



ASX RELEASE

7 December 2020

Wartsila contract update

Multi-disciplinary engineering and contracting firm Primero Group Limited (ASX:PGX) (**Primero**) advises of an update with respect to its contract and legal proceedings with Wartsila Australia (**Wartsila**) for the Barker Inlet Power Station in South Australia.

As previously announced, Primero made an application to adjudicate under the South Australian Security of Payment Act (**SOPA**) against Wartsila for outstanding monies not correctly assessed in accordance with the contract.

After an extended adjudication timeframe at the adjudicator's request, a determination has been handed down for Primero to be awarded A\$16,436,796 plus interest dated from 2 November 2020, which is due and payable immediately.

Primero is disappointed with the outcome of the determination as the adjudicator was not able to make an assessment on multiple parts of the claim, where competing independent expert reports were submitted. The effect is that neither Wartsila nor Primero have received a determination as to the merits of their respective positions on Primero's major claims.

Primero has reserved all its legal rights in relation to the SOPA process and its contract with Wartsila.

The adjudication determination has no impact on the off-market takeover offer for Primero from NRW Holdings Limited (**Offer**), which was announced on 24 November 2020 (refer to the Bidder's Statement dated 2 December 2020 for further details). The directors of Primero continue to unanimously recommend that Primero shareholders accept the Offer, and have agreed to accept the Offer in respect of all Primero shares they own and control as soon as practicable after 23 December 2020 (which is 21 days after the Offer opened on 2 December 2020), in each case in the absence of a superior proposal.

This ASX release was authorised on behalf of the Primero Board by:

Cameron Henry, Managing Director and CEO

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ABOUT PRIMERO

Primero provides engineering design, construction and operational services to the minerals, energy and infrastructure sectors. Primero has specialist expertise in project implementation and delivery with a complementary service offering comprising civil, structural, mechanical and electrical solutions. Primero provides these services to a diverse client base, ranging from mid-sized companies through to international mining and energy houses.

