UNAUDITED INTERIM RESULTS

FOR THE SIX MONTHS ENDED 31 DECEMBER 2021

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, announced on SENS on 17 January 2022, which concluded on 7 February 2022 with an amount of R48,3 million raised

Financial overview

Jasco disposed of Reflex Solutions ("Reflex") and Property Technology Management ("PTM") in the previous financial year. These businesses are disclosed as discontinued operations. Although there were no disposals during the current period, continuing and total results are provided where relevant to enable a like-for-like comparison.

Statement of comprehensive income

Revenue of R352,0 million was 1% higher (Dec 2020: R347,8 million). The main drivers for this performance were:

Business units	Revenue performance
Communication Solutions	↑ 58.7%
Intelligent Solutions	↓ 25.3%
Security & Fire Safety	↑ 4.5%
Electrical Manufacturers	↓ 28.3%

Refer to the operational segmental review for more information.

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.

Net finance costs of R9,3 million decreased from the corresponding period's R13,3 million following partial repayments made on the corporate bond and the Bank of China's working capital facility. Also included is the IFRS 16 interest impact of R3,6 million, which reduced from R5,6 million following the disposal of Reflex.

The taxation expense was R0,9 million (Dec 2020: a credit of R1,0 million). The effective tax rate differs from the statutory rate of 28%, mainly due to the corporate bond interest, which is non-deductible, and a number of entities where a deferred tax asset is not recognised on losses incurred.

The loss after tax contribution of R0,1 million from the discontinued operations for the period relates to an under accrual of costs on the disposal of the PTM business unit.

The profit after tax from discontinued operations reported during the comparative six months to 31 December 2020 included the following:

- Operating profit from PTM of R0,5 million
- Operating profit from Reflex of R6,6 million until the date of loss of control in September 2020
- The equity accounted income of R5,9 million from Reflex
- The profit of R14,7 million recognised on the loss of control of Reflex

Profit attributable to ordinary shareholders increased to a profit of R0,4 million from a loss of R2,8 million. Including the operating loss of R0,1 million (Dec 2020: R23,1 million profit) from the discontinued operation, the total profit attributable to ordinary shareholders decreased to R0,3 million (Dec 2020: R9,2 million).

The weighted average number of shares in issue for the period remained unchanged at 224 446 129 shares.

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 cents for total operations.

The difference between earnings and headline earnings in this period relates to an after tax profit of R0,1 million on disposal of fixed assets.

Statement of financial position

Non-current assets and liabilities

Plant and equipment of R34,3 million (Dec 2020: R43,0 million and June 2021: R38,6 million) decreased mainly due to depreciation of R4,7 million and a small disposal of R0,2 million. Capital expenditure of R0,4 million (Dec 2020: R1,5 million) mainly related to replacement expenditure across all business units and the head office.

Right-of-use assets of R44,4 million (Dec 2020: R59,5 million and Jun 2021: R52,2 million) decreased due to a depreciation charge of R7,9 million.

Intangible assets (including goodwill) of R62,0 million (Dec 2020: R72,7 million and Jun 2021: R67,9 million) similarly decreased due to the amortisation charge of R5,8 million.

The net deferred tax asset decreased slightly from R17,1 million at 30 June 2021 to R16,8 million at 31 December 2021 and included the utilisation of deferred tax assets in the Carrier Solutions entity following the merger with the Jasco Networks entity.

Other non-current financial assets (including the short-term portion of R4.1 million) of R4,9 million (Dec 2020: R6,7 million) decreased from R9,3 million at 30 June 2021. These relate to the finance lease receivable for a call centre upgrade delivered by the Enterprise business to a major customer in 2017 and the outstanding contingent consideration for the disposal of PTM.

The asset held for sale at December 2020 represents the equity-accounted investment in Reflex.

The interest-bearing liabilities of R157,4 million, including the short-term portion of R43,6 million (Dec 2020: R205,9 million and June 2020: R153,6 million) include the renegotiated working capital term loan from the Bank of China of R131 million, as well as the corporate bond of R20 million. It also includes a project funding loan of R3,0 million to assist the Security & Fire Safety business unit with the execution of projects. The remaining balance relates mainly to the group's asset financing and a short-term loan obtained to fund the group's insurance premium.

The IFRS 16 lease liabilities of R67,5 million (Dec 2020: R83,2 million) decreased from R77,6 million at 30 June 2021 on the monthly servicing of lease obligations.

Including the cash on hand of R26,0 million, the net debt:equity ratio (excluding lease liabilities) improved to 308.2% in December 2021 from 318.8% in June 2021. Following the successful completion of the rights offer, this ratio is expected to improve further to 102%.

Working capital

Inventories on hand were R82,7 million (Dec 2020: R82,5 million). This reduced from R87,5 million at 30 June 2021, mainly due to the continued focus in all business units on optimising inventory levels.

Trade and other receivables (including contract assets) of R127,5 million (Dec 2020: R100,7 million) increased from R120,4 million at the June 2021 year-end, mainly due to required pre-payments made to local and foreign suppliers. The age profile of the debtors' book remains pleasing, with isolated incidents of delayed payments from one or two customers across the businesses.

Non-interest-bearing liabilities of R108,9 million (Dec 2020: R125,1 million) increased from R99,6 million in June 2021. This was mainly due to an increase in head office trade creditors, including head office rental, as well as facility management and professional services fees.

The contract liabilities (or deferred maintenance revenue) of R31,5 million (Dec 2020: R33,9 million) decreased from R50,0 million in June 2021. The decrease was due to the revenue relating to the income received in advance being recognised as the services were rendered over the six-month period. The income relates to prepaid service level agreements from blue-chip customers, predominantly in Enterprise Communications.

Statement of cash flows

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). This mainly relates to the decrease in contract liabilities.

The net interest payment of R9,3 million (Dec 2020: R14,2 million) decreased due to lower interest-bearing liabilities following the partial repayments on the Bank of China working capital loan and the corporate bond after the disposal of Reflex. Income tax payments increased slightly from R0,8 million to R1,0 million.

Consequently, total cash inflows from operating activities of R7,1 million decreased compared to an inflow of R13,7 million recorded in December 2020. The decrease was mainly due to working capital outflows.

Investing activities saw an inflow of R4,2 million (Dec 2020: R2,5 million), primarily due to receipts on other non-current assets, as mentioned under the statement of financial position.

The financing activities outflow of R6,3 million (Dec 2020: R0,7 million inflow) relates to the repayment of finance leases. There were no capital repayments made during the period on the corporate bond or towards the Bank of China working capital facility.

Accordingly, the closing cash balance of R26,0 million (Dec 2020: R31,7 million) increased from R21,0 million in June 2021.

Operational segmental review

The current group structure is:

Communication Solutions	Webb Industries, Carrier Solutions, Datavoice and RAMM Technologies
Intelligent Solutions	Enterprise Communications, Broadcast, Hi-Sites, Property Solutions, NewTelco and Power Solutions
Security & Fire Safety	
Electrical Manufacturers	

Communication Solutions

Communication Solutions delivers telecommunications products and services in the access, transmission and operational support systems markets for telecommunications networks across southern Africa. Webb Industries (incorporating Carrier Solutions) is the largest supplier of ancillary radio frequency products in sub-Saharan Africa, Datavoice provides voice recording software applications to the local and international market and RAMM Technologies, a partly-owned subsidiary, offers real-time asset tracking and management.

Period under review

Communication Solutions contributed 46.8% of group revenue (Dec 2020: 29.8%).

Revenue increased by 58.7% to R165,0 million (Dec 2020: R104,0 million) following demand in Webb Industries from one of the major telecommunication operators for specialised communications cable. Although Datavoice experienced a number of project delays from a key international channel partner in the Middle East, its revenues still grew 29.3% off a low comparative base. The revenue from RAMM Technologies' major customer also showed pleasing growth.

Accordingly, operating profit increased significantly to R24,1 million from a loss of R1,5 million in the comparative period.

Outlook

The anticipated availability of high frequency spectrum from the Independent Communications Authority of South Africa (ICASA) is expected to benefit Webb Industries through increased 5G investment spend from major telecommunications operators. Niche growth areas, such as regional Tier 2 telecommunications providers investing in their networks, are also expected to continue growing.

Datavoice anticipates income generated from a key international channel partner in the Middle East and Asia to be delayed in the second half as international travel restrictions remain in place. However, new product development for the two-way radio networks is expected to open new markets in foreign territories.






RAMM Technologies will remain focused on diversification of its customer base, with a particular focus on the fast-growing medical industry.

Intelligent Solutions

Intelligent Solutions focuses on ICT solutions for the blue-chip corporate sector and state-owned entities. It delivers end-to-end technology solutions to meet both premises and cloud-based customer requirements.

Period under review

Intelligent Solutions contributed 23.0% of group revenue (Dec 2020: 31.1%).

Revenue decreased by 25.3% to R81,2 million (Dec 2020: R108,6 million), mainly due to the decrease in the Enterprise Communications volumes on the loss of institutional customers. Although the Enterprise business experienced new volumes from cloud-based solutions, this could not compensate for project delays from the national broadcaster and local pay TV operator in Broadcast Solutions and lower equipment sales to a regional NewTelco customer. The Power Solutions business almost doubled its revenue from R3,4 million to R6,5 million due to an increase in demand for alternative power solutions.

Operating profit decreased from R15,3 million to R8,4 million. This business unit continued to focus on cost cutting, with overhead cost savings of R4,1 million following the implementation of the new organisational structure and changes to divisional management during the previous financial year. The operating margin reduced to 10.3% (Dec 2020: 14.1%) due to the lower volumes.

Outlook

Intelligent Solutions expects ongoing demand for cloud- and service-based offerings in the Enterprise Communications and Broadcast media space. It will continue with aggressive marketing of these solutions, which will include a focus on managed solutions as a fast-growing and higher-margin business area.

A number of annuity service-level agreement (SLA) renewals is expected from key Broadcast and Enterprise Communications customers during the second half of the financial year. These SLAs, as well as the improving Rand, will support margins.

Power Solutions will broaden its power assurance product portfolio and service offerings by delivering alternative, value-for-money solutions to new and existing customers. Good progress has been made in the first few weeks of the second half of the financial year, with a major new customer secured and a first order of R24 million received in January 2022.

Security & Fire Safety

Security & Fire Safety offers design, installation and maintenance of smart technology solutions to address the safety of buildings and people, including access control, surveillance, intrusion and fire detection, fire suppression and firefighting equipment.

Period under review

Security & Fire Safety contributed 7.9% of group revenue (Dec 2020: 7.6%).

Revenue increased by 4.5% to R27,9 million (Dec 2020: R26,7 million) following working capital restrictions which delayed the execution of key projects, and resulted in a weaker gross margin. This was partially mitigated by project funding received in July 2021.

Operating profit worsened from a loss of R1,8 million reported for December 2020 to a loss of R3,2 million in the current period due to weaker gross margins and an inflationery increase in the overhead cost base.

Outlook

The lack of working capital funding and its resultant impact on revenue and profitability put additional pressure on trading in already challenging conditions. Although a further review of the cost base is being undertaken, revenue growth is crucial in the second half of the financial year. A cash injection from the group will be made during the second half in addition to the project funding put in place during the period to assist Security & Fire Safety to complete key projects and ensure a turnaround.

Electrical Manufacturers

Electrical Manufacturers is largely a component manufacturer of household electrical products, wire harnesses, metal pressings and plastic injection-moulded products, with a special focus on the large home appliance market in southern Africa.

Period under review

Electrical Manufacturers contributed 22.3% of group revenue (Dec 2020: 31.4%).

Revenue decreased by 28.3% to R78,5 million (Dec 2020: R109,5 million). The decline followed a forced plant closure in July during the social unrest, with a slow recovery during August, followed by a metal industries strike in October. The lost volumes could not be fully recouped during September to December.

Operating profit swung from a profit of R7,0 million to a loss of R2,0 million due to the decrease in revenue. Overhead costs increased by 6.5% to R9,8 million following the change in allocation of group shared services costs from the head office to business units.

Outlook

Electrical Manufacturers expects improved volumes from the large appliance manufacturers even though raw material shortages and shipping delays in global supply chains will continue. The focus will remain on revenue diversification from new customers through the introduction of new product lines. The risk of volatility in the labour market, coupled with the higher risk of load shedding by Eskom during the second half, might impact performance during the second half of the financial year.

Key internal initiatives

Raise capital in the equity market

The group's rights offer concluded successfully on 7 February 2022, with R48,3 million raised. This has improved the gearing ratio and the group's stability.

Reducing debt

The group has redeemed the corporate bond and reduced the principal outstanding on the Bank of China term loan following the conclusion of the rights offer.

Improving operating margins and performance

The management team will remain focused on cost control in all areas of the business, while prioritising higher-margin quality revenue.

Working capital management

Working capital management will remain a focus area. The inventories and trade receivables are well managed, and the trade payables in most of the business units have improved except in Security & Fire Safety due to constrained working capital.

Transformation

The transformation of the group continues to progress, with an improvement from a Level 4 to a Level 3 broad-based black economic empowerment contributor. The following areas will continue to receive focus:

- Skills development and training of employees
- Employment equity – achieving targets at all management levels

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 additional key areas:

- Drive organic revenue growth from its existing customer base and target key 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 and to return to paying dividends to its shareholders in the medium term.

Appointment of financial advisors

The group's board of directors, in its efforts to improve the group's financial position, with particular focus on the overall debt levels as well as future growth and profitability of the group, has appointed a specialist financial advisory firm, Apeiron Capital (Proprietary) Limited ("Apeiron"). Apeiron has assisted the group with the negotiation of the renewal of term loan facilities with the Bank of China, which was successfully concluded in December 2021, and has been mandated to provide specialist advice to the board and management team with respect to the review of the group's strategy. Key focus areas include driving bottom line growth and restructuring loss making business segments. Apeiron is also to conduct an extensive roadshow with debt funding market participants to evaluate various options for debt refinance and syndication.

The board welcomes the Apeiron team and look forward to their contribution towards the long-term strategic vision of the group, as well as seeking out optimal long-term debt structures for improved operational and financial performance.

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 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.

Forward-looking statements

This report contains certain forward-looking statements with respect to Jasco's financial position, results, operations and businesses. These statements and forecasts contain risk and uncertainty, as they relate to events and depend on circumstances that occur in the future. There are various factors that could cause actual results or developments to differ materially from those expressed or implied by these forward-looking statements.

For and on behalf of the board

Dr ATM Mokgokong	WA Prinsloo	LA Prigge
(Non-executive Chairman)	*(Chief Executive Officer)*	*(Chief Financial Officer)*

16 February 2022

Basis of preparation

The summarised consolidated results have been prepared in accordance with the framework concepts and the measurement and recognition requirements of International Financial Reporting Standards ("IFRS"), the Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council, the South African Companies Act, 71 of 2008 as amended and the Listings Requirements of the JSE Limited and containing the information required by IAS 34 Interim Financial Reporting Standards. The accounting policies and methods of computation used in the preparation of this report are consistent with those of the previous year.

Fair values of financial instruments

The fair values of financial instruments are determined using appropriate valuation techniques, including recent market transactions and other valuation models, have been applied and significant inputs include exchange rates. The group only has assets that are carried at fair value in Level 2. There is no difference between the fair value and carrying value of financial instruments not presented below due to either the short-term nature of these items, or the fact that they are priced at variable interest rates.

Fair value hierarchy

Financial instruments carried at fair value in the statement of financial position consist of the revaluation of foreign currency contracts and are included in trade and other receivables, and trade and other payables respectively.

At the reporting dated, the group's only financial instruments carried at fair value were foreign currency contracts. These were classified as level 2 as the fair values are independently verified.

	Dec 2021 R'000	Dec 2020 R'000	June 2021 R'000
Financial assets at fair value through profit or loss	203	–	379
Financial liabilities at fair value through profit or loss	26	1 866	42

Segmental information

For management (the group's executive committee) purposes, the group is organised into business units based on their products and services and has four reportable operating segments. The group's operating businesses are organised and managed separately according to the nature of the products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets. Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss and is measured on an aggregate basis and reconciled back to the profit or loss in the consolidated statement of comprehensive income.

SUMMARISED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(R'000)		Unaudited Dec 2021 6 months	Unaudited Dec 2020# 6 months	% change	Audited Jun 2021 12 months
Continuing operations					
Revenue		**352 037**	347 810	1%	658 521
Gross profit		**103 449**	94 667	9%	204 549
Operating profit before interest and taxation		**11 319**	1 451	680%	5 485
Interest received		**248**	459	(46%)	1 190
Interest paid		**(9 517)**	(13 836)	(31%)	(25 367)
Profit/(loss) before taxation		**2 050**	(11 926)	117%	(18 692)
Taxation		**(897)**	1 031	(187%)	(4 711)
Profit/(loss) for the period/year from continuing operations		**1 153**	(10 895)	111%	(23 403)
Discontinuing operations					
(Loss)/profit for the period/year from discontinued operations		**(114)**	23 104	(100%)	32 495
Profit for the period/year		**1 039**	12 209	(91%)	9 092
Other comprehensive income		**–**	–	0%	–
Total comprehensive income for the period/year		**1 039**	12 209	(91%)	9 092
Profit and total comprehensive income attributable to:					
– equityholders of the parent		**265**	9 155	(97%)	6 469
– relating to continuing operations		**379**	(2 789)	114%	(23 439)
– relating to discontinued operations		**(114)**	11 944	(101%)	29 908
– non-controlling interests		**774**	3 054	(75%)	2 623
– relating to continuing operations		**774**	1 023	(24%)	36
– relating to discontinued operations		**–**	2 031	(100%)	2 587
Profit for the period/year		**1 039**	12 209	(91%)	9 092
Earnings and diluted earnings per share from total operations	(cents)	**0.1**	4.1	(97%)	2.9
– continuing operations	(cents)	**0.2**	(1.2)		(10.4)
– discontinued operations	(cents)	**(0.1)**	5.3		13.3
Notes to the summarised AFS					
Headline earnings and diluted headline earnings per share from total operations	(cents)	**0.06**	(1.54)	104%	(0.6)
– continuing operations	(cents)	**0.11**	(1.22)		(10.4)
– discontinued operations	(cents)	**(0.05)**	(0.32)		9.8
Reconciliation of headline earnings					
Net earnings attributable to equityholders of the parent		**265**	9 155	(97%)	6 469
Headline earnings adjustments		**(125)**	(12 619)	(99%)	(7 819)
– (Profit)/loss on disposal of subsidiary/business unit		**–**	(14 671)		(7 947)
– Impairment of asset held for sale		**–**	2 000		
– Impairment of goodwill		**–**	–		500
– net after-tax (profit)/loss on disposal of fixed assets		**(125)**	52		(371)
Headline earnings		**140**	(3 464)	104%	(1 349)
Number of shares in issue	('000)	**229 319**	229 319	0%	229 319
Treasury shares	('000)	**(4 873)**	(4 873)	0%	(4 873)
Weighted average number of shares on which earnings per share is calculated	('000)	**224 446**	224 446	0%	224 446
Dilutive shares and options	('000)	**–**	–		–
Weighted average number of shares on which diluted earnings per share is calculated	('000)	**224 446**	224 446	0%	224 446
Ratio analysis					
Attributable earnings	(R'000)	**265**	9 155	(97%)	6 469
EBITDA	(R'000)	**29 567**	30 174	(2%)	37 203
Net asset value per share	(cents)	**13.7**	15.6	(12%)	13.6
Net tangible asset value per share	(cents)	**(14.0)**	(16.8)	17%	(16.7)
Debt:Equity (excluding lease liabilities)	(%)	**369.1**	454.7	(19%)	369.2
Debt:Equity (net of Bank balances)	(%)	**308.2**	384.6	(20%)	318.8

 # The December 2020 periods' amounts were restated for the reclassification of the PTM business unit into discontinued operations.

SUMMARISED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(R'000)	Unaudited Dec 2021	Unaudited Dec 2020	Audited Jun 2021
ASSETS			
Non-current assets	**158 941**	204 022	179 578
Plant and equipment	**34 311**	42 955	38 567
Right-of-use assets	**44 381**	59 485	52 199
Intangible assets	**62 003**	72 713	67 910
Deferred tax asset	**17 439**	25 576	18 256
Other non-current assets	**807**	3 293	2 646
Current assets	**252 223**	230 727	248 296
Inventories	**82 707**	82 486	87 482
Contract assets	**4 861**	13 149	1 574
Trade and other receivables	**122 667**	87 516	118 797
Taxation refundable	**11 977**	12 485	12 790
Short-term portion of other non-current assets	**4 058**	3 376	6 689
Cash and cash equivalents	**25 953**	31 715	20 964
Assets classified as held for sale	**–**	70 371	–
Total assets	**411 164**	505 120	427 874
EQUITY AND LIABILITIES			
Share capital and reserves	**42 646**	45 282	41 607
Non-current liabilities	**164 926**	72 934	59 903
Interest-bearing liabilities	**113 802**	634	205
Lease liabilities	**50 458**	67 304	58 501
Contract liabilities	**–**	–	14
Deferred tax liability	**666**	4 996	1 183
Current liabilities	**203 592**	386 904	326 364
Non-interest bearing liabilities	**108 897**	125 126	99 583
Taxation	**3 027**	6 749	4 256
Contract liabilities	**31 057**	33 923	50 043
Short-term borrowings	**43 603**	205 248	153 419
Short-term lease liabilities	**17 008**	15 858	19 063
Total equity and liabilities	**411 164**	505 120	427 874

SUMMARISED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(R'000)	Unaudited Dec 2021 6 months	Unaudited Dec 2020 6 months	Audited Jun 2021 12 months
Attributable to equity holders of the parent			
Opening balance	**30 421**	25 893	25 893
Transactions with non-controlling shareholder	**–**	–	(1 941)
Total comprehensive income	**265**	9 155	6 469
– Profit for the period/year	**265**	9 155	6 469
– Other comprehensive income	**–**	–	–
Closing balance	**30 686**	35 048	30 421
Non-controlling interests			
Opening balance	**11 186**	33 733	33 733
Total comprehensive income	**774**	3 054	2 623
– Profit for the period/year	**774**	3 054	2 623
– Other comprehensive income	**–**	–	–
Disposal of subsidiary	**–**	(26 553)	(27 111)
Transactions with non-controlling shareholder	**–**	–	1 941
Closing balance	**11 960**	10 234	11 186
Total equity	**42 646**	45 282	41 607

SUMMARISED CONSOLIDATED STATEMENT OF CASH FLOWS

(R'000)	Unaudited Dec 2021 6 months	Unaudited Dec 2020 6 months	Audited Jun 2021 12 months
Cash generated from operations before working capital changes	**28 228**	34 304	29 939
Working capital changes	**(10 865)**	(5 518)	7 996
Cash generated from operations	**17 363**	28 786	37 935
Net financing costs	**(9 269)**	(14 224)	(31 203)
Net taxation paid	**(969)**	(829)	(10 893)
Dividends paid	**–**	–	(3 263)
Cash flow from operating activities	**7 126**	13 733	(7 424)
Cash flow from investing activities	**4 180**	2 536	(15 402)
Cash flow from financing activities	**(6 317)**	737	(24 517)
Increase/(Decrease) in cash resources	**4 989**	17 006	(47 343)

SUMMARISED SEGMENTAL REPORTS

Income and expenses (R'000)	Dec 2021 6 months Revenue	Dec 2021 6 months Operating profit/(loss)	Dec 2020# 6 months Revenue	Dec 2020# 6 months Operating profit/(loss)	Jun 2021 12 months Revenue	Jun 2021 12 months Operating profit/(loss)
Communication Solutions	165 012	24 066	103 996	(1 507)	221 652	8 427
Intelligent Solutions	81 169	8 367	108 641	15 339	198 437	24 547
Security and Fire	27 868	(3 122)	26 674	(1 828)	44 034	(7 688)
Electrical Manufacturers	78 519	(1 983)	109 488	6 999	200 307	7 984
Sub-total continuing operating divisions	**352 568**	**27 328**	**348 799**	**19 003**	**664 430**	**33 270**
Discontinued operations – Reflex Solutions & PTM	11	(148)	74 445	7 097	85 363	15 700
Other	–	(14 063)	–	(14 873)	32 117	(23 469)
Adjustments	(531)	(1 946)	(989)	(2 679)	(39 184)	(1 933)
Total	**352 048**	**11 171**	**422 255**	**8 548**	**742 726**	**23 568**

Financial position (R'000)	Dec 2021 Assets	Dec 2021 Liabilities	Dec 2020# Assets	Dec 2020# Liabilities	Jun 2021 Assets	Jun 2021 Liabilities
Communication Solutions	116 547	38 026	102 019	51 411	106 013	35 205
Intelligent Solutions	50 120	51 238	43 593	55 410	63 913	55 283
Security and Fire	22 905	17 181	18 353	11 331	19 082	11 147
Electrical Manufacturers	90 836	47 279	105 181	56 932	101 116	48 003
Sub-total continuing operating divisions	**280 408**	**153 724**	**269 146**	**175 084**	**290 124**	**149 638**
Discontinued operations – Reflex Solutions & PTM	1 486	371	716	562	6 504	633
Other	188 995	221 498	285 865	291 958	117 296	209 591
Adjustments	(59 725)	(7 075)	(50 607)	(7 766)	13 950	26 405
Total	**411 164**	**368 518**	**505 120**	**459 838**	**427 874**	**386 267**

 # The December 2020 periods' amounts were restated for the reclassification of the PTM business unit out of Intelligent Solutions into Discontinued operations.

Segmental revenue includes sales to third parties, as well as arm's length inter-segmental revenue recorded at fair value.

Segmental operating profits exclude interest paid or received, except for interest income on lease receivables, and are stated before inter-segmental charges for interest and administration services between group companies.

REVENUE BY SEGMENTS

Revenue by reportable segment is disaggregated by major revenue streams as below:

	Sale of goods and related services R'000	Project related revenue R'000	Maintenance and support services R'000	Connectivity and hosting services R'000	Software related licenses R'000	Agency revenue R'000	Administration revenue R'000	Rental Revenue: Hi-sites* R'000	Total R'000
31-Dec-21									
Communication Solutions	136 051	1 814	27 147	–	–	–	–	–	165 012
Intelligent Solutions	21 725	–	34 987	9 911	1 358	–	248	12 940	81 169
Security and Fire	–	26 022	1 846	–	–	–	–	–	27 868
Electrical Manufacturers	78 519	–	–	–	–	–	–	–	78 519
Sub-total continuing operating divisions	**236 295**	**27 836**	**63 980**	**9 911**	**1 358**	**–**	**248**	**12 940**	**352 568**
Discontinued operations – Reflex Solutions & PTM	11	–	–	–	–	–	–	–	11
Other	–	–	–	–	–	–	–	–	–
Adjustments-Intercompany eliminations	(283)	–	–	–	–	–	(248)	–	(531)
Total	**236 023**	**27 836**	**63 980**	**9 911**	**1 358**	**–**	**–**	**12 940**	**352 048**
31-Dec-20									
Communication Solutions	73 883	8 421	21 692	–	–	–	–	–	103 996
Intelligent Solutions	37 209	–	46 942	9 070	2 227	–	459	12 734	108 641
Security and Fire	–	22 394	4 280	–	–	–	–	–	26 674
Electrical Manufacturers	109 488	–	–	–	–	–	–	–	109 488
Sub-total continuing operating divisions	**220 580**	**30 815**	**72 914**	**9 070**	**2 227**	**–**	**459**	**12 734**	**348 799**
Discontinued operations – Reflex Solutions & PTM	43 749	–	3 176	24 469	3 051	–	–	–	74 445
Other	–	–	–	–	–	–	–	–	–
Adjustments-Intercompany eliminations	(530)	–	–	–	–	–	(459)	–	(989)
Total	**263 799**	**30 815**	**76 090**	**33 539**	**5 278**	**–**	**–**	**12 734**	**422 255**
30-Jun-21									
Communication Solutions	157 298	3 386	34 948	–	26 020	–	–	–	221 652
Intelligent Solutions	69 754	–	84 787	18 280	–	–	–	25 616	198 437
Security and Fire	4 369	35 462	4 104	99	–	–	–	–	44 034
Electrical Manufacturers	200 307	–	–	–	–	–	–	–	200 307
Sub-total continuing operating divisions	**431 728**	**38 848**	**123 839**	**18 379**	**26 020**	**–**	**–**	**25 616**	**664 430**
Discontinued operations – Reflex Solutions & PTM	49 032	–	3 176	27 520	–	5 635	–	–	85 363
Other	–	–	–	–	–	–	8 384	–	8 384
Adjustments-Intercompany eliminations	(7 067)	–	–	–	–	–	(8 384)	–	(15 451)
Total	**473 693**	**38 848**	**127 015**	**45 899**	**26 020**	**5 635**	**–**	**25 616**	**742 726**

** Not from IFRS 15 Revenue from contracts with customers*

JASCO ELECTRONICS HOLDINGS LIMITED

Registration number 1987/003293/06
JSE share code: JSC ISIN: ZAE000003794
("**Jasco**" or "**the company**" or "**the group**")

Directors and Secretary:
Dr ATM Mokgokong (Chairman),
J Madungandaba (Deputy Chairman),
DH du Plessis*, MS Bawa*, PF Radebe*, TP Zondi* (Non-executive),
AMF da Silva# (Non-executive),
WA Prinsloo (CEO), LA Prigge (CFO) (Executive),
MCP Managerial Services (Pty) Ltd (Company Secretary)
**Independent #Alternate*

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Transfer secretaries:
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13th Floor, Rennie House, 19 Ameshoff Street, Braamfontein, 2001

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

More information is available at: www.jasco.co.za