



**CIVMEC LIMITED**

(Company Registration No: 201011837H)

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**FINANCIAL STATEMENTS ANNOUNCEMENT FOR THE  
1<sup>st</sup> HALF YEAR ENDED 31 DECEMBER 2020**

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**PART I INFORMATION REQUIRED FOR QUARTERLY (Q1, Q2, Q3), HALF-YEAR AND FULL YEAR ANNOUNCEMENT**

1(a)(i) An income statement and statement of comprehensive income, or a statement of comprehensive income, for the group, together with a comparative statement for the corresponding period of the immediately preceding financial year.

**INCOME STATEMENT**

	Group Half Year Ended		
	31 Dec 2020	31 Dec 2019	+ / (-)
	A\$'000	A\$'000	%
Sales revenue	305,699	166,175	84.0
Cost of sales	(271,181)	(147,563)	83.8
<b>Gross profit</b>	<b>34,518</b>	<b>18,612</b>	<b>85.5</b>
Other income	1,828	589	210.4
Administrative expenses	(9,220)	(7,928)	16.3
Other expenses	(1,745)	(237)	636.3
Finance costs	(3,470)	(1,563)	122.0
<b>Profit before tax</b>	<b>21,911</b>	<b>9,473</b>	<b>131.3</b>
Income tax expense	(6,889)	(1,493)	361.4
<b>Profit for the period</b>	<b>15,022</b>	<b>7,980</b>	<b>88.2</b>
<u>Profit attributable to:</u>			
Owners of the Company	15,048	8,066	86.6
Non-controlling interest	(26)	(86)	(69.8)
	<u>15,022</u>	<u>7,980</u>	<u>88.2</u>
Earnings per share attributable to equity holders of the Company (cents per share):			
• Basic	3.00	1.61	
• Diluted	3.00	1.61	



- 1(a)(i) An income statement and statement of comprehensive income, or a statement of comprehensive income, for the group, together with a comparative statement for the corresponding period of the immediately preceding financial year (cont'd):

**STATEMENT OF COMPREHENSIVE INCOME**

	Group Half Year Ended		
	31 Dec <u>2020</u> A\$'000	31 Dec <u>2019</u> A\$'000	+ / (-) %
<b>Profit for the period</b>	15,022	7,980	88.2
Other comprehensive items	-	-	
<b>Total comprehensive income for the period</b>	<u>15,022</u>	<u>7,980</u>	88.2
<u>Total comprehensive income attributable to:</u>			
Owners of the Company	15,048	8,066	86.6
Non-controlling interest	(26)	(86)	(69.8)
	<u>15,022</u>	<u>7,980</u>	88.2

**1(a)(ii) Notes to the Income Statement and Consolidated Statement of Comprehensive Income.**

**A. Profit before income tax**

The following items have been included in determining the profit before income tax:

	<b>Group Half Year Ended</b>		<b>+ / (-) %</b>
	<b>31 Dec 2020 A\$'000</b>	<b>31 Dec 2019 A\$'000</b>	
Gain on disposal of property, plant and equipment	84	-	
Insurance recoveries	1,541	-	
Interest income	121	129	(6.2)
Share of (loss)/profit of a joint venture	(93)	274	(133.9)
Sundry revenue	175	186	(5.9)
<b>Total Other Income</b>	<u>1,828</u>	<u>589</u>	210.4

**B. Finance costs**

	<b>Group Half Year Ended</b>		<b>+ / (-) %</b>
	<b>31 Dec 2020 A\$'000</b>	<b>31 Dec 2019 A\$'000</b>	
Bank bills and line fees	796	892	(10.8)
Lease liabilities	546	624	(12.5)
Secured notes	2,100	-	
Other finance costs	28	47	(40.4)
	<u>3,470</u>	<u>1,563</u>	122.0
<b>Included in cost of sales:</b>			
Lease liabilities	<u>1,418</u>	<u>1,314</u>	7.9

**C. Depreciation expenses**

	<b>Group Half Year Ended</b>		<b>+ / (-) %</b>
	<b>31 Dec 2020 A\$'000</b>	<b>31 Dec 2019 A\$'000</b>	
Included in Cost of sales	7,399	5,271	40.4
Included in Administrative expenses	106	117	(9.4)
<b>Total Depreciation</b>	<u>7,505</u>	<u>5,388</u>	39.3

**D. Other expenses**

	<b>Group Half Year Ended</b>		<b>+ / (-) %</b>
	<b>31 Dec 2020 A\$'000</b>	<b>31 Dec 2019 A\$'000</b>	
Impairment loss on loan to an associate	99	-	
Trade receivables written off	1,646	-	
Loss on disposal of property, plant and equipment	-	237	(100.0)
<b>Total Other Expenses</b>	<u>1,745</u>	<u>237</u>	636.3

**1(b)(i) Statement of Financial Position (for the issuer and Group), together with a comparative statement as at the end of the immediately preceding financial year.**

	Group		Company	
	As at 31 Dec 2020 A\$'000	As at 30 Jun 2020 A\$'000	As at 31 Dec 2020 A\$'000	As at 30 Jun 2020 A\$'000
<b>ASSET</b>				
<b>Current assets</b>				
Cash and cash equivalents	42,022	27,712	46	19
Trade and other receivables	80,623	74,523	42,339	39,682
Contract assets	79,755	95,118	-	-
Other current assets	3,525	2,051	8	-
Income tax recoverable	-	-	-	-
	<u>205,925</u>	<u>199,404</u>	<u>42,393</u>	<u>39,701</u>
<b>Non-current assets</b>				
Investment in subsidiaries	-	-	7,579	7,579
Investment in joint ventures	61	242	-	-
Loan receivables	-	493	-	-
Property, plant and equipment	397,939	397,804	-	-
Intangible assets	10	10	-	-
Deferred tax assets	2,543	2,408	37	22
	<u>400,553</u>	<u>400,957</u>	<u>7,616</u>	<u>7,601</u>
<b>TOTAL ASSETS</b>	<u>606,478</u>	<u>600,361</u>	<u>50,009</u>	<u>47,302</u>
<b>LIABILITIES AND EQUITY</b>				
<b>Current liabilities</b>				
Trade and other payables	87,267	91,075	161	168
Contract liabilities	78,958	83,266	-	-
Lease liabilities	10,315	10,722	-	-
Borrowings	2,540	2,387	-	-
Income tax payable	7,267	2,862	7,299	2,840
Provisions	6,390	6,103	-	-
	<u>192,737</u>	<u>196,415</u>	<u>7,460</u>	<u>3,008</u>
<b>Non-current liabilities</b>				
Lease liabilities	41,407	43,339	-	-
Borrowings	60,000	60,000	-	-
Provisions	4,378	3,352	-	-
Deferred tax liabilities	33,713	34,182	-	-
	<u>139,498</u>	<u>140,873</u>	<u>-</u>	<u>-</u>
<b>TOTAL LIABILITIES</b>	<u>332,235</u>	<u>337,288</u>	<u>7,460</u>	<u>3,008</u>
<b>Capital and Reserves</b>				
Share capital	29,807	29,807	29,807	29,807
Treasury shares	(10)	(10)	(10)	(10)
Asset revaluation reserve	78,796	78,487	-	-
Other reserves	8,560	7,818	5,225	4,483
Retained earnings	157,231	147,086	7,527	10,014
<b>Total equity attributable to the Owners of the Company</b>	<u>274,384</u>	<u>263,188</u>	<u>42,549</u>	<u>44,294</u>
Non-controlling interest	(141)	(115)	-	-
<b>TOTAL EQUITY</b>	<u>274,243</u>	<u>263,073</u>	<u>42,549</u>	<u>44,294</u>
<b>TOTAL LIABILITIES AND EQUITY</b>	<u>606,478</u>	<u>600,361</u>	<u>50,009</u>	<u>47,302</u>

**1(b)(ii) Aggregate amount of Group's borrowings and debt securities**

	Group As at 31 Dec 2020		Group As at 30 Jun 2020	
	Secured A\$'000	Unsecured A\$'000	Secured A\$'000	Unsecured A\$'000
Amount repayable in one year or less, or on demand:				
Bank bills	2,220	-	1,776	-
Trade finance	-	-	291	-
Loans from related parties	-	320	-	320
	<u>2,220</u>	<u>320</u>	<u>2,067</u>	<u>320</u>
Amount repayable after one year:				
Senior secured notes	60,000	-	60,000	-
	<u>60,000</u>	<u>-</u>	<u>60,000</u>	<u>-</u>
Total borrowings	<u>62,220</u>	<u>320</u>	<u>62,067</u>	<u>320</u>

**(a) Lease liabilities**

Due to the adoption of SFRS(I) 16, the finance lease liabilities are now reclassified as lease liabilities.

**(b) Bank bills**

The Group is required by the banks to maintain certain financial ratios such as loan value ratio and interest cover ratio.

As at 31 December 2020, the Group met all of these financial covenants.

As at 31 December 2020, the Group has a commercial bank facility amounting to A\$32,220,000 (30 June 2020: A\$32,067,000) which was 7% utilised. Interest rates are variable and ranged between 1.62% to 4.13% (30 June 2020: 1.67% to 2.25%) per annum during the current financial period.

**(c) Senior secured notes**

The Group secured A\$60,000,000 offering of 4-year secured notes ("senior secured notes") on 23 November 2018 to restructure existing finance and provide funding for a portion of a world-class shipbuilding and maintenance facility at Henderson, Western Australia. The senior secured notes are unconditionally and irrevocably guaranteed by the Company and are redeemable after two years at the Company's option. The senior secured notes are collectively under a security trust deed and hold first ranking over all assets held with the subsidiary, Civmec Holdings Pty Ltd, including interests in land at the Company's Stuart Drive, Henderson site in Western Australia and the Tomago site in New South Wales, Australia.

The senior secured notes bear a fixed interest rate of 7% per annum.

**(d) Loans from related parties**

Loans from related parties are non-trade, unsecured, interest free and repayable on demand.

**1(c) Statement of Cash Flows (for the Group), together with a comparative statement for the corresponding period of the immediately preceding financial year.**

	<b>Group</b>	
	<b>Half Year Ended</b>	<b>Half Year Ended</b>
	<b>31 Dec 2020</b>	<b>31 Dec 2019</b>
	<b>A\$'000</b>	<b>A\$'000</b>
<b>Cash Flows from Operating Activities</b>		
Profit before income tax	21,911	9,473
Adjustment for:		
Depreciation of property, plant and equipment	7,505	5,388
(Gain)/loss on disposal of property, plant and equipment	(84)	237
Share of loss/(profit) of a joint venture	93	(274)
Impairment loss on loan to an associate	99	-
Trade receivables written off	1,646	500
Finance cost	4,888	2,887
Interest income	(120)	(129)
Foreign exchange differences	(56)	-
Operating cash flow before working capital changes	<u>35,882</u>	<u>18,072</u>
Changes in working capital:		
(Increase)/decrease in trade and other receivables	(8,092)	8,287
Decrease/(increase) in contract assets	15,362	(539)
Increase in other current assets	(1,475)	(2,271)
Decrease in trade and other payables	(3,503)	(361)
(Decrease)/increase in contract liabilities	(4,308)	4,573
Increase/(decrease) in provisions	1,313	(3,009)
Cash generated from operations	<u>35,179</u>	<u>24,752</u>
Interest received	23	102
Finance cost paid	(3,470)	(806)
Income tax refund	-	4,590
Income taxes paid	(3,087)	(3,006)
Net cash generated from operating activities	<u>28,645</u>	<u>25,632</u>
<b>Cash Flows from Investing Activities</b>		
Proceeds from sale of property, plant and equipment	165	49
Purchase of property, plant and equipment	(6,996)	(32,145)
Repayment of loan to an associate	-	90
Repayment of loan to a joint venture	493	-
Advances to a joint venture	-	(490)
Cash distribution from joint venture	89	66
Net cash used in investing activities	<u>(6,249)</u>	<u>(32,430)</u>
<b>Cash Flows from Financing Activities</b>		
Proceeds from borrowings	1,574	66,305
Repayment of borrowings	(1,421)	(71,111)
Repayment of principal lease liabilities	(3,229)	(3,710)
Dividends paid	(5,010)	(3,729)
Net cash (used in)/generated from financing activities	<u>(8,086)</u>	<u>(12,245)</u>
Net increase/(decrease) in cash and cash equivalents	14,310	(19,043)
Cash and cash equivalents at the beginning of the period	<u>27,712</u>	<u>40,662</u>
Cash and cash equivalents at the end of the period	<u>42,022</u>	<u>21,619</u>

1(d) A statement (for the issuer and the Group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

Statement of Changes in Equity – GROUP

GROUP	Share capital A\$'000	Treasury shares A\$'000	Asset revaluation reserve A\$'000	Other reserves		Retained earnings A\$'000	Total A\$'000	Non-controlling interest A\$'000	Total A\$'000
				Merger reserve A\$'000	Equity-settled employee benefits reserve A\$'000				
Balance as at 1 July 2020	29,807	(10)	78,487	7,578	240	147,086	263,188	(115)	263,073
Profit for the period	-	-	-	-	-	15,048	15,048	(26)	15,022
Other comprehensive income for the period:	-	-	-	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	-	15,048	15,048	(26)	15,022
Adjustment on asset revaluation reserve	-	-	309	-	-	107	416	-	416
Share based payment	-	-	-	-	742	-	742	-	742
Dividends paid	-	-	-	-	-	(5,010)	(5,010)	-	(5,010)
Balance as at 31 December 2020	29,807	(10)	78,796	7,578	982	157,231	274,384	(141)	274,243
Balance as at 1 July 2019 – reported under SFRS(I)	29,807	(10)	-	7,578	240	136,591	174,206	(78)	174,128
Effects of the adoption of SFRS(I) 16	-	-	-	-	-	(3,362)	(3,362)	-	(3,362)
Balance as at 1 July 2019, restated	29,807	(10)	-	-	240	133,229	170,844	(78)	170,766
Profit for the period	-	-	-	-	-	8,066	8,066	(86)	7,980
Other comprehensive income	-	-	-	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	-	8,066	8,066	(86)	7,980
Dividend paid	-	-	-	-	-	(3,729)	(3,729)	-	(3,729)
Balance as at 31 December 2019	29,807	(10)	-	7,578	240	137,566	175,181	(164)	175,017





1(d) A statement (for the issuer and the Group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

Statement of Changes in Equity – Company

COMPANY	←		Other reserves		→		Total A\$'000
	Share capital A\$'000	Treasury shares A\$'000	Merger reserve A\$'000	Equity-settled employee benefits reserve A\$'000	Other reserves A\$'000	Retained earnings A\$'000	
Balance as at 1 July 2020	29,807	(10)	7,578	240	(3,335)	10,014	44,294
Profit for the period	-	-	-	-	-	2,523	2,523
Other comprehensive income for the period:	-	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	-	2,523	2,523
Share based payment	-	-	-	742	-	-	742
Dividends paid	-	-	-	-	-	(5,010)	(5,010)
Balance as at 31 December 2020	29,807	(10)	7,578	982	(3,335)	7,527	42,549
Balance as at 1 July 2019	29,807	(10)	7,578	240	(3,335)	7,090	41,370
Profit for the period	-	-	-	-	-	6,286	6,286
Other comprehensive income	-	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	-	6,286	6,286
Dividend Paid	-	-	-	-	-	(3,729)	(3,729)
Balance as at 31 December 2019	29,807	(10)	7,578	240	(3,335)	9,647	44,077

- 1(d)(ii) Details of any changes in the company's share capital arising from right issue, bonus issue, share buy-back, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles, as well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.**

Issued shares

There was no change in the issued and paid up capital of the Company since the previous financial year ended 30 June 2020.

During the period, 100,000 shares were issued to Adam Goldsmith pursuant to vesting and conversion of performance rights held by Mr Goldsmith.

As at 31 December 2020, of the total 501,100,000 shares on issue (30 June 2020: 501,000,000), 15,000 shares are held as Treasury Shares (30 June 2020: 15,000).

Convertibles

The Company has no outstanding convertibles as at 31 December 2020 and 30 June 2020.

Shares options

As at 31 December 2020 there were outstanding options for 4,000,000 (30 June 2020: 4,000,000) unissued ordinary shares under the employee share option scheme.

Performance rights

11,639,000 rights remain unvested as at 31 December 2020 (30 June 2020: 7,359,993).

In the period 100,000 rights were vested and converted to shares, 4,198,993 rights were cancelled and 4,532,000 new rights were issued to key management personnel (KMP) and other management.

4,046,000 new rights were issued to Directors as approved at the Annual General Meeting held on 30 October 2020.

- 1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.**

	<b>31 December 2020</b>	<b>30 June 2020</b>
	No. of shares	No. of shares
Balance of shares at beginning of period	501,000,000	501,000,000
Shares issued during the period:		
- Conversion of performance rights	100,000	-
Total number of shares as at end of the period	501,100,000	501,000,000
Total shares held as treasury shares	15,000	15,000
Total number of shares as at end of period, net of Treasury shares	501,085,000	500,985,000

**1(d)(iv) A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on.**

There were no sales, transfers, disposal, cancellation and/or use of treasury shares during the current financial period reported on. As at 31 December 2020, the Company held 15,000 of its issued shares as treasury shares.

**2. Whether the figures have been audited or reviewed, and in accordance with which auditing standard or practice.**

The figures have been reviewed by the auditor.

**3. Whether the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a matter).**

There have been no qualifications or emphasis on any matters in the Auditors' report.

**4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.**

The Group has applied the same accounting policies and methods of computation in the financial statements for the current reporting period as that of the audited financial statements for the year ended 30 June 2020.

**5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.**

Not applicable.

**6. Earnings per ordinary share of the Group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.**

	Group Half year ended	
	31 Dec 2020	31 Dec 2019
	A\$'000	A\$'000
Profit after taxation attributable to owners*	15,048	8,066
Pre-invitation Share Capital	501,100,000	501,000,000
Weighted average number of shares		
• Basic	501,051,848	500,985,000
• Diluted	501,051,848	500,985,000
Earnings per ordinary share (A\$ cents)		
• Basic	3.00	1.61
• Diluted	3.00	1.61

\*Basic earnings per share is calculated by dividing the consolidated profit after tax attributable to the equity holders of the company, by the average number of outstanding shares. As at 31 December 2020, the diluted earnings per share is the same as basic earnings per share as it does not include the effect of 4,000,000 unissued ordinary shares granted under CESOS. The effect is anti-dilutive.

7. **Net asset value (for the issuer and Group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the (a) current financial period reported on and (b) immediately preceding financial year.**

	Group As at		Company As at	
	<u>31 Dec 2020</u>	<u>30 Jun 20</u>	<u>31 Dec 2020</u>	<u>30 Jun 2020</u>
	A\$'000	A\$'000	A\$'000	A\$'000
Net assets attributable to owners	274,384	263,188	42,549	44,294
Net asset value per ordinary share based on issued share capital at the end of the respective periods (A\$ cents)	54.77	52.53	8.49	8.84

Net asset value per share is calculated by dividing the net assets attributable to the equity holders of the Company by the number of issued shares as at 31 December 2020 of 501,085,000 (30 June 2020: 500,985,000) and excludes treasury shares of 15,000 (30 June 2020:15,000).

8. **A review of the performance of the Group, to the extent necessary for a reasonable understanding of the Group's business. It must include a discussion of the following:**
- any significant factors that affected the turnover, costs, and earnings of the Group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and**
  - any material factors that affected the cash flow, working capital, assets or liabilities of the Group during the current financial period reported on.**

**A. Statement of Comprehensive Income**

**1H2021 vs 1H2020**

Revenue for the half-year ended 31 December 2020 ("1H2021") increased 83.9% to A\$305.6 million from A\$166.2 million for the half-year ended 31 December 2019 ("1H2020") mainly due to the commencement of new projects.

Gross profit for 1H2021 increased 85.5% to A\$34.5 million from A\$18.6 million in 1H2020 in line with the increase in revenue.

Other income increased by 210.4% to A\$1.8 million in 1H2021 compared to 1H2020 is mainly due to insurance recoveries received for property damages as a result of severe weather conditions.

Administrative expenses increased by 16.3% to A\$9.2 million in 1H2021 compared to 1H2020 is mainly due to the increased employee benefits expenses, additional cleaning and security costs associated with COVID-19 control measures implemented during the period.

Other expenses increased by 636.3% to A\$1.7 million in 1H2021 compared to 1H2020, the majority of this is associated with writing off of a trade receivable after Altura was placed into receivership.

Finance cost increased by 122.0% to A\$3.5 million in 1H2021 from A\$1.6 million in 1H2020 is mainly due to the recognition of interest expenses from Senior Secured Notes in 1H2021, where it was capitalised in the cost of the new Assembly Hall in Henderson during the construction of this asset until 30 June 2020.

Net profit attributable to shareholders increased 86.6% to A\$15.0 million in 1H2021 from \$8.1 million in 1H2020 as a result of increased revenues in the period flowing through to the bottom line.

8. **A review of the performance of the Group, to the extent necessary for a reasonable understanding of the Group's business. It must include a discussion of the following:**
- a) **any significant factors that affected the turnover, costs, and earnings of the Group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and**
  - b) **any material factors that affected the cash flow, working capital, assets or liabilities of the Group during the current financial period reported on.**
- (cont'd)

**B. Statement of Financial Position**

Non-current assets decreased slightly to A\$400.6 million as at 31 December 2020 from A\$401.0 million as at 30 June 2020, predominantly as a result of the repayment of a loan to a joint venture of \$493,000 on 24 July 2020.

Cash and cash equivalents as at 31 December 2020 were A\$42.0 million increasing from A\$27.7 million as at 30 June 2020 predominantly due to the positive cashflow from operations.

Contract assets decreased by A\$15.4 million from A\$95.1 million as at 30 June 2020 to A\$79.8 million as at 31 December 2020 due to the timing of milestones and invoicing on contracts. Trade receivables increased by A\$6.1 million from A\$74.5 million as at 30 June 2020 to A\$80.6 million as at 31 December 2020 as activity levels on contracts increased at the end of the period.

Trade and other payables and Contract liabilities decreased to A\$166.2 million as at 31 December 2020 from A\$174.3 million as at 30 June 2020 as a result of payments to creditors and the timing of milestones and invoicing on contracts.

Overall lease liabilities decreased to A\$51.7 million as at 31 December 2020 from A\$54.1 million as at 30 June 2020 mainly as a result of repayment of the principal lease liabilities.

Overall borrowings slightly increased to A\$62.5 million as at 31 December 2020 from A\$62.4 million as at 30 June 2020.

Total shareholders' equity increased to A\$274.4 million as at 31 December 2020 from A\$263.2 million as at 30 June 2020 as a result of profits earned, partially offset by dividends paid in the period.

8. **A review of the performance of the Group, to the extent necessary for a reasonable understanding of the Group's business. It must include a discussion of the following:**
- a) **any significant factors that affected the turnover, costs, and earnings of the Group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and**
  - b) **any material factors that affected the cash flow, working capital, assets or liabilities of the Group during the current financial period reported on.**
- (cont'd)

**C. Statement of Cash Flows**

Overall cashflow before working capital changes was A\$35.9 million in 1H2021 compared to A\$18.1 million in 1H2020. Net cash flow generated from operating activities was positive at A\$28.6 million.

The Group used A\$7.0 million in capital expenditure, predominantly due to purchase of some minor CAPEX equipment predominantly to support site activities.

The Group repaid A\$4.9 million to borrowings and leases from cash generated from Operating activities.

As at 31 December 2020 the Group's cash and cash equivalents were A\$42.0 million an increase from A\$27.7 million as at 30 June 2020.

9. **Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.**

No forecast or prospect statement has previously been disclosed.

10. **A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in the Group operates and any known factors or events that may affect the Group in the next reporting and the next 12 months.**

Civmec is an integrated multi-disciplinary heavy engineering and construction provider to the Oil & Gas, Metals & Minerals, Infrastructure and Marine & Defence sectors.

The Group has continued to fortify its financial position for FY2021, with consistent net profit returned over the year and sustained revenue growth.

The Covid-19 pandemic has had no significant impact on the majority of the Group's operations, with some minor impact on the timing of certain maintenance contracts being undertaken.

During the period, the Group announced several significant contract wins in all sectors that we operate in, including some long term maintenance agreements. These wins have contributed to the performance of the Group in this period and will underpin the operational activities of the Group in the coming periods. As at 31 Jan 2021, the Groups' order book stood at A\$1.15 billion.

The forward tendering outlook remains positive, particularly given the Group's established local supply chains enabling us to continue to fully support the delivery of the company's projects. Tendering activities are focused on building on the successful contract awards to maintain the positive momentum achieved over the past 18 months.

10. **A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in the Group operates and any known factors or events that may affect the Group in the next reporting and the next 12 months.**

(cont'd)

The large order book and reduced capital expenditure requirements of the Group following completion of the assembly hall in Henderson, coupled with the strong profits and cashflow, have allowed the Board to declare our inaugural interim dividend payment of 1 AUD cent per share in line with our dividend policy.

11. **Dividend**

- a) **Any dividend declared for the current financial period reported on?**

Name of Dividend	Interim
Dividend Type	Cash
Dividend Amount per Share	1.0 Australian Cent
Tax Rate	Tax Exempt
Number of Shares	501,085,000

Note: For Australian tax resident shareholders the dividend payable is fully franked.

- b) **Any dividend declared for the corresponding period of the immediately preceding financial year?**

Nil.

- c) **Date payable**

26 March 2021.

- d) **Books closure date**

Share Transfer Books of Civmec Limited (the "Company") will be closed on 16 March 2021, for the preparation of dividend warrants to the Declared tax exempt (Foreign Sourced) Interim dividend of A\$0.01 for the financial year ended 30 June 2021 ("Interim Dividend").

Duly completed registrable transfers in respect of the shares in the Company received up to 5:00 p.m. on 15 March 2021 ("Record Date") by the Company's Singapore Share Registrar, Tricor Barbinder Share Registration Services (a division of Tricor Singapore Pte. Ltd.), 80 Robinson Road, #02-00 Singapore 068898 will be registered to determine Members' entitlements to the Interim Dividend. Members whose Securities Accounts with The Central Depository (Pte) Limited are credited with shares in the Company as at 5:00 p.m. on the Record Date will be entitled to the Interim Dividend.

12. **If no dividend has been declared/recommended, a statement to that effect**

Not applicable.

13. **If the Group has obtained a general mandate from shareholders for IPTs, the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to the effect.**

No general mandate has been obtained for interested persons transactions.

There were no IPT transactions for the period.

**14. Negative confirmation pursuant to Rule 705(5).**

To the best of our knowledge, nothing has come to the attention of the Board which may render the financial results for the year ended 30 June 2020 to be false or misleading in any material aspect.

**15. Segmented revenue and results for business or geographical segments (of the Group) in the form presented in the issuers most recently audited financial statements, with comparative information for immediately preceding year.**

	Consolidated 6 months ended 31 December 2020				Consolidated 6 months ended 31 December 2019			
	Oil and Gas	Metals and Minerals	Infra-Structure and Defence	Total	Oil and Gas	Metals and Minerals	Infra-Structure and Defence	Total
Revenue – external sales	14,198	254,212	37,289	305,699	7,874	144,885	13,416	166,175
Cost of sales (excluding depreciation)	(12,116)	(220,650)	(31,016)	(263,782)	(6,257)	(124,177)	(11,858)	(142,292)
Depreciation expense	(647)	(3,935)	(2,817)	(7,399)	(224)	(4,801)	(246)	(5,271)
<b>Segment results</b>	<b>1,435</b>	<b>29,627</b>	<b>3,456</b>	<b>34,518</b>	<b>1,393</b>	<b>15,907</b>	<b>1,312</b>	<b>18,612</b>
Other income				1,828				589
Administrative expenses*				(9,114)				(7,811)
Depreciation expense*				(106)				(117)
Other expenses				(1,745)				(237)
Finance costs				(3,470)				(1,563)
Profit before income tax				21,911				9,473
Income tax expense				(6,889)				(1,493)
<b>Net profit for the period</b>				<b>15,022</b>				<b>7,980</b>
				As at 31 Dec 2020				As at 30 Jun 2020
<b>Segment assets:</b>								
Intangible assets	-	10	-	10	-	10	-	10
Unallocated assets:								
Assets				600,400				595,892
Other current assets				3,525				2,051
Deferred tax assets				2,543				2,408
<b>Total assets</b>				<b>606,478</b>				<b>600,361</b>
<b>Segment liabilities:</b>								
Unallocated liabilities								
Liabilities				258,927				265,446
Borrowings				62,540				62,387
Provisions				10,768				9,455
<b>Total liabilities</b>				<b>332,235</b>				<b>337,288</b>
<b>Other segment information</b>								
Capital expenditures during the period				6,996				32,145

\*Administrative expenses above exclude depreciation which is disclosed separately above.



**16. In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments.**

Reported revenue for the Metals and Minerals sector increased 75.5% to A\$254.2 million in 1H2021 from A\$144.9 million in 1H2020 due to the commencement of new projects.

Gross profit for the sector in 1H2021 was A\$29.6 million up from A\$15.9 million in 1H2020 reflecting the increased revenue and improved gross profit margins.

Revenue for the Oil & Gas sector increased 80.3% to A\$14.2 million in 1H2021 compared to A\$7.9 million in 1H2020 due to the increased project activity. Gross profit in the sector increased slightly in 1H2021 to A\$1.4 million which is in line with that of 1H2020

Revenue for the Infrastructure & Defence sector increased 177.9% to A\$37.3 million in 1H2021 compared to A\$13.4 million in 1H2020 due to the further advancement of projects within the delivery phase. Gross profit contribution for the sector in 1H2021 was A\$3.5 million up from A\$1.3 million in 1H2020.

**17. Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704 (10) in the format below. If there are no such persons, the issuer must make an appropriate negative statement.**

The Company confirms that there is no such person occupying a managerial position in the Company and its subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704 (10).

**18. Confirmation pursuant to Rule 720(1) of the Listing Manual**

The company confirms that it has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7.7 pursuant to Rule 720(1) of the Listing Manual.

**ON BEHALF OF THE BOARD**



James Finbarr Fitzgerald  
Executive Chairman

10 February 2021