



**STEFANUTTI STOCKS HOLDINGS LIMITED**  
("Stefanutti Stocks" or "the company" or "the group")  
(Registration number: 1996/003767/06)  
(Share code: SSK ISIN: ZAE000123766)

# REVIEWED CONDENSED CONSOLIDATED RESULTS

FOR THE 12 MONTHS ENDED 29 FEBRUARY 2024

- **Revenue R7,1 billion**
- **Operating profit R210 million**
- **Cash at end of year R755 million**
- **Current order book R8,4 billion**

excellence in **execution**

## COMMENTARY

Shareholders are referred to the webcast and presentation relating to the reviewed condensed consolidated results for the 12 months ended 29 February 2024 (the year) which is available on the company's website: [www.stefstocks.com](http://www.stefstocks.com). A physical copy can also be obtained at the company's registered office.

The links are <https://stefanuttistocks.com/investors/audio-visual-annual-results-feb-2024/> and <https://stefanuttistocks.com/investors/presentation-annual-results-feb-2024/>

## GROUP PROFILE

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

Stefanutti Stocks' broad spectrum of expertise covers traditional and niche construction, including:

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

## RESTRUCTURING PLAN UPDATE

The group hereby provides shareholders with an update on the Restructuring Plan as reported in the Unaudited Condensed Consolidated Results for the six months ended 31 August 2023 issued on 28 November 2023 and the SENS announcements issued on 1 March 2024 and 28 March 2024.

As previously reported, the Restructuring Plan has been approved by both the company's board of directors and the Lenders and envisages, *inter alia*:

- the sale of non-core assets;
- the sale of underutilised plant and equipment;
- the sale of identified operations;
- a favourable outcome from the processes relating to the contractual claims and compensation events on certain projects; and
- an evaluation of the capital structure, including the potential of raising new equity.

The group on 27 March 2024, reached agreement with the Lenders to extend the capital repayment profile of the loan as well as its duration to 30 June 2025.

With respect to the Mechanical project termination arbitration award and the disposal of Al Tayer Stocks LLC, a total of R106 million and R60 million respectively has been received from March 2023 to date. Approximately R25 million relating to the final tranche of the purchase consideration of the disposal of Al Tayer Stocks LLC remains outstanding. Capital repayments of R51 million, R43 million and R69 million were made in May 2023, October 2023 and February 2024 respectively, reducing the loan to R997 million. A further payment of R13 million was made in March 2024.

The loan bears interest at prime plus 4,7%, including arranging and facility fees, and is secured by special and general notarial bonds over movable assets, continuous covering mortgage bonds over immovable assets and various cessions. The loan does not contain any financial covenants, but rather imposes certain information and general undertakings.

The Lenders continue to provide guarantee support for current and future projects being undertaken by the group.

The Restructuring Plan is anticipated to be implemented over the period up to June 2025 and, to the extent required, shareholder approval will be sought for certain aspects of the Restructuring Plan. The group will continue to update shareholders on the progress of the various aspects of the Restructuring Plan.

The directors consider it appropriate that the group's results for the year be prepared on the going-concern basis, taking into consideration:

- the current order book;
- imminent project awards;
- continuing operations executing the group's order book profitably;
- the availability of short-, medium- and long-term projects;
- reaching a favourable outcome on contractual claims and compensation events on the Kusile power project;
- continued support from the Lenders; and
- successfully implementing the Restructuring Plan.

The funding provided by the Lenders has assisted with the group's liquidity, even though as at 29 February 2024 the group's current liabilities exceed its current assets by R1 136 million (Feb 2023: R1 141 million), and the group's total liabilities exceed its total assets by R52 million (Feb 2023: R66 million). The group believes it remains commercially solvent based on the cash flow projections included in the Restructuring Plan and the continued support of the Lenders. However, the matters as noted above including uncertainties surrounding the contingent liabilities as stated in note 26 of the group's Consolidated Annual Financial Statements for the year ended 28 February 2023, continue to indicate that a material uncertainty exists that may cast doubt on the group's ability to continue as a going concern, and as a consequence could impact on the group's ability to realise its assets and discharge its liabilities in the ordinary course of business.

## KUSILE POWER PROJECT UPDATE

As previously highlighted to shareholders in numerous announcements and updates since late 2018, the group continues to pursue a number of contractual claims and compensation events on the Kusile power project.

Since August 2021, the group has secured payment of a combined total of R119 million for measured work and the Dispute Adjudication Board (DAB) rulings.

Stefanutti Stocks and Eskom (the parties) entered into an "Interim Arrangement for the Purposes of Agreeing or Determining the Contractor's Claims and Facilitating the Dispute Resolution Process" in February 2020, for all delay events up to the end of December 2019. This process involves the appointment of independent experts (the experts) to evaluate the causes, duration and quantification of delays.

Further to the above, the parties and the DAB have signed a memorandum of understanding (MOU) dealing with the following:

- The DAB will issue decisions confirming entitlements, which entitlements the experts have agreed to, which will then be binding on the parties;
- The DAB will rely on the experts for the narrowing of the issues and information to be considered in its assessments;
- The DAB will continue to make interim decisions on the narrowed issues and information, in a progressive manner which will be binding on the parties;
- The DAB will issue such interim decisions relating to delay and quantum; and
- At the end of the process the DAB will issue a final binding decision in terms of the contract with respect to duration and quantification, at which point either party may issue a notice of dissatisfaction and refer the dispute to arbitration.

As noted in the SENS announcement dated 12 September 2023, the following consolidated and updated claims were submitted to the experts:

1. a quantum claim of R1 344 million;
2. a finance cost claim of R270 million; and
3. interest to be calculated in terms of the DAB's ruling.

Therefore, the total of all consolidated and updated claims submitted, excluding interest, amounts to R1 614 million. In terms of the process as outlined above the experts will review all claims, draft agreements and narrow issues of difference for referral to the DAB for a decision.

The group envisages that the DAB will issue its binding decision during the third quarter of 2024.

At this stage the claims must follow due process, therefore, the group's claims team cannot express a view on the value of any potential award nor the exact timing thereof. As the outcome of this process remains uncertain, these consolidated and updated claims have not been recognised in the financial statements.

## OVERVIEW OF RESULTS

Certain underutilised plant and equipment and the disposal group below have been earmarked for sale and accordingly have been reclassified in terms of *IFRS 5: Non-current Assets Held for Sale and Discontinued Operations*. Due to current market conditions, the disposal of these assets is taking longer than anticipated.

The group remains committed to the sale processes as envisaged in the Restructuring Plan.

### Non-current Assets Held for Sale

The following items are classified as non-current assets held for sale:

Property, plant and equipment	Segment	Feb 2024 R'000	Feb 2023 R'000
Land and buildings	Inland	–	743
Plant and equipment	Inland, Coastal and Western Cape	19 050	42 854
		19 050	43 597

The equity-accounted investee of R6,5 million, previously included as part of non-current assets held for sale, has been disposed of during the year.

### Discontinued Operations and Disposal Groups

On 22 November 2022 shareholders approved the disposal of SS - Construções (Moçambique), Limitada (SS Mozambique) and Stefanutti Stocks Construction Ltd (SS Construction) (collectively the Proposed Transaction) by the company's wholly owned subsidiaries, Stefanutti Stocks Mauritius Holdings Limited and Stefanutti Stocks International Holdings Proprietary Limited to CCG-Compass Consulting Group (Purchaser). The completion of the Proposed Transaction is subject to the fulfilment or waiver of certain conditions precedent, including that the Purchaser provides alternative security arrangements to release Stefanutti Stocks from its existing security arrangements. The parties have extended the period for fulfilment or waiver of the conditions precedent to 30 June 2024.

SS Mozambique holds an 80% interest in a Mauritian company, Stefanutti Stocks Hyvec Partners JV Limited (Hyvec JV), which was established to execute a contract that was awarded to construct villas for a resort in Mauritius (Project).

The Proposed Transaction envisaged that the group's interest in Hyvec JV would be (indirectly) transferred to the Purchaser. However, for various commercial reasons, the parties now intend for the 80% shareholding in Hyvec JV (as well as certain plant and formwork owned by SS Mozambique used on the Project) to be sold by SS Mozambique to other Stefanutti Stocks group companies prior to the implementation of the Proposed Transaction. Due to the exclusion of Hyvec JV from the Proposed Transaction the original sale and purchase agreements concluded with the Purchaser will be amended. The amendments will also address related and ancillary matters, in particular the restraint and non-solicitation provisions originally agreed by the parties in relation to the Mauritius territory. The amendments will not impact the purchase consideration payable by the Purchaser. When the amendments are signed, shareholders will be updated accordingly.

Consequently, Hyvec JV has been re-classified to continuing operations and the Statement of Comprehensive Income for the year ended 28 February 2023 has been restated.

Due to legislative changes in Mauritius, it took the Hyvec JV substantially longer to on-board the required out-of-country national labour. As a consequence, the Hyvec JV is unable to achieve the construction programme, resulting in the group recognising an onerous contract provision at 29 February 2024 and reporting a loss for the year of R78 million.

The group believes that the classification of SS Mozambique and SS Construction as held for sale is still appropriate as the delay in the sale is caused by circumstances beyond the group's control and the group remains committed to its plan to sell the disposal group.

SS Mozambique and SS Construction, reported within the Africa Region, reported a loss for the year of R84 million (Restated Feb 2023: profit of R51 million) which has been offset by a fair value adjustment of R74 million recognised at year-end (Restated Feb 2023: R0,2 million). Further information can be found in note 5.

### Continuing operations

Contract revenue and operating profit from continuing operations improved to R7,1 billion (Restated Feb 2023: R6,1 billion) and R210 million (Restated Feb 2023: R101 million) respectively.

Earnings before interest, tax, depreciation and amortisation (EBITDA) improved from R157 million to R270 million due to improved operating performance and a reduction in restructuring costs. Also included in EBITDA is a net expected credit loss (ECL) reversal of R16 million (Feb 2023: R61 million). The reversals in both the current and prior period relate to trade receivables that were previously provided for and subsequently recovered.

The depreciation charge increased to R58 million (Restated Feb 2023: R42 million), mainly due to the capital expenditure incurred during the year.

The fair value adjustments of R3 million (Feb 2023: R14 million) relate to the write-down of the carrying amount of the non-current assets held for sale to their fair value less costs to sell as required by IFRS 5.

Investment income increased to R44 million (Restated Feb 2023: R29 million) due to improved cash balances during the year.

The tax charge is impacted by certain non-deductible expenditure included within operating profit as well as the profitability of the cross-border operations at their varying tax rates. Furthermore, the group has not provided for a deferred tax asset on the losses reported for the Hyvec JV. In addition, the reversal of timing differences reduced the deferred tax asset by R43 million. The tax rate used for the South African entities is 27%.

The profit for the year for total operations improved slightly to R16 million (Feb 2023: R15 million).

Earnings per share for total operations is a profit of 9,50 cents (Feb 2023: 8,72 cents), and headline earnings per share is a loss of 55,73 cents (Feb 2023: 38,73 cents).

The group's current order book is R8,4 billion (2023: R7,4 billion) of which R1,8 billion (2023: R1,6 billion) arises from work beyond South Africa's borders.

Property, plant and equipment increased to R529 million due to the purchase of new plant and equipment of R117 million of which R67 million was financed through instalment sale agreements.

A dividend of R10 million (Feb 2023: R0,5 million) was received from the equity-accounted investee reducing the carrying value to R25 million (Feb 2023: R32 million).

Trade and other receivables within non-current assets reduced due to R27 million of restricted cash held as security for long-term guarantees being included within current assets, and trade receivables which have reduced from R34 million at February 2023 to R7 million. An ECL of R23 million was raised on trade receivables which have been long outstanding.

Current financial liabilities have reduced by R145 million from R1,2 billion in February 2023 to R1,1 billion, due to capital repayments.

Total excess billings over work done increased by R52 million to R1,3 billion, which includes R246 million pertaining to the re-classification of Hyvec JV.

Provisions increased from R649 million to R966 million in line with the increase in trading activity and the inclusion of the onerous contract provision of R48 million relating to Hyvec JV.

Total interest-bearing liabilities reduced from R1 354 million reported at February 2023 to R1 208 million. Due to the increase in the prime lending rate during the year, interest on the loan increased to R134 million (Feb 2023: R115 million).

The group's overall cash position improved to R755 million (Feb 2023: R561 million).

Cash generated from operations is R322 million (Feb 2023: R512 million) impacted by the repayment of excess billings over work done.

The effect of the weakening Rand on the translation of certain foreign operations resulted in R13 million profit (Feb 2023: R41 million profit) being recognised in other comprehensive income. In addition, the winding up of two foreign branches resulted in a R23 million foreign exchange gain.

## Review of operations

### Inland Region

Inland Region delivered a strong performance with contract revenue and operating profit increasing to R3,1 billion (Feb 2023: R2,3 billion) and R194 million (Feb 2023: R84 million) respectively.

The Civils discipline once again delivered an excellent performance, with all other disciplines performing to expectation.

With respect to a contract mining project termination, a settlement agreement was signed on 27 June 2023 and amended in February 2024. In terms thereof, the group received R17 million to date, with the balance of R13 million expected to be received over the next 28 months.

The arbitration matter relating to the cancellation of a petrochemical contract, has been settled by the parties and all claims for and against have been abandoned.

Inland's order book at February 2024 was R2,2 billion (Feb 2023: R3,1 billion). Subsequent to year-end a significant contract to the value of R1,3 billion was awarded.

### Coastal Region

The Coastal Region's contract revenue from operations is R1,2 billion (Feb 2023: R1,4 billion) with an operating profit of R20 million (Feb 2023: R5 million). These results were negatively impacted by late contract awards and delayed commencement of projects.

Coastal's order book at February 2024 was R2,2 billion (Feb 2023: R2,1 billion).

### Western Cape Region

Western Cape's contract revenue is R1,1 billion (Feb 2023: R702 million) with an operating profit of R37 million (Feb 2023: R30 million). All disciplines are performing to expectation.

Western Cape's order book at February 2024 was R741 million (Feb 2023: R621 million).

### Africa Region

The Africa Region's contract revenue is R1,6 billion (restated Feb 2023: R1,6 billion) with a reduced operating profit of R33 million (restated Feb 2023: R75 million). These results have been impacted by the Hyvec JV loss of R78 million. All other regions performed to expectation.

With respect to the arbitration award relating to the Kalabo-Sikongo-Angola border gate road in the Western Province of Zambia, as announced on SENS on 4 October 2023, shareholders are advised that the award was subsequently registered with the Court. The client has however submitted:

1. an order for the stay of further proceedings pending the determination of the client's application for leave to appeal;
2. an affidavit in support of summons for an order to set aside the registration of the award; and
3. leave to appeal against the judgement.

Stefanutti Stocks and its joint venture partner successfully filed a summons opposing the stay of further proceedings and have commenced discussions with the client with respect to a settlement. The settlement discussions are done on a without prejudice basis and all legal rights remain reserved. Due to the uncertainty relating to the timing and quantum of receipts, the award has not been recognised in the financial statements.

Africa's order book at February 2024 was R1,7 billion (restated Feb 2023: R1,3 billion).

## Safety

Management and staff remain committed to the group's health and safety policies and procedures, and together strive to constantly improve the group's safety performance. The group's Lost Time Injury Frequency Rate (LTIFR) at February 2024 was 0,03 (Feb 2023: 0,05) and the Recordable Case Rate (RCR) was 0,24 (Feb 2023: 0,44).

## Broad-Based Black Economic Empowerment (B-BBEE)

The group is a level 1 B-BBEE contributor measured in terms of the Construction Sector scorecard with a Black Economic Interest score of 70,49%.

## Industry-related matters

The group continues to be negatively affected by disruptive and unlawful activities by certain communities and informal business forums in several areas of South Africa.

## Dividend declaration

Notice is hereby given that no dividend will be declared (Feb 2023: Nil).

## Subsequent events

Other than the matters noted herein, there are no other material reportable events which occurred between the reporting date and the date of this announcement.

## Capital commitments

Capital commitments relate to expenditure for plant and equipment which has been authorised and/or contracted for but not yet recognised in the financial statements. Capital commitments which have been authorised but not yet contracted for amount to R178 million. Capital commitments will be funded through instalment sale agreements and rental options, with repayment terms ranging from 24 to 36 months.

## Appreciation

It is with a deep sense of loss and great sadness that we received the news of Gino Stefanutti's passing on 6 May 2024. Gino's legacy dates to our founding in 1971, and under his energetic, pioneering, and passionate leadership he journeyed with us through many uncharted territories and company milestones. His legacy will forever remain interwoven into the tapestry of our culture and heritage, and we honour the memory of our founder, who inspired and motivated many within our organisation and across the construction industry.

We express our appreciation to the board, the management team and all our employees for their continuous commitment and dedication. We also express our gratitude to our Lenders, service providers, customers, suppliers and shareholders for their ongoing support.

On behalf of the board

**Zanele Matlala**  
Chairman

**Russell Crawford**  
Chief Executive Officer

# INDEPENDENT AUDITOR'S REVIEW REPORT ON CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

## To the Shareholders of Stefanutti Stocks Holdings Limited

We have reviewed the condensed consolidated financial statements of Stefanutti Stocks Holdings Limited, contained in the accompanying condensed report set out on pages 6 to 13, which comprise the condensed consolidated statement of financial position as at 29 February 2024 and the condensed consolidated statements of comprehensive income, changes in equity and cash flows for the year then ended, and selected explanatory notes.

## Directors' Responsibility for the Condensed Consolidated Financial Statements

The directors are responsible for the preparation and presentation of these condensed consolidated financial statements in accordance with the requirements of the JSE Limited Listings Requirements for preliminary reports, and the requirements of the Companies Act 71 of 2008, and for such internal control as the directors determine is necessary to enable the preparation of the condensed consolidated financial statements that are free from material misstatement, whether due to fraud or error.

## Auditor's Responsibility

Our responsibility is to express a conclusion on these condensed consolidated financial statements. We conducted our review in accordance with International Standard on Review Engagements (ISRE) 2410, which applies to a review of historical information performed by the independent auditor of the entity. ISRE 2410 requires us to conclude whether anything has come to our attention that causes us to believe that the condensed consolidated financial statements are not prepared in all material respects in accordance with the applicable financial reporting framework. This standard also requires us to comply with relevant ethical requirements.

A review of the condensed consolidated financial statements in accordance with ISRE 2410 is a limited assurance engagement. We perform procedures, primarily consisting of making inquiries of management and others within the entity, as appropriate, and applying analytical procedures, and evaluate the evidence obtained.

The procedures performed in a review are substantially less than those performed in an audit conducted in accordance with International Standards on Auditing. Accordingly, we do not express an audit opinion on these condensed consolidated financial statements.

## Basis of preparation

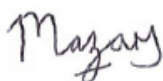
The condensed consolidated financial statements are prepared in accordance with the requirements of the JSE Limited Listings Requirements for preliminary reports and the requirements of the Companies Act 71 of 2008. The Listings Requirements require preliminary reports to be prepared in accordance with the framework concepts and the measurement and recognition requirements of IFRS® Accounting Standards and the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Pronouncements as issued by Financial Reporting Standards Council and to also, as a minimum, contain the information required by IAS 34 Interim Financial Reporting. The accounting policies applied in the preparation of the condensed consolidated financial statements are in terms of IFRS Accounting Standards and are consistent with those applied in the previous consolidated annual financial statements.

## Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the condensed consolidated financial statements of Stefanutti Stocks Holdings Limited for the year ended 29 February 2024 are not prepared, in all material respects, in accordance with the requirements of the JSE Limited Listings Requirements for preliminary reports, and the requirements of the Companies Act 71 of 2008.

## Material Uncertainty Related to Going Concern

We draw attention to the disclosure included in these condensed consolidated financial statements, which indicates that at 29 February 2024 the group's current liabilities exceeded its current assets by R1 136 million (Feb 2023: R1 141 million), and as of that date, the group's total liabilities exceed its total assets by R52 million (Feb 2023: R66 million). The group had an accumulated loss of R1 193 million (Feb 2023: R1 209 million). As disclosed, these events and conditions, along with other matters as noted in the "Restructuring plan update" and "Going concern" sections of the condensed consolidated financial statements, indicate that a material uncertainty exists that may cast significant doubt with respect to the group's ability to continue as a going concern. Our conclusion is not qualified in respect of this matter.



Mazars  
Partner: Yusuf Dockrat  
Registered Auditor

Date: 23 May 2024  
Johannesburg

## CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

		Reviewed Increase/ (decrease)	12 months ended 29 February 2024 R'000		*Restated 12 months ended 28 February 2023 R'000
<b>Continuing operations</b>					
Contract revenue	17		7 084 226		6 050 664
<b>Earnings before interest, taxation, depreciation and amortisation (EBITDA)</b>	<b>72</b>		<b>270 247</b>		<b>157 329</b>
Depreciation			(57 758)		(41 540)
Fair value adjustments			(2 743)		(14 344)
<b>Operating profit before investment income</b>	<b>107</b>		<b>209 746</b>		<b>101 445</b>
Investment income			43 591		28 714
Share of losses of equity-accounted investees			(2 030)		(1 468)
<b>Operating profit before finance costs</b>			<b>251 307</b>		<b>128 691</b>
Finance costs			(150 822)		(128 849)
<b>Profit/(loss) before taxation</b>			<b>100 485</b>		<b>(158)</b>
Taxation			(74 346)		(36 487)
<b>Profit/(loss) for the year</b>			<b>26 139</b>		<b>(36 645)</b>
(Loss)/profit after tax for the year from discontinued operations			(10 253)		51 232
<b>Profit for the year</b>			<b>15 886</b>		<b>14 587</b>
<b>Other comprehensive income</b>			<b>(3 386)</b>		<b>9 068</b>
Exchange differences on translation of foreign operations (may be reclassified to profit/(loss)) – Continuing operations			13 024		41 371
Exchange differences on translation of foreign operations (may be reclassified to profit/(loss)) – Discontinued operations			6 874		43 854
Reclassification of foreign currency translation reserve on deregistration of foreign operations – Continuing operations			(23 284)		(5 215)
Reclassification of foreign currency translation reserve on disposal of foreign operation – Discontinued operations			–		(70 942)
<b>Total comprehensive income</b>			<b>12 500</b>		<b>23 655</b>
<b>Profit attributable to:</b>					
Equity holders of the company			15 886		14 587
Profit/(loss) for the year from continuing operations			26 139		(36 645)
(Loss)/profit for the year from discontinued operations			(10 253)		51 232
			15 886		14 587
<b>Total comprehensive income attributable to:</b>					
Equity holders of the company			12 500		23 655
Profit/(loss) for the year from continuing operations			15 879		(489)
(Loss)/profit for the year from discontinued operations			(3 379)		24 144
			12 500		23 655
<b>Earnings and diluted earnings per share (cents)</b>					
Continuing operations	171		15,63		(21,91)
Discontinued operations	(120)		(6,13)		30,63
<b>Total operations</b>	<b>9</b>		<b>9,50</b>		<b>8,72</b>

\* The information has been restated for the changes between continuing and discontinued operations as stated in the commentary.

## CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Reviewed 29 February 2024 R'000	Audited 28 February 2023 R'000
<b>ASSETS</b>		
<b>Non-current assets</b>	<b>1 008 977</b>	<b>1 038 097</b>
Property, plant and equipment	528 666	458 313
Equity-accounted investees	24 862	32 107
Goodwill	272 376	272 376
Trade and other receivables	9 531	58 269
Deferred tax assets	173 542	217 032
<b>Current assets</b>	<b>3 423 906</b>	<b>3 174 774</b>
Inventories	46 295	51 077
Contracts in progress	535 792	530 496
Trade and other receivables	1 998 873	1 930 016
Taxation	88 122	84 785
Bank balances	754 824	578 400
Non-current assets held for sale and disposal groups	675 488	937 558
<b>Total assets</b>	<b>5 108 371</b>	<b>5 150 429</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Capital and reserves</b>	<b>(51 703)</b>	<b>(66 364)</b>
Share capital and premium	1 007 718	1 007 718
Other reserves	133 898	135 123
Accumulated loss	(1 193 319)	(1 209 205)
<b>Non-current liabilities</b>	<b>188 578</b>	<b>261 920</b>
Other financial liabilities	149 312	131 451
Excess billings over work done	39 266	130 469
<b>Current liabilities</b>	<b>4 559 663</b>	<b>4 315 855</b>
Financial liabilities	1 059 014	1 204 309
Trade and other payables	1 238 928	1 274 463
Excess billings over work done	1 225 326	1 081 639
Provisions	966 073	648 883
Taxation	70 319	88 723
Bank balances	3	17 838
Liabilities directly associated with disposal groups*	411 833	639 018
<b>Total equity and liabilities</b>	<b>5 108 371</b>	<b>5 150 429</b>
* including interest-bearing liabilities and bank overdrafts of	57 114	23 924

## CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Other reserves							Total equity R'000
	Share capital and premium R'000	Foreign currency translation reserve R'000	Share-based payments reserve R'000	Revaluation surplus reserve R'000	Legal reserve R'000	Reserves of disposal groups held for sale R'000	Accumulated loss R'000	
<b>Balance at 28 February 2022 audited</b>	1 007 718	(6 802)	–	20 039	764	112 818	(1 224 556)	(90 019)
Realisation of legal reserve on deregistration of subsidiary	–	–	–	–	(764)	–	764	–
Total comprehensive income	–	36 156	–	–	–	(27 088)	14 587	23 655
Profit for the year	–	–	–	–	–	–	14 587	14 587
Other comprehensive income	–	36 156	–	–	–	(27 088)	–	9 068
<b>Balance at 28 February 2023 restated*</b>	1 007 718	29 354	–	20 039	–	85 730	(1 209 205)	(66 364)
Forfeitable share awards	–	–	2 161	–	–	–	–	2 161
Total comprehensive income	–	(10 260)	–	–	–	6 874	15 886	12 500
Profit for the year	–	–	–	–	–	–	15 886	15 886
Other comprehensive income	–	(10 260)	–	–	–	6 874	–	(3 386)
<b>Balance at 29 February 2024 reviewed</b>	1 007 718	19 094	2 161	20 039	–	92 604	(1 193 319)	(51 703)

\* The information has been restated for the changes between continuing and discontinued operations as stated in the commentary.

### Reserves

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

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

Revaluation surplus reserve comprises the revaluation of land and buildings.

Legal reserve comprises a percentage provided as per legislative requirements pertaining to a foreign subsidiary.

Reserves of disposal groups held for sale comprises foreign currency translation and revaluation surplus reserves.

## CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	Reviewed 12 months ended 29 February 2024 R'000	Audited 12 months ended 28 February 2023 R'000
Cash generated from operations	321 946	512 252
Investment income	42 825	15 804
Finance costs	(162 668)	(136 255)
Dividends received	9 563	505
Taxation paid	(62 780)	(59 533)
<b>Cash flows from operating activities</b>	<b>148 886</b>	<b>332 773</b>
Proceeds received – Property, plant and equipment	42 986	56 364
Expenditure for expansion – Property, plant and equipment	–	(4 779)
Expenditure for maintaining – Property, plant and equipment	(37 040)	(33 384)
Advances to equity-accounted investee	(3 158)	(3 843)
Proceeds on disposal of equity-accounted investee	4 418	–
Proceeds on disposal of AI Tayer Stocks LLC	60 095	18 641
<b>Cash flows from investing activities</b>	<b>67 301</b>	<b>32 999</b>
Repayment of long-term financing	(216 050)	(98 442)
Repayment of short-term financing	(9 976)	(14 254)
<b>Cash flows from financing activities</b>	<b>(226 026)</b>	<b>(112 696)</b>
<b>Net (decrease)/increase in cash for the year</b>	<b>(9 839)</b>	<b>253 076</b>
Cash at the beginning of the year	560 562	409 327
Cash at the beginning of the year – discontinued operations	156 264	24 499
Less: Cash at the end of the year – discontinued operations	40 837	(156 264)
Effect of exchange rate changes on cash and cash equivalents	6 997	29 924
<b>Cash and cash equivalents at the end of the year</b>	<b>754 821</b>	<b>560 562</b>



## NOTES

### BASIS OF PREPARATION AND ACCOUNTING POLICIES

The reviewed condensed consolidated results for the year ended 29 February 2024 ("results and/or reporting period") have been prepared in accordance with framework concepts and the measurement and recognition requirements of IFRS<sup>®</sup> Accounting Standards ("IFRS Accounting Standards"), the SAICA Financial Reporting Guides, as issued by the Accounting Practices Committee and the Financial Reporting Pronouncements issued by the Financial Reporting Standards Council. The report contains the information required by International Accounting Standard *IAS 34: Interim Financial Reporting* and is in compliance with the Listings Requirements of the JSE Limited and the requirements of the South African Companies Act 71 of 2008. The accounting policies as well as the methods of computation used in the preparation of the results for the year ended 29 February 2024 are in terms of IFRS Accounting Standards and are consistent with those applied in the audited annual financial statements for the year ended 28 February 2023.

There is no significant difference between the carrying amounts of financial assets and liabilities and their fair values. The fair value measurements for land and buildings are categorised as a level 3, based on the valuation method of income capitalisation or direct comparable sales using unobservable inputs such as market capitalisation rates and income/expenditure ratio. Plant and equipment included within non-current assets held for sale have been categorised as a level 3 fair value based on significant unobservable inputs to the valuation technique used. These assets are measured using the comparable sales method. This entails the use of quoted prices for identical or similar assets in the market.

The results are presented in Rand, which is Stefanutti Stocks' functional currency.

The company's directors are responsible for the preparation and fair presentation of the results which have been compiled under the supervision of the Chief Financial Officer, Y du Plessis, CA(SA).

### GOING CONCERN

The directors consider it appropriate that the group's results for the year be prepared on the going-concern basis, taking into consideration:

- the current order book;
- imminent project awards;
- continuing operations executing the group's order book profitably;
- the availability of short-, medium- and long-term projects;
- reaching a favourable outcome on contractual claims and compensation events on the Kusile power project;
- continued support from the Lenders; and
- successfully implementing the Restructuring Plan.

The funding provided by the Lenders has assisted with the group's liquidity, even though as at 29 February 2024 the group's current liabilities exceed its current assets by R1 136 million (Feb 2023: R1 141 million), and the group's total liabilities exceed its total assets by R52 million (Feb 2023: R66 million). The group had an accumulated loss of R1 193 million (Feb 2023: R1 209 million). The group believes it remains commercially solvent based on the cash flow projections included in the Restructuring Plan and the continued support of the Lenders. However, the matters as noted above including uncertainties surrounding the contingent liabilities as stated in note 26 of the group's Consolidated Annual Financial Statements for the year ended 28 February 2023, continue to indicate that a material uncertainty exists that may cast doubt on the group's ability to continue as a going concern, and as a consequence could impact on the group's ability to realise its assets and discharge its liabilities in the ordinary course of business.

### 1. HEADLINE EARNINGS RECONCILIATION

	Continuing operations		Discontinued operations		Total operations	
	29 Feb 2024 R'000	28 Feb 2023* R'000	29 Feb 2024 R'000	28 Feb 2023* R'000	29 Feb 2024 R'000	28 Feb 2023 R'000
Profit/(loss)/ after taxation attributable to equity holders of the company	26 139	(36 645)	(10 253)	51 232	15 886	14 587
Adjusted for:						
Net profit on disposal of plant and equipment	(10 308)	(15 246)	–	(57)	(10 308)	(15 303)
Net gain on disposal of non-current assets held for sale	(8 972)	(4 575)	–	–	(8 972)	(4 575)
Fair value adjustments	2 743	14 344	(73 721)	(161)	(70 978)	14 183
Loss on disposal – AI Tayer Stocks LLC	–	–	–	766	–	766
Realisation of FCTR – AI Tayer Stocks LLC	–	–	–	(70 942)	–	(70 942)
Realisation of FCTR on deregistration of foreign operations	(23 284)	(5 215)	–	–	(23 284)	(5 215)
Net tax effect	4 458	1 704	–	18	4 458	1 722
<b>Headline earnings</b>	<b>(9 224)</b>	<b>(45 633)</b>	<b>(83 974)</b>	<b>(19 144)</b>	<b>(93 198)</b>	<b>(64 777)</b>

FCTR – Foreign Currency Translation Reserve

\* The information has been restated for the changes between continuing and discontinued operations as explained in the Commentary.

Number of diluted and weighted average shares in issue		167 243 684	167 243 684	167 243 684	167 243 684	167 243 684
Earnings and diluted earnings per share (cents)	171%	15,63	(21,91)	(6,13)	30,63	9,50
Headline earnings and diluted headline earnings per share (cents)	80%	(5,52)	(27,29)	(50,21)	(11,44)	(55,73)

### 2. NET ASSET VALUE

	Reviewed 29 February 2024 R'000	Audited 28 February 2023 R'000
Total number of net shares in issue	167 243 684	167 243 684
Net asset value per share (cents)	(30,91)	(39,68)
Net tangible asset value per share (cents)	(193,78)	(202,54)

### 3. CONDENSED CONSOLIDATED SEGMENT INFORMATION

	Inland** R'000	Coastal R'000	Western Cape R'000	Africa R'000	Reconciling segments^ R'000	Total R'000
<b>29 February 2024 (reviewed)</b>						
Contract revenue	3 092 529	1 214 775	1 140 075	1 636 847	–	7 084 226
Intersegment contract revenue	–	33 422	3 764	10 772	–	47 958
Reportable segment profit/(loss) – Continuing operations	203 844	11 647	27 787	(3 291)	(213 848)	26 139
Reportable segment loss – Discontinued operations	–	–	–	(10 253)	–	(10 253)
Reportable segment assets	1 744 324	567 134	216 036	2 161 392	419 485	5 108 371
Reportable segment liabilities	1 522 075	489 930	240 836	1 679 221	1 228 012	5 160 074
<b>28 February 2023 (restated)*</b>						
Contract revenue	2 334 239	1 367 692	702 019	1 646 714	–	6 050 664
Intersegment contract revenue	2 556	6 192	27 417	14 347	–	50 512
Reportable segment profit/(loss) – Continuing operations	102 171	1 535	21 924	58 416	(220 691)	(36 645)
Reportable segment profit/(loss) – Discontinued operations	–	2 346	–	(21 289)	70 175	51 232
Reportable segment assets	1 792 476	490 026	218 233	2 173 678	476 016	5 150 429
Reportable segment liabilities	1 390 142	407 725	269 032	1 710 971	1 438 923	5 216 793

\* The information has been restated for the changes between continuing and discontinued operations as stated in the commentary.

^ Reconciling segments comprise segments that are primarily centralised in nature i.e. the group's headquarters, as well as the discontinued operation AI Tayer Stocks LLC. Included in reportable segment operating loss are finance costs on the funding loan of R134 million (Feb 2023: R115 million). Included in assets is goodwill of R272 million (Feb 2023: R272 million) and the receivable from AI Tayer Stocks LLC of R25 million (Feb 2023: R83 million). Included in liabilities is the funding loan of R997 million (Feb 2023: R1,2 billion).

\*\* A specific contract, which is executed in Zimbabwe, is included within the Inland Region for reporting purposes, as the required specialised skills and expertise to execute the contract are derived from the Inland Region.

### 4. DISAGGREGATION OF REVENUE

Contract revenue can be further disaggregated as follows:

	Inland R'000	Coastal R'000	Western Cape R'000	Africa R'000	Total R'000
<b>29 February 2024 (reviewed)</b>					
<b>Geographical</b>					
Within South Africa	2 375 915	1 213 053	1 140 075	–	4 729 043
Outside South Africa	716 614	1 722	–	1 636 847	2 355 183
	3 092 529	1 214 775	1 140 075	1 636 847	7 084 226
<b>Sector</b>					
Private	2 941 593	572 041	837 914	975 724	5 327 272
Public	150 936	642 734	302 161	661 123	1 756 954
	3 092 529	1 214 775	1 140 075	1 636 847	7 084 226
<b>28 February 2023 (restated)*</b>					
<b>Geographical</b>					
Within South Africa	1 842 237	1 361 599	702 019	–	3 905 855
Outside South Africa	492 002	6 093	–	1 646 714	2 144 809
	2 334 239	1 367 692	702 019	1 646 714	6 050 664
<b>Sector</b>					
Private	1 978 121	796 354	360 004	933 246	4 067 725
Public	356 118	571 338	342 015	713 468	1 982 939
	2 334 239	1 367 692	702 019	1 646 714	6 050 664

\* The information has been restated for the changes between continuing and discontinued operations as explained in the Commentary.

#### 4. DISAGGREGATION OF REVENUE (CONTINUED)

	Inland R'000	Coastal R'000	Western Cape R'000	Africa R'000	Total R'000
<b>29 February 2024 (reviewed)</b>					
<b>Disciplines</b>					
Buildings	21 974	394 494	868 679	1 339 139	2 624 286
Civils and Geotechnical	1 598 801	814 842	271 396	179 072	2 864 111
Mechanical Electrical Piping	762 792	–	–	–	762 792
Mining	189 248	–	–	–	189 248
Roads and Earthworks	519 714	5 439	–	118 636	643 789
	<b>3 092 529</b>	<b>1 214 775</b>	<b>1 140 075</b>	<b>1 636 847</b>	<b>7 084 226</b>
<b>28 February 2023 (restated)*</b>					
<b>Disciplines</b>					
Building	32 492	585 274	517 701	1 158 199	2 293 666
Civils and Geotechnical	1 146 422	782 418	184 318	295 954	2 409 112
Mechanical Electrical Piping	532 341	–	–	–	532 341
Mining	210 831	–	–	–	210 831
Roads and Earthworks	412 153	–	–	192 561	604 714
	<b>2 334 239</b>	<b>1 367 692</b>	<b>702 019</b>	<b>1 646 714</b>	<b>6 050 664</b>

\* The information has been restated for the changes between continuing and discontinued operations as explained in the Commentary.

#### 5. DISCONTINUED OPERATIONS

##### 5.1 STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Reviewed 12 months ended 29 February 2024 R'000	*Restated 12 months ended 28 February 2023 R'000
Contract revenue	404 133	276 726
<b>Earnings before interest, taxation, depreciation and amortisation (EBITDA)</b>	<b>(72 135)</b>	28 673
Fair value adjustments <sup>^</sup>	73 721	161
<b>Operating profit before investment income</b>	<b>1 586</b>	28 834
Investment income	141	94
<b>Operating profit before finance costs</b>	<b>1 727</b>	28 928
Finance costs	(12 957)	(5 580)
<b>(Loss)/profit before taxation</b>	<b>(11 230)</b>	23 348
Taxation	977	27 884
<b>(Loss)/profit for the year</b>	<b>(10 253)</b>	51 232
<b>Other comprehensive income</b>	<b>6 874</b>	(27 088)
Exchange differences on translation of foreign operations (may be reclassified to profit/(loss))	6 874	43 854
Reclassification of foreign currency translation reserve on disposal of foreign operation – Al Tayer Stocks LLC	–	(70 942)
<b>Total comprehensive income</b>	<b>(3 379)</b>	24 144
<b>(Loss)/profit attributable to equity holders of the company</b>	<b>(10 253)</b>	51 232
<b>Total comprehensive income attributable to equity holders of the company</b>	<b>(3 379)</b>	24 144
Earnings and diluted earnings per share (cents)	(6,13)	30,63
Headline and diluted headline earnings per share (cents)	(50,21)	(11,44)

\* The information has been restated for the changes between continuing and discontinued operations as explained in the Commentary.

<sup>^</sup> The fair value adjustments relate to the gain on the subsequent increase in fair value less costs to sell, limited to the cumulative impairment loss that has been recognised previously as required by IFRS 5.

## 5. DISCONTINUED OPERATIONS (CONTINUED)

### 5.2 STATEMENT OF FINANCIAL POSITION

	Reviewed 29 February 2024 R'000	Audited 28 February 2023 R'000
<b>Non-current assets</b>	<b>382 729</b>	<b>367 468</b>
Property, plant and equipment	349 186	336 375
Deferred tax assets	33 543	31 093
<b>Current assets</b>	<b>273 709</b>	<b>593 669</b>
Inventories	123 922	120 743
Contracts in progress	50 167	100 167
Trade and other receivables	81 583	189 361
Taxation	1 966	3 843
Bank balances	16 071	179 555
	<b>656 438</b>	<b>961 137</b>
Less: Fair value adjustment – Disposal Group	–	(73 721)
<b>Total assets</b>	<b>656 438</b>	<b>887 416</b>
<b>Non-current liabilities</b>	<b>–</b>	<b>240</b>
Financial liabilities	–	195
Deferred tax liabilities	–	45
<b>Current liabilities</b>	<b>411 833</b>	<b>638 778</b>
Financial liabilities	206	438
Trade and other payables	184 690	144 836
Excess billings over work done	142 964	468 717
Provisions	27 065	1 496
Bank balances	56 908	23 291
<b>Total liabilities</b>	<b>411 833</b>	<b>639 018</b>

### 5.3 NET CASH FLOWS

	Reviewed 29 February 2024 R'000	Audited 28 February 2023 R'000
Net cash movement from operating activities	(48 421)	121 240
Net cash movement from investing activities	(265)	(4 392)
Net cash movement from financing activities	(908)	(586)
Effects of exchange rate changes on cash and cash equivalents	553	16 997
<b>Net movement in cash</b>	<b>(49 041)</b>	<b>133 259</b>

## 5. DISCONTINUED OPERATIONS (CONTINUED)

### 5.4 DISAGGREGATION OF REVENUE

Contract revenue can be further disaggregated as follows:

	Coastal R'000	Africa R'000	Total R'000
<b>29 February 2024 (reviewed)</b>			
<b>Geographical</b>			
Outside South Africa	–	404 133	404 133
<b>Sector</b>			
Private	–	404 133	404 133
<b>28 February 2023 (restated)*</b>			
<b>Geographical</b>			
Outside South Africa	4 264	272 462	276 726
<b>Sector</b>			
Private	4 264	272 462	276 726

\* The information has been restated for the changes between continuing and discontinued operations as explained in the Commentary.

	Coastal R'000	Africa R'000	Total R'000
<b>29 February 2024 (reviewed)</b>			
<b>Disciplines</b>			
Buildings	–	404 133	404 133
<b>28 February 2023 (restated)*</b>			
<b>Disciplines</b>			
Building	–	272 462	272 462
Civils and Geotechnical	4 264	–	4 264
	4 264	272 462	276 726

\* The information has been restated for the changes between continuing and discontinued operations as explained in the Commentary.

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#### Directors

##### Non-executive directors

ZJ Matlala\* (Chairman), HJ Craig#, B Harie#, B Silwanyana#,

# Independent

##### Executive directors

RW Crawford (Chief Executive Officer)

Y du Plessis (Chief Financial Officer)

##### Registered office

Protec Park, Corner Zuurfontein Avenue and Oranjerivier Drive, Chloorkop, 1619  
(Private Bag X2032, Isando, 1600)

##### Corporate advisor and sponsor

Bridge Capital Advisors Proprietary Limited  
10 Eastwood Road, Dunkeld, 2196  
(PO Box 651010, Benmore, 2010)

##### Transfer secretaries

Computershare Investor Services Proprietary Limited  
Rosebank Towers, 15 Biermann Avenue, Rosebank, 2196  
(Private Bag X9000, Saxonwold, 2132)

##### Auditors

Mazars

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

##### Company secretary

W Somerville

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

This announcement together with the investor presentation is available on the company's website and physical copies can be obtained from the company's registered office.