

BRIKOR LIMITED

(Incorporated in the Republic of South Africa)

(Registration number 1998/013247/06) JSE Share code: BIK ISIN:

ZAE000101945

("Brikor" or the "Company")

FINANCIAL RESULTS FOR THE YEAR ENDED 28 FEBRUARY 2022 – SHORT-FORM
ANNOUNCEMENT

FINANCIAL HIGHLIGHTS

	28 Feb 2022	28 Feb 2021	% change
	R'm	R'm	
Revenue	272,7	257,9	5,7
EBITDA	10,3	28,6	-64
Basic earnings per share (cents)	0,3	1,9	-84,2
Headline earnings per share (cents)	1,1	2,1	-47,6
Net asset value per share (cents)	13,7	12,9	6,2
Net tangible asset value per share (cents)	10,2	7,9	29,1

Note: No dividends have been declared for the year ended 28 February 2022 or 28 February 2021.

FINANCIAL OVERVIEW

Revenue increased to R272,7 million (2021: R257,9 million) for the reporting period, with the Group realising a loss before earnings from its associate of R3,2 million (2021: profit of R12,0 million). The investment in associate contributed positive returns of R6,0 million (2021: Rnil) to the profit for the reporting period. The profit for the previous financial year of R12,0 million included a reversal of the environmental rehabilitation provision of R8,0 million due to a section 43 closure certificate which was received in respect of one of the Group's rehabilitation sites, which should be taken into account when comparing year-on-year profits.

Revenue in the Bricks segment increased significantly by 34,6% to R195,1 million (2021: R144,9 million). The Bricks segment performed exceptionally during the reporting period, with revenue being the highest when compared to the previous five financial years. 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 exceptional performance. The increase in revenue should, however, be evaluated based on the relative depths to which the industry plunged during 2020 as a result of the COVID-19 pandemic. The COVID-19 pandemic had a direct impact on the Bricks segment during the 2021 financial year with no sales in the Bricks segment during April 2020 and limited sales during May 2020.

Revenue in the Coal segment decreased by 31,3% to R77,6 million (2021: R113 million). The Coal segment experienced the aftermath

of the COVID-19 pandemic during the first quarter of the 2021 calendar year, with significant pressure on sales prices. The export market is vital to sustain balance within the coal industry and the oversupply of coal products in the local markets added additional pressure on sales prices as well as demand. During April 2021, product sales, mostly supplied to the export market, slowed down significantly due to unreliable infrastructure as well as looting in parts of the country during June/July 2021. Whilst the demand for local coal increased and sales prices stabilised during the last quarter of the year, the mine experienced excessive rainfall which had a direct impact on production and availability of saleable coal. The rainfall for the last quarter of the year exceeded normal annual rainfall as well as rainfall during the previous five years. Revenue for the Coal segment was at its lowest in comparison to the previous five financial years.

The Group realised an operating loss before interest, taxation and earnings from associate of R0,3 million (2021: operating profit before interest and taxation of R21,0 million). The Bricks segment realised an operating profit before interest and taxation R12,4 million (2021: R3,0 million), whilst the Coal segment realised an operating loss before interest and taxation of R12,7 million (2021: operating profit before interest and taxation of R18,0 million).

The increase in administrative and other expenditure, compared to the previous financial year, is in line with inflation. Other expenses decreased significantly as a result of savings in supplier development cost, staff training and legal fees in comparison to the prior year.

OUTLOOK

Given the performance of the Coal segment during the reporting period, the directors are pleased to report that the Coal segment has shown significant improvement during April and 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 past three months has been to ensure that sufficient coal stock is available to meet sales demand. The Bricks segment is still performing exceptionally and the outlook for the year remains positive.

The Board of Directors 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.

A priority during the year ahead will be to expand on the production capacity of the Group's Coal segment, through its newly acquired mining right, and to focus on creating positive returns from all segments within the Group.

Any forward-looking statements have neither been reviewed nor reported on by the Group's auditors, Nexia SAB&T.

SHORT-FORM STATEMENT

This short-form announcement is the responsibility of the directors. It is only a summary of the information contained in the full announcement and does not contain full or complete details.

Any investment decision should be based on the full announcement accessible from 27 May 2022, via the JSE link and also available on the Company's website at http://brikor.co.za/_webmoduledata/Documents/BrikorYE22results.pdf

Copies of the full announcement may also be requested by contacting Ms Joaret Botha by email at joaret@brikor.net and are available for inspection at the Company's registered office at no charge, weekdays during office hours.

The JSE link is as follows:

<https://senspdf.jse.co.za/documents/2022/jse/isse/bik/YERes22.pdf>

The annual financial statements including the audit opinion of the external auditor, Nexia SAB&T, which sets out the key audit matters and the basis for its unmodified opinion, is available on the Company's website on

http://brikor.co.za/_webmoduledata/Documents/BrikorAFS2022.pdf

27 May 2022

Nigel

Designated adviser

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