
Stefanutti Stocks Group

2026

Consolidated Annual Financial Statements



Umbila Emoyeni Wind Farm
Bethal, Mpumalanga

Primary issuer listed in the General Segment of the JSE Main Board

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Preparation of annual financial statements

The Consolidated Annual Financial Statements contained in this report, have been prepared under the supervision of the Chief Financial Officer, Y du Plessis, CA(SA). The Consolidated Annual Financial Statements have been audited in compliance with the applicable requirements of the Companies Act, No. 71 of 2008, as amended (The Companies Act).



Yolanda du Plessis

Chief Financial Officer

23 June 2026

Certificate by the Company Secretary

In terms of section 88(2)(e) of the Companies Act No. 71 of 2008, as amended, I certify that, to the best of my knowledge and belief, Stefanutti Stocks Holdings Limited has, in respect of the financial year ended 28 February 2026, lodged with the Companies and Intellectual Property Commission all returns and notices required of a public company in terms of the Companies Act No. 71 of 2008, as amended, and that all such returns and notices are true, correct and up to date.



William Somerville

Company Secretary

23 June 2026

CEO and CFO responsibility statement on internal financial controls

Each of the directors, whose names are stated below, hereby confirm that:

- the annual financial statements set out on pages 16 to 88, fairly present in all material respects the financial position, financial performance and cash flows of the issuer in terms of IFRS;
- to the best of our knowledge and belief, no facts have been omitted or untrue statements made that would make the annual financial statements false or misleading;
- internal financial controls have been put in place to ensure that material information relating to the issuer and its consolidated subsidiaries has been provided to effectively prepare the financial statements of the issuer;
- the internal financial controls are adequate and effective and can be relied upon in compiling the annual financial statements, and we have fulfilled our role and function as executive directors with primary responsibility for implementation and execution of controls;
- where we are not satisfied, we have disclosed to the audit committee and the auditors any deficiencies in the design and operational effectiveness of the internal financial controls, and have taken steps to remedy the deficiencies; and
- we are not aware of any fraud involving directors.

Signed by the chief executive officer and the financial director.



Russell Crawford

Chief Executive Officer



Yolanda du Plessis

Chief Financial Officer

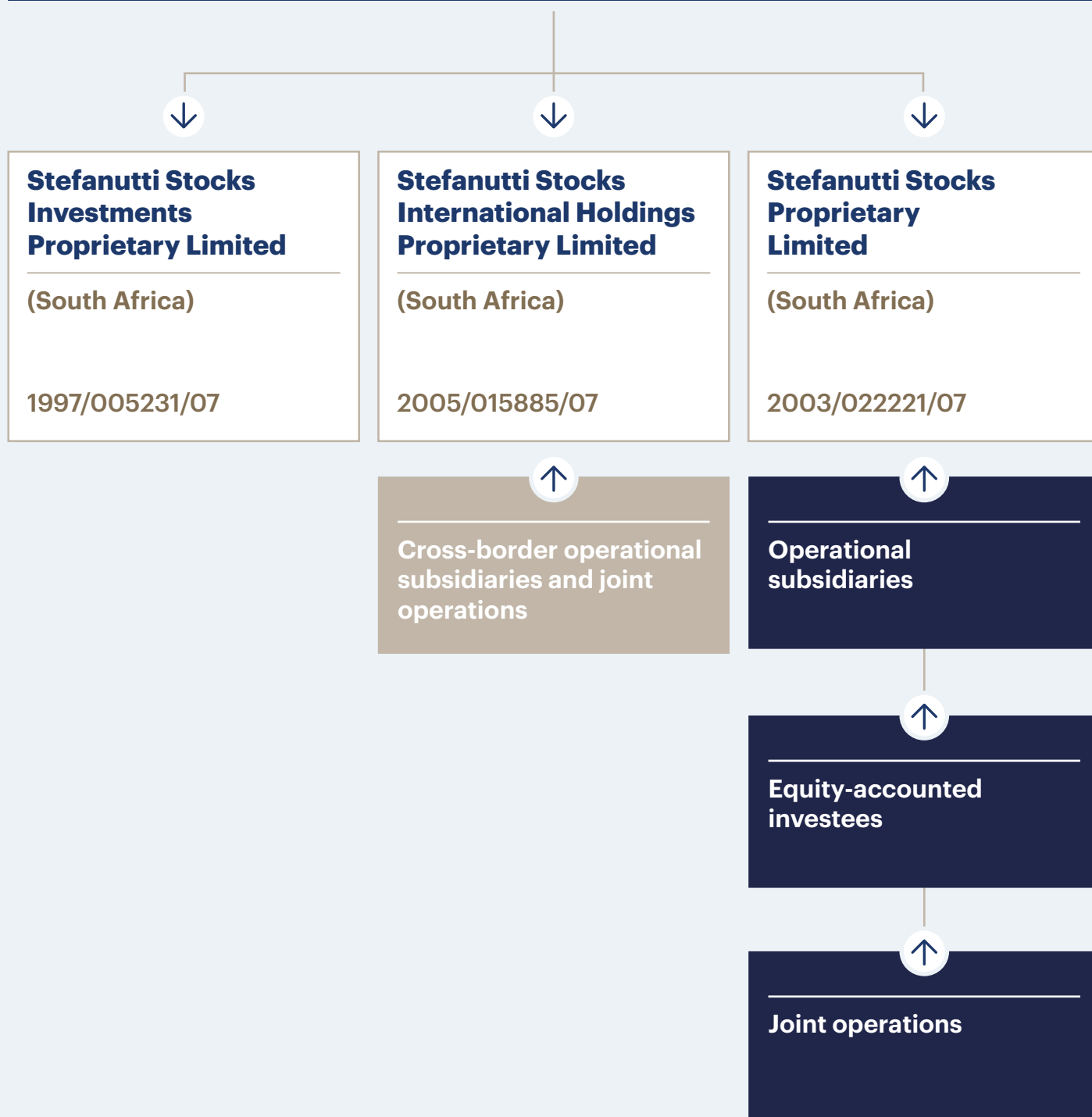
23 June 2026

Kempton Park

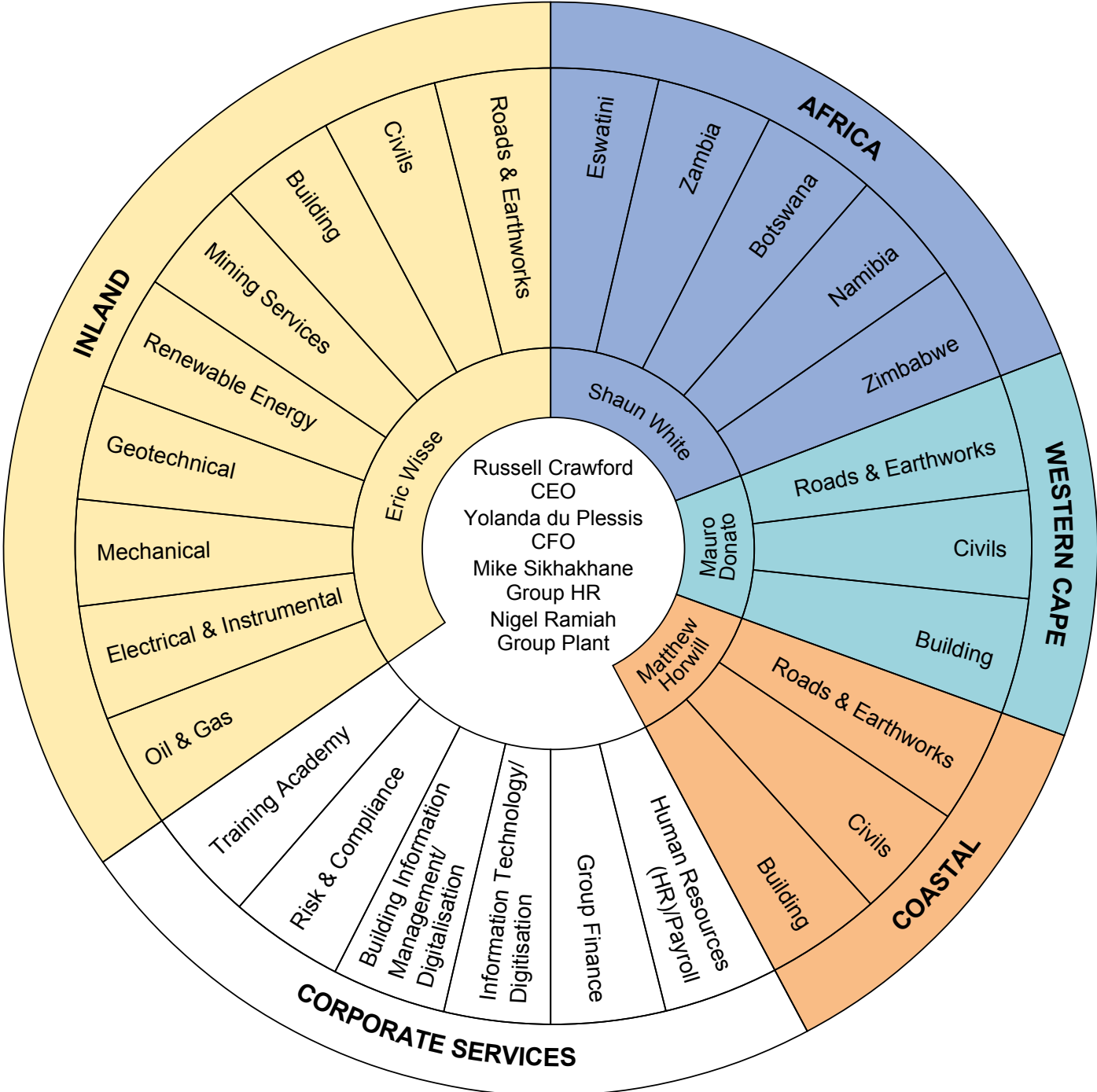
Simplified group organogram

Stefanutti Stocks Holdings Limited

1996/003767/06



Group Structure



Audit, Governance and Risk Committee report

The Audit, Governance and Risk Committee (ARCO or the committee), appointed in respect of the 2026 financial year of Stefanutti Stocks Holdings Limited, provides this report in compliance with section 94(7)(f) of the Companies Act, the principles of King IV and other regulatory requirements.

The ARCO

In addition to the specific Companies Act statutory responsibilities bestowed upon it, the committee advises and submits recommendations to the board on the group's financial reporting, internal financial controls, legislative and regulatory compliance as well as the external and internal audit functions.

Terms of reference

Guided by the Companies Act and King IV, the board has adopted and approved the committee's formal terms of reference. No changes were made to the terms of reference after the annual review process. In accordance with these terms of reference, the committee confirms that it has executed its duties during the past financial year.



Refer to pages 56 to 66 of the Integrated Annual Report for a discussion on how the 16 principles of the King IV Report on Corporate Governance for South Africa 2016 (King IV) have been applied.

Composition

The board nominated the members of the committee in respect of the 2026 financial year and shareholders appointed its members at the Annual General Meeting (AGM), which was held on 1 August 2025.

Shareholders will be requested to approve the appointment of the committee members for the 2027 financial year at the AGM that is scheduled for 7 August 2026.

The committee comprises of Bharti Harie as Chairman, Busisiwe Silwanyana and Howard Craig, all of whom are independent non-executive directors.

Errol Tate was appointed as a non-executive director and ARCO member on 18 June 2026. These appointments will be confirmed at the 2026 AGM.

The board Chairman, CEO, CFO, Group Risk Officer, Financial Manager and external auditors attend the meeting as invitees. The company secretary acts as secretary to the committee.

The board has satisfied itself that the committee members are suitably skilled, have the correct expertise and experience, are independent and are qualified to fulfil their duties.



Abridged biographies of the members are published on pages 53 and 54 of the Integrated Annual Report.

Meetings

During the year, the committee held four meetings. Attendance at these meetings is set out in the corporate governance report on page 61 of the Integrated Annual Report. The committee also met in private with the external and internal auditors.

Execution of duties

During the year the committee performed the following duties:

Governance and risk management

- Identified specific focus areas, as set out on page 6;
- Monitored compliance with the Business Ethics and Conduct Policy Statement of the company in liaison with the Social and Ethics Committee (SECO);
- Monitored compliance with applicable laws and regulations;
- Monitored reports from the company's ethics hotline;
- Oversaw the process of sustainability reporting and considered the findings and recommendations of the SECO;
- Assessed key risk areas facing the group, Information Technology (IT) risks, the risk register and recommended risk mitigation measures;
- Considered the tax report and significant tax matters;
- Oversaw insurance arrangements;
- Considered internal reports on major contracts and reviewed the loss-making contracts;
- Oversaw IT governance, including participation in a comprehensive presentation on artificial intelligence (AI);
- Considered a report from Forvis Mazars on an IT audit conducted;
- Advised and updated the board on issues ranging from accounting standards to published financial information;
- Nominated the external auditors and the designated audit partner for reappointment by shareholders at the AGM, as required by the Companies Act and the Johannesburg Stock Exchange (JSE) Listings Requirements;
- Reviewed compliance with King IV requirements;
- Monitored developments regarding the requirements of the newly issued IFRS[®] Sustainability Disclosure Standards as issued by the International Sustainability Standards Board (ISSB), namely IFRS S1 and IFRS S2;
- Monitored the ongoing interaction between the Lender Group, Chief Restructuring Officer (CRO) and the Restructuring Implementation Team (RIT) until the completion of the Restructuring Plan;
- Received feedback on the group's combined assurance model and the various lines of defence;
- Reviewed the progress of the claims process regarding the Kusile Power Project and attended meetings for feedback on the Dispute Adjudication Board (DAB) process until their successful conclusion in November 2025;
- Received feedback on the group's performance against the Restructuring Plan and cash flow, including presentations from the group's external consultants until the completion of the Restructuring Plan;
- Reviewed a high-level gap analysis on King V and noted that King V reporting will be adopted for the 2027 financial year;
- Considered a report on an ARCO effectiveness evaluation. Overall, the outcome was positive.

Audit, Governance and Risk Committee report continued

Financials and going concern

- Reviewed the draft audited Consolidated and Separate Annual Financial Statements and Integrated Annual Report, the Condensed Consolidated Financial Statements for the full year and six months;
- Included the review of the company's Restructuring Plan (with the underlying assumptions), as part of its standard agenda item for each meeting until its completion;
- Reviewed the company's ongoing solvency, liquidity and going concern status;
- Oversaw the successful conclusion of a new R850 million 5-year term facility agreement with The Standard Bank of South Africa Limited;
- Reviewed, together with the external auditors, the conformity of the audited Consolidated and Separate Annual Financial Statements and related schedules with IFRS Accounting Standards and the company's accounting policies;
- Ensured that access to all financial information, and appropriate financial reporting procedures exist, for all entities included in the consolidated financial statements;
- Approved materiality for the group consolidated financial statements in terms of IFRS Practice Statement 2 Making Materiality Judgements;
- Updated the board on the latest changes to the JSE Listings Requirements, proactive monitoring results, effective communication with investors and categorisation on disposal of assets;
- Ensured ongoing company compliance with the JSE checklist;
- Evaluated the finance function and expertise and experience of the CFO.

External audit

- Evaluated the independence of the external auditors with regard to tenure, individual partner rotation as well as their performance, and recommended their reappointment to the board;
- Reviewed the quality of the external audit function with regard to audit quality indicators as indicated in reports by external regulators. Based on these indicators, the committee was satisfied with the quality of the external audit function;
- As part of its assessment of the suitability of the reappointment of Forvis Mazars and the individual registered auditor, the audit committee chair held a meeting with the Forvis Mazars partner and country risk manager, Heloise Burger, to receive feedback and context on the latest inspection results performed by the IRBA;
- Confirmed the accreditation of the external auditors and the audit partner with the JSE with regard to tenure as well as individual partner rotation;
- Considered and evaluated the key audit matters as set out in the external auditor's report which remain largely the same as the previous year, with the exception of going concern, and the committee is satisfied that the matters have been correctly disclosed in the Integrated Annual Report and Consolidated Annual Financial Statements;

- Reviewed the areas identified by the external auditors as being of significant risk and their approach to auditing these;
- Reviewed the external audit findings and reports pertaining to the annual audit;
- Conducted a private session with the external auditors;
- Approved any non-audit services performed by the external auditors and the policy in this regard;
- Reviewed the audit plan, strategy and audit fees payable for financial year-end 2026 to the external auditors;
- Approved the audit fee for financial year-end 2026.

Internal audit

- Reviewed internal audit policies, plans, budgets, reports and findings and noted the independence of the internal audit function;
- Reviewed the quality of the internal audit function with reference to the findings from their independent internal review processes;
- Evaluated the internal audit function and expertise and experience of the Internal Audit Manager;
- Conducted a private session with the internal audit manager and group risk officer.

Internal financial controls

The committee's areas of focus in relation to internal financial controls were to:

- Evaluate the effectiveness of the group's system of internal financial controls including receiving assurance from management, internal audit and external audit;
- Review matters presented in the external auditor's reports; and
- Assess the various policies and procedures in place for the prevention and detection of fraud.

Based on the processes and assurances obtained, the committee believes that the significant internal financial controls are effective.



As required by the JSE Listings Requirements, refer to the responsibility statement by the CEO and CFO on the contents page of these Consolidated Annual Financial Statements.

Regulatory compliance

The group's compliance with applicable laws and regulations is monitored by a combination of management controls, internal audit, external audit, the sponsors and the company secretary. Given the company's size and structure, there is no dedicated in-house compliance function. However, compliance is a standard agenda item covered by the Group Risk Officer and CFO at ARCO meetings. Compliance with the Memorandum of Incorporation (MOI) is overseen by the company secretary.



For a more detailed discussion on regulatory compliance refer to the corporate governance report, commencing on page 56 of the Integrated Annual Report. Refer also to page 4 of the Integrated Annual Report for the statement of compliance with the Companies Act and the MOI.

Audit, Governance and Risk Committee report continued


Oversight of risk management

The committee oversees the risk management process and has confirmed the independence of the internal audit function.

The Group Risk Officer and the Internal Audit Manager report directly to the committee and address all risk identification, measurement and management through these channels.

A risk management framework, risk policy and risk register were presented for consideration to the committee during the year. The committee has confirmed that the following focus areas below have been attended to:

- Financial reporting risks;
- Funding and liquidity risks with the Lender Group (which have been reduced after the successful conclusion of a new five-year term facility agreement with The Standard Bank of South Africa in October 2025);
- Kusile Power Project contract risks (until its successful conclusion in November 2025);
- Internal financial controls;
- Fraud and ethics-related risks; and
- Information technology and cyber related risks, including the adequacy of controls and governance over technology.

 For a detailed discussion on the group's risk management framework and material risks, refer to page 15 of the Integrated Annual Report.

Independence of external auditors

The committee assesses the independence, objectivity and effectiveness of the external auditors on an annual basis. As part of this process, the committee meets with the external auditors, without management being present, to facilitate open discussion of matters that may not be appropriate for consideration in a management forum. Constructive feedback arising from these engagements is provided to management where relevant.

As part of its assessment of the suitability of the reappointment of Forvis Mazars and the individual registered auditor, the audit committee chair held a meeting with the Forvis Mazars partner and country risk manager, Heloise Burger to receive feedback and context on the latest inspection results performed by the IRBA.

The committee also reviews the group's non-audit services policy annually to evaluate whether any non audit services could impair auditor independence.

Non-audit services performed during the reporting period by the group's external auditors included AI training for the group's internal audit team.

The Audit Committee is satisfied that the provision of these services did not impair the independence of the external auditor. Non-audit services performed by the subsidiary external auditors were immaterial.

The committee is satisfied with the external auditor's independence, based on enquiries made by the committee and assurances given by the auditors. The committee has thus recommended to the board and to the shareholders, the reappointment of Forvis Mazars as the independent registered audit firm and Yusuf Dockrat as the individual registered auditor. Yusuf Dockrat has served as the individual registered auditor since 2024 and will rotate in 2028 in accordance with partner rotation requirements.

Forvis Mazars has been the auditor of the group for 20 years. Significant changes in management over the tenure of the external audit firm mitigates the risk of familiarity including the appointment of a new CEO in August 2019, a new CFO in May 2022 and various other board and executive committee appointments.

 Refer to pages 53 to 55 of the Integrated Annual Report.

Significant audit risks that the ARCO has considered in relation to the Consolidated Annual Financial Statements.

Significant risks

Audit Committee's response

1 Valuation of Goodwill (note 12)

Included in the Consolidated Annual Financial Statements is goodwill of R272 million, comprising 4,74% (2025: 5,35%) of total assets in the group. The assessment of whether this asset is impaired is considered each year.

The committee considers the reasonability of the outcome of the goodwill impairment calculations through discussions with the CFO, consideration of the work performed by the external auditors and its own knowledge of the operations.

2 Recognition of contract revenue and the valuation of contracts in progress, excess billings over work done and contract provisions (note 3, 15, 22)

The industry in which the group operates is characterised by contract risk with significant judgement involved in the assessment of both current and future financial performance. A significant amount of management estimation and judgement is required in order to report the performance of each contract for each period accurately.

The committee assesses the reasonability of the amounts reported for revenue, contracts in progress, excess billings over work done and contract provisions based on their knowledge of the business and budget information received.

The committee obtains reasons for significant variances and also considers the work performed by the external auditors.

Audit, Governance and Risk Committee report continued

Internal audit

The purpose, scope, responsibilities, independence and ethical requirements of the internal audit function are set out in the internal audit charter. The internal audit function monitors the group's exposure to risk and assesses the reliability and effectiveness of risk management processes and controls.

The Internal Audit Manager reports to the Group Risk Officer on an administrative basis and reports functionally to the committee, with unfettered access to the CEO, board Chairman and committee chairman.

The ARCO also meets annually with the Internal Audit Manager, without management being present, to facilitate an exchange of views and concerns that may not be appropriate for discussion in an open forum. Constructive feedback is then given to management.

Internal audit activities are aligned with the International Professional Practice Framework (IPPF) and are required to be objective, risk based, independent, appropriately resourced and forward looking.

Therefore, the internal audit function must:

- Be objective and free from undue influence (independent);
- Align with the strategies, objectives and risks of the organisation;
- Be appropriately positioned and adequately resourced;
- Demonstrate quality and continuous improvement;
- Communicate effectively;
- Provide risk-based assurance;
- Be insightful, proactive and future-focused; and
- Promote organisational improvement.

In addition, the internal audit function is tasked with monitoring and assessing the group's corporate governance, in particular the various delegation of authority frameworks applicable across the group.

The group's numerous levels of management are responsible for designing, implementing and evaluating the risk management plans and must ensure their sustainability in all aspects of the business.

The committee directs the risk-based internal audit plan, which is based on the key risks identified by executive management and confirmed by the committee. At the beginning of the year the internal audit plan was presented to the committee for annual review and approval.

The following processes were dealt with in the approved internal audit plan:

- Tender and estimating;
- Plant, workshop and formwork;
- Purchases and payables;
- Subcontractor payments;
- Payroll salaries and wages;
- ISO 27001:2022 Information Security Management Systems review; and
- Contract (site administration) reviews.

All findings were communicated to management who reinforced the existing controls or implemented new controls and processes to minimise the risk identified to an acceptable level, comparing the advantages gained with the cost of the control.

The group's internal audit function also appraises the group's risk management, corporate governance processes and internal controls and submits its assessment of these to the committee annually.

The internal audit function provides annual confirmation to the ARCO that it conforms to the recognised industry code of ethics.

Focus areas

The focus areas for the year under review were as follows:

- Ongoing monitoring of the Restructuring Plan covering:
 - Going concern;
 - Solvency and liquidity;
 - Funding requirements and repayments;
 - Asset disposals;
 - Debtors recoverability;
 - Material contracts;
 - Working capital requirements and movement; and
 - Receiving feedback from the CRO and RIT.
- Examining the draft provisions of the new King V and its impact on the audit committee.

Audit, Governance and Risk Committee report continued

The focus areas for the coming year are as follows:

- Ongoing monitoring of the group’s cash flow forecasts covering:
 - Going concern;
 - Solvency and liquidity;
 - Debtors recoverability;
 - Material contracts; and
 - Working capital requirements.
- Monitoring compliance with the facility agreement through review of the financial model and repayment of the facility; and
- Implementing the provisions of the new King V in relation to the ARCO.

Internal audit manager

The annual evaluation of the internal audit function and the Internal Audit Manager was undertaken during the year as recommended by King IV principles. The committee is satisfied that the Internal Audit Manager, Gerrit Joubert, has the appropriate qualifications, expertise, skills and experience to meet the responsibilities as Internal Audit Manager.

The committee has also satisfied itself that the resources within the internal audit function are appropriate to provide the Internal Audit Manager with the necessary support to properly fulfil his function. When making its evaluation, the committee considered the recommendations raised by the Group Risk Officer.

CFO

The annual evaluation of the finance function and the CFO was undertaken during the year as required in terms of the JSE Listings Requirements. The committee is satisfied that the CFO, Yolanda du Plessis, has the appropriate qualifications, expertise, skills and experience to meet the responsibilities as CFO.

The committee has also satisfied itself that the resources within the finance function are appropriate to provide the CFO with the necessary support to properly fulfil her function. When making its evaluation, the committee considered the matters raised by the external auditors.

Annual Financial Statements and Integrated Annual Report

The committee has reviewed the Consolidated and Separate Annual Financial Statements of Stefanutti Stocks Holdings Limited for the year ended 28 February 2026, and is of the view that in all material respects they comply with the relevant provisions of the Companies Act, IFRS® Accounting Standards (IFRS Accounting Standards), the JSE Listings Requirements, and the SA Financial Reporting Requirements and fairly present the consolidated and separate financial position as at 28 February 2026, and its financial performance, the statement of changes in equity and cash flows for the financial year.

These are available on the company’s website: www.stefanuttistocks.com

The committee has also satisfied itself as to the integrity of the remainder of the Integrated Annual Report, including the Sustainability Report, and accordingly has recommended the Integrated Annual Report for the year ended 28 February 2026 for approval to the Stefanutti Stocks board. The board has approved the report, which will be open for presentation at the forthcoming AGM.

On behalf of the ARCO.



Bharti Harie
Chairman

23 June 2026

Directors' report

Nature of business

Stefanutti Stocks Holdings Limited (Registration No. 1996/003767/06) (the company, the group or Stefanutti Stocks) is a public company incorporated and domiciled in the Republic of South Africa and is listed in the General Segment of the Johannesburg Stock Exchange (JSE) Main Board in the "Construction and Materials — Construction" sector.

Stefanutti Stocks is a multidisciplinary construction group that delivers projects, of any scale, to diverse sectors in the built environment. The group's geographical footprint spans South Africa and sub-Saharan African countries where its mission is to deliver exceptional engineering solutions that enrich people's lives.

A simplified group organogram has been provided, additional information on the group's operating entities is available on request. Please refer to page 1.

Restructuring Plan update

The group hereby provides shareholders with an update on the Restructuring Plan as reported in the Reviewed Condensed Consolidated results for the 12 months ended 28 February 2026, issued on 26 May 2026.

Shareholders were previously advised that the Lenders extended the capital repayment profile of the current loan as well as its duration to 30 June 2026.

The group, through its primary operating subsidiary, concluded a new five-year term facility of R850 million with The Standard Bank of South Africa Limited (the Facility).

The Facility replaced the current loan, which was fully settled on 31 October 2025, thereby terminating the historic lender arrangements and the Restructuring Plan.

The new Facility bears interest at the equivalent of the three-month Johannesburg Interbank Average Rate (JIBAR) or equivalent rate, plus a margin of 3,50% compounded quarterly and will be repaid in 19 equal quarterly instalments from February 2026 to August 2030, following an initial interest-only payment of R6,7 million in November 2025.

Funds received from the settlement on the Kusile Power Project and proceeds from the disposal of SS-Construções (Moçambique) Limitada (SS Mozambique), less associated costs and working capital requirements, have been utilised to make capital prepayments of R620 million, together with the first instalment of R16,8 million (capital portion R7,5 million), thereby reducing the outstanding capital of the Facility from R850 million to R223 million. Interest on the Facility (including the historical loan) amounts to R80 million (Feb 2025: R115 million) for the financial year.

The Facility is partially supported by financial guarantees provided by the group's guarantee providers. In addition, the Facility is secured through customary security arrangements and includes standard covenant requirements that are typical for agreements of this nature. After year-end, the guarantee providers were released from their obligations under the Facility.

As on 28 February 2026, the financial covenants for the Facility were met. Refer to note 20.

Kusile Power Project summary

As previously communicated to shareholders, Stefanutti Stocks continued to pursue its contractual claims on the Kusile Power Project with Eskom.

Since August 2021, the group has secured payments totalling R132 million for measured work and Dispute Adjudication Board (DAB) rulings.

In terms of the "Interim Arrangement" entered into with Eskom in February 2020, for the Purposes of Agreeing or Determining the Contractor's Claims and Facilitating the Dispute Resolution Process relating to Claim 5 (delay events up to 31 December 2019), the DAB issued its Sub-clause 20.4 decision on 17 October 2025, awarding Stefanutti Stocks R685 million (excluding VAT).

Both parties had the right to refer the decision to arbitration, however, in terms of the Contract, the decision was binding and enforceable unless revised by amicable settlement or an arbitral award.

Eskom issued a notice of dissatisfaction and indicated that they intended to have the award set aside in totality by the High Court of South Africa. If successful, Claim 5 would be referred to arbitration, thereby recommencing the entire claims process.

The group submitted Claim 6, for delay events after December 2019 in May 2025, through the contractual process. Eskom also submitted its delay damages claim for late completion, which Stefanutti Stocks would have defended through the contractual process. Should Claim 6 and/or the delay damages claim have failed in the contractual process, either would be referred to the DAB for resolution.

The Contract provided for amicable settlement prior to the commencement of an arbitration process. Consequently, after careful deliberation, the Board of Stefanutti Stocks considered it appropriate to approach Eskom with a view of reaching a settlement with respect to Claim 5, Claim 6 and Eskom's delay damages claim for late completion.

Stefanutti Stocks and Eskom on 24 November 2025 signed a full and final settlement agreement for an amount of R580 million (excluding VAT) (Settlement Amount), which constitutes a mutual release of any and all actual or potential claims, disputes or entitlements either party may have against the other arising or in connection with the Contract.

The Settlement Amount of R580 million (excluding VAT) has been received and a prepayment was made towards the Standard Bank Facility.

The recognition of the Settlement Amount increased contract revenue by R448 million, operating profit by R388 million and investment income by R132 million. The profit after tax relating to the Settlement Amount is R492 million.

Going concern

The directors believe that the group has adequate financial resources to continue in operation for the foreseeable future and accordingly consider it appropriate that the group's results for the year be prepared on the going-concern basis. This takes into consideration the group's financial performance, financial position, current order book, operations profitably executing the group's order book and forecast cash flows.

Directors' report continued

The group delivered a strong performance in the current and prior two financial years, with consistent profitability and positive operating cash flows. Furthermore, the conclusion of the restructuring plan and the settlement of the Kusile Power Project contributed to the group's net current liability position improving, compared to the prior year.

As at 28 February 2026, the group's current liabilities exceeded its current assets by R133 million (Feb 2025: R1 302 million) and as of that date, had an accumulated loss of R386 million (Feb 2025: R1 062 million).

Geopolitical developments — Middle East

Ongoing geopolitical instability in the Middle East continues to contribute to volatility in global energy markets, logistics networks and foreign exchange rates.

While the group has no direct operations in the region, indirect impacts may arise through fluctuations in diesel and fuel prices, increased shipping lead times, and inflationary pressure on certain oil-linked construction inputs. These risks are being actively managed through contractual escalation mechanisms, client-supplied fuel arrangements, early procurement strategies and disciplined contractual engagement. The group's exposure is considered manageable, with no material disruption identified to date.

Non-current assets held for sale, discontinued operations and disposal groups

Certain underutilised plant and equipment and the disposal group have been earmarked for sale and accordingly have been reclassified in terms of IFRS 5: Non-current Assets Held for Sale and Discontinued Operations.

Refer to note 7.

Financial results and year under review

The Consolidated Annual Financial Statements of Stefanutti Stocks Holdings Limited and its subsidiaries, joint operations and equity-accounted investees (collectively the group) for the year ended 28 February 2026 are set out in the annual financial statements presented on pages 16 to 88.

The Consolidated Annual Financial Statements for the group (results for the year) have been prepared in accordance with IFRS Accounting Standards and the SA Financial Reporting Requirements. The report is compliant with the relevant provisions of the Companies Act No. 71 of 2008, as amended, and the JSE Listings Requirements.

The accounting policies as well as the methods of computation used in the preparation of the results for the year ended 28 February 2026 are in terms of IFRS Accounting Standards and are consistent with those applied in the audited annual financial statements for the year ended 28 February 2025 except as stipulated otherwise.

These results are in line with the trading update released on the JSE Stock Exchange News Services (SENS) on 15 May 2026 indicating Earnings Per Share (EPS) and Headline Earnings Per Share (HEPS) for continuing operations to reflect a profit of between 362,41 and 387,41 per share and between 369,13 and 394,16 per share respectively.

Contract revenue and operating profit before investment income increased to R7,8 billion (Feb 2025: R7,7 billion) and R689 million (Feb 2025: R333 million) respectively, due to the recognition of the Kusile Power Project settlement, which contributed R448 million to contract revenue and R388 million to operating profit.

Earnings before interest, tax, depreciation and amortisation (EBITDA) improved to R852 million from R428 million for the comparative period and includes R388 million relating to the Kusile Power Project settlement.

Contract revenue and operating profit on a normalised basis (excluding the effects of the Kusile Power Project settlement and the impairment of land and buildings of R27 million) is R7,4 billion and R328 million respectively, with an EBITDA of R464 million.

Included in EBITDA is a net expected credit loss (ECL) reversal of R40 million (Feb 2025: R77 million provision raised) which mainly consists of R34 million relating to debtors previously provided for, now written-off as uncollectible (no impact to operating profit), and a reversal of R16 million relating to the Kalabo settlement against funds received of R16 million.

The group disposed of its 44% interest in an unincorporated joint operation in Eswatini, effective 9 January 2026, resulting in a profit of R11 million, which is included within operating profit.

Depreciation increased to R134 million (Feb 2025: R91 million) due to capital expenditure incurred during the current and prior financial year.

The group revised its accounting policy relating to the frequency of revaluations of land and buildings, reducing the interval between revaluations from five years to four years, to ensure that the carrying amounts of land and buildings appropriately reflect their fair values. The group performed a revaluation of its land and buildings on 28 February 2026. These revaluations resulted in an impairment of R27 million included in the statement of profit and loss and an increase in the revaluation reserve of R27 million within the statement of changes in equity.

Included within investment income of R167 million (Feb 2025: R50 million) is R132 million relating to the Kusile Power Project settlement. With the exclusion of this interest, investment income reduced to R35 million, which is mainly due to less interest earned on bank balances over the period.

Equity-accounted investees reported a loss of R0,9 million (Feb 2025: R3 million) reflecting continued pressure in the South African property market. The Botswana equity-accounted investee declared a dividend of R6 million (Feb 2025: R13 million) reducing the carrying value to R2 million (Feb 2025: R9 million).

Directors' report continued

Finance costs include interest paid on the Facility (and historical loan) of R80 million (Feb 2025: R115 million), as well as interest on instalment sale agreements and lease liabilities of R38 million (Feb 2025: R25 million).

The tax charge is impacted by the utilisation of a portion of the assessed losses for the South African trading entity, the additional recognition of a deferred tax asset of R35 million on these losses and losses relating to certain foreign subsidiaries for which a deferred tax asset was not recognised.

Profit for the year for total operations increased to R620 million, including R492 million pertaining to the Kusile Power Project settlement, compared to R131 million for the comparative period.

Earnings and headline earnings per share for total operations improved to 370,44 cents (Feb 2025: 78,60 cents) and 359,26 cents (Feb 2025: 109,36 cents) respectively.

The group's current order book is R17,2 billion (Feb 2025: R8,6 billion) of which R6,0 billion (Feb 2025: R1,0 billion) arises from work beyond South Africa's borders and R8,5 billion (Feb 2025: R3,6 billion) for periods beyond February 2027 (Feb 2026).

Property, plant and equipment increased to R1 078 million (Feb 2025: R865 million) due to the acquisition of new plant and equipment of R325 million, of which R102 million was financed through instalment sale agreements and R97 million relates to right-of-use assets.

The increase in trade receivables is mainly attributable to milestone payments invoiced and a receivable on a tailings dam project, which was recovered subsequent to year-end. In addition, a significant receivable, relating to a road infrastructure project, remains outstanding.

Contracts in progress increased from R595 million to R705 million mainly due to costs incurred on a wastewater treatment project.

The reduction in financial liabilities from R1 237 million to R668 million is attributable to the repayment of the Standard Bank Facility of R627 million, reducing the outstanding balance to R223 million (Feb 2025: R849 million) offset by the increase in instalment sale agreements and lease liabilities from R320 million to R390 million due to increased capital expenditure during the year.

A substantial part of the increase in excess billings over work completed, amounting to R2,7 billion (February 2025: R1,2 billion), relates to milestone-based contracts and advances on long-term projects, and is expected to unwind in line with project delivery.

Provisions reduced due to the completion of certain projects and the finalisation of the loss-making project in Mauritius.

Cash generated from total operations of R1,7 billion (Feb 2025: R403 million) includes an inflow from working capital of R947 million (Feb 2025: R59 million), consisting of a R1,6 billion increase in excess billings over work done. Total tax of R148 million was paid during the year.

The group's cash position increased to R1,1 billion (Feb 2025: R470 million) notwithstanding net capital payments of R786 million (Feb 2025: R294 million).

The translation of certain foreign operations resulted in a R54 million loss (Feb 2025: R48 million loss) being recognised in other comprehensive income.

In August 2023, the group awarded 10,1 million shares in terms of the Forfeitable Share Plan (FSP), which will vest in August 2026. In terms of the FSP rules, there are various options which can be used to settle these awards. For certain options, this will result in the number of weighted average shares in issue to increase from 167 243 684 to 177 293 684. The group will assess these options at the time of settlement (note 19).

Summarised group results — continuing operations

	2026 R'000	2025 R'000	Commentary on the year-on-year movements
Contract revenue (note 3)	7 839 869	7 657 091	Contract revenue increased due to the recognition of the Kusile Power Project settlement, which contributed R448 million to contract revenue.
Operating profit before investment income	689 062	333 370	Increase is due to the recognition of the Kusile Power Project settlement, which contributed R388 million to operating profit.
Investment income (note 5)	167 469	49 774	Included within investment income is R132 million relating to the Kusile Power Project settlement. With the exclusion of this interest, investment income reduced by R15 million, which is mainly due to less interest earned on bank balances over the period.
Finance costs (note 5)	142 766	126 606	Increase is mainly due to interest on instalment sale agreements and lease liabilities of R38 million (Feb 2025: R25 million), due to the acquisition of new plant and equipment during the current and prior year of R199 million.
Financial liabilities (note 20)	667 573	1 237 483	The reduction is due to the repayment of the Standard Bank Facility of R627 million, reducing the outstanding balance from R850 million to R223 million offset by the increase in instalment sale agreements and lease liabilities from R320 million to R390 million due to increased capital expenditure.
Earnings per share (cents) (note 8)	378,01	124,97	Earnings per share improved as a direct result of the movement in the statement of profit or loss.
Headline earnings per share (cents) (note 8)	381,38	125,13	Refer to note 8 on calculation of headline earnings per share.

Directors' report continued

Safety

Management and staff remain committed to the group's health and safety policies and procedures and together strive to constantly improve the group's safety performance. The group's Lost Time Injury Frequency Rate at 28 February 2026 was 0,06 (Feb 2025: 0,08) and the Recordable Case Rate was 0,26 (Feb 2025: 0,29).

Broad-based Black Economic Empowerment (B-BBEE)

The group is a level 1 B-BBEE contributor measured in terms of the Construction Sector scorecard with a Black Ownership score of 55,12%.

Industry-related matters

The group has experienced less disruption of unlawful activities by certain communities and informal business forums in several areas of South Africa.

Dividend declaration

The dividend policy is to consider the declaration of dividends based on the group's profitability, cash flow generation, capital requirements, funding obligations and overall financial position.

The declaration of dividends remains subject to the Board's discretion and compliance with applicable legal and regulatory requirements.

Notice is hereby given that no dividend will be declared (Feb 2025: Nil).

Capital commitments

Capital commitments relate to expenditure for plant and equipment which has been authorised and/or contracted for but not yet recognised in the financial statements. Capital commitments which have been authorised and/or contracted for at 28 February 2026 amount to R147 million (Feb 2025: R7 million).

Subsequent events

Other than the matters noted herein, there are no other material reportable events which occurred between the reporting date and the date of release of the Consolidated Annual Financial Statements.

Changes and proposed changes to the board of directors

In accordance with paragraph 6.71 of the Listings Requirements of the JSE Limited, shareholders are advised of the following changes to the board:

Zanele Matlala has advised the board of her intention to retire at the annual general meeting to be held on 7 August 2026 and will accordingly not stand for re-election.

Zanele has served on the board since 2012 and will step down as chairman of the board, as a member of the Remuneration Committee (REMCO) and as chairman of the Nominations Committee (NOMCO) effective 7 August 2026.

The Board expresses its appreciation to Zanele for her valued past contributions and guidance over the years and wishes her all the best for the future.

Following Zanele's retirement, Howard Craig will be appointed as chairman of the board with effect from 7 August 2026. At the same date, he will step down as a member of the Audit and Risk Committee (ARCO), member of the Social and Ethics Committee (SECO) and as chairman of the REMCO but will remain as a member of the REMCO. He will also be appointed as chairman of the NOMCO.

Bharti Harie will be appointed as chairman of the REMCO and member of the SECO on 7 August 2026.

Errol Tate has been appointed as an independent non-executive director with effect from 18 June 2026 and as a member of the ARCO, REMCO and NOMCO with effect from the same date. His detailed CV can be found on page 53 of the Integrated Annual Report.

The board welcomes Howard and Bharti to their respective new roles and Errol to the board and relevant committees and look forward to their contributions.

Directorate

The names of the directors who currently hold office are set out in the Corporate Information section.

Resolutions

At the 2025 annual general meeting, the shareholders of the company passed the following special resolutions:

- Approval of non-executive directors' fees.
- Authorisation to provide financial assistance to present or future subsidiaries.
- Approval to repurchase shares — the company and/or its subsidiaries are authorised by way of general authority to acquire ordinary shares issued by the company within the limits set out by the resolution.
- Amendments to the company's Memorandum of Incorporation.

Approval

The Consolidated Annual Financial Statements, which appear on pages 16 to 88, were approved by the board of directors and are signed by:



Russell Crawford
Chief Executive Officer



Yolanda du Plessis
Chief Financial Officer

23 June 2026
Kempton Park

Independent auditor's report

To the Shareholders of Stefanutti Stocks Holdings Limited

Report on the audit of the consolidated financial statements

Opinion

We have audited the consolidated financial statements of Stefanutti Stocks Holdings Limited and its subsidiaries (the group) set out on pages 16 to 88, which comprise the consolidated statement of financial position as at 28 February 2026, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of Stefanutti Stocks Holdings Limited and its subsidiaries as at 28 February 2026, and its consolidated financial performance and consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board and the requirements of the Companies Act of South Africa.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the group in accordance with the Independent Regulatory Board for Auditors' Code of Professional Conduct for Registered Auditors (IRBA Code) and other independence requirements applicable to performing audits of financial statements in South Africa. We have fulfilled our other ethical responsibilities in accordance with the IRBA Code and in accordance with other ethical requirements applicable to performing audits in South Africa. The IRBA Code is consistent with the corresponding sections of the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards). We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

In terms of the IRBA Rule on Enhanced Auditor Reporting for the Audit of Financial Statements of Public Interest Entities, published in Government Gazette No. 49309 dated 15 September 2023 (EAR Rule), we report:

Final materiality

The nature, timing and extent of our audit procedures was influenced by our determination and application of materiality. We have quantitatively calculated the materiality threshold, based on our professional judgement, as detailed in the table below, factoring in any qualitative considerations. We have evaluated the effect of any misstatements noted during the audit on an individual and aggregate basis.

We determined materiality for the consolidated financial statements as a whole as follows:

Materiality	R101 918 000
Basis for determining materiality	We have used 1,3 % of consolidated revenue from operations as the basis for materiality.
Rationale for the benchmark applied	We have determined that consolidated revenue from operations is an appropriate quantitative indicator of materiality as consolidated revenue best reflects the financial performance of Stefanutti Stocks Holding Limited. In our view, it is a benchmark that provides the best indication of the size of the group. This benchmark has remained a key driver of the group's business. We have also taken into account misstatements and/or possible misstatements that in our opinion are material for the users of the consolidated financial statements for qualitative reasons.

Group audit scope

The group audit scope was determined on indicators such as the contribution from each component to consolidated revenue from operations, consolidated assets, as well as risks associated with the component. A combination of full scope audits, audits of specific classes of transactions, account balances or disclosures and specified procedures were performed.

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the consolidated financial statements as a whole, taking into account the structure of the group, the accounting processes and controls and the industry in which the group operates.

The group consists of thirty-nine components. Based on our assessment, we identified eight significant components, for which full scope audits were performed. Audits of specific account balances were performed on significant account balances and transactions for a further ten components as a result of significant account balances and transactions within those components. In order to obtain sufficient and appropriate audit evidence in respect of those components that were considered to be financially inconsequential, the group engagement team performed analytical review procedures in respect of the financial information of these components.

We sent detailed audit instructions to all component auditors, covering the significant areas and the information required to be reported to us. Based on our risk assessment, we determine the level of involvement in component audits. We reviewed key working papers and conclusions. We communicated regularly with the component auditors during various stages of the audit.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

In terms of the EAR Rule, we are required to report the outcome of audit procedures or key observations with respect to the key audit matters and these are included below:

Independent auditor's report continued

Matter #01	Valuation of goodwill (note 12)
Description of the key audit matter	<p>Included in the consolidated financial statements as disclosed in Note 12 is goodwill comprising 4,74% (2025: 5,35%) of total assets in the group.</p> <p>As required by IAS 36: Impairment of Assets, goodwill is assessed for impairment annually or more frequently if events or changes in circumstances indicate that the carrying amount may be impaired.</p> <p>Impairment is determined by assessing the recoverable amount of the cash-generating units (CGUs) to which the goodwill relates. The recoverable amount is determined as the value-in-use of each cash-generating unit by estimating the expected future cash flows and applying an appropriate discount rate to calculate the present value.</p> <p>During the current year, the group's financial performance and liquidity position improved relative to the prior year, resulting in reduced uncertainty in certain key assumptions applied in the impairment models. Notwithstanding this improvement, the impairment assessment remains sensitive to changes in key assumptions.</p> <p>The impairment models are based on a number of key assumptions, including:</p> <ul style="list-style-type: none"> — Future revenue — Operating margins — Interest rates — Discount rates applied to projected future cash flows — Growth rate <p>The complexity of these assumptions is mainly due to varying industry disciplines within the group which differ in nature, as well as contract execution, as well as the difficulties faced by the construction industry.</p> <p>The impairment testing of goodwill is considered to be a key audit matter due to the judgement involved in forecasting future cash flows and determining appropriate discount rates as well as the sensitivity of the impairment assessment to changes in these key assumptions.</p>
How we addressed the key audit matter	<p>As part of our audit approach, we performed the following procedures:</p> <ul style="list-style-type: none"> — With the assistance of our valuation experts we critically assessed whether the model used by directors to calculate the value in use of the individual CGUs complied with the requirements of IAS 36; — Evaluated the assumptions used in determining the discount rates and growth rates by benchmarking these against observable market data and independently recalculating the rates; — Performed sensitivity analyses on key assumptions, including discount and growth rates, and assessed the resulting impact on goodwill headroom; — Assessed the reasonableness of forecast assumptions by comparing actual results for 2026 to approved budgets and obtaining explanations from management for any significant variances; — Corroborated management's explanations with supporting documentation, where appropriate; and — Evaluated the adequacy of goodwill-related disclosures in the consolidated financial statements in accordance with the requirements of IAS 36. <p>Based on the procedures performed, the key assumptions applied by management were within a reasonable range, and the impairment assessment and related disclosures were considered appropriate.</p>
Matter #02	Recognition of contract revenue and the valuation of contracts in progress, excess billings over work done and contract provisions (note 3, 15, 22)
Description of the key audit matter	<p>The industry in which the group operates is characterised by contract risk with significant judgement involved in the assessment of both current and future financial performance. A significant amount of management estimation and judgement is required in order to report the performance of each contract for each period accurately.</p> <p>Revenue is recognised over time based on the stage of completion of individual contracts, measured by reference to surveys of work performed.</p> <p>The status of contracts is updated on a regular basis. In doing so the directors are required to exercise judgement in assessing:</p> <ul style="list-style-type: none"> — the valuation of contract variations and claims; — the completeness and accuracy of forecasted costs to complete; and — the ability to deliver contracts within forecasted timescales. <p>Judgement is also applied with respect to the recognition and measurement of contracts in progress and excess billings over work done.</p> <p>The estimation of contract outcomes, involves significant judgement and remains sensitive to changes in underlying assumptions. Accordingly, the recognition of contract revenue and related balances was considered to be a key audit matter.</p>

Independent auditor’s report continued

Matter #02 continued	Recognition of contract revenue and the valuation of contracts in progress, excess billings over work done and contract provisions (note 3, 15, 22)
How we addressed the key audit matter	<p>Our work performed included, but was not limited to:</p> <ul style="list-style-type: none"> — Evaluated the appropriateness of the group’s revenue recognition policies and the adequacy of related disclosures for contracts; — Assessed the design and implementation of key controls over contract revenue recognition, including testing whether such controls operated effectively throughout the period; — Agreed the recognised construction revenue amounts, on a sample basis, to externally approved and signed off revenue certificates; — Analysed management’s estimates of total forecast revenue, costs to complete and profit through inspection of underlying contract documentation, to perform a reasonability test of the estimate made by management of the progress made towards completion of the performance obligation. This included considering the historical accuracy of such estimates; — In assessing management’s estimate of progress, we independently calculated an estimate of the progress made towards completion of the performance obligation, based on the input method and compared it to the survey of work performed which was used to quantify the contract assets and contract liabilities recognised using the output method; — Assessed the recoverability of contracts in progress with reference to post year-end events; — Evaluated the accounting treatment and recognition of significant contract settlements during the year with reference to underlying agreements and supporting documentation; — Reviewed legal and contentious matters to determine whether contingent assets or liabilities exist, including assessing the likelihood of future economic outflows; and — Assessed the reasonableness of contract cost provisions and onerous contract provisions by critically evaluating management’s assumptions, judgements, and calculations. <p>Based on the procedures performed, the judgements applied by management were supported by available evidence and the related balances and disclosures as at 28 February 2026, were considered appropriate.</p>

Other information

The directors are responsible for the other information. The other information comprises the information included in the document titled “Stefanutti Stocks Group Consolidated Annual Financial Statements for the year ended 28 February 2026” which includes the Directors’ Report, Audit, Governance and Risk Committee’s Report and the Company Secretary’s Certificate as required by the Companies Act of South Africa.

Our opinion on the consolidated financial statements does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the consolidated financial statements

The directors are responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board and the requirements of the Companies Act of South Africa, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors are responsible for assessing the group’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or to cease operations, or have no realistic alternative but to do so.

Auditor’s responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Independent auditor's report continued

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for the purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirements

In terms of the IRBA Rule published in Government Gazette Number 39475 dated 4 December 2015, we report that Forvis Mazars has been the auditor of Stefanutti Stocks Holdings Limited and its subsidiaries for 20 years.



Forvis Mazars

Partner: Yusuf Dockrat
Registered Auditor

24 June 2026
Johannesburg

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended 28 February

	Note	2026 R'000	2025 R'000
Continuing operations			
Contract revenue	3	7 839 869	7 657 091
Other income	4	22 300	74 700
Operating expenses		(7 049 554)	(7 226 970)
Net expected credit losses	15, 16, 27	39 531	(76 536)
Earnings before interest, taxation, depreciation and amortisation (EBITDA)			
	4	852 146	428 285
Depreciation	9	(133 578)	(90 686)
Fair value adjustments	7.3	(2 356)	(1 965)
Impairment of assets	9, 10	(27 150)	(2 264)
Operating profit before investment income			
		689 062	333 370
Investment income	5	167 469	49 774
Share of losses of equity-accounted investees	10	(887)	(2 904)
Operating profit before finance costs			
		855 644	380 240
Finance costs	5	(142 766)	(126 606)
Profit before taxation			
		712 878	253 634
Taxation	6	(80 679)	(44 633)
Profit for the year			
		632 199	209 001
Loss after tax for the year from discontinued operations	7.2	(12 658)	(77 547)
Profit for the year			
		619 541	131 454
Other comprehensive income			
		(47 485)	(68 002)
Exchange differences on translation of foreign operations (may be reclassified to profit/(loss)) — Continuing operations		(54 176)	(48 385)
Exchange differences on translation of foreign operations (may be reclassified to profit/(loss)) — Discontinued operations	7.2	4 703	(15 962)
Revaluation of land and buildings (may not be reclassified to profit/(loss)) — Continuing operations	9, 13	27 395	—
Impairment losses recognised on revalued assets (may not be reclassified to profit/(loss)) — Continuing operations	9, 13	—	(3 655)
Realisation of foreign currency translation reserve on disposal of foreign operation — Discontinued operations	7.2	(25 407)	—
Total comprehensive income			
		572 056	63 452
Profit attributable to equity holders of the company			
Continuing operations		632 199	209 001
Discontinued operations		(12 658)	(77 547)
		619 541	131 454
Total comprehensive income attributable to equity holders of the company			
Continuing operations		605 418	156 961
Discontinued operations		(33 362)	(93 509)
		572 056	63 452
Earnings per share (cents)			
Continuing operations	8	378,01	124,97
Discontinued operations	7.2	(7,57)	(46,37)
Total operations	8	370,44	78,60
Diluted earnings per share (cents)			
Continuing operations	8	356,89	119,66
Discontinued operations	7.2	(7,57)*	(46,37)*
Total operations	8	349,74	75,26

* Limited to EPS due to being anti-dilutive.

Consolidated Statement of Financial Position

As at 28 February

	Note	2026 R'000	2025 R'000
Assets			
Non-current assets			
		1 522 945	1 334 992
Property, plant and equipment	9	1 077 992	865 226
Equity-accounted investees	10	2 228	8 861
Goodwill	12	272 376	272 376
Trade and other receivables	16	1 567	9 605
Deferred tax assets	13.1	168 782	178 924
Current assets			
		4 215 338	3 003 075
Inventories	14	43 943	46 561
Contracts in progress	15	704 808	594 747
Trade and other receivables	16	2 267 935	1 762 013
Taxation		89 565	106 172
Bank balances	17	1 109 087	493 582
Non-current assets held for sale and disposal groups	7.1	2 326	756 558
Total assets		5 740 609	5 094 625
Equity and liabilities			
Capital and reserves			
		593 170	16 311
Share capital and premium	18	1 007 718	1 007 718
Other reserves	18	(28 162)	70 458
Accumulated loss		(386 386)	(1 061 865)
Non-current liabilities			
		799 534	236 598
Financial liabilities	20	430 859	214 598
Excess billings over work done	15	366 117	22 000
Deferred tax liabilities	13.2	2 558	—
Current liabilities			
		4 347 905	4 305 540
Financial liabilities	20	236 714	1 022 885
Trade and other payables	21	988 727	1 091 620
Excess billings over work done	15	2 283 962	1 174 711
Provisions	22	827 329	928 789
Taxation		11 173	63 906
Bank overdrafts	17	—	23 629
Liabilities directly associated with disposal groups	7.1	—	536 176
Total equity and liabilities		5 740 609	5 094 625

Consolidated Statement of Changes in Equity

For the year ended 28 February

	Other reserves					Accumulated loss R'000	Total equity R'000
	Share capital and premium R'000	Foreign currency translation reserve R'000	Share-based payment reserve R'000	Revaluation surplus reserve R'000	Reserves of disposal group held for sale R'000		
Balance at 29 February 2024	1 007 718	19 094	2 161	20 039	92 604	(1 193 319)	(51 703)
Forfeitable share awards	—	—	4 562	—	—	—	4 562
Total comprehensive income	—	(48 385)	—	(3 655)	(15 962)	131 454	63 452
Profit for the year	—	—	—	—	—	131 454	131 454
Other comprehensive income	—	(48 385)	—	(3 655)	(15 962)	—	(68 002)
Balance at 28 February 2025	1 007 718	(29 291)	6 723	16 384	76 642	(1 061 865)	16 311
Forfeitable share awards	—	—	4 803	—	—	—	4 803
Realisation of revaluation surplus (note 7.2)	—	—	—	—	(55 938)	55 938	—
Total comprehensive income	—	(54 176)	—	27 395	(20 704)	619 541	572 056
Profit for the year	—	—	—	—	—	619 541	619 541
Other comprehensive income	—	(54 176)	—	27 395	(20 704)	—	(47 485)
Balance at 28 February 2026	1 007 718	(83 467)	11 526	43 779	—	(386 386)	593 170
Note	18	18	4, 18, 19	9, 13, 18	7.2, 18		

Consolidated Statement of Cash Flows

For the year ended 28 February

	Note	2026 R'000	2025 R'000
Cash flows from operating activities		1 557 555	210 526
Cash generated from operations	23.1	1 676 295	402 808
Investment income	5, 7	167 782	49 507
Finance costs	5, 7	(144 888)	(163 369)
Dividends received	10	6 399	13 365
Taxation paid	23.2	(148 033)	(91 785)
Cash flows from investing activities		(285 491)	(135 189)
Proceeds received — Plant and equipment	7, 9	18 072	16 365
Expenditure for expanding — Plant and equipment	7, 9	(8 901)	—
Expenditure for maintaining — Property, plant and equipment	7, 9	(116 837)	(149 341)
Advances to equity-accounted investees	10	(817)	(3 142)
Proceeds on disposal of equity-accounted investee		—	929
Net cash outflow — Disposal group	23.4	(192 756)	—
Net proceeds on disposal of joint operation	23.5	15 748	—
Cash flows from financing activities		(632 678)	(297 977)
Proceeds from borrowings — Disposal group	7, 23.3	164 533	—
Repayment of long-term financing	23.3	(772 376)	(284 430)
Repayment of short-term financing	23.3	(13 802)	(9 909)
Open market purchase of shares	19	(11 033)	(3 638)
Net increase/(decrease) in cash for the year		639 386	(222 640)
Cash at the beginning of the year — Continuing operations	17	469 953	754 821
Cash at the beginning of the year — Discontinued operations	7	16 814	(40 837)
Less: Cash at the end of the year — Discontinued operations	7	—	(16 814)
Effect of exchange rate changes on cash and cash equivalents		(17 066)	(4 577)
Cash and cash equivalents at the end of the year — Continuing operations	17	1 109 087	469 953

Notes to the Consolidated Annual Financial Statements

For the year ended 28 February

1. Critical accounting estimates, judgements and assumptions

The preparation of consolidated annual financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the accompanying disclosures and the disclosure of contingent liabilities and assets. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events and are believed to be reasonable under the circumstances. Actual results may differ from the estimates made by management.

Materiality statement

The group prepared a materiality statement as guided by IFRS Practice Statement 2 — Making Materiality Judgements which was approved by the Audit, Governance and Risk Committee (ARCO). This document guided the preparers in assessing materiality when preparing the annual financial statements and applying judgement. The materiality statement covered both quantitative and qualitative factors such as the going concern considerations, industry conditions and disruptive events and items regulated by statutory requirements.

In the process of applying the group's accounting policies, the directors have made the following estimates and judgements that have the most significant effects on the amounts recognised and disclosed in the annual financial statements:

Revenue from contracts with customers (note 3)

Revenue is recognised over time as the group transfers control of goods and services to the customer whilst enhancing an asset controlled by the customer. The output method is followed in measuring the progress towards satisfaction of the performance obligations. Revenue is measured with reference to surveys of work performed. When the surveys of work performed cannot be determined reliably, revenue is recognised only to the extent of the expenses recognised that are recoverable. Surveys of work performed are deemed to be the best output method, as these surveys are firstly performed internally and then approved and re-performed by an external surveyor of the client. When management estimates, based on the cost of work performed to date in relation to the total work to be performed, that the total costs to be incurred to complete a contract will be in excess of the estimated total revenue from the contract, the full expected loss to be incurred is recognised immediately or any penalties arising from failure to fulfil it, whichever is the least net cost.

Certain contracts include penalty provisions, claims and a change of scope of work to be performed which constitutes variable consideration. Variable consideration is measured either at the most likely outcome method or expected value method and is considered at each reporting date. The most appropriate method is selected for each contract and applied consistently throughout the contract term. In most instances the most likely outcome method is used as there are only a few possible outcomes.

In certain instances, the group receives advance payments when starting on a contract as part of the negotiated price. The group concluded that there is a significant financing component for those contracts where the client elects to pay in advance, other than advance payments received and utilised within 12 months. The financing component is calculated based on the length of time between the client's payment and the transfer of goods and services over time, relating to the advance payment received. This financing component is recognised in profit or loss as finance costs as it is incurred. An appropriate interest rate is applied, which reflects the separate financing transaction between the group and the client (note 5.2).

Non-current assets held for sale and discontinued operations (note 7)

Certain underutilised plant and equipment and identified operations earmarked for sale have been reclassified in terms of IFRS 5: Non-current Assets Held for Sale and Discontinued Operations. The group had to apply judgment in assessing whether the assets and discontinued operations meet the criteria to be classified as held for sale at reporting date.

The below was considered:

- Whether the assets and operations were available for immediate sale and can be sold to a buyer in their current condition;
- Whether the actions to complete the sale were initiated and expected to be completed within one year from the date of initial classification;
- Whether a potential buyer has been identified and negotiations as at the reporting date are at an advanced stage; and
- Whether shareholder approval was obtained where required.

Valuations

Non-current assets held for sale and disposal groups are measured at the lower of their carrying amounts or fair value less costs to sell at the time of the reclassification and at each reporting period. The group uses judgement to determine the fair value hierarchy of classes of assets and liabilities and in selecting the most appropriate valuation methods. The group takes into consideration the circumstances under which valuations are performed and for which sufficient data is available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Notes to the Consolidated Annual Financial Statements

For the year ended 28 February continued

1. Critical accounting estimates, judgements and assumptions continued

For disposal groups, the relevant sale agreements became unconditional, and the disposal transaction was implemented on 12 December 2025. Refer to note 7.2.

For non-current assets held for sale, the fair values for plant and equipment are determined using the comparable sales method. This entails the use of quoted prices for identical or similar assets in the market. This method of valuation is best suited for these types of assets. Refer to note 7.3.

For more details on the non-current assets held for sale, discontinued operations and disposal groups, refer to note 7.

Property, plant and equipment (note 9)

Valuations

The group revised its accounting policy relating to the frequency of revaluations of land and buildings, reducing the interval between revaluations from five years to four years, to ensure that the carrying value of land and buildings appropriately reflect their fair values.

A valuation was performed on 28 February 2026 by accredited independent valuers. Properties were valued by either applying the Comparable Sales Method or Income Capitalisation Method. To determine which method would be the most appropriate for each property, cognisance was taken of the following relevant to each property: Each property's general uniqueness, durability, proximity of location, relatively "limited" supply, and the specific utility of a given site.

The Income Capitalisation Method of valuation entails the determination of the Net Annual Income for the property, which is then capitalised at an appropriate market related capitalisation rate. This method of valuation is best suited for income-producing properties.

The Comparable Sales Method approach entails the identification, analysis and application of recent comparable sales involving physically and legally similar units in the general proximity of the property to be valued. This method of valuation is best suited for non-income producing properties. This valuation included a review of title deed information, town planning conditions, property descriptions and improvements as well as locality. Market conditions and demand, comparable sales and vacant land values were also taken into consideration. Refer note 27.

Useful lives

The useful life of an asset is the period over which the group expects to utilise the benefits embodied in the assets, and not necessarily the asset's economic life. Useful lives of assets are reviewed annually. The group uses the following indicators to determine useful life:

- Expected usage of assets
- Expected physical wear and tear
- Technical and commercial obsolescence

For detail on the estimated useful lives assigned to the categories of Property, Plant and Equipment (owned and instalment sales), refer to accounting policy 4.

Residual values

An estimate is made of the amount the group would expect to receive currently for the asset, if the asset was already of the age and condition expected at the end of its useful life. These residual values of property, plant and equipment are reviewed annually, by comparing it to the disposal value of comparative assets in the market.

Impairment of assets

Property, plant and equipment (note 9)

Management assesses changes in interest rates, currency exchange rates as well as the state of affairs in the construction sector, as indicators that impairment testing may need to be performed.

Notes to the Consolidated Annual Financial Statements

For the year ended 28 February continued

1. Critical accounting estimates, judgements and assumptions continued

Goodwill (note 12)

Goodwill is assessed for impairment annually or more frequently if events or changes in circumstances indicate that the carrying amount may be impaired. Impairment is determined by assessing the recoverable amount of the cash-generating unit to which goodwill relates. The recoverable amount is determined as the value in use of each cash-generating unit by estimating the expected future cash flows in each unit and determining a suitable discount rate in order to calculate the present value of those cash flows.

Each year, management employs the following process in assessing the recoverability of goodwill, which begins with the budgeting process as one of its base inputs. The budgets, upon which the impairment tests are based, go through an internal vetting and approval process which covers the budget and strategic planning process for the coming four years.

Budgets are zero based each year, and through the vetting process are tested for sensibility given the strategic intent and capabilities of the operations within the group. The Executive Committee and Board are part of this process, who ultimately approve these budgets.

Management believes the zero-based budgeting process is best suited to the assessment of the recoverability of goodwill as it addresses the complexities of the construction environment, such as the fact that the construction industry is not static, nor is it repetitive.

The varying industry disciplines within the group which differ in nature, as well as in contract execution, adds to this complexity. During the approval process, the past experience and knowledge of the Executive Committee and Board are applied to further temper the budgets and inputs to the process.

Provision for expected credit losses (ECLs) of contracts in progress and trade and other receivables (note 15, 16, 27)

The loss allowances for financial assets are based on assumptions about risk of default and expected loss rates. The group uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the group's past history, existing market conditions as well as forward-looking estimates at the end of each reporting period. Details of the key assumptions and inputs used are disclosed in note 27.

Included within the loss allowance is specific provisions which relate to specific clients who are showing signs of default, such as delayed payments and liquidity pressures.

Joint operations (note 11)

Management assesses whether a joint arrangement must be classified as a joint operation or joint venture. This assessment depends on whether the joint arrangement has rights to the assets, and obligations for the liabilities, relating to the arrangement. The group recognises its investments as joint operations when the operations are performed through unincorporated arrangements such as partnerships and contracts, and the group has rights to the assets, and obligations for the liabilities. For incorporated arrangements, where a partnership is administered through a separate vehicle, management assesses whether the contractual arrangement provides the parties to the joint arrangement with rights to the assets, and obligations for the liabilities, relating to the arrangement, and not the separate vehicle. In such instances, the investment is recognised as a joint operation. In determining the classification of joint arrangements, management considered the contractual agreements with respect to sharing control and whether parties are jointly and severally liable for the joint arrangement's rights and obligations. Other investments are recognised as joint ventures when the group only has rights to the net assets of the arrangement.

Taxation (note 6, 13)

Management assesses the extent to which it is probable that taxable profit will be available against which deductible temporary differences can be utilised, also taking into account that the utilisation of an accumulated assessed loss is limited to the higher of R1 million or 80% of the taxable income in the year of assessment, with the remaining assessed loss balance to be utilised in subsequent years of assessment. All companies with recognised deferred tax asset balances are currently trading and are expected to make profits which will enable them to recover the deferred tax assets.

The group is subject to income taxes in numerous jurisdictions and the calculation of the group's tax charge and worldwide provisions for income taxes naturally involves a degree of estimation and judgement. There are transactions and tax computations for which the ultimate tax treatment or result is uncertain, or in respect of which the relevant tax authorities may or could indicate disagreement with the group's treatment and accordingly the final tax charge cannot be determined until resolution has been reached with the relevant tax authority.

Notes to the Consolidated Annual Financial Statements

For the year ended 28 February continued

1. Critical accounting estimates, judgements and assumptions continued

The group applies judgements in identifying uncertainties with regards to income tax treatments. The group is of the opinion that it is more probable than not that the treatment of its taxes will be accepted by the relevant tax authorities. The group recognises liabilities for tax based on estimates of whether additional taxes will be due after taking into account external advice where appropriate. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the current and deferred income tax assets and liabilities in the reporting period in which such determination is made.

Use and sales rate

The deferred tax rate applied to assets is determined by the expected manner of recovery. Where the expected recovery of the asset is through sale, the capital gains tax rate of 21,6% (2025: 21,6%) is used for South African assets, and foreign tax rates for foreign entities.

If the expected manner of recovery is through use, the normal tax rate of 27% (2025: 27%) is applied for South African assets and foreign tax rates for foreign entities.

If the manner of recovery is partly through use and partly through sale, a combination of capital gains tax rate and normal tax rate is used.

Provisions (note 22)

Provisions are raised when deemed necessary by management and an estimate of expected outflows is made based on the information available at the time.

Warranty provisions

Warranty provisions are recognised for expected warranty claims, based on past experience. Estimates are made of the anticipated time, materials and subcontractor involvement required to honour the warranty.

Contract-related provisions

Contract-related provisions represent the estimated amounts relating to incurred obligations to third party suppliers. Management estimates these amounts based on the expected cash outflows required to settle its obligations to suppliers.

Onerous contracts

A specific provision is made for onerous contracts, in instances in which the unavoidable costs of meeting obligations under the contract exceed the economic benefits expected to be received under it. The present obligation under the contract is recognised and measured as a provision.

Operating segments (note 24)

The group uses judgement in applying the aggregation criteria for purposes of identifying its operating segments. Segment reporting is done in a manner consistent with the internal reporting provided to the chief operating decision maker being the Executive Committee, with reportable operating segments being reported at regional level. Segments are managed at regional level and can be further broken down into disciplines.

Contingent liabilities and assets (note 26)

Management may assess and determine, based on expert advice received from time to time, whether an item is a contingent or actual liability or asset. For legal activities where no legal action has been taken/made, management has assessed the likelihood of a future cash outflow/inflow to be remote and no contingent liabilities or assets have been recognised. For instances where legal action has been taken and the outcomes of the processes remains uncertain, a contingent liability or asset is disclosed in accordance with IAS 37: Provisions, Contingent Liabilities and Contingent Assets.

Notes to the Consolidated Annual Financial Statements

For the year ended 28 February continued

2. Going concern

Restructuring Plan update

The group hereby provides shareholders with an update on the Restructuring Plan as reported in the Reviewed Condensed Consolidated results for the 12 months ended 28 February 2026, issued on 26 May 2026.

Shareholders were previously advised that the Lenders extended the capital repayment profile of the current loan as well as its duration to 30 June 2026.

The group, through its primary operating subsidiary, concluded a new five-year term facility of R850 million with The Standard Bank of South Africa Limited (the Facility).

The Facility replaced the current loan, which was fully settled on 31 October 2025, thereby terminating the historic lender arrangements and the Restructuring Plan.

The new Facility bears interest at the equivalent of the three-month Johannesburg Interbank Average Rate (JIBAR) or equivalent rate, plus a margin of 3,50% compounded quarterly and will be repaid in 19 equal quarterly instalments from February 2026 to August 2030, following an initial interest-only payment of R6,7 million in November 2025.

Funds received from the settlement on the Kusile Power Project and proceeds from the disposal of SS-Construções (Moçambique) Limitada (SS Mozambique), less associated costs and working capital requirements, have been utilised to make capital prepayments of R620 million, together with the first instalment of R16,8 million (capital portion R7,5 million), thereby reducing the outstanding capital of the Facility from R850 million to R223 million (note 20). Interest on the Facility (including the historical loan) amounts to R80 million (Feb 2025: R115 million) for the financial year (note 5).

The Facility is partially supported by financial guarantees provided by the group's guarantee providers. In addition, the Facility is secured through customary security arrangements and includes standard covenant requirements that are typical for agreements of this nature. After year-end, the guarantee providers were released from their obligations under the Facility.

As on 28 February 2026, the financial covenants for the Facility were met (note 20).

Going concern

The directors believe that the group has adequate financial resources to continue in operation for the foreseeable future and accordingly consider it appropriate that the group's results for the year be prepared on the going-concern basis. This takes into consideration the group's financial performance, financial position, current order book, operations profitably executing the group's order book and forecast cash flows.

The group delivered a strong performance in the current and prior two financial years, with consistent profitability and positive operating cash flows. Furthermore, the conclusion of the restructuring plan and the settlement of the Kusile Power Project contributed to the group's net current liability position improving, compared to the prior year.

As at 28 February 2026, the group's current liabilities exceeded its current assets by R133 million (Feb 2025: R1 302 million) and as of that date, had an accumulated loss of R386 million (Feb 2025: R1 062 million).

Notes to the Consolidated Annual Financial Statements

For the year ended 28 February continued

3. Revenue from contracts with customers

3.1 Contract revenue

	2026 R'000	2025 R'000
Within South Africa	6 600 827	5 979 911
Outside South Africa	1 239 042	1 677 180
Total contract revenue	7 839 869	7 657 091

3.2 Disaggregated contract revenue

Revenue from contracts with customers can be further disaggregated as follows:

	Inland [^] Region R'000	Coastal Region R'000	Western Cape Region R'000	Africa Region R'000	Total R'000
2026					
Geographical					
Within South Africa	4 294 966*	1 445 705	860 156	—	6 600 827
Outside South Africa	173 453	—	—	1 065 589	1 239 042
	4 468 419	1 445 705	860 156	1 065 589	7 839 869
Sector					
Private	3 888 661	831 292	154 087	535 931	5 409 971
Public	579 758*	614 413	706 069	529 658	2 429 898
	4 468 419	1 445 705	860 156	1 065 589	7 839 869
2025					
Geographical					
Within South Africa	3 137 958	1 959 661	882 292	—	5 979 911
Outside South Africa	197 961	—	—	1 479 219	1 677 180
	3 335 919	1 959 661	882 292	1 479 219	7 657 091
Sector					
Private	3 190 818	1 278 592	357 589	931 191	5 758 190
Public	145 101	681 069	524 703	548 028	1 898 901
	3 335 919	1 959 661	882 292	1 479 219	7 657 091

[^] Certain contracts executed cross-border, are included within the Inland Region for reporting purposes, as the required specialised skills and expertise to execute the contract are derived from the Inland Region.

* Includes R448 million relating to contract revenue from the recognition of the Kusile Power Project settlement. The revenue was not previously recognised on the services delivered.

There was no revenue recognised at a point in time in the current year and previous year.

Notes to the Consolidated Annual Financial Statements

For the year ended 28 February continued

3. Revenue from contracts with customers continued

	Inland [^] Region R'000	Coastal Region R'000	Western Cape Region R'000	Africa Region R'000	Total R'000
2026					
Disciplines					
Building	460 292*	139 151	374 898	542 168	1 516 509
Civils and Geotechnical	972 519	691 322	485 258	447 392	2 596 491
Mechanical Electrical Piping	467 902	—	—	—	467 902
Mining	159 414	—	—	—	159 414
Roads and Earthworks	2 408 292	615 232	—	76 029	3 099 553
	4 468 419	1 445 705	860 156	1 065 589	7 839 869
2025					
Disciplines					
Building	—	701 447	459 729	787 440	1 948 616
Civils and Geotechnical	1 079 635	571 378	420 168	386 769	2 457 950
Mechanical Electrical Piping	624 371	—	—	—	624 371
Mining	156 546	—	—	89 012	245 558
Roads and Earthworks	1 475 367	686 836	2 395	215 998	2 380 596
	3 335 919	1 959 661	882 292	1 479 219	7 657 091

[^] Certain contracts executed cross-border, are included within the Inland Region for reporting purposes, as the required specialised skills and expertise to execute the contract are derived from the Inland Region.

* Includes R448 million relating to contract revenue from the recognition of the Kusile Power Project settlement. The revenue was not previously recognised on the services delivered.

The group's broad spectrum of expertise is summarised as follows:

- Building — consist of building projects specialising in the Industrial and Commercial sectors including one-stop design and build of cold room facilities and the complete data centre offering encompassing Civil Structural Architectural (CSA), Mechanical Electrical Piping (MEP), 3D modelling, etc.).
- Civils and Geotechnical — includes Structural Rehabilitation and Water sectors and lateral support and piling.
- Mechanical Electrical Piping — consists of Electrical & Instrumentation (including the design and build of electrical step-down facilities), Mechanical (including industry-leading, turnkey dirty water clarification solutions) and Oil & Gas (including in-house pipe-spool fabrication and bulk tank construction).
- Mining — consists of materials handling and tailings management.
- Roads and Earthworks — consists of Roads, Earthworks and Mining infrastructure and Renewable Energy infrastructure (including both civil and electrical balance of plant projects).

Notes to the Consolidated Annual Financial Statements

For the year ended 28 February continued

3. Revenue from contracts with customers continued

3.3 Transaction price allocated to remaining performance obligations

The transaction price allocated to the remaining performance obligations (unsatisfied or partially unsatisfied) are as follows:

	Inland Region R'000	Coastal Region R'000	Western Cape Region R'000	Africa Region R'000	Total R'000
2026					
Shorter than 12 months	4 113 290	1 327 829	1 593 089	1 744 339	8 778 547
Longer than 12 months	1 655 944	1 322 070	1 460 519	2 379 640	6 818 173
	5 769 234	2 649 899	3 053 608	4 123 979	15 596 720
2025					
Shorter than 12 months	2 452 329	1 242 335	945 461	462 827	5 102 952
Longer than 12 months	673 825	381 534	1 758 188	370 000	3 183 547
	3 126 154	1 623 869	2 703 649	832 827	8 286 499

The remaining performance obligations are expected to realise as indicated. Performance obligations longer than 12 months mostly relate to long-term contracts (between one to three years).

Significant long-term contracts include the Central Bank of Eswatini Complex at Ezulwini (Phase 1), Ummbila Emoyeni Wind Farm 155 MW (Phase 2 and 3), Stephen Dlamini Dam, Upgrade and extension Macassar Wastewater, Mogalakwena Construction of Blinkwater, Paarl WWTW Sludge Stream, and Construction of Mtsambama – Maloma (MR10) road.

3.4 Contract balances

	2026 R'000	2025 R'000
Contract in progress (note 15)	704 808	594 747
Excess billings over work done (note 15)	2 650 079	1 196 711
Trade receivables (note 16)	1 728 413	1 337 830

Contracts in progress are recognised for revenue earned from construction related services and is conditional on certification and invoicing of work performed. Upon certification and invoicing, the amounts recognised as contracts in progress are reclassified to trade receivables. The increase in contracts in progress is mainly due to costs incurred on a wastewater treatment project. The expected credit losses provided for on contracts in progress amounted to R1,1 million (Feb 2025: R1,0 million) (note 15).

Excess billings over work done include long and short-term advances received from clients to deliver construction related services. The increase in excess billings over work done relates to milestone-based contracts and advances on long-term projects, and is expected to unwind in line with project delivery (note 15).

Trade receivables are generally on terms of 60 days and interest is charged as per agreements with individual clients. The increase in trade receivables is mainly attributable to milestone payments invoiced and a receivable on a tailings dam project, which was received subsequent to year-end. In addition, a significant receivable, relating to a road infrastructure project, remains outstanding. The expected credit losses provided for on trade receivables amount to R169 million (Feb 2025: R190 million) (note 16).

Notes to the Consolidated Annual Financial Statements

For the year ended 28 February continued

4. Other income and EBITDA

4.1 Other income

	2026 R'000	2025 R'000
Net profit on disposal of property, plant and equipment (note 9)	6 190	3 943
Net gain on disposal of non-current assets held for sale (note 7)	—	639
Net profit on foreign exchange rate movements (note 23.1)	—	49 523
Profit on disposal of joint operation (note 11 and 23.5)	11 356	—
Project management fees	4 754	20 445
Other income	—	150
	22 300	74 700

4.2 EBITDA

	2026 R'000	2025 R'000
Included in these expenses are:		
Auditors remuneration	13 455	12 531
— Audit services	12 955	12 119
— Non-audit services	500	412
Employee costs	2 254 851	2 043 614
— Short-term employee benefit costs	2 114 673	1 920 355
— Post-employment benefit costs (Defined contribution plan)	132 747	116 470
— Forfeitable Share Plan costs (note 19)	7 128	6 272
— Retrenchment cost	303	517
Expenses relating to leases	496 784	321 850
— Short-term lease (leases less than 12 months)	495 580	321 139
— Low value lease (assets with new cost of R250 000 and less)	1 204	711
Net loss on foreign exchange rate movements (note 23.1)	27 410	—
Restructuring costs (note 24)	26 129	28 212
Withholding taxes written-off (note 23.1)	18 807	41 114

Notes to the Consolidated Annual Financial Statements

For the year ended 28 February continued

5. Investment income and finance costs

5.1 Investment income

	2026 R'000	2025 R'000
Investment income from financial instruments held at amortised cost:		
— Bank accounts	34 287	46 124
— Trade receivables	990	1 922
— Kusile Power Project Settlement	132 192	—
— Other	—	1 728
	167 469	49 774

5.2 Finance costs

	2026 R'000	2025 R'000
Finance costs from financial instruments held at amortised cost:		
— Bank overdrafts and bonds	4 800	2 502
— Advance payments received (note 15)	16 878	—
— Financing agreements (note 20)	948	1 068
— Instalment sales (note 20)	25 138	18 375
— Lease liabilities (note 20)	12 858	7 026
— Settlement agreement — City of Cape Town (note 20)	—	1 323
— Loan and Standard Bank Facility (note 20)	79 859	114 955
— Voluntary Rebuild Programme (note 20)	2 269	2 665
— Trade payables	14	27
Other interest — South African Revenue Services	2	173
Other interest — Reversal of interest relating to foreign tax authority	—	(21 508)
	142 766	126 606

Notes to the Consolidated Annual Financial Statements

For the year ended 28 February continued

6. Taxation

6.1 Taxation

	2026			2025		
	Local R'000	Foreign R'000	Total R'000	Local R'000	Foreign R'000	Total R'000
Current tax	40 741	26 908	67 649	15 911	40 637	56 548
— Current year	40 322	28 388	68 710	12 879	57 910	70 789
— Under/(over) provision previous year	419	(1 480)	(1 061)	3 032	(17 273)	(14 241)
Deferred tax (note 13)	3 894	7 736	11 630	(2 789)	(10 449)	(13 238)
— Current year	3 894	7 736	11 630	2 109	1 332	3 441
— Over provision previous year	—	—	—	(4 898)	(11 781)	(16 679)
Withholding taxes — Dividend	—	1 400	1 400	—	1 323	1 323
Taxation	44 635	36 044	80 679	13 122	31 511	44 633

6.2 Reconciliation of tax charge

	2026 R'000	2025 R'000
Tax at 27% on profit before taxation	192 477	68 481
Adjusted for:		
Disallowable expenditure:		
— Deemed interest (note 5)	5 170	1 077
— Professional and legal fees	2 004	469
— Impairment of equity-accounted investees (note 10)	—	498
— Impairment of loans	19 277	34 517
— Penalties and fines	9	2 065
— Listing costs	738	1 853
— Withholding and other taxes (note 4)	2 591	10 767
— Net losses from equity-accounted investees (note 10)	236	796
— Foreign exchange transactions	—	2 508
— Other (Leasehold expenses, entertainment, etc.)	1 128	378
Exempt income:		
— Profit on disposal of joint operation (note 23.5)	(2 839)	—
— Reversal of interest previously not deducted	—	(6 775)
Other:		
Change in tax rate	—	(77)
Deferred tax asset not raised on losses	32 003	14 617
Deferred tax asset raised on losses (note 13.1)	(34 985)	(34 575)
Foreign tax rate differential	(6 478)	(9 420)
Learnership allowances	(778)	(507)
Capital gain tax differential	(99)	(164)
Tax losses utilised	(130 114)	(12 278)
Over provision previous year (note 6.1)	(1 061)	(30 920)
Withholding taxes — Dividend (note 6.1)	1 400	1 323
Effective tax	80 679	44 633

Notes to the Consolidated Annual Financial Statements

For the year ended 28 February continued

7. Non-current assets held for sale and disposal group

Certain underutilised plant and equipment and the disposal group have been earmarked for sale and accordingly have been reclassified in terms of IFRS 5: Non-current Assets Held for Sale and Discontinued Operations.

7.1 Reconciliation of the carrying value of non-current assets held for sale

	2026 R'000	2025 R'000
Non-current assets held for sale and disposal group		
Disposal group (note 7.2)	—	728 131
Property, plant and equipment (note 7.3)	2 326	28 427
	2 326	756 558
Liabilities directly associated with disposal group		
Disposal group (note 7.2)	—	536 176

7.2 Discontinued operations and disposal group

As reported in the SENS announcement released on 9 July 2025, the group entered into various agreements with East Africa Enterprises SPV FZCO (the Purchaser) whereby:

- Stefanutti Stocks Mauritius Holdings Limited (SSMH) would dispose of its 100% shareholding in Stefanutti Stocks Construction Proprietary Limited (SS Construction) for a purchase price of US\$700 000.
- Stefanutti Stocks International Holdings Proprietary Limited (SSIH) and SSMH would dispose of their combined 100% interest in SS–Construções (Moçambique) Limitada (SS Mozambique) for a purchase price of US\$2,560 million and US\$640 000 respectively.

In addition, the Purchaser advanced US\$6,1 million to enable SS Mozambique to repay the group a trade liability of R113 million. These funds were received and the trade liability was settled, resulting in a foreign exchange loss of R9 million.

Furthermore, the Purchaser also advanced a working capital loan of US\$3,5 million (R165 million), to support SS Mozambique's operations (note 23.3).

The relevant sale agreements became unconditional, and the disposal transactions were implemented on 12 December 2025.

The implementation of the disposal transaction resulted in a loss of R1,0 million which includes a R9 million foreign exchange loss relating to the settlement of the trade liability and leakage costs of R7 million.

On disposal, the revaluation reserve of land and buildings of R56 million realised directly into retained earnings and a foreign exchange profit of R25 million due to the reclassification of the foreign currency translation reserve, was also recognised in profit or loss.

The disposal group reported a trading loss for the period of R13 million (Feb 2025: loss of R78 million) which includes the loss on disposal of R1,0 million (Feb 2025: Fair value adjustment of R51 million) and a foreign exchange profit of R11 million (Feb 2025: R5 million), which includes the R25 million realisation of the foreign currency translation reserve. The disposal group was managed by the Africa Region.

Notes to the Consolidated Annual Financial Statements

For the year ended 28 February continued

7. Non-current assets held for sale and discontinued operations continued

Statement of profit or loss and other comprehensive income

	2026 R'000	2025 R'000
Contract revenue	476 938	631 642
Operating expenses	(498 442)	(637 127)
Net expected credit loss	—	(89)
Earnings before interest, taxation, depreciation and amortisation (EBITDA)	(21 504)	(5 574)
Fair value adjustment ^	—	(51 165)
Operating loss before investment income	(21 504)	(56 739)
Investment income	313	2
Operating loss before finance costs	(21 191)	(56 737)
Finance costs	(19 196)	(14 729)
Loss before taxation	(40 387)	(71 466)
Taxation	27 729	(6 081)
Loss for the year	(12 658)	(77 547)
Other comprehensive income	(20 704)	(15 962)
Exchange differences on translation of foreign operations (may be reclassified to profit/(loss))	4 703	(15 962)
Realisation of foreign currency translation reserve on disposal of foreign operation	(25 407)	—
Total comprehensive income	(33 362)	(93 509)
Loss attributable to equity holders of the company	(12 658)	(77 547)
Total comprehensive income attributable to equity holders of the company	(33 362)	(93 509)
Earnings and diluted earnings per share (cents)	(7,57)*	(46,37)*
Headline and diluted headline earnings per share (cents)	(22,12)*	(15,77)*
The loss is arrived at after taking into account the following:		
Employee benefits	(114 871)	(153 102)
Realisation of foreign currency translation reserve on disposal	25 407	—
Foreign exchange loss	(14 557)	(5 236)
Loss on disposal of subsidiary (note 23.4)	(1 026)	—
Loss on disposal of plant and equipment	(73)	—

^ The fair value adjustment relates to the loss on the subsequent decrease in fair value less costs to sell as required by IFRS 5.

* Diluted EPS and HEPS limited to EPS and HEPS due to being anti-dilutive as the discontinued operations made losses during the year.

Notes to the Consolidated Annual Financial Statements

For the year ended 28 February continued

7. Non-current assets held for sale and discontinued operations continued

Statement of financial position

	2026 R'000	2025 R'000
Non-current assets	—	348 501
Property, plant and equipment	—	322 114
Deferred tax assets	—	26 387
Current assets	—	430 795
Inventories	—	117 714
Contracts in progress	—	121 927
Trade and other receivables	—	134 021
Taxation	—	1 211
Bank balances	—	55 922
	—	779 296
Less: Fair value adjustment	—	(51 165)
Total assets	—	728 131
Current liabilities	—	536 176
Trade and other payables	—	238 689
Excess billings over work done	—	228 164
Provisions	—	30 215
Bank overdrafts	—	39 108
Total liabilities	—	536 176

Net cash flows from discontinued operations

	2026 R'000	2025 R'000
Net cash movement from operating activities	81 343	55 693
Net cash movement from investing activities	230	3 500
Net cash movement from financing activities (note 23.3)	164 533	(194)
Effects of exchange rate changes on cash and cash equivalents	(10 947)	(1 348)
Net movement in cash	235 159	57 651

Notes to the Consolidated Annual Financial Statements

For the year ended 28 February continued

7. Non-current assets held for sale and discontinued operations continued

Headline earnings reconciliation

	2026 R'000	2025 R'000
Loss after taxation attributable to equity holders of the company	(12 658)	(77 547)
Adjusted for:		
Fair value adjustment	—	51 165
Net loss on disposal of plant and equipment	73	—
Net loss on disposal of non-current assets held for sale	1 026	—
Realisation of foreign currency translation reserve on disposal of foreign operation	(25 407)	—
Net tax effect	(23)	—
Headline earnings	(36 989)	(26 382)
Number of weighted average shares in issue	167 243 684	167 243 684
Number of diluted weighted average shares in issue	177 139 281	174 663 591
Headline earnings and diluted headline earnings per share (in cents)*	(22,12)	(15,77)

* Limited to HEPS due to being anti-dilutive.

Disaggregated contract revenue

	2026 R'000	2025 R'000
Africa Region		
Geographical — Outside South Africa	476 938	631 642
Sector	476 938	631 642
Private	234 842	631 642
Public	242 096	—
Discipline — Building	476 938	631 642

Segment information

	2026 R'000	2025 R'000
Africa Region		
Contract revenue	476 938	631 642
Net expected credit loss	—	(89)
Fair value adjustment	—	(51 165)
Operating loss before investment income	(21 504)	(56 739)
Investment income	313	2
Finance costs	(19 196)	(14 729)
Taxation	27 729	(6 081)
Loss for the year	(12 658)	(77 547)
Total assets	—	728 131
Total liabilities	—	536 176

Notes to the Consolidated Annual Financial Statements

For the year ended 28 February continued

7. Non-current assets held for sale and discontinued operations continued

7.3 Non-current assets held for sale

The following items of property, plant and equipment were classified as held for sale as the group is actively marketing these assets and is expected to dispose of these within a year.

Property, plant and equipment

	Regions	2026 R'000	2025 R'000
Land and buildings	Africa	—	18 393
Plant and equipment	Coastal	2 326	10 034
		2 326	28 427
Opening balance		28 427	19 050
Transfer to property, plant and equipment (note 9)		(24 231)	(3 680)
Transfer from property, plant and equipment (note 9)		2 274	18 393
Disposal of property, plant and equipment		—	(3 371)
Foreign exchange movement		(1 788)	—
Fair value adjustments recognised in profit or loss — continuing operations		(2 356)	(1 965)

There were no disposals for the year (Feb 2025: Proceeds of R4 million received from the disposal of property, plant and equipment).

8. Earnings, headline earnings and net asset value per share

Cents per share	Total operations		Continuing operations	
	2026	2025	2026	2025
EPS — Basic	370,44	78,60	378,01	124,97
EPS — Diluted	349,74	75,26	356,89	119,66
HEPS — Basic	359,26	109,36	381,38	125,13
HEPS — Diluted	339,19	104,71	360,07	119,81
Net asset value per ordinary share	354,67	9,75		
Diluted net asset value per ordinary share	334,86	9,34		
Net tangible asset value per ordinary share	191,81	(153,11)		
Diluted net tangible asset value per ordinary share	181,09	(146,57)		

	2026 R'000	2025 R'000
Profit/(loss) and asset values attributable to:		
EPS — Basic and diluted— Total operations	619 541	131 454
HEPS — Basic and diluted— Total operations	600 848	182 891
EPS — Basic and diluted — Continuing operations	632 199	209 001
HEPS — Basic and diluted — Continuing operations	637 837	209 273
EPS — Basic and diluted — Discontinued operations	(12 658)	(77 547)
HEPS — Basic and diluted — Discontinued operations	(36 989)	(26 382)
Net asset value	593 170	16 311
Net tangible asset value	320 794	(256 065)

Notes to the Consolidated Annual Financial Statements

For the year ended 28 February continued

8. Earnings, headline earnings and net asset value per share continued

Shares used for EPS, HEPS and NAV

	Weighted average shares		As at 28 February	
	EPS and HEPS 2026	EPS and HEPS 2025	NAV 2026	NAV 2025
Basic	167 243 684	167 243 684	167 243 684	167 243 684
Diluted	177 139 281	174 663 591	177 139 281	174 701 091
Reconciliation of number of shares				
Issued ordinary shares — at the beginning of the year	188 080 746	188 080 746	188 080 746	188 080 746
Effect of treasury shares held in share trust	(6 429 930)	(6 429 930)	(6 429 930)	(6 429 930)
Effect of treasury shares held in investment subsidiary	(14 407 132)	(14 407 132)	(14 407 132)	(14 407 132)
Basic number of shares	167 243 684	167 243 684	167 243 684	167 243 684
Reconciliation of the basic and diluted weighted average number of shares				
Basic weighted average number of shares	167 243 684	167 243 684	167 243 684	167 243 684
Dilutive effects	9 895 597	7 419 907	9 895 597	7 457 407
Diluted weighted average number of shares	177 139 281	174 663 591	177 139 281	174 701 091

Total operations

	Gross amount 2026 R'000	Net amount 2026 R'000	Gross amount 2025 R'000	Net amount 2025 R'000
Profit after taxation attributable to equity holders of the company		619 541		131 454
Adjusted for:				
Net profit on disposal of plant and equipment (note 4, 7)	(6 117)	(4 498)	(3 943)	(2 960)
Net gain on disposal of non-current assets held for sale (note 4, 7)	1 026	1 026	(639)	(466)
Fair value adjustments (note 7)	2 356	1 722	53 130	52 599
Impairment of assets (note 9,10)	27 150	19 820	2 264	2 264
Realisation of foreign currency translation reserve on disposal of foreign operation (note 7.2)	(25 407)	(25 407)	—	—
Profit on disposal of joint operation (note 4, 11, 23.5)	(11 356)	(11 356)	—	—
		600 848		182 891

The differences between gross and net relate to tax.

Continuing operations

	Gross amount 2026 R'000	Net amount 2026 R'000	Gross amount 2025 R'000	Net amount 2025 R'000
Profit after taxation attributable to equity holders of the company		632 199		209 001
Adjusted for:				
Net profit on disposal of plant and equipment (note 4)	(6 190)	(4 548)	(3 943)	(2 960)
Net gain on disposal of non-current assets held for sale (note 4, 7)	—	—	(639)	(466)
Fair value adjustments (note 7)	2 356	1 722	1 965	1 434
Impairment of assets (note 9,10)	27 150	19 820	2 264	2 264
Profit on disposal of joint operation (note 4, 11, 23.5)	(11 356)	(11 356)	—	—
		637 837		209 273

The differences between gross and net relate to tax.

Notes to the Consolidated Annual Financial Statements

For the year ended 28 February continued

9. Property, plant and equipment

Property, plant and equipment comprise owned and leased assets that do not meet the definition of investment property.

	2026 R'000	2025 R'000
9.1 Owned assets	901 438	767 932
9.2 Right-of-use assets	176 554	97 294
Total	1 077 992	865 226

Mortgage bonds have been registered over certain properties as security as disclosed in note 20.3.

9.1 Owned assets

	Revalued		Cost		Total R'000
	Land and buildings R'000	Transport and motor vehicles R'000	Plant and equipment R'000	Furniture, fittings, office and computer equipment R'000	
2026					
Cost/valuation	200 184	71 558	1 337 706	44 403	1 653 851
Accumulated depreciation	—	(44 669)	(677 401)	(30 343)	(752 413)
Carrying value at year-end	200 184	26 889	660 305	14 060	901 438
2025					
Cost/valuation	188 684	59 701	1 176 266	40 215	1 464 866
Accumulated depreciation	(13 095)	(51 112)	(605 746)	(26 981)	(696 934)
Carrying value at year-end	175 589	8 589	570 520	13 234	767 932

Notes to the Consolidated Annual Financial Statements

For the year ended 28 February continued

9. Property, plant and equipment continued

Reconciliation of the carrying value of owned assets:

	Land and buildings R'000	Transport and motor vehicles R'000	Plant and equipment R'000	Furniture, fittings, office and computer equipment R'000	Total R'000
2026					
Carrying value at the beginning of the year	175 589	8 589	570 520	13 234	767 932
Additions	6 065	24 027	189 866	7 808	227 766
Disposals	—	(1 070)	(10 292)	(290)	(11 652)
Depreciation	(4 480)	(3 498)	(101 076)	(6 801)	(115 855)
Foreign exchange movement	(242)	(1 159)	1 980	109	688
Revaluation against revaluation reserve (note 1, 24 and 27)	33 848	—	—	—	33 848
Impairment against profit or loss (note 1 and 27)	(27 150)	—	—	—	(27 150)
Transfer from inventory (note 14)	—	—	3 904	—	3 904
Transfer from non-current assets held for sale (note 7.3)	16 554	—	7 677	—	24 231
Transfer to non-current assets held for sale (note 7.3)	—	—	(2 274)	—	(2 274)
Carrying value at year-end	200 184	26 889	660 305	14 060	901 438
2025					
Carrying value at the beginning of the year	190 565	10 883	269 909	7 345	478 702
Additions	15 829	1 869	358 857	10 901	387 456
Disposals	(1 509)	(1 121)	(5 377)	(405)	(8 412)
Depreciation	(4 731)	(2 855)	(61 790)	(4 579)	(73 955)
Foreign exchange movement	(1 062)	(187)	(1 360)	(28)	(2 637)
Impairment against revaluation reserve (note 13, 27)	(5 110)	—	—	—	(5 110)
Transfer from inventory (note 14)	—	—	3 653	—	3 653
Transfer from disposal groups (note 7.2)	—	—	2 948	—	2 948
Transfer from non-current assets held for sale (note 7.3)	—	—	3 680	—	3 680
Transfer to non-current assets held for sale (note 7.3)	(18 393)	—	—	—	(18 393)
Carrying value at year-end	175 589	8 589	570 520	13 234	767 932

Had land and buildings been carried at cost, the carrying value of land and buildings would have been R258 million (Feb 2025: R235 million).

Included in plant and equipment are assets subject to instalment sale agreements of R349 million (Feb 2025: R285 million).

All disposals of assets result from the sale, scrapping and replacement thereof in the normal course of business.

A valuation was performed on 28 February 2026 by accredited independent valuers. Properties were valued by either applying the Comparable Sales Method or Income Capitalisation Method. To determine which method would be the most appropriate for each property, cognisance was taken of the following relevant to each property: Each property's general uniqueness, durability, proximity of location, relatively "limited" supply, and the specific utility of a given site.

For further information, refer to note 27.

Notes to the Consolidated Annual Financial Statements

For the year ended 28 February continued

9. Property, plant and equipment continued

9.2 Right-of-use assets

	Land and buildings R'000	Transport and motor vehicles R'000	Plant and equipment R'000	Total R'000
2026				
Cost	62 918	111	158 050	221 079
Accumulated depreciation	(33 487)	(64)	(10 974)	(44 525)
Carrying value at year-end	29 431	47	147 076	176 554
2025				
Cost	62 998	—	79 299	142 297
Accumulated depreciation	(29 209)	—	(15 794)	(45 003)
Carrying value at year-end	33 789	—	63 505	97 294

Reconciliation of the carrying value of right-of-use assets:

2026				
Carrying value at the beginning of the year	33 789	—	63 505	97 294
Additions	2 883	111	93 989	96 983
Depreciation	(7 241)	(64)	(10 418)	(17 723)
Carrying value at year-end	29 431	47	147 076	176 554
2025				
Carrying value at the beginning of the year	40 851	35	9 078	49 964
Additions	—	—	64 061	64 061
Depreciation	(7 062)	(35)	(9 634)	(16 731)
Carrying value at year-end	33 789	—	63 505	97 294

10. Equity-accounted investees

The below information relates to two equity-accounted investees: a Public-Private Partnership based in Botswana and a local property development company.

Investment in associate companies	Percentage held			Country of incorporation	Nature of business	Number of shares owned
	2026	2025	Year-end			
Bongwe Investments Proprietary Limited	34	34	April	Botswana	Concessions	1 055 ordinary shares of no par value
Masingita Towers Proprietary Limited	20	20	February	South Africa	Property development	200 ordinary shares of no par value

The group has interests in two individually immaterial associates.

Investments in Bongwe Investments Proprietary Limited arose through the group's decision to enter into Public Private Partnerships in Botswana. This Public Private Partnership came to an end in December 2024, and the company has concluded its operations however the agreement stipulates the company is required to remain open for five years. The carrying amount of R2 million (Feb 2025: R9 million) represents the value in use, which is determined based on estimated dividends less potential costs to be incurred over the five year period.

The group continues to provide funding to Masingita Towers Proprietary Limited for its proportionate share of the mortgage repayments (Feb 2026: R0,8 million; Feb 2025: R3,1 million).

Associates are accounted for using the equity method. Investor interest was determined by capital contributions and long-term loans that are not expected to be settled in the foreseeable future.

Notes to the Consolidated Annual Financial Statements

For the year ended 28 February continued

10. Equity-accounted investees continued

The information used to account for interest in associates is coterminous with the group's year-end.

The following table analyses, in aggregate, the carrying amount and share of profit and losses and other comprehensive income of these associates:

	2026 R'000	2025 R'000
Carrying amount	2 228	8 861
Group's share of losses after taxation	(887)	(2 904)
Impairment of investment	—	(2 264)
Other comprehensive income — foreign currency translation reserve	(164)	(609)
Group's share of total comprehensive income	(1 051)	(5 777)
Dividends received	6 399	13 365

11. Joint operations

A portion of the group's operations are performed through joint operations as unincorporated arrangements such as partnerships and contractual arrangements. Joint operations are dissolved at the end of a contract for which it was formed. A loss of interest is therefore in the ordinary course of business. New joint operations are formed when new contracts are awarded to ensure a contract can be executed effectively. Additional information relating to the group's significant joint operations is provided below:

Name of joint operations	Nature	Principal place of business	Group's % interest 2026	Group's % interest 2025
FISH — Five Star Hotel*	Building	Eswatini	—	44
Sikhupe International Airport	Building	Eswatini	55	40
Montys Eswatini — Plumbing on various building contracts	Building	Eswatini	50	50
SBI Hangar JV	Building	Eswatini	49	—
Stefanutti Stocks Hyvec Partners JV Limited	Building	Mauritius	80	80
BRT WP3 — BRT Stations	Roads and Earthworks	KwaZulu-Natal	60	60
SSAS 2 — BRT Stations	Civils	Gauteng	60	60
Zuikerbosch Consortium — Zuikerbosch Sedimentation	Civils	Gauteng	56	56
Stefstocks/Fabricon Joint Venture — TNPA-Fire Protection System Island View Berth 9	Civils	KwaZulu-Natal	50	—
Stefanutti Stocks — Tshepiso Engineering JV — Ivanplats Batchplant	Civils	KwaZulu-Natal	70	—
SS Ergoflex — Polokwane SO2 abatement project	Civils	Limpopo	—	70
Kusile Civils Works — Kusile Power Station	Civils	Mpumalanga	50	50
Matla Geo JV — Lateral Support to Der Brochen Mine	Geotechnical	Gauteng	50	50
Lere Stefanutti Stocks	Mechanical and Electrical	Northern Cape	49	49

* The group's interest in FISH was disposed of resulting in a profit on disposal of R11,3 million (refer to note 4 and 23.5).

Notes to the Consolidated Annual Financial Statements

For the year ended 28 February continued

12. Goodwill

	2026 R'000	2025 R'000
Cost	1 206 313	1 206 313
Accumulated impairment	(933 937)	(933 937)
Carrying value at year-end	272 376	272 376

Impairment testing for cash-generating units (CGU) containing goodwill

For purposes of impairment testing, goodwill is allocated to the group's operating disciplines which represent the lowest CGUs, where goodwill is monitored for internal management purposes.

The value in use of the different CGUs is determined by discounting the future cash flows generated from the continuing use of the CGUs and based on the following key assumptions:

	Carrying values of goodwill per CGU		Constant growth rate (A)		EBITDA % (B)		Pre-tax WACC (C)	
	2026 R'000	2025 R'000	2026 %	2025 %	2026 %	2025 %	2026 %	2025 %
Cash-generating units								
Stefanutti Stocks Coastal	50 704	50 704	3	3	6	7	14,5	16,5
Stefanutti Stocks Building (Stocks Building Africa (Pty) Ltd)	211 209	211 209	3	3	5	19	14,5	16,5
Stefanutti Stocks Mining Services	10 463	10 463	3	1	11	10	14,5	17,6
	272 376	272 376						

These CGUs noted above cannot be directly linked to the operating segments as disclosed in the segment information in note 24, as the above CGUs are representative of acquisitions made whereas the operating segments represent the regions as a whole.

Discounted cash flow forecasts are prepared by management as the basis for determining the estimated recoverable amount. Appropriate growth and discount rates, given the industry and location of the CGUs and its operations, are applied in the forecast. The recoverable amount of each CGU is based on its value in use and is determined to be higher than the carrying amount.

Cash flows are projected based on actual operating results and four-year forecasts. Cash flows beyond this were extrapolated using a constant growth rate of (A) which does not exceed the long-term average growth rate for the industry. Appropriate growth and discount rates, given the industry and location of the CGUs and its operations, are applied to the forecast. The growth rate for Stefanutti Stocks Mining increased in line with an improved market outlook. The calculation of the weighted average cost of capital (WACC) (C) decreased due to a reduction in the borrowing rate from 12,1% to 11,6% due to instalment sales and lease facilities awarded to the group, which rates are linked to prime. WACC is also influenced by the risk-free rate of return (R186), which reduced notably from 10,53% in the prior year to 7,97%. WACC is similar for all CGUs as they have similar characteristics and operate within a similar market. The beta increased from 0,50 in the prior year to 0,58. The beta coefficient is a measure of the volatility, or systematic risk, of an individual stock in comparison to the unsystematic risk of the entire market.

EBITDA forecasts were used as the basis for determining the value assigned to each CGU. The EBITDA (B) included in the cash flow projections is an average for the years 2027 to 2030. The forecast EBITDA growth rates are based on the expected conversion of the order book and project pipeline. Given the project-based nature of the construction industry, growth rates may fluctuate dependent on the timing and availability of projects. The reduction in the EBITDA rate for Stefanutti Stocks Building is due to the lack of projects in the Botswana-based entity.

Sensitivity analysis for goodwill

If the WACC, growth and EBITDA rates are adjusted to the percentages as indicated, the corresponding effect on the recoverable amount of the CGUs is illustrated in the tables below:

Growth rate sensitivity (WACC and EBITDA rate remaining the same)

	Stefanutti Stocks Coastal		Stefanutti Stocks Building		Stefanutti Stocks Mining Services	
WACC	14,5%		14,5%		14,5%	
EBITDA rate	6,0%		5,0%		11,0%	
	Growth rate % 2,0	Growth rate % 4,0	Growth rate % 2,0	Growth rate % 4,0	Growth rate % 2,0	Growth rate % 4,0
Effect in R'000	(26 682)	6 145	(39 126)	46 598	(6 362)	7 577

Notes to the Consolidated Annual Financial Statements

For the year ended 28 February continued

12. Goodwill continued

WACC sensitivity (Growth rate and EBITDA rate remaining the same)

	Stefanutti Stocks Coastal		Stefanutti Stocks Building		Stefanutti Stocks Mining Services	
	WACC % 13,5	WACC % 15,5	WACC % 13,5	WACC % 15,5	WACC % 13,5	WACC % 15,5
Growth rate	3,0%		3,0%		3,0%	
EBITDA rate	6,0%		5,0%		11,0%	
Effect in R'000	12 794	(32 182)	63 231	(52 777)	9 958	(8 832)

EBITDA rate sensitivity (Growth rate and WACC remaining the same)

	Stefanutti Stocks Coastal		Stefanutti Stocks Building		Stefanutti Stocks Mining Services	
	EBITDA % 5,0	EBITDA % 7,0	EBITDA % 4,0	EBITDA % 6,0	EBITDA % 10,0	EBITDA % 12,0
WACC	14,5%		14,5%		14,5%	
Growth rate	3,0%		3,0%		3,0%	
Effect in R'000	(8 580)	8 580	(8 432)	8 432	(1 234)	1 234

Changes in key assumptions

For Stefanutti Stocks Coastal:

1. A change to the WACC to 15,5%, at a growth rate of 3% and an EBITDA rate of 5%, would result in an impairment of R5 million.
2. A change to the growth rate to 2%, at a WACC of 15,5% and EBITDA rate of 5%, would result in an impairment of R18 million.

For Stefanutti Stocks Building and Stefanutti Stocks Mining Services, none of the above changes to the key assumptions cause the carrying amount to exceed its recoverable amount.

13. Deferred tax assets and liabilities

13.1 Deferred tax assets

	2026 R'000	2025 R'000
Includes:		
Property, plant and equipment	(133 375)	(107 918)
Provisions	241 959	257 942
Leases	39 567	25 301
Retentions	(52 032)	(16 512)
Expected credit loss (ECL)	53 317	57 648
Future allowances — Section 24C and other	(400 703)	(224 210)
Excess billings over work done	515 650	280 818
Work-in-progress	(126 202)	(121 361)
Prepaid expenses	(4 384)	(7 359)
Assessed losses (note 6.2)	34 985	34 575
	168 782	178 924
Carrying value at the beginning of the year	178 924	173 542
Temporary differences (note 6)	(9 072)	13 238
Impairment against revaluation reserve (note 9)	—	1 455
Revaluation of land and buildings (note 9)	(6 453)	—
Foreign exchange	5 383	(9 311)
Carrying value at year-end	168 782	178 924

Notes to the Consolidated Annual Financial Statements

For the year ended 28 February continued

13. Deferred tax assets continued

Accumulated tax losses for which no deferred tax asset has been raised can be summarised as follows:

Country	Tax rate %	2026 R'000	2025 R'000	Expiry date
Eswatini	25	—	2 150	Utilise within 5 years
Ghana	25	2 484	2 373	Utilise within 5 years
Kenya	30	585	11 611	Utilise within 5 years
Malawi	30	561	2 848	Utilise within 6 years
Mauritius	15	152 071	18 329	Utilise within 5 years
Namibia	32	22 858	18 414	Utilise within 5 years
Zambia	30	9 924	7 629	Utilise within 5 years
South Africa	27	570 208	1 220 095	The utilisation of an accumulated assessed loss is limited to higher of R1 million or 80% of the taxable income in the year of assessment, with the remaining assessed loss balance to be utilised in subsequent years of assessment with no expiry date.

Recoverability of deferred tax assets

Management assesses the extent to which it is probable that taxable profit will be available against which deductible temporary differences can be utilised. All companies with deferred tax asset balances are currently trading and are expected to recover the deferred tax assets through ongoing trading and expectation of creating profits.

The group considered the following criteria in assessing the probability that taxable profit will be available against which the unused tax losses can be utilised:

- Whether the entity has sufficient taxable temporary differences relating to the same taxation authority and the same taxable entity, which will result in taxable amounts against which the unused tax losses can be utilised;
- Whether it is probable that the entity will have taxable profits before the unused tax losses expire when operating in foreign jurisdictions; and
- Whether the unused tax losses result from identifiable causes which are unlikely to recur.

To the extent that it is not probable that taxable profit will be available against which the unused tax losses or unused tax credits can be utilised, the deferred tax asset is not recognised. To determine the probability that taxable profit will be available against which the unused tax losses can be utilised, the group has reviewed its budgets to assess taxable profits for the foreseeable future and compared that to its total tax losses.

13.2 Deferred tax liabilities

	2026 R'000	2025 R'000
Includes:		
Property, plant and equipment	(3 194)	—
Provisions	3 171	—
Retentions	891	—
Expected credit loss (ECL)	4	—
Excess billings over work done	361	—
Work-in-progress	(3 791)	—
	(2 558)	—
Carrying value at the beginning of the year	—	—
Temporary differences (note 6)	(2 558)	—
Carrying value at year-end	(2 558)	—

Notes to the Consolidated Annual Financial Statements

For the year ended 28 February continued

14. Inventories

	2026 R'000	2025 R'000
Consumables	11 538	10 669
Operational inventory	23 405	26 892
Development property	9 000	9 000
	43 943	46 561
Inventory expensed*	207 856	8 333
Inventories written off	1 431	331

* The increase in inventory expensed relates to diesel spent on renewable energy contracts.

The development property relates to a property in South Africa and will be realised when the property is sold. The development property is not pledged as security (2025: Rnil).

Inventories are written down to their net realisable value based on expected wear and tear and factors that indicate that the costs exceeds the amount that could be recovered through use or sale. These write downs are recognised in operating expenses.

15. Contract balances

15.1 Contracts in progress

Contracts in progress relate to the group's rights to consideration for work completed but not invoiced at the reporting date for construction services rendered.

	2026 R'000	2025 R'000
Gross carrying value at beginning of the year	595 748	536 463
Revenue recognised from performance obligations satisfied in previous periods	(435 377)	(321 934)
Realisation of work in progress as contract costs	(273 643)	(198 980)
Contracts in progress recognised	823 510	587 089
Foreign exchange	(4 303)	(6 890)
	705 935	595 748
Expected credit loss (ECL) (note 27)	(1 127)	(1 001)
Carrying value at year-end	704 808	594 747
Current	704 808	594 747

Lifetime ECL allowance

Opening balance	(1 001)	(671)
Changes due to credit risk movement	(126)	(330)
Closing balance	(1 127)	(1 001)

15.2 Excess billings over work done

	2026 R'000	2025 R'000
Gross carrying value at beginning of the year	1 196 711	1 264 592
Revenue recognised during the year	(798 524)	(946 652)
Excess billings over work done recognised	2 188 391	919 451
Financing component on advance payment received (note 5.2)	16 878	—
Foreign exchange	46 623	(40 680)
Carrying value at year-end	2 650 079	1 196 711
Non-current	366 117	22 000
Current	2 283 962	1 174 711

Notes to the Consolidated Annual Financial Statements

For the year ended 28 February continued

16. Trade and other receivables

	2026			2025		
	Gross R'000	ECL R'000	Net R'000	Gross R'000	ECL R'000	Net R'000
Trade receivables	1 897 517	(169 103)	1 728 414	1 527 910	(190 080)	1 337 830
Retention debtors	312 019	(260)	311 759	225 853	(164)	225 689
Amounts due by joint operations	60 544	(17 800)	42 744	48 185	(882)	47 303
Other receivables	27 992	(31)	27 961	24 876	(26)	24 850
Financial asset held at fair value through profit or loss — Al Tayer Stocks LLC	—	—	—	19 254	—	19 254
Prepayments*	104 280	—	104 280	73 177	—	73 177
Value added taxation*	54 344	—	54 344	43 515	—	43 515
	2 456 696	(187 194)	2 269 502	1 962 770	(191 152)	1 771 618
Non-current			1 567			9 605
Current			2 267 935			1 762 013

* Non-financial assets.

Included in non-current trade and other receivables are trade receivables of R1,6 million (Feb 2025: R7 million) which are not expected to be recovered within 12 months. Included within other receivables is a restricted cash balance of R2,6 million (Feb 2025: R3 million).

Information about the credit exposure of trade and other receivables is disclosed in note 27.

Reconciliation of the expected credit losses are as follows:

	Lifetime ECL allowance		12-month ECL allowance		Total	
	2026 R'000	2025 R'000	2026 R'000	2025 R'000	2026 R'000	2025 R'000
Opening balance	(191 126)	(124 214)	(26)	(44)	(191 152)	(124 258)
Changes due to credit risk movement	(10 695)	(107 011)	(5)	18	(10 700)	(106 993)
Amounts written off	34 339	3 961	—	—	34 339	3 961
Unused amounts reversed	16 018	26 826	—	—	16 018	26 826
Foreign currency translation	(35 699)	9 312	—	—	(35 699)	9 312
Carrying value at year-end	(187 163)	(191 126)	(31)	(26)	(187 194)	(191 152)
Individual expected credit loss	(160 260)	(159 169)	—	—	(160 260)	(159 169)
Collective expected credit loss	(26 903)	(31 957)	(31)	(26)	(26 934)	(31 983)

R14 million, which has been written off, is still subject to enforcement activity.

Certain trade and other receivables have been ceded and pledged as security in terms of the security arrangements as disclosed in note 20.3.

Notes to the Consolidated Annual Financial Statements

For the year ended 28 February continued

17. Bank balances

Included in the cashflow statement is cash and cash equivalents comprising:

	2026 R'000	2025 R'000
Cash at banks and on hand	1 109 087	493 582
Less: Bank overdrafts	—	(23 629)
	1 109 087	469 953

Bank balances at the end of the year included the following balances that are restricted from immediate use:

	2026 R'000	2025 R'000
Restricted cash included above		
Group's share of cash held by joint operations	188 809	33 267
Other restrictions (cash held as security for contract guarantees or requiring external party approval)	—	352
	188 809	33 619

Cash held in joint operations is restricted as approval for cash movements is required by all joint operation participants.

The group only deposits cash with reputable banks with high-quality credit ratings. The credit quality therefore is assessed as good and no expected credit loss is provided for.

For further information on currency risk related to bank balances, refer to note 27.

18. Share capital and premium

	2026 R'000	2025 R'000
Authorised		
400 000 000 ordinary shares of 0,00025 cents each (2025: 400 000 000 ordinary shares of 0,00025 cents each)	1	1
Issued		
188 080 746 ordinary shares of 0,00025 cents each (2025: 188 080 746 ordinary shares of 0,00025 cents each)	*	*

* Less than R1 000.

	Number of shares	
	2026	2025
Treasury shares		
Treasury shares held by:		
Stefanutti Stocks Investments Proprietary Limited	14 407 132	14 407 132
Stefanutti & Bressan Share Incentive Trust	6 429 930	6 429 930
Closing balance	20 837 062	20 837 062
	2026 R'000	2025 R'000
Share premium		
Carrying value at the beginning of the year	1 007 718	1 007 718
Carrying value at the end of the year	1 007 718	1 007 718

Notes to the Consolidated Annual Financial Statements

For the year ended 28 February continued

18. Share capital and premium continued

Ordinary shares carry one vote per share and give equal right to dividends.

In August 2023, the group awarded 10,1 million shares in terms of the Forfeitable Share Plan (FSP), which will vest in August 2026 (note 19). In terms of the FSP rules, there are various options which can be used to settle these awards. For certain options, this will result in the number of weighted average shares in issue to increase from 167 243 684 to 177 293 684. The group will assess these options at the time of settlement.

Reserves

	2026 R'000	2025 R'000
Foreign currency translation reserve comprises the translation effect of foreign subsidiaries, equity-accounted investees and joint operations to the reporting currency.	(83 467)	(29 291)
Share-based payment reserve comprises the accumulated effect of share-based payment expenses in terms of the employee share incentive scheme (note 19).	11 526	6 723
Revaluation surplus reserve comprises the revaluation of land and buildings (note 9).	43 779	16 384
Reserves of disposal groups comprised foreign currency translation and revaluation surplus reserves that related to the disposal groups (note 7).	—	76 642
	(28 162)	70 458

19. Employee share incentive scheme

Forfeitable Share Plan (FSP)

The FSP has been established to complement and enhance the ability of the group to attract, incentivise, retain, and reward key staff, and promote broad-based black economic empowerment within the group.

Forfeitable Share Awards are based on, inter alia, the seniority and performance of employees, market benchmarks, human capital requirements including skills, diversity and inclusion requirements, and/or the need to promote broad-based black economic empowerment within the group.

The vesting of all Forfeitable Share Awards will be subject to the vesting condition of three years employment after the award.

Any one of the following Settlement methods, or a combination of any such Settlement methods, may be used:

1. Market purchase by a third party

The group may make a cash contribution to a third party equal in value to the shares required to settle the award. The third party would acquire the shares on the market as agent for, and on behalf of, the group, with those shares then delivered to participants in settlement of vested awards.

2. Treasury shares held by the employer company

The group may use shares held in treasury to settle an award once the applicable vesting conditions have been met.

3. Treasury shares held by another subsidiary or trust

The group may make a cash contribution to another subsidiary, or to a trust, that holds shares in treasury for purposes of settling awards. The subsidiary or trust would deliver the required shares to participants in settlement of vested awards.

4. Direct issue and allotment of new shares

The group may issue and allot new shares directly to participants in settlement of vested awards.

5. Subscription for newly issued shares

The group may make a cash contribution equal to the subscription price of new shares to be allotted and issued by the group, at either the market value per share on the settlement date or the par value per share.

FSP limits

The overall limits of the number of equity securities which may be utilised by the company for purposes of the FSP are as follows:

- The total shares allocated under the FSP may not exceed 30 million shares, representing approximately 16% of the company's current issued shares;
- Any one participant may receive no more than 16 927 267 shares, or approximately 9% of issued ordinary share capital; and
- The maximum number of shares that may be settled through new issue shares or treasury shares for any participant is capped at 3 million shares, representing approximately 10% of the shares authorised by shareholders for fresh issue under the FSP.

Notes to the Consolidated Annual Financial Statements

For the year ended 28 February continued

19. Employee share incentive scheme continued

The number of ordinary shares available for allocation under the FSP at 1 March 2025 was 15 814 000 shares. During the year, 1 814 575 shares were granted to participants and 345 748 were forfeited. Furthermore, 598 452 shares were awarded to the executives in terms of Executive Directors Incentive Scheme. Accordingly, the number of shares available for future allocation under the scheme at 28 February 2026 was 13 746 721 shares.

The settlement of Forfeitable Shares awarded in terms of Option 1 of the FSP are full free shares, which are delivered immediately, with full dividend and voting rights.

	2026	2025
Forfeitable shares awarded and settled in terms of option 1		
Awarded during the year	1 814 575	1 890 000
Less: Settlement	(1 814 575)	(1 890 000)
Outstanding at year-end	—	—
Grant date	31 January 2026	31 August 2024
Fair value at grant date (R'000s)	8 378	3 638
Contractual life of each award	3 years	3 years

These shares were acquired on the open market and are full free shares, which are delivered immediately, with full dividend and voting rights. The costs of the shares amount to R8,4 million (Feb 2025: R3,6 million) and are expensed over 3 years.

345 748 of shares which were awarded in previous years were forfeited due to a resignation.

	2026	2025
Forfeitable shares awarded and to be settled in terms of option 2 – 5		
Opening balance	10 500 000	10 050 000
Awarded during the year	—	450 000
Outstanding at year-end	10 500 000	10 500 000
Grant date	—	31 August 2024
Grant price	—	3,21
Fair value at grant date (R'000s)	—	1 445
Contractual life of each award	—	3 years

In August 2023, the group awarded 10 050 000 shares which will vest in August 2026 and in August 2024, 450 000 shares were awarded, which will vest in August 2027. In terms of the FSP rules, any of the options 1 – 5 can be used to settle these awards. The group will assess these options at the time of settlement. For certain options, this will result in the number of weighted average shares in issue to increase from 167 243 684 to 177 293 664.

LTI awards in terms of EDIS

Long-term incentives (LTI) in terms of the Executive Directors Incentive Scheme relating to the February 2025 financial year of R1,7 million for RW Crawford and R985 000 for Y du Plessis, translated into the award of shares in terms of the Forfeitable Share Plan of 376 618 and 221 834 shares respectively. These shares have a vesting period of 3 years and costs related to these shares for the year ending February 2026 is R73 000 (Feb 2025: nil). These forfeitable shares are awarded under the rules of the FSP and were awarded on 31 January 2026, the grant date. The fair value of the award equals the value of the LTI of R2,7 million. Refer to note 25.

FSP costs

Total forfeitable share costs relating to above awards:

	2026 R'000	2025 R'000
FSP costs (note 4)	7 128	6 272

Notes to the Consolidated Annual Financial Statements

For the year ended 28 February continued

20. Financial liabilities

20.1 Non-current and current financial liabilities

	2026			2025		
	Non-current R'000	Current R'000	Total R'000	Non-current R'000	Current R'000	Total R'000
Unsecured borrowings	—	4 266	4 266	—	3 929	3 929
Secured borrowings	184 393	38 106	222 499	1 287	848 902	850 189
Bonds	—	—	—	1 287	91	1 378
Standard Bank Facility (note 20.3)	184 393	38 106	222 499	—	—	—
Loan	—	—	—	—	848 811	848 811
Instalment sales	120 121	123 013	243 134	100 480	125 316	225 796
Lease liabilities (note 20.2)	95 216	51 328	146 544	67 720	25 988	93 708
Borrowings	399 730	216 713	616 443	169 487	1 004 135	1 173 622
Voluntary Rebuild Programme	31 129	20 001	51 130	45 111	18 750	63 861
Financial liabilities	430 859	236 714	667 573	214 598	1 022 885	1 237 483

The group, through its primary operating subsidiary, concluded a new five-year term facility of R850 million with The Standard Bank of South Africa Limited (the Facility). The Facility replaced the current loan, which was fully settled on 31 October 2025, thereby terminating the historic lender arrangements and the Restructuring Plan. The new Facility bears interest at the equivalent of the three-month Johannesburg Interbank Average Rate (JIBAR) or equivalent rate, plus a margin of 3,50% compounded quarterly, and will be repaid in 19 equal quarterly instalments from February 2026 to August 2030, following an initial interest-only payment of R6,7 million in November 2025. Capital prepayments of R620 million were made, as well as the first instalment of R16,8 million, with capital of R7,5 million thereby reducing the loan from R850 million to R223 million.

The Voluntary Rebuild Programme's last instalment is payable in July 2029. The liability was remeasured at an implied interest rate of 6,63% (Feb 2025: 7,6%).

Refer to note 27 for further information regarding terms and conditions.

20.2 Lease liabilities

a) Undiscounted cash flows

	2026 R'000	2025 R'000
Less than one year	66 918	35 077
Between two and five years	109 106	71 848
More than five years	—	6 839

b) Cash outflows relating to leases were recognised as follows:

	2026 R'000	2025 R'000
Operating activities — finance costs (note 5.2)	12 858	7 026
Financing activities — capital repayment (note 23.3)	43 904	27 699
Total cash outflows	56 762	34 725

For detail on the carrying amounts of the underlying assets of leases, including the depreciation charge, refer to note 9.2.

For detail on the expenses recognised relating to short-term and low value leases, refer to note 4.2.

Notes to the Consolidated Annual Financial Statements

For the year ended 28 February continued

20. Financial liabilities continued

20.3 Security and restrictive funding arrangements

Security provided against borrowings

	Property, plant and equipment	
	2026 R'000	2025 R'000
Secured bank loans (first mortgage bonds)	—	5 450
Instalment sales (note 9)	349 165	285 366
Lease liabilities (note 9)	176 554	97 294
	525 719	388 110

Security provided

Stefanutti Stocks Proprietary Limited, as borrower, together with Stefanutti Stocks Holdings Limited and Stefanutti Stocks International Holdings Proprietary Limited as guarantors, provided security for the Standard Bank Facility and the facilities provided by certain guarantee providers. Refer to note 26.

Security provided is as follows:

	2026		2025*	
	Capital value R'000	Additional value R'000	Capital value R'000	Additional value R'000
Continuous Covering Mortgage Bond				
Land and Building held by Stefanutti Stocks Proprietary Limited with a value of R134 million (Feb 2025: R123 million)	158 546	31 709	158 546	31 709
Land and Buildings held by Stefanutti Stocks Botswana Proprietary Limited with a value of R19 million (Feb 2025: R21 million)	BWP21 million	BWP4 million	BWP21 million	BWP4 million
Special Notarial Bond				
Plant and equipment held in Stefanutti Stocks Proprietary Limited with a value of R63 million in Feb 2025	—	—	2 000 000	400 000
General Notarial Bond				
Stefanutti Stocks Holding Limited	1 000 000	200 000	1 000 000	200 000
K2011136847 (South Africa) Proprietary Limited	—	—	1 000 000	200 000
Stefanutti Stocks International Holdings Limited	1 000 000	200 000	1 000 000	200 000
Stefanutti Stocks Proprietary Limited	1 000 000	200 000	1 000 000	200 000

* Security disclosed for February 2025 relates to the loan through the Lender group, which was settled on 31 October 2025, as a result of the conclusion of the Standard Bank Facility.

The group, through its primary operating subsidiary, concluded a new five-year term facility of R850 million with The Standard Bank of South Africa Limited (the Facility). The Facility was partially supported by financial guarantees provided by the group's guarantee providers. After year-end, Stefanutti Stocks Proprietary Limited was released from its obligation to provide financial guarantees from the guarantee providers and the financial guarantees were accordingly released and cancelled. In addition, the Facility is secured through customary security arrangements and includes standard covenant requirements that are typical for agreements of this nature. As at 28 February 2026, the financial covenants for the Facility were met.

The financial covenants are as follows:

Measurement date: 28 February 2026

Financial covenant	Required	Actuals	Status
Total Debt Service Cover Ratio	Equal to or greater than 1,00x	4,66x	Compliant
Cumulative Total Debt Service Cover Ratio	Equal to or greater than 1,30x	8,11x	Compliant
Leverage Ratio	Equal to or less than 2,50x	0,79x	Compliant
Total Interest Cover Ratio	Equal to or greater than 2,00x	6,34x	Compliant

Notes to the Consolidated Annual Financial Statements

For the year ended 28 February continued

20. Financial liabilities continued

Financial covenants are measured quarterly for the group, using rolling 12-month historical information. Should the group fail to meet these financial covenants an event of default will arise. Financial covenants become more restrictive annually on 1 March.

In terms of the security arrangements, Stefanutti Stocks Proprietary Limited, Stefanutti Stocks Holdings Limited and Stefanutti Stocks International Holdings Proprietary Limited have ceded and pledged certain assets *in securitatem debiti* rather than by way of outright cession. The cessions are enforceable only in the event of default and include, subject to applicable exclusions, bank accounts, claims, debts, insurance policies and proceeds, material contracts, receivables and certain shares in South African group companies.

The facility agreement permits the group to undertake certain transactions in the ordinary course of business, including acquisitions, disposals, distributions, encumbrances, financial indebtedness and treasury transactions, subject to the terms and conditions of the facility.

The facility also contains various restrictions on transactions outside the permitted categories, for example certain acquisitions, disposals, encumbrances over assets or revenue streams, cessions of trade receivables and the incurrence of financial indebtedness, unless specifically permitted under the facility agreement.

21. Trade and other payables

	2026 R'000	2025 R'000
Trade payables	436 997	492 150
Amounts due to joint operations	32 273	43 980
Retention creditors and subcontractors	126 752	205 817
Accrued expenses*	322 312	296 273
Value added tax and withholding taxes*	70 369	53 376
Unclaimed dividends*	24	24
	988 727	1 091 620

* Non-financial liabilities.

22. Provisions

	Balance at the beginning of the year R'000	Additional provisions raised R'000	Utilised/reversed during the year R'000	Balance at the end of the year R'000
Warranty provisions	27 231	5 358	(27 231)	5 358
Contract-related provisions	820 745	748 358	(820 745)	748 358
Other provisions	73 613	—	—	73 613
Corporate Social Investment Projects	7 200	—	(7 200)	—
	928 789	753 716	(855 176)	827 329

Warranty provisions relate to obligations to rectify defects on projects already delivered to customers. These defect periods expire within 12 months.

Contract-related provisions represents the estimated amounts relating to incurred obligations to third party suppliers.

Other provisions relate to obligations arising from mentorship and development commitments.

The provision for Corporate Social Investment (CSI) Projects related to the commitment arising from the settlement agreement with the City of Cape Town, which required CSI projects to be undertaken within the Cape Town district. The obligation was settled in the current year.

Notes to the Consolidated Annual Financial Statements

For the year ended 28 February continued

23. Notes to the statement of cash flows

23.1 Cash generated from operations

	2026 R'000	2025 R'000
Net profit before taxation from continuing operations	712 878	253 634
Net loss before taxation from discontinued operations (note 7.2)	(40 387)	(71 466)
Adjusted for:		
Net profit on disposals of property, plant and equipment (note 4)	(6 190)	(3 943)
Net gain on disposal of non-current assets held for sale (note 4)	—	(639)
Net loss/(profit) on foreign exchange (note 4)	27 410	(49 523)
Forfeitable Share Plan costs (note 4, 19)	7 128	6 272
Impairment of assets (note 9, 10)	27 150	2 264
Investment income (note 5)	(167 469)	(49 774)
Finance costs (note 5)	142 766	126 606
Fair value adjustments (note 7.3)	2 356	1 965
Depreciation (note 9)	133 578	90 686
Share of loss of equity-accounted investees (note 10)	887	2 904
Net expected credit loss on contracts in progress (note 15)	126	330
Net expected credit loss on trade and other receivables (note 16)	(39 657)	76 206
Loss on remeasurement of financial asset held at fair value through profit or loss (note 16)	18 325	4 564
Movement in provisions (note 22)	(100 688)	(37 284)
Profit on disposal of joint operation (note 4, 11, 23.5)	(11 356)	—
Discontinued operations (note 7.2)	(12 347)	74 367
Fair value adjustments	—	51 165
Profit before leakage on disposal of subsidiary (excluding leakage paid which was cash-settled)	(8 365)	—
Net loss on foreign exchange	14 557	5 236
Realisation of foreign currency translation reserve on disposal of foreign operation	(25 407)	—
Net expected credit loss on contracts in progress and trade and other receivables	—	89
Net profit on disposals of plant and equipment	73	—
Movement in provisions	(12 088)	3 150
Investment income	(313)	(2)
Finance costs	19 196	14 729
Other non-cash items	35 200	(83 576)
Short-term insurance (note 23.3)	15 204	10 218
Settlement of loan — other transaction costs (note 23.3)	1 189	—
Penalties reversed — Foreign tax authority	—	(1 060)
Withholding taxes written-off (note 4)	18 807	41 114
Kalabo settlement — Net value	—	(133 848)
	729 710	343 593
Movements in working capital		
Change in inventories	14 415	5 942
Change in contracts in progress	(71 073)	(134 697)
Change in trade and other receivables	(663 832)	192 672
Change in trade and other payables	31 015	(86 423)
Change in excess billings over work done	1 639 993	73 475
Effect of foreign exchange rate changes on working capital	(3 933)	8 246
Cash generated from operations	1 676 295	402 808

Notes to the Consolidated Annual Financial Statements

For the year ended 28 February continued

23. Notes to the statement of cash flows continued

23.2 Reconciliation of taxation paid during the year

	2026 R'000	2025 R'000
Opening balance	(43 477)	(19 769)
Charge against profit — continuing operations (note 6)	69 049	57 871
Effect of foreign exchange rate changes	24 030	(164)
Offset of interest payable on taxes and other taxes netted off against VAT receivables/liabilities	—	(266)
Interest and penalties on taxes reversed due to settlement reached with foreign tax authority	—	(26 362)
Withholding taxes written-off (note 4)	18 807	36 998
Disposal of discontinued operations (note 23.4)	1 232	—
Closing balance	78 392	43 477
Payments made	148 033	91 785

23.3 Reconciliation of cash flow movements relating to financing activities

	Opening balance R'000	Cash outflow R'000	Cash inflow R'000	Non-cashflow movements			Closing balance R'000
				Additions R'000	Interest R'000	Other R'000	
2026							
Unsecured borrowings	3 929	(14 867)	—	15 204	—	—	4 266
Secured borrowings**	850 189	(628 879)	—	850 000	—	(848 811)	222 499
Instalment sales	225 796	(85 797)	—	102 939	196	—	243 134
Leases	93 708	(43 904)	—	96 740	—	—	146 544
Total borrowings	1 173 622	(773 447)	—	1 064 883	196	(848 811)	616 443
Voluntary Rebuild Programme	63 861	(12 731)	—	—	—	—	51 130
	1 237 483	(786 178)	—	1 064 883	196	(848 811)	667 573
Discontinued operations (note 7.2)	—	—	164 533	—	—	(164 533)	—
	1 237 483	(786 178)	164 533	1 064 883	196	(1 013 344)	667 573
2025							
Unsecured borrowings	4 673	(10 962)*	—	10 218	—	—	3 929
Secured borrowings	998 580	(148 391)	—	—	—	—	850 189
Instalment sales	58 438	(82 325)	—	249 683	—	—	225 796
Leases	57 346	(27 699)	—	64 061	—	—	93 708
Total borrowings	1 119 037	(269 377)	—	323 962	—	—	1 173 622
Settlement — City of Cape Town	9 344	(8 684)	—	—	(660)	—	—
Voluntary Rebuild Programme	79 945	(16 084)	—	—	—	—	63 861
	1 208 326	(294 145)	—	323 962	(660)	—	1 237 483
Leases — Discontinued operations	206	(194)	—	—	(12)	—	—
	1 208 532	(294 339)	—	323 962	(672)	—	1 237 483

* Cash outflows include repayments of short-term financing of R13,8 million (Feb 2025: R9,91 million).

** Proceeds received from the Standard Bank Facility were paid directly to the Lender group to settle the historical loan and therefore constitutes a non-cash transaction.

Notes to the Consolidated Annual Financial Statements

For the year ended 28 February continued

23. Notes to the statement of cash flows continued

23.4 Sale of Disposal group (note 7)

	Disposal group R'000
Property, plant and equipment	304 971
Deferred tax assets	51 217
Inventories	105 916
Contracts in progress	67 590
Trade and other receivables	262 516
Taxation (note 23.2)	1 232
Bank balances	294 418
Fair value adjustment	(46 525)
Total assets	1 041 335
Financial liabilities	164 533
Trade and other payables	355 711
Excess billings over work done	409 667
Provisions	18 127
Bank overdrafts	42 444
Total liabilities	990 482
Net asset value	50 853
Loss on disposal	
Net disposal value (note 7)	49 827
Disposal value	65 941
Less: Associated costs (forex loss and leakage costs)	(16 114)
Less: Net asset value	(50 853)
Loss on disposal of subsidiary (note 7)	(1 026)
Cash flows	
Net disposal value	49 827
Plus: associated costs (forex non-cash)	9 391
Proceeds received	59 218
Less: Bank balances	(294 418)
Less: Bank overdrafts	42 444
Net cash outflow	(192 756)

Notes to the Consolidated Annual Financial Statements

For the year ended 28 February continued

23. Notes to the statement of cash flows continued

23.5 Disposal of joint operation

	FISH R'000
Contracts in progress	11 318
Trade and other receivables	50 575
Bank balances	16 637
Total assets	78 530
Trade and other payables	16 219
Excess billings over work done	22 000
Provisions	772
Total liabilities	38 991
Net asset value	39 539
Disposal value	50 895
Profit on disposal (note 4)	11 356
Cash flows	
Disposal value	50 895
Less: Included within Trade and other receivables	(18 509)
Proceeds received	32 386
Less: Bank balances	(16 638)
Net cash inflow	15 748

24. Segment information

Segment reporting is done in a manner consistent with the internal reporting provided to the chief operating decision maker being the Executive Committee, with reportable operating segments being reported at regional level. Individual members of the executive management team are responsible for the operating segments of these regions noted below.

Below are the types of activities in which each region (operating segment) derives revenue:

Region	Description of segment
Inland	Civils, Roads & Earthworks, Building, Geotechnical, Mining Services, Mechanical, Electrical and Instrumental, Oil & Gas and Renewable Energy works within the Gauteng and other inland regions
Coastal	Civils, Building and Roads & Earthworks within the KwaZulu-Natal region
Western Cape	Civils, Building and Roads & Earthworks within the Western Cape region
Africa	General contracting work within other African countries
Other	Other segments comprise segments which do not represent more than 10% of combined revenue or combined reported profit/(loss) or combined assets of all operating segments. It also includes those operations that are primarily centralised in nature, i.e. it primarily applies to the group's headquarters and are not allocated to any one particular segment.

Revenue can be further disaggregated into disciplines as well as geographical and sector. Refer to note 3.

Intersegment contract revenues are eliminated on consolidation. The performance of operating segments is assessed by management based on operating profit before investment income. Goodwill of R272 million (Feb 2025: R272 million) is included within total assets for other segments.

Notes to the Consolidated Annual Financial Statements

For the year ended 28 February continued

24. Segment information continued

	Inland R'000	Coastal R'000	Western Cape R'000	Africa R'000	Other segments and eliminations R'000	Total R'000
2026						
Contract revenue (note 3)	4 468 419	1 445 705	860 156	1 065 589	—	7 839 869
Intersegment contract revenue	—	—	—	9 594	—	9 594
Net profit on disposal of property, plant and equipment (note 4)	4 813	785	218	374	—	6 190
Net profit/(loss) on foreign exchange rate movements (note 4)	1 969	(187)	—	(26 565)	(2 627)	(27 410)
Project management fees (note 4)	2 255	86	—	2 413	—	4 754
Net expected credit loss (note 15, 16)	17 524	(2 310)	2	24 315	—	39 531
Auditors remuneration (note 4)	(2 720)	(1 442)	(1 124)	(3 753)	(4 416)	(13 455)
Employee costs (note 4)	(1 231 396)	(375 722)	(207 284)	(309 081)	(131 368)	(2 254 851)
Expenses relating to leases (note 4)	(426 134)	(52 741)	(1 526)	(16 383)	—	(496 784)
Restructuring costs (note 4)*	—	—	—	—	(26 129)	(26 129)
Withholding taxes written-off (note 4)	(10 000)	—	—	(8 807)	—	(18 807)
Depreciation (note 9)	(110 513)	(13 252)	(4 327)	(4 455)	(1 031)	(133 578)
Fair value adjustments (note 7)	—	(2 306)	—	(50)	—	(2 356)
Impairment of assets (note 9)	(13 563)	—	(13 587)	—	—	(27 150)
Operating profit/(loss) before investment income	697 161	74 842	48 285	(37 456)	(93 770)	689 062
Investment income (note 5)	151 679	430	2 734	7 159	5 467	167 469
Share of losses of equity-accounted investees (note 10)	(817)	—	—	—	(70)	(887)
Finance costs (note 5)	(34 489)	(4 239)	(358)	(21 539)	(82 141)	(142 766)
Taxation (note 6)	(14 009)	9 884	1 521	(26 701)	(51 374)	(80 679)
Profit/(loss) for the year	770 194	83 131	51 836	(51 927)	(221 035)	632 199
Equity-accounted investees (note 10)	—	—	—	—	2 228	2 228
Total assets	2 214 266	985 070	442 940	1 653 052	445 281	5 740 609
Total liabilities	2 115 829	797 847	503 288	1 391 200	339 275	5 147 439

* Restructuring costs relate to abnormal consultancy, associated legal fees and guarantee costs that are only incurred at head office in relation to the Restructuring Plan. These do not include the normal consultancy and legal fees which are part of the operations and are reported within the affected segments.

Notes to the Consolidated Annual Financial Statements

For the year ended 28 February continued

24. Segment information continued

	Inland R'000	Coastal R'000	Western Cape R'000	Africa R'000	Other segments and eliminations R'000	Total R'000
2025						
Contract revenue (note 3)	3 335 919	1 959 661	882 292	1 479 219	—	7 657 091
Intersegment contract revenue	—	7 448	2 979	11 103	—	21 530
Net profit/(loss) on disposal of property, plant and equipment (note 4)	1 303	(108)	161	2 585	2	3 943
Net gain/(loss) on disposal of non-current assets held for sale (note 4, 7)	729	(8)	(82)	—	—	639
Net profit/(loss) on foreign exchange rate movements (note 4)	24 166	(1)	—	26 178	(820)	49 523
Project management fees (note 4)	4 061	347	—	15 381	656	20 445
Net expected credit loss (note 15, 16)	2 535	(2 641)	(8)	(76 422)	—	(76 536)
Auditors remuneration (note 4)	(2 412)	(1 381)	(1 083)	(3 173)	(4 482)	(12 531)
Employee costs (note 4)	(1 028 924)	(333 052)	(182 454)	(381 633)	(117 551)	(2 043 614)
Expenses relating to leases (note 4)	(255 492)	(58 369)	—	(7 989)	—	(321 850)
Restructuring costs (note 4)*	—	—	—	—	(28 212)	(28 212)
Withholding taxes written-off (note 4)	(35 810)	—	—	(5 304)	—	(41 114)
Depreciation (note 9)	(73 080)	(11 756)	(4 942)	(531)	(377)	(90 686)
Fair value adjustments (note 7)	—	(1 750)	(215)	—	—	(1 965)
Impairment of assets	—	—	—	—	(2 264)	(2 264)
Operating profit/(loss) before investment income	186 587	64 875	72 957	91 990	(83 039)	333 370
Investment income (note 5)	38 222	4 403	1 808	2 038	3 303	49 774
Share of (losses)/profits of equity-accounted investees (note 10)	(3 142)	—	—	—	238	(2 904)
Finance costs (note 5)	(22 985)	(3 327)	(82)	18 892	(119 104)	(126 606)
Taxation (note 6)	(71 315)	(18 434)	(20 027)	(26 221)	91 364	(44 633)
Profit/(loss) for the year	127 367	47 518	54 657	86 732	(107 273)	209 001
Equity-accounted investees (note 10)	—	—	—	—	8 861	8 861
Total assets	1 740 164	822 006	214 806	1 803 891	513 758	5 094 625
Total liabilities	1 673 581	819 007	263 264	1 256 803	1 065 659	5 078 314

* Restructuring costs relate to abnormal consultancy, associated legal fees and guarantee costs that are only incurred at head office in relation to the Restructuring Plan. These do not include the normal consultancy and legal fees which are part of the operations and are reported within the affected segments.

Geographical areas

The group operates mainly in the geographical areas of South Africa (local) and Africa (foreign).

	2026						
	Local	Foreign — Africa					
	R'000	Botswana R'000	Eswatini R'000	Zimbabwe R'000	Zambia R'000	Mauritius R'000	Lesotho R'000
Contract revenues from external customers (note 3)	6 600 827	60 727	608 823	29 625	424 138	74 404	41 325
Non-current assets (excluding deferred tax)	1 199 587	20 297	102 151	3 440	28 688	—	—

Notes to the Consolidated Annual Financial Statements

For the year ended 28 February continued

24. Segment information continued

	2025						
	Local	Foreign — Africa					
	R'000	Botswana R'000	Eswatini R'000	Zimbabwe R'000	Zambia R'000	Mauritius R'000	Lesotho R'000
Contract revenues from external customers (note 3)	5 979 911	133 870	463 807	138 727	413 756	467 786	59 234
Non-current assets (excluding deferred tax)	1 075 528	12 269	54 145	10 996	2 864	266	—

Major customers

Revenue generated from a single customer of the group amounted to approximately R597 million (Feb 2025: R596 million), of which the largest portion of this revenue was earned in the Inland Region (Feb 2025: Coastal Region). The group is not reliant on any one major customer as its services span a varied number of industries and countries.

25. Related parties

Stefanutti Stocks Holdings Limited is the holding company for the group.

Related parties are those who control or have a significant influence over the group and parties who are controlled or significantly influenced by the group (including subsidiaries, joint operations and associates). All related party transactions take place on terms equivalent to those that prevail on an arm's length basis.

Nature of relationships

Subsidiaries	Equity-accounted investees (note 10)	Joint operations (note 11)	Other
Stefanutti Stocks Proprietary Limited Trading company for operations based in South Africa, as well as some foreign operations, including Botswana and Zimbabwe	Associates Two individually immaterial associates	Various joint operations	Consolidated structured entities Stefanutti & Bressan Share Trust
Stefanutti Stocks International Holdings Proprietary Limited Holding company for subsidiaries based in foreign countries			
Stefanutti Stocks Investments Proprietary Limited Treasury company for the group			

A full list of subsidiaries and joint arrangements is available on request.

Outstanding balances

	Note 16 2026: R43 million receivable 2025: R47 million receivable Note 21 2026: R32 million payable 2025: R44 million payable
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Provision of guarantees (note 26)

Non-executive directors

Non-executive director remuneration is compared to the company's peer group. Recommendations are made by the CFO and Human Resources Executive, to the Remuneration and Nominations Committee (REMCO), for onward review by the board and submission to shareholders. Non-executive directors are compensated based on attendance fees. The fees are based on the size and complexity of the group and also take into account market practices and fee surveys provided to the committee. No distinction is made between fees payable to independent non-executive directors and other non-executive directors, although the fees of the Chairman take her expanded role into account.

The total fees paid to non-executive directors are not limited to a maximum annual amount, irrespective of the number of meetings attended. Directors qualify for reimbursement of expenses incurred in performing their duties for and on behalf of the company.

Notes to the Consolidated Annual Financial Statements

For the year ended 28 February continued

25. Related parties continued

Non-executive directors do not have service contracts. Instead, letters of appointment confirm their terms of engagement, and include matters such as fees, term of office, expected time commitment, share dealing and board performance assessments. The Chairman has a letter of appointment, which is specific to her role and function. This letter of appointment is in line with normal business terms.

The fees paid to non-executive directors, as well as the proposed fees for the next financial year, were approved by the REMCO, the board of directors and shareholders at the last annual general meeting.

There is no requirement for non-executive directors to be shareholders of the company and they do not qualify to participate in any incentive scheme that is operated by the group.

The company's directors are appointed for a term of three years and are obliged to retire at the end of that period, but may offer themselves for re-election at the annual general meeting. A third retire by rotation annually.

	2026			2025		
	Short-term benefits			Short-term benefits		
	Attendance fees R'000	Annual fees R'000	Total R'000	Attendance fees R'000	Annual fees R'000	Total R'000
Non-executive directors						
ZJ Matlala (Chairman)	—	1 357	1 357	—	1 192	1 192
HJ Craig	1 011	—	1 011	936	—	936
B Harie	1 027	—	1 027	937	—	937
B Silwanyana	808	—	808	733	—	733

Executive directors

Details of remuneration for executive directors, are as follows:

	Basic salary R'000	Other benefits R'000	Other incentives R'000	Short-term incentives 2026 EDIS R'000	Long-term incentives 2026 EDIS R'000	Short-term incentives 2026 DPSIS R'000	Post-employment benefits R'000	Total R'000
2026								
Executive directors								
RW Crawford — CEO	6 976	97	8 769 [^]	14 409	4 888	—	1 070	36 209
Y du Plessis — CFO	4 368	107	5 080 [^]	9 317	3 052	—	669	22 593
Prescribed officers*								
E Wisse — MD Inland Region	4 693	96	—	—	—	6 300	633	11 722
M Horwill — MD Coastal Region	4 246	69	185	—	—	2 780	650	7 930
M Donato — MD Western Cape Region	4 618	64	139	—	—	2 890	707	8 418
S White — MD Africa Region	4 611	37	188	—	—	4 200	707	9 743
Executive key management personnel	3 893	38	177	—	—	2 000	597	6 705

* Prescribed officers consist of certain Executive Committee members who are not executive directors of the group.

[^] Other incentives were awarded following the successful and beneficial outcome of the Kusile Power Project settlement, and completion of the Restructuring Plan.

Other benefits consists of travel and other related allowances.

The costs recognised in respect of FSP awards granted in August 2023 to executive directors was R497 000 for RW Crawford and R312 000 for Y du Plessis. The costs recognised for prescribed officers amounted to R736 000, representing an expense of R184 000 per prescribed officer.

Long-term incentives (LTI) awarded for the February 2026 financial year amounted to R5 million for RW Crawford and R3 million for Y du Plessis. Payment for the achievement of the LTIs is made by way of forfeitable shares. These shares will be awarded during the 2027 financial year in terms of the Forfeitable Share Plan.

Notes to the Consolidated Annual Financial Statements

For the year ended 28 February continued

25. Related parties continued

Refer to note 19 for the share incentive costs recognised during the year.

	Basic salary R'000	Other benefits R'000	Short-term incentives 2025 EDIS R'000	Long-term incentives 2025 EDIS R'000	Short-term incentives 2025 DPSIS R'000	Post-employment benefits R'000	Share incentive costs R'000	Total R'000
2025								
Executive directors								
RW Crawford — CEO [^]	6 483	495	6 414	1 670	—	993	496	16 551
Y du Plessis — CFO	3 824	121	3 895	985	—	586	312	9 723
Prescribed officers*								
E Wisse — MD Inland Region	4 148	116	—	—	5 500	560	184	10 508
M Horwill — MD Coastal Region	3 609	82	—	—	2 500	553	—	6 744
M Donato — MD Western Cape Region	4 082	69	—	—	3 500	625	184	8 460
S White — MD Africa Region	3 839	46	—	—	5 000	862	184	9 931
Executive key management personnel	3 618	73	—	—	1 800	554	—	6 045

[^] In addition to the above remuneration, a cash payment of R14,8 million was made to RW Crawford under the Key Man Attraction and Retention Scheme in lieu of shares previously awarded and not acquired by the group due to cash flow constraints at the time.

* Prescribed officers consist of certain Executive Committee members who are not executive directors of the group.

Long-term incentives awarded for the February 2025 financial year of R1,7 million for RW Crawford and R985 000 for Y du Plessis, translated into the award of shares in terms of the Forfeitable Share Plan of 376 618 and 221 834 shares on 31 January 2026. These shares have a vesting period of 3 years and costs related to these shares for the year ending February 2026 is R73 000 (Feb 2025: nil).

Short-term incentives are aligned with the group strategy, using both financial performance measures and personal objectives. Minimum targets are required to be met before respective bonus awards are earned.

Directors' service contracts

All employment contracts of executive directors and senior management are in terms of the group's standard employment terms and conditions.

The contracts of employment of executive directors or senior executives do not preclude the company from exercising its normal rights to terminate the contract in the event of misconduct or poor performance. Executive directors retire from their positions and from the board at their normal retirement date.

For further detail of executive directors and senior management remuneration practices refer to the remuneration report included in the integrated annual report.

Directors' and prescribed officers' shareholding

	2026				2025			
	Direct beneficial %	Indirect beneficial %	Total %	No. of shares	Direct beneficial %	Indirect beneficial %	Total %	No. of shares
Percentage of fully-paid shares held								
Directors								
RW Crawford (CEO)	1,67	0,36	2,03	3 820 588	1,48	0,36	1,84	3 456 585
Y du Plessis (CFO)	0,16	—	0,16	306 834	0,05	—	0,05	85 000
B Harie (Independent non-executive)	0,02	—	0,02	36 300	—	—	—	—
Prescribed officers								
E Wisse	0,21	—	0,21	399 281	0,16	—	0,16	298 864
M Horwill	—	—	0,00	65	—	—	—	65
M Donato	0,43	—	0,43	805 268	0,43	—	0,43	805 268
S White	0,54	—	0,54	1 019 994	0,52	—	0,52	974 149

Included in the disclosed shareholding are shares acquired equal in value to the long-term incentive component awarded under the Executive Director Incentive Scheme for February 2025. These shares were acquired in terms of the FSP scheme and are subject to vesting on 31 January 2029. The disclosed shareholding includes 376 618 shares held by RW Crawford and 221 834 shares held by Y du Plessis.

Notes to the Consolidated Annual Financial Statements

For the year ended 28 February continued

25. Related parties continued

Post year-end share transactions

There were no other transactions with related parties between the year-end date and the approval date of these annual financial statements.

26. Guarantees, contingent liabilities and contingent assets

Guarantees and suretyships

	2026 R'000	2025 R'000
Guarantees		
Guarantees issued to third parties on behalf of the group to guarantee the full and due performance of construction works as set out in the contract or other related matters	4 081 565	2 617 915
Financial guarantees issued to a third party on behalf of the group to guarantee the loan (note 20)	150 000*	889 489
Suretyships		
Suretyship of R17 million for credit cards and fuel cards (Feb 2025: R16 million)	17 302	15 568

* These financial guarantees were cancelled after year-end.

Guarantees also include the following:

- Performance guarantees which are issued to a client to guarantee the quality and performance of the construction services rendered in the event that there is default in terms of the contract.
- Advance payment guarantees are issued in lieu of an advance received and reduce over the period of the contract as the advance payment is utilised.
- Tender guarantees are issued as guarantee that should the project tendered for be awarded, the group would be in a position to execute the contract.

All these guarantees are dependent on the nature, terms and timing of each specific contract.

Certain of the guarantees and suretyships are supported by cross-suretyships from subsidiaries.

The group does not expect any outflow for the guarantees disclosed above as there are sufficient strategies in place to mitigate the risk of outflow.

Contingent liabilities and contingent assets

Kusile Power Project summary

As previously communicated to shareholders, Stefanutti Stocks continued to pursue its contractual claims on the Kusile power project with Eskom.

Since August 2021, the group has secured payments totalling R132 million for measured work and Dispute Adjudication Board (DAB) rulings.

In terms of the "Interim Arrangement" entered into with Eskom in February 2020, for the Purposes of Agreeing or Determining the Contractor's Claims and Facilitating the Dispute Resolution Process relating to Claim 5 (delay events up to 31 December 2019), the DAB issued its Sub-clause 20.4 decision on 17 October 2025, awarding Stefanutti Stocks R685 million (excluding VAT).

Both parties have the right to refer the decision to arbitration, however, in terms of the Contract, the decision is binding and enforceable unless revised by amicable settlement or an arbitral award.

Eskom issued a notice of dissatisfaction and indicated that they intended to have the award set aside in totality by the High Court of South Africa. If successful, Claim 5 would be referred to arbitration, thereby recommencing the entire claims process.

The group submitted Claim 6, for delay events after December 2019 in May 2025, through the contractual process. Eskom also submitted its delay damages claim for late completion, which Stefanutti Stocks would have defended through the contractual process. Should Claim 6 and/or the delay damages claim have failed in the contractual process, either would be referred to the DAB for resolution.

Notes to the Consolidated Annual Financial Statements

For the year ended 28 February continued

26. Guarantees, contingent liabilities and contingent assets continued

The Contract provided for amicable settlement prior to the commencement of an arbitration process. Consequently, after careful deliberation, the Board of Stefanutti Stocks considered it appropriate to approach Eskom with a view of reaching a settlement with respect to Claim 5, Claim 6 and Eskom's delay damages claim for late completion.

Stefanutti Stocks and Eskom on 24 November 2025 signed a full and final settlement agreement for an amount of R580 million (excluding VAT) (Settlement Amount), which constitutes a mutual release of any and all actual or potential claims, disputes or entitlements either party may have against the other arising or in connection with the Contract.

The Settlement Amount of R580 million (excluding VAT) has been received and a prepayment was made towards the Standard Bank Facility.

The recognition of the Settlement Amount increased contract revenue by R448 million, operating profit by R388 million and investment income by R132 million. The profit after tax relating to the Settlement Amount is R492 million.

27. Risk management, accounting classifications and fair value

Financial instruments

The group's principal financial liabilities comprise loans and borrowings, and trade and other payables. The main purpose of these liabilities is to finance the group's operations. The principal financial assets include trade and other receivables, and cash and cash equivalents that is derived directly from the group's operations.

Accounting classifications and fair value of financial instruments

The following table shows the carrying amounts of financial assets and financial liabilities.

The carrying amounts of bank balances, trade and other receivables and trade and other payables approximate their fair values due to the short-term maturity of these assets and liabilities. There is no significant difference between the carrying amounts of other financial assets and liabilities and their fair values due to the effective interest method used.

	2026 R'000	2025 R'000
Financial assets, loans and receivables at amortised cost		
Trade and other receivables (note 16)	2 110 878	1 635 672
Bank balance (note 17)	1 109 087	493 582
Financial assets held at fair value through profit or loss (note 16)		
	—	19 254
Financial liabilities at amortised cost		
Bank balance (note 17)	—	23 629
Financial liabilities (note 20)	667 573	1 237 483
Trade and other payables (note 21)	596 022	741 947

Capital risk management

The primary objective of the group's capital risk management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximise shareholder value.

The company manages its capital structure centrally and makes adjustments to it, in line with changes in economic conditions. The group, through its primary operating subsidiary, concluded a new five-year term facility of R850 million with The Standard Bank of South Africa Limited (the Facility). The Facility replaced the current loan, which was fully settled on 31 October 2025, thereby terminating the historic lender arrangements and the Restructuring Plan. The Facility was partially supported by financial guarantees provided by the group's guarantee providers. After year-end, Stefanutti Stocks Proprietary Limited was released from its obligation to provide financial guarantees and the financial guarantees were accordingly released and cancelled. In addition, the Facility is secured through customary security arrangements and includes standard covenant requirements that are typical for agreements of this nature. As on 28 February 2026, the financial covenants for the Facility were met. Refer to note 20 for the detail of financial covenants, as well as the directors report on page 8.

In setting the ideal mix between debt and equity, the group seeks to optimise its returns on shareholders' equity while maintaining prudent financial gearing. The group monitors capital using a gearing ratio which is net debt divided by total equity attributable to equity holders of the company. Generally, the objective is to operate at a gearing ratio of not greater than 35%. The group retains excess capital to fund future growth.

Notes to the Consolidated Annual Financial Statements

For the year ended 28 February continued

27. Risk management, accounting classifications and fair value continued

The group includes within net debt interest-bearing loans, borrowings and bank overdrafts.

Capital is considered to consist of share capital, share premium, retained earnings and other reserves.

Gearing ratios at year-end were as follows:

	2026 R'000	2025 R'000
Net debt	667 573	1 261 112
Interest-bearing liabilities (note 20)	667 573	1 237 483
Bank overdrafts (note 17)	—	23 629
Total equity attributable to equity holders of the company	593 170	16 311
Gearing ratio (%)	113	7 732

The improvement in the gearing ratio is a result of the recognition of the Kusile Power Project settlement of R492 million and profitable execution, and a reduction in debt from R1 261 million to R668 million. Refer to the directors report on page 8.

Risk management framework

The group's board of directors has overall responsibility for the establishment and oversight of the group's risk management framework. The group has exposure to the following risks arising from financial instruments:

- Credit risk
- Liquidity risk
- Market risk

Credit risk

Credit risk is the risk of financial loss to the group if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the group's receivables from customers.

The gross amounts of financial assets represent the maximum credit exposure and are as follows:

	2026 R'000	2025 R'000
Contract in progress (note 15)	705 935	595 748
Trade receivables (note 16)	1 897 517	1 527 910
Retention debtors (note 16)	312 019	225 853
Amounts due by joint operations (note 16)	60 544	48 185
Other receivables (note 16)	27 992	24 876
Financial asset held at fair value through profit or loss (note 16)	—	19 254
Bank balances (note 17)	1 109 087	493 582
Total	4 113 094	2 935 408

The group's exposure to credit risk is influenced mainly by the individual characteristics of each customer.

Management also considers the factors that may influence credit risk including the default risk of the industry and country in which customers operate. The credit granting policy is set on a group basis and managed at operating entity level. Each region in the group is responsible for the management of credit risk in receivables and does so through ongoing credit evaluations and credit control policies and procedures.

Trade receivables comprise of a widespread customer base, primarily in South Africa but also in the rest of Africa, mainly Botswana, Eswatini, Zimbabwe, Mauritius and Zambia. The majority of the customers are concentrated in the industrial public and private development sectors. Due to the diverse nature of the operations, management does not believe that the group is significantly exposed to a high concentration of credit risk. Any change in the credit quality of receivables is considered from the date credit was granted up to the reporting date. If customers are independently rated, these ratings are used. Otherwise, if there is no independent rating, management assesses the credit quality of the customer, considering their financial position, past experience and other factors.

Notes to the Consolidated Annual Financial Statements

For the year ended 28 February continued

27. Risk management, accounting classifications and fair value continued

Expected credit loss model

The group applied the simplified approach to determine the expected credit loss (ECL) for its trade receivables, contracts in progress and retention debtors, by calculating the lifetime ECLs for these receivables. The general approach is applied to determine the expected credit loss on amounts due by joint operations and other receivables by assessing, at each reporting period, whether there has been a significant increase in credit risk since initial recognition. Where there is no significant increase in credit risk, the group provides for a 12-month ECL. Where there is a significant increase in credit risk, a lifetime ECL is calculated. Expected credit losses are calculated on both a collective and individual basis. Collective expected credit losses are calculated using a provision rate matrix. The provision rates are calculated based on defined credit risk grades and reflect a probability of default based on past events, current conditions and a forecast of future economic conditions. Forecast of future economic conditions incorporates the use of reliable default rate statistics from reputable credit risk rating agencies, which take into account forecast macroeconomic data, including financial and growth conditions of specific industry sectors. The provision rates are revised each year where there are changes in customer profiles and behaviours, new information and changes in forecasted economic conditions.

Customers were classified into specific credit risk grades based on the following main criteria:

- Within South Africa or outside South Africa
- Private or public sector
- Days past due of outstanding debt
- Industry sector within which the customer operates
- Other factors specific to each customer where applicable

The provision rates applied to collective expected credit losses ranged from 0,001% for the lowest risk category to 8,9% for the highest risk category (Feb 2025: 0,001% – 10,0%). The general default rates applied in the provision rate matrix take into account the market outlook per external rating agencies and possible impacts of the Middle East geopolitical developments. The provision rate matrix was applied to all receivables as they are mainly from similar customers with similar risk profiles. Additional factors specific to each category of financial assets were also considered and rates were adjusted accordingly. The individual expected credit loss relates to specific clients who are showing signs of default such as delayed payments and liquidity pressures for which specific provisions have been raised.

Contracts in progress (note 15)

Contracts in progress have been disaggregated into two main categories to assess credit risk: Work in progress and Materials on site.

Work in progress includes timing differences between measured work performed but not yet certified and invoiced, pending sign-off from clients' quantity surveyors. Revenue is recognised based on measured work performed. Any work measured but not yet certified is treated as work in progress, until such time as it is certified and invoiced. Once invoiced, the balance is reclassified to trade receivables.

Materials on site includes costs incurred to complete the contract, but contractually cannot be billed at period end as it has not been used in measured work performed.

Notes to the Consolidated Annual Financial Statements

For the year ended 28 February continued

27. Risk management, accounting classifications and fair value continued

The summarised risk categories and calculated expected credit loss for contracts in progress are as follows:

	Work in progress		Materials on site		Total R'000
	Public R'000	Private R'000	Public R'000	Private R'000	
2026					
Within South Africa	55 425	63 331	100 077	101 725	320 558
Outside South Africa	177 887	93 773	25 874	87 843	385 377
Botswana	11 418	4 521	218	1 058	17 215
Eswatini	143 482	17 711	25 656	13 637	200 486
Mauritius	—	10 451	—	—	10 451
Zambia	22 987	46 559	—	73 148	142 694
Zimbabwe	—	14 531	—	—	14 531
Gross total of contracts in progress	233 312	157 104	125 951	189 568	705 935
Within South Africa					
Average expected credit loss rate (%)	—	0,1	—	0,1	—
Expected credit loss	10	35	13	73	131
Outside South Africa					
Average expected credit loss rate (%)	0,4	0,1	0,4	—	0,3
Expected credit loss	800	59	111	26	996
Average expected credit loss rate (%)	0,3	0,1	0,1	0,1	0,2
Total expected credit loss	810	94	124	99	1 127
Carrying amount	232 502	157 010	125 827	189 469	704 808
2025					
Within South Africa	62 459	155 104	52 902	173 574	444 039
Outside South Africa	29 108	66 685	20 051	35 865	151 709
Botswana	1 296	4 442	—	130	5 868
Eswatini	27 812	27 543	20 051	20 244	95 650
Lesotho	—	2 500	—	779	3 279
Mauritius	—	25 449	—	2 919	28 368
Zambia	—	6 659	—	11 793	18 452
Zimbabwe	—	92	—	—	92
Gross total of contracts in progress	91 567	221 789	72 953	209 439	595 748
Within South Africa					
Average expected credit loss rate (%)	0,1	0,2	—	0,2	0,2
Expected credit loss	43	318	7	318	686
Outside South Africa					
Average expected credit loss rate (%)	0,2	0,3	0,2	0,1	0,2
Expected credit loss	52	188	33	42	315
Average expected credit loss rate (%)	0,1	0,2	0,1	0,2	0,2
Total expected credit loss	95	506	40	360	1 001
Carrying amount	91 472	221 283	72 913	209 079	594 747

Notes to the Consolidated Annual Financial Statements

For the year ended 28 February continued

27. Risk management, accounting classifications and fair value continued

In determining the expected credit loss, the following historical and forward-looking factors were considered:

Historical factors	Forward-looking factors
<ul style="list-style-type: none"> — Payment history of the customer — Consideration of reasons for delay in payments — whether they are indicative of liquidity/solvency issues — Contractual recourse for non-payment — Collateral/credit insurance available in case of default — Contractual provisions for alternative recovery in case of disputes regarding work performed — Majority of the contracts in progress balances are current and relate to work which will be certified within the next 12 months — Advance payments received from materials on site 	<ul style="list-style-type: none"> — Financial state of client and any indication of financial distress based on most recent information available — Discussions between the group and the clients regarding recoverability of amounts outstanding and any probabilities of default — Commitments made for payment and whether they are realistic based on history, client relationship and progress of contract — Political climate that impacts government infrastructure spending, such as economic growth forecasts, inflation, interest rates, business confidence and the availability of funding within the construction sector — Potential roll-out of future projects — The value of work certified after year-end in relation to the closing balances at year-end

The change in the expected credit loss from prior year is mainly driven by the increase in balances of 18%.

Trade receivables (note 16)

Trade receivables represent invoiced amounts due from contract customers. The average credit period for trade receivables is 60 days. Interest is charged as per agreements reached with individual clients per signed contracts. The group has the right to waive interest as it deems necessary. Before accepting a new client, the group runs thorough credit and background checks in order to determine the potential customer's creditworthiness. All contracts and clients' creditworthiness are assessed on an individual basis.

The summarised risk categories for trade receivables on which a collective expected credit loss is calculated are as follows:

	Current to 30 days R'000	60 to 90 days R'000	120 to 150 days R'000	180 days R'000	Over 180 days to less than 1 year R'000	Over 1 year R'000	Total R'000
2026							
Within South Africa	1 051 952	78 510	21 400	68 809	121 556	3 407	1 345 634
Public	264 361	47 321	85	—	—	—	311 767
Private	787 591	31 189	21 315	68 809	121 556	3 407	1 033 867
Outside South Africa	232 306	39 944	29 491	—	—	33 391	335 132
Public	95 322	1 145	23 119	—	—	27 468	147 054
Eswatini	95 322	1 145	23 119	—	—	24 128	143 714
Zambia	—	—	—	—	—	3 340	3 340
Private	136 984	38 799	6 372	—	—	5 923	188 078
Botswana	7 137	—	—	—	—	—	7 137
Eswatini	29 233	—	1 315	—	—	—	30 548
Zambia	100 357	38 799	38	—	—	5 923	145 117
Zimbabwe	257	—	5 019	—	—	—	5 276
Gross total of trade receivables	1 284 258	118 454	50 891	68 809	121 556	36 798	1 680 766
Within South Africa							
Average expected credit loss rate (%)	—	0,7	0,6	2,3	2,6	2,7	0,4
Collective expected credit loss	180	544	136	1 576	3 132	93	5 661
Outside South Africa							
Average expected credit loss rate (%)	5,8	3,6	8,9	—	—	8,8	6,1
Collective expected credit loss	13 539	1 455	2 613	—	—	2 948	20 555
Average expected credit loss rate (%)	1,1	1,7	5,4	2,3	2,6	8,3	1,6
Total collective expected credit loss	13 719	1 999	2 749	1 576	3 132	3 041	26 216
Carrying amount	1 270 539	116 455	48 142	67 233	118 424	33 757	1 654 550

Notes to the Consolidated Annual Financial Statements

For the year ended 28 February continued

27. Risk management, accounting classifications and fair value continued

	Current to 30 days R'000	60 to 90 days R'000	120 to 150 days R'000	180 days R'000	Over 180 days to less than 1 year R'000	Over 1 year R'000	Total R'000
2025							
Within South Africa	683 722	57 319	54 441	—	11 266	8 781	815 529
Public	173 543	6 988	81	—	9 426	2 063	192 101
Private	510 179	50 331	54 360	—	1 840	6 718	623 428
Outside South Africa	160 233	45 466	43 594	3 238	6 392	232 515	491 438
Public	65 664	42 240	43 537	3 238	6 110	230 684	391 473
Botswana	—	274	—	—	—	—	274
Eswatini	65 406	41 809	43 537	3 238	6 110	135 330	295 430
Zambia	258	157	—	—	—	95 354	95 769
Private	94 569	3 226	57	—	282	1 831	99 965
Botswana	1 145	—	57	—	40	—	1 242
Eswatini	2 100	—	—	—	—	81	2 181
Lesotho	5 006	—	—	—	—	—	5 006
Mauritius	14 262	—	—	—	—	—	14 262
Zambia	64 592	3 226	—	—	53	1 750	69 621
Zimbabwe	7 464	—	—	—	189	—	7 653
Gross total of trade receivables	843 955	102 785	98 035	3 238	17 658	241 296	1 306 967
Within South Africa							
Average expected credit loss rate (%)	—	2,2	2,6	—	0,9	4,4	0,4
Collective expected credit loss	207	1 261	1 415	—	103	388	3 374
Outside South Africa							
Average expected credit loss rate (%)	0,2	3,8	3,8	4,6	5,2	10,0	5,6
Collective expected credit loss	317	1 746	1 654	149	335	23 336	27 537
Average expected credit loss rate (%)	0,1	2,9	3,1	4,6	2,5	9,8	2,4
Total collective expected credit loss	524	3 007	3 069	149	438	23 724	30 911
Carrying amount	843 431	99 778	94 966	3 089	17 220	217 572	1 276 056

The average expected credit loss rate is calculated on a total basis but is affected by the composition of balances in each of the time bands as well as different risk grades, causing it to look higher in lower time bands than higher time bands.

The change in the collective expected credit loss from prior year is mainly driven by a reduction in foreign balances of 32% which attract a higher ECL rate, contrasted by an increase in local debtors of 65%, mainly from a significant receivable, relating to a road infrastructure project.

The higher ECL rate in the 120 to 150 day time-band is driven by the foreign balances in Eswatini, which attract a higher ECL rate.

Notes to the Consolidated Annual Financial Statements

For the year ended 28 February continued

27. Risk management, accounting classifications and fair value continued

The summarised risk categories for trade receivables on which an individual expected credit loss is calculated are as follows:

	2026		2025	
	Over 1 year R'000	Total R'000	Over 1 year R'000	Total R'000
Within South Africa	11 577	11 577	45 916	45 916
Private	11 577	11 577	45 916	45 916
Outside South Africa	205 174	205 174	175 027	175 027
Public	205 174	205 174	175 027	175 027
Zambia	205 174	205 174	175 027	175 027
Gross total of trade receivables	216 751	216 751	220 943	220 943
Average expected credit loss rate (%)	65,9	65,9	72,0	72,0
Expected credit loss	142 887	142 887	159 169	159 169
Carrying amount	73 864	73 864	61 774	61 774

The individual expected credit loss reduced mainly due to debtors previously provided for now written-off as uncollectible and a reversal of R16 million relating to the Kalabo settlement as funds of R16 million were received during the year.

In determining the expected credit loss, the following historical and forward-looking factors were considered:

Historical factors

- Payment history of the customer
- Consideration of reasons for delay in payments — whether they are indicative of liquidity/solvency issues
- Contractual recourse for non-payment of debtors
- Collateral/credit insurance available in case of default

Country specific factors considered for the Zambia and Eswatini debtors in particular due to materiality include:

- Zambia
 - Regular formal interactions at ministerial level
 - Ability to offset amounts due to and due from government (e.g. VAT)
 - Work suspended until payment is received
 - High public debt to GDP ratios (more than 100% in recent years)
- Eswatini
 - No history of bad debts
 - Significant advance payments received
 - Long outstanding due to the regulation that surrounds payments of government debtors

Forward-looking factors

- Financial state of client and any indication of financial distress based on most recent information available and management discussions
- Commitments made for payment and whether they are realistic based on history, client relationship and progress of contract
- Political climate that impacts government infrastructure spending, such as economic growth forecasts, inflation, interest rates, business confidence and the availability of funding within the construction sector
- Potential roll-out of future projects

Country specific factors considered for the Zambia and Eswatini debtors in particular due to materiality include:

- Zambia
 - List of new projects to be rolled out by the relevant departments of the Government in the short to medium term
 - Willingness from Government to offset amounts due to and due from government
 - Payments received subsequent to year-end
 - Assessing governments source of income that supports ability to repay
 - Lack of enforcement rights
 - Changes in administration or fiscal priorities which impact compliance
- Eswatini
 - Payments received subsequent to year-end
 - Assessing governments source of income that supports ability to repay (e.g. The Southern African Customs Union (SACU))
 - Target of foreign funded projects with the same client (government departments)
 - Formal funding mechanisms in place for these projects

Notes to the Consolidated Annual Financial Statements

For the year ended 28 February continued

27. Risk management, accounting classifications and fair value continued

Retention debtors (note 16)

Retention debtors relate to amounts invoiced but not paid until the conditions specified in the contract are fulfilled or until defects have been rectified. The retention debtors are only due and payable once a contract is completed and all obligations are met.

The summarised risk categories and calculated expected credit loss for retention debtors are as follows:

	2026			2025		
	Public R'000	Private R'000	Total R'000	Public R'000	Private R'000	Total R'000
Within South Africa	156 696	42 616	199 312	121 161	59 781	180 942
Outside South Africa	50 465	62 242	112 707	28 245	16 666	44 911
Botswana	—	—	—	—	505	505
Lesotho	—	—	—	—	1 748	1 748
Eswatini	38 176	4 311	42 487	14 124	1 012	15 136
Zambia	12 289	57 931	70 220	14 121	13 401	27 522
Gross total of retention debtors	207 161	104 858	312 019	149 406	76 447	225 853
Within South Africa						
Average expected credit loss rate (%)	—	0,1	—	—	0,1	—
Expected credit loss	22	23	45	14	52	66
Outside South Africa						
Average expected credit loss rate (%)	0,4	—	0,2	0,3	0,1	0,2
Expected credit loss	193	22	215	79	19	98
Average expected credit loss rate (%)	0,1	—	0,1	0,1	0,1	0,1
Total expected credit loss	215	45	260	93	71	164
Carrying amount	206 946	104 813	311 759	149 313	76 376	225 689

In determining the expected credit loss, the following historical and forward-looking factors were considered:

Historical factors

- Payment history of client in relation to previous invoices raised
- Consideration of reasons for delay in payments — whether they are indicative of liquidity/solvency issues
- Collateral/credit insurance available in case of default
- Contractual provisions for alternative recovery in case of non-payment
- Ageing of retention debtors (majority of retention debtors are only due in future periods)

Forward-looking factors

- Financial state of client and any indication of financial distress based on most recent information available
- Discussions between the group and the client regarding recoverability of amounts outstanding and any probabilities of default
- Commitments made for payment and whether they are realistic based on history, client relationship and progress of contract
- Political climate that impacts government infrastructure spending, such as economic growth forecasts, inflation, interest rates, business confidence and the availability of funding within the construction sector
- Potential roll-out of future projects
- Progress of contract and probability of disputes regarding valued work and other contractual conditions at end of contract

The change in the expected credit loss from prior year is mainly driven by the increase in balances of 38%.

Notes to the Consolidated Annual Financial Statements

For the year ended 28 February continued

27. Risk management, accounting classifications and fair value continued

Amounts due by joint operations (note 16)

Receivables from joint operations consist of either resource funding or cash advances. Resource funding relates to recoveries for expenses incurred on behalf of the joint operation by related parties which are settled in the normal course of business. Cash advances relate to contractual loans granted to alleviate temporary cash flow constraints of the operation.

Amounts due by joint operations have no specific repayment terms.

Amounts within the 60 to 90 day time-band are outstanding for more than 30 days and relate to receivables for which credit risk has increased significantly since initial recognition but that are not credit impaired. Amounts older than 90 days are considered to be in default and therefore credit-impaired.

The summarised risk categories and calculated expected credit loss for receivables from joint operations are as follows:

	Current to 30 days R'000	60 to 90 days R'000	120 to 150 days R'000	180 days R'000	Over 180 days to less than 1 year R'000	Over 1 year R'000	Total R'000	Resource accounts R'000
2026								
Within South Africa	14 870	7 989	—	—	—	—	22 859	22 859
Public	1 536	—	—	—	—	—	1 536	1 536
Private	13 334	7 989	—	—	—	—	21 323	21 323
Outside South Africa	6 318	2	117	3	1 359	29 886	37 685	37 685
Private	6 318	2	117	3	1 359	29 886	37 685	37 685
Mauritius	439	2	117	3	65	5 554	6 180	6 180
Eswatini	5 879	—	—	—	—	—	5 879	5 879
Zambia	—	—	—	—	1 294	24 332	25 626	25 626
Gross total of amounts due by joint operations	21 188	7 991	117	3	1 359	29 886	60 544	60 544
Within South Africa								
Average expected credit loss rate (%)	64,1	100,0	—	—	—	—	76,7	
Expected credit loss	9 538	7 989	—	—	—	—	17 527	
Outside South Africa								
Average expected credit loss rate (%)	—	—	3,4	—	0,8	0,9	0,7	
Expected credit loss	1	—	4	—	11	257	273	
Average expected credit loss rate (%)	45,0	100,0	3,4	—	0,8	0,9	29,4	
Total expected credit loss	9 539	7 989	4	—	11	257	17 800	
Carrying amount	11 649	2	113	3	1 348	29 629	42 744	

Notes to the Consolidated Annual Financial Statements

For the year ended 28 February continued

27. Risk management, accounting classifications and fair value continued

	Current to 30 days R'000	60 to 90 days R'000	120 to 150 days R'000	180 days R'000	Over 180 days to less than 1 year R'000	Over 1 year R'000	Total R'000	Resource accounts R'000
2025								
Within South Africa	11 447	3 249	—	—	2	587	15 285	15 285
Private	11 447	3 249	—	—	2	587	15 285	15 285
Outside South Africa	11 371	149	102	10	—	21 268	32 900	32 900
Private	11 371	149	102	10	—	21 268	32 900	32 900
Botswana	1	149	102	10	—	—	262	262
Eswatini	—	—	—	—	—	2 256	2 256	2 256
Mauritius	11 370	—	—	—	—	—	11 370	11 370
Zambia	—	—	—	—	—	19 012	19 012	19 012
Gross total of amounts due by joint operations	22 818	3 398	102	10	2	21 855	48 185	48 185
Within South Africa								
Average expected credit loss rate (%)	0,1	2,3	—	—	—	3,7	0,7	
Expected credit loss	15	76	—	—	—	22	113	
Outside South Africa								
Average expected credit loss rate (%)	0,1	2,7	2,9	—	—	3,5	2,3	
Expected credit loss	11	4	3	—	—	751	769	
Average expected credit loss rate (%)	0,1	2,4	2,9	—	—	3,5	1,8	
Total expected credit loss	26	80	3	—	—	773	882	
Carrying amount	22 792	3 318	99	10	2	21 082	47 303	

In determining the expected credit loss, the following historical and forward-looking factors were considered:

Historical factors

- Past experience — these are normally settled in the normal course of business
- Joint operations are still trading, and, in most instances, we are the lead partner and administer and manage the cash therefore ensuring payment
- Payment history of the customer
- Consideration of reasons for delay in payments — whether they are indicative of liquidity/solvency issues
- Contractual recourse for non-payment
- Collateral/credit insurance available in case of default

Forward-looking factors

- Cash flow projections prepared on a regular basis
- Ability of joint operation partners to fund cash flow requirements
- Joint operation relationships are governed by joint operation agreements and will exist until end of contract/project
- Future profitability of the project taking into consideration timing of profit distributions in terms of the joint operation agreement
- Commitments made for payment and whether they are realistic based on history, client relationship and progress of contract
- Political climate that impacts government infrastructure spending, such as economic growth forecasts, inflation, interest rates, business confidence and the availability of funding within the construction sector
- Potential roll-out of future projects

The change in the expected credit loss from prior year is mainly driven by a specific provision raised of R17 million relating to a loss-making project.

Notes to the Consolidated Annual Financial Statements

For the year ended 28 February continued

27. Risk management, accounting classifications and fair value continued

Other receivables (note 16)

Other receivables consist mostly of deposits (mainly house rental deposits) and sundry debtors.

The summarised risk categories and calculated expected credit loss for other receivables are as follows:

	2026 R'000	2025 R'000
Within South Africa	21 952	18 325
Outside South Africa	6 040	6 551
Eswatini	3 068	3 018
Mauritius	198	379
Zambia	1 741	1 080
Zimbabwe	—	957
Kenya	1 023	1 106
Botswana	10	11
Gross total of other receivables	27 992	24 876
Within South Africa		
Average expected credit loss rate (%)	0,1	0,1
Expected credit loss	17	17
Outside South Africa		
Average expected credit loss rate (%)	0,2	0,1
Expected credit loss	14	9
Average expected credit loss rate (%)	0,1	0,1
Total expected credit loss	31	26
Carrying amount	27 961	24 850

In determining the expected credit loss, the following historical and forward-looking factors were considered:

Historical factors	Forward-looking factors
Deposits <ul style="list-style-type: none"> — History of default by agents on repayment of deposits — Materiality of deposit amounts that could affect ability of agent to repay 	Deposits <ul style="list-style-type: none"> — Whether deposits can be transferred to other properties under the same rental agent
Other receivables <ul style="list-style-type: none"> — Materiality of amounts due from the various sundry debtors — Nature of the debtor (whether low credit-risk entities, e.g. banks, trusts) 	Sundry debtors <ul style="list-style-type: none"> — Financial state of the debtor and any indication of financial distress based on most recent information available

There was no significant increase in credit risk of other receivables, therefore the group provided for a 12-month ECL. The change in the expected credit loss from prior year is mainly due to the increase in balances of 13%.

Collateral

Exposure to credit risk is mitigated by the request for collateral. Collateral is in the form of payment guarantees, builders lien or credit insurance. There was no collateral received for any of the receivables in the current year (Feb 2025: Nil).

Notes to the Consolidated Annual Financial Statements

For the year ended 28 February continued

27. Risk management, accounting classifications and fair value continued

Liquidity risk

Liquidity risk is the risk that the group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The group manages liquidity risk through an ongoing review of future commitments and credit facilities and by ensuring that adequate unutilised borrowings facilities are maintained. This will ensure that the group will be in a position to meet its liabilities when they are due. The group also monitors on a monthly basis the level of expected cash inflows on trade and other receivables together with expected cash outflows to ensure all commitments are met. This excludes the potential impact of extreme circumstances that cannot reasonably be predicted.

The group maintains lines of credit of R55 million (Feb 2025: R56 million) mainly comprising bank overdraft facilities.

Exposure to liquidity risk

The following are the remaining contractual maturities of financial instruments at the reporting date. The amounts are presented gross and undiscounted and include contractual interest payments.

	Carrying amount R'000	Total R'000	On demand R'000	Less than six months R'000	More than six months R'000	Between one and five years R'000	More than five years R'000
2026							
Financial assets							
Trade and other receivables	2 110 878	2 110 878	—	2 109 311	—	1 567	—
	2 110 878	2 110 878	—	2 109 311	—	1 567	—
Financial liabilities							
Financial liabilities — Loan	222 499	291 089	—	30 641	30 641	229 807	—
Financial liabilities — Other	55 396	65 840	—	11 137	7 500	47 203	—
Instalment sales	243 134	273 606	—	77 771	64 519	131 316	—
Lease liabilities	146 544	176 024	—	32 928	33 990	109 106	—
Trade and other payables	596 022	596 022	—	596 022	—	—	—
	1 263 595	1 402 581	—	748 499	136 650	517 432	—
2025							
Financial assets							
Trade and other receivables	1 654 926	1 654 926	—	1 645 321	—	9 605	—
	1 654 926	1 654 926	—	1 645 321	—	9 605	—
Financial liabilities							
Financial liabilities — Loan	848 811	881 344	—	—	881 344	—	—
Financial liabilities — Other	69 168	71 996	—	—	22 897	48 073	1 026
Instalment sales	225 796	261 812	—	53 903	51 127	156 782	—
Lease liabilities	93 708	113 765	—	19 717	15 361	71 848	6 839
Trade and other payables	741 947	741 947	—	741 947	—	—	—
Bank balances	23 629	23 629	23 629	—	—	—	—
	2 003 059	2 094 493	23 629	815 567	970 729	276 703	7 865

The group, through its primary operating subsidiary, concluded a new five-year term facility of R850 million with The Standard Bank of South Africa Limited (the Facility). The Facility replaced the current loan, which was fully settled on 31 October 2025, thereby terminating the historic lender arrangements and the Restructuring Plan. The Facility is partially supported by financial guarantees provided by the group's guarantee providers. The group's guarantee providers were released from this obligation subsequent to year-end. In addition, the Facility is secured through customary security arrangements and includes standard covenant requirements that are typical for agreements of this nature. As on 28 February 2026, the financial covenants for the Facility were met. Refer to note 20.

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27. Risk management, accounting classifications and fair value continued

Market risk

Market risk is the risk that changes in foreign exchange rates and interest rates, will affect the group's income or the value of its holdings of financial instruments.

Currency risk

The group is exposed to currency risk to the extent that there is a mismatch between the currencies in which sales, purchases and bank balances are denominated and the respective functional currencies.

In addition to the above, the group also has certain investments in foreign operations, whose net assets are exposed to foreign currency translation risk. The presentation currency of the group is Rand. The currencies in which these transactions are primarily denominated are Botswana Pula (BWP), Zambian Kwacha (ZMW), United States Dollar (USD), Mauritian Rupee (MUR) and other African currencies.

	2026						2025					
	BWP R'000	ZMW R'000	USD R'000	MUR R'000	Other R'000	Total R'000	BWP R'000	ZMW R'000	USD R'000	MUR R'000	Other R'000	Total R'000
Profit/(loss) for the year after tax included	(7 012)	(64 842)	22 188	(4 533)	(5 632)	(59 831)	(28 426)	91 010	64 211	(31 234)	37 347	132 908
Monetary assets	17 357	332 643	25 840	39 982	9 159	424 981	30 716	269 695	55 183	67 965	10 145	433 704
Trade receivables	7 137	203 999	4 884	(10)	—	216 010	1 505	206 494	2 910	13 117	—	224 026
Other receivables	3 387	113 463	13 750	33 005	5 658	169 263	1 115	52 270	14 832	51 971	6 031	126 219
Bank balances	6 833	15 181	7 206	6 987	3 501	39 708	28 096	10 931	37 441	2 877	4 114	83 459
Monetary liabilities	(11 511)	(89 566)	147	(44 692)	(698)	(146 320)	25 813	68 921	480 649	56 514	462	632 359
Trade payables	(2 217)	(49 931)	(375)	(20 720)	(172)	(73 415)	1 351	30 451	267 246	18 636	75	317 759
Other payables	(9 294)	(39 635)	522	(23 972)	(526)	(72 905)	24 462	38 470	213 403	37 878	387	314 600

The group trades in a number of currencies and certain currencies have been excluded where considered immaterial.

Other currencies include Kenya Schillings (KES), Ghanaian Cedi (GHC), Sierra Leonean Leone (SLL), and Malawian Kwacha (MWK).

	Average rate		Closing rate	
	2026	2025	2026	2025
The following exchange rates have been applied				
BWP	1,2977	1,3335	1,2113	1,3421
ZMW	0,7403	0,6573	0,8443	0,6490
USD	17,4890	18,4801	15,9324	18,5478
MUR	0,3830	0,3967	0,3435	0,3973

Sensitivity analysis

A reasonably possible strengthening/(weakening) of the following currencies at year-end would have affected the measurement of profit or loss after tax denominated in a foreign currency by the amounts shown below. The analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases.

	Movement		Strengthening/(weakening)	
	2026 %	2025 %	2026 R'000	2025 R'000
BWP	10	4	701/(701)	1 137/(1 137)
ZMW	30	26	19 452/(19 452)	23 663/(23 663)
USD	14	1	3 106/(3 106)	642/(642)
MUR	14	4	634/(634)	1 249/(1 249)

Notes to the Consolidated Annual Financial Statements

For the year ended 28 February continued

27. Risk management, accounting classifications and fair value continued

Interest rate risk

The group is exposed to interest rate risk through its cash and cash equivalents and interest-bearing, short- and long-term liabilities. Short-term interest rate exposure is monitored and managed by each region in the group. The majority of borrowings are obtained at variable rates exposing the group to cash flow interest rate risk.

The terms and conditions of outstanding interest-bearing loans are as follows:

	Currency	Nominal interest rate		Year of maturity	Carrying value	
		2026 %	2025 %		2026 R'000	2025 R'000
Unsecured borrowings	ZAR	4,84 – 6,41	4,84 – 9,55	2027	4 266	3 929
Secured borrowings — Bonds and other	SZL	—	9,00	2035	—	1 378
Secured borrowings — Loan*	ZAR	10,28	16,10	2025	222 499	848 811
Instalment sales	ZAR/SZL	10,25 – 13,75	11,00 – 14,5	2028	243 134	225 796
Lease liabilities	ZAR	7,00 – 16,63	9,50 – 16,63	2027 – 2030	146 544	93 708
Voluntary Rebuild Programme*	ZAR	6,63	7,56	2029	51 130	63 861
					667 573	1 237 483

* The Standard Bank Facility and the Voluntary Rebuild Programme liability is linked to the Johannesburg Interbank Average Rate (JIBAR) (Note 20.1). The JIBAR is scheduled to permanently cease on 31 December 2026 and will be replaced by ZARONIA (South African Rand Overnight Index Average), whose adoption has reached the execution phase. No material impact is expected when the rates are changed, but this change cannot be confirmed yet.

Sensitivity analysis

A change of 100 basis points (Feb 2025: 100 basis points) in interest rates would have increased or decreased profit or loss before tax by R15 million (Feb 2025: R19 million).

Fair value

Measurement of fair value — land and buildings

The fair value measurement for land and buildings has been categorised as a Level 3 fair value based on the inputs to the valuation technique used.

Valuation technique and significant unobservable inputs

Land and Buildings are either measured using the Income Capitalisation Method or the Direct Comparable Sales Method.

Valuation technique	Significant unobservable inputs	Interrelationship between key unobservable inputs and fair value measurement
Income capitalisation method	<p>Market capitalisation rate between 9,3% – 12,0%</p> <p>Income/expenditure ratio between Local — Inland 23,5% – 26,6% Local — Western Cape 20,8% Foreign — Eswatini 8,2%</p>	<p>Market capitalisation rate:</p> <ul style="list-style-type: none"> — Increase with 1% resulting in decrease in value of R6 million; — Decrease with 1% resulting in increase in value of R22 million; <p>Income/expenditure ratio:</p> <ul style="list-style-type: none"> — Increase with 1% resulting in decrease in value of R3 million; — Decrease with 1% resulting in increase in value of R7 million; <p>Market capitalisation rate and income/expenditure ratio:</p> <ul style="list-style-type: none"> — Both increase with 1% resulting in decrease in value of R10 million; — Both decrease with 1% resulting in increase in value of R22 million; — Income/expenditure ratio increase with 1% and market capitalisation rate decrease with 1% resulting in increase of value of R18 million; — Income/expenditure ratio decrease with 1% and market capitalisation rate increase with 1% resulting in decrease of value of R7 million.

Refer to Note 9 for the reconciliation of land and buildings measured at fair value.

Notes to the Consolidated Annual Financial Statements

For the year ended 28 February continued

27. Risk management, accounting classifications and fair value continued

Measurement of fair value — non-current assets held for sale

Non-current assets

Non-current assets held for sale consist of plant and equipment.

Plant and equipment have been categorised as a Level 3 fair value based on significant unobservable inputs to the valuation technique used. These assets are measured using the comparable sales method. This entails the use of quoted prices for identical or similar assets in the market.

Refer to note 7.3.

28. Subsequent events

Capital commitments relate to expenditure for plant and equipment which has been authorised and/or contracted for but not yet recognised in the financial statements. Capital commitments which have been authorised and/or contracted for at 28 February 2026 amount to R147 million (Feb 2025: R7 million).

Zanele Matlala has advised the board of her intention to retire at the annual general meeting to be held on 7 August 2026 and will accordingly not stand for re-election. Following Zanele's retirement, Howard Craig will be appointed as chairman of the board with effect from 7 August 2026.

E Tate was appointed by the board as an independent non-executive director on 18 June 2026 and his appointment will be tabled before shareholders for confirmation and approval at the 2026 AGM in August 2026.

Ongoing geopolitical instability in the Middle East continues to contribute to volatility in global energy markets, logistics networks and foreign exchange rates. While the group has no direct operations in the region, indirect impacts may arise through fluctuations in diesel and fuel prices, increased shipping lead times, and inflationary pressure on certain oil linked construction inputs. These risks are being actively managed through contractual escalation mechanisms, client supplied fuel arrangements, early procurement strategies and disciplined contractual engagement. The group's exposure is considered manageable, with no material disruption identified to date.

Other than the matters noted herein, there were no other material reportable events which occurred between the reporting date and the date of these financial statements.

29. Availability of Stefanutti Stocks Holdings Limited Separate Annual Financial Statements

The Stefanutti Stocks Holdings Limited Separate Annual Financial Statements have been prepared and signed on 23 June 2026, and are available on the group's website.

The Stefanutti Stocks Holdings Limited Separate Annual Financial Statements have been prepared in accordance with the requirements of the Companies Act No. 71 of 2008, as amended and the company's independent auditors, Forvis Mazars, has expressed an unmodified opinion thereon, with no emphasis of matter.

Notes to the Consolidated Annual Financial Statements

For the year ended 28 February continued

Basis of preparation

Going-concern statement

The below should be read in conjunction with note 2.

The directors believe that the group has adequate financial resources to continue in operation for the foreseeable future and accordingly consider it appropriate that the group's results for the year be prepared on the going-concern basis. This takes into consideration the group's financial performance, financial position, current order book, operations profitably executing the group's order book and forecast cash flows.

The group delivered a strong performance in the current and prior two financial years, with consistent profitability and positive operating cash flows. Furthermore, the conclusion of the restructuring plan and the settlement of the Kusile Power Project contributed to the group's net current liability position improving, compared to the prior year.

As at 28 February 2026, the group's current liabilities exceeded its current assets by R133 million (Feb 2025: R1 302 million) and as of that date, had an accumulated loss of R386 million (Feb 2025: R1 062 million).

These consolidated annual financial statements have been prepared using a combination of the historical cost and, where indicated, fair value basis of accounting and are consistent with prior financial years, except where otherwise indicated.

Statement of compliance

The consolidated annual financial statements of Stefanutti Stocks Holdings Limited which include the holding company, together with its subsidiaries, joint operations and equity-accounted investees (collectively the group) for the year ended 28 February 2026, have been prepared in accordance with the following:

IFRS Accounting Standards, SA Financial Reporting Requirements.	JSE Listings Requirements	Companies Act, No. 71 of 2008, as amended	Going-concern principles
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Presentation currency

South African Rand

Rounding policy

R'000 (thousand)

FOREIGN CURRENCY TRANSACTIONS

In the consolidated annual financial statements, transactions are translated into the presentation currency of the group by applying the following principles:

- Monetary assets and liabilities for each statement of financial position presented are translated at the closing rate at reporting date.
- Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined.
- Non-monetary items that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction.
- Any resulting foreign exchange differences are recognised in the statement of profit or loss and other comprehensive income.

Accounting policies

For the year ended 28 February

Material accounting policies

Included below is a summary of the material accounting policies applicable to the consolidated annual financial statements. These accounting policies include only the areas in IFRS Accounting Standards where elections have been made or policy choices exercised (including the choice or election made) as well as measurement criteria applied. The accounting policies also include information where it will assist users in understanding how transactions, other events and conditions are reflected in reported financial performance and financial position and are included based on materiality as determined by management.

Reference table between material accounting policies and notes

Material accounting policies	Accounting policy (AP) and notes
Construction contracts	AP 1
Revenue	3
Contract assets and liabilities	3, 15, 16, 21, 22
Other income and EBITDA	4
Investment income	5
Employee benefits	AP 2
Short-term benefits	4
Post-employment benefits	4
Termination benefits	4
Employee share incentive schemes	4, 19
Group and Company accounting	AP 3
Translation of foreign operations	Statement of changes in equity Statement of profit or loss and other comprehensive income Statement of financial position
Subsidiaries	—
Equity-accounted investees and joint operations	10, 11
Operating assets and related liabilities	AP 4
Property, plant and equipment	9
Goodwill	12
Inventories	14
Lease liabilities	20
Short-term leases and low value assets	4
Financial instruments	AP 5
Financial assets	15, 16, 17, 27
Impairment	15, 16, 27
Financial liabilities	15, 17, 20, 21, 27
Derecognition	—
Finance costs	5
Non-current assets held for sale and discontinued operations	AP 6 and note 7
Capital and reserves	AP 7
Share capital	18
Reserves	Statement of changes in equity, 18
Treasury shares	Statement of changes in equity, 8, 18
Provisions	AP 8 and note 22
Taxation	AP 9
Current tax	6, 23.2
Deferred tax	6, 13

Accounting policies

For the year ended 28 February continued

1. Construction contracts

Contract revenue from contracts with customers

Stefanutti Stocks is a multidisciplinary construction group that delivers projects, of any scale, to diverse sectors in the built environment. The group's geographical footprint spans South Africa and sub-Saharan African countries.

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the group expects to be entitled in exchange for those goods or services. Payment terms for services delivered are normally within 30 to 60 days.

		Recognition	Measurement
Contract revenue	Within South Africa	South Africa	Based on: <ul style="list-style-type: none"> — Transaction price received or receivable — Including variations and claims — Excluding Value Added Tax
	Outside South Africa	Botswana, Eswatini, Namibia, Zambia and Zimbabwe	
		Stage of completion based on surveys of measured work performed	
		When surveys of work performed cannot be determined reliably, revenue is recognised only to the extent of the expenses recognised that are recoverable	

Revenue type — Civils and Geotechnical, MEP, Mining, Roads and Earthworks

Civils and Geotechnical	Includes the Structural Rehabilitation and Water sectors and lateral support and piling
Mechanical Electrical Piping (MEP)	Consists of Electrical & Instrumentation (including the design and build of electrical step-down facilities), Mechanical (including industry-leading, turnkey dirty water clarification solutions) and Oil & Gas (including in-house pipe-spool fabrication and bulk tank construction)
Mining	Consists of materials handling and tailings management
Roads and Earthworks	Consists of Roads, Earthworks and Mining infrastructure and Renewable Energy infrastructure (including both civil and electrical balance of plant projects)

Duration

Duration is dependant on the terms of the specific contract and will differ from contract to contract

Recognition

Stage of completion based on surveys of work performed
— Measured work performed

Transfer of control

Over time as the construction works progress and enhances the asset which is controlled by the customer

Measurement

Transaction price

Revenue type — Building

Building	Specialising in the Industrial and Commercial sectors including one-stop design and build of cold room facilities and the complete data centre offering encompassing Civil Structural Architectural (CSA), MEP, 3D modelling, etc.
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Duration of contracts

Duration is dependant on the terms of the specific contract and will differ from contract to contract

Recognition

Stage of completion based on surveys of work performed
— Measured work performed

Transfer of control

Non-residential

Over time as the construction works progress and enhances the asset which is controlled by the customer

Residential

Over time if the group is not the developer and does not have the ownership of the development

Transfer of control at end of contract upon issue of completion certificate or registration if the group is the developer and owns the development

Measurement

Transaction price

Accounting policies

For the year ended 28 February continued

1. Construction contracts continued

Costs	Variable consideration	Significant financing component
<p>Costs to obtain All costs incurred to obtain a contract are expensed immediately and recognised in profit or loss as they are not incremental.</p> <p>Costs to fulfil An asset is recognised for costs incurred to fulfil a contract only if those costs meet all of the following criteria:</p> <p>(a) the costs relate directly to a contract or to an anticipated contract that the entity can specifically identify;</p> <p>(b) the costs generate or enhance resources of the entity that will be used in satisfying (or in continuing to satisfy) performance obligations in the future; and</p> <p>(c) the costs are expected to be recovered.</p>	<p>The group estimates the amount of variable consideration, to which it would be entitled to. Variable consideration is constrained to the extent that it is highly probable that a significant reversal of revenue will not occur.</p> <p>Certain contracts include penalty provisions, claims and a change of scope of work to be performed which constitutes variable consideration. Variable consideration is measured either at the most likely outcome method or expected value method and is considered at each reporting date. The most appropriate method is selected for each contract and applied consistently throughout the contract term. In most instances the most likely outcome method is used as there are only a few possible outcomes.</p>	<p>Shorter than 12 months Advances received on contracts with customers are generally shorter than 12 months, and therefore the group does not adjust the consideration for the effects of a significant financing component, since the group applies the practical expedient.</p> <p>Longer than 12 months In instances where advances received are utilised in a period longer than 12 months, the group adjusts the consideration for the effects of a significant financing component by using the interest rate that would be used in a similar transaction, except as exempted by IFRS 15 par 16. Contract revenue is adjusted with this financing component and accounted for as finance costs paid (note 5).</p>

Contract assets and liabilities

Contract assets	Measurement
Contracts in progress	<p>Cost plus profit recognised to date less cash received or receivable less any expected credit loss allowances.</p> <p>Impairment: refer to accounting policy 5: Financial Instruments.</p>
Contract liabilities	Measurement
Subcontractor retentions	<p>Specific amounts are withheld on each payment made to subcontractors, and either repaid when the defects liability period comes to an end or when payment is received from the client.</p> <p>Subcontractor retentions are included within trade and other payables and are measured at fair value, less direct transaction costs.</p> <p>Retentions are dependent on the nature, terms and timing of each specific contract.</p>
Excess billings over work done	The amount by which progress billings exceed costs incurred plus recognised profit less recognised losses.
Provisions	<p>Estimates are made of the expected cash outflows relating to contracts.</p> <p>Warranties: Defects liabilities provide for warranties relating to defects arising subsequent to the completion of the contract. Defects liabilities are dependent on the nature, terms and timing of each specific contract.</p> <p>Onerous contracts In the instance where the group has a contract that is onerous, the present obligation under the contract is recognised and measured as a provision. An onerous contract is a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it. The unavoidable costs under a contract reflect the least net cost of exiting from the contract, which is the lower of the cost of fulfilling it and any compensation or penalties arising from failure to fulfil it.</p>

Accounting policies

For the year ended 28 February continued

1. Construction contracts continued

Other income and EBITDA

	Includes	Recognition	Measurement
Other income	Amounts both received and accrued	Over time as services are rendered (customer consumes benefit as services are provided)	Transaction price
Management fee	Amounts both received and accrued	Over time as the group provides the management services and the customer simultaneously consumes the benefit	Transaction price

EBITDA comprises earnings before interest, share of profits/losses of equity-accounted investees, taxation, depreciation, amortisation and impairment.

Investment income

	Includes	Recognition	Measurement
Investment income	Amounts both received and accrued	Time proportion basis	Effective interest method

2. Employee benefits

Stefanutti Stocks identifies three types of employee benefits which are accounted for in accordance with IAS 19 *Employee Benefits*, being short-term benefits, post-employment benefits and termination benefits. Employee share incentive schemes are accounted for under IFRS 2 *Share-based payments*.

Short-term benefits

Includes	Basic salary, paid vacation leave, sick leave, bonuses, medical aid, death and disability cover.
Accounting treatment	<p>The expected cost of bonus payments is recognised as an expense when there is a legal or constructive obligation to make such payments as a result of past performance.</p> <p>The expected cost of accrued leave is recognised as the employees render services that increase their entitlement or, in the case of non-accumulating leave, when the absence occurs. Accrued leave is measured as the amount that the company expects to pay as a result of unused entitlement that has accumulated to the employees at the reporting date.</p> <p>Other short term benefits are recognised as an expense in the period in which they are incurred.</p>

Post-employment benefits

Defined contribution plan	The group contributes to a defined contribution plan. The group requires monthly-paid employees to partake in a group retirement fund and hourly-paid employees in the relevant industry funds. The group contributes a monthly contribution to these funds and does not bear any further responsibility thereafter. These funds are managed by various portfolio managers and are governed by the Pension Funds Act, No. 24 of 1956.
Accounting treatment	The payments are charged as expenses when the related services are provided.

Termination benefits

Includes	Retrenchment costs
Accounting treatment	An expense is recognised together with a corresponding liability when the group can no longer withdraw the offer of those benefits and when the entity recognises costs for a restructuring that is within the scope of IAS 37 and involves the payment of termination benefits, whichever is earlier.

Employee share incentive schemes

Forfeitable Share Plan (FSP)	<p>The FSP has been established to complement and enhance the ability of the group to attract, incentivise, retain, and reward key staff, and promote broad-based black economic empowerment within the group.</p> <p>Forfeitable Share Plan Awards are based on, inter alia, the seniority and performance of employees, market benchmarks, human capital requirements including skills, diversity and inclusion requirements, and/or the need to promote broad-based black economic empowerment within the group. The vesting of all Forfeitable Share Plan Awards will be subject to the vesting condition of three years employment after the award.</p>
Accounting treatment	The FSP cost, which is the grant date fair value, is expensed over the vesting period in profit or loss, with a corresponding increase in equity, except for those shares which are purchased upfront on the market and of which the cash outflows are expensed over 3 years.

Accounting policies

For the year ended 28 February continued

3. Group and company accounting

Translation of foreign operations

Procedures followed to translate to presentation currency

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated into Rand at the exchange rates at the reporting date. The income and expenses of foreign operations are translated into Rand, at the average exchange rates for the period. Where exchange rate differences fluctuate significantly, the exchange rates at the dates of the transactions are used.

The difference in translation between these rates is recognised in the foreign currency translation reserve.

Subsidiaries

Subsidiaries are entities controlled by the group.

The group determines that it has control of a subsidiary when it is exposed to or has rights to, variable returns from its involvement with the subsidiary and has the ability to affect those returns through its power over the subsidiary.

Recognition and measurement

Subsidiaries are consolidated from the date of acquisition, which is the date on which the group obtains control of the subsidiary and continue to be consolidated until the date that control ceases.

The annual financial statements of the subsidiaries are prepared using consistent accounting policies and prepared for the same reporting period as the parent company.

Intercompany transactions

All intergroup balances, transactions, income and expenses are eliminated in full in the consolidated annual financial statements.

Consolidated structured entities

Consolidated structured entities include share incentive trusts set up for the benefit of the group's employees. Such trusts are consolidated in the group results as the group effectively controls these trusts through the specific mechanisms that were established when the trusts were formed. Shares issued to or held by these trusts are treated as treasury shares until such time as participants pay for or take delivery of such shares.

Equity-accounted investees and joint operations

Initial recognition and measurement

Equity-accounted investees

Equity-accounted investees are deemed to be material if the interest in the equity-accounted investee (cost and long-term loans) exceed 3% of the non-current asset value of the group.

Equity-accounted investees are accounted for using the equity method. Interest in equity-accounted investees are initially recognised at cost. Investor's interest includes any equity contributions, which are made at the date of acquisition, equity-accounted losses and profits which are recognised against the cost of the investment, as well as loans which will in all likelihood not be settled in the near future. Goodwill recognised on the acquisition of an associate company is included in the cost of the investment. In instances where the year-ends of equity-accounted investees differ from that of the group, monthly management accounts are used to ensure information is reported coterminous with the group's year-end.

Joint operations

Results of joint operations are included when two or more parties combine their operations, resources and expertise in order to manufacture/build a particular product.

Accounting policies

For the year ended 28 February continued

3. Group and company accounting continued

Subsequent measurement

Equity-accounted investees

Subsequent to initial recognition, the group recognises its share of the profit or loss and other comprehensive income, until the date on which significant influence ceases.

If the retained interest in the former associate is a financial asset, the entity shall measure the retained interest at fair value.

Joint operations

The group has rights to the assets and obligations for its liabilities in a joint operation, and therefore recognises in relation to its interest in a joint operation the following:

- its assets, including its share of any assets held jointly;
- its liabilities, including its share of any liabilities incurred jointly;
- its share of the revenue from the sale of the output by the joint operation; and
- its expenses, including its share of any expenses incurred jointly.

Impairment

Equity-accounted investees

An impairment is recognised when there is objective evidence that the equity-accounted investment is impaired and its value-in-use is less than the carrying amount. Impairment losses are deducted from the carrying amount of these investments. Any impairment is calculated after application of the equity method.

Losses resulting from transactions with equity-accounted investees are recognised only to the extent of the investors' interest which include cost plus loans which will in all likelihood not be settled in the near future.

Joint operations

Recognised assets are impaired in line with group policy for similar type of assets.

Derecognition

Equity-accounted investees

On the date that the equity-accounted investments are disposed of, the entity ceases to equity account the investments. Equity-accounted investments are disposed of when the entity ceases to have significant influence.

Joint operations

When the combined operation ceases, the group's share of the assets and liabilities held jointly as well as its share of profits or losses is derecognised.

4. Operating assets and related liabilities

Property, plant and equipment

Owned assets

Categories	Initial measurement	Subsequent measurement	Depreciation method and period	Impairment
Land and buildings	Initially recognised at cost, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or restore the underlying asset or the site on which it is located.	Carried at the revalued amount (fair value less depreciation and accumulated impairment losses). Valuations are performed every 4 years.	Land is not depreciated, all other assets are depreciated on a straight-line or usage basis over their useful life.	Assets are tested for impairment, when there is an indication that it may be impaired, by determining the recoverable amount of the assets either individually or at the cash generating unit level.
Plant and equipment Transport and motor vehicles Furniture, fittings, office and computer equipment		Cost less accumulated depreciation and accumulated impairment losses.		

The revaluation of Land and Buildings are recognised in other comprehensive income and against a revaluation reserve in the statement of changes in equity. The revaluation reserve is recycled to retained earnings upon disposal (but not annual usage) of the Land and Buildings to which the revaluation reserve pertains.

Accounting policies

For the year ended 28 February continued

4. Operating assets and related liabilities continued

Right-of-use assets

Categories	Initial measurement	Subsequent measurement	Depreciation method and period
Land and buildings Plant and equipment Transport and motor vehicles	Right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or restore the underlying asset or the site on which it is located, less any lease incentives received.	Cost less accumulated depreciation and accumulated impairment losses.	Right-of-use assets are depreciated over the useful life of the asset or term of lease, whichever is shorter.

Useful lives

The estimated useful lives assigned to the categories of Property, Plant and Equipment (owned and instalment sales) are as follows:

Buildings:	50 years
Plant and equipment:	5 – 10 years
Transport and motor vehicles:	3 – 10 years
Furniture, fittings, office and computer equipment:	3 – 8 years

Lease terms are between one and five years for transport and motor vehicles and plant and equipment, and three to ten years for land and buildings.

Goodwill

Initial measurement and recognition	Subsequent measurement	Amortisation method and period	Impairment
Measured as the difference between the purchase consideration and the fair value of the identifiable net assets at date of acquisition.	Cost less accumulated impairment.	Goodwill is not amortised but is assessed for impairment annually or more frequently if events or changes in circumstances indicate that the carrying amount may be impaired.	Management generally uses the value-in-use method to determine the recoverable amount of goodwill when there are impairment indicators.

Inventories

Initial measurement and recognition

Inventories include consumables (such as fuel, tyres, spares and stationery), operational inventory and development property. Operational inventory is inventory that will be used in the normal operating cycle. Development property relates to properties which are developed for the purposes of sale. Inventories are stated at the lower of cost and net realisable value. Cost is determined on a weighted average basis and comprises the cost to purchase, cost of conversion and other costs incurred in bringing the inventories to their present location and condition. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

Lease liabilities

Initial measurement and recognition

Lease liabilities are initially measured at the present value of the lease payments that are due at the commencement date, discounted using the group's incremental borrowing rate.

Subsequent measurement

At amortised cost. It is remeasured when there is a change in future lease payments arising from a change in term or if the group changes its assessment on whether it will exercise a purchase, extension or termination option at the end of the contract.

When the lease liability is remeasured, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Short-term leases and leases of low-value assets

Initial measurement and recognition

The group has elected not to recognise a right-of-use asset and corresponding lease liability for short-term leases that have a lease term of 12 months or less and leases of low-value assets. Low-value assets are defined as assets with a new cost of R250 000 and less. Lease payments associated are recognised in profit or loss on a straight-line basis over the term of the relevant lease.

Accounting policies

For the year ended 28 February continued

5. Financial instruments

Financial assets, financial liabilities and equity instruments are recognised in the group's statement of financial position when the group becomes a party to the controlled provisions of the instrument.

Financial assets

Classification	Instruments included in the classification	Initial measurement	Subsequent measurement
Amortised cost	Trade and other receivables (excluding Value Added Tax, prepayments and financial assets held at fair value through profit or loss) and cash and cash equivalents.	Trade receivables are measured at their transaction price if the trade receivables do not contain a significant financing component. Other financials assets are measured at fair value excluding transaction costs. The group applies trade date accounting for financial assets.	Amortised costs using the effective interest method, less expected credit loss.

Expected credit loss

Expected credit loss model	<p>Cash and cash equivalents</p> <p>The group only deposits cash with reputable banks with high-quality credit ratings. The credit quality therefore is assessed as good and no expected credit loss is provided for.</p> <p>Trade and other receivables and contract assets</p> <p>The group uses an allowance account to recognise credit losses on contract assets and trade and other receivables. The group applies its impairment model as follows:</p> <p>Expected credit loss model (ECL) — trade and other receivables and contract assets</p> <p>The group applies the simplified approach of recognising lifetime ECLs over the lifetime of the trade receivables and contract assets (which includes contracts in progress). The group applies a provision matrix in measuring the collective expected credit loss, based on general economic conditions and an assessment of both current and future conditions. The group also raises an individual expected credit loss for specific clients who are showing signs of default.</p> <p>The group assesses an increase in credit risk as significant when the contractual payments are more than 30 days past due and in default when they are more than 90 days past due.</p> <p>Trade receivables are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the entity, failure to make contractual payments for a period of greater than 120 days past due based on historical experience and when external information such as probable insolvency or significant difficulties indicates that it is unlikely to receive the outstanding contractual amounts in full. Any amount written off is only performed after considering any collateral held.</p> <p>Financial assets written off may still be subject to enforcement activities under the group's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss in operating expenses.</p> <p>The group applies the general approach of recognising ECLs on amounts due by joint operations and other receivables by assessing, at each reporting period, whether there has been a significant increase in credit risk since initial recognition. Where there is no significant increase in credit risk, the group provides for a 12-month ECL. Where there is a significant increase in credit risk, a lifetime ECL is calculated.</p> <p>Impairment allowances are deducted from the carrying amounts of trade and other receivables and contract assets.</p>
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Accounting policies

For the year ended 28 February continued

5. Financial instruments continued

Financial liabilities

Classification	Instruments included in the classification	Initial measurement	Subsequent measurement
Amortised cost	Financial liabilities (interest and non-interest bearing loans), trade and other payables, including retention creditors, subcontractors and bank overdrafts.	Fair value less direct transaction costs.	Amortised costs using the effective interest method.

Derecognition

Financial assets are derecognised when the group's contractual rights to the cash flows expire or are transferred to another party. Any gains or losses on derecognition are recognised in profit or loss.

Financial liabilities are derecognised when the obligation specified in the contract is discharged, cancelled or expires. Any gains or losses are recognised in profit or loss. Any liabilities that are remeasured with a remeasurement greater than 10% are derecognised and a new liability is recognised. Any remeasurement less than 10% is deemed as a modification.

Finance costs

	Includes	Recognition	Measurement
Finance costs	Amounts both paid and payable	Time proportion basis	Effective interest method

6. Non-current assets held for sale and discontinued operations

Non-current assets (or disposal groups) are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable.

A discontinued operation is a component of the entity that has been disposed of or is classified as held for sale and that represents a separate major line of business or geographical area of operations, is part of a single co-ordinated plan to dispose of such a line of business or area of operations, or is a subsidiary acquired exclusively with a view to resale. The results of discontinued operations are presented separately in the statement of profit or loss and other comprehensive income.

Non-current assets classified as held for sale and the assets of a disposal group classified as held for sale are presented separately from the other assets in the statement of financial position. The liabilities of a disposal group classified as held for sale are presented separately from other liabilities in the statement of financial position.

Initial measurement and recognition	Depreciation and amortisation	Impairment/gain
Measured at the lower of carrying value and fair value less costs to sell, except for deferred tax assets, assets arising from employee benefits and financial assets.	Amortisation and depreciation ceases when an asset is classified as held for sale.	An impairment loss is recognised for any initial or subsequent write-down of the asset (or disposal group) to fair value less costs to sell. A gain is recognised for any subsequent increases in fair value less costs to sell of an asset (or disposal group), but not in excess of any cumulative impairment loss previously recognised either in accordance with IFRS 5 Non-current Assets Held for Sale and Discontinued Operations or previously in accordance with IAS 36 Impairment of Assets.

Accounting policies

For the year ended 28 February continued

7. Capital and reserves

Share capital

Share capital issued by the company is recorded at the proceeds received, net of issue costs.

Reserves

Foreign currency translation reserve comprises the translation effect of foreign subsidiaries, joint operations and equity-accounted investees to the reporting currency.

Share-based payments reserve comprises the accumulated effect of share-based payment expenses in terms of the employee share incentive scheme.

Revaluation surplus reserve comprises the revaluation of land and buildings.

Treasury shares

When shares are held in the group, through subsidiary companies, reducing the group's share capital, those equity instruments, held at cost (treasury shares), are presented as a deduction against the group's equity. No gain or loss is recognised in profit or loss. The share capital is reduced for the par value of the shares and the balance against the share premium.

8. Provisions

A provision is recognised when there is a present legal or constructive obligation as a result of a past event for which it is more likely than not that an outflow of resources will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Provisions are initially measured based on the best estimate of the expenditure required to settle the present obligation at the balance sheet date. These estimates are reviewed and adjusted at each reporting period to reflect changes in circumstances.

9. Taxation

Current tax

Current tax comprises the expected tax payable or recoverable from taxation authorities on the taxable income or assessed loss for the year using enacted or substantively enacted tax rates at the reporting period and includes any adjustments to tax payable in respect of prior years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received for that reporting period.

Current tax assets and liabilities are offset only if there is a legally enforceable right to offset current tax assets against current tax liabilities and the group has the intention to settle a net amount, or to recognise the asset and liability simultaneously.

Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts for financial reporting purposes and the tax base used for tax purposes.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

A deferred tax asset is recognised for all deductible temporary differences, including those arising from investments in subsidiaries, branches and associates, and interests in joint arrangements, to the extent that it is probable that future taxable income will be generated against which any available tax losses and deductible temporary differences can be utilised. Future taxable profits are generated from future trading activities and the reversal of relevant taxable temporary differences.

Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised. Such reductions are reversed when the probability of future taxable profits improves. Unrecognised deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used.

A deferred tax liability is recognised for all taxable temporary differences.

Accounting policies

For the year ended 28 February continued

New accounting pronouncements

Standards and interpretations effective and adopted in the current year

The following standards became effective during the current year and had no effect on the financial statements of the company as at year-end:

	Accounting standard/interpretation	Type	Impact on financial statements
IAS 21: The Effect of Changes in Foreign Exchange Rates	Lack of exchangeability	Amendment	No impact as there is no material trading in currencies that experience lack of exchangeability.
Illustrative examples on IFRS 7, IFRS 18, IAS 1, IAS 8, IAS 36 and IAS 37	Disclosures about uncertainties in the financial statements	Amendments	Relevant disclosures already included in the financial statements.

Standards and interpretations issued and not yet effective

The company has chosen not to early adopt the following Standards and Interpretations, which have been published and are mandatory for the company's accounting periods beginning on or after 1 March 2026 or later periods.

	Accounting standard/interpretation	Type	Effective date	Impact on the financial statements
IFRS 7: Financial Instruments: Disclosure	Derecognition of financial liabilities	Amendments	1 January 2026	Impact to be assessed as and when such transactions occur.
IFRS 9: Financial Instruments	Classification of financial assets	Amendments	1 January 2026	Impact to be assessed as and when such transactions occur.
	Additional disclosures	Amendments	1 January 2026	Additional disclosures will be assessed and added if needed.
	Contracts referencing nature-dependent electricity	Amendments	1 January 2026	No impact as no such contracts have been entered into.
IFRS 18 Presentation and Disclosure in Financial Statements and related amendments	Presentation and disclosure of information in general purpose financial statements.	New	1 January 2027	A significant change to the primary financial statements is expected. Impact is still being assessed.
IFRS 19 Subsidiaries without Public Accountability: Disclosures	Permits eligible subsidiaries to apply IFRS Accounting Standards with reduced disclosures (optional election)	New	1 January 2027	No expected impact as this company is not a subsidiary. Standard to be considered for subsidiary companies.
	The IASB issued "catch-up" amendments to IFRS 19 to further reduce disclosure requirements	Amendments	1 January 2027	No expected impact as this company is not a subsidiary. Standard to be considered for subsidiary companies.
IAS 21 The Effects of Changes in Foreign Exchange Rates	Translation to a Hyperinflationary presentation currency	Amendments	1 January 2027	No expected impact as there is no need to present financial statements in a different currency.

Shareholders' analysis

Analysis of ordinary shareholders as at 27 February 2026

	Number of shareholdings	% of total shareholdings	Number of shares	% of issued capital
Shareholder spread				
1 — 1 000	8 143	84,72	829 360	0,44
1 001 — 10 000	926	9,63	3 353 125	1,78
10 001 — 100 000	386	4,02	13 594 442	7,23
100 001 — 1 000 000	126	1,31	43 098 861	22,92
Over 1 000 000	31	0,32	127 204 958	67,63
Total	9 612	100,00	188 080 746	100,00
Distribution of shareholders				
Close corporations	16	0,17	760 744	0,40
Collective investment schemes	9	0,09	21 374 458	11,36
Custodians	7	0,07	1 044 778	0,56
Foundations and charitable funds	2	0,02	41	0,00
Hedge funds	3	0,03	3 711 147	1,97
Investment partnerships	2	0,02	88 085	0,05
Private companies	47	0,49	8 205 801	4,36
Retail shareholders	9 463	98,45	105 794 760	56,25
Retirement benefit funds	5	0,05	728 460	0,39
Share schemes	2	0,02	6 479 930	3,45
Stockbrokers and nominees	4	0,04	2 438 552	1,30
Treasury	2	0,02	14 407 132	7,66
Trusts	49	0,51	23 046 853	12,25
Unclaimed scrip	1	0,01	5	0,00
Total	9 612	100,00	188 080 746	100,00
Shareholder type				
Non-public shareholders				
Directors direct and indirect shareholdings	23	0,24	34 046 399	18,10
Prescribed officers shareholdings	13	0,14	6 337 628	3,36
Own holdings	6	0,06	6 871 709	3,65
Share schemes	2	0,02	14 407 132	7,66
	2	0,02	6 429 930	3,42
Public shareholders	9 589	99,76	154 034 347	81,90
Total	9 612	100,00	188 080 746	100,00
Beneficial shareholders with a holding greater than 3% of the issued shares				
Merryl Janne Schwegmann			20 204 630	10,74
Stefanutti Stocks Investments (Pty) Ltd			14 407 132	7,66
The Windsor Drive Property Trust			11 236 383	5,97
Russell Hampson Family Trust			10 300 000	5,48
Howard Fredrick Schwegmann			8 422 392	4,48
Ninety One			8 066 767	4,29
PSG Asset Management			7 230 979	3,84
Stefanutti & Bressan Share Incentive Trust			6 429 930	3,42
Total			86 298 213	45,88

Abbreviations and definitions

AGM	Annual general meeting	King IV	King IV Report on Corporate Governance for South Africa 2016
ARCO	Audit, Governance and Risk Committee	MEP	Mechanical Electrical Piping
CEO	Chief Executive Officer	MOI	Memorandum of Incorporation
CFO	Chief Financial Officer	NAV	Net asset value
CGU	Cash generating unit	Operating profit/(loss)	Operating profit/(loss) before investment income
Companies Act	Companies Act, No. 71 of 2008, as amended	REMCO/NOMCO	Remuneration and Nominations Committee
CRO	Chief Restructuring Officer	RIT	Restructuring Implementation Team
DAB	Dispute Adjudication Board	SECO	Social and Ethics Committee
EBITDA	Earnings before interest, taxation, depreciation and amortisation	Stefanutti Stocks, the group or the company	Stefanutti Stocks Holdings Limited, all of its subsidiaries, joint operations and equity-accounted investees
ECL	Expected Credit Loss	the board	The board of directors of Stefanutti Stocks
EPS	Earnings Per Share	the current year	The financial year ended 28 February 2026
FYE	Financial year-end	the next year	The financial year ending 28 February 2027
HEPS	Headline earnings per share	the previous year	The financial year ended 28 February 2025
IPPF	International Professional Practice Framework	WACC	Weighted Average Cost of Capital
IT	Information technology		
JSE	Johannesburg Stock Exchange		
JSE Listings Requirements	Listings Requirements of the JSE		

Corporate information

Company information

Stefanutti Stocks Holdings Limited

Share code: SSK ISIN: ZAE000123766

JSE Main Board — General Segment

JSE Sector: Construction

Year-end: 28 February

Registration number

1996/003767/06

Country of incorporation

South Africa

Registered office

No. 9 Palala Street, Protec Park,
Cnr Zuurfontein Avenue
and Oranjerivier Drive,
Kempton Park, 1619

Postal address

Private Bag X2032, Isando, 1600

Telephone number

+27 11 571 4300

Directors

As at 23 June 2026: ZJ Matlala* (Chairman);
HJ Craig*; B Harie*; BP Silwanyana*; E Tate*^;
RW Crawford (CEO); Y du Plessis (CFO)

* Independent non-executive directors.

^ Appointed 18 June 2026. Appointment will be tabled
to shareholders for confirmation at the annual general
meeting on 7 August 2026.

Company secretary

WR Somerville

Fernridge Office Park, 1st Floor, Block 4,
5 Hunter Street, Randburg, 2194

Auditors

Forvis Mazars

Forvis Mazars House
54 Glenhove Road,
Melrose Estate, 2196
PO Box 6697, Johannesburg, 2000

Telephone number

+27 11 547 4000

Attorneys

Webber Wentzel

90 Rivonia Road, Sandton,
Johannesburg, 2196
PO Box 61771, Marshalltown, 2107

Telephone number

+27 11 530 5000

Transfer secretaries

Computershare Investor Services (Pty) Ltd

Rosebank Towers, 15 Biermann Avenue,
Rosebank, 2196
PO Box 9000, Saxonwold, 2132

Telephone number

+27 11 370 5000

Sponsor

Bridge Capital Advisors (Pty) Ltd

10 Eastwood Road, Dunkeld, 2196
PO Box 651010, Benmore, 2010

Telephone number

+27 11 268 6231

Bankers

African Banking Corporation Zimbabwe

Eswatini Bank Limited

First National Bank, a division of FirstRand
Bank Limited

First National Bank Botswana Limited

First National Bank Eswatini,
a division of FirstRand Bank Limited

First National Bank Zambia Limited

Nedbank Limited

Nedbank Eswatini Limited

Stanbic Bank Botswana Limited

Stanbic Bank Zimbabwe Limited

Stanbic Bank Zambia Limited

Standard Bank of South Africa

Standard Bank Eswatini

United Bank for Africa Zambia Limited



www.stefanuttistocks.com



Head Office

9 Palala Street
Chloorkop Kempton Park
Johannesburg
1619

Telephone

+27 11 571 4300



www.stefanuttistocks.com