

23 July 2024

ASX Announcement

Moorebank Logistics Park (MLP) – Interstate Terminal Update on dispute with Martinus

Qube provides the following update regarding the state of its disagreement with the previous head contractor for the MLP Interstate Terminal over contractual entitlements and variations to the construction price and delivery timeframe.

As previously announced, Qube has been in disagreement with the previous head contractor for the MLP Interstate Terminal (Martinus Rail Pty Ltd (**Martinus**)) over variations to the construction price and delivery timeframe. On 25 September 2023, Qube terminated the contracts with Martinus and engaged another contractor to manage and construct the remainder of the project.

Qube announced on 22 February 2024 that it had received a post-termination payment claim from Martinus pursuant to section 13(1C) of the Building and Construction Industry Security of Payment Act 1999 (NSW) (**Act**).¹ The claims totalled approximately \$113 million² and mainly concerned re-pricing of historical variations, new claims for alleged delay and disruption, and claims for termination entitlements under the contracts. The Superintendent assessed the Contractors entitlement under the Contracts for these claims and certified a negative amount, that is, a payment from Martinus to Qube of approximately \$2.8 million.

As required under the Act, Qube and Martinus have been engaged in a confidential adjudication process in respect of those claims. The adjudicator has now determined that Qube make a payment of approximately \$63 million³ under the Act.

Qube notes that the adjudicator's determination is an interim determination only, was confined to the post termination payment claim and was not a determination of all of the issues in dispute between the parties including Qube's claims against Martinus. The effect of this determination under the Act is only to determine whether a payment should be made to the contractor in respect of the post termination payment claim pending a final determination of all the issues in dispute between the parties in arbitration.

Qube will be responding to the adjudication determination by pursuing remedies available to it.

Qube does not expect the final outcome of this dispute with Martinus to have a material impact on Qube's financial position, its earnings or profits when it is finally determined in arbitration.

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¹ See announcements released on ASX on 22 February 2024.

² Net of a duplicate claim for termination of approximately \$24 million.

³ Exclusive of GST