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MIDDLE EAST UPDATE

Please find attached a copy of a media release issued by CIMIC Group Limited, parent company of CIMIC Finance Limited and CIMIC Finance (USA) Pty Limited.

Yours faithfully
CIMIC GROUP LIMITED

Company Secretary

3 MARCH 2022**MIDDLE EAST UPDATE**

CIMIC notes recent media coverage regarding its exit from the Middle East region and BIC Contracting (BICC). We refer to our ASX announcements dated 23 January 2020, 15 February 2021 and 20 December 2021 and provide the following further update.

Background

On 15 February 2021, following an extensive strategic review, CIMIC announced it had signed a sale agreement with SALD Investment LLC (**the acquirer**) for the sale of CIMIC's investment in the Middle East. At the date of the sale agreement, CIMIC and the co-shareholder (holding 45% and 55% respectively) transferred all beneficial rights, economic entitlements, obligations, and risks, as well as management of the business, to the acquirer. BICC had never been and is not currently controlled by CIMIC.

CIMIC, its co-shareholder and the acquirer continue to progress the completion of the sale and are working collaboratively through the remaining conditions precedent.

Several entities within the BICC Group have been transferred to the acquirer, including the primary Qatar business (LCQ) which has been in receivership since 2020. Prior to the sale, LCQ was owned 49% by BICC and 51% by a local partner.

BICC employees

CIMIC is always concerned as to the fair and equitable treatment of individuals and made it conditions of the sale agreement that:

- all BICC employee entitlements be up to date and paid immediately following the signing of the sale agreement; and
- the sale agreement be structured to protect employee entitlements as a priority.

Employees in the United Arab Emirates, Oman and Saudi Arabia

Immediately after signing of the sale agreement, all employee entitlement payments were honoured and up to date in those regions. Subsequently, the acquirer initiated a restructuring process for BICC which is ongoing. This has resulted in a significant reduction of BICC's workforce.

Since February 2021, more than 1800 employees have left the employment of the BICC Group in those regions. The percentages of former employees whose end of service entitlements have been paid by BICC Group in each country are:

- 98% in the UAE;
- 100% in Oman; and
- 98% in Saudi Arabia

Approximately 40 people (equivalent to 2%) remain unpaid in the UAE and Saudi Arabia and payment is expected soon, as settlements are reached between BICC and the employees.

Employees in Qatar

The primary business in Qatar entered receivership in July 2020. The acquirer and its co-shareholder have been working with the receiver to find a solution to accelerate the payment of end of service entitlements to employees. An agreement between the shareholders and the receiver has been reached and the processing of these payments is being resolved by the business in Qatar.

Since the sale agreement, approximately 1100 employees have left the employment of the BICC Qatar business. As at today 73% of the end of service entitlements in Qatar have been paid and the remainder will be paid soon.

Other matters

CIMIC reiterates its statement made on 21 February 2021 that the transaction does not increase CIMIC's previously announced financial exposure to the Middle East.

The total amount to settle the remaining payments has reduced from US\$7 million at the last update CIMIC provided to US\$4 million and has been funded under the sale agreement.

CIMIC will continue to keep the market informed as per its continuous disclosure obligations.

ENDS

Issued by CIMIC Group Limited ABN 57 004 482 982 www.cimic.com.au

Authorised by the CIMIC Group Continuous Disclosure Committee

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CIMIC Group (ASX:CIM) is an engineering-led construction, mining, services and public private partnerships leader working across the lifecycle of assets, infrastructure and resources projects. CIMIC Group comprises our construction businesses CPB Contractors, Leighton Asia and Broad, our mining and mineral processing companies Thiess (joint control) and Sedgman, our services specialist UGL and our public private partnerships arm Pacific Partnerships – all supported by our in-house engineering consultancy EIC Activities. Our mission is to generate sustainable shareholder returns by delivering innovative and competitive solutions for clients and safe, fulfilling careers for our people. With a history since 1899, and around 29,000 people in around 20 countries, we strive to be known for our principles of Integrity, Accountability, Innovation and Delivery, underpinned by Safety. CIMIC is a member of the S&P/ASX 200 index, the Dow Jones Sustainability Australia Index and FTSE4Good.