

News release

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## Business update

31 March 2025

*This announcement contains inside information*

### Update on independent review and results publication

John Wood Group PLC ('Wood' or 'the Group' or 'the Company') announces an update on the independent review ('Review') and the timing of the publication of results for the year ended 31 December 2024 ('FY24').

***The information presented here is draft and subject to the conclusion of the full year audit, including the treatment of any prior year adjustments. This update is not a preliminary statement of annual results and has not, therefore, been agreed by the Company's auditors.***

#### Update on the Review

In its Q3 trading update on 7 November 2024, Wood announced that following the exceptional charges recorded at the HY24 results, and in conjunction with the auditor's ongoing work, the Board, in response to dialogue with its auditor, commissioned an independent review by Deloitte.

The Company has now received the draft Review and is in ongoing discussion and consultation with key stakeholders on the findings, including necessary remediation steps.

As indicated on 14 February 2025, the overall findings of the Review include:

- A number of prior year adjustments are expected to be required to the income statement and balance sheet
- Issues identified in a limited number of contracts in Projects, particularly in relation to legacy lump sum turnkey ('LSTK') projects
- Issues with the application of relevant accounting standards, such as holding specific amounts on the Projects centre balance sheet that should have been written off
- Gaps and deficiencies within the application of controls which relate to the monitoring and reporting of project positions within the Projects business unit
- No material issues identified in our other business units (Consulting, Operations and Investment Services)

As a result of the Review, Wood has identified material weaknesses and failures in the Group's financial culture within the Projects business unit and engagement between Group Finance and Projects. This included inappropriate management pressure and override to maintain previously reported positions, including through unsupported dispensations, and over-optimism and/or lack of evidence in respect of accounting judgements. The cultural failings appear to have led to instances of information being inappropriately withheld from, and unreliable information being provided to, Wood's auditors.

There has been significant change within Wood and steps taken during and since the period covered by the Review, including changes in key roles in Finance and external expert assistance in the application of accounting standards. We are committed to implementing a detailed remediation plan, including necessary follow-on actions from the Review, to continue to strengthen the Group's financial culture, governance and controls. This will include actions on culture, controls and organisational structure.

We will provide a further update on the impacts of the Review, and actions being taken, as appropriate.

#### Accounting implications

As a result of the Review, a number of prior year adjustments are expected to be required to the income statement and balance sheet:

- Predominantly impacting the reported performance of the Projects business unit in prior periods with no material impact on the Group's historical cash flow generation
- Material prior year P&L and balance sheet adjustments are expected for FY22, FY23 and HY24
- Material restatements are expected for adjusted EBITDA and adjusted EBIT for FY22 and FY23
- Temporary retrospective waivers (valid to 30 April 2025) have been obtained under committed debt facilities for historical non-compliance with prior period financial covenants

The Company does not currently expect any material impact from the Review on the Group's ability to generate cash in the future.

### **Publication of FY24 results**

Given the timing of the Review and prior year adjustments, and the extensive work needed to conclude the audit, it is now expected that the Company will not publish its FY24 accounts by 30 April 2025.

In that case, the Company's shares would be suspended from trading from that time as work progresses towards completion of its FY24 accounts.

### **Engagement with lenders**

We remain in constructive dialogue with the Group's lenders regarding refinancing options and will engage with lenders in respect of the timing of our FY24 accounts, including putting in place appropriate pre-emptive waivers under our committed debt facilities.

### **Discussions with Sidara**

Wood remains in discussions with Dar Al-Handasah Consultants Shair and Partners Holdings Ltd ("Sidara") in relation to a possible cash offer for the entire issued and to be issued share capital of the Company.

As announced on 24 March 2025, Sidara has until 5.00pm on 17 April 2025 to announce a firm intention to make an offer for Wood in accordance with Rule 2.7 of the Code or to announce that it does not intend to make an offer, in which case the announcement will be treated as a statement to which Rule 2.8 of the Code applies. This deadline can be further extended with the agreement of the Board of Wood and the consent of the Panel in accordance with Rule 2.6(c) of the Code.

There can be no certainty that an offer will be made, nor as to the terms on which it will be made.

### **For further information:**

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The person responsible for arranging the release of this announcement on behalf of Wood is John Habgood, Group Company Secretary.

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