



INDEPENDENT AUDITOR'S REVIEW REPORT ON INTERIM FINANCIAL STATEMENTS

To the Shareholders of Murray & Roberts Holdings Limited

We have reviewed the condensed consolidated interim financial statements of Murray & Roberts Holdings Limited in the accompanying interim report, which comprise the condensed consolidated statement of financial position as at 31 December 2022 and the related condensed consolidated statements of financial performance, comprehensive income, changes in equity and cash flows for the six-months then ended, and selected explanatory notes.

Directors' Responsibility for the Interim Financial Statements

The directors are responsible for the preparation and presentation of these interim financial statements in accordance with the International Financial Reporting Standard, (IAS) 34 *Interim Financial Reporting*, the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Pronouncements as issued by the Financial Reporting Standards Council 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 interim financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on these interim financial statements. We conducted our review in accordance with International Standard on Review Engagements 2410, *Review of Interim Financial Information Performed by the Independent Auditor of the Entity*. ISRE 2410 requires us to conclude whether anything has come to our attention that causes us to believe that the interim financial statements are not prepared in all material respects in accordance with the applicable financial reporting framework. This standard also requires us to comply with relevant ethical requirements.

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

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

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed consolidated interim financial statements of Murray & Roberts Holdings Limited for the six months ended 31 December 2022 are not prepared, in all material respects, in accordance with the International Financial Reporting Standard, (IAS) 34 *Interim Financial Reporting*, the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Pronouncements as issued by the Financial Reporting Standards Council and the requirements of the Companies Act of South Africa.

Emphasis of matter

Without modifying our conclusion, we draw attention to Note 17 Going Concern and Liquidity Statement in the interim financial statements, which indicates that the ability of the Murray & Roberts Holdings Limited Group to continue as a going concern is dependent on certain events and conditions. These conditions, along with other matters set forth in Note 17 Going Concern and Liquidity Statement, indicate that a material uncertainty exists that may cast significant doubt on the Murray & Roberts Holdings Limited Group's ability to continue as a going concern. Our conclusion is not modified in respect of this matter.

PricewaterhouseCoopers Inc

PricewaterhouseCoopers Inc.
Director: JFM Kotzé
Registered Auditor
Johannesburg
1 March 2023

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

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CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL PERFORMANCE

for the six months ended 31 December 2022

| R millions | 6 months to 31 December 2022 | Restated* 6 months to 31 December 2021 | Restated* 30 June 2022 |
|--|------------------------------------|---|------------------------------|
| <i>Continuing operations</i> | | | |
| Revenue (note 2) | 5 899 | 4 193 | 8 762 |
| Profit before interest, depreciation and amortisation | 269 | 220 | 490 |
| Depreciation | (177) | (193) | (384) |
| Amortisation of intangible assets | (12) | (9) | (24) |
| Profit before interest and taxation (note 3) | 80 | 18 | 82 |
| Interest expense | (140) | (89) | (200) |
| Interest income | 4 | 7 | 11 |
| Loss before taxation | (56) | (64) | (107) |
| Taxation expense | (66) | (30) | (71) |
| Loss after taxation | (122) | (94) | (178) |
| Loss from equity accounted investments | – | – | – |
| Loss from continuing operations | (122) | (94) | (178) |
| (Loss)/profit from discontinued operations* (note 4.1) | (2 411) | 149 | 311 |
| (Loss)/profit for the period | (2 533) | 55 | 133 |
| Attributable to: | | | |
| – Owners of Murray & Roberts Holdings Limited | (2 529) | 55 | 135 |
| – Non-controlling interests | (4) | – | (2) |
| | (2 533) | 55 | 133 |
| (Loss)/earnings per share from continuing and discontinued operations (cents) | | | |
| – Diluted | (627) | 14 | 33 |
| – Basic | (627) | 14 | 34 |
| (Loss)/earnings per share from continuing operations (cents) | | | |
| – Diluted | (29) | (24) | (44) |
| – Basic | (29) | (24) | (44) |

Refer to note 5 for the reconciliation of weighted average number of shares and note 6 for headline earnings/(loss) per share.

* Restated for discontinued operations. Refer to note 4 and 16 for further details.

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the six months ended 31 December 2022

| R millions | 6 months to 31 December 2022 | Restated* 6 months to 31 December 2021 | Restated* 30 June 2022 |
|--|------------------------------------|---|------------------------------|
| (Loss)/profit for the period | (2 533) | 55 | 133 |
| <i>Items that may be reclassified subsequently to profit or loss:</i> | | | |
| Exchange differences on translating foreign operations | 309 | 483 | 483 |
| Translation of foreign entities reclassified through profit or loss on derecognition (note 16) | (1 248) | – | – |
| Total comprehensive (loss)/income for the period | (3 472) | 538 | 616 |
| Attributable to: | | | |
| – Owners of Murray & Roberts Holdings Limited | (3 467) | 541 | 618 |
| – Non-controlling interests | (5) | (3) | (2) |
| | (3 472) | 538 | 616 |

* Restated for discontinued operations. Refer to note 4 and 16 for further details.

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

at 31 December 2022

| R millions | 31 December 2022 | 31 December 2021 | 30 June 2022 |
|---|---------------------|---------------------|-----------------|
| ASSETS | | | |
| Non-current assets | 2 143 | 8 104 | 8 431 |
| Property, plant and equipment | 1 351 | 4 131 | 4 397 |
| Goodwill (note 7) | 415 | 1 370 | 1 372 |
| Deferred taxation assets | 84 | 575 | 563 |
| Investments in associate companies | 2 | 2 | 2 |
| Other non-current assets (note 9) | 291 | 2 026 | 2 097 |
| Current assets | 5 808 | 12 152 | 10 860 |
| Inventories | 267 | 518 | 495 |
| Trade and other receivables | 584 | 2 176 | 1 768 |
| Amounts due from contract customers (note 8) | 2 915 | 5 351 | 6 292 |
| Taxation assets | 31 | 50 | 47 |
| Investment at fair value through profit or loss (note 10.1) | 1 329 | – | – |
| Cash and cash equivalents | 682 | 4 022 | 2 256 |
| Other current assets | – | 35 | 2 |
| Assets classified as held for sale (note 4.3) | 983 | 914 | 1 012 |
| TOTAL ASSETS | 8 934 | 21 170 | 20 303 |
| EQUITY AND LIABILITIES | | | |
| Total equity | 2 204 | 5 613 | 5 713 |
| Attributable to owners of Murray & Roberts Holdings Limited | 2 166 | 5 592 | 5 662 |
| Non-controlling interests | 38 | 21 | 51 |
| Non-current liabilities | 818 | 1 158 | 1 390 |
| Long-term liabilities ¹ | 605 | 902 | 1 193 |
| Long-term provisions | 12 | 47 | 25 |
| Deferred taxation liabilities | 88 | 130 | 89 |
| Other non-current liabilities | 113 | 79 | 83 |
| Current liabilities | 5 031 | 13 556 | 12 355 |
| Amounts due to contract customers (note 8) | 696 | 4 838 | 2 514 |
| Trade and other payables | 2 259 | 6 439 | 7 505 |
| Taxation liabilities | 33 | 96 | 187 |
| Bank overdrafts ¹ | 300 | 1 394 | 1 526 |
| Short-term liabilities ¹ | 1 743 | 789 | 623 |
| Liabilities classified as held for sale (note 4.3) | 881 | 843 | 845 |
| TOTAL EQUITY AND LIABILITIES | 8 934 | 21 170 | 20 303 |

¹ Interest-bearing borrowings.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

for the six months ended 31 December 2022

| R millions | 6 months to 31 December 2022 | 6 months to 31 December 2021 | 30 June 2022 |
|---|------------------------------------|------------------------------------|-----------------|
| Cash (utilised)/generated by operations | (105) | 1 049 | 255 |
| Interest received | 4 | 12 | 23 |
| Interest paid | (168) | (100) | (223) |
| Taxation paid | (133) | (156) | (253) |
| Taxation refund | 3 | 2 | 24 |
| Operating cash flow | (399) | 807 | (175) |
| Dividends paid to non-controlling interests | (8) | – | – |
| Net cash (outflow)/inflow from operating activities | (407) | 807 | (175) |
| Purchase of intangible assets other than goodwill | (1) | (59) | (113) |
| Purchase of property, plant and equipment | (410) | (429) | (884) |
| – Replacements | (158) | (35) | (97) |
| – Additions | (443) | (688) | (1 703) |
| – Acquisition of assets by means of a lease (non-cash) | 191 | 294 | 916 |
| Proceeds on disposal of property, plant and equipment | 8 | 17 | 82 |
| Proceeds on disposal of intangible assets other than goodwill | 11 | – | 9 |
| Payment for acquisition of subsidiaries, net of cash acquired | (6) | (288) | (288) |
| Dividends received from the Bombela Concession Company | 130 | 155 | 185 |
| Cash and cash equivalents in deconsolidated subsidiaries | (1 297) | – | – |
| Proceeds on disposal of assets held for sale | 45 | 3 | 3 |
| Other | – | – | (3) |
| Net cash outflow from investing activities | (1 520) | (601) | (1 009) |
| Disposal of treasury shares | 51 | 72 | 94 |
| Acquisition of treasury shares | (67) | (5) | (6) |
| Net movement in borrowings | 1 531 | (221) | (631) |
| – Loans raised | 2 006 | 147 | 635 |
| – Loans repaid | (373) | (214) | (845) |
| – Leases repaid | (102) | (154) | (421) |
| Net cash inflow/(outflow) from financing activities | 1 515 | (154) | (542) |
| Total (decrease)/increase in net cash and cash equivalents | (412) | 52 | (1 726) |
| Net cash and cash equivalents at beginning of period | 743 | 2 291 | 2 291 |
| Effect of foreign exchange rates | 65 | 306 | 178 |
| Net cash and cash equivalents at end of period[^] | 396 | 2 649 | 743 |
| [^] Cash and cash equivalents balance comprises: | | | |
| – Cash | 682 | 4 022 | 2 256 |
| – Included in non-current assets held for sale | 14 | 21 | 13 |
| – Overdraft | (300) | (1 394) | (1 526) |

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the six months ended 31 December 2022

| R millions | Stated capital | Other reserves | Retained earnings | Attributable to owners of Murray & Roberts Holdings Limited | Non-controlling interests | Total equity |
|--|----------------|----------------|-------------------|---|---------------------------|--------------|
| Balance at 1 July 2021 | 2 561 | 1 188 | 1 212 | 4 961 | 24 | 4 985 |
| Total comprehensive income/(loss) for the period | – | 486 | 55 | 541 | (3) | 538 |
| Treasury shares acquired | (5) | – | – | (5) | – | (5) |
| Treasury shares disposed | 72 | – | – | 72 | – | 72 |
| Recognition of share-based payment | – | 23 | – | 23 | – | 23 |
| Utilisation of share-based payment reserve | 37 | (37) | – | – | – | – |
| Balance at 31 December 2021 | 2 665 | 1 660 | 1 267 | 5 592 | 21 | 5 613 |
| Total comprehensive loss/income for the period | – | (3) | 80 | 77 | 1 | 78 |
| Treasury shares acquired | (1) | – | – | (1) | – | (1) |
| Treasury shares disposed | 22 | – | – | 22 | – | 22 |
| Recognition of share-based payment | – | 1 | – | 1 | – | 1 |
| Increase in shareholding of subsidiaries | – | – | (29) | (29) | 29 | – |
| Balance at 1 July 2022 | 2 686 | 1 658 | 1 318 | 5 662 | 51 | 5 713 |
| Total comprehensive loss for the period | – | (938) | (2 529) | (3 467) | (5) | (3 472) |
| Treasury shares acquired | (67) | – | – | (67) | – | (67) |
| Treasury shares disposed | 51 | – | – | 51 | – | 51 |
| Recognition of share-based payment | – | (13) | – | (13) | – | (13) |
| Utilisation of share-based payment reserve | 16 | (16) | – | – | – | – |
| Dividends declared and paid | – | – | – | – | (8) | (8) |
| Balance at 31 December 2022 | 2 686 | 691 | (1 211) | 2 166 | 38 | 2 204 |

CONDENSED CONSOLIDATED SEGMENTAL ANALYSIS

for the six months ended 31 December 2022

| R millions | 6 months to 31 December 2022 | Restated* 6 months to 31 December 2021 | Restated* 30 June 2022 |
|--|------------------------------------|---|------------------------------|
| Revenue² | | | |
| Bombela | – | – | – |
| Power, Industrial & Water | 462 | 480 | 810 |
| – Construction contracts | 337 | 392 | 641 |
| – Sale of goods | 125 | 88 | 169 |
| Mining | 5 436 | 3 711 | 7 948 |
| – Construction contracts | 5 335 | 3 651 | 7 698 |
| – Rendering of services | 101 | 60 | 250 |
| Corporate & Properties | 1 | 2 | 4 |
| – Properties | 1 | 2 | 4 |
| Continuing operations | 5 899 | 4 193 | 8 762 |
| Discontinued operations | 11 898 | 9 074 | 21 107 |
| – Clough | 9 858 | 7 352 | 17 286 |
| – RUC | 2 040 | 1 722 | 3 821 |
| – Other | – | – | – |
| | 17 797 | 13 267 | 29 869 |
| <i>Continuing operations</i> | | | |
| Profit/(loss) before interest and taxation³ | | | |
| Bombela | 17 | 102 | 193 |
| Power, Industrial & Water | (37) | (65) | (155) |
| Mining | 172 | 79 | 234 |
| Corporate & Properties | (72) | (98) | (190) |
| Profit before interest and taxation | 80 | 18 | 82 |
| Interest expense | (140) | (89) | (200) |
| Interest income | 4 | 7 | 11 |
| Loss before taxation | (56) | (64) | (107) |
| Taxation | (66) | (30) | (71) |
| Loss from continuing operations | (122) | (94) | (178) |
| <i>Discontinued operations</i> | | | |
| (Loss)/profit before interest and taxation³ | | | |
| – Clough | (1 266) | 215 | 406 |
| – RUC | 124 | 104 | 217 |
| – Other | (35) | (68) | (113) |
| (Loss)/profit before interest and taxation³ | (1 177) | 251 | 510 |
| Interest expense | (31) | (14) | (25) |
| Interest income | 5 | 6 | 13 |
| (Loss)/profit before taxation | (1 203) | 243 | 498 |
| Taxation | (100) | (94) | (187) |
| Loss on loss of control of subsidiary (note 16) | (2 356) | – | – |
| – Clough | (993) | – | – |
| – RUC | (1 005) | – | – |
| – Other | (358) | – | – |
| Translation of foreign entities reclassified through profit or loss on derecognition | 1 248 | – | – |
| (Loss)/profit from discontinued operations | (2 411) | 149 | 311 |

² Revenue is disclosed net of inter-segmental revenue. Inter-segmental revenue for the Group is R86 million (FY2022 H1: R39 million).

³ The chief operating decision makers, being the Group Executives, utilise profit/(loss) before interest and taxation in the assessment of a segment's performance.

* Restated for discontinued operations. Refer to note 4 and 16 for further details.

CONDENSED SEGMENTAL ASSETS (CONTINUING & DISCONTINUED)

at 31 December 2022

| R millions | 31 December 2022 | Restated* 31 December 2021 | Restated* 30 June 2022 |
|---|---------------------|----------------------------------|------------------------------|
| Bombela | 1 330 | 1 384 | 1 444 |
| Power, Industrial & Water | 715 | 723 | 649 |
| Mining | 4 745 | 4 127 | 4 357 |
| Corporate & Properties ⁴ | 173 | 124 | 64 |
| Continuing operations | 6 963 | 6 358 | 6 514 |
| Discontinued operations ⁵ | 1 174 | 10 165 | 10 923 |
| | 8 137 | 16 523 | 17 437 |
| Reconciliation of segmental assets | | | |
| Total assets | 8 934 | 21 170 | 20 303 |
| Deferred taxation assets | (84) | (575) | (563) |
| Current taxation assets | (31) | (50) | (47) |
| Cash and cash equivalents | (682) | (4 022) | (2 256) |
| | 8 137 | 16 523 | 17 437 |

CONDENSED SEGMENTAL LIABILITIES (CONTINUING & DISCONTINUED)

at 31 December 2022

| R millions | 31 December 2022 | Restated* 31 December 2021 | Restated* 30 June 2022 |
|--|---------------------|----------------------------------|------------------------------|
| Bombela | 180 | 215 | 214 |
| Power, Industrial & Water | 629 | 506 | 466 |
| Mining | 2 481 | 1 511 | 1 761 |
| Corporate & Properties ⁴ | 1 043 | 425 | 394 |
| Continuing operations | 4 333 | 2 657 | 2 835 |
| Discontinued operations ⁵ | 1 095 | 11 280 | 9 952 |
| | 5 428 | 13 937 | 12 787 |
| Reconciliation of segmental liabilities | | | |
| Total liabilities | 5 849 | 15 557 | 14 589 |
| Deferred taxation liabilities | (88) | (130) | (89) |
| Current taxation liabilities | (33) | (96) | (187) |
| Bank overdrafts | (300) | (1 394) | (1 526) |
| | 5 428 | 13 937 | 12 787 |

⁴ Corporate segmental assets and liabilities include the inter-segment eliminations of group balances and transactions.

⁵ Discontinued operations include the Murray & Roberts Pty Ltd ("MRPL") Group, Middle East Operations as well as retained assets and liabilities, following the sale of Genrec operations and the Southern African Infrastructure & Building businesses.

* Restated for discontinued operations. Refer to note 4 and 16 for further details.

NOTES

1. BASIS OF PREPARATION

The Group operates in the mining and power, industrial & water markets and as a result the revenue is not seasonal in nature but is influenced by the nature of the contracts that are currently in progress.

The condensed consolidated interim financial statements for the period ended 31 December 2022 have been prepared in accordance with International Financial Reporting Standard IAS 34: Interim Financial Reporting, the SAICA Financial Reporting Guides, as issued by the Accounting Practices Committee and Financial Pronouncements as issued by the Financial Reporting Standards Council and the requirements of the Companies Act of South Africa. The condensed consolidated interim financial statements were compiled under the supervision of DF Grobler CA(SA), Group financial director.

The accounting policies applied in the preparation of these results are in accordance with International Financial Reporting Standards ("IFRS") and are consistent in all material respects with those applied in the audited consolidated financial statements for the year ended 30 June 2022.

The independent auditor's review has been conducted in accordance with International Standards on Review Engagements 2410, Review of Interim Financial Information Performed by the Independent Auditor, PricewaterhouseCoopers Inc. Their review report includes an emphasis of matter paragraph in respect of a material uncertainty related to going concern, and an unmodified review conclusion.

The information presented in the condensed consolidated interim financial statements represents reviewed results for the six-month periods ended 31 December 2022 and 31 December 2021. The comparative information presented in respect of the year ended 30 June 2022, has been derived from the audited consolidated annual financial statements for the year then ended. Comparative information has been restated for discontinued operations where required (refer to note 16 for further details). A copy of the auditor's report, together with the audited consolidated annual financial statements for the year ended 30 June 2022, is available for inspection at the registered office.

2. REVENUE

2.1 REVENUE IN TERMS OF TYPE OF GOOD OR SERVICE FOR THE GROUP'S CONTINUING OPERATIONS HAS BEEN RECOGNISED AS FOLLOWS:

| R millions | 31 December 2022 | 31 December 2021* | 30 June 2022* |
|------------------------------------|---------------------|----------------------|------------------|
| Construction contracts (over time) | 5 672 | 4 043 | 8 339 |
| Sale of goods (point in time) | 125 | 88 | 169 |
| Rendering of services (over time) | 101 | 60 | 250 |
| Properties (over time) | 1 | 2 | 4 |
| | 5 899 | 4 193 | 8 762 |

Revenue is recognised at a point in time for the sale of goods and over time for all other categories of revenue.

Orderbook time distribution is as follows: (FY2023: R4,8 billion; FY2024: R5,6 billion; >FY2024: R5,7 billion).

2.2 REVENUE IN TERMS OF GEOGRAPHIC REGION FOR THE GROUP'S CONTINUING OPERATIONS HAS BEEN RECOGNISED AS FOLLOWS:

| R millions | 31 December 2022 | 31 December 2021* | 30 June 2022* |
|-------------------------------|---------------------|----------------------|------------------|
| South Africa | 2 255 | 2 120 | 4 106 |
| Rest of Africa | 161 | 316 | 536 |
| Australasia & South East Asia | 25 | 21 | 27 |
| North America & other | 3 458 | 1 736 | 4 093 |
| | 5 899 | 4 193 | 8 762 |

Refer to the condensed consolidated segmental analysis for revenue disaggregation per platform.

* Restated for discontinued operations. Refer to note 4 and 16 for further details.

3. PROFIT BEFORE INTEREST AND TAXATION

| R millions | 31 December 2022 | 31 December 2021* | 30 June 2022* |
|--|---------------------|----------------------|------------------|
| Items by function | | | |
| Revenue | 5 899 | 4 193 | 8 762 |
| Cost of sales | (5 294) | (3 803) | (7 844) |
| Distribution and marketing expenses | (9) | (10) | (20) |
| Administration costs | (614) | (546) | (1 131) |
| Other operating income | 98 | 184 | 315 |
| Profit before interest and taxation | 80 | 18 | 82 |

Depreciation of R145 million is included in cost of sales and R32 million in administration costs.

Amortisation of R8 million is included in cost of sales and R4 million in administration costs.

* Restated for discontinued operations. Refer to note 4 and 16 for further details.

4. ASSETS AND LIABILITIES HELD FOR SALE AND DISCONTINUED OPERATIONS

Discontinued operations in the current period comprises of the MRPL Group, Middle East Operations, businesses included within the previous Southern Africa Infrastructure & Buildings Platform and the Genrec operations.

Murray & Roberts Pty Ltd Group

On 5 December 2022, the MRPL Group (comprising the MRPL, Clough and RUC businesses) was placed into voluntary administration (refer to note 16 and 17 for further details). As a result of this, in the Group accounts, the MRPL Group has been deconsolidated with effect from 5 December 2022. The financial results of these three businesses, and the impact of the deconsolidation, are reported under discontinued operations as from the start of the comparative period for Statement of Financial Performance, Statement of Comprehensive Income and the Statement of Cash Flows up to 5 December 2022.

The deconsolidation of the MRPL Group resulted in a loss from discontinued operations of R2,3 billion, comprising an operating loss in Clough of R1,3 billion, an operating profit in RUC of R129 million, a loss of R2,3 billion through the deconsolidation of the net asset value of these businesses. A foreign currency translation reserve ("FCTR") profit of R1,2 billion, was realised as a result of this deconsolidation. Refer to note 16 for details relating to the loss on deconsolidation.

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. By 30 June 2021, the discussions to dispose of the Middle East Operations had progressed to an advanced stage of negotiations 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. At 31 December 2022, the sale and purchase agreement is still pending regulatory approval. 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 one-year period has been exceeded due to a delay in the sale as a result of circumstances beyond the Group's control. The long-stop date has been extended to 15 March 2023.

Subsequent to period-end, the Court of Cassation ruled against the joint venture that delivered the Al Mafraq Hospital project in Abu Dhabi, refer to note 17 for further details. Included in the current period loss from discontinued operations are operating costs incurred in the Middle East of R10 million.

4.1 RESULTS FROM DISCONTINUED OPERATIONS

| R millions | 31 December 2022 | 31 December 2021* | 30 June 2022* |
|--|---------------------|----------------------|------------------|
| Revenue | 11 898 | 9 074 | 21 107 |
| (Loss)/profit before interest, depreciation and amortisation | (811) | 515 | 1 203 |
| Depreciation | (339) | (230) | (619) |
| Amortisation of intangible assets | (27) | (34) | (74) |
| (Loss)/profit before interest and taxation | (1 177) | 251 | 510 |
| Interest expense | (31) | (14) | (25) |
| Interest income | 5 | 6 | 13 |
| (Loss)/profit before taxation | (1 203) | 243 | 498 |
| Taxation | (100) | (94) | (187) |
| | (1 303) | 149 | 311 |
| Loss on loss of control of subsidiary (note 16) | (2 356) | - | - |
| Translation of foreign entities reclassified through profit or loss on derecognition | 1 248 | - | - |
| (Loss)/profit from discontinued operations | (2 411) | 149 | 311 |
| Attributable to: | | | |
| - Owners of Murray & Roberts Holdings Limited | (2 411) | 149 | 311 |
| - Non-controlling interests | - | - | - |
| | (2 411) | 149 | 311 |

4.2 CASH FLOWS FROM DISCONTINUED OPERATIONS INCLUDE THE FOLLOWING:

| R millions | 31 December 2022 | 31 December 2021* | 30 June 2022* |
|--|---------------------|----------------------|------------------|
| Cash flow from operating activities | (63) | 1 007 | (163) |
| Cash flow from investing activities | (1 572) | (714) | (1 096) |
| Cash flow from financing activities | 229 | (114) | (358) |
| Net (decrease)/ increase in cash and cash equivalents | (1 406) | 179 | (1 617) |

4.3 ASSETS AND LIABILITIES CLASSIFIED AS HELD FOR SALE

The assets and liabilities classified as held for sale below relate mainly to the Middle East Operations.

| R millions | 31 December 2022 | 31 December 2021 | 30 June 2022 |
|--|---------------------|---------------------|-----------------|
| Major classes of assets comprising the assets held for sale | | | |
| Property, plant and equipment | 82 | 27 | 114 |
| Other receivables | 4 | 4 | 3 |
| Investment in joint ventures | - | 33 | 33 |
| Amounts due from contract customers | 883 | 829 | 849 |
| Cash and cash equivalents | 14 | 21 | 13 |
| | 983 | 914 | 1 012 |

4. ASSETS AND LIABILITIES HELD FOR SALE AND DISCONTINUED OPERATIONS continued

4.3 ASSETS AND LIABILITIES CLASSIFIED AS HELD FOR SALE continued

| R millions | 31 December 2022 | 31 December 2021 | 30 June 2022 |
|--|------------------|------------------|--------------|
| Major classes of liabilities comprising the liabilities held for sale | | | |
| Trade and other payables | 123 | 177 | 143 |
| Subcontractor liabilities | 6 | 26 | 18 |
| Short-term borrowings | 752 | 640 | 684 |
| | 881 | 843 | 845 |

* Restated for discontinued operations. Refer to note 16 for further details.

5. WEIGHTED AVERAGE NUMBER OF SHARES

| | 31 December 2022 | 31 December 2021 | 30 June 2022 |
|---|------------------|------------------|----------------|
| Number of ordinary shares in issue ('000) | 444 736 | 444 736 | 444 736 |
| Reconciliation of weighted average number of shares in issue ('000) | | | |
| Weighted average number of ordinary shares in issue | 444 736 | 444 736 | 444 736 |
| Less: Weighted average number of shares held by the Letsema BBBEE trusts | (25 198) | (30 910) | (28 922) |
| Less: Weighted average number of shares held by the subsidiary companies | (16 481) | (18 201) | (17 671) |
| Weighted average number of shares used for basic per share calculation | 403 057 | 395 625 | 398 143 |
| Add: Dilutive adjustment | 647 | 10 511 | 7 416 |
| Weighted average number of shares used for diluted per share calculation | 403 704 | 406 136 | 405 559 |

6. RECONCILIATION OF HEADLINE (LOSS)/EARNINGS

| R millions | 31 December 2022 | 31 December 2021* | 30 June 2022* |
|---|------------------|-------------------|---------------|
| (Loss)/profit attributable to owners of Murray & Roberts Holdings Limited | (2 529) | 55 | 135 |
| Profit on disposal of property, plant and equipment | (5) | (9) | (15) |
| Loss on disposal of property, plant and equipment | - | 5 | 1 |
| Reversal of impairment on property, plant and equipment | - | - | (1) |
| Impairment of Goodwill | 126 | - | - |
| Loss on loss of control of subsidiary | 2 356 | - | - |
| Translation of foreign entities reclassified through profit or loss on derecognition | (1 248) | - | - |
| Taxation effects on adjustments | 1 | - | 4 |
| Headline (loss)/earnings | (1 299) | 51 | 124 |
| <i>Adjustments for discontinued operations:</i> | | | |
| (Loss)/profit from discontinued operations | 2 411 | (149) | (311) |
| Profit on disposal of property, plant and equipment | 4 | 2 | 3 |
| Loss on disposal of property, plant and equipment | - | (5) | (1) |
| Impairment of Goodwill | (126) | - | - |
| Loss on loss of control of subsidiary | (2 356) | - | - |
| Translation of foreign entities reclassified through profit or loss on derecognition | 1 248 | - | - |
| Taxation effects on adjustments | (1) | 1 | (1) |
| Headline loss from continuing operations | (119) | (100) | (186) |
| Headline (loss)/earnings per share from continuing and discontinued operations (cents) | | | |
| - Diluted | (322) | 13 | 31 |
| - Basic | (322) | 13 | 31 |
| Headline loss per share from continuing operations (cents) | | | |
| - Diluted | (30) | (25) | (47) |
| - Basic | (30) | (25) | (47) |

* Restated for discontinued operations. Refer to note 4 and 16 for further details.

7. GOODWILL

| R millions | 31 December 2022 | 31 December 2021 | 30 June 2022 |
|--|------------------|------------------|--------------|
| Goodwill | 415 | 1 434 | 1 436 |
| Accumulated impairment losses | - | (64) | (64) |
| | 415 | 1 370 | 1 372 |
| At beginning of period | 1 372 | 1 102 | 1 102 |
| Acquisition of businesses | 5 | 116 | 110 |
| Loss on loss of control of subsidiary [#] | (859) | - | - |
| Foreign exchange movements | 23 | 152 | 160 |
| Impairment | (126) | - | - |
| | 415 | 1 370 | 1 372 |

[#] In the current period, the Group placed MRPL into voluntary administration. As a result of this, the above amount was derecognised from the statement of financial position. Refer to note 16 for further details.

The Group tests goodwill annually for impairment or more frequently if there are indicators that goodwill might be impaired. Based on the impairment tests performed in the current period, the goodwill relating to Clough USA Inc.'s Saulsbury Industries' Gulf Coast Division was fully impaired (reflected in the reconciliation above). The goodwill in respect of Clough carried by the Group was impaired on 5 December 2022 and is included in the loss on loss of control of subsidiary. No changes in key assumptions (with the exception of the Saulsbury Industries' Gulf Coast Division and entities derecognised as a result of loss of control) that would cause the carrying amount to exceed the recoverable amount were noted.

8. AMOUNTS DUE FROM/TO CONTRACT CUSTOMERS

| R millions | 31 December 2022 | 31 December 2021 | 30 June 2022 |
|---|------------------|------------------|--------------|
| Contracts-in-progress (cost incurred plus recognised profits, less recognised losses) | 889 | 1 470 | 1 742 |
| Uncertified claims and variations | 375 | 778 | 1 159 |
| Amounts receivable on contracts (net of impairment provisions) | 1 407 | 2 321 | 2 656 |
| Retentions receivable (net of impairment provisions) | 244 | 782 | 735 |
| | 2 915 | 5 351 | 6 292 |
| Amounts received in excess of work completed | (696) | (4 838) | (2 514) |
| | 2 219 | 513 | 3 778 |
| <i>Disclosed as:</i> | | | |
| Amounts due from contract customers | 2 915 | 5 351 | 6 292 |
| Amounts due to contract customers | (696) | (4 838) | (2 514) |
| | 2 219 | 513 | 3 778 |

The decrease in the current period of amounts due from and to contract customers relates mainly to the Group placing MRPL into voluntary administration. As a result of this, previously recognised amounts were derecognised from the statement of financial position. Refer to note 16 for further details.

9. OTHER NON-CURRENT ASSETS

| R millions | 31 December 2022 | 31 December 2021 | 30 June 2022 |
|---|------------------|------------------|--------------|
| Other non-current assets comprise of the following: | | | |
| Investment at fair value through profit or loss (note 10.1) | - | 1 381 | 1 442 |
| Intangible assets excluding goodwill | 289 | 641 | 650 |
| Other non-current receivables | - | 1 | 2 |
| Net investment in the lease | - | 2 | 1 |
| Other investments | 2 | 1 | 2 |
| | 291 | 2 026 | 2 097 |

10. FINANCIAL INSTRUMENTS

The Group's financial instruments consist mainly of deposits with banks, local money market instruments, short-term investments, accounts receivable and payable and interest-bearing borrowings.

The fair value of the Group's financial instruments approximate their carrying values at 31 December 2022.

| R millions | 31 December 2022 | 31 December 2021 | 30 June 2022 |
|--|---------------------|---------------------|-----------------|
| Categories of financial instruments | | | |
| Financial assets | | | |
| Financial assets at fair value through profit or loss (level 3) | 1 329 | 1 381 | 1 442 |
| Financial assets measured at amortised cost | 2 818 | 8 763 | 7 036 |
| Financial assets measured at amortised cost – held for sale | 897 | 850 | 862 |
| Financial liabilities | | | |
| Financial liabilities measured at amortised cost | 3 973 | 8 460 | 9 427 |
| Financial liabilities measured at amortised cost – held for sale | 881 | 843 | 845 |

10.1 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

| R millions | 31 December 2022 | 31 December 2021 | 30 June 2022 |
|---|---------------------|---------------------|-----------------|
| <i>Investment in infrastructure service concession (level 3)⁶</i> | | | |
| At beginning of period | 1 442 | 1 434 | 1 434 |
| Realisation of investment | (130) | (155) | (185) |
| Fair value adjustment recognised in the statement of financial performance ⁷ | 17 | 102 | 193 |
| | 1 329 | 1 381 | 1 442 |

⁶ The fair value of the investment in Bombela Concession Company Proprietary Limited ("BCC") has been determined in accordance with IFRS 13: Fair Value Measurement. The investment has been reflected at fair value through profit or loss, as the investment was accounted for in accordance with IFRS 9.

In the period under review, the board entered into an agreement to dispose of the investment in BCC to Intertoll BCC Holdco 1 Proprietary Limited for a consideration value of R1,386,000,000, subject to shareholder approval granted on 20 February 2023.

IFRS 13 defines fair value as the price that would be received to sell an asset in an orderly transaction between market participants at the measurement date (an exit price) i.e. 'fair value' is defined as the amount for which an asset could be exchanged, a liability settled, or an equity instrument granted could be exchanged, between knowledgeable, willing parties in an arm's length transaction.

As there is a consideration amount agreed upon with a counterparty at arm's length, this value is determined to be the fair value of the investment. It is considered that the costs incurred to facilitate this sale are essential to the sales transaction, the costs to sell are deducted from the consideration to derive a "fair value" as defined in IFRS 13.

This resulted in the investment being adjusted to a fair value with reference to the consideration agreed upon in the sales agreement, net of related transaction costs approximating R48,000,000.

This classification of the investment will remain as a financial instrument held at fair value through profit or loss due to the fact that investments measured under IFRS 9 are excluded from the scope of IFRS 5. Therefore, the classification of the investment will remain as a non-current financial instrument.

⁷ Fair value adjustment is included in other operating income (note 3).

11. 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 counsel, 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 claims, and they are aggregated and disclosed as contingent liabilities. The decrease in the current period is mainly due to the full and final settlement that has been reached in relation to claims and disputes on the Power Programme.

In Abu Dhabi, on 21 February 2023, the Court of Cassation, ruled against the joint venture that delivered the Al Mafraq Hospital Project in Abu Dhabi, in which Murray & Roberts Contractors (Abu Dhabi) LLC is a member. Legal advice obtained confirmed that the judgment is flawed, and the joint venture is within its legal rights to refer the judgment for review by the same court. An extension of the stay on all intervening actions in anticipation of this review will be sought through the court system. There is a Group parent company guarantee in place for a circa AED150 million facility (R683 million at period end) that is tied into this legal dispute, and legal advice obtained confirmed that there is no immediate threat of a call on this guarantee until the Court of Cassation review process has run its course. The threat of any claim arising insofar as the Group is concerned is contingent on a number of court proceedings going against it in the UAE and potentially in South Africa. 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 (R1,3 billion).

| R millions | 31 December 2022 | 31 December 2021 | 30 June 2022 |
|--|---------------------|---------------------|-----------------|
| Contingent liabilities | 2 615 | 7 053 | 5 334 |
| Financial institution guarantees given to third parties ⁸ | 3 234 | 8 976 | 8 518 |

⁸ Until the airport claim in the Middle East is resolved, which is now over 14 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. Neither is an amount included for Abu Dhabi for the ruling against the joint venture. Refer to comment above for further details.

12. DIVIDEND

The Group does not pay interim dividends. The board of directors of the Company ("Board") considers a dividend on an annual basis, post year end. Considering the Group's current high levels of debt, it is not envisaged that a dividend will be declared this year.

13. COVENANTS

The Group has covenants in Cementation Canada Inc. and its South African operations. The covenants for each of these respective entities have been reflected in the table below:

| Facility | SA Lenders - SA Group | Toronto Dominion Bank Facility – Cementation Canada Inc. |
|--|--|--|
| Covenant Trigger and Proximity to being breached | 1) Interest Cover: Greater than 1.65x 2) Debt to EBITDA: Less than 7.5x 3) Headroom: Greater than R50 million on a six-month forward looking basis 4) Capex: No Capex to be incurred by obligors (SA Group) unless as a result of a permitted acquisition, or provided for in referenced agreed model, otherwise to not exceed R10 million in any financial year. 5) Guarantor Threshold Test: Defined aggregate EBITDA and Gross assets of the Obligors (excl. MRUK) greater than 90% of the aggregated EBITDA and Revenue of SA Group and 85% of aggregated gross assets of the SA Group The term loan has been classified as current in the period under review as the financial covenant conditions would not have been met had it been measured at 31 December 2022. Lenders have subsequently agreed that the first measurement period for the financial covenants will be 30 June 2023. | 1) Current Ratio: Requirement – equals or exceeds 1.25:1; Actual – 2.20:1 2) Debt Service Coverage Ratio: Requirement – equals or exceeds 1.25:1; Actual – 3.30:1 3) Total Funded Debt/ EBITDA Ratio: Requirement – does not exceed 2.5:1; Actual – 1.04:1 4) Concentration of EBITDA and fixed assets in Obligors: Requirement – minimum of 90%; Actual – 100% 5) Capital Expenditures: Requirement – maximum of CAD40 million; Actual – CAD11,5 million 6) Investments: Requirement – maximum of CAD15 million; Actual – CAD13 million 7) Acquisitions: Requirement – maximum of CAD25 million; Actual – CADnil Sufficient headroom deemed available for all debt covenants reflected above. |

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.

14. SUPPLEMENTARY INFORMATION

| | 31 December 2022 | 31 December 2021 | 30 June 2022 |
|----------------------------------|---------------------|---------------------|-----------------|
| Net asset value per share (Rand) | 5 | 13 | 13 |
| Dividends per share (cents) | – | – | – |

15. RELATED PARTY TRANSACTIONS

There have been no significant changes to the nature of related party transactions since 30 June 2022 or any transactions outside the normal course of business.

16. LOSS OF CONTROL OF SUBSIDIARY

As a result of delays in numerous milestone payments and slower than anticipated close out of disputes, cash flow pressures in the ERI business resulted in it needing a capital injection to realise its full potential value. As the Group wasn't able to provide the capital injection, it commenced a process to sell Clough Limited ("Clough"). When the transaction terminated at a late stage, cash requirements that hinged on the sale did not materialise and Clough went into voluntary administration on 5 December 2022.

Clough held a loan receivable from MRPL, the Group's Australian holding company, which also held the shares in RUC Cementation Mining Contractors Pty Ltd ("RUC"). As the receivable could be called by Clough and MRPL could not settle the receivable on demand, MRPL also went into voluntary administration. The Group lost effective control over MRPL and its Australian subsidiaries through this development.

In the Group accounts, the MRPL Group (MRPL, Clough and RUC businesses) has been deconsolidated with effect from 5 December 2022. The financial results of these three businesses, and the impact of the deconsolidation, are reported under discontinued operations as from the start of the comparative period for Statement of Financial Performance, Statement of Comprehensive Income and the Statement of Cash Flows up to 5 December 2022.

16. LOSS OF CONTROL OF SUBSIDIARY continued

Included in the disposal group are the assets and liabilities of the MRPL Group and its subsidiaries, Clough Limited and RUC Cementation Mining Contractors Pty Ltd. The carrying amounts of these assets and liabilities at 5 December 2022 were:

| R millions | RUC | Clough | Other | Total |
|--|--------------|---------------|--------------|---------------|
| Non-current assets | | | | |
| Property, plant and equipment | 895 | 2 360 | (10) | 3 245 |
| Goodwill | 5 | 854 | – | 859 |
| Other intangible assets | 10 | 322 | – | 332 |
| Deferred taxation asset | – | – | 478 | 478 |
| Non-current receivables | – | 2 | – | 2 |
| Total | 910 | 3 538 | 468 | 4 916 |
| Current Assets | | | | |
| Inventories | 161 | 178 | – | 339 |
| Amounts due from contract customers | 652 | 4 401 | – | 5 053 |
| Trade and other receivables | 394 | 1 227 | (32) | 1 589 |
| Cash and cash equivalents | 340 | 998 | 8 | 1 346 |
| Total | 1 547 | 6 804 | (24) | 8 327 |
| Assets classified as held-for-sale | 21 | – | – | 21 |
| Total Assets | 2 478 | 10 342 | 444 | 13 264 |
| Non-current liabilities | | | | |
| Long-term loans | 286 | 382 | (103) | 565 |
| Long-term provisions | – | 20 | – | 20 |
| Deferred taxation liability | 40 | 48 | – | 88 |
| Total | 326 | 450 | (103) | 673 |
| Current liabilities | | | | |
| Amounts due to contract customers | 158 | 2 098 | – | 2 256 |
| Trade and other payables | 605 | 5 861 | 59 | 6 525 |
| Short-term loans | 333 | 224 | 124 | 681 |
| Subcontractor liabilities | – | 594 | – | 594 |
| Provisions for obligations | 7 | 51 | 6 | 64 |
| Current taxation liabilities | 44 | 22 | – | 66 |
| Bank overdrafts | – | 49 | – | 49 |
| Total | 1 147 | 8 899 | 189 | 10 235 |
| Liabilities directly associated with a disposal group held-for-sale | – | – | – | – |
| Total liabilities | 1 473 | 9 349 | 86 | 10 908 |
| Net assets | 1 005 | 993 | 358 | 2 356 |
| Consideration received | – | – | – | – |
| Loss on loss of control of subsidiaries | 1 005 | 993 | 358 | 2 356 |
| Translation of foreign entities reclassified through profit or loss on derecognition | – | – | – | (1 248) |
| Loss on loss of control of subsidiaries | – | – | – | 1 108 |

17. GOING CONCERN AND LIQUIDITY STATEMENT

Working capital and banking facilities

The Group's liquidity came under prolonged pressure due to the cumulative impacts of the COVID pandemic and the effects of the war in Ukraine. Specific causes of the impact include, amongst others, the disruption in supply chains, delays to project schedules and the associated deferral of milestone payments, as well as the effects of unforeseen price escalations caused by higher levels of global inflation which all add to an already difficult commercial environment.

These impacts were particularly felt in the Energy, Resources & Infrastructure ("ERI") platform, where several large, fixed price projects were underway and the impact from supply chain disruption and price escalations was most evident. The unprecedented challenges prevalent in the emergent commercial environment placed pressure on the Group's working capital requirements. As a result of delays in numerous milestone payments and slower than anticipated close out of disputes, cash flow pressures in the ERI business resulted in it needing a capital injection to realise its full potential value. As the Group wasn't able to provide the capital injection, it commenced a process to sell Clough Limited ("Clough"). When the transaction terminated at a late stage, cash requirements that hinged on the sale did not materialise and Clough went into voluntary administration on 5 December 2022.

Clough held a loan receivable from MRPL, the Group's Australian holding company, which also held the shares in RUC Cementation Mining Contractors Pty Ltd ("RUC"). As the receivable could be called by Clough and MRPL could not settle the receivable on demand, MRPL also went into voluntary administration. The Group lost effective control over MRPL and its Australian subsidiaries through this development.

In the Group accounts, MRPL, Clough and RUC have been deconsolidated with effect from 5 December 2022. The financial results of these three companies, and the impact of the deconsolidation, are reported under discontinued operations as from the start of the comparative period for Statement of Financial Performance, Statement of Comprehensive Income and the Statement of Cash Flows up to 5 December 2022.

Following the developments in Australia, the Group now delivers projects through two business platforms: the Mining platform, comprising its two regional businesses in Africa and the Americas, and the Power, Industrial & Water ("PIW") platform which focuses on Sub-Saharan Africa.

For half year reporting purposes, the Group had to update its going concern assessment considering these developments.

As a mature business, contracting on conventional terms, the Mining platform does not experience the same levels of demand on working capital. It is also operating in a strong performing sector with potential for growth.

During the 6-month reporting period, the PIW platform experienced renewed growth and the order book of R2 billion (FY2022 H1: R0,5 billion) is reflective of opportunities in the renewable energy and transmission market sectors.

Cash flow forecasts for each of the respective platforms to the end of the 2024 financial year have been stress-tested for key judgements and assumptions relating to project margins, unsecured order book income and timing of cashflows.

Based on these cash flow forecasts, the Group has taken the following considerations into account in addressing its liquidity needs and for working capital purposes to support the growth potential of the Group and the impact on assessing going concern:

- 1) The debt refinancing and restructuring process, which was concluded in November 2022, resulted in a term loan facility of R1,35 billion and a short-term overdraft facility of R0,65 billion, totalling a combined facility of R2 billion which reduced the Group's pre-existing overdraft. The potential impact of the deconsolidation of MRPL, Clough and RUC on the Group's South African facilities has been considered. If financial covenants were assessed at 31 December 2022, which was required by the loan terms in effect on this date, covenants would not have been met. Subsequent to December 2022, Lenders agreed that the first measurement period for the related financial covenants will be 30 June 2023.
- 2) A sale and purchase agreement (SPA) for the Group's investment in the Bombela Concession Company ("BCC") was signed on 30 November 2022. To date, the key conditions precedent (CPs) have been fulfilled, including shareholder approval which was obtained on 20 February 2023 in relation to the proposed sale. The transaction is expected to close in March 2023 and the proceeds of R1,3 billion are expected to significantly deleverage the Group with respect to the repayment of direct finance and the term debt.
- 3) The term loan tenor of 18 months is in the process of being extended for a further 4 months to August 2024. This will be in relation to the balance of the term loan (post the payment of R1,0 billion from the pending BCC disposal proceeds and a further R50 million payment in September 2023).
- 4) As at 31 December 2022, the Group had direct local banking facilities (including asset-based finance) in place of R2,8 billion, with R0,4 billion of unutilised facilities available. The direct foreign banking facilities (including asset-based finance) in place were R1,4 billion with R1,1 billion of unutilised facilities available. The indirect local banking facilities in place were R3,6 billion with R0,7 billion of unutilised facilities available. The indirect foreign banking facilities in place were R1,0 billion with R0,6 billion of unutilised facilities available. Some of these facilities have limited availability for Group-wide use due to dividend distribution and intra-group limitations.
- 5) Excluding RUC and Clough, the Group's order book of R16,1 billion (FY2022: R17,6 billion) includes high-profile, multi-year projects.

In terms of the November 2022 facilities restructuring agreement, the term debt should be mostly settled from the net proceeds from the sale of the investment in BCC. The remainder will be settled through funds raised from a restructured asset backed finance facility of the mining platform's equipment, and if this is not achieved, a capital raise would need to be initiated.

The BCC disposal is still subject to customary closing conditions precedent which are expected to be met in due course. The term loan has debt covenants that will be impacted by the deconsolidation of the Australian business absent a sale of the Group's interest in BCC. Although the Group has no reason to believe that the remaining conditions will not be met, if the net investment in BCC is not sold, settling the term loan in accordance with the current contractual maturity terms of April 2024 would require implementation of additional financial restructuring or a capital raise.

Middle East

In Abu Dhabi, on 21 February 2023, the Court of Cassation, the highest court in the Emirate, ruled against the joint venture that delivered the Al Mafraq Hospital project in Abu Dhabi, in which Murray & Roberts Contractors (Abu Dhabi) LLC is a member. Legal advice obtained confirmed that the judgment is flawed, and the joint venture is within its legal rights to refer the judgment for review by the same court. This process of review will be initiated in the weeks ahead. An extension of the stay on all intervening actions in anticipation of this review will be sought through the court system. There is a Group parent company guarantee in place for a circa AED150 million facility (R683 million at period end) that is tied into this legal dispute, and legal advice obtained confirmed that there is no immediate threat of a call on this guarantee until the Court of Cassation review process has run its course. The threat of any claim arising insofar as the Group is concerned is contingent on a number of court proceedings going against it in the UAE and potentially in South Africa. It is the Group's view, supported by legal counsel that strong legal defences are available to support the Group should any claims materialise.

General

The Group is confident that it would be able to implement the sale of the net investment in BCC and any remaining financial restructuring or capital raises as may be required. Should, however, the net investment in BCC not be realised, or the Middle East parent company guarantee is successfully called and enforced, it will give rise to a material uncertainty regarding the potential for further financial restructuring which may cast significant doubt on the group and the company's ability to continue as a going concern and its ability to realise its assets and discharge its liabilities in the normal course of business.

18. EVENTS AFTER REPORTING DATE

Events after reporting date noted have been disclosed in note 11 and 17.

The directors are not aware of any other matter or circumstance, other than noted above, arising since the end of the financial period not otherwise dealt with in the Group's interim results which significantly affects the financial position at 31 December 2022 or the results of its operations or cash flows for the period then ended. Events that occurred after the reporting period were indicative of conditions that arose after the reporting period and did not have a material impact on the current financial period results.

Engineered Excellence demands that we strive for **excellence** in everything that we do. This requires deliberate planning, measurement and control to drive continuous improvement towards our aim of being a **contractor of choice** in our markets.



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