



ACN: 118 300 217
181 Great Eastern Highway, Belmont Western Australia 6104
PO Box 592 Welshpool, Western Australia 6986

Tel +61 (0)8 9232 4200 Web nrw.com.au

ASX ANNOUNCEMENT

18 August 2022

NRW Confirms Non-Binding Indicative Proposal To Acquire MACA Limited

NRW Holdings Limited (ASX: NWH), confirms that on **11 August 2022** it approached the board of MACA Limited (**MACA**), with a confidential non-binding indicative proposal under which the two companies would merge through a combined cash and share merger by way of a scheme of arrangement (**Merger Proposal**).

NRW's Merger Proposal was to acquire all MACA's shares for an implied consideration of \$1.085 per share¹.

NRW views the Merger Proposal represented a compelling value proposition for all MACA shareholders, valuing the equity of MACA at \$375 million² (**Consideration**).

NRW's Merger Proposal was subject to certain conditions including completion of confirmatory due diligence to the satisfaction of NRW (expected to be completed over a two-week period), finalising finance arrangements, entry into a scheme implementation agreement and a unanimous recommendation from the MACA Board that MACA shareholders vote in favour of the Merger Proposal in the absence of a superior proposal.

NRW's confirms it has received a letter of interest to underwrite an acquisition finance facility from its financiers.

In NRW's view, the Merger Proposal was capable of being a superior proposal to the current conditional Thiess takeover offer of \$1.025 and warranted further investigation by MACA.

NRW has today received correspondence from MACA that it does not consider the Merger Proposal as superior to the current conditional Thiess takeover offer and does not propose to engage in further discussions in respect of the Merger Proposal in the form presented.

NRW Managing Director Mr Jules Pemberton said:

"We are disappointed that the Board of MACA has indicated that it is not willing to entertain our compelling proposal.

"NRW believed it was uniquely positioned to offer attractive value for all MACA shareholders and, importantly, the benefits of continued exposure to MACA's business as part of a larger and diversified provider of contract services to the resources, infrastructure and energy sectors across Australia."

¹ Assumed an NRW's closing price of \$2.26 on 11 August 2022. It is noted the implied value of any share component would fluctuate with changes in the NRW share price from time to time. The Consideration was also to be reduced by the value of any dividends or return of capital paid by MACA before the date of the implementation of the NRW Merger Proposal.

² Comprising 341.7 million ordinary shares as at 11 August 2022 and the effect of 5.898 million potential ordinary shares on issue through the conversion of performance rights.

Merger Proposal

Significantly, the Merger Proposal provided MACA shareholders with the option to receive the Consideration in one of three ways:

- 100% cash consideration equating to \$1.085 cash per MACA share (**Cash Consideration**)³;
- 100% scrip consideration equating to 0.48 NRW shares for each MACA share (**Scrip Consideration**)³; or
- 50% cash consideration and 50% scrip consideration (**Default Option**) equating to \$0.5425 cash and 0.24 NRW shares for each MACA share

with the default option being 50% cash consideration and 50% scrip consideration equating to \$0.5425 cash and 0.24 NRW shares for each MACA share (**Default Option**)³.

This was designed to allow MACA shareholders to elect whether to receive cash or retain exposure to the merged NRW business and the benefits that may flow from the merger

The Consideration represented an attractive premium of:

- 35.6% to the undisturbed closing price of A\$0.80 per share on 25 July 2022⁴;
- 50.1% to the one-month VWAP⁵ of A\$0.72 per share;
- 45.7% to the three-month VWAP⁵ of A\$0.74 per share;
- 8.5% to the MACA closing share price on 11 August 2022; and
- 5.9% to the Thiess Takeover price of A\$1.025 per share.

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

Kim Hyman Company Secretary

For more information, please contact:

Jules Pemberton
CEO and Managing Director
NRW Holdings Limited
+61 8 9232 4200

Andrew Walsh
Chief Financial Officer
NRW Holdings Limited
+61 8 9232 4200

³ Subject to scaling - Refer Annexure A for further details.

⁴ The last trading day prior to the announcement of the Thiess Takeover Offer.

⁵ All VWAPs calculated on basis of calendar days to closing on 25 July 2022, the last trading day prior to the announcement of the Thiess Takeover Offer.

About NRW Holdings Limited:

NRW is a leading provider of diversified contract services to the resources and infrastructure sectors in Australia. With extensive operations in all Australian States except Tasmania and an office in Canada, NRW's geographical diversification is complemented by its ability to deliver a wide range of services. These encompass civil construction including bulk earthworks, road and rail construction and concrete installation, together with contract mining and drill and blast services through NRW Civil & Mining, Golding Contractors and Action Drill & Blast. NRW also offers a comprehensive OEM capability through Action Mining Services providing refurbishment and rebuild services for earthmoving equipment and machinery. NRW's MET Division comprising RCR Mining Technologies, DIAB Engineering and Primero offers tailored mine to market solution, specialist maintenance (shutdown services and onsite maintenance), Non- Process Infrastructure, innovative materials handling capability and complete turnkey design, construct & operation of minerals processing and energy projects. NRW has a workforce of around 7,000 people supporting more than one hundred projects around Australia for clients across the resources, infrastructure, industrial engineering, maintenance and urban subdivision sectors.

Future and past performance:

To the extent this announcement 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.

Certain statements in this presentation are forward looking statements. Forward looking statements can generally be identified by the use of words such as "anticipate", "estimate", "expect", "project", "intend", "plan", "believe", "target", "may", "assume" and words of similar import. These forward looking statements speak only as at the date of this Presentation. These statements are based on current expectations and beliefs and, by their nature, are subject to a number of known and unknown risks and uncertainties that could cause the actual results, performances and achievements to differ materially from any expected future results, performance or achievements expressed or implied by such forward looking statements. Indications of, and guidance on, future earnings and financial position and performance, including forecast financial information for the combined NRW and MACA merged group, are forward-looking statements. Investors are cautioned that forward-looking statements are not guarantees of future performance and, accordingly, not to put undue reliance on such statements.

Forward-looking statements are necessarily based upon a number of estimates and assumptions related to future business, economic, market, political, social and other conditions that, while considered reasonable by NRW and MACA as at the date of this announcement, are inherently subject to significant uncertainties and contingencies. Many known and unknown factors could cause actual events or results to differ materially from estimated or anticipated events or results reflected in such forward-looking statements. NRW disclaims any intent or obligation to update any forward-looking information, whether as a result of new information, future events or otherwise, except to the extent required by law.

Similarly, past performance and pro-forma information should not be relied upon (and is not) an indication of future performance. It represents NRW historical financial position at a specific date (and reference should be had to the full accounts released to ASX from which it is derived).

Disclaimer

No representation or warranty, express or implied, is made by NRW or its related bodies corporate, or respective officers, directors, employees, agents or advisers (together the Limited Parties), as to the likelihood that the Merger Proposal will become a binding transaction or as to the accuracy, reliability, completeness or fairness of the information, opinions and conclusions contained in this announcement.

To the maximum extent permitted by law, the Limited Parties expressly disclaim any and all liability, including, without limitation, any liability arising out of fault or negligence, for any direct, indirect, consequential or contingent loss, damage, expenses or costs arising from the use of information contained in this announcement.

This announcement is not an invitation nor an offer of NRW securities. It does not provide or constitute legal, financial or investment advice, nor is it a recommendation to acquire NRW or MACA shares or constitute investment advice.

ANNEXURE A

1 Merger Proposal Consideration

The value of NRW shares for the purposes of determining the number of NRW shares to be issued under the Default Option, Scrip Consideration and Mix and Match Consideration options above has been based at \$2.26 per NRW share – the NRW closing price the day prior to the presentation of the Merger Proposal.

The Consideration is subject to the maximum total cash consideration payable by NRW not exceeding approximately \$188.6 million (**Maximum Cash Consideration**) representing 50% of the total Consideration and the maximum total NRW Scrip Consideration not exceeding approximately 83.4 million NRW shares (**Maximum Scrip Consideration**) representing 50% of the total Consideration.

If MACA shareholders elect (or are deemed to have elected) to receive Consideration comprising aggregate total cash consideration that exceeds the Maximum Cash Consideration, then each MACA shareholder that has elected to receive cash (or is deemed to have elected to receive cash) will have their cash consideration scaled back and receive approximately 0.0044 NRW shares for each 1 cent of cash scaled back.

Alternatively, if MACA shareholders elect (or are deemed to have elected) to receive Consideration comprising aggregate total scrip consideration that exceeds the Maximum Scrip Consideration, then each MACA shareholder who elects to receive scrip (or is deemed to have elected to receive scrip) will have their scrip consideration scaled back and receive approximately 1 cent of cash for each 0.0044 NRW shares scaled back.