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 2024

PREPARED BY:

The unaudited condensed consolidated interim financial results ("interim financial results" or "results") for the six-month period ended 31 August 2024 were prepared by Mrs Bianca Saunders CA(SA), Financial Manager, under the supervision of Mrs Joaret Botha CA(SA), Financial Director.

FINANCIAL **INDICATORS**

REVENUE *

INCREASED BY

18,1%

to R224,5 million

(31 Aug 2023: R190,1 million)

EARNINGS PER SHARE *

DECREASED BY

64,0%

to 0,9 cents per share

(31 Aug 2023: 2,5 cents per share)

HEADLINE EARNINGS PER SHARE *

DECREASED BY

59,3%

to 1,1 cents per share

(31 Aug 2023: 2,7 cents per share)

TOTAL EQUITY

INCREASED BY

6,5%

to R122,1 million

(29 Feb 2024: R114,7 million)

CASH AND CASH EQUIVALENTS

INCREASED BY

91,7%

to negative R0,54 million

(29 Feb 2024: negative R6,53 million)

NET ASSET VALUE PER SHARE

INCREASED BY

7,2%

to 14,9 cents per share

(29 Feb 2024: 13,9 cents per share)

TANGIBLE NET ASSET VALUE PER SHARE

INCREASED BY

10,3%

to 12,8 cents per share

(29 Feb 2024: 11,6 cents per share)

CURRENT ASSET RATIO

INCREASED BY

22,2%

to 1,1:1

(29 Feb 2024: 0,9:1)

ACID TEST RATIO

INCREASED BY

33,3%

to 0,4:1

(29 Feb 2024: 0,3:1)

* *Increase and/or decrease in financial indicators in comparison to the six-month period ended 31 August 2023.*

\# *Increase and/or decrease in financial indicators in comparison to the balances as at 29 February 2024.*

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 subsidiaries, Ilangabi Resources (Pty) Ltd and Kopanela Mining (Pty) Ltd).

The directors of Brikor Limited ("Brikor") are pleased to present the unaudited condensed consolidated interim results for the six months ended 31 August 2024, which reflect positive operating profits after taxation as well as cash generated from operations.

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 R224,5 million (H1 F2024: R190,1 million) for the reporting period, with the Group realising a profit before earnings from its associate of R5,6 million (H1 F2024: R13,1 million). The investment in associate contributed positive returns of R2,2 million (H1 F2024: R7,2 million) to the profit for the reporting period. Profit for the reporting period decreased to R7,8 million (H1 F2024: R20,2 million). The decrease in profit is attributable to a decrease in profit realised by the Coal segment as well as a decrease in return from the investment in associate.

REVENUE

Bricks segment

Revenue in the Bricks segment decreased by 13% to R115,2 million (H1 F2024: R132,4 million). The decrease in revenue was as a direct result of a decline in market conditions. Projects in the construction sector only started with significant off-take during June/July 2024 in comparison to the previous reporting period where projects started from March 2023.

Coal segment

Revenue in the Coal segment increased by 89,9% to R109,3 million (H1 F2024: R57,6 million). The increase in revenue was as a result of the implementation of the Contract Mining and Coal Purchase Agreement, effective 1 November 2023. In terms of the agreement all coal mined by the service provider is also sold to the service provider and, hence, the resultant increase in revenue.

GROSS PROFIT

Overall, gross profit decreased by 26,6% to R38,3 million (H1 F2024: R52,1 million) with the gross profit percentage decreasing to 17,0% (H1 F2024: 27,4%). Gross profit decreased as a result of the decrease in gross profit by the Coal segment as noted below.

Bricks segment

Gross profit in the Bricks segment decreased by 11,7% to R36,0 million (H1 F2024: R40,8 million) with the gross profit percentage increasing to 31,2% (H1 F2024: 30,8%). Gross profit decreased as a result of the decrease in revenue.

As a result of the decline in market conditions, management implemented various cost-saving initiatives as well as production efficiencies to combat the decline in revenue. Even though the gross profit decreased, these cost-saving initiatives contributed to an increase in the gross profit percentage.

Coal segment

Gross profit in the Coal segment decreased to R2,3 million (H1 F2024: R11,4 million) with the gross profit percentage decreasing to 2,1% (H1 F2024: 19,7%).

During the six months ended 31 August 2023 significant stripping activities were performed, which resulted in an increase in coal work-in-progress. The increased work-in-progress resulted in a credit to cost of sales, which resulted in higher gross profits for the Coal segment during the previous reporting period.

Since the implementation of the Contract Mining and Coal Purchase Agreement, effective 1 November 2023, gross profit is limited to the R20/tonne received by the Coal segment on tonnes mined.

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 R16,4 million (H1 F2024: R26,8 million). The Bricks segment realised an operating profit before interest and taxation of R16,5 million (H1 F2024: R17,1 million), whilst the Coal segment realised an operating loss before interest and taxation of R0,1 million (H1 F2024: operating profit before interest and taxation of R9,8 million).

Other income, administrative expenses, distribution and other expenses decreased by 13,5% in comparison to the previous corresponding reporting period.

During the previous reporting period, administrative expenses included professional, legal and secretarial fees incurred in respect of the acquisition of securities by Nikkel Trading 392 (Pty) Ltd, the offer to minorities as well as the Contract Mining and Coal Purchase Agreement. Current administrative expenses do not include these additional costs.

Distribution expenses decreased in comparison to the previous reporting period as a result of the Contract Mining and Coal Purchase Agreement, whereby the costs previously incurred by the Coal segment have been transferred to the service provider.

EARNINGS PER SHARE AND HEADLINE EARNINGS PER SHARE

Earnings per share decreased by 64% to 0,9 cents per share (H1 F2024: 2,5 cents per share) as a result of the decrease in profit as noted above. Headline earnings per share decreased by 59,3% to 1,1 cents per share (H1 F2024: 2,7 cents per share).

NET ASSET AND TANGIBLE ASSET VALUES

The net asset value per share increased by 7,2% to 14,9 cents per share (29 February 2024: 13,9 cents per share), and the net tangible asset value per share increased by 10,3% to 12,8 cents per share (29 February 2024: 11,6 cents per share).

CAPITAL EXPENDITURE AND DISPOSALS

Major capital investments made by the Group during the reporting period amounted to R3,9 million, which related to right-of-use assets acquired through lease agreements with Manitou.

During the reporting period, the Group disposed of right-of-use assets amounting to R15,6 million held under lease agreement with Boutique Leasing Company (Pty) Ltd.

Refer to note 2 for additional disclosure regarding property, plant and equipment.

GOING CONCERN

The unaudited condensed consolidated interim financial results for the six-month period ended 31 August 2024 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 14.

DIVIDEND

No dividend has been declared for the six months ended 31 August 2024.

LITIGATION

Further particulars relating to litigation in which the Group is involved are disclosed in note 11.

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 on SENS on 27 May 2024, the following changes were made to the Board of Directors, effective 23 May 2024:

- Mr Johan (Joe) van Rensburg was appointed as an executive director of Brikor;
- Mr Schalk Burger resigned as a non-executive director; and
- Mr Corné Oberholzer has changed his designation from an alternate director to Mr Schalk Burger to a non-executive director of Brikor.

CORPORATE ACTIVITY

Corporate activity during the reporting period comprised:

UPDATE ON THE CONTRACT MINING AND COAL PURCHASE AGREEMENT

The Contract Mining and Coal Purchase Agreement ("the Agreement") was approved by shareholders on 18 October 2023, effective 1 November 2023.

Salient clauses of the Agreement are as follows:

- The Service Provider (Ilangabi Colliery (Pty) Ltd, previously known as TCQ Mining (Pty) Ltd), shall, subject to the Ramp-Up Period (a period commencing on the Effective Date and for a period of 6 (six) consecutive months), produce the Tonnage Target of not less than 150 000 (one hundred and fifty thousand) tonnes of clean run-of-mine coal in each month (the "Underpin Tonnage Target");
- The Service Provider shall mine no less than a total of 400 000 (four hundred thousand) tonnes of coal during the Ramp-Up Period;
- The Service Provider will be obliged to ensure that the services are rendered in such a manner that (at least) the Underpin Tonnage Target is met at all times; and
- If the Service Provider fails to meet the Underpin Tonnage Target due to circumstances or events that the Service Provider believes are out of its control (excluding an Event of Force Majeure), the Service Provider shall notify the Company as soon as reasonably possible.

During the six-month reporting period, the Service Provider failed to meet the tonnage requirements for the Ramp-Up Period as well as the Underpin Tonnage Target, as a result of delays in obtaining secured off-take agreements for coal mined. The representatives of the Service Provider indicated that it is not commercially viable to mine the required tonnages without having confirmed off-take agreements in place.

The main reason for not having confirmed off-take agreements in place was as a result of the delay in obtaining a water use licence for the Group's mining rights, being Vlakfontein and Grootfontein. The Brikor Board of Directors agreed that it made commercial sense to defer penalties as a result of not meeting the Underpin Tonnage Target as the delay in obtaining a water use licence was an event which was not under the control of the Service Provider. It was agreed that the Group will, therefore, only invoice for actual coal mined.

The Service Provider experienced significant cash flow constraints as a result of not having confirmed off-take agreements in place. This had a knock-on effect on the ability of the Service Provider to repay its debt to the Brikor Group in terms of the Agreement.

The Brikor Board of Directors has put the Service Provider on notice regarding the outstanding balances.

Subsequent to the reporting period, the Service Provider repaid a substantial portion of the outstanding amounts owing to the Brikor Group and confirmed that they will endeavour to ensure that any current amounts due are repaid as per the terms of the Agreement.

The water use licence has also been awarded subsequent to the reporting period. It is anticipated that the Service Provider will be in a better position to negotiate formal off-take agreements, which will enable the Service Provider to comply with the Underpin Tonnage Target as well as the payment terms as per the Agreement.

The Board of Directors will continue to ensure that the Service Provider complies with the terms of the Agreement and that the Agreement is managed in the best interest of all the Group's stakeholders.

COMMENTARY
(continued)

PROPOSED SCHEME OF ARRANGEMENT AND DELISTING FROM THE JSE

As announced on SENS on 3 July 2024, shareholders were advised that the Board of Directors of Brikor was considering proposing a scheme of arrangement in terms of section 114(1)(e), read with section 115, of the Companies Act, No 71 of 2008, as amended, between Brikor and its shareholders (other than Nikkel Trading 392 Proprietary Limited and the Brikor Share Incentive Scheme), in terms of which the shares of the remaining shareholders in Brikor will be repurchased by Brikor. Subsequent to the scheme becoming operative, Brikor shares were to be delisted from the JSE in terms of paragraph 1.17(b) of the JSE Listings Requirements.

On 15 August 2024, shareholders were advised that in accordance with Companies Regulation 111(4) of the Takeover Regulation Panel, Brikor is mandated to furnish an unconditional and irrevocable bank guarantee from a South African registered bank, assuring the full settlement of the cash consideration as per the offer. The Company is currently in the process of terminating the Brikor Share Incentive Scheme Trust, causing a delay in obtaining bank funding for the bank guarantee. Acknowledging this delay, the Brikor Board has decided to defer the proposed scheme of arrangement until the issues related to the Brikor Share Incentive Scheme Trust are resolved. At present, there is no specific timeline for achieving these outcomes. Should the circumstances change, shareholders will be duly notified. However, for the time being, the decision by the Brikor Board is to indefinitely defer the matter.

EVENTS AFTER THE REPORTING DATE

The directors are not aware of any material events, other than as noted in this report, which occurred subsequent to 31 August 2024 and which need adjustment or disclosure in these interim financial results.

PROSPECTS AND OPPORTUNITIES

The Board remains positive about the potential which can be unlocked from the Group, given the consistent improvement of the statement of financial position and synergies between various entities within the Group.

The Board will continue strengthening Brikor's broad-based black economic empowerment status as well as exploring opportunities to expand production capacity and sustainability of the Group's mineable reserves.

A priority during the year ahead will be to create value, improve efficiencies and unlock synergies between the various entities within the Group.

For and on behalf of the Board of Directors

Allan Pellow
Independent Non-Executive Chairperson

Garnett Parkin
Chief Executive Officer

Joaret Botha
Financial Director

Nigel

28 November 2024

UNAUDITED CONDENSED CONSOLIDATED
STATEMENT OF FINANCIAL POSITION

as at 31 August 2024

	Notes	Unaudited as at 31 August 2024 R'000	Unaudited as at 31 August 2023 R'000	Audited as at 29 February 2024 R'000
ASSETS				
Non-current assets		**180 214**	219 055	200 820
Property, plant and equipment	2	**80 114**	114 202	101 102
Intangible assets		**2 715**	3 582	3 110
Restricted financial assets	3	**22 587**	19 729	21 859
Investment in associate	4	**60 600**	62 081	58 421
Deferred tax asset	5	**14 198**	19 461	16 328
Current assets		**127 978**	99 125	112 054
Inventories	6	**77 670**	72 331	75 462
Trade and other receivables		**45 718**	26 375	35 032
Cash and cash equivalents		**4 345**	183	95
Taxation		**245**	236	1 465
Assets held-for-sale		**4 989**	4 792	4 989
Total assets		**313 181**	322 972	317 863
EQUITY AND LIABILITIES				
Equity		**122 425**	126 673	114 670
Equity attributable to equity holders of the Company		**122 068**	126 673	114 670
Stated capital		**257 192**	257 192	257 192
Accumulated loss		**(135 124)**	(130 519)	(142 522)
Non-controlling interests		**357**	–	–
Total liabilities		**190 756**	196 299	203 193
Non-current liabilities		**75 218**	79 808	76 901
Lease liability	7	**2 240**	11 829	5 631
Vendor loans	8	**–**	4 094	1 219
Loans and borrowings	9	**4 205**	5 745	4 965
Provisions for environmental restoration		**67 994**	55 387	65 086
Deferred tax liability	5	**779**	2 753	–
Current liabilities		**112 749**	113 743	123 503
Short-term portion of lease liability	7	**5 475**	11 523	12 065
Short-term portion of vendor loans	8	**4 095**	5 307	6 098
Short-term portion of loans and borrowings	9	**2 192**	6 514	3 694
Trade and other payables		**88 607**	77 642	87 619
Taxation		**7 495**	7 614	7 403
Bank overdraft		**4 885**	5 143	6 624
Liabilities directly associated with assets held-for-sale		**2 789**	2 748	2 789
Total equity and liabilities		**313 181**	322 972	317 863

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

for the six months ended 31 August 2024

	Notes	Unaudited 6 months ended 31 August 2024 R'000	Unaudited 6 months ended 31 August 2023 R'000	Audited year ended 29 February 2024 R'000
Revenue		**224 546**	190 078	350 549
Cost of sales		**(186 281)**	(137 958)	(280 556)
Gross profit		**38 265**	52 120	69 993
Other income		**2 785**	4 416	7 009
Administrative expenses		**(18 809)**	(23 767)	(41 428)
Distribution expenses		**(2 865)**	(4 233)	(7 159)
Other expenses		**(3 007)**	(1 719)	(4 576)
Operating profit before interest, taxation and earnings from associate		**16 369**	26 817	23 839
Finance income		**118**	70	86
Finance costs		**(6 326)**	(7 379)	(13 964)
Profit before taxation and earnings from associate		**10 161**	19 508	9 961
Taxation		**(4 585)**	(6 436)	(5 232)
Profit for the period before earnings from associate		**5 576**	13 072	4 729
Share of income from associate		**2 179**	7 175	3 515
Profit for the period		**7 755**	20 247	8 244
Total comprehensive income for the period		**7 755**	20 247	8 244
Profit for the period attributable to:				
Owners of the Company		**7 398**	20 247	8 244
Non-controlling interests		**357**	–	–
		7 755	20 247	8 244
Total comprehensive income for the period attributable to:				
Owners of the Company		**7 398**	20 247	8 244
Non-controlling interests		**357**	–	–
		7 755	20 247	8 244

	Notes	Cents	Cents	Cents
EARNINGS PER SHARE for profit for the period attributable to owners of the parent	10			
Basic and diluted earnings per share		**0,9**	2,5	1,0
Headline and diluted headline earnings per share		**1,1**	2,7	1,3

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

for the six months ended 31 August 2024

	Unaudited 6 months ended 31 August 2024 R'000	Unaudited 6 months ended 31 August 2023 R'000	Audited year ended 29 February 2024 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	**(142 522)**	(150 766)	(150 766)
Total comprehensive income for the period	**7 398**	20 247	8 244
Non-controlling interests	**357**	–	–
Total	**122 425**	126 673	114 670

UNAUDITED CONDENSED CONSOLIDATED **STATEMENT OF CASH FLOWS**

for the six months ended 31 August 2024

	Unaudited 6 months ended 31 August 2024 R'000	Unaudited 6 months ended 31 August 2023 R'000	Audited year ended 29 February 2024 R'000
Cash flows from operating activities	**11 692**	12 597	22 221
Cash generated from operations	**14 518**	18 050	30 133
Finance income	**6**	70	8
Finance costs	**(2 400)**	(5 523)	(7 920)
Net tax paid	**(432)**	–	–
Cash flows from investing activities	**2 568**	2 264	2 978
Additions to property, plant and equipment	**(255)**	(2 772)	(4 672)
Proceeds on disposal of plant and equipment	**3 989**	1 261	3 838
Additions to intangible assets	**–**	(37)	–
Contributions to restricted financial assets	**(1 166)**	–	–
Proceeds from restricted financial assets	**–**	3 812	3 812
Cash flows to financing activities	**(8 271)**	(16 638)	(28 545)
Lease capital repayments	**(2 786)**	(6 446)	(12 672)
Loans and borrowings repaid	**(2 264)**	(5 730)	(9 328)
Shareholder and vendor loans repaid	**(3 221)**	(4 462)	(6 545)
Net increase/(decrease) in cash and cash equivalents	**5 989**	(1 777)	(3 346)
Cash and cash equivalents at beginning of the period	**(6 529)**	(3 183)	(3 183)
Cash and cash equivalents at end of the period	**(540)**	(4 960)	(6 529)

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 2024 – UNAUDITED				
Total revenue	**115 210**	**132 302**	**–**	**247 512**
Intersegment revenue #	**–**	**(22 966)**	**–**	**(22 966)**
Reportable segment revenue	**115 210**	**109 336**	**–**	**224 546**
– Clay products	**98 196**	**296**	**–**	**98 492**
– Coal	**–**	**109 040**	**–**	**109 040**
– Transportation services and ancillary products	**17 014**	**–**	**–**	**17 014**
Gross profit	**35 986**	**2 279**	**–**	**38 265**
Other income	**1 573**	**1 212**	**–**	**2 785**
Operating profit/(loss) before interest, taxation and earnings from associate	**16 500**	**(131)**	**–**	**16 369**
Segment assets and liabilities				
Segment assets	**152 105**	**75 206**	**85 870**	**313 181**
Segment liabilities	**(92 226)**	**(77 047)**	**(21 483)**	**(190 756)**
Other segment information				
Depreciation and amortisation included in cost of sales and operating expenditure	**4 308**	**4 583**	**–**	**8 891**
Additions to non-current assets	**255**	**–**	**–**	**255**
SIX MONTHS ENDED 31 AUGUST 2023 – UNAUDITED				
Total revenue	132 491	72 303	–	204 794
Intersegment revenue #	–	(14 716)	–	(14 716)
Reportable segment revenue	132 491	57 587	–	190 078
– Clay products	112 184	1 850	–	114 034
– Coal	–	55 737	–	55 737
– Transportation services and ancillary products	20 307	–	–	20 307
Gross profit	40 751	11 369	–	52 120
Other income	1 159	3 257	–	4 416
Operating profit before interest, taxation and earnings from associate	17 059	9 758	–	26 817
Segment assets and liabilities				
Segment assets	160 268	74 459	88 245	322 972
Segment liabilities	(112 829)	(53 765)	(29 705)	(196 299)
Other segment information				
Depreciation and amortisation included in cost of sales and operating expenditure	3 995	6 547	–	10 542
Additions to non-current assets	2 772	–	–	2 772

* *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.*

Intersegment revenue relates to coal and clay procured from the Coal segment and used by the Bricks segment. Transactions are at arm's length and accounting treatment is in line with the Group's accounting policies.

SEGMENT REVENUE AND RESULTS

(continued)

	Bricks R'000	Coal R'000	Other * R'000	Total R'000
YEAR ENDED 29 FEBRUARY 2024 – AUDITED				
Total revenue	226 007	145 385	–	371 392
Intersegment revenue #	–	(20 843)	–	(20 843)
Reportable segment revenue	226 007	124 542	–	350 549
– Clay products	191 889	3 501	–	195 390
– Coal	–	120 992	–	120 992
– Transportation services and ancillary products	34 118	49	–	34 167
Gross profit	67 614	2 379	–	69 993
Other income	2 324	4 685	–	7 009
Operating profit/(loss) before interest, taxation and earnings from associate	24 485	(646)	–	23 839
Segment assets and liabilities				
Segment assets	97 314	117 274	103 275	317 863
Segment liabilities	(80 586)	(96 521)	(26 086)	(203 193)
Other segment information				
Depreciation and amortisation included in cost of sales and operating expenditure	12 151	9 332	–	21 483
Additions to non-current assets	15 406	88	–	15 494

** 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.*

 # Intersegment revenue relates to coal and clay procured from the Coal segment and used by the Bricks segment. Transactions are at arm's length and accounting treatment is in line with the Group's accounting policies.

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 before interest and taxation and is the basis on which management's performance is assessed.

Reportable segment revenue 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.

One customer contributed to the revenue derived from the sale of coal products during the reporting period as per the Contract Mining and Coal Purchase Agreement approved by shareholders during October 2023.

During the reporting period, three customers contributed to 36,8% of the revenue derived by the Bricks Segment.

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 taxations, 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 2024

1. BASIS OF PREPARATION AND ACCOUNTING POLICIES

The unaudited condensed consolidated interim financial statements for the six months ended 31 August 2024 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® Accounting Standards) 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 the IFRS® Accounting Standards 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. PROPERTY, PLANT AND EQUIPMENT

	Cost R'000	Accumulated depreciation R'000	Carrying value R'000
31 AUGUST 2024			
Land	**3 657**	**–**	**3 657**
Mineral reserves	**2 768**	**(1 714)**	**1 054**
Buildings	**37 409**	**(20 983)**	**16 426**
Plant, equipment and stripping cost	**102 221**	**(44 970)**	**57 251**
Furniture and fixtures	**2 916**	**(2 279)**	**637**
Motor vehicles	**4 099**	**(3 010)**	**1 089**
	153 070	**(72 956)**	**80 114**
31 AUGUST 2023			
Land	3 657	–	3 657
Mineral reserves	2 768	(1 610)	1 158
Buildings	37 365	(18 927)	18 438
Plant, equipment and stripping cost	132 997	(44 703)	88 294
Furniture and fixtures	3 174	(2 206)	968
Motor vehicles	4 329	(2 642)	1 687
	184 290	(70 088)	114 202

2. PROPERTY, PLANT AND EQUIPMENT (continued)

	Cost R'000	Accumulated depreciation R'000	Carrying value R'000
29 FEBRUARY 2024			
Land	3 657	–	3 657
Mineral reserves	2 768	(1 714)	1 054
Buildings	37 409	(20 082)	17 327
Plant, equipment and stripping cost	126 805	(49 839)	76 966
Furniture and fixtures	3 056	(2 240)	816
Motor vehicles	4 099	(2 817)	1 282
	177 794	(76 692)	101 102

Reconciliation of property, plant and equipment

	Land R'000	Mineral reserves R'000	Buildings R'000	Plant and equipment R'000	Stripping cost R'000	Furniture and fixtures R'000	Motor vehicles R'000	Total R'000
31 AUGUST 2024								
Carrying value 1 March 2024	**3 657**	**1 054**	**17 327**	**61 956**	**15 010**	**816**	**1 282**	**101 102**
Additions	**–**	**–**	**–**	**4 148**	**–**	**25**	**–**	**4 173**
Disposals *	**–**	**–**	**–**	**(16 621)**	**–**	**(44)**	**–**	**(16 665)**
Depreciation	**–**	**–**	**(901)**	**(6 980)**	**(262)**	**(160)**	**(193)**	**(8 496)**
Carrying value 31 August 2024	**3 657**	**1 054**	**16 426**	**42 503**	**14 748**	**637**	**1 089**	**80 114**
31 AUGUST 2023								
Carrying value 1 March 2023	3 657	1 181	19 054	78 757	4 284	1 167	1 808	109 908
Additions	–	–	572	2 024	14 759	11	165	17 531
Disposals	–	–	–	(3 224)	–	–	–	(3 224)
Depreciation	–	(23)	(884)	(8 955)	–	(210)	(286)	(10 358)
(Decrease)/increase in decommissioning asset	–	–	(304)	649	–	–	–	345
Carrying value 31 August 2023	3 657	1 158	18 438	69 251	19 043	968	1 687	114 202

** Disposals include R15,6 million mining equipment held as right-of-use assets, which was disposed of and which resulted in the cancellation of the corresponding lease agreement with Boutique Leasing Company (Pty) Ltd.*

Cash additions amounted to R0,2 million for the reporting period with the remainder of the additions relating to right-of-use assets obtained through lease agreement with Manitou.

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

(continued)

for the six months ended 31 August 2024

2. PROPERTY, PLANT AND EQUIPMENT (continued)

Reconciliation of property, plant and equipment

	Land R'000	Mineral reserves R'000	Buildings R'000	Plant and equipment R'000	Stripping cost R'000	Furniture and fixtures R'000	Motor vehicles R'000	Total R'000
29 FEBRUARY 2024								
Carrying value 1 March 2023	3 657	1 181	19 054	78 757	4 284	1 167	1 808	109 908
Additions	–	–	74	4 358	10 821	76	165	15 494
Disposals	–	–	(60)	(6 110)	–	(8)	(191)	(6 369)
Depreciation	–	(127)	(2 177)	(17 544)	(95)	(419)	(500)	(20 862)
Increase in decommissioning asset	–	–	436	2 495	–	–	–	2 931
Carrying value 29 February 2024	3 657	1 054	17 327	61 956	15 010	816	1 282	101 102

Detail of the land and buildings

A register containing the information of land and buildings is available for inspection at the registered office of the Company.

Securities

Mining equipment with a carrying value of R4,6 million at 31 August 2024, financed through Nedbank, remain vested in the bank until all amounts due have been paid. See note 9.

Right-of-use assets

The Group leases the following production and mining equipment, which is included in property, plant and equipment, as indicated below:

Manitou Forklifts

Included in plant and equipment are right-of-use assets relating to the forklifts with a carrying value of R4,4 million as at 31 August 2024. See note 7 for additional disclosure relating to the lease liability.

Boutique Leasing Company (Pty) Ltd ("BLC")

Included in plant and equipment are right-of-use assets leased from BLC with a carrying value of R2,5 million and motor vehicles with a carrying value of R0,4 million as at 31 August 2024. See note 7 for additional disclosure relating to the lease liability.

Goscor Finance (Pty) Ltd ("Goscor")

Included in plant and equipment are right-of-use assets leased from Goscor with a carrying value of R1,7 million as at 31 August 2024. See note 7 for additional disclosure relating to the lease liability.

2. PROPERTY, PLANT AND EQUIPMENT (continued)

The below table illustrates the movement in the right-of-use assets for the reporting periods:

	Motor vehicles R'000	Plant and equipment R'000	Total R'000
31 AUGUST 2024			
Balance at 1 March 2024	**412**	**22 994**	**23 406**
Additions to right-of-use assets	**–**	**3 919**	**3 919**
Depreciation charge for the year	**(55)**	**(2 766)**	**(2 821)**
Derecognition to right-of-use assets *	**–**	**(15 553)**	**(15 553)**
	357	**8 594**	**8 951**
31 AUGUST 2023			
Balance at 1 March 2023	523	35 668	36 191
Depreciation charge for the year	(55)	(6 210)	(6 265)
Derecognition to right-of-use assets #	–	(2 797)	(2 797)
	468	26 661	27 129
29 FEBRUARY 2024			
Balance at 1 March 2023	523	35 668	36 191
Depreciation charge for the year	(111)	(9 877)	(9 988)
Derecognition to right-of-use assets #	–	(2 797)	(2 797)
	412	22 994	23 406

* *Derecognition of the right-of-use assets as a result of the sale of mining equipment and subsequent cancellation of the lease with Boutique Leasing Company (Pty) Ltd.*

The derecognition related to the termination of a grader, which was leased form Goscor. No termination penalties were payable.

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

(continued)

for the six months ended 31 August 2024

3. 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 fund 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 Liberty Life New Growth Trust funds were transferred to Guardrisk during the 2024 financial year.

Financial assets measured at amortised cost

Included is restricted financial assets are investments in 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.

Investment in Guardrisk Cell Captive – Funding of environmental rehabilitation activities

During the year ended 29 February 2024, the Group made a decision to change its method of providing for environmental rehabilitation from funding in a specific rehabilitation trust to financial guarantees, which is an allowed method in terms of the National Environmental Management Act. A new ring-fenced policy relating to the funds was concluded. In this regard the rehabilitation trust directly transferred a total amount of R25,4 million (inclusive of VAT) to the new ring-fenced policy with Guardrisk in terms of which Guardrisk issued rehabilitation financial guarantees on behalf of the Company. The funds are ring-fenced for the sole objective of future rehabilitation during and at the end of the relevant life of mine. All the required approvals for the change in method and transfer of the rehabilitation trust funds were obtained from the Department of Mineral Resources and Energy (DMRE) and a thorough consideration of the tax and legal impacts were completed prior to the funds being transferred to Guardrisk.

Environmental rehabilitation payments to reduce the environmental rehabilitation obligations and ongoing rehabilitation expenditure are mostly funded by cash from operations.

3. RESTRICTED FINANCIAL ASSETS (continued)

Guardrisk has guarantees in issue amounting to R34,1 million to the DMRE on behalf of the Company related to the environmental obligations. The funds for environmental rehabilitation in the cell captive serve as collateral for these guarantees.

Funds invested in the Guardrisk Cell Captive, held within Guardrisk Insurance Company Limited or Guardrisk, are non-derivative financial assets categorised as financial assets measured at fair value through profit or loss as the funds are invested by Guardrisk in liquid money market funds. These assets are initially measured at fair value and subsequent changes in fair value are recognised in profit or loss as they arise and are included in other income or other expenses. The investments in Guardrisk are for the sole use of environmental financial guarantees. Guarantees held by Guardrisk are only cancelled when the DMRE provides the Company and Guardrisk with a signed closure certificate.

The investment in the Guardrisk Cell Captive is for the sole use as determined in the insurance policies and is, therefore, included in non-current assets.

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

Restricted investments	Unaudited 6 months ended 31 August 2024 R'000	Unaudited 6 months ended 31 August 2023 R'000	Audited year ended 29 February 2024 R'000
Liberty Life New Growth Rehabilitation Plan Trust	**–**	116	–
Opening balance	**–**	25 324	25 324
Unrealised net fair value gains	**–**	148	116
Transfer to investment in Guardrisk	**–**	(25 356)	(25 356)
The proceeds from these funds are intended to fund environmental rehabilitation obligations and they are not available for general purposes of the Group.			
Investment in Guardrisk Cell Captive	**21 215**	18 241	20 487
Opening balance	**20 487**	–	–
– Investment in Guardrisk	**–**	22 049	22 049
– Guarantees cancelled	**–**	(3 812)	(3 812)
– Contributions made	**–**	–	2 175
– Unrealised net fair value (losses)/gains	**728**	4	75
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**	1 372	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.			
	22 587	19 729	21 859

Expected credit losses: fixed deposits

Based on management's assessment of future cash flows from the fixed deposit, management has determined that the expected credit losses on the fixed deposit are not material during the reporting periods.

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

(continued)

for the six months ended 31 August 2024

4. INVESTMENT IN ASSOCIATE

	Unaudited 6 months ended 31 August 2024 R'000	Unaudited 6 months ended 31 August 2023 R'000	Audited year ended 29 February 2024 R'000
Reconciliation of investment in associate			
1 March	**58 421**	54 906	54 906
Share of income from associate	**2 179**	7 175	3 515
	60 600	62 081	58 421

Impairment

Based on the evaluation of the impairment indicators as per IAS 28 – Investment in Associates and Joint Ventures, management has not identified any impairment indicators. No impairment was, therefore, raised during the reporting periods.

Details of material associates

Zingaro Holdings (Pty) Ltd has a February year-end, which is in line with the Group.

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

	Unaudited 6 months ended 31 August 2024 R'000	Unaudited 6 months ended 31 August 2023 R'000	Audited year ended 29 February 2024 R'000
Non-current assets	**240 033**	267 179	248 121
Current assets	**55 918**	71 460	61 099
Non-current liabilities	**141 744**	151 517	161 892
Current liabilities	**64 891**	87 355	59 576
Non-controlling interests	**(8 695)**	1 946	(4 811)
The above assets and liabilities include the following:			
Cash and cash equivalents	**7 466**	10 144	12 071
Current financial liabilities	**45 038**	74 586	43 314
Non-current financial liabilities	**130 181**	141 580	151 115
Net assets	**98 011**	101 713	92 563
Brikor's ownership interest	**40%**	40%	40%

4. 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 2024 including Group adjustments relating to alignment of accounting policies or fair value adjustments, is set out below.

	Unaudited 6 months ended 31 August 2024 R'000	Unaudited 6 months ended 31 August 2023 R'000	Audited year ended 29 February 2024 R'000
Revenue	**111 001**	108 276	213 743
Profit/(loss) for the period	**1 565**	11 089	(926)
– Profit attributable to owners of the parent	**5 449**	17 938	8 788
– Loss attributable to non-controlling interests	**(3 884)**	(6 849)	(9 714)
Total comprehensive income for the period	**1 565**	11 089	(926)
– Total comprehensive income attributable to owners of the parent	**5 449**	17 938	8 788
– Total comprehensive loss attributable to non-controlling interests	**(3 884)**	(6 849)	(9 714)
The above profit for the period includes the following:			
Depreciation	**7 738**	7 159	22 417
Loss on disposal of property, plant and equipment	**–**	–	7 991
Interest income	**–**	48	1 419
Finance cost	**7 804**	5 512	13 803
Taxation expense	**787**	5 255	5 856

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

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for the six months ended 31 August 2024

5. DEFERRED TAX ASSET/(LIABILITY)

	Unaudited 6 months ended 31 August 2024 R'000	Unaudited 6 months ended 31 August 2023 R'000	Audited year ended 29 February 2024 R'000
Reconciliation of deferred tax asset			
At beginning of the period	**15 788**	21 782	21 782
Change in taxation rate *	**–**	–	(776)
Originating and reversing temporary differences	**929**	3 099	(2 314)
Calculated tax losses (utilised)/created	**(2 519)**	(5 420)	(2 904)
	14 198	19 461	15 788
Deferred tax asset			
Comprising:			
Property, plant and equipment	**(2 984)**	1 392	(3 168)
Provisions	**11 591**	10 176	9 986
Income received in advance	**–**	714	1 255
Leases	**(1 217)**	(84)	(1 612)
Rehabilitation trust funds	**(1 287)**	(1 335)	(1 287)
Calculated tax losses	**8 095**	8 598	10 614
	14 198	19 461	15 788

** The change in taxation rate is as a result of the tax rate reduction to 27%, effective for years ended on or after 31 March 2023.*

The Group does not have any unrecognised deferred tax assets relating to assessed losses for any of the reporting periods disclosed above. Management lodged dispute with SARS relating to the 2019 income tax assessment. SARS incorrectly increased the assessed loss by R15,1 million. Management is not in agreement with the difference and has submitted all necessary documentation to SARS. The dispute is still ongoing as at the date of this report.

5. 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 2024 R'000	Audited year ended 29 February 2024 R'000	Audited year ended 28 February 2023 R'000	Audited year ended 28 February 2022 R'000	Audited year ended 29 February 2021 R'000
Calculated tax losses					
Opening balance	**10 614**	14 018	17 505	20 993	22 161
Change in taxation rate	**–**	(500)	–	–	–
(Utilised)/created	**(2 519)**	(2 904)	(3 487)	(3 488)	(1 168)
Closing balance calculated tax losses	**8 095**	10 614	14 018	17 505	20 993
Temporary differences					
Opening balance	**5 174**	7 764	7 564	6 473	5 530
Change in taxation rate	**–**	(276)	–	–	–
(Utilised)/created	**929**	(2 314)	200	1 091	943
Closing balance temporary differences	**6 103**	5 174	7 764	7 564	6 473
Total deferred tax asset	**14 198**	15 788	21 782	25 069	27 466

Current period taxable profits yielded a decrease in the deferred tax asset of R2,5 million, whereas current temporary differences yielded an increase in the deferred tax asset of R0,9 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 years.

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

(continued)

for the six months ended 31 August 2024

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

	Unaudited 6 months ended 31 August 2024 R'000	**Unaudited 6 months ended 31 August 2023 R'000**	Audited year ended 29 February 2024 R'000
Reconciliation of deferred tax asset/(liability)			
At beginning of the period	**540**	(949)	(949)
Change in taxation rate *	**–**	–	34
Originating and reversing temporary differences	**828**	(22)	1 379
Calculated tax losses (utilised)/created	**(2 147)**	(1 782)	76
	(779)	(2 753)	540
Deferred tax liability			
Comprising:			
Property, plant and equipment	**(2 366)**	(3 337)	(2 696)
Provisions	**6 056**	4 852	5 558
Rehabilitation trust funds	**(4 469)**	(4 635)	(4 469)
Calculated tax losses	**–**	367	2 147
	(779)	(2 753)	540

** The change in taxation rate is as a result of the tax rate reduction to 27%, effective for years ended on or after 31 March 2023.*

The above deferred tax liability is attributable to the Company's subsidiary, Ilangabi Resources (Pty) Ltd.

6. INVENTORIES

	Unaudited 6 months ended 31 August 2024 R'000	Unaudited 6 months ended 31 August 2023 R'000	Audited year ended 29 February 2024 R'000
Raw materials	**12 783**	5 128	10 334
Work in progress – Bricks	**29 707**	31 558	24 877
Work in progress – Coal	**9 243**	6 112	6 019
Finished goods	**24 530**	27 158	32 288
Consumables	**1 407**	2 375	1 944
	77 670	72 331	75 462

Impairments

Inventory totalling R14,8 million was written down to their net realisable value of R11,7 million during the six months ended 31 August 2023. There were no net realisable value adjustments during the six months ended 31 August 2024.

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

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for the six months ended 31 August 2024

7. LEASE LIABILITY

	Unaudited 6 months ended 31 August 2024 R'000	Unaudited 6 months ended 31 August 2023 R'000	Audited year ended 29 February 2024 R'000
Lease liability – Manitou	**4 739**	3 304	2 094
During the reporting period, the Group entered into additional leases for another 24-month period. The Group has the intention to rent the equipment for the entire lease term. Lease payments as per the contract were used in determining the lease liability and right-of-use asset.			
When measuring the lease liabilities and right-of-use assets relating to the forklifts, the Group discounted the lease payments using the incremental borrowing rate, being the prime interest rate plus 0,98%.			
Lease liability – Boutique Leasing Company (Pty) Ltd ("BLC")	**1 753**	18 095	13 998
During October 2022, the Group entered into a lease agreement with BLC where the Group rents mining equipment for a period of 36 months and motor vehicles for a period of 60 months on a rent-to-own basis. The Group has the intention to rent the equipment for the entire lease term, after which ownership of the equipment and motor vehicles will transfer to the Group. The interest rate implicit in the lease ranges between 7,95% and 16,7%. During April 2024, the Group disposed of certain of its mining equipment, which resulted in the cancellation of the leases relating to these equipment.			
Lease liability – Goscor Finance (Pty) Ltd ("Goscor")	**1 223**	1 953	1 604
During November 2022, the Group entered into a lease agreement with Goscor where the Group rents mining equipment for a period of 36 months on a rent-to-own basis. The Group has the intention to rent the equipment for the entire lease term, after which ownership of the equipment will transfer to the Group. The interest rate implicit in the lease is 17,1%.			
	7 715	23 352	17 696
Presented as:			
Non-current liabilities	**2 240**	11 829	5 631
Current liabilities	**5 475**	11 523	12 065
	7 715	23 352	17 696
Reconciliation of lease liability			
Balance at 1 March	**17 696**	32 380	32 380
Additions to right-of-use assets (Manitou)	**3 919**	–	–
Cancellation of lease	**(11 114)**	(2 582)	(2 012)
Lease payments	**(3 599)**	(8 634)	(16 430)
Interest expenses	**813**	2 188	3 758
	7 715	23 352	17 696

8. VENDOR LOANS

	Unaudited 6 months ended 31 August 2024 R'000	Unaudited 6 months ended 31 August 2023 R'000	Audited year ended 29 February 2024 R'000
Acquisition of Zingaro Holdings (Pty) Ltd on 2 March 2021 through the following loan accounts:			
Loan – EJ Mac Master			
Opening balance	**2 439**	3 949	3 949
Add: Interest	**93**	186	324
Less: Cash payments	**(1 167)**	(1 000)	(1 834)
	1 365	3 135	2 439
Loan – L Mac Master			
Opening balance	**2 439**	3 948	3 948
Add: Interest	**93**	185	324
Less: Cash payments	**(1 167)**	(1 000)	(1 833)
	1 365	3 133	2 439
Loan – P Buys			
Opening balance	**2 439**	3 948	3 948
Add: Interest	**93**	185	324
Less: Cash payments	**(1 167)**	(1 000)	(1 833)
	1 365	3 133	2 439
Total vendor loans	**4 095**	9 401	7 317
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	**–**	4 094	1 219
Current liabilities			
At amortised cost	**4 095**	5 307	6 098
	4 095	9 401	7 317

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

(continued)

for the six months ended 31 August 2024

9. LOANS AND BORROWINGS

	Unaudited 6 months ended 31 August 2024 R'000	Unaudited 6 months ended 31 August 2023 R'000	Audited year ended 29 February 2024 R'000
Loan – C Sardinha			
Ilangabi Resources (Pty) Ltd entered into a loan agreement with C Sardinha during April 2022. The loan is repayable in monthly instalments of R0,1 million and interest is charged at 8%, compounded monthly. The loan agreement was revised and it was agreed that the last instalment will be payable on 31 December 2024.			
Loans at 1 March	**1 165**	1 768	1 768
Add: Interest	**43**	64	112
Less: Cash payments	**(555)**	(550)	(715)
	653	1 282	1 165
Instalment Sale Agreement – Nedbank Limited			
The Company entered into an instalment sale agreement with Nedbank during October 2022 for the purchase of two LOVOL Excavators. Interest is charged at the prime rate plus 0,85%, compounded monthly in arrears, and the loan is repayable in monthly instalments of R0,2 million over a period of 60 months. Ownership in the assets will remain vested in the bank until all amounts due have been paid.			
Loans at 1 March	**6 435**	9 653	9 653
Add: Interest	**379**	450	867
Less: Cash payments	**(1 070)**	(3 015)	(4 085)
	5 744	7 088	6 435
Instalment Sale Agreement – CNH Industrial and Construction SA (Pty) Ltd ("CNH")			
The Company obtained a credit facility through CNH for the purchase of two CASE front-end loaders during September 2022. Interest is charged at the prime rate plus 2%, compounded monthly in arrears, and the loan is repayable in monthly instalments of R0,5 million over a period of 18 months. The last instalment was paid during April 2024 whereafter ownership vested in the Company.			
Loans at 1 March	**1 059**	6 566	6 566
Add: Interest	**19**	348	554
Less: Cash payments	**(1 078)**	(3 025)	(6 061)
	–	3 889	1 059
	6 397	12 259	8 659
Presented as:			
Non-current liabilities			
At amortised cost	**4 205**	5 745	4 965
Current liabilities			
At amortised cost	**2 192**	6 514	3 694
	6 397	12 259	8 659

10. EARNINGS PER SHARE

	Unaudited 6 months ended 31 August 2024 R'000	Unaudited 6 months ended 31 August 2023 R'000	Audited year ended 29 February 2024 R'000
Basic and diluted profit attributable to owners of the parent	**7 398**	20 247	8 244
Profit on disposal of property, plant and equipment *	**–**	(861)	(859)
Impairment of assets *	**–**	3 085	(120)
Loss on disposal of property, plant and equipment	**1 545**	–	102
Loss on scrapping of property, plant and equipment *	**167**	7	489
Loss on disposal of property, plant and equipment by associate (net of tax)	**–**	–	3 196
Headline and diluted headline profit	**9 110**	22 478	11 052

* *These reconciling items have immaterial tax implications and, therefore, only the gross amounts are taken into account in the reconciliation.*

Number of shares

	Unaudited 6 months ended 31 August 2024 '000	Unaudited 6 months ended 31 August 2023 '000	Audited year ended 29 February 2024 '000
Weighted average number of shares	**822 342**	822 342	822 342
Diluted weighted average number of shares	**822 342**	822 342	822 342

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

(continued)

for the six months ended 31 August 2024

11. 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 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 are 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 case

Ilangabi Resources (Pty) Ltd (previously "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.

The above action has been defended and a plea has been delivered on behalf of Ilangabi and both parties have made discovery. It may still take some time to complete the discovery affidavit exercise and it is difficult to estimate the costs that will be associated therewith.

Pleadings have closed and discovery has been made by both parties. The next steps will be convening a pre-trial conference. It remains difficult to estimate the costs that will be associated with the case due to pre-trial preparation that will be required, should the plaintiffs pursue the matter to trial.

There have been no additional information and/or changes to the matter since the previous reporting period.

12. RELATED PARTIES

IDENTIFICATION OF MATERIAL RELATED PARTIES

Shareholders of Brikor Limited (Company) holding 20% or more of issued share capital at 31 August 2024:

Nikkel Trading 392 (Pty) Ltd	84,25%

Subsidiaries and associates

Ilangabi Resources (Pty) Ltd, previously Ilangabi Investments 12 (Pty) Ltd, as well as Kopanela Mining (Pty) Ltd are the only significant subsidiaries of the Group. Ilangabi Resources (Pty) Ltd is wholly-owned and is incorporated and operates in South Africa only. Brikor owns 70% of the issued share capital in Kopanela Mining (Pty) Ltd.

Brikor owns 40% of all ordinary shares in Zingaro Holdings (Pty) Ltd.

Relationships	Related director/shareholder
Entities controlled by directors and/or significantly influenced by a shareholder	
Zingaro Holdings (Pty) Ltd	E Mac Master, L Mac Master, P Buys
Zingaro Trade 85 (Pty) Ltd	E Mac Master, PZ Mtethwa
Ilangabi Colliery (Pty) Ltd	Nikkel Trading 392 (Pty) Ltd
Scarletkor (Pty) Ltd	Nikkel Trading 392 (Pty) Ltd
Tokata Coal (Pty) Ltd	Nikkel Trading 392 (Pty) Ltd
Alidaguard Pty Ltd t/a The HUB	Nikkel Trading 392 (Pty) Ltd

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

(continued)

for the six months ended 31 August 2024

12. RELATED PARTIES (continued)

	Description of activities	Unaudited 6 months ended 31 August 2024 R'000	Unaudited 6 months ended 31 August 2023 R'000	Audited year ended 29 February 2024 R'000
RELATED PARTY BALANCES				
Loan accounts – owing to related parties				
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).*		**(1 365)**	(3 135)	(2 439)
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).*		**(1 365)**	(3 133)	(2 439)
P 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).*		**(1 365)**	(3 133)	(2 439)
Amounts included in trade and other receivables/(trade and other payables) regarding related parties				
Zingaro Holdings (Pty) Ltd	Bricks and rental income	**103**	273	67
Zingaro Trade 85 (Pty) Ltd	Coal and diesel	**2 377**	2 377	2 377
Zingaro Holdings (Pty) Ltd	Transport	**–**	(3 544)	(1 786)
Zingaro Trade 85 (Pty) Ltd	Machinery rentals and transport	**(1 927)**	(1 927)	(1 927)
Scarletkor (Pty) Ltd	Surface rights	**(1 240)**	(273)	(1 364)
Ilangabi Colliery (Pty) Ltd	Mining consulting services	**–**	(10 120)	–
Ilangabi Colliery (Pty) Ltd	Coal	**16 479**	–	7 904
Ilangabi Colliery (Pty) Ltd	Coal	**(8 724)**	–	(1 860)
Ilangabi Colliery (Pty) Ltd	Deposit invoice	**5 577**	–	5 577
Ilangabi Colliery (Pty) Ltd	Deposit invoice	**(5 577)**	–	(5 577)
Tokata Coal (Pty) Ltd	Clay mining	**(946)**	–	–
Alidaguard Pty Ltd t/a The HUB	Consulting fees	**(1 529)**	–	–

12. RELATED PARTIES (continued)

	Description of activities	Unaudited 6 months ended 31 August 2024 R'000	Unaudited 6 months ended 31 August 2023 R'000	Audited year ended 29 February 2024 R'000
Related party transactions				
Interest paid				
E Mac Master	On loan account	**(93)**	(186)	(324)
L Mac Master	On loan account	**(93)**	(185)	(324)
P Buys	On loan account	**(93)**	(185)	(324)
Purchases from related parties				
Zingaro Holdings (Pty) Ltd	Transport	**–**	(8 330)	(12 700)
Scarletkor (Pty) Ltd	Surface rights	**(539)**	(1 286)	(2 354)
Ilangabi Colliery (Pty) Ltd	Mining consulting services	**–**	(8 800)	–
Ilangabi Colliery (Pty) Ltd	Coal	**(120 795)**	–	(48 729)
Tokata Coal (Pty) Ltd	Clay mining	**(823)**	–	–
Alidaguard Pty Ltd t/a The HUB	Consulting fees	**(1 529)**	–	–
Sales to related parties				
Zingaro Holdings (Pty) Ltd	Rental income	**444**	436	825
Ilangabi Colliery (Pty) Ltd	Coal	**146 816**	–	67 757

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

(continued)

for the six months ended 31 August 2024

13. SUBSEQUENT EVENTS

Management is not aware of any material events which occurred subsequent to 31 August 2024 and which need adjustment or disclosure in these financial results.

14. GOING CONCERN

The Group incurred a profit for the six months ended 31 August 2024 of R7,8 million (six months ended 31 August 2023: R20,2 million) and as of that date the Group is solvent as the total assets exceeded the total liabilities by R122,4 million (29 February 2024: R114,7 million).

The Group's current assets exceeded its current liabilities by R15,2 million (29 February 2024: current liabilities exceeded current assets by R11,4 million), indicating significant improvement during the past six months.

A detailed analysis of the solvency and liquidity of the Group was performed, being cognisant of the current economic environment. 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 the next 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.

15. DIRECTORS' EMOLUMENTS

	Unaudited 6 months ended 31 August 2024 R'000	Unaudited 6 months ended 31 August 2023 R'000	Audited year ended 29 February 2024 R'000
Executive directors			
Short-term employee benefits	**2 735**	4 079	6 818
Non-executive directors			
Short-term fees	**865**	654	1 420

16. SALIENT FEATURES

	Unaudited 6 months ended 31 August 2024 R'000	Unaudited 6 months ended 31 August 2023 R'000	Audited year ended 29 February 2024 R'000
Number of shares in issue (excluding treasury shares) ('000)	**822 342**	822 342	822 342
Net asset value per share (cents)	**14,9**	15,4	13,9
Net tangible asset value per share (cents)	**12,8**	12,6	11,6
(Impairment)/Impairment reversals (R'000)	**–**	(3 085)	(2 965)
Employee cost (R'000)	**(44 685)**	(53 486)	(95 680)

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

Net tangible 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 2024 R'000	Unaudited 6 months ended 31 August 2023 R'000	Audited year ended 29 February 2024 R'000
Operating profit before interest, taxation and earnings from associate	**16 369**	26 817	23 839
Depreciation – cost of sales	**7 626**	9 046	18 206
Depreciation – other expenses	**870**	1 312	2 656
Amortisation – cost of sales	**395**	185	621
Impairments/(impairment reversals)	**–**	3 085	2 965
	25 260	40 445	48 287

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

for the six months ended 31 August 2024

16. SALIENT FEATURES (continued)

SOLVENCY AND LIQUIDITY

	Unaudited as at 31 August 2024 R'000	Unaudited as at 31 August 2023 R'000	Audited as at 29 February 2024 R'000
STATEMENT OF FINANCIAL POSITION EXTRACTS			
Current assets			
Inventory	**77 670**	72 331	75 462
Trade and other receivables	**45 718**	26 375	35 032
Cash and cash equivalents	**(540)**	(4 960)	(6 529)
– Cash and cash equivalents	**4 345**	183	95
– Overdraft	**(4 885)**	(5 143)	(6 624)
Taxation	**245**	236	1 465
Total current assets	**123 093**	93 982	105 430
Total current assets less inventory and restricted cash	**45 423**	21 651	29 968
Current liabilities			
Short-term portion of vendor loan	**4 095**	5 307	6 098
Short-term portion of lease liabilities	**5 475**	11 523	12 065
Short-term portion of loans and borrowings	**2 192**	6 514	3 694
Trade and other payables	**88 607**	77 642	87 619
Taxation	**7 495**	7 614	7 403
Total current liabilities	**107 864**	108 600	116 879
Current asset ratio	**1,1**	0,9	0,9
Acid test ratio	**0,4**	0,2	0,3

By order of the Board

Allan Pellow
Chairperson of the Board

Garnett Parkin
Chief Executive Officer

Joaret Botha
Financial Director

28 November 2024

CORPORATE INFORMATION

BRIKOR LIMITED

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

Registered office

1 Marievale Road
Vorsterskroon
Nigel 1490

(PO Box 884, Nigel 1490)
Telephone: 011 739 9000
Facsimile: 011 739 9021

DIRECTORS

Mr Allan Pellow *(Chairperson)* *
Ms Mamsy Mokate *(Lead Independent Director)* *
Mr Garnett Parkin *(Chief Executive Officer)*
Ms Joaret Botha *(Financial Director)*
Mr Michiel Laubscher #
Ms Funeka Mtsila *
Mr Steve Naudé *
Mr Corné Oberholzer #
Mr Joe van Rensburg *(Executive Director: Mining)* #

** Independent Non-Executive*
 # Non-Executive

COMPANY SECRETARY

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Mount Quray Street
Midlands Estate
Midstream 1692

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AUDITORS

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Highveld Techno Park
Centurion, 0157

(PO Box 10512, Centurion, 0046
Docex 15, Centurion)

TRANSFER SECRETARIES

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These results and an overview of Brikor are available at www.brikor.net