



MURRAY & ROBERTS HOLDINGS LIMITED

(Incorporated in the Republic of South Africa)

Registration number 1948/029826/06

JSE Share Code: MUR

ISIN: ZAE000073441

(“Murray & Roberts” or the “Company” or “the Group”)

ANNOUNCEMENT RELATING TO THE DISPOSAL BY MURRAY & ROBERTS LIMITED OF ITS ENTIRE INTEREST IN THE BOMBELA CONCESSION COMPANY (RF) PROPRIETARY LIMITED

1. Introduction

Shareholders of Murray & Roberts (“Shareholders”) are advised that the Company’s wholly-owned subsidiary, Murray & Roberts Limited (“MRL”), has entered into a sale and purchase agreement (“Sale and Purchase Agreement”) with Intertoll International Holdings B.V. or its nominee entity (“Intertoll” or the “Purchaser”) to dispose of its entire interest in the Bombela Concession Company (RF) Proprietary Limited (“BCC”). In terms of the Sale and Purchase Agreement, MRL will dispose of:

- 3 300 000 ordinary shares in BCC, constituting 33% of the entire issued ordinary share capital of BCC (the “BCC Sale Shares”); and
- all of the issued ordinary shares in Murray & Roberts BCC Financing Company (RF) Proprietary Limited (the “M&R Finco Sale Shares”), which is the sole shareholder of Murray & Roberts BCC Holdco Company (RF) Proprietary Limited) which in turn holds 1 700 000 ordinary shares in BCC, constituting 17% of the entire issued ordinary share capital of BCC,

(the BCC Sale Shares and M&R Finco Sale Shares, collectively the “Sale Shares”) for a total purchase consideration of up to R1,386,000,000 (the “Proposed Transaction”).

The Proposed Transaction is categorised as a Category 1 transaction in terms of the Listings Requirements of the JSE Limited (“JSE”).

2. Information on Murray & Roberts

Headquartered in Johannesburg, the Group has a proud heritage spanning more than a century and is today a multinational specialist engineering and contracting group. The Group delivers project development and construction services into the resources, industrial, energy, water and specialised infrastructure market sectors.

For further information about Murray & Roberts, please visit www.murrob.com

3. Information on the Purchaser

Intertoll is headquartered in Amsterdam, Netherlands. Intertoll has been active in Europe since 1995, where it has grown steadily over the last 25 years. Today, Intertoll is a leading European investor in motorway concessions and an independent toll and motorway infrastructure designer and developer, concessionaire, equipment supplier, asset manager and provider of specialist consultancy services catering to the transportation and infrastructure sectors in Europe.

For further information about Intertoll, please visit www.intertoll.eu

4. Overview of BCC

BCC was appointed by the Gauteng Provincial Government to design, build, operate, maintain and partially finance the Gautrain project. The Gautrain project is a public-private-partnership that includes a 15-year contract for the maintenance and operation of the Gautrain rapid rail system.

BCC implements its obligations through diverse contractual relationships with the primary contract being the concession agreement between the Gauteng Provincial Government and BCC.

For further information about BCC, please visit www.bombela.com

5. Rationale for the Proposed Transaction

The Shareholders are referred to the Group's stakeholder report for the year ended 30 June 2022, in which the Group explained that delivery of its order book was increasingly being disrupted and that increased levels of working capital were required to address the dislocation in project cash flows.

The proceeds from the Proposed Transaction will be utilised to reduce debt in South Africa and will assist the Group in addressing its working capital needs. The Group's investment in BCC is not strategic and the concession is also set to terminate in 2026.

6. Purchase consideration

The purchase price payable for the Sale Shares has been determined and agreed with reference to the fair value of the Sale Shares at 30 September 2022, being an amount of R1,360,210,603, following receipt of a dividend of R130,000,000 and a fair value adjustment in the 3 month period to 30 September 2022, which will be adjusted in accordance with a formula as more fully set out in the Sale and Purchase Agreement ("**Purchase Consideration**"), provided that the Purchase Consideration shall be rounded to and capped at R1,386,000,000 should the closing and completion of the Proposed Transaction ("**Closing Date**") occur on or after 31 December 2022.

In the event that any distribution is paid by BCC to Murray & Roberts during the period commencing on the signature of the Sale and Purchase Agreement and ending at 23:59 on the day immediately prior to the Closing Date ("**Interim Period**") (regardless of whether such distribution was declared during or prior to the Interim Period), the Purchase Consideration will be reduced by a Rand amount per share equal to that distribution per share. However, should any distribution be declared but not paid by BCC during the Interim Period, the Sale Shares will be sold *cum* such distribution and the Purchaser shall be entitled to such distribution.

The Purchase Consideration will be settled wholly in cash on the Closing Date.

7. Suspensive conditions

The implementation of the Proposed Transaction remains subject to the fulfilment and/or waiver, as the case may be, of various suspensive conditions which are market-standard relating to, among others, the conclusion of the final funding documents required to enable the Purchaser to discharge its payment obligations in respect of the Proposed Transaction, and the waiver or expiry of the pre-emptive rights contained in the BCC Shareholders Agreement by the remaining BCC shareholders, as well as customary regulatory and commercial conditions (including the approval of the Proposed Transaction by the Shareholders). The Proposed Transaction is also subject to a customary material adverse change condition.

8. Other significant terms

The Sale and Purchase Agreement contains warranties and indemnities that are expected for a transaction of this nature.

9. Use of proceeds

Shareholders are referred to the Group's SENS announcement of 16 November 2022, regarding the conclusion of the Group's debt restructuring in South Africa, resulting in a new term debt facility of R1,350,000,000 and an overnight facility of R650,000,000. Net proceeds from the Proposed Transaction will be utilised to largely settle the term debt.

10. Effective Date

The parties are targeting implementation of the Proposed Transaction in the first quarter of 2023, subject to the fulfilment of the suspensive conditions.

11. JSE Categorisation

As set out above, the Proposed Transaction has been categorised as a Category 1 transaction in terms of the Listings Requirements of the JSE and, accordingly, approval by Shareholders is required by way of an ordinary resolution which will require the support of more than 50% of the voting rights exercised on the resolution at a shareholders meeting. The Purchaser is not to a related party and there are, accordingly, no related party transaction implications in terms of the Listings Requirements of the JSE.

12. Financial information

The financial information below has been extracted from the audited financial information of Murray & Roberts (prepared in terms of the International Financial Reporting Standards ("IFRS")) for the year ended 30 June 2022.

The fair value of the Company's effective interest in BCC recorded in its annual financial statements at 30 June 2022 amounted to R1,442,200,000. The fair value of the investment in BCC was determined using level 3 inputs per IFRS 13: Fair Value Measurement.

During the year ended 30 June 2022, Murray & Roberts increased the fair value of its effective interest in BCC by R193,000,000. Further, Murray & Roberts cash flows benefitted by the receipt of R185,000,000 of ordinary dividends from BCC.

13. Distribution of circular

A circular containing the full details of the Proposed Transaction, and incorporating a notice convening a shareholders meeting, will be distributed to Shareholders in due course. The salient dates and times of the Proposed Transaction, including the date of the Shareholders meeting, will be announced on the Stock Exchange News Services at the time of distributing the circular.

For further information contact:

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Bedfordview
1 December 2022

Lead Financial Advisor: Barclays Bank PLC, acting through its Investment Bank
Financial Advisor and Transaction Sponsor: The Standard Bank of South Africa Limited
Legal Advisor: Webber Wentzel
Independent Reporting Accountant: PricewaterhouseCoopers