

SUMMARY OF THE UNAUDITED INTERIM RESULTS

FOR THE SIX MONTHS ENDED
31 DECEMBER 2021



HIGHLIGHTS

- Revenue from continuing operations up 1%
- Operating profit from continuing operations up 680%
- Net interest paid reduced by 31%
- Headline earnings per share up 104%

Introduction

Market conditions during the six months to 31 December 2021 remained challenging, with Jasco's customers and the general South African economy impacted by COVID-19, the social unrest in July 2021 and the metal industries strike in October 2021.

In these conditions, Jasco continued to focus on the group's turnaround, with a number of achievements during the reporting period:

- The successful restructure of the loan from its lender, the Bank of China, into a three-year term loan in December 2021.
- An improvement in revenue and operating profit from continuing operations, with a strong recovery in the Communication Solutions business unit and continued good cost control across the group.
- The finalisation of the capital raise through the Rights Offer, which concluded on 7 February 2022, with an amount of R48,3 million raised.

Financial summary

The results of Reflex and Property Technology Management, which were disposed of in the previous financial year, are separately disclosed as discontinued operations for the current and prior reporting periods.

- Revenue of R352,0 million was 1% higher (Dec 2020: R347,8 million).
- Profit before interest and taxation (PBIT or operating profit) improved by 680% to R11,3 million (Dec 2020: R1,5 million). This was mainly due to the increase in revenue from Webb Industries in Communication Solutions and improved gross margins, as well as continued cost control across the group.
- Earnings per share (EPS) increased from a loss of 1.2 cents to a profit of 0.2 cents. EPS from total operations decreased from 4.1 cents to 0.1 cents.
- Headline earnings per share (HEPS) improved from a loss of 1.22 cents to a profit of 0.11 cents and from a loss of 1.54 cents to a profit of 0.06 cent for total operations.
- The statement of cash flows reflects cash generated from operations before working capital changes of R28,2 million compared to R34,3 million in December 2020. Working capital changes reflect an outflow of R10,9 million (Dec 2020: R5,5 million outflow).
- The closing cash balance of R26,0 million (Dec 2020: R31,7 million) increased from R21,0 million in June 2021.

Group prospects

The economic outlook for 2022 remains uncertain, with a number of challenges in South Africa, including the ongoing COVID-19 impact, growing

unemployment, with associated social and labour unrest, and the continued Eskom crisis.

Jasco will continue to execute its strategy and concentrate on the following key areas:

- Drive organic revenue growth from its existing customer base and target new strategic customers.
- Add new products and services to Jasco's portfolio, with an emphasis on Managed Solutions as a fast-growing and higher-margin business area.
- Keep costs under control and ensure a continued improvement in sustainable profitability levels in all business units.
- Continue to reduce the financial gearing through the cash generated by Jasco's operations.

Jasco's primary focus in the short term will remain on delivering sustained profits. To assist the management team with the finalisation of its long-term strategy and the group's debt refinance and syndication, it has appointed a specialist advisory company, Apeiron Capital.

Subsequent events

Jasco has successfully concluded a rights offer and raised R48,3 million of the targeted R55 million. R20 million of the proceeds was used to settle the group's corporate bond and R20 million was paid to the Bank of China, while the balance will be utilised to fund the group's working capital requirements. The group's gearing ratio (excluding lease liabilities) improved from 308% to 102%.

There are no other material events to report.

Directors' statement of responsibility

This short-form announcement is the responsibility of the directors and is only a summary of the information in the full announcement and does not contain full or complete details. The full announcement can be found on the company's website at www.jasco.co.za or <https://senspdf.jse.co.za/documents/2022/jse/isse/JSC/JSCHY2021.pdf>. Copies of the full announcement may also be requested at the company's registered office and at the office of the sponsor, at no charge, during office hours. Any investment decision should be based on the full announcement published on the company's website.

For and on behalf of the board

Dr ATM Mokgokong

(Non-executive chairman)

WA Prinsloo

(Chief executive officer)

LA Prigge

(Chief financial officer)

16 February 2022

Directors and Secretary: Dr ATM Mokgokong (Chairman), MJ Madungandaba (Deputy chairman), DH du Plessis*, S Bawa*, P Radebe*, T Zondi* (Non-executive) AMF da Silva (Alternate non-executive), WA Prinsloo (CEO), LA Prigge (CFO) MCP Managerial Services (Pty) Limited (Company secretary) *Independent

Registered office: Jasco Park, c/o 2nd Street and Alexandra Avenue, Midrand, 1685

Transfer secretaries: JSE Investor Services (Pty) Limited, 13th Floor, Rennie House, 19 Ameshoff Street, Braamfontein, 2001

Sponsor: Grindrod Bank Limited, Fourth Floor, Grindrod Tower, 8A Protea Place, Sandton, 2146