BRIKOR LIMITED

("Brikor") or ("the Company") or ("the Group")

(Incorporated in the Republic of South Africa)

Registration number: 1998/013247/06

JSE code: BIK

ISIN: ZAE000101945

UNAUDITED CONDENSED CONSOLIDATED **INTERIM FINANCIAL RESULTS**

for the six months ended 31 August 2022

THE SPIRIT OF **BRICK MAKING**

PREPARED BY:

The unaudited condensed consolidated interim financial results ("interim financial results" or "results") for the six-month period ended 31 August 2022 were prepared by Joaret Botha CA(SA), Financial Director.

FINANCIAL INDICATORS

REVENUE *

INCREASED BY

10,1%

to R167,7 million

(31 Aug 2021: R152,3 million)

TOTAL EQUITY

INCREASED BY

0,5%

to R112,9 million

(28 Feb 2022: R112,3 million)

CASH AND CASH EQUIVALENTS

INCREASED BY

59,9%

to R8,3 million

(28 Feb 2022: R5,2 million)

NET ASSET VALUE PER SHARE

REMAINS STABLE

at 13,7 cents per share

(28 Feb 2022: 13,7 cents per share)

TANGIBLE NET ASSET VALUE

INCREASED BY

1,0%

to 10,3 cents per share

(28 Feb 2022: 10,2 cents per share)

ACID TEST RATIO

REMAINS STABLE

at 0,4:1

(28 Feb 2022: 0,4:1)

CURRENT ASSET RATIO

INCREASED BY

11,1%

to 1,0:1

(28 Feb 2022: 0,9:1)

EARNINGS PER SHARE *

DECREASED BY

90,9%

to 0,1 cents per share

(31 Aug 2021: 1,1 cents per share)

HEADLINE EARNINGS PER SHARE *

DECREASED BY

100,0%

to 0,0 cents per share

(31 Aug 2021: 1,1 cents per share)

* *Increase and/or decrease in financial indicators in comparison to the six-month period ended 31 August 2021.*

Increase and/or decrease in financial indicators in comparison to the balances as at 28 February 2022.

COMMENTARY

OVERVIEW

Brikor is a diverse manufacturer and supplier of building and construction materials used across a broad spectrum of application from low-cost housing to residential, commercial, industrial, civil engineering and infrastructure projects. The Group operates through two segments, namely Bricks and Coal (the latter being through its wholly owned subsidiary, Ilangabi Investments 12 (Pty) Ltd).

The directors of Brikor Limited ("Brikor") are pleased to present the unaudited condensed consolidated interim financial results for the six-month period ended 31 August 2022, which reflect positive operating profits after taxation as well as cash generated from operations, despite the impact of a distressed economic trading environment and operational challenges, specifically in the Coal segment. The Group continued to focus on its commitment to reduce risk and support sustainability for its stakeholders.

DIRECTORS' RESPONSIBILITY

The directors take full responsibility for the preparation of the unaudited condensed consolidated interim financial results and confirm that the financial information has been correctly extracted from the underlying financial statements.

FINANCIAL OVERVIEW

Revenue increased to R167,7 million (H1 F2022: R152,3 million) for the reporting period, with the Group realising a loss before earnings from its associate of R1,7 million (H1 F2022: profit of R4,8 million). The investment in associate contributed positive returns of R2,3 million (H1 F2022: R4,3 million) to the profit for the reporting period.

REVENUE

Bricks segment

Revenue in the Bricks segment increased by 11,1% to R113,7 million (H1 F2022: R102,3 million). The Bricks segment continued to perform at exceptional levels during the reporting period. The increased revenue is mainly due to an increase in DIY projects, additions and alterations as well as an increase in the informal building sector. Adequate planning, sufficient inventory levels and efficiencies in the production process have also contributed to the good performance.

Coal segment

Revenue in the Coal segment increased by 8,0% to R54 million (H1 F2022: R50 million). Demand for local coal increased and sales prices stabilised during October/November 2021, however, during this period the mine experienced excessive rainfall which had a direct impact on production and availability of saleable coal. The Coal segment was only able to benefit from the increased demand and sales prices from May 2022 as production stabilised and inventory levels increased.

GROSS PROFIT

Overall, gross profit decreased by 29,9% to R23,0 million (H1 F2022: R32,9 million) with the gross profit percentage decreasing to 13,7% (H1 F2022: 21,6%).

Bricks segment

Gross profit in the Bricks segment decreased by 8,8% to R24,4 million (H1 F2022: R26,8 million) with the gross profit percentage decreasing to 21,5% (H1 2022: 26,2%). Gross profit decreased mainly as a result of the increase in carbon tax levies and diesel used in the production process. Diesel used in the Bricks segment increased by 60% in comparison to August 2021, with other costs remaining fairly consistent. Continued power interruptions and loadshedding added additional strain on production and increased overtime was required to curb further production losses.

Coal segment

Gross profit in the Coal segment, however, decreased significantly to a gross loss of R1,4 million (H1 2022: gross profit R6,1 million). The decrease in the gross profit is directly attributable to increased cost of production. As a result of the excessive rainfall and production constraints experienced in the Coal segment for the period October 2021 to April 2022, management took the decision to buy in additional raw materials to be screened and washed whilst production was being increased. The Coal segment returned to full production in May 2022, resulting in increased yields as well as increased saleable stock.

In addition to the above, diesel used in the Coal segment increased by 69% in comparison to the six-month period ended 31 August 2021.

COMMENTARY
(continued)

OPERATING PROFIT BEFORE INTEREST, TAXATION AND EARNINGS FROM ASSOCIATE

The Group realised an operating profit before interest, taxation and earnings from associate of R1,3 million (H1 F2022: R9,3 million). The Bricks segment realised an operating profit before interest and taxation R12,1 million (H1 F2022: R11,2 million), whilst the Coal segment realised an operating loss before interest and taxation of R10,8 million (H1 F2022: R1,8 million).

Other income, administrative expenses, distribution and other expenses remained in line with the previous reporting period.

EARNINGS PER SHARE AND HEADLINE EARNINGS PER SHARE

Earnings per share decreased by 90,9% to 0,1 cents per share (H1 F2022: 1,1 cents per share), mainly due to the decrease in gross profit from the Coal segment, as noted above. Headline earnings per share decreased by 100,0% to 0,0 cents per share (H1 F2022: 1,1 cents per share).

NET ASSET AND TANGIBLE ASSET VALUES

The net asset value per share remained stable at 13,7 cents per share (28 February 2022: 13,7 cents per share), and the net tangible asset value per share increased by 1,0% to 10,3 cents per share (28 February 2022: 10,2 cents per share).

CAPITAL EXPENDITURE

No major capital investments were made during the current reporting period. Refer to events after the reporting period for capital expenditure incurred relating to newly acquired mining equipment.

GOING CONCERN

The unaudited condensed consolidated interim financial results for the six-month period ended 31 August 2022 have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that adequate cash is generated by operations and the necessary funds be available to finance future operations and that the realisation of the sale of assets, settlement of liabilities, contingent obligations and commitments occur in the ordinary course of business. The directors have prepared their budgets and cash flow forecast for the year ahead based on reasonable and supportable assumptions. The cash flow forecast and current management results indicate that the Group will operate as a going concern for the foreseeable future – refer to note 12.

DIVIDEND

No dividend has been declared for the six months ended 31 August 2022.

LITIGATION

Further particulars relating to litigation in which the Group is involved are disclosed in note 9.

CORPORATE GOVERNANCE

The directors endorse and accept full responsibility for the application of the principles necessary to ensure that effective corporate governance is practiced consistently throughout the Group. Brikor is committed to the principles of openness, integrity and accountability to all stakeholders and the Board of Directors accepts its duty to ensure that the principles and practices (as applicable to Brikor), set out in the King Report of Corporate Governance for South Africa – 2016 (King IV™), are implemented on an apply and explain basis.

CHANGES TO THE BOARD OF DIRECTORS

As announced in SENS on 7 September 2022, Ms Malekgotla Roshan Gaorekwe resigned as a director of Ilangabi Investment 12 (Pty) Ltd, a major subsidiary of Brikor, with effect from 6 September 2022.

EVENTS AFTER THE REPORTING DATE

FACILITIES AND CAPITAL EXPENDITURE

Subsequent to 31 August 2022, the Group obtained the following facilities to enable it to acquire new mining equipment to replace its costly rental fleet:

- Nedbank instalment sale agreement for the purchase of two front-end loaders;
- CNH Industrial AQ and CE SA (Pty) Ltd finance lease agreement for the purchase of two front-end loaders; and
- A revolving facility of R30 million was approved through Boutique Leasing Company (Pty) Ltd, which has been used to procure other mining equipment as well.

POTENTIAL COURT CASE

On 9 September 2022 Ilangabi Investments 12 (Pty) Ltd, through its legal representatives, received a notice of intention to defend the action instituted by it against Scarlett Sun 33 (Pty) Ltd relating to a claim in respect of the lease agreement concluded between the parties, effective from 1 September 2012. Refer to note 9 for details regarding the matter.

CAUTIONARY ANNOUNCEMENTS

As announced on SENS on 19 October 2022, shareholders were advised that Brikor has entered into negotiations, which if successfully concluded, may have an effect on the price of Brikor's securities.

A further announcement was published on SENS on 20 October 2022 in which shareholders were cautioned that Brikor has become aware of a third party ("Potential Offeror") that has approached the major Brikor shareholders to acquire all their shares in Brikor. Dependent on the level of success, the acquisition may result in a general offer being made by the Potential Offeror to the remaining Brikor shareholders to acquire their shares in Brikor in terms of the Companies Act, 71 of 2008.

Accordingly, shareholders are advised to continue to exercise caution when dealing in Brikor's shares until a further announcement is made.

Other than the above, the directors are not aware of any material events which occurred subsequent to 31 August 2022, and which need adjustment or disclosure in these interim financial results.

PROSPECTS AND OPPORTUNITIES

Given the performance of the Coal segment during the 2022 financial year and current reporting period, the directors are pleased to report that the Coal segment has shown significant improvement from May 2022. Sales in the Coal segment showed an upward trend in comparison to the 2022 reporting period and sales orders are increasing on a daily basis. A core focus during the current reporting period has been to ensure that sufficient coal stock is available to meet sales demand. During September 2022, the Board approved the procurement of new mining equipment to replace costly rental machinery. This is expected to have a positive impact on production efficiencies, production cost and cash flows.

On 6 June 2022, Brikor celebrated the launch of Kopanela Mining (Pty) Ltd by breaking ground on the Grootfontein mine situated adjacent to Ilangabi Investments 12 (Pty) Ltd. The Board remains positive about the potential and increased production from the newly acquired mining right.

The Bricks segment is still performing exceptionally and the outlook for the remainder of the year remains positive.

The Board remains confident about the potential which can be unlocked from the Group in order to create value for stakeholders and capitalise on synergies between various entities within the Group.

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as at 31 August 2022

	Notes	Unaudited as at 31 August 2022 R'000	Unaudited as at 31 August 2021 R'000	Audited as at 28 February 2022 R'000
ASSETS				
Non-current assets		**172 104**	174 659	177 308
Property, plant and equipment		**60 169**	67 513	66 435
Intangible assets		**3 516**	3 061	3 258
Restricted financial assets	2	**25 318**	25 097	26 469
Investment in associate	3	**58 407**	54 327	56 077
Deferred tax asset	4	**24 694**	24 661	25 069
Current assets		**105 658**	96 339	80 794
Inventories	5	**57 448**	43 660	41 318
Trade and other receivables		**34 762**	30 809	29 140
Cash and cash equivalents		**12 166**	20 726	9 054
Taxation		**1 282**	1 144	1 282
Assets held-for-sale		**4 608**	4 461	4 608
Total assets		**282 370**	275 459	262 710
EQUITY AND LIABILITIES				
Equity attributable to equity holders of the Company		**112 902**	118 553	112 294
Stated capital		**257 192**	257 192	257 192
Accumulated loss		**(144 290)**	(138 639)	(144 898)
Total liabilities		**169 468**	156 906	150 416
Non-current liabilities		**64 794**	76 546	67 381
Lease liability		**638**	1 246	1 574
Shareholders' loans		**–**	3 984	1 587
Vendor loans	6	**8 908**	12 638	10 972
Other loans		**939**	–	–
Provisions for environmental restoration		**54 309**	53 563	52 418
Deferred tax liability	4	**–**	5 115	830
Current liabilities		**102 266**	78 099	80 627
Short-term portion of lease liability		**2 507**	2 146	3 738
Short-term portion of shareholders' loans		**4 405**	4 535	5 124
Short-term portion of vendor loans	6	**5 325**	6 000	5 703
Short-term portion of other loans		**1 193**	–	–
Trade and other payables	7	**78 804**	59 396	56 051
Taxation		**6 120**	6 022	6 120
Bank overdraft		**3 912**	–	3 891
Liabilities directly associated with assets held-for-sale		**2 408**	2 261	2 408
Total equity and liabilities		**282 370**	275 459	262 710

UNAUDITED CONDENSED CONSOLIDATED **STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**

for the six months ended 31 August 2022

	Notes	Unaudited 6 months ended 31 August 2022 R'000	Unaudited 6 months ended 31 August 2021 R'000	Audited year ended 28 February 2022 R'000
Revenue		**167 689**	152 327	272 707
Cost of sales		**(144 646)**	(119 477)	(233 084)
Gross profit		**23 043**	32 850	39 623
Other income		**3 459**	3 595	8 513
Administrative expenses		**(18 329)**	(20 736)	(37 713)
Distribution expenses		**(4 263)**	(3 949)	(7 327)
Other expenses		**(2 566)**	(2 449)	(3 394)
Operating profit/(loss) before interest, taxation and earnings from associate		**1 344**	9 311	(298)
Finance income		**216**	348	548
Finance costs		**(3 738)**	(3 030)	(6 204)
(Loss)/profit before taxation and earnings from associate		**(2 178)**	6 629	(5 954)
Taxation		**456**	(1 863)	2 711
(Loss)/profit for the period before earnings from associate		**(1 722)**	4 766	(3 243)
Share of income from associate	3	**2 330**	4 327	6 077
Profit for the period		**608**	9 093	2 834
Other comprehensive income net of taxation		**–**	–	–
Total comprehensive income for the period attributable to owners of the Company		**608**	9 093	2 834

		Cents	Cents	Cents
EARNINGS PER SHARE	8			
Basic and diluted earnings per share		**0,1**	1,1	0,3
Headline and diluted headline earnings per share		**0,0**	1,1	1,1

UNAUDITED CONDENSED CONSOLIDATED **STATEMENT OF CHANGES IN EQUITY**

for the six months ended 31 August 2022

	Unaudited 6 months ended 31 August 2022 R'000	Unaudited 6 months ended 31 August 2021 R'000	Audited year ended 28 February 2022 R'000
Stated capital	**273 092**	273 092	273 092
Treasury shares	**(15 900)**	(15 900)	(15 900)
Accumulated loss at the beginning of the period	**(144 898)**	(147 732)	(147 732)
Total comprehensive income for the period	**608**	9 093	2 834
Total	**112 902**	118 553	112 294

UNAUDITED CONDENSED CONSOLIDATED **STATEMENT OF CASH FLOWS**

for the six months ended 31 August 2022

	Unaudited 6 months ended 31 August 2022 R'000	Unaudited 6 months ended 31 August 2021 R'000	Audited year ended 28 February 2022 R'000
Cash flows from operating activities	**6 895**	16 484	8 062
Cash generated from operations	**8 528**	16 690	9 465
Finance income	**214**	317	435
Finance costs	**(1 847)**	(1 136)	(2 182)
Net tax received	**–**	613	344
Cash flows from/(to) investing activities	**978**	(5 631)	(7 707)
Additions to property, plant and equipment	**(889)**	(5 583)	(8 732)
Proceeds on disposal of plant and equipment	**2 189**	–	1 505
Additions to intangible assets	**(510)**	(48)	(480)
Proceeds from investment in other financial assets	**188**	–	–
Cash flows to financing activities	**(4 782)**	(5 414)	(10 479)
Lease repayments	**(2 165)**	(863)	(2 159)
Other loans received	**2 500**	–	–
Other loans repaid	**(369)**	–	–
Vendor loans repaid	**(2 442)**	–	–
Shareholders' loans repaid	**(2 306)**	(4 551)	(8 320)
Net increase/(decrease) in cash and cash equivalents	**3 091**	5 439	(10 124)
Cash and cash equivalents at beginning of the period	**5 163**	15 287	15 287
Cash and cash equivalents at end of the period	**8 254**	20 726	5 163

SEGMENT REVENUE AND RESULTS

The following is an analysis of the Group's revenue and results from operations by reportable segments.

SEGMENT PROFIT RECONCILIATION

	Bricks R'000	Coal R'000	Other * R'000	Total R'000
SIX MONTHS ENDED 31 AUGUST 2022 – UNAUDITED				
Total revenue	**113 670**	**65 333**	**–**	**179 003**
Intersegment revenue	**–**	**(11 314)**	**–**	**(11 314)**
Reportable segment revenue	**113 670**	**54 019**	**–**	**167 689**
– Clay products	**95 108**	**71**	**–**	**95 179**
– Coal	**–**	**53 939**	**–**	**53 939**
– Transportation services and ancillary products	**18 562**	**9**	**–**	**18 571**
Gross profit	**24 394**	**(1 351)**	**–**	**23 043**
Other income	**1 863**	**1 596**	**–**	**3 459**
Operating profit/(loss) before interest and taxation	**12 116**	**(10 772)**	**–**	**1 344**
Segment assets and liabilities				
Segment assets	**94 629**	**84 683**	**103 058**	**282 370**
Segment current liabilities	**(84 979)**	**(50 493)**	**(33 996)**	**(169 468)**
Other segment information				
Depreciation and amortisation included in cost of sales and operating expenditure	**(2 929)**	**(3 031)**	**–**	**(5 960)**
Additions to non-current assets	**820**	**69**	**–**	**889**
SIX MONTHS ENDED 31 AUGUST 2021 – UNAUDITED				
Total revenue	102 326	61 702	–	164 028
Intersegment revenue	–	(11 701)	–	(11 701)
Reportable segment revenue	102 326	50 001	–	152 327
– Clay products	86 688	3 203	–	89 891
– Coal	–	46 798	–	46 798
– Transportation services and ancillary products	15 638	–	–	15 638
Gross profit	26 757	6 093	–	32 850
Other income	716	2 879	–	3 595
Operating profit/(loss) before interest and taxation	11 222	(1 845)	(66)	9 311
Segment assets and liabilities				
Segment assets	89 702	78 439	107 318	275 459
Segment liabilities	(66 643)	(48 998)	(41 265)	(156 906)
Other segment information				
Depreciation and amortisation included in cost of sales and operating expenditure	(1 802)	(3 498)	–	(5 300)
Additions to non-current assets	4 444	1 139	–	5 583

* *Other segment relates to non-segment-specific assets and liabilities which include the assets and liabilities classified as held-for-sale as well as investment in associates.*

SEGMENT REVENUE AND RESULTS
(continued)

	Bricks R'000	Coal R'000	Other * R'000	Total R'000
YEAR ENDED 28 FEBRUARY 2022 – AUDITED				
Total revenue	195 110	98 035	–	293 145
Intersegment revenue	–	(20 438)	–	(20 438)
Reportable segment revenue	195 110	77 597	–	272 707
– Clay products	165 171	3 202	–	168 373
– Coal	–	74 233	–	74 233
– Transportation services and ancillary products	29 939	162	–	30 101
Gross profit/(loss)	40 323	(700)	–	39 623
Other income	2 390	6 123	–	8 513
Operating profit/(loss) before interest and taxation	12 473	(12 771)	–	(298)
Segment assets and liabilities				
Segment assets	88 982	75 737	91 914	256 633
Segment current liabilities	(67 440)	(45 555)	(37 421)	(150 416)
Other segment information				
Depreciation and amortisation included in cost of sales and operating expenditure	(5 876)	(4 867)	–	(10 743)
Additions to non-current assets	10 079	1 879	–	11 958

** Other segment relates to non-segment-specific assets and liabilities which include the assets and liabilities classified as held-for-sale as well as investment in associates.*

Factors used to identify segments are based on product line and divisional structuring. This is also how the Group reports financial results to the chief operating decision maker on a monthly basis.

The reportable segments are:

- Coal, which includes mining and sale of coal; and
- Bricks, which includes manufacturing and sale of bricks.

The accounting policies of the reportable segments are the same as the Group's accounting policies described in note 1. Segment results include revenue and expenses directly related to an operating segment but excludes net finance charges and taxation which cannot be allocated to any specific segment. Segment trading profit is defined as operating profit, excluding items of capital nature, and is the basis on which management assesses performance.

Revenue reported relates to external customers only. Revenue is derived solely from South African customers, within the region in which the Group is situated. Therefore, no additional geographical areas have been identified.

The Bricks and Coal segments are the only regulatory environments in which the Group operates, i.e., manufacturing and mining.

No individual customer contributed to more than 10% of the Group's revenue.

For the purposes of monitoring segment performance and allocating resources between segments:

- all assets are allocated to reportable segments other than investment in associates, non-current assets held-for-sale, tax assets, deferred tax assets and cash and cash equivalents.
- all liabilities are allocated to reportable segments other than general borrowings, shareholders' loans, deferred taxation, taxation and bank overdraft facilities and liabilities associated with assets held-for-sale.

NOTES TO THE
Unaudited condensed consolidated
INTERIM FINANCIAL STATEMENTS

for the six months ended 31 August 2021

1. BASIS OF PREPARATION AND ACCOUNTING POLICIES

The unaudited condensed consolidated interim financial statements for the six months ended 31 August 2022 are prepared in accordance with the requirements of the JSE Listings Requirements for interim reports and the requirements of the Companies Act of South Africa. The Listings Requirements require interim reports to be prepared in accordance with the framework concepts and the measurement and recognition requirements of International Financial Reporting Standards (IFRS) and the Financial Pronouncements as issued by the Financial Reporting Standards Council and to also, as a minimum, contain the information required by IAS 34 Interim Financial Reporting.

The accounting policies applied in the preparation of the unaudited condensed consolidated interim financial statements are in terms of IFRS and are consistent with those applied in the previous consolidated annual financial statements.

The results are presented in Rand rounded to the nearest thousand (R'000), unless otherwise indicated.

2. RESTRICTED FINANCIAL ASSETS

RESTRICTED INVESTMENTS

Liberty Life New Growth Rehabilitation Plan Trust at fair value through profit or loss

Included in restricted investments are financial assets that are designated at fair value through profit or loss because they are managed on a fair value basis. These investments are valued based on the observable market value off the underlying pool of equity investments as determined by the financial services provider at each reporting date. The fair value is calculated with reference to the underlying equity instruments.

The Liberty Life New Growth Rehabilitation Plant Trust is a dedicated environmental trust funds to fund the estimated cost of rehabilitation at the end of life of mine. The amounts contributed to these funds are included in non-current assets and are measured at fair value through profit or loss. Fair value gains or losses are taken directly to profit or loss under other income or other expenses.

The fair value of the restricted investments is quoted level 2 financial instruments.

Financial assets measured at amortised cost

Included is restricted financial assets are investments in Nedbank Limited and Leopont Rehabilitation Trust that are classified as financial assets measured at amortised cost. Measured at amortised cost financial assets are initially recognised at fair value plus any directly attributable transaction costs and are subsequently measured at amortised cost less any allowances for impairment losses.

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

(continued)

for the six months ended 31 August 2022

2. RESTRICTED FINANCIAL ASSETS (continued)

	Unaudited 6 months ended 31 August 2022 R'000	Unaudited 6 months ended 31 August 2021 R'000	Audited year ended 28 February 2022 R'000
Liberty Life New Growth Rehabilitation Plan Trust	**23 946**	23 555	24 911
Opening balance	**24 911**	22 335	22 335
Unrealised net fair value (losses)/gains	**(965)**	1 220	2 576
The proceeds from these funds are intended to fund environmental rehabilitation obligations and they are not available for general purposes of the Group.			
Leopont Rehabilitation Trust – Absa fixed deposit	**1 372**	1 360	1 372
The proceeds from these funds are intended to fund environmental rehabilitation obligations and they are not available for general purposes of the Group.			
Nedbank Limited – fixed deposit	**–**	182	186
A fixed deposit account is held with Nedbank Limited as security for a guarantee, in favour of the Department of Mineral Resources, which is in lieu of environmental rehabilitation obligations and is not available for general purposes of the Group. A closure certificate was obtained for the underlying prospecting right and the guarantee was cancelled during the current reporting period.			
	25 318	25 097	26 469

3. INVESTMENT IN ASSOCIATE

	Unaudited 6 months ended 31 August 2022 R'000	Unaudited 6 months ended 31 August 2021 R'000	Audited year ended 28 February 2022 R'000
Reconciliation of investment in associate			
1 March	**56 077**	–	–
Additions: Zingaro Holdings (Pty) Ltd	**–**	50 000	50 000
Share of income from associate	**2 330**	4 327	6 077
Share of other comprehensive income from associate	**–**	–	–
	58 407	54 327	56 077

The sellers have granted Brikor and irrevocable right and option from the effective date until 30 April 2023 to call the remaining 60 shares in Zingaro Holdings (Pty) Ltd ("Zingaro") from the sellers for a purchase consideration of R90 000 000 in the aggregate, which purchase consideration shall be discharged by the allotment and issue by Brikor of 600 000 000 ordinary shares in Brikor to the sellers at an issue price of 15 cents per Brikor share, i.e., in exchange for a fixed number of Brikor shares.

The 40% acquisition of Zingaro is unconditional in all respects. The purchase consideration of the remaining 60 shares in Zingaro is, however, subject to shareholders' approval.

Details of material associates

Zingaro Holdings had a 30 June year-end. The year-end has subsequently been changed to February to be in line with the Group. Separate financial statements were compiled for the six months ended 31 August 2022, which were used in the preparation of these condensed consolidated interim financial statements.

Summarised financial information in respect of Brikor's associate, reflecting 100% of the underlying associates' relevant figures, is set out below. The summarised financial information shown represents amounts from the associate's financial statements that were prepared in accordance with IFRS.

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

(continued)

for the six months ended 31 August 2022

3. INVESTMENT IN ASSOCIATE (continued)

	Unaudited 6 months ended 31 August 2022 R'000	Unaudited 6 months ended 31 August 2021 R'000	Audited year ended 28 February 2022 R'000
Non-current assets	**263 198**	234 203	270 454
Current assets	**105 356**	169 148	104 258
Non-current liabilities	**(175 172)**	(145 463)	(185 825)
Current liabilities	**(85 571)**	(155 740)	(84 970)
Non-controlling interest	**(15 281)**	(19 819)	(17 214)
The above assets and liabilities include the following:			
Cash and cash equivalents	**15 062**	15 514	19 274
Current financial liabilities	**(71 491)**	(113 795)	(77 744)
Non-current financial liabilities	**(155 597)**	(80 186)	(168 202)
Net assets	**92 530**	82 329	86 703
Brikor's ownership interest	**40%**	40%	40%

3. INVESTMENT IN ASSOCIATE (continued)

Summarised profit or loss in respect of Brikor's associate, reflecting 100% of the underlying associate's relevant figures for the six months ended 31 August 2022, including Group adjustments relating to alignment of accounting policies or fair value adjustments, are set out below.

	Unaudited 6 months ended 31 August 2022 R'000	Unaudited 6 months ended 31 August 2021 R'000	Audited year ended 28 February 2022 R'000
Revenue	**110 646**	173 722	304 775
Profit for the period	**3 893**	6 283	8 052
– Profit attributable to owners of the parent	**5 826**	10 818	15 192
– Profit attributable to non-controlling interest	**(1 933)**	(4 535)	(7 140)
Other comprehensive income for the period	**–**	–	–
Total comprehensive income for the period	**3 893**	6 283	8 052
– Total comprehensive income attributable to owners of the parent	**5 826**	10 818	15 192
– Total comprehensive income attributable to non-controlling interest	**(1 933)**	(4 535)	(7 140)
The above profit for the period includes the following:			
Depreciation	**7 256**	6 706	14 026
Interest income	**163**	182	331
Finance cost	**4 488**	2 440	6 009
Taxation expense	**1 952**	2 842	5 061

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

(continued)

for the six months ended 31 August 2022

4. DEFERRED TAX ASSET/(LIABILITY)

	Unaudited 6 months ended 31 August 2022 R'000	Unaudited 6 months ended 31 August 2021 R'000	Audited year ended 28 February 2022 R'000
Reconciliation of deferred tax asset			
At beginning of the period	**25 069**	27 466	27 466
Originating and reversing temporary differences	**787**	1 643	1 091
Calculated tax losses (utilised)/created	**(3 523)**	(4 448)	(3 488)
	22 333	24 661	25 069
Deferred tax asset			
Comprising:			
Property, plant and equipment	**17**	43	39
Provisions	**8 843**	8 185	7 796
Payments received in advance	**835**	1 128	993
Leases	**(9)**	95	71
Contributions to rehabilitation trust funds	**(1 335)**	(1 335)	(1 335)
Calculated tax losses	**13 982**	16 545	17 505
	22 333	24 661	25 069

The Group does not have any unrecognised deferred tax assets relating to assessed losses as at 31 August 2022.

The above deferred tax asset is attributable to the Company.

4. DEFERRED TAX ASSET/(LIABILITY) (continued)

DEFERRED TAX ASSET RECOVERABILITY ANALYSIS

The following table is the analysis of the movement of the deferred tax asset over the last four and a half years:

	Unaudited 6 months ended 31 August 2022 R'000	Audited year ended 28 February 2022 R'000	Audited year ended 28 February 2021 R'000	Audited year ended 29 February 2020 R'000	Audited year ended 28 February 2019 R'000
Calculated tax losses					
Opening balance	**17 505**	20 993	22 161	21 640	28 662
(Utilised)/created	**(3 523)**	(3 488)	(1 168)	521	(7 022)
Closing balance calculated tax losses	**13 982**	17 505	20 993	22 161	21 640
Temporary differences					
Opening balance	**7 564**	6 473	5 530	5 197	1 257
(Utilised)/created	**787**	1 091	943	333	3 940
Closing balance temporary differences	**8 351**	7 564	6 473	5 530	5 197
Total deferred tax asset	**22 333**	25 069	27 466	27 691	26 837

Current period taxable profits yielded a decrease in the deferred tax asset of R3,5 million whereas current temporary differences yielded an increase in the deferred tax asset of R0,8 million.

Management's current forward-looking budgets and forecast have determined that the deferred tax asset's recoverability remained probable and it is expected to be recovered in approximately five to eight years.

Assumptions used in the budget are as follows:

- Sales volumes and prices aligned with those experienced during the 2023 financial year as well as production capacity;
- Inflationary adjustments were allowed for growth in revenue and costs from the 2024 financial year; and
- Sales mix to commensurate expected market demand.

The timing of recovery is mostly sensitive to the following:

- Should the actual growth percentage decrease by 1%, the recoverability of the deferred tax asset will increase slightly to six years;
- Should the sales mix increase with 5%, the deferred tax asset recoverability will extend to eight years; and
- Should the sales mix decrease with 5%, the deferred tax asset recoverability will increase to six years.

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

(continued)

for the six months ended 31 August 2022

4. DEFERRED TAX ASSET/(LIABILITY) (continued)

	Unaudited 6 months ended 31 August 2022 R'000	Unaudited 6 months ended 31 August 2021 R'000	Audited year ended 28 February 2022 R'000
Reconciliation of deferred tax asset/(liability)			
At beginning of the period	**(830)**	(6 019)	(6 019)
Originating and reversing temporary differences	**574**	904	1 678
Calculated tax losses created	**2 617**	–	3 511
	2 361	(5 115)	(830)
Deferred tax asset			
Comprising:			
Property, plant and equipment	**(4 194)**	(5 676)	(4 354)
Provisions	**5 062**	5 196	4 648
Contributions to rehabilitation trust funds	**(4 635)**	(4 635)	(4 635)
Calculated tax losses	**6 128**	–	3 511
	2 361	(5 115)	(830)

The above deferred tax asset is attributable to the Company's subsidiary, Ilangabi Investments 12 (Pty) Ltd.

Management's current forward-looking budgets and forecast have determined that it is probable that the deferred tax asset for Ilangabi Investments 12 (Pty) Ltd is expected to be recovered within the next three to four years.

5. INVENTORIES

	Unaudited 6 months ended 31 August 2022 R'000	Unaudited 6 months ended 31 August 2021 R'000	Audited year ended 28 February 2022 R'000
Raw materials	**210**	488	412
Work in progress	**33 356**	28 943	24 172
Finished goods	**21 904**	11 971	14 890
Consumables	**1 978**	2 258	1 844
	57 448	43 660	41 318

Impairments

There were no net realisable value adjustments during the six months ended 31 August 2022. Inventory totalling R12,9 million was written down by R3,8 million to their net realisable value of R9,1 million during the year ended 28 February 2022.

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
(continued)

for the six months ended 31 August 2022

6. VENDOR LOANS

	Unaudited 6 months ended 31 August 2022 R'000	Unaudited 6 months ended 31 August 2021 R'000	Audited year ended 28 February 2022 R'000
Acquisition of Zingaro Holdings (Pty) Ltd on 2 March 2021 through the following loan accounts:			
Loan – EJ Mac Master			
Opening balance	**5 559**	7 018	7 018
Add: Interest	**186**	196	375
Less: Payments	**(1 000)**	(1 000)	(1 834)
	4 745	6 214	5 559
Loan – L Mac Master			
Opening balance	**5 558**	7 016	7 016
Add: Interest	**186**	196	375
Less: Payments	**(1 000)**	(1 000)	(1 833)
	4 744	6 212	5 558
Loan – PB Buys			
Opening balance	**5 558**	7 016	7 016
Add: Interest	**186**	196	375
Less: Payments	**(1 000)**	(1 000)	(1 833)
	4 744	6 212	5 558
Total vendor loans	**14 233**	18 638	16 675
The above loans bear interest at the prime rate less 1%, calculated and compounded quarterly in arrears with effect from the effective date until the date upon which the subject loan has been repaid in full to the sellers. The respective loans are payable in monthly instalments of R0,2 million (including capital and interest) each. The subject loan outstanding as at the fifth anniversary of the effective date shall be paid by Brikor to the sellers within 10 business days after the fifth anniversary of the effective date. In addition, Brikor has the right to repay the outstanding subject loan from time to time in greater instalments and more frequently.			
Presented as:			
Non-current liabilities			
At amortised cost	**8 908**	12 638	10 972
Current liabilities			
At amortised cost	**5 325**	6 000	5 703
	14 233	18 638	16 675

7. TRADE AND OTHER PAYABLES

	Unaudited 6 months ended 31 August 2022 R'000	Unaudited 6 months ended 31 August 2021 R'000	Audited year ended 28 February 2022 R'000
Financial liabilities			
Trade payables	**43 965**	26 776	27 878
– External	**33 026**	20 578	24 845
– Related party	**10 939**	6 198	3 033
Accruals	**6 305**	3 147	3 700
	50 270	29 923	31 578
Non-financial liabilities			
Receipts in advance	**3 574**	5 505	3 714
Value Added Tax	**2 389**	2 003	1 077
Royalty tax accrual	**12 955**	12 690	12 696
Carbon tax accrual	**4 317**	2 950	2 712
Employee-related liabilities	**5 299**	6 325	4 274
	28 534	29 473	24 473
	78 804	59 396	56 051

Liquidity risk

Trade payables and other creditors and accruals are all expected to be settled within 12 months from the reporting date.

Fair value of financial instruments

The fair value of trade payables and other creditors and accruals approximate their carrying value due to their short-term maturities.

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

(continued)

for the six months ended 31 August 2022

8. EARNINGS PER SHARE

	Unaudited 6 months ended 31 August 2022 R'000	Unaudited 6 months ended 31 August 2021 R'000	Audited year ended 28 February 2022 R'000
Basic and diluted profit	**608**	9 093	2 834
(Profit)/loss on disposal of property, plant and equipment *	**(686)**	–	461
Impairment of assets classified as held-for-sale *	**–**	–	(147)
Loss on scrapping of property, plant and equipment *	**67**	97	253
Loss on disposal of property, plant and equipment by associate (net of tax)	**–**	–	5 719
Headline and diluted headline profit	**(11)**	9 190	9 120

* *These reconciling items do not have related tax implications and, therefore, only the gross amounts are taken into account in the reconciliation.*

Number of shares

	Unaudited 6 months ended 31 August 2022 '000	Unaudited 6 months ended 31 August 2021 '000	Audited year ended 28 February 2022 '000
Weighted average number of shares	**822 342**	822 342	822 342
Diluted weighted average number of shares	**822 342**	822 342	822 342

9. CONTINGENCIES

CONTINGENT LIABILITIES

Environmental rehabilitation

The Group's operations are located in Nigel and are in close proximity to the Blesbokspruit watercourse (the Blesbokspruit watercourse is classified as a RAMSAR site in terms of the RAMSAR convention on Wetlands of International importance). The precise particulars of the operations' proximity to the watercourse still need to be formally delineated by a wetland specialist.

However, considering the current location of the Group's operations and the potential movement of groundwater and drainage towards the Blesbokspruit watercourse, and allowing for the current rehabilitation approach that was consistently applied for Vlakfontein, Plant 1 and Plant 3, further analysis and monitoring would be required in assessing the potential future impact on water quality that might occur, after the closure.

The proximity assessment and results from the water monitoring are required to assess and confirm a justifiable approach (as required by the National Water Act) that does not pose a long-term water quality-related risk at eventual quarry closure. In addition, the nature and extent for the direction of surface run-off still need to be fully understood. The cost determination of water quality-related effects and water use requirements (in terms of the National Water Act) remain uncertain at this stage and cannot be reasonably quantified.

Additional information that is obtained from further studies and monitoring could result in future obligation that would require the Group to recognise additional cost provisions for environmental rehabilitation.

Pending court cases

Court case 1

Ilangabi Investments 12 (Pty) Ltd is currently a party to a litigation process instituted against the company as a result of events dating back to 2015. The case has been ongoing for the past seven years and management is of the opinion that it is not likely that the case would result in a material outflow of economic benefits. The case has been submitted to the High Court and the outcome as well as potential financial impact cannot be measured reliably at the date of these condensed consolidated interim financial statements.

No changes occurred since the previous reporting period.

Court case 2

As announced on SENS on 27 February 2020, shareholders were advised, that the Company Secretary received a letter and various further e-mail correspondence for the request for a shareholders' meeting. The request to call a shareholders' meeting has for various reasons not been approved by the Independent Board of Brikor and, accordingly, the directors applied to the Court in terms of section 61(5) of the Companies Act for an order to set aside the request for a shareholders' meeting on the grounds that the request is frivolous and/or otherwise vexatious.

Court proceedings have commenced in the High Court of South Africa under Case Number 11622/2020 and Court dates are being awaited subsequent to the receipt of an additional request for a shareholders' meeting, as announced on SENS on 15 and 19 February 2021.

No changes and/or new developments since the previous reporting period.

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

(continued)

for the six months ended 31 August 2022

9. CONTINGENCIES (continued)

Potential Court Case

In addition to the abovementioned, Scarlett Sun 33 (Pty) Ltd ("Scarlett Sun"), on 18 February 2022, demanded payment from Ilangabi Investments 12 (Pty) Ltd ("Ilangabi"), in the sum of R19 786 253,13 (including VAT) on the basis of an agreement of lease concluded between Scarlett Sun and Ilangabi on 15 November 2007, effective from 1 September 2012.

Scarlett Sun has claimed that Ilangabi is indebted to it in the sum of R19 787 253,13 (including VAT), which claim is made up of two components, one for unpaid rentals for coal and clay and the other (second component) for unpaid rental for alluvial clay, dating back to the commencement of the lease agreement concluded between the parties.

After carefully considering the issue relating to the understated coal and clay liability (component one of the claim), it was determined that there may be an amount owing by Scarlett Sun to Ilangabi in respect of coal and brick-making clay mined and in respect of which overpayments may have been made.

The issue, however, remains the amount which Scarlett Sun claims is owing in respect of the alluvial clay/overburden and for which it is submitted that Ilangabi is not liable to make payment. This amount makes up most of the amount claimed by Scarlett Sun.

This matter will be handled through arbitration. The outcome as well as financial impact cannot be measured reliably at the date of these condensed consolidated interim financial statements.

10. RELATED PARTIES

IDENTIFICATION OF MATERIAL RELATED PARTIES

Shareholders of Brikor Limited (Company) holding 5% or more of issued share capital at 31 August 2022:

E Meiring	15,41%
G Parkin	12,78%
E Parkin*	8,43%
The Daniel Parkin Testamentary Trust *	10,87%
E Mac Master	7,68%
L Mac Master	7,67%
PB Buys	7,67%
Elgar Share Trust *	6,29%
The Milan Rautenbach Testamentary Trust *	4,26%

* *E Parkin is a trustee of these trusts and has a total indirect influence of more than 20% as at 31 August 2022.*

Subsidiaries

Ilangabi Investments 12 (Pty) Ltd is the only significant subsidiary of the Group, is wholly-owned and is incorporated and operates in South Africa only.

The only restrictions applicable to the Group and its subsidiaries relate to the provision of inter-company financial assistance as well as provision of financial assistance to related and inter-related parties of the Company. Special resolutions to effect these matters have not been approved by 75% of the shareholders at the previous Annual General Meeting.

Relationships	**Related director/shareholder**
Entities controlled by directors and/or significantly influenced by a shareholder	
Scarlett Sun 33 (Pty) Ltd	E Parkin
Nigel Brick and Clay (Pty) Ltd	E Parkin
Elgar Share Trust	E Parkin, G Parkin
Cyndara 113 (Pty) Ltd	E Parkin
Galiya (Pty) Ltd	E Parkin
Zingaro Holdings (Pty) Ltd	E Mac Master, L Mac Master, PB Buys
Zingaro Trade 85 (Pty) Ltd	E Mac Master, PZ Mtethwa

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

(continued)

for the six months ended 31 August 2022

10. RELATED PARTIES (continued)

	Description of activities	Unaudited 6 months ended 31 August 2022 R'000	Unaudited 6 months ended 31 August 2021 R'000	Audited year ended 28 February 2022 R'000
RELATED PARTY BALANCES				
Loan accounts – owing to related parties				
Estate late: GvN Parkin *Unsecured, interest 7,59% p.a., monthly repayments of R0,4 million.*		**(4 405)**	(8 519)	(6 711)
E Mac Master *Bears interest at the prime rate less 1%, calculated and compounded quarterly in arrears. The loan is payable in monthly instalments of R0,2 million (including capital and interest).*		**(4 745)**	(6 214)	(5 559)
L Mac Master *Bears interest at the prime rate less 1%, calculated and compounded quarterly in arrears. The loan is payable in monthly instalments of R0,2 million (including capital and interest).*		**(4 744)**	(6 212)	(5 558)
PB Buys *Bears interest at the prime rate less 1%, calculated and compounded quarterly in arrears. The loan is payable in monthly instalments of R0,2 million (including capital and interest).*		**(4 744)**	(6 212)	(5 558)
Amounts included in trade and other receivables/(trade and other payables) regarding related parties				
Scarlett Sun 33 (Pty) Ltd	Surface rights	**(228)**	(249)	(77)
Scarlett Sun 33 (Pty) Ltd	Machinery parts and consumables	**(16)**	34	(16)
Nigel Brick and Clay (Pty) Ltd	Coal and clay	**125**	(39)	-
Cyndara 113 (Pty) Ltd	Engineering	**(97)**	(97)	(97)
Zingaro Holdings (Pty) Ltd	Bricks	**–**	20	60
Zingaro Trade 85 (Pty) Ltd	Coal and diesel	**2 377**	767	1 166
Zingaro Trade 85 (Pty) Ltd	Machinery rentals and transport	**(1 927)**	(6 198)	(9 479)
Zingaro Holdings (Pty) Ltd	Machinery rentals and transport	**(8 785)**	–	–
Zingaro Holdings (Pty) Ltd	Rental income and bricks	**180**	–	–

10. RELATED PARTIES (continued)

	Description of activities	Unaudited 6 months ended 31 August 2022 R'000	Unaudited 6 months ended 31 August 2021 R'000	Audited year ended 28 February 2022 R'000
Related party transactions				
Interest paid				
Estate late GvN Parkin	On loan account	**(207)**	(374)	(660)
E Mac Master	On loan account	**(186)**	(196)	(375)
L Mac Master	On loan account	**(186)**	(196)	(375)
PB Buys	On loan account	**(186)**	(196)	(375)
Purchases from related parties				
Scarlett Sun 33 (Pty) Ltd	Surface rights	**(1 036)**	(1 366)	(2 043)
Zingaro Trade 85 (Pty) Ltd	Machinery rentals and transport	**(40)**	(10 761)	(23 207)
Zingaro Holdings (Pty) Ltd	Motor vehicles	**–**	–	(400)
Zingaro Holdings (Pty) Ltd	Machinery rentals and transport	**(20 760)**	–	–
Sales to related parties				
Nigel Brick and Clay (Pty) Ltd	Mineral resources	**114**	4 463	4 491
Zingaro Holdings (Pty) Ltd	Bricks	**74**	148	395
Zingaro Holdings (Pty) Ltd	Rental income	**399**	–	–
Zingaro Trade 85 (Pty) Ltd	Coal and diesel	**1 257**	1 123	4 499

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

(continued)

for the six months ended 31 August 2022

11. SUBSEQUENT EVENTS

FACILITIES AND CAPITAL EXPENDITURE

Subsequent to 31 August 2022, the Group obtained the following facilities to enable it to acquire new mining equipment to replace its costly rental fleet:

- Nedbank instalment sale agreement for the purchase of two front-end loaders;
- CNH Industrial AQ and CE SA (Pty) Ltd finance lease agreement for the purchase of two front-end loaders; and
- A revolving facility of R30 million was approved through Boutique Leasing Company (Pty) Ltd, which has been used to procure other mining equipment as well.

POTENTIAL COURT CASE

On 9 September 2022 Ilangabi Investments 12 (Pty) Ltd, through its legal representatives, received a notice of intention to defend the action instituted by it against Scarlett Sun 33 (Pty) Ltd relating to a claim in respect of the lease agreement concluded between the parties, effective from 1 September 2012. Refer to note 9 for details regarding the matter.

CAUTIONARY ANNOUNCEMENTS

As announced on SENS on 19 October 2022, shareholders were advised that Brikor has entered into negotiations, which if successfully concluded, may have an effect on the price of Brikor's securities.

A further announcement was published on SENS on 20 October 2022 in which shareholders were cautioned that Brikor has become aware of a third party ("Potential Offeror") that has approached the major Brikor shareholders to acquire all their shares in Brikor. Dependent on the level of success, the acquisition may result in a general offer being made by the Potential Offeror to the remaining Brikor shareholders to acquire their shares in Brikor in terms of the Companies Act, 71 of 2008.

Accordingly, shareholders are advised to continue to exercise caution when dealing in Brikor's shares until a further announcement is made.

Other than the above, the directors are not aware of any material events which occurred subsequent to 31 August 2022, and which need adjustment or disclosure in these interim financial results.

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

(continued)

for the six months ended 31 August 2022

12. GOING CONCERN

The Group incurred a profit for the six months ended 31 August 2022 of R0,6 million (six months ended 31 August 2021: R9,1 million) and as of that date the Group is solvent as total assets exceeded total liabilities by R112,9 million. Furthermore, the Group is liquid as current assets exceeded current liabilities by R3,4 million.

A detailed analysis of the solvency and liquidity of the Group was performed, being cognisant of the current economic environment, increase in diesel and other input costs, continued loadshedding being implemented by Eskom as well as the prediction of unusual heavy rainfall during November 2022 to April 2023. The directors considered the financial performance of the Group to date of this report and have also prepared and interrogated budgets and cash flow forecasts for the twelve months subsequent to the reporting date. Based on the assessment, no material uncertainties have been identified in relation to the ability of the Group to remain a going concern for at least twelve months. The directors thus believe that the Group is in a sound financial position and that it will continue to operate as a going concern for the foreseeable future.

As such, the interim financial results have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

13. DIRECTORS' EMOLUMENTS

	Unaudited 6 months ended 31 August 2022 R'000	Unaudited 6 months ended 31 August 2021 R'000	Audited year ended 28 February 2022 R'000
Executive directors			
Short-term employee benefits	**2 973**	4 337	7 487
Post-employment benefits	**–**	140	–
	2 973	4 477	7 487
Non-executive directors			
Short-term employee benefits	**446**	563	1 163

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

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for the six months ended 31 August 2022

14. SALIENT FEATURES

	Unaudited 6 months ended 31 August 2022 R'000	Unaudited 6 months ended 31 August 2021 R'000	Audited year ended 28 February 2022 R'000
Number of share in issue (excluding treasury shares)('000)	**822 342**	822 342	822 342
Net asset value per share (cents)	**13,7**	14,4	13,7
Tangible net asset value per share (cents)	**10,3**	11,0	10,2
Impairment reversals (R'000)	**–**	–	147
Employee cost (R'000)	**(46 359)**	(44 193)	(82 494)

Net asset value per share is determined by dividing the total equity by the actual number of shares in issue at the reporting date.

Tangible net asset value per share is determined by dividing the total equity less intangible and deferred tax assets by the actual number of shares in issue at the reporting date.

Reconciliation of Earnings before Interest, Taxation, Depreciation, Amortisation, Impairments ("EBITDA")

	Unaudited 6 months ended 31 August 2022 R'000	Unaudited 6 months ended 31 August 2021 R'000	Audited year ended 28 February 2022 R'000
Operating profit/(loss) before interest and taxation	**1 344**	9 311	(298)
Depreciation – cost of sales	**4 743**	4 489	8 858
Depreciation – other expenses	**965**	540	1 377
Amortisation – cost of sales	**252**	271	506
Impairment reversals	**–**	–	(147)
	7 304	14 611	10 296

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

(continued)

for the six months ended 31 August 2022

14. SALIENT FEATURES (continued)

SOLVENCY AND LIQUIDITY

	Unaudited as at 31 August 2022 R'000	Unaudited as at 31 August 2021 R'000	Audited as at 28 February 2022 R'000
STATEMENT OF FINANCIAL POSITION EXTRACTS			
Current assets			
Inventory	**57 448**	43 660	41 318
Trade and other receivables	**34 762**	30 809	29 140
Cash and cash equivalents	**2 229**	12 208	(778)
– Cash and cash equivalents	**12 166**	20 726	9 054
– *Less:* Restricted cash	**(6 025)**	(8 518)	(5 941)
– Overdraft	**(3 912)**	–	(3 891)
Taxation	**1 282**	1 144	1 282
Total current assets	**95 721**	87 820	70 962
Total current assets less inventory and restricted cash	**38 273**	44 161	29 644
Current liabilities			
Shareholders' loans	**4 405**	4 535	5 124
Short-term portion of vendor loan	**5 325**	6 000	5 703
Short-term portion of lease liabilities	**2 507**	2 146	3 738
Short term portion of other loans	**1 193**	–	–
Trade and other payables	**78 804**	59 396	56 051
Taxation	**6 120**	6 022	6 120
Total current liabilities	**98 357**	78 099	76 736
Current assets ratio	**1,0**	1,1	0,9
Acid test ratio	**0,4**	0,6	0,4

By order of the Board

Allan Pellow
Chairperson of the Board

Garnett Parkin
Chief Executive Officer

23 November 2022

CORPORATE INFORMATION

BRIKOR LIMITED

Incorporated in the Republic of South Africa
Registration number: 1998/013247/06
JSE code: BIK
ISIN: ZAE000101945

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(PO Box 884, Nigel 1490)
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DIRECTORS

Mr Allan Pellow (Chairperson) *
Ms Mamsy Mokate (Lead Independent Director) *
Mr Garnett Parkin (Chief Executive Officer)
Ms Joaret Botha (Financial Director)
Ms Funeka Mtsila *
Mr Steve Naudé *

** Independent Non-Executive*

COMPANY SECRETARY

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These results and an overview of Brikor are available at <u>www.brikor.net</u>

GRAPHICULTURE