue	12	791 948	859 422	1 699 492
Cost of sales		(623 141)	(625 407)	(1 252 890)
Gross profit		168 807	234 015	446 602
Other operating income		5 574	6 256	10 873
Other operating gains/(losses)	13	(10 621)	24 981	33 798
Other operating expenses		(326 713)	(359 024)	(783 024)
Movement in credit loss allowances		(5 957)	(62 477)	(84 422)
Finance income	14	65 574	93 535	164 639
Finance costs		(5 671)	(4 626)	(13 529)
Profit from equity-accounted investments		23 768	1 096	24 539
Loss before taxation		(85 239)	(66 244)	(200 524)
Taxation	15	(30 380)	(21 038)	(57 579)
Loss after taxation		(115 619)	(87 282)	(258 103)
Other comprehensive income:				
Items that will be subsequently reclassified to profit or loss:				
Exchange differences on translating foreign operations		(1 368)	2 042	3 776
Other comprehensive loss for the period		(1 368)	2 042	3 776
Total comprehensive loss for the period		(116 987)	(85 240)	(254 327)
Profit after taxation attributable to:				
Shareholders of AYO		(116 768)	(103 619)	(259 146)
Non-controlling interests		1 149	16 337	1 043
Total loss after taxation		(115 619)	(87 282)	(258 103)
Total comprehensive income attributable to:				
Shareholders of AYO		(118 136)	(101 577)	(255 370)
Non-controlling interests		1 149	16 337	1 043
Total comprehensive loss		(116 987)	(85 240)	(254 327)
Earnings per share (cents)				
Basic loss per share (cents)	16	(34.31)	(30.11)	(75.31)
Diluted loss per share (cents)	16	(34.31)	(30.11)	(75.31)



Condensed consolidated statement of changes in equity

	Unaudited six months ended 28 February 2022 R'000	Unaudited six months ended 28 February 2021 R'000	Audited year ended 31 August 2021 R'000
Balance at the beginning of the period	3 600 127	4 296 092	4 296 092
Total loss attributable to shareholders of AYO	(116 768)	(103 619)	(259 145)
Total profit or loss attributable to non-controlling interests	1 149	16 337	3 559
Dividends paid	(103 237)	(223 681)	(452 096)
Dividends paid to non-controlling interests	-	(5 794)	(6 801)
Foreign currency translation reserve	(1 368)	2 042	3 118
Changes in ownership reserve	-	-	5 148
Treasury shares	(1 251)	-	-
Movement in non-controlling interest - changes in ownership	-	-	10 252
Balance at the end of the period	3 378 651	3 981 377	3 600 127
	Unaudited six months ended 28 February 2022 R'000	Unaudited six months ended 28 February 2021 R'000	Audited year ended 31 August 2021 R'000
Comprising of:			
Stated capital	4 443 158	4 444 410	4 444 410
Reserves	(32 949)	(37 805)	(31 581)
Retained income	(1 179 030)	(554 411)	(938 353)
Non-controlling interests	147 472	129 183	125 651
Total equity	3 378 651	3 981 377	3 600 127



Condensed consolidated statement of cash flows

	Unaudited six months ended 28 February 2022 R'000	Unaudited six months ended 28 February 2021 R'000	Audited year ended 31 August 2021 R'000
Cash (utilised in)/generated from operations	(264 006)	(214 599)	(284 133)
Finance income	36 390	83 590	126 687
Finance costs	(4 043)	(7 888)	(12 929)
Dividend income	3 129	254	1 848
Tax paid	(43 932)	(43 793)	(64 387)
Net cash utilised from operating activities	(272 462)	(182 436)	(232 914)
Cash flows from investing activities			
Net additions to property, plant and equipment	(6 915)	(22 520)	(20 010)
Net additions to intangible assets	(1 976)	(9 778)	(30 732)
Funds withdrawn in Trust	30 081	-	295 521
Funds advanced in Trusts	(88 164)	-	(273 942)
Acquisition of subsidiaries, net of cash acquired	-	-	(55 447)
Net amounts repaid/(advanced) by/to related party companies	3 697	(33 801)	(42 100)
Other loans advanced	(97 970)	(50 499)	(117 388)
Other loans repaid	1 914	-	-
Purchase of investments at fair value through profit or loss	(31 850)	(24 000)	(26 000)
Net amounts advanced to acquire other financial assets	(60 169)	13 636	(94 141)
Finance lease receipts	5 753	3 837	9 555
Net cash to investing activities	(245 601)	(123 125)	(354 683)
Cash flows from financing activities			
Repayments of other financial liabilities	(6 231)	-	(11 488)
Other financial liabilities loans received	-	-	1 006
Repayments of lease liabilities and finance leases	(12 944)	(11 156)	(26 583)
Loans received from related party companies	-	10 000	10 000
Payment of long service awards	-	(209)	(727)
Payments for contingent consideration arrangements	(15 000)	(5 500)	(5 500)
Share buy back	(1 251)	-	-
Dividends paid	(96 742)	(221 408)	(433 405)
Dividends paid to minorities	-	(5 794)	(3 732)
Net cash to financing activities	(132 169)	(234 067)	(470 429)
Total cash movement for the period	(650 232)	(539 628)	(1 058 026)
Cash at the beginning of the period	2 163 722	3 221 748	3 221 748
Total cash at the end of the period	1 513 490	2 682 120	2 163 722



Accounting policies and basis of preparation

The unaudited condensed consolidated interim financial results for the six months ended 28 February 2022 have been prepared in accordance with the requirements of the JSE Limited Listings Requirements ("Listings Requirements") for interim reports, and the requirements of the Companies Act, 2008 (Act 71 of 2008) as amended ("Companies Act") applicable to interim financial statements. The Listings Requirements require interim reports to be prepared in accordance with IAS 34 Interim Financial Reporting and the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and the Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council. The accounting policies applied in the preparation of the unaudited condensed consolidated interim financial results are in terms of International Financial Reporting Standards ("IFRS") and are consistent with those accounting policies applied in the preparation of the annual financial statements for the year ended 31 August 2021.

The interim condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual consolidated financial statements as at 31 August 2021.

Reporting entity

The unaudited condensed consolidated interim financial results for year ended 28 February 2022 comprises the Company, its subsidiaries, and joint ventures.

Use of judgements and estimates

In preparing the unaudited condensed consolidated interim financial results in conformity with IFRS, management is required to make estimates and assumptions that affect the amounts represented in the unaudited condensed consolidated interim 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 unaudited condensed consolidated interim financial results. Significant judgements made by management that could have a significant effect on the carrying amounts recognised in the unaudited 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. Although AYO only has a 40% equity interest in Main Street 1653 Proprietary Limited ("Main Street") and 43% equity interest in Software Tech Holdings Proprietary Limited ("Software Tech"), it has been determined that AYO controls Main Street and Software Tech in terms of IFRS 10 Consolidated Financial Statements due to (i) the Group has the rights to appoint a majority of directors and key management personnel of the listed subsidiaries and (ii) AYO has majority seats on the board of directors of the investee companies. As per the shareholders agreement, AYO has the rights to variable returns from involvement with Main Street and Software Tech and it has the ability to use its power over the investee to affect the amount of the returns in Main Street and Software Tech. 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 Software Tech.

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 Bamblela Capital Proprietary Limited ("Bamblela"), AOH Enterprises Proprietary Limited ("AOH") and 4Plus Technology Venture Fund Africa Proprietary Limited ("4Plus") even though it has 32% of the voting rights in Bambelela, 25% of the voting rights in AOH and 27% 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, AOH 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 01/2021 issued by SAICA.

Preparation

The unaudited condensed consolidated interim financial results for the period ended 28 February 2022 have been prepared by Pride Guzha CA(SA) Group Financial Manager 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. INTANGIBLE ASSETS

	Unaudited six months ended 28 February 2022 R'000	Unaudited six months ended 28 February 2021 R'000	Audited year ended 31 August 2021 R'000
Opening balance	157 636	82 783	82 783
Additions	1 976	9 835	32 510
Additions through business combinations	-	-	62 012
Disposals	(23 704)	-	(1 777)
Amortisation	(4 842)	(3 414)	(15 919)
Foreign exchange gains/(losses)	389	(1 240)	(1 973)
Closing balance	131 456	87 964	157 636

2. INVESTMENTS IN ASSOCIATES

The Group lost control of its subsidiary GCCT effective 1 November 2021. There were changes to the directorate of GCCT which resulted in AYO losing control in terms of IFRS 10 - Consolidated Financial Statements.

The shareholding interest of AYO in GCCT remains the same at 24%. Refer to Note 17.

The loss of control resulted in the Group recognising GCCT as an associate measured using equity method.

The fair value of GCCT prior to the loss of control was R3.9 million, which is the amount the Group recognised as the investment in associate on 1 November 2021.

Summarised aggregated financial information of the Group shares in the associates is as follows:

Initial recognised associate fair value	3 941
24% loss from equity accounted investment	(498)
Aggregated carrying amount of the Group's interest in associate	3 443



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

3. LOAN TO RELATED PARTY COMPANIES

	Unaudited as at 28 February 2022 R'000	Unaudited as at 28 February 2021 R'000	Audited as at 31 August 2021 R'000
African Equity Empowerment Investments Limited (“AEEI”)	6 512	6 070	6 287
The loan 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.			
Bowwood and Main No 180 Proprietary Limited (“Bowwood”)	-	50 768	3 687
The loan was unsecured and bore interest at the prime overdraft rate, compounded monthly. The loan was repayable in a single instalment by the issue of ordinary shares by the Borrower, in terms of a subscription agreement, to SGT Solutions. The subscription agreement was not concluded and the loan capital was repaid on 27 May 2021. The loan balance at 31 August 2021 consisted of the accumulated interest of R3.6 million which was repaid subsequent to 31 August 2021.			
AEEI - Loan 2	9 182	9 948	8 862
The loan is unsecured, bears interest at prime plus 2% and is repayable by 31 August 2022.			
AEEI - Loan 3	-	4 896	5 123
The loan was unsecured and interest was charged at the prime overdraft rate and had no fixed terms of repayment.			
GCCT	26 097	-	-
The loan bears interest at the prime rate plus 2% and is repayable on 28 February 2024. Interest accrued on the loan is payable semi-annually. The loan is secured by a cession of AEEI shares in GCCT.			



3. LOAN TO RELATED PARTY COMPANIES continued

	Unaudited as at 28 February 2022 R'000	Unaudited as at 28 February 2021 R'000	Audited as at 31 August 2021 R'000
GCCT - Loan 2	34 820	-	-
The loan bears interest at the prime rate and is repayable on 31 August 2022. The loan is secured by the current assets of GCCT with a carrying amount of R75 million (2021: R82 million) and non current assets of GCCT with a carrying amount of R8 million (2021: R11 million) as at 28 February. The carrying amounts of the assets secured are measured in accordance with the applicable IFRS and none of these assets are revalued.			
GCCT - Loan 3	25 322	-	-
The loan is unsecured, bears interest at the prime rate. The loan is repayable on 7 November 2022.			
GCCT - Loan 4	11 678	-	-
The loans are unsecured, bear interest at the prime rate and the loans are repayable as follows:			
A total of R3.2 million no later than 30 September 2022.			
A total of R4.6 million no later than 28 February 2023.			
A total of R4.5 million no later than 31 May 2023.			
The outstanding balance inclusive of interest will be repaid no later than 31 December 2023.			
In the prior financial period, GCCT was a subsidiary of AYO therefore all loans between AYO and GCCT were eliminated in the Consolidated Financial Statements. As GCCT is no longer a subsidiary and is now an associate the loans between AYO and GCCT are no longer eliminated in the Consolidated Financial Statements. This results in the increase in loans to related party companies in the current period under review.			



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

3. LOAN TO RELATED PARTY COMPANIES *continued*

	Unaudited as at 28 February 2022 R'000	Unaudited as at 28 February 2021 R'000	Audited as at 31 August 2021 R'000
Vunani Fintech Fund Proprietary Limited	126 991	118 049	122 556
The loan is unsecured, bears interest at prime and repayable on 28 March 2024.			
Vunani Fintech Fund Proprietary Limited- Loan 2	97 748	36 198	93 409
The loan is unsecured, bears interest at the prime plus 2%. R35 million of the loan is repayable on 14 October 2025, R15 million is repayable on 19 April 2026 and R39.2 million is repayable on 1 June 2026.			
Zaloserve Management Proprietary Limited (“ZM”)	16 148	-	15 584
The loan bears interest at prime rate and is repayable from distributions received by ZM from its shareholding in Zaloserve. The loan is secured by a pledge and cession of shares by ZM.			
Isakhiwo Group International Proprietary Limited	540	-	5 287
The loan bears interest at the prime rate and is repayable from distributions received by the shareholder from time to time.			
	355 038	225 929	260 794
Split between non-current and current portions:			
Non-current assets	261 326	160 317	222 252
Current assets	93 712	65 612	38 542
Total	355 038	225 929	260 794



4. OTHER LOANS RECEIVABLE

	Unaudited as at 28 February 2022 R'000	Unaudited as at 28 February 2021 R'000	Audited as at 31 August 2021 R'000
Volt Africa Proprietary Limited	7 654	6 991	7 314
The loan is unsecured and bears interest at a rate of prime plus 2%. The loan is repayable on 31 August 2022.			
Cumulative preference shares - Dinaledi Technologies Proprietary Limited	20 220	-	-
On 1 November 2021, AYO subscribed for 50 cumulative, redeemable, non-participating convertible preference shares of no par value in Dinaledi Technologies Proprietary Limited for a consideration of R20 million. The preference shares are redeemable on 30 October 2032. AYO has the right to convert the preference shares into ordinary shares equal to the redemption amount of redemption date.			
Cumulative preference shares – Bamebelela Capital Proprietary Limited	159 232	161 806	161 162
In December 2018, AYO subscribed for 500 000 cumulative, redeemable, non-participating convertible class C preference shares of no par value in Bamebelela for a consideration of R145 million. The preference shares are redeemable on 31 March 2022. AYO has the right to convert the preference shares into ordinary shares equal to the redemption amount of redemption date. Interest is accrued at variable prime rate multiplied by adjustment rate at 72%.			

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

4. OTHER LOANS RECEIVABLE *continued*

	Unaudited as at 28 February 2022 R'000	Unaudited as at 28 February 2021 R'000	Audited as at 31 August 2021 R'000
Cumulative preference shares – 4Plus Technology Venture Fund Africa Proprietary Limited (“4Plus”)	50 897	34 408	37 399
On 9 April 2020, AYO subscribed for 1500 cumulative, redeemable, non-participating convertible preference shares of no par value in 4Plus for a consideration of R15 million and on 4 May 2020, AYO subscribed for a further 1 500 cumulative, redeemable, non-participating convertible preference shares of no par value in 4Plus for a consideration of R15 million. On 21 December 2021, AYO subscribed for 500 cumulative, redeemable, non-participating convertible preference shares of no par value in 4Plus for consideration of R5 million and on 2 February 2022, AYO subscribed for an additional 500 cumulative, redeemable, non-participating convertible preference shares of no par value in 4Plus for a consideration of R5 million. At 28 February 2022, AYO holds 4 000 cumulative, redeemable, non-participating convertible preference shares of no par value in 4Plus. The preference shares are redeemable on 9 April 2027, 4 May 2027, 21 December 2028 and 2 February 2029 respectively. AYO has the right to convert the preference shares into ordinary shares equal to the redemption amount of redemption date. Interest is accrued at prime rate plus 2%.			
Loan – 4Plus	2 002	-	-
Interest is charged on the loan at the prime rate. The loan is repayable on 28 February 2024. The loan is secured by all bank accounts, trade debtors and loans receivable of 4Plus.			
Last Mile Logistics Africa Proprietary Limited (“Last Mile”)	29 434	-	28 406
The loan is secured by trade debtors, bank accounts and loans receivable of Last Mile. Interest is charged at the prime rate. The loan is repayable on 30 November 2023.			
LML Shared Solutions Proprietary Limited (“LMLS”)	63 203	-	-
Interest is charged at the prime rate. The loan is secured by all bank accounts, trade debtors and loan receivables of LMLS. The loans are repayable as follows: - R17 million on 28 February 2024 - R15 million on 31 October 2024 - R30 million on 31 December 2024			



4. OTHER LOANS RECEIVABLE continued

	Unaudited as at 28 February 2022 R'000	Unaudited as at 28 February 2021 R'000	Audited as at 31 August 2021 R'000
LMLS - Loan 2	18 647	-	17 996
The loan bears interest at the prime rate and is repayable on 31 July 2024. The loan is secured by motor vehicles with a book value of R18 million.			
LMLS - Loan 3	47 836	-	-
The loans were provided to Sizwe to purchase stock. The loans bears interest at prime rate and they are repayable as follows: -R16 million on 18 October 2025 -R31 million within 36 months			
The loans are secured by a cession of bank accounts, trade receivables, shares, investments, intellectual property rights and insurances of LMLS.			
LMLS - Loan 4	22 742	-	-
Interest is charged at the prime rate. The loan is repayable on 31 August 2026. The loan is secured by all bank accounts, trade debtors and loan receivables of LMLS.			
Crealpha Proprietary Limited	30 000	-	-
The loan is unsecured, has no fixed repayment terms. The loan bears no interest for the first three years from the date of draw down and thereafter shall bear interest at the prime rate.			
Louisyahna Creations Proprietary Limited ("Louisyahna")	679	-	740
The loan is unsecured and bears no interest. It is repayable over 48 months monthly payments of R15 420, which end on 1 August 2025.			
	452 546	203 205	253 017
Split between non-current and current portions:			
Non-current assets	255 480	203 205	84 356
Current assets	197 066	-	168 661
Total	452 546	203 205	253 017

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

5. INVESTMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

	Unaudited as at 28 February 2022 R'000	Unaudited as at 28 February 2021 R'000	Audited as at 31 August 2021 R'000
Investments comprises of:			
Bambelela	73 269	47 968	91 408
Loot B2B	-	10 000	-
4Plus	12 649	45 782	19 818
Last Mile	11 915	-	11 915
Louisyahna	2 000	-	2 000
Kyramanzi Proprietary Limited	5 000	-	-
AOH Enterprises Proprietary Limited	2 850	-	-
Closing balance	107 683	103 750	125 141
Reconciliation of investments at fair value through profit or loss			
Opening balance	125 141	62 921	62 921
Additions – 4 Plus	24 000	14 000	14 000
Additions – Loot B2B	-	10 000	10 000
Additions – Louisyahna	-	-	2 000
Additions – Kyramanzi	5 000	-	-
Additions – AOH	2 850	-	-
Changes in fair values	(49 308)	16 829	36 220
Closing balance	107 683	103 750	125 141

Bambelela Capital Proprietary Limited (“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 Proprietary Limited (“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. There was a fair value loss on the investment in the prior year of R10 million because of COVID-19 impacted the company’s development of the platform as well as the delay in the launch of the marketplace.

4Plus

On 2 April 2019, AYO subscribed for 9.3% of the issued share capital in 4Plus. 4Plus has interests in digital media, artificial intelligence, software development and telecommunications. On 5 October 2019, AYO subscribed for a further 5% of the issued share capital in 4Plus and on 16 December 2019 for a further 8% of the issued share capital in 4Plus. On the 18 December 2020 AYO subscribed for a further 2% of the issued share capital in 4Plus. On 20 September 2021 AYO subscribed or a further 3% of the issued share capital in 4Plus. As at 28 February 2022, AYO has a total shareholding of 27% in 4Plus.



5. INVESTMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS continued

Kyramanzi Proprietary Limited ("Kyramanzi")

On 7 January 2022, AYO subscribed for 20% of the issued share capital in Kyramanzi. Kyramanzi is a company with interests in the property sector.

AOH Enterprises ("AOH")

On 11 October 2021, AYO subscribed for 25% of the issued share capital in AOH. AOH is a company with interests in the property sector.

Last Mile

On 1 May 2020, AYO subscribed for 20% of the issued share capital in Last Mile. Last Mile is a company with interests in the logistics sector.

Louisyahna

On 4 July 2021, AYO subscribed for 20% of the issued share capital in Louisyahna. Louisyahna is a company which operates in property technology. Refer to Note 20 for valuation information.

6. TRADE AND OTHER RECEIVABLES

	Unaudited as at 28 February 2022 R'000	Unaudited as at 28 February 2021 R'000	Audited as at 31 August 2021 R'000
Trade receivables	537 050	622 684	337 721
Loss allowance	(11 965)	(10 364)	(10 441)
Trade receivables at amortised cost	525 085	612 320	327 280
Deposits	18 074	17 275	18 460
Accrued income	10 225	3 592	2 194
Funds held in Trust	129 704	108 169	81 953
Related party receivables	29 809	3 894	14 428
Provision for impairment of related party receivables	(14 081)	(13 819)	(13 831)
Sundry customers	14 846	889	6 097
Non-financial instruments			
Value added income tax	17 941	7 778	23 156
Prepayments	43 656	36 918	36 816
Provision for impairment of prepayments	(9 041)	(9 041)	(9 041)
Sundry items	314	1 852	-
Total	766 532	769 827	487 512



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

7. OTHER FINANCIAL ASSETS

	Unaudited as at 28 February 2022 R'000	Unaudited as at 28 February 2021 R'000	Audited as at 31 August 2021 R'000
Other financial assets are comprised of:			
At fair value through profit or loss			
Cadiz Life Investment Enterprise Development Fund	1 003	216	1 005
Foreign exchange contracts	326	341	802
Funds invested in Unit trusts	12 000	-	-
Vunani Securities - Fund invested in the stock market	207 989	-	116 983
Numus Capital Proprietary Limited	-	1 250	17 411
	221 318	1 807	136 201
Loans and receivables at amortised cost			
Supplier development loan	1 478	2 419	972
Staff loans	3 546	2 003	3 713
Uhula ICT Proprietary Limited	1 700	1 700	1 700
Thamani Technology and Solutions Proprietary Limited	-	1 500	-
Ragna CC	-	-	47
Breakage fee receivable	-	1 500	250
Mantella Trading 634 Proprietary Limited	-	-	4 021
	6 725	9 122	10 703
Total other financial assets	228 042	10 929	146 904
Split between non-current and current portions:			
Non-current assets	-	1 009	-
Current assets	228 042	9 920	146 904
Total	228 042	10 929	146 904



8. CASH AND CASH EQUIVALENTS

	Unaudited as at 28 February 2022 R'000	Unaudited as at 28 February 2021 R'000	Audited as at 31 August 2021 R'000
Cash and cash equivalents consists of:			
Cash on hand	72	192 483	107
Bank balances	1 513 427	2 493 738	2 163 616
Total cash	1 513 498	2 686 221	2 163 722
Bank overdraft	(9)	(4 101)	(1)
Total	1 513 490	2 682 120	2 163 722

9. NON-CURRENT ASSETS HELD FOR SALE

On 23 August 2021, management committed to a plan to sell Puleng, the subsidiary was classified as held for sale as at 31 August 2021. On 1 November 2021, the Group disposed of its 100% equity interest in Puleng in exchange of Preference shares of Dinaledi Technologies Proprietary Limited for a consideration of R20 million. A loss on sale of the subsidiary of R2.7 million has been recognised in profit or loss.

As at 31 of August 2021, the fair value of total assets held for sale was R59 million and total liabilities of R24 million.

At the date of disposal, the carrying amounts of Puleng's net assets were as follows:

	R'000
Property, plant and equipment	308
Right-of-use of assets	1 918
Other financial assets	640
Deferred tax assets	998
Current tax receivable	339
Trade and other receivables	31 763
Cash and cash equivalents	401
Lease liability	(1 829)
Trade and other payables	(4 244)
Goodwill	-
Net assets	30 294



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

10. OTHER FINANCIAL LIABILITIES

	Unaudited as at 28 February 2022 R'000	Unaudited as at 28 February 2021 R'000	Audited as at 31 August 2021 R'000
Other financial liabilities are comprised of:			
Loans at amortised cost			
Computer Aided Telephony System	810	803	2 136
LMLS	44 812	-	-
<p>The loan was initially between Ayo and Sizwe Africa IT Group Proprietary Limited ("Sizwe") and was delegated by Sizwe to LMLS. The loan was provided to enable Sizwe to purchase stock that was sold to Sizwe's customers on the finance lease terms. The loan is secured by a cession and a pledge of Sizwe's contracts with customers. The interest amount charged is equivalent to the interest charged by Sizwe on the customer contracts. The loan is repayable within 36 months.</p>			
Total other financial liabilities	45 622	803	2 136
Split between non-current and current portions:			
Non-current liabilities	18 823	-	-
Current liabilities	26 799	803	2 136
Total	45 622	803	2 136

11. TRADE AND OTHER PAYABLES

	Unaudited as at 28 February 2022 R'000	Unaudited as at 28 February 2021 R'000	Audited as at 31 August 2021 R'000
Trade payables	192 184	245 862	146 414
Leave pay and other accruals	231 061	197 358	161 421
SARS - PAYE, UIF and SDL	-	7 872	-
Amounts received in advance	1 716	1 958	541
Value added taxation	3 965	15 325	3 936
Total	428 926	468 375	312 312

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



12. REVENUE

	Unaudited six months ended 28 February 2022 R'000	Unaudited six months ended 28 February 2021 R'000	Audited year ended 31 August 2021 R'000
Revenue from contracts with customers			
Sale of goods	436 127	367 665	1 051 740
Rendering of services	355 821	491 757	647 752
	791 948	859 422	1 699 492
Disaggregation of revenue from contracts with customers			
The Group disaggregates revenue from customers as follows:			
Sale of goods	436 127	367 665	1 051 740
Rendering of services	355 821	491 757	647 752
Fees earned	180 044	163 183	346 030
Services revenue	175 777	328 574	301 722
	791 948	859 422	1 699 492
Timing of revenue recognition by revenue pattern			
At a point in time			
Software- and consulting-related	6 137	50 684	70 263
Security services solutions-related	-	65 464	113 041
Communication products and hardware-related	134 369	47 245	278 263
Project-related services	290 620	338 325	541 022
	431 126	501 718	1 002 589
Overtime			
Software- and consulting-related	13 645	45 254	37 811
Security services solutions-related	-	30 466	54 558
Communication products- and hardware-related	7 820	-	95 445
Project-related services	339 357	281 984	509 089
	360 822	357 704	696 904
	791 948	859 422	1 699 492

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

13. OTHER OPERATING GAINS/(LOSSES)

	Unaudited six months ended 28 February 2022 R'000	Unaudited six months ended 28 February 2021 R'000	Audited year ended 31 August 2021 R'000
Loss on sale of subsidiary	(2 673)	-	-
Profit on early termination of lease	-	-	330
Fair value gains/(loss) on non-controlling interest ("NCI") written put option	3 761	-	(12 366)
Net foreign exchange gains/(losses)	1 520	9 523	(9 920)
Fair value (losses)/gains on contingent considerations	-	(1 871)	4 544
Fair value (losses)/gains on other financial assets designated as at fair value through profit or loss	(27 377)	16 824	50 010
Profit on sale of property, plant and equipment	497	505	1 200
Profit on sale of intangibles	6 391	-	-
Profit recognised on change in control	7 259	-	-
	(10 621)	24 981	33 798

14. FINANCE INCOME

	Unaudited six months ended 28 February 2022 R'000	Unaudited six months ended 28 February 2021 R'000	Audited year ended 31 August 2021 R'000
Bank and cash	36 685	71 539	96 100
Interest - Group companies	12 913	2 565	3 136
Loans receivable	5 289	6 701	43 160
Cumulative preference shares - Bambelela	4 100	4 048	8 163
Cumulative preference shares - 4Plus	3 498	2 929	5 921
Cumulative preference shares - Loot B2B	1 190	-	2 208
Funds in Trust	1 680	2 255	5 479
Cumulative preference shares - Dinaledi	219	-	-
Other financial assets	-	3 498	472
	65 574	93 535	164 639



15. INCOME TAX EXPENSE

	Unaudited six months ended 28 February 2022 R'000	Unaudited six months ended 28 February 2021 R'000	Audited year ended 31 August 2021 R'000
Major components of the tax expense			
South African normal taxation	30 474	18 298	53 366
Under provision - prior periods	-	-	56
Total current tax expense	30 474	18 298	53 422
Deferred tax expense			
Deferred tax arising on originating and reversing temporary differences	(336)	2 740	4 442
Deferred tax arising from prior period adjustments	242	-	(285)
Total deferred tax expense	(94)	2 740	4 157
Total tax expense	30 380	21 038	57 579



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

16. EARNINGS PER SHARE

	Unaudited six months ended 28 February 2022 R'000	Unaudited six months ended 28 February 2021 R'000	Audited year ended 31 August 2021 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 loss per share (cents)	(34.31)	(30.11)	(75.31)
There are no dilutive options and other dilutive potential ordinary shares, therefore, basic and diluted earnings per share are the same.			
The loss and weighted average number of ordinary shares used in the calculation of basic and diluted earnings per share are as follows:			
Loss attributable to owners of AYO	(116 768)	(103 619)	(259 146)
Weighted average number of shares ('000) *	340 296	344 124	344 124
Headline earnings per share			
Headline loss is determined as follows:			
Loss attributable to owners of AYO	(116 768)	(103 619)	(259 146)
Adjusted for:			
Profit on sale of property, plant and equipment	(497)	(487)	(1 200)
Loss on disposal of subsidiary	2 673	-	-
Profit on sale of intangibles	(6 391)	-	-
Impairment of property, plant and equipment	-	2 153	-
Impairment of Intangibles	-	1 838	26 257
Goodwill impairment	-	-	19 602
Tax effects of adjustments	(1 180)	13 766	(7 016)
Headline (loss)/earnings	(122 164)	(86 349)	(221 503)
Weighted average number of shares ('000) *	340 296	344 124	344 124
Headline (loss)/earnings per share (cents)	(35.90)	(25.09)	(64.37)
Diluted (loss)/earnings per share (cents)	(35.90)	(25.09)	(64.37)

* During the reporting period, AYO repurchased 305 964 shares which have affected the weighted average number of shares



17. DISPOSAL OF SUBSIDIARY

The Group lost control of its subsidiary GCCT effective 1 November 2021. There were changes to the directorate of GCCT which resulted in AYO losing control in terms of IFRS 10 – Consolidated Financial Statements. This resulted in AYO's shareholding interest of 24% remaining the same. The loss of control resulted in Group recognising GCCT as an associate measured using equity method.

	R '000
Property, plant and equipment	1 219
Right-of-use of assets	859
Intangible assets	462
Deferred tax assets	5 980
Inventories	3 082
Loans to group companies	5 200
Trade and other receivables	10 129
Cash and cash equivalents	56 496
Loans from related party companies	(100 322)
Trade and other payables	(5 068)
Lease liabilities	(1 118)
Long service award	(1 671)
Contract liabilities	(2 775)
Non-controlling interests	20 266
Net assets	(7 259)
Consideration received	-
Loss on deemed sale of subsidiaries	(7 259)

The loss on deemed disposal (control lost) is included in the loss for the period under review in the unaudited consolidated condensed statement of profit or loss.

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

18. CONTINGENCIES

Litigation

On 31 May 2019 AYO received a summons issued by the Public Investment Corporation (“PIC”) and 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 R4.3 billion together with interest of 10.25% per annum accrued from 22 December 2017 to date of final payment. AYO instructed its attorneys to oppose the action.

The Company has since been reconfigured into an investment holding company and will continue to trade as such through the portfolio of investments it holds should the PIC and GEPF be successful in their application. AYO has some subsidiaries that have been in existence for more than 20 years, delivering both satisfactory trading performance and dividend income for AYO. These subsidiaries are expected to continue trading at an optimal level independent of the PIC funding.

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 Africa IT Group Proprietary Limited (“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, together with costs. 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.

There is a claim for approximately R6.6 million from Volt Africa Proprietary Limited (“VOH”) (hereinafter “the Volt Claim”), in which the Claimant (Volt) alleges that the aforesaid amounts constitutes alleged overpayments made to Afrozaar Proprietary Limited (“Afrozaar”) under the auspices of two service contracts previously concluded between the respective parties. There is also a claim in respect of Afrozaar for approximately R5.6 million from BSA Software Services Inc (hereinafter “the BSA Claim”), in which copyright infringement is alleged due to use of available software on applications not otherwise authorised under developers licence agreement. For the claims against Afrozaar, prospects of success of the Volt claim are difficult to anticipate at this point as the claimant has not fully expanded on its claim nor responded to our submission or observations, therefore the claim merits are unclear. For the BSA claim the prospects of success are difficult as the matter is new. Afrozaar is a subsidiary company within the software and consulting services division.

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 2022, (2021: Rnil) and the AYO put option for GCCT has been valued at nil as at 28 February 2022 (2021: nil) . The options are exercisable between two to four years from the date of purchase of Main Street and GCCT. 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.



19. RELATED PARTIES

Entity name	Relationship
African Equity Empowerment Investments Limited	Holding company
Vunani Fintech Fund Proprietary Limited	Joint venture company
Bowwood and Main No.180 Proprietary Limited	Fellow subsidiary
espAfrika Proprietary Limited	Fellow subsidiary
Orleans Cosmetics Proprietary Limited	Fellow subsidiary
Premier Fishing SA Proprietary Limited	Fellow subsidiary
Tripos Tourism Investments Proprietary Limited	Fellow subsidiary
Tripos Travel Proprietary Limited	Fellow subsidiary
Mustek Limited	Company with similar directors to Sizwe and prescribed officers
Sizwe Asset Finance Proprietary Limited	Company with similar directors to Sizwe and prescribed officers
BT Communications Services South Africa Proprietary Limited	Associate of holding company
African News Agency Proprietary Limited	Common shareholding
Independent Newspaper Proprietary Limited	Common shareholding
Independent News and Media Proprietary Limited	Common shareholding
Loot Online Proprietary Limited	Common shareholding
Prodirect Investments 112 Proprietary Limited	Common shareholding
Sekunjalo Investments Holdings Proprietary Limited	Common shareholding
Sekunjalo Properties Proprietary Limited	Common shareholding
Vunani Corporate Finance Proprietary Limited	Common shareholding
Omicare Family Healthcare Centre	Common director
4Plus Technology Venture Fund Africa Proprietary Limited	Investment
Bambelela Capital Proprietary Limited	Investment
Loot B2B Proprietary Limited	Investment
Volt Africa Proprietary Limited	Investment
Global Command and Control Technologies Proprietary Limited	Associate
Zaloserve Management Proprietary Limited	Company owned by key management of Zaloserve
Isakhiwo Group International Proprietary Limited	Shareholder
Directors	Refer to director's report



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

19. RELATED PARTIES continued

Significant related party transactions during the year include:	Unaudited six months ended 28 February 2022 R'000	Unaudited six months ended 28 February 2021 R'000	Audited year ended 31 August 2021 R'000
Sales to related parties			
Sizwe Asset Finance Proprietary Limited	891	-	6 422
Purchases of information technology management services from related parties			
BT Communications Services South Africa Proprietary Limited	-	3 664	5 459
Mustek Limited	1 458	-	12 307
Sizwe Asset Finance Proprietary Limited	-	-	66 608
Fair value gains/(losses) on investments in related parties			
4Plus Technology Venture Fund Africa Proprietary Limited	(31 169)	-	(25 964)
Bambelela Capital Proprietary Limited	(18 140)	16 829	(60 269)
Loot B2B Proprietary Limited	-	-	(10 000)
Last Mile Logistics Proprietary Limited	-	-	11 915
Administration and management fees expense to related parties			
African Equity Empowerment Investments Limited	3 780	3 780	7 560
Springbok Consulting CC	395	-	851
Sekunjalo Properties Proprietary Limited	-	-	1 308
Travel expenses paid to related parties			
Tripos Travel Proprietary Limited	2 051	-	2 037
Impairment expenses in respect of related parties			
Independent News and Media Proprietary Limited	-	-	3 582
Loot B2B Proprietary Limited – Cumulative preference shares	1 190	-	12 208
Global Command and Control Technologies Proprietary Limited	5 000	-	-



19. RELATED PARTIES continued

	Unaudited six months ended 28 February 2022 R'000	Unaudited six months ended 28 February 2021 R'000	Audited year ended 31 August 2021 R'000
Significant related party transactions during the year include:			
Subscriptions expenses to related parties			
Sekunjalo Investments Holdings Proprietary Limited	-	890	1 647
Staff welfare expenses to related parties			
Omicare Family Healthcare Centre	-	-	2 640
Professional services fees paid related parties			
Vunani Capital Proprietary Limited	2 000	-	-
Interest received from related parties (paid)			
4Plus Technology Venture Fund Africa Proprietary Limited	3 500	2 929	5 921
African Equity Empowerment Investments Limited	398	376	1 593
AYO International Holdings Proprietary Limited	275	267	544
Bambelela Capital Proprietary Limited – cumulative redeemable preference shares	4 100	4 048	8 163
Loot B2B Proprietary Limited	1 190	-	2 208
Volt Business Solutions Proprietary Limited	340	291	614
Vunani Fintech Fund Proprietary Limited	8 773	-	11 557
Isakhiwo Group International Proprietary Limited	191	-	161
LML Shared Solutions Proprietary Limited	2 347	-	106
Zaloserve Management Proprietary Limited	564	-	184
Bowwood and Main No. 180 Proprietary Limited	10	1 727	2 647
Mustek Limited	(378)	-	(601)



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

19. RELATED PARTIES *continued*

	Unaudited six months ended 28 February 2022 R'000	Unaudited six months ended 28 February 2021 R'000	Audited year ended 31 August 2021 R'000
Related party balances include the following:			
Loans receivable from related parties			
African Equity Empowerment Investments Limited	6 512	6 070	6 287
4Plus Technology Venture Fund Africa Proprietary Limited – cumulative redeemable preference shares	50 897	34 408	37 399
4Plus Technology Venture Fund Africa Proprietary Limited	2 002	-	-
African Equity Empowerment Investments Limited	14 382	14 844	13 985
Bambelela Capital Proprietary Limited – cumulative redeemable preference shares	159 232	161 806	161 162
Loot B2B Proprietary Limited – cumulative redeemable preference shares	29 283	-	28 093
Vunani Fintech Fund Proprietary Limited	224 739	154 247	215 966
Bowwood and Main No. 180 Proprietary Limited	-	50 768	3 687
Volt Business Solutions Proprietary Limited	21 178	6 991	20 838
Zaloserwe Management Proprietary Limited	16 148	-	15 583
Isakhiwo Group International Proprietary Limited	539	-	5 286
Global Command and Control Technologies Proprietary Limited	97 916	-	-
Accumulated impairment on loans receivable from related parties			
Loot B2B Proprietary Limited – cumulative redeemable preference shares	(29 283)	-	(28 093)
Volt Africa Proprietary Limited	(13 524)	-	(13 524)
Global Command and Control Technologies Proprietary Limited	(5 000)	-	-
Loans payable to related parties			
Mustek Limited	10 979	10 046	10 601
Investments in related parties at cost			
4Plus Technology Venture Fund Africa Proprietary Limited at cost	221 230	197 230	197 230
Bambelela Capital Proprietary Limited at cost	16 182	31 139	16 182
Loot B2B Proprietary Limited at cost	25 000	25 000	25 000
Last Mile Logistics Proprietary Limited	11 915	-	11 915
Accumulated fair value gains/(losses) on investments in related parties			
4Plus Technology Venture Fund Africa Proprietary Limited	(208 581)	(151 448)	(177 411)
Bambelela Capital Proprietary Limited	73 268	43 383	75 226
Loot B2B Proprietary Limited	(25 000)	(15 000)	(25 000)
Global Command and Control Technologies Proprietary Limited	(498)	-	-



19. RELATED PARTIES continued

	Unaudited six months ended 28 February 2022 R'000	Unaudited six months ended 28 February 2021 R'000	Audited year ended 31 August 2021 R'000
Related party balances include the following:			
Carrying amounts of investments in related parties			
4Plus Technology Venture Fund Africa Proprietary Limited	12 649	45 782	19 819
Bambelela Capital Proprietary Limited	73 269	47 968	91 408
Loot B2B Proprietary Limited	-	10 000	-
Last Mile Logistics Proprietary Limited	11 915	-	11 915
Global Command and Control Technologies Proprietary Limited	3 443	-	-
Other receivables from related parties			
Independent Newspapers Proprietary Limited	5 571	8 802	5 571
Sekunjalo Investments Holdings Proprietary Limited	1 930	1 894	1 930
4Plus Technology Venture Fund Africa Proprietary Limited	529	-	529
Orleans Cosmetics Proprietary Limited	207	-	207
Accumulated impairment on other receivables from related parties			
Independent Newspapers Proprietary Limited	(5 571)	(5 571)	(5 571)
Sekunjalo Investments Holdings Proprietary Limited	(1 930)	(1 930)	(1 930)
4Plus Technology Venture Fund Africa Proprietary Limited	(529)	(529)	(529)
Orleans Cosmetics Proprietary Limited	(207)	(207)	(207)
Trade payables to related parties			
African Equity Empowerment Investments Limited	8 262	-	3 915
Independent News and Media Proprietary Limited	198	-	-
Loot Online Proprietary Limited	1	-	75
Mustek Limited	-	-	944
Sizwe Asset Finance Proprietary Limited	-	-	17 108
Tripos Travel Proprietary Limited	785	-	377
Volt Africa Proprietary Limited	-	-	14
Springbok Consulting CC	50	-	-
Volt Africa Proprietary Limited			
Vunani Corporate Finance Proprietary Limited	-	-	1 725
Lease liability payable to related parties			
Sekunjalo Properties Proprietary Limited	-	1 205	1 205

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

20. 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
Financial assets		
Other financial assets – designated at fair value through profit/(loss)	7	Level 2
Other financial assets – designated at fair value through profit/(loss)	7	Level 1
Trade receivables	6	Level 3 ¹
Cash and cash equivalents	8	Level 1 ²
Foreign exchange contract	7	Level 1 ¹
Investments at fair value through profit/(loss)	5	Level 3
Financial liabilities		
Other financial liabilities	10	Level 3 ¹
Trade payables	11	Level 3 ¹
Bank overdraft	8	Level 1 ²
Contingent consideration liability		Level 3
Derivatives – Put options over non-controlling interests		Level 3

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

² The carrying value of cash is considered to reflect its fair value.



20. FAIR VALUE INFORMATION *continued*

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

	Unaudited as at 28 February 2022 R'000	Unaudited as at 28 February 2021 R'000	Audited as at 31 August 2021 R'000	Valuation method	Fair value hierarchy
Financial assets					
Investments at fair value through profit/(loss)					
Bambelela	73 269	47 968	91 408	Percentage of net assets value	Level 3
Loot	-	10 000	-	Percentage of net assets value	Level 3
Last Mile	11 915	-	11 915	Discounted cash flow	Level 3
Louisyahna	2 000	-	2 000	Discounted cash flow	Level 3
Kyramanzi	5 000	-	-	Discounted cash flow	Level 3
AOH	2 850	-	-	Discounted cash flow	Level 3
4Plus	12 649	45 782	19 818	Discounted cash flow	Level 3
Total investments at fair value through profit/(loss)	107 683	103 750	125 141		
Other financial assets - designated at fair value through profit/(loss)					
Cadiz Investment Enterprise Development Fund	1 003	-	1 005	Investor statement	Level 2
Unit Trusts	12 000	-	-	Investor statement	Level 2
Vunani Securities Proprietary Limited	207 989	-	116 983	Investor statement	1
Numus Capital Proprietary Limited	-	1 250	17 411	Investor statement	Level 1
Total other financial assets - designated at fair value through profit/(loss)	220 992	1 250	135 399		
Financial liabilities					
Written put options over non-controlling interests	16 192	7 857	19 953	Binomial option pricing model	Level 3
Contingent consideration liabilities	9 228	2 389	24 228	Discounted cash flow	Level 3
Total financial liabilities	25 420	10 246	44 181		

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

20. FAIR VALUE INFORMATION *continued*

Reconciliation of assets and liabilities measured at level 2 and 3

28 February 2022	Opening balance R'000	Additions R'000	Disposals/ Settlements/ Transfer R'000	Gains/ (losses) in profit or loss R'000	Closing balance R'000
Financial assets					
Investments at fair value through profit/(loss)					
Bambelela	91 408	-	-	(18 139)	73 269
Last Mile	11 915	-	-	-	11 915
Louisyahna	2 000	-	-	-	2 000
Kyramanzi	-	5 000	-	-	5 000
AOH	-	2 850	-	-	2 850
4Plus	19 818	24 000	-	(31 169)	12 649
Total investments at fair value through profit/(loss)	125 141	31 850	-	(49 308)	107 683
Other financial assets - designated at fair value through profit/(loss)					
Cadiz Investment Enterprise Development Fund	1 005	-	-	(2)	1 003
Unit Trusts	-	12 000	-	-	12 000
Vunani Securities Proprietary Limited	116 983	51 175	14 426	25 405	207 989
Numus Capital Proprietary Limited	17 411	-	(16 436)	(975)	-
Total other financial assets - designated at fair value through profit/(loss)	135 399	63 175	(2 010)	24 428	220 992
Financial liabilities					
Written put options over non-controlling interests	19 953	-	-	(3 761)	16 192
Contingent consideration liabilities	24 228	-	(15 000)	-	9 228
Total financial liabilities	44 181	-	(15 000)	(3 761)	25 420



20. FAIR VALUE INFORMATION continued

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



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

20. FAIR VALUE INFORMATION *continued*

31 August 2021	Opening balance R'000	Additions R'000	Disposals/ Settlements/ Transfers R'000	Gains/ (losses) in profit or loss R'000	Closing balance R'000
Financial assets					
Investments at fair value through profit/(loss)					
Bambelela	31 139	-	-	60 269	91 408
Loot B2B	-	10 000	-	(10 000)	-
Louisyahna	-	2 000	-	-	2 000
Last Mile	-	-	-	11 915	11 915
4Plus	31 782	14 000	-	(25 964)	19 818
Total investments at fair value through profit/(loss)	62 921	26 000	-	36 220	125 141
Other financial assets - designated at fair value through profit/(loss)					
Cadiz Investment Enterprise Development Fund	9 702	1 005	(9 702)	-	1 005
Numus Capital Proprietary Limited	-	17 411	-	-	17 411
Vunani Securities Proprietary Limited	-	116 983	-	-	116 983
Total other financial assets - designated at fair value through profit/(loss)	9 702	135 399	(9 702)	-	135 399
Financial liabilities					
Written put options over non-controlling interests	7 587	-	-	12 366	19 953
Contingent consideration liabilities	5 097	24 228	(553)	(4 544)	24 228
Total financial liabilities	12 684	24 228	(553)	7 822	44 181

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.



21. EVENTS AFTER THE REPORTING PERIOD

On 7 April 2022, AYO subscribed for an additional 2000 cumulative redeemable preference shares in 4Plus Technology Venture Fund Africa Proprietary Limited (“4Plus”) for R20 million.

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.

The directors are not aware of any other material facts or circumstances which occurred between the reporting date and date of this report that would require any adjustments to the condensed consolidated interim financial results.



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 2022 R'000	Unaudited six months ended 28 February 2021 R'000	Audited year ended 31 August 2021 R'000	Unaudited six months ended 28 February 2022 R'000	Unaudited six months ended 28 February 2021 R'000	Audited year ended 31 August 2021 R'000
Software and consulting	19 782	22 552	43 607	6 140	6 037	9 310
Security solutions	-	128 083	226 585	-	45 360	80 704
Unified communications	142 189	47 443	190 163	34 465	14 955	51 519
Healthcare	32 354	57 819	89 932	15 200	22 407	35 498
Tracking solutions	8 677	72 499	111 063	3 373	18 481	29 708
Managed services	588 946	531 026	1 038 142	109 630	126 775	239 862
Total revenue and gross profit	791 948	859 422	1 699 492	168 807	234 015	446 602
Administration and support services				(326 713)	(359 025)	(783 024)
Movement in credit loss allowances				(5 956)	(62 477)	(84 422)
Other operating income				5 574	6 256	10 873
Other operating (losses)/gains				(10 621)	24 981	33 798
Finance income				65 574	93 535	164 639
Finance costs				(5 671)	(4 626)	(13 529)
Profit on equity accounted investment				23 768	1 097	24 539
Loss before taxation				(85 239)	(66 244)	(200 524)



	Segmental assets			
	Unaudited as at 28 February 2022 R'000	Unaudited as at 28 February 2021 R'000	Audited as at 31 August 2021 R'000	
	Software and consulting	15 674	17 865	14 633
	Security solutions	-	75 071	59 790
Unified communications	131 972	80 862	132 986	
Healthcare	88 616	98 156	89 594	
Tracking solutions	-	95 766	87 249	
Managed services	3 866 938	4 234 280	3 820 097	
Total	4 103 200	4 602 000	4 204 349	
Deferred tax	5 838	21 889	22 237	
Total consolidated assets	4 109 038	4 623 889	4 226 586	

	Segmental liabilities			
	Unaudited as at 28 February 2022 R'000	Unaudited as at 28 February 2021 R'000	Audited as at 31 August 2021 R'000	
	Software and consulting	13 319	12 370	9 880
	Security solutions	-	37 852	23 596
Unified communications	56 422	13 522	57 303	
Healthcare	12 893	26 829	8 802	
Tracking solutions	-	9 863	12 654	
Managed services	647 752	542 076	521 573	
Total	730 386	642 512	633 808	
Current tax payable	-	-	(7 349)	
Total consolidated liabilities	730 386	642 512	626 459	



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	28 February	31 August	28 February	28 February	31 August
	2022	2021	2021	2022	2021	2021
	R'000	R'000	R'000	R'000	R'000	R'000
Software and consulting	452	513	1 033	-	108	2 977
Security solutions	-	199	-	-	-	-
Unified communications	1 572	721	6 759	430	94	63 921
Health care	1 355	1 559	3 920	456	1 678	6 556
Tracking solutions	845	3 531	7 229	-	111	97
Managed services	24 899	20 931	52 374	8 020	30 370	162 352
Total	29 123	27 454	71 315	8 906	32 361	235 903



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)*#
Rosemary Mosia*#
Aziza Amod*
Dr Dennis George*#
Adv Dr NA Ramathodi*#
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 Sponsors 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

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

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