

**AYO TECHNOLOGY SOLUTIONS LIMITED**  
(Incorporated in the Republic of South Africa)  
Registration number: 1996/014461/06  
JSE share code: AYO  
ISIN: ZAE000252441  
("AYO" or "the Company")



## **PUBLICATION OF AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2023 – UPDATE TO CHANGE STATEMENT**

Shareholders are referred to the 'Publication of Audited Consolidated Financial Statements for the year ended 31 August 2023, Availability of Integrated Annual Report and Notice of virtual Annual General Meeting' announcement released on SENS on 31 January 2024 ("**Change Statement**") and to the subsequent announcement released on SENS on 2 February 2024 to correctly attach the Audited Consolidated Annual Financial Statements for the year ended 31 August 2023 ("**AFS**") to the JSE cloudlink.

The Change Statement included a description of the changes and circumstances that led to such changes between the Reviewed Condensed Consolidated Financial Statements for the year ended 31 August 2023 ("**Reviewed Results**") published on SENS on 6 December 2023 and the AFS published on 31 January 2024.

For completeness, shareholders are hereby provided with an update to the Change Statement which now includes the Notes impacted by the aforementioned changes. As at the date of this publication there have been no further changes to the numbers contained in the Change Statement and the AFS.

### **1. Adjustments**

Changes between the Reviewed Results and the AFS comprise of:

- Write back of the VAT receivable asset after the final assessment by the Company's auditors. In the Reviewed Results, it was previously expensed. The impacted line items in the financial statements are as follows:
  - Decrease in operating expenses R26.148 million.
  - Increase VAT receivable R26.148 million.
  - Decrease in retained loss R26.148 million.
- The changes in the allocation of amounts in the other operating losses of R24.221 million are detailed in note 29 below.

The overall net impact on the loss after tax amounts to a decrease of R1.927 million from R640.741 million to R638.814 million, resulting in loss per share ("**LPS**") decreasing by 0.56 cents per share from (180.53) cents to (179.97) cents. The change in headline loss per share ("**HLPS**") is an increase of 1.17 cents per share from (176.46) cents to (177.63) cents.

- As a result of the above, the following notes have changed:
  - Note 15 Trade and other receivables
  - Note 29 Operating expenses
  - Note 30 Other operating losses
  - Note 33 Earnings per share

Please see the financial statements extract below:

**Change to the financial statements:**  
**Consolidated statement of**  
**financial position**  
as at 31 August 2023

	Notes	AFS 31 August 2023 R'000	Reviewed Results 31 August 2023 R'000	Change	
<b>Assets</b>					
<b>Non-current assets</b>		<b>872 962</b>	<b>872 962</b>		
Property, plant and equipment	3	34 798	34 798	–	
Right-of-use of assets	4	43 846	43 846	–	
Goodwill	5	75 458	75 458	–	
Intangible assets	6	109 524	109 524	–	
Investments in equity-accounted joint ventures and associates	7	60 151	60 151	–	
Loans to related party companies	8	137 239	137 239	–	
Other loans receivable	9	207 241	207 241	–	
Investments at fair value through profit or loss	10	118 227	118 227	–	
Derivatives financial asset	11.1	–	–	–	
Finance lease receivables	12	–	–	–	
Deferred tax assets	13	86 478	86 478	–	
<b>Current assets</b>		<b>2 185 338</b>	<b>2 159 190</b>	26 148	1%
Inventories	14	238 659	238 659	–	
Loans to related party companies	8	282 848	282 848	–	
Other loans receivable	9	8 375	8 375	–	
Trade and other receivables	15	1 253 345	1 227 197	26 148	2%
Other financial assets	16	208 300	208 300	–	
Finance lease receivables	12	3 131	3 131	–	
Current tax receivable		1 023	1 023	–	
Cash and cash equivalents	17	189 657	189 657	–	
<b>Total current assets</b>		<b>2 185 338</b>	<b>2 159 190</b>	26 148	1%
<b>Total assets</b>		<b>3 058 300</b>	<b>3 032 152</b>	26 148	1%
<b>Equity and liabilities</b>					
<b>Equity</b>					
Stated capital	18	4 441 051	4 441 051	–	
Reserves	19	(36 913)	(36 913)	–	
Accumulated loss		(2 250 465)	(2 276 613)	26 148	-1%
<b>Equity attributable to shareholders of AYO</b>		<b>2 153 673</b>	<b>2 127 525</b>	26 148	1%
Non-controlling interests		111 673	111 673	–	
<b>Total equity</b>		<b>2 265 346</b>	<b>2 239 198</b>	26 148	1%
<b>Liabilities</b>					
<b>Non-current liabilities</b>		<b>32 968</b>	<b>32 968</b>		
Derivatives financial liability	11.2	–	–	–	
Lease liabilities	20	28 616	28 616	–	
Employee benefit obligation	21	3 231	3 231	–	
Other financial liabilities		1 121	1 121	–	
<b>Current liabilities</b>		<b>759 986</b>	<b>759 986</b>		
Trade and other payables	23	405 362	405 362	–	

Other financial liabilities		8 189	8 189	—	
Lease liabilities	20	22 856	22 856	—	
Deferred income	22	19 995	19 995	—	
Current tax payable		45 330	45 330	—	
Provisions	24	218 318	218 318	—	
Dividend payable		39 930	39 930	—	
Bank overdraft	17	6	6	—	
<b>Total current liabilities</b>		<b>759 986</b>	<b>759 986</b>	—	
<b>Total liabilities</b>		<b>792 954</b>	<b>792 954</b>	—	
<b>Total equity and liabilities</b>		<b>3 058 300</b>	<b>3 032 152</b>	26 148	1%

**Consolidated statement of profit or loss and other comprehensive income for the year ended 31 August 2023**

	Notes	AFS 31 August 2023 R'000	Reviewed Results 31 August 2023 R'000	Change	
Revenue	26	2 253 494	2 253 494	—	
Cost of sales	27	(1 902 233)	(1 902 233)	—	
<b>Gross profit</b>		<b>351 261</b>	<b>351 261</b>	—	
Other operating income	28	21 484	21 484	—	
Other operating (losses) gains/losses	29	(79 795)	(55 574)	(24 221)	44%
Other operating expenses	30	(865 808)	(891 956)	26 148	-3%
Movement in expected credit losses		(193 980)	(193 980)	—	
Finance income	31	150 461	150 461	—	
Finance costs		(22 402)	(22 402)	—	
Loss from equity-accounted investments		(12 541)	(12 541)	—	
<b>Loss before taxation</b>		<b>(651 320)</b>	<b>(653 247)</b>	1 927	0,3%
Taxation	32	12 506	12 506	—	
<b>Loss after taxation</b>		<b>(638 814)</b>	<b>(640 741)</b>	1 927	0,3%
<b>Other comprehensive income:</b>				—	
<b>Items that will be subsequently reclassified to profit or loss:</b>				—	
Exchange differences on translating foreign operations		(3 006)	(3 006)	—	
Income tax relating to items that will not be reclassified.		—	—	—	
<b>Total items that will be subsequently reclassified to profit or loss</b>		<b>(3 006)</b>	<b>(3 006)</b>	—	
Other comprehensive (loss)/income for the year net of tax		(3 006)	(3 006)	—	
<b>Total comprehensive loss for the year</b>		<b>(641 820)</b>	<b>(643 747)</b>	1 927	0,3%
<b>Loss after taxation attributable to:</b>				—	
Shareholders of AYO		(617 867)	(619 794)	1 927	0,3%
Non-controlling interests		(20 947)	(20 947)	—	
<b>Total loss after taxation</b>		<b>(638 814)</b>	<b>(640 741)</b>	1 927	0,3%

<b>Total comprehensive loss attributable to:</b>				
Shareholders of AYO		<b>(620 873)</b>	(620 873)	-
Non-controlling interests		<b>(20 947)</b>	(20 947)	-
<b>Total comprehensive loss</b>		<b>(641 820)</b>	<b>(641 820)</b>	-
<b>Earnings per share (cents)</b>				
Loss per share (cents)	33	<b>(179,97)</b>	(180,53)	0,56
Headline loss per share (cents)	33	<b>(177,63)</b>	(176,46)	1,17

## Changes to the Notes

### Note 15 - Trade and other receivables

TRADE AND OTHER RECEIVABLES	AFS 2023 R'000	Reviewed Results 2023 R'000	Change
<b>Financial Instruments:</b>			
Trade receivables	424 780	424 780	-
Loss allowance	(17 924)	(17 924)	-
<b>Trade receivables at amortised cost</b>	<b>406 856</b>	<b>406 856</b>	-
Deposits	18 570	18 570	-
Accrued income	389	389	-
Funds held in Trust	89 590	89 590	-
Related party receivables	68 797	68 797	-
Expected credit loss of related party receivables	(14 081)	(14 081)	-
Sundry customers	10 384	10 384	-
<b>Non-financial instruments</b>			
Value added taxation	32 783	6 635	26 148
Prepayments	29 677	29 677	-
Provision for impairment of prepayments	(9 041)	(9 041)	-
*Other prepayments	619 423	619 423	-
<b>Total</b>	<b>1 253 345</b>	<b>1 227 197</b>	

\* Other prepayments are funds paid out to the PIC in relation to the AYO/PIC settlement agreement. Once the settlement agreement conditions are met there will be an effect on the equity of the Company.

## Note 29 - Other Operating Gains or Losses

OTHER OPERATING GAINS/(LOSSES)	AFS 2023 R'000	Reviewed Results 2023 R'000	Change		
Fair value gains/(losses) on investments designated as at fair value through profit or loss	15 762	(5 193)	20 955	403%	1
Fair value loss on NCI written put option	-	12 716	(12 716)	100%	1
Fair value gains/(losses) on call options	(114 478)	(77 655)	(36 823)	47%	2
Net foreign exchange gains/(losses)	(159)	(1 300)	1 141	88%	3
Fair value (losses)/gains on contingent considerations	-	8 162	(8 162)	100%	1
Loss on sale of investments	-	(11 122)	11 122	100%	4
Profit on sale of property, plant and equipment	117	(144)	261	180%	5
Profit on sale of intangible assets	-	-	-		
Profit on early termination of lease	7 154	7153	1		
Fair value loss - initial recognition of loan	-	-	-		
Fair value of BBBEE shares	11 809	11 809	-		6
	<b>(79 795)</b>	<b>(55 574)</b>	24 221		

- 1) Due to the fact that the Reviewed Results were condensed, certain line items (namely Fair value gains/(losses) on investments designated as at fair value through profit or loss, Fair value loss on NCI written put option and Fair value (losses)/gains on contingent considerations) were classified in fair values and subsequently, as advised by the auditors, were as is more appropriate disaggregated in the AFS.
- 2) AYO corrected the accounting for the derecognition of the Option in the AFS by ensuring it passes through equity and not the income statement, as was done in the Reviewed Results, to align to ISA 32.23.
- 3) A portion of fair value gains or losses in the amount of R1.141 million was incorrectly allocated to Net foreign exchange gains or losses in the Reviewed Results. This was subsequently corrected in the AFS.
- 4) A fair value amount of R11.122 million was incorrectly classified to loss on sale of investments in the Reviewed Results but corrected into the correct fair value account in the AFS.
- 5) A portion of fair value amount of R0.261 million was incorrectly allocated to profit on sale of plant and equipment in the Reviewed Results. This was corrected in the AFS.
- 6) The BBBEE shares (fair value on IFRS 2) were not disclosed in the Reviewed Results due to a printing error.

### Note 30 - Other operating expenses

#### OTHER OPERATING EXPENSES

Major items included in other operating expenses:	AFS	Reviewed	Change
	2023 R'000	Results 2023 R'000	
Employee costs	275 199	275 199	-
Depreciation and amortisation	50 967	50 967	-
Impairment expenses	9 952	9 952	-
Consulting fees	137 470	137 470	-
VAT apportionment	99 866	126 014	(26 148)
Retrenchment costs	27 316	27 316	-
Other operating expenses	265 038	265 038	-
	<b>865 808</b>	<b>891 957</b>	<b>(26 148)</b>

The auditors performed an assessment of the possible VAT liability and came to a conclusion that an adjustment of R26 million had to be made.

### Note 33 – Earnings per share

EARNINGS PER SHARE	AFS 2023 R'000	Reviewed Results 2023 R'000	Change
Earnings per share ("EPS") are derived by dividing the earnings attributable to equity holders of AYO by the weighted average number of ordinary shares.			
Basic and diluted (loss)/earnings per share (cents)	(179,97)	(180,53)	0,56
There are no diluted options and other diluted potential ordinary shares, therefore, basic and diluted (loss)/earnings are the same.			
The (losses)/earnings and weighted average number of ordinary shares used in the calculation of basic and diluted (losses)/earnings per share are as follows:			
(Losses)/earnings attributable to shareholders of AYO	(617 867)	(619 794)	1 927
Weighted average number of shares (000)	343 314	343 314	-
Net asset value per share			
Net asset value per share (cents)	659,85	652,23	7,62
	<b>Gross of tax</b>	<b>Net of tax</b>	<b>Reviewed Results</b>
Headline earnings per share			
Headline loss/earnings is determined as follows:			
(Loss)/earnings attributable to shareholders of AYO	(617 867)	(619 794)	1 927
Adjusted for:			
Profit on sale of property, plant and equipment	(117)	(85)	(117)
Loss on disposal of subsidiary	11 122	8 119	11 122
Profit on sale of intangibles	-	-	-
Impairment of intangibles and property, plant and equipment	-	-	-
Tax effect of adjustments	-	-	2971
Headline earnings	(609 833)	(605 818)	(4 015,35)

Weighted average number of shares (000)	<b>343 314</b>	<b>343 314</b>	-
Headline (loss)/earnings per share (cents)	<b>(177,63)</b>	<b>(176,46)</b>	(1,17)

*Please note the format in the AFS differs from the format in the Reviewed Results.*

Cape Town  
4 April 2024

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