



MURRAY & ROBERTS HOLDINGS LIMITED

(Incorporated in the Republic of South Africa)

Registration number 1948/029826/06

JSE Share Code: MUR

ADR Code: MURZY

ISIN: ZAE000073441

(“Murray & Roberts” or the “Group”)

BUSINESS UPDATE AND VOLUNTARY SUSPENSION OF TRADING OF MURRAY & ROBERTS SHARES

INTRODUCTION

Stakeholders are referred to the JSE Limited (“JSE”) Stock Exchange News Service (“SENS”) announcement of 5 November 2024 where the Group updated the market on its deleveraging plan as well as liquidity constraints experienced in its South African operations, and developments with the De Beers Venetia contract (“the Venetia contract”).

Although the Group, through Murray & Roberts Limited, has significantly reduced its debt with a consortium of four South African banks (“the Banking Consortium”), Murray & Roberts Limited has been conducting its business in South Africa with restricted working capital facilities for an extended period.

This continued illiquidity in Murray & Roberts Limited has negatively impacted its OptiPower operations, a trading division of Murray & Roberts Limited in South Africa, and gave rise to unnecessary and substantial losses in Murray & Roberts Limited.

In an unrelated development, Murray & Roberts Cementation’s South African operations were impacted by the recent descoping of the Venetia contract. This contract represented more than 50% of Murray & Roberts Cementation’s business in South Africa.

As reported on SENS on 30 August 2024, the Group reached an agreement with the Banking Consortium with regard to the remaining R409 million debt, which provides for this debt to be repaid by 31 January 2026.

The board of directors of Murray & Roberts Holdings Limited (“the Holdings Board”) has resolved to commence a process of disposing of non-core assets to meet the Group’s obligations to the Banking Consortium and restore liquidity to Murray & Roberts Limited. If required, shareholder approval for asset sales will be sought at the appropriate time.

MURRAY & ROBERTS GROUP STRUCTURE

The Group mainly focuses on providing specialised engineering and contracting services to the global mining industry through its core operating companies: Murray & Roberts Cementation Pty Ltd, Cementation APAC (Pty) Ltd, Cementation Canada Inc., and Terra Nova Technologies Inc.

Additionally, the Group operates in the South African renewable energy and power transmission and distribution sectors through OptiPower, a trading division of Murray & Roberts Limited.

The Group’s organisational structure is as follows:

- **Murray & Roberts Holdings Limited** is the publicly listed parent company.
- Through two wholly-owned passive subsidiary companies, it owns 100% of **Murray & Roberts**

Limited.

- **Murray & Roberts Limited**, housing the Group's corporate office, has one operating division, being **OptiPower**, and it holds 100% of the shares in several operating subsidiaries, including:
 1. **Murray & Roberts Cementation Pty Ltd**, which carries on business as a mining contractor in South Africa and which serves as the holding company for various wholly owned mining subsidiaries in Southern African.
 2. **Murray & Roberts United Kingdom Limited**, which holds **Cementation APAC (Pty) Ltd**, **Cementation Canada Inc**, and **Terra Nova Technologies Inc.**, all providers of mining contracting services.

MURRAY & ROBERTS LIMITED – BUSINESS RESCUE RESOLUTION

It is critical for **Murray & Roberts Limited** to find a solution for its declining liquidity position, arising principally from the losses in its South African trading division, OptiPower, which has been exacerbated by the descoping of the Venetia contract as the mining contractor has been a source of cash flow to Murray & Roberts Limited in the past.

Following extensive modelling and testing of all viable options to address Murray & Roberts Limited's liquidity constraints, the board of directors of Murray & Roberts Limited ("the Subsidiary Board") believes that, based on best estimate budgets, the company's 6-month cashflow is deemed to be vulnerable to the following risks:

- The timeframes within which shareholder approval could reasonably be obtained for the disposal of non-core assets;
- Final losses in OptiPower as a result of delays in procurement and project progress.

The uncertainty over agreement on key issues pertaining to the descoping of the Venetia contract and the timeframes within which new work in the Zambian copper mines could replace part of the lost Venetia financial contribution were also factored in as Murray & Roberts Cementation has been a source of cash flow to Murray & Roberts Limited in the past.

The Subsidiary's Board therefore believes that Murray & Roberts Limited meets the definition of being "financially distressed" as contemplated in the Companies Act, 71 of 2008, as amended (the "Companies Act") and that there appears to be a reasonable prospect of it being rescued.

Considering the risks outlined above and given the uncertainty regarding that company's short-term cashflow, the Subsidiary Board is of the opinion that:

- The best option to ensure the sustainable restoration of Murray & Roberts Limited is to commence business rescue of that company, which incorporates OptiPower as a trading division;
- Under the direction of an experienced Business Rescue Practitioner ("BRP") a return to sustainability has been assessed as readily achievable; and
- The business rescue process could incorporate some or all of the Group's deleveraging plan.

After discussions with certain of Murray & Roberts Limited's largest creditors and other stakeholders, the Subsidiary Board accordingly resolved on 21 November 2024 to commence voluntary business rescue proceedings of Murray & Roberts Limited, which incorporates Optipower (its trading division). Representatives from Metis Strategic Advisors were appointed as BRP.

The Subsidiary Board considers this decision to be prudent and in the best interests of all stakeholders, including the shareholders, and will be supportive as the BRP develops and implements the business rescue plan.

The requisite documents will be lodged with the Companies and Intellectual Property Commission ("CIPC") on 22 November 2024.

MURRAY & ROBERTS HOLDINGS LIMITED AND ITS CORE UNDERGROUND MINING COMPANIES CONTINUE AS GOING CONCERNS

Murray & Roberts, as well as its indirect subsidiaries, being Murray & Roberts Cementation Pty Ltd, Murray & Roberts United Kingdom Limited, Cementation APAC (Pty) Ltd, Cementation Canada Inc., and

Terra Nova Technologies Inc., continue as going concerns, delivering on their contractual obligations with good prospects into the future.

VOLUNTARY SUSPENSION OF TRADING OF MURRAY & ROBERTS SHARES

In light of the above, the Holdings Board applied to the JSE for the voluntary suspension of trading of Murray & Roberts' shares in terms of paragraph 1.10 of the JSE Listings Requirements, and this request has been approved by the JSE with immediate effect.

This decision has not been taken lightly. Whilst the Holdings Board is conscious that some shareholders or potential investors would prefer to retain the ability to buy and sell shares, the Holdings Board believes that the temporary suspension is in the best interests of all shareholders.

Shareholders will be updated as further material information becomes available.

Henry Laas, CEO of Murray & Roberts, commented:

“It is important to note that only Murray & Roberts Limited and its trading division, OptiPower, is placed in business rescue. The Group's core assets by value and earnings contributions are its underground mining businesses, which will continue to operate as going concerns, delivering on their contractual obligations with good prospects into the future.

“The Holdings Board is confident that Murray & Roberts Limited is well suited for a successful business rescue. The Group remains solvent as disclosed in its financial statements for the year ended June 2024, with a portfolio of high-quality assets in its core underground mining businesses. On this basis, the Holdings Board is confident that a successful business rescue will result.

“We will continue with the process of disposing of non-core assets and it is our expectation that the disposals will realise sufficient cash to settle the outstanding debt of R409 million owed to the Banking Consortium and most of, if not all 'post commencement finance' provided by the business rescue funding providers.”

Bedfordview

22 November 2024

Sponsor
The Standard Bank of South Africa Limited