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ASX ANNOUNCEMENT

2 September 2025

NRW TO ACQUIRE FREDON – A LEADING AUSTRALIAN ELECTRICAL, MECHANICAL (HVAC), INFRASTRUCTURE AND TECHNOLOGY GROUP

NRW Holdings Limited (ASX:NWH) is pleased to announce that it has executed a binding agreement to acquire 100% of Fredon Industries Pty Ltd (**Fredon**) for an enterprise value of up to $200M, on a debt free cash free basis (**Acquisition**).

Business Overview and Strategic Rational

- Fredon, established in 1968 is a leading national provider of Electrical, Mechanical (HVAC), Infrastructure, Technology and Maintenance services (**EMIT**).
- Core capabilities with a proven delivery platform with scale to access opportunities driven by energy transition, electrification, automation and digital innovation.
- Fredon has a diversified portfolio of projects across a Tier-1 client base.
- Fredon's executive management will remain with the business, as will its workforce of ~2,500.
- Acquisition delivers a 4th pillar "EMIT" – aligns with NRW's strategy to grow through expanding the service offering, deliver new capabilities and enter new addressable markets.
- Fredon has limited exposure to the resources sector – NRW's strength and reputation in this sector Australia-wide will provide the group with significant future growth opportunities.

Key Financial Overview

- Acquisition will be funded from NRW's existing corporate debt facilities, with the consideration to be paid in three tranches:
  - Initial Cash – $122M in cash on completion.
  - Earn Out – up to $60M in cash payable after CY25 results, subject to performance hurdles.
  - Deferred Cash – up to $18M in cash, deferred 2 years from completion.
- Fredon achieved FY25 revenue of $840M and normalised EBIT of $38.6M[1].
- Implied acquisition multiple is 5.2x EV/EBIT, assuming maximum Earn Out Consideration is paid.
- Delivering a further logical step change and immediate EPS accretion for NRW.
- Fredon has clear visibility on FY26F earnings and is expected to generate revenue of ~$840M, EBIT of ~$40M[2].
- Funding structure will result in a short-term increase in gearing, returning to target (below 30%) in the medium term – through expected strong group cashflows.

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[1] Based on unaudited 30 June 2025 figures.

[2] The pro forma and forward-looking financial information, and the historical information, provided in this announcement is for illustrative purposes only and is not represented as being indicative of actual future financial condition and/or future performance. Actual FY26 revenue and earnings recognised by NRW for Fredon will also be impacted by the Acquisition economic effective date and completion date. No definitive assessment of Acquisition accounting impacts has yet been made. Refer to "Important Notices and Disclaimers" contained in Acquisition of Fredon presentation lodged with the ASX on the date of this announcement for further details.

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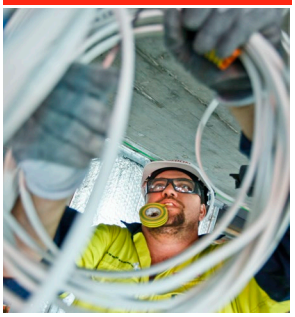
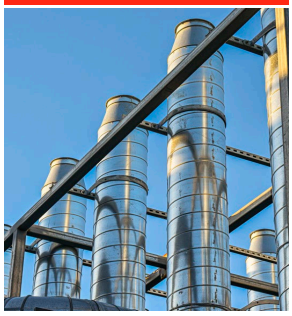
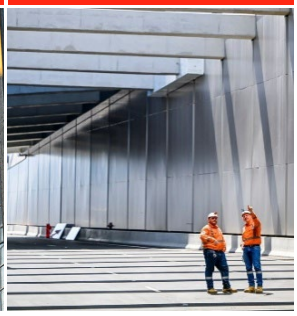
Overview of Fredon

Established in 1968 and with a head office in Sydney, Fredon is a leading national provider of multi-service Electrical, Mechanical (HVAC), Infrastructure, Technology and Maintenance services with a long track record of strong revenue growth and cashflow generation, supported by a capital light operating model.

ELECTRICAL	MECHANICAL (HVAC)	INFRASTRUCTURE	TECHNOLOGY
			
• Key Australian provider of large-scale electrical projects across Australia. • Full lifecycle delivery across electrical design, installation and maintenance services.	• Integrated approach to engineering, construction, maintenance and upgrade/scaling of services across NSW, ACT, VIC, WA and NZ. • Design, installation and maintenance of heating, ventilation and air conditioning (HVAC) systems.	• Specialist in managing large-scale multidisciplinary infrastructure projects. • Design, installation and maintenance of electrical / ventilation systems on infrastructure projects (including tunnels, rail, industrial, water, public / private infrastructure).	• Advanced audio-visual solutions seamlessly integrated into IP systems. • Design, installation and maintenance services for audio visual, telecommunications and data system infrastructure for smart secure buildings.

Supported by a National Service & Maintenance Capability

Fredon has a broad footprint across Australia with an established position along the East Coast and a growing presence in South Australia, Western Australia and New Zealand.

The business enjoys long standing relationships with a high-quality customer base that supports repeat revenue streams which underpin base earnings. The business has a reputation for building and maintaining strategic relationships at all levels across its client portfolio. These strong relationships coupled with the delivery of a quality service and product, have seen the business generate ~70% of its revenue over the past five years from customers with whom it has been working for +20 years. These customers include highly respected and well known Australian and global companies.

Key sectors in which Fredon operates include the provision of specialised services and products to major data centres, health and defence developments placing Fredon in an enviable position to leverage off increasing demand in these sectors given the industry focus on sustainability and energy efficiency.



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The Fredon executive management team will remain in place under the leadership of CEO Scott Olsen, who joined in 2019 after holding senior leadership roles at Lendlease Engineering and John Holland, where he managed large-scale infrastructure and building operations.

The business employs approximately 2,500 technicians, project managers, engineers, and operational staff. Fredon has a long-standing record of delivering consistent growth and stable margins across market cycles.

Looking forward, Fredon's secured order book plus run-rate maintenance / minor works service business provide strong support for earnings, with ~$840M of revenue and ~$40M of EBIT scheduled for delivery in FY26[3] and a further step-up in 2027.

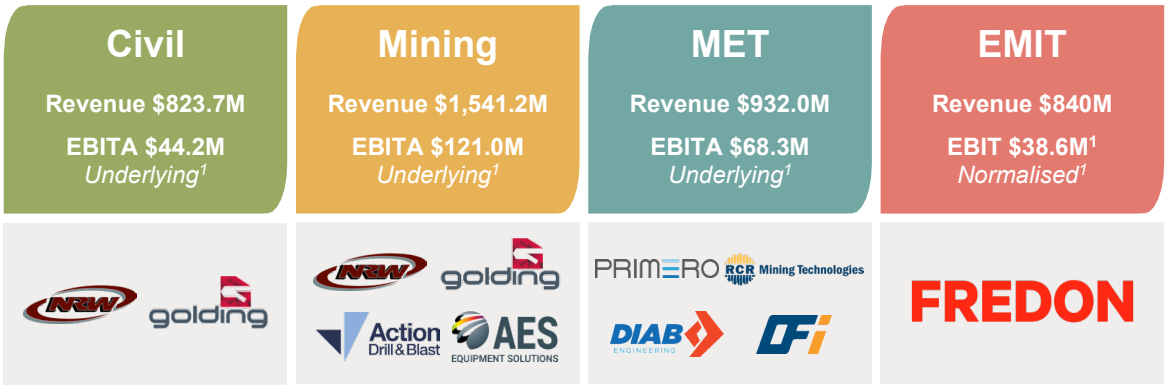
Fredon is well positioned to continue to drive organic growth, with secured work in hand of ~$1B and a pipeline of $3.6B, including $2B of submitted tenders.

Further information on Fredon can be found at www.fredon.com.au.

Strong Strategic Rationale

The Acquisition of Fredon represents another transformational milestone in implementing NRW's growth strategy and delivers benefits for NRW shareholders including:

- Expanded service offerings, new capabilities and addressable markets via a new 4th Pillar to be established, complementing Civil, Mining and MET.
- Proven delivery platform with scale to access opportunities driven by energy transition, electrification, automation and digital innovation.
- Increased and further diversified maintenance services generating annuity style revenues.
- Capital light, cash generative model with exposure to major infrastructure projects, offering a stable and scalable growth profile across several key sectors.



[1] *Based on audited and unaudited 30 June 2025 figures for NRW and Fredon respectively.*

Jules Pemberton, NRW's CEO & Managing Director, said:

"Fredon represents a strategically and financially compelling acquisition for NRW, with the potential to drive further growth across the business and create long-term shareholder value.

Fredon holds strong market positions across its divisions, supported by longstanding Tier 1 client relationships and an experienced management team providing a full spectrum of solutions throughout the entire electrical and HVAC infrastructure lifecycle.

Fredon is highly complementary to NRW's existing operations and, with its well-recognised brand and strong long term client relationships, provides an attractive platform to expand into adjacent disciplines. We see significant opportunity for the combined group to leverage these additional capabilities while ensuring Fredon maintains its position as a leading provider of engineering,

[3] Actual FY26 revenue and earnings recognised by NRW for Fredon will also be impacted by the Acquisition economic effective date and completion date. No definitive assessment of Acquisition accounting impacts has yet been made. Refer to "Important Notices and Disclaimers" contained in ASX Presentation release concurrently with this announcement for further details.

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installation, and maintenance solutions across its Electrical, Mechanical, Infrastructure, and Technology divisions.

There is also a strong cultural alignment between our businesses. With a combined workforce of around 11,500 people, broader geographic reach, and enhanced capabilities across Australia, New Zealand, Canada, and the United States, we are well positioned to deliver an expanded range of services and project solutions to clients in the infrastructure, resources, and commercial sectors.

The sheer scale of the opportunities for Fredon and the broader NRW group through the energy transition over the foreseeable future is significant. One example is the pipeline of data centres that we expect to be constructed in the coming years, where Fredon is well positioned through its ability to provide both electrical and HVAC services. This together with the pipeline across the industrial and resources sectors supports a very positive outlook for the future of the combined group."

Transaction Terms and Funding

NRW will pay the vendors of Fredon consideration of up to $200M on an enterprise value basis, with an economic effective date of 1 July 2025, comprising:

- **Initial Cash Consideration:** $122M in cash at completion.
- **Earn Out Consideration:** $45m – $60M in cash following the finalisation of the CY25 financial results, subject to meeting an earnings threshold within a range of $30M - $40M.
- **Deferred Cash Consideration:** up to $18M in cash, payable two years from completion.

The acquisition consideration represents a 5.2x EV/EBIT multiple based on Fredon FY25 normalised EBIT of $38.6M[4], and assuming maximum Earn Out Consideration is paid.

Consideration will be funded via existing corporate facilities.

Completion of the Acquisition is subject to conditions precedent which are customary for a transaction of this nature including certain third-party contract consents (which may be waived by NRW in its discretion). NRW expects completion to occur on or before 30 September 2025 and will update group guidance post completion.

Jules Pemberton, NRW's CEO & Managing Director, added[5]:

"*The $4.2B of proforma revenue scheduled for delivery in FY26 and a growing pipeline of opportunities across the business, provides support to sustaining NRW's long-term growth.*

We remain committed to retaining prudent gearing levels and the high cashflow generation should lead to the deleveraging of the balance sheet over a relatively short period of time."

Advisers

Longreach Capital is acting as financial adviser and Corrs Chambers Westgarth is acting as legal adviser to NRW on the Acquisition.

K&L Gates is acting as legal advisers, Gilbert + Tobin is acting as tax advisers and Findex is acting as financial adviser to Fredon.

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

[4] Based on unaudited 30 June 2025 figures.

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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 offices in Canada and the United States, 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 9,000 people supporting more than one hundred projects around Australia for clients across the resources, infrastructure, industrial engineering, maintenance and urban subdivision sectors.

Forward Looking Statements

This announcement contains forward looking statements, including statements of current intention, statements of opinion and predictions as to possible future events. Forward looking statements should, or can generally, be identified by the use of forward-looking words such as "believe", "expect", "estimate", "will", "may", "target" and other similar expressions within the meaning of securities laws of applicable jurisdictions, and include but are not limited to the expected outcome of the Acquisition. Indications of, and guidance or outlook on, future earnings or financial position or performance are also forward-looking statements. Such statements are not statements of fact and there can be no certainty of outcome in relation to the matters to which the statements relate. These forward-looking statements involve known and unknown risks, uncertainties, assumptions and other important factors that could cause the actual outcomes to be materially different from the events or results expressed or implied by such statements. Those risks, uncertainties, assumptions and other important factors are not all within the control of NRW and cannot be predicted by NRW and include changes in circumstances or events that may cause objectives to change as well as risks, circumstances and events specific to the industry, countries and markets in which NRW operates. They also include general economic conditions, exchange rates, interest rates, competitive pressures, selling price, market demand and conditions in the financial markets which may cause objectives to change or may cause outcomes not to be realized. None of NRW or any of its subsidiaries, advisors or affiliates (or any of their respective officers, employees or agents) makes any representation, assurance or guarantee as to the accuracy or likelihood of fulfilment of any forward-looking statement or any outcomes expressed or implied in any forward-looking statements. Statements about past performance are not necessarily indicative of future performance.

Fredon Information

This Announcement contains information sourced from and concerning Fredon (including as to its historical and forecast revenue, order book and outlook). While reasonable steps have been taken to review and verify that information, no representation or warranty, expressed or implied, is made as to its fairness, accuracy, correctness, completeness or adequacy.

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