

Stefanutti Stocks Holdings Limited  
(Registration number 1996/003767/06)  
Share code: SSK  
ISIN: ZAE000123766  
("Stefanutti Stocks" or "the company" or "the group")

## **VOLUNTARY SENS ANNOUNCEMENT - ESKOM BRIEFING DOCUMENT**

Stefanutti Stocks notes the release of the Eskom briefing document dated 10 June 2020 reflecting the "Kusile Contract Investigations Status" ("briefing document") where it is stated, amongst other things, that Stefanutti Stocks has been overpaid by Eskom in relation to certain projects. Stefanutti Stocks has considered the briefing document and notes, for the benefit of shareholders in particular, that the investigations being carried out by and on behalf of Eskom are not complete. That said, Stefanutti Stocks disputes that it, or the joint ventures in which it participates, have been overpaid.

As previously highlighted to shareholders in various announcements and updates since late 2018, the group is pursuing a number of contractual claims and compensation events on these large public sector power projects involving Eskom, and due to the complexity of the claims, the processes remain ongoing.

In addition the group advises its shareholders as follows in relation to the matters raised in relation to Stefanutti Stocks in the briefing document:

- During the period between 2015 to 2018, payments made by Eskom to the Stefanutti Stocks Basil Read Joint Venture on package 16 ("SSBR JV") were all made consequent to certificates issued by the independent engineer. During that period, representatives of the engineer and Eskom carried out audits of the SSBR JV records and the payment certificates were issued after they had satisfied themselves that the costs claimed were actually and validly incurred in the construction at Kusile.
- Stefanutti Stocks contends that the SSBR JV is owed additional amounts in respect of work done since December 2018 and in respect of which payments have been withheld. SSBR JV and Eskom have both committed to a claims resolution process which involves the employment of independent experts to evaluate the causes of delay and the quantum thereof. This process remains ongoing.
- In relation to Package 28, during February 2019, Eskom terminated the contract with Stefanutti Stocks Izazi Joint Venture ("SSIJV") due to its inability to provide access to SSIJV to be able to complete the relevant works. Based on the works completed, as well as Eskom's inability to provide access, Stefanutti Stocks contends that there are significant amounts due to it. SSIJV commenced an adjudication process to recover these additional amounts in 2018. This process is ongoing and is anticipated to be concluded during the latter part of 2020.

At present, the company has no reason to advise shareholders to exercise caution when trading in Stefanutti Stocks' securities in respect of the matters outlined in the briefing document.

8 July 2020

Johannesburg

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