

# **UNAUDITED CONDENSED CONSOLIDATED RESULTS**

STEFANUTTI STOCKS HOLDINGS LIMITED ("Stefanutti Stocks" or "the company" or "the group")

(Registration number: 1996/003767/06) (Share code: SSK ISIN: ZAE000123766)

lea	% crease/	Unaudited 6 months ended	Restated* 6 months ended	Restated 12 months ended
	crease)	31 August 2021	31 August 2020	28 February 2021
Continuing operations Contract revenue	26	3 217 140	2 555 812	5 386 653
Earnings/(loss) before interest, taxation, depreciation and amortisation (EBITDA) Depreciation and amortisation Fair value adjustments Impairment of property, plant and equipment	183	63 173 (40 244) (17 451)	(76 126) (65 153) (11 938) (8 011)	71 777 (131 720 (28 145 (15 137
Operating profit/(loss) before investment income Investment income Share of losses of equity-accounted investees	103	5 478 10 147 (2 263)	(161 228) 20 160 (5 124)	(103 225 29 028 (1 323
Operating profit/(loss) before finance costs Finance costs		13 362 (60 408)	(146 192) (66 840)	(75 520 (134 344
Loss before taxation Taxation		(47 046) (56 342)	(213 032) (40 429)	(209 864 (93 104
Loss for the period (Loss)/profit after tax from discontinued operations		(103 388) (85 087)	(253 461) 4 180	(302 968 12 786
Loss for the period Other comprehensive income		(188 475) 501	(249 281) (23 615)	(290 182 (68 916
Exchange differences on translation of foreign operations (may be reclassified to profit/(loss)) – continuing operations Exchange differences on translation of foreign operations (may be reclassified to profit/(loss)) – discontinued operations Impairment losses directly recognised in equity on revalued assets – continuing operations (may not be reclassified to profit/(loss) Reclassification of foreign currency translation on disposal of		16 017	(9 933)	(17 862
		(15 437)	12 364	(43 731
		(79)	(26 046)	(27 549
foreign subsidiary		(407.074)	(070,000)	20 226
Total comprehensive income  Loss attributable to:		(187 974)	(272 896)	(359 098
Equity holders of the company	_	(188 475)	(245 951)	(287 027
Loss for the period from continuing operations (Loss)/profit for the period from discontinued operations		(103 388) (85 087)	(253 461) 7 510	(302 968 15 941
Non-controlling interest	_	_	(3 330)	(3 155
Loss for the period from continuing operations Loss for the period from discontinued operations			(3 330)	(3 155
		(188 475)	(249 281)	(290 182
Total comprehensive income attributable to: Equity holders of the company		(187 974)	(271 028)	(352 941
Loss for the period from continuing operations (Loss)/profit for the period from discontinued operations	Γ	(87 450) (100 524)	(289 440) 18 412	(335 652 (17 289
Non-controlling interest	_		(1 868)	(6 157
oss for the period from continuing operations oss for the period from discontinued operations		-	(1 868)	(6 157
		(187 974)	(272 896)	(359 098
Earnings per share (cents) Continuing operations Discontinued operations	59 (1 233)	(61,82) (50,87)	(151,55) 4,49	(181,15 9,53
Total operations	23	(112,69)	(147,06)	(171,62
Diluted earnings per share (cents) Continuing operations	59	(61,82)	(151,55)	(181,15
Discontinued operations Total operations	(1 233)	(50,87)	(147.06)	9,53

#### STATEMENT OF FINANCIAL POSITION

R'000	Unaudited 31 August 2021	Audited 28 February 2021
ASSETS Non-current assets	1 145 875	1 211 650
Property, plant and equipment Equity-accounted investees Goodwill Deferred tax assets	544 807 13 271 378 487 209 310	608 411 25 703 345 664 231 872
Current assets	3 029 435	3 148 139
Other current assets Taxation Bank balances	2 390 843 89 305 549 287	2 285 196 89 171 773 772
Non-current assets held for sale	870 191	1 053 068
Total assets	5 045 501	5 412 857
EQUITY AND LIABILITIES Capital and reserves	164 594	352 568
Share capital and premium Other reserves Accumulated loss	1 007 718 154 699 (997 823)	1 007 718 154 198 (809 348)
Non-current liabilities	126 202	269 703
Financial liabilities Excess billings over work done Provisions	126 202	182 821 46 506 40 376
Current liabilities	4 527 486	4 505 859
Other current liabilities**  Excess billings over work done  Provisions  Taxation  Bank overdraft	2 784 837 1 135 314 515 804 73 005 18 526	2 651 350 1 205 771 551 512 79 092 18 134
Liabilities associated with disposal groups held for sale***	227 219	284 727
Total equity and liabilities	5 045 501	5 412 857
** including interest-bearing liabilities of  *** including interest-bearing liabilities of  Commentary to the statement of financial position  Total number of net shares in issue	1 377 132 620 167 243 684	1 352 478 32 920 167 243 684
Total number of het shares in Issue Net asset value per share (cents) Net tangible asset value per share (cents)	98.42 (127.89)	210,81 4,13

31 August 2021 (unaudited)	Inland	Coastal	Western Cape	Africa	MEP	Reconciling segments^	Total
Contract revenue	1 130 457	491 034	677 025	744 096	174 528	_	3 217 140
Intersegment contract revenue	84	1 183	_	-	2 888	_	4 155
Reportable segment operating profit/(loss)	33 978	(1 895)	21 943	47 782	(37 208)	(59 122)^^	5 478
Reportable segment profit/(loss) – Continuing operations	(10 447)	(433)	34 961	28 865	(33 686)	(122 648)	(103 388)
Reportable segment profit/(loss) – Discontinued operations	_	(829)	_	(13 052)	_	(71 206)	(85 087)
Reportable segment assets	1 621 363	448 681	159 104	1 776 046	378 662	661 645	5 045 501
Reportable segment liabilities	1 124 101	451 331	267 079	1 375 943	123 774	1 538 679	4 880 907
31 August 2020 (restated)*							
Contract revenue	1 319 780	432 673	139 242	484 736	179 381	_	2 555 812
Intersegment contract revenue	23 399	1 649	_	13 733	_	_	38 781
Reportable segment operating profit/(loss)	(65 110)	(21 086)	(15 002)	25 148	(32 359)	(52 819)^^	(161 228)
Reportable segment profit/(loss)  – Continuing operations	(112 064)	(23 411)	(11 703)	37 002	(45 750)	(97 535)	(253 461)
Reportable segment profit/(loss)  – Discontinued operations	(2 609)	1 132	_	(50)	_	5 707	4 180
Reportable segment assets	2 065 454	468 737	74 851	2 252 876	428 000	954 630	6 244 548
Reportable segment liabilities	1 684 431	474 629	124 124	1 760 002	131 259	1 631 333	5 805 778
28 February 2021 (restated)*							
Contract revenue	2 444 672	934 603	534 667	1 202 925	269 786	_	5 386 653
Intersegment contract revenue	8 533	36 759	_	_	18 242	_	63 534
Reportable segment operating profit/(loss)	(22 018)	(7 169)	4 327	73 224	(64 168)	(87 421)^^	(103 225)
Reportable segment profit/(loss)  — Continuing operations	(101 875)	(11 351)	6 423	69 867	(79 004)	(187 028)	(302 968)
Reportable segment profit/(loss)  – Discontinued operations	(99)	(2 180)	_	9 358	_	5 707	12 786
Reportable segment assets	1 773 300	411 179	357 269	1 754 270	351 807	765 032	5 412 857
Reportable segment liabilities	1 239 989	448 152	386 188	1 350 891	84 575	1 550 494	5 060 289

omprise segments that are primarily centralised in nature i.e. the group's headquarters as well as the discontinued operation

#### COMMENTARY TO THE STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

6 months ended 31 August 2021

(26 720)

(213 349) 38 909 (788) (6 605)

31 516 (79 505)

(79 505) (261 338) (228) 91 628 755 638

(32741)

Headline earnings reconciliation		Co	ntinuing operations		Discontinued operations				Total operations	
		Unaudited 31 Aug 2021	Restated* 31 Aug 2020	Restated* 28 Feb 2021	Unaudited 31 Aug 2021	Restated* 31 Aug 2020	Restated* 28 Feb 2021	Unaudited 31 Aug 2021	Restated* 31 Aug 2020	Restated* 28 Feb 2021
(Loss)/profit after taxation attributable to equity holders of the company Adjusted for:		(103 388)	(253 461)	(302 968)	(85 087)	7 510	15 941	(188 475)	(245 951)	(287 027)
(Profit)/loss on disposal of plant and equipment Gain on disposal of non-current assets held for sale		(5 865) (8 738)	(10 978)	(26 339) (8 148)	1 -	197	51 —	(5 864) (8 738)	(10 781)	(26 288) (8 148)
Fair value adjustments  Net loss/(profit) on disposal of subsidiary		17 451	11 938 1 387	28 145 (507)	73 799	1 015	3 884 2 200	91 250	12 953 1 387	32 029 1 693
Profit on sale of joint operation Impairment of equity-accounted investees		_ 342	16 592	(53 <sup>887</sup> ) 58 533	_	_	_	_ 342	_ 16 592	(53 887) 58 533
Impairment of property, plant and equipment Net tax effects		_ 59	8 011 3 073	15 137 9 766	(831)	_ (53)	– (1 258)	(772)	8 011 3 020	15 137 8 508
Headline earnings		(100 139)	(223 438)	(280 268)	(12 118)	8 669	20 818	(112 257)	(214 769)	(259 450)
Number of weighted average shares in issue Number of diluted weighted average shares in issue Earnings per share (cents) Diluted earnings per share (cents)	59% 59%	167 243 684 167 243 684 (61,82) (61,82)	167 243 684 167 243 684 (151,55) (151,55)	167 243 684 167 243 684 (181,15) (181,15)	167 243 684 167 243 684 (50,87) (50,87)	167 243 684 167 243 684 4,49 4,49	167 243 684 167 243 684 9,53 9,53	167 243 684 167 243 684 (112,69) (112,69)	167 243 684 167 243 684 (147,06) (147,06)	167 243 684 167 243 684 (171,62) (171,62)
Headline earnings per share (cents) Diluted headline earnings per share (cents)	55% 55%	(59,88) (59,88)	(133,60) (133,60)	(167,58) (167,58)	(7,24) (7,24)	5,18 5,18	12,45 12,45	(67,12) (67,12)	(128,42) (128,42)	(155,13) (155,13)

740 513

# excellence in execution

Reserves of

Attributable to

### STATEMENT OF CHANGES IN EQUITY

STATEMENT OF CASH FLOWS

Cash flows from operating activities
Net proceeds received - property, plant and equipment
Expenditure for expansion
Expenditure for maintaining

Cash flows from investing activities Movements on long- and short-term financing

Net proceeds on disposal of joint operations and subsidiaries Net cash outflow due to business combinations

Cash flows from financing activities

Net movement in cash for the period

Effect of exchange rate changes on cash and cash equivaler

Cash at the beginning of the year — Discontinued operations

Cash at the end of the period — Discontinued operations

Cash and cash equivalents at the end of the period

Investment income Finance costs Dividends received Taxation paid

R'000	and premium	translation reserve	Revaluation surplus reserve	reserve	groups	Accumulated	of the company	Non-controlling interest	equity
Balance at 29 February 2020 Total comprehensive income	1 007 718	114 732 (9 933)	112 939 (26 046)	764 –	10 902	(506 249) (245 951)	729 904 (271 028)	(18 238) (1 868)	711 666 (272 896)
Loss Other comprehensive Income	_	(9 933)	(26 046)	_	10 902	(245 951)	(245 951) (25 077)	(3 330) 1 462	(249 281) (23 615)
Discontinued operations	_	(82 107)	(55 939)	_	138 046	_	-	-	_
Balance at 31 August 2020 restated* Total comprehensive income	1 007 718 -	22 692 4 798	30 954 (1 503)	764 —	148 948 (44 132)	(752 200) (41 076)	458 876 (81 913)	(20 106) (4 289)	438 770 (86 202)
Loss Other comprehensive Income	_	4 798	(1 503)	_	(44 132)	(41 076)	(41 076) (40 837)	175 (4 464)	(40 901) (45 301)
Realisation of revaluation reserve on sale of land and buildings Disposal of non-controlling interest		_	(8 323)	_	_	8 323 (24 395)	(24 395)	24 395	_
Balance at 28 February 2021 restated* Total comprehensive income	1 007 718 -	27 490 <b>16 017</b>	21 128 <b>(79)</b>	764 —	104 816 <b>(15 437)</b>	(809 348) ( <b>188 475)</b>	352 568 (187 974)		352 568 (187 974)
Loss Other comprehensive Income	_	- 16 017	_ (79)	_	_ (15 437)	(188 475) –	(188 475) 501		(188 475) 501
Balance at 31 August 2021 unaudited	1 007 718	43 507	21 049	764	89 379	(997 823)	164 594	-	164 594

The information has been restated for the changes between continuing and discontinuing operations as explained in the commentary.

DISAGGREGATION OF REVENUE			
Contract revenue can be further disaggregated as follows:	Unaudited 6 months ended 31 August 2021	Restated* 6 months ended 31 August 2020	Restated* 12 months ended 28 February 2021
Geographical			
Within South Africa	2 312 078	1 947 280	3 871 338
Inland	976 142	1 214 318	2 209 197
Coastal	484 383	414 339	857 688
Western Cape	677 025	139 242	534 667
MEP	174 528	179 381	269 786
Outside South Africa	905 062	608 532	1 515 315
Inland	154 315	105 462	235 475
Coastal	6 651	18 334	76 915
Africa	744 096	484 736	1 202 925
Total	3 217 140	2 555 812	5 386 653
Sector			
Private	2 211 970	1 775 303	3 650 470
Inland	740 735	930 453	1 757 415
Coastal	315 830	296 909	651 242
Western Cape	667 507	139 242	534 667
Africa	313 370	229 318	466 360
MEP	174 528	179 381	240 786
Public	1 005 170	780 509	1 736 183
Inland	389 722	389 327	687 257
Coastal	175 204	135 764	283 361
Western Cape	9 518	-	-
Africa	430 726	255 418	736 565
MEP	-	_	29 000
Total	3 217 140	2 555 812	5 386 653

Further disaggregation of contract revenue is available in the shareholders presentations.

Shareholders are referred to the webcast and presentation relating to the unaudited condensed consolidated results for the 6 months ended 31 August 2021 which is available on the company's website: www.stefstocks.com. A physical copy can also be obtained at the company's registered office.

The links are https://stefanuttistocks.com/financial-reporting/audio-visual-interim-results-aug-2021/ and https://stefanuttistocks.com/ financial-reporting/presentation-interim-results-aug-2021

## BASIS OF PREPARATION AND ACCOUNTING POLICIES

BASIS OF PREPARATION AND ACCOUNTING POLICIES
The unaudited condensed consolidated results for the period ended 31 August 2021 (results for the period and/or the reporting period) have been prepared in accordance with framework concepts and the measurement and recognition requirements of International Financial Reporting Standards (IFRS), the SAICA Financial Reporting Guides, as issued by the Accounting Practices Committee and the Financial Reporting Pronouncements issued by the Financial Reporting Standards council. The report contains the information required by International Accounting Standard IAS 34: Interim Financial Reporting and is in compliance with the Listings Requirements of the JSE Limited and the requirements of the South African Companies Act 71 of 2008. The accounting policies as well as the methods of computation used in the preparation of the results for the period ended 31 August 2021 are in terms of IFRS and are consistent with those applied in the audited annual financial statements for the year ended 28 February 2021.

There is no significant difference between the carrying amounts of financial assets and liabilities and their fair values. The fair value measurement for land and buildings are categorised as a level 3, based on the valuation method of income capitalisation using unobservable inputs i.e. market capitalisation rates and income/expenditure ratio. Plant and equipment and transport and motor vehicles included within Non-current assets held for sale have been categorised as a Level 3 fair value based on significant unobservable inputs to the valuation technique used. These assets are measured using the comparable alse method. This entails the use of quoted prices for identical or similar assets in the market. The results are presented in Rand, which is Stefanutti Stocks' functional currency. The company's directors are responsible for the preparation and fair presentation of the unaudited condensed consolidated results. These results have been compiled under the supervision of the Acting Chief Financial Officer, Y du Plessis, CA(SA).

### COVID-19 AND JULY 2021 CIVIL UNREST

Stefanutti Stocks' priority continues to be the health and safety of its employees. The management of the group remains committed to supporting the initiatives that the governments have implemented with respect to the COVID-19 pandemic in the various countries in which the group operates. Importantly, Stefanutti Stocks continues to adhere to the required protocols and maintains a close onship with clients and key stakeholders to mitigate the extensive impact of COVID-19 and reduce the long-term

The July 2021 civil unrest in Gauteng and KwaZulu-Natal negatively impacted the Inland and Coastal regions resulting in time delays on 17 projects where work had to stop and some damages to property. The financial impact was R8 million for which the group is assessing possible claims. There was no impact on the other regions within the group.

ates throughout South Africa and Southern Africa with multi-disciplinary expertise including marine construction, piling, geotechnical services, roads and earthworks, bulk pipelines, material handling, tailings manage all forms of building works including affordable housing, mechanical, electrical and piping (MEP).

## RESTRUCTURING PLAN UPDATE

RESTRUCTORING PLAN UPDATE
The group hereby provides shareholders with an update on the Restructuring Plan as reported in the Consolidated Annual Financial Statements of
Stefanutti Stocks for the year ended 28 February 2021 issued on 28 June 2021 and the Circular to Shareholders relating to the disposal of 49 % of the
entire issued share capital of Al Tayer Stocks LLC issued on 3 August 2021, which transcition was approved by shareholders on 31 August 2021. In
accordance with the terms of this transaction, the group received the initial purchase consideration of R92 million on 8 November 2021.

- As previously reported, the Restructuring Plan has been approved by both the company's board of directors and the Lenders and envisages, inter alia: · the sale of non-core assets:
- the sale of underutilised plant and equipment: the sale of certain operations
- internal restructuring initiatives required to restore optimal operational and financial performance; the securing of additional short-term funding of R430 million, of which R270 million related to the negative effects of the national lockdown in
- March/April 2020;
  a favourable outcome from the processes relating to the contractual claims and compensation events on the Kusile power project;
  the restructuring of the short-term funding received to date from the Lenders into a term loan; and
  evaluation of an optimal business model going forward and associated capital structure analysis including the potential of raising new equity.

• evaluation of an optimal business model going forward and associated capital structure analysis including the potential of raising new equity.
In accordance with the Restructuring Plan, the Lenders had provided the requisite funding and converted the short-term funding agreement into a term loan on 1 July 2020, which loan terminates on 28 February 2022. The loan bears interest at prime plus 5,4%, including arranging and facility fees, and is secured by special and general notarial bonds over movable assets, continuous covering mortgage bonds over immovable assets and various cessions. The term and funding loans do not contain any financial covenants but rather impose certain information and general undertakings. The group, on 25 May 2021, reached an agreement with the Lenders to extend the current capital repayment profile of the loan. Due to the slower than anticipated sale of certain operations, a delay in the regulatory processes relating to the disposal of Al Tayer Stocks LLC and the non-implementation of the Materials Handling and Tailings Management sub-divisions transaction as noted further on in this announcement, the capital portion of the loan repayments envisaged to commence in July 2021, had not materialised. Following the receipt of the initial purchase consideration of the disposal of Al Tayer Stocks LLC, a capital repayment of R45 million was made on 15 November 2021. The group is currently in negotiations with the Lenders to extend the capital repayments and duration of the loan to 28 February 2023.

The Lenders have agreed to provide continued guarantee support for current and future projects being undertaken by the group. Management has made considerable progress in reconfiguring the group's organisational structure to improve operational performance and decrease overhead costs, including the reduction of the group's overall headcount. This is an ongoing process which continues as the aspects of the Restructuring Plan are heigh implemented in this uncertain environment.

The purpose of the Restructuring Plan is to put in place an optimal capital structure and access to liquidity to position the group for long-term growth. The Restructuring Plan is anticipated to be implemented over the financial years ending February 2022 and February 2023 and, to the extent required, shareholder approval will be sought for certain aspects of the Restructuring Plan. The group will continue to update shareholders on the progress of the various aspects of the Restructuring Plan.

The directors consider it appropriate that the group's results for the reporting period be prepared on the going-concern basis, based on

having converted the short-term funding agreement with the Lenders to a term loan; the assumption of a successful completion of current negotiations with the Lenders with regards to the extension of the capital repayments and loan duration to February 2023;

ongoing support from the Lenders; and successfully implementing the Restructuring Plan.

The funding provided by the Lenders has assisted in relieving the group's liquidity pressures even though current liabilities exceed current assets as at 31 August 2021. The group believes that it is still currently commercially solvent based on the cashflow projections included in the Restructuring Plan. However, uncertainties surrounding the COVID-19 pandemic and contingent liabilities as noted in note 26 of the group's Consolidated Annual Financial Statements for the year ended 28 February 2021, continue to indicate that a material uncertainty exists that may cast doubt on the group's ability to continue as a going concern in the short term.

As previously highlighted to shareholders in numerous announcements and updates since late 2018, the group continues to pursue a number of contractual claims and compensation events on the Kusile power project. Due to the complexity of the claims, the processes remain ongoing. No further details of the claims have been disclosed on the basis that it may prejudice the group's position in defending the claims brought against it and in pursuing those claims brought against Eskom by the group.

A number of non-core assets, underutilised plant and equipment and identified operations earmarked for sale have been reclassified in terms of IFRS 5: Non-current Assets Held for Sale and Discontinued Operations. Current market conditions, impacted by COVID-19, resulted in the delay of these disposals. The group remains committed to the sale processes as envisaged in the Restructuring Plan.

Non-current Assets Held for Sale The following items of property, plant and equipment are classified as non-current assets held for sales

Non-current assets held for sale R'000 Property, plant and equipment Inland & MEP Land and buildings 32 300 Transport and motor vehicles Inland & Coasta 155 524 Inland, Coastal & Western Cape

## The fair value of an equity-accounted investee of R7.2 million is also included within non-current assets held for sale.

Discontinued operations In line with the Restructuring Plan, the group has initiated a disposal programme to sell certain operations which have accordingly been classified as discontinued operations. These disposals, including certain foreign operations, are expected to be concluded within the next 12 months.

Shareholders are referred to the announcement released on 23 August 2021 advising that not all conditions precedent relating to the sale of the Materials Handling and Tailings Management sub-divisions had been fulfilled or waived and consequently the disposal could not be implemented. These divisions have been retained and therefore, reclassified as part of continuing operations. Due to changes in the disposal groups held for sale at 31 August 2021, comparative periods have been restated in the Statement of Profit or Loss and Other Comprehensive Income. The reclassification of disposal groups and their reserves impacted the Statement of Changes in Equity which has also been restated. The disposal of Al Tayer Stocks LLC became effective after the reporting period and its carrying value of R159 million is classified as part of non-current assets held for sale, after recognising a fair value adjustment of R71 million. Al Tayer Stocks LLC is included within discontinuing operations as it represents a geographical area in which the group operated.

• Revenue R3,2 billion

- Current order book R4,6 billion

Cash at end of period R531 million

The financial performance, reportable assets and reportable liabilities are presented within the Africa, Coastal and Inland Regions, as well as AI Tayer Stocks LLC which is disclosed as a reconciling segment. Financial information relating to the discontinued operations is set out in the tables below:

Statement of profit or loss and other comprehensive income	Unaudited 6 months ended Aug 2021 R'000	Restated* 6 months ended Aug 2020 R'000	Restated* 12 months ended Feb 2021 R'000
Contract revenue	175 147	301 665	520 703
Earnings/(loss) before interest, taxation, depreciation and amortisation (EBITDA) Depreciation and amortisation Fair value adjustments	(7 098) - (73 799)	8 454 (3 384) (1 015)	16 244 (3 324) (3 884)
Operating (loss)/profit before investment income	(80 897)	4 055	9 036
Investment income	376	2 018	3 355
Share of profits of equity-accounted investees	—	5 707	5 707
Operating (loss)/profit before finance costs	(80 521)	11 780	18 098
Finance costs	(82)	(1 917)	(2 367)
(Loss)/profit before taxation	(80 603)	9 863	15 731
Taxation	(4 484)	(5 683)	(2 945)
(Loss)/profit for the period	(85 087)	4 180	12 786
Other comprehensive income	(15 437)	12 364	(36 232)
Exchange differences on translation of foreign operations (may be reclassified to profit/(loss)) Reclassification of foreign currency translation reserve on disposal of foreign subsidiary	(15 437)	12 364	(43 731)
	–	–	7 499
Total comprehensive income	(100 524)	16 544	(23 446)
(Loss)/profit attributable to:	(85 087)	4 180	12 786
Equity holders of the company	(85 087)	7 510	15 941
Non-controlling interest		(3 330)	(3 155)
Total comprehensive income attributable to:	(100 524)	16 544	(23 446)
Equity holders of the company	(100 524)	18 412	(17 289)
Non-controlling interest	—	(1 868)	(6 157)
Earnings per share	(50,87)	4,49	9,53
Headline earnings per share	(7,24)	5,18	12,45
Statement of cashflows	Unaudited	Restated*	Restated*
	6 months ended	6 months ended	12 months ended
	Aug 2021	Aug 2020	Feb 2021
	R'000	R'000	R'000
Net movement from operating activities	(25 130)	45 250	130 735
Net movement from investing activities	(9)	(175)	99 092
Net movement from financing activities	(8 201)	16 993	(183 607)
Effect of exchange rate changes on cash and cash equivalents	(3 195)	1 740	6 469
Net movement in cash	(36 535)	63 808	52 689
Statement of financial position	Local Operations	Foreign Operations	Total
	Aug 2021	Aug 2021	Aug 2021
	R'000	R'000	R'000

Property, plant and equipment	4	262 336 9 641	262 340
Deferred tax assets Equity-accounted Investee –Al Tayer Stocks LLC	_	159 425	9 641 159 425
Current assets	4 046	239 683	243 729
Inventories	21	96 820	96 841
Contracts in progress Trade and other receivables	1 333	49 591 39 310	49 591 40 643
Taxation Bank balances	2 692	1 715 52 247	1 715 54 939
bank balances	2 692	52 247	54 939
	4 050	671 085	675 135
Non-current liabilities	-	231	231
Financial liabilities	_	231	231
Current liabilities	6 015	220 973	226 988
Financial liabilities	5 892	389 151 625	389 157 517
Trade and other payables Excess billings over work done	_	59 642	59 642
Provisions	123	9 317	9 440
	6 015	221 204	227 219
Disaggregation of contract revenue			
	Unaudited 6 months ended	Restated* 6 months ended	Restated* 12 months ended
Contract revenue from discontinued operations can be further	Aug 2021	Aug 2020	Feb 2021
disaggregated as follows:	R'000	R'000	R'000
Geographical Outside South Africa	175 147	301 665	520 703
Inland	-	5 231	17 329
Coastal Africa	12 280 162 867	14 043 282 391	17 524 485 850
Total	175 147	301 665	520 703
Sector Private	175 147	296 434	503 374
Coastal	12 280	14 043	17 524
Africa	162 867	282 391	485 850
Public	_	5 231	17 329
Inland		5 231	17 329

431 402

431 406

Continuing operations

Total

Non-current assets

Contract revenue from continuing operations increased to R3,2 billion (restated Aug 2020: R2,6 billion) with an operating profit of R5 million (restated Aug 2020: R161 million operating loss). Included in operating profit are restructuring costs and abnormal legal fees of R58 million (Aug 2020: R64 million). Excluding these costs, the operating profit would have been R63 million (Aug 2020: R97 million operating loss).

The group has not provided for a deferred tax asset on the losses pertaining to the South African trading entity. Furthermore, the tax charge is impacted by the profitability of the cross-border operations at their varying tax rates. The after tax loss for continuing operations is R103 million (restated Aug 2020: R253 million loss) which includes a fair value adjust of R17 million relating to a property and certain plant held for sale.

Earnings and headline earnings per share for total operations are reported as a loss of 112,69 cents (Aug 2020: 147,06 cents) and a loss of 67,12 cents (Aug 2020: 128.42 cents) respectively. The group's order book for continuing operations is currently R4,6 billion of which R1,6 billion arises from work beyond South Africa's

Total interest-bearing liabilities reduced to R1 522 million from R1 553 million reported at February 2021 resulting in a reduction in finance costs to R60 million for the period (restated Aug 2020: R67 million). Interest paid on the term loan amounted to R50 million for the period (restated Aug 2020:R43 million).

The impact of COVID-19 and current dispute resolution processes has resulted in R141 million of cash consumed by operations (Feb 2021: R209 million cash consumed). As a result thereof, the group's total cash position has decreased to R531 million (Feb 2021: R756 million).

Review of operations

As part of the internal restructuring initiatives to restore optimal operational and financial performance, as set out in the Restructuring Plan, the group has reorganised its operations into regions, with the exception of the Mechanical & Electrical (M&E) business, effective 1 March 2021. The regions are reported as Inland, Coastal, Western Cape and Africa. The Mechanical & Electrical business has been renamed to Mechanical Electrical Piping (MEP).

Inland Region (Building, Civils, Geotechnical, Materials Handling, Tailings Management, Roads & Earthworks) Inland's contract revenue from continuing operations is R1,1 billion (restated Aug 2020: R1,3 billion) with an operating profit of R34 million (restated Aug 2020: operating loss of R65 million).

The Civils and Roads & Earthworks disciplines are profitable and performing to expectation.

The results of the Materials Handling and Tailings Management disciplines were negatively impacted by the sale process. As reported the sale process did not materialise and the group is refocusing these operations and rebuilding their order book. Although disclosed as part of continuing operations, the Contract Mining sub-division had ceased operating in October 2021.

Opportunities exist for this region in transport infrastructure, water and wastewater treatment plants, mine infrastructure and in the

As previously reported, with respect to two contract mining project terminations, the arbitration matters remain ongoing. The group is confident that the terminations were lawful and therefore no provision has been made for these. Both arbitrations are expected to be completed in the following financial year. Inland's total order book at August 2021 was R1,8 billion (restated Aug 2020: R2,4 billion).

Coastal Region (Building, Civils, Roads & Earthworks, Marine)

The Coastal Region's contract revenue from continuing operations is R491 million (restated Aug 2020: R433 million) with an operating loss of R2 million (restated Aug 2020: R21 million operating loss) predominantly impacted by the civil unrest during July 2021. Opportunities exist for this region in transport infrastructure, water and wastewater treatment plants, commercial, retail and industrial Coastal's total order book at August 2021 was R1,0 billion (restated Aug 2020: R1,6 billion)

Western Cape Region (Building, Civils)

Western Cape's contract revenue is R677 million (restated Aug 2020: R139 million) with an operating profit of R22 million (restated Aug 2020: R15 million operating loss). Opportunities exist for this region in water and wastewater treatment plants, framework agreements and commercial, retail, industrial plants, warehouses and data centres in the private sector.

Western Cape's total order book at August 2021 was R555 million (restated Aug 2020: R303 million). Africa Region (Multi-disciplinary services in Botswana, Eswatini, Mozambique, Zambia)

The Africa Region's contract revenue is R744 million (restated Aug 2020: R485 million) with an operating profit of R48 million (restated Aug 2020: R25 million operating profit). The Eswatini, Zambia and Botswana divisions are profitable and performing as per expectation.

 $The \ Mozambique \ division's \ order \ book \ is \ currently \ under \ pressure, impacted \ by \ the \ ongoing \ unrest \ in \ the \ northern \ province \ gas fields$ 

Opportunities exist for this region in transport infrastructure, water and wastewater treatment plants, pipelines, dams, strategic fuel farms and commercial, retail, office, leisure, warehouses, mine infrastructure, renewable energy and industrial projects in the private sector. Africa's total order book at August 2021 was R1,7 billion (restated Aug 2020: R2,5 billion).

Mechanical Electrical Piping (MEP) (Mechanical, Electrical & Instrumentation, Oil & Gas)

MEP's contract revenue decreased to R175 million (restated Aug 2020: R179 million) van a operating loss of R37 million (Aug 2020: R32 million operating loss). Included in these results is a fair value adjustment of R 15 million relating to a property held for sale. This business has been severely impacted by the effects the COVID-19 pandemic has had on global commodity prices resulting in major plant maintenance and upgrade projects being put on hold. However, opportunities in the traditional petrochemical sector for the Oil & Gas discipline are showing signs of improvement.

Opportunities exist for this business in renewable energy, industrial projects, clean fuels, tank farms, data centres, mining infrastructure and plant upgrades, shutdowns and maintenance.

The arbitration matter relating to the cancellation of a petrochemical contract had to be postponed due to a fundamental change in the client's defence. A date for the arbitration is yet to be set. At this stage the financial impact thereof cannot be quantified.

As previously reported, with respect to the mechanical project termination, the arbitration process is expected to be completed by February 2023. The group is confident that the termination was lawful and therefore no provision has been made. MEP's total order book at August 2021 was R99 million (Aug 2020: R182 million).

Management and staff remain committed to the group's health and safety policies and procedures, and together strive to constantly improve the group's safety performance. The group's Lost Time Injury Frequency Rate (LTIFR) at August 2021 was 0,03 (Feb 2021: 0,03) and the Recordable Case Rate (RCR) was 0,30 (Feb 2021: 0,35).

The group is a level 1 B-BBEE contributor measured in terms of the Construction Sector scorecard with a Black Economic Interest score of 64,28%. Broad-Based Black Economic Empowerment (B-BBEE)

Industry related matters With respect to the civil claim received from the City of Cape Town (Green Point Stadium), the arbitration hearing commenced but was subsequently adjourned and postponed to July 2022 at the request of the City of Cape Town. The group remains confident it can defend this claim.

The group continues to be negatively affected through disruptive and unlawful activities by certain communities and informal business forums in several areas of South Africa.

Dividend declaration

Subsequent events

Notice is hereby given that no dividend will be declared (Aug 2020: Nil).

Other than the matters noted herein, there were no other material reportable events which occurred between the reporting date and the date of this announcement. Appreciation We would like to express our appreciation to the board, the management team and all of our employees for their continuous commitment and dedication in this demanding environment. We also express our gratitude to our Lenders, service providers, customers, suppliers and shareholders for their ongoing support.

On behalf of the board Zanele Matlala

**Russell Crawford** Chief Executive Officer

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Executive directors

187 856

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This announcement together with the investor presentation is available on the company's website and physical copies cal be obtained from the company's registered office.