ANNUAL INTEGRATED REPORT 2024

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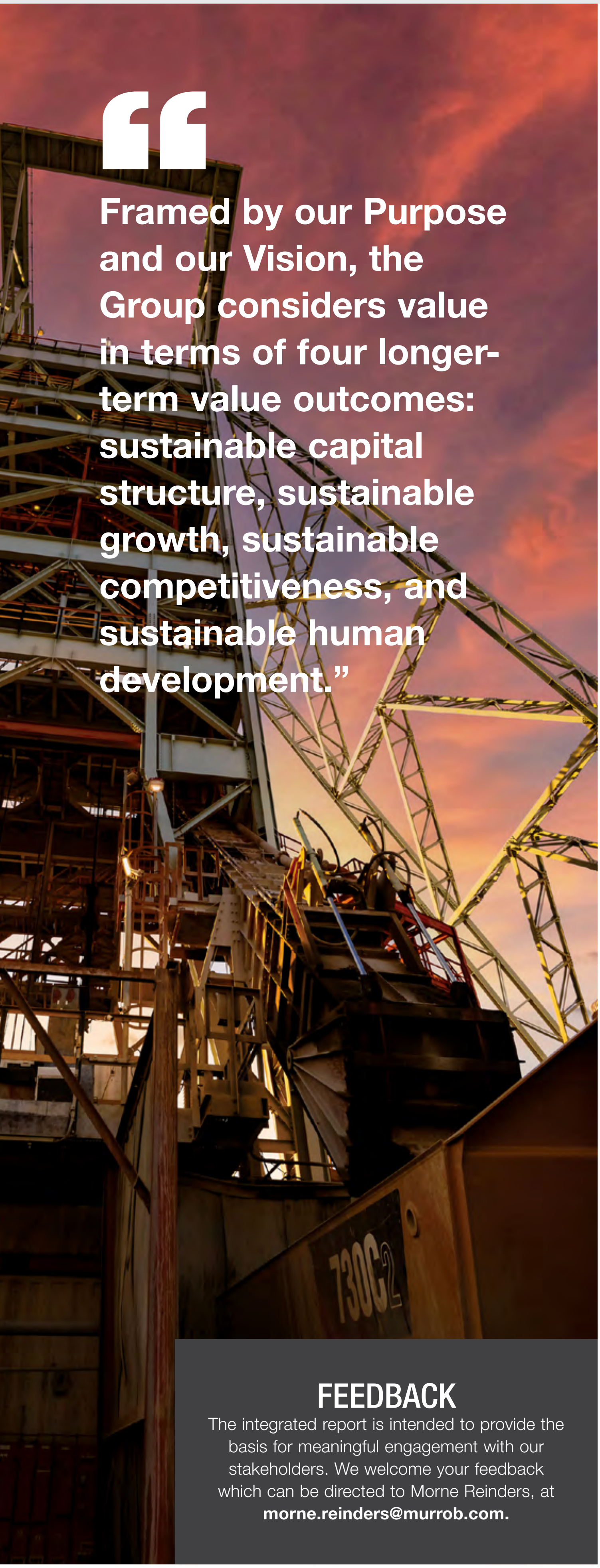

“Framed by our Purpose and our Vision, the Group considers value in terms of four longer-term value outcomes: sustainable capital structure, sustainable growth, sustainable competitiveness, and sustainable human development.”

FEEDBACK

The integrated report is intended to provide the basis for meaningful engagement with our stakeholders. We welcome your feedback which can be directed to Morne Reinders, at **morne.reinders@murrob.com.**

BOOK REFERENCES

ONLINE REFERENCES

VIEWING THIS REPORT

This interactive PDF is best viewed in Adobe Acrobat for desktop, mobile or tablet*.

Click to download or update to the latest Adobe Acrobat Reader.

ADOBE ACROBAT READER

** Functionality may differ according to device and app version used.*

NAVIGATING THIS REPORT

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www.murrob.com/inv-annual-reports.asp

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OUR REPORTING

Rightsizing and refocusing the group

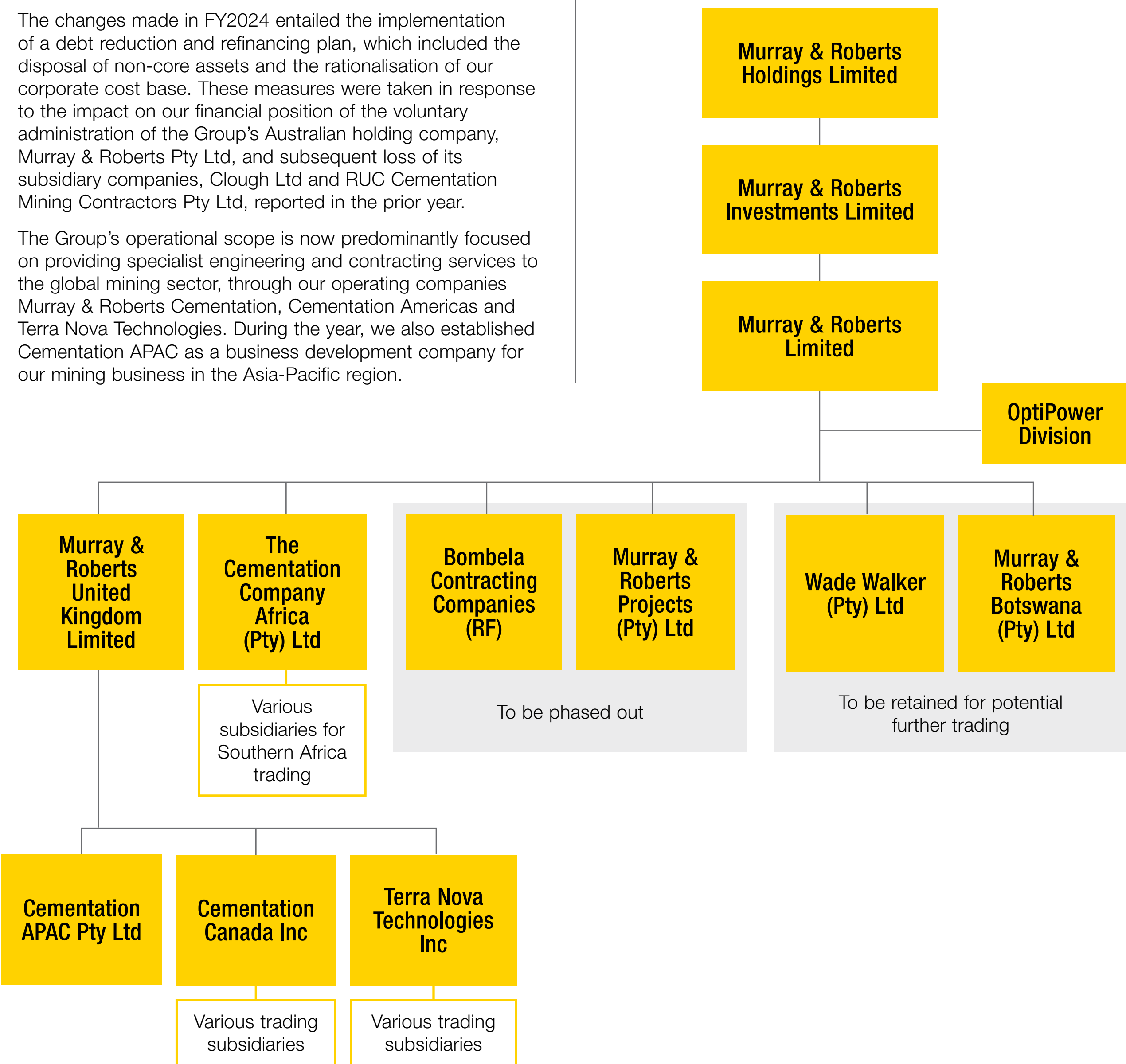
Fundamental changes to the management, operating and capital structure of the Murray & Roberts Group characterised the financial year ended 30 June 2024. It was therefore a difficult and transitional year, in which we worked under acute liquidity pressure to regain financial stability and set the Group on a new path to sustainable growth.

The changes made in FY2024 entailed the implementation of a debt reduction and refinancing plan, which included the disposal of non-core assets and the rationalisation of our corporate cost base. These measures were taken in response to the impact on our financial position of the voluntary administration of the Group's Australian holding company, Murray & Roberts Pty Ltd, and subsequent loss of its subsidiary companies, Clough Ltd and RUC Cementation Mining Contractors Pty Ltd, reported in the prior year.

The Group's operational scope is now predominantly focused on providing specialist engineering and contracting services to the global mining sector, through our operating companies Murray & Roberts Cementation, Cementation Americas and Terra Nova Technologies. During the year, we also established Cementation APAC as a business development company for our mining business in the Asia-Pacific region.

The Group has also retained a position in the Southern African renewable energy and power transmission and distribution sectors, through OptiPower. Further changes to the Group's scope include the closing of our Middle East operations through the liquidation of Murray & Roberts Contractors Abu Dhabi, Murray & Roberts Contractors Middle East (Dubai), and Murray & Roberts International Limited – expected to be finalised in the next financial year.

The Group's organisational structure is now as follows:



Our reporting approach

Our reporting approach remains consistent with last year. Our integrated report is aimed primarily at providers of financial capital – our shareholders, debt capital and insurance providers, and the investment community. We aim to provide them with a frank and focused account of the Group's prospects, in relation to our strategies to restore a sustainable capital structure and drive sustainable earnings growth. As such, it covers the factors, including ESG risks, opportunities and outcomes that have a bearing on the Group's ability to create enterprise value over the short, medium and long term. It is therefore likely to be of interest to other stakeholders, particularly clients, employees, strategic partners and regulators.

Given the importance of financial stability to the Group's prospects, the integrated report includes the full annual financial statements; our ESG credentials are similarly important, so the integrated report draws from and connects to the sustainability report, which provides detailed disclosure on our performance against our ESG priorities and indicators, and the full governance report (both available online). All our reports are available in interactive PDF format, for easy hyperlinking to information within and outside the reports, including the corporate website for additional detail on our ESG management approaches.

Scope and boundary of this report

The integrated report covers the period 1 July 2023 to 30 June 2024, and presents the strategy, governance, performance and prospects of the Group, including our wholly owned operating companies and joint ventures where we exercise significant influence. It covers risks, opportunities and outcomes related to the global contracting environment and the jurisdictions in which we operate, as well as to our relationships with stakeholders, which together affect our ability to grow shareholder value in the short to medium term and create value for stakeholders over the longer term.

The time horizons applied in our disclosure are based on our rolling three-year business planning cycle, with short term denoting the coming year (FY2025), medium term denoting the next three-year cycle (FY2025-2027) and long term denoting subsequent periods (from FY2028).

Reporting frameworks

The information included in this integrated report is provided in accordance with IFRS, the South African Companies Act, 71 of 2008 (as amended), the JSE Listings Requirements and King IV[1]. The Board is of the view that the integrated report applies the principles and content elements of the International Integrated Reporting Framework (2021) in all material respects; however, they are applied in a way that is meaningful to the Group, and consistent with how we communicate with and account to our stakeholders. Our sustainability disclosure is prepared in reference to King IV, the GRI Sustainability Reporting Standards at a core application level, the Task Force on Climate-Related Financial Disclosures, and the United Nations Sustainable Development Goals.

1 *King IV copyright: Copyright and trademarks are owned by the Institute of Directors in Southern Africa NPC and all of its rights are reserved.*

“The Group's operational scope is now predominantly focused on providing specialist engineering and contracting services to the global mining sector.”

Value definition and materiality

Framed by our Purpose and our Vision, the Group considers value in terms of four longer-term aspirations: sustainable capital structure, sustainable growth, sustainable competitiveness, and sustainable human development. Within this value construct, we define medium-term value drivers and determine the associated material issues that are likely to substantively affect our ability to sustain our strategic, operational and financial performance.

Material issues PG 32

We set out our definition of value below, along with the associated risks, as an overview of the value creation story that is thoroughly discussed in this year's report.

MEDIUM-TERM **Value drivers**		LONG-TERM **Value aspirations**	ASSOCIATED RISKS
01 **FINANCIAL STABILITY**	With the support of our financial partners, we need to grow earnings and free cashflow, through careful working capital and cost management, to improve our debt position and strengthen our balance sheet.	A **sustainable capital structure** that supports resilience, growth and value creation.	⊙ ◆ ▼ ■
02 **STRATEGIC POSITIONING FOR GROWTH**	To grow revenues, we need to leverage our brands, specialist capabilities and partnerships to position our businesses for growing capital investment as the world moves to a more sustainable future.	Well positioned brands in target markets, with suitably diversified revenues and optimised earnings potential, for **sustainable growth**.	⊙ ▼ ◆ ■ ✱ +
03 **CULTURE OF *ENGINEERED EXCELLENCE***	Our differentiation as a specialist contractor depends on adherence to global ESG standards and to our own sector-leading operational standards, encapsulated in our commitment to *Engineered Excellence*.	Differentiated as a contractor, employer, and strategic partner, with an emphasis on ESG leadership, for **sustainable competitiveness**.	⊙ + ◆ ▲ ✱ ▼ ■
04 **PARTNERING FOR SUSTAINABLE OUTCOMES**	Through transparent and active engagement, and demonstrating our purpose-led dedication to sustainable development, we need to restore the trust of our financiers, and maintain the trust of all our stakeholders.	Ethical, responsible and purpose-led multinational corporation aligned to the global advancement of **sustainable human development**.	✱ + ▼ ▲ ■

- ⊙ Vulnerability to macroeconomic factors
- ◆ Group liquidity
- ✱ Health, safety and environmental exposures
- ▼ Project delivery risks
- ■ Sustainable future for Murray & Roberts
- + Attracting and retaining select talent
- ▲ Cybersecurity

Process disclosures

The integrity of the integrated report is supported by a mature process:

- The Group's financial, operating, compliance and risk management controls are assessed by our external and internal auditors, with assurance on financial information and certain non-financial performance indicators obtained in line with our combined assurance model. The integrated report has not been externally assured.
- The reporting team, with support from specialist external reporting partners, is led by the Group investor and media executive, who has unfettered access to the Group chairman and Group executives during the process of report preparation.
- A paper setting out the reporting approach and areas of improvement, based on developments in reporting frameworks and the expectations of stakeholders, is presented to the Murray & Roberts Limited and Holdings Limited Boards at the outset of report planning, giving the directors the opportunity to guide the process.
- The material issues were determined by the Murray & Roberts Limited Board, which now includes the managing directors of each operating company, were considered and approved for publication by the Murray & Roberts Holdings Board. The material issues informed the planning of the 2024 reporting cycle, as well as the preparation of the annual integrated and sustainability reports, which provide a thorough discussion of, and pertinent performance data for, these issues.
- The information in the integrated report is drawn from various sources; these include interviews with the Group chairman, Group chief executive and financial director, and managing directors of our operating companies, as well as business planning presentations, the Group's register of top risks and material governance-related information.
- The managing directors are responsible for reviewing and approving their operational reviews.
- The Group chief executive and financial director report all integrated report content during the drafting process, and the non-executive directors are given the opportunity to review and comment on the drafts, before formal approval by the audit & risk committee, whose responsibility is delegated to it by the Board.

For important information on forward-looking statements contained in this report PG 205

Board responsibility

The Group audit & risk committee is responsible for overseeing the preparation and presentation of the integrated report and ensuring its integrity. The committee believes that the integrated report addresses all the material issues that have a bearing on the Group's ability to create value over the short, medium and long term. The committee recommended it for Board approval, obtained on 10 September 2024.

CHAIRMAN'S STATEMENT

SURESH KANA
Group chairman

"We have worked systematically and strategically to secure the Group's future. Although we are a smaller Group with a narrower market scope, our prospects are sound, and the Group is well positioned in selected growth market sectors."

Regaining our financial footing

In last year's report, we detailed how unprecedented circumstances during and in the aftermath of the pandemic increased working capital requirements in Clough, beyond the Group's balance sheet capacity. This led to the voluntary administration, in December 2022, of the Group's Australian holding company, MRPL and of Clough, and the eventual loss of these two companies to the Group, together with another subsidiary of MRPL, RUC. Since then, we have worked systematically and strategically to secure the Group's future. Although we are a smaller Group with a narrower market scope, our prospects are sound, and the Group is well positioned in selected growth market sectors.

Last year's report also carried a carefully hopeful theme – that despite the loss of its Australian businesses, Murray & Roberts remained a Group with a future. Securing our future over the last year has required several measures, none more fundamental than working towards regaining financial stability. The loss of Clough and RUC left the Group with a highly geared balance sheet in South Africa and the remedy was extensive restructuring and rightsizing, and the formulation of a deleveraging plan to significantly reduce our debt. The final step in the implementation of the deleveraging plan is underway. This will settle the remaining R409 million South African debt, down from approximately R2 billion in April 2023, with four South African banks, and improve liquidity, to support the delivery of the Group's order book.

The chief executive's and financial director's report describes the measures taken to regain our financial footing in more detail PG 38

In terms of rightsizing the Group, several measures were taken to ensure that our cost structures were aligned with the needs of a smaller Group. This was an extensive process which extended across the Group's businesses in South Africa, including the size and structure of the Board, head office and overhead costs, as well as operations. This approach ensured that the remaining overheads can support a sustainable growth path which, over the medium term, will return strength to our balance sheet and value to our shareholders.

Realising opportunity for less risk

This rightsizing has positioned Murray & Roberts for sustainable earnings growth as an engineering and contracting services company primarily specialising in underground mining in Africa and the Americas, but also renewable energy and power infrastructure in Sub-Saharan Africa. We are well respected contractors in all our markets, and our mining brands are market leaders in select regions. The Group's ability to grow its earnings and order book this last year, despite financial uncertainty, proves the strong position and earnings potential of our core global mining services business.

The mining business will contribute the bulk of Group income from diversified regions and commodity types. Our mining brands are in pole position to benefit from increasing 'green metals' demand as the global energy transition gathers pace, and are engaging with global mining clients in regions poised for significant capital investment. Despite the hesitancy in the global mining market due to the prevailing economic and geopolitical uncertainties, our mining order book and project pipeline indicate strong growth potential over the next three years. Our newly established brand, Cementation APAC, will provide further diversification and a springboard for opportunities in the Asia-Pacific region.

After extensive restructuring, OptiPower is the only remaining operation from our previous PIW business platform. This business is well positioned in South Africa's growing renewable energy sector and notable recent project awards have bolstered its order book. It is also well positioned for opportunities in power transmission infrastructure, with the expected – and urgently needed – investment in South Africa's transmission network over the next decade. On this basis, we expect OptiPower to return to profitability and make a contribution to Group earnings from FY2025.

The growth plans and expectations of our businesses are detailed by our managing directors in their respective business reviews PG 42

The Board's assessment of the Group's opportunity potential remains strongly cognisant of the attendant risks. We note the less onerous contracting models and hence lower commercial risk that apply in the mining sector, from which most of the Group's income is derived. This compares to the riskier lump sum contracting arrangements that OptiPower faces in its market sectors, albeit on far smaller sized projects that were previously undertaken by Clough. Our management teams understand that our expectation of earnings growth in the coming years depends on delivering optimal project outcomes and earnings for the Group, with commercial and project risk management a stringent focus.

Another key risk to our growth expectations is competition in all our markets, as tender price remains a key factor in tender adjudication. It is therefore crucial for our brands to distinguish themselves, especially from competitors competing aggressively on price. In the years ahead, the dedication of each of our brands to *Engineered Excellence* will support continual improvement in project delivery efficiency and risk reduction, including through new technologies and novel approaches. We will aim to achieve differentiated project outcomes that preserves the respect and repeat business of major clients. Our ability to support clients in achieving their ESG goals, particularly in the areas of health and safety, community development and environmental impact, will remain an increasingly important feature of our ability to win work.

Limpopo bus accident

The Board of directors, sympathizes with the families, friends and colleagues of the 17 Murray & Roberts Cementation employees who lost their lives, and those who were injured and impacted by the bus accident which occurred on 17 September 2023 on a national road while travelling to the Venetia mine in Limpopo.

“Our commitment to sustainable development, which we take seriously as a multinational corporate citizen, translates into ESG performance that compares favourably with global peers and major clients.”

Governance enabling resilience and growth

For the Board of Murray & Roberts, governance is not simply a set of rules, but a reflection of our dedication to *Engineered Excellence*. This is an expectation of the Board, as much as it is of our management teams and employees throughout the Group’s operations. More than meeting compliance requirements, our governance approach and systems are considered and planned to create shared value for our stakeholders.

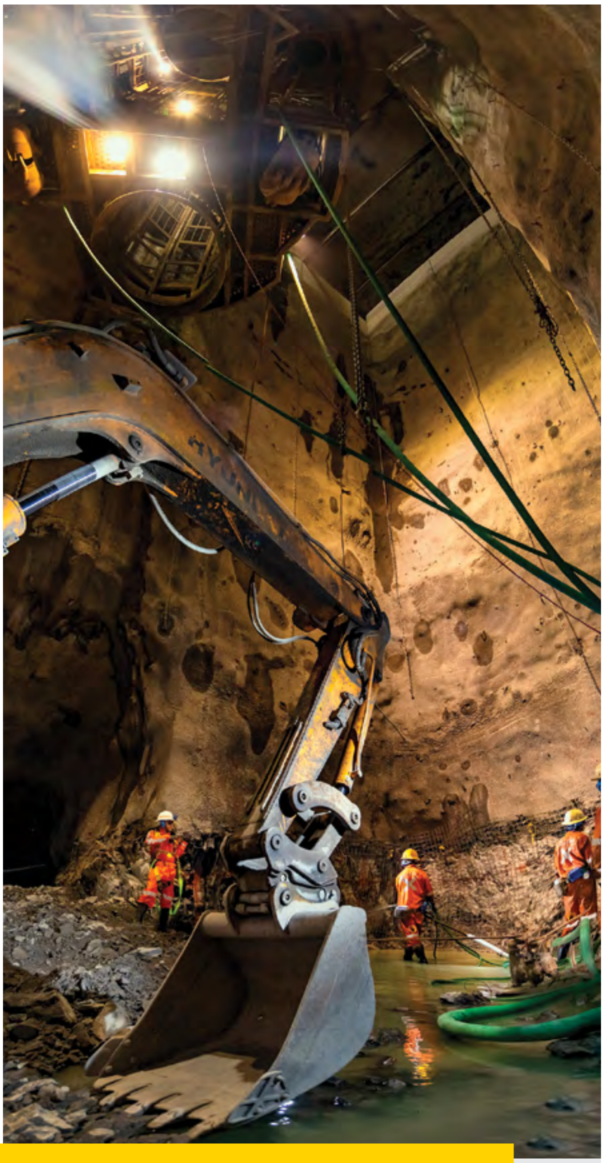
The rightsizing of the Group required the restructuring of the Board, which gave us the opportunity to optimise our committee structure and ways of working. We continue to review our policies, to ensure they are fit for purpose. Considering the now smaller Group, we externally assessed the Group’s remuneration policy and concluded that it remains relevant and aligns with best practice, although we will recalibrate with new peer group comparators against which we measure our remuneration levels. Our commitment to performance measurement and accountability remains steadfast and will continue to include an annual assessment of Board effectiveness.

Our strong track record in corporate and operational governance, through the policies and management systems that support commitment to *Engineered Excellence*, has not only given us the ability to negotiate accommodative payment terms with our suppliers, but also preserved the reputation with clients and employees.

Our commitment to sustainable development, which we take seriously as a multinational corporate citizen, translates into ESG performance that compares favourably with global peers and major clients. We have the necessary frameworks and governance processes for effective Board oversight of ESG risk and opportunity, which align our business objectives to the expectations of our stakeholders. We operate under high expectations and strict ESG guidelines, which support our reputation as a well-governed, ethical, and responsible multinational organisation. At project level, harmonising ESG imperatives with commercial objectives is a requirement for clients, funders and – increasingly – talented employees, and as such is an important source of differentiation.

Our localisation programmes are a case in point. We work with clients and in regions that expect us to enter local contracting partnerships, train and employ local skills from host communities, and procure services from local supply chains. Our businesses have garnered recognition among clients for the success of their localisation programmes, as important contributors to project stability, as well as sustainable development outcomes.

As we regain financial stability and strengthen our balance sheet, we remain dedicated to accounting transparently to our stakeholders for our ESG impacts, particularly our HSE performance at operational level and the socioeconomic betterment of our employees, partners and host communities. Stakeholders will note that our safety performance aligns to businesses and peers in our relevant market sectors. Achieving Zero Harm to people and the environment will continue to be our benchmark aspiration.



Appreciation

The past year has again been demanding for the Board as we supported the executive team in their efforts to navigate Murray & Roberts through extremely difficult circumstances and set it on a path to sustainable growth. I believe that the actions we have taken have justified the trust our employees, clients, and partners have always placed in us – a vote of confidence that we deeply appreciate.

I am grateful to the Board for their commitment and counsel in guiding Murray & Roberts to recovery and stability. I also thank the executive team and every employee for their dedication to the Group and especially to our Values and principles, which were as instrumental in securing our sustainability as they will be to delivering on our growth potential in the future.

OUR BUSINESS

Murray & Roberts at a glance

As a purpose-led, multinational provider of specialist engineering and contracting services, we optimise fixed capital investment in market sectors critical to advancing sustainable human development.

We provide differentiated engineering and contracting services to the global mining and regional renewable energy and power transmission sectors, with an established and expanding presence in regions and commodities likely to attract capital investment over the long term. The global emphasis on sustainable development, particularly the just transition to a low carbon future, supports this expectation.

Our mining services brands are market leaders in North America and Sub-Saharan Africa, with strong client relationships, a reputation for excellence, good quality order books and strong project pipelines. We are leveraging these attributes to further diversify our growth potential by expanding in the Asia-Pacific region. In Southern Africa, we have established a credible position to respond to accelerated activity in renewable energy and power transmission and distribution infrastructure.

Group chief executive's and financial director's report PG 38

Culture of Engineered Excellence

The Murray & Roberts Group

Providing specialist engineering and contracting services to the global mining sector, and regional power transmission and renewable energy sectors.

PURPOSE

Enabling fixed capital investments that support the advancement of sustainable human development.

VISION

To be a leading multinational specialist and contracting services group that applies our project life cycle capabilities to optimise fixed capital investment.

VALUES

Integrity | Respect | Care | Accountability | Commitment

STOP. THINK. ACT. 24/7:
SAFE OUTCOMES IN EVERYTHING WE DO

"Our mining services brands are market leaders in North America and Sub-Saharan Africa, with strong client relationships, a reputation for excellence, good quality order books and strong project pipelines."

The Group is positioned to serve market sectors attracting increasing capital investment as the world moves to sustainably meet the needs of a growing and urbanising global population, and to solve systemic socioeconomic and environmental challenges. In particular, our market sectors support the transition to a new energy future.

Our businesses are well-regarded, well-governed and well-positioned to contribute to the advancement of sustainable human development – through the sectors they serve and the ESG leadership they aspire to. They have the specialist capabilities, management systems and strategic relationships to grow profitably and sustainably in their markets. Active across the project life cycle, they provide comprehensive and competitive service offerings that diversify their revenue and margin mix, and maximise their contribution to local socioeconomic and environmental wellbeing – in line with the expectations of funders, clients, employees and local stakeholders.

Our businesses are expected to align to our Values and to operate according to our philosophy of *Engineered Excellence*. This underpins our aspiration to compete and grow sustainably, to enhance stakeholder trust in the Group and our industry, and to advance sustainable human development not only in what we do, but also how we do it.

Our commitment to safe outcomes in everything we do, grounds our aspiration to make Zero Harm to people and minimal impact to the environment a reality. Mature governance and management systems, and a commitment to continual improvement, support our HSE leadership. Our safety track record is on par with global peers and clients.

Integrated thinking

The harmonisation of commercial and ESG imperatives is both an ethical obligation for the Group and an important feature of our contracting brands' sustainable competitive advantage.

As a well-governed, ethical, and responsible multinational organisation, ESG is embedded in our decision-making processes as we strive to understand, measure and manage the full impact of the decisions we make. The Group Sustainability Framework (below) governs and focuses our approach to managing the risks and opportunities, impacts and outcomes related to financial and ESG imperatives at Group, operating company and project levels across all our jurisdictions.

Continual improvement of the Group's policies, standards, systems, practices and reporting, in response to shifts in our operating context and the needs and expectations of our stakeholders, embeds sustainable practices across our businesses. Shared learning within and across our businesses underpins consistency.

Group Sustainability Framework

FINANCIAL AND ECONOMIC SUSTAINABILITY

ENVIRONMENT

- Greenhouse gas emissions and climate change
- Resource efficiency, energy and water
- Waste and pollution
- Biodiversity and land
- Regulatory compliance

See our sustainability report for more information on the above

6 CLEAN WATER AND SANITATION | 7 AFFORDABLE AND CLEAN ENERGY | 8 DECENT WORK AND ECONOMIC GROWTH | 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE | 11 SUSTAINABLE CITIES AND COMMUNITIES | 12 RESPONSIBLE CONSUMPTION AND PRODUCTION | 13 CLIMATE ACTION | 15 LIFE ON LAND | 17 PARTNERSHIPS FOR THE GOALS

SOCIAL

- Safety, health and wellness
- Employee relations, diversity, equity and inclusion
- Working conditions
- Human rights, dignity and equality
- Indigenous partnerships and socioeconomic development
- Community development

See our sustainability report for more information on the above

1 NO POVERTY | 3 GOOD HEALTH AND WELL-BEING | 4 QUALITY EDUCATION | 5 GENDER EQUALITY | 8 DECENT WORK AND ECONOMIC GROWTH | 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE | 10 REDUCED INEQUALITIES | 11 SUSTAINABLE CITIES AND COMMUNITIES | 17 PARTNERSHIPS FOR THE GOALS

GOVERNANCE

- Governance structures
- Board diversity and composition
- Ethical conduct
- Risk and opportunity oversight
- Data protection and privacy
- Cybersecurity

See our sustainability report for more information on the above

See our Governance Report for more information on the above

10 REDUCED INEQUALITIES | 16 PEACE, JUSTICE AND STRONG INSTITUTIONS

TRANSPARENCY AND INTEGRATED REPORTING

STAKEHOLDER ENGAGEMENT

The Group sustainability framework sets out our commitment to achieve sustainable outcomes across our value chain by:

Designing and delivering projects that are viable and profitable, with differentiated outcomes for clients, partners and employees, and lasting socioeconomic and environmental value for communities and countries, in return for value recognition for shareholders.

Investing in our employees and maintaining a competitive value proposition to retain and attract critical skills, enabling us to operate with excellence and achieve sustainable outcomes in project delivery and operations.

Applying the highest ethical standards in our business dealings.

Maintaining transparent and decision-useful reporting to inform our stakeholders of our strategies, and measurable progress against our commitments.

Maintaining trust-based relationships and valuing the contribution of our stakeholders, which is fundamental to the long-term success of our business.

For more detail on the Group Sustainability Framework

Our ESG objectives

- Maintain a competitive employee value proposition that supports the retention and attraction of scarce skills, particularly technical and supervisory skills, and the flexibility needed to capacitate projects at various stages.
- Ensure our projects meet and exceed client and community expectations for safety and health; local contracting partnerships, employment and procurement; training and skills development; socioeconomic development of communities; and environmental and long-term impacts of projects.
- Continue to embed ESG criteria in risk and opportunity assessments and project execution.
- Improve performance, measurement and reporting in supply chain, environment and climate change, DEI, community advancement and labour.
- Help clients meet their environmental goals through innovative designs and sustainable construction methods, and improve our understanding of what they need to operate in a lower-carbon economy and how this impacts the Group.

The financial and ESG outcomes the Group expects are built into our performance management and development processes, and linked to our remuneration and incentive schemes. Performance contracts align individual and team performance targets to the Group's strategic objectives, across five performance dimensions (see below). These are cascaded from the performance criteria the Board sets for the Group CEO, to senior, middle and line management levels at the beginning of each financial year.

Performance management measures

01 FINANCIAL

- Supportive shareholders through value recovery.
- Achievement of strategic objectives (per rolling three-year business planning cycle).
- Improvement in profitability through working capital and cost management, and operational efficiency.

02 LEADERSHIP

- Murray & Roberts brand respected internationally.
- Recognised as a diverse, high-performing organisation.
- Renowned for leadership development and capacity.

03 RELATIONSHIPS

- Stakeholder partnerships leveraged for excellence and growth.
- Open relationships built on internal and external trust.
- Recognised as a contractor and employer of choice.

04 OPERATIONAL

- Global capabilities harnessed to deliver successful project outcomes.
- Effective systems and controls to ensure successful project delivery.
- Sustainability and governance emulated by industry.

05 RISK

- Recognised for outstanding HSE results.
- Effective opportunity and risk management.
- Manage financial risk to an acceptable level through controls and oversight.

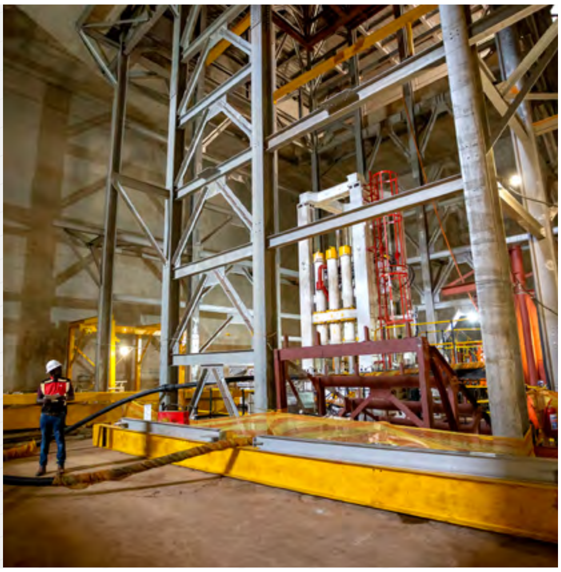
For more detail on our remuneration policy and its implementation in FY2024 PG 70

Stakeholder inclusivity

Our reputation as a credible global operator and respected multinational rests on the value we create for our clients, employees, partners and shareholders, and for local companies, host communities and countries in which we work. We value the contributions of our stakeholders as fundamental to the long-term success of our business, and our insight into their expectations supports effective risk and opportunity management. We know their trust is earned through consistent decisions and actions that engender confidence in the Group's character and competence, and our reliability in meeting our obligations and commitments.

Our Group stakeholder engagement policy outlines our engagement responsibilities and applies to all our businesses and employees, ensuring that the legitimate expectations of our stakeholders remain central to our decision-making.

For more detail on the policy and how we are responding to stakeholders' concerns



Engineered Excellence

Our competitiveness as a contractor and an employer, and our ability to earn maximum value from our projects for manageable risk, rely on consistently deepening our culture of *Engineered Excellence*.

Engineered Excellence is how we build trust, secure competitive advantage, and grow value for our clients, stakeholders and the Group. This leadership philosophy, which together with our Values define the Group's culture, informs our management approaches at every level of the organisation. It is embedded within our businesses through several policies and management systems, including the Group Sustainability Framework, HSE Framework (below), Group Statement of Business Principles, Contracting Principles and Lessons Learned, and the Group Ethics Framework, which codifies ethical and responsible business conduct.

For more detail on the Group's Statement of Business Principles

These Group frameworks set clear expectations for our employees, business partners and suppliers, and their application is governed throughout the Group and regularly updated to respond to shifting realities in the global contracting environment. How well we apply them determines the strength of our brands, the quality of our stakeholder relationships, and our reputation for good corporate citizenship.

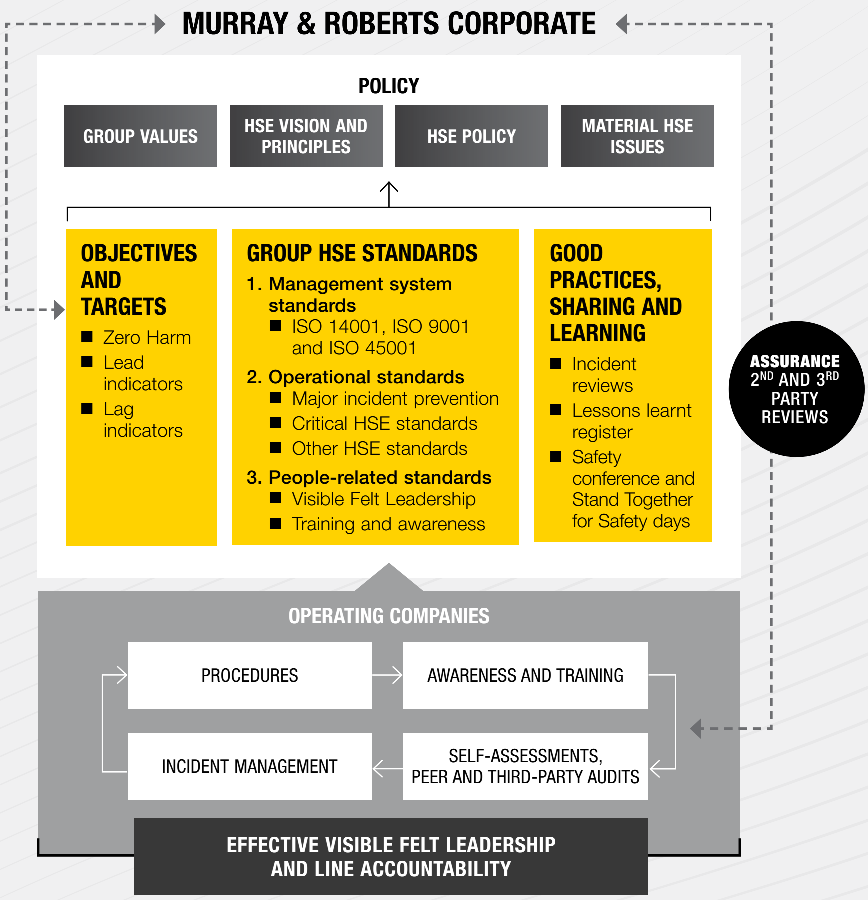
Vested in careful and conscious planning, *Engineered Excellence* demands leadership commitment, shared learning and continuous improvement. In our responses to challenging operating contexts, in making unavoidable trade-offs and sequencing our priorities, it aims to remove chance from our pursuit of the outcomes our stakeholders expect; it therefore grounds our aspiration to be a contractor and an employer of choice.

Health, safety and environment

Safety leadership

Safety management, in the high-risk project environments in which we work, is a key differentiator for clients and employees, and a key focus for regulators. Recognising safety as a managed outcome, we aspire to deliver projects with Zero Harm to our employees and surrounding communities. The Group's commitment, people-centric leadership and streamlined HSE systems, and proactive interventions underpin our industry-leading safety performance. Our Zero Harm projects demonstrate that productivity, quality and safety go hand in hand.

Group HSE framework



“We continue to develop and implement new service offerings and find ways to reduce environmental impact in areas where we have influence.”

The Group HSE framework (alongside) outlines the role, responsibility and accountability of the corporate office and operating companies, and incorporates recommendations from independent experts and ongoing risk assessments and audits. It is focused on high-impact interventions, such as managing critical safety risks and the risk of change (including demobilisation). Together with our HSE policies and standards, the framework provides the foundation for a consistent and sustainable approach to HSE management. HSE training and awareness help leaders and employees to effectively apply our safety standards and controls at operations. ISO 45001[1] certification is maintained across all our operations.

Major incidents prevention programmes are applied across the Group, which aim to proactively manage critical safety risks through safety in design and planning for safe execution. This entails identifying high-risk tasks and the associated critical controls needed to prevent serious incidents, and includes verification processes by leaders and frontline employees to ensure that controls are being applied and are effective.

Safety outcomes PG 21

For more detail on our safety leadership approach and performance

1 *ISO 45001 – the international standard for an effective health and safety management system.*

Environmental management

The Group continues to pursue opportunities to minimise the impact of our business activities on the environment and to assist clients in meeting their environmental objectives. All companies in the Group are required to adopt high environmental management standards, including implementing and maintaining internationally recognised environmental management systems, using project input materials responsibly and efficiently, and complying with legislative requirements.

Global decarbonisation presents opportunities for the Group. Our capabilities position us to help our clients transition their operations to carbon neutrality, energy and water efficiency, and resilience to the physical impacts of climate change. We continue to develop and implement new service offerings and find ways to reduce environmental impact in areas where we have influence. We also continue to identify innovative ways to manage the physical risks of climate change on project delivery, improving our resilience to disruptions.

Work towards a plan to achieve a net-zero future for the Group is ongoing. We are developing a holistic approach to designing and building low-carbon projects, incorporating resource efficiency, recycling, renewable energy, digitalisation, equipment innovation and stakeholder engagement.

OUR CLIMATE CHANGE POSITION STATEMENT

Adopted in FY2022, this position statement commits the Group to:

- Monitor and reduce own carbon footprint.
- Evaluate our participation in new projects against the environmental imperative to mitigate climate impacts.
- Act responsibly when participating in fossil fuels projects. Regarding coal, the Group will, other than in South Africa, limit its participation to metallurgical coal projects until such time that sustainable alternatives for large scale steel production are available. We will only consider participation in thermal coal projects which include coal earmarked for power generation in South Africa, for as long as the country's economy and its electricity generating capacity depend on thermal coal.
- Ensure that projects in which the Group participates comply with relevant environmental specifications, governmental authorisations, and local and international environmental and social standards.
- Collaborate with clients and the supply chain to find innovative solutions to reduce carbon emissions in our own market sectors.
- Grow service offering to the renewable energy sector to assist in the transition to a low carbon future that mitigates environmental and climate change risks.
- Follow the Task Force on Climate-Related Disclosures framework to create an understanding among stakeholders of the Group's ability to respond to climate change risks and opportunities.

Environmental outcomes PG 21

For more detail on our environmental management approach and performance

People management

Employee value proposition

To be a contractor of choice is contingent on our ability to effectively resource projects, including providing the best management teams and technical expertise. This, in turn, requires that we continue to ensure that our employee value proposition is credible and competitive in markets where technical and supervisory skills are in short supply. All our businesses are expected to apply and uphold the high-level principles and standards set by the Group.

We focus on attracting high-calibre employees that support our Values and high-performance culture. Our Purpose, commitment to safe outcomes, high-profile projects, world-class training academy and excellent development programmes, commitment to DEI, and adoption of digital and ESG strategies are key motivators for skilled individuals. The Group provides them with valuable work experience and learning, meaningful career pathways, and opportunities to contribute positively to society.

Mechanisms are in place to support structured career development to retain top talent, and ensure that our assessment of performance and remuneration are equitable and fair across job grades. Current and potential leaders receive leadership development and mentorship to help them achieve the Group's objectives and build the competencies they need for future leadership roles. Individuals earmarked for succession have personal development plans and are mentored by a senior colleague. Their progress is reviewed periodically by a panel of senior executives.

Our learning and development initiatives include skills development programmes, learnerships and apprenticeships that provide work experience and on-the-job training, coaching, and undergraduate and postgraduate bursaries as well as scholarships. Most of our training spend supports the development of leadership, technical, safety and digital skills.

Effective and agile people planning and attracting the right skills timeously are key to mobilising projects on time and within budget. In addition, different skillsets are required for various phases of project work and must be efficiently onboarded and demobilised in accordance with project schedules. We adhere to legislation and collective bargaining requirements when demobilising, and make a concerted effort to retain core skills. The same responsible approach is adopted when retrenchments are a necessity during business restructuring or when redeployment is not possible for redundant roles.

People management outcomes PG 21

For more detail on our people management approach and performance

Localisation advantage

Our sustainable localisation programmes, which create socioeconomic value for the communities where we work, are an important feature of the Group's competitive advantage. Our localisation and community upliftment programmes aim to leave a lasting positive impact, through employment and procurement opportunities, enterprise development initiatives to build the capacity and skills of local SMEs, and solutions to the challenges that the communities located near our projects face.

Our localisation programmes are informed by our DEI policy. This covers the workplace and beyond, local business support and community upliftment initiatives, and strategic JV partnerships, which are essential to secure projects and meet local contracting requirements.

Localisation outcomes PG 21

For more detail on our localisation approach and performance

> **Our sustainable localisation programmes, which create socioeconomic value for the communities where we work, are an important feature of the Group's competitive advantage."**

Our business model

The Group's activities create direct economic value for shareholders, clients, employees, partners and suppliers. The assets we design, build and operate unlock socioeconomic value for local communities and countries, contributing to industrial development, wealth creation and better living standards. Our participation in market sectors that support the advancement of sustainable human development creates long-term value for global society.

Our ability to regain financial stability and set the Group on a path to sustainable growth and value creation depends on the competitive differentiation of our businesses as specialists and ESG leaders in their market sectors. In turn, this requires the consistent ingraining of the Group's culture of *Engineered Excellence*, and partnering with our stakeholders to drive sustainable outcomes. To this end, the calibre of our people, and our mature governance and management systems, enable us to restore, maintain and enhance stakeholder trust both in the Group and in our industry.

Material issues, risks and strategy PG 32

OUR INPUTS

Resources and relationships, and related management actions, required to create value

Capital stocks

available at 30 June 2024

FINANCIAL CAPITAL

- Shareholder equity of R1,6 billion (FY2023: R1,8 billion), debt of R1,3 billion (FY2023: R1,5 billion), and cash including advance payments and working capital improvements of R1,6 billion (FY2023: R1,3 billion).
- Deleveraging plan implemented.
- Strong focus on cost and cash management to support debt reduction and fund growth.
- Disciplined management of project execution to minimise losses and protect margins.
- Self-funding projects.
- Working closely with financiers to ensure sustainably financed projects.

MANUFACTURED CAPITAL

- R1,5 billion in plant and equipment (FY2023: R1,6 billion).
- Specialised equipment, owned or leased, mobilised for project delivery.
- 9 offices in 6 countries, and training facility in South Africa.
- State and community infrastructure and utilities in our host countries and local communities.

INTELLECTUAL CAPITAL

- Strong, recognised brands and reputation.
- Fit-for-purpose governance structure and mature systems of oversight and control.
- Specialised industry expertise and experience of our management and project teams.
- Adoption, adherence, adaption and management of commercial and operational systems, procedures and culture pertaining to *Engineered Excellence*.
- Group sustainability, HSE and ethics frameworks integrate ESG imperatives into decision-making and management at Group, operating company and project levels.
- Mature risk management system and culture.
- International management systems accreditation across our operations.
- Policies, procedures and systems for data protection and privacy.

HUMAN CAPITAL

- Skilled and diverse workforce of 5 309 permanent employees worldwide (FY2023: 5 443).
- Effective, experienced leadership.
- Competitive employee value proposition to develop, retain and attract scarce skills.
- Focused succession planning to ensure sufficient talent depth.
- Fit-for-purpose training and development programmes.
- Structured and mature performance management process.

SOCIAL AND RELATIONSHIP CAPITAL

- Sound relationships with all stakeholders, based on our Values.
- Strategic partnerships with clients, JV partners, OEMs, subcontractors and suppliers.
- High ethical standards and industry-leading corporate governance, including compliance with all relevant national laws and regulations, and industry standards.
- Formal stakeholder engagement policy.
- Local hiring and procurement that supports local communities.
- Investment in community relations and development.
- Transparent reporting against global reporting frameworks.

NATURAL CAPITAL

- Specialised service offering in renewable energy sector.
- New projects evaluated against climate change impacts.
- Group commitment to reduce carbon footprint.
- Collaboration with clients and suppliers to reduce carbon emissions.
- Focus on resource efficiency and sustainable procurement to minimise environmental impacts.
- Improving the quality and integrity of our environmental data and reporting systems.

Our business activities

OUR BUSINESS ACTIVITIES

Constraints to availability and affordability of capital	**Opportunities** to impact capital positively
■ Securing financing facilities in a constrained financing environment. ■ Project deferrals and delays due to hesitance in capital investment may affect planning and funding. ■ Project concentration introduces risk of cash flow drop on project completion. ■ Commodity concentration exposes the Group to market fluctuations. ■ Skills shortage requires higher investment in people.	■ Rationalised cost base, debt refinance and growth prospects underpin our path to financial stability. ■ Solid order book and multi-year project pipeline provide reasonable earnings visibility in the medium term and allows management of concentration risk. ■ Increasing commodity diversification guards against market fluctuations. ■ Significantly reduced profile of earnings at risk in the mining business. ■ Access to funders focused on ESG credentials. ■ Capital management focused on systematically improving debt position.
■ Global supply chain constraints impacting availability of equipment. ■ Deterioration in equipment operation, productivity and maintenance directly linked to global skills shortage. ■ Poor electricity and water infrastructure impacts productivity in certain countries.	■ Design engineering and project excellence maximise fixed asset outcomes for clients, local communities and host countries. ■ Partnering with OEMs for development and testing of new technologies and equipment, that enable safer and more efficient operations.
■ Aging population of subject matter experts in our industry, and deteriorating technical skills competence. ■ Inconsistency of skills competence across different project teams, due to local skills shortages. ■ Maintaining and strengthening security governance processes and technical defences for data protection and privacy is costly and requires consistent expertise and management.	■ Competitive differentiation as contractor and employer, supporting preferred bidder status. ■ Competitive differentiation from embedding ESG principles into project delivery and operation. ■ Group-led, consistent approach to strategic priorities including risk, safety, human capital and digital development. ■ Digitalised project management systems that enable real-time visibility, monitoring and decision-making. ■ Leveraging relationships between Group businesses, to drive continual improvement by sharing effective approaches and lessons learnt.
■ Global skills and labour shortages have both immediate, as well as succession and development pipeline impacts. ■ Attracting and retaining the specialist, supervisory and technical skills needed to deliver project excellence. ■ Maintaining an optimal proportion of expatriate versus national project skills. ■ Cash preservation measures impact our talent development initiatives.	■ Giving employees access to world-class and complex project experience. ■ HSE leadership as a differentiator. ■ Digitising human capital data for better resource management, making more proactive, fast-tracked decisions relating to mobilisation and resource management. ■ Leverage training academy as a differentiator.
■ Financial instability has created uncertainty among stakeholders. ■ Reticence of financiers towards the Group and industry. ■ Managing different local workplace cultures for safety and productivity is an ongoing challenge as we expand into new regions. ■ In some regions, community unrest due to protest action can put project execution and employees at risk.	■ Disciplined management of risk to reinforce Zero Harm to people and communities. ■ Strong, long-term relationships with stakeholders support better quality local contracting partners, procurement and employment. ■ Supporting clients in achieving their ESG objectives. ■ Proactively manage community relationships and expectations by developing customised approaches for each project.
■ Limited progress on emissions and water reduction pathways. ■ Increased climate-related risk, such as unpredictable weather conditions including floods and storms, causing project disruptions. ■ Regional water scarcity requires management and innovation from both an operational and an ESG perspective. ■ Onerous operating licence conditions and environmental authorisations. ■ Continued participation in thermal coal projects (for energy security) in South Africa increases reputational and funding risk.	■ Integrating sustainability thinking across design, procurement and construction. ■ Specialised engineering and contracting services to sectors that are carbon and water intensive and vulnerable to climate change impact. ■ ESG credentials as a differentiator, with improved data and reporting informing our efforts to reduce environmental impacts. ■ Positioned to support the transition needed to meet global carbon reduction targets. ■ Decarbonisation requirements provide opportunities for ESG focused contractors.

OUR BUSINESS ACTIVITIES

Our outcomes

MINING

- Murray & Roberts Cementation
- Cementation Americas
- Terra Nova Technologies

Market focus:

- Africa
- Americas
- Asia-Pacific

Global capabilities: underground mining services and material logistics in global metals and minerals markets.

- Detailed engineering
- Procurement
- Construction
- Commissioning & maintenance
- Operations

RENEWABLE ENERGY AND POWER INFRASTRUCTURE

- OptiPower

Market focus:

- Sub-Saharan Africa

Regional capabilities: power and transmission infrastructure, and renewable energy.

- Detailed engineering
- Procurement
- Construction
- Commissioning & maintenance

Chief executive officer's and financial director's report PG 38

Operating company reviews PG 42

OUR OUTCOMES

Consolidated by related capitals at 30 June 2024

Annual financial statements PG 88

Sustainability report

FINANCIAL AND MANUFACTURED CAPITAL

REVENUE (CONTINUING)
R13,5 billion

(FY2023: R12,5 billion)*

EBIT (CONTINUING)
R170 million

(FY2023: R91 million)*

NET CASH
R0,4 billion

(FY2023: R0,3 billion net debt)

ATTRIBUTABLE LOSS
R138 million

(FY2023: R3 181 million attributable loss)*

DILUTED CONTINUING HEADLINE LOSS PER SHARE
24 cents

(FY2023: 71 cents loss per share)

QUALITY (DIVERSIFIED) ORDER BOOK AND STRONG PROJECT PIPELINE
R17,2 billion

(FY2023: R15,4 billion)

* *After losing control of MRPL and its subsidiaries in Australia.*

** *The deterioration in the rate is due to a small increase in the number of incidents recorded, but mostly due to a significant reduction in hours worked due to the exclusion of hours previously recorded for Clough and RUC.*

HUMAN AND INTELLECTUAL CAPITAL

Zero fatalities

(FY2023: zero)

40 projects achieved zero recordable cases

(FY2023: 32)

LTIFR**
1.23

(FY2023: 0.64)

LEARNING AND DEVELOPMENT SPEND
R111,7 million

(FY2023: R112 million)

108 hours

TRAINING HOURS PER EMPLOYEE
(FY2023: 65)

6 671

EMPLOYEES TRAINED
(FY2023: 7 720)

WOMEN REPRESENTATION IN THE WORKFORCE
15,3%

(FY2023: 15%)

AVOIDABLE TURNOVER
13.6%

(FY2023: 13%)

B-BBEE
Level 1 in South Africa

ENTERPRISE AND SUPPLIER DEVELOPMENT SPEND (SOUTH AFRICA)
R2,6 million

(FY2023: R1,2 million)

CSI SPEND
R1,8 million

(FY2023: R6,9 million)

INCIDENTS OF DATA LOST
Zero

(FY2023: 2)

REGULATORY COMPLIANCE
Zero

Material incidents of non-compliance with laws and regulations

(FY2023: 0)

SOCIAL AND RELATIONSHIP AND NATURAL CAPITAL

Direct environmental impacts

SCOPE 1 & 2 EMISSIONS
5 640 tCO_2e

(FY2023: 6 520 tCO_2e)

SCOPE 3 EMISSIONS
52 540 tCO_2e

(FY2023: 76 400 tCO_2e)

ENERGY
55 690 GJ

(FY2023: 55 870 GJ)

WATER
42 230 ML

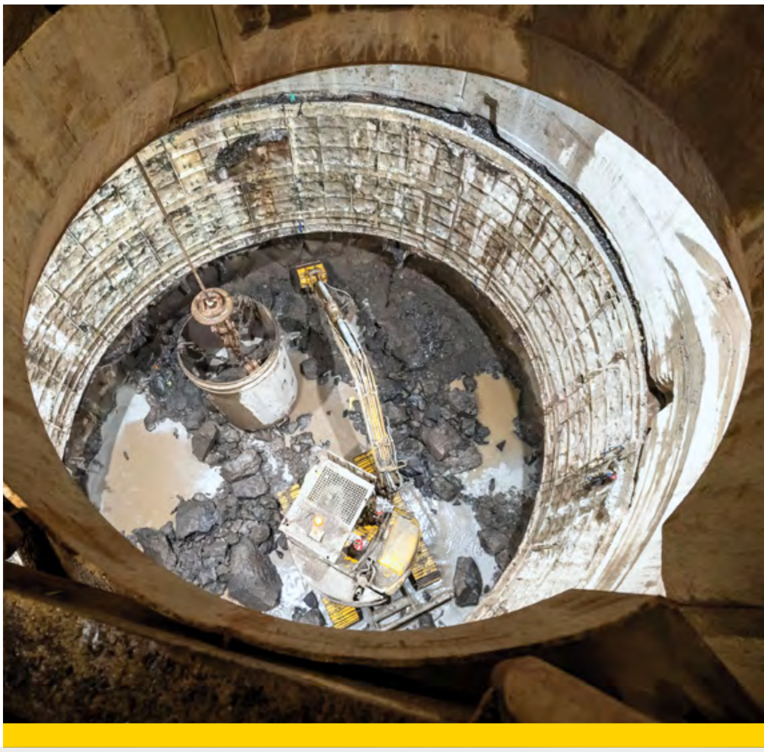
(FY2023: 43 250 ML)

Medium-term growth outlook

Our solid order book and project pipeline, strengthened by the competitive positions of our businesses and rising activity in their markets, indicate earnings growth potential in the medium term.

The Group's achievement of a solid multi-year quality order book and a strong project pipeline, despite the disruption and constraint of the last year, support our outlook for earnings growth. Following the significant reduction of the Group's South African debt over FY2024, the rationalisation of corporate overheads and the refinancing of the Group's remaining South African debt, we expect to recover to pre-pandemic earnings levels by FY2027. Work continues to secure a sustainable capital structure for the Group, and our commitment to enhancing shareholder value remains steadfast.

Annual financial statements PG 88



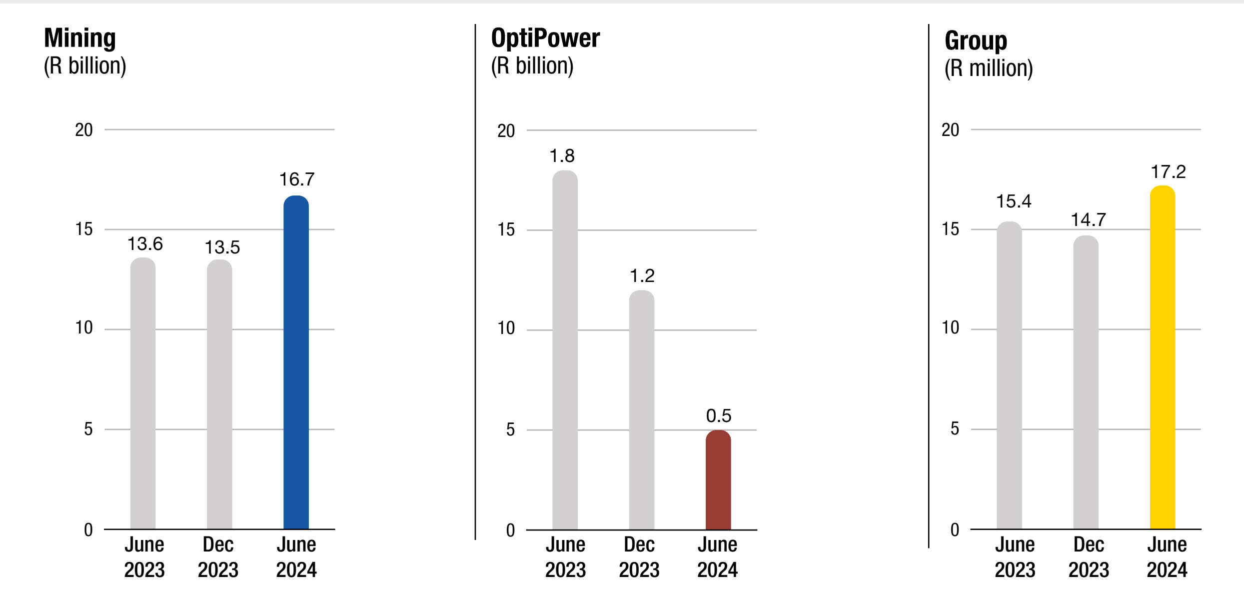
Order book analysis

Our ability to maintain or grow our order book is always subject to economic risks, such as regional conflicts, geopolitical tensions and recessionary fears in major economies, which could dampen capital investment confidence, impeding the flow of large projects coming to market. Further downside risk, which we believe we have largely mitigated, is that our ability to raise project finance may be impeded due to the recent instability the Group has endured.

However, our quality order book is well diversified over time, region and contractual risk, offering stability to our earnings expectations. To ensure that we achieve expected project margins as we deliver our order book, rigorous adherence to our well-developed and proven frameworks and processes for commercial and project risk management will be closely monitored.

Risk report PG 32

Order book overview



* Prior to restructuring – reflects platform data.

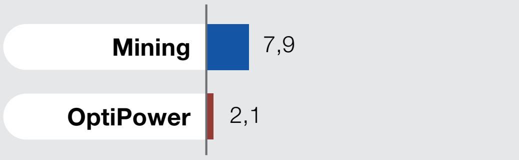
Order book time distribution

	Order book % split		Order book Rbn		Order book Rbn		
	SADC	Int.	June 2024	June 2023	FY Time distribution		
					2025	2026	>2026
Mining	34%	66%	16.7	13.6	8,6	6,5	1,6
					2025	2026	>2026
OptiPower	100%		0.5	1.8	0,5	–	–
					FY2025	FY2026	>FY2026
Group total	36%	64%	17,2	15,4	9,1	6,5	1,6

Order book and near orders (R billion)

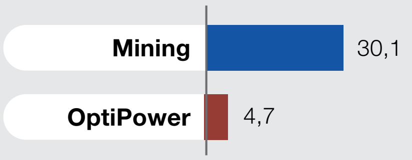
Near orders

Preferred bidder status and final award is subject to financial/commercial close – more than a 95% likelihood that these orders will be secured.



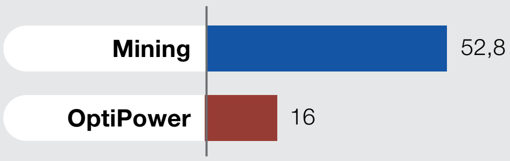
Category 1

Tenders submitted or under preparation (excluding near orders) – projects developed by clients to the stage where firm bids are being invited – reasonable chance to secure, function of (1) final client approval and (2) bid win probability.



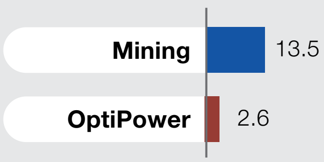
Category 2

Budgets, feasibility studies and prequalifications – project planning underway, not at a stage yet where projects are ready for tender.



Category 3

Leads and opportunities which are being tracked and are expected to come to market in the next 36 months – identified opportunities that are likely to be implemented, but still in prefeasibility stage.



OUR GOVERNANCE AND LEADERSHIP

"The Board is confident that the Group's management systems and performance processes support an ethical culture, good performance, effective control and legitimacy as a responsible multinational corporate citizen."

Statement of commitment

The Murray & Roberts Holdings Board is the highest governing authority in the Group, ultimately accountable for ethical and effective leadership. The Group's business conduct and strategies are underpinned by a high standard of corporate governance.

The Group's Values and Code of Conduct guide the decisions and actions of the Board and executive team. The Group's governance structure aligns with the principles and practices of King IV™ and ensures that oversight and reporting are defined and effective. The Board is confident that the Group's management systems and performance processes support an ethical culture, good performance, effective control and legitimacy as a responsible multinational corporate citizen.

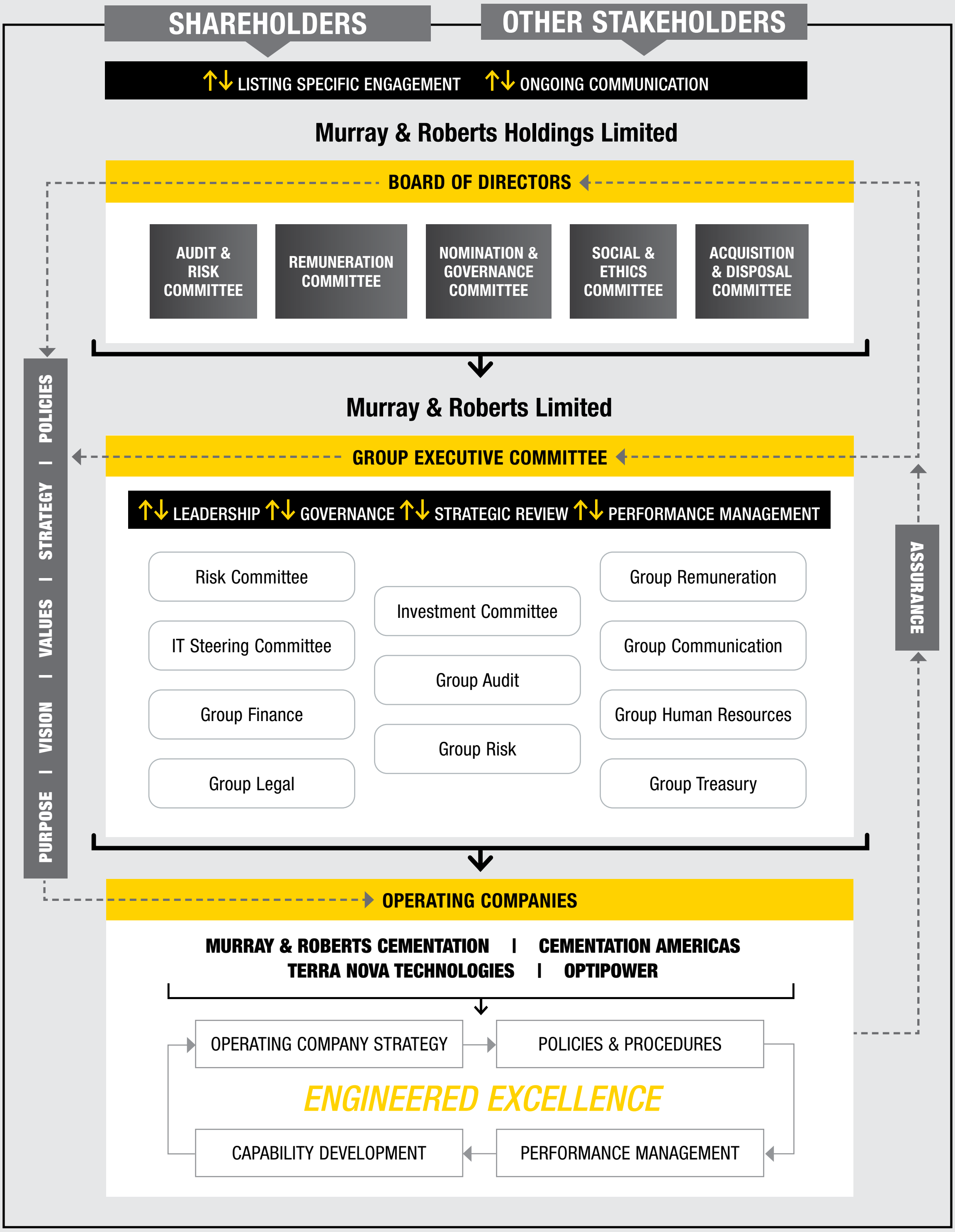
The relationships and decision-making rights between governing bodies and operating companies are shown in the organisational framework (alongside).

Statement of compliance

As part of our suite of annual reports, the Group publishes a full corporate governance report that aligns entirely with King IV™. During FY2024, the Group was compliant in all material respects with the requirements of the Companies Act, 71 of 2008, the Companies Act Regulations and the Listings Requirements of the JSE Limited.

For more detail see our full Governance Report

Organisational framework

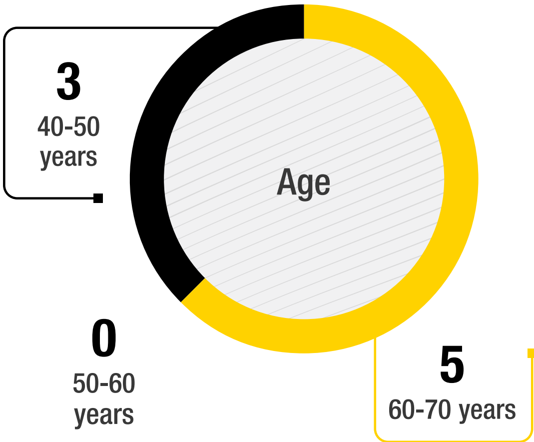


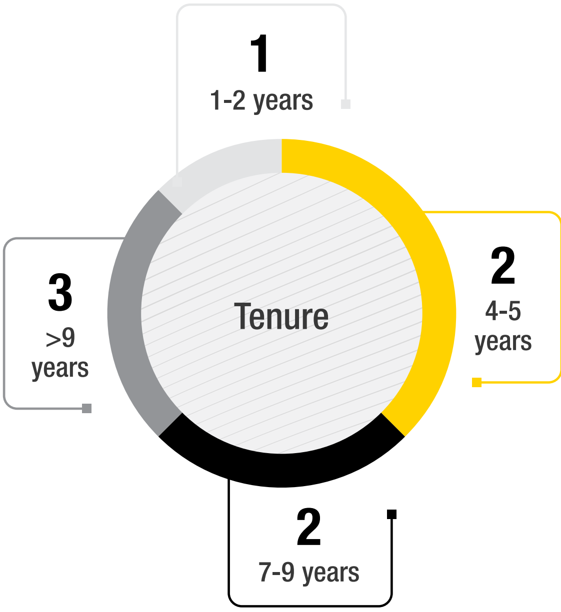
Group leadership

The Board is responsible for corporate governance across the Group. It approves strategic direction, which addresses and integrates strategy, risk, performance and sustainability as interdependent elements of value creation. Succession planning over several years has aligned Board competencies to Group strategy, resulting in a diverse Board with deep collective experience relevant to the macroeconomic and socioeconomic realities of the Group's markets.

The rightsizing of the Group consequently required the rationalisation and realignment of the Board. This entailed incorporating the function of the previous HSE committee into the mandate of the social and ethics committee, and combining the risk committee with the audit committee. We also decided to no longer designate a lead independent director. In FY2024, we continued to optimise our ways of working, with a steadfast commitment to measurement and accountability. We continue to conduct an annual assessment of Board effectiveness, which provides the basis for continual improvement.

The composition of the Board promotes a balance of authority, preventing any one director from exercising undue influence over decision-making while bringing diverse perspectives to board deliberations. The Board has eight directors: six independent, non-executive directors and two executive directors.





Group executive

The Board delegates the management of the Group to the Group chief executive, with full authority on behalf of and in the name of the Group.

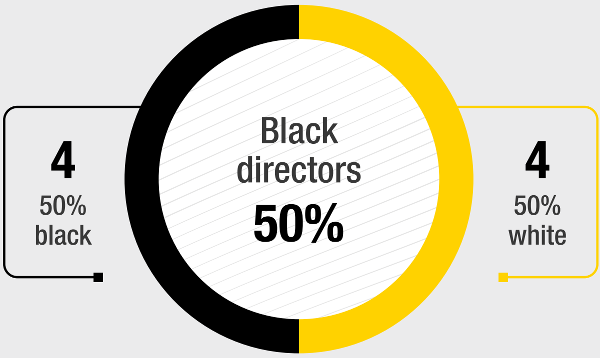
The Group chief executive is accountable for the implementation of the strategic plan, supported by the directors of the Murray & Roberts Limited Board, which functions as the executive committee of the Board and is chaired by the Group chief executive.

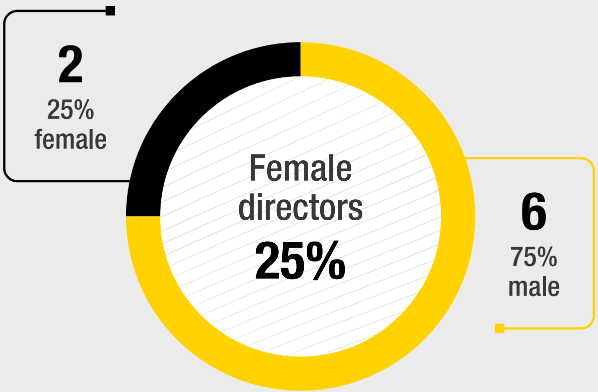
The dissolution of the Group's business platform structure in FY2024 eliminated a layer of governance, with the managing directors of the operating companies appointed to the Murray & Roberts Limited Board.

For more detail on our Murray & Roberts Limited Board

Board diversity

A formal diversity policy sets targets for gender and race diversity at Board level. The Board comprises 50% black directors and 25% female directors. Female director representation is below the 33% target. On rotation of non-executive directors, this will be taken into account.





Board activities

During the year, the Board held four meetings and four special board meetings, with key deliberations and decisions pertaining to:

- Rightsizing operations and overhead costs.
- Deleveraging of the Group.
- Liquidity and refinancing of the Group.

Board evaluation

A Board-approved, three-year cycle was established in March 2019:

Year 1:
Formal evaluation facilitated by external provider

Year 2:
Informal evaluation by discussion at committee level

Year 3:
Formal evaluation by questionnaire facilitated by the Group company secretary

Given the liquidity constraints faced over the year, we opted to complete an internal Board evaluation for FY2024 rather than incurring the cost of a formal external assessment.

> **"In FY2024, we continued to optimise our ways of working, with a steadfast commitment to measurement and accountability."**

GROUP LEADERSHIP

Independent non-executive directors

Suresh Kana
CHAIRMAN

Appointed: 1 July 2015
Tenure (Years)*: 9.2

Responsibilities: Oversees Board governance and performance, and stakeholder engagement

Skills & Expertise: Strategic Leadership, Governance, Ethics, Accounting & Finance

Qualifications: BCom (Hons), BCompt, MCom, CA(SA)

Experience: PwC Africa: Former Territory Senior Partner

Other Directorships: JSE, Transaction Capital, Anglo American Platinum

Last AGM re-elected: 2023

Committees:
SEC REM NG

Ralph Havenstein
LEAD INDEPENDENT DIRECTOR

Appointed: 1 August 2014
Tenure (Years)*: 10.1

Responsibilities: Addresses shareholders' concerns where regular channels fail to resolve concerns, or where the Chairman may be conflicted

Skills & Expertise: Strategic Leadership, Petrochemical & Mining, Chemical Engineering

Qualifications: MSC (Chemical Engineering), Bcom

Experience: Former CE of Anglo American Platinum & Norisk Nickel International

Other Directorships: Impala Platinum Holdings, Reatile

Last AGM re-elected: 2023

Committees:
REM SEC ARC NG

Jesmane Boggenpoel

Appointed: 1 April 2020
Tenure (Years)*: 4.4

Responsibilities: Provide independent and objective judgement as well as to counsel, challenge and monitor the executive directors delivery of strategy within the approval framework and risk appetite approved by the Board

Skills & Expertise: Strategic Leadership, Governance, Finance & Investment

Qualifications: CA(SA), MPA

Experience: Former Deal Executive: Brait Private Equity, Former Head of Business Engagement Africa: World Economic Forum

Other Directorships: Spur Corporation, ETG Input Holdings, AIH Capital

Last AGM re-elected: 2022

Committees:
ARC

Executive directors

Henry Laas
GROUP CHIEF EXECUTIVE

Appointed: 1 July 2011
Tenure (Years)*: 13.4

Responsibilities: Leads the design and delivery of Group Strategy and performance, and reporting

Skills & Expertise: Strategic Leadership, Mining, Engineering, Commercial negotiations

Qualifications: BEng (Mining), MBA

Experience: Former Chairman Murray & Roberts Engineering SADC, Former MD: Murray & Roberts Cementation and various other executive positions within the Group since 2001

Other Directorships: Group related

Last AGM re-elected: 2023

Committees:
SEC

Daniël Grobler
GROUP FINANCIAL DIRECTOR

Appointed: 1 April 2017
Tenure (Years)*: 7.4

Responsibilities: Leads the delivery of Group financial performance against aspirations, and reporting

Skills & Expertise: Strategic Leadership, Accounting & Finance, Commercial negotiations

Qualifications: CA(SA)

Experience: Former MD: Murray & Roberts Cementation, various Financial Leadership functions within the Group since 2010

Other Directorships: Group related

Last AGM re-elected: 2022

Committees:
SEC

Alex Maditsi

Appointed: 23 August 2017
Tenure (Years)*: 7

Responsibilities: Provide independent and objective judgement as well as to counsel, challenge and monitor the executive directors delivery of strategy within the approval framework and risk appetite approved by the Board

Skills & Expertise: Strategic Leadership, Law, Commercial & Remuneration

Qualifications: Bproc, LLB, LLM

Experience: MD of Copper Moon Trading, Former operations planning & legal director: Coca-Cola Southern & East Africa

Other Directorships: African Rainbow Minerals, Bidvest, Famous Brands, Netcare

Last AGM re-elected: 2023

Committees:
REM SEC

Alexandra Muller

Appointed: 1 July 2022
Tenure (Years)*: 2.2

Responsibilities: Provide independent and objective judgement as well as to counsel, challenge and monitor the executive directors delivery of strategy within the approval framework and risk appetite approved by the Board

Skills & Expertise: Strategic Leadership, Accounting, Finance & Governance

Qualifications: CA(SA)

Experience: Former Head of Governance, Risk, and Internal Audit practice at PwC for Financial Services clients

Other Directorships: AVI Limited, Infiniti Insurance Limited

Last AGM re-elected: 2022

Committees:
ARC

Clifford Raphiri

Appointed: 5 March 2020
Tenure (Years)*: 4.5

Responsibilities: Provide independent and objective judgement as well as to counsel, challenge and monitor the executive directors delivery of strategy within the approval framework and risk appetite approved by the Board

Skills & Expertise: Strategic Leadership, Operations & Human Capital, Engineering, Risk

Qualifications: BSc. Eng (Mechanical), MBA

Experience: Former Executive Director: SAB

Other Directorships: Energy Partners Holdings, Growthpoint Properties

Last AGM re-elected: 2021

Committees:
ARC REM NG

Group company secretary

Richard Davies

GROUP COMPANY SECRETARY

Appointed: 1 November 2023
Tenure (Years)*: 10 months

Responsibilities: Corporate governance and Board Administration/Legal

Skills & Expertise: Legal, Corporate Governance, Company Secretarial, Administration

Qualifications: LLB

Experience: Former company secretary Concor Limited from 1999 to 2006. Attorney and Group Legal Executive fulfilling various roles in the Group.

Other Directorships: Group related

Last AGM re-elected: n/a

COMMITTEES

ARC Audit & Risk

SEC Social & ethics

REM Remuneration

NG Nomination & governance

Committee chair

** As at 30 June 2024*

GROUP EXECUTIVE

JAPIE DU PLESSIS

MANAGING DIRECTOR CEMENTATION AFRICA

Tenure (Years)*: 0.4 years

Japie joined the Group in 2008 and was appointed to the executive committee in March 2024.

- Murray & Roberts Cementation (Africa)

COMMITTEE PARTICIPATION

SEC

DANIËL GROBLER

GROUP FINANCIAL DIRECTOR

Tenure (Years)*: 7 years

Daniël joined the Group in 2010 and was appointed to the executive committee in April 2017. Daniël was the Managing Director of Murray & Roberts Cementation. Prior to that, he fulfilled financial positions such as Chief Financial Officer: Underground Mining business platform and Group Corporate Finance Executive.

- Corporate office finance & payroll
- Financial control & reporting
- Information management & technology
- Murray & Roberts Properties
- Secretarial
- Taxation
- Treasury

COMMITTEE PARTICIPATION

ARC SEC

STEVE HARRISON

MANAGING DIRECTOR OPTIPOWER

Tenure (Years)*: 9 years

Steve joined the Group in 2011 and was appointed to the executive committee in September 2015.

- OptiPower

COMMITTEE PARTICIPATION

SEC

STEVE KOU

MANAGING DIRECTOR TERRA NOVA TECHNOLOGIES

Tenure (Years)*: 0.4 years

Steve joined TNT in 2014 and the Group in 2019. Steve was appointed to the executive committee in March 2024.

- Terra Nova Technologies

COMMITTEE PARTICIPATION

SEC

HENRY LAAS

GROUP CHIEF EXECUTIVE

Tenure (Years)*: 17 years

Henry joined the Group in 2001 and was appointed to the executive committee in July 2007, and to the Board and as Group chief executive in July 2011.

- Sustainable delivery of Group strategy & performance

COMMITTEE PARTICIPATION

ARC NG REM SEC

THOKOZANI MDLULI

HEALTH, SAFETY & ENVIRONMENT AND RISK DIRECTOR

Tenure (Years)*: 11 years

Thokozani joined the Group in 2010 and was appointed to the executive committee in July 2013. He is responsible for risk and health, wellness, safety and environment. Thokozani oversees the Group's B-BBEE verification and transformation plans.

- Health, safety & environment
- Risk
- Wellness
- B-BBEE

COMMITTEE PARTICIPATION

ARC SEC

ERIC SMITH

MANAGING DIRECTOR CEMENTATION AMERICAS

Tenure (Years)*: 0.4 years

Eric joined the Group in 2012 and was appointed to the executive committee in March 2024.

- Cementation Canada, Cementation USA and Merit Consultants International

COMMITTEE PARTICIPATION

SEC

* *As at 30 June 2024.*

OUR MATERIAL ISSUES, RISKS AND STRATEGY

As outlined, the Group was significantly rightsized during the year. This implied changes to the operating scope and management structure of the Group, as well as to its capital structure. From this new base, the Group is committed to growing shareholder value along with our clients, employees and partners over the medium term FY2025 to FY2027).

Within this context, our material issues are those factors that will substantively affect the Group's ability to create enterprise value over this timeframe, by supporting or inhibiting the achievement of our strategic, financial, and operational goals. The basis on which we identify these factors and our responses to them, influence the assessments of providers of financial capital about the Group's ability to create value by balancing the interests of all stakeholders over the short, medium and long term.

In line with our Purpose and Vision, our material issues relate to four key value drivers, the careful management of which will move the Group toward its long-term value aspirations (shown alongside).

MEDIUM-TERM **Value drivers**		LONG-TERM **Value aspirations**
01 **FINANCIAL STABILITY**	With the support of our financial partners, we need to grow earnings and free cash flow, through careful working capital and cost management, to improve our debt position and strengthen our balance sheet.	A **sustainable capital structure** that supports resilience, growth and value creation.
02 **STRATEGIC POSITIONING FOR GROWTH**	To grow revenues, we need to leverage our brands, specialist capabilities and partnerships to position our businesses for growing capital investment as the world moves to a more sustainable future.	Well positioned brands in target markets, with suitably diversified revenues and optimised earnings potential, for **sustainable growth**.
03 **CULTURE OF *ENGINEERED EXCELLENCE***	Our differentiation as a specialist contractor depends on adherence to global ESG standards and to our own sector-leading operational standards, encapsulated in our commitment to *Engineered Excellence*.	Differentiated as a contractor, employer, and strategic partner, with an emphasis on ESG leadership, for **sustainable competitiveness**.
04 **PARTNERING FOR SUSTAINABLE OUTCOMES**	Through transparent and active engagement, and demonstrating our purpose-led dedication to sustainable development, and maintain the trust of all our stakeholders.	Ethical, responsible and purpose-led multinational corporation aligned to the global advancement of **sustainable human development**.

In the pages that follow, we set out the material issues pertinent to these value drivers, the associated risks, and the strategic priorities to manage them.

The FY2024 material issues were identified by the Murray & Roberts Limited Board, and presented to the Murray & Roberts Holdings Board for consideration and approval for publication in the integrated and sustainability reports. The material issues informed the planning of the 2024 reporting cycle, as well as the preparation of the annual integrated and sustainability reports, which provide a thorough discussion of, and pertinent performance data for, these issues.

01 FINANCIAL STABILITY

Material issues

- Improve liquidity and debt position.
- Effective commercial management on projects to optimise cash flow and earnings.
- Establish and maintain a sustainable capital structure.

Associated risks

- Vulnerability to macroeconomic factors
- Group liquidity
- Project delivery risks
- Sustainable future for Murray & Roberts

Key indicators

- Balance sheet strength
- Cash flow measures

Context

- Loss of the Australian businesses created significant liquidity pressure, compounding complexity in the operating environment, especially for our South African operations.
- The rightsizing of the Group was completed in FY2024, including our capital structure and cost base, to align with current business circumstances and requirements:
  - Disposed of non-core operations.
  - Refocused and realigned operating scope and management structure.
  - Appropriately reduced corporate office capacity and cost base.
  - Retrenchments kept to a minimum with some skilled capacity redeployed.
  - Appropriate Board size and structure.
- Deleveraging plan implemented in conjunction with our consortium of South African banks.
- New commercial arrangements reached on key capital-intensive projects.
- Exiting legacy businesses in the Middle East, expected early FY2025, eliminating associated expenses.

Chief executive officer's and financial director's report PG 38

Risk report PG 32

Strategic priorities

- Ensure adherence to the Group's mature risk and opportunity management system, and Board adjusted risk appetite and tolerance levels.
- Implement further measures to optimise capital management:
  - Secure new short-term facilities to support project funding and bonding.
  - Consider alternative working capital financing mechanisms.
  - Implement mechanism to accelerate cash transfer (dividends) from Cementation Americas to South Africa.
  - Consider Group funding structure with international funders.
- Collaborate with clients to improve working capital:
  - Resolve commercial issues with clients during the project, not at project close-out.
  - Where possible opt for self-funding projects through adequate advance payment arrangements.
  - Seek equitable risk sharing commercial arrangements with clients.
- Focus on sustainable cash flow measures:
  - Optimise and innovate to grow market share and margins.
  - Continue to optimise cost base.
  - Improve liquidity through advance payments arrangements and timeous milestone and progress payments.
  - Improve collection of commercial entitlements (project compensation events).
  - Optimise inventory of owned equipment.
- Management performance contracts to include targets for liquidity and cash management.

02

STRATEGIC POSITIONING FOR GROWTH

Material issues

- Leverage market position in the global mining sector to drive order book growth.
- Maintain the quality of the order book in the mining and renewable energy sectors.

Associated risks

- Vulnerability to macroeconomic factors
- Group liquidity
- Health, safety and environmental exposures
- Project delivery risks
- Sustainable future for Murray & Roberts
- Attracting and retaining select talent

Key indicators

- Size and quality of order book

Context

- Macroeconomic conditions characterised by increasing geopolitical tensions, high inflation and interest rates, and evolving sociopolitical expectations.
- Long-term demand fundamentals in global mining remain strong, driven by rising global population, economic growth, urbanisation and the green transition.
- Price outlook for most major commodities (especially 'green metals') remains strong in the medium term.
- Strong demand for certain commodities unlocking emerging regions for mining investment.
- Global macroeconomic and geopolitical uncertainty suppressing appetite for capital investment in greenfield mining projects, with most activity being in brownfields mine extensions.
- Accelerated activity and strong pipeline opportunities in renewable energy sector in South Africa, and national transmission and distribution infrastructure rollout gaining momentum.

Chief executive officer's and financial director's report PG 38

Risk report PG 32

Strategic priorities

- Maintain strategic focus on the natural resources sector and future facing metals, underpinned by positive long-term demand fundamentals, to position the Group for sustainable growth.
- Continued evaluation of diversified growth opportunities:
  - Diversify exposure to core commodities based on long-term demand outlook.
  - Build strategic relationships in emerging geographies poised for accelerated capital investment and long-term revenue potential.
- Maintain commercial and operational excellence in project execution to secure long-term, preferred relationships with clients.
- Target opportunities with clients, focusing on differentiated, premium service offering and brand reputation:
  - Customised solutions with specialist expertise.
  - HSE leadership as a differentiator.
  - Application of new technologies and novel approaches to drive safety and productivity.
  - Localised recruiting and training capability as a differentiator.
- Pursue regional expansion with trusted clients and partners.
- Leverage strategic partnerships for growth, according to project scope and local requirements.
- Leverage Cementation APAC business development capacity to pursue opportunities in Asia-Pacific region, specifically Indonesia and Mongolia.
- Support businesses in securing the capacity (project finance, specialist and technical skills, and strategic partnerships) to deliver project excellence and grow quality order books.
- Achieve order book diversification (by service offering, timeframe, region, and contract type) through targeted growth.
- Manage concentration risk in the order book in balance with growth potential and client quality.
- Optimise value potential from all phases of project life cycle by growing our operations and maintenance services.
- Strict focus on commercial and project risk management in EPC lump sum contracts in renewable energy and transmission infrastructure sectors, including discerning selection of clients, partners, work scopes and risk.

03

CULTURE OF *ENGINEERED EXCELLENCE*

Material issues

- Foster a high-performance culture to optimise business results, including financial and ESG performance.
- Maintain effective risk management to optimise value for clients and company.
- Maintain a competitive employee value proposition and promote leadership and talent development to ensure succession depth.
- Embed the application of relevant technology to improve safety, productivity and efficiency.

Associated risks

- Vulnerability to macroeconomic factors
- Group liquidity
- Health, safety and environmental exposures
- Project delivery risks
- Sustainable future for Murray & Roberts
- Attracting and retaining select talent
- Cybersecurity

Key indicators

- Final project vs tendered margins
- Repeat business
- Employee attraction and retention
- Zero Harm

Context

- We strive to differentiate our businesses as contractors and employers of choice in our markets.
- *Engineered Excellence* differentiates our value propositions to clients and employees – maintaining the highest standard of safe and efficient work ensures long-term relationships with valued clients.
- Growing relevance of ESG, along with stakeholder expectations that emphasise safety, business ethics and environmental protection.
- Expectations from younger generations that organisations are purpose-driven and values-led corporate citizens.
- Ageing experts in global contracting sector leaves potential for knowledge gaps, exacerbated by stigma around 'hard' industries (such as mining) leading to a declining number of graduates in related fields.
- Technical and supervisory skills shortage leading to intensifying competition for talent as market activity increases.
- While redeployment of talent during restructuring allowed us to retain core capacity in South Africa, bench strength requires rebuilding.
- Continuous improvement and optimisation of our operations, to drive differentiation, increasingly relies on digitalisation and innovation.

Operating reviews PG 42

Risk report PG 32

See our sustainability report for more information on the above

Strategic priorities

Contractor of choice

- Reinforce culture of *Engineered Excellence* through leadership's commitment to continuous improvement in consistently delivering safe, well-executed and profitable projects to grow value for the Group and stakeholders.
- Ensure strict adherence to systems, processes, principles and practices in commercial, project and ethics management:
  - Mature project governance and management systems to mitigate the risks of commercial and operational challenges on complex projects.
  - Ensure alignment in values and management systems with JV partners to mitigate execution risk.
- Ensure discipline in competitive tender pricing and in achieving project outcomes in line with tender expectations.
- Strive for Zero Harm to people and the environment across our portfolio of projects:
  - Increase the number of Zero Harm projects.
  - Continue to focus on leading indicators to identify and prevent emerging safety risks.
  - Focus on the Group's CRM programme, which identifies high-risk tasks and preventative controls, in-field verification, and programme and verification assessments by project leadership.
  - Continue to enhance the sharing of lessons learnt and meaningful recognition programmes to maintain world-class HSE performance.
- Ensure responsiveness to client ESG expectations, through measurable ESG credentials at project and corporate level, and the ability to manage local conditions, constraints, and expectations.
- Align management KPIs to commercial and ESG commitments.

03

CULTURE OF *ENGINEERED EXCELLENCE* *continued*

Strategic priorities *continued*

Employer of choice

- Ensure Group employee value proposition remains centred on integrity, respect, care, accountability, and commitment.
- Offer market related and competitive remuneration and reward systems, and structured career development to ensure retention.
- Accelerate leadership and talent development programmes to support succession planning and bench strength:
  - Implement findings of talent review across senior and middle management, confirming high-potential employees for mentorship and leadership programmes.
  - On-the-job training and coaching for managers, with specific reference to client needs and enabling delivery of team targets.
  - Consistent and targeted investment in professional development.
  - Leverage flexible, on-demand online training and development platforms.
- Focus recruitment initiatives on attracting people with the appropriate technical skills, who align with Group Values.
- Leverage our strong training and development success rate, supported by our world-class South African training facility, to bring new people into the industry and refresh our skills base.
- Improve performance management through consultative performance contracting and development plans.

Digitalisation

- Continue to work with OEMs to explore and pilot relevant technological advancements in mining, including new shaft sinking and materials handling technology.
- Stay abreast of current and emerging technologies with the potential to enhance safe and efficient project delivery.
- Expand the use of digital tools in engineering design for rapid prototyping in collaboration with clients, to plan for improved project safety and productivity.
- Invest in innovative equipment (e.g. mechanised mining and remote operations) to limit workforce exposure to safety hazards.
- Drive appropriate digitalisation, automation and AI integration of business processes to increase process efficiency and project performance:
  - Continue to digitalise risk management structures essential for safety, productivity and efficiency.
  - Digitalise human capital data to support strategic decision-making in people management.
- Continue to update cybersecurity framework by strengthening security governance processes and technical defences:
  - An established and independently tested IT security framework.
  - Application of a cybersecurity standard which prescribes a minimum set of controls required to provide system and data security.
  - Training programmes to raise awareness of cybersecurity threats and latest trends.
  - Next generation anti-virus solution in place to ensure all end points are protected.
  - Backup solutions to recover from system failures or breaches.
- Manage the impact of digital change on productivity and skills redundancy.

04

PARTNERING FOR SUSTAINABLE OUTCOMES

Material issues

- Pursue business-enhancing relationships with clients, partners and suppliers.
- Make a positive impact on society and respond effectively to local requirements.

Associated risks

- Cybersecurity
- Health, safety and environmental exposures
- Project delivery risks
- Sustainable future for Murray & Roberts
- Attracting and retaining select talent

Key indicators

- Independent ESG benchmarking
- Quality of stakeholder relationships

Context

- ESG reporting is becoming more demanding and technical to meet expectations of transparency, measurability and standardisation from international frameworks and ratings agencies, responding to increasing investor interest in ESG-related risks and opportunities and their financial effects.
- Increased HSE scrutiny from clients and regulators; and increased socioeconomic development expectations from local communities.
- Localisation requirements in different jurisdictions require tailored diversity, equity and inclusion policies and practices.
- We depend on our host communities for successful project delivery, as we draw on local labour and local suppliers for services; making it critical to work with local partners and suppliers who share our Values and standards.
  - Systems are in place to ensure all contracts, operations and procurement are legal and ethical, without exception.
- Requirements to employ people from local communities and use their services make effective training and development programmes for upskilling local stakeholders essential to project resourcing and employability after project completion.
- Uncertainty around the Group's financial stability has left fragile perceptions among creditors, clients, employees and business partners.

Risk report PG 32

See our sustainability report for more information on the above

Strategic priorities

- Open and candid communication is, and will continue to be, a priority for Group leadership.
- Support quality stakeholder relationships through the Group's stakeholder engagement model.
- Keep pace with changes to the operating landscape due to raised ESG expectations.
- Support clients in their ESG objectives and assist them in implementing their climate change response plans, including solutions in renewable energy and water.
- Continue to tailor diversity and localisation policies and practices for each jurisdiction.
- Engage with and support host communities to manage economic and employment expectations, and local requirements and norms.
- Extend DEI practices into our supply chain and communities, ensure our services and procurement opportunities are non-discriminatory and that host communities are left sustainably better off.
- In South Africa, maintain a Level 1 B-BBEE contribution status, including local employment and supplier development targets required by clients.
- Actively engage suppliers to help reduce the carbon footprint of our supply chain.
- Uphold our reputation by enforcing adherence to Group policies and procedures:
  - Transparent and ethical decision-making.
  - Compliance with policies, laws, codes, and standards across all operations.
  - Compliance and ethics training, including a toll-free anonymous whistle-blower hotline.
  - Group-wide culture frameworks: Values, Code of Conduct, Group sustainability framework.

GROUP CHIEF EXECUTIVE'S AND FINANCIAL DIRECTOR'S REPORT

"After the material losses incurred in Australia in the aftermath of the pandemic, the most acute challenges are now behind us. Our mining businesses will generate the lion's share of the Group's future revenue and earnings, diversified across geography and commodity type. With the foundation in place for a revitalised Murray & Roberts, we look forward to brighter prospects for the Group and our shareholders."

Henry Laas, Group chief executive & Daniël Grobler, Group financial director

HENRY LAAS
Group chief executive

DANIËL GROBLER
Group financial director

Securing our sustainability

FY2024 was a difficult and transitional year, in which we navigated extremely tight liquidity constraints while doing the groundwork to stabilise and revitalise the Group. The current year, FY2025, will be the base year from which we expect to grow shareholder value over the medium term. After the loss of Clough and RUC in Australia, both strong cash contributors to the Group, we were left with a highly geared balance sheet in South Africa and a disproportionate cost base relative to the reduced size of the Group. The challenge of servicing our debt in South Africa without dividend flows from our Australian operations, and responsibly realigning our costs to reduced revenue potential, required close and careful attention.

We agreed a deleveraging plan with our consortium of South African banks, which entailed several measures to significantly reduce our debt in South Africa, which peaked at approximately R2 billion in April 2023. Our interventions included disposing of our stake in the Bombela Concession Company in April 2023, the sale of another non-core asset, Aarden Solar, settlement of long outstanding commercial matters on some of our larger projects and declaring a special dividend from our cash-strong mining business in the Americas. Our South African debt position at end FY2024 stood at approximately R409 million, and in August 2024, an agreement was reached with the banking consortium with regard to this remaining debt. A credit-approved term sheet was signed, which provides for this remaining debt to be repaid by 31 January 2026. Work is continuing to optimise the Group's capital structure.

Rightsizing the Group's cost base was an important requirement. We changed the Group's operating model and management structure, and appropriately reduced the corporate office cost. The new structure retained four operating companies, each under the leadership of a managing director represented on the Group's executive committee. We did away with the business platform operating model employed before as it was inappropriate for the now smaller Group, thereby removing a layer of senior management. We retained OptiPower as the only remaining business from the PIW platform. Besides the cost savings from this rationalisation, we entered into a new lease agreement for our office in Johannesburg, with effect from September this year, and reduced our floor space – we are now occupying only two floors for operating companies, and half a floor for the corporate office. It is expected that saving in corporate costs of circa R80 million to R100 million per annum, when compared to FY2023, will be realised from FY2025.

Notwithstanding the rightsizing, we retained the core capacity needed to manage the Group effectively. The corporate office is lean, cohesive and appropriate for a smaller listed Group. It is noteworthy that the managing directors of our operating companies have deep industry and market experience, and long tenure within the Group. Our confidence in their leadership is already in evidence as they deliver on their business plans, with key projects awarded in the last few months strengthening the Group's already solid order book.

The narrower market focus of the Group, appropriately lean overhead structure and reduced debt in South Africa go a long way to put the malaise of the last two years behind us, as we continue our work towards an optimal capital structure.

However, market perception around the Group's financial stability over this time must be remedied with our stakeholders, and candid and clear communication will continue to be a priority for Group leadership.

A resilient operational performance

The Group delivered a much-improved financial performance, not only for continuing operations, but also at an attributable earnings level with the prior year's result reflective of the losses associated with the deconsolidation of the businesses in Australia. We reduced debt and grew earnings under considerable liquidity pressure in South Africa. The year's financial result was unfortunately heavily impacted by the loss incurred in OptiPower, largely resulting from liquidity constraints that gave rise to delays in procurement and project progress. We nonetheless strengthened our order book, indicating the quality of our operations and enduring trust of clients.

Revenue and earnings before interest and tax for continuing operations increased to R13,5 billion (FY2023: R12,5 billion) and R170 million (FY2023: R91 million) respectively. The Group significantly reduced its attributable loss to R138 million (FY2023: R3 181 million loss) and recorded a reduced diluted continuing headline loss per share of 21 cents (FY2023: 71 cents), with the prior year loss inclusive of the financial impact of the Group having lost control of MRPL and its subsidiaries, Clough and RUC, all in Australia.

Net cash was R0,4 billion (FY2023: R0,3 billion net debt), and includes advance payments and working capital improvements of circa R475 million, which are expected to unwind during the first half of the new financial year.

Net interest for the reporting period decreased to R130 million (FY2023: R267 million) and the tax charge was R124 million (FY2023: R106 million).

Net asset value per share is R3,50 (FY2023: R4,07).

The Group's gearing level, expressed as total debt to equity, was 81% (FY2023: 83%). Although the balance sheet is still under pressure, it does not present a barrier for the Group to successfully respond to tenders and to secure new work as the Group aspires to price its tenders on a cash positive basis, supported by advance payments when required. The Group grew its order book, indicative of the quality of its operations and enduring trust of its clients.

The Group's Mining brands in Africa and the Americas are highly regarded. The mining businesses enjoy trusted client relationships and reputations for excellence, with quality order books and strong project pipelines. Revenue increased to R11,8 billion (FY2023: 11,1 billion) and operating profit increased to R448 million (FY2023: R313 million). The order book increased to R16,7 billion (FY2023: R13,6 billion) and near orders came to R7,9 billion (FY2023: R9,1 billion). Category 1 opportunities amounted to R30,1 billion (FY2023: R19,9 billion). Planned mining revenue for FY2025 is 62% secured by orders. The mining business delivered an operating margin of 4%.

OptiPower provides EPC services mainly to the renewable energy and power infrastructure market sectors in Sub-Saharan Africa. Revenue increased to R1,7 billion (FY2023: R1,3 billion) and the business recorded an operating loss of R98 million (FY2023: loss R47 million). The loss largely resulted from liquidity constraints experienced by the Group, giving rise to delays in procurement and resultant increased costs to achieving project completions. The order book decreased to R0,5 billion (FY2023: R1,8 billion), but near orders increased to R2,1 billion (FY2023: Zero). Category 1 opportunities amounted to R4,7 billion (FY2023: R9,0 billion). Planned revenue for FY2025 is 23% secured by orders, and R0,6 billion from the reported near orders was secured post year end. We expect the business to report a profit in FY2025.

Resetting the base for sustainable growth and value creation

Today, Murray & Roberts operates as an engineering and contracting services company focused on underground mining markets in Africa and the Americas, and the renewable energy and power infrastructure markets in Sub-Saharan Africa. Our mining businesses are mature, specialised and well-regarded in their respective regional markets and represent our core business.

Our mining businesses will generate the lion's share of the Group's future revenue and earnings, diversified across geography and commodity type. In FY2024, Cementation Americas recorded its highest-ever order book at R8,7 billion, Murray & Roberts Cementation maintained its order book at R6,3 billion, and TNT's order book at R1,7 billion, gained traction with a significant award in South America, after having to rebuild its order book after COVID. For Murray & Roberts Cementation, there is significant opportunity emerging in Africa, mainly in Zambia, where a surge in copper mining activity is imminent. Our mining businesses continue to position themselves for opportunities expected to arise from future-facing commodities as the global energy transition gathers pace, and in regions poised for significant capital investment.

We remain cognisant of concentration risk in the order book and are acutely aware of the unavoidable difficulty of substituting earnings once large projects are completed. However, growth requires that we pursue the opportunities available in the market and our networking with mining clients is extensive and well established. We will continue to pursue selected project opportunities, with the full knowledge that large, longer-term projects not only provide a stable workload, but in some cases may create concentration risk and replacement challenges on project completion. As is the case currently, we manage this risk by ensuring that such concentration risk is with well-established mining clients.

We have concentration risk through a single large project in South Africa, which comprises around half of Murray & Roberts Cementation's business. We believe there is sufficient opportunity to reduce this risk before this project completes, through expansion into Zambia, which presents significant opportunity on copper mines, as mentioned earlier. We also faced concentration risk in the United States, and the loss of a major project drew our business there into a loss-making position in FY2024. A material contract recently awarded in Mexico will rectify this position.

While prospects in the global mining sector are improving, macroeconomic and geopolitical uncertainty continues to suppress the appetite for capital investment in new mine development. The majority of projects in our mining order book are for brownfield developments on existing mines. To create growth impetus, we established Cementation APAC, based in Perth, to initially serve as a business development company for the Group's existing mining companies to pursue opportunities in the APAC region. Specifically, we are targeting opportunities in Indonesia, a country which previously contributed significantly to RUC's earnings.

Although OptiPower remained loss-making in the year, we expect it to report a profit in FY2025. OptiPower's loss was not a consequence of any inability or failure on the part of management, but rather of the liquidity constraints the Group experienced. OptiPower has done well to position itself in the burgeoning renewable energy sector in South Africa, despite the wide-scale restructuring of the previous PIW platform that it was part of. The business has secured a solar project for Harmony Gold in joint venture with Coxabengoa, one of the business' key project targets. OptiPower's traditional market, in power transmission infrastructure, is also looking promising over the next decade and OptiPower recently qualified as a bidder in all categories of transmission work that Eskom intends to put out to tender.

We expect the Group to return to pre-pandemic levels of earnings after FY2027. However, it is important to note that this earnings potential is achievable for far less risk. Of the revenue our mining businesses contribute to the Group, an insignificant amount is subject to lump sum contracts. The global mining market is more commercially equitable in terms of risk sharing between clients and contractors, mainly due to the variability in underground mining conditions, compared to the riskier lump sum contracting arrangements that OptiPower must contend with. However, OptiPower's projects are not large or overly complex technically, which lowers the associated project and commercial risk relative to what the Group had to contend with in Clough.

The Group has shouldered the burden of our legacy businesses in the Middle East for many years, with the expense of protracted legal processes creating a drag on earnings and risk uncertainty among shareholders. We made significant progress in the year, and we expect that our remaining companies in the United Arab Emirates will either be sold or liquidated in FY2025. This exit will remove uncertainty and expense for the Group, with the only remaining matter associated with the Group's previous business undertakings in the Middle East, being the contingent liability arising from the spurious claim brought against us by Mashreq Bank in respect of the Al Mafraq Hospital project completed in 2018.

Maintaining our competitive advantage

The Group's operating philosophy of *Engineered Excellence* translates into management approaches and systems that support our positioning as a specialist contractor and employer of choice. This philosophy, which informs every aspect of our business from health, safety and environmental management through to project and commercial risk management, differentiates our value propositions to clients and employees.

As we indicated last year, the loss of our Australian businesses was extremely unfortunate but not due to management failure. It was the consequence of unmanageable working capital pressure from delayed project progress and milestone payments due to the prolonged impact of the pandemic. Our expectation of operational management, as we seek to establish a stable growth trajectory, is rigorous adherence to our well-developed and proven frameworks and processes. Considering the intense price competitiveness in OptiPower's target markets, especially from foreign contractors, it is essential that the Murray & Roberts operating philosophy becomes a recognised feature of OptiPower's value proposition and ability to win work.

Safety performance remains a critical focus area, and a competitive differentiator for engineering and contracting companies. The Group's safety performance compares favourably with that of our global peers and clients, and our safety management systems and approaches align to best practice in our industries. The most pertinent indicator of safety performance, however, considering some of the hazardous environments in which we work, is to operate without fatalities or serious injuries. We are grateful to record another year without any fatalities, and to note the strict focus that all our businesses have on embedding, and continuously evolving, their critical risk management and major accident prevention measures.

Our safety record over several years gives comfort that the safety systems, processes and measures that we employ are working, and that safety awareness is embedded in our culture. We also make the necessary effort to ensure that new JV partners embrace our standards, and that our employees, especially locally employed workers, are adequately trained.

Over the last year, all our operating companies have focused stringently on reducing cost and driving efficiency. As we grow, we will focus on building capacity for growth, and specifically succession depth, across all levels of employ. We face the global sector-wide shortage of skilled operators, and the quality of artisans in our sector requires improvement. At middle and senior management levels, particularly, we must replenish our bench strength. Fortunately, the age profile of our managing directors is relatively young, giving us time to plan for succession.

Looking forward

Looking toward the first year of a revitalised Murray & Roberts, we are satisfied that we have appropriately rightsized our business and that the size and quality of the Group's order book indicates the potential for an improved financial result in FY2025, while we continue working towards an optimal capital structure for the Group. We see the Group reaching and exceeding pre-pandemic levels of earnings, from FY2027. We expect each of our businesses to optimise operational performance, in line with our dedication to *Engineered Excellence*, and to capitalise fully on the organic growth opportunities available to them in their respective regions.

Our emphasis over the medium term will be to ensure continued strong operational delivery from our businesses, while we establish Cementation APAC as an additional avenue for growth. In the medium term, we expect strong earnings growth, albeit from a base that could have been better had our liquidity constraints not resulted in unexpected losses from OptiPower in FY2024. We are confident in the business plans of our operating companies, which are realistic given current market dynamics. Our mining businesses are set to maintain their growth trajectory over the next three-year period and OptiPower is expected to deliver a modest earnings contribution commensurate with its risk profile, from FY2025. This will require building a stronger order book, by capitalising on Eskom's transmission build out.

We will continue to focus on strengthening our balance sheet by increasing our equity and further reducing our debt in South Africa. We therefore do not expect that the company will resume dividend payments before FY2027. With mining markets looking promising over the medium term, we are confident that our mining business will continue to do well.

We are grateful for the patience and support of our shareholders and business partners in South Africa, without whom it would have been even more challenging to have achieved a stable footing. We are especially thankful to all our employees, who demonstrated their dedication and loyalty during this difficult period, working under extreme pressure and insecurity. We have done well to curtail the loss of talent, and we have the leadership and technical capacity we need to deliver on and grow our order book.

Our creditor- and supplier-base provided vital support during this period, accommodating flexible credit terms as we moved through the difficulty – for this we are also deeply grateful. This bears testament to the strong relationships we have with our stakeholders, which amounts to invaluable resilience in the toughest of circumstances.

The Board of Murray & Roberts was instrumental in providing guidance and support to the executive directors as we navigated through the challenges of the past two years, and for this Daniël and I are grateful.

With the necessary rightsizing and restructuring concluded, and significantly reduced debt in South Africa, we look forward to a successful future for a revitalised Murray & Roberts.

MURRAY & ROBERTS CEMENTATION

JAPIE DU PLESSIS
Managing director

Murray & Roberts Cementation is the Group's African mining business, providing best value services from concept to completion, with a strong track record of project delivery.

"Murray & Roberts Cementation is one of few full-service engineering and construction contractors in the African mining sector...."

Our Reporting
Chairman's Statement
Our Business
Our Governance and Leadership
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OVERVIEW

Murray & Roberts Cementation is one of few full-service engineering and construction contractors in the African mining sector, with a service offering that spans underground mine development and shaft sinking, trackless mechanised mining, mining services and raise drilling, engineering design, TMM machine rebuild and fabrication workshop services as well as underground infrastructure construction. A powerful feature of our competitive differentiation is our proven localisation model where employees recruited from local communities are upskilled, with the support of our world-class training centre in South Africa. We also have an extensive fleet of mining equipment that can be deployed at short notice. These features give us the agility to mobilise and commence projects quickly and efficiently, with no compromise on risk or quality outcomes.

FY2024 was a challenging year, with difficulties experienced on two of our projects. The Arnot coal mine was placed into business rescue in Q2 FY2023 by the client, with efforts to exit the mining project extending into FY2024, which negatively impacted earnings. We are working with the business rescue practitioner to determine a payment plan for the outstanding debt.

We acknowledge and honour the memory of 20 people, 17 of whom were our employees, who lost their lives in the tragic bus accident that occurred on a public road in September 2023. The tragic loss of our colleagues significantly impacted the morale of the Venetia project team and this, coupled with operational challenges, impacted project delivery during the year. We continue to support our project team in their recovery and look forward to an improvement in productivity in the new financial year.

Our financial performance was better than the prior year, with revenue increasing by 5% to R4,2 billion, and operating profit increasing by 89% to R144 million. All our projects other than the two mentioned above performed to expectation.

Our active projects and strong project pipeline support an expectation of steady capital investment in the mining industry over the next five years. We have secured orders to the value of R6,3 billion, with near orders amounting to R7,1 billion and a pipeline of category 1 and 2 projects of R66,5 billion. To diversify our order book, specifically our exposure to the diamond market, which remains under pressure, we are actively looking to grow our footprint in other commodities through our strategic focus on Africa. This is based on a generally positive commodity outlook in the short to medium term.

OPPORTUNITY

Whereas our current projects are predominantly in South Africa, we are excited about increasing opportunities elsewhere in Africa. In particular, buoyant copper prices are unlocking the Zambian market, which has served us well in the past. Since reopening the Zambian office in March 2024 we have responded to heightened tender activity, and received positive feedback from prospective clients about our return to Zambia. Additionally, we are bidding for projects in the Ivory Coast, Côte d'Ivoire, Ghana and Botswana and intend to submit tenders in Namibia when those opportunities come to market.

Key opportunities that we are targeting across Africa include:

- Several projects on copper mines in Zambia
- Raise drilling opportunities in Zambia, DRC, Zimbabwe and Ghana
- Trackless development and vertical shaft sinking opportunities in Botswana
- Trackless development projects in Namibia, Tanzania, Ivory Coast and Ghana

Other potential opportunities include: rising interest in hydro energy storage schemes in the SADC region, with four potential projects coming to market; feasibility studies for two shafts in Germany in collaboration with Cementation Americas; and in South Africa there are JV coal cutting projects available. Greenfields investment in South Africa remains muted, although there are mine extension projects on the horizon.

We are well placed to secure a fair share of these opportunities, and to benefit from higher-margin work outside of South Africa. We are therefore optimistic about our prospects for growth over the medium term. We believe our differentiated service offering, and especially our track record of effective localisation, sets us apart from intensifying competition across Africa, specifically from Australian and Chinese contractors. We will continue to deepen engagement and awareness of our strategic focus on Africa through focused marketing campaigns, and submitting tenders that leverage our competitive advantages. We will, however, remain responsible in growing our order book, by being selective about the clients and projects we pursue.

Murray & Roberts Cementation *continued*

STRATEGY

Murray & Roberts Cementation's objective is to continue to be a mining contracting partner of choice in selected markets in Africa. Our strategy rests on the following pillars.

Murray & Roberts Cementation Strategic Pillars

People and capability development	Project excellence and improved profitability	Technology optimisation and innovation	Sustainable growth
Staff evaluation	Constantly review overhead structure	Digitalisation: ■ Asset maintenance ■ Operational controls ■ Remote operations	Marketing
Performance assessment	Project management office	Strategic partnerships	Africa focus
Ensure EE targets are met	Commercial awareness	Explore rock cutting technology	Strategic partnerships
Individual development plans	Focused interventions where the need arises	Explore shaft sinking technology	Project execution excellence
Remuneration			Superior TMM capabilities
			Selectiveness in the coal market (thermal coal to Eskom, only in SA)

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Contractor of Choice

Engineered Excellence

In line with the Group's operating philosophy of *Engineered Excellence*, we continuously assess the effectiveness and efficiency of our operations, where and how they can be improved, particularly with regard to commercial and project risk management, and maintaining industry leading HSE performance. To position ourselves for sustainable growth, we focus on delivering our projects with excellence, thereby building strong and sustainable relationships with our clients that increase our prospects for repeat business.

Given that most of our projects are contracted under rates-based commercial arrangements, which entail taking on more project risk compared to cost reimbursable commercial arrangements, we are emphasising commercial awareness and astuteness among our project managers, to ensure that our financial entitlements are not undermined. Where we identify gaps, we provide focused assistance to our project teams.

A central project management office is responsible for directing project execution. A robust project delivery governance system based on PMBOK best practice principles provides the basis for successful project outcomes. This system comprises five phases with stage gated approvals required to progress from one phase to the next.

Each phase has several deliverables that are audited internally and reviewed periodically. Included is a robust risk assessment and management system that ensures that all project risks are well understood and mitigated. The approval process for a project is also determined by the risk ranking, where lowest risk projects are approved at operating company level up to highest risk projects having to be approved by the Murray & Roberts Holdings Board. The planning and execution phases have rigorous requirements for reporting, reviews, risk management, change management and auditing.

Our reputation for project excellence is underpinned by the following global standards.

CERTIFICATIONS

ISO 9001:2015
Quality Management System

ISO 14001:2015
Environmental Management System

ISO 45001:2018
Occupational Health and Safety Management System

Zero Harm

Our approach to health and safety management centres on continual improvement, effective leadership, clear understanding of risks and the controls required to mitigate those risks, and individual accountability. Clear policies, standards and procedures and the competence and motivation of our employees support our aspiration of Zero Harm.

We have adopted the CRM programme to manage and respond to critical safety risks, and to eliminate the risk of fatalities. In support, we employ HPH and HPI reporting, which include the interrogation of control implementation and effectiveness, allowing us to introduce proactive measures to prevent high-risk situations.

In FY2024, we received an award from the Association of Mine Managers of South Africa for achieving seven million fatality free shifts, an excellent performance given the high-risk nature of our project work. However, our overall safety performance should always improve and is continuously receiving the necessary attention.

Our established and comprehensive safety improvement programme, developed in collaboration with external experts and long-term clients, is already seeing an improvement in both leading and lagging indicators.

The programme focuses on the following areas:

- Effective coaching: VFL; enforcing Group Values.
- Supervisor skills development.
- Digitalisation: CRM; Safe Sentry (a team based safety improvement initiative where individual team members observe their teams executing tasks).
- Consequence management.
- Pride and teamwork.
- Effective planning.

The programme emphasises the importance of VFL, and we bolstered training on the associated verifications. It also introduces consequence management for risks left unaddressed. It aims to ensure discipline and combat complacency that emerges when management controls become routine.

SAFETY HIGHLIGHTS

LOST TIME INCIDENTS **13** (FY2023: 7)	**LTIFR** **1.76** (FY2023: 0.87)
ALL INCIDENTS **25** (FY2023: 24)	**TOTAL RECORDABLE INCIDENT RATE** **3.66** (FY2023: 2.99)

Award from the Association of Mine Managers of South Africa for achieving

7 million fatality free shifts

Murray & Roberts Cementation *continued*

Digitalisation

Our digital strategy aims to provide the digital tools and connectivity required to drive safety, productivity, and value for our stakeholders.

Over the last few years, we have been driving the digitalisation of business processes, including our asset management system and operational control processes which enable real-time tracking and management of operations. We have also digitalised aspects of our critical risk management processes, including critical control verifications, and aim to extend this to other aspects of safety management including safety declarations and machine operator checklists. We continue to consider opportunities to advance the digitalisation of business systems.

We continue to explore new technologies that could improve efficiencies in project delivery and that support safe, quality project outcomes. One such example is our strategic focus on establishing ourselves as a market leader in TMM capabilities, a key growth thrust in the medium term.

We continue to stay abreast of OEM innovation, and to explore developments in new mining technology that is relevant for our markets. To this end, we are collaborating with an OEM to explore opportunities for mechanical rock cutting. This OEM has worked with our sister company, Cementation Americas, to develop and prove the technology, and we now have an opportunity to be the contracting partner for piloting this technology in Africa. We are also considering new shaft sinking technology, which has been proven in European geological conditions. Whereas geology in Africa is typically more challenging, the feasibility of developing and implementing this technology in our markets is under investigation.

Employer of Choice

Best people practices

Leadership continuity is critical to achieving *Engineered Excellence* in all that we do. Our leadership development programme provides training and coaching to high potential and performing individuals that are identified through a structured performance management process, preparing them for career development and succession. They are included in the talent management programme, which incorporates a personal development plan and mentoring relationships with a senior executive.

We have had several leadership changes over the year, which presented us the opportunity to see our leadership development programme in action. Noteworthy is the promotion of Sipho Khulekani to the human resources executive role. Sipho has been instrumental in initiating a central recruitment hub to efficiently recruit new talent and manage our talent within the business.

With the untimely passing of our education, training and development executive, Tony Pretorius, we expanded the responsibilities of our engineering executive, Hercilus Harmse, to include those responsibilities. We would like to acknowledge the huge impact that Tony's visionary leadership had on the industry as a whole.

We have an established performance management system. Employees from middle management levels and above enter performance contracts and development plans with their managers at the start of each year – performance is assessed twice per year and linked to performance-based rewards. We offer competitive remuneration and a workplace culture where people feel that their service, their input and their ideas are valued and incorporated in driving the success of the business.

Skills shortages are a prevalent problem in the mining sector, one which we consistently strive to circumvent. In Sub-Saharan Africa, shaft sinking and mechanised mining skills are scarce, especially as mining investment in the region increases. These factors, together with the requirement for mine owners and contractors to recruit and employ from communities near mines, make effective training and development an essential feature of both our employee value proposition and our competitive advantage. Our strong training and development ethos and world-class training facility in South Africa have been recognised for the significant contribution we make to skills development in the region. Our training and development efforts do not only cater for our needs, but also provide a training service to many of our clients.

Employee relations are sound across our business. In South Africa, where the workforce is unionised, management has professional and constructive relationships with union representatives and officials. No significant strikes or work stoppages occurred at any of our projects during the year.

Diversity, equity and inclusion

In South Africa, Murray & Roberts Cementation met its transformation targets for FY2024, maintaining a Level 1 B-BBEE accreditation. This was achieved by ensuring that all major projects:

- Continue to transform the composition of the supervisory and management layers of project teams, by prioritising the development and recruitment of talent;
- Recruit and train people from local communities to be employed on projects; and
- Ensure local suppliers are selected to participate in supplier development programmes and procurement contracts.

STAKEHOLDER TRUST

Localisation

We have developed a localisation model that has proven to be highly successful in recruiting and training people from local communities. Given that we employ and upskill labour from our communities, the positive socioeconomic impact extends beyond providing employment on the mines that we build, to advancing the employability of people in remote communities. We also look for every opportunity to localise our supply chains and identify local businesses able to supply goods and services to our projects. We build the capacity of local suppliers to enable them to supply the necessary services required by us or the mine owner. We also enter local contracting partnerships in other countries in Africa, in line with their localisation requirements, and local opportunities are pursued in joint venture with them.

Ethical business practices

Our ethical business practices are non-negotiable, and we specifically seek clients and partners that are aligned with our Values and ethical standards.

Senior management and selected employees receive regular training on ethical business practices. Twice per year, members of senior management are required to complete a declaration to confirm that they are aware of the Group's anti-corruption and bribery policies and are not aware of any instances where these policies have been breached. For every tender that is submitted, those involved in compiling the tender, together with the managing director of the company, formally declare that there was no unethical behaviour involved in the compilation of the tender. All our businesses have an anonymous whistle-blower facility that can be used to report incidents of fraud, corruption, or other unethical behaviour. The administrators refer complaints to management and complaints are thoroughly investigated, with appropriate action taken when required.

Stakeholder engagement

Values-led, ethical conduct underpins our intention to be recognised as a trusted partner to our stakeholders, wherever we work. In particular, we recognise the importance of building constructive relationships with government and client stakeholders as we expand our presence on the African continent.

Various channels exist within our organisation for engagement with employees and employee representatives. Where formal union structures exist, engagements take place regularly within the formal engagement structures.

We strive for shared value through a commitment to positively impact the environments and communities in which we operate, sustainably leaving them in a significantly better state than before we arrived.

> **"Senior management and selected employees receive regular training on ethical business practices. Twice per year, members of senior management are required to complete a declaration to confirm that they are aware of the Group's anti-corruption and bribery policies and are not aware of any instances where these policies have been breached."**

Outlook

We are positive about opportunities for FY2025, and we are committed to improving our financial performance. This is underpinned by a strong order book and our strategy to expand into selected markets in Africa with a focus on metals supporting green energy. We are excited about the talent within our business, and are well positioned to deliver quality projects to our clients in FY2025 and beyond.

Cementation

CEMENTATION AMERICAS

ERIC SMITH
Managing director

Cementation Americas is an underground mine engineering and contracting services company that is well known in the global mining sector, providing mine development and production services to clients throughout the world. Our primary market regions are the Western USA, the Canadian Arctic and Ontario, and Mexico.

> **Securing additional scopes of work from existing clients is key to achieving our strong revenue growth ambitions in FY2025, off the back of our already solid order book and strong project pipeline across the business."**

OVERVIEW

Cementation Americas' competitive advantage rests on our ability to safely and efficiently execute complex scopes of work, while managing project risk effectively and in a transparent manner, on behalf of clients. We deliver a premium service, providing certainty of project delivery outcomes to our clients, underpinned by extensive design engineering and project planning capacity, and a well-developed system and culture of continuous improvement. We continue to invest in innovative equipment, and digital management systems to deliver the highest standards of safety and productivity.

We saw a mixed performance in metals and minerals markets during the year, with some commodities such as gold and silver performing well, whereas others, such as Platinum Group Metals and nickel, struggled. Greenfield project development in North America remains muted, due to ongoing uncertainty around input costs, specifically labour and material costs, but we did observe some investment activity in brownfield mine development. Notwithstanding new international competitors entering our market, we have done well to maintain our share of a smaller market in both the USA and Canada, and are well positioned to respond to increasing investment activity in Mexico.

We achieved strong revenue in FY2024 of R6,3 billion (FY2023: R6,4 billion), with operating profit exceeding our expectations at R280 million (FY2023: R430 million).

We grew our order book in Canada, as brownfield development opportunities are increasing, and maintained our presence in the Saskatchewan potash market. However, our Canadian shaft projects are nearing completion, which will result in reduced revenue from this region in FY2025, with limited new shaft tendering opportunities available in the short term. In Mexico, we have attracted interest from tier 1 clients due to our strong track record and differentiated service offering, and we secured a large, multi-year contract with a major mining house in Latin America.

OPPORTUNITY

In the medium term, we expect brownfield development activity to increase in our core markets of Canada and the USA; however, we will continue to position ourselves for new shaft sinking projects in Canada over the longer term. The skilled capacity we have built in Mexico on a previous project, and our differentiated service offering, will continue to support our growth potential in this buoyant market. Notably absent from our portfolio is copper, which is experiencing strong market growth. We are focused on engaging with major copper mining companies in the USA and APAC region to position Cementation Americas for new project opportunities.

Consolidation of the contracting market in the APAC region has thinned out the competitive landscape, with global mining clients in the region looking for optionality. This has created an opportunity for Cementation Americas as we support Cementation APAC's (a company recently established in Australia) entry into these markets, where we have good relationships with major clients.

We have registered a company and submitted tenders in Mongolia, and are doing the same in Indonesia, to participate in project opportunities in those countries. We have proven our model for working internationally, particularly in terms of local partnering, recruitment and upskilling of employees from local communities, and standards development, evident from our success in Mexico. This model will be replicated in the APAC region, specifically in Mongolia.

STRATEGY

Our focus is on market differentiation beyond pricing by delivering engineered outcomes through systems and technology, supported by the following strategic objectives:

- Ensure all employees apply proactive risk-based management practices, with elevated focus on implementation and verification of critical risk controls.
- Reduce our employees' exposure to harm by systematic implementation of higher-level risk controls.
- Strengthen our human resource talent through formal training programmes and continued career advancement opportunities.
- Improve project execution using standardised, structured continuous improvement systems and processes.
- Diversify our service offering and market footprint, both geographical and across the value chain. In order to minimise potential disruptions to capex spending, we aim to get involved before and after the mine construction aspect, with feasibility and design prior to construction, and operations, production and maintenance after construction, effectively increasing opportunities outside of the standard mine construction part of the life cycle.
- Further differentiate from our competitors by providing value through engineered outcomes and not only competing on price.
- Incorporate incremental disruptive technology and pioneer new technology to better serve our stakeholders.

Cementation *continued*

Contractor of Choice

Engineered Excellence

Long-term, trusted relationships with major global mining clients demonstrate our differentiated service offering, which is based on providing certainty of project outcomes to our clients. This rests on our dedication to *Engineered Excellence*, supported by a robust risk management system that ensures all project risks are well understood and mitigated, particularly safety risks. We also employ a sophisticated project management system that enables continual improvement based on real-time monitoring of operational productivities and project progress. The planning and execution phases of projects include rigorous requirements for governance, reporting, reviews, change management and auditing.

An example of our application of technology to ensure optimal project outcomes is the Short Interval Control System, which provides a comprehensive, real-time view of resource utilisation and productivity. After every shift, our project teams are responsible for analysing the data to identify areas that need intervention for improvement. This system empowers our employees to participate in the success of the project, and its effectiveness demonstrates the culture of trust between our workforce and management.

Loosely defined scopes of work are common in the North American contracting market. However, we do not accept risk that we cannot mitigate effectively, preferring to work closely with our clients to identify and manage the risk on their behalf. This is reflected in the nature of the commercial arrangements we typically contract under, being mostly cost reimbursable contracts, with a performance-related contracting fee. Given that this model allows for more risk to be retained by the client, it is incumbent on us to be transparent and demonstrate the effectiveness of our systems and controls in proactively managing project risk. Across Mexico, Canada and the USA, we have a balanced mix of cost reimbursable contracts and unit rate contracts, where we take on a greater proportion of risk.

Our reputation is underpinned by the following global quality standards.

CERTIFICATIONS

ISO 9001:2015
Quality Management System

ISO 14001:2015
Environmental Management System

ISO 45001:2018
Occupational Health and Safety Management System

Zero Harm

Clear policies, standards and procedures, and the competence and motivation of our employees, support our aspiration of Zero Harm. Our fatality prevention efforts are largely focused on safety in design, detailed planning for safe execution, management of critical risks, and recognising and managing change in our work environment. We continue to engineer workflows and invest in equipment that removes our workforce from safety hazards, while optimising productivity.

Our CRM programme provides a mature system to manage risks that could cause serious injuries or fatalities, providing our employees with the means to ensure safe performance. Critical risks are identified and addressed prior to work being performed, with supervisors performing inspections and managers performing verifications to ensure that controls are working effectively. CRM is applied in conjunction with HPH and HPI reporting – or “near-miss” reporting. We trust our employees to report near misses, allowing us to proactively identify and rectify potential safety hazards.

Cementation Americas has purchased an automated loader for working underground, which is operated remotely, e.g. from the surface, thereby eliminating the risk of employees being exposed to potentially hazardous working conditions. This equipment can also be operated during blast time, enabling higher productivity without exposing our employees to dangerous blasting fumes.

Our injury prevention efforts are supported by:

- Appropriate safety training for all roles, supported by on-the-job coaching and training.
- Comprehensive standards and procedures implemented at all our project sites.
- Pre-work planning conducted by all teams to ensure understanding of what must be done, why it must be done, and how it will be done, and to allocate resources to do the work safely and efficiently.
- Accountability of leaders and supervisors for delivering safe, quality outcomes, making them responsible for ensuring that all employees have the means and ability to perform their work safely alongside sufficient observation, engagement and coaching of work teams.
- Encouraging all employees to report potential hazards and incidents to proactively address them.
- Learning and sharing the experience of our clients and partners to improve safety.
- PPE supplied to all employees appropriate for the jobs they perform.

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SAFETY HIGHLIGHTS

ALL INCIDENTS	ALL INCIDENTS	LTIFR	TOTAL RECORDABLE INCIDENT RATE	LTIFR IS AT A 10-YEAR LOW
2 (FY2023: 3)	**25** (FY2023: 20)	**0.77** (FY2023: 1.04)	**0.77** (FY2023: 1.04)	

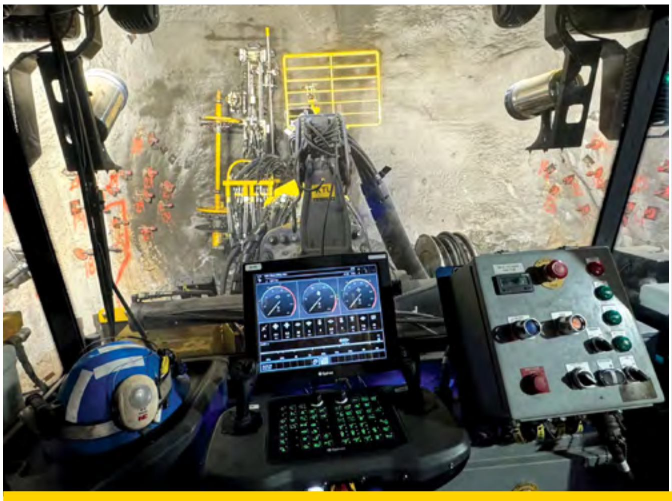
Digitalisation

Our digital strategy aims to provide the digital tools and connectivity required to drive safety, productivity, and value for our clients. The strategy has three themes:

- Asset maintenance, encompassing initiatives that manage the life cycle of assets to minimise total cost of ownership by maximising availability while balancing maintenance costs and operational risk.
- Operational effectiveness, encompassing initiatives that increase productivity and reduce variation within operations through continuous improvement of processes, feedback/reporting, decision-making, quality control, deployment of resources and waste removal.
- Autonomous and remote operations, encompassing initiatives that utilise automation and remote operation of both fixed and mobile equipment to achieve improved safety and/or labour efficiencies by using multi-machine functionality.

We continue to develop our Short Interval Control System for seamless data capture and integration, not only to accurately track productivities against project scopes of work and schedules, but to enable these datasets to inform estimates for future projects. We aim to complete this development in FY2025.

Our engineering teams use virtual designs, allowing for rapid prototyping in collaboration with our clients. This enables the identification of safety or construction issues before implementation, which supports project excellence and reduces the risk of rework. Additionally, designs can be reviewed virtually, allowing our teams to collaborate across jurisdictions. This is important given the escalating shortage of skills in our industry, enabling us to leverage specialist skills across different project sites.



Employer of Choice

Best people practices

Our diverse, integrated and highly skilled team of engineering and construction professionals enable a full service across the project life cycle and are the backbone of our business – their contributions to our ethos of continuous improvement and innovation support our competitive advantage. Besides offering competitive remuneration and benefits, we strive to maintain a culture where employees feel valued and empowered to participate in our success.

On-the-job training and development plays an important part in developing the skills required to deliver the standard of work that we are known for, and we have well-developed systems and processes to ensure that this is achieved in all regions where we operate. We continually look for ways to make training more effective and accessible to our employees. Our interactive training programmes provide a tailored learning experience with real-life examples that prepare our employees to apply their new skills in workplace situations. We provide a wide range of learning modules including supervisory skills, conflict resolution skills, ethics awareness, and new miner training specifically targeted at local skills development.

Diversity, equity and inclusion

We appreciate the unique perspectives brought to problem-solving and project requirements by our diverse workforce. We have an established diversity and inclusion policy with a DEI working group that identifies actions to promote inclusivity and remove any barriers to it. We continue to encourage young people, including diversity candidates, to consider mining and construction as career options, given the ageing population of specialists in our industry.

Our flagship new miner training programme at Cementation Canada aims to improve skills and employment opportunities for local communities, providing theoretical and practical training. We continue to provide cultural awareness and induction programmes to enhance the understanding around indigenous culture and heritage.

Cementation *continued*

STAKEHOLDER TRUST

Localisation

In the Americas, our commitment to localisation is also driven through our diversity and inclusion policy, which demonstrates our respect for the rights of ancestral indigenous citizens. The policy applies to our workforce and subcontractors and includes indigenous employment, and procurement from indigenous companies near to our projects.

We view Canadian localisation regulations as minimum requirements when engaging with our indigenous partners. An example of our commitment is the longstanding relationship we have forged with our indigenous contracting partners through the Kitikmoet Cementation Mining and Development Ltd joint venture. This partnership has provided meaningful opportunities for local communities in the Nunavat and Northwest Territories since 2005. We employ the same localisation blueprint on most of our projects in Canada, whereby we engage and involve our indigenous partners to ensure that local communities and businesses benefit meaningfully from our presence.

Ethical business practices

We are highly selective in the clients and partners we work with, the scopes of work we take on, and how we operate; based on shared values and ethical standards. We have systems in place to ensure that all contracts, operations and procurement are both legal and ethical, without exception.

Senior management and employees receive regular training on ethical business practices.

Stakeholder engagement

Values-led, ethical conduct underpins our intention to be recognised as a trusted partner to our stakeholders, wherever we work in the world. We strive for shared value through a commitment to positively impact the environments and communities in which we operate, leaving them in a better state than before we arrived. We achieve this through the development of local businesses by establishing joint ventures with local communities, creating opportunities for local businesses, investing in community infrastructure development, and recruiting and training people from the local communities for employment on our projects.

“Values-led, ethical conduct underpins our intention to be recognised as a trusted partner to our stakeholders, wherever we work in the world. We strive for shared value through a commitment to positively impact the environments and communities in which we operate.”

Outlook

We increased our order book in the USA, which includes our business in Mexico, by securing one of the few greenfield projects in the market. Securing additional scopes of work from existing clients is key to achieving our strong revenue growth ambitions in FY2025, off the back of our already solid order book and strong project pipeline across the business. Mexico and Canada will provide steady earnings potential in the coming years, while we rebuild the USA order book, a key focus of our business development efforts.

TERRA NOVA TECHNOLOGIES

STEPHEN KOU
Managing director

A technology partner of choice, Terra Nova Technologies specialises in materials handling product and system design and construction services to the mining and minerals industries throughout the world. TNT supplies mobile stacking systems, overland conveyors, underground conveyors, mineral processing plant conveyors, crushing and screening systems, modular crushing stations, and agglomeration drums. TNT has offices in San Diego and Boise in the USA, and Santiago in Chile.

> **“Based on our order book at the end of FY2024, we are confident of reaching pre-COVID levels of earnings by the end of FY2025. Prospects are improving as commodity prices in our core markets remain strong, with new geographic opportunities emerging.”**

OVERVIEW

TNT's key competitive advantage lies in our turnkey service offering, where we provide the design, supply and construction of projects. Typically, our competitors shy away from the construction component. As such, TNT has a good strategic fit with our parent company, Murray & Roberts, enabling end-to-end expertise and capacity which offers significant advantages, especially in managing project risk for potentially higher returns.

Since the severe impact of worldwide COVID lockdowns, which resulted in us exhausting our order book by 2021, TNT has been loss-making. However, strong order book recovery from late FY2023 has seen us return to a profit position in FY2024. Revenue increased by 95% to R1,4 billion, and operating profit increased to R75 million. Despite the challenges we have faced over the last several years, in a sector that has seen much consolidation, our business has remained stable in terms of retaining capacity and established clients.

Based on our order book at end FY2024, we are confident of reaching pre-COVID levels of earnings by the end of FY2025. The new project in Chile represents the bulk of our order book at R1,5 billion, with smaller projects in the USA bringing our total order book to R1,7 billion. For FY2025, we are well positioned to secure additional projects from selected clients, Freeport-McMoRan and BHP, with whom we have strong relationships and a track record for excellent project delivery. These projects could provide baseline work through FY2027 and beyond, which we aim to supplement with growth opportunities in new regions and for new clients.

OPPORTUNITY

Our traditional core market has been in copper and gold projects for established clients, primarily in the USA and Chile, and we expect this workflow to continue over the medium term. Our growth over the longer term, however, depends on us diversifying into other commodities, new markets and clients.

Delayed capital investment in hard rock mining is limiting our opportunities. Despite strong prices for copper and gold, capital investment in greenfield mining projects remains subdued. Rigorous environmental regulations have made it difficult to get new mines approved, particularly in the USA and Chile. Our growth potential is therefore mainly in brownfield mine expansions. Our approach of delivering premium products and exceptional service brings repeat business, an important driver for the sustainability and growth of our business.

We continue to evaluate growth opportunities beyond our traditional markets. Argentina presents a promising emerging market for copper and gold projects, with several potential projects in the pipeline for FY2025-2027. Immediate challenges include strict capital controls, and very high inflation and tax rates. However, the new Argentinian administration is pursuing reforms to attract private investment into the mining sector, including removing export tax on mining products, which should support higher activity. We have also identified regions in Central Asia with the potential for growth – specifically Mongolia, Kazakhstan and Uzbekistan.

We have been developing innovative solutions to minimise water use in the wet process waste stream of mining operations (i.e. tailing), by modifying our technology to create dried tailings that can be transported on a conventional belt conveyor. Traditionally, tailings from gold and base metals are disposed of as a slurry with a high water content, which are stored in tailings dams. High water consumption is becoming unacceptable amid increasing water scarcity and the associated cost; and tailings dam failures pose safety and environmental risk to surrounding communities. As the dewatering of mine tailings escalates in importance, we believe our innovative solutions will be a key differentiator and growth driver for TNT over the long term.

STRATEGY

Our strategy is centred on rebuilding and growing our order book over three horizons, without compromising on project services which are underpinned by *Engineered Excellence*. Our growth in the longer term will depend on building additional skilled capacity in our business.

Horizon 1	Rebuild order book – focus on core copper and gold markets.	Leverage relationship with selected clients in the Americas.	Build strategic relationships in emerging markets.	
Horizon 2	Product development to diversify our product offering.	Geographic expansion into selected mining countries based on long-term revenue potential (e.g. Mongolia).	Shift revenue profile to substantially increase high-margin aftermarket business.	Ongoing investment in people and organisational development.
Horizon 3	Further diversification into complementary mineral processing equipment.	Achieve scale to compete against tier 1 material handling companies.		

TERRA NOVA TECHNOLOGIES *continued*

Contractor of Choice

Engineered Excellence

Strategically, we target opportunities with specific clients, with our focus on consistently providing a differentiated premium service as opposed to competing only on price and chasing market share. We engineer customised solutions during the tender phase, demonstrating our specialist expertise, and leveraging our competitive difference in end-to-end project services. Our service-centric model allows us to cultivate longstanding client relationships, and secure preferred contractor status – as our order book over many years shows.

In addition to our product offerings, we provide several high-value services. Our design consulting focuses on optimal selection and design of equipment to meet unique client needs. For every project we develop, we are able to provide preventative and predictive maintenance programmes, comprising computerised maintenance systems supply and integration, maintenance programme management and personnel support, critical spare parts planning and procurement, and contract operations and maintenance.

Fundamental to our business success is project risk management, particularly because of the more onerous fixed-price, lump sum contractual arrangements typical in our markets, which, if well managed, also allows opportunity for higher returns. To mitigate the higher risk associated with this contractual model, we invest substantially in pre-engineering early in the tendering process. Our bids are therefore substantiated by well-developed pre-designs, ensuring accurate pricing and a high degree of confidence in our tender submissions. We are also rigorous in establishing strategic partnerships with suppliers and subcontractors, capable of delivering the high standard of supplies and services we require to ensure a consistently premium offering.

TNT's reputation for project delivery excellence is underpinned by the following global quality standards.

CERTIFICATIONS

ISO 9001:2015
Quality Management System

ISO 45001:2018
Occupational Health and Safety Management System

UL 508A
Certified Industrial Control Panel Fabricator

Zero Harm

TNT has maintained a remarkable safety record, with zero lost-time incidents and fatalities since we were founded in 1997. The nature of our work includes construction management, field work, and technical advisory services onsite, making our safety record noteworthy.

We ensure that subcontractors or JV partners align to our safety processes and procedures, and that these meet Murray & Roberts Group expectations.

SAFETY HIGHLIGHTS

LOST TIME INCIDENTS
Zero
(FY2023: Zero)

LTIFR
Zero
(FY2023: Zero)

ALL INCIDENTS
Zero
(FY2023: Zero)

TRIR
Zero
(FY2023: Zero)

Digitalisation

The products we provide are largely mechanical, with little opportunity for digital innovation. However, there is potential for increasing efficiency through digitalisation and automation of business processes, as well as AI integration. Such opportunities will be explored as we grow profitability.

"TNT has maintained a remarkable safety record, with zero lost-time incidents or fatalities since we were founded in 1997."

Employer of Choice

Best people practices

As a small, specialised business, we compete hard for scarce talent. Over several years, the number of graduates in mechanical and structural engineering with interest in pursuing a career in heavy industrial goods has diminished, and the pool of subject matter experts in mining and material handling has declined. To attract and retain the skills we need, particularly younger talent required to drive innovation in our industry, we focus on best-in-class compensation packages and benefits, bolstered by performance-linked rewards, employment stability and career growth potential.

We invest substantially in the development of our employees, by supporting them in obtaining higher education and accreditations. Our professional development programme is well established, which includes mentoring and skills transfer, and cross-functional and stretch assignments to support career development. The lean structure of our organisation gives our people exposure to different roles and responsibilities, unlike in larger businesses, with the opportunity to develop well-rounded skills and early career advancement. Workplace flexibility and work-life balance, within a dynamic and high-performance culture, are important features of our employee value proposition.

Diversity, equity and inclusion

TNT is focused on improving gender representation, even though no DEI policies have been formalised yet.

STAKEHOLDER TRUST

Localisation

Where possible, it is our objective to recruit and train people from local communities to supplement our project teams. We also look for opportunities to localise our supply chains and identify local businesses able to supply goods and services to our projects.

Ethical business practices

We provide a premium service aligned to our values of care, commitment and courage. We work safely and with integrity, respecting and valuing each other and our host communities. We consistently push the boundaries to create smarter, more sustainable solutions.

Stakeholder engagement

We aim to be recognised as a trusted partner to our stakeholders, wherever we work. Various channels exist within our organisation for engagement with our stakeholders.

Outlook

TNT's recent project success in Latin America has been welcome, considering that the business has had to rebuild its order book after COVID as limited materials handling opportunities came to market during this period. Prospects are improving as commodity prices in our core markets remain strong, with new geographic opportunities emerging for copper and gold projects in Argentina. TNT aims to return to pre-pandemic levels of financial returns and to be a more meaningful contributor to Group earnings.

OPTIPOWER

STEVE HARRISON
Managing director

OptiPower is a leading energy infrastructure company, providing turnkey engineering, procurement and construction solutions for high and medium voltage power lines and substations, overhead and below ground fibre optic lines, and renewable energy projects, in Sub-Saharan Africa.

“The focus for the year ahead is the closing out of our existing projects, the profitable delivery of new projects and continuing to pursue opportunities in the renewable energy, as well as the significant transmission and distribution sectors.”

OVERVIEW

The restructuring of the Murray & Roberts Group during the year resulted in OptiPower being the only business retained from the previous PIW platform.

This fundamental shift gave us the opportunity to refocus the business on what we do best, and where we can compete effectively for promising market opportunity. We closed Wade Walker Solar, acknowledging its lack of competitive edge in the rooftop solar market; took the decision not to undertake any structural, mechanical and piping projects; and to exit our remaining interest in the wastewater market sector by starting the process to sell our Organica wastewater treatment plant to the V&A Waterfront, where it is currently in operation.

The rationalisation of overhead costs was aggressive, but implemented responsibly, and we retained our core project management and technical capacity required for OptiPower to respond to growing market opportunity.

The Group's strained liquidity position in South Africa made securing new work in FY2024 more challenging than expected and caused delays in project progress and milestone payments. Onerous supplier terms, due to our strained liquidity position, placed additional pressure on the Group, which was extremely difficult to manage. However, with the support of our clients and suppliers, we were able to overcome many of these challenges.

Revenue increased to R1,7 billion (FY2023: R1,3 billion) and our operating loss was R98 million. The Group's financial result was unfortunately heavily impacted by the loss incurred, largely resulting from liquidity constraints giving rise to delays in procurement and project progress. Although OptiPower remained loss-making, we expect to report a profit in FY2025, based on the pipeline of new projects.

OPPORTUNITY

OptiPower is known as a specialist contractor, and our accreditations, and ability to manage on-the-ground realities and local circumstances are strong competitive advantages. We are well positioned to secure projects expected to come to market in the next three to five years.

Planned investment in South Africa's renewable energy and power transmission and distribution sectors presents substantial opportunities in the near to medium term. South Africa's constrained transmission and distribution infrastructure requires urgent upgrading and expansion, particularly to accommodate the renewable energy projects coming on stream in the next few years. South Africa's national power utility, Eskom, plans to build over 1 500km of 400kV overhead lines per year in South Africa as part of its Transmission Development Plan by 2032. After a long period of malaise, the turnaround at Eskom is gaining traction, auguring well for accelerated implementation of the plan.

OptiPower is certified to build high voltage overhead lines, a certification that very few accredited contractors have. Eskom's procurement process entails a panel approach, with Panel A as full-service EPC; panel B as procure and construct; and Panel C as construct only. As per Eskom's announcement on 20 August 2024, OptiPower individually qualified for both Panel B (one of nine companies) and C (one of 17 companies) scopes of work and has an established relationship with a Spanish energy firm, Coxabengoa Energia, to pursue work in JV on utility photovoltaic installations and this JV has also qualified for Panel A (one of five companies) work.

Besides the significant opportunity in South Africa, we are also assessing opportunities in transmission and distribution in Botswana, Namibia, and Zambia. Historically, we have worked in Malawi, Namibia and Zambia, and currently we have projects in Botswana and eSwatini.

As a percentage of South Africa's total generation capacity, renewable energy is expected to reach 46% and conventional generation to decrease to 47% by 2032, a significant shift in the energy mix. The procurement of large-scale solar PV in the private sector is estimated to be worth R19,3 billion per year, to a total of R116 billion, and in the public sector R8,3 billion per year to a total of R50 billion by 2030[1]. Wind generation of 22 799 MW is expected to be added to the energy mix over the period of Eskom's TDP. Battery capacity is expected to reach 6 550MW by 2032, far exceeding the previous estimate of 2 088MW.

1 *Source: GreenCape: 2024 Market Intelligence Report : Large-scale Renewable Energy.*

STRATEGY

Our growth strategy has four thrusts:

Geography 1

- Sub-Saharan Africa – primary focus on South Africa with select opportunities being tracked in SADC.

Sectors 2

- Transmission and distribution overhead lines.
- Utility scale PV (in JV with Coxabengoa).
- Renewable power electrical balance of plant (wind and BESS).
- High voltage substations.

Service 3

- Detailed engineering (outsourced).
- Procurement.
- Construction.
- Commissioning.
- Operations and maintenance (PV).

Focus 4

- Utility scale PV (in JV) for the private and public sectors.
- Substation and transmission work for renewable energy projects in the private and public sectors.
- 400kV and 765kV overhead lines projects for Eskom.

OPTIPOWER *continued*

Contractor of Choice

Engineered Excellence

Our specialist positioning requires a commitment to quality standards and ethical business, which we hold ourselves and our partners to, in line with the Group's operating philosophy of *Engineered Excellence*, and the associated frameworks and procedures. Our competitive differentiation is underpinned by our ISO certifications, Construction Industry Development Board rating and Eskom vendor registrations.

We operate in a highly competitive sector with onerous contractual terms – being lump sum, fixed-price contracts. This higher risk requires that we continue to emphasise commercial and project excellence, which begins at tender stage. We work with trusted engineering partners to produce certified plans that enable the accurate pricing of project bids. During the year, we focused on optimising the link between the engineering design and procurement process to increase accuracy and efficiency.

Our safety, health, environment and quality management system received ISO recertification and we retained all required accreditations to work as an Eskom vendor.

CERTIFICATIONS

ISO 9001:2015
Quality Management System

ISO 45001:2018
Occupational Health and Safety Management System

ISO 14001:2015
Environmental Management System

Zero Harm

OptiPower's safety performance was good in FY2024, with a TRCR of 2.27 (PIW FY2023: 1.57), and a LTIFR of 0.38 (PIW FY2023: 0.0). Our individual projects, with one exception, had achieved more than 200 000 hours without an LTI at year end.

A key focus for FY2024 was the introduction of the MAP self-audit programme. This is providing valuable leading indicator data, allowing us to drive more effective visible felt leadership and an improvement in the reporting of hazard observations. We also emphasised work on and near overhead power lines as an area of major safety risk. The narrower scope of OptiPower's business has supported improvements in safety assessment and reporting.

SAFETY HIGHLIGHTS

LOST TIME INCIDENTS	LTIFR
1 (FY2023: 0)	**0.38** (FY2023: 0.00)
ALL INCIDENTS	**TOTAL RECORDABLE INCIDENT RATE**
6 (FY2023: 2)	**2.27** (FY2023: 1.57)

Digitalisation

The work OptiPower undertakes presents limited opportunity for automation or digitalisation. Our digital strategy is therefore primarily concerned with refining and improving our business systems. Specifically, we are improving the engineering-estimating-procurement interface with our engineering partners, as well as project performance monitoring. We continue the use of biometric reporting, including employee data, onboarding, time and attendance management, safety behaviour, and operational performance – allowing real-time analysis of project performance.

Employer of Choice

Best people practices

Headcount increased from 849 in FY2023 to 1 034 in FY2024, due to the addition of new projects, with most employees being redeployed within the new business structure. Due to the close-out of Wade Walker Solar, 10 people were retrenched in terms of section 189 of the Labour Relations Act.

Deepening our capacity will be necessary as we grow, and skills remains scarce in our increasingly buoyant markets. Top talent is identified and reviewed every year through a structured process, including formal performance evaluations. Focused development plans are implemented to allow career progression and retention of these individuals.

Training spend increased to R2,0 million from R1,6 million, with 2009 training interventions compared to 1379 interventions in FY2023. Most of our training initiatives are project focused, ensuring that employees can perform their duties safely and productively.

Diversity, equity and inclusion

In FY2024, we improved our representation at black senior management level from 20% in FY2023 to 37.5% in FY2024. Our middle management decreased from 61% FY2023 to 48% in FY2024, due to the completion of the Kusile project in December 2023. Our junior management increased from 83% in FY2023 to 85% in FY2024. Overall, our total percentage of black employees increased from 88% in FY2023 to 93% in FY2024, with female employees decreasing from 18% in FY2023 to 17% in FY2024. We will continue to focus on diversity, particularly for middle management positions.

STAKEHOLDER TRUST

Localisation

As much as possible, we utilise local SMEs and suppliers, and employ unskilled and semi-skilled people from our host communities, with a focus on women and youth. This supports good local relationships and is essential to the sustainability of long-term projects, ensuring that we not only provide value to our clients, but to our host communities as well.

The recruitment process is agreed with the host communities and facilitated by the client and an elected community liaison officer. Unskilled employees receive on-the-job training, many of whom become semi-skilled and more employable for future opportunities.

We continue to meet preferential procurement targets and have implemented several supplier development programmes.

Ethical business practices

Senior management and selected employees in specific roles receive regular training on ethical business practices. They are required to sign a declaration that confirms there was no unethical or anticompetitive conduct in the preparation of tenders. A whistle-blower hotline exists for employees to report any unethical behaviour, and independent forensic consultants thoroughly investigate all reported cases, any findings of which are actioned.

Stakeholder engagement

We recognise that the challenges OptiPower and the Group have faced over the last year has strained relationships with clients and suppliers. A priority for our senior management team will be to engage closely with major stakeholders to strengthen these relationships.

The Group's stakeholder engagement framework guides our relationships with clients, employees, the community and other stakeholders. The business is accountable for stakeholder inclusion in identifying, understanding, and responding to sustainability issues and concerns in our business environment.

Outlook

The business is supported by solid prospects although the order book at year end reflects only 43% of planned revenue secured for FY2025. The focus for the year ahead is the closing out of our existing projects, the profitable delivery of new projects and continuing to pursue opportunities in the renewable energy, as well as the significant transmission and distribution sectors. OptiPower is one of a select group of contractors certified to build high voltage overhead lines and through its track record it is well positioned to secure work as soon as Eskom starts awarding opportunities in the market. With the restructuring of the business behind us and accelerated activity in our target markets, we are optimistic about our prospects.

RISK REPORT

"Risk management is embedded at every level of the organisation to manage threats to our business, the environment and host communities, and to facilitate benefits from opportunities."

The COVID-induced loss of our Australian based businesses in the prior year, and the subsequent deleveraging of the Group's balance sheet created significant liquidity pressure, which compounded the complexity in the operating environment, especially for our South African operations. Our mature risk management programme has been a dependable mitigant to these factors as we reposition the Group for sustainable growth.

We restructured the Group, including the capital structure and cost base, to align with current business circumstances and requirements. Murray & Roberts now delivers projects through two main businesses: the core mining business comprising two regional entities in Africa and the Americas (USA, Latin America and Canada); and the power infrastructure and renewable energy business focusing on Sub-Saharan Africa. This restructuring reduced business complexity and lowered the risk profile for the Group, as projects undertaken by the mining business (which comprises more than 80% of our revenue) carries substantially less commercial risk, due to more equitable risk sharing commercial models applied in the mining sector.

Risk management is embedded at every level of the organisation to manage threats to our business, the environment and host communities, and to facilitate benefits from opportunities. The ultimate responsibility for risk management rests with the Board, which approves the Group's risk appetite and tolerance levels and oversees principal risk exposures and opportunities.

Considering the now smaller Group, appropriate adjustments to the Group's risk appetite and tolerance levels were approved by the Board. The Board is supported by the audit & risk committee, which oversees the overall effectiveness of our risk management programme and internal controls. In addition, operational line management and Group functions oversee risk management in their areas of responsibility, with support from compliance and internal audit. This governance structure ensures effective risk and opportunity management.

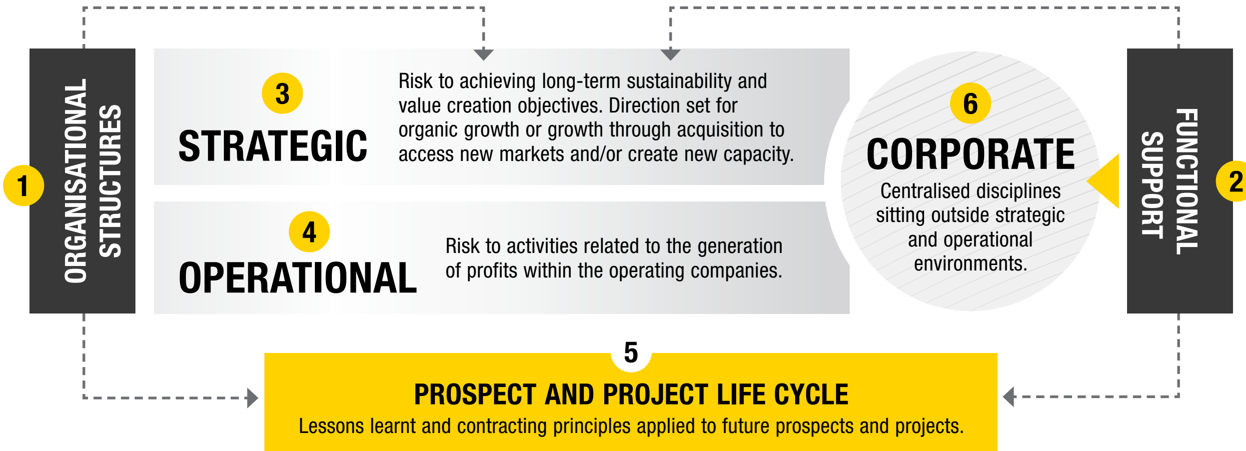
The Group utilises an integrated assurance approach to verify and provide assurance that risks are effectively managed. Risk management, regulatory compliance, and independent assurance (internal and external audits) are the three pillars of the Group integrated assurance framework, which aims to:

- Align strategy with risk tolerance;
- Improve and streamline decision-making, which improves the Group's risk profile;
- Promote the strategic and coordinated procurement of a quality order book, which contains an identified and anticipated level of risk, and an appropriate level of reward;
- Ensure reasonable commercial terms and conditions are contracted based on a predetermined set of acceptable contracting principles, together with the objective pursuit of commercial entitlement;
- Promote rigorous project reviews, and early responses to projects deviating from planned and tendered expectations;
- Promote continuous improvement through the institutionalisation and application of lessons learnt;
- Reduce operational surprises, improve predictability and build shareholder confidence;
- Build robust organisational risk structures and facilitate timeous interventions to promote long-term sustainable growth; and
- Promote the efficient and proactive pursuit of opportunities.

The Group risk management framework

The Group risk management framework sets clear roles and responsibilities, and provides management teams with a structured and coordinated approach to identify, assess, address, monitor, communicate and report the Group's risks and opportunities. Preventative and mitigative controls are implemented to reduce the likelihood and consequence of identified risks and manage potential impacts.

The Group has defined four discrete risk environments, namely strategic, corporate, operational and project, with organisational structures and functional support in place to guide and set direction.



1 ORGANISATIONAL STRUCTURES

To facilitate effective risk management, organisational structures have been established and tasked with risk governance at various levels within the organisation. In addition to Board committees, the Murray & Roberts Limited risk committee is tasked with risk governance at executive management level.

2 FUNCTIONAL SUPPORT

Dedicated risk management support has been created at Group level and within businesses. This includes enterprise-wide risk leadership, risk management monitoring, and risk-based auditing. The Group risk forum, comprising risk managers from all businesses, facilitates learning and sharing, and adoption of consistent standards and practices across the Group.

3 STRATEGIC RISK MANAGEMENT

Strategic risk is evaluated as a hurdle to achieving the Group's long-term strategy. Management is tasked by the Board to develop, implement, and adapt the Group strategy, considering changes in the business environment and subject to the approved risk appetite and risk tolerance levels. Direction is set for organic and acquisitive growth to access new markets and create new capacity. The corporate centre has the oversight role on these risks, which are periodically reviewed by the executive risk committee and reported to the Board. Reviews include consideration of emerging risks in the business environment and their potential impact on the Group.

4 OPERATIONAL RISK MANAGEMENT

Operational risk is a potential barrier to achieving our business plans. Methodologies for identifying, evaluating, mitigating, monitoring, and communicating risk are applied in the operational business environment. Three-year business plans, which consider threats and opportunities, are developed and performance against these plans is reviewed on a quarterly basis. Operational risk exposures typically relate to major incidents and infringement of laws such as competition, company, and health and safety laws, as well as the commercial, technical, and logistical aspects of projects. The operating companies have governance structures and systems that ensure that these risks are effectively managed.

5 PROJECT RISK MANAGEMENT

Project risk is evaluated as a potential barrier to delivering contracted scope against cost, time, and technical performance targets, while maintaining industry leading ESG performance. Critical to the preparation of tenders and effective project delivery is the application of three standards, which have been formulated considering past project experience and lessons learnt. These standards are regularly updated to include new learnings:

- Group schedule of contracting principles;
- Group schedule of lessons learnt; and
- Minimum requirements for contracts.

All bids submitted are tested against these standards to ensure that risks are appropriately addressed, and past failures are not repeated.

A project management framework sets the standard for project management and provides internal audit with a consistent set of processes and controls against which the delivery of projects is tested.

6 CORPORATE RISK MANAGEMENT

Corporate risk management relates to a range of portfolios and activities within the corporate office, including risk management standards and procedures, regulatory compliance, integrated assurance, business continuity, tax, insurance, crisis communication and other ESG policies such as the climate change position statement, code of conduct, and statement of business principles. Oversight of the three main elements of ESG lies with the relevant Board committees.

Risk management process

The Group's risks are regularly monitored and managed in accordance with the business priorities. Material risks are escalated to the executive committee and to the Board or its committees. A competent risk management function is in place to guide and support management in managing risks and opportunities across the organisation.

Risk appetite is defined as the type and extent of risk the Group is willing to take in pursuit of its strategic objectives. Several factors are considered in determining the risk appetite in each risk category. The risk appetite statement classifies the Group's appetite for each risk category as low, moderate, high, or extreme according to the following definitions:

LOW	The level of risk will not impede the Group's ability to achieve its strategic objectives.
MODERATE	The level of risk may delay or disrupt the achievement of its strategic objectives.
HIGH	The level of risk will impede its ability to achieve its strategic objectives.
EXTREME	The level of risk will significantly impede its ability to achieve its strategic objectives.

Where applicable, controls are in place to reduce the likelihood or alternatively mitigate the impact of risk events.

Key risk categories

Key risks are those that have a strategic, financial, operational, and reputational impact and include:

HEALTH, SAFETY & ENVIRONMENT

The Group has no appetite for health, safety and environment risk and strives for Zero Harm in the workplace. This is supported by the Group HSE framework.

FINANCIAL

The Group has a moderate appetite for financial risk and is willing to accept risk to achieve its financial objectives. These risks are managed and mitigated to an acceptable level through several controls, with oversight from Group executive leadership.

LEGAL AND COMPLIANCE

The Group strives for the highest standards of business integrity, ethics, and governance.

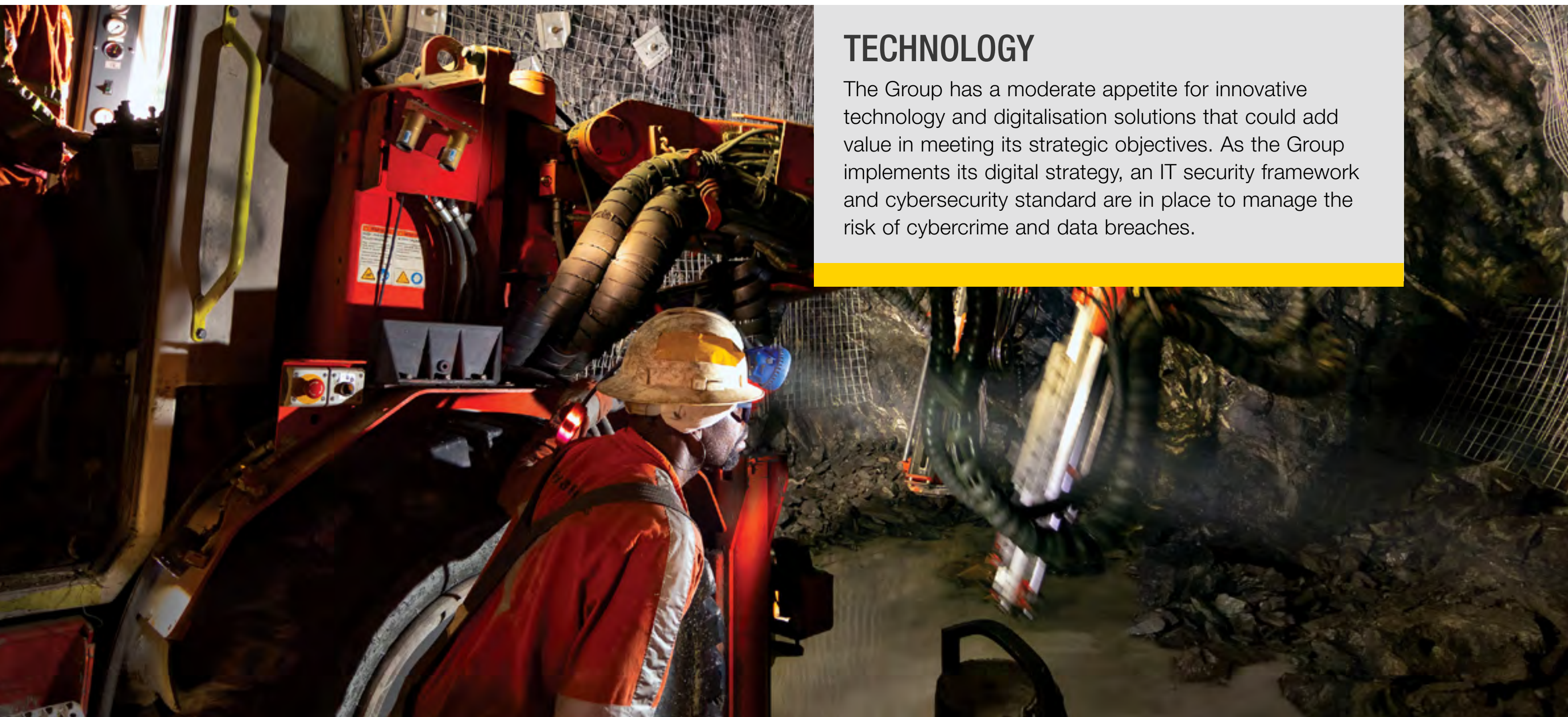
It has zero tolerance for unethical behaviour and has a code of conduct and several related procedures in place to address this risk. The Group also complies fully in all jurisdictions with regulated requirements to protect personal information.

PROJECT PERFORMANCE

The Group is prepared to accept a moderate level of risk in the projects it undertakes, to achieve its financial targets. A project management framework, as well as contracting principles and past project lessons learnt schedules, are in place and used to mitigate project delivery risk.

TECHNOLOGY

The Group has a moderate appetite for innovative technology and digitalisation solutions that could add value in meeting its strategic objectives. As the Group implements its digital strategy, an IT security framework and cybersecurity standard are in place to manage the risk of cybercrime and data breaches.



Strategic risks

Strategic risks relate to our Purpose and long-term goals and are managed by the Board and executive committee. Strategic risks include:

- Sustainable growth – organic and acquisitive growth;
- New markets and capabilities;
- Megatrends and their likely impact to the Group's long-term prospects;
- Capital allocation; and
- Value creation.

The Group chief executive and executive committee manage these risks which are reviewed quarterly and reported to the MRH Board and its relevant committees.

Operational risks

Project risk is a significant source of operational risk due to the varying complexity, scope, and size of projects undertaken. The Group has well established processes to manage risks from the early stages of opportunity management, which includes tendering, through the project execution phase, and finally project completion and handover. This includes diligent application of our risk procedures and past experiences to better identify, understand, prioritise, and manage project risks.

Project risk management

Opportunity management			Project execution		
PRE-TENDER	**TENDER**	**AWARD**	**INITIATE**	**DELIVER**	**CLOSE-OUT**
All opportunities across the Group are captured in the central Opportunity Management System ("OMS") Decision to bid – approval authority lies with the operating company managing director Bid considerations include: ■ Group's contracting principles ■ Group's lessons learnt schedule ■ Minimum requirements for contracts If decided to tender, the opportunity is progressed through the OMS	Risk tolerance filters in OMS: contract value, location, contract law, revenue basis, project type, scope of work, client, consultant, and partner Prospect risk rating (purple, red, amber, green) determines authority level for tender approval and mandate Risk assessments at tender stage are used to identify, develop, and price mitigation plans and allocate project contingencies MRL risk committee review for red and purple prospects	If a tender is awarded, the final contract commercial terms are negotiated within the set mandate provided by the relevant approval authority ■ Purple – MRH ■ Red – MRL ■ Amber – Operating company MD in consultation with the CEO ■ Green – Operating company MD Any deviation requires a revised mandate from the relevant approval authority	Formal handover from bid team to project team (key bid considerations: scope, tender allowables, programme, milestones, commercial terms, assumptions, and planned risk mitigation) "Know your contract" training for the implementation team Project team presents readiness presentation at the start of the project	Monthly operating company project performance reviews include: ■ HSE performance, financial/cost accounting, schedule and operational performance, commercial claims, and forecasts to complete Additional executive interventions initiated for projects showing signs of distress Quarterly corporate office project oversight reviews	Residual exposures relating to final accounts and claims, bonds, warrantees and patent and latent defects, are formally closed
Risk governance structure: MRH, audit & risk committee, MRL Board (executive committee) and operating company executive committees			Taking and managing risk responsibly is central to value creation and the long-term resilience, relevance, and sustainability of the Group		

Regulatory compliance

Regulatory compliance is the second pillar of the Group integrated assurance framework. Application of the Group regulatory compliance framework enables the seamless integration of regulatory compliance (with risk management and internal audit) into business planning, execution, and management.

As a multinational organisation, the Group is exposed to extensive legislation in various jurisdictions with varying degrees of complexity. A competent regulatory compliance function is in place to guide businesses ensuring that the Group complies, across all jurisdictions, with legal and other requirements that could materially impact its performance and sustainability, whether from a financial, legal, or reputational perspective.

The Group employs a structured approach to evaluate potential compliance failures and ensures adequate responses to prevent, and where necessary, mitigate any negative impact. A regulatory compliance plan is set out as per the Group's compliance standard, and the Board's social & ethics committee provides oversight through regular reviews of regulatory compliance reports provided by management.

Independent assurance

Independent assurance, the third pillar of the Group integrated assurance framework, consists of two complementary parts – internal and external audit. This function provides an independent and objective challenge to the levels of assurance provided by business operations, risk management and regulatory compliance.

The internal audit function, which reports directly to the audit & risk committee, is well resourced with experienced and skilled employees to carry out its mandate. Its role is to support the Group by providing an independent and systematic approach to evaluating and improving the effectiveness of risk management, internal controls, and corporate governance processes. In executing its mandate, internal audit applies a risk-based approach to identify critical risk management controls that management relies on, and which must be tested and evaluated to provide the Board with the risk management and regulatory compliance assurance it requires to meet its governance objectives.

The audit & risk committee considers and approves the risk based internal audit plan and is regularly updated on audits performed, findings and improvement actions. The development of the internal audit plan includes interactions with the Group risk and legal functions, with specific reference to their respective risk and compliance mitigation objectives and plans. The internal audit plan also assesses Group-wide corporate governance, financial controls, and risk management procedures, as well as specific areas highlighted by the audit & risk committee, Group executive committee and by executive and operational management.

External audit provides independent assurance that the annual financial statements are free from material misstatements and errors and that it complies with IFRS Accounting Standards requirements. The Group also utilises other external assurance providers in areas such as health, safety and environment, sustainability indicator assurance and business management system compliance.

Top risks

The top risks that could materially affect our business are summarised in this section.

1 VULNERABILITY TO MACROECONOMIC FACTORS

Strategic risk

Changes in the global economy have a direct impact on the market segments in which the Group operates. Downside risks to the global economy, and therefore to growth prospects in the Group's markets, include low commodity prices, geopolitics and its impact on trade and investments, inflation and high interest rates, climate change and low energy transition among others. These changes are likely to lead to fluctuations in the Group's order book and projected earnings.

Potential impact

- Lower demand for the Group's services resulting in reduced earnings
- Increased competition
- Increased resource costs
- Supply chain disruptions
- Liquidity constraints
- Low credit rating

Mitigation

- Strategic focus on the natural resources sector and future facing metals, which is underpinned by positive long-term demand fundamentals.
- Focus on client relationships and maintaining competitive advantage to secure negotiated contracts with reasonable terms and opportunities for early contractor involvement.
- Diversification of services across the project life cycle, which includes an emphasis on front-end engineering, and operations and maintenance.
- Partnership with local companies (JVs & contractors) to win work in geographies where this is a requirement.

2

GROUP LIQUIDITY

Strategic risk

Outstanding payments of claims, project variations and certificated work, project losses and working capital demands may introduce liquidity stress and constrain the Group's ability to meet its liquidity requirements, or to meet its growth targets.

Potential impact

- Negative impact on growth
- Inability to meet financial commitments
- Breach of banking covenants
- Increased cost of borrowing
- Inability to raise facilities with financial institutions

Mitigation

- Achievement of greater operational efficiency/project performance.
- Budgeting, forecasting and cost discipline.
- Securing advance payments on projects and ensuring that projects remain cash positive.
- Securing payment guarantees to manage client credit risk, where relevant.
- Settlement of outstanding claims on projects.
- Restructuring of debt facilities.
- Disposal of non-core assets.

3

HEALTH, SAFETY AND ENVIRONMENTAL EXPOSURES

Operational risk / ESG risk

Failure to manage our health, safety and environmental aspects could result in major incidents that may harm our employees, reputation and prospects. Many clients require that the Group meets certain safety criteria to be eligible to bid on contracts and some of the contracts provide for safety performance penalties. Unsafe work conditions and lack of environmental stewardship have the potential to affect our ability to attract and retain talent.

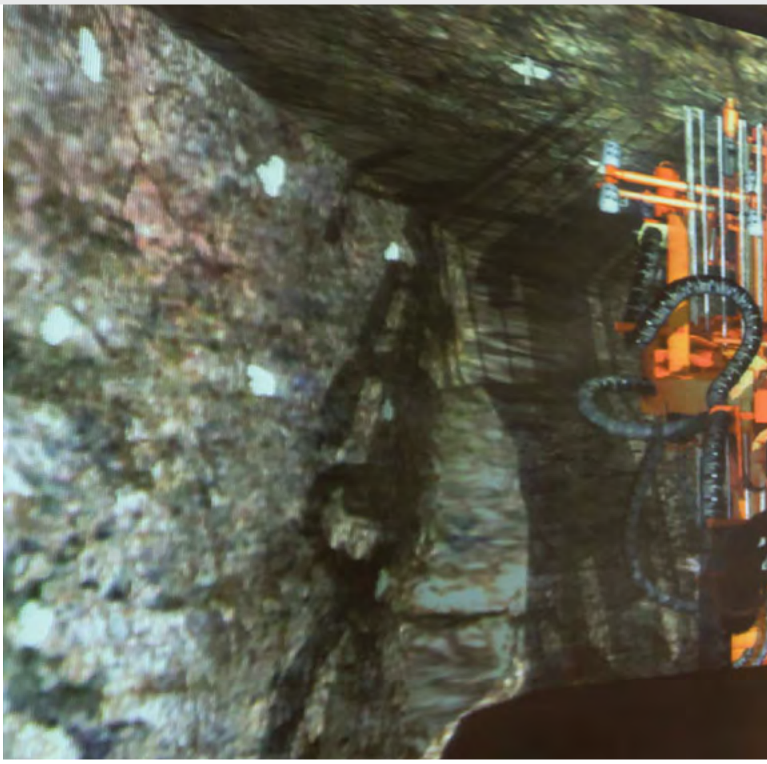
Potential impact

- Loss of life and injuries to personnel and third parties
- Environmental damage
- Operational disruption
- Financial loss
- Reputational damage

Mitigation

- Continuous evolution and diligent application of the Group HSE framework.
- People centric leadership and streamlined systems and processes.
- Diligent application of the CRM programme.
- Ensuring compliance of HSE processes through regular reviews and training interventions to improve effectiveness.
- Implementation of the climate change action plan.

Top risks continued



4

PROJECT DELIVERY RISKS

Operational risk

Some of the Group's projects are technically complex with long durations that increase risk exposures during execution. This subjects us to risks associated with project delays for reasons beyond our control, cost inflation and scope variations for which the financial impact may either not be compensated at all by clients, or compensation may be late, resulting in material financial impact on the business.

Potential impact

- Project schedule and cost overruns
- Penalties
- Loss of profit/earnings
- Reputational damage and inability to win new work
- Reduced cash flow resulting in liquidity challenges
- Erosion of shareholder value

Mitigation

- Strong oversight processes to mitigate the risk associated with project execution.
- Early independent reviews on project status to ensure early identification and remedy of potential issues.
- Comprehensive project assurance and performance management tools applied within the operating companies, based on the experience gained from past project losses.
- Regular project reviews provide executive management with oversight of key performance indicators on projects.
- Timeous management review, including at Group level, of underperforming projects to revisit and revise recovery plans and programmes.

5

SUSTAINABLE FUTURE FOR MURRAY & ROBERTS

Strategic risk

The loss of Clough and RUC has reduced the Group's equity and created uncertainty among stakeholders. Current liquidity constraints further impede the Group's ability to grow sustainably and retain value for shareholders.

Potential impact

- Loss of support from capital providers
- Inability to meet project bonding requirements
- Loss of select talent
- Value erosion for shareholders

Mitigation

- Optimal capital structure.
- Strategic focus on global recognition of our mining business and brand.
- Effective project delivery to optimise cash generation.
- Strong focus on cash management.
- Corporate office restructuring and rightsizing.
- Disposal of non-core assets.

6
ATTRACTING AND RETAINING SELECT TALENT

Operational risk / ESG risk

The Group's ability to achieve its objectives depends on attracting and retaining skilled and experienced individuals. A shortage of critical skills may erode our capacity to meet clients' expectations.

Potential impact

- Increased cost of labour and labour turnover
- Failure to deliver projects to clients' specifications

Mitigation

- Leveraging training capacity to develop the required skills.
- Focus on leadership development.
- Targeted recruitment campaign for scarce skills across the value chain.
- Drive a culture of diversity, equity and inclusion.
- Competitive remuneration and attractive employee value proposition.

7
CYBERSECURITY

Operational risk / ESG risk

A cybersecurity breach or incident may significantly disrupt our business and/or breach data privacy, business sensitive information and other protected information in terms of various privacy and security laws.

Potential impact

- Operational disruption
- Breach of data privacy and/or sensitive data/information
- Claims and/or penalties against the Group
- Financial loss
- Reputational damage

Mitigation

- An established and independently tested IT security framework.
- Application of a cybersecurity standard which prescribes a minimum set of controls required to provide system and data security.
- Training programmes to raise awareness of cybersecurity threats and latest trends.
- Next generation anti-virus solution in place to ensure all end points are protected.
- Backup solutions to recover from system failures or breaches.

REMUNERATION REPORT

"The report outlines our remuneration policy, provides context for the remuneration considerations, and presents an implementation report on the remuneration outcomes based on our policy. The Group's total remuneration consists of fixed (guaranteed pay) and variable (short-term and long-term incentives) components."

The remuneration committee contracted the services of Remchannel – Executive Reward for independent external advice. During the year, the remuneration committee considered the following key matters:

- Approval of increases to guaranteed pay for general staff;
- Review and adoption of revised listed comparator group to benchmark executive reward;
- Market alignment review of variable incentives (short- and long-term incentives);
- Review of executive director and prescribed officer guaranteed pay for FY2025;
- Performance testing and approval of STI payments in respect of FY2024;
- Performance testing and approval of vesting of the 2021 LTI awards;
- Approval of the 2024 LTI awards and underlying performance conditions;
- Review and recommendation to shareholders of non-executive director fees for FY2025;
- Review and approval of the Group's remuneration report for inclusion in the FY2024 integrated report.

At our last AGM, 41.54% of votes exercised, voted against the implementation report presented for the prior year. Following the meeting, shareholders were invited to engage with the Company by submitting their objections, concerns, proposals and questions to the Group company secretary in writing. The primary concern raised for voting against the implementation report of the remuneration policy is the link between pay and performance, in the context of the company's FY2023 financial performance and the reduced size of the Company.

Considering the responses received from shareholders, and following the reduction in the size of the Group as a result of the deconsolidation of Clough and RUC as more fully explained in last year's integrated report, the committee engaged the service of Remchannel – Executive Reward to advise on a revised comparator group, and to benchmark executive pay against the revised comparator group of companies listed on the JSE. The revised comparator group consists of ten companies, predominantly listed under the Metals and Mining and Construction and Material sectors on the JSE. Remchannel was also tasked to perform a comprehensive market alignment review of the variable incentives, being long- and short-term incentives.

Following these reviews the committee noted the following:

- Total reward (comprising guaranteed pay and variable incentives), compared to the upper quartile of the comparator group in terms of the remuneration policy, is well within the accepted tolerance band for both the CEO and CFO.
- Total reward for all prescribed offers, lags the comparator group as a result of lower short- and long-term allocation levels.
- Guaranteed pay for the CEO is within the accepted tolerance band.
- Guaranteed pay for the CFO exceeds the tolerance band.
- Guaranteed pay for prescribed officers is within the accepted tolerance band.

The committee resolved that, despite the below market short- and long-term incentive award levels for prescribed officers, any increases will be delayed and considered at the appropriate time, taking affordability and the relative financial strength of the company into consideration.

Following the market alignment review of incentives and the recommendations made by Remchannel, the committee approved a policy change from FY2025 in respect of the following two matters:

- The ROICE short-term incentive performance condition be replaced by a NAV measure, quantified as NAV excluding the effect of FCTR movement, adjusted by inflation.
- The introduction of an additional long-term incentive performance condition quantified as real growth in NAV, measured relative to CPI and excluding FCTR movement over the performance period. This performance conditions will carry a 20% weighting and the two existing performance conditions will remain, albeit with a revised weighting.

As only 30% of the comparator group apply STI deferral, the committee resolved that STI deferral into LTI incentives would no longer apply from FY2024.

More detail on these changes is included in the relevant sections of this report.

The committee noted that the STI and LTI incentive scheme designs are generally aligned to the comparator group and market benchmarks. No further changes to the remuneration policy were deemed necessary at this time.

The STI incentivises performance against financial (70%) and non-financial (30%) targets set for each financial year. The financial targets set at the beginning of FY2024 were derived from the budget for the year on conclusion of a comprehensive bottom-up budgeting process, which considered the Group's order book and prevailing market conditions. The financial KPIs for FY2024 were similar to those of the previous year. The EBIT target for continuing operations increased to R226 million in FY2024, from R23 million in FY2023, and the diluted HEPS for continuing operations target increased to a loss of 12 cents, from a 72 cents loss in FY2023. The actual financial results were lower than the targets for FY2024, mainly due to the delay of new project awards. Performance measured against the EBIT, HEPS, cash and return targets translated into the financial component for STI performance outcomes, as detailed in this report. The non-financial targets are equally weighted and measured on leadership, relationship, operational performance, and risk management.

The Group's remuneration policy and implementation report respectively received the support of 78.03% and 58.46% of shareholders who voted at the AGM in November 2023. Following the review by Remchannel – Executive Reward, we believe our remuneration policy is aligned to best practice and that its application is not only fair to participants but also encourages a performance culture in the Group that will lead to sustained shareholder value creation.

Refer to the FY2024 STI performance outcomes for more detail on financial and non-financial performance relative to the targets set PG 81

Executive directors and prescribed officers' remuneration

Guaranteed pay

Increases are considered for implementation on 1 July every year – similar to the previous year, no increases were awarded for implementation on 1 July 2024 for the CEO and CFO. The prescribed officers received an increase of 4% with effect from 1 July 2024, similar to the increases awarded to salaried staff across the Group.

STI award

An award equating to 35.8% of the maximum value possible in terms of this scheme has been awarded for FY2024. The STI outcome is reflective of the Group's financial performance relative to the financial targets and the performance against individual non-financial targets that were set at the beginning of the year.

LTI vesting

The performance period for the 2021 CSCR LTI award ended on 30 June 2024. Based on performance over the three-year period, 50% of the 2021 CSCR award vested in 2024. 50% of the award was based on EBIT margin performance and 50% on the cash conversion ratio of earnings before EBITDA into cash. The EBIT margin performance over the period was below threshold, hence no shares vested for this performance measure. The cash conversion ratio of EBITDA into cash was above the target for maximum vesting of 80%. Consequently, 50% of the shares vested for this performance measure.

NED fees

NED fees were benchmarked against the same revised comparator group as for executive directors. The fees are within the accepted tolerance band, compared to the upper quartile of the comparator group, in terms of the remuneration policy.

Given shareholder support for the remuneration policy, as well as the policy's general alignment with King IV, no policy changes were introduced during the year. Two changes are being introduced from FY2025 as described above. The Group's remuneration policy and implementation report respectively received the support of 78.03% and 58.46% of shareholders who voted at the AGM in November 2023. Following the review by Remchannel, we believe our remuneration policy is aligned to best practice and that its application is not only fair to participants but also encourages a performance culture in the Group that will lead to sustained shareholder value creation.

Resolutions to be tabled at the AGM

As required by the Companies Act and King IV, the following resolutions will be tabled for shareholder voting at the AGM on 5 November 2024, details of which can be found in the AGM notice:

- Advisory vote on the remuneration policy;
- Advisory vote on the implementation report; and
- Binding vote on non-executive directors' fees.

I would like to thank my fellow remuneration committee members for their contribution and support. I am satisfied that the remuneration committee discharged its obligations in a responsible and professional manner.

Ralph Havenstein
Chairman

REMUNERATION POLICY OVERVIEW

Introduction

The remuneration report has been prepared by the remuneration committee in line with the principles outlined in King IV and has been approved by the Board. The report covers executive director, prescribed officer, and non-executive director remuneration. The remuneration report outlines the remuneration policy that guides the remuneration committee's decisions, and the remuneration outcome from the application of the remuneration policy during FY2024.

Remuneration policy principles

Murray & Roberts believes that employees should be paid fair, competitive and appropriately structured remuneration in the best interests of shareholders. It also recognises that its remuneration philosophy has a direct effect on the behaviour of employees and that it must support delivery of the Group's business strategy. The remuneration policy continues to be driven by the principles of developing a performance culture and motivating and retaining select and critical talent.

The Murray & Roberts remuneration policy is aligned to the Group strategy, which aims to deliver shareholder value through growth in profitability and cash flows.

Murray & Roberts' remuneration policy applies to all businesses in the Group to ensure consistency and fairness in remuneration. Some flexibility, however, is allowed to acknowledge differences across businesses with varying market conditions, and external benchmarking per business entity.

Remuneration policy for executive directors and prescribed officers

To give effect to the general remuneration philosophy that executive directors, prescribed officers, and salaried employees should be paid fair, competitive and appropriately structured remuneration in the best interests of the Group and shareholders, the following broad principles are applied:

- Total remuneration consists of fixed and variable components, with emphasis on variable pay at senior levels to encourage performance and shareholder value creation;
- Remuneration structures support the development of a performance culture and achievement of the Group's business strategy;
- Remuneration components are set at a competitive level to motivate select talent and to attract and retain the services of high calibre employees;
- The STI plan aligns the interests of executives with those of shareholders in the short-term, as performance incentives are subject to Company key financial performance and individual non-financial key performance indicators; and
- The LTI plan rewards achievement of financial performance measures supporting long-term shareholder value creation.

Components of remuneration

The remuneration committee ensures that the mix of remuneration components supports the Group's strategic objectives. Murray & Roberts has the following remuneration components:

- Guaranteed pay (consisting of salary, benefits and retirement fund contributions);
- Short-term incentives; and
- Long-term incentives.

The Group seeks to position guaranteed pay at the median (50th percentile) against appropriate benchmarks; however, for total remuneration the policy is to position at the 75th percentile for executives, senior management and select talent and critical skills, where the 75th percentile is achieved at performance levels between "on-target" and "stretch" performance. This policy supports the underlying principle of paying for performance and the focus on variable pay.

The table on the following pages summarises the key components of executive directors' and prescribed officers' remuneration, the link to strategy, how each component operates and the maximum opportunity for each element.

Summary of remuneration components and link to strategy

Guaranteed pay is a fixed component, which reflects individual contribution and market value for respective roles, with internal and external benchmarking being cornerstones for setting guaranteed pay.

Operation

- Positioned at market median (per job grade taking into consideration the size and complexity of the role). The remuneration committee considers the impact of any guaranteed pay increase on the total remuneration package.
- Paid monthly in cash net of allocations to retirement fund, insured benefits, and medical aid.
- Guaranteed pay (and other elements of the remuneration package) is paid in different currencies as appropriate to reflect the geographic location of the executive.
- Reviewed annually, taking account of Group performance, individual performance, changes in responsibility, levels of increase in the market and levels of increase for the broader employee base.
- Benchmarking is performed relative to peer companies listed on the JSE for executive directors and for prescribed officers.

Maximum opportunity

- There is no prescribed maximum annual increase. However, increases will normally be in line with the general level of increase in the market against which the executive's salary is benchmarked.
- On occasions a larger increase may be awarded to recognise, for example, development in a role or a change in responsibility.

Benefits are provided at competitive levels to attract and retain suitably qualified and experienced executives.

Operation

Benefits such as travel allowances, insurance policies relating to death-in-service and disability benefits and medical aid are included in guaranteed pay.

Maximum opportunity

- There are no prescribed maximum values. However, reference is made to market practice and benchmarks.
- Company contributions for disability and death benefits in South Africa are based on pensionable salary. The contribution rates are reviewed annually.

Retirement fund contributions are made to provide competitive post-employment income to attract and retain suitably qualified and experienced executives.

Operation

- Executives in South Africa contribute to the Sanlam Umbrella Pension Fund, which is a defined contribution pension fund.
- In the Americas, there is a pension plan which is an employer-sponsored, defined contribution personal pension account. Employee contributions are matched by the company to a maximum of 5% of basic salary.

Maximum opportunity

- Maximum company contributions are set according to retirement fund rules.

Remuneration policy overview continued

Short-term incentives drive Group and team financial performance, as well as individual performance for non-financial measures, to deliver sustained shareholder value. They also provide alignment with shareholders through a deferred component.

Operation

- The STI scheme is designed to be self-funding. Bonus projections for on-target performance are used to ensure affordability. Financial measures such as EBIT are used to calculate the bonus provision and actual profit reported is net of a bonus provisions accrual.
- Awards are based on annual performance against a balanced scorecard of metrics as determined by the remuneration committee from time to time.
- The Group chief executive, Group financial director and managing directors have a 70% weighting in favour of financial targets, while other prescribed officers have a 60% weighting. For the 70% financial target weighting for managing directors, 60% is linked to their entity financial targets and 10% to Group financial targets.
- Individual performance is also assessed against suitable non-financial targets related to leadership, relationship, operational and risk (including safety) targets.
- Financial performance targets are measured against audited annual financial performance, net of bonus accruals. Individual non-financial performance targets are based on a formal performance and development evaluation conducted by the executive's direct manager and by the committee and Board chairman for the Group chief executive.

Maximum opportunity

- The STI disbursement is based on incentive qualification levels as a percentage of guaranteed pay, which is a function of job grade and performance against agreed financial and/or individual targets as per the individual's performance contract, and applied on a sliding scale between threshold, target and stretch performance.
- Performance below threshold attracts no STI payment for the specific component, where the threshold for financial targets is 80% of target.
- The STI disbursement is capped at stretch performance or 120% of target.
- The maximum STI disbursement as a percentage of guaranteed pay is 150% for the Group chief executive, 120% for the Group financial director and between 90% and 100% for prescribed officers depending on their job grade.

Clawback provisions apply to STI awards made from August 2015 PG 78

Long-term incentives provide general alignment between the executives and shareholders of the Group. They also motivate and reward executives who have contributed to the Group's value creation over the long-term and support the retention and attraction of executives.

Operation

- Murray & Roberts operated the following LTI schemes in FY2024: the FSP introduced in October 2012 and the LTCSIP which was introduced in 2017 as a LTI scheme for executives operating outside South Africa.

Forfeitable share plan

- Forfeitable Murray & Roberts shares are awarded subject to continued employment and achievement of challenging performance conditions measured over a three-year performance period, which are set by the remuneration committee before each grant.
- Cliff vesting occurs at the end of the three-year period.
- Settlement of the forfeitable shares can be by way of an acquisition of the required number of shares on the market or the use of shares held in treasury account or an issue of shares. The remuneration committee may approve cash-settled awards, if necessary, in exceptional circumstances.
- In very specific circumstances, and on an ad-hoc basis, where it is necessary to retain critical talent, the remuneration committee may make awards only subject to continued employment with no performance conditions. These awards are aimed at retention and do not form part of the annual awards.

Long-term cash settled incentive plan

- A cash-settled LTI is awarded to senior executives, subject to continued employment and achievement of challenging performance conditions measured over a three-year performance period, which are set by the remuneration committee before each grant. The performance conditions mirror those used under the FSP.
- Cliff vesting occurs at the end of the three-year period.
- In very specific circumstances, and on an ad-hoc basis, where it is necessary to retain critical talent, the remuneration committee may make awards only subject to continued employment with no performance conditions. These awards are aimed at retention and do not form part of the annual awards.

Executive share ownership aims to better align the interests of executives with those of shareholders by encouraging executives to build a meaningful shareholding in the Group.

Operation

- Executive share ownership is encouraged through the part deferral of STIs into forfeitable shares, where 30% of the STIs are deferred into forfeitable shares under the FSP.
- In a bid to encourage executives to hold more shares, the Group chief executive is encouraged to build a shareholding, in "unfettered" shares, equivalent to at least 100% of guaranteed pay, other executive directors equivalent to 75% of guaranteed pay, and prescribed officers equivalent to 50% of guaranteed pay over a period of not more than five years.
- Executives are encouraged to retain at least 50% of any vested shares after meeting necessary tax obligations under the LTI schemes.

Maximum opportunity

- Not applicable.

Choice of performance measures

The tables below and alongside show the performance measures that were set for FY2024, and those that will be applied in FY2025.

The weightings presented below are for the executive directors. Targets are set every year following a bottom-up business planning process, taking account of strategic goals and the prevailing market conditions.

STI performance measures FY2024

Metric	Weighting for Group chief executive and financial director	Rationale
FINANCIAL PERFORMANCE MEASURES		
Continuing EBIT	20%	A key indicator of the underlying profit performance of the Group, encouraging performance in terms of both revenues and cost control.
Continuing HEPS	20%	A key indicator of the value add for shareholders.
Net cash	10%	A key indicator of the Group's liquidity and ability to meet its debt requirements.
Free cash flow	10%	A key indicator of the Group's ability to generate cash after providing for maintaining or expanding its asset base. FCF is an indication of the ability of the Group to pursue opportunities that enhance shareholder value.
ROICE	10%	A key indicator of the effective use of shareholder capital.
INDIVIDUAL PERFORMANCE MEASURES		
Leadership	7.5%	A key indicator of the extent to which strategy implementation, transformation & diversity and leadership succession & development objectives are achieved.
Relationship	7.5%	A key indicator of the extent to which stakeholder engagement and employee relations objectives are achieved.
Operational	7.5%	A key indicator of the extent to which governance, commercial management and project performance objectives are achieved.
Risk	7.5%	A key indicator of the extent to which health, wellness and safety, risk management and environmental objectives are achieved.

STI performance measures from FY2025

Metric	Weighting for Group chief executive and financial director	Rationale
FINANCIAL PERFORMANCE MEASURES		
Continuing EBIT	20%	A key indicator of the underlying profit performance of the Group, encouraging performance in terms of both revenues and cost control.
Continuing HEPS	20%	A key indicator of the value add for shareholders.
Net cash	10%	A key indicator of the Group's liquidity and ability to meet its debt requirements.
Free cash flow	10%	A key indicator of the Group's ability to generate cash after providing for maintaining or expanding its asset base. FCF is an indication of the ability of the Group to pursue opportunities that enhance shareholder value.
NAV maintenance	10%	A key indicator of the solvency position of the Group and its ability to create shareholder value.
INDIVIDUAL PERFORMANCE MEASURES		
Leadership	7.5%	A key indicator of the extent to which strategy implementation, transformation & diversity and leadership succession & development objectives are achieved.
Relationship	7.5%	A key indicator of the extent to which stakeholder engagement and employee relations objectives are achieved.
Operational	7.5%	A key indicator of the extent to which governance, commercial management and project performance objectives are achieved.
Risk	7.5%	A key indicator of the extent to which health, wellness and safety, risk management and environmental objectives are achieved.

As described in the chairman's statement, NAV will replace ROICE as one of the STI performance conditions from FY2025.

At this time it is important for the company to focus on NAV maintenance and growth for continuing operations. The NAV measure is defined as NAV excluding the effect of FCTR movement and adjusted for the effects of inflation over the measurement period.

LTI performance measures FY2024

Performance measures over a three-year vesting period.

Metric and weighting	Rationale	Vesting
EBIT margin (earnings before interest and tax for continuing operations divided by revenue from continuing operations) **50%**	A key indicator of the underlying profit performance of the Group, encouraging performance in terms of both revenue and cost control.	30% vests for threshold performance and 100% vests for target performance, where threshold performance is 3% EBIT margin and target performance is 5% EBIT margin. Linear vesting will be applied between these points.
Conversion ratio of EBITDA into cash (operating cash flow plus dividends received divided by earnings before interest, tax, depreciation and amortisation) **50%**	A key indicator of the ability of the Group to convert profits into cash, which requires good working capital management.	30% vests for threshold performance and 100% vests for target performance, where threshold performance is 60% conversion ratio and target performance is 80% conversion ratio. Linear vesting will be applied between these points.

LTI performance measures FY2025

Metric and weighting	Rationale	Vesting
EBIT margin (earnings before interest and tax for continuing operations divided by revenue from continuing operations) **30%**	A key indicator of the underlying profit performance of the Group, encouraging performance in terms of both revenue and cost control.	30% vests for threshold performance and 100% vests for target performance, where threshold performance is 3% EBIT margin and target performance is 5% EBIT margin. Linear vesting will be applied between these points.
Conversion ratio of EBITDA into cash (operating cash flow plus dividends received divided by earnings before interest, tax, depreciation and amortisation) **50%**	A key indicator of the ability of the Group to convert profits into cash, which requires good working capital management.	30% vests for threshold performance and 100% vests for target performance, where threshold performance is 60% conversion ratio and target performance is 80% conversion ratio. Linear vesting will be applied between these points.
Real growth in NAV (net asset value for continuing operations at the end of the financial year, divided by the net asset value at the start of the financial year, adjusted by CPI) **20%**	A key indicator of the solvency position of the company and its ability to create shareholder value.	30% vests for threshold performance and 100% vests for target performance, where threshold performance is NAV maintenance in real terms and target performance is 2% increase in NAV in real terms. Linear vesting will be applied between these points.

Remuneration policy overview continued

Clawback of incentives

For STI and LTI awards made from August 2015, the remuneration committee introduced clawback provisions, where the committee may reduce or clawback STI and LTI awards in the following circumstances:

- The participant acts fraudulently, dishonestly or with malice, is in material breach of their obligations to the Group; or
- Where Murray & Roberts becomes aware of a material misstatement or omission in the financial statements of a Group company or the Group.

These clawback provisions apply whether awards are made in the form of cash or equity, and whether or not the equity has vested.

Differences in remuneration policy for executives compared to other employees

There are differences in the structure of the remuneration policy for the executive directors, prescribed officers, and other salaried employees, which are necessary to reflect the different levels of responsibility and market practices. The key difference is the increased emphasis on incentives or variable performance-related pay in senior roles. Lower maximum variable incentive pay limits, as a percentage of guaranteed pay, apply for roles below executive level, driven by market benchmarks and the relative impact of the role. Only the most senior executives in the Group participate in the FSP and LTCSIP schemes, where these plans are targeted at those individuals who have the greatest responsibility for Group performance. As Murray & Roberts believes that all employees should be aligned with key business drivers, participation in the STI also includes middle management, junior management, and general employees, subject to the meeting of individual performance targets.

Executive directors' and prescribed officers' employment contracts and policy on termination of employment

Executive directors and prescribed officers do not have fixed-term contracts, but are subject to notice periods of three months. The employment contracts include pay in lieu of notice provisions, which may be invoked at the discretion of the Group. Normal retirement of executive directors and senior management is at age 63, however, this is subject to specific legislation in the countries in which Murray & Roberts operates. As reported in the interim results for FY2024, the Group chief executive's employment contract has been extended to 31 August 2025. At 30 June 2024, there was no material liability to the Group with respect to the termination of employment of any executive director or prescribed officer. The contracts of employment do not include provisions entitling the individual to a specified payment on termination of employment or on a change of control of Murray & Roberts, other than as stipulated in the LTI schemes. The only provision in the contract of employment for executive directors and prescribed officers relating to a payment on termination of employment is that, where termination occurs during the first year of employment, any payment to which the individual is entitled by law will be limited to a maximum of 25% of annual total fixed cost of employment.

Any LTI entitlements awarded to an executive director or prescribed officer under the Group's LTI schemes will be determined based on the relevant plan rules. Employees terminating employment due to resignation or dismissal on grounds of misconduct, poor performance or dishonest or fraudulent conduct or due to absconding, will forfeit all unvested LTI awards and deferred STI into LTI awards. Employees terminating employment due to death, retirement, retrenchment, ill health, disability, injury, or the sale of the employer company will be classified as good leavers and a pro-rata portion of the LTI awards and deferred STI into LTI awards will vest on the date of termination of employment. This portion will reflect the number of months served since the award date, to the date of termination of employment over the total number of months in the vesting period and the extent to which the performance conditions imposed have been met. The remainder of the awards will lapse.

No agreements have been entered into with the executive directors or prescribed officers regarding restraint of trade.

"As reported in the interim results for FY2024, the Group chief executive's employment contract has been extended to 31 August 2025."

Retention schemes

There are currently no retention schemes in place for executive directors or prescribed officers.

Total remuneration scenarios at different performance levels

The charts below illustrate the total potential remuneration for the executive directors.

Group chief executive (R million)

	Guaranteed pay	8 337 000
STI	Minimum	0
STI	Expected	6 252 750
STI	Maximum	12 505 500
LTI	Minimum	0
LTI	Expected	5 919 270
LTI	Maximum	11 671 800

Group financial director (R million)

	Guaranteed pay	6 200 000
STI	Minimum	0
STI	Expected	3 720 000
STI	Maximum	7 440 000
LTI	Minimum	0
LTI	Expected	3 472 000
LTI	Maximum	6 820 000

Assumptions:
Minimum = guaranteed pay only (salary, benefits and retirement fund contributions)

Expected = on-target STI allocation and expected value of LTI award

Maximum = stretch STI allocation and face value of LTI award

Guaranteed pay levels (on which other elements of the package are calculated) are based on those applying on 1 July 2024.

Remuneration policy for non-executive directors

Components of remuneration

Non-executive directors receive a fee for their contribution to the Board and its committees of which they are members. This fee structure reflects the skill and experience brought to the Group by each non-executive director, responsibilities undertaken, the time commitment involved and the importance of attendance and contribution to Board and committee meetings. The fee structure is reviewed annually.

Fees are benchmarked against companies listed on the JSE which are of a similar size and nature, in terms of market capitalisation and sector. This includes companies in the construction, mining, and industrial sectors. It is the Group's policy to align fees to the upper quartile of the benchmark, in alignment with the total remuneration policy for executives and to ensure that suitably qualified and experienced non-executive directors are attracted to the Group. As described, these fees were also benchmarked against the revised comparator group by Remchannel – Executive Reward.

Remuneration governance

The remuneration committee assists the Board to fulfil its corporate governance supervision responsibilities and to align the remuneration policy with the Group's business strategy. The key focus in this regard is to attract, retain, motivate, and reward directors, senior executives, and employees through the payment of fair, competitive and appropriately structured remuneration, in the best interests of the Group and shareholders. The committee operates under terms of reference reviewed and approved annually by the Board.

Membership

Ralph Havenstein chairs the remuneration & human resources committee. Suresh Kana and Alex Maditsi serve as members of the committee. The Group chief executive and Group financial director attend meetings in an ex officio capacity. The executives who attend meetings in an ex officio capacity do not participate in any discussions or decisions pertaining to their own remuneration. Expert advice is sought from time-to-time. Clifford Raphiri was appointed as a member of the committee on 21 June 2024 and will succeed me as chairman upon my retirement as board director on 5 November 2024 at the AGM.

Terms of reference

The chairman of the committee reports to the Board on the committee's deliberations and decisions. The committee assists the Board by submitting reports and recommendations on the Group's employment framework and policies, and remuneration philosophy.

The committee is responsible for considering and approving proposals regarding guaranteed pay, benefits, short-term incentives, long-term incentives, and related matters pertaining to executive directors of the Group, prescribed officers, all managing directors of the Group's businesses and other senior Group executives. It also considers and approves the remuneration and benefits paid to general employees. It oversees Group pension, provident and other benefit plans.

IMPLEMENTATION REPORT

The implementation report details the outcomes of the approved remuneration policy detailed in the previous section.

Single total figure of remuneration

The table below includes the total remuneration for the reported financial year and the previous financial year. The table includes guaranteed pay, the short-term incentive paid and the long-term incentives that will vest due to performance in the financial year.

Single total figure of remuneration for period to 30 June 2024

Payment in Rand (R'000)

EMPLOYEE	Guaranteed pay		STI		LTI		Other		Total remuneration	
NAME	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
Da Costa, Mike (note 1)	–	–	–	–	515	–	–	175	515	175
Du Plessis, Japie (note 2)	4 080	–	2 387	–	221	–	–	–	6 688	–
Grobler, Daniël	6 200	6 061	2 604	977	750	897	–	–	9 554	7 935
Harrison, Steve	3 986	3 986	400	377	318	398	–	–	4 704	4 761
Henstock, Ian (note 3)	–	775	–	–	–	–	–	106	–	881
Laas, Henry	8 337	8 337	4 377	2 501	1 581	1 010	118	118	14 413	11 966
Mdluli, Thokozani	3 842	3 842	1 283	538	345	451	–	–	5 470	4 831

Payment in AUD (AU$'000)

EMPLOYEE	Guaranteed pay		STI		LTI		Other		Total remuneration	
NAME	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
Da Costa, Mike (note 1)	779	833	548	96	94	71	243	–	1 664	1 000
Bennett, Peter (note 4)	–	417	–	–	–	–	–	–	–	417

Payment in USD (US$'000))

EMPLOYEE	Guaranteed pay		STI		LTI		Other		Total remuneration	
NAME	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
Smith, Eric (note 2)	437	–	275	–	120	–	–	–	832	–
Kou, Steven (note 2)	364	–	189	–	93	–	–	–	646	–

Note 1: Mike Da Costa was retrenched on 31 May 2024.
Note 2: Appointed to the Board on 1 March 2024.
Note 3: Ian Henstock resigned on 12 December 2022.
Note 4: Peter Bennett resigned on 15 December 2022.

The single total figure of remuneration is calculated as set out below.

2024	2023
GUARANTEED PAY	
Guaranteed pay earned for the period including benefits and retirement fund contributions. Similar to the previous year, no remuneration adjustment was made for executive directors. Prescribed officers received a 4% increase for FY2024 (effective 1 July 2024) (FY2023: 0.0%).	Guaranteed pay earned for the period including benefits and retirement fund contributions. No remuneration adjustment was made for executive directors and prescribed officers for FY2023 (effective 1 July 2023) (FY2022: 5.0%).
STI	
STI awarded for FY2024 performance payable in September 2024.	STI awarded for FY2023 performance. 70% of the award was payable in cash in September 2023, and 30% deferred as an LTI award, which will vest one third each year from FY2024 to FY2026.
LTI	
The value of LTI awards under the 2021 CSCR award that vest in 2024, based on performance during the three-year period to 30 June 2024. The value of that award is based on a share price on 30 June 2024 of R2,14. 50% of the 2021 CSCR awards lapsed due to the EBIT margin performance measure not being met. The cash conversion ratio of EBITDA into cash exceeded the target for maximum vesting, at 80%. Consequently, 50% of the award vested for this performance measure.	The value of LTI awards under the 2020 FSP that vested in 2023, based on performance during the three-year period to 30 June 2023. The value of that award was based on a share price on 30 June 2022 of R0,96. 50% of the 2020 FSP awards lapsed due to the EBIT margin performance not being met. The cash conversion ratio of EBITDA into cash exceeded the target for maximum vesting, at 80%. Consequently, 50% of the shares vested for this performance measure.
OTHER	
The benefit to Henry Laas consists of a fringe benefit on the use of a company vehicle.	The benefit to Henry Laas consists of a fringe benefit on the use of a company vehicle. The benefit to Ian Henstock represents payment to him to secure private life cover.

FY2024 STI performance outcomes

Financial performance is measured against KPIs, based on audited annual financial results, net of STI accruals. Non-financial individual performance KPIs are based on a formal performance assessment conducted by the Group chief executive for the executives and by the remuneration committee and Board chairman for the Group chief executive.

Performance below threshold attracts no STI payment for the specific component of the STI below threshold, where threshold for financial targets is set at 80% of target.

Non-financial individual performance is assessed against suitable KPI's and is rated on a sliding scale from 1 to 5, where a score of 2 represents threshold performance, 3 on-target performance, 4 excellent performance and a score of 5 stretch performance.

Performance against the FY2024 Group targets are summarised below. The outcome for financial KPIs represents the overall Group performance expressed as a percentage achievement against the specific target. Performance against non-financial KPIs is the average for executives out of a score of 5.

KPA	KPI	Outcome	Comments
FINANCIAL			
WEIGHTING 70%	**Profitability – EBIT** (Weighting 20%)	0%	EBIT profit of R170 million achieved relative to target of R226 million for continuing operations.
	Profitability – diluted HEPS (Weighting 20%)	0%	Diluted HEPS from continuing operations of -24 cents achieved relative to target of -12 cents.
	Cash flow – net cash (Weighting 10%)	120%	Net positive cash of R378 million achieved relative to target of negative R834 million. This outcome was mainly achieved as a result of working capital management through early payments from clients on certain projects and improved debtor and creditor terms.
	Cash flow – free cash flow (Weighting 10%)	120%	Positive free cash flow of R1 075 million relative to target of R285 million. Working capital management through early payments received from clients and improved debtor and creditor terms have benefitted the Group cash flow position.
	Returns (Weighting 10%)	0%	Performance of less than 80% of WACC compared to target attracts no STI payment for the element.

Implementation report continued

KPA	KPI	Outcome	Comments
LEADERSHIP			
WEIGHTING 7.5%	**Strategy implementation**	**3.2 out of 5**	Significantly reduced debt in South Africa and achieved all deleveraging milestones agreed with South African banking consortium, other than repayment of remaining R409 million debt by June 2024. Agreement reached with the banking consortium for the remaining debt to be repaid by January 2026. Negotiations with potential funders are ongoing to re-finance the SA debt.
	Transformation & diversity		In South Africa, achieved level 1 B-BBEE rating. Diversity and Inclusion policies established across the Group.
	Leadership succession & development		Performance management and succession planning effectively undertaken across the Group.
RELATIONSHIPS			
WEIGHTING 7.5%	**Stakeholder engagement**	**3.0 out of 5**	Maintained good relationships with all major stakeholders. Public relations and investor relations well managed.
	Employee relations		Effective communication maintained to all employees, especially considering rightsizing implemented during the year.
OPERATIONAL			
WEIGHTING 7.5%	**Good governance**	**3.0 out of 5**	Group-wide compliance with good governance practices. Group sustainability framework established and applied across the Group.
	Commercial management		Effective and proactive management of project claims and commercial processes ongoing, including the exit from the Middle East.
	Project performance		Generally much improved project performance, although room for improvement in OptiPower and some projects in Murray & Roberts Cementation.
RISK			
WEIGHTING 7.5%	**Health, wellness & safety**	**2.9 out of 5**	No fatal incidents recorded during the year. LTIFR and TRCR acceptable but not within limits. 40 Zero Harm projects.
	Risk management		Risk management practices and internal audit are established disciplines and no material findings were reported.
	Environment		Environmental management in accordance with standards, and no material environmental incidents were reported.

The STI breakdown for the Group chief executive for FY2024 is set out below:

	2024	2023
FINANCIAL (70%)	**2 501 100**	0
Diluted HEPS	**0**	0
EBIT	**0**	0
Net cash	**1 250 550**	0
Free cash flow	**1 250 550**	0
ROICE	**0**	0
NON-FINANCIAL (30%)	**1 875 825**	2 501 100
Leadership	**468 956**	625 275
Succession	**468 956**	625 275
Relationships	**312 637**	416 850
Operational	**312 638**	416 850
Risk	**312 638**	416 850
TOTAL	**4 376 900**	2 501 100

FY2024 LTI performance outcomes

Vesting of the 2021 Cash Settled Conditional Rights award

The three-year performance period for the 2021 CSCR award ended on 30 June 2024. The 2021 CSCR award comprised 6 987 208 rights, with a total of 3 486 250 rights awarded to the executive directors and prescribed officers. 50% of the award was subject to an EBIT margin performance condition and 50% on the cash conversion ratio of EBITDA into cash. The EBIT margin performance over the performance period was below threshold, hence no shares vested for this performance measure. The cash conversion ratio of EBITDA into cash was 98%. Consequently, 50% of the shares vested for this performance measure.

The below-threshold performance in EBIT margin, and the cash conversion ratio of EBITDA into cash above the target for maximum vesting, resulted in 50% of the 2021 CSCR award being forfeited and these shares lapsed on 27 August 2024. The remaining 50% of the 2021 CSCR award vested. The calculation of the vesting percentage of these awards was audited by the external auditors.

As reported in FY2021, the Group chief executive received 1 477 500 shares as cash settled conditional rights on 1 September 2021. The same vesting and performance conditions applied to this award. As a result 738 750 cash settled conditional rights have been forfeited and the balance of 738 750 vested.

LTI award 2024

In terms of the FSP scheme rules, the aggregate number of shares at any one time which may be allocated under the FSP may not exceed 5.0% of the number of shares in issue. This represents 22 236 806 shares. As at 30 June 2024, there were 6 744 148 shares under the FSP, which is less than the aggregate cap. This includes FSP awards under the STI deferral.

This limit was set in 2012, when the share price was trading at higher levels and the subsequent reduction in the share price has led to an increase in the number of shares awarded to achieve the award value in terms of the remuneration policy.

As a result of the limit referred to above, it was resolved to award a cash settled long-term incentive on 1 September 2024, which will vest in 2027. This award is not linked to the share price but rather a fixed rand amount as per the remuneration policy. This will prevent participants from receiving a windfall in the event of a material share price increase from current levels. It also protects the Group against a possible large cash outflow should the share price increase substantially.

A total LTI of R63,5 million was awarded, of which R17,5 million was awarded to executive directors and prescribed officers.

As the Group chief executive has reached normal retirement age, an award has not been made to him in 2024. A final award was made to him in September 2021.

The allocation took job grade, individual performance, and retention risk into consideration. The vesting of the 2024 LTI award is subject to meeting performance conditions for the three-year performance period from 1 July 2024 to 30 June 2027, as shown in the table overleaf.

30% of the performance related award will vest at threshold and 100% at target, with no vesting for below-threshold performance. Linear vesting will apply between these points. The remuneration committee considers the performance targets to be stretching in the context of the Group's business strategy and market conditions.

Long-term cash settled awards were made to executives operating outside South Africa in October 2024 under the LTCSIP. The October 2024 LTCSIP award is the annual allocation of awards to senior executives outside South Africa, and will vest in 2027. The allocation took job grade, individual performance, and retention risk into consideration.

The vesting of these awards is subject to meeting the same performance conditions as set out below, over the three-year performance period from 1 July 2024 to 30 June 2027.

30% of the award will vest at threshold and 100% at target, with no vesting for below-threshold performance. Linear vesting will apply between these points.

Implementation report continued

September 2024 LTI award performance conditions

Criteria	Performance condition	Weighting	Threshold	Target for maximum vesting
EBIT margin	Earnings before interest and tax for continuing operations divided by revenue from continuing operations	30%	3%	**5%**
Conversion ratio of EBITDA into cash	Operating cash flow plus dividends received divided by earnings before interest, tax, depreciation and amortisation	50%	60%	**80%**
Real growth in NAV	Net asset value for continuing operations at the end of the financial year, divided by the net asset value at the start of the financial year, adjusted by CPI	20%	NAV maintained in real terms	**NAV plus 2% in real terms**

Outstanding long-term incentives

FSP awards and STI deferred into FSP awards

NAME	Date awarded	Opening balance	Number of shares allocated	Value at grant date (R'000)	Number settled in the year	Number forfeited in the year	Closing balance	Settlement date	Settlement value (R'000)	Estimated value (R'000)
Grobler, D	Oct 2020	997 500			498 750	498 750	**–**	Sep 2023	289	–
	Sep 2022	805 500					**805 500**			862
	STI 2020	35 624			35 624		**–**	Sep 2023	21	–
	STI 2021	55 148			27 574		**27 574**	Sep 2023	16	59
	STI 2022	77 167			25 719		**51 448**	Sep 2023	15	110
	STI 2023		669 812	419			**669 812**			1 433
Harrison, S	Oct 2020	493 000			246 500	246 500	**–**	Sep 2023	143	–
	Sep 2022	296 000					**296 000**			317
	STI 2021	9 072			4 536		**4 536**	Sep 2023	3	10
	STI 2022	21 946			7 314		**14 632**	Sep 2023	4	31
	STI 2023		258 322	161			**258 322**			553
Laas, H	STI 2020	78 947			78 947		**–**	Sep 2023	46	–
	STI 2021	114 247			57 123		**57 124**	Sep 2023	33	122
Mdluli, T	Oct 2020	459 000			229 500	229 500	**–**	Sep 2023	133	–
	Sep 2022	321 000					**321 000**			343
	STI 2020	16 826			16 826		**–**	Sep 2023	10	–
	STI 2021	25 853			12 926		**12 927**	Sep 2023	7	28
	STI 2022	44 421			14 805		**29 616**	Sep 2023	9	63
	STI 2023		368 949	231			**368 949**			790
Da Costa, M	Oct 2020	747 500			373 750	373 750	**–**	Sep 2023	217	–
	STI 2020	15 171			15 171		**–**	Sep 2023	9	–
	STI 2021	42 926			42 926		**–**	Sep 2023 & May 2024	54	–
	STI 2022	86 952			86 952		**–**	Sep 2023 & May 2024	129	–
Du Plessis, J	Oct 2020	170 000			85 000	85 000	**–**	Sep 2023	49	–
	Sep 2022	205 500					**205 500**			220

Cash Settled Conditional Rights issued in ZAR

NAME	Date awarded	Opening balance	Number of rights allocated	Value at grant date (R'000)	Number settled in the year	Number forfeited in the year	Closing balance	Settlement date	Settlement value (R'000)	Estimated value (R'000)
Laas, H	Oct 2020	2 103 500			1 051 750	1 051 750	**–**	Sep 2023	610	–
Laas, H	Sep 2021	1 477 500		–			**1 477 500**			1 581
Grobler, D	Sep 2021	701 000		–			**701 000**			750
Du Plessis, J	Sep 2021	206 500					**206 500**			221
Da Costa, M	Sep 2021	525 000		–			**481 250**			562
Harrison, S	Sep 2021	297 500		–			**297 500**			318
Mdluli, T	Sep 2021	322 500		–			**322 500**			345

Long-Term Cash Settled Incentive Plan issued in ZAR

NAME	Date awarded	Opening balance	Number of rights allocated	Value at grant date (R'000)	Number settled in the year	Number forfeited in the year	Closing balance	Settlement date	Settlement value (R'000)	Estimated value (R'000)
Grobler, D	Sep 2023			8 680			**8 680**			4 340
Du Plessis, J	Sep 2023			3 672			**3 672**			1 836
Harrison, S	Sep 2023			3 189			**3 189**			1 595
Mdluli, T	Sep 2023			3 458			**3 458**			1 729

Implementation report continued

Outstanding long-term incentives continued

Long Term Cash Settled Incentive Plan issued in AU$

NAME	Date awarded	Opening balance (AU$'000)	Value at grant date (AU$'000)	Settled in the year (AU$'000)	Forfeited in the year (AU$'000)	**Closing balance (AU$'000)**	Settlement date	Settlement value (AU$'000)	Estimated value (AU$'000)
Da Costa, M	Oct 2022	842			374	**468**			–
	Oct 2023	842			655	**187**			94

Long Term Cash Settled Incentive Plan issued in US$

NAME	Date awarded	Opening balance (US$'000)	Value at grant date (US$'000)	Settled in the year (US$'000)	Forfeited in the year (US$'000)	**Closing balance (US$'000)**	Settlement date	Settlement value (US$'000)	Estimated value (US$'000)
Smith, E	Oct 2020	129		64	65	**–**		64	–
	Oct 2021	240				**240**			120
	Oct 2022	300				**300**			150
	Oct 2023		334			**334**			167
Kou, S	Oct 2020	181		90	91	**–**		90	
	Oct 2021	185				**185**			93
	Oct 2022	197				**197**			99
	Oct 2023		206			**206**			103

Executives receive dividend payments on the FSP and conditional rights allocations held from the award date.

For the cash settled Conditional Rights and the LTCSIP performance conditions, a vesting percentage of 50% has been applied for FY2024 and 50% is applied to calculate the estimated value for the remaining awards.

Remuneration outcomes for non-executive directors

The remuneration policy for the non-executive directors set out in the remuneration policy report was applied in FY2024. The remuneration for non-executive directors for the year ended 30 June 2024 was:

Non-executive directors' remuneration

NAME	Directors' fees R'000	Special Board R'000	Committee fees R'000	Lead independent fee R'000	Chairman's fees R'000	**Total 2024 R'000**	Total 2023 R'000
JA Boggenpoel	385	100	190	–	–	**675**	1 017
R Havenstein	–	100	–	1 334	–	**1 434**	1 670
SP Kana	–	–	–	–	1 890	**1 890**	1 868
NB Langa-Royds[1]	–	–	–	–	–	**–**	510
AK Maditsi	385	100	472	–	–	**957**	1 225
B Mawasha[2]	–	–	–	–	–	**–**	103
A Muller	385	100	354	–	–	**839**	1 155
DC Radley[1]	–	–	–	–	–	**–**	471
CD Raphiri	385	100	190	–	–	**675**	1 151
Total	1 540	500	1 206	1 334	1 890	**6 470**	9 170

1 Retired 3 November 2022.
2 Resigned 31 August 2022.

The remuneration of non-executive directors is submitted to the annual general meeting for approval in advance of such payment being made.

Fee proposal for 2025

In accordance with King IV, the remuneration committee reviews and recommends fee structures to the Board for approval (excluding recommendation of their own fees) before submitting recommendations for approval by shareholders at the AGM.

No increase is proposed to non-executive directors' fees for 2025. The proposed fees (excluding VAT) are tabled below.

NED fees were benchmarked against the same revised comparator group as for executive directors. The fees are within the accepted tolerance band, compared to the upper quartile of the comparator group, in terms of the remuneration policy.

		Previous per annum	Proposed % increase	Proposed per annum
Chairman	Including director and committee fees[1]	R1 890 000	0%	R1 890 000
Lead independent director*	Including director and relevant committee fees[2&3]	R1 333 500	0%	R0
Director	Per annum[2,3,4]	R385 500	0%	R385 500
Committee Fees				
Audit & risk	Chairman	R354 000	0%	R354 000
	Member	R190 000	0%	R190 000
Nomination & governance	Member	R84 000	0%	R84 000
Remuneration	Chairman	R257 000	0%	R257 000
	Member	R131 000	0%	R131 000
Social & ethics	Chairman	R257 000	0%	R257 000
	Member	R131 000	0%	R131 000
AD-HOC MEETINGS				
Board	Member	R63 000	–	Refer below
Committee	Member	R32 000	0%	R32 000

* *Ralph Havenstein will retire as Board director and lead independent director on 5 November 2024 at the Group's annual general meeting. The Group will no longer have a lead independent director after Ralph's retirement.*

Ad-hoc Board meetings

a. Meetings less than three hours duration

Ad-hoc Board meetings held virtually, or in person, payable at a rate of R10 000 (ex VAT) per completed hour of the meeting, plus one hour for preparation.

b. Meetings more than three hours duration

Any ad-hoc Board meetings, virtual or in person, continuing for longer than three hours, would attract ad-hoc fees of R63 000 (ex VAT).

Fee deductions

1. Includes fees for chairing the nomination & governance committee and attending all Board committee meetings.
2. Calculated on the basis of four meetings per annum.
3. It is proposed that an adjustment deduction of R32 500 (2023: R32 500) per meeting be applied for non-attendance at a scheduled Board meeting.
4. It is also proposed that an adjustment deduction of R13 000 (2023: R13 000) per meeting be applied for non-attendance at a scheduled committee meeting.

In terms of Section 66(8) of the Companies Act, shareholders are referred to special resolution 1 included in the loose insert of the printed report, regarding approval of the proposed non-executive director fee structure for FY2025.

ANNUAL FINANCIAL STATEMENTS

Responsibilities of directors for annual financial statements

for the year ended 30 June 2024

The directors of Murray & Roberts Holdings Limited ("Company" or "Murray & Roberts") are responsible for the preparation of the annual financial statements that fairly present the state of affairs of Murray & Roberts Holdings Limited and its subsidiaries (together the "Group") at the end of the financial year and of the profit or loss and cash flows for that year in accordance with IFRS® Accounting Standards and per the requirements of the Companies Act No. 71 of 2008 ("Companies Act"). The directors of the Company are responsible for the maintenance of adequate accounting records and the preparation and integrity of the annual financial statements and related information.

To enable directors to meet these responsibilities:

a) The Murray & Roberts Board of directors ("Board") and management set standards and management implement systems of internal controls, accounting and information systems; and

b) The Audit & Risk Committee recommends Group accounting policies and monitors these accounting policies.

The directors are responsible for the systems of internal control. These systems are designed to provide reasonable, but not absolute assurance as to the reliability of the annual financial statements and to prevent and detect material misstatements and loss. The systems (including controls over the security over the Group and Company website and electronic distribution of annual reports and other financial information) are implemented and monitored by suitably trained personnel with appropriate segregation of authority and duties.

The directors believe, based on information and explanations from management, that the system of internal control is adequate for ensuring the:

- Reliability and integrity of financial and operating information
- Adequate safeguarding, verification and accountability of assets against unauthorised use or disposition
- Compliance of established systems with policies, procedures, laws and regulations

The internal audit function is led by the Group chief audit executive and comprises both internal employees and external resources when required. It serves management and the Board by performing an independent evaluation of the adequacy and effectiveness of risk management, internal controls, financial reporting mechanisms and records, information systems and operations, safeguarding of assets and adherence to laws and regulations.

The Group continues to address any control weaknesses which are identified, however, the Group's system of internal controls continues to provide a basis for the preparation of reliable annual financial statements in all material aspects.

The annual financial statements have been prepared in accordance with IFRS Accounting Standards, the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and the Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council and the requirements of the Companies Act and are based on appropriate accounting policies, supported by reasonable judgements. These accounting policies have been applied consistently compared to the prior year except for the adoption of new or revised accounting standards as set out in note 44. The annual financial statements have been compiled under the supervision of DF Grobler CA(SA), (Group financial director) and the financial statements as set out on pages 108 to 193 have been audited in terms of Section 30(2) of the Companies Act of South Africa.

The directors are of the opinion that the Company and the Group have adequate resources to continue in operation for the foreseeable future based on forecasts and available cash resources and accordingly the annual financial statements have been prepared on a going concern basis.

It is the responsibility of the external auditors to express an opinion on the Group and Company financial statements. For their unmodified opinion to the shareholders of the Company and Group refer to page 100 to 107.

Approval of annual financial statements

The annual financial statements of the Company and the Group for the year ended 30 June 2024 as set out on pages 91 to 194 were approved by the Board of directors on 10 September 2024 and are signed on its behalf by:

SP Kana
Group chairman

HJ Laas
Group chief executive

DF Grobler
Group financial director

Group chief executive and Group financial director responsibility statement on internal financial controls

for the year ended 30 June 2024

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

(a) the annual financial statements set out on pages 91 to 194, 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 & risk 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.

HJ Laas
Group chief executive

DF Grobler
Group financial director

Certification by Group company secretary

for the year ended 30 June 2024

In terms of section 88(2)(e) of the Companies Act No. 71 of 2008, as amended ("Companies Act"), I, R Davies, in my capacity as Group company secretary, confirm that, to the best of my knowledge and belief, for the year ended 30 June 2024, Murray & Roberts Holdings Limited has filed with the Companies and Intellectual Property Commission all such returns and notices as are required of a public company in terms of the Companies Act and that all such returns and notices appear to be true, correct and up to date.

R Davies
Group company secretary
10 September 2024

Audit & Risk Committee report

for the year ended 30 June 2024

The audit & risk committee ("Committee") assists the Board to fulfil its supervisory role to ensure the integrity of financial reporting in terms of accounting standards and the Listings Requirements of the Johannesburg Stock Exchange Limited ("JSE"). It does so by evaluating the findings of the internal and external auditors, remedial actions taken and the adequacy and effectiveness of the system of internal financial controls required to form the basis for the preparation of reliable financial statements.

The Committee chairman reports on Committee deliberations and decisions at the Board meeting immediately following each Committee meeting. The internal and external auditors have unrestricted access to the Committee chairman. The independence of the external auditor is regularly reviewed and non-audit related services are pre-approved and notified.

Governance of risk

The Committee fulfils a dual function – as an audit committee and as a risk committee. The committee assists the Board in executing its responsibility for risk governance. The committee regularly assesses the operation of the risk management system, ensuring its effectiveness. A report on risk is shared with the Board on a quarterly basis. Internal audit conducts regular and full assessments of the risk management function and framework, on which it reports to the committee. The committee is satisfied with the effectiveness of its oversight of risk governance in the group. A detailed report on risk and its management, as recommended in King IV, is contained in our integrated annual report in the Risk Management Report section.

Membership

The Group chairman, Group chief executive, Group financial director, group risk executive, chief audit executive and the external auditors all attend meetings by invitation.

Terms of reference

The Committee's responsibilities include:

- Reviewing annually the Risk Management Standard, encompassing the Group's risk principles, objectives, framework, organisational structures, functional disciplines and processes, as it applies to the strategic, corporate, business operational, project, prospect, and governance risk environments;
- Making recommendations to the Board concerning acceptable levels of risk tolerance and appetite;
- Ensuring that risk assessments are performed of the risks identified through effective business risk systems and findings, and that executive management engages in robust debate, to understand and effectively mitigate significant risk, with a clear assignment of ownership and accountability;
- Monitoring that risks are engaged and managed within the levels of tolerance and appetite approved by the Board;
- Identifying ESG risks and opportunities related to the Group, assessing the impact of such risks on the Company and advising the board of directors on strategies to manage risks and prudently pursue opportunities;
- Reviewing disclosure in the annual integrated report on the effectiveness of risk management and any material undue, unexpected, or unusual risk exposures;
- Assisting the Board to fulfil its responsibility with regard to financial and auditing oversight including internal financial controls;
- Monitoring and reviewing the Group's accounting policies, disclosures and financial information issued to stakeholders;
- Making recommendations to the Board to ensure compliance with IFRS Accounting Standards;
- Discussing and agreeing the scope, nature and priority of the external and internal audits including the reviewing of the quality and effectiveness of the external audit process;
- Nominating an independent auditor for shareholder approval, terms of audit engagement, determining external auditor fees, the nature and extent of non-audit related services and pre-approving contracts for non-audit related services;
- Reviewing fraud and information technology risk as they relate to financial reporting;
- Assisting the Board to oversee the development and implementation of an IT governance charter, strategy and policies that are integrated with the business strategy process, and which sustain and enhance the Company's strategic objectives, thereby improving the Company's performance and sustainability;
- Overseeing the implementation of IT processes and governance mechanisms, IT frameworks, policies, procedures and standards, ensuring IT governance alignment with corporate governance;
- Overseeing the information security strategy (including information security, information management and information privacy) and management's implementation of the strategy;
- Ensuring that there are processes in place to enable complete, timely, relevant, accurate and accessible IT reporting, firstly from management to the Board, and secondly by the Board in the integrated report;
- Receiving and dealing appropriately with any complaints relating to either accounting practices and internal audit or to the content or auditing of entities in the Group's annual financial statements or related matters;
- Reviewing the annual integrated report and recommending approval to the Board;
- Reviewing price sensitive information such as trading statements; and
- Performing functions required of an audit & risk committee on behalf of subsidiaries in the Group.

Statutory duties

In addition to the duties set out in the terms of reference, the Committee performed the required statutory functions in terms of Section 94(7) of the Companies Act of South Africa.

Effectiveness of the external audit process

The Committee reviews the quality and effectiveness of the external audit process. In particular, the Committee considers the independence of the external auditor. In this regard, the Committee has established an approvals framework for the pre-approval of non-audit services to be rendered by the external auditor and reviews these fees on an ongoing basis.

PricewaterhouseCoopers Inc. ("PwC") served as external auditor for the financial year ended 30 June 2024. The designated auditor was JFM Kotzé. The Committee considered his tenure and that of other key audit partners within the Group in order to reduce familiarity threats to independence.

The Committee is satisfied that the external auditor is independent and has nominated PwC for re-election at the forthcoming annual general meeting of shareholders. Due to designated auditor rotation requirements, OT Wentworth is nominated as the individual registered auditor for the financial year ending 30 June 2025. PwC and OT Wentworth are properly accredited.

Financial director and finance function

The Committee considered and satisfied itself of the appropriateness of the expertise, experience and performance of the Group financial director during the year. The Committee also considered and satisfied itself of the appropriateness of the expertise and adequacy of resources in the finance function as well as the experience of senior members of management responsible for the finance function.

Internal audit

The Group internal audit function was established to assist the Board and executive management with the achievement of their objectives and has remained a vital part of the Group's governance and combined assurance structures. Internal audit is an independent assurance provider on the adequacy and effectiveness of the Group's governance, risk management and control structures, systems and processes.

The centralised function operates in terms of a formal mandate, in conformance with the International Professional Practices Framework for Internal Audit. Internal audit assurance can only be reasonable and not absolute and does not supersede the Board's and management's responsibility for the ownership, design, implementation, monitoring and reporting of governance, risk management and internal controls.

The chief audit executive leads the internal audit function which covers the global operations and is resourced with both internal employees and external resources. It assists the Board and management in maintaining an effective internal control environment by evaluating those controls continuously, using a risk-based approach, to determine whether they are adequately designed, operating efficiently and effectively, and to recommend improvements. The internal audit assurance consists of independent evaluations of the adequacy and effectiveness of risk management, internal controls, financial reporting mechanisms and records, information systems and operations, safeguarding of assets (including fraud prevention) and adherence to laws and regulations. It includes a review of strategic risk mitigations, a risk-based review of major projects, key business processes and systems, the Group's sustainability information, IT governance and IT general controls. A combined assurance model was applied to ensure a coordinated approach to all assurance activities, appropriate to address the significant risks facing the Group.

The annual plan is based on an assessment of risk areas that internal audit and management identify, as well as focus areas highlighted by the Committee and management. The plan also considers work performed by other assurance providers in the Group. The annual audit plan is updated as appropriate to ensure it remains responsive to emerging risks and changes in the business. A comprehensive report on internal audit findings is presented to the Committee quarterly. Follow-up audits are conducted in areas where major internal control weaknesses are found. The internal audit activity has a quality assurance and improvement programme, and is subject to an independent external quality assurance review.

The independence, organisational positioning, scope and nature of work of the internal audit function were evaluated by the Committee in June 2024 and determined to be appropriate and consistent with the internal audit strategy and mandate. The Committee approved internal audit's risk-based audit plan for financial year 2025, having discussed the scope of work and its relationship to the Group's risks. The Committee met quarterly with the chief audit executive, in the absence of management. Furthermore, the chair of the Committee held regular one-to-one meetings with chief audit executive. This enables further evaluation of the work performed.

The internal audit function reports directly to the Committee and their mandate in relation to the internal audit function is to:

- Approve the appointment and dismissal of the chief audit executive;
- Review and recommend to the Board for final approval, the internal audit charter including, inter alia, the purpose, authority and responsibility of the internal audit activity;
- Receive a summary report of the major findings of all assurance and special investigation internal audits and management's responses. Review and track management's action plans to address results of internal audit assignments;
- Review the expertise, resources and experience of the Group's internal audit function, and disclose the results of the review in the integrated report;

Audit & Risk Committee report *continued*

for the year ended 30 June 2024

- Review and provide input on the internal audit function's strategic plan, objectives, performance measures and outcomes;
- Review and approve the risk-based internal audit plan and make recommendations concerning internal audit projects. Review the internal audit function's performance relative to its audit plan. Review the coordination between the internal and external auditors and the resourcing and standing within the Group of the internal audit function;
- Monitor and evaluate the performance of the chief audit executive and the internal audit function in terms of agreed goals and objectives in order to provide input to management related to evaluating and recording of the performance in the Group's performance management system;
- Ensure that the internal audit activity has a quality assurance and improvement programme and that the results of these periodic assessments are presented to the Committee on an exception basis;
- Ensure that the internal audit activity has an external quality assurance review every five years;
- Review the results of the independent external quality assurance review and monitor the implementation of the internal audit activity's action plans to address any recommendations;
- Advise the Board about any recommendations for the continuous improvement of the internal audit activity; and
- Ensure that the chief audit executive has unrestricted access to the chairman of the Committee.

An internal audit charter, reviewed by the Committee and approved by the Board, formally defines the purpose, authority and responsibility of the internal audit function. The charter provides the chief audit executive direct access to the Group chief executive, Group financial director, chairman of the Committee and chairman of the Board.

Internal financial controls

With regard to the Responsibility Statement in terms of paragraph 3.84(K) of the Listings Requirements, the Committee noted:

- The Responsibility Statement submitted by the Group chief executive and the Group financial director. The Group chief executive, the Group financial director and the internal auditors, based on the audit scope, reviewed the controls with regards to internal financial reporting and presented the findings to the Committee. The evaluation of controls by the Group chief executive and the Group financial director included:
  - The identification and classification of risks, including the determination of materiality;
  - Testing the design and determining the implementation of controls to address high risk areas;
  - Utilising internal audit to test the operating effectiveness of controls to address the high-risk areas on an annual basis, and other risk areas on a rotational basis; and
  - Obtaining control declarations from divisional and subsidiary management on the operating effectiveness of all key controls at year end.

Based on the above and the Group's system of internal control and risk management in FY2024, which included the design implementation and effectiveness of internal financial controls, a reasonable basis is provided for the preparation of reliable annual financial statements in all material aspects.

Audit and administration

Financial leadership in Murray & Roberts caters for growth in the business, including ongoing employment and redeployment of senior financial executives. The Group financial director and lead external audit partner attend selected contract and subsidiary reviews throughout the year. Audit close-out meetings are held between external auditors and operational management at year end. A detailed audit summary memorandum is prepared for all Group operating entities and a consolidated report is presented to the Committee. There are agreed procedures for the Committee to seek professional independent advice at the Group's expense, if necessary.

Integrated reporting

The Committee recommended the Group's annual financial statements for Board approval and will recommend the annual integrated report for approval. It is satisfied that they comply with IFRS Accounting Standards on a going concern basis following an assessment of solvency and liquidity requirements. During the year under review, external service providers were appointed to provide assurance on selected sustainability information.

In preparation of the annual financial statements the Group has taken into consideration the feedback included in the Report Back on Proactive Monitoring of Financial Statements provided by the JSE.

Assurance

Group assurance activities are embedded, sound and are continuously reviewed and where required redirected to ensure appropriate and effective coverage of the Group's operations, implementation of King IV™ principles and recommendations, and sustainability assurance. The Group's commitment to continuous improvement in achieving acceptable levels of assurance is underscored by various policy frameworks that were developed and implemented, including a stakeholder management framework, regulatory compliance and information management frameworks. The Opportunity Management System was developed in-house and continues to be enhanced to highlight project risks entering the Group's environment.

The multi-year rolling internal audit plan is designed to provide assurance that the major risks and key processes are effectively mitigated and managed, to recommend improvements and track the implementation of audit recommendations.

The Group Integrated Assurance Framework governs and coordinates the overall approach to Group risk management. This entails understanding, identifying, reporting, managing and mitigating Group risk, and includes the process of independently auditing Group policies, plans, procedures, practices, systems, controls and activities to ensure that the Group achieves the level of operational efficiency and compliance required by the Board.

The efforts of the various internal and external assurance providers are coordinated to ensure coverage of agreed risk areas and to minimise duplication and eliminate gaps.

A formal combined assurance model is in place and is reviewed annually by the Committee. Notwithstanding the output of the combined assurance model, board members form their own opinion on the integrity of the information and reports, and the degree to which an effective control environment has been achieved.

The Committee is satisfied that the group has optimised the assurance coverage obtained from management and internal and external assurance providers. The Committee is also satisfied that the various external assurances that are obtained and related systems and procedures are effective in achieving the following objectives:

- Enabling an effective internal control environment
- Supporting the integrity of information used for internal decision-making by management, the board and its committees
- Supporting the integrity of external reports
- Minimising assurance fatigue

Key audit matters

Key audit matters are those that PwC noted, in their professional judgement, were of most significance in their audit of the consolidated financial statements of the current period:

- Estimation uncertainty involved in accounting for revenue from contracts with customers
- Recognition and recoverability of uncertified revenue balances
- Accounting treatment for Middle East operations

Furthermore, the audit report contains an emphasis of matter in respect of material uncertainty related to going concern.

Significant areas of judgement

The Committee assists the Board by performing an oversight role over financial reporting, which includes assessing the appropriateness of significant estimates and judgements specifically covered by the key audit matters and those disclosed in note 43 and note 45.

Group and company financial statements

It is our view that the Group and Company financial statements present fairly, in all material respects the Group and Company financial position of the Company and its subsidiaries as at 30 June 2024 and its Group and Company financial performance and its Group and Company cash flows for the year then ended in accordance with IFRS Accounting Standards and the requirements of the Companies Act.
In preparation of the annual financial statements, the Group and the Committee has taken into consideration the feedback included in the most recent Report Back on Proactive Monitoring of Financial Statements provided by the JSE. The Committee recommended the Group's and Company's annual financial statements to the Board for approval. It is satisfied that they comply with IFRS and that the financial statements have been prepared on a going concern basis following an assessment of solvency and liquidity requirements.

On behalf of the Committee:

A Muller
Audit & Risk committee chair
10 September 2024

Report of directors

for the year ended 30 June 2024

Nature of business

Murray & Roberts Holdings Limited is an investment holding company with interests in the mining market, and the renewable energy and power infrastructure markets in Sub-Saharan Africa.

The Company does not trade and its activities are undertaken through subsidiaries and joint operations. Information regarding the Group's major operating subsidiaries appears in Annexure 1 of the consolidated financial statements.

Group financial results

Revenue from continuing operations increased to R13,5 billion (FY2023: R12,5 billion). The Group reported a profit before interest and tax from continuing operations of R170,1 million (FY2023: R90,6 million) and recorded an attributable loss of R135,8 million (FY2023: R3,2 billion), representing a diluted loss per share of 34 cents (FY2023: 789 cents). A diluted headline loss per share of 37 cents was recorded (FY2023:473 cents).

Full details of the financial position and results of the Group are set out in these Group and Company financial statements. The Group and Company financial statements have been prepared in accordance with IFRS Accounting Standards. The accounting policies have been applied consistently compared to the prior year.

Going concern

Developments in the business

A smaller Murray & Roberts business

The voluntary administration of the Group's companies in Australia in December 2022, which followed the impact of COVID on Clough Limited, left the Group as a much smaller business, with a highly geared balance sheet and with liquidity constraints. Murray & Roberts is now a Group that provides engineering and contracting services primarily to the international mining market, and to the renewable energy and power infrastructure markets in Sub-Saharan Africa.

Mining Businesses

The Group's mining businesses generate most of its revenue and earnings and recorded good results for the financial period ended 30 June 2024. These businesses are diversified across the northern and southern hemispheres, trading under the Cementation brand. Cementation Americas is one of the market leaders in the North American market and Murray & Roberts Cementation in the Southern African market. These businesses are experiencing good market conditions as evidenced by growth in the order book. The Group established a new company in Australia, Cementation APAC, to service the Australia/Asia-Pacific region.

Renewable Energy and Power Infrastructure Business

OptiPower recorded an operating loss during the financial period ended 30 June 2024. The loss largely resulted from liquidity constraints experienced by the Group, giving rise to delays in procurement and resultant increased costs to complete current projects. Based on forecasts, management expects this business to return to profitability in the next 12 months considering increased investment in the renewable energy and transmission market sectors in South Africa.

Discontinued Middle East Operations

A Sale and Purchase Agreement for the sale of Murray & Roberts Contractors (Middle East) LLC (MRCME) and Murray & Roberts Contractors (Abu Dhabi) LLC (MRCAD) was concluded on 28 June 2024 and is subject to several conditions precedent.

The Al Mafraq Hospital project in Abu Dhabi was delivered by a joint venture in which MRCAD is a 30% member. Legal proceedings against the Abu Dhabi client regarding the project final account have failed to deliver a beneficial outcome for the joint venture. A UAE bank brought a claim for AED150 million (plus costs and interest) and a summons was issued against Murray & Roberts Limited through the High Court of South Africa, in relation to a Murray & Roberts Limited Parent Company Guarantee for bonds at the Al Mafraq Hospital project which were called by the client and paid out by the UAE bank. The legal proceedings are underway and are expected to be protracted and it may take several years to conclude.

Should the sale of MRCME and MRCAD not be successful, the companies will be liquidated.

Banking facilities in South Africa

The Group concluded a Common Terms Agreement with four South African banks (Banking Consortium) in November 2022 which inter alia provided for an overdraft facility of R0,65 billion and a term loan facility of R1,35 billion – a combined facility of R2 billion. At 30 June 2023, the overdraft facility was fully drawn, and the term loan was reduced to R0,35 billion after applying R1 billion of the proceeds arising from the sale of the Group's 50% shareholding in the Bombela Concession Company in April 2023, to reduce the term loan. In October 2023, the Group agreed a deleveraging plan with the Banking Consortium.

At 30 June 2024, the term loan facility was fully repaid and the overdraft facility (of which R330 million was drawn down at year end) reduced to R409 million. Debt was reduced through a special dividend from Cementation Americas in January 2024, cash from settling commercial issues on one of the Group's mining projects in South Africa, and the sale of a non-strategic investment in Aarden Solar. Cementation Americas renewed its banking facilities which provided for a CAD35 million amortising term facility, utilised for a special dividend of CAD30 million to Murray & Roberts Limited during the financial year, in support of its deleveraging initiatives.

The final milestone in the deleveraging plan was to refinance the remaining R409 million debt facility with the Banking Consortium. This milestone was not met by the milestone date and gave rise to a breach of the deleveraging agreement. This breach could have resulted in the facilities previously obtained, as detailed in Note 16 (Secured Liabilities), being called. The Board, however, subsequent to year-end signed a credit-approved term sheet with the Banking Consortium, which, subject to the achievement of certain milestones, provides for the remaining debt to be repaid by 31 January 2026. The terms of the credit-approved term sheet stays the call of the facilities and related securities.

The Board has resolved to sell non-core assets to meet the Group's obligations to the Banking Consortium. These assets have been independently valued and based on the valuations the value exceeds the value of the outstanding debt. If required, shareholder approval will be sought at the appropriate time.

The Board remains committed to refinance its debt with the Banking Consortium and negotiations with potential funders are continuing. Should the refinancing be successful, it will obviate the need for the disposal of assets.

The SA Group was in breach of the current ratio covenant as at 30 June 2024. New covenants were however agreed after year end and these covenants, when measured for the 30 June 2024 measurement period, were met.

Going concern assessment

The Group performed a going concern assessment for year-end reporting purposes, taking the developments in the business and banking facilities in South Africa as outlined above into consideration, as well as the cash flow forecast as described below.

Cash flow forecast

Detailed cash flow forecasts for each of the Group's businesses were prepared for the 18-month period to December 2025, and stress-tested for key judgements and assumptions in relation to the secured and unsecured order book, forecast revenue and project margins, as well as the timing of cash flows. Based on these cash flow forecasts, the Group took the following aspects into consideration in assessing its liquidity needs and ongoing working capital requirements, its ability to repay the South African debt as it becomes due, and its ability to continue as a going concern:

- **South African debt:** On 28 August 2024, the Board signed a credit approved term sheet with the Banking Consortium, which provides for the current overdraft of R330 million plus further draw downs on the total available facility of R409 million to be repaid by 31 January 2026. Attempts to refinance this debt are ongoing, and a successful refinancing will obviate the need to sell non-core assets to repay this debt. Cash flows in the South African operations include a CAD10m dividend from Cementation Americas to be received prior to December 2024, to support the liquidity requirements of the South African operations.
- **Banking Facilities:** At 30 June 2024, the Group had the following facilities in place (disclosed in note 38.7):
  - Banking facilities in South Africa: Direct facilities (overdraft and asset-based finance) of R0,8 billion, with R0,2 billion of unutilised facilities. Indirect facilities (contract related guarantees) of R2,2 billion with R0,1 billion of unutilised facilities. Currently, the Banking Consortium is only permitting drawdowns against the R409 million overdraft facility and all unutilised direct and indirect facilities are unavailable to the Group. The Group is in the process of finalising terms with alternative asset-based finance and guarantee providers.
  - Foreign banking facilities: Direct banking facilities of R1,1 billion with R0,4 billion of unutilised facilities are available. Indirect banking facilities of R1,3 billion with R0,6 billion of unutilised facilities are available. Some of these facilities have limited availability for Group-wide use due to dividend distribution and intra-group limitations imposed by the foreign banks.
- **Order Book:** The Group has a strong secured order book which includes high-profile, multi-year projects.
- **Outstanding Claims:**There are several unresolved and long outstanding claims in favour of the Group, some of which are expected to be settled within the next 12 months forecast period.
- **Working Capital Management:** The Group is constantly reviewing working capital utilisation on projects and seeking ways to improve working capital management, which include agreeing new creditor and debtor terms and renegotiating onerous commercial arrangements on projects.
- **Debt and Cost reduction:** The Group is assisted by Deloitte as financial advisors in its efforts to reduce debt with the Banking Consortium, and to reduce costs. This included developing a sustainable capital structure and reducing overhead costs. Whilst it is continuing its efforts to refinance remaining debt with the Banking Consortium, the Group has implemented the following cost reduction initiatives.
  - Rationalised the Group organisational structure;
  - Reduced headcount at the Group corporate office;
  - Reduced IT expenditure; and
  - Reduced leased office floor space utilised by the South African operations.

Conclusion

Based on the above assessment, the Group is confident that it would be able to realise its assets and discharge its liabilities in the normal course of business. On 28 August 2024, a credit approved term sheet was signed with the Banking Consortium, providing for the remaining debt with the Banking Consortium to be repaid by 31 January 2026, and the directors, based on the information available and to the extent under the control of the directors, have no reason to believe that the signed term sheet will not be converted into a binding agreement. Furthermore, the cash flow forecasts show that Cementation Americas is expected to generate sufficient cash for it to declare the aforementioned dividends (subject to the close out of a commercial claim) to the South African operations. However, should this term sheet not be converted into a binding agreement, or dividends not be received from the international mining subsidiaries to support liquidity in South Africa, the Group may not be able to realise its assets and discharge its liabilities in the normal course of business. This gives rise to a material uncertainty that may cast significant doubt on the Group's ability to continue as a going concern.

Report of directors *continued*

for the year ended 30 June 2024

Uncertified revenue

The Group's uncertified revenue increased to R498,7 million (FY2023: R445 million), due mainly to new claims in the financial year.

The recognition of uncertified revenue is common practice for engineering and contracting companies and the Group is confident that revenue recognised as uncertified, will be certified and paid once attendant commercial matters have been resolved.

Segmental disclosure

The Group operated under two strategic businesses as at 30 June 2024. An analysis of the Group's results reflects the financial position and performance of each business (refer to Annexure 3 of the consolidated financial statements).

1 Authorised and issued share capital

Full details of the authorised and issued capital of the Company at 30 June 2024 are contained in note 11 of the consolidated financial statements.

The total number of ordinary shares that may be utilised for purposes of the Murray & Roberts Holdings Limited Employee Share Incentive Scheme ("Scheme") is limited to 5,0% (FY2023: 5,0%) of the total issued ordinary shares of the Company, currently 22 236 806 (FY2023: 22 236 806) ordinary shares. As no shares have been issued to date in connection with the Scheme, this limit remains unutilised.

In terms of the Forfeitable Share Plan ("FSP"), employees were allocated shares during the year by the remuneration committee totaling 1 297 083 shares (FY2023: 7 236 487). The shares held in escrow by the FSP on behalf of the beneficiaries were purchased on the market and have not been issued by the Company.

2 Dividend

The Board considers a dividend on an annual basis post year end. The Board resolved not to declare a dividend this year, as it is committed to growing the shareholder equity and reducing debt.

3 Discontinued operations

Discontinued operations comprise Middle East Operations, businesses included within the previous Southern Africa Infrastructure & Buildings Platform and the Genrec operations. Refer to note 32 for further details.

Middle East Operations

The Middle East Operations were classified as a discontinued operation in the 2020 financial year as a result of being abandoned, as defined in terms of IFRS 5. Subsequent to abandonment of the Middle East Operations, an agreement was entered into to dispose of the operations and as a result thereof these companies met the criteria, in terms of IFRS 5, to be classified as a disposal group held for sale. The sale and purchase agreement to dispose of the operations was subsequently executed on 30 August 2021.
At 15 March 2024, the original sale and purchase transaction had not concluded due to regulatory approval not being achieved. A new sale and purchase agreement was concluded with a new purchaser on 28 June 2024. The Middle East Operations continue to meet the criteria to be classified as a disposal group held for sale in terms of IFRS 5.

4 Special resolution

During the year under review the following special resolutions were passed by shareholders:

- Fees payable to Non-Executive Directors

5 Events after the reporting period

The directors are not aware of any other matter or circumstance, other than noted above, arising since the end of the financial year not otherwise dealt with in the Group and Company annual financial statements which significantly affects the financial position at 30 June 2024 or the results of its operations or cash flows for the year then ended. Events that occurred after the reporting period were indicative of conditions that arose after the reporting period in the normal course of business and did not have a material impact on the current financial year results.

Our Reporting
Chairman's Statement
Our Business
Our Governance and Leadership
Our Material Issues, Risks and Strategy
Group Chief Executive's and Financial Director's Report
Operating Reviews
Risk Report
Remuneration Report
Annual Financial Statements
Shareholders' Information

6 Interest of directors

The directors of the Company held direct beneficial interests in 2 388 608 ordinary shares of the Company's issued ordinary shares (FY2023: 2 388 608). Details of the ordinary shares held per individual director are listed below and also set out in note 39.3.

Beneficial	Direct
30 June 2024	
DF Grobler	375 456
HJ Laas	2 013 152
30 June 2023	
DF Grobler	375 456
HJ Laas	2 013 152

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

7 Directors

At the date of this report, the directors of the Company were:

Independent non-executive

SP Kana (Chairman); JA Boggenpoel; R Havenstein; AK Maditsi; A Muller; CD Raphiri.

Executive

HJ Laas (Group chief executive) and DF Grobler (Group financial director).

8 Group company secretary

R Davies

The company secretary's business and postal addresses are:

Postal address
PO Box 1000
Bedfordview
2008

Registered office
The Interchange
22 Skeen Boulevard
Bedfordview
2007

9 Auditors

PricewaterhouseCoopers Inc. served as external auditor for the financial year ended 30 June 2024. The designated auditor was JFM Kotzé.

Independent auditor's report

To the Shareholders of Murray & Roberts Holdings 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 Murray & Roberts Holdings Limited (the Company) and its subsidiaries (together the Group) as at 30 June 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

Murray & Roberts Holdings Limited's consolidated and separate financial statements set out on pages 108 to 193 comprise:

- the consolidated and company statements of financial position as at 30 June 2024;
- the consolidated and company statements of financial performance for the year then ended;
- the consolidated and company statements of comprehensive income for the year then ended;
- the consolidated and company statements of changes in equity for the year then ended;
- the consolidated and 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)*.

Material uncertainty relating to going concern

We draw attention to Note 45 in the consolidated and separate financial statements, which indicates that the ability of the Group to repay its debt as it becomes due is dependent on certain factors affecting the Group's liquidity. These factors include the repatriation of cash resources from group companies and the conclusion of a binding agreement with the Banking Consortium. As stated in Note 45, these events or conditions, along with other matters as set forth in Note 45, indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

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Our audit approach

Overview

Overall group materiality

Overall group materiality: R 121 million, which represents 0.9% of consolidated revenue from continuing operations.

Group audit scope

The Group consists of 195 reporting components. Full scope audits were performed in respect of 9 financially significant components, and 5 specified balances and transactions reporting components. Analytical review procedures were performed over 20 insignificant components. No audit procedures have been performed over the remainder of reporting components as these components were deemed inconsequential for group scoping purposes.

Key audit matters

- Material uncertainty relating to going concern;
- Estimation uncertainty involved in accounting for revenue from contracts with customers;
- Recognition and recoverability of uncertified revenue balances; and
- Accounting for Middle East Operations.

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	R 121 million
How we determined it	0.9% of consolidated revenues from continuing operations.
Rationale for the materiality benchmark applied	We selected revenue from continuing operations as the benchmark because, in our view, 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. We chose 0.9% based on our professional judgement, after consideration of the range of quantitative materiality thresholds that we would typically apply to entities operating within this industry.

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 consists of 195 reporting components. Our scoping assessment included the consideration of financially significant components, based on indicators such as the component's contribution to the consolidated profit before taxation from continuing operations, consolidated revenue from continuing operations and consolidated total assets as well as any specific risk based considerations applicable to the component. Based on this assessment nine financially significant components were identified for which full scope audits were performed.

Audit procedures on certain account balances and transactions were performed on a further five components in order to obtain sufficient coverage over the consolidated financial statements.

In order to obtain sufficient and appropriate audit evidence in respect of those components that were considered to be insignificant, the group engagement team performed analytical review procedures in respect of the financial information of 20 insignificant components. No audit procedures have been performed over the remainder of the reporting components.

In establishing the overall approach to the Group audit, we determined the type of work that needed to be performed by us, as the group engagement team and component auditors from other PwC network firms. The group engagement team planned procedures in respect of direction and supervision considerations of the work performed by the component auditors in order to enable us to conclude on whether sufficient and appropriate audit evidence has been obtained.

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. In addition to the matter described in the *Material Uncertainty Relating to Going Concern* section, we have determined the matters described below to be the key audit matters to be communicated in our report in respect of the consolidated financial statements.

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

Key audit matter	***How our audit addressed the key audit matter***
Estimation uncertainty involved in accounting for revenue from contracts with customers *Refer to the following accounting policies and notes to the consolidated financial statements for the disclosures as it relates to this key audit matter:* • *Accounting Policy 1.10 Amounts from/to contract customers,* • *Accounting Policy 1.17 Provisions and contingencies,* • *Accounting Policy 1.22 Revenue,* • *Note 8 Amounts from/to contract customers,* • *Note 26 Revenue, and* • *Note 43 Critical accounting estimates and judgements.* *Revenue generated in the Group is principally generated from construction contracts with customers and the rendering of engineering services. The Group applies the principles of IFRS 15 - Revenue from contracts with customers (IFRS 15) to account for its revenue from contracts with customers.* *Revenue from these construction contracts with customers is recognised over time as performance obligations are satisfied, and measured with reference to the transaction price. The transaction price is the consideration to which the entity is expected to be entitled to, in exchange for transferring goods or services to the customer. Variations in contract work, claims and incentive payments are included in the transaction price to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur when the uncertainty associated with the variable consideration is subsequently resolved. Similarly, where contracts contain penalties which could reduce revenue, penalties are deducted from total estimated revenue except to the extent that it is highly probable that penalties won't be levied.* *The progress towards complete satisfaction of a performance obligation is measured based on applying either of the following methods:* *1. Output method: Recognise revenue on the basis of direct measurement, i.e. performance or milestone completed.* *2. Input method: the group estimates the cost of construction and engineering services provided to date as a proportion of the total estimated cost of these services to be performed.* *The inputs and assumptions applied using these methods, represent the basis for the calculation of contract revenue, contracts in progress and amounts due to contract customers. These inputs and assumptions are also used in determining onerous contract provisions in accordance with*	*We assessed the appropriateness of the use of the input and output method of accounting for revenue recognition for the various types of contracts entered by the Group in accordance with IFRS 15 by performing the following procedures for a sample of contracts:* • *We assessed the reasonability of significant assumptions and estimates in relation to the estimated total contract cost, estimated total revenue, claims and penalties recognised. The former was performed through the inspection of the relevant contract documentation such as the bill of quantities, tender budgets, forecasts and correspondence between the contractor and client. We concluded that management's assumptions and estimates were reasonable.* • *We assessed the accuracy of the total contract revenue through inspection of signed contracts, enforceable contract penalties, management's costing per contract and approved variation order documentation whereby no material exceptions were noted.* • *We agreed the life to date costs incurred to the relevant underlying documentation including supplier invoices, subcontractor agreements and invoices, payroll information for the labour costs and inventory issue notes amongst others to obtain comfort over the ledger cost. No material exceptions were noted.* • *We compared the estimated progress towards the satisfaction of the performance obligations on each sampled contract to work certified to date by management's contract engineering expects and quantity surveyors. No material exceptions were noted.* • *We assessed the competence, capabilities and objectivity of management's legal experts, contract engineering experts and quantity surveyors through inspection of their qualifications, professional memberships as applicable, and obtaining an understanding of their work. Based on the assessment performed, no matters requiring further consideration were noted.* • *In assessing the reasonability of the profit margins, we recalculated profit margins from year-to-year on projects running over multiple years. Deviations in margins were identified and evaluated against explanations from management and the inspection of relevant documentation including correspondence between clients and the Group, subcontractors or suppliers and the Group, process certificates and notices in terms of contracts amongst others. Based on the procedures performed we concluded that the profit margins are reasonable.*

IAS 37 - Provisions, to be recognised in the consolidated financial statements. *We considered the estimation uncertainty involved in accounting for revenue from contracts with customers to be a matter of most significance to our current year audit due to the following:* ● *significant judgements and estimation applied in establishing profit margins and costs to completion; and* ● *the magnitude of the contract revenue recognised, the contracts in progress, uncertified claims and variations, over-certified revenue balances and provision for onerous contracts balances in relation to the consolidated financial statements.*	● *We recalculated the revenue per contract based on the input and output method, where applicable. Based on our recalculation, we agreed the adjustments between certified progress revenue and revenue recognised to the work-in-progress, provision for onerous contracts and retentions recognised in the annual financial statements. No material exceptions were noted.*
Recognition and recoverability of uncertified revenue balances *Refer to the following accounting policies and notes to the consolidated financial statements for the disclosures as it relates to this key audit matter:* ● *Accounting Policy 1.10 Amounts from/to contract customers,* ● *Accounting Policy 1.17 Provisions and contingencies,* ● *Accounting Policy 1.22 Revenue,* ● *Note 8 Amounts from/to contract customers,* ● *Note 26 Revenue, and* ● *Note 43 Critical accounting estimates and judgements.* *As at 30 June 2024, amounts due from contract customers included uncertified claims and variations receivable amounting to R 498.7 million and contracts in progress of R 984.6 million.* *Variation in contract work, claims and incentive payments are recognised as revenue to the extent that collection is highly probable, and the amounts can be reliably measured.* *The Group applies significant judgement in assessing whether the extent of collection of variation orders and claims is highly probable.* *Each variation order or claim is assessed individually to establish entitlement and to conclude on the strength of the claim.* *The Group utilises legal experts, engineers and quantity surveyors to assess probabilities in determining the amount to be recognised relating to uncertified revenue and in addition considers the customers credit risk in assessing the recoverability of amounts recognised are considered highly probable.* *We considered the recognition and recoverability of uncertified revenue balances to be a matter of most*	*We assessed the recognition and the recoverability of uncertified revenue balances by performing the following for a sample of contracts:* ● *With the assistance of our quantity surveying expertise and inspection of correspondence relating to claims and variation orders, we assessed the reasonableness of the merits and quantum of variation orders and claims recognised in favour of and against the Group. No material exceptions were noted in relation to the merits and quantum of variation orders and claims recognised in favour of and against the Group as reasonable;* ● *We obtained and inspected the legal expert's reports, confirmations and opinions. We held discussions with the legal experts to obtain an understanding of the current status and progress on claims and variation orders in the dispute resolution and arbitration process.* ● *We assessed the competence, capabilities and objectivity of management's legal experts, contract engineering experts and quantity surveyors through inspection of their qualifications, professional memberships as applicable, and obtained an understanding of their work. Based on the assessment performed, no matters requiring further consideration were noted.* ● *We assessed the reasonability of judgements, estimates and assumptions made in relation to uncertified revenue balances, through discussion with the directors, engineering experts and quantity surveyors and inspection of relevant supporting documentation such as correspondence between parties, contractual agreements and signed variation orders amongst others. We concluded that management's assumptions and estimates were reasonable.* ● *We assessed the recoverability of uncertified revenue balance receivables through the testing of receipts subsequent to period end and where receipts remained outstanding, specific client circumstances such as force*

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significance to our current year audit due to the following: • *Significant estimates and judgements applied relating to the merits and quantum in determining the probability of recovery of these balances; and* • *The magnitude of uncertified revenue balances recognised in relation to the consolidated financial statements.*	*majeure notifications, industry specific circumstances and publicly available financial information and media reports were considered in the conclusions reached on the recoverability. No material exceptions were noted.* • *We assessed the reasonableness of management's expected credit loss allowance on uncertified revenue balances by independently recalculating the expected credit loss allowance. No material exceptions were noted.*
Accounting for Middle East Operations *Refer to the following accounting policies and notes to the consolidated financial statements for the disclosures as it relates to this key audit matter:* • *Accounting Policy 1.14 Non-current assets held for sale and discontinued operations,* • *Note 32 Discontinued Operations, Assets and Liabilities Classified as Held for Sale and* • *Note 43 Critical accounting estimates and judgements.* *During the 2021 financial year, the Group classified assets and liabilities of its Middle East operations as held for sale, in terms of IFRS 5 – Non Current Assets Held for Sale and Discontinued Operations ("IFRS 5").. The classification continued to remain in effect at year end due to a new Sale and Purchase agreement entered into prior to year end for the operations.* *The Middle East disposal group consists mainly of amounts due from contract customers and short-term borrowings. This disposal group held for sale has been measured at the lower of its carrying amount and fair value less cost to sell in accordance with IFRS 5, at 30 June 2024.* *We considered the accounting treatment of the Middle East operations to be a matter of most significance to our current year audit due to the level of judgement involved in the continuing classification of the Middle East operations as a disposal group held for sale in accordance with IFRS 5.*	*Our work performed in addressing this key audit matter entailed the following:* • *We evaluated the reasonableness of management's assessment, supporting the continued classification of the Middle East operations, as a disposal group held for sale, in terms of IFRS 5 through discussions with legal counsel, management, the purchaser's representative and inspection of the Sale and Purchase agreement. We found the assessment to be reasonable;* • *We assessed the reasonableness of estimates and judgements applied in determining the value of assets and liabilities included in the disposal group through discussions with legal counsel and inspection of underlying contract documentation. We found the estimates and judgements to be reasonable;* • *We evaluated management's assessment of the fair value less cost to sell and the resulting impairment, for accuracy through re-computation and for consistency with the terms of the Sale and Purchase agreement. No material exceptions were noted.*

Other information

The directors are responsible for the other information. The other information comprises the information included in the document titled "Murray & Roberts Holdings Limited Audited Annual Financial Statements for the year ended 30 June 2024", which includes the Report of Directors, the Audit & Risk Committee Report and the Certification by 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 "Annual Integrated Report 2024", 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.

Our Reporting
Chairman's Statement
Our Business
Our Governance and Leadership
Our Material Issues, Risks and Strategy
Group Chief Executive's and Financial Director's Report
Operating Reviews
Risk Report
Remuneration Report
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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 Murray & Roberts Holdings Limited for 5 years.

PricewaterhouseCoopers Inc

PricewaterhouseCoopers Inc.
Director: JFM Kotzè
Registered Auditor
Johannesburg, South Africa
11 September 2024

The examination of controls over the maintenance and integrity of the Group's website is beyond the scope of the audit of the financial statements. Accordingly, we accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the website.

Consolidated statement of financial position

as at 30 June 2024

All amounts are expressed in millions of Rands	Notes	2024	Restated* 2023	Restated* 1 July 2022
ASSETS				
Non-current assets				
Property, plant and equipment	2	**1 485,7**	1 571,8	4 397,4
Goodwill	3	**428,5**	441,8	1 371,7
Other intangible assets	4	**299,5**	311,1	650,1
Investment in associate companies	5	**–**	–	1,7
Other investments	6	**1,6**	1,7	1 443,8
Deferred taxation assets	20	**85,9**	92,6	562,6
Net investment in lease		**–**	–	1,3
Long term receivables		**–**	–	2,1
Total non-current assets		**2 301,2**	2 419,0	8 430,7
Current assets				
Inventories	7	**142,8**	240,2	494,8
Amounts from contract customers	8	**2 823,9**	2 965,4	6 292,4
– Contract asset		**1 483,3**	1 433,7	2 901,0
– Contract receivable		**1 340,6**	1 531,7	3 391,4
Other receivables	9	**222,8**	398,4	1 768,5
Net investment in lease		**–**	–	1,6
Taxation assets	35	**17,5**	36,0	47,0
Cash and cash equivalents	10	**1 633,3**	1 263,5	2 255,8
Total current assets		**4 840,3**	4 903,5	10 860,1
Assets classified as held for sale	32	**1 018,8**	1 064,8	1 011,9
Total assets		**8 160,3**	8 387,3	20 302,7
EQUITY AND LIABILITIES				
Stated capital	11	**2 729,0**	2 693,9	2 684,8
Reserves	13 & 14	**826,7**	976,2	1 658,8
Retained earnings		**(2 000,3)**	(1 862,4)	1 318,9
Equity attributable to owners of Murray & Roberts Holdings Limited		**1 555,4**	1 807,7	5 662,5
Non-controlling interests	15	**3,3**	33,3	50,8
Total equity		**1 558,7**	1 841,0	5 713,3
Non-current liabilities				
Long term loans	17	**632,4**	706,2	1 192,6
Retirement benefit obligations	18	**3,4**	–	–
Long term provisions	19	**12,2**	7,9	24,7
Deferred taxation liabilities	20	**120,0**	147,2	89,4
Long term payables	21	**164,8**	218,9	82,9
Total non-current liabilities		**932,8**	1 080,2	1 389,6
Current liabilities				
Amounts to contract customers	8	**1 144,0**	702,3	2 514,2
Trade and other payables	23	**2 417,1**	2 531,5	5 891,8
Short term loans	24	**292,9**	347,5	623,1
Taxation liabilities	35	**27,0**	25,4	186,5
Provisions for obligations	25	**308,0**	254,0	214,3
Subcontractor liabilities	22	**156,9**	145,2	1 399,3
Bank overdrafts	10	**330,4**	479,4	1 525,8
Total current liabilities		**4 676,3**	4 485,3	12 355,0
Liabilities classified as held for sale	32	**992,5**	980,8	844,8
Total liabilities		**6 601,6**	6 546,3	14 589,4
Total equity and liabilities		**8 160,3**	8 387,3	20 302,7

* *During the current year, the Group enhanced the presentation of the amounts from contract customers to separately present Contract Assets and Contract Receivables. The comparative information has been restated accordingly. Refer to note 41 for detail.*

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Consolidated statement of financial performance

for the year ended 30 June 2024

All amounts are expressed in millions of Rands	Notes	2024	2023
Continuing operations			
Revenue	26	**13 452,4**	12 460,2
Profit before interest, tax, depreciation and amortisation		**533,4**	451,4
Depreciation		**(341,3)**	(337,8)
Amortisation of intangible assets		**(22,0)**	(23,0)
Profit before interest and taxation	27	**170,1**	90,6
Interest expense	28	**(167,7)**	(280,2)
Interest income	29	**37,6**	13,7
Profit/(loss) before taxation		**40,0**	(175,9)
Taxation expense	30	**(123,5)**	(106,4)
Loss after taxation		**(83,5)**	(282,3)
Loss from equity accounted investments		**–**	(0,2)
Loss for the year from continuing operations		**(83,5)**	(282,5)
Loss from discontinued operations	32	**(52,3)**	(2 896,9)
Loss for the year		**(135,8)**	(3 179,4)
Attributable to:			
Owners of Murray & Roberts Holdings Limited		**(137,9)**	(3 181,3)
Non-controlling interests	15	**2,1**	1,9
		(135,8)	(3 179,4)

Basic and diluted loss per share were 34 cents (FY2023: 789 cents per share) and 34 cents (FY2023: 789 cents per share) respectively.

Continuing basic and diluted loss per share were 21 cents (FY2023: 71 cents loss per share) and 21 cents (FY2023: 71 cents loss per share) respectively.

For further details refer to note 33.

Consolidated statement of comprehensive income

for the year ended 30 June 2024

All amounts are expressed in millions of Rands	Notes	2024	2023
Loss for the year		**(135,8)**	(3 179,4)
Other comprehensive (loss)/income:			
Items that may be reclassified subsequently to profit or loss:			
Exchange differences on translating foreign operations	13 &15	**(119,0)**	576,3
Translation of foreign entities reclassified through profit or loss on derecognition		**–**	(1 250,1)
Remeasurement of retirement benefit obligations	14	**(8,4)**	–
		(127,4)	(673,8)
Other comprehensive loss for the year net of taxation		**(127,4)**	(673,8)
Total comprehensive loss for the year		**(263,2)**	(3 853,2)
Total comprehensive (loss)/income attributable to:			
Owners of Murray & Roberts Holdings Limited		**(265,3)**	(3 854,6)
Non-controlling interests		**2,1**	1,4
		(263,2)	(3 853,2)

Consolidated statement of changes in equity

for the year ended 30 June 2024

All amounts are expressed in millions of Rands	Stated capital	Translation reserve	Other capital reserves	Retained earnings	**Attributable to owners of Murray & Roberts Holdings Limited**	Non-controlling interests	**Total equity**
Balance at 01 July 2022	2 684,8	1 600,4	58,4	1 318,9	**5 662,5**	50,8	**5 713,3**
Total comprehensive (loss)/income for the year	–	(673,3)	–	(3 181,3)	**(3 854,6)**	1,4	**(3 853,2)**
Treasury shares disposed	58,8	–	–	–	**58,8**	–	**58,8**
Treasury shares acquired	(66,9)	–	–	–	**(66,9)**	–	**(66,9)**
Utilisation of share-based payment reserve	17,2	–	(17,2)	–	**–**	–	**–**
Recognition of share-based payment	–	–	7,9	–	**7,9**	–	**7,9**
Dividends declared and paid	–	–	–	–	**–**	(18,9)	**(18,9)**
Balance at 01 July 2023	2 693,9	927,1	49,1	(1 862,4)	**1 807,7**	33,3	**1 841,0**
Total comprehensive (loss)/income for the year	–	(119,0)	(8,4)	(137,9)	**(265,3)**	2,1	**(263,2)**
Treasury shares disposed	–	–	–	–	**–**	–	**–**
Treasury shares acquired	(0,8)	–	–	–	**(0,8)**	–	**(0,8)**
Utilisation of share-based payment reserve	35,9	–	(35,9)	–	**–**	–	**–**
Recognition of share-based payment	–	–	13,8	–	**13,8**	–	**13,8**
Dividend declared to non-controlling interest	–	–	–	–	**–**	(32,1)	**(32,1)**
Balance at 30 June 2024	2 729,0	808,1	18,6	(2 000,3)	**1 555,4**	3,3	**1 558,7**
Notes	11	13	14			15	

Consolidated statement of cash flows

for the year ended 30 June 2024

All amounts are expressed in millions of Rands	Notes	2024	2023
Cash flows from operating activities			
Receipts from customers		**13 762,8**	25 738,2
Payments to suppliers and employees		**(12 555,4)**	(25 200,5)
Cash generated by operations	34	**1 207,4**	537,7
Interest received		**36,9**	19,1
Interest paid		**(160,5)**	(316,6)
Taxation paid	35	**(135,5)**	(186,3)
Taxation refund	35	**14,1**	58,2
Dividend paid to non-controlling interest		**(32,1)**	(18,9)
Net cash inflow from operating activities		**930,3**	93,2
Cash flows from investing activities			
Payment for acquisition of subsidiaries, net of cash acquired		**–**	(6,0)
Purchase of intangible assets other than goodwill	4	**(20,8)**	(5,8)
Purchase of property, plant and equipment	2	**(312,0)**	(651,6)
– Replacements		**(86,8)**	(136,1)
– Additions		**(332,0)**	(766,8)
– Acquisition of assets by means of a lease (non-cash)		**106,8**	251,3
Proceeds on disposal of intangible assets		**–**	16,8
Proceeds on disposal of property, plant and equipment		**106,6**	43,3
Proceeds on disposal of assets held for sale		**35,4**	127,0
Proceeds on disposal of investment in BCC (net of transaction costs)	6	**–**	1 216,8
Dividends received from the Bombela Concession Company	6	**–**	255,0
Cash and cash equivalents in deconsolidated subsidiaries		**–**	(1 298,4)
Proceeds on disposal of Aarden Solar	31	**73,4**	–
Other		**0,6**	(1,8)
Net cash outflow from investing activities		**(116,8)**	(304,7)
Cash flows from financing activities			
Net (acquisition)/disposal of treasury shares		**(0,8)**	(8,1)
– Acquisition of treasury shares		**(0,8)**	(66,9)
– Disposal of treasury shares		**–**	58,8
Net movement in borrowings	34	**(209,8)**	56,4
– Loans raised		**483,1**	1 981,0
– Loans repaid		**(645,8)**	(1 800,1)
– Leases repaid		**(47,1)**	(124,5)
Net movement in bank overdraft	34	**(145,6)**	(904,1)
– Overdraft drawdowns		**2 093,2**	1 303,0
– Overdraft repayments		**(2 238,8)**	(2 207,1)
Net cash outflow from financing activities		**(356,2)**	(855,8)
Total increase/(decrease) in net cash and cash equivalents		**457,3**	(1 067,3)
Net cash and cash equivalents at beginning of year		**1 272,5**	2 122,8
Effect of exchange rates		**(85,0)**	217,0
Net cash and cash equivalents at end of year^		**1 644,8**	1 272,5
^ Cash and cash equivalents balance comprises:			
– Cash	*10*	***1 633,3***	*1 263,5*
– Reclassification to held for sale	*32*	***11,5***	*12,4*
– Overdraft	*10*	***–***	*(3,4)*

Material accounting policy information

for the year ended 30 June 2024

1. Presentation of financial statements

1.1 Basis of preparation

These Group and Company financial statements ("financial statements") have been prepared under the historical cost convention as modified by the revaluation of non-trading financial asset investments and financial assets at fair value through profit or loss. Non-current assets and disposal groups held for sale, where applicable, are stated at the lower of their carrying amount and fair value less cost to sell in accordance with IFRS 5.

The preparation of financial statements requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Although these estimates are based on management's best knowledge of current events and conditions, actual results may ultimately differ from those estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

Judgements made by management in the application of IFRS Accounting Standards that have a significant effect on the financial statements, and significant estimates made in the preparation of these Group and Company financial statements are discussed in note 43.

Standards, Interpretations and Amendments to published standards that are not yet effective are discussed in note 44

The consolidated financial statements have been prepared on a going concern basis. Refer to note 45 for further commentary on going concern.

1.2 Statement of compliance

These Group and Company financial statements are prepared in accordance with IFRS Accounting Standards and Interpretations adopted by the International Accounting Standards Board ("IASB"), and comply with the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee, financial reporting pronouncements issued by the Financial Reporting Standards Council, the requirements of the JSE Limited Listings Requirements and the Companies Act. The Group and Company financial statements were approved for issue by the Board of Directors on 10 September 2024.

1.3 Basis of consolidation

The Group consists of the consolidated financial position and the operating results and cash flow information of Murray & Roberts Holdings Limited ("Company"), its subsidiaries, its interest in joint operations and associates.

Subsidiaries are entities, including structured entities controlled by the Group. Control exists 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.

Income and expenses of subsidiaries acquired or disposed of during the year are included in the consolidated statement of financial performance from the effective date of acquisition and up to the effective date of disposal, as appropriate. Total comprehensive income of subsidiaries is attributed to owners of the Company and to the non-controlling interest even if this results in the non-controlling interest having a deficit balance.

If a subsidiary uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to its financial statements in preparing the consolidated financial statements.

Intercompany transactions and balances on transactions between group companies are eliminated.

Non-controlling interest loans

Certain shareholders elect to contribute to shareholder loans as opposed to stated capital.

Loans from non-controlling shareholders are classified as equity instruments rather than financial liabilities if both conditions (a) and (b) below, as required by IAS 32: *Financial Instruments: Presentation*, paragraph 16, are met.

(a) Loans from non-controlling shareholders includes no contractual obligations:

- to deliver cash or another financial asset to another entity; or
- to exchange financial assets or financial liabilities with another entity under conditions that are potentially favourable to the issuer or the Group.

(b) Loans from non-controlling shareholders will not or may not be settled in the issuer's or the Group's own equity instruments.

If the loans from non-controlling shareholders do not meet both conditions (a) and (b) they are classified as financial liabilities.

The raising or repayment of non-controlling interest loans that are classified as equity instruments has no impact on the effective shareholding of the non-controlling shareholder.

Material accounting policy information *continued*

for the year ended 30 June 2024

1.4 Business combinations

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. Acquisition-related costs are recognised in profit or loss as incurred.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. If, after reassessment, the net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a gain on bargain purchase.

Non-controlling interests that represent ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation may be initially measured at the non-controlling interests' proportionate share of the recognised amounts of the acquiree's identifiable net assets. The choice of measurement basis is made on a transaction-by-transaction basis. Other types of non-controlling interests are measured at fair value or, when applicable, on the basis specified in another IFRS Accounting Standard.

When the consideration transferred by the Group in a business combination includes assets or liabilities resulting from a contingent consideration arrangement, the contingent consideration is measured at its acquisition-date fair value and included as part of the consideration transferred in a business combination. Changes in the fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with corresponding adjustments against goodwill or gain on bargain purchase. Measurement period adjustments are adjustments that arise from additional information obtained during the 'measurement period' (which cannot exceed one year from the acquisition date) about facts and circumstances that existed at the acquisition date.

The subsequent accounting for changes in the fair value of the contingent consideration that do not qualify as measurement period adjustments depend on how the contingent consideration is classified. Contingent consideration that is classified as equity is not measured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Contingent consideration that is classified as an asset or a liability is remeasured at subsequent reporting dates in accordance with IAS 37: *Provisions, Contingent Liabilities and Contingent Assets*, as appropriate, with the corresponding gain or loss being recognised in profit or loss.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period (see above), or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognised at that date.

Goodwill

Goodwill is recognised as an asset at the acquisition date of a business. Goodwill on the acquisition of a subsidiary is included in intangible assets.

Goodwill is not amortised. Instead, an impairment test is performed annually or more frequently if circumstances indicated that it might be impaired. Any impairment is recognised immediately in profit or loss and is not subsequently reversed. For the purpose of impairment testing, goodwill is allocated to each of the Group's cash generating units expected to benefit from the synergies of business combinations. Any impairment loss of the cash generating unit is first allocated against the goodwill and thereafter against the other assets of the cash generating unit on a pro-rata basis.

Whenever negative goodwill (a gain on bargain purchase) arises, the identification and measurement of acquired identifiable assets, liabilities and contingent liabilities are reassessed. If a gain on bargain purchase still remains, it is recognised in profit or loss immediately.

On disposal of a subsidiary the attributable goodwill is included in the determination of the profit or loss on disposal. The same principle is applicable for partial disposals where there is a change in ownership, in other words a portion of the goodwill is expensed as part of the cost of disposal. For partial disposals and acquisitions with no change in ownership, goodwill is recognised as a transaction with equity holders.

Loss of control of subsidiary

When the Group loses control over a subsidiary the carrying amount of the subsidiary's assets and liabilities are derecognised together with any associated non-controlling interests and other components of equity. Any resulting gain or loss is recognised in profit or loss.

1.5 Joint arrangements

Joint arrangements are those entities in which the Group has joint control. Under IFRS 11: *Joint Arrangements*, joint arrangements are classified as either joint operations or joint ventures depending upon the contractual rights and obligations that each investor has in the joint arrangement. The Group's interest in joint arrangements, classified as joint ventures are accounted for using the equity method of accounting and are initially recognised at cost while those classified as joint operations are accounted for by recognising the joint operator's proportionate share of the assets, liabilities, revenue and expenses of the joint operation. The results of joint arrangements are included from the effective dates of acquisition and up to the effective dates of the disposal.

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

1.6 Investments in associate companies

Associates are 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 and are initially recognised at cost, with the exception of service concession investments which are venture capital in nature and measured at fair value through profit or loss. The Group's investments in associates include goodwill identified on acquisition, net of any accumulated impairment loss.

The Group's share of its associates' post-acquisition profits or losses is recognised in the statement of financial performance, and its share of post-acquisition movements in reserves is recognised in reserves through other comprehensive income (where applicable). The cumulative post-acquisition movements are adjusted against the carrying amount of the investment.

When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Group does not recognise further losses unless it has incurred obligations or made payments on behalf of the associate. The total carrying value of associates is evaluated annually for impairment. Any impairment loss recognised forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with IAS 36: *Impairment of Assets* to the extent that the recoverable amount of the investment subsequently increases.

Unrealised gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associates. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been changed where necessary to ensure consistency with the policies adopted by the Group.

1.7 Separate company's financial statements

In the separate financial statements of the Company, the investment in a subsidiary company is carried at cost less accumulated impairment losses, where applicable.

Financial assets such as investments in subsidiaries and amounts due from subsidiary companies, are assessed for impairment at each reporting date. Under IFRS 9, the Company calculates the allowance for credit losses by using the expected credit loss (ECL) model for financial assets.

These financial assets are deemed to be impaired when one or more detrimental events have occurred such as:

- Significant financial difficulty of the subsidiary;
- Liquidation, voluntary administration, business rescue proceedings or other forms of financial reorganisation are implemented; or
- Any other event where the likelihood of full settlement is remote.

The Company monitors its credit exposure to loans advanced to the subsidiary on an ongoing basis by assessing the subsidiary's financial position at reporting date.

1.8. Foreign currencies

Foreign currency transactions

A foreign currency transaction is recorded, on initial recognition in functional currency, by applying to the foreign currency amount the spot exchange rate between the functional currency and the foreign currency at the date of the transaction.

At the end of the reporting period:

- foreign currency monetary items are translated using the closing rate;
- non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction; and
- non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

Material accounting policy information *continued*

for the year ended 30 June 2024

Exchange differences arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were translated on initial recognition during the period or in previous audited financial statements are recognised in profit or loss in the period in which they arise.

When a gain or loss on a non-monetary item is recognised in other comprehensive income and accumulated in equity, any exchange component of that gain or loss is recognised in other comprehensive income and accumulated in equity. When a gain or loss on a non-monetary item is recognised in profit or loss, any exchange component of that gain or loss is recognised in profit or loss.

Cash flows arising from transactions in a foreign currency are recorded in functional currency by applying to the foreign currency amount the exchange rate between the functional currency and the foreign currency at the date of the cash flow.

Foreign currency monetary items

Exchange differences arising on translation are recognised in profit or loss except for those arising on equity loans that are denominated in the functional currency of either party involved. In those instances, the exchange differences are taken directly to equity as part of the foreign currency translation reserve.

Foreign operations

The results and financial position of a foreign operation are translated into the presentation currency using the following procedures:

- assets and liabilities for each consolidated statement of financial position presented are translated at the closing rate at the date of that consolidated statement of financial position;
- income and expenses for each item of profit or loss are translated at exchange rates at the dates of the transactions; and
- all resulting exchange differences are recognised in the statement of other comprehensive income and accumulated as a separate component of equity, being the foreign currency translation reserve.

Foreign currency differences are recognised in other comprehensive income and accumulated in the foreign currency translation reserve, except to the extent that the translation difference is allocated to non-controlling interest.

When a foreign operation is disposed of in its entirety or partially such that control, significant influence or joint control is lost, the cumulative amount in the translation reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal. If the Group disposes of part of its interest in a subsidiary but retains control, then the relevant proportion of the cumulative amount is reattributed to non-controlling interest.

On disposal of a foreign operation, the cumulative exchange differences recognised in the foreign exchange reserve relating to that operation up to the date of disposal are transferred to the consolidated statement of financial performance and other comprehensive income as part of the profit or loss on disposals.

Exchange differences arising on a monetary item that forms part of a net investment in a foreign operation are recognised initially in the statement of other comprehensive income and accumulated in the foreign currency translation reserve. On the disposal of a foreign operation, all of the accumulated exchange differences in respect of that operation attributable to the Group are reclassified to profit or loss.

Any goodwill arising on the acquisition of a foreign operation and any fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition of that foreign operation are treated as assets and liabilities of the foreign operation.

The cash flows of a foreign subsidiary are translated at the exchange rates between the functional currency and the foreign currency at the dates of the cash flows.

1.9 Financial instruments

Classification, initial recognition and subsequent measurement

Classification depends on the business model and contractual cash flow characteristics for which the financial instruments were obtained/incurred and takes place at initial recognition.

The Group classifies financial assets and liabilities into the following categories:

Financial assets at amortised cost

Financial assets are held within a business model whose objective is to hold financial assets in order to collect contractual cash flows. The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets are stated at amortised cost. Amortised cost represents the original amount less principal repayments received, the impact of discounting to net present value and a provision for impairment, where applicable.

Other receivables are initially recognised at fair value, and are subsequently classified and measured at amortised cost using the effective interest rate method.

Contract receivables and retentions are initially recognised at the amount certified and invoiced, and are subsequently classified and measured at amortised cost using the effective interest rate method.

Contract receivables and retentions comprise amounts due in respect of certified or approved amounts by the client or consultant at the reporting date for which payment has not been received and amounts held as retentions on certified amounts at the reporting date.

Cash and cash equivalents comprise cash on hand, demand deposits, and other short term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

Bank overdrafts are not offset against positive bank balances unless a legally enforceable right of offset exists, and there is an intention to settle the overdraft and realise the net cash simultaneously, or to settle on a net basis. For the purpose of the statement of cash flows, cash and cash equivalents are offset against bank overdrafts, except for overdrafts which form part of financing activities.

All short term cash investments are invested with major financial institutions in order to manage credit risk

Financial assets at fair value through profit or loss

Financial assets, other than those held for trade, are classified in this category if the financial assets are managed, and their performance evaluated, on a fair value basis in accordance with a documented investment strategy, and where information about these financial instruments are reported to management on a fair value basis. Under this basis the Group's concession equity investment is the main class of financial instruments so designated. The fair value designation once made is irrevocable.

Measurement is initially at fair value, with transaction costs and subsequent fair value adjustments recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any dividend or interest earned on financial assets. Fair value is determined in a manner as described in note 6.

Service concession investments are classified and measured at fair value through profit or loss. All other investments are classified as financial assets at amortised cost and accounted for accordingly.

Impairment of financial assets

Financial assets, other than those at fair value through profit or loss, are assessed for impairment at each reporting date. Under IFRS 9, the Group calculates the allowance for credit losses by using the expected credit loss (ECL) model for financial assets. ECLs are measured at the present value of all cash shortfalls arising from a credit default event, discounted at the original effective interest rate.

The Group has the following types of financial assets that are subject to the expected credit loss model:

- contract receivables;
- and other receivables (trade receivables, amounts owing from joint arrangements and sundry loans)

While cash and cash equivalents are also subject to impairment requirements of IFRS 9, no impairment loss was identified or recognised in the current period.

The IFRS 9 simplified approach was applied in determining the ECL for trade receivables and contract receivables which uses a lifetime expected loss allowance for all trade receivables and contract assets to be recognised from initial recognition of the receivable. A lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial asset.

Financial assets are considered to have low credit risk when they have a low risk of default and the counterparty has a strong capacity to meet its contractual cash flows in the near term. Impairment losses on trade receivables and contract receivables are presented as impairment losses within operating expenses. Subsequent recoveries of amounts previously written off are presented as a reversal of impairment losses previously recognised within other operating income.

The Group considers a trade receivable to be credit impaired when one or more detrimental events have occurred such as:

- Significant financial difficulty of the customer;
- Liquidation, business rescue proceedings or other forms of financial reorganisation are implemented; or
- Any other event where the likelihood of full settlement is remote.

In instances where the Group determines a receivable to be credit-impaired, the receivable is excluded from the portfolio for the purposes of calculating an ECL and a specific credit loss is raised based on an assessment of the individual circumstances relating to the default event.

For the other financial assets, the Group recognises ECLs that reflects changes to the individual credit risk profile of each financial asset at the reporting date.

Expected credit losses are recognised:

- For credit exposures for which there has not been a significant increase in credit risk since initial recognition, expected credit losses are provided for credit losses that could result from default events that are possible within the next 12 months;
- When the credit risk of financial assets significantly increased and the resultant credit quality is not low risk, then credit losses are provided for over the remaining life of the exposure;
- When financial assets have already become credit impaired (or default events have occurred), a lifetime approach is adopted on the net amount less allowance. These are individually assessed.

A financial asset is considered to be in default when contractual payments are 90 days past due.

Material accounting policy information *continued*

for the year ended 30 June 2024

Contract receivables and other receivables, are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, among others, the failure of a debtor to engage in a repayment plan and a failure to make contractual payments for a period of greater than 120 days past due.

The carrying amount of a financial asset is reduced through the use of an allowance account and changes to this allowance account are recognised in profit or loss. Subsequent recoveries of amounts previously written off are credited against the allowance account.

Refer to note 38.6 Financial risk management for additional ECL disclosure.

Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss.

Equity instruments and financial liabilities

Financial liabilities and equity are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument. An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities.

Equity instruments

Equity instruments issued by the Company are recognised as the proceeds received, net of direct issue cost.

Treasury shares

The cost of an entity's own equity instruments that it has reacquired ("treasury shares") is deducted from equity. A gain or loss is not recognised on the purchase, sale, issue, or cancellation of treasury shares. Treasury shares may be acquired and held by the entity or by other members of the consolidated Group. Consideration paid or received is recognised directly in equity.

Financial liabilities at amortised cost

Non-trading financial liabilities are recognised at amortised cost. Amortised cost represents the original debt less principal payments made, the impact of discounting to net present value and amortisation of related costs.

Trade and other payables are liabilities to pay for goods and services that have been received or supplied and have been invoiced or formally agreed with the supplier. Trade and other payables are initially recognised at fair value and are subsequently classified and measured at amortised cost using the effective interest rate method.

Subcontractor liabilities represent the actual unpaid liability owing to subcontractors for work performed including retention monies owed. Subcontractor liabilities are initially recognised at fair value and are subsequently classified and measured at amortised cost using the effective interest rate method.

Loans to/from group companies

These include loans to and from holding companies, fellow subsidiaries, subsidiaries, joint operations and associates and are recognised initially at fair value plus direct transaction costs.

Loans to group companies are classified as financial assets measured at fair value initially and subsequently at amortised cost.

Loans from group companies are classified as financial liabilities measured at amortised cost.

Bank overdrafts and borrowings

Bank overdrafts and borrowings are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest rate method. Any difference between the proceeds (net of transaction costs) and the settlement or redemption of borrowings is recognised over the term of the borrowings in accordance with the Group's accounting policy.

1.10 Amounts from/to contract customers

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 contracts. To determine the progress towards the satisfaction of performance obligations on each contract, the Group uses either the input or output method as described in accounting policy note 1.22 Revenue.

Amounts from contract customers

Amounts from contract customers comprises contracts in progress (contract asset), uncertified claims and variations (contract asset), amounts receivable on contracts (contract receivable) and retentions receivable (contract receivable).

Contract assets

Contracts in progress is recognised to the extent that the gross amounts of costs incurred on a contract plus recognised profit (less recognised losses) exceeds the amounts invoiced on the contract.

Uncertified claims and variations are recognised to the extent that it is highly probably that the related revenue will not reverse. The Group uses legal experts, engineers and quantity surveyors in determining the amounts to be recognised in respect of these uncertified balances.

Contract receivables

Amounts receivable on contracts and retentions receivable relate to amounts which have been certified by the customer and have been invoiced. These amounts are recognised as financial assets and are accounted for in terms of IFRS 9. Refer to accounting policy note 1.9 Financial Instruments in this regard.

Amounts to contract customers

Amounts to contract customers (a contract liability) relates to amounts that are received in excess of the work completed. These amounts are comprised of advance payments received and over-certified balances on work performed.

Over-certified balances are recognised to the extent that the amounts invoiced on the contract exceed the gross amounts of costs incurred on a contract plus recognised profit (less recognised losses).

Advance payments received are assessed on initial recognition to determine whether it is probable that it will be repaid in cash or another financial asset. In this instance, the advance payment is classified as a non-trading financial liability that is carried at amortised cost. If it is probable that the advance payment will be repaid with goods or services, the liability is carried at historic cost. Refer to accounting policy note 1.9 Financial Instruments in this regard.

1.11 Intangible assets other than goodwill

An intangible asset is an identifiable, non-monetary asset that has no physical substance. An intangible asset is recognised when it is identifiable, the Group has control over the asset, it is probable that economic benefits will flow to the Group and the cost of the asset can be measured reliably.

Computer software

Acquired computer software that is significant and unique to the business is capitalised as an intangible asset on the basis of the costs incurred to acquire and bring to use the specific software. Costs associated with maintaining computer software programme are capitalised as intangible assets only if it qualifies for recognition. In all other cases these costs are recognised as an expense incurred.

Costs that are directly associated with the development and production of identifiable and unique software products controlled by the Group and that will probably generate economic benefits exceeding one year, are recognised as intangible assets. Direct costs include the costs of software development employees and an appropriate portion of relevant overheads. Computer software is amortised on a systematic basis over its estimated useful life from the date it becomes available for use.

Patents and other rights, trademarks and customer relationships

Separately acquired patents and other rights, trademarks and customer relationships are recognised at the purchase price and other costs that are directly associated with the acquisition including professional fees, costs of registration and employee benefits. When acquired as part of a business combination, these assets are recognised at fair value on the acquisition date.

With the exception of trademarks, these intangible assets have a finite life and are amortised over its estimated useful life from the date it becomes available for use.

Trademarks with an indefinite useful life are not amortised, but tested annually for impairment.

Other intangible assets

Other Intangible assets comprise intangible assets in progress. Intangible assets in progress are non-monetary assets without physical substance that are in the process of being developed or acquired and are not yet available for use. These assets include costs directly attributable to the development or acquisition process and are expected to generate future economic benefits for the Group once completed.

Intangible assets in progress are initially measured at cost, which includes all expenditures directly attributable to preparing the asset for its intended use. Upon completion and readiness for use, the total cost is transferred to the relevant category of intangible assets. No amortisation is charged on intangible assets in progress. Amortisation commences when the asset is complete and available for use, and has been transferred to the appropriate category of intangible assets.

Material accounting policy information *continued*

for the year ended 30 June 2024

1.12 Property, plant and equipment

Property, plant and equipment are tangible assets that the Group holds for its own use or for rental to others and which the Group expects to be used for more than one period. Property, plant and equipment could be constructed or purchased by the Group. The consumption of property, plant and equipment is reflected through a depreciation charge designated to reduce the asset to its residual value over its useful life. The useful lives of property, plant and equipment are set out in note 2.

The residual value, useful life and depreciation method of each asset is reviewed at the end of each reporting period. If the expectations differ from previous estimates, the change is accounted for as a change in accounting estimate.

Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately. The depreciation charge for each period is recognised in profit or loss unless it is included in the carrying amount of another asset.

The gain or loss arising from the derecognition of an item of property, plant and equipment is included in profit or loss when the item is derecognised. The gain or loss arising from the derecognition of an item of property, plant and equipment is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item.

Measurement

All property, plant and equipment is stated at cost less accumulated depreciation and accumulated impairment losses, except for land, which is stated at cost less accumulated impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the item and includes transfers from equity of any gains or losses on qualifying cash flow hedges of currency purchases of property, plant and equipment.

Subsequent costs

Subsequent costs are included in an asset's carrying value 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. Day-to-day servicing costs are recognised in profit or loss for the year incurred.

Right-of-use assets

Assets held under leases are depreciated over their expected useful lives on the same basis as owned assets or, where shorter, the term of the relevant lease.

Components

The amount initially recognised in respect of an item of property, plant and equipment is allocated to its significant components and where they have different useful lives, are recorded and depreciated separately. The remainder of the cost, being the parts of the item that are individually not significant or have similar useful lives, are grouped together and depreciated as one component.

Depreciation

Depreciation is calculated on the straight-line or units of production basis at rates considered appropriate to reduce the carrying value of each component of an asset to its residual value over its estimated useful life.

Depreciation commences when the asset is in the location and condition for its intended use by management and ceases when the asset is derecognised or classified as held for sale.

Impairment

Where the carrying value of an asset is greater than its estimated recoverable amount, an impairment loss is recognised immediately in profit or loss to bring the carrying value in line with its recoverable amount.

Dismantling and decommissioning costs

The cost of an item of property, plant and equipment includes the initial estimate of the costs of its dismantlement, removal, or restoration of the site on which it was located.

Assets under construction

Assets under construction are tangible assets that are in the process of being built or developed and have not yet been completed or made available for use. These assets are measured at cost, including all costs directly attributable to the construction or development process; and are expected to be used by the Group for its operations once completed. Routine maintenance costs are expensed as incurred and are not included in the carrying amount of assets under construction. The total cost of assets under construction is transferred to the relevant category of property, plant, and equipment upon the asset's completion and readiness for use.

No depreciation is charged on assets under construction. Depreciation commences when the asset is complete and available for use, and has been transferred to the appropriate category of property, plant, and equipment.

1.13 Impairment of assets

At each reporting period the Group assesses whether there is an indication that an asset may be impaired. If any such indication exists, the asset is tested for impairment by estimating the recoverable value of the related asset. Irrespective of whether there is any indication of impairment, goodwill acquired in a business combination is tested for impairment on an annual basis.

When performing impairment testing, the recoverable amount is determined for the individual asset for which an objective indication of impairment exists. If the asset does not generate cash flows from continuing use that are largely independent from other assets or groups of assets, the recoverable amount is determined for the cash-generating unit ("CGU") to which the assets belong.

Recoverable amount is the higher of fair value less costs to sell and value-in-use. In assessing value-in-use, the estimated future cash flows are discounted to their present value using the post-tax discount rate that reflects current market assessments of the time value of money and risks specific to the asset for which the estimates of future cash flows have not been adjusted.

1.14 Non-current assets held for sale and discontinued operations

Non-current assets (or disposal groups) are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable. They are measured at the lower of their carrying amount and fair value less costs to sell, except for assets such as deferred tax assets, assets arising from employee benefits, financial assets and investment property that are carried at fair value and contractual rights under insurance contracts, which are specifically exempt from this requirement.

An impairment loss is recognised for any initial or subsequent write-down of the asset (or disposal group) to fair value less costs to sell through profit or loss. A gain is recognised for any subsequent increases in fair value less costs to sell of an asset (or disposal group), but not in excess of any cumulative impairment loss previously recognised. A gain or loss not previously recognised by the date of the sale of the non-current asset (or disposal group) is recognised at the date of derecognition.

Non-current assets (including those that are part of a disposal group) are not depreciated or amortised while they are classified as held for sale. Interest and other expenses attributable to the liabilities of a disposal group classified as held for sale continue to be recognised.

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

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

1.15 Inventories

Inventories comprise raw materials, consumable stores and in the case of manufacturing entities, work-in-progress and finished goods. Consumable stores include minor spare parts and servicing equipment that are either expected to be used over a period less than 12 months or for general servicing purposes. Consumable stores are recognised in profit or loss as consumed.

Inventories are valued at the lower of cost or net realisable value.

The cost of inventories is determined using the following cost formulas:

- Raw materials – First In, First Out ("FIFO") or Weighted Average Cost basis.
- Finished goods and work-in-progress – cost of direct materials and labour including a proportion of factory overheads based on normal operating capacity.

Net realisable value represents the estimated selling price in the ordinary course of the business less all estimated costs of completion and costs incurred in marketing, selling and distribution.

1.16 Leases

At inception of a contract, the Group assesses whether the contract is, or contains a lease. A contract is, or contains, a lease if it conveys the right to control the use of the identified asset for a period of time and in exchange for consideration.

The following is assessed to determine if a contract conveys the right to control the use of an identified asset:

- Whether the contract involves the use of an identified asset, which may be specified explicitly or implicitly. The asset must be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substitution right, then the Group does not have the right to use the identified asset
- Whether the Group has the right to obtain substantially all of the economic benefits from the use of the identified asset throughout the period of use
- Whether the Group has the right to direct the use of the identified asset throughout the period of use only if:
  - The Group has the right to direct how and for what purpose the asset is used.
  - The relevant decisions about how and for what purpose the asset is used is predetermined and the Group has the right to operate the asset without the supplier having the right to change those operating instructions or the Group has designed the asset in a way that predetermined how and for what purpose the asset will be used.

Material accounting policy information *continued*

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The group as a lessee

At the commencement of the lease term, a right-of-use asset and a lease liability is recognised on the statement of financial position.

The right-of-use asset is measured at cost comprising the amount of the initial measurement of the lease liability, any lease payments made at or before the commencement date less any lease incentives received, any initial direct costs incurred and an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease, unless those costs are incurred to produce inventories.

The lease liability is measured at the present value of the lease payments that are not paid at that date. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the incremental borrowing rate is utilised.

Lease payments included in the measurement of the lease liability include:

- fixed payments, including in substance fixed payments, less any incentives receivable;
- variable lease payments that depend on an index or rate, initially measured at the index or rate as at the commencement date;
- amounts payable under residual value guarantees;
- the exercise price of an option if this is reasonably certain to be exercised; and
- payments of penalties for terminating the lease if this is accounted for in the lease term.

Right-of-use assets are accounted for as property, plant and equipment. They are depreciated using the straight-line or unit of production basis at rates considered appropriate to reduce the carrying value over the estimated useful lives to the estimated residual values. Where it is not certain that an asset will be taken over by the Group at the end of the lease, the asset is depreciated over the shorter of the lease period and the estimated useful life of the asset.

Lease payments are allocated between the lease finance cost and the capital repayment using the effective interest rate method. Lease finance costs are charged to the statement of financial performance as they become due. The carrying amount of the lease liability is remeasured to reflect any reassessment, lease modifications or revised in-substance fixed payments. The amount of the remeasurement is recognised as an adjustment to the right-of-use asset and any further reduction required is recognised in profit or loss.

Short-term and low value leases

Leases with a lease term of less than 12 months or leases of assets which are low value in nature are not recognised on the statement of financial position. The lease payments on these leases are recognised as an expense on a straight-line basis over the lease term.

The group as a lessor

Finance leases

If a lease transfers substantially all the risks and rewards incidental to ownership of the underlying asset, the lease is classified as a finance lease by the Group.

As an intermediate lessor, the Group accounts for its interests in the head lease and the sublease separately. The Group assesses the lease classification of a sublease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset.

Amounts due from lessees are recognised as receivables at the amount of the Group's net investment in the lease. The net investment in the lease is measured at the interest rate implicit in the lease. If this rate cannot be readily determined, the Group as an intermediate lessor utilises the discount rate for the head lease, adjusted for any initial direct costs associated with the sublease, to measure the net investment in the lease.

Lease payments included in the measurement of the net investment in the lease include:

- fixed payments, including in substance fixed payments, less any incentives receivable;
- variable lease payments that depend on an index or rate, initially measured at the index or rate as at the commencement date;
- any residual guarantees provided to the Group as lessor by the lessee, a party related to the lessee or a third party unrelated to the Group that is financially capable of discharging the obligations under the guarantee;
- the exercise price of an option if this is reasonably certain to be exercised; and
- payments of penalties for terminating the lease if this is accounted for in the lease term.

Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Group's net investment outstanding in respect of the leases.

Operating leases

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

1.17 Provisions and contingencies

Contingent assets and contingent liabilities are not recognised. Contingencies are disclosed in note 37.

Restructuring

A restructuring provision is recognised when the Group has developed a detailed formal plan for the restructuring and has raised a valid expectation in those affected that it will carry out the restructuring by starting to implement the plan or announcing its main features to those affected by it (a constructive obligation). The measurement of a restructuring provision includes only the direct expenditure arising from the restructuring, which are those amounts that are both necessarily entailed by the restructuring and not associated with the ongoing activities of the entity.

Onerous contracts

Present obligations arising under onerous contracts are recognised and measured as provisions.

An onerous contract is considered to exist where the Group has a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received from the contract.

When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately through profit or loss, to the extent that the remaining contract costs are deemed to be unavoidable in terms of IAS 37. Estimating the total contract costs involves a significant level of estimation and judgement. Refer to note 43 for further disclosure in this regard.

1.18 Share-based payments

An expense is recognised where the Group received goods or services in exchange for shares or rights over shares ("equity-settled transactions") or in exchange for other assets equivalent in value to a given number of shares or rights over shares ("cash-settled transactions").

Employees, including directors, of the Group receive remuneration in the form of share-based transactions, whereby employees render services in exchange for shares or rights over shares ("equity-settled transactions").

The cost of equity-settled transactions with employees is measured by reference to the fair value at the date at which they are granted. The fair value is determined independently by using the Binomial Lattice model. In valuing equity-settled transactions, no account is taken of any performance conditions, other than conditions linked to the price of the shares of the Group ("market conditions").

The cost of equity-settled transactions is recognised, together with a corresponding increase in equity over the period in which the non-market performance conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award (vesting date).

No expense is recognised for awards that do not ultimately vest, except for awards where vesting is conditional upon a market condition, which is treated as vesting irrespective of whether or not the market condition is satisfied, provided that all other performance conditions are satisfied.

Where an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately.

However, if a new award is substituted for the cancelled award, and designated as a replacement award on the date that it is granted, the cancelled and new awards are treated as if they were a modification of the original award.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

For cash-settled transactions, a liability equal to the portion of the goods or services received is recognised at the current fair value determined at each reporting period.

Where there are any vested share options which have not been exercised by the employees and have expired, the cumulative expense recognised in the share-based payment reserve is reclassified to retained earnings.

1.19 Employee benefits

Defined contribution plans

Under defined contribution plans the Group's legal or constructive obligation is limited to the amount that it agrees to contribute to the fund. Consequently, the actuarial risk that benefits will be less than expected and the investment risk that assets invested will be insufficient to meet expected benefits, is borne by the employee. Such plans include multi-employer or state plans.

Employee and employer contributions to defined contribution plans are recognised as an expense in the year in which incurred.

Defined benefit plans

Under defined benefit plans, the Group has an obligation to provide the agreed benefits to current and former employees. The actuarial and investment risks are borne by the Group. A multi-employer or state plan that is classified as a defined benefit plan, but for which sufficient information is not available to enable defined benefit accounting, is accounted for as a defined contribution plan.

For defined benefit plans, the cost of providing benefits is determined using the Projected Unit Credit Methods, with actuarial valuations being carried out at each reporting period date.

Material accounting policy information *continued*

for the year ended 30 June 2024

The current service cost as well as net interest expense in respect of defined benefit plans is recognised as an expense in the year to which it relates. Past service costs are recognised immediately in profit or loss. Experience adjustments, effects of changes in actuarial assumptions and plan amendments in respect of existing and retired employees are recognised in other comprehensive income as remeasurements in the period in which they arise. Deficits arising on these funds, if any, are recognised immediately in respect of retired employees and over the remaining service lives of current employees.

The defined benefit obligation in the statement of financial position, if any, represents the present value of the defined benefit obligation as adjusted for unrecognised actuarial gains and losses and unrecognised past service cost, and are reduced by the fair value of planned assets. Any asset resulting from this calculation is limited to unrecognised actuarial losses and past service cost, plus the present value of available refunds and reductions in future contribution to the plan.

1.20 Taxation

Income taxation expense represents the sum of current and deferred taxation.

Current taxation assets and liabilities

The current taxation asset/liability is based on taxable profit/loss for the year. Taxable profit/loss differs from profit/loss as reported in the statement of financial performance because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's asset/liability for current taxation is calculated using taxation rates that have been enacted or substantively enacted by the reporting date.

Deferred taxation assets and liabilities

Deferred taxation is based on differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax base used in the computation of the taxable profits, and is accounted for using the balance sheet liability method. Deferred taxation liabilities are generally recognised for all taxable temporary differences and deferred taxation assets are recognised to the extent that it is probable that taxable profits will be available against which the deductible temporary differences can be utilised.

Such assets and liabilities are not recognised if the temporary differences arise from goodwill or from the initial recognition, other than in business combinations, of other assets and liabilities in a transaction that affects neither the taxable profits nor the accounting profits.

Deferred taxation liabilities are recognised for the taxable temporary differences arising from investments in subsidiaries, and interests in joint arrangements, except where the Group is able to control the reversal of the temporary differences and it is probable that the temporary differences will not be reversed in the foreseeable future. Deferred taxation assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of a deferred taxation asset is revised at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow the asset or part of the asset to be recovered.

Deferred taxation is calculated at the substantively enacted rates that are expected to apply in the period when the liability is settled or the asset realised. Deferred taxation is charged or credited to profit or loss, except when it relates to items charged or credited directly to equity in which case the deferred taxation is also charged or credited directly to equity.

Deferred taxation assets and liabilities are offset when there is a legal enforceable right to offset deferred taxation assets against liabilities and when the deferred taxation relates to the same fiscal authority.

Uncertain tax positions

Where there is uncertainty over income tax treatments, the Group applies the requirements of IFRIC 23 when determining taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates ('tax amounts')

The Group applies the requirements as follows:

- Judgement is applied to determine whether each tax treatment should be considered independently or whether some tax treatments should be considered together;
- The assumption is made that a taxation authority with the right to examine any amounts reported to it will examine those amounts and will have full knowledge of all relevant information when doing so;
- Tax amounts are determined on a basis that is consistent with the tax treatment included in the Group's income tax filings if the Group concludes that it is probable that a particular tax treatment will be accepted by the taxation authorities; and
- Tax amounts are determined using the most likely amount or expected value of the tax treatment (whichever provides better predictions of the resolution of the uncertainty) where the Group concludes that it is not probable that a particular tax treatment will be accepted by the taxation authorities.

1.21 Related parties

Parties are considered to be related if one party has the ability to control or jointly control the other party or exercise significant influence over the party in making financial and operating decisions. The requirements of IAS 24: *Related Party Disclosures* are applied in identifying related parties and related party transactions.

Related party transactions are those where a transfer of resources or obligations between related parties occur, regardless of whether or not a price is charged.

1.22 Revenue

The Group applies IFRS 15: *Revenue from Contracts with Customers.*

IFRS 15:56 states that variable consideration should only be included in the transaction price, when recognising revenue, to the extent that it is highly probable that a significant reversal will not occur when the uncertainty associated with the variable consideration is subsequently resolved.

IFRS 5 defines "highly probable" as "significantly more likely than probable", where "probable" means "more likely than not" (IFRS 5: Appendix A).

Due to the higher threshold required for recognition and measurement purposes, the application of IFRS 15 has resulted in the delayed recognition of variable consideration until such time that it is highly probable that the revenue will not be reversed when the uncertainty is resolved.

The Group principally recognises revenue from construction contracts and rendering of engineering services to the natural resource market sectors.

The Group applies the 5 step approach contained in IFRS 15 for determining when to recognise revenue, the amount that should be recognised and when revenue should be recognised.

a) Construction contracts

Step 1: Identify contracts with customers

The Group's customer base, in terms of revenue contribution, consists mostly of construction contracts with large local and international firms.

Step 2: Identify separate performance obligations

Under IFRS 15, the Group recognises revenue when (or as) a performance obligation is satisfied, i.e. when "control" of the goods or services underlying the particular performance obligation is transferred to the customer.

A performance obligation represents a good or service (or a bundle of goods or services) that is distinct or a series of distinct goods or services that are substantially the same.

If a construction contract has multiple sub-level performance obligations that are highly integrated with each other, the construction contract is considered a significant integrated service with one performance obligation. This requires judgement and each contract is assessed individually.

Step 3: Determine the transaction price

The transaction price is the amount of consideration to which an entity expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Variations in contract work, claims and incentive payments are included to the extent that collection is highly probable and the amounts can be reliably measured. IFRS 5 defines "highly probable" as "significantly more likely than probable", where "probable" means "more likely than not" (IFRS 5: Appendix A). The assessment as to whether the recoverability of claims are highly probable requires significant judgement. Each claim is assessed individually to confirm entitlement and to conclude on the strength of the claim. The Group utilises legal experts, engineers and quantity surveyors to assess probabilities in determining the amount to be recognised relating to uncertified revenue and that the recoverability of amounts recognised are considered highly probable. The cumulative balance of uncertified revenue taken to book is disclosed as "Uncertified claims and variations less payments received on account" under note 8, and "Amounts to contract customers" on the Statement of Financial Position.

Step 4: Allocate the transaction price to the performance obligation in the contract

Where the output method (refer to step 5) is used to recognise revenue over time, the transaction price of the contracts are that as per the agreed bill of quantities ("BOQ") finalised during the tender stage. The quantities of the variable components included in the BOQ are updated (measured) during the implementation stage of the contracts.

Where the contract is considered to have one performance obligation and the transaction price as determined in step 3 is allocated to it, the input method (refer to step 5) is used to recognise revenue over time.

Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation

Control is transferred over time and revenue is recognised over time by reference to the progress towards complete satisfaction of the relevant performance obligation if one of the following criteria is met:

- the customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs;

Material accounting policy information *continued*

for the year ended 30 June 2024

- the Group's performance creates and enhances an asset that the customer controls as the Group performs; or
- the Group's performance does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

Revenue is measured based on the consideration to which the Group expects to be entitled in a contract with a customer. The Group recognises revenue when the performance obligation is satisfied.

Revenue on construction contracts is recognised over time as the delivery of the project enhances an asset controlled by the customer. During the execution of projects, the progress is measured on a monthly basis and reviewed by the client's engineer and approved by the client before invoices are issued.

The progress towards complete satisfaction of a performance obligation is measured based on applying either of the following methods:

(i) Output method: Recognise revenue on the basis of direct measurement, i.e. performance or milestone completed.

(ii) Input method: Recognise revenue on the basis of the total contract cost incurred to date bear to the estimated total contract cost.

For each performance obligation, management applies measurement methods that are consistent for similar performance obligations and circumstances.

The Mining operating businesses mainly applies the output method in measuring revenue over time as the segment provides specialist engineering, construction and mining contracting services in the underground mining environment where the progress of the contract is based on work certified to date which the Group believes depicts the transfer of goods and services as it is based on completed work as agreed by our customers.

In TNT, the input method is mainly applied where the progress of satisfying performance obligations is measured by using a percentage of completion assessment which is based on costs incurred to date compared to the total estimated costs at completion. This method best depicts the transfer of control of assets being created or enhanced to the customer, as these projects are evaluated and measured on the basis of how the contract progresses in relation to completion of the contract.

The OptiPower operating business (previously Power, Industrial & Water) applies the input method where the progress of satisfying performance obligations is measured by using a percentage of completion assessment which is based on costs incurred to date compared to the total estimated costs at completion. This method best depicts the transfer of control of assets being created or enhanced to the customer, as these projects are evaluated and measured on the basis of how the contract progresses in relation to completion of the contract.

The shortcoming of input methods is that there may not be a direct relationship between the Group's inputs and the transfer of control in relation to contracts with customers in the OptiPower operating business. Therefore, the Group shall exclude from an input method the effects of any inputs that, in accordance with the objective of measuring progress towards the complete satisfaction of the performance obligation, do not depict the Group's performance in transferring control of goods or services to the customer. In certain instances, circumstances such as increases in costs due to inefficiencies, cost escalations, etc. arise in the Group. Such instances result in an adjustment to the measure of progress to address the shortcomings of input methods. On this basis, the input method is deemed to be representative of the relationship between the Group's inputs and the transfer of control of goods or services to the customer.

Costs incurred for which the performance obligation has not been met, are recognised as prepaid costs or plant and equipment. These costs are not included in the total cost incurred to date until they are utilised, which occurs on a systematic basis over the life of the contract. If the costs incurred in fulfilling a contract with a customer is not within the scope of another standard, the group recognises an asset for these costs when all of the following criteria are met:

a) the costs relate directly to a contract or an anticipated contract that the entity can specifically identify;

b) the costs generate or enhance resources of the entity that will be used in satisfying or continuing to satisfy performance obligations in the future; and

c) the costs are expected to be recovered. These costs are not included in the total cost incurred to date until they are utilised, which occurs on a systematic basis over the life of the contract.

Where the outcome of construction contracts cannot be estimated reliably, contract revenue is recognised to the extent that the recoverability of incurred costs is highly probable.

Where contract costs incurred to date plus recognised profits less recognised losses exceed progress billings, the surplus is shown as contract assets. A contract asset represents the Group's right to consideration in exchange for services that the Group has transferred to a client that is not yet unconditional. Contract assets are disclosed as "Contracts-in-progress" and "Uncertified claims and variations less payments received on account" under note 8, and "Amounts from contract customers" on the Statement of Financial Position.

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For contracts where progress billings exceed contract costs incurred to date plus recognised profits less recognised losses, the surplus is shown as contract liabilities. Amounts received before the related work is performed are included in the consolidated statement of financial position, as a liability, as amounts received in excess of work completed. Contract liabilities are disclosed as "Amounts received in excess of work completed" under note 8, and "Amounts to contract customers" on the Statement of Financial Position.

Amounts billed for work performed but not yet paid by the customer are included in the consolidated statement of financial position under amounts to contract customers, as "Amounts receivable on contracts" and "Retentions receivable".

In limited circumstances, contracts may be materially impacted by a client's actions such that the Group is unable to complete the contracted works at all or in the manner originally forecast. This may include dispute resolution procedures under the relevant contract and/or litigation. In these circumstances the assessment of the project outcome, whilst following the basic principles becomes more judgmental. Refer to note 43 (Critical accounting estimates and judgements) regarding revenue recognition and contract accounting.

b) Rendering of engineering services

Revenue from the rendering of services is recognised over time. The progress towards complete satisfaction of a performance obligation is measured based on the output method, which is to recognise revenue on the basis of direct measurements of the value of the goods or services transferred to the customer to date relative to the remaining goods or services promised under the contract, that best depict the Group's performance in transferring control of goods or services, within the Mining operating businesses.

c) Sale of goods

The Group recognises revenue when the performance obligation is satisfied, i.e. when "control" of the goods underlying the particular performance obligation is transferred to the customer when the goods are delivered.

d) Other revenue

Other revenue includes the provision of labour, information technology and other services to joint operations.

Revenue is recognised over time as the services are provided as the customers simultaneously receive and consume the benefits provided by the Group's performance as the Group performs.

The progress towards complete satisfaction of a performance obligation is measured based on the output method, which is to recognise revenue on the basis of direct measurements of the value of the goods or services transferred to the customer to date relative to the remaining goods or services promised under the contract, that best depict the Group's performance in transferring control of goods or services.

1.23 Dividends

Dividends are accounted for on the date of declaration and are not accrued as a liability in the financial statements until declared.

1.24 Segmental reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision makers. The chief operating decision makers, who are responsible for allocating resources and assessing performance of the operating segments, have been identified as the executive committee who make strategic decisions. The basis of segmental reporting is set out in Annexure 3.

Inter-segment transfers

Segment revenue, segment expenses and segment results include transfers between operating segments and between geographical segments. Such transfers are accounted for at arm's length prices. These transfers are eliminated on consolidation.

Segmental revenue and expenses

All segment revenue and expenses are directly attributable to the segments.

Segmental assets

All operating assets used by a segment principally include property, plant and equipment, investments, inventories, contracts-in-progress and receivables, net of allowances. Cash balances and taxation are excluded.

Segmental liabilities

All operating liabilities of a segment principally include accounts payable, subcontractor liabilities and external interest bearing borrowings. Bank overdrafts and taxation are excluded.

Notes to the annual financial statements

for the year ended 30 June 2024

2 Property, plant and equipment

All amounts are expressed in millions of Rands	2024 Cost	2024 Accumulated depreciation and impairment	2024 Carrying value	2023 Cost	2023 Accumulated depreciation and impairment	2023 Carrying value
PPE						
Land and buildings	239,7	(130,6)	109,1	251,4	(127,5)	123,9
Plant and machinery	3 882,4	(2 798,8)	1 083,6	3 996,8	(2 830,4)	1 166,4
Other equipment	437,0	(244,3)	192,7	387,0	(241,4)	145,6
	4 559,1	(3 173,7)	1 385,4	4 635,2	(3 199,3)	1 435,9

All amounts are expressed in millions of Rands	2024 Cost	2024 Accumulated depreciation and impairment	2024 Carrying value	2023 Cost	2023 Accumulated depreciation and impairment	2023 Carrying value
Right-of-use asset						
Land and buildings	203,3	(113,9)	89,4	211,9	(92,6)	119,3
Plant and machinery	115,1	(104,2)	10,9	120,0	(103,4)	16,6
Other equipment	5,9	(5,9)	–	5,9	(5,9)	–
	324,3	(224,0)	100,3	337,8	(201,9)	135,9
Total	4 883,4	(3 397,7)	1 485,7	4 973,0	(3 401,2)	1 571,8

Reconciliation of property, plant and equipment	Land and buildings	Plant and machinery	Other equipment@	Total
At 30 June 2022	257,3	3 016,4	438,1	3 711,8
Additions	1,1	627,0	176,9	805,0
Disposals	–	(24,8)	(0,1)	(24,9)
Loss on loss of control of subsidiary*	(139,6)	(2 064,5)	(429,6)	(2 633,7)
Transfer (to)/from assets classified as held for sale	–	(64,6)	6,0	(58,6)
Transfer from right-of-use asset	–	24,1	–	24,1
Transfers from capital work in progress	–	45,2	(45,2)	–
Foreign exchange movements	17,3	130,6	29,1	177,0
Scrapping	–	(0,2)	–	(0,2)
Impairment loss	–	–	(10,0)	(10,0)
Depreciation	(12,2)	(522,8)	(19,6)	(554,6)
At 30 June 2023	123,9	1 166,4	145,6	1 435,9
Additions	–	320,1	96,9	417,0
Disposals	–	(81,6)	(0,1)	(81,7)
Disposal of business#	–	(0,7)	–	(0,7)
Transfer to assets classified as held for sale	–	(22,7)	–	(22,7)
Transfers from capital work in progress	–	31,3	(31,3)	–
Foreign exchange movements	(7,0)	(41,3)	(3,0)	(51,3)
Impairment loss	–	(10,2)	–	(10,2)
Depreciation	(7,8)	(277,7)	(15,4)	(300,9)
At 30 June 2024	109,1	1 083,6	192,7	1 385,4

@ *Included in other equipment (property, plant and equipment) are assets under construction with a carrying value of R163,1 million (FY2023: R121 million) and other assets of R30,1 million (FY2023: R24,6 million).*

This relates to the disposal of Aarden Solar. Refer to note 31 or further details.

* *The loss of control of subsidiaries relates to the Group placing Murray & Roberts Pty Ltd Group ("MRPL Group") into voluntary administration and the liquidation of Insig Technologies Pty Ltd ("Insig").*

2 Property, plant and equipment *continued*

Reconciliation of right-of-use asset	Land and buildings	Plant and machinery	Other equipment	Total
At 30 June 2022	460,3	222,0	3,3	685,6
Additions	13,8	82,5	1,6	97,9
Disposals	–	(1,4)	–	(1,4)
Loss of control of subsidiaries*	(381,6)	(230,4)	(1,6)	(613,6)
Transfer to property, plant and equipment	–	(24,1)	–	(24,1)
Foreign exchange movements	21,1	6,2	0,1	27,4
Depreciation	(83,9)	(39,4)	(3,4)	(126,7)
Lease modification	91,6	0,1	–	91,7
Lease reassessment	(2,0)	1,1	–	(0,9)
At 30 June 2023	119,3	16,6	–	135,9
Additions	**0,9**	**0,9**	**–**	**1,8**
Disposals	**–**	**(6,0)**	**–**	**(6,0)**
Foreign exchange movements	**(2,1)**	**0,2**	**–**	**(1,9)**
Depreciation	**(33,6)**	**(6,8)**	**–**	**(40,4)**
Lease modification	**4,9**	**–**	**–**	**4,9**
Lease reassessment	**–**	**6,0**	**–**	**6,0**
At 30 June 2024	**89,4**	**10,9**	**–**	**100,3**

* *The loss of control of subsidiaries relates to the Group placing Murray & Roberts Pty Ltd Group ("MRPL Group") into voluntary administration and the liquidation of Insig Technologies Pty Ltd ("Insig").*

The Group assessed deterioration on property, plant and equipment mainly where project delays were experienced and operations were brought to a halt as a result of idle time and reduced use. Impairment in the current year reflected an amount of R10,2 million relating to plant and machinery resulting from the end of a project. The annual reassessment of useful lives and residual values was performed with no significant impact resulting from a change in these estimates.

The Group has pledged certain assets as security for certain interest bearing borrowings, refer to note 16.

The following average depreciation periods are used for the depreciation of property, plant and equipment:

– Land	Not depreciated	
– Buildings (including leasehold improvements)	3 to 40 years	on a straight-line basis
– Plant and machinery	3 to 30 years	on a straight-line basis and units of production
– Other equipment	3 to 10 years	on a straight-line basis

Notes to the annual financial statements *continued*

for the year ended 30 June 2024

3 Goodwill

All amounts are expressed in millions of Rands	2024	2023
Goodwill	457,7	471,0
Accumulated impairment losses	(29,2)	(29,2)
	428,5	441,8
At beginning of year	441,8	1 371,7
Acquisition of business^	–	5,1
Loss of control of subsidiaries*	–	(868,3)
Foreign exchange movements	(13,3)	59,5
Impairment loss	–	(126,2)
	428,5	441,8

^ *Acquisition of business relates to the acquisition of Turan which was subsequently disposed of as part of the MRPL voluntary administration.*
* *The loss of control of subsidiaries relates to the Group placing MRPL into voluntary administration and the liquidation of Insig.*

Goodwill is allocated to the Group's CGUs identified according to the operating businesses that are expected to benefit from that business combination. The carrying amount of goodwill has been allocated to the following CGU:

All amounts are expressed in millions of Rands	2024	2023
OptiPower (previously Power, Industrial & Water)	52,2	52,2
– Wade Walker	52,2	52,2
Mining	376,3	389,6
– Cementation Africa	32,8	32,8
– Mining Australia	–	–
– Cementation USA Inc.	298,7	309,5
– Cementation Canada Inc.	44,8	47,3
	428,5	441,8

3 Goodwill *continued*

Impairment testing

	Growth rate	Pre-tax discount rate	Post-tax discount rate
Summary of growth and post-tax discount rates per cash generating units for FY2024:			
OptiPower			
– Wade Walker	**2,0% – 3,0%**	**18,5% – 19,5%**	**16,0% – 17,0%**
Mining			
– Cementation Africa	**3,5% – 4,5%**	**18,5% – 19,5%**	**15,5% – 16,5%**
– Cementation USA Inc.	**2,0% – 3,0%**	**24,5% – 26,5%**	**19,0% – 21,0%**
– Cementation Canada Inc.	**2,5% – 3,5%**	**16,5% – 17,5%**	**13,5% – 14,5%**
Summary of growth and post-tax discount rates per cash generating units for FY2023:			
OptiPower			
– Wade Walker	3,5% – 4,5%	18,5% – 19,5%	15,5% – 16,5%
Mining			
– Cementation Africa	3,5% – 4,5%	18,5% – 19,5%	15,0% – 16,0%
– Cementation USA Inc.	1,5% – 2,5%	24,5% – 26,5%	19,0% – 21,0%
– Cementation Canada Inc.	2,5% – 3,5%	16,5% – 17,5%	13,5% – 14,5%

The Group tests goodwill annually for impairment or more frequently if there are indicators that goodwill might be impaired.

The recoverable amount of the CGUs are determined based on value-in-use calculations. These calculations use cash flow projections based on financial budgets approved by management covering a three year period. The cash flow projections are based on multi-year project awards currently secured as well as incorporating a probability weighting with respect to near orders that management expects to be awarded going forward. Management has included potential delays in projects secured, downward adjusted probability weighting of near orders and category 1 opportunities to be secured, and revised commencement timelines for new projects to reflect the current expectations going forward where applicable.

Based on impairment tests performed in the current year, an impairment was not recognised.

Based on impairment tests performed in the prior year, prior to deconsolidation of the MRPL Group (Murray & Roberts Pty Limited ("MRPL"), Clough Limited Group ("Clough") and RUC Cementation Mining Group ("RUC") businesses), an impairment of R126,2 million relating to the Clough USA CGU was recognised. Upon placing the MRPL group into voluntary administration, the Goodwill relating to the Mining Australia, Clough Limited, e2o Pty Ltd, Booth Welsh Pty Ltd and JJ White Inc., totaling R868,3 million was de-recognised.

The growth rates used depend on management's assessment of the sector in which the CGU operates. Factors such as the industry, market conditions and geographical area are also considered when determining the growth rate. These growth rates do not exceed the long term average growth rate for the relevant market. Cash flows beyond the three year period are extrapolated using an estimated growth rate of between 2,0% and 4,5% (FY2023: 1,5% and 4,5%).

In line with market practice, the Group applied a post-tax discount rate of between 13,5% and 21% (FY2023: between 13% and 21%) to post-tax cash flows for impairment testing. The discount rate applied is dependent on factors such as the weighted average cost of capital, industry, market conditions and geographical area of the relevant CGU. Post-tax rates were applied as returns observable in the capital market on equity investments usually include tax effects.

Goodwill was tested for impairment using a sensitivity analysis by increasing the applicable post-tax discount rate of the CGU by 1%-3% (FY2023: 1%-3%) and decreasing the growth rate by 1%-3% (FY2023: 1%-3%). Further sensitivity analysis was performed by varying the base assumptions which included removing synergies which relate to cross-selling opportunities and cost-savings through reallocation of resources. No changes in key assumptions for the CGUs above that would cause the carrying amount to exceed the recoverable amount were noted.

The only intangible asset with an indefinite useful life relates to a trade name acquired as part of the TNT acquisition (included in the Cementation USA Inc. CGU). The trade name was tested as part of the CGU and no impairment was deemed necessary based on tests performed.

Notes to the annual financial statements *continued*

for the year ended 30 June 2024

4 Other intangible assets

All amounts are expressed in millions of Rands	2024 Cost	2024 Accumulated amortisation	2024 Carrying value	2023 Cost	2023 Accumulated amortisation	2023 Carrying value
Patents and other rights	**8,7**	**(8,7)**	**–**	8,7	(8,7)	–
Computer software	**204,8**	**(189,2)**	**15,6**	203,6	(183,6)	20,0
Trade name	**207,9**	**–**	**207,9**	215,4	–	215,4
Customer relationships	**138,8**	**(78,2)**	**60,6**	143,8	(68,1)	75,7
Other intangible assets	**15,4**	**–**	**15,4**	–	–	–
Total	**575,6**	**(276,1)**	**299,5**	571,5	(260,4)	311,1

Reconciliation for other intangible assets	Computer software	Trade name	Customer relationships	Other intangible assets	Total
At 30 June 2022	209,5	209,6	231,0	–	650,1
Additions	5,8	–	–	–	5,8
Loss of control of subsidiaries*	(153,8)	(23,5)	(154,3)	–	(331,6)
Disposals	(16,8)	–	–	–	(16,8)
Foreign exchange movements	2,1	29,3	22,2	–	53,6
Amortisation	(26,8)	–	(23,2)	–	(50,0)
At 30 June 2023	20,0	215,4	75,7	–	311,1
Additions	**4,7**	**–**	**–**	**16,1**	**20,8**
Disposals	**–**	**–**	**–**	**–**	**–**
Foreign exchange movements	**(0,2)**	**(7,5)**	**(2,0)**	**(0,7)**	**(10,4)**
Amortisation	**(8,9)**	**–**	**(13,1)**	**–**	**(22,0)**
At 30 June 2024	**15,6**	**207,9**	**60,6**	**15,4**	**299,5**

* *The loss of control of subsidiaries relates to the Group placing the MRPL Group into voluntary administration and the liquidation of Insig.*

With the exception of the trade name, the intangible assets included above have finite useful lives, over which the assets are amortised. Average amortisation periods are set out below.

The following amortisation periods are used for the amortisation of intangible assets:

– Patents and other rights	5 years	on a straight-line basis
– Computer software	2 to 10 years	on a straight-line basis
– Customer relationships	3 to 10 years	on a straight-line basis

The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. Refer to note 3 for details on impairment testing performed.

Intangible assets relating to computer software are still required for the day-to-day operations of entities as they are still functioning in the current environment. As a result of this, no impairment was recognised in the current financial year. Customer relationships were assessed for their ability to generate future economic benefits in the current environment and no impairment was recognised. The trade name recognised on the TNT acquisition was tested as part of the TNT CGU and no impairment was deemed necessary. Other intangibles consists of a computer management system purchased, not ready for use. Amortisation will be recognised once the system is setup and operational.

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5 Investment in associate companies

All amounts are expressed in millions of Rands	2024	2023
5.1 Investment in associate companies		
At beginning of year	–	1,7
Share of post-acquisition loss	–	(0,2)
Impairment	–	(1,5)
	–	–

Investment in associate companies relates to the investment in Bombela TKC Proprietary Limited which was fully impaired during FY2023 as a result of the associate being loss-making. The FY2024 share of the loss for the associate amounted to R20,5 thousand.

5.2 Details of associate companies

Name of associates	Place of incorporation	% of Ownership and votes 2024	% of Ownership and votes 2023	Main activity
Bombela TKC Proprietary Limited	South Africa	45,0	45,0	Construction

6 Other investments

All amounts are expressed in millions of Rands	2024	2023
6.1 Financial assets at fair value through profit or loss		
Investment in infrastructure service concession		
At beginning of year	–	1 442,2
Realisation of investment	–	(255,0)
Fair value adjustment recognised in the statement of financial performance	–	29,6
Disposal of investment^	–	(1 216,8)
	–	–

^ *The Group completed the transaction relating to the disposal of its investment in the Bombela Concession Company ("BCC") on 03 April 2023.*

The financial assets at fair value through profit or loss comprise the Group's interest in the following infrastructure service concession:

	% interest	2024	2023
Bombela Concession Company Proprietary Limited ("BCC")*	–	–	–

* *The fair value of the investment in BCC was previously determined using level 3 inputs per IFRS 13: Fair Value Measurement. In the prior year, the Group entered into a sale agreement with Intertoll International Holdings B.V (Intertoll). Due to the sale agreement, the Group's investment in BCC had been classified as level 1 in the fair value hierarchy as per IFRS 13 (FY2022: level 3 in the fair value hierarchy) as a quoted market price was accessible to the Group through means of the sale agreement. The purchase price of the investment in BCC per the sale agreement amounted to R1,4 billion. The Group completed the transaction relating to the disposal of its Investment in the BCC on 03 April 2023. The proceeds received were R1,2 billion (net of dividend distribution of R130 million and transaction costs of R44 million). As a consequence of the transaction having been concluded at fair value, no profit or loss on disposal was recognised in the Consolidated Statement of Financial Performance, for the disposal of the shares.*

All amounts are expressed in millions of Rands	2024	2023
6.2 Financial assets at amortised cost		
At beginning of year	1,7	1,6
Release of provision	–	0,1
Repayment	(0,1)	–
	1,6	1,7
Total other investments	1,6	1,7

Notes to the annual financial statements *continued*

for the year ended 30 June 2024

7 Inventories

All amounts are expressed in millions of Rands	2024	2023
Consumable stores	**142,2**	137,7
Finished goods	**0,6**	102,5
	142,8	240,2

Inventories are valued at the lower of cost or net realisable value.

The cost of inventories recognised as an expense includes R7,4 million (FY2023: R16,1 million) in respect of write-downs of inventory to net realisable value and has been reduced by Rnil million (FY2023: Rnil million) in respect of the reversal of such write-downs.

8 Amounts from/to contract customers

All amounts are expressed in millions of Rands	2024	2023* Restated
Contract asset		
Contracts-in-progress (cost incurred plus recognised profits, less recognised losses)	**984,6**	988,6
Uncertified claims and variations^	**498,7**	445,1
Contract receivable		
Amounts receivable on contracts (net of impairment provisions)	**1 168,3**	1 338,4
Retentions receivable (net of impairment provisions)	**172,3**	193,3
	2 823,9	2 965,4
Amounts received in excess of work completed (overclaims and advances)^	**(1 144,0)**	(702,3)
	1 679,9	2 263,1
Disclosed as:		
Amounts from contract customers	**2 823,9**	2 965,4
– Contract asset	**1 483,3**	1 433,7
– Contract receivable	**1 340,6**	1 531,7
Amounts to contract customers	**(1 144,0)**	(702,3)
	1 679,9	2 263,1

* *During the current year, the Group enhanced the presentation of the amounts from contract customers to separately present Contract Assets and Contract Receivables. The comparative information has been restated accordingly. Refer to note 41 for detail.*

^ *The Group uses legal experts, engineers and quantity surveyors to assess and apply probabilities when necessary in determining the amounts to be recognised relating to underclaims, uncertified revenue and contract debtors. The recoverability of amounts recognised are considered highly probable and where amounts are not considered to be highly probable, such amounts are impaired. The assessment of recoverability and impairment of the contract assets has been performed. The impairments recognised in the current year and prior year were not significant. The Group remains confident that revenue recognised as uncertified will be certified and paid once attendant commercial matters have been resolved.*

Amounts from contract customers and amounts to contract customers are classified as current assets and current liabilities, respectively, as the Group expects to realise the assets and settle the liabilities in its normal operating cycle.

Included in amounts from contract customers are uncertified claims and variations of R157 million which are expected to be realised in a period greater than 12 months. All other amounts included in amounts from contract customers are expected to be realised within 12 months. Included in amounts to contract customers are overclaims and advances of R98 million which are expected to be settled in a period greater than 12 months. All other amounts included in amounts to contract customers are expected to be settled within 12 months.

9 Other receivables

All amounts are expressed in millions of Rands	2024	2023
Trade receivables	20,5	25,5
Expected credit loss allowance	(3,9)	(7,2)
Amounts owing by joint operations and partners	29,5	27,6
Prepayments	61,4	142,2
Sundry loans	23,2	81,3
Deposits	11,6	30,2
Staff Loans	1,2	–
Value Added and Withholding Taxation receivable	51,2	48,4
Insurance Claim receivable	–	1,4
Sundry receivables	28,1	49,0
	222,8	398,4

Other receivables have been assessed in light of the ECL model. An expected credit loss allowance for trade receivables is reflected above. All other receivables reflected above have been deemed to be recoverable based on assessments performed. The recoverability of sundry loans are based on the assessment of the financial standing of the debtor. Sundry loans amounting to R37,6 million were written-off during the year, resulting in a significant reduction in sundry loans.

Details in respect of the Group's credit risk management policies are set out in note 38.6.

The carrying value of other receivables approximates their fair value due to the short term nature of these instruments.

Financial assets at amortised cost within other receivables amount to R94,6 million.

10 Cash and cash equivalents

For purposes of the consolidated statement of financial position, cash and cash equivalents and bank overdraft consist of:

All amounts are expressed in millions of Rands	2024	2023
Bank balances	1 491,4	1 253,1
Restricted cash	141,9	10,4
Cash and cash equivalents	1 633,3	1 263,5
Bank overdrafts	(330,4)	(479,4)

The increase in bank balances is due to profitable projects awarded in the Americas and TNT regions.

The reduction in the overdraft is due to the South African overdraft being refinanced and restructured. Refer to note 16 for further details.

For purposes of the consolidated statement of cash flows, cash and cash equivalents consist of:

All amounts are expressed in millions of Rands	2024	2023
Bank balances	1 491,4	1 253,1
Restricted cash	141,9	10,4
Cash and cash equivalents	1 633,3	1 263,5
Bank overdrafts*	–	(3,4)
Net cash and cash equivalents	1 633,3	1 260,1

* *Bank overdrafts which form part of financing activities are excluded from cash and cash equivalents for purposes of the consolidated statement of cash flows.*

Notes to the annual financial statements *continued*

for the year ended 30 June 2024

10 Cash and cash equivalents *continued*

Restricted cash

Cash and cash equivalents relating to restricted cash are mainly as a result of cash held in joint operations.

All amounts are expressed in millions of Rands	2024	2023
Restricted cash at the end of the financial year includes bank balances and cash as follows:		
Amounts held in escrow	85,5	–
Amounts held in joint operations	56,3	10,1
Amounts held in trust accounts	0,1	0,3
	141,9	10,4

11 Stated capital

All amounts are expressed in millions of Rands	2024	2023
11.1 Stated capital		
Authorised		
750 000 000 no par value shares		
Issued and fully paid		
444 736 118 ordinary shares at no par value	3 582,8	3 582,8
Less: Treasury shares at no par value	(853,8)	(888,9)
Net stated capital	2 729,0	2 693,9

Unissued

At 30 June 2024, the number of unissued shares was 305 263 882 (FY2023: 305 263 882).

All amounts are expressed in millions of Rands	2024	2023
11.2 Treasury shares		
Market value of treasury shares		
The Letsema BBBEE trusts and companies	53,3	23,9
Share incentive schemes	14,4	15,7
Shares forfeited, not yet sold	12,7	–

Reconciliation of issued shares: All amounts are expressed in number of shares	Notes	2024	2023
Issued and fully paid		444 736 118	444 736 118
Less: Treasury shares held by the Letsema BBBEE trusts and subsidiary companies*		(24 909 951)	(24 909 951)
Less: Treasury shares held by share incentive schemes	12	(6 744 149)	(16 379 174)
Less: Treasury shares held by the subsidiary companies forfeited, not yet sold		(5 942 429)	–
Net shares issued to public		407 139 589	403 446 993

* *Shares previously held by the Letsema BBBEE trusts were transferred to Murray & Roberts Limited in the current year.*

12 SHARE INCENTIVE SCHEMES – FORFEITABLE SHARE PLAN

The Murray & Roberts Holdings Limited Forfeitable Share Plan ("FSP") was approved by the shareholders in November 2012. The share plan is an equity-settled scheme.

Plans implemented		Notes	Balance at 30 June 2023	Granted during the year	Surrendered during the year	Transfer to own broker^	Exercised during the year	**Balance at 30 June 2024**	Weighted average share price of options exercised (cents)	Estimated fair value of FSP (cents)
01 October 2020	FSP-STI	1	146 568	–	–	(115 125)	(31 443)	**–**	58	540
01 October 2020	FSP	2	9 424 971	–	(4 861 735)	(2 269 187)	(2 294 049)	**–**	58	540
01 September 2021	FSP-STI	1 & 4	247 246	–	–	(106 569)	(38 516)	**102 161**	58	991
01 September 2022	FSP	3	6 329 902	–	(1 080 694)	–	–	**5 249 208**	–	890
01 September 2022	FSP-STI	1	230 487	–	–	(76 258)	(58 532)	**95 697**	58	890
01 September 2023	FSP-STI	1 & 4	–	1 297 083	–	–	–	**1 297 083**	–	62
			16 379 174	1 297 083	(5 942 429)	(2 567 139)	(2 422 540)	**6 744 149**		

^ *This relates to shares vested whereby the tax due is paid by the participant and the shares are transferred to the personal broker account of said participant.*

Notes:

1. *A compulsory automatic deferral scheme of part of the STI into forfeitable share awards as a LTI was introduced in September 2013 for selected employees. The LTI allocation has a three year vesting period (1/3 each year) and is not subject to performance conditions, but is subject to continued employment.*
2. *For the October 2020 scheme, the forfeitable shares cliff vested after three years, in October 2023, subject to satisfying certain performance conditions.*
3. *For the September 2022 scheme, the forfeitable shares will cliff vest after three years, in September 2025, subject to satisfying certain performance conditions. The weighted average remaining contractual life is 14 months.*
4. *The September 2021 and September 2023 awards were not made under the forfeitable share plan. Instead a cash settled conditional rights award was made in 2021 and a lump sum cash settled award in 2023. The weighted average remaining contractual life is 2 months for the 2021 award and 26 months for the 2023 award.*

The sub-optimal exercise assumption is not applicable to the FSP since the exercise is assumed to occur on vesting date.

The Group recognised total expenses of R13,8 million (FY2023: R7,9 million) relating to these share options during the year.

On 1 October 2020, 2 103 500 cash-settled conditional awards were granted to Mr. HJ Laas.

On 1 September 2021, 8 637 500 Group cash-settled conditional awards were granted (including the award to Mr. HJ Laas of 1 477 500 awards).

The cash-settled liability balance as at 30 June 2024 is R6,9 million (FY2023: R3,2 million).

Notes to the annual financial statements *continued*

for the year ended 30 June 2024

13 Translation reserve

All amounts are expressed in millions of Rands	2024	2023
Foreign currency translation reserve		
At beginning of year	**927,1**	1 600,4
Foreign currency translation movements	**(119,0)**	576,8
Translation of foreign entities reclassified through profit or loss on derecognition*	**–**	(1 250,1)
	808,1	927,1

* *The translation of foreign entities reclassified through profit or loss on derecognition relates to the Group placing the MRPL Group into voluntary administration and the liquidation of Insig.*

The foreign currency translation reserve is the result of exchange differences arising from the translation of the Group's foreign subsidiary companies to Rands, being the functional and reporting currency of the holding company.

14 Other capital reserves

All amounts are expressed in millions of Rands	2024	2023
Other reserves		
At the beginning of the year	**49,1**	58,4
Recognition of share-based payment	**13,8**	7,9
Remeasurement of retirement benefit obligations	**(8,4)**	–
Utilisation of reserve	**(35,9)**	(17,2)
	18,6	49,1

Other reserves mainly comprise the share based payment reserve (R8,7m), statutory reserve (R28,9m), retirement benefit obligation reserve (-R23,1m), and other minor reserves (R4,1m).

The capital redemption reserve fund represents retained earnings transferred to a non-distributable reserve on the redemption of previously issued redeemable preference shares of group companies.

The statutory reserve represents retained earnings of foreign subsidiary companies that are not available for distribution to shareholders in accordance with local laws.

The other non-distributable reserve comprises the fair value of the estimated consideration for acquiring the non-controlling interests in Ocean Flow International LLC from the non-controlling shareholder at the date of acquisition.

The share-based payment reserve represents the total cost recognised for the Group's equity-settled share-based payments. The transfer to retained earnings in the current financial year reflects the value of the share-based payment reserve that was recognised in prior years relating to forfeitable shares that have vested in the current period.

The retirement benefit obligation reserve represents the remeasurement of the Group's retirement benefit obligation, recognised in terms of IAS 19: *Employee Benefits*.

15 Non-controlling interests

The non-controlling interests comprise:

All amounts are expressed in millions of Rands	2024	2023
Non-controlling interests in reserves		
At the beginning of the year	**33,3**	50,8
Share of attributable profit	**2,1**	1,9
Dividends declared and paid	**(32,1)**	(18,9)
Foreign exchange movements	**–**	(0,5)
	3,3	33,3

16 Secured liabilities

All amounts are expressed in millions of Rands	Notes	2024	2023
Liabilities of the Group are secured as follows:			
Bank Overdraft is secured by:		**330,4**	–
– Investments in Murray & Roberts United Kingdom and Murray & Roberts Cementation Africa, with a carrying value of R1,4 billion in the financial records of Murray & Roberts Limited (a subsidiary within the group). These investments are intercompany in nature and eliminate in the consolidated financial statements of Murray & Roberts Holdings Limited			
– Land and Buildings with a carrying value of R10,2 million			
– Cash and cash equivalents of R191,4 million			
– Amount from contract customers with a carrying value of R368,7 million			
– Other assets with a carrying value of R101,0 million			
Term loan arose in FY2023 secured by:		**–**	352,2
– Investments in Murray & Roberts United Kingdom and Murray & Roberts Cementation Africa, with a carrying value of R1,4 billion in the financial records of Murray & Roberts Limited (a subsidiary within the group). These investments are intercompany in nature and eliminate in the consolidated financial statements of Murray & Roberts Holdings Limited			
– Land and Buildings with a carrying value of R12,9 million			
– Cash and cash equivalents of R99,1 million			
– Amount due from contract customers with a carrying value of R693,4 million			
– Other assets with a carrying value of R142,6 million			
Loan A arose in FY2022 and is secured by:		**39,5**	65,9
– Murray & Roberts United Kingdom Parent Company Guarantee			
Loan B Restructured during the year – see Loan C		**–**	84,4
Loan C Raised during the year secured by:		**418,7**	–
– Property, plant and equipment with a carrying value of R429,9 million (FY2023: R309,5 million)			
– Vehicles with a carrying value of R3,0 million (FY2023: R4,6 million)			
– Land and Buildings with a carrying value of R96,7 million			
Instalment sale loans are secured by:		**325,8**	355,9
– Plant and machinery with a carrying value of R210,5 million (FY2023: R350,6 million)			
– Vehicles with a carrying value of R88,5 million (FY2023: R7,5 million)			
		1 114,4	858,4
Reflected in the statement of financial position under:			
Long term loans	17	**540,9**	575,8
Bank overdraft	10	**330,4**	–
Short term loans	24	**243,1**	282,6
		1 114,4	858,4

Notes to the annual financial statements *continued*

for the year ended 30 June 2024

17 Long term loans

All amounts are expressed in millions of Rands	Notes	2024	2023
17.1 Interest bearing secured loans			
Payable			
Within 1 year		**243,1**	282,6
Within the 2nd year		**331,3**	435,5
Within 3 to 5 years		**209,6**	140,3
Payable after the 5th year		**–**	–
		784,0	858,4
Less: Current portion	24	**(243,1)**	(282,6)
		540,9	575,8
17.2 Interest bearing unsecured loans			
Payable			
Within 1 year		**11,9**	39,2
Within the 2nd year		**–**	–
Within 3 to 5 years		**–**	–
		11,9	39,2
Less: Current portion	24	**(11,9)**	(39,2)
		–	–
17.3 Leases			
Minimum lease payments			
Within 1 year		**48,2**	34,3
Within the 2nd year		**35,5**	40,6
Within 3 to 5 years		**65,4**	107,9
Payable after the 5th year		**–**	–
		149,1	182,8
Less: Future finance charges		**(19,7)**	(26,7)
Present value of lease obligations		**129,4**	156,1
The present value of lease obligations can be analysed as follows:			
Within 1 year		**37,9**	25,7
Within 2nd year		**28,5**	34,5
Within 3 to 5 years		**63,0**	95,9
Payable after the 5th year		**–**	–
		129,4	156,1
Less: Current portion	24	**(37,9)**	(25,7)
		91,5	130,4
Total long term loans		**632,4**	706,2

The Group's current interest bearing unsecured loans are payable on demand whilst the long term secured loans and leases are regulated by contractual repayment terms in excess of 365 days and are supported by cross guarantees per region.

The Group's leases relate to project specific assets and commercial buildings leased.

With respect to the above long term loans, the fair value of these loans are considered to approximate their carrying amounts.

Details of the repayment terms of loans and the related interest rates are set out in Annexure 2. The assets encumbered to secure the loans are detailed in note 16. Details of the Group's interest rate risk management policies are set out in note 38. Details of loan movements are set out in note 34.

18 Retirement benefits

The retirement funds operated by the Group in the Republic of South Africa are registered as provident or pension funds and are accordingly governed by the Pension Fund Act No. 24 of 1956 (as amended).

18.1 Defined contribution plan – pension fund

The Group is a participating employer of the Sanlam Umbrella Pension Fund.

The total cost to the Group in respect of the above fund for the year ended 30 June 2024 was R27,9 million (FY2023: R29,8 million).

18.2 Defined benefit plan – pension scheme

The Group is the principal employer for a defined benefit pension scheme in the United Kingdom, the Multi Construction (UK) Limited Pension Scheme ("Scheme"). Membership comprises pensioners and deferred pensioners. The scheme provides benefits based on final salary and length of service on retirement, leaving service or death. The Scheme is managed by a board of trustees appointed in part by the Company and part from election of members of the Scheme.

All amounts are expressed in millions of Rands	2024	2023
Present value of funded liability	**53,6**	57,4
Fair value of plan assets	**(69,4)**	(68,8)
Present value of surplus*	**(15,8)**	(11,4)
Surplus asset not recognised	**15,8**	11,4
Present value of unfunded liability	**3,4**	–
Net defined benefit liability	**3,4**	–
Movements in the present value of the funded liability were as follows:		
Opening defined benefit obligation	**57,4**	55,1
Interest costs	**3,0**	2,1
Experience (gains)/losses on defined benefit obligation	**(0,2)**	3,5
Gains from changes to demographics assumptions	**–**	(1,1)
Losses/(gains) from changes to financial assumptions	**1,6**	(8,6)
Exchange differences on foreign plans	**(2,3)**	10,5
Benefits paid	**(5,9)**	(4,1)
	53,6	57,4
Movements in the fair value of plan assets were as follows:		
Opening fair value of plan assets	**68,8**	63,8
Interest on assets	**3,8**	2,5
Gains/(losses) on scheme assets	**0,8**	(10,0)
Contributions from the employer	**4,8**	4,3
Exchange differences on foreign plans	**(2,9)**	12,3
Benefits paid	**(5,9)**	(4,1)
	69,4	68,8
The major categories of plan assets at the end of the reporting period for each category were as follows:		
Debt instruments	**61,3**	58,9
Cash	**8,1**	9,9
	69,4	68,8

* *The present value of the unfunded asset has not been recognised by the Group as this is considered to be a contingent asset.*

The most recent actuarial valuations of the plan assets and the present value of the defined obligations were carried out at 30 June 2024 by Barnett Waddingham LLC. The present value of the defined benefit obligation and the related current service costs were measured using the Projected Unit Credit Method.

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18 Retirement benefits *continued*

18.2 Defined benefit plan – pension scheme *continued*

All amounts are expressed in millions of Rands	2024	2023
Amounts recognised in the statement of financial performance in respect of the defined benefit plan were as follows:		
Net interest cost	**(0,8)**	(0,4)
Past service cost	**–**	–
	(0,8)	(0,4)
Amounts recognised in other comprehensive income in respect of the defined benefit plan were as follows:		
(Gains)/losses on scheme assets in excess of interest	**(0,8)**	10,0
Experience (gain)/loss on defined benefit obligation	**(0,2)**	3,5
Gains from changes to demographics assumptions	**–**	(1,1)
Losses/(gains) from changes to financial assumptions	**1,6**	(8,6)
Other movements	**(16,4)**	(15,2)
Surplus asset not recognised	**15,8**	11,4
	–	–
The principal assumptions used for the purpose of the actuarial valuation were as follows:		
Discount rate	**5,1%**	5,5%
Rate of increase in pension payments	**3,8%**	3,8%
Rate of increase in pensions in deferment	**3,0%**	2,8%
Rate of inflation	**3,5%**	3,6%

The plan assets do not directly include any significant Group financial instruments, nor any property occupied by, or other assets used by the Group.

The Group expects to contribute R3,6 million to this defined benefit plan in 2025 (FY2024: R4,3 million).

All amounts are expressed in millions of Rands	Approximate effect on liabilities
Sensitivity analysis	
Adjustment to assumptions	
Discount rate – Plus 0.5% p.a.	**(2,2)**
Inflation – Less 0.5% p.a.	**(0,8)**
Mortality – Long term rate of mortality improvement of 0.25% p.a.	**0,3**

The Scheme exposes the Group to a number of risks:

Investment risk: The Scheme holds investments in asset classes, such as corporate bonds, which have volatile market values and, while these assets are expected to provide real returns over the long-term, the short-term volatility can cause additional funding to be required if deficits emerge.

Interest rate risk: The Scheme's liabilities are assessed using market yields on high quality corporate bonds to discount the liabilities. As the Scheme does not wholly invest in high quality corporate bonds, the value of the assets and liabilities may not move in the same way.

Inflation risk: A significant proportion of the benefits under the Scheme are linked to inflation. Although the Scheme's assets are expected to provide a good hedge against inflation over the long term, movements over the short-term could lead to deficits emerging.

Mortality risk: In the event that members live longer than assumed, a deficit will emerge in the scheme.

Concentration risk: A significant proportion of the plan's liabilities are in respect of a single pensioner member. The development of the liabilities over time will therefore depend heavily on the actual experience in respect of this member.

19 Long term provisions

Long term provisions relate to payroll provisions relating to employee benefits mainly in Corporate, Africa and the Americas.

All amounts are expressed in millions of Rands	2024	2023
At beginning of year	7,9	24,7
Loss of control of subsidiaries*	–	(20,0)
Additional raised	7,8	11,8
Utilised during the year	(3,2)	(1,6)
Released during the year	–	(8,1)
Foreign exchange movements	(0,3)	1,1
	12,2	7,9

* *The loss of control of subsidiaries relates to the Group placing MRPL into voluntary administration.*

The provisions have been determined based on assessments and estimates by management. Actual results could differ from estimates.

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20 Deferred taxation

All amounts are expressed in millions of Rands	2024	2023
20.1 Deferred taxation assets		
Inventory	**6,3**	5,1
Uncertified work and other construction temporary differences	**(169,5)**	(192,4)
Plant	**(55,3)**	(86,4)
Taxation losses	**104,4**	148,1
Receivables	**7,8**	8,4
Provisions and accruals	**87,9**	114,2
Advance payments received net of taxation allowances	**130,9**	95,9
Leases	**(1,5)**	5,7
Prepayments	**(22,2)**	(6,1)
Other	**(2,9)**	0,1
	85,9	92,6

Deferred taxation liabilities are offset against deferred taxation assets when there is a legally enforceable right to set off current taxation assets and liabilities and the deferred taxation assets and liabilities relate to income taxes levied by the same taxation authority.

	2024	2023
20.2 Reconciliation of deferred taxation assets		
At beginning of year	**92,6**	562,6
Credited to the statement of financial performance	**(6,7)**	(105,5)
Foreign exchange movements	**–**	28,3
Loss of control of subsidiaries*	**–**	(392,8)
	85,9	92,6

* *The loss of control of subsidiaries relates to the Group placing MRPL into voluntary administration.*

	2024	2023
20.3 Deferred taxation liabilities		
Uncertified work and other construction temporary differences	**18,0**	35,5
Plant	**173,3**	169,7
Taxation losses	**(2,4)**	(0,4)
Receivables	**(0,1)**	(0,1)
Provisions and accruals	**(52,1)**	(39,2)
Advanced payments received net of taxation allowances	**(0,5)**	0,4
Fair value adjustments	**(3,5)**	(3,8)
Leases	**(0,2)**	(0,5)
Other	**(12,5)**	(14,4)
	120,0	147,2

Deferred taxation assets are offset against deferred taxation liabilities when there is a legally enforceable right to set off current taxation assets and liabilities and the deferred taxation assets and liabilities relate to income taxes levied by the same taxation authority.

	2024	2023
20.4 Reconciliation of deferred taxation liabilities		
At beginning of year	**147,2**	89,4
Charged to the statement of financial performance	**(23,5)**	48,3
Foreign exchange movements	**(3,7)**	9,6
Loss of control of subsidiaries*	**–**	(0,1)
	120,0	147,2

* *The loss of control of subsidiaries relates to the Group placing MRPL into voluntary administration.*

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20 Deferred taxation *continued*

20.5 Unused taxation losses

The Group's results include a number of legal statutory entities which fall under a range of taxation jurisdictions. Deferred taxation assets are offset against deferred taxation liabilities only when there is a legally enforceable right to set off current taxation assets and liabilities and the deferred taxation assets and liabilities relate to income taxes levied by the same taxation authority.

At 30 June 2024, the Group has estimated unused taxation losses of R2,973 million (FY2023: R3,086 million) available for offset against future profits. Deferred taxation assets have been recognised in respect of R394 million (FY2023: R550 million) of such losses. No deferred taxation assets have been recognised in respect of the remaining R2,579 million (FY2023: R2,536 million) due to the unpredictability of future profit streams.

The Group performed an assessment based on the current operations and developments including a three year forecast for the financial years 2025 to 2027 which supports the recognition of deferred taxation assets in the statutory entities. Tax losses in South Africa of R2,938 million have no expiry date. The remaining tax losses of R35 million have an expiry date of between one and five years.

20.6 Withholding tax on dividends

The Group has available retained earnings in foreign subsidiary companies. Should such earnings be distributed to holding companies within the Group, the Group shall be liable to foreign withholding tax levied on dividends at the rate of between 0% and 15%. Should the subsidiaries declare all their retained earnings as dividends, the withholding tax payable is estimated to be R152 million (FY2023: R185 million).

21 Long term payables

All amounts are expressed in millions of Rands	2024	2023
Payables	164,8	218,9
	164,8	218,9

Long term payables relate to settlement agreements entered into on historic construction activities in South Africa. The decrease in long term payables is due to the settlement portion being reclassified to current liabilities.

22 Subcontractor liabilities

All amounts are expressed in millions of Rands	2024	2023
Current subcontractor liabilities	156,9	145,2
	156,9	145,2

The increase in subcontractor liabilities relates to increased obligations on significant new projects in Cementation Canada.

Notes to the annual financial statements *continued*

for the year ended 30 June 2024

23 Trade and other payables

All amounts are expressed in millions of Rands	2024	2023
Trade payables	1 042,6	903,6
Amounts owing to joint operations and partners	13,1	–
Payroll accruals	359,9	512,3
Accruals	787,2	840,7
Value added taxation payable	12,9	57,9
Voluntary Rebuild Programme	46,0	26,6
Other payables	155,4	190,4
	2 417,1	2 531,5

Decreased payroll accruals are due to reduced headcount and staff costs during the financial year.

Value added taxation payable decreased in accordance with taxable turnover, while the voluntary rebuild programme increased due to the maturity of R20 million reclassified from non-current payables.

The carrying value of trade and other payables approximates their fair value due to the short term nature of these instruments.

Financial liabilities at amortised cost included in trade and other payables amount to R2 269,2 million.

24 Short term loans

All amounts are expressed in millions of Rands	Notes	2024	2023
Current portion of long term loans:			
– Interest bearing secured	17	243,1	282,6
– Interest bearing unsecured	17	11,9	39,2
Current portion of leases	17	37,9	25,7
		292,9	347,5

25 Provisions for obligations

All amounts are expressed in millions of Rands	2024	2023
At beginning of year	254,0	214,3
Loss of control of subsidiaries	–	(64,0)
Additional raised	190,1	292,5
Released during the year	(10,7)	(61,0)
Utilised during the year	(111,0)	(141,9)
Foreign exchange movements	(14,4)	14,1
	308,0	254,0
Provisions for obligations comprise the following categories:		
Payroll provisions	174,0	135,5
Other provisions	134,0	118,5
	308,0	254,0

Payroll provisions
The payroll provision comprises amounts owed to employees relating to discretionary bonuses and severance pay or restructuring obligations.

Other provisions
Other provisions relates mainly to provisions raised on onerous contracts. The increase in other provisions relates mainly to a surety provided by a subsidiary in the continuing operations, to complete the works on a project entered into by a subsidiary in the discontinued operations, that was placed into liquidation as a result of the voluntary administration process of the MRPL Group.

26 Revenue

All amounts are expressed in millions of Rands	2024	2023
Construction contracts (over time)	12 992,4	11 714,7
Sale of goods (point in time)	92,8	450,5
Rendering of services (over time)	366,5	292,3
Properties (over time)	0,7	2,7
	13 452,4	12 460,2

27 Profit before interest and taxation

All amounts are expressed in millions of Rands	Notes	2024	2023
The items below comprise continuing operations only.			
Profit before interest and taxation is arrived at after taking into account:			
Items by nature			
Investment income other than interest:			
Fair value gain on investment at fair value through profit or loss		–	29,6
Amortisation of intangible assets	4	(22,0)	(23,0)
Auditors' remuneration:			
Fees for audits		(37,8)	(41,8)
Other services		(0,6)	(0,7)
Expenses		(0,2)	–
Compensation income from insurance		–	2,1
Depreciation:			
Land and buildings	2	(41,4)	(49,6)
Plant and machinery	2	(284,5)	(269,4)
Other equipment	2	(15,4)	(18,8)
Employee benefit expense:			
Salaries and wages		(5 237,6)	(5 971,8)
Forfeitable Share Plan expense – equity-settled		(13,8)	(7,9)
Forfeitable Share Plan (expense)/income – cash-settled		(4,7)	4,1
Pension and provident costs – defined contribution plans	18.1	(27,9)	(29,8)
Fees paid for:			
Managerial services		(81,3)	(64,6)
Technical services		(21,0)	(63,3)
Administrative services		(7,9)	(2,4)
Secretarial services		(5,8)	(3,0)
Other		(5,2)	(4,7)
Impairment charges/write downs:			
Property, plant and equipment	2	(10,2)	(10,0)
Inventory	7	(7,4)	(16,1)
Trade receivables	9	–	(3,0)
Sundry loans	9	(37,6)	–
Other receivables	9	(5,4)	(23,9)
Contract receivables		(13,0)	(17,0)
Investment in associate		–	(1,5)
Reversal of impairment loss recognised on trade and contract receivables		–	28,0

Notes to the annual financial statements *continued*

for the year ended 30 June 2024

27 Profit before interest and taxation *continued*

All amounts are expressed in millions of Rands	Notes	2024	2023
Profit or loss on disposals:			
Profit on disposal of property, plant and equipment		**18,9**	12,4
Loss on disposal of property, plant and equipment		**–**	(0,2)
Foreign exchange gains		**18,4**	33,8
Foreign exchange losses		**(16,9)**	(42,7)
Lease costs:			
Land and buildings		**(14,4)**	(16,2)
Other		**(7,0)**	(13,2)
Lease costs can be analysed as follows:			
Expense relating to short term leases		**(8,2)**	(16,3)
Expense relating to leases of low-value assets		**(6,4)**	(7,2)
Expense relating to variable lease payments not included in the measurement of lease liabilities		**(6,8)**	(5,9)
Computer expenses:			
Software costs		**(15,4)**	(10,2)
Consultation fees		**(37,7)**	(35,9)
Other		**(86,8)**	(76,7)
Direct costs:			
Materials		**(5 432,1)**	(3 881,2)
Subcontractor costs		**(577,0)**	(492,2)
Items by function			
Cost of sales*		**(12 056,3)**	(11 163,3)
Distribution and marketing costs		**(17,6)**	(22,2)
Administration costs		**(1 320,3)**	(1 406,4)
Other operating income		**111,9**	222,3

* *Cost of sales includes R88,4 million (FY2023: R418,6 million) relating to the cost of inventories sold during the year.*

Depreciation of R292,0 million is included in cost of sales and R49,3 million in administration costs.

Amortisation of R15,0 million is included in cost of sales and R7,0 million in administration costs.

28 Interest expense

All amounts are expressed in millions of Rands	2024	2023
Bank overdrafts	**93,3**	99,9
Present value expense	**7,1**	8,0
Leases	**14,0**	12,7
Loans and other liabilities	**53,3**	159,6
	167,7	280,2

29 Interest income

All amounts are expressed in millions of Rands	2024	2023
Bank balances and cash	**33,2**	10,8
Unlisted loan investment and other receivables	**4,4**	2,9
	37,6	13,7

30 Taxation expense

All amounts are expressed in millions of Rands	2024	2023
Major components of the taxation expense		
South African taxation		
Normal taxation – current year	1,9	7,5
Normal taxation – prior year	1,2	–
Deferred taxation – current year	9,3	(17,3)
Deferred taxation – prior year	–	(0,1)
Foreign taxation		
Normal income taxation and withholding taxation – current year	140,6	53,2
Normal income taxation and withholding taxation – prior year	0,3	(2,6)
Deferred taxation – current year	(30,2)	62,3
Deferred taxation – prior year	0,4	3,4
	123,5	106,4

South African income tax is calculated at 27% (FY2023: 27%) of the estimated assessable profit for the year. Taxation in other jurisdictions is calculated at the rates prevailing in the relevant jurisdictions. The tax rates excluding state and federal taxes currently applicable to USA and Canada are 21% and 28% respectively.

Reconciliation of the standard rate of taxation to the effective rate of taxation	2024 %	2023 %
South African standard rate of taxation*	27,0	27,0
Increase in rate of taxation due to:		
Corporate activities	10,7	(5,6)
Share incentive scheme costs	20,0	(4,0)
Goodwill and capital losses	19,5	(32,2)
Donations	0,4	(0,2)
Limitation of allowances	3,4	–
Non-deductible expenditure	19,7	(0,3)
Loss on sale of investment	–	(10,0)
Deemed interest	1,7	–
Non-deductible accounting costs	–	(1,2)
Taxation rate differentials on foreign companies		
– Africa	0,3	(0,1)
– Oceania	7,2	–
Current year's losses not recognised	176,1	(42,1)
Foreign withholding taxation	123,0	(6,1)
Imputed foreign income	–	(0,2)
Prior year adjustments	4,7	(10,3)
	413,7	(85,3)
Reduction in rate of taxation due to:		
Taxation rate differentials on foreign companies		
– Americas	(50,6)	6,4
Capital profits and non-taxable items	(4,6)	7,6
Non-taxable accounting revenue	(3,8)	0,7
Other taxation allowances and incentives	(11,7)	3,9
Taxation losses utilised	(34,3)	6,2
Effective rate of taxation	308,7	(60,5)

FY2024 taxation rate differentials on foreign companies have been split between the different jurisdictions.

* *The South African taxation rate is used for the reconciliation as the Company is South African resident and the tax rates of its major operations outside South Africa, namely Canada has similar tax rates to that of South Africa.*

The prior year adjustments are mainly a result of further expenditure considered to be non-deductible or related to greater tax allowances claimable when finalising tax submissions.

Notes to the annual financial statements *continued*

for the year ended 30 June 2024

30 Taxation expense *continued*

Murray & Roberts Holdings Limited is a multinational enterprise with a turnover of more than €750m in at least two of the four immediately preceding financial years in relation to the tested year. Therefore, it is potentially subject to the Organisation for Economic Cooperation and Development (OECD) Pillar Two Model Rules, which aim to ensure that the effective tax rate of affected entities is at least 15%.

Whilst Pillar Two legislation has not yet been enacted in South Africa, where the Group is ultimately parented, South Africa's National Treasury has published draft legislation and has indicated that this will come into effect for fiscal years commencing on or after 1 January 2024.

As the Pillar Two legislation will take effect for the 2025 financial year, the group has no related current tax exposure for the current year. The group applies the exception to recognise and disclose information about deferred tax assets and liabilities related to Pillar Two income taxes, as provided in the amendments to IAS 12 issued in May 2023.

The Group is in the process of assessing its exposure to the Pillar Two legislation and has engaged tax specialists to assist it with applying the legislation. Following preliminary analyses performed using data from the most recent Country-by-Country Report ('CbCR') prepared for the year ended 30 June 2023, there are a limited number of jurisdictions which are not expected to meet the Transitional CbCR Safe Harbour as contemplated in the OECD rules. However, it is anticipated that no material exposure will arise in these jurisdictions under the Pillar Two Rules, due to the impact of specific adjustments envisaged in the Pillar Two Rules. The Group is not aware of any events in the current year, ending 30 June 2024, which would give a materially different result. Due to the complexities in applying the Pillar Two Rules and calculating the Top-up Tax payable, the Group will work with its advisors to determine its exposure to Pillar Two Top-up Taxes, if any, once the legislation comes into effect.

31 DISPOSAL OF BUSINESS

The Group, through its wholly owned subsidiary Murray & Roberts Ltd ("MRL"), entered into a Sale of Business Agreement with Main Road Centurion 30311 (Pty) Ltd ("the Acquirer"), in terms of which MRL disposed of its 80% interest in Aarden Solar, a joint operation. Aarden Solar required further investment to support its growth trajectory, which the Acquirer will provide. As a wholesale business, Aarden Solar is not strategic to Murray & Roberts. The transaction consideration was R73,4 million and was applied to MRL's working capital requirements.

On 22 August 2023, the disposal of the investment in Aarden Solar became effective resulting in the derecognition of the assets and liabilities in the current financial period.

The Aarden Solar operation formed a part of the OptiPower operating business. The operation did not meet the criteria to be classified as discontinued operation as the Aarden Solar business did not represent a separate major line of business, nor it represent a major geographical area of operation.

In the Group accounts, Aarden Solar's financial information has been derecognised with effect from 22 August 2023. The purchase price of the investment in Aarden Solar per the sale agreement amounted to R73,4 million. The net asset value Aarden Solar amounted to R69,3 million. Consequently, resulting in a profit of R4,1 million recognised in the consolidated statement of financial performance for the year ended 30 June 2024.

R millions	Total
Non-current assets	
Property, plant and equipment	0,7
Total	0,7
Current Assets	
Inventories	73,4
Prepayments	32,8
Total	106,2
Total Assets	106,9
Current liabilities	
Amounts due to contract customers	37,6
Total	37,6
Total liabilities	37,6
Net assets	69,3
Consideration received	73,4
Profit on disposal of Business	4,1

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32 Discontinued operations, assets and liabilities classified as held for sale

32.1 (Loss)/profit for the year from discontinued operations

The discontinued operations comprise the Middle East Operations, the Southern Africa Infrastructure & Buildings Platform and Genrec.

Middle East Operations

The Middle East Operations were classified as a discontinued operation in the 2020 financial year as a result of being abandoned, as defined in terms of IFRS 5. Subsequent to abandonment of the Middle East Operations, an agreement was entered into to dispose of the operations and as a result thereof these companies met the criteria, in terms of IFRS 5, to be classified as a disposal group held for sale. The sale and purchase agreement to dispose of the operations was subsequently executed on 30 August 2021. At 15 March 2024, the original sale and purchase transaction had not concluded due to regulatory approval not being achieved. A new sale and purchase agreement was concluded with a new purchaser on 28 June 2024. The Middle East Operations continue to meet the criteria to be classified as a disposal group held for sale in terms of IFRS 5.

The claim made and summons issued by a UAE-based bank ("the bank") for AED150 million (plus costs and interest) against Murray & Roberts Limited on the strength of a Parent Company Guarantee continues in the High Court of South Africa. The legal proceedings are underway and are expected to be protracted and take several years to conclude.

Included in the current year loss from discontinued operations are operating costs of R31 million incurred mainly on legal fees.

MRPL Group and Insig

In the prior financial year, the MRPL Group and Insig were placed into voluntary administration, and as a result met the criteria to be classified as discontinued operations and had been deconsolidated from the Murray & Roberts Group as control ceased. These discontinued operations comprise Mining Australia (RUC Cementation Mining group ("RUC") and Insig Technologies ("Insig")), the Energy, Resources & Infrastructure Platform (Clough Limited group ("Clough")), Murray & Roberts Pty Limited ("MRPL"), together referred to as "MRPL Group and Insig". Related costs as a result of the voluntary administration are a further expense attributable to discontinued operations of R42 million (FY2023 :R155 million).

Southern Africa Infrastructure & Buildings Platform and Genrec

During the 2017 financial year, the Group disposed of its South African construction businesses held within the Southern Africa Infrastructure & Buildings operating business and Genrec. These businesses formed a separate major line of business that was disposed of and constituted a discontinued operation in terms of IFRS 5. As part of the disposal, certain assets and liabilities of the business, relating to ongoing litigation matters were retained in the Group. These items continue to be reported under discontinued operations until the matters are closed out.

Notes to the annual financial statements *continued*

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32 Discontinued operations, assets and liabilities classified as held for sale *continued*

32.1 (Loss)/profit for the year from discontinued operations *continued*

All amounts are expressed in millions of Rands	2024	2023
The (loss)/profit from discontinued operations is analysed as follows:		
Revenue		
Construction contracts	117,0	11 321,4
Rendering of services	–	29,4
Other revenue	–	612,7
	117,0	11 963,5
(Loss)/profit after taxation for the year is analysed as follows:		
Loss before depreciation, amortisation, interest and taxation	(13,3)	(1 104,3)
Depreciation	–	(343,5)
Amortisation of intangible assets	–	(27,0)
Loss before interest and taxation	(13,3)	(1 474,8)
Interest expense	–	(37,3)
Interest income	3,3	10,0
Loss before taxation	(10,0)	(1 502,1)
Taxation expense	–	(82,9)
Loss after taxation	(10,0)	(1 585,0)
Loss from equity accounted investments	–	–
Loss from discontinued operations	(10,0)	(1 585,0)
Loss on loss of control of MRPL Group and Insig	–	(1 156,9)
Derecognition of net asset value	–	(2 407,0)
Translation of foreign entities reclassified through profit or loss on derecognition	–	1 250,1
Related costs of voluntary administration	(42,3)	(155,0)
Loss from discontinued operations per the statement of financial performance	(52,3)	(2 896,9)
Attributable to:		
Owners of Murray & Roberts Holdings Limited	(52,3)	(2 896,9)
Non-controlling interests	–	–
	(52,3)	(2 896,9)
Cash flows from discontinued operations		
Cash flows from operating activities	(59,8)	(359,0)
Cash flows from investing activities	–	(1 554,0)
Cash flows from financing activities	53,6	381,0
Net decrease in cash and cash equivalents	(6,2)	(1 532,0)

32 Discontinued operations, assets and liabilities classified as held for sale *continued*

32.1 (Loss)/profit for the year from discontinued operations *continued*

All amounts are expressed in millions of Rands	2024	2023
(Loss)/profit before interest and taxation is arrived at after taking into account:		
Items by nature		
Investment income other than interest:		
Income from subleasing land and buildings	**–**	3,2
Amortisation of intangible assets	**–**	(27,0)
Auditors' remuneration:		
Fees for audits	**(0,2)**	(4,4)
Other services	**(0,1)**	(2,4)
Depreciation:		
Land and buildings	**–**	(46,5)
Plant and machinery	**–**	(292,8)
Other equipment	**–**	(4,2)
Employee benefit expense:		
Salaries and wages	**(78,9)**	(6 184,7)
Fees paid for:		
Administrative services	**–**	–
Other	**(42,9)**	(30,6)
Impairment charges:		
Goodwill	**–**	(126,2)
Other receivables	**–**	(170,5)
Profit or loss on disposals:		
Profit on disposal of property, plant and equipment	**–**	4,8
Foreign exchange gains	**–**	13,4
Foreign exchange losses	**(2,1)**	(13,5)
Lease costs:		
Land and buildings	**(0,1)**	(13,0)
Other	**(0,2)**	(0,2)
Lease costs can be analysed as follows:		
Expense relating to short term leases	**(0,3)**	(2,0)
Expense relating to variable lease payments not included in the measurement of lease liabilities	**–**	(11,2)
Computer expenses:		
Software costs	**–**	(57,3)
Other	**–**	(3,0)
Direct costs:		
Materials	**2,5**	(5 963,6)
Subcontractor costs	**–**	(20,5)
Items by function		
Cost of sales	**(49,6)**	(12 457,4)
Distribution and marketing costs	**–**	(4,9)
Administration costs	**(138,6)**	(1 005,4)
Other operating income	**15,6**	29,4

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32 Discontinued operations, assets and liabilities classified as held for sale *continued*

32.2 Assets and liabilities classified as held for sale

The assets and liabilities classified as held for sale below relate mainly to the Middle East Operation as per note 32.1 as well as Cementation Africa where property, plant and equipment has been classified as held for sale after meeting the requirements of IFRS 5.

All amounts are expressed in millions of Rands	2024	2023
Major classes of assets comprising the assets held for sale		
Property, plant and equipment	**60,4**	67,7
Other receivables	**1,7**	5,5
Amounts from contract customers	**945,2**	979,2
– Contract asset	**867,8**	899,0
– Contract receivable	**77,4**	80,2
Cash and cash equivalents	**11,5**	12,4
	1 018,8	1 064,8
Major classes of liabilities comprising the liabilities held for sale		
Trade & other payables	**159,3**	154,6
Subcontractor liabilities	**6,9**	7,8
Short term borrowings	**826,3**	818,4
	992,5	980,8

33 Loss and headline loss per share

33.1 Weighted average number of shares

Number of shares ('000)	2024	2023
Weighted average number of shares in issue	**444 736**	444 736
Less: Weighted average number of shares held by the Letsema BBBEE trusts	**(20 758)**	(25 055)
Less: Weighted average number of shares held by share incentive schemes	**(17 647)**	(16 566)
Weighted average number of shares in issue used in the determination of basic per share figures	**406 331**	403 115
Add: Dilutive adjustment	**3 273**	5 299
Weighted average number of shares in issue used in the determination of diluted per share figures	**409 604**	408 414

33.2 Earnings/(loss) per share

All amounts are expressed in millions of Rands	2024	2023
Reconciliation of earnings/(loss)		
Loss attributable to owners of Murray & Roberts Holdings Limited	**(137,9)**	(3 181,3)
Adjustments for discontinued operations		
Loss from discontinued operations	**52,3**	2 896,9
Non-controlling interests	**–**	–
Loss for the purposes of basic and diluted earnings per share from continuing operations	**(85,6)**	(284,4)
Loss per share from continuing and discontinued operations (cents)		
– Diluted	**(34)**	(789)
– Basic	**(34)**	(789)
Loss per share from continuing operations (cents)		
– Diluted	**(21)**	(71)
– Basic	**(21)**	(71)
Loss per share from discontinued operations (cents)		
– Diluted	**(13)**	(718)
– Basic	**(13)**	(718)

33 Loss and headline loss per share *continued*

33.3 Headline loss

Reconciliation of headline loss

All amounts are expressed in millions of Rands	2024 Gross pre-tax & non-controlling interests	2024 Net	2023 Gross pre-tax & non-controlling interests	2023 Net
Loss attributable to owners of Murray & Roberts Holdings Limited	**(14,4)**	**(137,9)**	(2 992,0)	(3 181,3)
Profit on disposal of property, plant and equipment	**(18,9)**	**(14,0)**	(17,2)	(13,5)
Loss on disposal of property, plant and equipment	**–**	**–**	0,2	0,2
Impairment of associate	**–**	**–**	1,5	1,5
Impairment of Goodwill	**–**	**–**	126,2	126,2
Impairment of property, plant and equipment	**10,2**	**8,2**	10,0	7,2
Compensation income from insurance	**–**	**–**	(2,1)	(2,1)
Loss on loss of control of subsidiaries	**–**	**–**	2 407,0	2 407,0
Translation of foreign entities reclassified through profit or loss on derecognition	**–**	**–**	(1 250,1)	(1 250,1)
Profit on disposal of property, plant and equipment held for sale	**(5,4)**	**(4,0)**	–	–
Profit on disposal of joint venture	**(4,1)**	**(3,0)**	–	–
Headline loss	**(32,6)**	**(150,7)**	(1 716,5)	(1 904,9)
Adjustments for discontinued operations:				
Loss from discontinued operations	**52,3**	**52,3**	1 502,1	2 896,9
Profit on disposal of property, plant and equipment	**–**	**–**	4,8	3,5
Loss on disposal of property, plant and equipment	**–**	**–**	–	–
Impairment of Goodwill	**–**	**–**	(126,2)	(126,2)
Loss on loss of control of subsidiaries	**–**	**–**	(2 407,0)	(2 407,0)
Translation of foreign entities reclassified through profit or loss on derecognition	**–**	**–**	1 250,1	1 250,1
Headline loss from continuing operations	**19,7**	**(98,4)**	(1 492,7)	(287,6)

	2024	2023
Headline loss per share from continuing and discontinued operations (cents):		
– Diluted	**(37)**	(473)
– Basic	**(37)**	(473)
Headline loss per share from continuing operations (cents):		
– Diluted	**(24)**	(71)
– Basic	**(24)**	(71)
Headline loss per share from discontinued operations (cents):		
– Diluted	**(13)**	(402)
– Basic	**(13)**	(402)

Notes to the annual financial statements *continued*

for the year ended 30 June 2024

34 Cash generated from operations

All amounts are expressed in millions of Rands	Notes	2024	2023
Profit/(loss) before interest and taxation (continuing and discontinued operations*)		114,5	(2 696,1)
Adjustments for non-cash items:			
Amortisation of intangible assets	4	22,0	50,0
Depreciation	2	341,3	681,3
Fair value gain on investments at fair value through profit or loss	6	–	(29,6)
Long term provisions raised and released	19	7,8	3,7
Provisions for obligations raised and released	25	179,4	231,5
Profit on disposal of property, plant and equipment		(18,9)	(17,2)
Profit on disposal of asset held for sale		(5,4)	–
Loss on disposal of property, plant and equipment		–	0,2
Profit on sale of Aarden Solar	31	(4,1)	–
Share-based payment expense	12	18,5	3,8
Impairment of assets		73,6	240,5
Impairment of Goodwill		–	126,2
Impairment of associate		–	1,5
Reversal of impairments of assets		–	(28,0)
Lease reassessment		(6,0)	(2,0)
Loss of control of subsidiaries		–	1 156,9
Foreign exchange and other non-cash items		6,9	116,0
Changes in working capital:		477,8	699,0
Inventories		16,0	(100,0)
Contracts-in-progress, contract receivables and other receivables		234,0	(2 353,0)
Trade and other payables		(226,2)	5 499,0
Subcontractor liabilities and amounts due to contract customers		454,0	(2 347,0)
		1 207,4	537,7

* *The loss before interest and taxation from discontinued operations includes the loss on loss of control of MRPL Group and Insig and the related costs of voluntary administration.*

Net cash/debt reconciliation	Net cash and cash equivalents	Borrowings (including leases)	Total
Net cash/(debt) at 30 June 2022	2 122,8	(3 195,8)	(1 073,0)
Total increase in cash and cash equivalents	231,1	–	231,1
Loans raised	–	(1 981,0)	(1 981,0)
Loans repaid	–	1 800,1	1 800,1
Leases repaid	–	124,5	124,5
Leases raised (non-cash)	–	(105,5)	(105,5)
Asset based finance raised	–	(145,8)	(145,8)
Lease reassessment and modification	–	(89,0)	(89,0)
Overdraft drawdowns	–	(1 303,0)	(1 303,0)
Overdraft repayments	–	2 207,1	2 207,1
Loss of control of subsidiaries	(1 298,4)	1 232,8	(65,6)
Foreign exchange movements	217,0	(79,8)	137,2
Other	–	5,7	5,7
Net cash/(debt) at 30 June 2023	1 272,5	(1 529,7)	(257,2)
Total increase in cash and cash equivalents	457,3	–	457,3
Loans raised	–	(483,1)	(483,1)
Loans repaid	–	645,8	645,8
Leases repaid	–	47,1	47,1
Leases raised (non-cash)	–	(17,3)	(17,3)
Asset based finance raised	–	(89,6)	(89,6)
Lease reassessment and modification	–	(4,9)	(4,9)
Overdraft drawdowns	–	(1 213,3)	(1 213,3)
Overdraft repayments	–	1 358,9	1 358,9
Foreign exchange movements	(85,0)	30,5	(54,5)
Net cash/(debt) at 30 June 2024	1 644,8	(1 255,6)	389,2

35 Taxation paid

All amounts are expressed in millions of Rands	2024	2023
Taxation receivable at the beginning of year	10,6	(139,5)
Foreign exchange movements	(1,2)	(5,3)
Taxation charged to the statement of financial performance, excluding deferred taxation	(140,4)	(40,1)
Loss of control of subsidiaries	–	67,4
Taxation unpaid at the end of the year	9,6	(10,6)
	(121,4)	(128,1)
Taxation unpaid at the end of the year comprises:		
Current taxation assets	(17,5)	(36,0)
Current taxation liabilities	27,0	25,4
	9,5	(10,6)

36 Joint operations

These are joint arrangements where the joint operators have rights to the assets and obligations for the liabilities relating to the arrangement.

Details of significant joint operations

	Nature of activities	Principal place of business and country of incorporation	2024 % Shareholding	2023 % Shareholding
The Group has the following significant joint operations:				
Mining				
Boipelo Mining Contractors	Coal Mining	South Africa	49,0	49,0
Consorcio TNT Vial y Vivies – DSD Chile Ltda	EPC – Spence SGO and SRR project	Chile	50,0	50,0
Constructora SK-TNT Ltda	EPC – Centinela DMC project	Chile	51,0	51,0

The criteria used to determine significant joint operations include contribution to revenue or the Group's share of obligations. A monetary threshold of R100 million has been used to determine significant joint operations for the current year.

37 CONTINGENT LIABILITIES

As a contracting Group, Murray & Roberts is in the ordinary course of its business involved in various disputes, a number of which arise when operations and projects are closed out and finalised. Depending on the merits, disputes can translate into claims and legal proceedings, which Murray & Roberts always rigorously defends. Where Murray & Roberts, in consultation with its legal advisors and counsels, believes the claims are predicated on weak and/or spurious grounds, and Murray & Roberts has sound and strong defences, no provision is made for any such claim, and they are aggregated and disclosed as contingent liabilities. The increase in financial institution guarantees relates mainly to claims in the Middle East and in the OptiPower operating business, which management do not believe poses a significant risk as the potential obligations will be disputed and defended. The Board does not believe that adverse decisions in any pending proceeding or claims against the Group will have a material adverse effect on the financial condition or future of the Group. The Group does not account for any potential contingent liabilities where a back-to-back arrangement exists with the clients or subcontractors and there is a legal right to offset (R1,4 billion).

All amounts are expressed in millions of Rands	2024	2023
Contingent liabilities	2 770,5	3 004,5
Financial institution guarantees given to third parties	2 772,4	2 522,1
Contingent liabilities and guarantees given to third parties arising from interests in joint operations included above amounted to^:	1 244,5	1 389,8

^ *Until the airport claim in the Middle East is resolved, which is now 16 years post delivery of the project, through existence of a Parent Company Guarantee, the Group has a potential contingent liability for any adverse determination against the Group by a Tribunal. No such tribunal has been established and it is the Group's expectation that the matter should be resolved in its favour. No amount is included above due to the unlikelihood of any such claim and no tribunal being established to determine any such amount.*

Notes to the annual financial statements *continued*

for the year ended 30 June 2024

38 Financial risk management

38.1 Capital risk management

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern (further detail provided in note 45) whilst maximising the return to stakeholders through optimisation of the debt and equity balances.

The capital structure of the Group consists of debt, which includes borrowings as disclosed in note 17 and note 24 and equity attributable to owners of Murray & Roberts Holdings Limited, comprising issued reserves and retained earnings as disclosed.

The Group has a target gearing ratio of 30%-45% determined on the proportion of debt to equity. The gearing ratio for the current financial year is 51% (FY2023: 55%) (excluding the impact of previously recognised operating leases and project specific asset-based finance) and the Group credit rating is BBB-.

The SA Group was in breach of the current ratio covenant as at 30 June 2024. New covenants, however, were agreed after year end and these covenants when measured for the 30 June 2024 measurement period were met.

Covenants in Cementation Canada Inc. were met at 30 June 2024.

Details of all debt covenants in the Group have been reflected in the table below:

Facility	Toronto Dominion Bank Facility – Cementation Canada Inc.	SA Lenders – SA Group
Covenant Trigger and Proximity to being breached	1) Current Ratio: Requirement – equals or exceeds 1.25:1; Actual – 1.70:1 2) Debt Service Coverage Ratio: Requirement – equals or exceeds 1.25:1; Actual – 2.0:1 3) Total Funded Debt/EBITDA Ratio: Requirement – does not exceed 2.75:1; Actual – 1.71:1 4) Concentration of EBITDA and fixed assets in Obligors: Requirement – EBITDA minimum of 85%; Actual – 100%; Fixed assets minimum of 90%; Actual – 100% 5) Capital Expenditures: Requirement – maximum of CAD40 million; Actual – CAD19,6 million 6) Investments: Requirement – maximum of CAD12 million; Actual – CAD5,0 million 7) Acquisitions: Requirement – maximum of CAD25 million; Actual – CADnil Sufficient headroom deemed available for all debt covenants reflected above.	1) Interest Cover: Requirement – equals or exceeds 1.50:1; Actual – 4.23:1 2) Gross Debt to EBITDA: Requirement – does not exceed 2.50:1; Actual – 0.74:1 3) Current Ratio: Requirement – equals or exceeds 0.90:1; Actual – 0.81:1 The SA Group was in breach of the current ratio covenant as at 30 June 2024. New covenants, however, were agreed after year end and these covenants when measured for the 30 June 2024 measurement period were met. The new current ratio covenant is to equal or exceed 0.70:1.

The Board reviews the Group's debt usage and considers the risk thereof. The Group is subject to externally imposed capital requirements in the form of financial covenants which are actively managed by the Board.

38 Financial risk management *continued*

38.2 Financial instruments

The Group does not trade in financial instruments but, in the normal course of operations, is exposed to currency, credit, interest and liquidity risk.

In order to manage these risks, the Group may enter into transactions that make use of financial instruments. The Group's financial instruments consist mainly of deposits with banks, short term investments, accounts receivable and payable and interest bearing borrowings.

All amounts are expressed in millions of Rands	Notes	2024	2023
Categories of financial instruments			
Financial assets			
Financial assets at fair value through profit or loss (level 3)	6	**–**	–
Financial assets measured at amortised cost		**3 070,1**	2 981,1
Financial assets measured at amortised cost – held for sale	32	**89,0**	991,6
Financial liabilities			
Financial liabilities measured at amortised cost		**3 717,3**	4 046,9
Financial liabilities measured at amortised cost – held for sale	32	**992,5**	980,8

The fair value hierarchy introduces 3 levels of inputs based on the lowest level of input significant to the overall fair values:

Level 1 – quoted prices for similar instruments
Level 2 – directly observable market inputs other than Level 1 inputs
Level 3 – inputs not based on observable market data

38.3 Market risk

The Group operates in various countries and is exposed to the market risk evident in each specific country. The primary market risks identified relate to foreign currency fluctuations and interest rate fluctuations. The sensitivities relating to these market risks are detailed in notes 38.4 and 38.5.

38.4 Foreign currency and translation risk management

The Group has major operating entities in Canada and America and hence has an exposure to fluctuations in exchange rates. The Group may, from time-to-time, hedge its foreign currency exposure for either purchase or sale transactions through the use of foreign currency forward exchange contracts although no such significant transactions occurred in the current nor in the prior financial year.

Foreign currency and translation sensitivity

The Group is mainly exposed to the currencies of Canada and the United States of America. The following table details the Group's major foreign currencies and the sensitivity of a 1% decrease in the Rand against the relevant currencies. A 1% increase in the Rand would have an inverse, proportionate impact. The sensitivity includes only foreign currency denominated monetary items and adjusts their translation at the period end for a change in foreign currency rates. A positive number indicates an increase in profit and equity where the Rand weakens against the relevant currencies.

	Assets		Liabilities	
All amounts are expressed in millions of Rands	**2024**	2023	**2024**	2023
Canadian Dollar	**12,8**	12,5	**(8,9)**	(3,8)
US Dollar	**6,9**	9,4	**(2,2)**	(3,7)

Notes to the annual financial statements *continued*
for the year ended 30 June 2024

38 Financial risk management *continued*

38.4 Foreign currency and translation risk management *continued*

The carrying amount of the significant financial assets are denominated in the following currencies (amounts shown are in Rand equivalent):

All amounts are expressed in millions of Rands	2024	2023
Cash and cash equivalents		
Australian Dollar	2,6	3,7
Botswana Pula	8,9	8,6
British Pound	7,6	0,9
Canadian Dollar	771,5	753,0
Chile Pesos	82,0	24,0
Ghanaian New Cedi	0,1	5,4
Malawian Kwacha	–	0,1
Malaysian Ringgit	1,6	1,8
Mozambican Metical	0,3	0,3
Namibian Dollar	1,2	12,4
Omani Rial	0,2	0,3
South African Rand	205,9	123,2
Tanzanian Shilling	0,1	0,1
UAE Dirham	42,2	4,5
US Dollar	488,8	301,4
West African Franc	19,8	23,2
Zambian Kwacha	0,1	0,5
Other	0,4	0,1
	1 633,3	1 263,5

38 Financial risk management *continued*

38.4 Foreign currency and translation risk management *continued*

All amounts are expressed in millions of Rands	2024	2023
Trade and net contract receivables		
Australian Dollar	–	5,3
Botswana Pula	–	5,6
Canadian Dollar	510,2	494,7
Chile Pesos	206,7	42,7
Ghanaian New Cedi	0,8	3,1
Namibian Dollar	–	0,1
Omani Rial	41,5	43,0
South African Rand	409,2	383,1
US Dollar	206,2	638,1
West African Franc	2,3	6,7
Zambian Kwacha	5,1	8,5
Gross receivables	1 382,0	1 630,9
Contract receivables provisions	(20,9)	(38,2)
	1 361,1	1 592,7
The carrying amounts of the significant financial liabilities are denominated in the following currencies (amounts are shown in Rand equivalent):		
Bank overdrafts		
South African Rand	330,4	475,9
UAE Dirham	–	2,8
Other	–	0,7
	330,4	479,4
Trade payables and subcontractor liabilities		
Australian Dollar	2,9	47,0
Botswana Pula	14,6	16,0
Canadian Dollar	435,6	372,9
Chile Pesos	68,0	72,0
European Euro	0,8	–
Zambian Kwatcha	0,1	–
Malawian Kwatcha	1,7	0,5
Malaysian Ringgit	1,1	1,2
Swiss Franc	–	–
Namibian Dollar	0,1	0,2
Omani Rial	92,3	96,2
South African Rand	494,3	284,5
USA Dollar	87,3	157,8
Other	0,7	0,5
Gross liabilities	1 199,5	1 048,8

Notes to the annual financial statements *continued*
for the year ended 30 June 2024

38 Financial risk management *continued*

38.4 Foreign currency and translation risk management *continued*

All amounts are expressed in millions of Rands	2024	2023
Interest bearing liabilities		
Australian Dollar	39,5	66,0
British Pound	–	24,6
Canadian Dollar	458,4	8,9
Namibian Dollar	–	11,4
South African Rand	161,4	578,9
US Dollar	136,6	207,8
	795,9	897,6

38.5 INTEREST RATE RISK MANAGEMENT

Interest rate sensitivity

The Group is exposed to interest rate risk through its global operations in different geographical regions whereby interest rates vary in response to prevailing market rates. Furthermore, the Group utilises various forms of financing including significant usage of variable interest rate debt which increases its exposure to interest rate risk. The Group manages the impact of adverse interest rate movements through the use of interest rate management hedges should the need arise. There has been no use of interest rate hedges in the previous five years, however, the Group policy does make provision for this. Negotiation of borrowing facilities are managed through the corporate office in South Africa and through the operating business financial executives for offshore entities. Interest rate management including debt servicing is optimised and reviewed continually.

The sensitivity analysis below has been determined based on the exposure to interest rates for both derivative and non-derivative instruments at reporting date as well as changes to interest rates in both local and foreign markets. It assumes the stipulated change takes place at the beginning of the financial year and is held constant throughout the reporting period in the case of instruments that have floating rates.

The table below illustrates the Group's sensitivity on profits had the interest rates been 100 basis points higher and all other variables were held constant. A positive number indicates an increase in profit and other equity (in Rands) as a consequence of change in interest rates which are based on the prime interest rates of the countries listed below.

All amounts are expressed in millions of Rands	2024	2023
South Africa		
Basis points increase	100,0	100,0
Effect on profit and loss	(3,5)	(9,4)
Canada		
Basis points increase	100,0	100,0
Effect on profit and loss	3,1	7,4
United States of America		
Basis points increase	100,0	100,0
Effect on profit and loss	3,5	0,9

38 Financial risk management *continued*

38.6 Credit risk management

Credit risk refers to the risk that a counter party will default on its contractual obligations resulting in financial loss to the Group. Potential areas of credit risk consist of cash and cash equivalents, other receivables (net of provisions) and contract receivables (net of provisions).

Credit quality

Cash and cash equivalents:

The Group only deposits its money with large reputable financial institutions. Based on the credit risk ratings of the financial institutions, no significant expected credit loss was recognised. Below are the credit ratings in relation to the financial institutions the Group holds cash and cash equivalents with:

Financial Institution	Rating Agency	Rating
Standard Bank	Fitch	BBB-
ABSA	Fitch	BBB-
Nedbank	Standard & Poor's	BBB-
Rand Merchant Bank	Standard & Poor's	BBB-
Toronto Dominium Bank	Standard & Poor's	AA-
Bank of America	Fitch	AA-
Scotia Bank	Fitch	AA-
Banco Itaú	Fitch	AA-

Other receivables:

Other receivables subject to credit risk consist mostly of trade receivables, amounts owing by joint operations and partners and sundry receivables.

Amounts owing by joint arrangements and partners:

These receivables are governed by joint arrangement agreements that set out the rights and obligations of each partner. Joint arrangement partners are subject to financial reviews before a partnership is entered into and the risk relating to the partner is constantly monitored to assess any risks as they arise. The ECL assessment has been performed (evaluating all factors as outlined under contract receivables) resulting in an insignificant credit loss. All amounts have been evaluated on an entity specific basis and the credit risk has been deemed low based on the assessment performed.

Trade receivables:

Relates mostly to the rendering of services to the same customer base as described under contract receivables. Other receivables is assessed with the contract receivables when assessing credit risk. The ECL allowance assessment performed in the current financial year resulted in an insignificant credit loss.

Amounts from contract customers:

Over the last five financial years the impairment and/or write-off of contract and trade receivables from continuing operations has been below R35 million per year on an average revenue of R15,4 billion and contract and trade receivables balance of R2,5 billion.

The Group's client base across the Group are mainly entities with a large market capitalisation and US parastatals.

Each operating business assesses the project risk (including credit risk) before a decision is made to tender. Higher risk projects are presented to the Group Audit & Risk Committee and the Group's Board to obtain approval to tender. Often approval will be granted subject to reducing the identified risk to an acceptable level. For clients where the credit risk is considered higher than normal, payment guarantees and/or property liens (Americas) would be obtained.

Certain projects (specifically in the mining sector) are lender financed and are indirectly controlled by such lenders. Lenders may, for example, include a requirement that a reputable contractor be used to execute the project or certain sections thereof. Lender financed projects reduce the overall credit risk on a project as the client would have been required to illustrate the financial viability of the project as well as the ability to repay the debt to the relevant financial institution, whilst being subject to debt covenants over the repayment period of the debt.

During the execution of projects, the work performed is certified and is therefore liquid and executable, which enables the Group to use the necessary commercial rights to its disposal to recover amounts receivable once they become due.

Notes to the annual financial statements *continued*

for the year ended 30 June 2024

38 Financial risk management *continued*

38.6 Credit risk management *continued*

Contract assets relating to uncertified claims and variations (i.e. uncertified revenue) are assessed in terms of IFRS 15. The Group utilises experts to assess probabilities (of revenue not reversing) in determining the amount to be recognised as uncertified revenue. An ECL allowance assessment was thereafter performed on uncertified claims and revenue balances and was noted to be insignificant. The factors outlined below (both macroeconomic and forward-looking information) were taken into account by adjusting the loss given default rate in arriving at this conclusion. The ECL allowance for uncertified claims and variations was performed on a customer specific basis for all customers (the client base mainly reflecting large listed customers with a large capitalisation and strong balance sheets). Factors outlined below indicated that there no significant increase in credit risk compared to the prior financial year.

ECLs are assessed on a customer specific basis, taking into account macroeconomic factors and forward-looking information impacting the customer.

Macroeconomic information considered for each customer, in assessing ECLs, includes the following:

- The industry and trading conditions in the relevant domestic markets in which the customer operates;
- Commodity prices impacting the customer's revenue;
- The political environment and geographical location impacting the customer's industry; and
- Economic growth and inflationary outlook in the short term, relevant to the customer.

The following customer specific forward-looking information is considered in the ECL assessments:

- Macroeconomic forecasts relevant to the customer as mentioned above;
- External credit ratings for customers;
- Outlook information on customers published; and
- Forecast financial information where available.

The above forward-looking and macroeconomic information is evaluated and the loss given default rate applied to the balances are adjusted to take the above factors into account in determining an appropriate ECL allowance.

No credit impaired assets contain any significant payment guarantees and collateral held as security.

The Group applies the simplified approach permitted by IFRS 9, which requires lifetime losses to be recognised from initial recognition of the receivable. At year end management believed that there was not considered to be a significant increase in credit risk relating to the respective assets outlined above.

The following represents the Group's maximum exposure, at reporting date to credit risk and after allowance for credit loss and netting where appropriate.

38 Financial risk management *continued*

38.6 Credit risk management *continued*

All amounts are expressed in millions of Rands	Bombela & Middle East	OptiPower	Mining	Corporate & Properties	Group
2024					
Cash and cash equivalents	**43,2**	**119,7**	**1 447,9**	**22,5**	**1 633,3**
Other receivables (net of provisions)	**0,7**	**9,8**	**65,8**	**18,3**	**94,6**
Contract receivables (net of provisions)	**41,5**	**61,1**	**1 238,0**	**–**	**1 340,6**
Assets held for sale	**89,0**	**–**	**–**	**–**	**89,0**
Total assets subject to credit risk	**174,4**	**190,6**	**2 751,7**	**40,8**	**3 157,5**
Assets not subject to credit risk	**928,8**	**618,0**	**3 404,5**	**51,5**	**5 002,8**
Total assets	**1 103,2**	**808,6**	**6 156,2**	**92,3**	**8 160,3**
2023					
Cash and cash equivalents	11,9	57,6	1 184,4	9,6	1 263,5
Other receivables (net of provisions)	0,6	71,2	70,2	42,3	184,3
Contract receivables (net of provisions)	43,0	37,9	1 450,8	–	1 531,7
Assets held for sale	991,6	–	–	–	991,6
Total assets subject to credit risk	1 047,1	166,7	2 705,4	51,9	3 971,1
Assets not subject to credit risk	89,2	684,1	3 572,3	70,6	4 416,2
Total assets	1 136,3	850,8	6 277,7	122,5	8 387,3
Financial assets subject to credit risk*					
2024					
Not past due	**6,5**	**132,0**	**2 224,7**	**34,5**	**2 397,7**
Past due	**338,4**	**66,6**	**540,5**	**9,6**	**955,1**
Expected credit loss allowance	**(170,5)**	**(8,0)**	**(13,5)**	**(3,3)**	**(195,3)**
Carrying value of financial assets	**174,4**	**190,6**	**2 751,7**	**40,8**	**3 157,5**
2023					
Not past due	1 174,5	72,9	2 432,1	13,4	3 692,9
Past due	43,1	103,8	321,9	41,9	510,7
Expected credit loss allowance	(170,5)	(10,0)	(48,6)	(3,4)	(232,5)
Carrying value of financial assets	1 047,1	166,7	2 705,4	51,9	3 971,1

* *Not past due relates to invoices not past the expected payment date for trade receivables, contract receivables and other receivables. Included in not past due is also cash and cash equivalents.*

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38 Financial risk management *continued*

38.6 Credit risk management *continued*

Financial assets that are past due, but not impaired

These are assets where contractual payments are past due, but where the Group does not expect a credit loss or future impairment as there has not been a significant change in credit quality and the amounts are still considered to be recoverable.

Over the last five financial years the expected credit loss and/or write-off of contract and trade receivables from continuing operations has been below R35 million per year on an average revenue of R15,4 billion and contract and trade receivables balance of R2,5 billion.

An expected credit loss of R9,3 million trade and contract receivables, and a write-off of R46,6 million on other receivables were recognised, mainly related to sundry loans.

An amount of R6 million is considered to be past due, but not impaired for trade receivables whilst an amount of R570,6 million is considered past due, but not impaired for contract debtors.

The age of receivables that are past due but not impaired is:

All amounts are expressed in millions of Rands	< Three months	Three to six months	Six to twelve months	> Twelve months	Total
2024					
Trade receivables	**–**	**–**	**6,0**	**–**	**6,0**
Contract receivables	**344,1**	**60,2**	**65,8**	**100,5**	**570,6**
Other receivables	**22,9**	**6,3**	**46,9**	**302,4**	**378,5**
	367,0	**66,5**	**118,7**	**402,9**	**955,1**
2023					
Trade receivables	2,3	0,5	0,5	–	3,3
Contract receivables	145,9	58,7	20,4	108,0	333,0
Other receivables	74,5	11,8	31,7	56,4	174,4
	222,7	71,0	52,6	164,4	510,7

Expected credit loss allowance per segment

The Group decided to apply the simplified approach permitted by IFRS 9, which requires lifetime losses to be recognised from initial recognition of the receivable. At year end management believed that any material credit risk exposure was covered by ECL provisions.

All amounts are expressed in millions of Rands	Bombela & Middle East	OptiPower	Mining	Corporate & Properties	Group
2024					
Trade receivables	**170,5**	**–**	**0,6**	**3,3**	**174,4**
Contract receivables	**–**	**8,0**	**12,9**	**–**	**20,9**
	170,5	**8,0**	**13,5**	**3,3**	**195,3**
2023					
Trade receivables	170,5	–	27,6	3,4	201,5
Contract receivables	–	10,0	21,0	–	31,0
	170,5	10,0	48,6	3,4	232,5

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38 Financial risk management *continued*

38.6 Credit risk management *continued*

Reconciliation of expected credit loss allowance

	Bombela & Middle East	OptiPower	Mining	Corporate & Properties	Group
2024					
Balance at the beginning of the year	**170,5**	**10,0**	**48,6**	**3,4**	**232,5**
Raised during the year	**–**	**8,0**	**1,3**	**–**	**9,3**
Utilised during the year	**–**	**(10,0)**	**(26,1)**	**–**	**(36,1)**
Released during the year	**–**	**–**	**(9,3)**	**–**	**(9,3)**
Foreign exchange movements	**–**	**–**	**(1,0)**	**(0,1)**	**(1,1)**
	170,5	**8,0**	**13,5**	**3,3**	**195,3**

The release of the ECL allowance in the current year relates mainly to a favourable arbitration ruling.

	Bombela & Middle East	OptiPower	Mining	Corporate & Properties	Group
2023					
Balance at the beginning of the year	–	11,0	46,4	2,8	60,2
Raised during the year	170,5	–	43,9	–	214,4
Utilised during the year	–	(1,0)	(17,9)	–	(18,9)
Released during the year	–	–	(28,0)	–	(28,0)
Foreign exchange movements	–	–	4,2	0,6	4,8
	170,5	10,0	48,6	3,4	232,5

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38 Financial risk management *continued*

38.7 Liquidity risk management

The ultimate responsibility for liquidity risk management rests with the Board of directors. The Group's liquidity risk management involves maintaining sufficient cash and available funding through borrowing facilities to meet obligations when due. Management monitors rolling cash flow forecasts of the Group's liquidity reserves comprising debt, undrawn borrowing facilities and cash and cash equivalents based on expected cash flows. Cash flow forecasts are compiled by each business unit in accordance with the requirements set by the Group. Additional borrowing facilities that the Group has at its disposal to reduce liquidity risk are listed in the table below. Certain financial institution borrowing facilities restrict the movement of cash internationally between related group entities, before obtaining approval. The Group manages these restrictions by ensuring that the appropriate level of facilities are in place within different operating regions. Currently, the four South African lending banks are permitting drawdowns against the overdraft facilities. However, the remaining facilities which are currently fully drawn are not available for utilisation as they reduce, and the Group is exploring alternative facility providers.

Borrowing capacity

The Company's borrowing capacity is unlimited in terms of its Memorandum of Incorporation.

	Local			Foreign		
All amounts are expressed in millions of Rands	**Utilised**	**Available**	**Total**	**Utilised**	**Available**	**Total**
Borrowing facilities						
2024						
Direct facilities						
Long term funding	**–**	**–**	**–**	**339,3**	**371,3**	**710,6**
Short term funding (overdraft facility)	**330,4**	**78,6**	**409,0**	**118,9**	**–**	**118,9**
Short term funding (cash management facility)	**–**	**60,6**	**60,6**	**–**	**–**	**–**
Asset based finance	**301,8**	**9,9**	**311,7**	**176,2**	**93,3**	**269,5**
Letters of credit	**–**	**–**	**–**	**–**	**–**	**–**
	632,2	**149,1**	**781,3**	**634,4**	**464,6**	**1 099,0**
Indirect facilities						
Guarantees	**2 065,6**	**57,0**	**2 122,6**	**706,9**	**583,3**	**1 290,2**
Foreign Exchange Contracts	**–**	**–**	**–**	**–**	**–**	**–**
Derivatives	**16,0**	**24,0**	**40,0**	**–**	**–**	**–**
	2 081,6	**81,0**	**2 162,6**	**706,9**	**583,3**	**1 290,2**
Total	**2 713,8**	**230,1**	**2 943,9**	**1 341,3**	**1 047,9**	**2 389,2**
2023						
Direct facilities						
Long term funding	350,0	–	350,0	150,3	853,9	1 004,2
Short term funding (overdraft facility)	476,0	174,1	650,1	24,6	–	24,6
Short term funding (cash management facility)	–	74,4	74,4	–	–	–
Asset based finance	443,8	3,6	447,4	132,2	133,5	265,7
Letters of credit	–	5,5	5,5	–	–	–
	1 269,8	257,6	1 527,4	307,1	987,4	1 294,5
Indirect facilities						
Guarantees	1 862,9	–	1 862,9	659,2	517,2	1 176,4
Foreign Exchange Contracts	–	5,0	5,0	–	–	–
Derivatives	52,1	1,9	54,0	–	–	–
	1 915,0	6,9	1 921,9	659,2	517,2	1 176,4
Total	3 184,8	264,5	3 449,3	966,3	1 504,6	2 470,9

38 Financial risk management *continued*

38.8 Maturity profile of financial instruments

The maturity profile of the recognised financial instruments are summarised as follows. These profiles represent the undiscounted cash flows that are expected to occur in the future.

All amounts are expressed in millions of Rands	Notes	**Within 1 year**	**Within the 2nd year**	**Within 3 to 5 years**	**Payable after the 5th year**	**Total**	**Carrying value**
2024							
Financial liabilities							
Bank overdrafts	10 & 41	**330,4**	**–**	**–**	**–**	**330,4**	**330,4**
Interest bearing liabilities*	17	**255,0**	**252,6**	**346,3**	**–**	**853,9**	**795,9**
Trade and other payables	23	**2 269,3**	**–**	**–**	**–**	**2 269,3**	**2 269,3**
Subcontractor liabilities	22	**156,9**	**–**	**–**	**–**	**156,9**	**156,9**
Long term payables	21	**21,3**	**91,1**	**52,4**	**–**	**164,8**	**164,8**
Financial liabilities held for sale		**992,5**	**–**	**–**	**–**	**992,5**	**992,5**

The current maturity of the recognised financial instruments are as follows:

All amounts are expressed in millions of Rands	Notes	**< Three months**	**Three to six months**	**Six to twelve months**	**Total**
Bank overdrafts	10 & 41	**330,4**	**–**	**–**	**330,4**
Interest bearing liabilities*	17	**72,3**	**60,9**	**121,8**	**255,0**
Trade and other payables	23	**1 546,2**	**538,5**	**184,6**	**2 269,3**
Subcontractor liabilities	22	**30,7**	**16,9**	**109,3**	**156,9**
Long term payables	21	**21,3**	**–**	**–**	**21,3**
Financial liabilities held for sale		**–**	**–**	**992,5**	**992,5**

All amounts are expressed in millions of Rands	Notes	Within 1 year	Within the 2nd year	Within 3 to 5 years	Payable after the 5th year	Total	Carrying value
2023							
Financial liabilities							
Bank overdrafts	10 & 41	479,4	–	–	–	479,4	479,4
Interest bearing liabilities*	17	321,8	448,3	148,2	–	918,3	897,4
Trade and other payables	23	2 305,8	–	–	–	2 305,8	2 305,8
Subcontractor liabilities	22	145,2	–	–	–	145,2	145,2
Other payables		–	121,3	106,4	–	227,7	218,9
Financial liabilities held for sale		980,8	–	–	–	980,8	980,8

The current maturity of the recognised financial instruments are as follows:

All amounts are expressed in millions of Rands	Notes	< Three months	Three to six months	Six to twelve months	Total
Bank overdrafts	10 & 41	3,4	176,0	300,0	479,4
Interest bearing liabilities*	17	124,4	58,2	139,2	321,8
Non-interest bearing liabilities	17	–	–	–	–
Trade and other payables	23	1 859,9	365,3	80,6	2 305,8
Subcontractor liabilities	22	35,0	2,0	108,2	145,2
Long term payables	21	–	–	–	–
Financial liabilities held for sale		–	–	980,8	980,8

* *Excludes leases*

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39 Related party transactions, directors' emoluments and interest

39.1 Identity of related parties

The Group has a related party relationship with its subsidiary companies (Annexure 1), joint operations (note 36), retirement and other benefit plans (note 18) and with its directors, prescribed officers and key management personnel.

39.2 Related party transactions and balances

During the year the Company and its related parties, in the ordinary course of business, entered into various inter-group sale and purchase transactions. These transactions are no less favourable than those arranged with third parties.

Balances between the Company and the subsidiaries have been eliminated on consolidation and are not disclosed in this note.

No significant disclosable transactions with related parties other than key management remuneration were entered into during the year.

39.3 Transactions with key management personnel

The key management personnel compensation, excluding the directors and prescribed officers are:

All amounts are expressed in millions of Rands	2024	2023
Salaries	17,6	18,4
Retirement fund contributions	1,4	1,2
Allowances	0,1	0,1
Other benefits	3,0	0,1
Total guaranteed remuneration	22,1	19,8
Gain on Forfeitable Share Awards	4,2	1,3
Performance related	6,7	8,9
	33,0	30,0

Executive Directors
The remuneration of executive directors for the year ended 30 June 2024 was as follows:

	Total guaranteed remuneration R'000	Performance related* R'000	Gain on Forfeitable Share Awards R'000	Other** R'000	Total R'000
2024					
DF Grobler	6 200	2 604	341	–	9 145
HJ Laas	8 337	4 377	689	118	13 521
	14 537	6 981	1 030	118	22 666
2023					
DF Grobler	6 061	1 395	1 643	–	9 099
HJ Laas	8 337	2 501	3 283	118	14 239
	14 398	3 896	4 926	118	23 338

* *Performance bonuses are accounted for on an accrual basis to match the amount payable to the applicable financial year end. 30% (FY2023: 30%) of the performance bonus was deferred into forfeitable share awards.*

** *Fringe benefit on company vehicle in FY2024 and FY2023.*

39 Related party transactions, directors' emoluments and interest *continued*

39.3 Transactions with key management personnel *continued*

The remuneration of executive directors and key management personnel is determined by the Remuneration Committee having regard to the performance of individuals and market trends.

Prescribed officers

	Total guaranteed remuneration R'000	Performance related* R'000	Other** R'000	Gain on Forfeitable Share Awards R'000	Total R'000
2024					
M Da Costa	–	–	–	409	409
JJ Du Plessis***	4 080	2 387	–	49	6 516
S Harrison	3 985	400	–	150	4 535
T Mdluli	3 842	1 283	–	159	5 284
2023					
M Da Costa	–	–	175	1 174	1 349
S Harrison	3 986	538	–	577	5 101
IW Henstock (Resigned 12 December 2022)	775	–	1 462	–	2 237
T Mdluli	3 842	768	–	761	5 371

AUD	Total guaranteed remuneration AUD'000	Performance related AUD'000	Other** AUD'000	Gain on Forfeitable Share Awards AUD'000	Total AUD'000
2024					
M Da Costa	779	548	243	–	1 570
2023					
M Da Costa	833	138	–	–	971
P Bennett (Resigned 15 December 2022)	417	–	–	–	417

USD	Total guaranteed remuneration USD'000	Performance related USD'000	Other** USD'000	Gain on Forfeitable Share Awards USD'000	Total USD'000
2024					
E Smith***	437	275	–	64	776
S Kou***	364	189	–	90	643
2023					
E Smith	–	–	–	–	–
S Kou	–	–	–	–	–

* *Performance bonuses are accounted for on an accrual basis to match the amount payable to the applicable financial year end 30% (FY2023: 30%) of the performance bonus was deferred into forfeitable share awards.*

** *Payment in respect of redundancy costs in FY2024 and to purchase private life cover for 2 months, leave payout and 3.5 months consultancy fees in FY2023.*

*** *Joined the Board on 1 March 2024.*

Notes to the annual financial statements *continued*

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39 Related party transactions, directors' emoluments and interest *continued*

39.3 Transactions with key management personnel *continued*

Non-Executive Directors

The level of fees for services as directors, additional fees for service on the board committees and the chairman's fee are reviewed annually.

The remuneration of non-executive directors for the year ended 30 June 2024 excluding Independent Board Fees was:

	Directors fees R'000	Special board R'000	Committee fees R'000	Lead Independent fee R'000	Chairman's fee R'000	**Total 2024 R'000**	Total 2023 R'000
JA Boggenpoel	385	100	190	–	–	**675**	1 017
R Havenstein	–	100	–	1 334	–	**1 434**	1 670
SP Kana	–	–	–	–	1 890	**1 890**	1 868
NB Langa-Royds[1]	–	–	–	–	–	**–**	510
AK Maditsi	385	100	472	–	–	**957**	1 225
B Mawasha[2]	–	–	–	–	–	**–**	103
A Muller	385	100	354	–	–	**839**	1 155
DC Radley[1]	–	–	–	–	–	**–**	471
CD Raphiri	385	100	190	–	–	**675**	1 151
	1 540	500	1 206	1 334	1 890	**6 470**	9 170

1 Retired 3 November 2022.
2 Resigned 31 August 2022.

The remuneration of non-executive directors is submitted to the annual general meeting for approval in advance of such payment being made.

Share option: The movements in share options of executive directors during the year ended 30 June 2024 are:

Executive directors and prescribed officers

Cash-settled Conditional Rights

Name	Date	Opening Balance	Number of rights allocated	Value at grant date (R'000)	Number settled in the year	Number forfeited in the year	Closing balance
HJ Laas	Oct 20	2 103 500	–	–	(1 051 750)	(1 051 750)	–
HJ Laas	Sep 21	1 477 500	–	–	–	–	1 477 500
D Grobler	Sep 21	701 000	–	–	–	–	701 000
T Mdluli	Sep 21	322 500	–	–	–	–	322 500
S Harrison	Sep 21	297 500	–	–	–	–	297 500
M Da Costa	Sep 21	525 000	–	–	–	(43 750)	481 250

39 Related party transactions, directors' emoluments and interest *continued*

39.3 Transactions with key management personnel *continued*

Lump sum cash-settled long term incentive

Name	Date	Currency	Value of rights allocated	Settled in the year	Forfeited in the year	Closing balance
DF Grobler	Sep 23	ZAR	8 680 000	–	–	8 680 000
T Mdluli	Sep 23	ZAR	3 457 800	–	–	3 457 800
S Harrison	Sep 23	ZAR	3 188 600	–	–	3 188 600
JJ Du Plessis	Sep 23	ZAR	3 672 000	–	–	3 672 000
M Da Costa	Oct 22	AUD	842 400	–	(374 400)	468 000
M Da Costa	Oct 23	AUD	842 400	–	(655 200)	187 200
E Smith	Oct 20	USD	129 030	(64 515)	(64 515)	–
E Smith	Oct 21	USD	240 000	–	–	240 000
E Smith	Oct 22	USD	299 531	–	–	299 531
E Smith	Oct 23	USD	333 878	–	–	333 878
S Kou	Oct 20	USD	180 700	(90 350)	(90 350)	–
S Kou	Oct 21	USD	185 037	–	–	185 037
S Kou	Oct 22	USD	197 064	–	–	197 064
S Kou	Oct 23	USD	205 932	–	–	205 932

The movements in FSP shares of directors and prescribed officers during the year ended 30 June 2024 are:

	Balance at 1 July 2023	Granted during the year	Vested	Forfeited	**Balance at 30 June 2024**
M Da Costa	747 500	–	(373 750)	(373 750)	**–**
DF Grobler	1 803 000	–	(498 750)	(498 750)	**805 500**
S Harrison	789 000	–	(246 500)	(246 500)	**296 000**
T Mdluli	780 000	–	(229 500)	(229 500)	**321 000**
JJ Du Plessis	375 500	–	(85 000)	(85 000)	**205 500**

The movements in FSP STI shares of directors during the year ended 30 June 2024 are:

	Balance at 1 July 2023	Granted during the year	Vested	Forfeited	**Balance at 30 June 2024**
M Da Costa	145 049	–	(145 049)	–	**–**
DF Grobler	167 939	669 812	(88 917)	–	**748 834**
S Harrison	31 018	258 322	(11 850)	–	**277 490**
HJ Laas	193 194	–	(136 070)	–	**57 124**
T Mdluli	87 100	368 949	(44 557)	–	**411 492**

Interest of directors in contracts

A register detailing directors' interests in the Company is available for inspection at the Company's registered office.

Directors' service contracts

Executive directors and prescribed officers do not have fixed-term contracts, but are subject to notice periods of three months. Normal retirement of executive directors and senior management is at age 63, however this is subject to specific legislation in the countries within which Murray & Roberts operates. The Board had extended the tenure of HJ Laas ending 31 August 2024.

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40 Capital commitments

All amounts are expressed in millions of Rands	2024	2023
Approved by the directors, contracted and not provided in the statement of financial position	**230,1**	13,6
Approved by the directors, not yet contracted for	**126,0**	246,4
	356,1	260,0

41 Prior period restatement

During the current year, the Group reassessed the presentation of Amounts from contract customers. In order to enhance disclosure, management restated the Statement of Financial Position to disclose the contract asset and contract receivable separately.

The change noted above resulted in the Statement of Financial Position and Note 8 being restated as per below:

Consolidated Statement of Financial Position

All amounts are expressed in millions of Rands	Previously reported	Adjustment	Restated
Current Assets			
Amounts from contract customers	2 965,4	–	**2 965,4**
– Contract asset	–	1 433,7	**1 433,7**
– Contract receivable	–	1 531,7	**1 531,7**

Extract of note 8 to the annual financial statements

Amounts from/to contract customers

All amounts are expressed in millions of Rands	Previously reported	Adjustment	Restated
Disclosed as:			
Amounts from contract customers	2 965,4	–	**2 965,4**
– Contract asset	–	1 433,7	**1 433,7**
– Contract receivable	–	1 531,7	**1 531,7**
Amounts to contract customers	(702,3)	–	**(702,3)**
	2 263,1	–	**2 263,1**

42 Events after reporting period

The directors are not aware of any other matter or circumstance arising since the end of the financial year not otherwise dealt with in the Group and Company annual financial statements which significantly affects the financial position at 30 June 2024 or the results of its operations or cash flows for the year then ended. Events that occurred after the reporting period were indicative of conditions that arose after the reporting period in the normal course of business and did not have a material impact on the current financial year results.

43 Critical accounting estimates and judgements

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.

Key sources of estimation uncertainty

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The most significant estimates and assumptions made in the preparation of these consolidated financial statements are discussed below.

Revenue recognition and contract accounting

Other information

The Group uses certain assumptions and key factors in the management of and reporting for its contracting arrangements. These assumptions are material and relate to:

- The determination of performance obligations;
- The estimation of costs to completion and the determination of the percentage of completion;
- The estimation of contract profit margin;
- The estimation of onerous contract provisions;
- The recognition of penalties and claims on contracts;
- The recoverability of under claims (contracts-in-progress) and uncertified revenue balances; and
- The recognition of contract incentives.

Performance obligations

IFRS 15 provides guidance as to whether a construction contract or engineering service should be treated as one performance obligation or multiple performance obligations. If a construction contract had multiple sub-level performance obligations which are highly integrated with each other, the construction contract is considered a significant integrated service with one performance obligation. This requires judgement and each contract is assessed individually. In applying the IFRS 15 guidance most contracts are seen as single performance obligations for Group purposes.

The estimation of costs to completion and the determination of the percentage of completion

The use of the input method (percentage of completion) requires the Group to estimate the cost of construction and engineering services provided to date as a proportion of the total estimated cost of these services to be performed.

The use of the output method requires progress to be measured on a contract through direct measurement. The Group's engineers and quantity surveyors exercise their judgement in estimating progress based on performance on the contract or achievement of milestones.

Contract profit margin and onerous contract provisions

The total expected contract profit margin is dependent on the total estimated revenue and the total estimated cost. Where total estimated cost exceeds total estimated revenue, the unavoidable expected loss is provided for as an onerous contract provision.

Notes to the annual financial statements *continued*

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43 Critical accounting estimates and judgements *continued*

Revenue recognition and contract accounting *continued*

The recognition of penalties and claims on contracts

The recognition of penalties and claims on contracts requires significant estimation and judgement. The Group uses experts to assess the merits of claims for and against the Group, and to determine their quantum. Claims in favour of the Group are only recognised to the extent that it is highly probable that the revenue will not reverse.

The recoverability of under claims (contracts-in-progress) and uncertified revenue balances

Revenue may only be recognised when it is highly probable that the revenue will not be reversed. Assessing whether under claims and uncertified revenue balances are recoverable involves significant judgement. The Group's experts, engineers and quantity surveyors are required to estimate the probability/likelihood of revenue being reversed, when recognising under claims and uncertified revenue balances.

The recognition of contract incentives (variable consideration)

It is common for the Group's contracts with customers to include contract incentives (variable considerations) based on certain industry-related KPIs, such as bonuses or penalties based on specifications, timeliness of completion or minimum targets. Any variable consideration contained in a contract is only recognised to the extent that the Group deems it highly probable that a significant reversal in the amount of revenue recognised will not occur. The estimate is based on all available information including historic performance. When it is not highly probable that the group can avoid contract penalties, then those penalties are deducted from the total estimated revenue in determining revenue.

The Group utilises experts and probabilities in determining the amount to be recognised relating to uncertified revenues and that the amounts currently recognised are recoverable. Uncertified revenue recognised in the current year amounted to R498,7 million (FY2023: R445,1 million) (refer to note 8).

The level of revenue recognition on construction contracts, which includes a portion of the claims submitted, is prudent and justifiable in terms of each contract, given the complexity and magnitude of claims and variation orders still to be resolved.

Determining the type of joint arrangement

When a joint arrangement is within a separate legal entity, the Group performs further analysis on the underlying contractual agreements to determine whether the arrangement grants rights to assets and obligations for liabilities (joint operation), or grants rights to net assets (joint venture). The interpretation of contractual terms included in partner and project contracts with clients requires judgement. The joint arrangement partners' rights and obligations included in these agreements as well as whether the partners are jointly and severally liable to execute projects with third parties are key factors.

Estimated impairment of goodwill

Assumptions were made in assessing any possible impairment of goodwill. Details of these assumptions and risk factors are set out in note 3.

Estimation of the fair value of share options

Assumptions were made in the valuation of the Group's share options. Details of the assumptions used are set out in note 12.

Estimated value of employee benefit plans

Assumptions were made in the valuation of the Group's retirement and other benefit plans. Details of the assumptions and risk factors used are set out in note 18.

Recognition of deferred taxation assets

Deferred taxation is recognised for the carry forward of unused taxation losses and unused taxation credits to the extent that it is probable that future taxable profit will be available against which the unused taxation losses and unused taxation credits can be utilised. The assumptions and estimates made by management in raising these deferred taxation assets relate to the unpredictability of the geographical source of future profits and an evaluation of the level of taxation losses.

Recognition of trade name

Trade names are recognised as intangible assets at year end. The trade name arose on the acquisition of Tera Nova Technologies and is considered to have an indefinite useful life as there is no foreseeable limit to the period over which it is expected to generate cash flows. A valuation of the trade name is performed by an external party annually to assess for impairment and based on tests performed in the current year, no impairment was deemed necessary.

44 New standards and interpretations

44.1 New, amended and revised IFRS Accounting Standards adopted during FY2024

Standards/Interpretation	Type	Salient features of the change	Impact on financial position or performance
IAS 1: Presentation of Financial Statements and IFRS Practice Statement 2	Amendment	■ This amendment to IAS 1 requires companies to disclose their material accounting policy information rather than their significant accounting policies; ■ This amendment also provides a definition of material accounting policy information; ■ Further, the amendment clarifies that immaterial accounting policy information need not be disclosed; and ■ To support this amendment, the Board also amended IFRS Practice Statement 2 Making Materiality Judgements, to provide guidance on how to apply the concept of materiality to accounting policy disclosures.	No material impact
IAS 8: Accounting Policies, Changes in Accounting Estimates and Errors	Amendment	This amendment to IAS 8 clarifies how companies should distinguish between changes in accounting policies and changes in accounting estimates.	No impact
IAS 12: Income Taxes	Amendment	The amendments to IAS 12 Income Taxes require companies to recognise deferred tax on transactions that, on initial recognition, give rise to equal amounts of taxable and deductible temporary differences. They will typically apply to transactions such as leases of lessees and decommissioning obligations and will require the recognition of additional deferred tax assets and liabilities; The amendment should be applied to transactions that occur on or after the beginning of the earliest comparative period presented. In addition, entities should recognise deferred tax assets (to the extent that it is probable that they can be utilised) and deferred tax liabilities at the beginning of the earliest comparative period for all deductible and taxable temporary differences associated with: ■ Right-of-use assets and lease liabilities; and ■ Decommissioning, restoration and similar liabilities, and the corresponding amounts recognised as part of the cost of the related assets; and ■ The cumulative effect of recognising these adjustments is recognised in retained earnings, or another component of equity, as appropriate.	No impact
IAS 12: Income Taxes (OECD Pillar Two model rules)	Amendment	Refer to Note 30	Refer to Note 30
IFRS 17: Insurance Contracts	New Standard	■ IFRS 17 supersedes IFRS 4 Insurance Contracts and aims to increase comparability and transparency about profitability. The new standard introduces a new comprehensive model ("general model") for the recognition and measurement of liabilities arising from insurance contracts; ■ In addition, it includes a simplified approach and modifications to the general measurement model that can be applied in certain circumstances and to specific contracts, such as: » Reinsurance contracts held; » Direct participating contracts; and » Investment contracts with discretionary participation features. ■ Under the new standard, investment components are excluded from insurance revenue and service expenses. Entities can also choose to present the effect of changes in discount rates and other financial risks in profit or loss or OCI; and ■ The new standard includes various new disclosures and requires additional granularity in disclosures to assist users to assess the effects of insurance contracts on the entity's financial statements.	No impact on consolidated financial statements

Notes to the annual financial statements *continued*

for the year ended 30 June 2024

44 New standards and interpretations *continued*

44.2 Standards and interpretations not yet effective

Set out below are the significant new and revised accounting standards/interpretations that apply in the future, which have not been early adopted by management. Management is currently assessing the impact of these amendments and new interpretations.

Standards/Interpretation	Effective date	Type
IAS 1: Presentation of Financial Statements (classification of liabilities)	Financial years commencing on or after 1 January 2024	Amendment
IAS 1: Presentation of Financial Statements (classification of debt with covenants)	Financial years commencing on or after 1 January 2024	Amendment
IAS 7: Statement of Cash Flows (regarding supplier finance arrangements)	Financial years commencing on or after 1 January 2024	Amendment
IFRS 16: Leases (seller-lessee subsequently measures sale and leaseback transactions)	Financial years commencing on or after 1 January 2024	Amendment
IFRS 18: Presentation and Disclosures in Financial Statements	Financial years commencing on or after 1 January 2027	New Standard
IFRS 19: Subsidiaries without Public Accountability: Disclosures	Financial years commencing on or after 1 January 2027	New Standard
IFRS 7: Financial Instruments (classification and measurement of financial instruments)	Financial years commencing on or after 1 January 2026	Amendment
IFRS 7: Financial Instruments: Disclosures (regarding supplier finance arrangements)	Financial years commencing on or after 1 January 2024	Amendment
IFRS 9: Financial Instruments (classification and measurement of financial instruments)	Financial years commencing on or after 1 January 2026	Amendment

45 Going concern

DEVELOPMENTS IN THE BUSINESS

A smaller Murray & Roberts business

The voluntary administration of the Group's companies in Australia in December 2022, which followed the impact of COVID on Clough Limited, left the Group as a much smaller business, with a highly geared balance sheet and with liquidity constraints. Murray & Roberts is now a Group that provides engineering and contracting services primarily to the international mining market, and to the renewable energy and power infrastructure markets in Sub-Saharan Africa.

Mining Businesses

The Group's mining businesses generate most of its revenue and earnings and recorded good results for the financial period ended 30 June 2024. These businesses are diversified across the northern and southern hemispheres, trading under the Cementation brand. Cementation Americas is one of the market leaders in the North American market and Murray & Roberts Cementation in the Southern African market. These businesses are experiencing good market conditions as evidenced by growth in the order book. The Group established a new company in Australia, Cementation APAC, to service the Australia/Asia-Pacific region.

45 Going concern *continued*

Renewable Energy and Power Infrastructure Business

OptiPower recorded an operating loss during the financial period ended 30 June 2024. The loss largely resulted from liquidity constraints experienced by the Group, giving rise to delays in procurement and resultant increased costs to complete current projects. Based on forecasts, management expects this business to return to profitability in the next 12 months considering increased investment in the renewable energy and transmission market sectors in South Africa

Discontinued Middle East Operations

A Sale and Purchase Agreement for the sale of Murray & Roberts Contractors (Middle East) LLC (MRCME) and Murray & Roberts Contractors (Abu Dhabi) LLC (MRCAD) was concluded on 28 June 2024 and is subject to several conditions precedent.

The Al Mafraq Hospital project in Abu Dhabi was delivered by a joint venture in which MRCAD is a 30% member. Legal proceedings against the Abu Dhabi client regarding the project final account have failed to deliver a beneficial outcome for the joint venture. A UAE bank brought a claim for AED150 million (plus costs and interest) and a summons was issued against Murray & Roberts Limited through the High Court of South Africa, in relation to a Murray & Roberts Limited Parent Company Guarantee for bonds at the Al Mafraq Hospital project which were called by the client and paid out by the UAE bank. The legal proceedings are underway and are expected to be protracted and it may take several years to conclude.

Should the sale of MRCME and MRCAD not be successful, the companies will be liquidated.

Banking facilities in South Africa

The Group concluded a Common Terms Agreement with four South African banks (Banking Consortium) in November 2022 which inter alia provided for an overdraft facility of R0,65 billion and a term loan facility of R1,35 billion – a combined facility of R2 billion. At 30 June 2023, the overdraft facility was fully drawn, and the term loan was reduced to R0,35 billion after applying R1 billion of the proceeds arising from the sale of the Group's 50% shareholding in the Bombela Concession Company in April 2023, to reduce the term loan. In October 2023, the Group agreed a deleveraging plan with the Banking Consortium.

At 30 June 2024, the term loan facility was fully repaid and the overdraft facility (of which R330 million was drawn down at year end) reduced to R409 million. Debt was reduced through a special dividend from Cementation Americas in January 2024, cash from settling commercial issues on one of the Group's mining projects in South Africa, and the sale of a non-strategic investment in Aarden Solar. Cementation Americas renewed its banking facilities which provided for a CAD35 million amortising term facility, utilised for a special dividend of CAD30 million to Murray & Roberts Limited during the financial year, in support of its deleveraging initiatives.

The final milestone in the deleveraging plan was to refinance the remaining R409 million debt facility with the Banking Consortium. This milestone was not met by the milestone date and gave rise to a breach of the deleveraging agreement. This breach could have resulted in the facilities previously obtained, as detailed in Note 16 (Secured Liabilities), being called. The Board, however, subsequent to year-end signed a credit-approved term sheet with the Banking Consortium, which, subject to the achievement of certain milestones, provides for the remaining debt to be repaid by 31 January 2026. The terms of the credit-approved term sheet stays the call of the facilities and related securities.

The Board has resolved to sell non-core assets to meet the Group's obligations to the Banking Consortium. These assets have been independently valued and based on the valuations the value exceeds the value of the outstanding debt. If required, shareholder approval will be sought at the appropriate time.

The Board remains committed to refinance its debt with the Banking Consortium and negotiations with potential funders are continuing. Should the refinancing be successful, it will obviate the need for the disposal of assets.

The SA Group was in breach of the current ratio covenant as at 30 June 2024. New covenants were however agreed after year end and these covenants, when measured for the 30 June 2024 measurement period, were met.

The Board remains committed to refinance its debt with the Banking Consortium and negotiations with potential funders are continuing. Should the refinancing be successful, it will obviate the need for the disposal of assets.

The SA Group was in breach of the current ratio covenant as at 30 June 2024. New covenants were however agreed after year end and these covenants, when measured for the 30 June 2024 measurement period, were met.

Notes to the annual financial statements *continued*

for the year ended 30 June 2024

45 Going concern *continued*

Going concern assessment

The Group performed a going concern assessment for year-end reporting purposes, taking the developments in the business and banking facilities in South Africa as outlined above into consideration, as well as the cash flow forecast as described below

Cash Flow Forecast

Detailed cash flow forecasts for each of the Group's businesses were prepared for the 18-month period to December 2025, and stress-tested for key judgements and assumptions in relation to the secured and unsecured order book, forecast revenue and project margins, as well as the timing of cash flows. Based on these cash flow forecasts, the Group took the following aspects into consideration in assessing its liquidity needs and ongoing working capital requirements, its ability to repay the South African debt as it becomes due, and its ability to continue as a going concern:

- **South African debt:** On 28 August 2024, the Board signed a credit approved term sheet with the Banking Consortium, which provides for the current overdraft of R330 million plus further draw downs on the total available facility of R409 million to be repaid by 31 January 2026. Attempts to refinance this debt are ongoing, and a successful refinancing will obviate the need to sell non-core assets to repay this debt. Cash flows in the South African operations include a CAD10m dividend from Cementation Americas to be received prior to December 2024, to support the liquidity requirements of the South African operations.
- **Banking Facilities:** At 30 June 2024, the Group had the following facilities in place (disclosed in note 38.7):
  - Banking facilities in South Africa: Direct facilities (overdraft and asset-based finance) of R0,8 billion, with R0,2 billion of unutilised facilities. Indirect facilities (contract related guarantees) of R2,2 billion with R0,1 billion of unutilised facilities. Currently, the Banking Consortium is only permitting drawdowns against the R409 million overdraft facility and all unutilised direct and indirect facilities are unavailable to the Group. The Group is in the process of finalising terms with alternative asset-based finance and guarantee providers.
  - Foreign banking facilities: Direct banking facilities of R1,1 billion with R0,4 billion of unutilised facilities are available. Indirect banking facilities of R1,3 billion with R0,6 billion of unutilised facilities are available. Some of these facilities have limited availability for Group-wide use due to dividend distribution and intra-group limitations imposed by the foreign banks.
- **Order Book:** The Group has a strong secured order book which includes high-profile, multi-year projects.
- **Outstanding Claims:** There are several unresolved and long outstanding claims in favour of the Group, some of which are expected to be settled within the next 12 months forecast period.
- **Working Capital Management:** The Group is constantly reviewing working capital utilisation on projects and seeking ways to improve working capital management, which include agreeing new creditor and debtor terms and renegotiating onerous commercial arrangements on projects.
- **Debt and Cost reduction:** The Group is assisted by Deloitte as financial advisors in its efforts to reduce debt with the Banking Consortium, and to reduce costs. This included developing a sustainable capital structure and reducing overhead costs. Whilst it is continuing its efforts to refinance remaining debt with the Banking Consortium, the Group has implemented the following cost reduction initiatives.
  - Rationalised the Group organisational structure;
  - Reduced headcount at the Group corporate office;
  - Reduced IT expenditure and;
  - Reduced leased office floor space utilised by the South African operations.

Conclusion

Based on the above assessment, the Group is confident that it would be able to realise its assets and discharge its liabilities in the normal course of business. On 28 August 2024, a credit approved term sheet was signed with the Banking Consortium, providing for the remaining debt with the Banking Consortium to be repaid by 31 January 2026, and the directors, based on the information available and to the extent under the control of the directors, have no reason to believe that the signed term sheet will not be converted into a binding agreement. Furthermore, the cash flow forecasts show that Cementation Americas is expected to generate sufficient cash for it to declare the aforementioned dividends (subject to the close out of a commercial claim) to the South African operations. However, should this term sheet not be converted into a binding agreement, or dividends not be received from the international mining subsidiaries to support liquidity in South Africa, the Group may not be able to realise its assets and discharge its liabilities in the normal course of business. This gives rise to a material uncertainty that may cast significant doubt on the Group's ability to continue as a going concern.

Company statement of financial position

as at 30 June 2024

All amounts are expressed in millions of Rands	Notes	2024	2023
ASSETS			
Non-current assets			
Investment in subsidiary company	2	33,5	33,5
Amount due from subsidiary company	2	1 484,0	1 807,5
Total non-current assets		1 517,5	1 841,0
Current assets			
Cash and cash equivalents		–	–
Total current assets		–	–
Total assets		1 517,5	1 841,0
EQUITY AND LIABILITIES			
Equity			
Stated capital	4	3 582,8	3 582,8
Non-distributable reserves		9,9	18,2
Retained earnings		(2 079,6)	(1 762,6)
Total ordinary shareholders' equity		1 513,1	1 838,4
Current liabilities			
Trade and other payables		4,3	2,6
Current taxation liabilities		0,1	–
Total current liabilities		4,4	2,6
Total equity and liabilities		1 517,5	1 841,0

Company statement of financial performance

for the year ended 30 June 2024

All amounts are expressed in millions of Rands	2024	2023
Revenue		
Fees received from subsidiary company	7,2	9,7
Total expenses	(323,9)	(1 772,4)
Auditor's remuneration	(0,2)	(0,2)
JSE fees	(0,3)	(0,3)
Impairment	(325,3)	(1 778,5)
Share-based payment expense reversal	8,3	15,8
Other	(6,4)	(9,2)
Profit/(loss) before taxation	(316,7)	(1 762,7)
Taxation expense	(0,3)	–
Profit/(loss) for the year	(317,0)	(1 762,7)

Company statement of comprehensive income
for the year ended 30 June 2024

All amounts are expressed in millions of Rands	2024	2023
Profit/(loss) for the year	**(317,0)**	(1 762,7)
Other comprehensive income	**–**	–
Total comprehensive profit/(loss) for the year	**(317,0)**	(1 762,7)

Company statement of changes in equity
for the year ended 30 June 2024

All amounts are expressed in millions of Rands	Stated capital	Capital redemption reserve	Share-based payment reserve	Retained earnings	Attributable to owners of Murray & Roberts Holdings Limited
Balance at 01 July 2022	3 582,8	0,9	33,1	0,1	3 616,9
Total comprehensive loss for the year	–	–	–	(1 762,7)	(1 762,7)
Recognition of share-based payment	–	–	(10,7)	–	(10,7)
Utilisation of share-based payment reserve	–	–	(5,1)	–	(5,1)
Balance at 01 July 2023	**3 582,8**	**0,9**	**17,3**	**(1 762,6)**	**1 838,4**
Total comprehensive profit for the year	**–**	**–**	**–**	**(317,0)**	**(317,0)**
Recognition of share-based payment	**–**	**–**	**(3,5)**	**–**	**(3,5)**
Utilisation of share-based payment reserve	**–**	**–**	**(4,8)**	**–**	**(4,8)**
Balance at 30 June 2024	**3 582,8**	**0,9**	**9,0**	**(2 079,6)**	**1 513,1**

Company statement of cash flows

for the year ended 30 June 2024

All amounts are expressed in millions of Rands	2024	2023
Profit/(loss) before taxation	(316,7)	(1 762,7)
Adjustment for:		
Non-cash items	317,0	1 762,7
Changes in working capital	1,7	(3,5)
Decrease in other receivables	–	0,1
Increase/(decrease) in trade and other payables	1,7	(3,6)
Operating cash flow	2,0	(3,5)
Taxation paid	(0,2)	–
Cash flow from operating activities	1,8	(3,5)
Loans issued to subsidiary	(8,2)	(11,9)
Loan repayments received from subsidiary	6,4	14,6
Cash flow from investing activities	(1,8)	2,7
Cash flow from financing activities	–	–
Net decrease in cash and cash equivalents	–	(0,8)
Net cash and cash equivalents at beginning of year	–	0,8
Net cash and cash equivalents at end of year	–	–

Notes to the company financial statements

for the year ended 30 June 2024

1 Accounting policies

These financial statements are prepared according to the same accounting policies used in preparing the consolidated financial statements of the Group, other than accounting policy 1.3, which deals with the basis of consolidation and the retrospective adoption of IFRS 17 '*Insurance Contracts*'. The company has assessed all material contracts where it has potentially accepted significant insurance risk including issued guarantees. The company will continue to apply the requirements of IFRS 9 '*Financial Instruments*' to issued financial guarantee contracts.

The accounting policies are set out on pages 113 to 127.

2 Investment in subsidiary company

All amounts are expressed in millions of Rands	2024	2023
Shares at cost	**0,4**	0,4
Investment in shares – Forfeitable Share Plan	**33,1**	33,1
Amount due from subsidiary company	**3 587,8**	3 586,0
Impairment	**(2 103,8)**	(1 778,5)
	1 517,5	1 841,0

The amount due from subsidiary company (being Murray & Roberts Investments) is unsecured, interest free and does not have any fixed repayment terms (Annexure 1). The intention is to not call this loan in the next 12 months. The company monitors its credit exposure to loans advanced to the subsidiary on an ongoing basis by assessing the subsidiary's financial position at reporting date. Credit risk for loans to related parties has increased in the current year mainly as a result of the loss of various subsidiaries within the Group (refer to note 38 for further details). The ECL assessment has been performed by management by evaluating the liquidity position, future projected cash flows taking into account macro-economic factors and forward looking information as included in note 38.6. The ECL allowance was raised based on the assessment performed. The remaining value of the loan is deemed to be recoverable based on the cash flow forecast assessments performed.

3 Amount owing from Murray & Roberts Trust

All amounts are expressed in millions of Rands	2024	2023
Amount due	**235,0**	235,0
Impairment	**(235,0)**	(235,0)
	–	–

The amount due from the Murray & Roberts Trust ("Trust") is unsecured, interest free and does not have any fixed repayment terms.

The Company has subordinated its claims against the Trust in favour of all other creditors of the Trust. The agreement between the Trust and the Company will remain in force and in effect for as long as the liabilities of the Trust exceed its assets fairly valued.

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4 Stated capital

All amounts are expressed in millions of Rands	2024	2023
Authorised		
750 000 000 shares of no par value		
Issued and fully paid		
444 736 118 shares of no par value		
Net stated capital	3 582,8	3 582,8

5 Emoluments of directors

All amounts are expressed in millions of Rands	2024	2023
Executive directors (paid by subsidiary companies)	22,7	23,3
Non-executive directors (paid by the Company)	6,5	9,2
Number of directors at year end	8	8

Details of individual director emoluments are disclosed in note 39 in the consolidated financial statements.

6 Contingent liabilities

All amounts are expressed in millions of Rands	2024	2023
There are contingent liabilities in respect of limited and unlimited guarantees covering loans, banking facilities and other obligations of joint operations, subsidiary companies and other persons. The contingent liabilities at 30 June 2024 covered by such guarantees amount to:	2 822,2	3 358,8

During the year ended 30 June 2024, IFRS 17 (Insurance Contracts) had been implemented by the Company in relation to Parent Company Guarantees provided to its subsidiary companies which were determined to be in scope. Management has performed an assessment on the guarantees and underlying projects and the likelihood of the guarantees being pulled is determined to be remote. Financial guarantees were assessed in accordance with IFRS 9, and was deemed insignificant.

7 Related party transactions

Balances between the Company and the subsidiaries have been disclosed in detail in note 2 and note 3.

Significant disclosable transactions with related parties other than emoluments of directors (note 5) were entered into during the year as follows:

All amounts are expressed in millions of Rands	2024	2023
Fees received		
Murray & Roberts Limited	7,2	9,7

8 Events after reporting period

The directors are not aware of any other matter or circumstance arising since the end of the financial year not otherwise dealt with in the Group and Company annual financial statements which significantly affects the financial position at 30 June 2024 or the results of its operations or cash flows for the year then ended.

Annexure 1
Major operating subsidiaries

a) Direct

	Issued share capital in Rands	Interest in issued share capital 2024 %	Interest in issued share capital 2023 %	Cost of investment 2024 Rm	Cost of investment 2023 Rm	Loan Account 2024 Rm	Loan Account 2023 Rm
Murray & Roberts Investments Limited	68 000	**100**	100	**0,4**	0,4	**1 484,0**	1 807,5

b) Indirect

		Issued share capital (in Rands unless otherwise stated)	Proportion ownership interest 2024 %	Proportion ownership interest 2023 %	Proportion of voting power held 2024 %	Proportion of voting power held 2023 %
Murray & Roberts Limited		60	**100**	100	**100**	100
Mining						
Cementation Canada Inc. (incorporated in Canada)	CAD	2 700 010	**100**	100	**100**	100
Murray & Roberts Cementation Proprietary Limited	ZAR	1 750 000	**100**	100	**100**	100
Cementation USA Inc. (incorporated in Nevada, United States of America)	USD	5 000	**100**	100	**100**	100
Terra Nova Technologies USA Inc. (incorporated in the USA)	USD	1	**100**	100	**100**	100

Annexure 2
Interest bearing borrowings

	Financial year of redemption	Closing interest rate (effective NACM – variable rates linked to primes rate of domiciled country) 2024 %	2023 %	Amount 2024 Rm	2023 Rm
Secured (note 16)					
Equal monthly instalments (USD)	2024	**–**	7,70	**–**	84,3
Quarterly (CAD)	2029	**7,09**	–	**418,7**	–
Annually (AUD)	2025	**6,90**	6,91	**39,5**	65,9
Annually (ZAR)	2024	**–**	11,42	**–**	352,2
Monthly (USD)	2027	**6,41**	5,97	**136,6**	123,4
Monthly (CAD)	2027	**6,61**	5,97	**39,7**	8,9
Monthly (NAD)	2023	**–**	11,00	**–**	11,4
Monthly (ZAR)	2023 – 2027	**10,78**	9,78	**149,5**	212,3
Bank overdrafts (ZAR)		**12,29**	–	**330,4**	–
				1 114,4	858,4
Unsecured					
No fixed terms of repayment (USD)		**–**	9,06	**–**	24,6
Various obligations each under R10 million at varying rates of interest and on varying terms of repayment (ZAR and AUD)		**10,75**	4,75	**11,9**	14,6
Bank overdrafts		**–**	–	**–**	479,4
				11,9	518,6
Leases					
Varying rates of interest^		**5,0 – 11,2**	5,0 – 8,5		
Specific project property, plant and equipment				**129,4**	156,1
Total Group				**1 255,7**	1 533,1
Reflected in the notes under:					
Long term loans (note 17)					
Interest bearing secured loans				**540,9**	575,8
Leases				**91,5**	130,4
Bank overdrafts (note 10)				**330,4**	479,4
Short term loans (note 24)					
Current portion of long term borrowings				**255,0**	321,8
Current portion of leases				**37,9**	25,7
				1 255,7	1 533,1

^ *Interest rate range on leases includes the rate implicit in the leases where applicable.*

Annexure 3
Group segmental report

The operating segments reflect the management structure of the Group which is based on the service offering of each operating segment in terms of the sector of the natural resources market to which that operating segment relates. This is also reflective of the manner in which performance is evaluated and resources allocated as managed by the Group's chief decision maker, as required per IFRS 8: *Operating Segments.*

The Group's operating segments are categorised as follows:

Bombela

PPP Investments & Services

This segment includes the Groups infrastructure concession investment in BCC. This was disposed of in the financial year ended 30 June 2023. The segment is retained for comparative purposes.

OptiPower (previously Power, Industrial & Water)

The operating business comprises the following: Project (which includes Power – Renewables and Gas, Petrochemical, Resources & Industrial), Water, Transmission & Distribution (which includes Electrical & Instrumentation) and PV Solar. The company is structured as a project execution business for the above sectors, offering EPC, SMEIP construction, as well as operations and maintenance services.

Mining

The operating business comprises the following: Murray & Roberts Cementation (Johannesburg-based); Cementation Canada (North Bay-based); Cementation USA (Salt Lake City-based) and Cementation Sudamérica (Santiago-based). Its geographic footprint is one of the largest in its industry, with a service offering that spans the project value chain including specialist engineering, shaft construction, mine development, raise drilling and contract mining.

Inter-segmental transfers

Segmental revenue, segmental expenses and segmental results include transfers between operating segments and between geographical segments. Such transfers are accounted for at arm's length prices. These transfers are eliminated on consolidation.

Segmental revenue and expenses

Segmental revenue and expenses are directly attributable to the segments.

Segmental assets

All operating assets of segments principally comprise property, plant and equipment, investments, inventories, intangible assets, contracts-in-progress and receivables, net of allowances. Cash and taxation balances are excluded. Segment assets are allocated to the geographic segments based on where the assets are located.

Segmental liabilities

All operating liabilities of segments principally comprise accounts payable, amounts to contract customers, subcontractor liabilities and external interest bearing borrowings. Bank overdrafts and taxation balances are excluded.

Discontinued operations

Discontinued operations in the current year comprise the Murray & Roberts Pty Ltd Middle East Operations, businesses included within the previous Southern Africa Infrastructure & Buildings Platform and the Genrec operations.

Annexure 3
Group segmental report *continued*

All amounts are expressed in millions of Rands	Bombela	OptiPower	Mining[3]	Corporate & Properties	Total
Continuing Segments					
2024					
Revenue[1]	–	1 671	11 780	1	13 452
Construction contracts	–	1 578	11 414	–	12 992
Sale of goods	–	93	–	–	93
Rendering of services	–	–	366	–	366
Properties	–	–	–	1	1
Intersegmental revenue	–	–	–	–	–
Gross revenue	–	1 671	11 780	1	13 452
Results					
(Loss)/profit before interest and taxation[2]	–	(98)	448	(180)	170
Interest expense	–	(4)	(71)	(93)	(168)
Interest income	–	3	30	5	38
(Loss)/profit before taxation	–	(99)	407	(268)	40
Taxation expense	–	(5)	(88)	(31)	(124)
(Loss)/profit after taxation	–	(104)	319	(299)	(84)
Non-controlling interests	–	2	–	–	2
	–	(102)	319	(299)	(82)
Other information					
Purchases of property, plant and equipment	–	21	397	1	419
Purchases of other intangible assets	–	–	21	–	21
Depreciation	–	18	307	17	342
Amortisation of other intangible assets	–	–	19	3	22
Impairment of trade receivables and contract receivables	–	47	9	–	56
Impairment of property, plant and equipment	–	–	10	–	10
Impairment of inventory	–	–	7	–	7
Salaries & wages	3	324	4 879	32	5 238
Fees paid	–	13	12	96	121
Computer costs	–	4	85	51	140
Direct material costs	–	1 374	4 058	–	5 432
Direct subcontractor costs	–	–	577	–	577
Number of employees	–	1 034	4 240	32	5 306

1 Segmental revenue reported above includes revenue generated from external customers.
2 The chief operating decision maker utilises profit/(loss) before interest and taxation in the assessment of a segment's performance.
3 Mining includes Cementation Africa and Cementation Americas.

Annexure 3
Group segmental report *continued*

All amounts are expressed in millions of Rands	Bombela	OptiPower	Mining[3]	Corporate & Properties	Total
Continuing Segments *continued*					
2023					
Revenue[1]	–	1 331	11 126	3	12 460
Construction contracts	–	881	10 834	–	11 715
Sale of goods	–	450	–	–	450
Rendering of services	–	–	292	–	292
Properties	–	–	–	3	3
Intersegmental revenue	–	–	–	–	–
Gross revenue	–	1 331	11 126	3	12 460
Results					
Profit/(loss) before interest and taxation[2]	30	(47)	313	(205)	91
Interest expense	(35)	(11)	(60)	(174)	(280)
Interest income	–	1	9	3	13
(Loss)/profit before taxation	(5)	(57)	262	(376)	(176)
Taxation expense	–	(2)	(97)	(7)	(106)
(Loss)/profit after taxation	(5)	(59)	165	(383)	(282)
Non-controlling interests	–	2	(4)	–	(2)
	(5)	(57)	161	(383)	(284)
2023					
Other information					
Purchases of property, plant and equipment	–	37	499	3	539
Purchases of other intangible assets	–	–	3	2	5
Depreciation	–	22	294	22	338
Amortisation of other intangible assets	–	–	20	3	23
Fair value adjustment on BCC	30	–	–	–	30
Impairment of trade receivables and contract receivables	–	–	44	–	44
Impairment of property, plant and equipment	–	–	10	–	10
Impairment of inventory	–	4	12	–	16
Salaries & wages	–	183	5 750	39	5 972
Fees paid	(18)	13	8	135	138
Computer costs	–	2	76	45	123
Direct material costs	–	1 091	2 790	–	3 881
Direct subcontractor costs	–	492	–	–	492
Number of employees	–	849	4 551	39	5 439

1 Segmental revenue reported above includes revenue generated from external customers.
2 The chief operating decision maker utilises profit/(loss) before interest and taxation in the assessment of a segment's performance.
3 Mining includes Cementation Africa and Cementation Americas.

Annexure 3
Group segmental report *continued*

All amounts are expressed in millions of Rands	Middle East	Mining Australia	Clough	Other[4]	Total
Discontinued Segments					
2024					
Revenue[1]	–	–	–	117	117
Construction contracts	–	–	–	117	117
Sale of goods	–	–	–	–	–
Rendering of services	–	–	–	–	–
Properties	–	–	–	–	–
Intersegmental revenue	–	–	–	–	–
Gross revenue	–	–	–	117	117
Results					
(Loss)/profit before interest and taxation[2]	(31)	37	8	(27)	(13)
Interest expense	–	–	–	–	–
Interest income	3	–	–	–	3
Loss before taxation	(28)	37	8	(27)	(10)
Taxation (expense)/credit	–	–	–	–	–
Loss after taxation	(28)	37	8	(27)	(10)
Loss from equity accounted investments	–	–	–	–	–
Loss from discontinued operations	(28)	37	8	(27)	(10)
Related costs of voluntary administration	–	(37)	(8)	3	(42)
Loss from discontinued operations per the statement of financial performance	(28)	–	–	(24)	(52)
Other information					
Purchases of property, plant and equipment	–	–	–	–	–
Purchases of other intangible assets	–	–	–	–	–
Depreciation	–	–	–	–	–
Amortisation of other intangible assets	–	–	–	–	–
Impairment of trade receivables and contract receivables	–	–	–	–	–
Impairment of goodwill	–	–	–	–	–
Salaries & wages	(13)	–	–	(66)	(79)
Fees paid	–	–	–	(43)	(43)
Computer costs	–	–	–	–	–
Direct material costs	–	–	–	3	3
Direct subcontractor costs	–	–	–	–	–
Loss on loss of control of subsidiaries	–	–	–	–	–
Number of employees	3	–	–	–	3

1 *Segmental revenue reported above includes revenue generated from external customers.*
2 *The chief operating decision maker utilises profit/(loss) before interest and taxation in the assessment of a segment's performance.*
3 *Mining Australia includes RUC and Insig.*
4 *Other includes Bombela CJV, Genrec Engineering, Construction SADC and Murray & Roberts Pty Limited.*

Annexure 3
Group segmental report *continued*

All amounts are expressed in millions of Rands	Middle East	Mining Australia	Clough	Other[4]	Total
Discontinued Segments *continued*					
2023					
Revenue[1]	–	2 070	9 858	36	11 964
Construction contracts	–	2 040	9 245	36	11 321
Sale of goods	–	–	–	–	–
Rendering of services	–	30	–	–	30
Properties	–	–	613	–	613
Other	–	–	–	–	–
Intersegmental revenue	–	–	–	–	–
Gross revenue	–	2 070	9 858	36	11 964
Results					
Profit/(loss) before interest and taxation[2]	(198)	45	(1 266)	(56)	(1 475)
Interest expense	(1)	(14)	(22)	–	(37)
Interest income	–	5	4	1	10
(Loss)/profit before taxation	(199)	36	(1 284)	(55)	(1 502)
Taxation (expense)/credit	–	(37)	(64)	18	(83)
(Loss)/profit after taxation	(199)	(1)	(1 348)	(37)	(1 585)
Loss from equity accounted investments	–	–	–	–	–
Loss on loss of control	–	(1 079)	(1 041)	963	(1 157)
Derecognition of net asset value	–	(1 079)	(1 041)	(287)	(2 407)
Translation of foreign entities reclassified through profit or loss on derecognition	–	–	–	1 250	1 250
Related costs of voluntary administration	–	–	–	(155)	(155)
Non-controlling interests	–	–	–	–	–
	(199)	(1 080)	(2 389)	771	(2 897)
Other information					
Purchases of property, plant and equipment	–	198	166	–	364
Purchases of other intangible assets	–	–	1	–	1
Depreciation	–	97	247	–	344
Amortisation of other intangible assets	–	2	25	–	27
Impairment of trade receivables and contract receivables	171	–	–	–	171
Impairment of goodwill	–	–	126	–	126
Salaries & wages	12	1 329	4 787	57	6 185
Fees paid	–	1	–	30	31
Computer costs	–	5	55	–	60
Direct material costs	–	–	442	5 521	5 963
Direct subcontractor costs	–	–	–	21	21
Loss on loss of control of subsidiaries	–	(1 079)	(1 041)	963	(1 157)
Number of employees	4	–	–	–	4

1 *Segmental revenue reported above includes revenue generated from external customers.*
2 *The chief operating decision maker utilises profit/(loss) before interest and taxation in the assessment of a segment's performance.*
3 *Mining Australia discontinued operations include RUC and Insig.*
4 *Other Includes Bombela CJV, Genrec Engineering, Construction SADC and Murray & Roberts Pty Limited.*

Annexure 3
Group segmental report *continued*

All amounts are expressed in millions of Rands	Notes	Bombela	OptiPower	Mining	Corporate & Properties	Discontinued Operations	Group
Operating segments							
2024							
Statement of financial position							
Segmental assets	1	**–**	**689**	**4 606**	**71**	**1 058**	**6 424**
Segmental liabilities	2	**–**	**708**	**3 900**	**384**	**1 132**	**6 124**
2023							
Statement of financial position							
Segmental assets	1	–	793	4 967	113	1 121	6 994
Segmental liabilities	2	–	713	3 235	740	1 207	5 895

* *Amounts included in segmental assets and liabilities.*

Notes

1 Reconciliation of segmental assets

All amounts are expressed in millions of Rands	2024	2023
Total assets	**8 160**	8 387
Cash and cash equivalents	**(1 633)**	(1 264)
Current taxation assets	**(17)**	(36)
Deferred taxation assets	**(86)**	(93)
Segmental assets	**6 424**	6 994

2 Reconciliation of segmental liabilities

All amounts are expressed in millions of Rands	2024	2023
Total liabilities	**6 601**	6 546
Bank overdrafts	**(330)**	(479)
Current taxation liabilities	**(27)**	(25)
Deferred taxation liabilities	**(120)**	(147)
	6 124	5 895

Geographical information

The Group operates in four principal geographical areas – Southern Africa, with South Africa as the country of domicile, Australasia & South East Asia and North America & other.

The Group's revenue from continuing operations from external customers by location of operations and information about its non-current assets by location of assets are detailed below.

	Revenue		Non-current assets*	
All amounts are expressed in millions of Rands	2024	2023	2024	2023
South Africa	**5 751,9**	5 129,1	**786,0**	498,2
Rest of Africa	**82,4**	227,0	**0,2**	70,1
Australasia & South East Asia	**16,5**	23,1	**–**	–
North America & other	**7 601,6**	7 081,0	**1 429,1**	1 758,1
	13 452,4	12 460,2	**2 215,3**	2 326,4

* *Non-current assets exclude deferred taxation assets.*

Major Customers

For the current financial year, revenue generated from Customer A of R2 283,4 million, Customer B of R2 142,5 million and Customer C of R501,8 million.

Annexure 4
Analysis of major shareholders (unaudited)

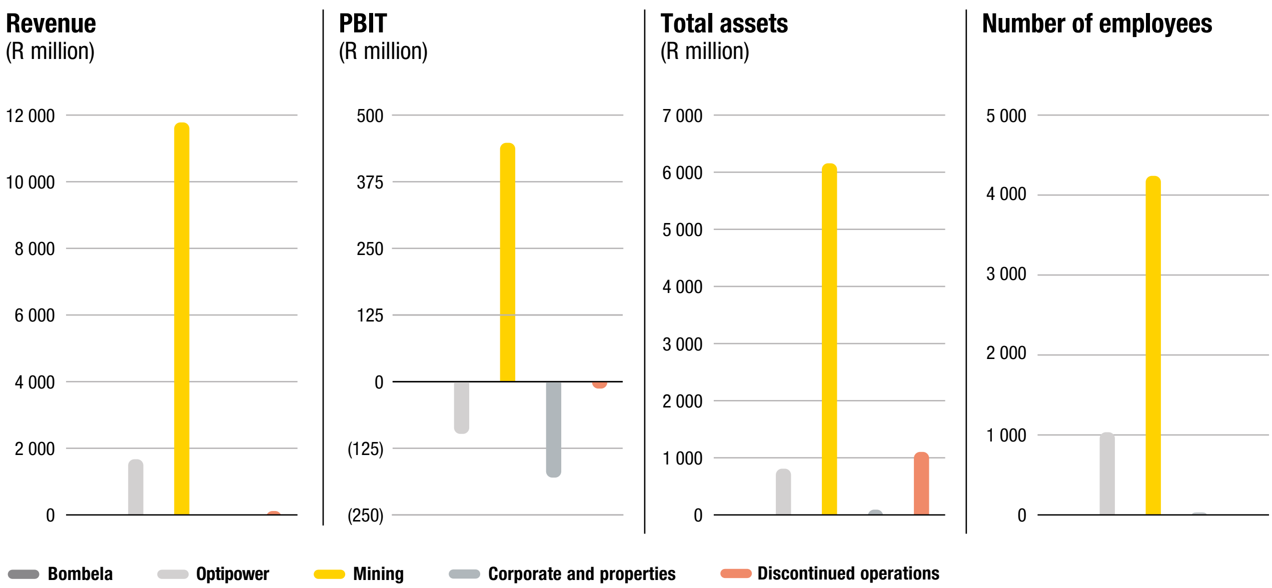
	Number of shares	% of shares
2024		
Major Shareholders Holding 5% or more of the Company's Ordinary Shares		
Aton Austria Holding GmbH	194 855 660	43,81
Excelsia Capital	24 423 286	5,49
Fund Managers Holding 5% or more of the Company's Ordinary Shares		
Aton Austria Holding GmbH	194 855 660	43,81
Excelsia Capital	24 423 286	5,49
Non-public shareholders		53,31
Public shareholders		46,69
2023		
Major Shareholders Holding 5% or more of the Company's Ordinary Shares		
Aton Austria Holding GmbH	194 855 660	43,81
Government Employees Pension Fund	41 417 750	9,31
Fund Managers Holding 5% or more of the Company's Ordinary Shares		
Aton Austria Holding GmbH	194 855 660	43,81
Public Investment Corporation SOC Ltd	42 974 278	9,66
Ninety One SA Ltd	27 073 958	6,09
Non-public shareholders		63,52
Public shareholders		36,48

Statement of value created

for the year ended 30 June 2024

All amounts are expressed in millions of Rands	2024	2023
Revenue	13 452,4	12 460,2
Less: Cost of materials, services and subcontractors	(7 668,9)	(8 950,7)
Value created	5 783,5	3 509,5
Distributed as follows:		
To employees		
Payroll costs	5 284,0	6 005,4
To providers of finance		
Net interest expense	130,1	266,5
To government		
Company taxation	144,0	58,1
To maintain and expand the Group		
Reserves available to ordinary shareholders	(137,9)	(3 181,3)
Depreciation	341,3	337,8
Amortisation	22,0	23,0
	225,4	(2 820,5)
	5 783,5	3 509,5
Number of people[1]	5 309	5 443
State and local taxes charged to the Group or collected on behalf of governments by the Group*		
Company taxation	144,0	58,1
Indirect taxation	751,3	702,2
Employees' tax	895,8	924,2
	1 620,9	1 684,4

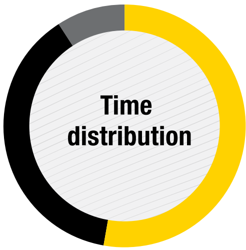
1 People includes direct joint arrangement hires and third party contractors of 1 155 (FY2023: 1 100).
** Excludes taxes in relation to the MRPL Group and Insig Technologies in FY2023.*



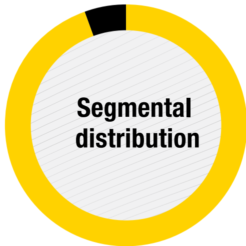
Statement of value created *continued*

for the year ended 30 June 2024

Order book

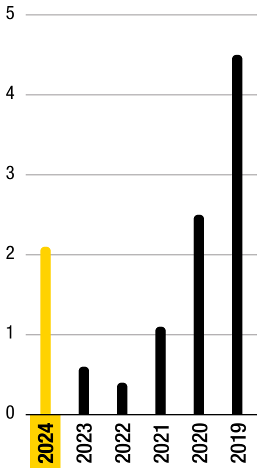


2024	53%
2025	38%
Thereafter	9%

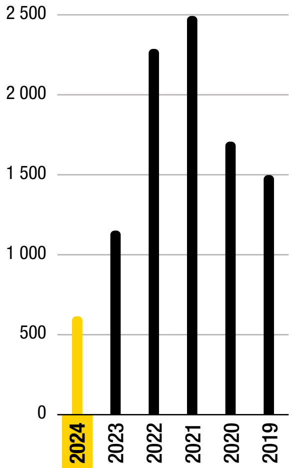


Mining	97%
OptiPower	3%

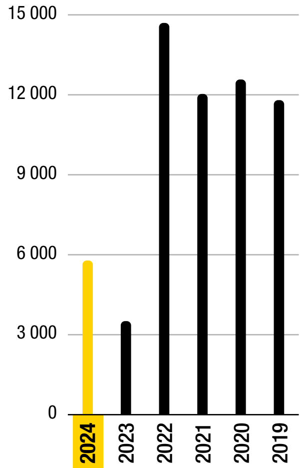
Return on average Total assets (%)



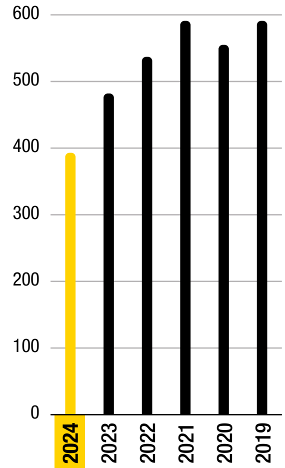
Productivity of assets
(Assets per 1 000 turnover)



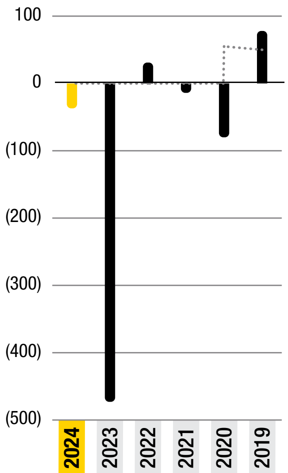
Creation of value
(R million)



People productivity
(Value ratio)

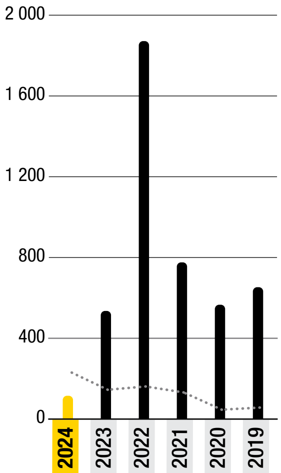


Diluted HEPS and dividends per share (Cents)



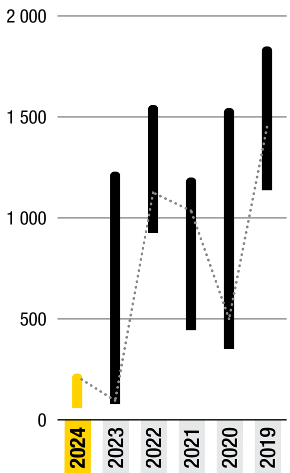
Diluted HEPS
Dividends

Value of shares traded
(R million)



Value of shares traded
Volume of shares traded

Share price movement
(Cents)



High – Low
Closing rate

Ten-year financial review

for the year ended 30 June 2024

All amounts are expressed in millions of Rands	**2024**	2023	2022	2021	2020	2019	2018	2017	2016	2015
Summarised statements of financial performance										
Revenue	**13 452**	12 460	8 755	7 749	10 334	10 237	11 058	12 348	11 841	10 423
Profit/(loss) before interest and taxation	**170**	91	82	206	437	684	577	619	691	136
Net interest expense	**(130)**	(267)	(186)	(170)	(157)	(52)	(44)	61	(236)	(230)
Profit/(loss) before taxation	**40**	(176)	(104)	36	280	632	533	680	455	(94)
Taxation expense	**(124)**	(106)	(74)	(273)	(239)	(566)	(202)	(92)	(312)	(147)
Profit/(loss) after taxation	**(84)**	(282)	(178)	(237)	41	66	331	588	143	(241)
(Loss)/profit from equity accounted investments	**–**	–	–	(1)	2	(4)	21	7	18	3
(Loss)/profit from discontinued operations	**(52)**	(2 897)	311	71	(414)	284	(84)	(557)	629	1 132
Non-controlling interests	**(2)**	(2)	2	(13)	19	(9)	(1)	10	(37)	(13)
(Loss)/profit attributable to owners of Murray & Roberts Holdings Limited	**(138)**	(3 181)	135	(180)	(352)	337	267	48	753	881
Summarised statements of financial position										
Non-current assets	**1 786**	1 885	6 496	5 390	5 280	4 338	4 252	3 857	4 849	6 411
Current assets	**5 859**	5 968	11 872	12 638	11 805	10 672	9 033	9 154	11 870	11 160
Goodwill	**429**	442	1 372	1 102	1 125	958	616	607	642	636
Deferred taxation assets	**86**	93	563	609	689	422	385	585	604	596
Total assets	**8 160**	8 387	20 303	19 739	18 899	16 390	14 286	14 203	17 965	18 803
Equity attributable to owners of Murray & Roberts Holdings Limited	**1 556**	1 808	5 662	4 961	5 611	5 717	6 696	6 541	7 201	6 498
Non-controlling interests	**3**	33	51	24	8	34	48	64	63	25
Total equity	**1 559**	1 841	5 713	4 985	5 619	5 751	6 744	6 605	7 264	6 523
Non-current liabilities	**932**	1 080	1 390	1 040	1 515	1 423	505	665	1 117	2 526
Current liabilities	**5 669**	5 466	13 200	13 714	11 765	9 216	7 037	6 933	9 584	9 754
Total equity and liabilities	**8 160**	8 387	20 303	19 739	18 899	16 390	14 286	14 203	17 965	18 803

Ratios and statistics

for the year ended 30 June 2024

All amounts are expressed in millions of Rands	2024	2023	2022	2021
EARNINGS				
Earnings/(loss) per share (cents)				
– Basic	**(34)**	(789)	34	(46)
– Diluted	**(34)**	(789)	33	(45)
Headline earnings/(loss) per share (cents)				
– Basic	**(37)**	(473)	31	(14)
– Diluted	**(37)**	(473)	31	(14)
Dividends per share (cents)	**–**	–	–	–
Dividend cover[2]	**–**	–	–	–
Interest cover	**1,0**	0,3	0,4	1,1
PROFITABILITY				
PBIT on revenue (%)	**1,3**	0,7	0,9	2,7
PBIT on average total assets (%)	**2,1**	0,6	0,4	1,1
Attributable (loss)/profit on average ordinary shareholders' funds (%)	**(8,2)**	(85,2)	2,5	(3,4)
PRODUCTIVITY				
Per R1 000 of revenue:				
Payroll cost (Rands)	**393**	482	537	591
Total average assets (Rands)	**615**	1 151	2 287	2 493
Value created (Rm)[3]	**5 784**	3 510	14 697	12 033
Value ratio[3]	**1,09**	0,58	1,13	1,10
FINANCE				
As a percentage of total equity				
Total interest bearing debt	**79**	83	58	60
Total liabilities	**423**	356	255	296
Current assets to current liabilities	**1,03**	1,09	0,90	0,92
Operating cash flow (Rm)	**962**	112	(175)	2 422
Operating cash flow per share (cents)	**2,2**	0,3	(39,4)	544,5
OTHER				
Weighted average ordinary shares in issue (millions)	**444,7**	444,7	444,7	444,7
Weighted average number of treasury shares (millions)	**38,4**	41,6	46,6	51,1
Number of employees – 30 June	**5 309**	5 443	8 394	9 393

Definitions

Dividend cover	Diluted headline earnings/(loss) per share divided by dividend per share
PBIT	Profit/(loss) before interest and taxation
Interest cover	PBIT divided by interest expense
Value ratio	Value created as a multiple of payroll cost
Average	Arithmetic average between consecutive year ends

1 *Based on total HEPS.*
2 *Includes continuing and discontinued operations.*

2020	2019	2018	2017	2016	2015
(89)	85	67	12	189	218
(89)	83	66	12	182	213
(80)	80	47	27	158	212
(80)	78	46	26	153	207
–	55	50	45	45	50
–	1,4	0,9	0,6	3,4	4,1
2,1	6,9	6,4	6,3	6,2	1,2
4,2	6,7	5,2	5,0	5,8	1,3
2,5	4,5	4,1	3,8	3,8	0,7
(6,2)	5,4	4,0	0,7	11,0	14,2
555	591	650	612	584	607
1 707	1 498	1 288	1 303	1 553	1 852
12 575	11 800	14 993	15 098	16 246	17 352
1,09	1,11	1,07	1,05	1,11	1,13
63	29	7	9	14	23
236	185	112	115	147	188
1,00	1,16	1,28	1,32	1,24	1,14
(527)	1 311	713	795	762	586
(118,6)	294,8	160,3	178,8	171,4	131,8
444,7	444,7	444,7	444,7	444,7	444,7
47,5	47,3	46,6	47,1	46,1	41,4
9 049	9 650	10 649	20 642	33 893	29 581

Segmental analysis

for the year ended 30 June 2024

All amounts are expressed in millions of Rands	GROUP 2024	GROUP 2023	Discontinued operations excluded from ongoing operations[1] 2024	Discontinued operations excluded from ongoing operations[1] 2023
Summarised statement of financial performance				
Revenue	**13 452**	12 460	**117**	11 964
Profit/(loss) before interest and taxation	**170**	91	**(13)**	(1 475)
Net interest (expense)/income	**(130)**	(267)	**3**	(27)
Profit/(loss) before taxation	**40**	(176)	**(10)**	(1 502)
Taxation (expense)/credit	**(124)**	(106)	**–**	(83)
Profit/(loss) after taxation	**(84)**	(282)	**(10)**	(1 585)
(Loss)/profit from equity accounted investments	**–**	–	**–**	–
Loss on loss of control	**–**	(1 157)	**–**	(1 157)
Related costs of voluntary administration	**(42)**	(155)	**(42)**	(155)
(Loss)/profit from discontinued operations	**(10)**	(1 585)	**–**	–
Non-controlling interests	**(2)**	(2)	**–**	–
(Loss)/profit attributable to holders of Murray & Roberts Holdings Limited	**(138)**	(3 181)	**(52)**	(2 897)
Summarised statement of financial position				
Non-current assets	**1 873**	1 977	**–**	–
Current assets[2]	**5 859**	5 968	**1 103**	1 135
Goodwill	**428**	442	**–**	–
Total assets	**8 160**	8 387	**1 103**	1 135
Ordinary shareholders' equity	**1 556**	1 808	**(28)**	(75)
Non-controlling interests	**3**	33	**–**	–
Total equity	**1 559**	1 841	**(28)**	(75)
Non-current liabilities	**933**	1 080	**–**	–
Current liabilities[2]	**5 668**	5 466	**1 131**	1 210
Total equity and liabilities	**8 160**	8 387	**1 103**	1 135
Summarised statement of cash flows				
Cash generated from/(utilised by) operations	**1 207**	538	**(63)**	(406)
Interest and taxation	**(245)**	(426)	**3**	(87)
Operating cash flow	**962**	112	**(60)**	(493)

1 Includes the MRPL Group, Insig Technologies, Southern African Infrastructure & Building businesses, Genrec Engineering, Middle East and Gautrain.
2 Includes assets and liabilities classified as held for sale.

BOMBELA 2024	BOMBELA 2023	OPTIPOWER 2024	OPTIPOWER 2023	MINING 2024	MINING 2023	CORPORATE AND PROPERTIES 2024	CORPORATE AND PROPERTIES 2023
–	–	1 671	1 331	11 780	11 126	1	3
–	30	(98)	(47)	448	313	(180)	(205)
–	(35)	(1)	(10)	(41)	(51)	(88)	(171)
–	(5)	(99)	(57)	407	262	(268)	(376)
–	–	(5)	(2)	(88)	(97)	(31)	(7)
–	(5)	(104)	(59)	319	165	(299)	(383)
–	–	–	–	–	–	–	–
–	–	–	–	–	–	–	
–	–	–	–	–	–	–	
–	–	–	–	–	–	–	–
–	–	(2)	2	–	(4)	–	–
–	(5)	(106)	(57)	319	161	(299)	(383)
–	–	42	70	1 781	1 886	50	21
–	–	715	729	3 999	4 003	42	101
–	–	52	52	376	390	–	–
–	–	809	851	6 156	6 279	92	122
–	–	96	103	2 112	2 969	(624)	(1 189)
–	–	3	33	–	–	–	–
–	–	99	136	2 112	2 969	(624)	(1 189)
–	–	76	120	703	527	154	433
–	–	634	595	3 341	2 783	562	878
–	–	809	851	6 156	6 279	92	122
–	(22)	(79)	89	1 482	931	(133)	(54)
–	(35)	(1)	(3)	(138)	(118)	(109)	(183)
–	(57)	(80)	86	1 344	813	(242)	(237)

SHAREHOLDERS' INFORMATION

Analysis of shareholders

for the year ended 30 June 2024

Shareholder spread	Number of shareholders	%	Number of shares	%
1 – 1000 shares	10 282	78.62	1 267 655	0.29
1001 – 10 000 shares	1 843	14.09	6 860 524	1.54
10 001 – 100 000 shares	754	5.77	24 978 107	5.62
100 001 – 1 000 000 shares	163	1.25	49 418 996	11.11
Over 1 000 000 shares	36	0.28	362 210 836	81.44
Total	**13 078**	**100.00**	**444 736 118**	**100.00**
Category				
Black Economic Empowerment	1	0.01	37 131 321	8.35
Charity	1	0.01	52 626	0.01
Corporate Holding	3	0.02	195 154 875	43.88
Custodians	11	0.08	1 718 564	0.39
Exchange-Traded Fund	1	0.01	13 779	0.00
Insurance Companies	5	0.04	4 352 075	0.98
Other	12 500	95.58	23 252 625	5.23
Pension Fund	39	0.30	41 374 979	9.30
Private Investors	474	3.62	65 697 967	14.77
Trading Positions	8	0.06	11 918 468	2.68
Unit Trusts/Mutual Funds	34	0.26	64 058 171	14.40
University	1	0.01	10 668	0.00
Total	**13 078**	**100.00**	**444 736 118**	**100.00**

Major shareholders holding 5% or more of the Company's ordinary shares	Number of shares	%
ATON	194 855 660	43.81
Excelsia Capital	24 423 286	5.49
Total	**219 278 946**	**49.31**

Fund managers holding 5% or more of the Company's ordinary shares	Number of shares	%
ATON	194 855 660	43.81
Excelsia Capital	24 423 286	5.49
Total	**219 278 946**	**49.31**

Shareholder Spread	Number of shareholders	%	Number of shares	%
Non-public	7	0.05	237 079 635	53.31
Public	13 071	99.95	207 656 483	46.69
Total	**13 078**	**100.00**	**444 736 118**	**100.00**
Domestic			233 980 140	52.61
International			210 755 978	47.39
Total			**444 736 118**	**100.00**

Shareholders' diary

FINANCIAL YEAR END	PUBLICATION OF ANNUAL INTEGRATED REPORT	ANNUAL GENERAL MEETING	PUBLICATION OF FY2025 HALF YEAR RESULTS	PUBLICATION OF FY2025 FULL YEAR RESULTS
END-JUNE	END-SEPTEMBER	NOVEMBER	MARCH 2025	AUGUST 2025

Disclaimer:
The dates listed above are only indicative and subject to change. The list is not exhaustive and stakeholders are encouraged to check the website regularly for updates.

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ISIN: ZAE000073441

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Glossary of terms

AGM	Annual General Meeting
AI	Artificial Intelligence
APAC	Asia-Pacific
ATON	ATON GmbH
B-BBEE	Broad-based Black Economic Empowerment
BESS	Battery Energy Storage System
Board	The Board of Murray & Roberts Holdings Limited
Brownfield	Existing, developed infrastructure on which expansion or redevelopment occurs
CEO	Chief executive officer
CFO	Chief financial officer
CAGR	Compound Annual Growth Rate
Clough	Clough Ltd
Company	Murray & Roberts Holdings Limited
CPI	Consumer Price Index
CRM	Critical Risk Management
CSCR	Cash Settled Conditional Rights
Companies Act	Act 71 of 2008 (as amended)
DEI	Diversity, Equity and Inclusion
DRC	Democratic Republic of the Congo
EBIT	Earnings Before Interest and Tax
EBITDA	Earnings Before Interest, Tax, Depreciation and Amortisation
EPC	Engineering, Procurement and Construction
EPCM	Engineering, Procurement, Construction and Management
EPS	Earnings Per Share
ESG	Environmental, Social and Governance
FCF	Free Cash Flow
FCTR	Foreign Currency Translation Reserve
FSP	Forfeitable Share Plan
FY2022	For the year ended 30 June 2022
FY2023	For the year ended 30 June 2023
FY2024	For the year ended 30 June 2024
Greenfield	New, undeveloped property where there is no need to work within the constraints of existing buildings or infrastructure
GRI	Global Reporting Initiative
Group	Murray & Roberts Holdings and its subsidiaries
HEPS	Headline Earnings per Share
HPH	High Potential Hazard
HPI	High Potential Incident
HSE	Health, Safety and Environment
HV	High Voltage
IFRS	International Financial Reporting Standards
IPP	Independent Power Producers
ISO	International Organisation for Standardization
JSE	Limited Johannesburg Stock Exchange
JV	Joint Venture
King IV™	King IV Report on Corporate Governance™ for South Africa, 2016
KPI	Key Performance Indicator
KPA	Key Performance Area
LTI	Long-term incentives
LTI	Lost-time injury
LTIFR	Lost Time Injury Frequency Rate
LTCSIP	Long-term cash settled incentive plan
Km	Kilometre
kV	kilovolt
m	metres
MAP/CRM	Major Accident Prevention/Critical Risk Management
M&A	Mergers & Acquisitions
MRH	Murray & Roberts Holdings Limited
MRL	Murray & Roberts Limited
MRPL	Murray & Roberts (Pty) Ltd
MW	Megawatt
NAV	Net Asset Value
Near Orders	Tenders where the Group is the preferred bidder and final award is subject to financial/commercial close
OEM	Original Equipment Manufacturers
OMS	Opportunity Management System
Order Book	Confirmed and signed project orders
Order Book Pipeline	Tenders, budgets, feasibilities and prequalifications the Group is currently working on (excluding Near Orders). It also includes opportunities which are being tracked and are expected to come to the market in the next 36 months
PIW	Power, Industrial & Water
PMBOK	Project Management Body of Knowledge
PNG	Papua New Guinea
PPE	Personal Protective Equipment
PPP	Public Private Partnership
PV	Photovoltaic
REIPPP	Renewable Energy Independent Power Producer Programme
RMIPP	Risk Mitigation Independent Power Producer
ROICE	Return on Invested Capital Employed
RUC	RUC Cementation Mining Contractors Pty Ltd
SADC	Southern African Development Community
SME	Small Medium Enterprise
SMPEI	Structural, Mechanical, Piping, Electrical, Instrumentation
STI	Short-term incentives
TCFD	Task Force on Climate-related Financial Disclosures
TFCE	Total Fixed Cost of Employment
TMM	Trackless Mechanised Mining
TRCR	Total Recordable Case Rate
TRIR	Total Recordable Incident Rate
USA	United States of America
VFL	Visible Felt Leadership
Vulindlela Letsema	Vulindlela Black Executives Trust
WACC	Weighted Average Cost of Capital

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Disclaimer

This report includes certain various "forward-looking statements" within the meaning of Section 27A of the US Securities Act 10 1933 and Section 21E of the Securities Exchange Act of 1934 that reflect the current views or expectations of the Board with respect to future events and financial and operational performance. All statements other than statements of historical fact are, or may be deemed to be, forward-looking statements, including, without limitation, those concerning the Group's strategy; the economic outlook for the industry; and the Group's liquidity and capital resources and expenditure.

These forward-looking statements speak only as of the date of this report and are not based on historical facts, but rather reflect the Group's current expectations concerning future results and events and generally may be identified by the use of forward-looking words or phrases such as "believe", "expect", "anticipate", "intend", "should", "planned", "may", "potential" or similar words and phrases. The Group undertakes no obligation to update publicly or release any revisions to these forward-looking statements to reflect events or circumstances after the date of this report or to reflect the occurrence of any unexpected events.

Neither the content of the Group's website, nor any website accessible by hyperlinks on the Group's website is incorporated in, or forms part of, this report.

STUDIO⑤

Engineered Excellence is a leadership philosophy of planning in detail for the outcomes we want to achieve. ***Engineered Excellence*** means we apply rigour and discipline in everything we do and remove chance from the objectives we pursue.