AVENG LIMITED
(Incorporated in the Republic of South Africa)
(Registration number: 1944/018119/06)
ISIN: ZAE000302618
SHARE CODE: AEG
("Aveng" or "the Company" or "the Group")

Reviewed Interim Condensed Consolidated Financial Statements For The Six Months Ended 31 December 2022

SALIENT FEATURES

- Group revenue increased to R15,0 billion (December 2021: R13,0 billion)
- Earnings before non-recurring items ("operating earnings") for the period – R181 million (December 2021: R215 million)
- Earnings for the period remained flat at R48 million (December 2021: R53 million)
- Earnings per share – flat at 38 cents per share (December 2021: 43 cents per share)
- Headline earnings increased to R77 million (61 cents per share) from a headline earnings of R17 million (14 cents per share)
- Operating free cash outflow of R20 million (December 2021: R490 million inflow)
- Cash and bank balances of R2,8 billion (June 2022: R2,6 billion)
- Net cash position excluding IFRS 16 of R2,1 billion (June 2022: R2,1 billion)
- Increase in work in hand to R53,3 billion* from R30,8 billion in June 2022
- Net asset value per share increased to 2 980 cents per share from 2 873 cents per share at 30 June 2022

* at 31 January 2023

Aveng has reported another profitable period in its journey from a loss-making, over-geared business that was under-invested in equipment, systems and people to a cash supportive, profit-making company with a strong balance sheet capable of investment for sustainable profitable growth.

The global business environment remained challenging with the ongoing war in Ukraine, adverse weather events and the lagging effects of COVID-19. This was characterised by a rapid rise in inflation, increases in interest rates, labour, energy, raw material and shipping costs, supply chain disruptions leading to logistics constraints and increasing costs. Business specific challenges were experienced in the form of the lagging effects of COVID-19 disruptions, particularly in Southeast Asia, a continuing shortage of semi-conductors, load shedding and a shortage of skilled artisans in South Africa and a skills shortage in Australia and New Zealand due to low levels of unemployment. While the Group had no immediate control over these factors, we proactively responded in our approach to winning new work and delivering on our customer contracts, introducing measures to soften their impact and mitigate risk.

RESULTS FOR THE SIX MONTHS ENDED 31 DECEMBER 2022

Aveng reported headline earnings of R77 million or 61 cents per share (31 December 2021: R17 million or 14 cents per share). Earnings for the period attributable to equity holders of the parent amounted to R48 million or 38 cents per share (31 December 2021: R53 million or 43 cents per share). normalised earnings decreased from R82 million in the prior comparative period to R44 million. This metric has been used for illustrative and comparative purposes only.

Work in Hand
McConnell Dowell continued to win work within its areas of specialist capability. The business won AUD2,5 of new work and grew work in hand by 56%, from AUD2,5 billion at 30 June 2022 to AUD3,9 billion at 31 January 2023. McConnell Dowell has secured 100% of its FY2023 planned revenue and 98% of its FY2024 planned revenue.

Moolmans grew its work in hand significantly to R7,8 billion at 31 January 2023 after the award of several contracts, including the Tshipi é Ntle award announced subsequent to period end, the Klipspruit rehabilitation contract and a

12-month extension at Gamsberg. Moolmans continues to pursue other opportunities in Southern and West Africa.

Disposal of Trident Steel
On 4 October 2022, the Group announced the disposal of Trident Steel, a division of Aveng Africa Proprietary Limited as a "locked box" transaction, subject to a ticking fee (an amount of R7,45 million per month from 30 June 2022 to closing date). The disposal has significantly progressed with an envisaged implementation date during the remaining months of the 2023 financial year. The purchase consideration of R691 million is due on closing date. In addition, an amount of R273 million, representing the net cash portion from the business on "lock box" date together with the accrued ticking fee, becomes due.

As part of the transaction, an investment in a special purpose empowerment vehicle that includes a loan of R207 million from Aveng, will be used to facilitate a future BEE transaction that will be repaid by the purchaser within a maximum period of one year from closing date.

Strong Balance Sheet
Aveng's objective of ensuring a sustainable capital structure is premised on the settlement of South African legacy debt. This remains on target with a further R125 million repaid during the period. A short-term Trade Finance Facility of R450 million was raised in support of organic growth and a new contract at Trident Steel, of which R390 million was utilised at 31 December 2022. The remaining R353 million of the South African legacy debt as well as the Trade Finance Facility will be extinguished on receipt of the proceeds from the disposal of Trident Steel. This will mark a pivotal moment in ensuring a sustainable capital structure and a platform for growth for Aveng.

ABOUT AVENG LIMITED

Aveng is an engineering led contractor focused on infrastructure, resources and contract mining in selected markets, capitalising on the expertise and experience within McConnell Dowell and Moolmans.

The short-form announcement is the responsibility of the directors and is only a summary of information in the full announcement which is available on the Company's website (www.aveng.co.za).

This announcement does not contain full or complete details and any investment decisions by investors and/or shareholders should be based on consideration of the published SENS available on:
https://senspdf.jse.co.za/documents/2023/JSE/ISSE/AEG/HY2023.pdf

Review opinion
The interim results for the six-month period ended 31 December 2022 have been reviewed by the Company's external auditors KPMG Incorporated, who expressed an unmodified review conclusion, in accordance with International Standard on Review Engagements ISRE 2410 Review of Interim Financial Information Performed by the Independent Auditors of the Entity (ISRE 2410). A copy of the auditor's review report is available for inspection at the Company's registered office.

The full announcement is available for inspection at the registered office and/or the sponsor's office, at no charge during office hours.

21 February 2023

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Executive Directors
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Non-Executive Directors
PA Hourquebie (Independent Non-executive Chair) | MA Hermanus (Lead Independent Non-executive) | MJ Kilbride (Independent Non-executive) | B Modise (Independent Non-executive) | BC Meyer (Independent Non-executive) | ZB Swanepoel (Independent Non-executive)

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