Chairman's Statement

"Once again, Raubex has delivered a remarkable performance this year, a true testament to the Group's unwavering resilience and its capacity to prosper while enduring a myriad of challenges. This enduring spirit of determination is clearly demonstrated in the Group's solid financial results. I would like to extend my heartfelt congratulations to the Raubex team for achieving yet another satisfactory outcome despite the persistent pressures of a demanding socioeconomic landscape."

The year in review

Raubex has once again delivered strong results despite operating in a market fraught with ongoing challenges, including deteriorating infrastructure, political unpredictability, and inflationary pressures, among others. The Group's performance, marked by a solid overall order book of R28.18 billion, underscores the effectiveness and resilience of Raubex's diversified strategic approach.

During the 2025 State of the Nation Address (SONA), it was emphasised that the continued implementation of the Economic Reconstruction and Recovery Plan (ERRP), focusing on four key areas: infrastructure development, industrialisation and local production, employment stimulus, and energy security, are key for growth in South Africa. In terms of spending, the 2025 Budget allocated R1.03 trillion over three years for public infrastructure, including roads, energy, water, and sanitation. With Raubex's expertise, we are well positioned to capitalise on the awarding of such tenders.

South Africa's road construction sector showed steady progress during the financial year, supported by increased public and private investments in infrastructure development. SANRAL played a key role in issuing tenders worth R6.43 billion for the maintenance and upgrade of the national road network during 2024. This sector continues to benefit from Government initiatives aimed at reducing red tape and accelerating project roll-outs, in an effort to create jobs, a target of at least 10 000 jobs, and improve the transportation infrastructure across the country. SANRAL was awarded R100 billion during the 2025 Budget. Although SANRAL remains Raubex's largest customer for the Roads and Earthworks Division, the Group has focused on securing more concessionaire and PPP projects to reduce its reliance on SANRAL projects.

During the period from 1 March 2024 to 28 February 2025, South Africa's chrome industry experienced growth, driven by increased global demand, particularly from China. As the world's largest producer and exporter of chrome ore, South Africa saw an upward trend in production and exports. However, challenges such as rising input costs – electricity, water, and logistics – continued to impact the industry. To mitigate logistical issues with rail and port services, exporters increasingly relied on road transport to Maputo, which was severely disrupted by the unrest experienced at the border posts. Unfortunately, Bauba was plagued by operational challenges during the year under review, exacerbated by the drop in the chrome price in the 2H2025, negatively impacting the results.

South Africa's infrastructure sector gained momentum during the year, driven by significant public and private investments. Private sector contributions also increased, with investments totalling R95 billion in 2024. Raubex has been very successful in securing renewable energy infrastructure projects and will continue to focus on securing more private sector work.

The reduction in the repo rate, and consequently the prime overdraft rate, has had a slight positive effect on the Construction Index. Notably, the Index recorded a year-on-year growth of 2.5%, significantly surpassing the year-on-year real GDP growth rate of 0.5%.

In Western Australia, the road construction sector experienced steady activity, supported by state government investments in regional and urban infrastructure projects. Key initiatives included upgrades to major highways and the expansion of road networks to improve connectivity in remote areas. However, the sector faced challenges such as labour shortages and rising material costs, which impacted project timelines and budgets.

On the renewable energy front, Western Australia made significant strides, with renewable energy contributing 42% to the state's electricity grid by February 2025, up from 37% the previous year. The state achieved notable milestones in wind and solar energy. These advancements reflect Western Australia's growing commitment to clean energy and its efforts to reduce reliance on fossil fuels. Raubex secured its fourth and fifth wind farm contracts, and its expertise in managing these projects is steadily increasing in this sector.

Sustainability feedback

The Group acknowledges its ESG responsibilities and is committed to making significant and positive contributions to the communities where it operates, as well as to limiting its impact on the environment. The 2025 Sustainability Report documents the Group's ongoing commitment to improving its ESG reporting and provides a comprehensive overview of its environmental initiatives and social investments.

Environment and climate change

Raubex remains intent on its efforts to reduce the environmental impact of its operations. The Group is actively taking steps to improve its environmental performance, making sustainability a central part of the way it operates by embedding the Board-approved ESG strategy throughout the organisation. This commitment goes beyond compliance, aiming to positively contribute to the global efforts against climate change and promoting environmental preservation.

Raubex's initiatives cover a wide range of activities, from reducing greenhouse gas emissions and promoting resource efficiency and waste reduction to conserving a vital and increasingly scarce resource, water. The Group firmly believes that every action, no matter how small, will contribute to a more sustainable future for all.

Health and safety

The Group prioritises the health and safety of its people above all else and remains deeply committed to continuously enhancing its safety records, adopting a zero-tolerance policy towards health and safety.

Although Raubex remains unwavering in its commitment to safeguarding the lives of its people, the Group regrettably announced the passing of two of its employees during the year under review. Our sincere condolences go to their families, friends and colleagues. A safety strategy is in place, which is specifically targeted at achieving zero fatal and lost time accidents. The Group persists in pursuing this objective through its efforts to transform safety behaviour and instil a culture of safety throughout the organisation.

Transformation and gender equality

The Board and management acknowledge the imperative for transformation within the construction sector and fully endorse diversity and inclusion. The Group consistently advances the South African transformation agenda throughout its value chain. Despite year-on-year improvements that support the transformation of the business and society, substantial efforts are still required to enhance employment equity at the senior management level. The Group is devoted to addressing this issue organically through mentorship, training, and bursaries.

Raubex continues to uphold the principles of race and gender diversity and endeavours to cultivate a work environment that promotes these principles. There is a zero-tolerance approach to any form of discrimination and bullying in the workplace, and the Group promotes adherence to human rights principles.

Critical skills development

Confronted by ever-intensifying skills shortages in the construction sector, the Group remains steadfast in its commitment to enhancing the skills of its people, investing R46.8 million (2024: R35.3 million) in various training programmes during the year under review.

Raubex also has an apprenticeship programme through merSETA and the Mining Qualifications Authority and offers bursaries to promising students mainly within the construction industry. Such individuals are often retained by the Group through suitable employment.

The Group's Skills Development initiatives extend further than this to delivering training in the communities in which it operates, by investing significantly in programmes that cover a range of construction-related skills, including bricklaying, painting, carpentry, plastering, and renovation. This is aimed at improving both competencies and employment in the sector.

Board composition, governance and King IV™

In line with Raubex's succession plan, the Board appointed Mr Moses Zolinjani Ndese (Zweli) effective 24 January 2025 to strengthen the independence of the Board. All Board and committee changes are set out on page 80. Raubex boasts a robust, independent, and stable Board that is well-composed, possessing the collective wisdom and expertise needed to significantly influence the Group's operations and overall direction.

The Board actively promotes and upholds the highest ethical standards in corporate governance, guided by the principles of King IV™. These values are firmly ingrained in the Group's internal controls, policies, and procedures, shaping its corporate conduct.

Raubex places a strong emphasis on diversity at Board level. The Board has a comprehensive Diversity Policy aimed at achieving optimal composition of the Board. This policy ensures

Chairman's Statement (continued)

a broad spectrum of expertise and perspectives, encompassing various business and industry skills, qualifications, knowledge, industry experience, commercial backgrounds, as well as diversity in culture, race, and gender.

With a balanced and highly skilled composition, the Board is well-equipped to govern the Group effectively while representing the interests of all stakeholders.

Additionally, the Group has maintained its Level 1 B-BBEE rating in alignment with the Construction Sector Codes. This is a testament to the dedication and hard work of all its people, and underscores the Group's commitment to principles such as ownership, empowerment, diversity, and the transfer of skills to historically disadvantaged individuals.

On 9 May 2025, Raubex had to notify stakeholders that the publication of the financial results for the year ended 28 February 2025, to have been released on 12 May 2025, will be delayed. This delay arose in the context of the receipt by the Company of an anonymous whistleblower report on 22 April 2025 which contained allegations of unlawful or improper conduct concerning the Group.

The Board takes all allegations of unlawful or improper conduct very seriously. In response, and as part of its commitment to upholding the highest standards of corporate governance, transparency, and regulatory compliance, the Board initiated a comprehensive investigation in line with its whistleblowing policy. The Board's investigation included, amongst other steps, a detailed fact-finding exercise undertaken by independent external advisors. With the investigation now concluded, the Board is pleased to advise that it found no evidence of any unlawful conduct or ethical impropriety as alleged by the whistleblower.

This outcome reaffirms the integrity and professionalism of Raubex and its dedicated employees, whose commitment to upholding the highest standards of corporate governance, transparency, compliance and ethical business practices across all operations remains unwavering.

Dividend

The Board has declared a gross final cash dividend from income reserves of 104 cents per share on 2 June 2025 for the year ended 28 February 2025. This amounts to a total dividend of 198 cents per share for the year, an increase of 27.7%.

Appreciation

I would like to convey my heartfelt appreciation to the Board, Exco, and management teams for their invaluable support and dedication throughout the year. In the face of economic uncertainty and demanding market conditions, the unwavering commitment and tireless efforts of Exco have been instrumental in driving Raubex's continued growth.

Looking ahead, Raubex is strategically positioned to execute its business plan and reinforce its standing as a leading integrated construction services provider in South Africa.

I would like to congratulate Felicia Msiza on being named the African Business Leader of the Year 2025 by African Leadership Magazine. Well done Felicia, well deserved.

On behalf of the Board, Exco, and management, I extend our sincere gratitude to all our employees and stakeholders for their steadfast support and contributions over the past year.

Rudolf Fourie
Chairman

17 June 2025

Barberton Fairview