

ASX ANNOUNCEMENT

1 September 2023

Primero settlement of litigation with Wärtsilä

Key points

- NRW advises that its subsidiary Primero Group Limited (Primero) and Wärtsilä Australia Pty Ltd (Wärtsilä) have agreed a confidential out-of-court settlement of the civil proceedings related to the Barker Inlet Power Station (the Project).
- Wärtsilä was engaged by AGL to engineer, procure and construct the Project. Primero was engaged by Wärtsilä to perform civil, mechanical and electrical installation works and supply tanks pursuant to a subcontract dated 18 April 2018. Facility Completion in respect of the Project was certified in June 2020.
- NRW acquired Primero in February 2021 and made full provision against the receivable that Primero carried in its books in relation to the dispute.
- Whilst the detailed terms of the settlement are confidential, Primero is required to make a payment to Wärtsilä of \$25M which will be reflected in NRW's FY24 statutory earnings.
- Normalised FY24 EBITA guidance, excluding the once off impact of the settlement payment, remains unchanged at \$175M to \$185M.¹

Jules Pemberton Managing Director and CEO commented:

“This matter is historical and predates NRW's 2021 takeover of Primero. It in no way reflects on Primero's new executive team and current employees. Primero and indeed the wider METs group, has never been in a stronger position with \$1.4 billion of secured orders and over \$1 billion of active tenders.

Further, as outlined in the Group's FY23 results announcement, with the migration to more balanced risk sharing contract structures in the current project portfolio, I am confident in Primero's ability to deliver far better financial performance in FY24, driven by the very strong demand for the business's services. The Primero team is fully focused on the delivery of their FY24 orderbook.”

¹ EBITA is earnings before interest, tax, amortisation of intangibles and non recurring transactions

This ASX Announcement has been approved in accordance with the Company's published continuous disclosure policy and authorised for release by the Board of NRW Holdings Limited.

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About NRW Holdings Limited:

NRW is a leading provider of diversified contract services to the resources and infrastructure sectors. With extensive operations across all of Australia, and engineering offices in Canada and the USA, NRW's geographical diversification is complemented by its ability to deliver a wide range of services. NRW's Civil & Mining businesses provide civil construction, including bulk earthworks, road and rail construction and concrete installation, together with contract mining and drill and blast services. The Minerals, Energy & Technologies (MET) operating unit offers tailored mine to market solutions, specialist maintenance (shutdown services and onsite maintenance), non-process infrastructure, innovative materials handling solutions, Build-Own-Operate (BOO) process plant solutions, and complete turnkey design, construction and operation of minerals processing and energy projects. NRW also offers a comprehensive Original Equipment Manufacturer (OEM) capability, providing refurbishment and rebuild services for earthmoving equipment and machinery. NRW has a workforce of around 7,200 people supporting projects around Australia for clients across the resources, renewable energy, infrastructure, industrial engineering, maintenance and urban subdivision sectors.

Forward Looking Statements

To the extent this document contains certain "forward-looking statements" and comments about future events (including projections, guidance on future earnings and estimates) these statements are provided as a general guide only and should not be relied upon as an indication or guarantee of future performance. Such statements by their nature involve known and unknown risks, uncertainty and other factors, many of which are outside the control of NRW. As such, undue reliance should not be placed on any forward-looking statement and no representation or warranty is made by any person as to the likelihood of achievement or reasonableness of any forward-looking statements, forecast financial information or other forecast. Similarly, past performance should not be relied upon (and is not) an indication of future performance. It represents NRW's historical financial position at a specific date (and reference should be had to the full accounts released to ASX from which it is derived).