# Raubex Group Limited and its subsidiaries

**Registration number: 2006/023666/06**

## ANNUAL FINANCIAL STATEMENTS

for the year ended 29 February 2024

## General information

| | |
|---|---|
| **Nature of business** | Diversified infrastructure development and construction materials |
| **Directors** | NF Msiza (Chief Executive Officer)<br>DC Lourens (Chief Operating Officer)<br>SJ Odendaal (Financial Director)<br>RJ Fourie (Non-executive, Chairman)<br>SR Bogatsu (Lead Independent Non-Executive)<br>BH Kent (Independent Non-Executive)<br>N Fubu (Independent Non-Executive)<br>AM Hlobo (Independent Non-Executive) |
| **Secretary** | GM Chemaly |
| **Registered office** | Building 1<br>Highgrove Office Park<br>50 Tegel Avenue<br>Highveld<br>0169 |
| **Business address** | Cleveley<br>Kenneth Kaunda Road (Extension)<br>Bloemfontein<br>South Africa<br>9301 |
| **Postal address** | PO Box 3722<br>Bloemfontein<br>9301 |
| **Auditors** | PricewaterhouseCoopers Inc.<br>Registered Auditors |
| **Company registration number** | 2006/023666/06 |
| **Officer responsible for the preparation of the financial statements** | SJ Odendaal |
| **Designation** | Financial Director |
| **Qualification** | Chartered Accountant (SA) |

These financial statements have been audited in compliance with the applicable requirements of the Companies Act, 71 of 2008.

## Index

The reports and statements set out below comprise the annual financial statements presented to the shareholders:

## Statement of responsibility by the Board of Directors for the year ended 29 February 2024

The Directors are responsible for the maintenance of proper accounting records and the preparation, integrity and fair presentation of the Annual Financial Statements and Group Annual Financial Statements of Raubex Group Limited and its subsidiaries. The Directors' Report and Annual Financial Statements presented on pages 15 to 116 have been prepared in accordance with IFRS® Accounting Standards (IFRS) and in the manner required by the Companies Act, 71 of 2008 of South Africa and the JSE Listings Requirements, and include amounts based on judgements and estimates made by Management. The Directors are also responsible for the preparation of the other information included in the integrated report and for both its accuracy and its consistency with the Annual Financial Statements.

The Directors acknowledge that they are ultimately responsible for the process of risk management and the systems of internal financial control established by the Group and place considerable importance on maintaining a strong control environment. To enable the Directors to meet these responsibilities, the Board sets standards for internal control aimed at reducing the risk of error or loss in a cost-effective manner. These standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk.

These controls are monitored throughout the Group and all employees are required to maintain the highest ethical standards in ensuring the Group's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the Group is on identifying, assessing, managing and monitoring all known forms of risk across the Group. While operating risk cannot be fully eliminated, the Group endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints. The Directors and Management are further responsible for the controls over, and the security of the website, and, specifically, for establishing and controlling the process for electronically distributing annual reports and other financial information to shareholders.

The Directors are of the opinion, based on the information and explanations given by Management and the Internal Auditors, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the Financial Statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or loss.

The going concern basis has been adopted in preparing the Financial Statements. The impact of the conflict in Ukraine has been considered by the Directors as part of their going concern assessment. The Directors have no reason to believe that the Group will not be a going concern in the foreseeable future based on its secured order book, available cash resources and forecasts. The viability of the company and the Group is supported by the Financial Statements.

The Financial Statements have been audited by the independent auditors, PricewaterhouseCoopers Inc., who has been given unrestricted access to all financial records and related data, including minutes of all meetings of shareholders, the Board of Directors and committees of the Board. The Directors believe that all representations made to the independent auditors during their audit were valid and appropriate. PricewaterhouseCoopers Inc.'s unmodified audit report is presented on page 5 to 11.

The Financial Statements were approved and authorised for issue by the Board of Directors on 8 May 2024 and signed on its behalf by:

**NF Msiza**
**Chief Executive Officer**

**SJ Odendaal**
**Financial Director**

## Chief Executive Officer and Financial Director responsibility statement

Chief Executive Officer and Financial Director responsibility statement pursuant to paragraph 3.84(k) of the JSE Listings Requirements.

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

(a) the Annual Financial Statements set out on pages 19 to 116, fairly present in all material respects the financial position, financial performance and cash flows of the issuer in terms of IFRS;

(b) 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;

(c) internal financial controls have been put in place to ensure that material information relating to the issuer and its consolidated subsidiaries have been provided to effectively prepare the financial statements of the issuer;

(d) the internal financial controls are adequate and effective and can be relied upon in compiling the annual financial statements, having fulfilled our role and function as executive directors with primary responsibility for implementation and execution of controls;

(e) where we are not satisfied, we have disclosed to the audit committee and the auditors any deficiencies in design and operational effectiveness of the internal financial controls, and have taken steps to remedy the deficiencies; and

(f) we are not aware of any fraud involving directors.

**NF Msiza**
**Chief Executive Officer**

**SJ Odendaal**
**Financial Director**

## Statement of compliance by the Company Secretary

I certify that the Company has lodged with the Registrar of Companies all such returns as are required of a public company in terms of the Companies Act, 71 of 2008, in respect of the year ended 29 February 2024, and that all such returns are true, correct and up to date.

**GM Chemaly**
**Company Secretary**
8 May 2024

# *Independent auditor's report*

To the Shareholders of Raubex Group Limited

## *Report on the audit of the consolidated and separate financial statements*

### *Our opinion*

In our opinion, the consolidated and separate financial statements present fairly, in all material respects, the consolidated and separate financial position of Raubex Group Limited (the Company) and its subsidiaries (together the Group) as at 29 February 2024, and its consolidated and separate financial performance and its consolidated and separate cash flows for the year then ended in accordance with IFRS Accounting Standards and the requirements of the Companies Act of South Africa.

**What we have audited**

Raubex Group Limited's consolidated and separate financial statements set out on pages 19 to 116 comprise:

- the group and holding company statements of financial position as at 29 February 2024;
- the group statement of profit or loss for the year then ended;
- the group and holding company statements of comprehensive income for the year then ended;
- the group and holding company statements of changes in equity for the year then ended;
- the group and holding company statements of cash flows for the year then ended; and
- the notes to the financial statements, including material accounting policy information.

### *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 and separate financial statements* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

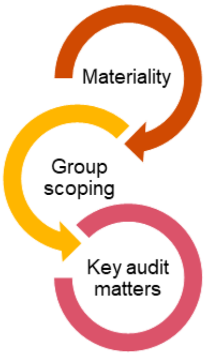
**Independence**

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)*.

*PricewaterhouseCoopers Inc.,*
*61 Second Avenue, Westdene, Bloemfontein, 9301, P O Box 818, Bloemfontein, 9300*
*T: +27 (0) 51 503 4100, F: +27 (0) 51 813 1700, www.pwc.co.za*

## *Our audit approach*

**Overview**

| | |
|---|---|
|  | **Overall group materiality**<br><br>• Overall group materiality**: R156.8 million,** which represents 0.9% of consolidated revenue. |
| | **Group audit scope**<br><br>• The consolidated financial statements comprise the Company and 127 components (which include subsidiaries, joint ventures, joint operations, and associates). Full scope audits were performed on all 3 financially significant components. Full scope audits were performed on a further 20 components, as well as in respect of the consolidation process, in order to gain sufficient evidence over the consolidated financial statements. Analytical review procedures were performed over the remaining components. |
| | **Key audit matters**<br><br>• Significant estimates and judgements in the accounting for construction contracts |

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the consolidated and separate financial statements. In particular, we considered where the directors made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters, consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

**Materiality**

The scope of our audit was influenced by our application of materiality. An audit is designed to obtain reasonable assurance whether the financial statements are free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the consolidated financial statements.

Based on our professional judgement, we determined certain quantitative thresholds for materiality, including the overall group materiality for the consolidated financial statements as a whole as set out in the table below. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, both individually and in aggregate on the financial statements as a whole.

| | |
|---|---|
| *Overall group materiality* | **R156.8 million** |
| *How we determined it* | 0.9% of consolidated revenue |
| *Rationale for the materiality benchmark applied* | We selected consolidated revenue as our materiality benchmark because, in our view, it reflects the activity levels of the Group, and it is a benchmark against which the performance of the Group can be consistently measured in circumstances of volatile year-on-year earnings. This benchmark has remained a key driver of the Group's business.<br>We chose 0.9% based on our professional judgement, after consideration of the range of quantitative materiality thresholds that we would typically apply when using revenue to compute materiality, and taking into account the levels of debt within the Group |

**How we tailored our group audit scope**

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 is structured in four divisions: the Materials Handling and Mining division, the Construction Material division, the Roads and Earthworks division and the Infrastructure division, operating across 9 different geographical locations – South Africa, Australia, Botswana, Cameroon, Eswatini, Lesotho, Mozambique, Namibia and Zimbabwe.

The consolidated financial statements comprise the Company and 127 components (which include subsidiaries, joint ventures, joint operations, and associates). Full scope audits were performed on all 3 financially significant components. Full scope audits were performed on a further 20 components, as well as in respect of the consolidation process, in order to gain sufficient evidence over the consolidated financial statements. Analytical review procedures were performed over the remaining components.

In establishing the overall approach to the group audit, we determined the extent of the work that needed to be performed by us, as the group engagement team, and other component auditors from other PwC network firms, as well as other audit firms operating under our instruction, in order to issue our audit opinion on the consolidated financial statements of the Group. Where component auditors performed the work, we determined the level of involvement necessary in the audit work at those components to be able to conclude whether sufficient appropriate audit evidence has been obtained as a basis for our opinion on the consolidated financial statements as a whole.

## *Key audit matters*

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

We have determined that there are no key audit matters to communicate in our report in respect of the separate financial statements.

<table>
<tr><th>Key audit matter</th><th>How our audit addressed the key audit matter</th></tr>
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**Significant estimates and judgements in the accounting for construction contracts**

Refer to Notes 17 (Contract assets and liabilities) and 30 (Revenue) to the consolidated financial statements.

Contracting revenue relating to construction contracts with customers, recognised at an amount of R11.9 billion for the year ended 29 February 2024, contributes a significant portion of the Group's revenue. This revenue is recognised over time, by measuring the progress towards the satisfaction of performance obligations stipulated in its contracts with customers for the construction of assets. To determine the progress towards the satisfaction of the performance obligations on each contract, the Group uses an input method, measuring the costs incurred to date relative to the total estimated cost of the contract.

When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately to the extent that the remaining contract costs are deemed to be unavoidable.

Construction contract revenue within the Group results from "cost-plus", "re-measurable" and "fixed price" contracts. Each contract has specific assumptions and estimates attributed to it regarding:

- Estimated project costs;
- The profit margins on the contracts; and
- Any variable considerations, claims or uninstalled materials to be recognised.

We considered this to be a matter of most significance to our current year audit due to the following:

- Management's assessment involves making significant estimates in determining the

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We performed the following procedures on a sample of construction contracts:

- We compared estimated total contract revenue as per management's calculations to relevant documentation as applicable, such as signed contracts, award letters, minutes of meetings with contract clients and signed variation orders. No material differences were noted;
- We discussed the status of contracts with management, directors, finance and technical staff, and contract registers were scrutinised. In these discussions, which included consideration of profit margins, loss making contracts and contract assets and liabilities balances, specific emphasis was placed on uncertified contract revenue. We noted no matters in this regard requiring further consideration;
- We tested a sample of costs incurred to date by agreeing it to underlying documentation. No material differences were noted;
- We recalculated costs incurred to date relative to the total estimated construction costs and agreed it to management's calculations. No material differences were noted;
- We agreed certified revenue recognised to work certified to date by contract engineering experts. No material differences were noted;
- We assessed the competency of the contract engineering experts by obtaining evidence relating to their qualifications, experience and professional memberships;
- We performed reasonability tests on the expected profit margins by comparing it to similar ongoing projects and contracts completed during the year. We tested profit margins from year to year on projects running over the financial year end. Deviations in margins were evaluated against explanations obtained from management and other relevant documentation. We found no aspects in this regard which required further consideration;

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| | |
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| contract revenue that should be recognised; and<br><br>Given the magnitude of the contract revenue and contract assets and liabilities balances, the accounting treatment of construction contracts has a significant impact on the consolidated financial statements. | • We recalculated the revenue per contract based on the input method calculations. Based on our recalculation, we agreed the adjustments between certified progress revenue and revenue recognised to the construction contract assets and liabilities in the consolidated financial statements. No material differences were noted;<br>We agreed the total revenue as per the respective contract schedules to revenue recorded in the accounting records. No material differences noted. |

## *Other information*

The directors are responsible for the other information. The other information comprises the information included in the document titled "Raubex Group Limited and its subsidiaries Annual Financial Statements for the year ended 29 February 2024", which includes the Directors' Report, the Audit Committee report and the Statement of compliance by the Company Secretary as required by the Companies Act of South Africa, which we obtained prior to the date of this auditor's report, and the other sections of the document titled "Raubex Group Limited 2024 Integrated Report", which is expected to be made available to us after that date. The other information does not include the consolidated or the separate financial statements and our auditor's report thereon.

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

In connection with our audit of the consolidated and separate financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated and separate financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, 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 and separate financial statements*

The directors are responsible for the preparation and fair presentation of the consolidated and separate financial statements in accordance with IFRS Accounting Standards 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 and separate financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated and separate financial statements, the directors are responsible for assessing the Group and the Company'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 and/or the Company or to cease operations, or have no realistic alternative but to do so.

## *Auditor's responsibilities for the audit of the consolidated and separate financial statements*

Our objectives are to obtain reasonable assurance about whether the consolidated and separate 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 and separate 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 and separate 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.
- 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 and the Company'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 and the Company'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 and separate 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 and / or Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance 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 and separate 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 PricewaterhouseCoopers Inc. has been the auditor of Raubex Group Limited for 18 years.

PricewaterhouseCoopers Inc.

PricewaterhouseCoopers Inc.
Director: L Rossouw
Registered Auditor
Bloemfontein, South Africa
10 May 2024

## Audit Committee report

The Audit Committee is pleased to present this report for the financial year ended 29 February 2024 in compliance with the Companies Act, 71 of 2008, and the recommendations of the King IV report on Corporate Governance.

The Audit Committee is an independent statutory Committee appointed by the Board and performs its functions on behalf of Raubex Group Limited and its subsidiary companies.

**Audit Committee terms of reference**

The Audit Committee has adopted formal terms of reference that have been approved by the Board of Directors. The Committee has conducted its affairs in compliance with its terms of reference and has discharged its responsibilities contained therein.

**Audit Committee members, meeting attendance and assessment**

The Audit Committee is independent and consists of the four independent, Non-Executive Directors set out below. It meets at least four times per annum, with authority to convene additional meetings as circumstances require.

| Name | Designation | Date appointed | Qualifications |
|---|---|---|---|
| Ms AM Hlobo[1] | Independent Non-Executive (Chairperson) | 29/05/2023 | BCom, CA(SA) |
| Ms SR Bogatsu | Independent Non-Executive | 01/06/2017 | BCom, MBA |
| Ms N Fubu | Independent Non-Executive | 24/02/2023 | BCom, CA(SA) |
| Mr BH Kent[2] | Independent Non-Executive | 24/02/2011 | BCom, CA(SA), FCMA, HDip Tax, HDip Company Law |

1 *Ms AM Hlobo was appointed Chairperson of the Audit Committee effective 26 February 2024.*

2 *Mr BH Kent was appointed Chairperson of the Audit Committee effective 29 May 2023 until 25 February 2024.*

The Chairman of the Board, Executive Directors, Non-Executive Directors, External Auditors, Internal Auditors, Financial Managers and other assurance providers attend meetings by invitation only.

During the year under review 4 meetings were held and attended as follows:

| Name | 08-May-23 | 25-Jul-23 | 08-Nov-23 | 22-Feb-24 |
|---|---|---|---|---|
| Mr BH Kent | ✔ | ✔ | ✔ | ✔ |
| Ms SR Bogatsu | ✔ | ✔ | ✔ | ✔ |
| Ms N Fubu | ✔ | ✔ | ✔ | ✔ |
| Ms AM Hlobo | | ✔ | ✔ | ✔ |

*Ms AM Hlobo was appointed as member of the Audit Committee effective 29 May 2023.*

**Role and responsibilities**

The Audit Committee carried out its functions through the attendance of Audit Committee meetings and discussions with Executive Management, Internal Audit and External Audit.

**Statutory duties**

The Audit Committee's role and responsibilities include statutory duties per the Companies Act, 71 of 2008, and further responsibilities assigned to it by the Board. The Audit Committee has executed its duties in terms of the requirements of King IV.

The Audit Committee is satisfied that it has complied with its legal, regulatory and other responsibilities.

*External auditor appointment and independence*

The Audit Committee has satisfied itself that the external auditors, PricewaterhouseCoopers Inc., are independent of the Company and its subsidiaries ("the Group") and have ensured that their appointment has complied with the Companies Act, 71 of 2008 of South Africa and the JSE Listings Requirements.

The Committee, in consultation with Executive Management, agreed to the engagement letter, terms, audit plan and budgeted fees for the year ended 29 February 2024.

## Audit Committee report (continued)

**Statutory duties (continued)**

*Accreditation of auditors*

The Audit Committee confirms that it is satisfied that:
- the audit firm PricewaterhouseCoopers Inc. has met all the criteria stipulated in the JSE Listings Requirements, including that the audit regulator has successfully completed a firm-wide independent quality control (ISQM 1) inspection on the audit firm during its previous inspection cycle;
- the auditor has provided the Audit Committee with the required IRBA inspection decision letters, findings report and the proposed remedial action to address the findings, both at the audit firm and the individual auditor levels; and
- both the audit firm and the engagement partner understand their roles and have the competence, expertise, experience and skills required to discharge their specific audit and financial reporting responsibilities.

*Auditor suitability*

The Audit Committee met with the external auditor in order to consider the suitability for reappointment of the current audit firm PricewaterhouseCoopers Inc. and the designated engagement partner, as contemplated in terms of the JSE Listings Requirements. The Committee considered the information in the document prepared and presented by the external auditor for this purpose. In light of the above, the Committee is satisfied to recommend to shareholders the reappointment of the external auditor to act as independent auditor of the Company until its next annual general meeting. The Committee is satisfied to reappoint PricewaterhouseCoopers Inc. for the ensuing year.

*Financial statements and accounting practices*

The Audit Committee has reviewed the accounting policies and the financial statements of the Group and is satisfied that they are appropriate and comply with International Financial Reporting Standards, the Companies Act, 71 of 2008, and the JSE Listings Requirements.

The Audit Committee has also reviewed and considered the detailed findings and recommendations made in the JSE's report back on proactive monitoring of financial statements in 2023.

*Internal financial controls*

The Audit Committee has reviewed the process by which internal audit performs its assessment of the effectiveness of the Group’s system of internal control, including internal financial controls. Nothing has come to the attention of the Committee to indicate any material breakdown in the Company’s system of internal financial control. The Audit Committee has further evaluated the chief executive officer and Financial Director responsibility statement on the annual financial statements and internal financial controls in terms of the JSE Listings Requirement 3.84(k).

*Financial reporting procedures*

The Audit Committee has reviewed the Group's financial reporting procedures to ensure they are appropriate and are operating effectively, this includes a consideration of all entities included in the consolidated annual financial statements. The Committee further considered the Group's access to the financial information of its subsidiaries, associates and joint ventures, which allow the Group to effectively prepare the financial statements and deems this to be sufficient.

**Duties assigned by the Board**

In addition to the statutory duties of the Audit Committee, as reported above, the Board of Directors has determined further functions for the Audit Committee to perform. These functions include the following:

*Integrated reporting and combined assurance*

The Audit Committee fulfils an oversight role regarding the Group’s integrated report and the reporting process and considers the level of assurance coverage obtained from Management, internal and external assurance providers in making its recommendation to the Board.

*Going concern*

The Audit Committee reviews the going concern status of the Group at each meeting and makes recommendations to the Board.

*Governance of risk*

The Audit Committee fulfils an oversight role regarding financial reporting risks, internal financial controls and fraud risk as it relates to financial reporting.

*Internal audit*

The Audit Committee is responsible for ensuring that the Group’s internal audit function is independent and has the necessary resources, standing and authority within the Group to enable it to discharge its duties.

## Audit Committee report (continued)

**Duties assigned by the Board (continued)**

*Evaluation of the expertise and experience of the Financial Director and finance function*

The Audit Committee has satisfied itself that the Financial Director has appropriate expertise and experience.

The Audit Committee has considered, and has satisfied itself of the appropriateness of the expertise and adequacy of resources of the finance function and experience of the senior members of Management responsible for the financial function.

The Audit Committee has assessed and confirmed that the Group has established appropriate financial reporting procedures and that the procedures are operating effectively.

**Comment on key audit matters reported in the external audit report**

In order to provide stakeholders with further insights into the key audit matters reported by the external auditors, the Committee wishes to elaborate on these important aspects as follows:

*Accounting treatment of construction contracts*

The Group has significant construction contracts within all its reporting segments consisting of Cost-plus, Re-measurable and Fixed Price contracts. Recognising revenue on construction contracts is done in accordance with IFRS 15, where it is recognised over time, is measured at the fair value of the consideration received or receivable and includes variations and claims. Progress towards the satisfaction of performance obligations is determined using an input method which measures the costs incurred to date in relation to the total estimate cost of the contract.

This matter is considered material given the significant judgement involved in preparing suitable estimates of forecast costs and profit margins on these contracts.

The Committee assessed the methodology and judgements applied by Management in terms of the accounting treatment of construction contracts.

The Committee has discussed the above mentioned matter with the external auditors to understand their related audit procedures and evidence to support the judgements and calculations.

The Committee concluded that the methodology and judgements applied by Management are in accordance with IFRS®.

**Ms AM Hlobo**
**Chairperson of the Audit Committee**

**8 May 2024**

## Directors' report

This report presented by the directors is a constituent document of the Group consolidated Financial Statements at 29 February 2024.

**Nature of business**
Raubex Group Limited is an investment holding Company listed on the Johannesburg Stock Exchange with interests in the Construction and Materials sectors. The Company does not trade and all of its activities are undertaken through a number of subsidiaries, associates and joint arrangements. Details of the major operating subsidiaries, associates, joint ventures and joint operations are disclosed in note 14, 45 and 46 of the Group Financial Statements.

**Group financial results**
Revenue increased 13.8% to R17.43 billion (2023: R15.31 billion)
Operating profit increased 20.4% to R1.54 billion (2023: R1.28 billion)
Profit before tax increased 20.5% to R1.47 billion (2023: R1.22 billion)
Profit after tax increased 24.6% to R1.07 billion (2023: R858.6 million)

Group earnings attributable to owners of the parent for the year ended 29 February 2024 were R847.6 million (2023: R704.3 million), representing basic earnings per share of 472.1 cents (2023: 391.1 cents). Headline earnings per share were 476.3 cents (2023: 392.8 cents).

Full details of the financial position and results of the Group are set out in these Financial Statements.

**Share capital**
No new shares were issued during the year (2023: nil).

Full details of the authorised and issued capital of the Company at 29 February 2024 are set out in note 26 and 27 of these Financial Statements.

**Employee Long Term Incentive Scheme**
During the year 2 101 352 (2023: 1 293 992) performance shares were granted to directors and prescribed officers. Full details of the employee long term incentive scheme are set out in note 39 of these Financial Statements.

**Cash and cash equivalents**
Cash from operations decreased 2.9% to R1.90 billion (2023: R1.96 billion).

Cash and cash equivalents amounted to R1.66 billion (2023: R1.70 billion). Full details are set out in note 19 of these Financial Statements.

**Dividend**
The following dividends were declared during the year ended 29 February 2024:

- Final dividend for the year ended 28 February 2023 declared on 9 May 2023 of 76 cents per ordinary share (2023: 54 cps)
- Interim dividend for the year ended 29 February 2024 declared on 9 November 2023 of 63 cents per ordinary share (2023: 53 cps)

After consideration was given to the solvency and liquidity of the Group, a final dividend in respect of the year ended 29 February 2024 of 92 cents per share was proposed at the board of directors meeting on 8 May 2024 and declared on the release of the Group's results. These Financial Statements do not reflect this dividend payable.

**Business combinations**

***Naboom Mauritius Mining Company Limited (“Naboom”)***
On 9 May 2023, Bauba Resources (Pty) Ltd (“Bauba”) entered into a sale of shares and claims agreement to acquire 100% of Naboom for R100 million. The transfer of shares in Naboom was subject to the Group receiving the consent of the Minister of Mineral Resources and Energy contemplated in section 11(1) of the Mineral and Petroleum Resources Development Act 28 of 2002, which approves the change in controlling interest in Naboom Mining Company (Pty) Ltd (“Naboom SA”). The s11(1) was approved on 3 November 2023. Naboom owns 74% of Naboom SA who holds a mining right for chrome in Limpopo. The Group effectively owns 65.01% of Naboom and 48.11% of Naboom SA.

***Similan Development Company (Pty) Ltd (“Similan”)***
The Group’s subsidiary, Raubex Building (Pty) Ltd, acquired 85% of Similan for R102, effective 1 August 2023. The Group’s effective ownership of Similan is 69.7%. Similan owns a 2.2ha piece of land in Kuils River in the Western Cape which is earmarked for the Kleijne Wingerd residential development.

***Ukumaka (Pty) Ltd (“Ukumaka”)***
Effective 1 March 2023, the Group, through its subsidiary Raubex Roads and Earthworks Holdings (Pty) Ltd acquired 49% of Ukumaka for R49. The Group is deemed to control Ukumaka in terms of IFRS 10 based on the Group’s board participation. Ukumaka is involved in the painting and installation of road markings in South Africa.

## Directors' report (continued)

**Transactions with non-controlling interests**

**Bauba Resources (Pty) Ltd ("Bauba")**
Effective 15 August 2023, the Group, through its subsidiary, Ndarama Mineral Resources (Pty) Ltd, acquired 6 543 116 shares from a non-controlling shareholder of Bauba for R14.4 million. The Group's effective ownership of Bauba increased from 64.43% to 65.01%.

In terms of the Naboom acquisition noted above, Bauba raised the capital for the transaction in the form of a share offer to existing shareholders. The share offer was taken up fully by all shareholders, in proportion of their respective shareholdings resulting in no change in the ownership of Bauba. R34.9 million was received from the non-controlling shareholder in this regard.

***Tosas Eastern Cape (Pty) Ltd ("Tosas EC")***
Effective 1 June 2023, Tosas (Pty) Ltd acquired the remaining 50% of the shares in Tosas EC from the minority shareholders for R3.9 million. Tosas EC is now 100% owned by Tosas (Pty) Ltd, effectively 100% held by the Group.

***Shisalanga Construction (Pty) Ltd ("Shisalanga")***
On 31 October 2023, the Group acquired an additional 14% through a rights offer done by Shisalanga. The non-controlling shareholders did not take up their portion of the offer. The Group's effective shareholding has increased from 76% to 90%.

***Raubex Construction (Pvt) Ltd ("Raubex Construction Zimbabwe")***
Effective 1 December 2023, the Group acquired an additional 23% in Raubex Construction Zimbabwe for R65. The Group's effective shareholding increased from 65% to 88%.

***Namli Exploration and Mining (Pty) Ltd ("Namli")***
Effective 30 November 2023, the Group through its subsidiary Dune Resources (Pty) Ltd, increased its effective shareholding in Namli to 74% through a rights offer.

Effective 31 January 2024, the Group through its subsidiary Dune Resources (Pty) Ltd, increased its effective shareholding in Namli to 100% through a call option agreement signed between themselves and the non-controlling shareholder. The call option gave Dune Resources the right to acquire the remaining shares in Namli for R10 million.

***Dune Resources (Pty) Ltd ("Dune Resources")***
Effective 31 January 2024, the Group, through its subsidiary SPH Kundalila (Pty) Ltd, sold 40% of Dune Resources to a non-controlling shareholder for R84 million cash (USD 4.5 million). The Group's effective shareholding in Dune Resources decreased from 100% to 60%. Therefore also decreasing the effective ownership of Namli from 100% to 60%.

The above mentioned sale of 40% of Dune Resources represents part A of a disposal of shares agreement that SPH Kundalila has entered into with the respective 3rd party. Parts B and C are contingent on the approval being received from the Department of Mineral Resources and Energy ("DMRE"). Part A was contingent on the ownership transfer request submission to the DMRE. The DMRE approval will trigger the sale of the remaining 60% of the shares in Dune Resources for USD 6.8 million. This will be made up of an additional 40% being sold on receipt of the DMRE approval and the remaining 20% being sold on submission of a renewal application to the DMRE for the prospecting right indirectly owned by Dune Resources through its investment in Namli.

**Capital commitments**
Details of capital commitments are set out in note 43 of these Financial Statements.

**Property, plant and equipment**
There have been no major changes in the nature of the assets of the Group during the year or in the policy relating to their use. Capital expenditure for the year amounted to R1.76 billion (2023: R1.15 billion). No property, plant and equipment was acquired through the acquisition of subsidiaries during the year (2023: R9.2 million).

**Contingencies**
Details of contingencies are set out in note 44 of these Financial Statements.

**Voluntary Rebuilding Programme**
The Group entered into a settlement agreement with the government of the Republic of South Africa (the Government) on 11 October 2016 , together with other construction companies, in an effort to address the Construction Companies' exposure to potential claims for damages from certain identified public entities arising primarily from the fast track settlement process launched by the South African Competition Authorities in February 2011, as well as to significantly advance the transformation of the South African construction sector. Further details can be found in note 23 of these Financial Statements.

## Directors' report (continued)

**Ukraine conflict**

The Group is only indirectly exposed to the Ukraine conflict through the impact on the oil price or indirect effects on the countries in which we operate. The oil price influences the price of fuel and effectively the cost of doing business as the nature of the industry remains a fuel intensive one. The price of oil remained fairly elevated during the current financial year.

The Group has no direct ties to Russia or Ukraine that would have any financial impact on the Group from either a currency deflation or financial recoverability perspective. Furthermore, macroeconomic factors are considered when determining the estimated credit loss model that will further cover any risk associated with this. The Group believes that the risks associated with the conflict are relatively low at this stage, but such risks will be assessed on an on-going basis.

Management considers the Ukraine conflict an ongoing event and is continually assessing and monitoring any developments the associate impact on the business.

**Events after the reporting period**

**Empa Structures (Pty) Ltd**

Effective 1 March 2024, the Group acquired the remaining 30% of Empa Structures (Pty) Ltd from non-controlling shareholders for R35 million, increasing the Group's effective ownership to 100%.

The directors are not aware of any additional subsequent events that occurred between year-end and date of authorisation of the Annual Financial Statements that require any adjustment or additional disclosure in the annual Financial Statements.

**Special Resolutions**

The following special resolutions were passed during the year:

**Special resolution number one: Remuneration of non-executive directors**

Resolved in terms of article 26.3.2 of the Company’s Memorandum of Incorporation and in accordance with sections 66(8) and 66(9) of the Companies Act, 71 of 2008, that the remuneration payable to the non-executive directors for 2024 financial year be as follows:

| | **Annual remuneration R'000** |
|---|---|
| Chairman | 1 371 |
| Lead independent non-executive director | 1 114 |
| Non-executive director | 857 |

**Special resolution number two: General authority to repurchase shares**

Resolved that the Company or any of its subsidiaries be authorised by way of general authority to repurchase the Company’s own securities from time to time, upon such terms and conditions and in such amount as the directors of the Company determine, but subject to the applicable requirements in the Company’s Memorandum of Incorporation, the Companies Act, 71 of 2008, and the JSE Listings Requirements.

**Special resolution number three: Financial assistance to related or inter-related companies and corporations**

Resolved that the directors may, subject to the provisions of sections 44 and 45 of the Companies Act, 71 of 2008, authorise the Company to provide any direct or indirect financial assistance to or for the benefit of any Company or corporation which is related or inter-related to the Company for such amounts and on such terms and conditions as the board of the Company may determine.

**Directorate and secretary**

The names of the directors and secretary are set out on page 1 of these Financial Statements.

**Interests of directors in the share capital**

Details of ordinary shares held directly and indirectly per individual director and details of performance shares granted to the directors are set out in note 41 of these Financial Statements.

## Directors' report (continued)

**Shareholder spread**

The Company has one class of listed share. Detail of the Company's authorised and issued share capital are set out in note 26 of these Financial Statements.

| Shareholder spread at 29 February 2024 | Number of shares 2024 | Number of shares 2023 | % held 2024 | % held 2023 |
|---|---|---|---|---|
| Public shareholders | **177 514 357** | 175 114 454 | **97.7** | 96.3 |
| Non-public shareholders | **4 235 679** | 6 635 582 | **2.3** | 3.7 |
| **Total shares** | **181 750 036** | 181 750 036 | **100** | 100 |

| Non-public shareholders | Number of shares 2024 | Number of shares 2023 | % held 2024 | % held 2023 |
|---|---|---|---|---|
| Directors of the Company | **1 829 902** | 1 822 971 | **1.0** | 1.0 |
| Directors of subsidiaries | **408 565** | 2 312 611 | **0.2** | 1.3 |
| Treasury shares – Raubex (Pty) Ltd | **1 997 212** | 2 500 000 | **1.1** | 1.4 |
| **Total shares** | **4 235 679** | 6 635 582 | **2.3** | 3.7 |

| Beneficial shareholders with a holding greater than 5% of the issued shares | Number of shares 2024 | Number of shares 2023 | % of shares in issue 2024 | % of shares in issue 2023 |
|---|---|---|---|---|
| Government Employee Pension Fund | **45 197 599** | 44 548 560 | **24.9** | 24.5 |
| Old Mutual Investment Group | **33 103 767** | 47 150 777 | **18.2** | 25.9 |
| PSG Asset Management | **17 648 838** | 13 127 028 | **9.7** | 7.2 |
| **Total shares** | **95 950 204** | 104 826 365 | **52.8** | 57.6 |

**Auditors**

PricewaterhouseCoopers Inc. will continue in office in accordance with section 90(6) of the Companies Act, 71 of 2008. At the annual general meeting shareholders will be requested to appoint PricewaterhouseCoopers Inc. as the Group's auditors for the 2025 financial year.

## Group statement of financial position

| | Note | 2024 R'000 | 2023 R'000 |
|---|---|---|---|
| **ASSETS** | | | |
| **Non-current assets** | | | |
| Property, plant and equipment | 10 | 4 685 908 | 3 668 216 |
| Investment property | 11 | 198 425 | 113 974 |
| Right-of-use assets | 12 | 289 855 | 335 472 |
| Intangible assets | 13 | 1 084 204 | 1 002 301 |
| Investment in associates and joint ventures | 14 | 9 784 | 9 073 |
| Investments in service concessions | 15 | 77 606 | 77 049 |
| Deferred income tax assets | 25 | 205 182 | 171 216 |
| Inventories | 16 | 26 962 | 27 419 |
| Trade and other receivables | 18 | 1 863 | 3 892 |
| Other financial assets - debt | 20 | 261 221 | 323 998 |
| Other financial assets - equity | 20 | 52 909 | 103 944 |
| **Total non-current assets** | | 6 893 919 | 5 836 554 |
| | | | |
| **Current assets** | | | |
| Inventories | 16 | 1 486 142 | 1 278 357 |
| Contract assets | 17 | 951 198 | 615 743 |
| Trade and other receivables | 18 | 2 065 560 | 1 889 356 |
| Other financial assets - debt | 20 | 125 099 | 7 129 |
| Current income tax receivable | | 11 005 | 18 357 |
| Cash and cash equivalents (excluding bank overdrafts) | 19 | 1 662 083 | 1 697 292 |
| **Total current assets** | | 6 301 087 | 5 506 234 |
| **Total assets** | | 13 195 006 | 11 342 788 |
| | | | |
| **EQUITY** | | | |
| Share capital | 26 | 1 817 | 1 817 |
| Share premium | 26 | 2 059 688 | 2 059 688 |
| Treasury shares | 27 | (62 953) | (78 801) |
| Other reserves | 28 | (1 063 193) | (1 007 709) |
| Retained earnings | | 4 970 377 | 4 322 910 |
| **Equity attributable to owners of the parent** | | 5 905 736 | 5 297 905 |
| Non-controlling interest | 29 | 701 196 | 504 985 |
| **Total equity** | | 6 606 932 | 5 802 890 |
| | | | |
| **LIABILITIES** | | | |
| **Non-current liabilities** | | | |
| Borrowings | 21 | 1 061 912 | 684 125 |
| Lease liabilities | 12 | 322 704 | 349 117 |
| Provisions for liabilities and charges | 22 | 221 705 | 134 965 |
| Deferred income tax liabilities | 25 | 424 781 | 317 181 |
| Other financial liabilities | 23 | 36 470 | 56 193 |
| **Total non-current liabilities** | | 2 067 572 | 1 541 581 |
| | | | |
| **Current liabilities** | | | |
| Trade and other payables | 24 | 2 838 857 | 2 645 718 |
| Contract liabilities | 17 | 825 253 | 594 136 |
| Borrowings | 21 | 653 826 | 530 339 |
| Lease liabilities | 12 | 46 562 | 56 089 |
| Current income tax liabilities | | 90 885 | 117 368 |
| Provisions for liabilities and charges | 22 | 50 119 | 28 186 |
| Other financial liabilities | 23 | 15 000 | 26 481 |
| **Total current liabilities** | | 4 520 502 | 3 998 317 |
| **Total liabilities** | | 6 588 074 | 5 539 898 |
| **Total equity and liabilities** | | 13 195 006 | 11 342 788 |

The notes on pages 24 to 102 are an integral part of these financial statements.

## Group statement of profit or loss

| | Note | 2024 R'000 | 2023 R'000 |
|---|---|---|---|
| Revenue | **30** | **17 425 168** | 15 307 479 |
| Cost of sales | **33** | **(14 944 249)** | (13 197 757) |
| **Gross profit** | | **2 480 919** | 2 109 722 |
| Other income | **31** | **21 477** | 13 820 |
| Other gains/(losses) - net | **32** | **57 450** | 28 591 |
| Administrative expenses | **33** | **(942 701)** | (852 929) |
| Net impairment losses on financial and contract assets | **34** | **(80 457)** | (23 065) |
| **Operating profit** | | **1 536 688** | 1 276 139 |
| | | | |
| Finance income | **35** | **113 705** | 81 219 |
| Finance costs | **35** | **(178 122)** | (128 384) |
| Finance costs - net | **35** | **(64 417)** | (47 165) |
| Share of profit/(loss) of equity accounted investments | **14** | **504** | (7 013) |
| | | | |
| **Profit before income tax** | | **1 472 775** | 1 221 961 |
| Income tax expense | **36** | **(398 800)** | (363 327) |
| **Profit for the year** | | **1 073 975** | 858 634 |
| | | | |
| **Attributable to:** | | | |
| Owners of the parent | | **847 621** | 704 344 |
| Non-controlling interests | **29** | **226 354** | 154 290 |
| | | **1 073 975** | 858 634 |
| | | | |
| Basic earnings per share (cents) | **4** | **472.1** | 391.1 |
| Diluted earnings per share (cents) | **4** | **467.5** | 388.9 |

The notes on pages 24 to 102 are an integral part of these financial statements.

## Group statement of comprehensive income

| | Note | 2024 R'000 | 2023 R'000 |
|---|---|---|---|
| **Profit for the year** | | **1 073 975** | 858 634 |
| **Other comprehensive income:** | | | |
| **Items that will not be reclassified to profit or loss** | | | |
| Re-measurements of post-employment benefit obligations | | **185** | 414 |
| Change in fair value of investments held at fair value through OCI | | **(49 694)** | 58 540 |
| **Items that may be subsequently reclassified to profit or loss** | | | |
| Currency translation differences | **28** | **(7 027)** | 50 940 |
| **Other comprehensive income for the year, net of tax** | | **( 56 536)** | 109 894 |
| **Total comprehensive income for the year** | | **1 017 439** | 968 528 |
| **Attributable to:** | | | |
| Owners of the parent | | **791 315** | 803 639 |
| Non-controlling interests | **29** | **226 124** | 164 889 |
| **Total comprehensive income for the year** | | **1 017 439** | 968 528 |

The notes on pages 24 to 102 are an integral part of these financial statements.

## Group statement of changes in equity

| | Share capital R'000 | Share premium R'000 | Treasury shares R'000 | Other reserves R'000 | Retained earnings R'000 | Total attributable to owners of the parent company R'000 | Non-controlling interest R'000 | Total equity R'000 |
|---|---|---|---|---|---|---|---|---|
| **Balance at 28 February 2022** | 1 817 | 2 059 688 | (47 077) | (1 096 014) | 3 879 482 | 4 797 896 | 425 161 | 5 223 057 |
| Changes in equity: | | | | | | | | |
| Share option reserve | - | - | - | 5 741 | - | 5 741 | - | 5 741 |
| Share option reserve utilised during the year | - | - | - | (16 317) | 16 317 | - | - | - |
| Treasury shares issued in terms of equity settled share scheme | - | - | 30 026 | - | (30 026) | - | - | - |
| Acquisition of treasury shares | - | - | (61 750) | - | - | (61 750) | - | (61 750) |
| Acquisition of shares from non-controlling interest | - | - | - | - | (41 399) | (41 399) | (96 678) | (138 077) |
| Disposal of shares to non-controlling shareholders | - | - | - | - | (3 362) | (3 362) | 40 861 | 37 499 |
| Share buy-back from non-controlling shareholders of subsidiary | - | - | - | - | 429 | 429 | (7 123) | (6 694) |
| Rights offer by subsidiary | - | - | - | - | (11 058) | (11 058) | 11 058 | - |
| Acquisition of subsidiaries | - | - | - | - | - | - | 19 238 | 19 238 |
| Profit for the year | - | - | - | - | 704 344 | 704 344 | 154 290 | 858 634 |
| Other comprehensive income for the year | - | - | - | 98 881 | 414 | 99 295 | 10 599 | 109 894 |
| Dividends paid | - | - | - | - | (192 231) | (192 231) | (52 421) | (244 652) |
| Total changes | - | - | (31 724) | 88 305 | 443 428 | 500 009 | 79 824 | 579 833 |
| **Balance at 28 February 2023** | **1 817** | **2 059 688** | **(78 801)** | **(1 007 709)** | **4 322 910** | **5 297 905** | **504 985** | **5 802 890** |
| Changes in equity: | | | | | | | | |
| Share option reserve | - | - | - | 11 279 | - | 11 279 | - | 11 279 |
| Share option reserve utilised during the year | - | - | - | (10 272) | 10 272 | - | - | - |
| Treasury shares issued in terms of equity settled share scheme | - | - | 15 848 | - | (15 848) | - | - | - |
| Acquisition of shares from non-controlling interest | - | - | - | - | (22 570) | (22 570) | (5 747) | (28 317) |
| Disposal of shares to non-controlling shareholders | - | - | - | - | 77 335 | 77 335 | 6 674 | 84 009 |
| Additional shares issued by subsidiary | - | - | - | - | (54) | (54) | 34 548 | 34 494 |
| Acquisition of subsidiaries | - | - | - | - | - | - | (537) | (537) |
| Profit for the year | - | - | - | - | 847 621 | 847 621 | 226 354 | 1 073 975 |
| Other comprehensive income for the year | - | - | - | (56 491) | 185 | (56 306) | (230) | (56 536) |
| Dividends paid | - | - | - | - | (249 474) | (249 474) | (64 851) | (314 325) |
| Total changes | - | - | 15 848 | (55 484) | 647 467 | 607 831 | 196 211 | 804 042 |
| **Balance at 29 February 2024** | **1 817** | **2 059 688** | **(62 953)** | **(1 063 193)** | **4 970 377** | **5 905 736** | **701 196** | **6 606 932** |
| *Note* | *26* | *26* | *27* | *28* | | | *29* | |

## Group statement of cash flows

| | Note | 2024 R'000 | 2023 R'000 |
|---|---|---|---|
| **Cash flows from operating activities** | | | |
| Cash generated from operations | 40 | 1 902 147 | 1 959 176 |
| Interest received | 35 | 77 601 | 62 143 |
| Interest paid | 35 | (166 785) | (111 702) |
| Dividends received | 31 | 6 431 | - |
| Income tax paid | 40 | (338 000) | (318 558) |
| **Net cash generated from operating activities** | | 1 481 394 | 1 591 059 |
| **Cash flows from investing activities** | | | |
| Purchases of property, plant and equipment | 40 | (1 700 872) | (1 152 670) |
| Proceeds from sale of property, plant and equipment | 40 | 74 967 | 64 060 |
| Acquisition of subsidiaries | 6 | (99 854) | (18 040) |
| Acquisition of associates and joint ventures | 14 | - | (1 227) |
| Acquisition of equity instruments (other financial assets) | 20 | (5 308) | (429) |
| Repayment received of loans granted to service concession investee | 20 | 30 948 | - |
| Loan repayments received from associates and joint ventures | 20,14 | 59 483 | 44 969 |
| Loans granted to associates and joint ventures | 20,14 | (98 723) | (115 866) |
| **Net cash used in investing activities** | | (1 739 359) | (1 179 203) |
| **Cash flows from financing activities** | | | |
| Proceeds from borrowings | 40.1 | 1 317 849 | 1 102 186 |
| Repayment of borrowings | 40.1 | (818 401) | (866 605) |
| Repayment of lease liabilities (capital repayments) | 12 | (56 786) | (66 141) |
| Dividends paid to owners of the parent | 5 | (249 474) | (192 231) |
| Dividends paid to non-controlling interests | 29 | (64 851) | (52 421) |
| Disposal of interest in a subsidiary | 6 | 84 009 | 37 499 |
| Acquisition of non-controlling interest | 6 | (28 317) | (138 077) |
| Contingent consideration settled | 23 | - | (12 282) |
| Share buy-back transaction by subsidiary | 6 | - | (6 694) |
| Shares issued by subsidiary | | 34 494 | - |
| Acquisition of treasury shares | 27 | - | (61 750) |
| **Net cash generated from/(used in) financing activities** | | 218 523 | (256 516) |
| **Net (decrease)/increase in cash and cash equivalents** | | (39 442) | 155 340 |
| Cash and cash equivalents at the beginning of the year | | 1 697 290 | 1 504 799 |
| Effects of exchange rates on cash and cash equivalents | | 4 235 | 37 151 |
| **Cash and cash equivalents at the end of the year** | 19 | 1 662 083 | 1 697 290 |

The notes on pages 24 to 102 are an integral part of these financial statements.

## Notes to the Group Financial Statements

**1. Basis of preparation**

The consolidated Financial Statements of Raubex Group Limited have been prepared in accordance with the IFRS® Accounting Standards (IFRS), the IFRIC® Interpretations (IFRIC) issued by the IFRS Interpretations Committee (IFRS IC), the JSE Listings Requirements, the South African Institute of Chartered Accountants (SAICA) Financial Reporting Guides as issued by the Accounting Practices Committee, the Financial Pronouncements as issued by the Financial Reporting Standards Council and the Companies Act, 71 of 2008, of South Africa. The consolidated Financial Statements have been rounded to the nearest thousand rand and have been prepared under the historical cost convention, as modified by financial assets and financial liabilities (including derivative instruments) at fair value through profit or loss and the application of the equity method of accounting for investments in associated companies and joint ventures.

A number of IFRS, IFRICs and amendments as issued by the International Accounting Standards Board (IASB) became applicable to the Group, effective 1 March 2023. Refer to note 49 for details on new standards, interpretations and amendments that have been issued but which are not yet applicable to the Group.

Except for those mentioned above or if otherwise stated, the principal accounting policies used in the preparation of these consolidated Financial Statements are consistent with those applied for the year ended 28 February 2023 in terms of IFRS.

The preparation of Financial Statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated Financial Statements, are disclosed below.

The operating cycle of contracts in progress, development land and retentions is considered to be more than 12 months. Accordingly the associated assets and liabilities are classified as current as they are expected to be settled within the same operating cycle as contracts in progress and retentions.

The Directors are of the view that no material uncertainties relating to the Group's ability to continue as a going concern exist. The Directors are also satisfied that the Group has adequate resources to continue in operational existence for the foreseeable future. The Group therefore continues to adopt the going concern basis in preparing its consolidated Financial Statements.

*Ukraine conflict*

The Group is only indirectly exposed to the Ukraine conflict through the impact on the oil price or indirect effects on the countries in which we operate. The oil price influences the price of fuel and effectively the cost of doing business as the nature of the industry remains a fuel intensive one. The price of oil remained fairly elevated during the current financial year.

The Group has no direct ties to Russia or Ukraine that would have any financial impact on the Group from either a currency deflation or financial recoverability perspective. Furthermore, macroeconomic factors are considered when determining the estimated credit loss model that will further cover any risk associated with this. The Group believes that the risks associated with the conflict are relatively low at this stage, but such risks are assessed on an on-going basis.

Management considers the Ukraine conflict an ongoing event and are continually assessing and monitoring any developments and the associate impact on the business.

**2. Significant estimates and judgements**

The preparation of the Financial Statements in conformity with International Financial Reporting Standards requires the Group's management to make estimates and judgements concerning the future that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the Financial Statements and the reported amounts of revenue and expenses during the reported period. The resulting accounting estimates and judgements can, by definition, only approximate the actual results. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated Financial Statements are as follow:

*Significant estimates:*

- Estimates made in determining changes in estimated useful lives and residual value of property, plant and equipment (refer note 10)
- Estimates regarding impairment of property, plant and equipment (refer note 10)
- Estimated impairment of goodwill (refer note 13)
- Estimates regarding the net realisable value of inventory (refer note 16)
- Contract revenue recognition and profit taking (refer note 17 and 30)
  Each contract has specific estimates attributed to it regarding the estimated project costs, profit margins and variable considerations, claims or uninstalled materials. A meaningful sensitivity analysis on contract estimates is not practical. Contract revenue is also considered to be the most significant estimate for the Group
- Estimate of exposure and liabilities with regard to rehabilitation costs (refer note 22)
- Estimates regarding the fair value of the performance shares issued to employees (refer note 39)

*Significant judgements:*

- Judgements with regards to significant influence over equity investments (refer note 20)
- Judgements with regards to recognition of deferred tax assets for losses carried forward (refer note 25)

## Notes to the Group Financial Statements (continued)

**3. Segmental Information**

The Group's operating segments reflect the management structure of the Group and the manner in which performance is evaluated and resources allocated as managed by the Group's chief operating decision-maker, which is defined as the Group's executive committee (Exco).

The Group's operating segments are defined as follows:

- ***Materials Handling and Mining***
  This division comprises four main disciplines including: (i) contract crushing; (ii) materials handling and processing services for the mining industry; (iii) contract mining; and (iv) specialised resource ownership.
- ***Construction Materials***
  This division specialises in the production and supply of materials to the construction market, including aggregates from commercial quarries, asphalt and value-added bituminous products.
- ***Roads and Earthworks***
  This division specialises in road construction and earthworks as well as road surfacing and rehabilitation. This includes the laying of asphalt, chip and spray, surface dressing, enrichments, and slurry seals.
- ***Infrastructure***
  This division specialises in disciplines outside of the road construction sector, including energy (with a specific focus on renewable energy), facilities management, telecommunications, housing infrastructure projects and commercial building refurbishment and construction.

Exco assesses the performance of the operating segments based on operating profit.

Exco also considers the business geographically, from a South African (local), African (Rest of Africa) and Australian perspective.

*Inter-segment transfers*
Segment revenue and segment expenses include transfers between business segments and between geographical segments. Such transfers are accounted for at arm's length prices. These transfers are eliminated on consolidation.

*Segment revenue and expenses*
All segment revenue and expenses are directly attributable to the segments. Segment revenue and expenses are allocated to the geographic segments based on the location of the operating activity.

*Segment assets*
These are all operating assets used by a segment, principally consisting of property, plant and equipment, investment property, right-of-use assets, investments, inventories, contract assets, receivables (net of allowances) and cash and cash equivalents. Segment assets are allocated to the geographic segments based on where the assets are located.

*Segment liabilities*
These are all operating liabilities of a segment, principally accounts payable, contract liabilities and external interest bearing borrowings.

***Segmental analysis***

| Operating segments | Materials Handling and Mining R'000 | Construction Materials R'000 | Roads and earthworks R'000 | Infrastructure R'000 | Other[1] R'000 | Consolidated R'000 |
|---|---|---|---|---|---|---|
| **For the year ended 28 February 2023** | | | | | | |
| Revenue | 2 877 958 | 1 877 175 | 6 037 985 | 4 514 361 | - | 15 307 479 |
| Operating profit | 168 589 | 81 511 | 510 859 | 515 180 | - | 1 276 139 |
| Finance income | 9 247 | 5 051 | 47 552 | 19 369 | - | 81 219 |
| Finance costs | (60 738) | (25 783) | (16 400) | (19 943) | (5 520) | (128 384) |
| Share of profit of investments accounted for using the equity method | - | - | (5 988) | (1 025) | - | (7 013) |
| Taxation | (41 224) | (24 409) | (144 208) | (153 486) | - | (363 327) |
| **Profit for the year** | 75 874 | 36 370 | 391 815 | 360 095 | (5 520) | 858 634 |
| Segment assets | 3 403 155 | 1 926 171 | 3 561 087 | 2 283 370 | 169 005 | 11 342 788 |
| Segment liabilities | 1 529 908 | 962 475 | 1 579 165 | 1 406 561 | 61 789 | 5 539 898 |
| Depreciation and amortisation | 387 941 | 124 012 | 69 728 | 67 513 | - | 649 194 |
| Capital expenditure | 693 898 | 138 715 | 105 312 | 214 745 | - | 1 152 670 |
| Inter segment revenue | 145 361 | 1 082 867 | 130 301 | 537 865 | - | 1 896 394 |

[1] *Other consists of amounts that cannot be allocated to specific segments, including the voluntary rebuilding programme detailed in note 23.*

**3. Segmental Information (continued)**
*Segmental analysis (continued)*

| Operating segments | Materials Handling and Mining R'000 | Construction Materials[2] R'000 | Roads and earthworks R'000 | Infrastructure R'000 | Other[1] R'000 | Consolidated R'000 |
|---|---|---|---|---|---|---|
| **For the year ended 29 February 2024** | | | | | | |
| Revenue | **4 017 939** | **2 421 660** | **5 668 427** | **5 317 142** | **-** | **17 425 168** |
| Operating profit | **584 660** | **115 042** | **331 495** | **505 491** | **-** | **1 536 688** |
| Finance income | **13 510** | **7 476** | **59 960** | **32 759** | **-** | **113 705** |
| Finance costs | **(101 530)** | **(33 465)** | **(25 169)** | **(13 278)** | **(4 680)** | **(178 122)** |
| Share of profit of investments accounted for using the equity method | **-** | **-** | **-** | **504** | **-** | **504** |
| Taxation | **(138 370)** | **(20 734)** | **(101 538)** | **(138 158)** | **-** | **(398 800)** |
| **Profit for the year** | **358 270** | **68 319** | **264 748** | **387 318** | **(4 680)** | **1 073 975** |
| Segment assets | **4 401 286** | **1 976 274** | **3 721 990** | **3 095 456** | **-** | **13 195 006** |
| Segment liabilities | **1 877 730** | **1 119 730** | **2 073 282** | **1 465 862** | **51 470** | **6 588 074** |
| Depreciation, impairment and amortisation | **457 319** | **165 756** | **79 821** | **81 613** | **-** | **784 509** |
| Capital expenditure | **1 291 460** | **130 544** | **164 422** | **177 705** | **-** | **1 764 131** |
| Inter segment revenue | **295 326** | **1 026 378** | **106 434** | **68 176** | **-** | **1 496 314** |

[1] *Other consists of amounts that cannot be allocated to specific segments, including the voluntary rebuilding programme detailed in note 23.*

[2] *Impairment losses to the value of R34.2 million have been recognised during the year in this segment. Refer to note 10 for further details.*

Approximately 20.5% (2023: 21.5%) of total revenue is derived from a single external customer i.e. The South African National Roads Agency (SANRAL), these revenues are attributable to all the operating segments except Materials Handling and Mining.

Approximately 5.5% (2023: 8.9%) of total revenue is derived from South African local municipalities and provincial governments, these revenues are attributable to all the operating segments except Materials Handling and Mining.

| *Additional voluntary disclosure: Geographical information* | South Africa R'000 | Rest of Africa R'000 | Australia R'000 | Other[1] R'000 | Consolidated R'000 |
|---|---|---|---|---|---|
| **For the year ended 28 February 2023** | | | | | |
| Revenue | 10 798 190 | 1 985 429 | 2 523 860 | - | 15 307 479 |
| Operating profit | 436 740 | 592 038 | 247 361 | - | 1 276 139 |
| Finance income | 76 434 | 825 | 3 960 | - | 81 219 |
| Finance costs | (112 505) | (7 353) | (3 006) | (5 520) | (128 384) |
| Share of profit of investments accounted for using the equity method | (7 013) | - | - | - | (7 013) |
| Taxation | (111 835) | (170 265) | (81 227) | - | (363 327) |
| **Profit for the year** | 281 821 | 415 245 | 167 088 | (5 520) | 858 634 |
| Segment assets | 9 207 061 | 673 195 | 1 293 527 | 169 005 | 11 342 788 |
| Segment liabilities | 4 579 978 | 171 531 | 726 600 | 61 789 | 5 539 898 |
| Depreciation and amortisation | 605 116 | 7 222 | 36 856 | - | 649 194 |
| Capital expenditure | 790 171 | 175 082 | 187 417 | - | 1 152 670 |
| Inter segment revenue | 1 442 700 | 3 088 | - | - | 1 445 788 |
| **For the year ended 29 February 2024** | | | | | |
| Revenue | **13 108 414** | **996 778** | **3 319 976** | **-** | **17 425 168** |
| Operating profit | **1 068 579** | **189 509** | **278 600** | **-** | **1 536 688** |
| Finance income | **103 206** | **1 931** | **8 568** | **-** | **113 705** |
| Finance costs | **(164 542)** | **(1 463)** | **(7 437)** | **(4 680)** | **(178 122)** |
| Share of profit of investments accounted for using the equity method | **504** | **-** | **-** | **-** | **504** |
| Taxation | **(256 074)** | **(56 958)** | **(85 768)** | **-** | **(398 800)** |
| **Profit for the year** | **751 673** | **133 019** | **193 963** | **(4 680)** | **1 073 975** |
| Segment assets | **10 800 401** | **1 057 462** | **1 337 143** | **-** | **13 195 006** |
| Segment liabilities | **5 434 185** | **377 284** | **725 135** | **51 470** | **6 588 074** |
| Depreciation, amortisation and impairment | **637 624** | **93 215** | **53 670** | **-** | **784 509** |
| Capital expenditure | **1 337 824** | **281 067** | **145 240** | **-** | **1 764 131** |
| Inter segment revenue | **492 137** | **33** | **-** | **-** | **492 170** |

[1] *Other consists of amounts that cannot be allocated to specific segments, including the voluntary rebuilding programme detailed in note 23.*

Revenues from the Rest of Africa account for 5.7% (2023: 13.0%) of total Group revenue and were generated from operations in Botswana, Eswatini, Lesotho, Mozambique, Namibia and Zimbabwe. Revenues from Australia account for 19.0% (2023: 16.5%) of total Group revenue and were generated from operations in Western Australia.

### 4. Earnings per share

Basic earnings per share is calculated by dividing the profit attributable to equity holders of the parent entity by the weighted average number of ordinary shares in issue during the year. Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares.

| | 2024 R'000 | 2023 R'000 |
|---|---|---|
| **Basic** | | |
| Profit attributable to owners of the parent entity | **847 621** | 704 344 |
| Weighted average number of ordinary shares in issue[1] | **179 532** | 180 104 |
| **Basic earnings per share (cents)** | **472.1** | 391.1 |
| **Diluted** | | |
| Profit attributable to owners of the parent entity | **847 621** | 704 344 |
| Weighted average number of ordinary shares in issue[1] | **179 532** | 180 104 |
| *Adjustments for:* | | |
| Shares deemed issued for no consideration (share options) | **1 791** | 1 016 |
| Weighted average number of ordinary shares for diluted earnings per share | **181 323** | 181 120 |
| **Diluted earnings per share (cents)** | **467.5** | 388.9 |

| **Headline** | **2024 Gross R'000** | **2024 Net of tax R'000** | **2023 Gross R'000** | **2023 Net of tax R'000** |
|---|---|---|---|---|
| Profit attributable to owners of the parent entity | **847 621** | **847 621** | 704 344 | 704 344 |
| *Adjustments for:* | | | | |
| Profit on sale of property, plant and equipment (note 32) | **(23 292)** | **(17 499)** | (10 103) | (7 317) |
| Impairment of property, plant and equipment (note 10) | **34 227** | **24 986** | 3 300 | 2 376 |
| Loss/(Profit) on remeasurement of associate (note 14) | **-** | **-** | 3 769 | 3 769 |
| Bargain purchase on acquisition of subsidiary (note 6) | **-** | **-** | (8 790) | (8 790) |
| Impairment of goodwill and mining rights (note 32) | **-** | **-** | 13 493 | 13 493 |
| Add back: Non-controlling interests' portion of impairment and profit on sale of property, plant and equipment | **50** | **36** | (646) | (465) |
| **Basic headline earnings** | **858 606** | **855 144** | 705 367 | 707 410 |
| Weighted average number of ordinary shares in issue[1] | | **179 532** | | 180 104 |
| **Headline earnings per share (cents)** | | **476.3** | | 392.8 |
| **Diluted Headline** | | | | |
| Headline earnings | | **855 144** | | 707 410 |
| Adjusted weighted average number of shares | | **181 323** | | 181 120 |
| **Diluted headline earnings per share (cents)** | | **471.6** | | 390.6 |

[1] *The weighted average number of shares takes into account the weighted average effect of changes in treasury share transactions during the year.*

### 5. Dividends per share

Dividend distribution to the Company's shareholders is recognised as a liability in the Group's Financial Statements in the period in which the dividends are approved by the board of directors.

The following dividends were approved and paid during the year:

| | **2024** | | **2023** | |
|---|---|---|---|---|
| | **Number of shares ('000)** | **Value R'000** | **Number of shares ('000)** | **Value R'000** |
| Previous year final dividend paid | **181 750** | **138 130** | 181 750 | 98 145 |
| Current year interim dividend paid | **181 750** | **114 503** | 181 750 | 96 329 |
| Dividends received on treasury shares | **(1 997)** | **(3 159)** | (2 500) | (2 243) |
| Total dividends paid | | **249 474** | | 192 231 |

After consideration was given to the solvency and liquidity test of the Group, a final dividend in respect of the year ended 29 February 2024 of R167.2 million (92 cents per share) amounting to a total dividend for the year of R281.7 million (155 cents per share) was proposed at the Board of Directors' meeting on 8 May 2024 and declared on the release of the Group's results. These Financial Statements do not reflect this dividend payable.

*Dividends Tax (DT)*

DT is a tax imposed on shareholders at a rate of 20% on receipt of dividends. The DT is categorised as a withholding tax, as the tax is withheld and paid to the South African Revenue Services by the Company paying the dividend or by a regulated intermediary and not the person liable for the tax.

### 6. Business combinations

*Common control transactions*

Business combinations involving entities or businesses under common control are excluded from the scope of IFRS 3 "Business Combinations". A business combination involving entities or businesses under common control is defined in IFRS 3 as "a business combination in which all of the combining entities or businesses ultimately are controlled by the same party or parties both before and after the combination, and that control is not transitory."

The "predecessor values" method is used to account for common control transactions. The "predecessor values" method requires Financial Statements to be prepared using predecessor book values without any step up to fair value. The difference between any consideration given and the aggregate book value of the assets and liabilities (as of the date of the transaction) of the acquired entity are recorded as an adjustment to equity as a common control reserve. No additional goodwill is created by the transaction.

*Subsidiaries*

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The Group uses the acquisition method to account for business combinations. The Group recognises any non-controlling interest in the acquiree on an acquisition-by-acquisition basis. The Group applied the non-controlling interest's proportionate share of the acquiree's net assets when recognising the non-controlling interest in the acquiree.

Investments in subsidiaries are accounted for at cost less impairment. Cost is adjusted to reflect changes in consideration arising from contingent consideration amendments.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is re-measured to fair value at the acquisition date; and gains or losses arising from such re-measurement are recognised in profit or loss.

Inter-Company transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

*Changes in ownership interests*

The Group treats transactions with non-controlling interests that do not result in loss of control as equity transactions, that is, as transactions with the owners in their capacity as owners. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary.

Any difference between the purchase consideration and the carrying value of the net assets acquired is recognised in equity against retained earnings. The gains and losses on disposals to non-controlling interests are also recorded in equity against retained earnings.

When the Group ceases to consolidate or equity account for an investment because of a loss of control, joint control or significant influence, any retained interest in the entity is remeasured to its fair value with the change in carrying amount recognised in profit or loss. This fair value becomes the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

If the ownership interest in an associate or joint venture is reduced but significant influence or joint control is retained, only a proportionate share of the amounts previously recognised in other comprehensive income is reclassified to profit or loss where appropriate.

**6. Business combinations (continued)**

*Acquisitions made during the current financial period*

**Naboom Mauritius Mining Company Limited ("Naboom")**

On 9 May 2023, Bauba Resources (Pty) Ltd ("Bauba") entered into a sale of shares and claims agreement to acquire 100% of Naboom for R100 million. The transfer of shares in Naboom was subject to the Group receiving the consent of the Minister of Mineral Resources and Energy contemplated in section 11(1) of the Mineral and Petroleum Resources Development Act 28 of 2002, which approves the change in controlling interest in Naboom Mining Company (Pty) Ltd ("Naboom SA"). The s11(1) was approved on 3 November 2023. Naboom owns 74% of Naboom SA who holds a mining right for chrome in Limpopo. The Group effectively owns 65.01% of Naboom and 48.11% of Naboom SA.

In terms of IFRS 3 it was determined that the operations of Naboom did not meet the definition of a business and therefore the acquisition constituted an asset acquisition. This was based on the fact that no actual operations exist yet at this stage as this project is still in the early stages of development.

Naboom and Naboom SA have been consolidated into the Group effective 3 November 2023, neither have contributed any revenue and together they have contributed a net loss to date of R0.1 million to the Group. Had Naboom been consolidated from 1 March 2023, no revenue would have been contributed with a net loss of R3.9 million for the same period.

**Similan Development Company (Pty) Ltd ("Similan")**

The Group's subsidiary, Raubex Building (Pty) Ltd, acquired 85% of Similan for R102, effective 1 August 2023. The Group's effective ownership of Similan is 69.7%. Similan owns a 2.2ha piece of land in Kuils River in the Western Cape which is earmarked for the Kleijne Wingerd residential development.

It was concluded that the shares obtained in Similan did not meet the definition of a business and therefore the acquisition is not a business combination in terms of IFRS 3. The transaction constituted an asset acquisition. Similan is the legal owner of the property with no actual operations or employees. On application of the concentration, the fair value of the assets acquired was also deemed to be concentrated in inventory.

Similan has been consolidated into the Group effective 1 August 2023. Similan contributed revenue of R40.3 million with a net loss of R0.1 million over the same period. Had Similan been consolidated from 1 March 2023 the contribution would have been R40.4 million revenue with a net loss of R0.1 million.

**Ukumaka (Pty) Ltd ("Ukumaka")**

Effective 1 March 2023, the Group, through its subsidiary Raubex Roads and Earthworks Holdings (Pty) Ltd acquired 49% of Ukumaka for R49. The Group is deemed to control Ukumaka in terms of IFRS 10 based on the Group's board participation. Ukumaka is involved in the painting and installation of road markings in South Africa.

The goodwill is attributable to the business expansion opportunities to the Group in terms of road marking. Synergies are expected to arise from integrating Ukumaka into the Roads and Earthworks division. The fair value of trade and other receivables is R0.3 million which is the same as the gross contractual amount. The full amount is expected to be recoverable.

The revenue included in the consolidated income statement since 1 March 2023 contributed by Ukumaka was R2.8 million with a net profit contribution of R0.3 million over the same period.

Details of the net assets acquired, purchase consideration and goodwill/bargain purchase from acquisitions are set out below:

| Consideration | Naboom R'000 | Similan R'000 | Ukumaka R'000 | Total R'000 |
|---|---|---|---|---|
| Cash consideration | 100 000 | - | - | 100 000 |
| **Total Consideration** | 100 000 | - | - | 100 000 |
| **Recognised amounts of identifiable assets and acquired liabilities assumed** | | | | |
| Intangible assets | 100 089 | - | - | 100 089 |
| Inventories | - | 73 507 | - | 73 507 |
| Trade and other receivables | - | 412 | 328 | 740 |
| Contract assets | - | - | 194 | 194 |
| Cash & cash equivalents | - | 134 | 12 | 146 |
| Deferred tax asset | - | - | 13 | 13 |
| Deferred tax liability | - | - | (53) | (53) |
| Trade and other payables | (89) | (74 053) | (1 548) | (75 690) |
| **Total identifiable net assets** | 100 000 | - | (1 054) | 98 946 |
| Non-controlling interest | - | - | 538 | 538 |
| Goodwill attributable to owners of the parent | - | - | 516 | 516 |
| **Total** | 100 000 | - | - | 100 000 |
| Total purchase consideration settled in cash | 100 000 | - | - | 100 000 |
| Less: cash and cash equivalents in the business combination acquired | - | (134) | (12) | (146) |
| **Cash outflow/(inflow) on acquisition for cash flow statement** | 100 000 | (134) | (12) | 99 854 |

**6. Business combinations (continued)**

*Acquisitions and disposals made during the previous financial period - cash flow effects*

| | Dune Resources R'000 | Attaclay R'000 | Centremark R'000 | Total R'000 |
|---|---|---|---|---|
| Acquisition of subsidiaries | | | | |
| Total purchase consideration settled in cash | 6 900 | 18 000 | 1 | 24 901 |
| Less: cash and cash equivalents in the business combination acquired | - | (5 282) | (1 579) | (6 861) |
| Cash outflow/(inflow) on acquisitions for cash flow statement | 6 900 | 12 718 | (1 578) | 18 040 |

*Transactions with non-controlling interests ("NCI")*

**Bauba Resources (Pty) Ltd ("Bauba")**

*Bauba - Transaction 1:*
Effective 15 August 2023, the Group, through its subsidiary, Ndarama Mineral Resources (Pty) Ltd, acquired 6 543 116 shares from a non-controlling shareholder of Bauba for R14.4 million. The Group's effective ownership of Bauba increased from 64.43% to 65.01%.

*Bauba - Transaction 2:*
In terms of the Naboom acquisition noted above, Bauba raised the capital for the transaction in the form of a share offer to existing shareholders. The share offer was taken up fully by all shareholders, in proportion of their respective shareholdings resulting in no change in the ownership of Bauba. R34.9 million was received from the non-controlling shareholder in this regard.

**Tosas Eastern Cape (Pty) Ltd ("Tosas EC")**

Effective 1 June 2023, Tosas (Pty) Ltd acquired the remaining 50% of the shares in Tosas EC from the minority shareholders for R3.9 million. Tosas EC is now 100% owned by Tosas (Pty) Ltd, effectively 100% held by the Group.

**Shisalanga Construction (Pty) Ltd ("Shisalanga")**

On 31 October 2023, the Group acquired an additional 14% through a rights offer done by Shisalanga. The non-controlling shareholders did not take up their portion of the offer. The Group's effective shareholding has increased from 76% to 90%.

**Raubex Construction (Pvt) Ltd ("Raubex Construction Zimbabwe")**
Effective 1 December 2023, the Group acquired an additional 23% in Raubex Construction Zimbabwe for R65. The Group's effective shareholding increased from 65% to 88%.

**Namli Exploration and Mining (Pty) Ltd ("Namli")**

*Namli - Transaction 1:*
Effective 30 November 2023, the Group through its subsidiary Dune Resources (Pty) Ltd, increased its effective shareholding in Namli to 74% through a rights offer.

*Namli - Transaction 2:*
Effective 31 January 2024, the Group through its subsidiary Dune Resources (Pty) Ltd, increased its effective shareholding in Namli to 100% through a call option agreement signed between themselves and the non-controlling shareholder. The call option gave Dune Resources the right to acquire the remaining shares in Namli for R10 million.

**Dune Resources (Pty) Ltd ("Dune Resources")**

Effective 31 January 2024, the Group, through its subsidiary SPH Kundalila (Pty) Ltd, sold 40% of Dune Resources to a non-controlling shareholder for R84 million cash (USD 4.5 million). The Group's effective shareholding in Dune Resources decreased from 100% to 60%. Therefore also decreasing the effective ownership of Namli from 100% to 60%.

The above mentioned sale of 40% of Dune Resources represents part A of a disposal of shares agreement that SPH Kundalila has entered into with the respective 3rd party. Parts B and C are contingent on the approval being received from the Department of Mineral Resources and Energy ("DMRE"). Part A was contingent on the ownership transfer request submission to the DMRE. The DMRE approval will trigger the sale of the remaining 60% of the shares in Dune Resources for USD 6.8 million. This will be made up of an additional 40% being sold on receipt of the DMRE approval and the remaining 20% being sold on submission of a renewal application to the DMRE for the prospecting right indirectly owned by Dune Resources through its investment in Namli.

**6. Business combinations (continued)**

*Transactions with non-controlling interests ("NCI") (continued)*

Details of each of the above mentioned transactions are set out below:

| | Change in ownership - Increase/(decrease in equity R'000 | NCI acquired/ (disposed of) R'000 | Total equity effect and Cash flow effect R'000 |
|---|---|---|---|
| Bauba - Transaction 1 | - | 34 946 | 34 946 |
| Bauba - Transaction 2 | (14 325) | (59) | (14 384) |
| Tosas EC | (600) | (3 333) | (3 933) |
| Shisalanga | 1 464 | (1 464) | - |
| Raubex Construction Zimbabwe | 2 391 | (2 391) | - |
| Namli - Transaction 1 | (1 518) | 1 066 | (452) |
| Namli - Transaction 2 | (10 036) | 36 | (10 000) |
| Dune Resources | 77 335 | 6 674 | 84 009 |
| **Total** | 54 711 | 35 475 | 90 186 |

| | | | |
|---|---|---|---|
| **Total movements/cash (outflow)/inflow on transactions with NCI:** | | | |
| Acquisition of shares from non-controlling shareholders | (22 570) | (5 747) | (28 317) |
| Disposal of shares to non-controlling shareholders | 77 335 | 6 674 | 84 009 |
| Additional shares issued by subsidiary | (54) | 34 548 | 34 494 |

*Transactions with NCI during the previous financial period - cash flow effects*

| | | | |
|---|---|---|---|
| **Total movements/cash (outflow)/inflow on transactions with NCI:** | | | |
| Acquisition of shares from non-controlling shareholders | (52 457) | (85 620) | (138 077) |
| Disposal of shares to non-controlling shareholders | (3 362) | 40 861 | 37 499 |
| Share buy-back from non-controlling shareholders of subsidiary | 429 | (7 123) | (6 694) |
| Rights offer by subsidiary | (11 058) | 11 058 | - |

Refer to note 45 - Interest in subsidiaries for the full list of subsidiaries, together with the aggregation of all subsidiaries with non-controlling interests in the Group and the Group's consideration of control.

## Notes to the Group Financial Statements (continued)

### 7. Financial instruments

*Classification*

Financial instruments are recognised when the entity becomes a party to the contractual provisions of the instruments. The Group classifies its financial instruments into the following categories depending on the purpose for which the instrument was acquired. Management determines the classification at the time of initial recognition:

- Financial assets at amortised cost;
- Financial assets at fair value through profit or loss (FVPL);
- Financial assets at fair value through other comprehensive income (FVOCI);
- Financial liabilities at amortised cost; and
- Financial liabilities at fair value through profit or loss (FVPL).

Financial instruments are recognised initially on transaction date at fair value. For financial instruments carried at fair value through profit and loss, transaction costs are recognised immediately in the consolidated statement of profit and loss. Refer to the relevant notes, referenced below, for the recognition and subsequent measurement principles of each of the Group's financial instruments.

No financial instruments were designated as held at fair value through profit or loss during the year. All financial instruments held at fair value through profit and loss are default classifications in terms of IFRS 9.

The Group has designated its investments in service concessions and equity investments (other financial assets) as held at fair value through other comprehensive income. These are equity investments which are not held for trading, and which the Group has irrevocably elected at initial recognition to recognise in this category. Furthermore, these are strategic investments and the Group considers this classification to be more relevant.

*Derecognition*

Financial instruments are derecognised when substantially all risks and rewards of ownership have been transferred.

Financial assets or a portion thereof are derecognised when the Group`s contractual rights to the cash flows expire or when the Group transfers all the risks and rewards related to the financial asset or when the Group loses control of the financial asset. Financial liabilities or a portion thereof are derecognised when the obligations specified in the contract are discharged, cancelled or expire.

## Notes to the Group Financial Statements (continued)

**7. Financial instruments (continued)**

**Categories of financial instruments**

Financial instruments comprise the following in the statement of financial position:

| | Note | Financial assets at amortised cost R'000 | Financial assets at fair value through P/L R'000 | Financial assets at fair value through OCI R'000 | Financial liabilities at amortised cost R'000 | Financial liabilities at fair value through P/L R'000 | Total carrying value R'000 |
|---|---|---|---|---|---|---|---|
| **At 28 February 2023** | | | | | | | |
| Investment in service concessions | 15 | - | - | 77 049 | - | - | 77 049 |
| Non-current trade and other receivables | 18 | 3 892 | - | - | - | - | 3 892 |
| Other financial assets | 20 | 275 793 | 55 334 | 103 944 | - | - | 435 071 |
| Trade and other receivables | 18 | 1 740 542 | - | - | - | - | 1 740 542 |
| Cash and cash equivalents | 19 | 1 697 292 | - | - | - | - | 1 697 292 |
| Borrowings | 21 | - | - | - | (1 214 464) | - | (1 214 464) |
| Other financial liabilities | 23 | - | - | - | (61 790) | (20 884) | (82 674) |
| Trade and other payables | 24 | - | - | - | (2 535 953) | - | (2 535 953) |
| Total | | 3 717 519 | 55 334 | 180 993 | (3 812 207) | (20 884) | 120 755 |
| **At 29 February 2024** | | | | | | | |
| Investments in service concessions | 15 | **-** | **-** | **77 606** | **-** | **-** | **77 606** |
| Non-current trade and other receivables | 18 | **1 863** | **-** | **-** | **-** | **-** | **1 863** |
| Other financial assets | 20 | **325 196** | **61 124** | **52 909** | **-** | **-** | **439 229** |
| Trade and other receivables | 18 | **1 945 221** | **-** | **-** | **-** | **-** | **1 945 221** |
| Cash and cash equivalents | 19 | **1 662 083** | **-** | **-** | **-** | **-** | **1 662 083** |
| Borrowings | 21 | **-** | **-** | **-** | **(1 715 738)** | **-** | **(1 715 738)** |
| Other financial liabilities | 23 | **-** | **-** | **-** | **(51 470)** | **-** | **(51 470)** |
| Trade and other payables | 24 | **-** | **-** | **-** | **(2 734 273)** | **-** | **(2 734 273)** |
| **Total** | | **3 934 363** | **61 124** | **130 515** | **(4 501 481)** | **-** | **(375 479)** |

The trade and other receivables and trade and other payables disclosed in the above tables exclude the non-financial assets and liabilities carried on the statement of financial position.

The total value of non-financial assets excluded from trade and other receivables is R120.3 million (2023: R148.8 million) and the total value of non-financial liabilities excluded from trade and other payables is R104.6 million (2023: R109.8 million).

**7. Financial instruments (continued)**

**Categories of financial instruments (continued)**

| | Note | Total carrying value R'000 | Total Fair value R'000 | Explanation note |
|---|---|---|---|---|
| **At 28 February 2023** | | | | |
| Investment in service concessions | 15 | 77 049 | 77 049 | a |
| Non-current trade and other receivables | 18 | 3 892 | 3 892 | b |
| Other financial assets | 20 | 435 071 | 435 071 | c |
| Trade and other receivables | 18 | 1 740 542 | 1 740 542 | b |
| Cash and cash equivalents | 19 | 1 697 292 | 1 697 292 | d |
| Borrowings | 21 | (1 214 464) | (1 214 464) | e |
| Other financial liabilities | 23 | (82 674) | (82 674) | f |
| Trade and other payables | 24 | (2 535 953) | (2 535 953) | g |
| **Total** | | 120 755 | 120 755 | |
| **At 29 February 2024** | | | | |
| Investments in service concessions | **15** | **77 606** | **77 606** | a |
| Non-current trade and other receivables | **18** | **1 863** | **1 863** | b |
| Other financial assets | **20** | **439 229** | **439 229** | c |
| Trade and other receivables | **18** | **1 945 221** | **1 945 221** | b |
| Cash and cash equivalents | **19** | **1 662 083** | **1 662 083** | d |
| Borrowings | **21** | **(1 715 738)** | **(1 715 738)** | e |
| Other financial liabilities | **23** | **(51 470)** | **(51 470)** | f |
| Trade and other payables | **24** | **(2 734 273)** | **(2 734 273)** | g |
| **Total** | | **(375 479)** | **(375 479)** | |

a Investments in service concessions are carried at fair value through other comprehensive income, refer to note 15 where any significant unobservable inputs have been disclosed in this regard.

b Non-current trade and other receivables relates to the non-current portion of receivables under finance leases. The carrying value of receivables under finance lease is deemed to approximate its fair value as the interest rate applicable to the lease is similar to that of current market rates. The carrying value of trade and other receivables approximates their fair value due to the short term nature of these instruments. Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business and are recognised initially at the amount of consideration that is unconditional.

c Other financial assets are either carried at fair value through profit and loss, fair value through other comprehensive income or at amortised cost, refer to note 20 where any significant unobservable inputs have been disclosed.

d Cash and cash equivalents includes cash on hand, deposits held at call with banks and other short term highly liquid investments with original maturities of three months or less, they therefore approximate fair value. These are subject to an insignificant risk of changes in value.

e Borrowings are made up of bank borrowings, loans from related parties and unsecured loans.

Bank borrowings and loans from related parties are held at amortised cost and calculated using the specific fixed terms of the agreements in place. Refer to note 21 for the average remaining loan term and interest rates applicable at year end. The carrying value of bank borrowings is deemed to approximate its fair value due to the fact that the interest rates applicable are similar to that of current market rates.

Unsecured loans are held at amortised cost, these loans are interest free and have no fixed terms of repayment. The effects of discounting are not significant if discounted using current market rates over a 12 month period. Therefore the carrying value is deemed to equal fair value.

f Other financial liabilities are either carried at fair value through profit and loss or at amortised cost, refer to note 23 where any significant unobservable inputs have been disclosed in this regard.

g Trade payables are held at amortised cost and the impact of discounting is deemed to not be significant based on their short term nature. Therefore the carrying value of trade and other payables is deemed to approximate its fair value.

### 7. Financial instruments (continued)

**Fair value estimation**

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

**Level 1** - Quoted prices (unadjusted) in active markets for identical assets or liabilities.
**Level 2** - Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).
**Level 3** - Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs).

The following table presents the Group's financial assets and liabilities that are measured at fair value at 29 February 2024:

| | Level 1 R'000 | Level 2 R'000 | Level 3 R'000 | Total R'000 |
|---|---|---|---|---|
| **Liabilities** | | | | |
| **At 28 February 2023** | | | | |
| **Financial liabilities at fair value through profit or loss** | | | | |
| Contingent considerations | - | - | 9 403 | 9 403 |
| Foreign exchange contract | - | 11 481 | - | 11 481 |
| **Total liabilities** | - | 11 481 | 9 403 | 20 884 |
| **At 29 February 2024** | | | | |
| **Financial liabilities at fair value through profit or loss** | | | | |
| Contingent considerations | **-** | **-** | **-** | **-** |
| Foreign exchange contract | **-** | **-** | **-** | **-** |
| **Total liabilities** | **-** | **-** | **-** | **-** |
| | | | | |
| **Assets** | | | | |
| **At 28 February 2023** | | | | |
| **Financial assets at fair value through profit or loss** | | | | |
| Preference shares | - | - | 55 156 | 55 156 |
| Foreign exchange contract | - | 178 | - | 178 |
| **Financial assets at fair value through other comprehensive income** | | | | |
| Equity investments | 103 515 | - | 429 | 103 944 |
| Investments in service concessions | - | - | 77 049 | 77 049 |
| **Total assets** | 103 515 | 178 | 132 634 | 236 327 |
| **At 29 February 2024** | | | | |
| **Financial assets at fair value through profit or loss** | | | | |
| Preference shares | **-** | **-** | **61 124** | **61 124** |
| Foreign exchange contract | **-** | **-** | **-** | **-** |
| **Financial assets at fair value through other comprehensive income** | | | | |
| Equity investments | **52 480** | **-** | **429** | **52 909** |
| Investments in service concessions | **-** | **-** | **77 606** | **77 606** |
| **Total assets** | **52 480** | **-** | **139 159** | **191 639** |

There were no transfers between levels 1 and 2 during the year.

*(a) Financial instruments in level 1*
The following table presents the changes in Level 1 instruments for the year ended 29 February 2024:

| **Assets** | Note | Equity investments R'000 | Total R'000 |
|---|---|---|---|
| **Year ended 28 February 2023** | | | |
| Opening balance | 20 | 90 977 | 90 977 |
| Foreign exchange effects recognised in equity | 20 | 6 164 | 6 164 |
| Fair value adjustment recognised in other comprehensive income | 20 | 6 374 | 6 374 |
| **Closing balance** | | 103 515 | 103 515 |
| **Year ended 29 February 2024** | | | |
| Opening balance | 20 | **103 515** | **103 515** |
| Acquired during the year | 20 | **5 308** | **5 308** |
| Foreign exchange effects recognised in equity | 20 | **143** | **143** |
| Fair value adjustment recognised in other comprehensive income | 20 | **(56 486)** | **(56 486)** |
| **Closing balance** | | **52 480** | **52 480** |

*See note 20 for disclosures relating to the measurement of the equity investments.*

## Notes to the Group Financial Statements (continued)

**7. Financial instruments (continued)**

**Fair value estimation (continued)**

*(b) Financial instruments in level 2*
The following table presents the changes in Level 2 instruments for the year ended 29 February 2024:

| Assets | Note | Foreign exchange contract R'000 | Total R'000 |
|---|---|---|---|
| **Year ended 28 February 2023** | | | |
| Opening balance | | **21 765** | **21 765** |
| Fair value adjustment recognised in profit or loss | 20 | **(21 587)** | **(21 587)** |
| **Closing balance** | | **178** | **178** |
| **Year ended 29 February 2024** | | | |
| Opening balance | | **178** | **178** |
| Fair value adjustment recognised in profit or loss | 20 | **(178)** | **(178)** |
| **Closing balance** | | **-** | **-** |
| **Liabilities** | | | |
| **Year ended 28 February 2023** | | | |
| Opening balance | | **16 806** | **16 806** |
| Fair value adjustment recognised in profit or loss | 23 | **(5 325)** | **(5 325)** |
| **Closing balance** | | **11 481** | **11 481** |
| **Year ended 29 February 2024** | | | |
| Opening balance | | **11 481** | **11 481** |
| Fair value adjustment recognised in profit or loss | 23 | **(11 481)** | **(11 481)** |
| **Closing balance** | | **-** | **-** |

*See note 20 and 23 for disclosures relating to the measurement of the foreign exchange contracts.*

(c) Financial instruments in level 3
The following table presents the changes in Level 3 instruments for the year ended 29 February 2024:

| Liabilities | Note | Contingent considerations R'000 | Total R'000 |
|---|---|---|---|
| **Year ended 28 February 2023** | | | |
| Opening balance | | 22 742 | 22 742 |
| Arising from acquisition of shares from non-controlling interest | 23 | 652 | 652 |
| Fair value adjustment recognised in profit or loss | 23 | (1 709) | (1 709) |
| Settlement during the year | | (12 282) | (12 282) |
| **Closing balance** | | 9 403 | 9 403 |
| **Year ended 29 February 2024** | | | |
| Opening balance | | **9 403** | **9 403** |
| Fair value adjustment recognised in profit or loss | 23 | **(9 403)** | **(9 403)** |
| **Closing balance** | | **-** | **-** |

*See note 23 for disclosures relating to the measurement of the contingent considerations.*

| Assets | Note | Equity investments R'000 | Investment in service concession R'000 | Preference shares R'000 | Total R'000 |
|---|---|---|---|---|---|
| **Year ended 28 February 2023** | | | | | |
| Opening balance | | - | 23 153 | 49 771 | 72 924 |
| Investment acquired during the year | | 429 | - | - | 429 |
| Fair value adjustment recognised in OCI | 15 | - | 53 896 | - | 53 896 |
| Fair value adjustment recognised in profit or loss | 32 | - | - | 5 385 | 5 385 |
| **Closing balance** | | 429 | 77 049 | 55 156 | 132 634 |
| **Year ended 29 February 2024** | | | | | |
| Opening balance | | **429** | **77 049** | **55 156** | **132 634** |
| Fair value adjustment recognised in OCI | 15 | **-** | **557** | **-** | **557** |
| Fair value adjustment recognised in profit or loss | 32 | **-** | **-** | **5 968** | **5 968** |
| **Closing balance** | | **429** | **77 606** | **61 124** | **139 159** |

*See note 15 and note 20 for disclosures relating to the measurement of the investment in service concession, equity investments and preference shares respectively.*

### 8. Financial risk management

The Group's activities expose it to a variety of financial risks, refer to the table below:

| Risk | Exposure arising from | Measurement | Management |
|---|---|---|---|
| Market Risk - Foreign exchange | Financial assets and liabilities denominated in foreign currencies. | Sensitivity Analysis | Foreign exchange risk policies and forward or foreign exchange contracts if required. |
| Market Risk - Cash flow interest rate | Long term borrowing at variable rates and interest bearing cash reserves. | Sensitivity Analysis | Pre-set borrowing targets. |
| Market Risk - Price | The Group holds a number of strategic equity investments that are publicly traded, however due to the fact that these are not held as available for sale and are held at FVOCI, the exposure is limited and does not affect the profitability of the Group. | Listed price assessment | The Group assesses the listed prices of its equity investments where applicable but due to strategic nature of the investment the risk is considered low as these are not held for trading or for generating market returns. |
| Credit risk | Cash and cash equivalents, trade receivables, loans receivable (including loans to associates and joint ventures), receivables under finance lease and contract assets. | Credit ratings Age analysis | Credit application controls in place. Only credible financial institutions are used, delayed payments are managed and payment guarantees are obtained. |
| Liquidity risk | Borrowings, lease liabilities and other liabilities. | Rolling cash flow forecasts | Overdraft and credit facilities available to the Group. Excess cash balances are maintained above current trading requirements. |

The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

Risk management is carried out by the Group's executive committee (Exco) under approval by the board of directors. Exco identifies and evaluates financial risks in close co-operation with the Group's operating units. The board provides principles for overall risk management.

**Financial risk factors**
*(a) Market risk*

*(i) Foreign exchange risk*

The Group operates across Sub-Saharan Africa and Australia and is exposed to foreign exchange risk arising from currency exposures. Foreign exchange risk also arises from recognised assets and liabilities and net investments in foreign operations.

Management has set up a policy that requires Group companies to manage their foreign exchange risk against their functional currency. To manage foreign exchange risk arising from future commercial transactions and recognised assets and liabilities, entities in the Group would consider using, if necessary, forward or foreign exchange contracts. Foreign exchange risk arises when future commercial transactions or recognised assets or liabilities are denominated in a currency that is not the entity's functional currency.

Currency exposure arising from the net assets of the Group's foreign operations is managed primarily through managing the foreign asset base. The Group also has currency exposure to cash denominated in foreign currency that arises from time to time from operations in foreign countries. This risk is managed through the use of foreign exchange contracts, where applicable, which mitigates the risks associated with the strengthening of the Rand against any foreign currency held in cash.

**8. Financial risk management (continued)**

***Financial risk factors (continued)***
*(a) Market risk (continued)*
*(i) Foreign exchange risk (continued)*

The carrying amount of the group's foreign currency denominated monetary assets and liabilities at year end is as follows:

| Year ended 28 February 2023 | Note | South African Rand and Southern African Common Monetary Area Currencies[1] R'000 | Australian Dollar R'000 | Botswana Pula R'000 | Central African Franc (Cameroon) R'000 | Mozambican Metical R'000 | US Dollar R'000 | Zambian Kwacha R'000 | Total R'000 |
|---|---|---|---|---|---|---|---|---|---|
| **Non-current assets** | | | | | | | | | |
| Trade and other receivables | 18 | 3 892 | - | - | - | - | - | - | 3 892 |
| Other financial assets | 20 | 238 713 | 103 515 | - | - | - | 85 714 | - | 427 942 |
| **Current assets** | | | | | | | | | |
| Contract assets | 17 | 531 152 | 84 591 | - | - | - | - | - | 615 743 |
| Trade and other receivables | 18 | 1 291 315 | 364 305 | 25 411 | - | 5 637 | 53 800 | 74 | 1 740 542 |
| Cash and cash equivalents | 19 | 824 007 | 322 027 | 47 865 | 36 | 3 594 | 495 272 | 4 491 | 1 697 292 |
| Other financial assets | 20 | 7 129 | - | - | - | - | - | - | 7 129 |
| **Total monetary assets** | | 2 896 208 | 874 438 | 73 276 | 36 | 9 231 | 634 786 | 4 565 | 4 492 540 |
| **Non-current liabilities** | | | | | | | | | |
| Borrowings | 21 | (593 804) | (90 321) | - | - | - | - | - | (684 125) |
| Other financial liabilities | 23 | (56 193) | - | - | - | - | - | - | (56 193) |
| **Current liabilities** | | | | | | | | | |
| Borrowings | 21 | (475 658) | (54 681) | - | - | - | - | - | (530 339) |
| Contract liabilities | 17 | (525 344) | (68 792) | - | - | - | - | - | (594 136) |
| Other financial liabilities | 23 | (26 481) | - | - | - | - | - | - | (26 481) |
| Trade and other payables | 24 | (2 061 335) | (410 915) | (24 162) | (4 696) | (29 098) | (1 929) | (3 818) | (2 535 953) |
| **Total monetary liabilities** | | (3 738 815) | (624 709) | (24 162) | (4 696) | (29 098) | (1 929) | (3 818) | (4 427 227) |
| **Net monetary assets/(liabilities) at year end** | | (842 607) | 249 729 | 49 114 | (4 660) | (19 867) | 632 857 | 747 | 65 313 |

[1] No exchange risk exists between the South African Rand and currencies in the Southern African Common Monetary Area, as the exchange rates are pegged at 1:1.

## Notes to the Group Financial Statements (continued)

**8. Financial risk management (continued)**

***Financial risk factors (continued)***
*(a) Market risk (continued)*
*(i) Foreign exchange risk (continued)*

The carrying amount of the group's foreign currency denominated monetary assets and liabilities at year end is as follows:

| Year ended 29 February 2024 | Note | South African Rand and Southern African Common Monetary Area Currencies[1] R'000 | Australian Dollar R'000 | Botswana Pula R'000 | Central African Franc (Cameroon) R'000 | Mozambican Metical R'000 | US Dollar R'000 | Zambian Kwacha R'000 | Total R'000 |
|---|---|---|---|---|---|---|---|---|---|
| **Non-current assets** | | | | | | | | | |
| Trade and other receivables | 18 | **1 863** | - | - | - | - | - | - | **1 863** |
| Other financial assets | 20 | **211 065** | **32 788** | - | - | - | **70 277** | - | **314 130** |
| **Current assets** | | | | | | | | | |
| Contract assets | 17 | **791 651** | **151 643** | - | - | - | **7 904** | - | **951 198** |
| Trade and other receivables | 18 | **1 678 321** | **217 926** | **37 300** | - | **1 102** | **5 251** | **5 321** | **1 945 221** |
| Cash and cash equivalents | 19 | **1 195 868** | **380 447** | **35 490** | **34** | **2 931** | **31 211** | **16 102** | **1 662 083** |
| Other financial assets | 20 | **125 099** | - | - | - | - | - | - | **125 099** |
| **Total monetary assets** | | **4 003 867** | **782 804** | **72 790** | **34** | **4 033** | **114 643** | **21 423** | **4 999 594** |
| | | | | | | | | | |
| **Non-current liabilities** | | | | | | | | | |
| Borrowings | 21 | **(960 230)** | **(101 682)** | - | - | - | - | - | **(1 061 912)** |
| Other financial liabilities | 23 | **(36 470)** | - | - | - | - | - | - | **(36 470)** |
| **Current liabilities** | | | | | | | | | |
| Borrowings | 21 | **(585 640)** | **(68 186)** | - | - | - | - | - | **(653 826)** |
| Contract liabilities | 17 | **(763 127)** | **(62 126)** | - | - | - | - | - | **(825 253)** |
| Other financial liabilities | 23 | **(15 000)** | - | - | - | - | - | - | **(15 000)** |
| Trade and other payables | 24 | **(2 246 788)** | **(409 979)** | **(19 887)** | **(715)** | **(34 770)** | **(2 353)** | **(19 781)** | **(2 734 273)** |
| **Total monetary liabilities** | | **(4 607 255)** | **(641 973)** | **(19 887)** | **(715)** | **(34 770)** | **(2 353)** | **(19 781)** | **(5 326 734)** |
| | | | | | | | | | |
| **Net monetary assets/(liabilities) at year end** | | **(603 388)** | **140 831** | **52 903** | **(681)** | **(30 737)** | **112 290** | **1 642** | **(327 140)** |

[1] No exchange risk exists between the South African Rand and currencies in the Southern African Common Monetary Area, as the exchange rates are pegged at 1:1.

The trade and other receivables and trade and other payables disclosed in the above tables exclude the non-financial assets and liabilities carried on the statement of financial position.

The total value of non-financial assets excluded from trade and other receivables is R120.3 million (2023: R148.8 million). The total value of non-financial liabilities excluded from trade and other payables is R104.6 million (2023: R109.8 million).

**8. Financial risk management (continued)**

***Financial risk factors (continued)***

*(a) Market risk (continued)*

*(i) Foreign exchange risk (continued)*

A sensitivity analysis has been performed to monitor the financial effect of changes in foreign exchange rates. The analysis below depicts the impact of an appreciation and depreciation of 10% in the average value of the Rand for the year would have on the overall profit of the Group :

| | Change in exchange rate | Increase/(decrease) in profit/(loss) of the Group due to a depreciation R'000 | Increase/(decrease) in profit/(loss)of the Group due to an appreciation R'000 |
|---|---|---|---|
| **Year ended 28 February 2023** | | | |
| **Net increase/(decrease) in Group profit/(loss)** | | 57 245 | (57 245) |
| Australian Dollar | 10% | 16 709 | (16 709) |
| Botswana Pula | 10% | 769 | (769) |
| Central African Franc (Cameroon) | 10% | 857 | (857) |
| Mozambique Metical | 10% | (4 212) | 4 212 |
| US Dollar | 10% | 39 425 | (39 425) |
| Zambian Kwacha | 10% | 3 697 | (3 697) |
| **Year ended 29 February 2024** | | | |
| **Net increase/(decrease) in Group profit/(loss)** | | **26 027** | **(26 027)** |
| Australian Dollar | 10% | **19 396** | **(19 396)** |
| Botswana Pula | 10% | **2 189** | **(2 189)** |
| Central African Franc (Cameroon) | 10% | **78** | **(78)** |
| Mozambique Metical | 10% | **(956)** | **956** |
| US Dollar | 10% | **(87)** | **87** |
| Zambian Kwacha | 10% | **5 407** | **(5 407)** |

*(ii) Price risk*

The Group holds a number of strategic equity investments that are publicly traded, however due to the fact that these are not held as available for sale and are held at FVOCI, the exposure is limited. Refer to sensitivity analysis in note 20.

*(iii) Cash flow interest rate risk*

The Group has significant interest-bearing assets in the form of cash and cash equivalents. The Group's finance income cash flows are exposed to interest rate risk and are dependent on market interest rates (refer sensitivity analysis below).

The Group's interest rate risk also arises from long-term borrowings. Borrowings are issued at variable rates and expose the Group to interest rate fluctuation risk. The Group manages this risk by maintaining borrowing levels at pre-set targets to be able to absorb any drastic rate increases.

*Interest rate risk - Sensitivity analysis*

Interest rate risk is presented by way of sensitivity analysis in accordance with IFRS 7. These show the effects of changes in market interest rates on interest payments, interest income and expenses and, if appropriate, shareholders' equity. A one percentage point movement in the prime interest rate would have the following effect on post-tax profit for the year:

| | **2024** | | 2023 | |
|---|---|---|---|---|
| | **1%** | **-1%** | 1% | -1% |
| | **R'000** | **R'000** | R'000 | R'000 |
| Cash and cash equivalents | **11 967** | **(11 967)** | 12 221 | (12 221) |
| Bank borrowings | **(12 353)** | **12 353** | (8 726) | 8 726 |
| Loans to joint ventures and associates (refer note 20) | **935** | **(935)** | 549 | (549) |
| Increase/(decrease) in profit | **549** | **(549)** | 4 044 | (4 044) |

**8. Financial risk management (continued)**

**Financial risk factors (continued)**

*(b) Credit risk*

Credit risk refers to the risk that a counter party will default on its contractual obligations resulting in financial losses to the Group. The Group defines a default on a financial asset as being when the counterparty to the contract fails to make contractual payments within 30 days of when they fall due. Due to the nature of business within the Group, contractual terms may vary.

Cash and cash equivalents - The Group has policies that limit the amount of credit exposure to any financial institution and only creditable financial institutions are used, therefore the estimated credit losses are immaterial. Refer to note 19 for credit ratings of cash and cash equivalents.

Trade receivables (including receivables under finance lease) and contract assets - Credit risk is managed on a Group basis. Credit risk is managed by performing credit checks on customers and setting credit limits where necessary. The Group also obtains 3rd party credit insurance where available. The financial position of customers is monitored on an ongoing basis and where appropriate, use is made of payment guarantees. Delayed payment of accounts is actively managed by the Group and policies are in place to ensure that contracts are entered into with counterparties with appropriate credit risk profiles.

Loans to associates and joint ventures (other financial assets) - The Group monitors its credit exposure to loans advanced to associates and joint ventures on an ongoing basis by assessing the associates' or joint ventures' financial position at reporting date. The Group also assess the applicable forecasts and order books.

The Group's customers are concentrated primarily in South Africa, but also exist in the Rest of Africa and Australia (refer note 18). The majority of the customers are concentrated in the public, industrial and resource sectors. Refer to the concentration of customers below. The age buckets represent the number of days since the start of the contractual term.

| | % of Total | Total R'000 | Current R'000 | Between 30 and 60 days R'000 | Between 60 and 90 days R'000 | Between 90 and 120 days R'000 | More than 120 days R'000 |
|---|---|---|---|---|---|---|---|
| **For the year ended 28 February 2023** | | | | | | | |
| **South African National Road Agency** | | | | | | | |
| Gross carrying value | | 339 939 | 310 992 | 28 947 | - | - | - |
| Loss allowance - current and past due | 22.3 | (4 862) | (4 448) | (414) | - | - | - |
| Loss allowance - credit impaired | - | - | - | - | - | - | - |
| Net carrying value | 19.2 | 335 077 | 306 544 | 28 533 | - | - | - |
| **South African Provincial and Municipal Government** | | | | | | | |
| Gross carrying value | | 188 793 | 121 789 | 62 694 | 463 | 538 | 3 309 |
| Loss allowance - current and past due | 9.3 | (2 029) | (1 224) | (760) | (5) | (7) | (33) |
| Loss allowance - credit impaired | 0.5 | (761) | (317) | (359) | (1) | (10) | (74) |
| Net carrying value | 10.7 | 186 003 | 120 248 | 61 575 | 457 | 521 | 3 202 |
| **South African Private Sector** | | | | | | | |
| Gross carrying value | | 921 164 | 743 872 | 85 839 | 32 548 | 28 929 | 29 976 |
| Loss allowance - current and past due | 18.1 | (3 931) | (2 857) | (418) | (185) | (139) | (332) |
| Loss allowance - credit impaired | 93.1 | (157 343) | (77 071) | (7 830) | (19 899) | (25 897) | (26 646) |
| Net carrying value | 43.6 | 759 890 | 663 944 | 77 591 | 12 464 | 2 893 | 2 998 |
| **Rest of Africa Public sector** | | | | | | | |
| Gross carrying value | | 21 441 | 21 441 | - | - | - | - |
| Loss allowance - current and past due | 14.8 | (3 212) | (3 212) | - | - | - | - |
| Loss allowance - credit impaired | - | - | - | - | - | - | - |
| Net carrying value | 1.0 | 18 229 | 18 229 | - | - | - | - |
| **Rest of Africa Private sector** | | | | | | | |
| Gross carrying value | | 98 435 | 66 359 | 3 774 | 5 217 | 2 343 | 20 742 |
| Loss allowance - current and past due | 24.0 | (5 234) | (2 297) | (5) | (42) | (66) | (2 824) |
| Loss allowance - credit impaired | 6.4 | (10 892) | (1 213) | (335) | (382) | (286) | (8 676) |
| Net carrying value | 4.7 | 82 309 | 62 849 | 3 434 | 4 793 | 1 991 | 9 242 |
| **Australia Public Sector** | | | | | | | |
| Gross carrying value | | 119 070 | 711 | 118 359 | - | - | - |
| Loss allowance - current and past due | 6.3 | (1 377) | (8) | (1 369) | - | - | - |
| Loss allowance - credit impaired | 0.0 | - | - | - | - | - | - |
| Net carrying value | 6.7 | 117 693 | 703 | 116 990 | - | - | - |
| **Australia Private Sector** | | | | | | | |
| Gross carrying value | | 246 355 | 211 354 | 17 528 | 17 473 | - | - |
| Loss allowance - current and past due | 5.2 | (1 122) | (835) | (96) | (191) | - | - |
| Loss allowance - credit impaired | 0.0 | - | - | - | - | - | - |
| Net carrying value | 14.1 | 245 233 | 210 519 | 17 432 | 17 282 | - | - |
| **Total trade and other receivables (note 18)** | | | | | | | |
| Gross carrying value | | 1 935 197 | 1 476 518 | 317 141 | 55 701 | 31 810 | 54 027 |
| Loss allowance - current and past due | 100 | (21 767) | (14 881) | (3 062) | (423) | (212) | (3 189) |
| Loss allowance - credit impaired | 100 | (168 996) | (78 601) | (8 524) | (20 282) | (26 193) | (35 396) |
| Net carrying value | 100 | 1 744 434 | 1 383 036 | 305 555 | 34 996 | 5 405 | 15 442 |

## Notes to the Group Financial Statements (continued)

**8. Financial risk management (continued)**

**Financial risk factors (continued)**

*(b) Credit risk (continued)*

| | % of Total | Total R'000 | Current R'000 | Between 30 and 60 days R'000 | Between 60 and 90 days R'000 | Between 90 and 120 days R'000 | More than 120 days R'000 |
|---|---|---|---|---|---|---|---|
| **For the year ended 29 February 2024** | | | | | | | |
| **South African National Road Agency** | | | | | | | |
| Gross carrying value | | 441 298 | 425 883 | 2 936 | 12 479 | - | - |
| Loss allowance - current and past due | 21.9 | (2 451) | (2 351) | (19) | (81) | - | - |
| Loss allowance - credit impaired | 0.0 | - | - | - | - | - | - |
| Net carrying value | 22.5 | 438 847 | 423 532 | 2 917 | 12 398 | - | - |
| **South African Provincial and Municipal Government** | | | | | | | |
| Gross carrying value | | 238 360 | 160 767 | 17 456 | 8 352 | 4 791 | 46 994 |
| Loss allowance - current and past due | 7.3 | (812) | (468) | (73) | (11) | (26) | (234) |
| Loss allowance - credit impaired | 0.2 | (479) | - | - | - | - | (479) |
| Net carrying value | 12.2 | 237 069 | 160 299 | 17 383 | 8 341 | 4 765 | 46 281 |
| **South African Private sector** | | | | | | | |
| Gross carrying value | | 1 152 574 | 785 303 | 224 060 | 31 410 | 30 725 | 81 076 |
| Loss allowance - current and past due | 36.2 | (4 044) | (772) | (1 405) | (432) | (760) | (675) |
| Loss allowance - credit impaired | 85.9 | (226 544) | (80 759) | (57 964) | (126) | (13 088) | (74 607) |
| Net carrying value | 47.4 | 921 986 | 703 772 | 164 691 | 30 852 | 16 877 | 5 794 |
| **Rest of Africa Public sector** | | | | | | | |
| Gross carrying value | | 47 034 | 33 238 | - | - | - | 13 796 |
| Loss allowance - current and past due | 17.2 | (1 922) | (1 922) | - | - | - | - |
| Loss allowance - credit impaired | 5.2 | (13 796) | - | - | - | - | (13 796) |
| Net carrying value | 1.6 | 31 316 | 31 316 | - | - | - | - |
| **Rest of Africa Private sector** | | | | | | | |
| Gross carrying value | | 123 869 | 71 133 | 14 363 | 7 115 | 2 410 | 28 848 |
| Loss allowance - current and past due | 17.4 | (1 948) | (1 180) | (565) | (38) | (13) | (152) |
| Loss allowance - credit impaired | 8.7 | (22 813) | (118) | (12) | (288) | (252) | (22 143) |
| Net carrying value | 5.1 | 99 108 | 69 835 | 13 786 | 6 789 | 2 145 | 6 553 |
| **Australia Public sector** | | | | | | | |
| Gross carrying value | | 111 563 | 18 899 | 92 610 | - | 54 | - |
| Loss allowance - current and past due | 0.0 | - | - | - | - | - | - |
| Loss allowance - credit impaired | 0.0 | - | - | - | - | - | - |
| Net carrying value | 5.7 | 111 563 | 18 899 | 92 610 | - | 54 | - |
| **Australia Private Sector** | | | | | | | |
| Gross carrying value | | 107 202 | 107 127 | 75 | - | - | - |
| Loss allowance - current and past due | 0.1 | (7) | - | (7) | - | - | - |
| Loss allowance - credit impaired | 0.0 | - | - | - | - | - | - |
| Net carrying value | 5.5 | 107 195 | 107 127 | 68 | - | - | - |
| **Total trade and other receivables (note 18)** | | | | | | | |
| Gross carrying value | | 2 221 900 | 1 602 350 | 351 500 | 59 356 | 37 980 | 170 714 |
| Loss allowance - current and past due | 100 | (11 184) | (6 693) | (2 069) | (562) | (799) | (1 061) |
| Loss allowance - credit impaired | 100 | (263 632) | (80 877) | (57 976) | (414) | (13 340) | (111 025) |
| Net carrying value | 100 | 1 947 084 | 1 514 780 | 291 455 | 58 380 | 23 841 | 58 628 |

The total value of non-financial assets excluded from trade and other receivables is R120.3 million (2023: R148.8 million).

| Contract assets[1] | Gross carrying value R'000 | Loss allowance R'000 | Net carrying value R'000 | % of total |
|---|---|---|---|---|
| **For the year ended 28 February 2023** | | | | |
| South African National Road Agency | 315 441 | (6 887) | 308 554 | 50.1 |
| South African Provincial and Municipal Government | 55 281 | (704) | 54 577 | 8.9 |
| South African Private Sector | 164 551 | (1 423) | 163 128 | 26.5 |
| Rest of Africa Public sector | 2 126 | (52) | 2 074 | 0.3 |
| Rest of Africa Private sector | 42 980 | (40 161) | 2 819 | 0.5 |
| Australia Public Sector | 33 262 | (382) | 32 880 | 5.3 |
| Australia Private Sector | 51 977 | (266) | 51 711 | 8.4 |
| Total contract assets (note 17) | 665 618 | (49 875) | 615 743 | 100 |

[1] *All contract assets are current as they have not yet become due. Therefore age is not a factor when determining the loss allowances on contract assets.*

**8. Financial risk management (continued)**

**Financial risk factors (continued)**

*(b) Credit risk (continued)*

| Contract assets[1] | Gross carrying value R'000 | Loss allowance R'000 | Net carrying value R'000 | % of total |
|---|---|---|---|---|
| **For the year ended 29 February 2024** | | | | |
| South African National Road Agency | **405 746** | **(1 715)** | **404 031** | **42.5** |
| South African Provincial and Municipal Government | **59 151** | **(4 263)** | **54 888** | **5.8** |
| South African Private Sector | **330 412** | **(2 278)** | **328 134** | **34.5** |
| Rest of Africa Public sector | **331** | **(11)** | **320** | **-** |
| Rest of Africa Private sector | **54 194** | **(42 012)** | **12 182** | **1.3** |
| Australia Public Sector | **114 214** | **(3)** | **114 211** | **12.0** |
| Australia Private Sector | **37 505** | **(73)** | **37 432** | **3.9** |
| Total contract assets (note 17) | **1 001 553** | **(50 355)** | **951 198** | **100** |

[1] *All contract assets are current as they have not yet become due. Therefore age is not a factor when determining the loss allowances on contract assets.*

Other financial assets only consist of South African and Rest of Africa private sector customers, refer to note 20 for further details.

*Impairment of financial assets*

The Group's financial assets are subject to an expected credit loss model. The Group applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables and contract assets. In instances where the Group determines a financial asset to be credit-impaired, the receivable is excluded from the portfolio for the purposes of calculating the expected credit loss and a specific loss allowance is recognised.

Trade receivables and contract assets are credit impaired when factors and circumstances exist that have a detrimental impact on the estimated future cash flows of these financial assets. Such factors and circumstances include:
- Breach of contract by a counterparty for reasons indicative of financial difficulty (e.g. extended periods of non-payment, liquidation, business rescue proceedings or when other forms of financial reorganisation are implemented);
- Changes in the amount of financial support available to a counterparty (e.g. support from the counterparty's related entities or financial institutions); or
- Any other event which significantly impacts the likelihood of full recovery (e.g. Civil unrest, other macroeconomic factors).

To measure the expected credit losses, trade receivables and contract assets have been Grouped together based on their similar credit risk characteristics and the days past due. The contract assets relate to retentions and unbilled work in progress on contracts with customers which have substantially the same risk characteristics as the trade receivables for the same types of contracts. The Group has therefore concluded that the expected loss rates for trade receivables are a reasonable approximation of the loss rates for the contract assets.

The expected loss rates are based on the revenue payment profiles over the 12 month period before 1 March 2023 together with the corresponding historical credit losses experienced within these periods per customer classification. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The Group has identified the GDP's, inflation rates, prime lending rates, US dollar exchange rates and the credit ratings of the countries in which it operates to be the most relevant factors, and has accordingly adjusted the historical loss rates based on expected changes in these factors.

For the period under review the forward looking information for the customer classifications had less of an impact on the expected credit loss rates due to the improved forecasts relating to macroeconomic factors across the board as opposed to those in the prior year where outlooks were more negative due to the rising interest rates in the US and also the knock on effects of the conflict in Ukraine.

Currently the Group's historical loss rates remain low. The Group has never had to write any debt off that was owing by SANRAL. Private customer accounts receivables to the value of R234.8 million (2023: R101.3 million) were insured at the end of the reporting period.

The expected credit losses on loans to associates and joint ventures are based on the associate or joint venture's ability to repay the loan on demand at the end of the reporting period, due to there being no fixed repayment terms on the loans. Should insufficient evidence support the repayment of the loan, a loss allowance is raised on the difference between the outstanding loan and the expected access to liquid capital. The expected credit losses from this assessment are deemed to be immaterial.

The loss allowance for trade and other receivables and contract assets at year end reconcile to the opening loss allowances as follows:

| Trade and other receivables | Current and past due R'000 | Credit Impaired R'000 | Total R'000 |
|---|---|---|---|
| **Opening balance at 1 March 2022** | 29 769 | 100 971 | 130 740 |
| Exchange differences | 295 | 235 | 530 |
| Acquisition of subsidiaries | 50 | - | 50 |
| Current year loss allowance | 15 542 | 76 264 | 91 806 |
| Amounts written off during the year as uncollectible | (1 975) | (4 405) | (6 380) |
| Unused amounts reversed | (21 914) | (4 070) | (25 984) |
| **Closing balance at 28 February 2023 (refer to note 18)** | 21 767 | 168 995 | 190 762 |

## Notes to the Group Financial Statements (continued)

**8. Financial risk management (continued)**

**Financial risk factors (continued)**

*(b) Credit risk (continued)*

*Impairment of financial assets (continued)*

| Trade and other receivables | Current and past due R'000 | Credit Impaired R'000 | Total R'000 |
|---|---|---|---|
| **Opening balance at 1 March 2023** | **21 767** | **168 995** | **190 762** |
| Exchange differences | **238** | **103** | **341** |
| Current year loss allowance[1] | **11 455** | **134 333** | **145 788** |
| Amounts written off during the year as uncollectible | **(1 072)** | **(1 334)** | **(2 406)** |
| Unused amounts reversed | **(21 204)** | **(38 465)** | **(59 669)** |
| **Closing balance at 29 February 2024 (refer to note 18)** | **11 184** | **263 632** | **274 816** |

[1] The current year credit impaired loss allowance relates to trade receivables where the Group has determined their credit risk to have significantly increased. These customers have breached contract terms and initial repayment plans have not sufficiently reduced the credit risk. R102.6m of the credit impaired current year loss allowance relates to South African Private trade receivables.

| Contract assets | Current and past due R'000 | Credit Impaired R'000 | Total R'000 |
|---|---|---|---|
| **Opening balance at 1 March 2022** | 3 698 | 38 797 | 42 495 |
| Exchange differences | 329 | 6 532 | 6 861 |
| Current year loss allowance | 3 606 | 329 | 3 935 |
| Amounts written off during the year as uncollectible | (2 062) | - | (2 062) |
| Unused amounts reversed | (1 354) | - | (1 354) |
| **Closing balance at 28 February 2023 (refer to note 17)** | 4 217 | 45 658 | 49 875 |
| **Opening balance at 1 March 2023** | **4 217** | **45 658** | **49 875** |
| Exchange differences | **6** | **1 708** | **1 714** |
| Current year loss allowance | **2 296** | **-** | **2 296** |
| Amounts written off during the year as uncollectible | **(248)** | **-** | **(248)** |
| Unused amounts reversed | **(3 282)** | **-** | **(3 282)** |
| **Closing balance at 29 February 2024 (refer to note 17)** | **2 989** | **47 366** | **50 355** |

In determining the recoverability of trade and other receivables and contract assets, the Group considers, amongst others, the frequency of payments, the financial performance of the relevant parties and any contractual agreements that might be in place. If there is no reasonable expectation of recovery then the trade receivable or contract asset is written off. Where receivables or contract assets are written off, it is Group policy to continue to engage in enforcement activity in order to attempt to recover the receivable due. Refer to note 17 and 18 for amounts written off during the year. When recoveries are made, these are included in profit and loss.

For all other financial assets held at amortised cost there has been no significant increase in credit risk, therefore the ECL has been measured according to the 12 month expected credit loss which is considered immaterial. This has been assessed on the respective loan recipients risk in terms of liquid assets available or underlying asset value, where applicable, at the end of the reporting period. Furthermore, there have been no issues with repayments and no history of default exists on these financial assets.

The maximum exposure to credit risk at the end of the reporting period is the carrying amount of each class of financial asset as disclosed in note 7.

### 8. Financial risk management (continued)

**Financial risk factors (continued)**

*(c) Liquidity risk*

Prudent liquidity risk management includes maintaining sufficient cash. The Group also has overdraft and credit facilities available to it.

Management monitors rolling forecasts of the Group's liquidity reserve on the basis of expected cash flow. The following are the contractual maturities of financial liabilities, including interest payments and excluding the impact of netting agreements:

| | | Carrying amount R'000 | Contractual cash flows[1] R'000 | Within 1 year R'000 | 2 to 5 years R'000 | 5 years and later R'000 |
|---|---|---|---|---|---|---|
| **Year ended 28 February 2023** | | | | | | |
| **Non-derivative financial liabilities** | | | | | | |
| Bank borrowings | 21 | 1 211 884 | 1 348 012 | 641 563 | 706 449 | - |
| Loans from related parties | 21 | 2 580 | 2 580 | 2 580 | - | - |
| Lease liabilities | 12 | 405 206 | 547 924 | 85 411 | 227 583 | 234 930 |
| Other financial liabilities | 23 | 71 193 | 85 052 | 15 000 | 70 052 | - |
| Trade and other payables | 24 | 2 535 953 | 2 535 953 | 2 535 953 | - | - |
| Total | | 4 226 816 | 4 519 521 | 3 280 507 | 1 004 084 | 234 930 |
| **Year ended 29 February 2024** | | | | | | |
| **Non-derivative financial liabilities** | | | | | | |
| Bank borrowings | 21 | **1 715 738** | **1 982 535** | **811 134** | **1 171 401** | **-** |
| Lease liabilities | 12 | **369 266** | **483 996** | **69 077** | **248 821** | **166 098** |
| Other financial liabilities | 23 | **51 470** | **60 000** | **15 000** | **45 000** | **-** |
| Trade and other payables | 24 | **2 734 273** | **2 734 273** | **2 734 273** | **-** | **-** |
| Total | | **4 870 747** | **5 260 804** | **3 629 484** | **1 465 222** | **166 098** |

[1] The amounts disclosed are the contractual undiscounted cash flows.

Trade and other payables are expected to be settled within 3 months after year end. The other liabilities in the table will be settled evenly over the time periods indicated above.

The trade and other payables disclosed in the table excludes the non-financial liabilities in trade and other payables carried on the statement of financial position at a value of R104.6 million (2023: R109.8 million).

The other financial liabilities disclosed above excludes the derivative financial liabilities (foreign exchange contract) in other financial liabilities carried on the statement of financial position at a value of R nil (2023: R11.5 million).

Total financial institution backed contract guarantees provided to third parties on behalf of subsidiary companies amounted to R3 495.5 million (2023: R3 835.5 million).

These guarantees have been excluded from the maturity analysis above as the issuer has no contractual obligation to make payment at the balance sheet date and the directors do not believe that any exposure to loss is likely.

**9. Capital risk management**

The Group's objectives when managing capital are to safeguard its ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

The Group monitors capital on the basis of its gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings less cash and cash equivalents. Total capital is calculated as equity, as shown in the statement of financial position, plus net debt.

The gearing ratio expressed as a percentage of net debt to total capital plus net debt is calculated below:

| | 2024 R'000 | 2023 R'000 |
|---|---|---|
| Total borrowings (refer note 21) | **1 715 738** | 1 214 464 |
| Less: cash and cash equivalents (refer note 19) | **(1 662 083)** | (1 697 292) |
| Net debt | **53 655** | (482 828) |
| Total equity | **6 606 932** | 5 802 890 |
| Total capital and net debt | **6 660 587** | 5 320 062 |
| Gearing ratio | **0.8%** | (9.1%) |

The Group's current banking facilities are subject to the Group maintaining certain bank defined gearing ratio of not more than 1.25. The gearing ratios for purposes of the debt covenants are calculated below:

| | 2024 R'000 | 2023 R'000 |
|---|---|---|
| Borrowings (refer note 21) | **1 715 738** | 1 214 464 |
| Lease liabilities (refer note 12) | **369 266** | 405 206 |
| Other financial liabilities (refer note 23) | **51 470** | 82 674 |
| Trade and other payables (refer note 24) | **2 838 857** | 2 645 718 |
| Contract liabilities (refer note 17) | **825 253** | 594 136 |
| Current income tax liabilities | **90 885** | 117 368 |
| **Defined debt/Total liabilities** | **5 891 469** | 5 059 566 |
| Total equity | **6 606 932** | 5 802 890 |
| Less: Intangible assets (refer note 13) | **(1 084 204)** | (1 002 301) |
| **Defined shareholders' funds** | **5 522 728** | 4 800 589 |
| **Bank defined debt covenant gearing ratios:** | | |
| Defined debt/Defined shareholders' funds | **1.07** | 1.05 |
| Total liabilities/Total equity | **0.89** | 0.87 |

In addition to the above gearing ratios, a portion of these facilities are also subject the Group maintaining a total debt to EBITDA ratio of below 2.5. The EBITDA ratio for this purpose is calculated as follows:

| | 2024 R'000 | 2023 R'000 |
|---|---|---|
| Borrowings (refer note 21) | **1 715 738** | 1 214 464 |
| Lease liabilities (refer note 12) | **369 266** | 405 206 |
| **Total debt** | **2 085 004** | 1 619 670 |
| Operating profit | **1 536 688** | 1 276 139 |
| Add: Depreciation and amortisation (refer note 10,11,12 and 13) | **750 282** | 645 894 |
| **EBITDA** | **2 286 970** | 1 922 033 |
| Total Debt/EBITDA | **0.91** | 0.84 |

### 10. Property, plant and equipment

Property, plant and equipment is stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items. After initial recognition, property, plant and equipment is carried at cost less any accumulated depreciation and impairment losses.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the statement of profit or loss during the financial period in which they are incurred.

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets are capitalised to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale. Management views a substantial period to be longer than 12 months. All other borrowing costs are expensed.

Land is not depreciated. Depreciation on other assets is calculated using the straight-line method to allocate their cost to their residual values over their estimated useful lives, as follows:

| | |
|---|---|
| - Buildings | 50 years |
| - Mechanical workshops | 10 - 20 years |
| - Mine infrastructure | Units-of-production |
| - Stripping assets | Units-of-production |
| - Mineral rights in production | Units-of-production |
| - Plant and machinery | 5 - 20 years |
| - Vehicles | 3 - 10 years |
| - Furniture, fittings and equipment | 2 - 8 years |

Aircraft is split into the following three components; air frame, engine and avionics. These components are depreciated based on the number of flight hours flown during the period to the total estimated number of flight hours. Aircrafts are disclosed under vehicles in the table below.

Mechanical workshops are included under land and buildings.

Mine infrastructure assets relate to the costs capitalised for underground mine development. Mine development costs are those incurred in order to provide access to ore reserves and include costs incurred for the development of shaft systems and the removal of waste rock. Mine infrastructure assets are accounted for at cost less accumulated depreciation and accumulated impairment.

Stripping assets are derived from the cost of stripping activities undertaken for open cast mining operations. Stripping activities relates to the removal of mine waste materials (including overburden) necessary to gain access to the mineral ore deposits. Stripping activities provide a benefit in the form of improved access to ore. The stripping assets recognised are initially measured at cost and subsequently carried at cost less accumulated depreciation and impairment. Costs include those that are directly attributable to performing the stripping activity that improves access to the ore and an allocation of directly attributable overhead costs. A stripping ratio is used to separate development (stripping asset) and production (inventory) costs as mining occurs. The ratio is initially determined at exploration phase using a competent persons report on what the expected waste ratio is per ton of ore mined. This ratio is adjusted on an ongoing basis using actual stripping results as measured by independent third parties.

When the stripping activities improve access to ore extracted in the current period, the costs of production stripping are recognised in profit or loss as operating costs.

Mineral rights in production are initially recognised at cost if reclassified from exploration and evaluation resources or acquired externally, or at fair value, if acquired as part of a business combination. Expenditure on development activity is capitalised if the product or process is technically and commercially feasible, the company has sufficient resources to complete development, the company has the intention to complete and use or sell it, it is probable that future economic benefits relating to the asset will flow to the Group and the cost can be measured reliably. The expenditure capitalised includes direct costs and attributable overhead costs. Subsequent expenditure is only capitalised when it increases the future economic benefits embodied in the associated mineral right.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting date with reference to external valuations and confirmations supporting the reasonableness of estimates.

*Impairment of property, plant and equipment*

The Group assesses the recoverability of property, plant and equipment when there is an indicator of impairment. The assets were evaluated with reference to external market valuations, current economic conditions, current year similar asset disposal values and management estimates, including the cash flows expected to derive from these assets, if any, to support the reasonableness of carrying values as part of the assets' annual evaluation process. Expected cash flows associated with property, plant and equipment are affected by a number of factors including estimates of cost of production, sustaining capital expenditure and product markets. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within 'other gains/(losses) – net' in the statement of profit or loss.

## Notes to the Group Financial Statements (continued)

**10. Property, plant and equipment (continued)**

| | Land and buildings R'000 | Mine infra-structure R'000 | Stripping assets R'000 | Mineral rights in production R'000 | Plant and machinery R'000 | Vehicles R'000 | Furniture, fittings and equipment R'000 | Total R'000 |
|---|---|---|---|---|---|---|---|---|
| **At 28 February 2022** | | | | | | | | |
| Cost | 251 531 | 316 339 | 108 724 | 152 577 | 4 280 959 | 747 990 | 76 093 | 5 934 213 |
| Accumulated depreciation | (18 199) | (42 567) | - | (1 062) | (2 336 698) | (403 022) | (58 962) | (2 860 510) |
| **Net book amount** | 233 332 | 273 772 | 108 724 | 151 515 | 1 944 261 | 344 968 | 17 131 | 3 073 703 |
| **Year ended 28 February 2023** | | | | | | | | |
| Opening net book amount | 233 332 | 273 772 | 108 724 | 151 515 | 1 944 261 | 344 968 | 17 131 | 3 073 703 |
| Exchange differences | 11 340 | - | - | - | 22 057 | 2 768 | 352 | 36 517 |
| Acquisition of subsidiaries | 276 | - | - | - | 5 447 | 3 463 | 40 | 9 226 |
| Additions | 117 687 | 189 831 | 78 596 | - | 661 164 | 90 028 | 15 364 | 1 152 670 |
| Impairment loss | - | - | - | - | (3 300) | - | - | (3 300) |
| Disposals | (1 985) | - | - | - | (40 606) | (10 792) | (574) | (53 957) |
| Depreciation | (2 591) | (33 232) | (133 633) | (9 485) | (338 654) | (49 409) | (10 032) | (577 036) |
| Reclassification (note 13) | (3 141) | - | - | - | (547) | 362 | 2 801 | (525) |
| Finance lease cancellation[1] | - | - | - | - | 30 918 | - | - | 30 918 |
| **Closing net book amount** | 354 918 | 430 371 | 53 687 | 142 030 | 2 280 740 | 381 388 | 25 082 | 3 668 216 |
| **At 28 February 2023** | | | | | | | | |
| Cost | 377 305 | 506 170 | 187 320 | 152 909 | 5 008 095 | 825 494 | 92 834 | 7 150 127 |
| Accumulated depreciation | (22 387) | (75 799) | (133 633) | (10 879) | (2 727 355) | (444 106) | (67 752) | (3 481 911) |
| **Net book amount** | 354 918 | 430 371 | 53 687 | 142 030 | 2 280 740 | 381 388 | 25 082 | 3 668 216 |
| **Year ended 29 February 2024** | | | | | | | | |
| Opening net book amount | **354 918** | **430 371** | **53 687** | **142 030** | **2 280 740** | **381 388** | **25 082** | **3 668 216** |
| Exchange differences | **1 716** | **-** | **-** | **-** | **4 235** | **528** | **11** | **6 490** |
| Additions[2] | **73 484** | **162 014** | **280 939** | **-** | **1 115 949** | **102 365** | **29 380** | **1 764 131** |
| Impairment loss[3] | **-** | **-** | **-** | **-** | **(34 227)** | **-** | **-** | **(34 227)** |
| Disposals | **(67)** | **-** | **-** | **-** | **(40 326)** | **(11 067)** | **(215)** | **(51 675)** |
| Depreciation | **(7 780)** | **(42 682)** | **(46 933)** | **(19 117)** | **(472 408)** | **(68 372)** | **(13 137)** | **(670 429)** |
| Reclassifications (note 13) | **78** | **(31 804)** | **(3 410)** | **-** | **19 613** | **18 915** | **10** | **3 402** |
| **Closing net book amount** | **422 349** | **517 899** | **284 283** | **122 913** | **2 873 576** | **423 757** | **41 131** | **4 685 908** |
| **At 29 February 2024** | | | | | | | | |
| Cost | **452 666** | **636 379** | **464 850** | **152 909** | **5 984 492** | **905 666** | **121 301** | **8 718 263** |
| Accumulated depreciation | **(30 317)** | **(118 480)** | **(180 567)** | **(29 996)** | **(3 110 916)** | **(481 909)** | **(80 170)** | **(4 032 355)** |
| **Net book amount** | **422 349** | **517 899** | **284 283** | **122 913** | **2 873 576** | **423 757** | **41 131** | **4 685 908** |

[1] *In 2015, the Group through its subsidiary B&E International, entered into a finance lease arrangement to provide crushing equipment to a client at the Tschudi Copper Mine in Namibia. During the prior year this agreement was cancelled by mutual consent due to feasibility issues with the mine operation. Plant with a value of R30.9 million was recognised and the remaining net investment in the lease of R42.8 million (refer to note 18) was reversed. The corresponding loss was recognised in other gains and losses (refer to note 32). The value of the plant was determined using the market values of similar plant in similar condition with further consideration of the carrying values of similar plant held within the Group.*

[2] *Included in the additions for the year is R63.3 million relating to rehab assets capitalised during the year. The amount has been excluded from "Purchases of property, plant and equipment" for cash flow purposes.*

[3] *The impairment loss for the year relates to plant and equipment of Shisalanga Construction. During the year it was decided to right size the business due to the lack of work and difficult conditions prevalent in asphalt market in KwaZulu-Natal. The impairment loss was recognised on some of the asphalt plants that have been made redundant in terms of the right sizing.*

Aircraft with a book value of R37.7 million (2023: R40.9 million) have been included under vehicles.

Depreciation expense of R670.4 million (2023: R577.0 million) has been charged in cost of sales (refer note 33).

A register containing the information required by the Companies Act, 71 of 2008, is available for inspection at the registered office of the company. Bank borrowings are secured over vehicles and plant and machinery for a book value of R2 183.0 million (2023: R1 250.4 million).

Mortgage bonds to the value of R28.1 million (2023: R27.8 million) are registered over property with a carrying value of R58.0 million (2023: R55.3 million) as security for borrowings and asset finance facilities.

Lease rentals of R73.9 million (2023: R84.6 million) relating to the leasing of property, plant and equipment, are included in the statement of profit or loss (refer note 33).

Borrowings are disclosed in note 21 of these financial statements.

### 11. Investment property

The group applies the cost model in accounting for investment property. Refer to note 10 for accounting policy on assets held using the historical cost method. Investment property has a useful life of 50 years.

| | 2024 R'000 | 2023 R'000 |
|---|---|---|
| **Opening balance** | **113 974** | 114 495 |
| Transfers from inventory[1] | **85 000** | - |
| Depreciation | **(549)** | (521) |
| **Closing balance** | **198 425** | 113 974 |
| Cost | **199 495** | 114 495 |
| Accumulated depreciation | **(1 070)** | (521) |
| **Net book amount** | **198 425** | 113 974 |

[1] *The property transferred from inventory was originally developed for sale to the market but during the year, subsequent to completion of this property, it was strategically transferred to investment property based on the potential of better returns as apposed to what could be realised from the sale of the property.*

The investment property consists of residential units and a commercial building that are held to earn rental. The residential units are located within Woodwind Estate in Centurion and units in two separate complexes, Bassoon Park and Dulcian Manor. Bassoon Park consists of ten 3-story blocks with 15 units per block. Each block's units range from between 44m$^2$ and 66m$^2$ in size. Dulcian Manor consists of four 3-story blocks with 32 units per block. Each block's units range between 58m² and 60m² in size. The commercial property consists of a 4.1384 ha portion of owner-occupied land in Stilfontein. The leased property has a 225m$^2$ building which is used as a sales office for trade purposes. The property further allows for customer parking, access for heavy duty vehicles for the delivery or transport of inventory and yard space for inventory storage. The commercial property is currently occupied by a brick manufacture and distribution company.

| The fair value of the investment property at year end is as follows: | 2024 R'000 | 2023 R'000 |
|---|---|---|
| Residential rental units | **213 333** | 118 484 |
| Office rental unit | **5 242** | 5 730 |

The fair values of the residential rental units were determined using the gross yield valuation method. A gross yield of 9.0% (2023: 9.0%) was used together with a projected annual rental income of R19.2 million (2023: R11.3 million), based on the current rental agreements in place. The commercial property's fair value is based on a discounted cash flow calculation of the current non-cancellable lease in place. The lease term is 10 years with an escalation rate of 5%, while a discount rate of 9.85% (2023: 8.6%) was used.

| *Amounts recognised in profit or loss for investment properties* | 2024 R'000 | 2023 R'000 |
|---|---|---|
| Rental income | **15 025** | 11 256 |
| Direct operating expenses from property that generated rental income | **(2 510)** | (889) |
| *Maturity analysis of lease payments to be received:* | | |
| Within 1 year[1] | **18 341** | 11 183 |
| Between 2 to 5 years | **3 356** | 3 196 |
| After 5 years | **2 536** | 3 437 |

[1] *The within 1 year cash flows only reflects 11 months of the remaining contract terms for the residential units.*

### 12. Leases

The statement of financial position reflects the following amounts relating to leases:

| *Right-of-use assets* | Land and buildings R'000 | Plant and machinery R'000 | Other R'000 | Total R'000 |
|---|---|---|---|---|
| **At 28 February 2022** | | | | |
| Cost | 402 485 | 91 177 | - | 493 662 |
| Accumulated depreciation | (77 686) | (38 788) | - | (116 474) |
| **Net book amount** | 324 799 | 52 389 | - | 377 188 |
| **Year ended 28 February 2023** | | | | |
| Opening net book value | 324 799 | 52 389 | - | 377 188 |
| Foreign exchange differences | - | (191) | - | (191) |
| Additions | 22 482 | 7 210 | 4 260 | 33 952 |
| Modifications | (16 101) | - | - | (16 101) |
| Reassessments | 1 554 | - | - | 1 554 |
| Lease terminations | - | (7 849) | - | (7 849) |
| Depreciation | (39 367) | (13 146) | (568) | (53 081) |
| **Closing net book amount** | 293 367 | 38 413 | 3 692 | 335 472 |
| **At 28 February 2023** | | | | |
| Cost | 397 743 | 87 933 | 4 260 | 489 936 |
| Accumulated depreciation | (104 376) | (49 520) | (568) | (154 464) |
| **Net book amount** | 293 367 | 38 413 | 3 692 | 335 472 |

## Notes to the Group Financial Statements (continued)

**12. Leases (continued)**

| *Right-of-use assets (continued)* | Land and buildings R'000 | Plant and machinery R'000 | Other R'000 | Total R'000 |
|---|---|---|---|---|
| **Year ended 29 February 2024** | | | | |
| Opening net book value | **293 367** | **38 413** | **3 692** | **335 472** |
| Foreign exchange differences | **-** | **36** | **-** | **36** |
| Additions | **18 040** | **-** | **-** | **18 040** |
| Modifications | **2 225** | **-** | **-** | **2 225** |
| Lease terminations | **(1 523)** | **(872)** | **-** | **(2 395)** |
| Depreciation | **(42 506)** | **(20 165)** | **(852)** | **(63 523)** |
| **Closing net book amount** | **269 603** | **17 412** | **2 840** | **289 855** |
| **At 29 February 2024** | | | | |
| Cost | **411 175** | **70 134** | **4 260** | **485 569** |
| Accumulated depreciation | **(141 572)** | **(52 722)** | **(1 420)** | **(195 714)** |
| **Net book amount** | **269 603** | **17 412** | **2 840** | **289 855** |

| *Lease liabilities* | 2024 R'000 | 2023 R'000 |
|---|---|---|
| **Opening balance** | **405 206** | 455 722 |
| Foreign exchange differences | **16** | 223 |
| Additions | **18 761** | 32 008 |
| Interest | **30 510** | 33 104 |
| Lease payments | **(87 296)** | (99 245) |
| Lease terminations | **(1 038)** | (1 667) |
| Reassessments | **-** | 1 940 |
| Modifications | **3 107** | (16 879) |
| **Closing balance** | **369 266** | 405 206 |
| Current | **46 562** | 56 089 |
| Non-current | **322 704** | 349 117 |
| | **369 266** | 405 206 |

During the year ended 29 February 2020, the lease liability additions exceeded right-of-use asset additions due to the fact that the group entered into a sale and leaseback transaction with RPI, refer to note 20 for further details. The sale and leaseback transaction resulted in a right-of-use asset of R283.5 million and a lease liability of R357.9 million being recognised on 29 February 2020, which will be depreciated and amortised over the 12 year lease period. In terms of IFRS 16, the sale and leaseback transaction reduced the profit and related right-of-use asset recognised in the group based on the benefit retained in the underlying assets being leased back.

The statement of profit and loss reflects the following amounts relating to leases:

| | 2024 R'000 | 2023 R'000 |
|---|---|---|
| *Included in cost of sales and administrative expenses:* | | |
| Depreciation on right-of-use assets | **63 523** | 53 081 |
| Expenses relating to short-term leases[1] | **69 651** | 66 890 |
| Expenses relating to low-value asset leases | **2 677** | 4 637 |
| Expenses relating to variable lease payments not included in lease liabilities | **1 579** | 13 074 |
| *Included in finance costs* | | |
| Interest expense (note 35) | **30 510** | 33 104 |
| | | |
| The total cash outflow for leases during the year | **161 203** | 183 846 |
| Capital repayments on capitalised leases | **56 786** | 66 141 |
| Interest repayments on capitalised leases | **30 510** | 33 104 |
| Lease payments relating to short-term, low-value and variable leases not capitalised (note 33) | **73 907** | 84 601 |

[1] *Short term leases relate largely to short term site accommodation.*

**12. Leases (continued)**

**The group's leasing activities and how leases are accounted for**

The group leases various offices, land for construction site offices, land for quarrying activities, residential units for site accommodation, plant and machinery and office equipment. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions as well as extension and termination options. Rental contracts vary in length, and range from month to month agreements up to 12 years.

The lease agreements do not impose any covenants on the group.

Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the group. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments, less any incentives receivable;
- variable lease payments that are based on an index or rate;
- amounts expected to be payable by the lessee under residual value guarantees;
- the exercise price of a purchase option if the lessee is reasonably certain to exercise that option; and
- payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option.

The lease payments are discounted using the lessee’s incremental borrowing rate, being the rate that the lessee would have to pay to borrow the funds necessary to obtain an asset of similar value in a similar economic environment with similar terms and conditions.

Right-of use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability;
- any lease payments made at or before the commencement date less any lease incentives received;
- any initial direct costs; and
- restoration costs if applicable.

Subsequently right-of use assets are measured at cost less accumulated depreciation and impairment losses.

Payments associated with short-term leases and leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less at commencement date. Low value asset leases comprise small items of office equipment.

*Extension and termination options*

Extension and termination options are included in the majority of leases across the group. These terms are used to maximise operational flexibility in terms of managing contracts. The majority of extension and termination options held are exercisable only by the Group and not by the respective lessor.

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option such as current market lease rates, availability and cost of similar assets. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

Potential future cash outflows of R189.3 million (2023: R173.5 million) have not been included in the lease liability because it is not reasonably certain that the leases will be extended (or not terminated). R141.4 million of the cash flows not taken into account relate to a lease which is set to only expire at the end of February 2032. The assessment is reviewed if a significant event or a significant change in circumstances occurs which affects this assessment and that is within the control of the lessee.

## Notes to the Group Financial Statements (continued)

**13. Intangible assets**

*Goodwill*

Goodwill arises on the acquisition of subsidiaries and represents the excess of the consideration transferred over the group’s interest in the net fair value of the net identifiable assets, liabilities and contingent liabilities of the acquiree and the fair value of the non-controlling shareholders' interests in the acquiree. Goodwill on acquisitions of subsidiaries is included in ‘intangible assets’. Goodwill is tested annually for impairment and carried at cost less accumulated impairment losses. Impairment losses on goodwill are not reversed. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose identified according to the operating segment. Each unit or group of units to which the goodwill is allocated represents the lowest level within the entity at which the goodwill is monitored for internal management purposes. Goodwill is monitored at the operating segment level.

Goodwill impairment reviews are undertaken annually, or more frequently, if events or changes in circumstances indicate a potential impairment. The recoverable amounts of cash-generating units have been determined based on value-in-use calculations. These calculations require the use of estimates.

The carrying value of goodwill is compared to the recoverable amount, which is the higher of value in use and the fair value less costs of disposal. Any impairment is recognised immediately as an expense and is not subsequently reversed.

*Trademarks and licences*

Trademarks and licences have a finite useful life and are amortised over the contract period and are carried at cost less accumulated amortisation.

**13. Intangible assets (continued)**

*Trademarks and licences (continued)*

Mining rights are initially recognised at cost. Mining rights acquired through business combinations are initially recognised at fair value. Subsequently they are amortised over the expected life of the mine on a straight line basis and are carried at cost less accumulated amortisation:

| | |
|---|---|
| - Licences/rights | 5 years |
| - Mining rights | 9 - 50 years |
| - Trademarks | 3 years |

*Exploration and evaluation resources*

Exploration assets include expenditure incurred after the award of the legal licence to explore a specific area for Mineral Resources (area of interest) has been obtained. Pre-licence costs are recognised as an expense in profit or loss as incurred. Exploration and evaluation costs are capitalised as exploration assets on a project-by-project basis pending determination of the technical feasibility and commercial viability of the project. Exploration and evaluation assets are only recognised as an asset if the rights of the area of interest are current and either:
- The expenditures are expected to be recouped through successful development and exploitation of the area of interest; or
- Activities in the area of interest have, at the reporting date, reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves and active and significant operations in, or in relation to, the area of interest are continuing.

Exploration assets include costs of acquisition of rights to explore, costs to acquire licences, topographical, geological, geochemical and geophysical studies, exploratory drilling, trenching, sampling and activities to evaluate the technical feasibility and commercial viability of extracting a Mineral Resource. All exploration and evaluation assets are deemed to be intangible assets.

Administration and other general overhead costs, which are not directly attributable to the specific exploration assets, are expensed as incurred. When a licence is relinquished or a project is abandoned, the capitalised expenditure is recognised in profit or loss immediately.

Once the technical feasibility and commercial viability of the extraction of Mineral Resources in an area of interest are demonstrable, exploration and evaluation assets attributable to that area of interest are first tested for impairment and then reclassified in accordance with other relevant standards.

Depreciation of the cost will only occur once the project moves from the exploration and evaluation phase to the mining phase. The value of the capitalised cost is subjected to an impairment test.

The recoverable amounts of all cash generating units are determined using value in use calculations covering a 5 year period which are based on financial budgets approved by management for the year ended 28 February 2025. Pre-tax cash flows beyond those budgeted are extrapolated using estimated growth rates determined per CGU. These rates do not exceed the long term average growth rate of the construction industry. Should the value in use calculation indicate any possible impairment, a fair value less cost to sell calculation is performed to determine the appropriate impairment amount if any.

| **Key assumptions used to calculate recoverable amount** | **Materials handling & mining** | **Construction materials** | **Roads and earthworks** | **Infra-structure** |
|---|---|---|---|---|
| Long term growth rate | 6.4% | 5.7% | 5.7% | 4.1% |
| Pre tax discount rate | 16.1% | 14.6% | 14.6% | 15.3% |
| Long term growth rate - sensitivity range | 0% and 9% | 0% and 8% | 0% and 8% | 0% and 7% |
| Pre tax discount rate - sensitivity range | 11% and 21% | 9% and 20% | 9% and 20% | 10% and 20% |
| Pre tax discount rate - headroom upper limit[1] | 47.9% | 41.8% | 41.8% | 36.8% |

[1] The maximum pre-tax discount rate that will not give rise to impairment.

The pre-tax discount rates reflect market related rates, adjusted for specific risks relating to the entities within the group and the countries in which they operate.

The recoverable amounts of intangible assets, on all CGU's will still exceed their carrying values if the growth rate is 0% (2023: 0%).

## Notes to the Group Financial Statements (continued)

**13. Intangible assets (continued)**

| | Goodwill R'000 | Trademarks R'000 | Exploration and evaluation resources R'000 | Mining rights R'000 | Total R'000 |
|---|---|---|---|---|---|
| **At 28 February 2022** | | | | | |
| Cost | 912 084 | 21 053 | - | 173 465 | 1 106 602 |
| Accumulated amortisation and impairment | (74 910) | (7 018) | - | (46 519) | (128 447) |
| **Net book amount** | 837 174 | 14 035 | - | 126 946 | 978 155 |
| **Year ended 28 February 2023** | | | | | |
| Opening net book amount | 837 174 | 14 035 | - | 126 946 | 978 155 |
| Acquisition of subsidiaries | 1 168 | - | 9 821 | 33 820 | 44 809 |
| Reclassification from property, plant and equipment | - | - | - | 525 | 525 |
| Rehabilitation asset recognised during the year | - | - | - | 2 574 | 2 574 |
| Impairment loss | (13 493) | - | - | - | (13 493) |
| Exchange differences | 4 987 | - | - | - | 4 987 |
| Amortisation charge | - | (7 018) | - | (8 238) | (15 256) |
| **Closing net book amount** | 829 836 | 7 017 | 9 821 | 155 627 | 1 002 301 |
| **At 28 February 2023** | | | | | |
| Cost | 918 239 | 21 053 | 9 821 | 210 384 | 1 159 497 |
| Accumulated amortisation and impairment | (88 403) | (14 036) | - | (54 757) | (157 196) |
| **Net book amount** | 829 836 | 7 017 | 9 821 | 155 627 | 1 002 301 |
| **Year ended 29 February 2024** | | | | | |
| Opening net book amount | **829 836** | **7 017** | **9 821** | **155 627** | **1 002 301** |
| Acquisition of subsidiary (refer note 6) | **516** | **-** | **100 089** | **-** | **100 605** |
| Reclassification to property, plant and equipment | **-** | **-** | **-** | **(3 402)** | **(3 402)** |
| Exchange differences | **481** | **-** | **-** | **-** | **481** |
| Amortisation charge | **-** | **(7 017)** | **-** | **(8 764)** | **(15 781)** |
| **Closing net book amount** | **830 833** | **-** | **109 910** | **143 461** | **1 084 204** |
| **At 29 February 2024** | | | | | |
| Cost | **919 236** | **21 053** | **109 910** | **206 982** | **1 257 181** |
| Accumulated amortisation and impairment | **(88 403)** | **(21 053)** | **-** | **(63 521)** | **(172 977)** |
| **Net book amount** | **830 833** | **-** | **109 910** | **143 461** | **1 084 204** |

The goodwill impaired during the prior year relates to that of Shisalanga Construction (Pty) Ltd, which forms part of the Construction Materials division. The group has begun with a right sizing initiative to restructure the entity's operations. A restructuring provision has also been raised in this regard, refer to note 22.

The impairment losses incurred have been included in other gains/losses (refer to note 32).

Amortisation of intangible assets of R15.8 million (2023: R15.3 million) is included in cost of sales in the statement of profit or loss (refer note 33).

An operating segment-level summary of the intangible asset allocation is presented below:

| | Materials handling & mining R'000 | Construction materials R'000 | Roads and earthworks R'000 | Infra-structure R'000 | Total R'000 |
|---|---|---|---|---|---|
| ***Goodwill*** | | | | | |
| Year ended 28 February 2023 | 465 870 | 171 823 | 140 998 | 51 145 | 829 836 |
| **Year ended 29 February 2024** | **465 870** | **172 339** | **140 998** | **51 626** | **830 833** |
| ***Trademarks*** | | | | | |
| Year ended 28 February 2023 | 7 017 | - | - | - | 7 017 |
| **Year ended 29 February 2024** | **-** | **-** | **-** | **-** | **-** |
| ***Exploration and evaluation resources*** | | | | | |
| Year ended 28 February 2023 | 9 821 | - | - | - | 9 821 |
| **Year ended 29 February 2024** | **109 910** | **-** | **-** | **-** | **109 910** |
| ***Mining rights*** | | | | | |
| Year ended 28 February 2023 | 36 360 | 119 267 | - | - | 155 627 |
| **Year ended 29 February 2024** | **35 634** | **107 827** | **-** | **-** | **143 461** |
| ***Total intangible assets*** | | | | | |
| Year ended 28 February 2023 | 519 068 | 291 090 | 140 998 | 51 145 | 1 002 301 |
| **Year ended 29 February 2024** | **611 414** | **280 166** | **140 998** | **51 626** | **1 084 204** |

## Notes to the Group Financial Statements (continued)

**14. Investment in associates and joint ventures**

The Group applies IFRS 11 to all joint arrangements. Under IFRS 11 investments in joint arrangements are classified as either joint operations or joint ventures depending on the contractual rights and obligations of each investor. The Group has assessed the nature of its joint arrangements and determined them to be joint ventures and joint operations (note 46).

*Equity Method*

Under the equity method, the investments are initially recognised at cost, and the carrying amount is increased or decreased to recognise the investor's share of the profit or loss of the investee after the date of acquisition.

When the Group's share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured receivables, the Group does not recognise further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associate. Profits are then subsequently only recognised to the extent that these exceed previously unrecognised losses.

Intercompany transactions, balances and unrealised gains on transactions between the Group and its associates and joint ventures are eliminated on consolidation to the extent of the Group's interest. Unrealised losses are eliminated and are also considered an impairment indicator of the asset transferred. Accounting policies of equity accounted investees have been changed where necessary to ensure consistency with policies adopted by the Group.

Loans to associates and joint ventures are initially assessed for impairment using the Group's expected credit loss model in terms of IFRS 9, at each reporting date. Refer to the credit risk section of note 8 for further details in this regard. The Group then also determines whether there is any objective evidence that the net investments in associates and joint ventures are impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the investment and its carrying value and recognises the amount in the statement of profit or loss.

| The amounts recognised in the statement of financial position are as follows: | **2024** | **2023** |
|---|---|---|
| | **R'000** | **R'000** |
| Investment in associates | **4 537** | 4 016 |
| Investment in joint ventures | **5 247** | 5 057 |
| | **9 784** | 9 073 |
| | | |
| Share of profit/(loss) of equity accounted investments is made up as follows: | | |
| Share of profit/(loss) from associates (note 14.1) | **227** | (1 882) |
| Share of profit/(loss) from joint ventures (note 14.2) | **190** | (1 362) |
| Profit on disposal of shares in associate (note 14.1) | **-** | (3 769) |
| Gain on capital raise - share restructure (note 14.1) | **87** | - |
| **Total profit/(loss) from equity accounted investments for the year** | **504** | (7 013) |

**14.1. Associates**

Associates are all entities over which the Group has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting (refer above). The Group's investment in associates includes goodwill identified on acquisition. Loans to associates are included in the other financial assets line in in the statement of financial position (previously the investment in associate line).

| Reconciliation of the summarised financial information presented to the carrying amount of its interest in associates: | | |
|---|---|---|
| Carrying value at the beginning of the year | **4 016** | 6 069 |
| Investment in associate - Lufhereng | **-** | 1 098 |
| Additional investment (capital raise - no change in shareholding) | **294** | - |
| Loans to associates | **-** | 3 000 |
| Loans from associates | **-** | (500) |
| Share of loss in associate | **227** | (1 882) |
| Remeasurement of investment to fair value on step up acquisition | **-** | (3 769) |
| **Carrying value at end of the year** | **4 537** | 4 016 |

The associates as listed below have share capital consisting solely of ordinary shares, which are held indirectly by the Group, the country of incorporation or registration is also their principal place of business. The proportion of interest held is also the proportion of voting rights held.

## Notes to the Group Financial Statements (continued)

**14. Investment in associates and joint ventures (continued)**

**14.1. Associates (continued)**

Nature of investments in associates:

| Name of entity | Place of business/ country of incorporation | % of attributable interest 2024 | % of attributable interest 2023 | Nature of the relationship | Measurement method |
|---|---|---|---|---|---|
| Lufhereng Development Company (Pty) Ltd ("Lufhereng ") | South Africa | 38 | 38 | Note 1 | Equity |

Note 1: Lufhereng was established during 2015 to execute the project Lufhereng Mixed Integrated Development for the City of Johannesburg. Effective 1 April 2022, the Group acquired additional shares from an exiting shareholder which increased its shareholding to 38%. The cost of the additional shares was R1.1 million.

The associates listed above are private companies and there are no quoted market prices available for their shares.

| **Financial Information at 100%** | Lufhereng | |
|---|---|---|
| **Statement of financial position** | **2024 R'000** | **2023 R'000** |
| **Assets** | | |
| Non-current assets | **7 617** | 10 |
| Current assets | **269 613** | 93 750 |
| Total Assets | **277 230** | 93 760 |
| **Equity and liabilities** | | |
| Equity | **11 182** | 10 585 |
| Current liabilities | **266 048** | 83 175 |
| Total equity and liabilities | **277 230** | 93 760 |
| | | |
| **Statement of profit or loss** | | |
| Revenue | **356 809** | 177 300 |
| Profit | **597** | 395 |

**14.2. Joint Ventures**

Joint ventures are accounted for using the equity method.

Reconciliation of the summarised financial information presented to the carrying amount of its interest in joint ventures:

| | **2024 R'000** | **2023 R'000** |
|---|---|---|
| Carrying value at the beginning of the year | **5 057** | 6 290 |
| Investment in joint ventures - Ndlu | **-** | 129 |
| Share of (loss)/profit in joint ventures | **190** | (1 362) |
| **Carrying value at end of the year** | **5 247** | 5 057 |

The joint ventures listed below have share capital consisting solely of ordinary shares, which are held directly by the Group.

### 14. Investment in associates and joint ventures (continued)

### 14.2. Joint Ventures (continued)

Nature of investment in joint ventures:

| Name of entity | Place of business/ country of incorporation | % of attributable interest 2024 | % of attributable interest 2023 | Nature of the relationship | Measurement method |
|---|---|---|---|---|---|
| Ndlu Housing (Pty) Ltd ("Ndlu") | South Africa | 50.01 | 50.01 | Note 1 | Equity |
| Voliere Development Company (Pty) Ltd ("Voliere") | South Africa | 50 | 50 | Note 2 | Equity |

Note 1: Ndlu Housing was established in order to execute work on the Lufhereng Mixed Integrated Development for the City of Johannesburg. Although just more than 50% of the shares are owned by the Group, control is deemed not to exist in terms of IFRS 10 due to the fact that the original agreements governing the management of the entity are still in effect which require unanimous consent in terms of board and shareholders resolutions.

Note 2: Voliere was established to conduct business as a property developer and establish an integrated and luxurious estate in Stellenbosch, Western Cape. The Group acquired its 50% share for R200 effective 28 February 2022. The net asset value of the entity on date of acquisition was R12.3 million, resulting in a bargain purchase on acquisition of R6.2 million.

All joint ventures listed above are private companies and there are no quoted market prices available for their shares.

| **Financial Information at 100%** | Ndlu | | Voliere | |
|---|---|---|---|---|
| | **2024 R'000** | **2023 R'000** | **2024 R'000** | **2023 R'000** |
| **Statement of financial position** | | | | |
| **Assets** | | | | |
| Non-current assets | **5** | 8 | **4 773** | 400 |
| Current assets | **15 033** | 29 522 | **169 627** | 118 496 |
| Total Assets | **15 038** | 29 530 | **174 400** | 118 896 |
| | | | | |
| **Equity and liabilities** | | | | |
| Equity | **493** | 452 | **10 005** | 9 649 |
| Non-current liabilities | **-** | - | **5 400** | 5 400 |
| Current liabilities | **14 545** | 29 078 | **158 995** | 103 847 |
| Total equity and liabilities | **15 038** | 29 530 | **174 400** | 118 896 |
| | | | | |
| **Statement of profit or loss** | | | | |
| Revenue | **56 952** | 79 808 | **13 369** | - |
| Profit/(Loss) | **41** | 115 | **339** | (2 694) |

### 14.3. Reconciliation of carrying amounts of investments in associates and joint ventures:

| | Equity R'000 | Group's share % | Group's share R'000 | Goodwill R'000 | Carrying amount R'000 |
|---|---|---|---|---|---|
| Lufhereng | 10 585 | 38.00 | 4 022 | - | 4 022 |
| Ndlu Housing | 452 | 50.01 | 226 | - | 226 |
| Voliere | 9 649 | 50 | 4 825 | - | 4 825 |
| **Carrying amount at 28 February 2023** | | | | | 9 073 |
| Lufhereng | **11 182** | **38.00** | **4 249** | **294** | **4 543** |
| Ndlu Housing | **493** | **50.01** | **247** | **-** | **247** |
| Voliere | **10 005** | **50** | **4 994** | **-** | **4 994** |
| **Carrying amount at 29 February 2024** | | | | | **9 784** |

### 15. Investments in service concessions

The Group's investments consist of interests in service concession projects over which the Group has neither control nor significant influence. These investments are classified as financial assets designated at fair value through other comprehensive income and are initially recognised at fair value. Subsequently any changes in fair value are recognised in the statement of other comprehensive income.

Service concession projects generally consist of two phases, a construction phase and an operational phase. The fair value of investments in projects still under construction are considered to be the cost of the investment. This is due to the various uncertainties that exist around the future cash flows of the concession project while still under construction. Once projects are operational, the fair value of the Group's investments are determined using the discounted cash flow method where anticipated cash flows are discounted at the appropriate rates that take into account the relevant market and project risks.

Where investments in service concessions are denominated in a currency other than the functional currency of the Group, the investments are translated at year end spot rates, being the valuation date. These investments normally take the form of equity and subordinated shareholders' loans in the entity geared to undertake the concession project.

| | 2024 R'000 | 2023 R'000 |
|---|---|---|
| **Opening balance** | **77 049** | 23 153 |
| Fair value adjustment | **557** | 53 896 |
| **Closing balance** | **77 606** | 77 049 |

Details of the Groups investment are as follows:

| Name of Concession | Country | Initial cost of investment ($'000) | % interest 2024 | % interest 2023 | Concession period | Concession status | Concession details |
|---|---|---|---|---|---|---|---|
| Zimborders | Zimbabwe | 1 500 | 2.82 | 2.82 | 17.5 | Operational | Note 1 |

**Note 1**

The Beitbridge Border Post Modernisation Project, being the expansion, upgrade and improvement of the border post at Beitbridge in Zimbabwe was awarded by The Government of Zimbabwe to Andalusia Investments (Pvt) Ltd t/a Zimborders ("Zimborders"). Zimborders is required to implement, execute, finance and manage the project. The Group's investment amounts to 2.82% in Zimborders Mauritius Limited, who owns 100% of Zimborders and is the funding company for the concession.

The initial investment was received through the equity settlement of prior works that were executed on the Zimborders contract prior to financial close to the value of $1.5 million.

The operational phase of the concession commenced on 1 December 2022 with a 17.5 year term, ending 31 May 2040.

The fair value of the investment was determined using the discounted cash flow as the concession is now operational.

The underlying project cash flows are derived from cashflow models provided by the Concession's Management Board. The primary inputs to such models include the most recent independent traffic study, macroeconomic forecast application, updated overhead budgets and road rehabilitation plans.

Below is a sensitivity analysis with regards to the significant inputs, used to calculate the fair value ("FV") at the end of the year:

| | 2024 Rate used | 2023 Rate used | Effect on FV if rate was 5% higher year end 2024 R'000 | Effect on FV if rate was 5% higher year end 2023 R'000 | Effect on FV if rate was 5% lower year end 2024 R'000 | Effect on FV if rate was 5% lower year end 2023 R'000 |
|---|---|---|---|---|---|---|
| Exchange rate - USD (observable) | **19.31** | 18.41 | **3 880** | 3 852 | **(3 880)** | (3 852) |
| Discount rate (unobservable) | **13.2%** | 12.5% | **(10 931)** | (22 798) | **61 107** | 39 656 |
| Traffic model (unobservable)[1] | **# per day** | # per day | **24 532** | 18 506 | **(4 261)** | (4 476) |

[1] *Traffic data used to determine the fair value is based on an estimated number of vehicles and pedestrians crossing per day. Vehicles types include Buses, Trucks (Heavy, Goods and Abnormal), Light Vehicles, Mini Buses and Light Goods Vehicles. Different vehicle types attract different charges.*

### 16. Inventories

Inventories are measured at the lower of cost and net realisable value. Cost is determined using the weighted average cost basis. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the applicable variable selling expenses. The cost of inventories comprises of all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

Development land is stated at the lower of cost and net realisable value. Cost is assigned by specific identification and includes the cost of acquisition, development and borrowing costs capitalised during development. All direct and indirect costs attributable to development land that are incurred to prepare development land for its intended use, are capitalised up to the date that the development is ready for its intended use. When development land is ready for its intended use, borrowing costs and other charges are expensed as incurred.

Aggregates and gypsum tonnes held in stockpile which exceeds the annual tonnes to be sold in the following operating cycle are classified as non-current in the statement of financial position.

Development land to be transferred after 12 months falls within the normal operating cycle of the Group and is therefore classified as current.

| | 2024 R'000 | 2023 R'000 |
|---|---|---|
| Aggregates | **222 475** | 248 025 |
| Chrome ore and other PGMs[1] | **210 063** | 176 473 |
| Gypsum | **35 756** | 40 032 |
| Consumable stores | **198 040** | 176 632 |
| Development land | **555 534** | 355 703 |
| Bitumen | **139 298** | 160 888 |
| Other materials *(including manufacturing chemicals, rubber and emulsions)* | **151 938** | 148 023 |
| | **1 513 104** | 1 305 776 |
| Less: non-current inventories | **(26 962)** | (27 419) |
| Total current inventories | **1 486 142** | 1 278 357 |

[1] *PGMs - Platinum Group Metals*

| | 2024 | 2023 |
|---|---|---|
| Total inventory at cost | **1 659 856** | 1 356 204 |
| Write-down of inventory to net realisable value | **(146 752)** | (50 428) |
| Total inventory at net realisable value | **1 513 104** | 1 305 776 |

The cost of inventories, together with the change in inventories for the year, recognised as expenses and included in 'cost of sales' amounted to R4 250.6 million (2023: R3 748.3 million) (refer to note 33). Any write downs/ups of inventory are also included in cost of sales as part of change in inventories.

Bank borrowings to the value of R66.5 million (2023: R0.0 million) are registered over development land with a net realisable value of R274.0 million (2023: R0.0 million) as security for the borrowings.

Non-current inventories relate to the OMV acquisition and include the portions of the mine dumps in Stilfontein and the portions of the synthetic gypsum dump in Potchefstroom which are not expected to be utilised within the next operating cycle of the Group. The mine dumps and gypsum dump have sufficient aggregate reserves to last 10 and 4 years (2023: 13 and 4 years) respectively at current sales volumes.

### 17. Contract assets and liabilities

The Group's construction activities, which result in contracting revenue being recognised over time from contracts with customers, give rise to contract assets and contract liabilities.

Contract assets and contract liabilities are determined on a contract by contract basis and represent the Group's progress towards the satisfaction of the performance obligations stipulated in the terms of each of its construction contracts.

To determine the progress towards the satisfaction of our performance obligations on each contract, the Group uses an input method, measuring the costs incurred to date relative to the total estimated cost of the contract.

This method requires the Group to estimate the cost of construction services and activities performed to date as a proportion of the total cost of services and activities to be performed. The Group considers this method to be the most faithful depiction of the transfer of goods and services to the customer as the Group has a right to payment for performance to date which is most reliably measured using the costs incurred to date. In addition, judgements are required when recognising and measuring any variable considerations, claims or uninstalled materials on each contract. Refer to note 30 for further details on judgements required when recognising revenue.

The costs of construction services and activities are initially recognised as expenses at cost when incurred and include all costs that relate directly to the fulfilment of the specific contract, and allocated overheads relating to the fulfilment of contracts in general.

**17. Contract assets and liabilities (continued)**

The Group presents as a contract asset, the gross amount due from customers for contract work for all contracts in progress for which costs incurred plus recognised profits (less recognised losses) exceed progress billings. Progress billings not yet paid by customers are included within trade and other receivables and retentions are included in contracts in progress. The invoicing of progress billings is done either as costs are incurred on a monthly basis or to match major capital outlay or on the achievement of milestones, on the arrangement with customers in terms of the contract.

The Group presents as a contract liability, the gross amount due to customers for contract work for all construction contracts in progress for which progress billings exceed costs incurred plus recognised profits (less recognised losses).

When the outcome of a contract cannot be estimated reliably, at any stage, contract revenue is recognised only to the extent of contract costs incurred that are likely to be recoverable. When the outcome of a contract can be estimated reliably and it is probable that the contract will be profitable, contract revenue is recognised over the period of the contract using the above mentioned method to determine the progress towards the satisfaction of the Group's performance obligations. When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately to the extent that the remaining contracts costs are deemed to be unavoidable in terms of IAS 37.

Contract revenue within the Group results from "cost-plus", "re-measurable" and "fixed price" contracts.

*Retentions*

Retentions are common practice in the construction industry and are used to guarantee the performance of a contractor and safeguard against defects for an initial period after construction is complete. Retentions are generally withheld as work is certified over the course of the contract, in accordance with a specified percentage stipulated in the contract with the customer, alternatively some contracts allow for retention guarantees to be provided through financial institutions.

Retentions by their nature only become due once a project is complete and the contractual defects liability period has expired. Once retentions become due they are invoiced and allocated to trade receivables, where standard contractual payment terms apply.

Contracts in progress and retentions are made up as follows:

| | 2024<br>R'000 | 2023<br>R'000 |
|---|---|---|
| Costs incurred plus profits recognised, less recognised losses relating to contracts at year end | **19 905 034** | 13 264 687 |
| Less: progress billings | **(20 254 393)** | (13 620 644) |
| Net balance sheet position for ongoing contracts | **(349 359)** | (355 957) |
| | | |
| ***Consisting of:*** | | |
| Amounts due from customers for contract work | **520 284** | 280 267 |
| Less: loss allowance | **(44 390)** | (42 088) |
| Amounts due from customers for contract work - net of loss allowance | **475 894** | 238 179 |
| Amounts due to customers for contract work | **(825 253)** | (594 136) |
| Net balance sheet position for ongoing contracts | **(349 359)** | (355 957) |
| | | |
| Retentions | **481 269** | 385 351 |
| Less: loss allowance | **(5 965)** | (7 787) |
| Retentions - net of loss allowance | **475 304** | 377 564 |
| | | |
| Amounts due from customers for contract work | **475 894** | 238 179 |
| Retentions | **475 304** | 377 564 |
| Total contracts assets at reporting date | **951 198** | 615 743 |
| | | |
| Amounts due to customers for contract work | **825 253** | 594 136 |
| Total contracts liabilities at reporting date | **825 253** | 594 136 |

Retentions to be received after 12 months amounted to R351.6 million (2023: R112.8 million) and fall in the normal operating cycle of the Group and are therefore classified as current.

Retentions have increase mainly due to the change in SANRAL's retention policy. SANRAL charges retentions at 10% of certificate value limited to 5% of the full contract value. This used to be capped at R5.0 million per contract but the cap has now been removed.

## Notes to the Group Financial Statements (continued)

**17. Contract assets and liabilities (continued)**

Reconciliation of net amounts **due from** customers for contract work for the year:

| | 2024 R'000 | 2023 R'000 |
|---|---|---|
| **Balance at the beginning of year** | **280 267** | 273 033 |
| Exchange differences | **2 216** | 14 242 |
| Contract assets recognised during the year on contracts started in the current year | **148 734** | 19 508 |
| Contract assets recognised during the year on contracts started in prior years | **369 394** | 247 060 |
| Contract assets reversed on contracts started in the current year | **(60)** | (543) |
| Contract assets reversed on contracts started in prior years | **(280 267)** | (273 033) |
| **Balance at the end of the year - before loss allowances** | **520 284** | 280 267 |
| Loss allowance | **(44 390)** | (42 088) |
| **Balance at the end of the year - after loss allowances** | **475 894** | 238 179 |

Contract assets are reversed as the progress billings catch up with the costs incurred plus recognised profits over the period of the contract.

Reconciliation of net amounts **due to** customers for contract work for the year:

| | 2024 R'000 | 2023 R'000 |
|---|---|---|
| **Balance at the beginning of year** | **594 136** | 937 858 |
| Exchange differences | **673** | 36 317 |
| Contract liabilities recognised during the year on contracts started in the current year | **222 587** | 194 864 |
| Contract liabilities recognised during the year on contracts started in prior years | **617 140** | 368 876 |
| Contract liabilities reversed on contracts started in the current year | **(15 147)** | (5 921) |
| Contract liabilities reversed on contracts started in prior years | **(594 136)** | (937 858) |
| **Balance at the end of the year** | **825 253** | 594 136 |

Contract liabilities are reversed and recognised as revenue, as costs incurred plus recognised profits catch up with the progress billings over the period of the contract.

Other than the above and the fluctuations between amounts due from/to customers for contract work and progress billings on contracts there were no other significant factors that resulted in the changes in the contract asset and liabilities balances during the year.

**Loss allowance on contract assets**

| | 2024 R'000 | 2023 R'000 |
|---|---|---|
| **Balance at beginning of year** | **49 875** | 42 495 |
| Exchange differences | **1 714** | 6 861 |
| Current year loss allowance for contract assets | **2 296** | 3 935 |
| Contract assets written off during the year as uncollectible | **(248)** | (2 062) |
| Unused amounts reversed | **(3 282)** | (1 354) |
| **Balance at the end of the year** | **50 355** | 49 875 |

**18. Trade and other receivables**

Initially trade and other receivables are recognised at fair value, unless otherwise stated, and are subsequently measured at amortised cost using the effective interest rate method, less any loss allowance. Refer to note 8 for further details on the Group's impairment policies and the calculation of the loss allowances.

The Group holds trade and other receivables with the objective to collect the contractual cash flows.

*Trade receivables*

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business and are recognised initially at the amount of consideration that is unconditional. These are classified as current as the terms granted to customers facilitate the preparation of payments. The Group therefore does not expect to have any contracts where the period between the transfer of the goods or services to the customer and payment by the customer exceed one year and no significant financing component is deemed to exist.

**18. Trade and other receivables (continued)**

*Receivables under finance leases*

When assets are leased out under a finance lease, the present value of the lease payments is recognised as a receivable. The difference between the gross receivable and the present value of the receivable is recognised as unearned finance income. The effective interest rate method is used to allocate rentals between finance income and repayment of capital in each accounting period in such a way that finance income will emerge as a constant rate of return on the Group's net investment in the lease.

| | 2024 R'000 | 2023 R'000 |
|---|---|---|
| Trade receivables | **2 097 150** | 1 805 199 |
| Receivables under finance leases | **4 168** | 6 014 |
| Prepayments | **50 666** | 35 898 |
| Value-added taxation | **69 673** | 112 916 |
| Receivables from joint operations | **29 430** | 43 930 |
| Receivables from related parties (note 41) | **69 358** | 52 326 |
| Loans to joint operations | **21 447** | 11 815 |
| Loans to related parties (note 41) | **347** | 15 913 |
| Total trade and other receivables - before loss allowances | **2 342 239** | 2 084 011 |
| Less: loss allowance | **(274 816)** | (190 763) |
| Total trade and other receivables - net of loss allowances | **2 067 423** | 1 893 248 |
| Less: Non-current trade and other receivables (receivables under finance leases) | **(1 863)** | (3 892) |
| Total current trade and other receivables - net of loss allowances | **2 065 560** | 1 889 356 |

The maximum exposure to credit risk at the reporting date is the carrying value of each class of receivables mentioned above.

The loans to related parties are unsecured, interest free and have no fixed terms of repayment.

No trade and other receivables are pledged as security.

The carrying amounts of the Group's trade and other receivables are denominated in the following currencies:

| | 2024 R'000 | 2023 R'000 |
|---|---|---|
| South African Rand | **1 667 124** | 1 407 490 |
| Australian Dollar | **227 624** | 368 846 |
| Botswana Pula | **38 110** | 20 562 |
| Eswatini Lilangeni | **47** | 270 |
| Lesotho Loti | **50 566** | 9 065 |
| Mozambican Metical | **14 898** | 19 542 |
| Namibian Dollar | **47 366** | 13 420 |
| US Dollar | **7 367** | 53 979 |
| Zambian Kwacha | **14 321** | 74 |
| | **2 067 423** | 1 893 248 |

| | | |
|---|---|---|
| **Loss allowance on trade and other receivables** | | |
| **Balance at the beginning of year** | **190 762** | 130 740 |
| Exchange differences | **341** | 530 |
| Acquisition of subsidiaries | **-** | 50 |
| Current year loss allowance for receivables | **145 788** | 91 806 |
| Receivables written off during the year as uncollectible | **(2 406)** | (6 380) |
| Unused amounts reversed | **(59 669)** | (25 984) |
| **Balance at the end of the year** | **274 816** | 190 762 |

**18. Trade and other receivables (continued)**

Reconciliation between the gross investment in the lease and the present value of the minimum lease instalment receivable:

| | 2024 R'000 | 2023 R'000 |
|---|---|---|
| Total gross investment in finance leases | **4 562** | 6 877 |
| No later than 1 year | **2 512** | 2 589 |
| Later than 1 year and no later than 5 years | **2 050** | 4 288 |
| Unearned finance income | **(394)** | (863) |
| **Net investment in lease** | **4 168** | 6 014 |
| | | |
| Represented by: | | |
| Present value of minimum lease instalments | **4 168** | 6 014 |
| No later than 1 year | **2 305** | 2 122 |
| Later than 1 year and no later than 5 years | **1 863** | 3 892 |

The Group offers lessor financing for manufactured plant over the period of the contract where the plant has been built by Group entities. The interest rate applicable to the lease is similar to that of current market rates.

In 2015, the Group through its subsidiary B&E International, entered into a finance lease arrangement to provide crushing equipment to a client at the Tschudi Copper Mine in Namibia. During the prior year this agreement was cancelled by mutual consent due to feasibility issues with the mine operation. Plant to the value of R30.9 million was recognised (refer to note 10) and the remaining net investment in the lease to the value of R42.8 million was reversed. The corresponding loss was recognised in other gains and losses (refer to note 32).

The balance remaining at year end relates to a lessor financing arrangement entered into in the prior year. The lease is for 2 loaders and the lessee is a related party, Allow All Trade (Pty) Ltd.

**19. Cash and cash equivalents**

Cash and cash equivalents includes cash in hand, deposits held on call with banks, other short term highly liquid investments with original maturities of three months or less. Cash on hand, bank balances and investments on call, which are demand deposits with maturities of between 24 hours and three months, are cash. Demand deposits with larger notice periods and insignificant penalties for early withdrawal are cash equivalents.

| | 2024 R'000 | 2023 R'000 |
|---|---|---|
| Cash on hand | **4 724** | 3 563 |
| Bank balances | **790 596** | 687 351 |
| Investments on call | **866 763** | 1 006 378 |
| Total cash and cash equivalents | **1 662 083** | 1 697 292 |
| | | |
| For purpose of the consolidated cash flow statement, cash and cash equivalents consist of: | **1 662 083** | 1 697 290 |
| Cash | **1 662 083** | 1 697 292 |
| Bank overdrafts (note 21) | **-** | (2) |

| | Rating | 2024 | 2023 |
|---|---|---|---|
| The credit ratings breakdown of cash and cash equivalents is as follows: | **Rating** | | |
| Cash and cash equivalents - Australia | AA | **380 447** | 322 027 |
| Cash and cash equivalents - South Africa and Rest of Africa | BB | **1 276 912** | 1 371 702 |
| Cash on hand | Not rated | **4 724** | 3 563 |
| | | **1 662 083** | 1 697 292 |

### 20. Other financial assets

Other financial assets consist of the following:
*Debt instruments:*
- Redeemable preference shares in ABI 2 (Pty) Ltd ("ABI") (Financial assets at fair value through profit and loss);
- A vendor loan receivable from ABI (Financial assets held at amortised cost);
- Other receivable from ABI (Financial assets held at amortised cost);
- Loan to joint venture, accounted for using IFRS 9 (Financial assets held at amortised cost);
- Shareholders' loan receivable from Zimborders Mauritius (Financial asset held at amortised cost); and
- Foreign exchange contracts (Financial assets held at fair value through profit and loss).

*Equity instruments:*
- Strategic equity investments (Financial assets held at fair value through other comprehensive income).

Initially other financial assets are recognised at fair value, unless otherwise stated, and are subsequently measured at either amortised cost using the effective interest rate method, at fair value through profit or loss or at fair value through other comprehensive income.

Other financial assets consist of the following at year end:

| | Preference shares R'000 | Vendor loan R'000 | Other[1] R'000 | Share-holders' loan R'000 | Foreign exchange contracts R'000 | Equity Investments R'000 | Total R'000 |
|---|---|---|---|---|---|---|---|
| **Year ended 28 February 2023** | | | | | | | |
| **Opening Balance** | 49 771 | 97 245 | 9 956 | 63 470 | 21 765 | 90 977 | 333 184 |
| - Loan advanced to joint venture | - | - | 112 866 | - | - | - | 112 866 |
| - Payments received | - | - | (44 469) | - | - | - | (44 469) |
| - Equity investments acquired | - | - | - | - | - | 429 | 429 |
| - Foreign exchange effects | - | - | - | - | - | 6 164 | 6 164 |
| *Charged to statement of other comprehensive income:* | | | | | | | |
| - Fair value adjustment | - | - | - | - | - | 6 374 | 6 374 |
| *Charged to statement of profit or loss:* | | | | | | | |
| - Fair value adjustment (refer note 32) | 5 385 | - | - | - | (21 587) | - | (16 202) |
| - Foreign exchange gain/(loss) | - | - | - | 12 820 | - | - | 12 820 |
| - Interest income | - | - | 4 829 | - | - | - | 4 829 |
| - Interest accrued (refer note 35) | - | 9 652 | - | 9 424 | - | - | 19 076 |
| **At 1 March 2023** | 55 156 | 106 897 | 83 182 | 85 714 | 178 | 103 944 | 435 071 |
| Non-current | 55 156 | 106 897 | 76 231 | 85 714 | - | 103 944 | 427 942 |
| Current | - | - | 6 951 | - | 178 | - | 7 129 |
| | 55 156 | 106 897 | 83 182 | 85 714 | 178 | 103 944 | 435 071 |
| **Year ended 29 February 2024** | | | | | | | |
| **Opening Balance** | **55 156** | **106 897** | **83 182** | **85 714** | **178** | **103 944** | **435 071** |
| - Loan advanced to joint venture | **-** | **-** | **98 723** | **-** | **-** | **-** | **98 723** |
| - Payments received | **-** | **-** | **(59 483)** | **(30 948)** | **-** | **-** | **(90 431)** |
| - Equity investments acquired | **-** | **-** | **-** | **-** | **-** | **5 308** | **5 308** |
| - Foreign exchange effects | **-** | **-** | **-** | **-** | **-** | **143** | **143** |
| *Charged to statement of other comprehensive income:* | | | | | | | |
| - Fair value adjustment | **-** | **-** | **-** | **-** | **-** | **(56 486)** | **(56 486)** |
| *Charged to statement of profit or loss:* | | | | | | | |
| - Fair value adjustment (refer note 32) | **5 968** | **-** | **-** | **-** | **(178)** | **-** | **5 790** |
| - Foreign exchange gain/(loss) | **-** | **-** | **-** | **4 396** | **-** | **-** | **4 396** |
| - Interest income | **-** | **-** | **611** | **-** | **-** | **-** | **611** |
| - Interest accrued (refer note 35) | **-** | **10 640** | **14 349** | **11 115** | **-** | **-** | **36 104** |
| **At 29 February 2024** | **61 124** | **117 537** | **137 382** | **70 277** | **-** | **52 909** | **439 229** |
| Non-current | **61 124** | **-** | **129 820** | **70 277** | **-** | **52 909** | **314 130** |
| Current | **-** | **117 537** | **7 562** | **-** | **-** | **-** | **125 099** |
| | **61 124** | **117 537** | **137 382** | **70 277** | **-** | **52 909** | **439 229** |

[1] *Other includes the Other receivable from ABI and the loans to joint ventures.*

During the 29 February 2020 financial year, the Group, acting through its wholly owned subsidiary Raubex Roads and Earthworks Holdings Proprietary Limited (the "Seller"), entered into an agreement of sale on 27 February 2020, with Acorn Black Investments Proprietary Limited, acting through its wholly owned subsidiary, ABI 2 Proprietary Limited (the "Purchaser" or "ABI"), for the sale of 100% of the shares and loan claims the Seller holds in RPI (the "Transaction").

RPI owns a property portfolio which includes both commercial properties and residential units which were independently valued at R383 million (the "Properties"). RPI leases the Properties to the Raubex Group as well as certain third parties on a market related triple net lease basis. The Properties are considered to be non-core assets of the Group and the Group has entered into a 12-year, triple net lease with ABI based on an 8.75% yield. ABI is a South African based Black Women Owned Private Equity Investment company.

### 20. Other financial assets (continued)

The Transaction constitutes a Qualifying Transaction as contemplated under Statement 102 of the of Broad-Based Black Economic Empowerment Codes. The Transaction was effected through the sale of 100% of the issued shares ("Sale Shares") and loan claims (“Loan Claims”) in RPI, by the Seller, which owns and operates the RPI Business, to the Purchaser.

The Purchase Price payable for the Sale Shares and Loan Claims was R383 million which consists of the following:
- R187 million was payable on the closing date, once all the necessary security was in place, including registration of first covering mortgage bonds over the properties in the portfolio;
- R81.4 million consists of a vendor loan which is repayable within 5 years bearing interest at 9.82% per annum; and
- R114.6 million consists of an equity preference share investment in ABI at zero coupon and redeemable at the election of ABI within 10 years through the payment of a preference share dividend of R114.6 million (114.6 million shares).

The financial assets are classified as follows:

*Preference shares*
The preference shares are redeemable at the election of ABI on payment of a R1 preferential dividend per share which is required to be paid within 10 years of the subscription date. The preference dividends shall accrue interest at a zero rate, with the exception only of default interest which shall accrue upon the issuer failing to declare all preference dividends within the stipulated 10 year period. Thereafter any outstanding preference dividends will bear interest at the prime rate, calculated from the day immediately following the due date for payment until the date of payment.

The preference shares were discounted on subscription date to fair value using a rate 10.82% being the similar lending rate applicable to the Group on a similar transaction, plus a 1% risk premium for the private nature of the equity investment. The maximum 10 years available to the issuer was used as the investment term. No default interest has been included in the fair value of the preference shares as the occurrence of default on the preferential dividends is deemed to be highly unlikely at year end.

*Vendor loan*
The vendor loan of R81.4 million is repayable within 5 years, and bears interest at 9.82% per annum.

*Other - Other receivable from ABI*
The R187 million receivable from ABI was payable on closing date, once all the necessary security was in place, including registration of first covering mortgage bonds over the properties in the portfolio.

During the 2021 financial year R180.1 million was received, while R7.0 million remains outstanding due to the pending registration of one of the final properties.

*Other - Loans to Associates and Joint Ventures*

| | Facility Limit R'000 | Rate % | 2024 R'000 | 2023 R'000 |
|---|---|---|---|---|
| Voliere (note 14 - Joint Venture) | **66 730** | Prime + 2% | **11 451** | 64 536 |
| Ndlu (note 14 - Joint Venture) | **38 000** | Prime | **-** | 11 695 |
| Lufhereng (note 14 - Associate) | **n/a** | Prime + 2% | **19 512** | - |
| | | | **30 963** | 76 231 |

The loan to Voliere is in the form of a development revolving credit facility, which has been made available for the development of the Voliere Estate in Stellenbosch with draw downs being done monthly based on certified progress certificates. The Group provides development bridging finance to Ndlu and Lufhereng in the form of a rolling overdraft facility.

*Shareholders' loan*
The shareholders' loan receivable from Zimborders Mauritius Limited is unsecured and bears interest at 13% nacq (nominal annual compound quarterly). The loan is denominated in US dollars and has been pledged as security to the senior lender Group responsible for financing the construction phase of the Zimborders project. Subject to the financing agreements and any statutory requirements of Zimborders Mauritius, the shareholders' loan will be repaid over the duration of the concession period. The shareholders' loan was received in settlement of prior works that were executed on the Zimborders contract prior to the financial close of the project to the value of $3.5 million.

*Equity investments*

Summary of equity investments held by the Group:

| | % held | FV Inputs | 2024 R'000 | 2023 R'000 |
|---|---|---|---|---|
| Vanadium Resources Limited ("VR8") | 9.56% | ASX Listed price - level 1 | **21 056** | **32 924** |
| Arcadia Minerals Limited ("Arcadia") | 27.73% | ASX Listed price - level 1 | **31 424** | **70 591** |
| Leeuwpoort Developments (Pty) Ltd ("Leeuwpoort") | 50% | NAV[1] - Level 3 | **429** | **429** |
| | | | **52 909** | **103 944** |

[1] NAV - Net asset value of Leeuwpoort Developments (Pty) Ltd

Neither control nor significant influence in terms of IAS 28 has been met for the above mentioned equity investments.

**20. Other financial assets (continued)**
*Equity investments (continued)*

*Arcadia*
Although the Group effectively holds more than 20% of the shares in Arcadia, the Group has determined that it essentially does not have the ability to vote on the financial and operating policies of Arcadia based on the following:
- There is an individual currently representing the Group as a director of Arcadia, however he was not appointed due to voting rights but rather due to business development knowledge and experience and his association as an employee to the Group;
- The Group has no influence or guarantee to keep him on the board or appoint another director in his place should he resign or be removed, and will lose access to board information and decision making; and
- The Group cannot force or direct the individual to vote in the interest of Raubex Group.

Therefore the Group does not have significant influence over Arcadia.

*Leeuwpoort*
During the prior year, the Group, through its subsidiary Raubex Building, acquired 50% shareholding in Leeuwpoort. Leeuwpoort is a land development company which currently holds residential development rights in Ekurhuleni Metro Municipality. As shareholder, the Group's rights are however restricted due to a purchase option that is available to the previous shareholder. The option is exercisable at any time within 3 years and the 3 year period can also be extended if agreed to by all parties.

The share transaction and option agreement were effectively entered into as security over debt owed to the Group by the previous shareholder in Leeuwpoort. In terms of the sale of shares agreement, all benefits as shareholder are to be used to reduce claims owed to the Group by the previous shareholder.

The Group's board and management committee ("Manco") appointment rights have also been limited as the Group needs to appoint representation of the previous shareholder as part of their allotted quota. Effectively watering down the Group influence at both the board and Manco levels.

Furthermore, Leeuwpoort has been set up as a special purpose entity, so any oversight of the entities operations via the board or Manco are restricted to the original purpose and effectively cannot be influenced or changed in anyway by the Group's board and Manco representation.

Therefore the Group is deemed not to control or have significant influence over Leeuwpoort.

| **Sensitivity analysis - Equity investments held at FVOCI** | **2024** | **2023** |
|---|---|---|
| *Total impact on equity - Other components of equity:* | **R'000** | **R'000** |
| 10% increase in share price listed on the ASX/Leeuwpoort NAV | **5 291** | 10 394 |
| 10% decrease in share price listed on the ASX/Leeuwpoort NAV | **(5 291)** | (10 394) |

Equity of the Group would increase/decrease with the corresponding investment's fair value gains/losses.

*Foreign exchange contract*
A foreign exchange contract was taken out by the Group during the 2022 financial year in order to protect against any significant strengthening of the Rand against the United States Dollar ("USD"). The contract involves the monthly settlement of specified amounts of USD over a 20 month period from November 2021 to July 2023. Each specified settlement date has a guaranteed floor rate of R15.00 ("call"), which is triggered if exchange rate is below the floor price) and a specified capped rate ("Put") which is triggered if the exchange rate is higher than the capped rate. The capped rate ranges from R16.07 to R18.82. The contract is structured that either a call or put is triggered at settlement date. Should the rate be within the put and call rates on settlement date, the required USD is exchanged at the prevalent exchange rate. The contract only allows for a 20% participation in rand weakness if on settlement date the exchange rate is beyond the capped rate.

The mark to market valuation provided by the contracting party was used as the fair value of the financial assets (call positions) and financial liabilities (put positions) outstanding at the end of the year. The fair value of the outstanding positions is determined using the Black-Scholes model. The total outstanding USD settlements together with the observable inputs requiring some adjustment with regards to the valuation are as follows:

| | | | **Observable inputs with adjustments** | | **Fair value at year end** | |
|---|---|---|---|---|---|---|
| | **Exposure remaining at year end (USD'000)** | **Strike price range (R)** | **Spot exchange rate (R)** | **Forward exchange rate range (R)** | **Current (R'000)** | **Non-current (R'000)** |
| Total call positions - financial assets | **21 777** | **15.00** | **18.41** | **18.45 to 18.63** | **178** | **-** |
| Total put positions - financial liabilities | **17 422** | **18.18 to 18.82** | **18.41** | **18.45 to 18.63** | **(11 481)** | **-** |
| **Net asset at year end - 28 February 2023** | | | | | **(11 303)** | **-** |
| Total call positions - financial assets | - | - | - | - | - | - |
| Total put positions - financial liabilities | - | - | - | - | - | - |
| **Net asset at year end - 29 February 2024** | | | | | - | - |

*The forward exchange contract expired during the current financial year.*

### 20. Other financial assets (continued)

*Foreign exchange contract (continues)*

| | USD Amount | | Average exchange rate | | ZAR Amount | |
|---|---|---|---|---|---|---|
| | **2024** | **2023** | **2024** | **2023** | **2024** | **2023** |
| Foreign exchange contracts settled during the year | **11 271** | 37 822 | **17.97** | 16.41 | **202 489** | 620 588 |

**Sensitivity Analysis - Significant unobservable inputs (Level 3)**

Below is a sensitivity analysis with regards to the significant unobservable inputs, used to calculate the at acquisition fair value ("FV") of the other financial assets held at fair value through profit and loss:

| | Discount rate used to establish FV at acquisition date % | Effect on equity and profit /(loss) if discount rate was 2.5% higher at acquisition date R'000 | Effect on equity and profit /(loss) if discount rate was 2.5% lower at acquisition date R'000 |
|---|---|---|---|
| Preference shares | **10.82%** | **(8 204)** | **10 516** |

### 21. Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost, any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the statement of profit or loss over the period of the borrowings using the effective interest method.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

Instalment sales agreements where the Group is the borrower are recognised as assets and liabilities in the statement of financial position at the agreement's commencement at the amounts equal to the fair value of the property, plant and equipment or, if lower, the present value of the minimum instalments. The bank borrowings consist of mortgage loans and instalment sale agreements.

The discount rate used in calculating the present value of the minimum instalments is the interest rate implicit in the agreement.

The instalments are apportioned between the finance charge and reduction of the outstanding liability. The finance charge is allocated to each period during the agreement term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

### 21. Borrowings (continued)

| | 2024 R'000 | 2023 R'000 |
|---|---|---|
| *Non-current* | | |
| Bank borrowings | **1 061 912** | 684 125 |
| Total non-current borrowings | **1 061 912** | 684 125 |
| *Current* | | |
| Bank borrowings | **653 826** | 527 757 |
| Loans from related parties (note 41) | - | 2 580 |
| Bank overdrafts | - | 2 |
| Total current borrowings | **653 826** | 530 339 |
| Total borrowings | **1 715 738** | 1 214 464 |

**Bank borrowings**

The bank borrowings are secured by hypothec over vehicles and plant and machinery with a book value of R2 183.0 million (2023: R1 250.4 million) and repayable in monthly instalments of R57.6 million (2023: R41.9 million) with an effective interest rate ranging between 5.08% and 13.25% per annum (2023: 4.25% and 9.25%). These bank borrowings mature September 2027.

Mortgage bonds to the value of R94.6 million (2023: R27.8 million) are registered over property with a carrying value of R58.0 million (2023: R55.3 million) and inventory with a net realisable value of R309.6 million (2023: R0.0 million) as security for borrowings and asset finance facilities.

In addition, the Group has unutilised facilities for asset backed finance of R272.8 million (2023: R719.6 million). The facilities are subject to annual review.

| Gross future minimum payments on bank borrowings are as follows: | 2024 R'000 | 2023 R'000 |
|---|---|---|
| No later than 1 year | **811 134** | 641 563 |
| Later than 1 year and no later than 5 years | **1 171 401** | 706 449 |
| | **1 982 535** | 1 348 012 |
| Future finance charges on bank borrowings | **(266 797)** | (136 128) |
| Present value of bank borrowings | **1 715 738** | 1 211 884 |

The current banking facilities are subjected to a number of debt covenants which have been calculated in note 9 – capital risk management.

**Loans from related parties**

The Independent Family Trust loan of R2.6 million was unsecured, interest free and had no fixed terms of repayment. This was repaid during the current financial year.

| Gross future minimum payments on loans from related parties are as follows: | 2024 R'000 | 2023 R'000 |
|---|---|---|
| No later than 1 year | **-** | 2 580 |
| Later than 1 year and no later than 5 years | **-** | - |
| | **-** | 2 580 |
| Future finance charges on loans from related parties | **-** | - |
| Present value of loans from related parties | **-** | 2 580 |

## 22. Provisions for liabilities and charges

Provisions are recognised when:
- the Group has a present, legal or constructive obligation as a result of a past event;
- it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and
- a reliable estimate can be made of the obligation.

Provisions are not recognised for future operating losses.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to the passage of time is recognised as interest expense.

The provisions are made up as follows:

| | Materials provision R'000 | Rehabilitation provision R'000 | Legal provision R'000 | Restructuring provision R'000 | Post-employment benefits R'000 | Total R'000 |
|---|---|---|---|---|---|---|
| **At 1 March 2022** | 2 788 | 132 738 | - | - | 2 362 | 137 888 |
| Acquisition of subsidiaries | - | 3 339 | - | - | - | 3 339 |
| Exchange differences | - | (40) | - | - | - | (40) |
| *Charged to statement of profit or loss:* | | | | | | |
| - Additional provision | 4 225 | 11 367 | 2 657 | 8 900 | - | 27 149 |
| - Unwinding of discount (note 35) | - | 3 985 | - | - | - | 3 985 |
| - Provisions utilised | - | (8 864) | - | - | - | (8 864) |
| - Current service cost | - | - | - | - | 28 | 28 |
| - Interest expense | - | - | - | - | 279 | 279 |
| - Expected employer benefit payments | - | - | - | - | (113) | (113) |
| Actuarial gain for the year | - | - | - | - | (500) | (500) |
| **At 28 February 2023** | 7 013 | 142 525 | 2 657 | 8 900 | 2 056 | 163 151 |
| Exchange differences | **-** | **29** | **-** | **-** | **-** | **29** |
| *Charged to statement of profit or loss:* | | | | | | |
| - Additional provision | **40 300** | **74 589** | **-** | **5 850** | **-** | **120 739** |
| - Unwinding of discount (note 35) | **-** | **6 657** | **-** | **-** | **-** | **6 657** |
| - Provisions utilised | **(3 623)** | **(3 540)** | **(2 657)** | **(8 900)** | **-** | **(18 720)** |
| - Current service cost | **-** | **-** | **-** | **-** | **24** | **24** |
| - Interest expense | **-** | **-** | **-** | **-** | **259** | **259** |
| - Expected employer benefit payments | **-** | **-** | **-** | **-** | **(121)** | **(121)** |
| Actuarial gain for the year | **-** | **-** | **-** | **-** | **(194)** | **(194)** |
| **At 29 February 2024** | **43 690** | **220 260** | **-** | **5 850** | **2 024** | **271 824** |

| **Analysis of total provisions:** | **2024 R'000** | **2023 R'000** |
|---|---|---|
| **Non-current** | | |
| Rehabilitation provision | **219 805** | 133 025 |
| Post-employment benefits | **1 900** | 1 940 |
| Total non-current provisions | **221 705** | 134 965 |
| **Current** | | |
| Rehabilitation provision | **455** | 9 500 |
| Materials provision | **43 690** | 7 013 |
| Legal provision | **-** | 2 657 |
| Restructuring provision | **5 850** | 8 900 |
| Post-employment benefits | **124** | 116 |
| Total current provisions | **50 119** | 28 186 |
| **Total provisions** | **271 824** | 163 151 |

Additional provisions to the value of R63.3 million (2023: 4.3 million) relating to the rehabilitation required at the Kookfontein and Moeijelijk operations were capitalised to property, plant and equipment (note 10) during the year.

The rest of the additional provisions have been included in other operating expenses in the statement of profit or loss (refer to note 33).

### 22. Provisions for liabilities and charges (continued)

**Rehabilitation provision:**

Estimated long-term environmental obligations, comprising rehabilitation, are based on the Group's environmental management plans in compliance with current technological, environmental and regulatory requirements.

In terms of Section 41 (3) of the Mineral and Petroleum Resources Development Act, the holder of a mining right must annually assess their environmental liability with regards to the site over which the right is held and increase their financial provision to the satisfaction of the minister. The Group's rehabilitation provisions are assessed annually and calculations are based on guidelines set out by the Department of Mineral Resources. The provision is measured at the present value of the expected future cash flows that will be required to rehabilitate the site to the standard required by the Department of Mineral Resources.

The rehabilitation provision consists of amounts accrued to rehabilitate environments disturbed over the life of the Group's quarries and mines. The provisions have been determined based on assessments and estimates by management and external consultants to reflect the estimated current cost of the rehabilitation.

A risk free rate of 8.15% (2023: 7.15%) and an average inflation rate of 5.72% (2023: 7.05%) were used in the calculation of the estimated net present value of the rehabilitation provision. Actual results could differ from estimates and there is no certainty as to the timing of the cash flows relating to these provisions.

The rehabilitation provisions are secured by financial institution backed guarantees issued to the Department of Mineral Resources to the amount of R212.4 million (2023: R160.3 million).

Below is a sensitivity analysis with regards to the discount rate used to calculate the present value of expected expenditure ("PV") of the rehabilitation provisions:

| | Discount rate used to establish PV 2024 % | Discount rate used to establish PV 2023 % | Effect on PV, if discount rate was 2.5% higher 2024 R'000 | Effect on PV, if discount rate was 2.5% higher 2023 R'000 | Effect on PV, if discount rate was 2.5% lower 2024 R'000 | Effect on PV, if discount rate was 2.5% lower 2023 R'000 |
|---|---|---|---|---|---|---|
| Rehabilitation provision | **8.15%** | 7.15% | **(15 194)** | (4 041) | **20 153** | 6 971 |

**Post-employment benefits:**

One of the subsidiaries in the Group i.e. Tosas (Pty) Ltd provides post-retirement healthcare benefits to certain of their retirees, employed prior to 1 January 1998 who retire and satisfy the necessary requirements of the medical fund. The expected costs of these benefits are accrued over the period of employment using the same accounting methodology as used for defined benefit pension plans. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in other comprehensive income in the period in which they arise. These obligations are valued annually by independent qualified actuaries.

### 23. Other financial liabilities

Other financial liabilities consist of the following:
- Contingent considerations (Financial liabilities at fair value through profit and loss); and
- Voluntary rebuilding programme settlement liability (Financial liability held at amortised cost).
- Foreign currency options (Financial liability held at fair value through profit and loss)

Contingent considerations have originated from the acquisition of business combinations. Additional contingent considerations are payable by the Group dependant on the acquired company's earnings over a period in the future. Contingent considerations are recognised initially at fair value. When the financial liability is recognised initially, its fair value is included in the consideration transferred by the Group in the business combination. Subsequently, the contingent consideration is measured at fair value. Gains and losses arising from changes in the fair value of the liability are included in profit or loss.

| | Contingent considerations R'000 | Voluntary rebuilding programme R'000 | Foreign exchange contracts R'000 | Total R'000 |
|---|---|---|---|---|
| **At 1 March 2022** | 22 742 | 71 270 | 16 806 | 110 818 |
| - Exchange differences | 652 | - | - | 652 |
| *Charged to statement of profit or loss:* | | | | |
| - Unwinding of discount (note 35) | - | 5 520 | - | 5 520 |
| - Fair value adjustments (note 32) | (1 709) | - | (5 325) | (7 034) |
| *Settlement of financial liabilities:* | | | | |
| - Contingent considerations | (12 282) | - | - | (12 282) |
| - Voluntary Rebuilding Programme Settlement | - | (15 000) | - | (15 000) |
| **At 28 February 2023** | 9 403 | 61 790 | 11 481 | 82 674 |
| Non-current | 9 403 | 46 790 | - | 56 193 |
| Current | - | 15 000 | 11 481 | 26 481 |
| | 9 403 | 61 790 | 11 481 | 82 674 |
| **At 1 March 2023** | **9 403** | **61 790** | **11 481** | **82 674** |
| *Charged to statement of profit or loss:* | | | | |
| - Unwinding of discount (note 35) | **-** | **4 680** | **-** | **4 680** |
| - Fair value adjustments (note 32) | **(9 403)** | **-** | **(11 481)** | **(20 884)** |
| *Settlement of financial liabilities:* | | | | |
| - Voluntary Rebuilding Programme Settlement | **-** | **(15 000)** | **-** | **(15 000)** |
| **At 29 February 2024** | **-** | **51 470** | **-** | **51 470** |
| Non-current | **-** | **36 470** | **-** | **36 470** |
| Current | **-** | **15 000** | **-** | **15 000** |
| | **-** | **51 470** | **-** | **51 470** |

**Sensitivity Analysis - Significant unobservable inputs (Level 3)**

Below is a sensitivity analysis with regards to the discount rate used to calculate the at acquisition fair value ("FV") of the other financial liabilities held at fair value through profit and loss:

| | Discount rate used to establish FV 2024 % | Discount rate used to establish FV 2023 % | Effect on FV, if discount rate was 2.5% higher 2024 R'000 | Effect on FV, if discount rate was 2.5% higher 2023 R'000 | Effect on FV, if discount rate was 2.5% lower 2024 R'000 | Effect on FV, if discount rate was 2.5% lower 2023 R'000 |
|---|---|---|---|---|---|---|
| Transkei – Contingent Consideration | - | 6.90% | - | (397) | - | 426 |

Refer to the transaction descriptions below for further details relating to the other unobservable inputs inherent in the financial liabilities held at fair value through profit and loss.

### 23. Other financial liabilities (continued)

**Metadynamics (Pty) Ltd ("Metadynamics") – Contingent Consideration**

The contingent consideration arrangement requires the Group to pay, in cash, to the former owners, an additional amount limited to a maximum undiscounted amount of R59.15 million based on the average profit after tax achieved over the 4 year period from 1 March 2018 to 28 February 2022.

The contingent consideration was settled on 2 June 2022 for a value of R5.5 million.

**Transkei Quarries (Pty) Ltd ("Transkei") – Contingent Consideration**

The contingent consideration arrangement requires the Group to pay, in cash, to the former owners, an additional amount, based on Transkei's enterprise value exceeding R100 million over a 4 year measurement period. The maximum amount payable is limited to R19.6 million based on a limited enterprise value of R140 million. The measurement period was subsequently amended to 1 March 2019 to 29 February 2024.

The contingent consideration was derecognised during the year due to the fact that the above conditions were not met.

**Westforce Construction (Pty) Ltd ("Westforce") – Contingent Consideration**

The Group entered into a contingent consideration arrangement as part of the 10% share transaction entered into with a non-controlling shareholder in 2022. The contingent consideration arrangement requires the Group to pay, in cash, to the former owner, an additional amount, based on Westforce's average profit after tax over the 3 year period from 1 March 2019 to 28 February 2022. Based on this the Group was required to pay the previous owner an additional AUD 0.6 million in the prior financial year.

The contingent consideration was settled on 5 July 2022.

**Voluntary rebuilding programme settlement liability**

The Group entered into a settlement agreement with the government of the Republic of South Africa (the Government) on 11 October 2016, together with other construction companies, in an effort to address the construction companies' exposure to potential claims for damages from certain identified public entities arising primarily from the fast track settlement process launched by the South African Competition Authorities in February 2011, as well as to significantly advance the transformation of the South African construction sector.

The settlement agreement stipulates that over a 12 year period, from the effective date, the Group will be required to make an annual payment of R15 million into a fund which will be used to implement initiatives that will develop and enhance the construction industry, in conformity with the Government's transformation objectives and promote the development of emerging contractors and suppliers in South Africa.

As a result, any claims or potential claims for damages that certain, identified public entities have made, or may be entitled to make, against the Group in relation to projects primarily arising from the Fast Track Settlement Process, will be settled.

The settlement liability is held at amortised cost and has been discounted at the incremental borrowing rate of 8.6%.

The Group has 4 payments remaining, which are to be settled on 1 July each year.

| | 2024<br>R'000 | 2023<br>R'000 |
|---|---|---|
| Voluntary rebuilding programme | **60 000** | 75 000 |

**Foreign exchange contract**

Refer to description in note 20.

### 24. Trade and other payables

Trade and other payables are liabilities to pay for goods or services that have been received or supplied and have been invoiced or formally agreed with the supplier. Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method. The obligation arising is expected to be settled within 12 months of the reporting date.

| | 2024<br>R'000 | 2023<br>R'000 |
|---|---|---|
| Trade payables | **1 383 912** | 1 092 300 |
| Payables due to joint operations (other operator) | **176** | 1 465 |
| Payables due to related parties (note 41) | **17 717** | 53 932 |
| Loans from joint operations | **1 422** | 12 683 |
| Loans from related parties (note 41) | **10 923** | 100 |
| Value-added taxation | **104 584** | 109 765 |
| Employee accruals | **514 139** | 433 443 |
| Accruals and other payables | **805 984** | 942 030 |
| Total trade and other payables | **2 838 857** | 2 645 718 |

The loans from related parties and joint operations are unsecured, interest free and have no fixed terms of repayment.

### 25. Deferred income tax

Deferred income tax is recognised on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax liabilities are not recognised on the initial recognition of goodwill.

Deferred income tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised. A deferred tax asset is recognised for the carry forward of unused tax losses to the extent that it is probable that future taxable profit will be available against which the unused tax losses can be utilised.

The Group assesses the underlying economic circumstances of all deferred tax assets recognised on tax losses in order to ensure that future taxable profits are probable.

Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the reporting date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax is provided for on temporary differences arising on investments in subsidiaries and associates, except for deferred income tax liability where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes, assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

Deferred income tax assets are recognised on deductible temporary differences arising from investments in subsidiaries, associates and joint arrangements only to the extent that it is probable the temporary difference will reverse in the future and there is sufficient taxable profit available against which the temporary differences can be utilised. Generally the Group is unable to control the reversal of the temporary difference for associates.

### 25. Deferred income tax (continued)

| | 2024 R'000 | 2023 R'000 |
|---|---|---|
| **Deferred tax assets** | | |
| Non-current | **(205 182)** | (171 216) |
| **Deferred tax liabilities** | | |
| Non-current | **424 781** | 317 181 |
| **Deferred tax liabilities (net)** | **219 599** | 145 965 |

A net deferred tax liability amount of R4.9 million (2023: R48.8 million net liability) is expected to be reversed over the next 12 months.

The gross movement on the deferred income tax account is as follows:

| | 2024 R'000 | 2023 R'000 |
|---|---|---|
| **Balance at the beginning of the year** | **145 965** | 132 656 |
| Exchange differences | **(111)** | 970 |
| Acquisition of subsidiary | **40** | 10 045 |
| Change in tax rate | **(219)** | (3 409) |
| Charged to statement of profit or loss | **80 150** | 3 887 |
| Charged to comprehensive income | **(6 226)** | 1 816 |
| **Balance at year end** | **219 599** | 145 965 |

The movement in deferred income tax assets and liabilities during the year, without taking into consideration the offsetting of balances within the same tax jurisdiction, is as follows:

| Deferred tax liabilities | Accelerated depreciation R'000 | Construction contracts R'000 | Right of use assets R'000[3] | Other R'000[3] | Total R'000 |
|---|---|---|---|---|---|
| **At 1 March 2022** | 536 033 | (1 616) | 85 783 | 10 007 | 630 207 |
| Exchange differences | 1 482 | - | - | - | 1 482 |
| Change in tax rate[1] | (18 073) | (2 531) | (3 322) | - | (23 926) |
| Charged to statement of profit or loss | 32 750 | 71 230 | 8 147 | - | 112 127 |
| Charged to comprehensive income | - | - | - | 1 730 | 1 730 |
| Acquisition of subsidiaries | 11 856 | 6 | - | - | 11 862 |
| **At 28 February 2023** | 564 048 | 67 089 | 90 608 | 11 737 | 733 482 |
| Exchange differences | **326** | **-** | **-** | **-** | **326** |
| Change in tax rate[2] | **(1 368)** | **(124)** | **-** | **-** | **(1 492)** |
| Charged to statement of profit or loss | **124 409** | **42 490** | **(13 900)** | **-** | **152 999** |
| Charged to comprehensive income | **-** | **-** | **-** | **(6 235)** | **(6 235)** |
| Acquisition of subsidiaries | **-** | **53** | **-** | **-** | **53** |
| **At 29 February 2024** | **687 415** | **109 508** | **76 708** | **5 502** | **879 133** |

| Deferred tax assets | Provisions R'000 | Tax losses R'000 | Lease liabilities R'000[3] | Other R'000[3] | Total R'000 |
|---|---|---|---|---|---|
| **At 1 March 2022** | (142 278) | (140 424) | (105 568) | (109 281) | (497 551) |
| Exchange differences | 217 | (709) | - | (20) | (512) |
| Change in tax rate[1] | 8 367 | 4 403 | 4 035 | 3 712 | 20 517 |
| Charged to statement of profit or loss | (104 604) | 153 | (7 739) | 3 950 | (108 240) |
| Charged to comprehensive income | 86 | - | - | - | 86 |
| Acquisition of subsidiaries | (1 127) | (690) | - | - | (1 817) |
| **At 28 February 2023** | (239 339) | (137 267) | (109 272) | (101 639) | (587 517) |
| Exchange differences | **(44)** | **-** | **-** | **(393)** | **(437)** |
| Change in tax rate[2] | **325** | **948** | **-** | **-** | **1 273** |
| Charged to statement of profit or loss | **(67 931)** | **(17 040)** | **11 285** | **837** | **(72 849)** |
| Charged to comprehensive income | **9** | **-** | **-** | **-** | **9** |
| Acquisition of subsidiaries | **(13)** | **-** | **-** | **-** | **(13)** |
| **At 29 February 2024** | **(306 993)** | **(153 359)** | **(97 987)** | **(101 195)** | **(659 534)** |

1 *Change in tax rate in the prior year relates to the enacted change in the tax rate of South Africa. The tax rate changed from 28% to 27% effective 1 March 2023.*

2 *Change in tax rate in the current year relates to the enacted change in the tax rate for non-mining companies in Namibia. The tax rate will change from 32% to 31% effective 1 March 2024.*

3 *The prior year disclosures have been restated to reflect the amendments to IAS 12: Income taxes, that relates to deferred tax assets and liabilities from a single transaction. The amendments to paragraph 15 (b)(iii), 22, 24 and addition of paragraph 22A requires that the deferred tax assets with regards to the Group's lease liabilities and the deferred tax liabilities with regards to Group's right-of-use assets be disclosed separately. This disclosure restatement has no impact on profit or loss, equity or statement of financial position.*

Deferred income tax assets are recognised for tax loss carry-forwards to the extent that the realisation of the related tax benefit through taxable profits is probable. During the current year, deferred income tax assets to the value R3.6 million (2023: R4.5 million) in respect of tax losses carried forward were not recognised in the Group at year end due to the uncertainty pertaining to future taxable profits.

### 26. Share capital and premium

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares are shown in equity as part of other reserves.

| | Number of shares issued '000 | Ordinary shares R'000 | Share premium R'000 | Total R'000 |
|---|---|---|---|---|
| **At 1 March 2022** | 181 750 | 1 817 | 2 059 688 | 2 061 505 |
| **At 28 February 2023** | 181 750 | 1 817 | 2 059 688 | 2 061 505 |
| **At 29 February 2024** | **181 750** | **1 817** | **2 059 688** | **2 061 505** |

No new shares were issued during the year (2023: nil).

The total authorised number of ordinary shares is 500 million shares (2023: 500 million) with a par value of 1 cent per share (2023: 1 cent per share). All issued shares are fully paid.

### 27. Treasury shares

Where any Group company acquires its own equity instruments (treasury shares), the consideration paid, including any directly attributable incremental cost (net of income taxes) is deducted from equity attributable to the Group's equity holders until the shares are cancelled or reissued. Where such shares are subsequently reissued, any consideration received (net of any directly attributable incremental transaction costs and the related income tax effects) is included in equity attributable to the Group's equity holders. Any difference between the carrying amount and the consideration received, if reissued, is recognised in equity attributable to the company's equity shareholders. Dividends received on treasury shares are eliminated on consolidation. The cost of treasury shares held is determined using the weighted average cost basis.

| | 2024 R'000 | 2023 R'000 |
|---|---|---|
| Treasury shares held by Raubex (Pty) Ltd | **62 953** | 78 801 |
| **Total** | **62 953** | 78 801 |

Treasury shares are shares in Raubex Group Limited that are held by Group companies. During the current year 502 788 (2023: 1 083 731 ) treasury shares were transferred to employees in terms of the equity settled performance share scheme that vested on 1 August 2023 (2023: 1 August 2022), refer to note 39 for further details.

The weighted average share price of the remaining treasury shares held at year end is R31.52 (2023: R31.52)

| **Analysis of movement in treasury shares:** | Number of shares | Value R'000 |
|---|---|---|
| **At 28 February 2022** | 1 699 183 | 47 077 |
| Treasury shares used in settlement of performance share options | (1 083 731) | (30 026) |
| Treasury shares acquired by Raubex (Pty) Ltd | 1 884 548 | 61 750 |
| **At 28 February 2023** | 2 500 000 | 78 801 |
| Treasury shares used in settlement of performance share options | **(502 788)** | **(15 848)** |
| **At 29 February 2024** | **1 997 212** | **62 953** |

## Notes to the Group Financial Statements (continued)

**28. Other reserves**

| | Foreign currency translation reserve R'000 | Fair value adjustments on financial assets held at FVOCI R'000 | Equity settled share based payment R'000 | Common control reserve R'000 | Total R'000 |
|---|---|---|---|---|---|
| **At 1 March 2022** | 29 299 | 15 274 | 34 711 | (1 175 298) | (1 096 014) |
| Translation difference of foreign subsidiaries | 50 940 | - | - | - | 50 940 |
| Non-controlling interests' portion of translation difference of foreign subsidiaries | (10 599) | - | - | - | (10 599) |
| Change in fair value of investments held at FV through OCI | - | 58 540 | - | - | 58 540 |
| Performance shares granted to employees (refer note 39) | - | - | 5 741 | - | 5 741 |
| Performance shares vested during the year (refer note 39) | - | - | (16 317) | - | (16 317) |
| **At 28 February 2023** | 69 640 | 73 814 | 24 135 | (1 175 298) | (1 007 709) |
| Translation difference of foreign subsidiaries | **(7 027)** | **-** | **-** | **-** | **(7 027)** |
| Non-controlling interests' portion of translation difference of foreign subsidiaries | **230** | **-** | **-** | **-** | **230** |
| Change in fair value of investments held at FV through OCI | **-** | **(49 694)** | **-** | **-** | **(49 694)** |
| Performance shares granted to employees (refer note 39) | **-** | **-** | **11 279** | **-** | **11 279** |
| Performance shares vested during the year (refer note 39) | **-** | **-** | **(10 272)** | **-** | **(10 272)** |
| **At 29 February 2024** | **62 843** | **24 120** | **25 142** | **(1 175 298)** | **(1 063 193)** |

Raubex Group Limited listed on the Johannesburg Stock Exchange (JSE) on 20 March 2007. Upon listing Raubex Group Limited acquired 100% of the share capital of Raubex (Pty) Ltd and the non-controlling interests of underlying subsidiary companies in a common control transaction. This transaction gave rise to the common control reserve disclosed above.

**29. Non-controlling interest**

| | 2024 R'000 | 2023 R'000 |
|---|---|---|
| Balance at the beginning of the year | **504 985** | 425 161 |
| Profit attributable to non-controlling interest | **226 354** | 154 290 |
| FCTR attributable to non-controlling interest | **(230)** | 10 599 |
| Non-controlling interest arising on business combination | **(537)** | 19 238 |
| Acquisition of shares from non-controlling interest | **(5 747)** | (96 678) |
| Disposal of shares to non-controlling interest | **6 674** | 40 861 |
| Share buy-back from non-controlling shareholders of subsidiary | **-** | (7 123) |
| Additional shares issued by subsidiary/Rights offer by subsidiary | **34 548** | 11 058 |
| Dividends paid to non-controlling interest | **(64 851)** | (52 421) |
| **Balance at the end of the year** | **701 196** | 504 985 |

Refer to note 45 for a breakdown of non-controlling interest percentages per subsidiary.

### 30. Revenue

Revenue is recognised at the amount that reflects the consideration to which the Group expects to be entitled for transferring goods or services to its customers based on the satisfaction of performance obligations, either over time or at a point in time, in the normal course of business. Revenue is recognised net of value added tax and inter-company revenues are eliminated on consolidation.

Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties.

Although in most instances contracts are expected to last more than 12 months, the terms granted to customers facilitate the preparation of payments and the Group does not normally expect to have any contracts where the period between the transfer of the goods or services to the customer and payment by the customer exceed one year. The Group has applied the 12 month financing practical expedient in terms of IFRS 15 where applicable. For all other circumstances where the period exceeds one year, the Group recognises the significant financing component applicable to contract as part of finance cost, refer to note 35.

*Contract assets and liabilities*

Contract assets and liabilities arise due to a number of different factors during the execution of contracts with customers. Contract assets represent the Group's right to consideration for services provided to customers but which have not yet been certified or invoiced. Contract liabilities arise where payment is received prior to work being completed. Refer to note 17, contract assets and liabilities, for further details in this regard.

Revenue is recognised from the Group's activities, as described below:

*Contracting revenue*
The Group recognises revenue over time by measuring the progress towards the satisfaction of performance obligations stipulated in its contracts with customers for the construction of assets. Progress is measured using the costs incurred to date over the total estimated construction cost of the contract. Refer to note 17 for further guidance.

*Commercial quarry aggregates and gypsum revenue*
The Group recognises revenue at a point in time, being when the customer takes possession of the goods.

*Sale of ore*
The Group recognises revenue at a point in time, being when the customer takes possession of the ore. The amount of revenue recognised is based on the price included in the agreement. Depending on contractual terms a portion of the transaction price is fixed and another portion may vary based on the actual quantity or quality of ore extracted from the material delivered to customers. The portion of the transaction price that may vary dependent on actual quantity or quality of the ore is not deemed to be significant.

*Bitumen and emulsion products*
The Group recognises revenue at a point in time, being when the customer takes possession of the bitumen and emulsion products.

*Asphalt supply revenue*
The Group recognises revenue at a point in time, being when the customer takes possession of the asphalt.

*Property sales, property rentals and development fees*
Revenue from property sales are recognised at a point in time, once legal ownership of the property has transferred to the customer.

Revenue from property rentals and development fees are recognised over time based on the satisfaction of performance obligations stipulated in the contracts with customers. Progress is measured using the costs incurred to date over the total cost of the contract.

**30. Revenue (continued)**

| Revenue generated per activity is as follows: | 2024 R'000 | 2023 R'000 |
|---|---|---|
| **Revenue from contracts with customers** | | |
| ***Recognised over time:*** | | |
| Contracting revenue[1] | **11 931 737** | 11 658 627 |
| Property development fees[2] | **105 670** | 31 609 |
| ***Recognised at a point in time:*** | | |
| Sale of ore | **2 367 974** | 1 359 851 |
| Commercial quarry aggregates and gypsum revenue | **1 509 188** | 998 933 |
| Bitumen and emulsion products | **696 261** | 682 264 |
| Asphalt supply revenue | **757 693** | 550 791 |
| Property sales[2] | **43 227** | 11 963 |
| **Other revenue** | | |
| Property rentals[2] | **13 418** | 13 441 |
| Total revenue | **17 425 168** | 15 307 479 |

1 *Included in contracting revenue for the prior year is a significant financing component to the value of R19.9 million related to the advance received on Zimborders in the 2021 financial year. The advance was fully utilised at the end of the prior reporting period.*

2 *Revenue from property sales, rentals and development fees has been restated in the prior year to better illustrate the amounts recognised in terms of IFRS 15 (property development fees) and that which is recognised in terms of IFRS 16 (property rentals). This has no impact on profit or loss, equity or statement of financial position.*

*Disaggregation of revenue*

| Disaggregation of revenue by activity and segment | Materials Handling & Mining R'000 | Construction Materials R'000 | Roads and earthworks R'000 | Infrastructure R'000 | Consolidated R'000 |
|---|---|---|---|---|---|
| **For the year ended 28 February 2023** | | | | | |
| Contracting revenue | 1 147 042 | 14 789 | 6 037 985 | 4 458 811 | 11 658 627 |
| Sale of ore | 1 359 851 | - | - | - | 1 359 851 |
| Commercial quarry aggregates and gypsum revenue | 369 602 | 629 331 | - | - | 998 933 |
| Bitumen and emulsion products | - | 682 264 | - | - | 682 264 |
| Asphalt supply revenue | - | 550 791 | - | - | 550 791 |
| Property sales, property rentals and development fees | 1 463 | - | - | 55 550 | 57 013 |
| **Total revenue for the year** | 2 877 958 | 1 877 175 | 6 037 985 | 4 514 361 | 15 307 479 |
| **For the year ended 29 February 2024** | | | | | |
| Contracting revenue | **1 099 387** | **7 417** | **5 668 427** | **5 156 506** | **11 931 737** |
| Sale of ore | **2 367 974** | **-** | **-** | **-** | **2 367 974** |
| Commercial quarry aggregates and gypsum revenue | **548 899** | **960 289** | **-** | **-** | **1 509 188** |
| Bitumen and emulsion products | **-** | **696 261** | **-** | **-** | **696 261** |
| Asphalt supply revenue | **-** | **757 693** | **-** | **-** | **757 693** |
| Property sales, property rentals and development fees | **1 679** | **-** | **-** | **160 636** | **162 315** |
| **Total revenue for the year** | **4 017 939** | **2 421 660** | **5 668 427** | **5 317 142** | **17 425 168** |

| Disaggregation of revenue by activity and geography | South Africa R'000 | Rest of Africa R'000 | Australia R'000 | Consolidated R'000 |
|---|---|---|---|---|
| **For the year ended 28 February 2023** | | | | |
| Contracting revenue | 7 391 902 | 1 742 865 | 2 523 860 | 11 658 627 |
| Sale of ore | 905 501 | 93 432 | - | 998 933 |
| Commercial quarry aggregates and gypsum revenue | 1 359 851 | - | - | 1 359 851 |
| Bitumen and emulsion products | 533 287 | 148 977 | - | 682 264 |
| Asphalt supply revenue | 550 636 | 155 | - | 550 791 |
| Property sales, property rentals and development fees | 57 013 | - | - | 57 013 |
| **Total revenue for the year** | 10 798 190 | 1 985 429 | 2 523 860 | 15 307 479 |
| **For the year ended 29 February 2024** | | | | |
| Contracting revenue | **7 945 392** | **666 369** | **3 319 976** | **11 931 737** |
| Sale of ore | **2 367 974** | **-** | **-** | **2 367 974** |
| Commercial quarry aggregates and gypsum revenue | **1 393 039** | **116 149** | **-** | **1 509 188** |
| Bitumen and emulsion products | **511 176** | **185 085** | **-** | **696 261** |
| Asphalt supply revenue | **728 518** | **29 175** | **-** | **757 693** |
| Property sales, property rentals and development fees | **162 315** | **-** | **-** | **162 315** |
| **Total revenue for the year** | **13 108 414** | **996 778** | **3 319 976** | **17 425 168** |

### 30. Revenue (continued)

*Disaggregation of revenue (continued)*

| Disaggregation of revenue by customer sector and segment | Materials Handling & Mining R'000 | Construction Materials R'000 | Roads and earthworks R'000 | Infrastructure R'000 | Consolidated R'000 |
|---|---|---|---|---|---|
| **For the year ended 28 February 2023** | | | | | |
| Public sector | - | 26 109 | 4 549 552 | 974 272 | 5 549 933 |
| Private sector | 2 877 958 | 1 851 066 | 1 488 433 | 3 540 089 | 9 757 546 |
| **Total revenue for the year** | 2 877 958 | 1 877 175 | 6 037 985 | 4 514 361 | 15 307 479 |
| **For the year ended 29 February 2024** | | | | | |
| Public sector | **-** | **53 861** | **4 377 756** | **1 998 108** | **6 429 725** |
| Private sector | **4 017 939** | **2 367 799** | **1 290 671** | **3 319 034** | **10 995 443** |
| **Total revenue for the year** | **4 017 939** | **2 421 660** | **5 668 427** | **5 317 142** | **17 425 168** |

| Disaggregation of revenue by customer sector and geography | South Africa R'000 | Rest of Africa R'000 | Australia R'000 | Consolidated R'000 |
|---|---|---|---|---|
| **For the year ended 28 February 2023** | | | | |
| Public sector | 4 653 052 | 82 732 | 814 149 | 5 549 933 |
| Private sector | 6 145 138 | 1 902 697 | 1 709 711 | 9 757 546 |
| **Total revenue for the year** | 10 798 190 | 1 985 429 | 2 523 860 | 15 307 479 |
| **For the year ended 29 February 2024** | | | | |
| Public sector | **4 537 964** | **306 807** | **1 584 954** | **6 429 725** |
| Private sector | **8 570 450** | **689 971** | **1 735 022** | **10 995 443** |
| **Total revenue for the year** | **13 108 414** | **996 778** | **3 319 976** | **17 425 168** |

### 31. Other income

| | 2024 R'000 | 2023 R'000 |
|---|---|---|
| Income received under finance leases | **516** | 268 |
| Insurance recoveries | **10 011** | 3 375 |
| Interest on accounts receivable[1] | **-** | 7 992 |
| Dividends received from investment in service concession | **6 431** | - |
| Seta recoveries | **4 519** | 2 185 |
| **Total other income** | **21 477** | 13 820 |

[1] *Interest on accounts receivable has been reclassified to finance income for the current financial year to better reflect the nature of the income. This has no impact on profit or loss, equity or statement of financial position.*

### 32. Other gains/(losses)

| | 2024 R'000 | 2023 R'000 |
|---|---|---|
| Profit on sale of property, plant and equipment | **23 292** | 10 103 |
| Gain/(loss) on exchange differences | **13 167** | 70 807 |
| Impairment of goodwill (note 13) | **-** | (13 493) |
| Fair value adjustment on foreign exchange contracts - assets (note 20) | **(178)** | (21 587) |
| Fair value adjustment on foreign exchange contracts - liabilities (note 23) | **11 481** | 5 325 |
| Gain/(loss) on early termination of leases | **167** | (1 261) |
| Loss on termination of finance lease (note 10 and 18) | **-** | (12 013) |
| Gain on fair value adjustments of contingent considerations (note 23) | **9 403** | 1 709 |
| Gain on fair value adjustment of preference shares (note 20) | **5 968** | 5 385 |
| Loss on cession arrangement | **-** | (16 274) |
| Bargain purchase on acquisition of subsidiary (note 6) | **-** | 8 790 |
| Provision for restructuring costs (note 22) | **(5 850)** | (8 900) |
| Total other gains/(losses) | **57 450** | 28 591 |

### 33. Expenses by nature

| | 2024 R'000 | 2023 R'000 |
|---|---|---|
| *Included in cost of sales* | | |
| Changes in inventories | **(218 822)** | (291 830) |
| Subcontractors | **4 761 281** | 4 525 154 |
| Raw materials and consumables | **4 469 377** | 4 040 178 |
| Employee benefit expense (note 38) | **3 260 585** | 2 647 128 |
| Depreciation, impairment and amortisation (note 10, 11, 12 and 13) | **743 750** | 609 049 |
| Short-term, low-value and variable lease payments (note 12) | **68 525** | 78 017 |
| Repairs and maintenance | **709 884** | 546 077 |
| Other operating expenses | **1 149 669** | 1 043 984 |
| **Total cost of sales** | **14 944 249** | 13 197 757 |
| *Included in administrative expenses* | | |
| Employee benefit expense (note 38) | **622 527** | 579 758 |
| Depreciation, impairment and amortisation (note 10, 11, 12 and 13) | **40 759** | 40 145 |
| Short-term, low-value and variable lease payments (note 12) | **5 382** | 6 584 |
| Other operating expenses | **274 033** | 226 442 |
| **Total administrative expenses** | **942 701** | 852 929 |
| Total cost of sales | **14 944 249** | 13 197 757 |
| Total administrative expenses | **942 701** | 852 929 |
| Total cost of sales and administrative expenses | **15 886 950** | 14 050 686 |

| *Operating segment disaggregation* | Materials Handling and Mining R'000 | Construction Materials R'000 | Roads and earthworks R'000 | Infrastructure R'000 | Total R'000 |
|---|---|---|---|---|---|
| **For the year ended 28 February 2023** | | | | | |
| *Included in cost of sales* | | | | | |
| Changes in inventories | (7 262) | 8 639 | (331 980) | 38 773 | (291 830) |
| Subcontractors | 803 444 | 213 245 | 1 304 186 | 2 204 279 | 4 525 154 |
| Raw materials and consumables | 366 485 | 1 619 242 | 1 212 630 | 841 821 | 4 040 178 |
| Employee benefit expense (note 38) | 556 475 | 331 132 | 1 019 268 | 740 253 | 2 647 128 |
| Depreciation, impairment and amortisation (note 10, 11, 12 and 13) | 383 843 | 114 245 | 46 874 | 64 087 | 609 049 |
| Short-term, low-value and variable lease payments (note 12) | 11 387 | 8 282 | 55 460 | 2 888 | 78 017 |
| Repairs and maintenance | 307 732 | 123 203 | 98 409 | 16 733 | 546 077 |
| Other operating expenses | 158 506 | 87 452 | 455 250 | 342 776 | 1 043 984 |
| **Total cost of sales** | 2 580 610 | 2 505 440 | 3 860 097 | 4 251 610 | 13 197 757 |
| *Included in administrative expenses* | | | | | |
| Employee benefit expense (note 38) | 160 719 | 101 053 | 136 957 | 181 029 | 579 758 |
| Depreciation, impairment and amortisation (note 10, 11, 12 and 13) | 7 114 | 6 417 | 20 589 | 6 025 | 40 145 |
| Short-term, low-value and variable lease payments (note 12) | 984 | 3 233 | 2 038 | 329 | 6 584 |
| Other operating expenses | 77 817 | 47 706 | 22 248 | 78 671 | 226 442 |
| **Total administrative expenses** | 246 634 | 158 409 | 181 832 | 266 054 | 852 929 |
| **Inter segmental cost of sales** | 7 038 | 199 647 | 1 687 730 | 47 108 | 1 941 523 |
| **Inter segmental administrative expenses** | 44 509 | 37 284 | 13 035 | 55 652 | 150 480 |
| **For the year ended 29 February 2024** | | | | | |
| *Included in cost of sales* | | | | | |
| Changes in inventories | **11 557** | **(6 601)** | **(187 941)** | **(35 837)** | **(218 822)** |
| Subcontractors | **982 259** | **320 454** | **1 351 254** | **2 107 314** | **4 761 281** |
| Raw materials and consumables | **393 977** | **1 829 878** | **1 301 470** | **944 052** | **4 469 377** |
| Employee benefit expense (note 38) | **761 666** | **349 935** | **1 035 614** | **1 113 370** | **3 260 585** |
| Depreciation, impairment and amortisation (note 10, 11, 12 and 13) | **453 883** | **148 399** | **64 224** | **77 243** | **743 749** |
| Short-term, low-value and variable lease payments (note 12) | **15 024** | **7 551** | **43 707** | **2 243** | **68 525** |
| Repairs and maintenance | **391 669** | **185 855** | **110 920** | **21 440** | **709 884** |
| Other operating expenses | **371 901** | **181 614** | **371 966** | **224 189** | **1 149 670** |
| **Total cost of sales** | **3 381 936** | **3 017 085** | **4 091 214** | **4 454 014** | **14 944 249** |
| *Included in administrative expenses* | | | | | |
| Employee benefit expense (note 38) | **128 980** | **71 153** | **281 780** | **140 613** | **622 526** |
| Depreciation, impairment and amortisation (note 10, 11, 12 and 13) | **381** | **6 662** | **28 960** | **4 756** | **40 759** |
| Short-term, low-value and variable lease payments (note 12) | **6 449** | **1 340** | **(2 772)** | **365** | **5 382** |
| Other operating expenses | **68 976** | **47 658** | **95 218** | **62 182** | **274 034** |
| **Total administrative expenses** | **204 786** | **126 813** | **403 186** | **207 916** | **942 701** |
| **Inter segmental cost of sales** | **26 321** | **170 449** | **1 245 161** | **71 391** | **1 513 322** |
| **Inter segmental administrative expenses** | **72 960** | **41 018** | **3 147** | **71 795** | **188 920** |

## Notes to the Group Financial Statements (continued)

### 34. Net impairment losses on financial and contract assets

| | 2024 R'000 | 2023 R'000 |
|---|---|---|
| Loss allowance movement on trade and other receivables (note 18) | **(83 713)** | (59 492) |
| Loss allowance on contract asset (note 17) | **1 234** | (519) |
| Bad debts written off during the year[1] | **(68 876)** | (11 443) |
| Bad debts recovered[2] | **70 898** | 48 389 |
| **Net impairment losses on financial and contract assets** | **(80 457)** | (23 065) |

[1] *All receivables or contract assets written off are still subject to enforceability in line with the Group policy as referenced to in note 8. The amounts written off also represent the contractual amounts.*

[2] *R67.8 million (2023: R47.3 million) of the bad debts recovered relates to recoveries made from the Zambian Roads Authority.*

### 35. Finance income and costs

Interest is recognised on a time-proportion basis using the effective interest rate method.

When a loan and receivable is impaired, the Group reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at the original effective interest rate of the instrument, and continues unwinding the discount as interest income. Interest income on impaired loans and receivables are recognised using the original effective interest rate.

| **Finance income:** | 2024 R'000 | 2023 R'000 |
|---|---|---|
| *Cash finance income* | | |
| Interest income on cash resources | **73 540** | 49 325 |
| Other interest | **4 061** | 12 818 |
| *Non-cash finance income* | | |
| Accrued interest (note 20) | **36 104** | 19 076 |
| Total finance income | **113 705** | 81 219 |

| **Finance costs:** | | |
|---|---|---|
| *Cash finance costs* | | |
| Bank borrowings | **(132 185)** | (75 011) |
| Interest expense on lease liabilities (note 12) | **(30 510)** | (33 104) |
| Other interest | **(4 090)** | (3 587) |
| *Non-cash finance costs* | | |
| Unwinding of discount - rehabilitation provision (note 22) | **(6 657)** | (3 985) |
| Unwinding of discount - voluntary rebuilding programme (note 23) | **(4 680)** | (5 520) |
| Significant financing component on advance payment | **-** | (7 177) |
| Total finance costs | **(178 122)** | (128 384) |
| | | |
| **Net finance costs** | **(64 417)** | (47 165) |

### 36. Income tax expense

The tax expense for the period comprises current and deferred tax. Tax is recognised in the statement of profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

Current income tax for current and prior periods is, to the extent unpaid, recognised as a liability. If the amount already paid in respect of current and prior periods exceeds the amount due for those periods, the excess is recognised as an asset.

Current income tax liabilities/(assets) for the current and prior periods are measured at the amount expected to be paid to/(recovered from) the tax authorities, using the tax rates (and tax laws) that have been enacted or substantively enacted by the reporting date.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the reporting period date in the countries where the company and its subsidiaries operate and generate taxable income.

| | 2024<br>R'000 | 2023<br>R'000 |
|---|---|---|
| **South African normal taxation** | | |
| **Current tax** | | |
| Current period | **174 702** | 111 065 |
| Adjustments for current tax of prior periods | **1 101** | 168 |
| Capital gains tax | **2 285** | 913 |
| Total South African normal taxation | **178 088** | 112 146 |
| **Deferred tax** | | |
| Originating and reversing temporary differences | **77 987** | 3 141 |
| Change in tax rate | **-** | (3 453) |
| Total South African deferred taxation | **77 987** | (312) |
| Total South African taxation | **256 075** | 111 834 |
| **Foreign taxation** | | |
| **Current tax** | | |
| Current period | **140 493** | 250 608 |
| Adjustments for current tax of prior periods | **288** | 96 |
| Total foreign normal tax | **140 781** | 250 704 |
| **Deferred tax** | | |
| Originating and reversing temporary differences | **2 163** | 746 |
| Change in tax rate | **(219)** | 43 |
| Total foreign deferred tax | **1 944** | 789 |
| Total foreign taxation | **142 725** | 251 493 |
| **Total income tax expense** | **398 800** | 363 327 |

| **Reconciliation between applicable and effective tax rate:** | **2024<br>%** | **2023<br>%** |
|---|---|---|
| Applicable tax rate[1] | **27.00** | 28.00 |
| Dividends received from Zimborders Mauritius Limited | **(0.12)** | - |
| Goodwill written off | **-** | 0.31 |
| Expenses attributable to exempt income | **0.07** | 0.07 |
| Capital gains tax | **0.66** | (0.17) |
| Tax losses not recognised as deferred tax assets | **(1.18)** | 0.37 |
| Impairment of loan accounts | **0.25** | - |
| Prior year over/under provision | **0.09** | 0.02 |
| Other | **(0.62)** | (0.66) |
| Disallowed charges - share options | **0.21** | 0.13 |
| Disallowed charges - VRP settlement agreement | **0.09** | 0.13 |
| Fair value adjustments of contingent considerations | **(0.17)** | (0.04) |
| Fair value adjustments on foreign exchange options | **(0.21)** | 0.37 |
| Remeasurement profit on acquisition of subsidiary | **-** | (0.12) |
| Learnership allowances (s12H) and employment tax incentives | **(0.18)** | (0.19) |
| Change in tax rate[2] | **(0.01)** | (0.28) |
| Tax at rates in foreign countries | **0.96** | 1.47 |
| Withholding tax on dividends received | **0.24** | 0.32 |
| Effective tax rate | **27.08** | 29.73 |

[1] *The tax rate reconciliation has been done using the statutory tax rate of Raubex Group Limited of 27% (2023: 28%). The impact of different tax rates applied to profits earned in other jurisdictions is disclosed above as "Tax at rates in foreign countries". This is due to operations in Australia (30%) and Rest of Africa (22% to 35%).*

[2] *Change in tax rate in the prior year relates to the enacted change in the tax rate of South Africa. The tax rate changed from 28% to 27% effective 1 March 2023. Change in tax rate in the current year relates to the enacted change in the tax rate for non-mining companies in Namibia. The tax rate will change from 32% to 31% effective 1 March 2024.*

### 36. Income tax expense (continued)

**Global minimum top-up tax**

The Group falls within the scope of the OECD Pillar Two model rules, which introduces a new global minimum tax of 15%. The ultimate holding company of the Group is located in South Africa. Once enacted, the South African global top-up tax legislation will be effective from 1 January 2024 for Groups with fiscal years commencing on or after that date. The Group has determined that once the South African rules are enacted, no material top up will be required as all the jurisdiction in which it operates are at tax rates above 15%.

The tax effect relating to components of other comprehensive income is as follows:

| | 2024 | | | 2023 | | |
|---|---|---|---|---|---|---|
| | **Before tax R'000** | **Tax R'000** | **After tax R'000** | **Before tax R'000** | **Tax R'000** | **After tax R'000** |
| Currency translation differences | **(7 027)** | **-** | **(7 027)** | 50 940 | - | 50 940 |
| Fair value gains on equity investments | **(55 929)** | **6 235** | **(49 694)** | 60 270 | (1 730) | 58 540 |
| Actuarial (loss)/gain on post-employment benefit obligations | **194** | **(9)** | **185** | 500 | (86) | 414 |
| **Total other comprehensive income** | **(62 762)** | **6 226** | **(56 536)** | 111 710 | (1 816) | 109 894 |

### 37. Auditors' remuneration

| | **2024 R'000** | **2023 R'000** |
|---|---|---|
| Fees | **17 728** | 16 182 |
| Prior year under/(over) provision | **1 913** | 1 272 |
| Tax and non-audit services | **838** | 921 |
| Total auditors remuneration | **20 479** | 18 375 |

### 38. Employee benefit expense

*Pension obligations (Retirement fund contributions)*

The Group operates defined contribution plans. A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. The Group has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods. The Group pays contributions to publicly or privately administered pension insurance plans on a mandatory, contractual or voluntary basis. The Group has no further payment obligations once the contributions have been paid.

The contributions are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

*Other post-employment obligations*

One Company in the Group provides post-retirement healthcare benefits to their retirees. Refer to note 22 for detailed disclosure.

*Profit sharing and bonus plans*

The Group pays performance based bonuses based on evaluations by management. The Group recognises a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

The employee benefit expense for the year is made up as follows:

| | **2024 R'000** | **2023 R'000** |
|---|---|---|
| Wages and salaries | **3 523 201** | 2 931 209 |
| Long-term incentive performance shares granted to employees (note 39) | **11 279** | 5 741 |
| Cash retention scheme accrual | **41 991** | 30 918 |
| Retrenchment and termination cost | **12 854** | 11 318 |
| Retirement fund contributions | **127 741** | 107 832 |
| Medical aid contributions | **57 074** | 56 719 |
| Other post-employment benefits | **97** | (85) |
| Other contributions and accruals | **108 875** | 83 234 |
| Total employee benefit expense | **3 883 112** | 3 226 886 |

Other contributions and accruals consist of contributions to the Unemployment Insurance Fund (UIF), Skills Development Levies (SDL), The Federated Employers Mutual Assurance Company (FEMA) and life policy contributions.

### 39. Employee Long-term Incentive Scheme

The Group's long term incentive ("LTI") scheme is an equity-settled share-based compensation plan awarded to selected employees in the full time employ of the Group. The scheme allows for a rolling award of performance shares (Raubex Group Limited ordinary shares) for full value with no consideration payable by the employee.

The scheme was approved by the board and shareholders at the AGM on 27 July 2018 and will continue for a period of 5 years.

The purpose of the LTI scheme is for the Group to retain and incentivise selected high performing employees and those with critical and scarce skills, whose performance contributes to the sustainability of the business of the Group, by granting them the opportunity to earn long term incentive bonuses, settled in ordinary shares of the Company and encouraging their continued service with the Group. The scheme is further intended to promote alignment of the interests of the employees and shareholders of the company.

*LTI Scheme summary:*

The vesting of performance shares granted is subject to both performance conditions and employment conditions being met:

- Performance conditions are measured over a performance period of 3 years from 1 March of the year the performance shares are awarded; and
- Employment conditions are measured from grant date and require the continued employment of the participant for the duration of the employment period.

The employment period in relation to the LTI Scheme is 3 years from grant date in order to qualify for 50% of the performance shares awarded and 4 years from grant date in order to qualify for the remaining 50% of the performance shares granted.

Provided the performance conditions and employment conditions are met, 50% of the performance shares awarded vest after 3 years of service with the balance vesting after 4 years of service from the grant date.

Performance conditions comprise of KPI's and targets which are determined by the remuneration committee ("Remco") and take into consideration the Group's strategic objectives and shareholder interests.

The vesting of shares awarded under the LTI scheme is subject the following performance conditions:

*LTI Scheme 2018:*
- Average ROICE relative to the WACC of the Raubex Group
- Total Shareholder Return ("TSR") relative to the following seven peer Group companies listed under the construction and materials sector on the JSE:
  Afrimat, Aveng, Basil Read, CalgroM3, Group Five, Stefanutti Stocks and WBHO

*LTI Scheme 2019, 2020, 2021 and 2022:*
- Average ROICE relative to the WACC of the Raubex Group
- Total Shareholder Return ("TSR") relative to the following seven peer Group companies listed under the construction and materials sector on the JSE:
  Afrimat, Balwin, CalgroM3, PPC, Sephaku, Stefanutti Stocks and WBHO

*LTI Scheme 2023:*
- Average ROICE relative to the WACC of the Raubex Group
- Total Shareholder Return ("TSR") relative to the following seven peer Group companies listed under the construction and materials sector on the JSE:
  Balwin, CalgroM3, PPC, Sephaku, Stefanutti Stocks and WBHO

The performance conditions carry an equal weighting and have participation hurdles comprising Threshold, Target and Stretch granting 50%, 100% and 150% participation respectively.

The following table sets out a summary of the long term incentive KPI targets and weighting.

*LTI Scheme 2018:*

| KPI's | Weight | Threshold = 50% participation | Target = 100% participation | Stretch = 150% participation |
|---|---|---|---|---|
| Average ROICE > WACC | 50% | WACC minus 3% | WACC | WACC plus 3% |
| Total Shareholder Return (TSR) > peer Group | 50% | Raubex > median TSR of peer Group | Raubex > median TSR of peer Group plus 2% | Raubex > median TSR of peer Group plus 4% |

## Notes to the Group Financial Statements (continued)

**39. Employee Long-term Incentive Scheme (continued)**

*LTI Scheme 2019, 2020, 2021, 2022 and 2023:*

| **KPI's** | **Weight** | **Threshold = 50% participation** | **Target = 100% participation** | **Stretch = 150% participation** |
|---|---|---|---|---|
| Average ROICE > WACC | 50% | WACC | WACC plus 1% | WACC plus 3% |
| Total Shareholder Return (TSR) > peer Group | 50% | Raubex > median TSR of peer Group | Raubex > median TSR of peer Group plus 2% | Raubex > median TSR of peer Group plus 4% |

ROICE, WACC and TSR are defined in the company's remuneration policy as follows:

| | |
|---|---|
| **ROICE** | NOPAT /(Total borrowings + total equity) |
| **NOPAT** | Profit after tax + net finance charges after tax |
| **WACC** | WACC formula= (E/V * Ke) + [(D/V* Kd )* (1 - tax rate)] |
| | E = Market value of equity |
| | V = Total market value of equity and debt |
| | Ke = Cost of equity |
| | D = Market value of debt |
| | Kd = Cost of debt |
| | Tax rate = Corporate tax rate |
| **TSR** | TSR = (change in market price per share over the performance period + dividends received per share)/market price per share at the beginning of performance period* |
| | **Market price to be determined on a 20 business-day VWAP basis prior to the start and end of the performance period.* |

Under the LTI scheme, the fair value of the employee services received in exchange for the grant of the performance shares is recognised as an expense. The total amount to be expensed over the vesting period is determined by reference to the fair value of the performance shares granted. The total amount expensed is recognised over the vesting period, which is the period over which all of the specified vesting conditions are satisfied. At each reporting date, the entity revises its estimate of the number of performance shares that are expected to vest. It recognises the impact of the revision to original estimates, in the statement of profit or loss, with a corresponding adjustment to equity. When the performance shares vest, the company issues either new shares or treasury shares held whichever is deemed to be in the best interest of the Group.

The fair value of the performance shares is determined using a combination of the Monte Carlo model and the spot rate of the performance shares at grant date. Refer below for the significant inputs used to determine the fair value of the performance shares awarded:

**39. Employee Long-term Incentive Scheme (continued)**

| Arrangement | c) LTI Scheme 2019 (ROICE) | d) LTI Scheme 2019 (TSR) | e) LTI Scheme 2020 (ROICE) | f) LTI Scheme 2020 (TSR) | g) LTI Scheme 2021 (ROICE) | h) LTI Scheme 2021 (TSR) |
|---|---|---|---|---|---|---|
| Nature of arrangement | Performance shares granted | Performance shares granted | Performance shares granted | Performance shares granted | Performance shares granted | Performance shares granted |
| Options approved | 1 041 801 | 1 041 801 | 972 589 | 972 589 | 636 772 | 636 772 |
| Number of options granted | 1 041 801 | 1 041 801 | 972 589 | 972 589 | 636 772 | 636 772 |
| Number of options outstanding | - | - | - | 117 815 | 229 534 | 229 534 |
| Exercise price | R nil | R nil | R nil | R nil | R nil | R nil |
| Date of grant | 1 Aug 2019 | 1 Aug 2019 | 1 Aug 2020 | 1 Aug 2020 | 1 Aug 2021 | 1 Aug 2021 |
| Share price at the date of grant | R 19.24 | R 19.24 | R 24.96 | R 24.96 | R 28.50 | R 28.50 |
| Contractual life | 4 years | 4 years | 4 years | 4 years | 4 years | 4 years |
| Vesting conditions | Refer to LTI summary above | Refer to LTI summary above | Refer to LTI summary above | Refer to LTI summary above | Refer to LTI summary above | Refer to LTI summary above |
| Performance period: | 1 Mar 2019 to 28 Feb 2022 | 1 Mar 2019 to 28 Feb 2022 | 1 Mar 2020 to 28 Feb 2023 | 1 Mar 2020 to 28 Feb 2023 | 1 Mar 2021 to 28 Feb 2024 | 1 Mar 2021 to 28 Feb 2024 |
| Employment period (1st 50%): | 1 Aug 2019 to 31 Jul 2022 | 1 Aug 2019 to 31 Jul 2022 | 1 Aug 2020 to 31 Jul 2023 | 1 Aug 2020 to 31 Jul 2023 | 1 Aug 2021 to 31 Jul 2024 | 1 Aug 2021 to 31 Jul 2024 |
| Employment period (remaining 50%): | 1 Aug 2019 to 31 Jul 2023 | 1 Aug 2019 to 31 Jul 2023 | 1 Aug 2020 to 31 Jul 2024 | 1 Aug 2020 to 31 Jul 2024 | 1 Aug 2021 to 31 Jul 2025 | 1 Aug 2021 to 31 Jul 2025 |
| Settlement | Shares | Shares | Shares | Shares | Shares | Shares |
| Expected volatility | n/a | 33.4% | n/a | 38.1% | n/a | 41.5% |
| Expected option life at grant date | 1st 50% of performance shares - 3 years 2nd 50% of performance shares - 4 years | 1st 50% of performance shares - 3 years 2nd 50% of performance shares - 4 years | 1st 50% of performance shares - 3 years 2nd 50% of performance shares - 4 years | 1st 50% of performance shares - 3 years 2nd 50% of performance shares - 4 years | 1st 50% of performance shares - 3 years 2nd 50% of performance shares - 4 years | 1st 50% of performance shares - 3 years 2nd 50% of performance shares - 4 years |
| Risk free interest rate | 6.99% | 6.99% | 4.11% | 4.11% | 4.95% | 4.95% |
| Expected dividend yield | 2.00% | 2.00% | 2.00% | 2.00% | 1.12% | 1.12% |
| Expected departures (grant date) | 0% | 0% | 0% | 0% | 5% | 5% |
| Expected outcome of meeting performance criteria (grant date) | 0% | 100% | 0% | 100% | 0% | 100% |
| Fair value of options determined at the grant date | R 19.24 | R 21.66 | R 24.96 | R 34.36 | R 28.50 | R 35.89 |
| Valuation model | Spot rate at grant date | Monte - Carlo | Spot rate at grant date | Monte - Carlo | Spot rate at grant date | Monte - Carlo |

### 39. Employee Long-term Incentive Scheme (continued)

| **Arrangements (continued)** | **i) LTI Scheme 2022 (ROICE)** | **j) LTI Scheme 2022 (TSR)** | **k) LTI Scheme 2023 (ROICE)** | **l) LTI Scheme 2023 (TSR)** |
|---|---|---|---|---|
| Nature of arrangement | Performance shares granted | Performance shares granted | Performance shares granted | Performance shares granted |
| Options approved | 646 996 | 646 996 | 1 050 676 | 1 050 676 |
| Number of options granted | 646 996 | 646 996 | 1 050 676 | 1 050 676 |
| Number of options outstanding | 521 167 | 521 167 | 956 294 | 956 294 |
| Exercise price | R nil | R nil | R nil | R nil |
| Date of grant | 1 Aug 2022 | 1 Aug 2022 | 1 Aug 2023 | 1 Aug 2023 |
| Share price at the date of grant | R 36.97 | R 36.97 | R 26.00 | R 26.00 |
| Contractual life | 4 years | 4 years | 4 years | 4 years |
| Vesting conditions | Refer to LTI summary above | Refer to LTI summary above | Refer to LTI summary above | Refer to LTI summary above |
| Performance period: | 1 Mar 2022 to 28 Feb 2025 | 1 Mar 2022 to 28 Feb 2025 | 1 Mar 2023 to 28 Feb 2026 | 1 Mar 2023 to 28 Feb 2026 |
| Employment period (1st 50%): | 1 Aug 2022 to 31 Jul 2025 | 1 Aug 2022 to 31 Jul 2025 | 1 Aug 2023 to 31 Jul 2026 | 1 Aug 2023 to 31 Jul 2026 |
| Employment period (remaining 50%): | 1 Aug 2022 to 31 Jul 2026 | 1 Aug 2022 to 31 Jul 2026 | 1 Aug 2023 to 31 Jul 2027 | 1 Aug 2023 to 31 Jul 2027 |
| Settlement | Shares | Shares | Shares | Shares |
| Expected volatility | n/a | 45.4% | n/a | 45.0% |
| Expected option life at grant date | 1st 50% of performance shares - 3 years<br>2nd 50% of performance shares - 4 years | 1st 50% of performance shares - 3 years<br>2nd 50% of performance shares - 4 years | 1st 50% of performance shares - 3 years<br>2nd 50% of performance shares - 4 years | 1st 50% of performance shares - 3 years<br>2nd 50% of performance shares - 4 years |
| Risk free interest rate | 7.80% | 7.80% | 8.36% | 8.36% |
| Expected dividend yield | 2.61% | 2.61% | 3.68% | 3.68% |
| Expected departures (grant date) | 5% | 5% | 5% | 5% |
| Expected outcome of meeting performance criteria (grant date) | 50% | 100% | 100% | 100% |
| Fair value of options determined at the grant date | R 36.97 | R 34.29 | R 26.00 | R 22.38 |
| Valuation model | Spot rate at grant date | Monte - Carlo | Spot rate at grant date | Monte - Carlo |

**39. Employee Long-term Incentive Scheme (continued)**

The following information applies to options outstanding at the end of each period:

| 28 February 2023 | | | |
|---|---|---|---|
| | | Weighted average remaining life (yrs.) | |
| LTI | Number of shares ('000) | Expected | Contractual |
| a and b 1st 50% | - | - | - |
| a and b 2nd 50% | - | - | - |
| c and d 1st 50% | - | - | - |
| c and d 2nd 50% | 194 574 | 0.4 | 0.4 |
| e and f 1st 50% | 421 854 | 0.4 | 0.4 |
| e and f 2nd 50% | 421 854 | 1.4 | 1.4 |
| g and h 1st 50% | 361 908 | 1.4 | 1.4 |
| g and h 2nd 50% | 361 908 | 2.4 | 2.4 |
| i and j 1st 50% | 646 996 | 2.4 | 2.4 |
| i and j 2nd 50% | 646 996 | 3.4 | 3.4 |

| 29 February 2024 | | | |
|---|---|---|---|
| | | Weighted average remaining life (yrs.) | |
| LTI | Number of shares ('000) | Expected | Contractual |
| c and d 1st 50% | **-** | - | - |
| c and d 2nd 50%[1] | **-** | - | - |
| e and f 1st 50%[1] | **-** | - | - |
| e and f 2nd 50% | **117 815** | 0.4 | 0.4 |
| g and h 1st 50% | **229 534** | 0.4 | 0.4 |
| g and h 2nd 50% | **229 534** | 1.4 | 1.4 |
| i and j 1st 50% | **521 167** | 1.4 | 1.4 |
| i and j 2nd 50% | **521 167** | 2.4 | 2.4 |
| k and l 1st 50% | **956 294** | 2.4 | 2.4 |
| k and l 2nd 50% | **956 294** | 3.4 | 3.4 |

[1] *During the current year the 2nd 50% of the 2019 scheme and 1st 50% of the 2020 scheme vested to participants.*

A reconciliation of movements in the number of performance shares can be summarised as follows:

| | 2024 | | 2023 | |
|---|---|---|---|---|
| | Number of shares | Exercise price | Number of shares | Exercise price |
| Outstanding at beginning of year | **3 056 088** | **R 0.00** | 4 611 111 | R 0.00 |
| Performance shares granted | **2 101 352** | **R 0.00** | 1 293 992 | R 0.00 |
| Performance shares forfeited | **(1 220 136)** | **R 0.00** | (2 126 528) | R 0.00 |
| Performance shares vested | **(405 502)** | **R 0.00** | (722 487) | R 0.00 |
| Outstanding at end of year | **3 531 802** | **R 0.00** | 3 056 088 | R 0.00 |
| Exercisable at end of year | **-** | **R 0.00** | - | R 0.00 |

The amounts recognised in the financial statements (before tax) for share-based payment transactions with employees can be summarised as follows:

| Expense – equity settled arrangements | 2024 R'000 | 2023 R'000 |
|---|---|---|
| Employee long term incentive (note 38) | **11 279** | 5 741 |
| Total equity settled share based payment expense in profit and loss | **11 279** | 5 741 |

## Notes to the Group Financial Statements (continued)

### 40. Cash generated from operations

| | 2024 R'000 | 2023 R'000 |
|---|---|---|
| Profit before income tax | **1 472 775** | 1 221 961 |
| *Adjustment for:* | | |
| Depreciation on property, plant and equipment (refer note 10) | **670 429** | 577 036 |
| Impairment on property, plant and equipment (refer note 10) | **34 227** | 3 300 |
| Depreciation on investment property (refer note 11) | **549** | 521 |
| Depreciation on right-of-use assets (refer note 12) | **63 523** | 53 081 |
| Amortisation (refer note 13) | **15 781** | 15 256 |
| Goodwill and mining right impairment (refer note 13) | **-** | 13 493 |
| Profit on sale of property, plant and equipment (refer note 32) | **(23 292)** | (10 103) |
| Finance income (refer note 35) | **(113 705)** | (81 219) |
| Finance costs (refer note 35) | **178 122** | 128 384 |
| Dividends received from investment in service concession | **(6 431)** | - |
| Foreign exchange (gains)/losses - unrealised | **(19 095)** | (13 628) |
| Provisions (refer note 22) | **38 756** | 21 924 |
| Share of (profit)/loss of equity accounted investments (refer note 14) | **(504)** | 7 013 |
| Performance shares granted to employees (refer note 39) | **11 279** | 5 741 |
| Loss/(Gain) on early termination of leases (refer note 32) | **(167)** | 1 261 |
| Loss on termination of finance lease (refer note 32) | **-** | 12 013 |
| IFRS 15 Significant financing component recognised in Revenue (refer note 30) | **-** | (19 876) |
| Gain on fair value adjustment of contingent considerations (refer note 23) | **(9 403)** | (1 709) |
| Gain on fair value adjustment of preference share (refer note 20) | **(5 968)** | (5 385) |
| Net gain on fair value adjustment of foreign exchange contract (refer note 32) | **(11 303)** | 16 262 |
| Bargain purchase on acquisition of subsidiary (refer note 6) | **-** | (8 790) |
| *Changes in working capital* | | |
| Inventories | **(218 822)** | (291 831) |
| Trade and other receivables | **(236 849)** | 72 732 |
| Contract assets | **(335 261)** | (154 561) |
| Contract liabilities | **231 117** | (331 023) |
| Trade and other payables | **181 389** | 742 323 |
| *Changes in other financial liabilities* | | |
| Voluntary rebuilding programme payment (refer note 23) | **(15 000)** | (15 000) |
| Net cash generated from operations | **1 902 147** | 1 959 176 |

In the cash flow statement, purchases of property, plant and equipment comprise:

| | 2024 R'000 | 2023 R'000 |
|---|---|---|
| Additions for the year (note 10) | **1 764 131** | 1 152 670 |
| Rehab assets capitalised during the year (note 10) | **(63 259)** | - |
| Purchases of property, plant and equipment | **1 700 872** | 1 152 670 |

In the cash flow statement, proceeds from sale of property, plant and equipment comprise:

| | 2024 R'000 | 2023 R'000 |
|---|---|---|
| Net book amount (note 10) | **51 675** | 53 957 |
| Profit on disposal of property, plant and equipment (refer note 32) | **23 292** | 10 103 |
| Proceeds from disposal of property, plant and equipment | **74 967** | 64 060 |

In the statement of cash flows taxation paid is calculated as follows:

| | 2024 R'000 | 2023 R'000 |
|---|---|---|
| Balance due at beginning of the year | **99 011** | 55 998 |
| Current year tax charge - South African and Foreign (refer note 36) | **318 869** | 362 850 |
| Acquisition of subsidiary | **-** | (1 279) |
| Balance payable at end of the year | **(79 880)** | (99 011) |
| Taxation paid | **338 000** | 318 558 |

## Notes to the Group Financial Statements (continued)

### 40.1. Cash flow from financing activities

An analysis of movements in liabilities arising from financing activities for each period has been presented below:

| | Contingent consideration R'000 | Lease liabilities R'000 | Borrowings - Loans from related parties R'000 | Borrowings - Bank borrowings R'000 |
|---|---|---|---|---|
| **Balance at 1 March 2022** | 22 742 | 455 722 | 110 497 | 849 392 |
| Total repayments of financial liabilities | - | (99 245) | (121 392) | (820 224) |
| Interest accrued on financial liabilities | - | 33 104 | - | 75 011 |
| Capital repayments of financial liabilities | - | (66 141) | (121 392) | (745 213) |
| Proceeds from financial liabilities | - | - | - | 1 102 186 |
| Settlement of contingent consideration | (12 282) | - | - | - |
| Fair value adjustments | (1 709) | - | - | - |
| Acquisition of leases | - | 32 008 | - | - |
| Termination of leases | - | (1 667) | - | - |
| Lease modifications and reassessments | - | (14 939) | - | - |
| Foreign exchange differences | 652 | 223 | 13 475 | 5 517 |
| **Balance at 28 February 2023** | 9 403 | 405 206 | 2 580 | 1 211 882 |
| ***Note*** | *23* | *12* | *21* | *21* |
| **Balance at 1 March 2023** | **9 403** | **405 206** | **2 580** | **1 211 882** |
| Total repayments of financial liabilities | **-** | **(87 296)** | **(2 580)** | **(948 006)** |
| Interest accrued on financial liabilities | **-** | **30 510** | **-** | **132 185** |
| Capital repayments of financial liabilities | **-** | **(56 786)** | **(2 580)** | **(815 821)** |
| Proceeds from financial liabilities | **-** | **-** | **-** | **1 317 849** |
| Fair value adjustments | **(9 403)** | **-** | **-** | **-** |
| Acquisition of leases | **-** | **18 761** | **-** | **-** |
| Termination of leases | **-** | **(1 038)** | **-** | **-** |
| Lease modifications and reassessments | **-** | **3 107** | **-** | **-** |
| Foreign exchange differences | **-** | **16** | **-** | **1 828** |
| **Balance at 29 February 2024** | **-** | **369 266** | **-** | **1 715 738** |
| ***Note*** | *23* | *12* | *21* | *21* |

### 41. Related parties

**Relationships**

*Associates and joint ventures:* Refer to note 14

Lufhereng Development Company (Pty) Ltd
Ndlu Housing (Pty) Ltd
Voliere Development Company (Pty) Ltd

*Non-controlling shareholders of subsidiaries:*

Independent Family Trust
Jey Sivaliban
Pelagic Resources (Pty) Ltd
Pelagic Resources PTE Limited
Royal Bafokeng Nation Development Trust
MD Dikoko

*Companies and trusts controlled by directors/key management:*

Allow All Trade (Pty) Ltd
Guinea Fowl Investments (Pty) Ltd
Klaas en Ellie Beleggings (Pty) Ltd
NFG Property Sales (Pty) Ltd
RJ Fourie Boerdery
Sunshine Enterprises (Pty) Ltd
Ukumaka (Pty) Ltd
Waalprop Commercial (Pty) Ltd

**Related party balances**

| | 2024 R'000 | 2023 R'000 |
|---|---|---|
| **Amounts included in trade receivables regarding related parties** | | |
| Allow All Trade (Pty) Ltd | **4 168** | 6 014 |
| Lufhereng Development Company (Pty) Ltd | **14 588** | 21 314 |
| Ndlu Housing (Pty) Ltd | **8 743** | 11 731 |
| Pelagic Resources (Pty) Ltd | **45 966** | 19 111 |
| RJ Fourie Boerdery | **3** | 3 |
| Voliere Development Company (Pty) Ltd | **58** | 167 |
| Receivables from related parties (refer to note 18) | **73 526** | 58 340 |
| **Amounts included in trade payables regarding related parties** | | |
| Pelagic Resources PTE Limited | **17 717** | 53 932 |
| Payables due to related parties (refer to note 24) | **17 717** | 53 932 |
| **Loans to related parties** | | |
| Guinea Fowl Investments (Pty) Ltd | **160** | - |
| MD Dikoko | **187** | 187 |
| Jey Sivaliban | **-** | 168 |
| Sunshine Enterprises (Pty) Ltd | **-** | 14 380 |
| Ukumaka (Pty) Ltd | **-** | 1 178 |
| Loans to related parties (refer to note 18) | **347** | 15 913 |

The loans are unsecured, interest free and have no fixed terms of repayment.

| | 2024 R'000 | 2023 R'000 |
|---|---|---|
| **Loans to entities controlled by key management:** | | |
| At beginning of year | **15 745** | 187 |
| Loans advanced during the year | **-** | 15 558 |
| Loan repayments received | **(15 558)** | - |
| At end of year | **187** | 15 745 |
| **Loans to shareholders of subsidiaries:** | | |
| At beginning of year | **168** | 168 |
| Loans advanced during the year | **160** | - |
| Loan repayments received | **(168)** | - |
| At end of year | **160** | 168 |
| **Total loans to related parties:** | | |
| **At beginning of year** | **15 913** | 355 |
| **Loans advanced during the year** | **160** | 15 558 |
| **Loan repayments received** | **(15 726)** | - |
| **At end of year (refer to note 18)** | **347** | 15 913 |
| **Loans from related parties** | | |
| *Included in trade payables (note 24):* | | |
| Klaas en Ellie Beleggings (Pty) Ltd | **10 823** | - |
| Royal Bafokeng Nation Development Trust | **100** | 100 |
| *Included in borrowings (note 21):* | | |
| Independent Family Trust | **-** | 2 580 |
| Loans from related parties | **10 923** | 2 680 |

**41. Related parties (continued)**

| | 2024 R'000 | 2023 R'000 |
|---|---|---|
| **Loans from non-controlling shareholders of Group entities:** | | |
| At beginning of year | **2 680** | 110 597 |
| Foreign exchange differences | **-** | 13 475 |
| Loans received during the year | **10 823** | - |
| Loan repayments made | **(2 580)** | (121 392) |
| At end of year | **10 923** | 2 680 |
| **Total loans from related parties:** | | |
| **At beginning of year** | **2 680** | 110 597 |
| **Foreign exchange differences** | **-** | 13 475 |
| **Loans received during the year** | **10 823** | - |
| **Loan repayments made** | **(2 580)** | (121 392) |
| **At end of year (refer to note 21 and note 24)** | **10 923** | 2 680 |

The unsecured loans are interest free and have no fixed terms of repayment.

**Related party transactions**

| | 2024 R'000 | 2023 R'000 |
|---|---|---|
| **Sale of ore to / (from) related parties (note 30 and note 33)[1]** | | |
| Pelagic Resources (Pty) Ltd | **1 947 934** | 741 503 |
| Pelagic Resources PTE Limited | **22 776** | (14 793) |
| | **1 970 710** | 726 710 |

[1] *Pelagic Resources is a global commodities marketing and sales agent. Sales of ore to/(from) Pelagic Resources are done at prevailing market rates. Invoicing is done per order with varying payment terms. Debtor balance is settled on average within 15 days. Payable balance is as a result of material purchased through Pelagic which is processed and beneficiated. Payments to Pelagic are done after purchased material is processed and sold on an offset basis with outstanding debtor invoices.*

| | 2024 R'000 | 2023 R'000 |
|---|---|---|
| **Subcontractors' fees received from / (paid to) related parties (note 30 and note 33)** | | |
| Centremark Roadmarking (Pty) Ltd (while still an associate) | **-** | (3 296) |
| Lufhereng Development Company (Pty) Ltd | **87 586** | 68 359 |
| Ndlu Housing (Pty) Ltd | **(7 932)** | 6 370 |
| | **79 654** | 71 433 |
| **Rental of premises paid to related parties (note 33)** | | |
| NFG Property Sales (Pty) Ltd | **(609)** | (522) |
| Waalprop Commercial (Pty) Ltd | **(202)** | (171) |
| | **(811)** | (693) |
| **Other fees received from/(paid to) related parties (note 33)** | | |
| RJ Fourie Boerdery - Payroll administration fee | **29** | 24 |
| Pelagic Resources (Pty) Ltd - Management fees | **(13 231)** | (3 529) |
| | **(13 202)** | (3 505) |

All related transactions are at arm's length.

**Related party transactions with directors and prescribed officers**

**Directors' emoluments**

| 2023 | Directors' fees R'000 | Salaries R'000 | Short-term Incentive Bonuses R'000 | Long-term Incentive Bonuses R'000 | Retirement fund contributions R'000 | Other benefits R'000 | Total Emoluments R'000 |
|---|---|---|---|---|---|---|---|
| **Executive** | | | | | | | |
| RJ Fourie[1] | - | 1 753 | 15 106 | 11 089 | 171 | 736 | 28 855 |
| NF Msiza[2] | - | 3 672 | 6 454 | 3 926 | 390 | 154 | 14 596 |
| DC Lourens[3] | - | 2 235 | - | 5 494 | 244 | 261 | 8 234 |
| SJ Odendaal | - | 2 300 | 4 539 | - | 243 | 350 | 7 432 |
| Total emoluments | - | 9 960 | 26 099 | 20 509 | 1 048 | 1 501 | 59 117 |
| **Non-Executive** | | | | | | | |
| F Kenney[4] | 521 | - | - | - | - | - | 521 |
| RJ Fourie[1] | 747 | - | - | - | - | - | 747 |
| LA Maxwell | 1 033 | - | - | - | - | - | 1 033 |
| BH Kent | 782 | - | - | - | - | - | 782 |
| SR Bogatsu | 838 | - | - | - | - | - | 838 |
| N Fubu[5] | 189 | - | - | - | - | - | 189 |
| Total emoluments | 4 110 | - | - | - | - | - | 4 110 |

[1] *Resigned as Chief Executive Officer on 31 July 2022, appointed as Deputy Chairman of the Board effective 1 August 2022 and appointed Chairman of the Board effective 6 December 2022.*

[2] *Appointed as Chief Executive Officer effective 1 August 2022.*

[3] *Appointed as Chief Operating Officer effective 1 August 2022.*

[4] *Resigned as Chairman of the Board effective 5 August 2022.*

[5] *Appointed as Non - Executive Director effective 6 December 2022.*

**41. Related parties (continued)**

**Related party transactions with directors and prescribed officers (continued)**

**Directors emoluments (continued)**

| 2024 | Directors fees R'000 | Salaries R'000 | Short-term Incentive Bonuses R'000 | Long-term Incentive Bonuses R'000 | Retirement fund contributions R'000 | Other benefits R'000 | Total Emoluments R'000 |
|---|---|---|---|---|---|---|---|
| **Executive** | | | | | | | |
| NF Msiza | - | **4 268** | **8 709** | **2 520** | **492** | **231** | **16 220** |
| DC Lourens | - | **3 886** | **8 456** | **3 742** | **448** | **463** | **16 995** |
| SJ Odendaal | - | **2 760** | **5 566** | - | **319** | **374** | **9 019** |
| Total emoluments | - | **10 914** | **22 731** | **6 262** | **1 259** | **1 068** | **42 234** |
| **Non-Executive** | | | | | | | |
| LA Maxwell[1] | **133** | - | - | - | - | - | **133** |
| RJ Fourie | **1 333** | - | - | - | - | - | **1 333** |
| BH Kent | **833** | - | - | - | - | - | **833** |
| SR Bogatsu | **1 083** | - | - | - | - | - | **1 083** |
| N Fubu | **833** | - | - | - | - | - | **833** |
| AM Hlobo[2] | **633** | - | - | - | - | - | **633** |
| Total emoluments | **4 848** | - | - | - | - | - | **4 848** |

1 *Passed away on 20 April 2023*

2 *Appointed as Non-Executive Director effective 29 May 2023.*

| Prescribed officers emoluments 2023 | Salaries R'000 | Short-term Incentive Bonuses R'000 | Long-term Incentive Bonuses R'000 | Retirement fund contributions R'000 | Other benefits R'000 | Total Emoluments R'000 |
|---|---|---|---|---|---|---|
| LJ Raubenheimer[1] | 1 147 | 11 072 | 8 166 | 125 | 582 | 21 092 |
| JT Jordaan[2] | 946 | 909 | - | 95 | 3 141 | 5 091 |
| RL Shedlock | 4 319 | 8 481 | 6 028 | 513 | 829 | 20 170 |
| DC Lourens[3] | 1 258 | 6 517 | - | 126 | 188 | 8 089 |
| AFS Kriek[4] | 1 898 | - | - | 204 | 297 | 2 399 |
| JG van der Bijl[4] | 2 130 | - | - | 229 | 275 | 2 634 |
| DW Rencken[4] | 2 053 | - | - | 221 | 253 | 2 527 |
| JA Louw | 2 058 | 4 452 | 2 685 | 218 | 337 | 9 750 |
| GM Chemaly | 1 701 | 1 127 | 857 | 190 | 53 | 3 928 |
| Total emoluments | 17 510 | 32 558 | 17 736 | 1 921 | 5 955 | 75 680 |

1 *Resigned effective 30 June 2022.*

2 *Resigned effective 30 July 2022.*

3 *Appointed as Chief Operating Officer effective 1 August 2022.*

4 *Appointed effective 1 June 2022.*

| Prescribed officers emoluments 2024 | Salaries R'000 | Short-term Incentive Bonuses R'000 | Long-term Incentive Bonuses R'000 | Retirement fund contributions R'000 | Other benefits R'000 | Total Emoluments R'000 |
|---|---|---|---|---|---|---|
| RL Shedlock[1] | **2 345** | **9 033** | **3 910** | **263** | **10 579** | **26 130** |
| AFS Kriek | **2 640** | **5 981** | - | **305** | **485** | **9 411** |
| JG van der Bijl | **2 963** | **6 554** | - | **342** | **458** | **10 317** |
| DW Rencken | **2 856** | **6 317** | - | **330** | **395** | **9 898** |
| WS Mazibuko[2] | **2 470** | **2 500** | - | **269** | **436** | **5 675** |
| JA Louw[3] | **3 613** | **8 986** | **1 729** | **212** | **371** | **14 911** |
| GM Chemaly | **1 901** | **2 033** | **719** | **221** | **65** | **4 939** |
| Total emoluments | **18 788** | **41 404** | **6 358** | **1 942** | **12 789** | **81 281** |

1 *Resigned effective 1 September 2023.*

2 *Appointed effective 1 March 2023.*

3 *Resigned effective 31 December 2023.*

## Notes to the Group Financial Statements (continued)

**41. Related parties (continued)**

**Related party transactions with directors and prescribed officers (continued)**

**Performance shares granted to directors and prescribed officers**

The performance shares granted, forfeited and vested during the year are in terms of the long term incentive scheme, details of which are set out in note 39 to these Group financial statements.

| Performance shares 2023 | Shares outstanding at 1 March 2022 | Shares granted during the year | Shares forfeited during the year | Shares vested during the year | Shares outstanding at 28 February 2023 | Strike price | IFRS 2 expense recognised during the year (R'000) |
|---|---|---|---|---|---|---|---|
| **Executive directors** | | | | | | | |
| RJ Fourie[1] | 1 144 001 | - | (934 621) | (209 380) | - | R 0.00 | (4 432) |
| NF Msiza[2] | 476 517 | 212 276 | (78 361) | (74 135) | 536 297 | R 0.00 | 2 458 |
| DC Lourens[3] | 713 452 | 205 521 | (113 024) | (103 842) | 702 107 | R 0.00 | 3 133 |
| SJ Odendaal | 124 152 | 135 087 | - | - | 259 239 | R 0.00 | 971 |
| **Prescribed officers** | | | | | | | |
| LJ Raubenheimer | 842 390 | - | (688 193) | (154 198) | - | R 0.00 | (3 263) |
| JT Jordaan[4] | 114 566 | - | (114 566) | - | - | R 0.00 | (343) |
| RL Shedlock | 738 163 | 171 250 | (121 650) | (114 009) | 673 753 | R 0.00 | 3 017 |
| AFS Kriek[5] | - | 144 733 | - | - | 144 733 | R 0.00 | 726 |
| JG van der Bijl[5] | - | 159 207 | - | - | 159 207 | R 0.00 | 799 |
| DW Rencken[5] | - | 153 466 | - | - | 153 466 | R 0.00 | 770 |
| JA Louw | 326 898 | 80 409 | (53 758) | (50 745) | 302 804 | R 0.00 | 1 359 |
| GM Chemaly | 130 972 | 32 043 | (22 355) | (16 178) | 124 483 | R 0.00 | 546 |
| | 4 611 111 | 1 293 992 | (2 126 528) | (722 487) | 3 056 088 | | 5 741 |

[1] *Resigned as Chief Executive Officer on 31 July 2022, appointed as Deputy Chairman of the Board effective 1 August 2022 and appointed Chairman of the Board effective 6 December 2022.*
[2] *Appointed as Chief Executive Officer effective 1 August 2022.*
[3] *Appointed as Chief Operating Officer effective 1 August 2022.*
[4] *Resigned effective 30 July 2022.*
[5] *Appointed effective 1 June 2022*

The forfeited performance shares relates to 100% of the "LTI Scheme 2019 (ROICE)" granted on 1 August 2019, where the ROICE performance condition was not met and where individuals have resigned during the year and therefore not met the employment term condition. The performance shares that vested during the year relates to the 1st 50% of "LTI Scheme 2019 (TSR)" and the 2nd 50% of "LTI Scheme 2018 (TSR)". The stretch participation hurdle was achieved on the TSR performance condition. Therefore participants were awarded 1.5 Raubex Group Limited shares for each performance share that vested.

| Performance shares 2024 | Shares outstanding at 1 March 2023 | Shares granted during the year | Shares forfeited during the year | Shares vested during the year | Shares outstanding at 29 February 2024 | Strike price | IFRS 2 expense recognised during the year (R'000) |
|---|---|---|---|---|---|---|---|
| **Executive directors** | | | | | | | |
| NF Msiza | **536 297** | **332 807** | **(83 239)** | **(80 800)** | **705 065** | **R 0.00** | **3 311** |
| DC Lourens | **702 107** | **321 807** | **(128 641)** | **(120 832)** | **774 441** | **R 0.00** | **3 816** |
| SJ Odendaal | **259 239** | **234 722** | | | **493 961** | **R 0.00** | **2 046** |
| **Prescribed officers** | | | | | | | |
| RL Shedlock[1] | **673 753** | **-** | **(548 391)** | **(125 362)** | **-** | **R 0.00** | **(2 920)** |
| AFS Kriek | **144 733** | **227 132** | **-** | **-** | **371 865** | **R 0.00** | **1 525** |
| JG van der Bijl | **159 207** | **249 242** | **-** | **-** | **408 449** | **R 0.00** | **1 675** |
| DW Rencken | **153 466** | **240 248** | **-** | **-** | **393 714** | **R 0.00** | **1 615** |
| WS Mazibuko[2] | **-** | **222 909** | **-** | **-** | **222 909** | **R 0.00** | **766** |
| JA Louw[3] | **302 804** | **188 765** | **(436 114)** | **(55 455)** | **-** | **R 0.00** | **(1 314)** |
| GM Chemaly | **124 483** | **83 720** | **(23 751)** | **(23 053)** | **161 399** | **R 0.00** | **759** |
| | **3 056 088** | **2 101 352** | **(1 220 136)** | **(405 502)** | **3 531 802** | | **11 279** |

[1] *Resigned effective 1 September 2023.*
[2] *Appointed effective 1 March 2023.*
[3] *Resigned effective 31 December 2023.*

The forfeited performance shares relates to 100% of the "LTI Scheme 2020 (ROICE)" granted on 1 August 2020, where the ROICE performance condition was not met and where individuals have resigned during the year and therefore not met the employment term condition. The performance shares that vested during the year relates to the 1st 50% of "LTI Scheme 2020 (TSR)" and the 2nd 50% of "LTI Scheme 2019 (TSR)". The target participation hurdle was achieved on the TSR performance condition, therefore participants were awarded 1 Raubex Group Limited shares for each performance share that vested for LTI scheme 2020.

### 41. Related parties (continued)

**Interests of directors in the share capital**
Details of ordinary shares held directly and indirectly per individual director are listed below as at 29 February 2024.

| | 2024 Number of shares | 2023 Number of shares |
|---|---|---|
| **Beneficial - Direct and Indirect** | | |
| RJ Fourie | **1 692 302** | 1 692 302 |
| NF Msiza | **20 000** | 20 000 |
| DC Lourens | **117 600** | 110 669 |

At the date of this report, these interests remained unchanged.

### 42. Directors', prescribed officers and key management emoluments

| **Executive** | 2024 R'000 | 2023 R'000 |
|---|---|---|
| For services as directors of the company | **42 234** | 59 117 |
| For services as prescribed officers of the company | **81 281** | 75 680 |
| For services as key management | **137 748** | 112 480 |

Prescribed officers of the company consist of the company secretary and executive committee members who are not directors of the company.

Key management consists of directors of subsidiaries who are not defined as prescribed officers of the company.

| | Salaries R'000 | Short-term incentive bonuses R'000 | Retention Scheme R'000 | Retirement fund contributions R'000 | Other benefits R'000 | Total Emoluments R'000 |
|---|---|---|---|---|---|---|
| **Key management emoluments 2023** | 64 479 | 21 683 | 5 741 | 7 740 | 12 837 | 112 480 |
| **Key management emoluments 2024** | **69 387** | **39 785** | **2 293** | **8 695** | **17 588** | **137 748** |

### 43. Commitments

**Capital commitments**

Capital expenditure contracted for at the reporting date but not yet incurred are as follows:

| | 2024 R'000 | 2023 R'000 |
|---|---|---|
| Property, plant and equipment[1] | **4 585** | 233 799 |
| Total capital commitments | **4 585** | 233 799 |

1 *The 2023 capital commitments were largely related to capital required on Namdeb contract in Namibia, which form part of additions for the current year.*

### 44. Contingencies

Total financial institution backed contract guarantees provided to third parties on behalf of subsidiary companies amounted to R3 495.5 million (2023: R3 835.5 million). The directors do not believe that any exposure to loss is likely. Total available facilities in this regard amount to R7 151.7 million (2023: R7 124.9 million).

The financial institution backed contract guarantee provided to third parties and the total available facility are subject to the Group maintaining certain gearing and EBITDA ratios. The ratios for purposes of these debt covenants are calculated in note 9 – capital risk management.

The Group is, from time to time, involved in various claims and legal proceedings arising in the ordinary course of business. The directors do not believe that adverse decisions in any pending proceedings or claims, against the Group will have a material adverse effect on the financial position or future operations of the Group.

## Notes to the Group Financial Statements (continued)

| 45. Interest in subsidiaries | | Country of incorporation and place of business | Issued share capital | Effective % held by the group | Effective % held by the group | Effective % held by non-controlling interests | Effective % held by non-controlling interests | Shares at cost | Shares at cost |
|---|---|---|---|---|---|---|---|---|---|
| | | | | 2024 | 2023 | 2024 | 2023 | 2024 | 2023 |
| | | | Shares | % | % | % | % | R'000 | R'000 |
| **Direct** | | | | | | | | | |
| Raubex (Pty) Ltd | H | South Africa | 300 | 100 | 100 | - | - | 2 018 163 | 2 018 163 |
| Raubex FIC (Pty) Ltd | H | South Africa | 200 | 100 | 100 | - | - | 153 000 | 153 000 |
| Raubex Foreign Holdings (Pty) Ltd | H | South Africa | 100 | 100 | 100 | - | - | - | - |
| **Indirect** | | | | | | | | | |
| Attaclay (Pty) Ltd | M | South Africa | 1000 | 17.77 | 17.77 | 82.23 | 82.23 | - | - |
| Akasia Road Surfacing (Pty) Ltd | A | South Africa | 100 | 100 | 100 | - | - | 120 796 | 120 796 |
| Aliwal Dolorite Quarry (Pty) Ltd | Q | South Africa | 100 | 74 | 74 | 26 | 26 | 7 619 | 7 619 |
| B&E International - North (Namibia) (Pty) Ltd | P | Namibia | 100 | 100 | 100 | - | - | - | - |
| B&E International (Botswana) (Pty) Ltd | D | Botswana | 10 000 | 74 | 74 | 26 | 26 | - | - |
| B&E International (Foreign) (Pty) Ltd | C | South Africa | 100 | 100 | 100 | - | - | - | - |
| B&E International (Namibia) (Pty) Ltd | C | Namibia | 200 | 70 | 70 | 30 | 30 | - | - |
| B&E International (Pty) Ltd | C | South Africa | 1 000 | 100 | 100 | - | - | 473 844 | 473 844 |
| B&E International Crushing (Pty) Ltd | C | Botswana | 100 | 100 | 100 | - | - | - | - |
| B&E International Mozambique Limitada | C | Mozambique | 16 835 | 100 | 100 | - | - | - | - |
| B&E International Swaziland (Pty) Ltd | C | Eswatini | 100 | 100 | 100 | - | - | - | - |
| Bauba Resources (Pty) Ltd[1] | M | South Africa | 733 880 499 | 65.01 | 64.43 | 34.99 | 35.57 | 178 139 | 178 139 |
| Bauba A Hlabirwa Mining Investments (Pty) Ltd[2] | M | South Africa | 190 | 47.90 | 47.47 | 52.10 | 52.53 | - | - |
| Belabela Asphalt (Pty) Ltd | A | Botswana | 100 | 75 | 75 | 25 | 25 | 1 | 1 |
| Belabela Quarries (Pty) Ltd | Q | Botswana | 1 660 000 | 74 | 74 | 26 | 26 | - | - |
| Canyon Rock (Pty) Ltd | Q | South Africa | 120 | 74 | 74 | 26 | 26 | 46 294 | 46 294 |
| Centremark Roadmarking (Pty) Ltd | RM | South Africa | 102 | 100 | 100 | - | - | - | - |
| Cloetesdal Developments (Pty) Ltd | I | South Africa | 100 | 60.68 | 60.68 | 39.32 | 39.32 | - | - |
| Comar Plant Design and Manufacturing (Pty) Ltd | P | South Africa | 1 000 | 100 | 100 | - | - | 3 000 | 3 000 |
| Crushco (Pty) Ltd | Q | South Africa | 100 | 74 | 74 | 26 | 26 | - | - |
| Donkerhoek Quarry (Pty) Ltd | Q | South Africa | 200 | 100 | 100 | - | - | 16 500 | 16 500 |
| Donkerhoek Quartzite (Pty) Ltd | Q | South Africa | 4 000 | 74 | 74 | 26 | 26 | - | - |
| Dune Resources (Pty) Ltd[1] | H | South Africa | 7 800 | 60 | 100 | 40 | - | 23 370 | 24 396 |
| Empa Structures (Pty) Ltd | I | South Africa | 100 | 70 | 70 | 30 | 30 | 4 099 | 4 099 |
| Forte Demolition Solutions (Pty) Ltd | T | South Africa | 100 | 49 | 49 | 51 | 51 | - | - |
| Forward Infra (Pty) Ltd | RM | South Africa | 100 | 49 | 49 | 51 | 51 | - | - |
| Greenmined Environmental (Pty) Ltd | E | South Africa | 1 000 | 100 | 100 | - | - | - | - |
| Harding Quarry (Pty) Ltd | Q | South Africa | 870 000 | 74 | 74 | 26 | 26 | - | - |
| Howard Quarry (Pty) Ltd | Q | South Africa | 100 | 74 | 70 | 26 | 30 | - | - |
| Inzalo Crushing and Aggregates (Pty) Ltd | Q | South Africa | 10 000 | 74 | 74 | 26 | 26 | 9 | 9 |

## Notes to the Group Financial Statements (continued)

**45. Interest in subsidiaries (continued)**

| | | Country of incorporation and place of business | Issued share capital | Effective % held by the group | Effective % held by the group | Effective % held by non-controlling interests | Effective % held by non-controlling interests | Shares at cost | Shares at cost |
|---|---|---|---|---|---|---|---|---|---|
| | | | | 2024 | 2023 | 2024 | 2023 | 2024 | 2023 |
| **Indirect (continued)** | | | Shares | % | % | % | % | R'000 | R'000 |
| Kalahari Asphalt and Paving (Pty) Ltd | A | Botswana | 100 | 100 | 100 | - | - | - | - |
| L&R Civil (Pty) Ltd | I | South Africa | 300 | 70 | 70 | 30 | 30 | - | - |
| Malmesbury Sand (Pty) Ltd | Q | South Africa | 4 000 | 70 | 100 | 30 | - | 10 600 | 10 600 |
| Matlosana Industries (Pty) Ltd | Q | South Africa | 100 | 60 | 60 | 40 | 40 | - | - |
| Metadynamics (Pty) Ltd | G | South Africa | 120 | 70 | 70 | 30 | 30 | 25 000 | 25 000 |
| Middelburg Quarry (Pty) Ltd | Q | South Africa | 100 | 74 | 74 | 26 | 26 | 2 300 | 2 300 |
| Milling Techniks (Pty) Ltd | R | South Africa | 100 | 100 | 100 | - | - | 15 000 | 15 000 |
| Narindonde Construction (Pty) Ltd | C | Namibia | 100 | 100 | 100 | - | - | - | - |
| Naboom Mining Company (Pty) Ltd[1] | M | South Africa | 100 | 48.10 | - | 51.90 | - | - | - |
| Naboom Mauritius Mining Company Limited[1] | H | Mauritius | 1 | 65.01 | - | 34.99 | - | - | - |
| National Asphalt (Pty) Ltd | A | South Africa | 100 | 100 | 100 | - | - | - | - |
| Namli Exploration and Mining (Pty) Ltd[1] | M | South Africa | 160 | 60 | 65 | 40 | 35 | - | - |
| Ndarama Mineral Resources (Pty) Ltd[2] | M | South Africa | 100 | 65.01 | 64.43 | 34.99 | 35.57 | - | - |
| Nuco Chrome Bophuthatswana (Pty) Ltd[2] | M | South Africa | 100 | 48.10 | 47.68 | 51.90 | 52.32 | - | - |
| OMV (Pty) Ltd | Q | South Africa | 800 | 70 | 70 | 30 | 30 | 54 452 | 54 452 |
| OMV Kimberley (Pty) Ltd | Q | South Africa | 800 | 100 | 100 | - | - | 37 500 | 37 500 |
| OMV Kimberley Mining (Pty) Ltd | Q | South Africa | 100 | 74 | 74 | 26 | 26 | - | - |
| OMV Mining (Pty) Ltd | Q | South Africa | 100 | 74 | 74 | 26 | 26 | - | - |
| OMV Stilfontein (Pty) Ltd | D | South Africa | 800 | 70 | 70 | 30 | 30 | 34 706 | 34 706 |
| Petra Quarry (Pty) Ltd | Q | South Africa | 100 | 74 | 74 | 26 | 26 | 3 849 | 3 849 |
| Phuhlisa Development Solutions (Pty) Ltd | F | South Africa | 1 000 | 80 | 80 | 20 | 20 | 418 | 418 |
| Queenstown Quarry (Pty) Ltd | Q | South Africa | 100 | 74 | 74 | 26 | 26 | 21 929 | 21 929 |
| Raubex (Pty) Ltd | H | Australia | 7 000 | 100 | 100 | - | - | - | - |
| Raubex Building (Pty) Ltd | I | South Africa | 100 | 82 | 82 | 18 | 18 | 31 200 | 31 200 |
| Raubex Building Group (Pty) Ltd | I | South Africa | 1 000 | 82 | 82 | 18 | 18 | - | - |
| Raubex Construction (Pty) Ltd | R | South Africa | 1 000 | 100 | 100 | - | - | 87 301 | 87 301 |
| Raubex Construction (Pty) Ltd | R | Australia | 100 | 70 | 70 | 30 | 30 | - | 933 |
| Raubex Construction (Mauritius) Ltd | I | Mauritius | 100 | 100 | 100 | - | - | 1 | 1 |
| Raubex Construction Namibia (Pty) Ltd | D | Namibia | 100 | 49 | 49 | 51 | 51 | - | - |
| Raubex Construction (Pty) Ltd - Swaziland | R | Eswatini | 1000 | 100 | 100 | - | - | - | - |
| Raubex Construction Zambia Ltd | R | Zambia | 5 000 000 | 100 | 100 | - | - | 6 009 | 6 009 |
| Raubex Construction Zimbabwe (Pvt) Ltd[1] | I | Zimbabwe | 1 400 | 88 | 65 | 220 | 35 | 1 | 1 |
| Raubex Facilities Management (Pty) Ltd | I | South Africa | 100 | 82 | 82 | 18 | 18 | 1 | 1 |
| Raubex Infra (Pty) Ltd | I | South Africa | 900 | 100 | 100 | - | - | 40 224 | 40 224 |
| Raubex Infrastructure Holdings (Pty) Ltd | H | South Africa | 100 | 100 | 100 | - | - | - | - |
| Raubex KZN (Pty) Ltd | R | South Africa | 100 | 100 | 100 | - | - | 43 907 | 43 907 |

## Notes to the Group Financial Statements (continued)

**45. Interest in subsidiaries (continued)**

| **Indirect (continued)** | | Country of incorporation and place of business | Issued share capital | Effective % held by the group | Effective % held by the group | Effective % held by non-controlling interests | Effective % held by non-controlling interests | Shares at cost | Shares at cost |
|---|---|---|---|---|---|---|---|---|---|
| | | | | **2024** | **2023** | **2024** | **2023** | **2024** | **2023** |
| | | | **Shares** | **%** | **%** | **%** | **%** | **R'000** | **R'000** |
| Raubex Lesotho Construction (Pty) Ltd | R | Lesotho | 1000 | 100 | 100 | - | - | - | - |
| Raubex Ltd | I | Cameroon | 1 000 000 | 100 | 100 | - | - | - | - |
| Raubex Materials Holdings (Pty) Ltd | H | South Africa | 100 | 100 | 100 | - | - | 14 999 | 14 999 |
| Raubex Mining (Pty) Ltd | Q | South Africa | 100 | 70 | 70 | 30 | 30 | - | - |
| Raubex REI Holdings (Pty) Ltd | H | South Africa | 100 | 100 | 100 | - | - | - | - |
| Raubex Roads and Earthworks Holdings (Pty) Ltd | H | South Africa | 100 | 100 | 100 | - | - | 84 550 | 84 550 |
| Raudev (Pty) Ltd | I | South Africa | 100 | 80 | 80 | 20 | 20 | 8 084 | 8 084 |
| Raudprop 1 (Pty) Ltd | P | South Africa | 100 | 80 | 80 | 20 | 20 | - | - |
| Raudprop 2 (Pty) Ltd[3] | P | South Africa | 100 | 80 | - | 20 | - | - | - |
| Raumix Aggregates (Pty) Ltd | Q | South Africa | 916 | 100 | 100 | - | - | - | - |
| Raumix Holdings (Pty) Ltd | H | South Africa | 100 | 100 | 100 | - | - | 23 674 | 23 674 |
| Raumix Mining (Pty) Ltd | Q | South Africa | 100 | 100 | 100 | - | - | - | - |
| Roadmac (Pty) Ltd[3] | R | Australia | 100 | 75 | - | - | - | - | - |
| Roadmac Chip and Seal (Pty) Ltd | R | Namibia | 100 | 49 | 49 | 51 | 51 | - | - |
| Roadmac Surfacing (Pty) Ltd | R | South Africa | 100 | 100 | 100 | - | - | 20 000 | 20 000 |
| Roadmac Surfacing Cape (Pty) Ltd | R | South Africa | 200 | 100 | 100 | - | - | 24 299 | 24 299 |
| Shisalanga Construction (Pty) Ltd[1] | A | South Africa | 100 | 90 | 76 | 10 | 24 | 48 300 | 48 300 |
| Similan Developments (Pty) Ltd[1] | I | South Africa | 100 | 68 | - | 32 | - | | |
| SPH Sand (Pty) Ltd | Q | South Africa | 100 | 74 | 74 | 26 | 26 | - | - |
| SPH Kundalila (Pty) Ltd | C | South Africa | 100 | 100 | 100 | - | - | 111 336 | 111 336 |
| Thandisizwe Quarry (Pty) Ltd | Q | South Africa | 100 | 70 | 70 | 30 | 30 | - | - |
| Strata Civils (Pty) Ltd | I | South Africa | 500 | 100 | 100 | - | - | - | - |
| Stopetek Properties (Pty) Ltd | H | South Africa | 3800 | 34.3 | 34 | 65.7 | 65.7 | 18 000 | 18 000 |
| Syiaka Specialised Services (Pty) Ltd | C | South Africa | 100 | 49 | 49 | 51 | 51 | - | - |
| Tosas (Pty) Ltd | H | South Africa | 100 | 100 | 100 | - | - | 120 000 | 120 000 |
| Tosas Eastern Cape (Pty) Ltd[1] | B | South Africa | 100 | 100 | 50 | - | 50 | - | - |
| Tosas Botswana (Pty) Ltd | B | Botswana | 134 | 100 | 100 | - | - | - | - |
| Tosas Namibia (Pty) Ltd | B | Namibia | 100 | 100 | 100 | - | - | - | - |
| Transkei Quarries (Pty) Ltd | Q | South Africa | 100 | 49 | 49 | 51 | 51 | - | - |
| Ukumaka (Pty) Ltd[1] | RM | South Africa | 100 | 49 | - | 51 | - | - | - |
| Verlesha (Pty) Ltd | Q | South Africa | 100 | 74 | 74 | 26 | 26 | - | - |
| Westforce Construction (Pty) Ltd | I | Australia | 4 000 | 80 | 80 | 20 | 20 | 88 011 | 88 011 |
| Westforce Hire (Pty) Ltd | D | Australia | 100 | 70 | 70 | 30 | 30 | - | - |
| Willows Quarries (Pty) Ltd | Q | South Africa | 100 | 74 | 74 | 26 | 26 | - | - |
| Zisena (Pty) Ltd | R | South Africa | 100 | 49 | 49 | 51 | 51 | - | - |

[1] Refer to note 6 for details regarding the movement of shares.
[2] Bauba A Hlabirwa Mining Investments (Pty) Ltd, Nuco Chrome Bophuthatswana (Pty) Ltd and Ndarama Mineral Resources (Pty) Ltd are part of the Bauba Group, therefore effected by the change in Bauba during the year.
[3] New entity established during the year.

*100% owned dormant entities have not been disclosed in the table above.*

**45. Interest in subsidiaries (continued)**

**Nature of business:**

A Asphalt production
B Manufacturing and distribution of value added bituminous products
C Contract crushing and material handling
D Dormant entity
E Application for water permits, mining licenses and environmental control
F Professional consulting firm - Engineering and project management services
G Gypsum calcining and milling entity
H Investment and holding company
I Infrastructure
RM Road marking
M Mining
P Property rental company
Q Commercial quarrying
R Rehabilitation of roads, civil and general construction work
T Turnkey demolition, remediation and asbestos abatement solutions entity

Roadmac Surfacing (Pty) Ltd operates through a branch registered in Namibia.
Raubex (Pty) Ltd operates through branches registered in Namibia and Zimbabwe.
Raubex Construction (Pty) Ltd operates through a branch registered in Botswana.
B&E International (Foreign) (Pty) Ltd operates through branches registered in Lesotho, Namibia and Zimbabwe.

The Group tests annually whether control exist in entities in which the Group holds less than 50%. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

All subsidiary undertakings are included in the consolidation. The proportion of the voting rights in the subsidiary undertakings held directly by the parent company do not differ from the proportion of ordinary shares held.

Management has assessed that, in terms of IFRS 10, the Group is considered to exercise control over these entities through its ability to affect returns and direct the entities relevant activities, despite owning less that 50% of the issued shares. Thus the Group has power over and is exposed to, or has rights to, variable returns from its involvement with these entities:

- Attaclay (Pty) Ltd
- Belabela Asphalt (Pty) Ltd
- Bauba A Hlabirwa Mining Investments (Pty) Ltd
- Forte Demolition Solutions (Pty) Ltd
- Forward Infra (Pty) Ltd
- Nuco Chrome Bophuthatswana (Pty) Ltd
- Raubex Construction Namibia (Pty) Ltd
- Roadmac Chip and Seal (Pty) Ltd
- Stopetek Properties (Pty) Ltd
- Syiaka Specialised Services (Pty) Ltd
- Transkei Quarries (Pty) Ltd
- Ukumaka (Pty) Ltd
- Zisena (Pty) Ltd

Management considered the following factors in determining control:
- The involvement of the Group in decision-making over significant transactions and/or investments;
- The involvement of the Group in determining the policies and processes in place at these entities;
- The number of directors the Group has on the boards of these entities;
- The relation of the other shareholders of these entities to the Group; and
- The dependence of these entities on the Group and/or its subsidiaries.

No entities were deregistered during the year.

All subsidiaries in the Group have the same year ends. The Group maintains a register of all subsidiaries for inspection at the registered office of Raubex Group Limited.

## Notes to the Group Financial Statements (continued)

**45. Interest in subsidiaries (continued)**

**Significant restrictions**

There are no significant restrictions on the Group's ability to access or use the assets and settle the liabilities of the Group.

Set out below is the aggregate of all subsidiaries with non-controlling interests in the Group:

| | Total comprehensive income for the period R'000 | Dividends paid to non-controlling interest R'000 | Total assets R'000 | Total liabilities R'000 | Net increase in cash and cash equivalents R'000 |
|---|---|---|---|---|---|
| **At 01 March 2023** | | | | | |
| Aggregate of all subsidiaries with non-controlling interests in the Group[1] | 528 899 | (52 421) | 5 890 125 | 4 093 950 | 26 783 |
| **Total** | 528 899 | (52 421) | 5 890 125 | 4 093 950 | 26 783 |
| **At 29 February 2024** | | | | | |
| Aggregate of all subsidiaries with non-controlling interests in the Group[1] | **628 801** | **(64 851)** | **7 947 467** | **5 664 552** | **156 725** |
| **Total** | **628 801** | **(64 851)** | **7 947 467** | **5 664 552** | **156 725** |

| | Non-controlling interest balance at the beginning of the year R'000 | Total comprehensive income attributable to non-controlling interest R'000 | Non-controlling interest on acquisition of subsidiary R'000 | Disposal, acquisition and other changes of non-controlling interests R'000 | Dividends paid to non-controlling interest R'000 | Non-controlling interest balance at the end of the year R'000 |
|---|---|---|---|---|---|---|
| **At 01 March 2023** | | | | | | |
| Aggregate of all subsidiaries with non-controlling interests in the Group[1] | 425 161 | 164 889 | 19 238 | (51 882) | (52 421) | 504 985 |
| **Total** | 425 161 | 164 889 | 19 238 | (51 882) | (52 421) | 504 985 |
| **At 29 February 2024** | | | | | | |
| Aggregate of all subsidiaries with non-controlling interests in the Group[1] | **504 985** | **226 124** | **(537)** | **35 475** | **(64 851)** | **701 196** |
| **Total** | **504 985** | **226 124** | **(537)** | **35 475** | **(64 851)** | **701 196** |

[1] *Refer to the table at the beginning of note 45 for the full list of subsidiaries with non-controlling interest in the Group. None of these individual subsidiaries are material to the Group.*

### 46. Interest in joint operations

Joint operations are those entities in which the Group has joint control. The Group recognises its direct right to assets, liabilities, revenue and expenses and its share of any jointly held or incurred assets, liabilities, revenue and expenses of joint operations in the consolidated financial statements.

| Joint Operations | Country | Nature of business | Interest held 2024(%) | Interest held 2023(%) |
|---|---|---|---|---|
| Censtra Joint Operation | South Africa | Road construction | 100% | 100% |
| Kentha / Raumix Joint Operation | South Africa | Aggregates | 49% | 49% |
| Phoenix Highway Joint Operation | South Africa | Road construction | 60% | 60% |
| PCI - Inenzo - Raubex - Devcotech Consortium | South Africa | Infrastructure | 25% | - |
| Rau-Mon Joint Operation | South Africa | Infrastructure | 87% | 87% |
| Raubex / Enza Joint Operation | South Africa | Road construction | 50% | 80% |
| Raubex / Enza / RB Joint Operation | South Africa | Road construction | 40% | 40% |
| Raubex / Esor Joint Operation | Eswatini | Road construction | 50% | 50% |
| Raubex / Esor Joint Operation | South Africa | Road construction | 50% | 50% |
| Raubex / Moloto Joint Operation | South Africa | Road Construction | 80% | 80% |
| Raubex / Nodoli Joint Operation | South Africa | Infrastructure | 50% | 50% |
| Raubex / Roadmac Joint Operation | South Africa | Road Construction | 100% | 100% |
| Raubex / Umso Joint Operation | South Africa | Road Construction | 60% | 60% |
| Raubex Building / Enza Construction Joint Operation | South Africa | Infrastructure | 50% | 50% |
| Raubex Building / Umso Construction Joint Operation | South Africa | Infrastructure | 70% | 70% |
| Raubex Infra / Enza Joint Operation | South Africa | Infrastructure | 50% | 50% |
| Roadmac Surfacing / Enza Joint Operation | South Africa | Road surfacing | 40% | 40% |
| Roadmac Surfacing / RTH Joint Operation | South Africa | Road surfacing | 40% | 40% |
| Senqu Bridge Joint Operation | Lesotho | Road Construction | 25% | 25% |
| Vasse Joint Operation | Australia | Infrastructure | 67% | 67% |
| Vharanani / Raubex Joint Operation | South Africa | Road surfacing | 49% | 49% |

| **FINANCIAL INFORMATION:**<br>**Statement of financial position** *(Recognised in proportion to interest in assets and liabilities)* | **2024**<br>**R'000** | **2023**<br>**R'000** |
|---|---|---|
| **Assets** | | |
| Current assets | **180 283** | 209 707 |
| Non - current assets | **49 506** | 2 269 |
| Total Assets | **229 789** | 211 976 |
| **Equity and liabilities** | | |
| Equity | **7 978** | 386 |
| Current liabilities | **211 106** | 211 126 |
| Non - current liabilities | **10 705** | 464 |
| Total equity and liabilities | **229 789** | 211 976 |

**Statement of profit or loss** *(Recognised in proportion to interest in assets and liabilities)*

| | 2024 | 2023 |
|---|---|---|
| Revenue | **622 368** | 420 428 |
| Profit attributable to Group | **46 372** | 10 325 |

The Group maintains a register of all joint operations for inspection at its registered office.

Parties collectively control the arrangements and decisions about relevant activities that require unanimous consent.

### 47. Events after the reporting period

Effective 1 March 2024, the Group acquired the remaining 30% of Empa Structures (Pty) Ltd from non-controlling shareholders for R35 million, increasing the Group's effective ownership to 100%.

The directors are not aware of any other subsequent events that occurred between year-end and date of authorisation of the Annual Financial Statements that require any adjustment or additional disclosure in the annual financial statements.

**48. Translation of foreign currencies**

*Functional and presentation currency*

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in South African Rand, which is the Group's presentation currency.

*Transactions and balances*

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of profit or loss. Translation differences on non-monetary financial assets and liabilities are reported as part of the fair value gain or loss. Translation differences on non-monetary financial assets and liabilities such as equities held at fair value through profit or loss are recognised in profit or loss as part of the fair value gain or loss. Translation differences on non-monetary financial assets such as equities classified as available-for-sale, are included in the available-for-sale reserve in equity.

*Group companies*

The results and financial position of all the Group entities that have a functional currency different from the presentation currency, are translated into the presentation currency as follows:

- assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that statement of financial position;
- income and expenses for each statement of profit or loss are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the rate on the dates of the transactions); and
- all resulting exchange differences are recognised in other comprehensive income.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate. Exchange differences arising are recognised in other comprehensive income.

**49. Standards, interpretations and amendments to published standards**

*New and amended standards adopted by the Group:*

A number of International Financial Reporting Standards, Interpretations and Amendments have become effective for the first time for the year ended 29 February 2024.

None of the standards and amendments had a significant effect on the results of operations, the financial position of the Group and the current presentation and layout of the financial statements.

| **Number** | **Effective date** |
|---|---|
| IFRS 17, 'Insurance contracts' | Annual periods beginning on or after 1 January 2023. |
| IFRS 17, Insurance contracts Amendments | Annual periods beginning on or after 1 January 2023. |
| Amendment to IAS 1, 'Presentation of Financial Statements' on Classification of Liabilities as Current or Non-current | Annual periods beginning on or after 1 January 2023. |
| Amendments to IAS 12, Income Taxes: Deferred Tax related to Assets and Liabilities arising from a Single Transaction | Annual periods beginning on or after 1 January 2023. |
| Amendments to IAS 12, Income taxes - International tax reform - pillar two model rules | Annual periods beginning on or after 1 January 2023. |
| Narrow scope amendments to IAS 1 'Presentation of Financial Statements', Practice statement 2 and IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors' | Annual periods beginning on or after 1 January 2023. |

*New standards and interpretations not yet adopted by the Group:*

A number of International Financial Reporting Standards, Interpretations and Amendments have been issued during the year but are not yet effective for the year ended 29 February 2024 and have not been early adopted by the Group.

Except for the effects of IFRS 18, none of these amendments are expected to have a significant effect on the results of operations, the financial position of the Group and the current presentation and layout of the financial statements. The effects of IFRS 18 cannot be reasonably determined at this stage but the expectation is that it will have a substantial effect on the presentation and layout of the financial statements for the year ended 29 February 2028.

| **Number** | **Effective date** |
|---|---|
| IFRS 18 - Presentation and Disclosure in Financial Statements | Annual periods beginning on or after 1 January 2027. |
| Amendments to IAS 1 - Non-current liabilities with covenants | Annual periods beginning on or after 1 January 2024. |
| Amendment to IFRS 16 – Leases on sale and leaseback | Annual periods beginning on or after 1 January 2024. |
| Amendments to Supplier Finance Arrangements (IAS 7 and IFRS 7) | Annual periods beginning on or after 1 January 2024. |
| Amendments to IAS 21 Lack of Exchangeability (Amendments to IAS 21) | Annual periods beginning on or after 1 January 2025. |

## Holding company statement of financial position

| | Note | 2024 R'000 | 2023 R'000 |
|---|---|---|---|
| **ASSETS** | | | |
| **Non-current assets** | | | |
| Investment in subsidiaries | 4.1 | 2 350 721 | 2 339 442 |
| **Total non-current assets** | | 2 350 721 | 2 339 442 |
| **Current assets** | | | |
| Loans to group companies | 4.2 | 123 609 | 250 049 |
| Cash and cash equivalents | 5 | 29 | 435 |
| **Total current assets** | | 123 638 | 250 484 |
| **Total assets** | | 2 474 359 | 2 589 926 |
| **EQUITY** | | | |
| Ordinary shares | 6 | 1 817 | 1 817 |
| Share premium | 6 | 2 059 776 | 2 059 776 |
| Reserves | | 61 017 | 49 738 |
| Retained income | | 305 848 | 336 960 |
| **Total equity** | | 2 428 458 | 2 448 291 |
| **LIABILITIES** | | | |
| **Current liabilities** | | | |
| Loans from group companies | 4.2 | 44 947 | 140 728 |
| Trade and other payables | 7 | 954 | 907 |
| **Total current liabilities** | | 45 901 | 141 635 |
| **Total liabilities** | | 45 901 | 141 635 |
| **Total equity and liabilities** | | 2 474 359 | 2 589 926 |

The notes on pages 107 to 116 are an integral part of these financial statements.

## Holding company statement of comprehensive income

| | Note | 2024 R'000 | 2023 R'000 |
|---|---|---|---|
| Revenue | 8 | 223 237 | 203 552 |
| Administrative expenses | | (1 718) | (1 726) |
| **Operating profit** | | 221 519 | 201 826 |
| Finance income | 9 | 2 | 53 |
| **Profit before income tax** | | 221 521 | 201 879 |
| Income tax expense | 10 | - | (15) |
| **Profit for the year** | | 221 521 | 201 864 |
| Other comprehensive income | | - | - |
| **Total comprehensive income for the year** | | 221 521 | 201 864 |

The notes on pages 107 to 116 are an integral part of these financial statements.

## Holding company statement of changes in equity

| | Share capital R'000 | Share premium R'000 | Reserves for own shares/ share repurchase reserve R'000 | Retained earnings R'000 | Total equity R'000 |
|---|---|---|---|---|---|
| **Balance at 1 March 2022** | 1 817 | 2 059 776 | 43 997 | 329 569 | 2 435 159 |
| Changes in equity: | | | | | |
| Share option reserve (note 4.1) | - | - | 5 741 | - | 5 741 |
| Total comprehensive income for the year | - | - | - | 201 864 | 201 864 |
| Dividends paid | - | - | - | (194 473) | (194 473) |
| Total changes | - | - | 5 741 | 7 391 | 13 132 |
| **Balance at 28 February 2023** | 1 817 | 2 059 776 | 49 738 | 336 960 | 2 448 291 |
| Changes in equity: | | | | | |
| Share option reserve (note 4.1) | - | - | **11 279** | - | **11 279** |
| Total comprehensive income for the year | - | - | - | **221 521** | **221 521** |
| Dividends paid | - | - | - | **(252 633)** | **(252 633)** |
| Total changes | - | - | **11 279** | **(31 112)** | **(19 833)** |
| **Balance at 29 February 2024** | **1 817** | **2 059 776** | **61 017** | **305 848** | **2 428 458** |
| **Note** | **6** | **6** | | | |

The notes on pages 107 to 116 are an integral part of these financial statements.

## Holding company statement of cash flows

| | Note | 2024 R'000 | 2023 R'000 |
|---|---|---|---|
| **Cash flow from operating activities** | | | |
| Cash used in operations | 11 | (1 671) | (1 632) |
| Dividends received | 8 | 223 237 | 203 552 |
| Interest received | 9 | 2 | 53 |
| Taxation paid | 11 | - | (15) |
| **Net cash generated from operating activities** | | **221 568** | 201 958 |
| **Cash flows from investing activities** | | | |
| Loans to group companies advanced | | (792 136) | (2 264 483) |
| Loans to group companies repaid | | 918 577 | 2 153 966 |
| **Net cash generated from/(used in) investing activities** | | **126 441** | (110 517) |
| **Cash flows from financing activities** | | | |
| Dividends paid | | (252 633) | (194 473) |
| Loans from group companies advanced | | 35 507 | 681 382 |
| Loans from group companies repaid | | (131 288) | ( 577 948) |
| **Net cash used in financing activities** | | **(348 415)** | (91 039) |
| **Net (decrease)/increase in cash and cash equivalents** | | **(406)** | 402 |
| Cash and cash equivalents at the beginning of the year | | 435 | 33 |
| **Cash and cash equivalents at the end of the year** | 5 | **29** | 435 |

The notes on pages 107 to 116 are an integral part of these financial statements.

## Holding company notes to the financial statements

### 1. Summary of significant accounting policies

The financial statements of Raubex Group Limited have been prepared in accordance with International Financial Reporting Standards (IFRS), IFRS Interpretations Committee (IFRS IC), the JSE Listings Requirements and the Companies Act, 71 of 2008, of South Africa and are consistent with those of the previous year. The financial statements have been prepared under the historical cost convention, as modified by financial assets and financial liabilities (including derivative instruments) at fair value through profit or loss.

After making enquiries, the directors are satisfied that the company has adequate resources to continue in operational existence for the foreseeable future. The company therefore continues to adopt the going concern basis in preparing its financial statements.

### 1.1 Investments in subsidiaries

Investments in subsidiaries are carried at cost less any accumulated impairment.

The recoverable amount of the company's investments in subsidiaries are calculated as the present value of estimated future cash flows, discounted at the original effective interest rate (i.e. the effective interest rate computed at initial recognition of these financial assets).

The cost of an investment in a subsidiary is the aggregate of:

- the fair value, at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued by the company; plus
- any costs directly attributable to the purchase of the subsidiary.

An adjustment to the cost of a business combination contingent on future events is included in the cost of the combination if the adjustment is probable and can be measured reliably.

### 1.2 Financial instruments

Financial instruments are recognised when the entity becomes party to the contractual provisions of the instruments. The company classifies its financial instruments into the following categories depending on the purpose for which the instrument was acquired. Management determines the classification at the time of initial recognition:

- Financial assets at amortised cost;
- Financial assets at fair value through profit or loss (FVPL);
- Financial assets at fair value through other comprehensive income (FVOCI);
- Financial liabilities at amortised cost; and
- Financial liabilities at fair value through profit or loss (FVPL).

Financial instruments are recognised initially on transaction date at fair value. For financial instruments carried at fair value through profit and loss, transaction costs are recognised immediately in the statement of comprehensive income.

Financial instruments are recognised initially on transaction date at fair value. For financial instruments carried at fair value through profit and loss, transaction costs are recognised immediately in the consolidated statement of profit and loss. Refer to the relevant notes, referenced below, for the recognition and subsequent measurement principles of each of the company's financial instruments.

No financial instruments were designated as held at fair value through profit or loss during the year. All financial instruments held at fair value through profit and loss are default classifications in terms of IFRS 9.

## Holding Company notes to the Financial Statements (continued)

**1.2 Financial instruments (continued)**

*Financial assets held at amortised cost*

Financial assets held at amortised cost are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Amortised cost is calculated using the effective interest rate method.

Gains and losses are recognised in profit or loss when the financial assets are derecognised or impaired, as well as through the amortisation process.

The company assesses at the end of each reporting period whether there is objective evidence that financial assets are impaired. Financial assets are impaired when there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset and has an impact on the estimated future cash flows of the asset that can be reliably estimated.

A loss allowance in respect of financial assets held at amortised cost is reversed if the subsequent increase in recoverable amount can be related objectively to an event occurring after the impairment loss was recognised.

Financial assets held at amortised cost on the face of, or included in the notes to, the statement of financial position includes:

*(a) Trade and other receivables*

Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest rate method, less provisions for impairment.

*(b) Cash and cash equivalents and bank overdrafts*

Cash and cash equivalents includes cash on hand, deposits held at call with banks, other short term highly liquid investments with original maturities of three months or less and bank overdrafts. The company has policies that limit the amount of credit exposure to any financial institution and only creditable financial institutions are used, therefore the estimated credit losses are immaterial.

*Impairment of financial assets held at amortised cost*

The company's financial assets are subject to the expected credit loss model.

The company applies IFRS 9's simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables and contract assets.

The expected loss rates are based on the revenue payment profiles over a 12 month period before 1 March 2023 together with the corresponding historical credit losses experienced within these periods per customer classification. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The company has identified the GDP, inflation rates, prime lending rates and the credit ratings of South Africa in which it operates to be the most relevant factors, and has accordingly adjusted the historical loss rates based on expected changes in these factors.

For all other financial assets held at amortised cost, no significant expected credit loss was noted during the year after consideration was given to the liquidity, forecasts and order books of the underlying group companies. The company applies the measurement provisions of IFRS 9, including those relating to impairment allowances on financial assets/investments in subsidiaries at amortised cost, to all financial instruments within the measurement scope of IFRS 9. The company's impairment methodology relating to financial assets at amortised cost is detailed in note 4.2 of the company annual financial statements. Furthermore, there have been no issues with repayments and no history of default exists on these financial assets.

In determining the recoverability of trade and other receivables, the company considers, amongst others, the frequency of payments, the financial performance of the relevant parties and any contractual agreements that might be in place. If there is no reasonable expectation of recovery then the trade receivable is written off. Where receivables are written off, it is company policy to continue to engage in enforcement activity in order to attempt to recover the receivable due. When recoveries are made, these are included in profit and loss.

*Financial liabilities held at amortised cost*

These instruments include trade payables, accruals, bank overdrafts and contingent consideration liabilities and are carried at amortised cost. Financial liabilities shown on the face of, or included in notes to, the statement of financial position include:

*(a) Trade and other payables*

Trade and other payables are liabilities to pay for goods or services that have been received or supplied and have been invoiced or formally agreed with the supplier. Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method. The obligation arising is expected to be settled within 12 months of the reporting date.

## Holding Company notes to the Financial Statements (continued)

### 1.2 Financial instruments (continued)

*Derecognition*

Financial instruments are derecognised when substantially all risks and rewards of ownership have been transferred.

Financial assets or a portion thereof are derecognised when the company's contractual rights to the cash flows expire or when the company transfers all the risks and rewards related to the financial asset or when the company loses control of the financial asset. Financial liabilities or a portion thereof are derecognised when the obligations specified in the contract are discharged, cancelled or expire.

### 1.3 Share capital and equity

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities.

Ordinary shares are classified as equity.

If the company reacquires its own equity instruments, the consideration paid, including any directly attributable incremental costs (net of income taxes) on those instruments are deducted from equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

### 1.4 Share based payments

The company operates an equity-settled share-based compensation plan, where it grants rights over its equity instruments to the employees of its subsidiary.

The grant by the company of performance shares over its equity instruments to the employees of subsidiary undertakings in the group is treated as a capital contribution. The fair value of employee services received, measured by reference to the grant date fair value, is recognised over the vesting period as an increase to investment in subsidiary, with a corresponding credit to equity. When the shares are issued, the company either issues new shares or uses treasury shares held within the group. The proceeds received net of any directly attributable transaction costs are credited to share capital (nominal value) and share premium or other reserves dependent on whether new shares or treasury shares are used.

## Holding Company notes to the Financial Statements (continued)

### 1.5 Revenue recognition

The Company's only revenue stream is dividend income which is measured at the fair value of the consideration received. This is therefore not revenue in terms of IFRS 15.

Dividends are recognised, in profit or loss, when the Company's right to receive payment has been established.

### 1.6 Group restructuring transactions

The Company recognises the profit or loss arising on any Group restructuring transactions in other gains or losses. The profit or loss recognised is the difference between the cost of the investment disposed of and the proceeds received.

### 1.7 Standards, interpretations and amendments to published standards

*New and amended standards adopted by the Company:*

A number of International Financial Reporting Standards, Interpretations and Amendments have become effective for the first time for the year ended 29 February 2024. None of these standards interpretations or amendments have a significant effect on the Company's financial reporting.

| **Number** | **Effective date** |
|---|---|
| IFRS 17, 'Insurance contracts' | Annual periods beginning on or after 1 January 2023. |
| IFRS 17, Insurance contracts Amendments | Annual periods beginning on or after 1 January 2023. |
| Amendment to IAS 1, 'Presentation of Financial Statements' | Annual periods beginning on or after 1 January 2023. |
| Amendments to IAS 12, Income Taxes: Deferred Tax related | Annual periods beginning on or after 1 January 2023. |
| Narrow scope amendments to IAS 1 'Presentation of Financial | Annual periods beginning on or after 1 January 2023. |

*New standards and interpretations not yet adopted by the Company:*

Except for the effects of IFRS 18, none of these amendments are expected to have a significant effect on the results of operations, the financial position of the company and the current presentation and layout of the financial statements. The effects of IFRS 18 cannot be reasonably determined at this stage but the expectation is that it will have a substantial effect on the presentation and layout of the financial statements for the year ended 29 February 2028.

| **Number** | **Effective date** |
|---|---|
| IFRS 18 - Presentation and Disclosure in Financial Statements | Annual periods beginning on or after 1 January 2027. |
| Amendments to IAS 1 - Non-current liabilities with covenants | Annual periods beginning on or after 1 January 2024. |
| Amendment to IFRS 16 – Leases on sale and leaseback | Annual periods beginning on or after 1 January 2024. |
| Amendments to Supplier Finance Arrangements (IAS 7 and IFRS 7) | Annual periods beginning on or after 1 January 2024. |
| Amendments to IAS 21 Lack of Exchangeability (Amendments to IAS 21) | Annual periods beginning on or after 1 January 2025. |

## Holding Company notes to the Financial Statements (continued)

**2. Financial instruments and financial risk management**

**Overview**

The Company's activities expose it to a variety of financial risks: market risk (including cash flow interest rate risk), credit risk and liquidity risk. The Company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Company's financial performance.

Risk management is carried out by the executive committee under approval by the board of directors. The executive committee identifies and evaluates financial risks in close co-operation with the group's operating units. The board provides principles for overall risk management.

**Categories of financial instruments**

| | Note | Financial assets held at amortised cost | Financial liabilities held at amortised cost | Total carrying value |
|---|---|---|---|---|
| **At 28 February 2023** | | **R'000** | **R'000** | **R'000** |
| Loans to group companies | 4.2 | 250 049 | - | 250 049 |
| Cash and cash equivalents | 5 | 435 | - | 435 |
| Loans from group companies | 4.2 | - | (140 728) | (140 728) |
| Trade and other payables | 7 | - | (907) | (907) |
| Total | | 250 484 | (141 635) | 108 849 |
| | | | | |
| **At 29 February 2024** | | | | |
| Loans to group companies | 4.2 | **123 609** | **-** | **123 609** |
| Cash and cash equivalents | 5 | **29** | **-** | **29** |
| Loans from group companies | 4.2 | **-** | **(44 947)** | **(44 947)** |
| Trade and other payables | 7 | **-** | **(954)** | **(954)** |
| Total | | **123 638** | **(45 901)** | **77 737** |

**Financial risk factors**

*(a) Market risk*

*(i) Price risk*

The Company is not exposed to equity securities price risk as it does not hold investments in equity of other entities that are publicly traded. The Company is not exposed to commodity price risk.

*(ii) Cash flow interest rate risk*

The Company has interest-bearing assets in the form of cash and cash equivalents. The Company's finance income cash flows are exposed to interest rate risk and are dependent on market interest rates (refer to sensitivity analysis below).

*Interest rate risk - Sensitivity analysis*

Interest rate risk is presented by way of sensitivity analysis in accordance with IFRS 7. These show the effects of changes in market interest rates on interest payments, interest income and expense, other income components and, if appropriate, shareholders equity. A one percentage point movement in the prime interest rate would have the following effect on post-tax profit for the year:

| | **2024** | | 2023 | |
|---|---|---|---|---|
| | **1%** | **-1%** | 1% | -1% |
| | **R'000** | **R'000** | R'000 | R'000 |
| Cash and cash equivalents | **-** | **-** | 3 | (3) |
| Increase/(decrease) in profitability | **-** | **-** | 3 | (3) |

## Holding Company notes to the Financial Statements (continued)

**2. Financial instruments and financial risk management (continued)**

*(b) Credit risk*

Cash and cash equivalents - The Company has policies that limit the amount of credit exposure to any financial institution and only creditable financial institutions are used, therefore the estimated credit losses are immaterial. Refer to credit ratings of cash and cash equivalents below.

Loans to group companies - The Company monitors its credit exposure to loans advanced to group companies on an ongoing basis by assessing the applicable Company's financial position, forecasts and order books where applicable, at reporting date. Loss allowances are raised where applicable based on expected credit losses.

| Concentration of credit risk | Rating | **2024 R'000** | 2023 R'000 |
|---|---|---|---|
| Cash and cash equivalents | BB | **29** | 435 |
| Total cash and cash equivalents (refer to note 5) | | **29** | 435 |

Credit risk is represented by the going concern values of the cash and cash equivalents that are carried on the statement of financial position at a value of R0.03 million (2023: R0.44 million).

The credit ratings above have been obtained from publicly available information.

*(c) Liquidity risk*

Prudent liquidity risk management includes maintaining sufficient cash. The group operates a treasury function where all surplus cash is transferred to Raubex (Pty) Ltd.

Management monitors rolling forecasts of the Company’s liquidity reserve on the basis of expected cash flow. The following are the contractual maturities of financial liabilities, including interest payments and excluding the impact of netting agreements:

| **Year ended 28 February 2023** | **Carrying amount R'000** | **Contractual cash flows R'000** | **Within 1 year R'000** | **2 to 5 years R'000** |
|---|---|---|---|---|
| **Non-derivative financial liabilities** | | | | |
| Loans from group companies | 140 728 | 140 728 | 140 728 | - |
| Trade and other payables | 907 | 907 | 907 | - |
| Total | 141 635 | 141 635 | 141 635 | - |

| **Year ended 29 February 2024** | **Carrying amount R'000** | **Contractual cash flows R'000** | **Within 1 year R'000** | **2 to 5 years R'000** |
|---|---|---|---|---|
| **Non-derivative financial liabilities** | | | | |
| Loans from group companies | **44 947** | **44 947** | **44 947** | **-** |
| Trade and other payables | **954** | **954** | **954** | **-** |
| Total | **45 901** | **45 901** | **45 901** | **-** |

Loans from group companies and trade payables are held at amortised cost and the impact of discounting is deemed to not be significant based on their short term nature. Therefore the carrying values are deemed to approximate their fair value.

**3. Capital risk management**

The Company’s objectives when managing capital are to safeguard its ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. The Company monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings less cash and cash equivalents. Total capital is calculated as equity, as shown in the statement of financial position, plus net debt.

The gearing ratio expressed as a percentage of net debt to total capital plus net debt is calculated below:

| | **2024 R'000** | 2023 R'000 |
|---|---|---|
| Cash and cash equivalents (refer note 5) | **(29)** | (435) |
| Loans from group companies (refer note 4.2) | **44 947** | 140 728 |
| Net debt | **44 918** | 140 293 |
| Total equity | **2 428 458** | 2 448 291 |
| Total capital and net debt | **2 473 376** | 2 588 584 |
| Gearing ratio | **1.82%** | 5.42% |

## Holding Company notes to the Financial Statements (continued)

### 4.1 Investment in subsidiaries

| | 2024 | 2023 |
|---|---|---|
| | **R'000** | R'000 |
| **Name of Company** | | |
| **Direct investment at cost*** | | |
| Raubex (Pty) Ltd | **2 018 163** | 2 018 163 |
| Raubex FIC (Pty) Ltd | **153 000** | 153 000 |
| **Total direct investment in subsidiaries** | **2 171 163** | 2 171 163 |
| **Indirect investment on issue of share options to employees of subsidiaries** | | |
| B&E International (Pty) Ltd | **13 940** | 13 940 |
| National Asphalt (Pty) Ltd | **10 496** | 10 496 |
| Raubex (Pty) Ltd | **135 594** | 124 315 |
| Raubex Construction (Pty) Ltd | **2 057** | 2 057 |
| Raubex KZN (Pty) Ltd | **2 104** | 2 104 |
| Raumix Aggregates (Pty) Ltd | **1 707** | 1 707 |
| Roadmac Surfacing (Pty) Ltd | **3 178** | 3 178 |
| Roadmac Surfacing Cape (Pty) Ltd | **1 058** | 1 058 |
| SPH Kundalila (Pty) Ltd | **9 424** | 9 424 |
| **Total indirect investment in subsidiaries** | **179 558** | 168 279 |
| **Total investment in subsidiaries** | **2 350 721** | 2 339 442 |

** Disclosure table excludes investments directly held by the Company with a cost of less than R450.*

The carrying amounts of investment in subsidiaries are shown net of impairment losses.

Details of the Group's employee performance share scheme are disclosed in note 39 to the Group Financial Statements.

### 4.2 Loans to/(from) Group companies

| | 2024 | 2023 |
|---|---|---|
| | **R'000** | R'000 |
| Raubex (Pty) Ltd | **123 609** | (140 728) |
| Raubex FIC (Pty) Ltd | **(44 947)** | 250 049 |
| **Total loans to/(from) Group companies** | **78 662** | 109 321 |
| Current assets | **123 609** | 250 049 |
| Current liabilities | **(44 947)** | (140 728) |
| **Total loans to/(from) Group companies** | **78 662** | 109 321 |

The loans are interest free and have no fixed terms of repayment.

The Company provides for loss allowances on loans to subsidiaries equal using the 12-month expected credit loss approach unless there has been a significant increase in credit risk since initial recognition of the loan. Where there has been a significant increase in credit risk since initial recognition, loss allowances are adjusted to equal the lifetime expected credit losses on these loans. At 29 February 2024 the loss allowances relating to loans to subsidiaries were not significant on account of the loan counterparties' holdings of highly liquid assets and cash/short-term cash investment balances. These holdings by the counterparties significantly exceed their obligations, including their liabilities towards the Company, and accordingly mitigate the credit risk arising from these loans significantly.

The loans to Group companies were classified as non-current assets in the prior year as settlement was expected to occur after a period of 12 months. The loans to Group companies are measured at amortised cost. The fair value of these loans approximate the carrying amount as the difference between these values are immaterial.

## Holding Company notes to the Financial Statements (continued)

### 5. Cash and cash equivalents

| | 2024 R'000 | 2023 R'000 |
|---|---|---|
| Cash and cash equivalents consist of: | | |
| Bank balance | **29** | 435 |
| **Total cash and cash equivalents** | **29** | 435 |

### 6. Share capital and share premium

| | Number of shares | Ordinary shares R'000 | Share premium R'000 | Total R'000 |
|---|---|---|---|---|
| At 1 March 2022 | 181 750 | 1 817 | 2 059 776 | 2 061 593 |
| At 28 February 2023 | 181 750 | 1 817 | 2 059 776 | 2 061 593 |
| At 29 February 2024 | **181 750** | **1 817** | **2 059 776** | **2 061 593** |

The total authorised number of ordinary shares is 500 million shares (2023: 500 million) with a par value of 1 cent per share (2023: 1 cent per share). All issued shares are fully paid.

### 7. Trade and other payables

| | 2024 R'000 | 2023 R'000 |
|---|---|---|
| Trade payables | **476** | 464 |
| Accrued expenses | **478** | 443 |
| Total trade and other payables | **954** | 907 |

### 8. Revenue

| | | |
|---|---|---|
| Dividends received from subsidiaries | **223 237** | 203 552 |
| Total revenue | **223 237** | 203 552 |

### 9. Finance income and costs

Interest is recognised, in profit or loss, using the effective interest rate method.

| | | |
|---|---|---|
| **Finance income:** | | |
| Interest income on cash resources | **2** | 53 |
| Total finance income | **2** | 53 |
| | | |
| Net finance income | **2** | 53 |

## Holding Company notes to the Financial Statements (continued)

### 10. Income tax expense

| | 2024 R'000 | 2023 R'000 |
|---|---|---|
| **South African normal taxation** | | |
| **Current tax** | | |
| Current period | - | 15 |
| Total South African normal taxation | - | 15 |

**Reconciliation between applicable tax rate and effective tax rate:**

| | % | % |
|---|---|---|
| Applicable tax rate | 27.00 | 28.00 |
| Exempt income - dividends received | (27.21) | (28.23) |
| Disallowed charges - other | 0.21 | 0.24 |
| **Effective tax rate** | 0.00 | 0.01 |

### 11. Cash used in operations

| | 2024 | 2023 |
|---|---|---|
| Profit before income tax | **221 521** | 201 879 |
| *Adjustments for:* | | |
| Interest received | **(2)** | (53) |
| Dividends received | **(223 237)** | (203 552) |
| *Changes in working capital* | | |
| Trade and other payables | **47** | 94 |
| Net cash used in operations | **(1 671)** | (1 632) |

In the cash flow statement taxation paid is calculated as follows:

| | | |
|---|---|---|
| Balance payable/(receivable) at beginning of year | - | - |
| Add: current year tax charge (note 10) | - | 15 |
| Add: balance receivable/(payable) at end of the year | - | - |
| Net tax paid/(received) | - | 15 |

### 12. Related parties

**Relationship**

Subsidiaries — Refer to note 45 of the Group Financial Statements

**Related party balances**

**Loans to related parties (note 4.2)**

| | 2024 | 2023 |
|---|---|---|
| **Raubex FIC (Pty) Ltd** | | |
| At the beginning of the year | **250 049** | - |
| Loans advanced during the year | **224 881** | 1 209 684 |
| Loan repayments received | **(474 930)** | (959 635) |
| At year end | - | 250 049 |
| **Raubex (Pty) Ltd** | | |
| At the beginning of the year | - | 108 539 |
| Loans advanced during the year | **567 255** | 1 054 799 |
| Loan repayments received | **(443 647)** | (1 163 338) |
| At year end | **123 608** | - |
| **Raumix Aggregates (Pty) Ltd** | | |
| At the beginning of the year | - | 30 993 |
| Loans advanced during the year | - | - |
| Loan repayments received | - | (30 993) |
| At year end | - | - |
| **Total Loans to related parties** | | |
| At the beginning of the year | **250 049** | 139 532 |
| Loans advanced during the year | **792 136** | 2 264 483 |
| Loan repayments received | **(918 577)** | (2 153 966) |
| At year end | **123 608** | 250 049 |

## Holding Company notes to the Financial Statements (continued)

**12. Related parties (continued)**

| **Loans from related parties (note 4.2)** | **2024 R'000** | 2023 R'000 |
|---|---|---|
| **Raubex FIC (Pty) Ltd** | | |
| At the beginning of the year | **-** | (37 294) |
| Loans advanced during the year | **(149 210)** | (100) |
| Loan repayments made | **104 263** | 37 394 |
| At year end | **(44 947)** | - |
| **Raubex Foreign Holdings (Pty) Ltd** | | |
| At the beginning of the year | **-** | - |
| Loans advanced during the year | **-** | (244 372) |
| Loan repayments made | **-** | 244 372 |
| At year end | **-** | - |
| **Raubex (Pty) Ltd** | | |
| At the beginning of the year | **(140 728)** | - |
| Loans advanced during the year | **(139 770)** | (436 910) |
| Loan repayments made | **280 498** | 296 182 |
| At year end | **-** | (140 728) |
| **Total Loans from related parties** | | |
| At the beginning of the year | **(140 728)** | (37 294) |
| Loans advanced during the year | **(35 507)** | (681 382) |
| Loan repayments made | **131 288** | 577 948 |
| At year end | **(44 947)** | (140 728) |
| **Other fees paid to related parties** | | |
| Raubex (Pty) Ltd | **-** | 4 |

**13. Directors' emoluments**

Refer to note 41 of the Group Financial Statements where the directors' emoluments have been disclosed.

**14. Events after the reporting period**

Refer to note 47 of the Group Financial Statements where events after the reporting period have been disclosed.

No other material events after the reporting period occurred up to the date of preparation of these Financial Statements.