



# MADER

## *Annual Report*

FINANCIAL YEAR 2023

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MADER GROUP LIMITED  
ABN 51 159 340 397

# Our Purpose

*We are dedicated to exceeding the expectations of our clients whilst providing superior technical services, a great workplace for our people and enhanced returns to our investors.*

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# Our Vision

*We will continue to grow and build our reputation as a world class provider of specialist technical services to the mining, energy and industrial sectors. With a business model built on passion, knowledge, and commitment, every decision is made with clients, employees and shareholders in mind.*

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# Our Values

Backed by a 2,900+ strong team of dynamic and skilled individuals, our rapid growth is a testament to our core values. Central to all of our operations and decision-making, our core values drive us to achieve project objectives with outstanding customer service.



## SAFETY

We make it our priority to ensure we do everything in our power to keep ourselves and those around us safe.



## ONE TEAM

We are stronger together. Comradery echoes loudly throughout our business. We learn together, we succeed together, we grow together.



## INNOVATE

We think differently, we think bigger, we encourage new ideas and continuously adapt to industry evolution and change.



## PERFORM

Driven to succeed, we are mechanically minded and solution focused. We take pride in our unique blend of passion, experience and industry know-how.



## FAMILY/FUN

Our culture is the foundation of our business. We continue to cultivate a nurturing, transparent and mutually respectful workplace.



## INTEGRITY

We hold ourselves to the highest standards, constantly keeping ourselves and each other accountable.

# Corporate Directory

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## **Directors**

Luke Mader	Executive Chairman & Founder
Justin Nuich	Executive Director & Chief Executive Officer
Patrick Conway	Executive Director
Craig Burton	Non-Executive Director

## **Company Secretary**

Sarah Wilson

## **Registered Office and Principal Place of Business**

Hkew Alpha Building  
2 George Wiencke Drive  
Perth Airport WA 6105

## **Share Registry**

Computershare Investor Services Pty Ltd  
Level 11, 172 St Georges Terrace  
Perth WA 6000

## **Bankers**

### **Australia**

National Australia Bank  
100 St Georges Tce  
Perth WA 6000

### **United States**

UMB Bank  
1670 Broadway  
Denver CO 80202

### **Canada**

RBC Royal Bank  
20 King St West  
Toronto M5H 1C4

## **Auditors**

BDO Audit (WA) Pty Ltd  
Level 9, Mia Yellagonga Tower 2  
5 Spring Street  
Perth WA 6000

## **Stock Exchange Listing**

Australian Securities Exchange (ASX)  
ASX Code: MAD

## **Company Websites**

[www.madergroup.com.au](http://www.madergroup.com.au)  
[www.madergroup.com](http://www.madergroup.com)  
[www.maderenergy.com](http://www.maderenergy.com)







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# About Mader Group

*Mader Group Limited is a leading global provider of specialist technical services across multiple industries. Powered by mechanically minded specialists, the diversified group is dedicated to helping customers enhance their operations through optimal fleet and plant performance.*

Since 2005, Mader Group Limited (referred to hereafter as Mader, Group or Company) has grown and adapted to provide a wide range of services, broadening its capacity and skillset to comprehensively service a global network of operations. Now servicing the mining, energy and industrial sectors, Mader strategically tailors 'tap on, tap off' technical services for more than 380 customers across 530+ locations worldwide.

Expanding its service fleet to more than 1,100 vehicles in FY23, Mader keeps heavy mobile equipment and fixed infrastructure operating at peak performance through in-field technical support, major overhauls and repairs, preventative equipment maintenance, training of maintenance teams and a range of ancillary services.

The Company's unique business model provides both flexibility and stability to Mader and its customers alike. With 2,900+ passionate employees, Mader is able to mobilise highly specialised taskforces rapidly, or as required, across Australia, Asia, Africa and North America.

Headquartered in Perth, Western Australia, Mader houses regional offices around the globe ensuring easy access to local support for its valued customers. Additionally, Mader has a world-class maintenance centre in Perth which provides offsite repairs, machine refurbishments and rebuilds, specialised tool hire and a component exchange program for operations throughout Australia.

2,900<sup>+</sup> STAFF   
*Operating Worldwide*

## Specialist Maintenance



Mobile Plant  
Equipment



Fixed  
Infrastructure



Transport  
& Logistics



Energy Sector



Power Generation  
& Marine

# Our Journey

## 2005

- Mader established by Executive Chairman, Luke Mader, providing mechanical services to mining clients in the Kimberley Region of Western Australia.

- Mader International launched as the business expands globally to offer services in the major mining regions of Africa and South East Asia.

## 2015

- Ancillary division launched to supply complementary services alongside core mechanical offerings.
- Expanded to Queensland, based out of Mackay.

- Employee headcount reached 500+.
- Expanded to offer services in New South Wales and South Australia.
- Started providing maintenance services for fixed infrastructure.

## 2018

- Employee headcount reached 1,000+.
- Expanded to the United States, based out of Fort Collins, Colorado.

- Mader lists on the Australian Securities Exchange (ASX).
- Mader Trade Upgrade Program launched to upskill Light Vehicle and Heavy Road Transport Mechanics to Heavy Duty Diesel Mechanics.

## 2020

- Mader celebrated 15-year anniversary.
- Mader opened offices in Reno, Nevada and Canonsburg, Pennsylvania.
- Mader relocates from Mackay and opens an office in Brisbane, Queensland.

- Justin Nuich appointed as Chief Executive Officer.
- Mader entered Canada, based out of Edmonton, Alberta.
- Organic start-up Mader Energy launched, based out of Fort Worth, Texas.

## 2022

- Mader's Perth workshop moved to a new, 3,400m<sup>2</sup> maintenance facility.

- Mader enhances two-way internal transfer program, Global Pathways.
- Mader continues to expand into multiple industry verticals; rail, infrastructure maintenance, transport and logistics, energy, power generation and marine.
- Employee headcount reaches 2,900+.

## 2011

## 2017

## 2019

## 2021

## 2023

# Highlights

"Mader's operational strengths stem from a culture-led business model that has been refined over many years. It has empowered us to expand across multiple industry verticals, whilst providing a superior service to customers and unmatched career opportunities for our people."

**Justin Nuich,**  
Chief Executive Officer and Executive Director

## Awards

### 2023 Finalist



Best Candidate Experience Initiative  
Seek Talent Acquisition  
Recognition (STAR) Awards

### 2022 Winner

Large Business of the Year  
RISE Business Awards,  
sponsored by Business News



### 2022 Winner



Employer of Choice  
Australian Business Awards

### 2022 Excellence

Workplace Flexibility  
Australian HR Awards



## Our People

### 30+ Specialist Skillsets



Supporting 380+ customers  
across 8 countries



2,900+ Employees  
Operating  
Worldwide



### 200+ Apprentices

inducted throughout FY23  
(in Trade Upgrade Program)

### 200+ Overseas Transfers



Through unparalleled Global  
Pathways Program



### 18 Years' Strong

Longstanding experience  
and mining excellence





## Our Operations



**1,100+**  
Service Vehicles  
spanning four continents

**530+**  
Locations



Providing technical support across more than 530 locations worldwide



**380+** Customers  
Diverse network of customers across multiple industries

## 25+ Services

Widening scope of specialist services delivered globally



**Multiple** Industry Verticals  
Operated in worldwide, with a focus on optimising delivery in these markets



**8 Countries**  
Actively supporting customers across four continents



**Organic** start-ups maturing  
Canada and Mader Energy experienced service and geographical expansion



## Our Financials

**\$608.8M** FY23 sales revenue

**51%** FY23 revenue growth

**\$75.1M** FY23 EBITDA

**56%** FY23 earnings\* growth

**\$38.5M** FY23 NPAT

**48%** FY23 NPAT\* growth

**19.25** Basic earnings per share FY23

**~30% CAGR**   
Compound Annual Growth Rate over 10 years

**Low** Net Debt  
and significant financial flexibility

\*Growth rates calculated based on FY22 adjusted results. See page 17 for calculation.

# Made for Adventure

Mader provides specialist technical services across multiple industries throughout Australia, Asia, Africa and the Americas.

## Where We Work

Operations in FY23

### Australia

#### WESTERN AUSTRALIA

Pilbara  
Kimberley  
Goldfields  
Mid West  
South West  
Perth

#### SOUTH AUSTRALIA

Roxby Downs  
North Adelaide

#### QUEENSLAND

Brisbane  
Bowen Basin  
Surat Basin  
Far North Queensland

#### NEW SOUTH WALES

Hunter Valley  
Gunnedah Basin  
Riverina  
Central and Far West

#### NORTHERN TERRITORY

Tanami Region  
Gulf of Carpentaria

#### TASMANIA

Zeehan



Nevada

Alberta

### North America

#### USA

Alabama  
Alaska  
Arizona  
Arkansas  
California  
Colorado  
Florida  
Georgia  
Idaho  
Illinois

#### Indiana

Iowa  
Kentucky  
Louisiana  
Massachusetts  
Mississippi  
Missouri  
Montana  
Nebraska  
Nevada  
New Mexico

#### North Carolina

North Dakota  
Ohio  
Oklahoma  
Pennsylvania  
South Carolina  
Tennessee  
Texas  
Utah  
West Virginia  
Wyoming

#### CANADA

Alberta  
British Columbia  
Ontario  
Nunavut  
North West Territories

### Asia

Indonesia  
Mongolia  
Philippines

### Africa

Zambia

### Oceania

Papua New Guinea  
Christmas Island

## Global Pathways



Connecting tradespeople with incredible opportunities across the world



Unmatched global experiences across four continents





Texas



Mongolia



Papua New Guinea



Queensland



Western Australia



*Access to international talent pools and the best technicians worldwide*

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# Chairman's Letter

Dear Shareholders, it's hard to believe that after starting the business back in 2005 out of my ute in the Kimberley, that I would be here today, as Executive Chairman and presenting you Mader's Annual Report for the financial year ended 30 June 2023 (FY23).



Before I comment on the year, I'd first like to thank our outgoing Chairman, Mr. Jim Walker for his valuable contribution to the Group during his tenure. I have known Jim for more than 20 years, going back to when I was an apprentice myself - and I couldn't think of anyone better suited to have guided the business during its initial years as a publicly listed company.

Having surpassed market guidance twice, this year Mader reported \$608.8 million in revenue, representing 51% year on year growth. Our disruptive business model continues to prove its effectiveness, penetrating several new markets and regions to deliver a ten-year compound annual growth rate of 30% - an exceptional result!

Our achievements would not be possible without the hard work of our 2,900+ strong team, who work around the clock to service our global customer base. Although the days of greasy tools and sweaty engine change outs are behind me, I know the hard work it takes to get the job done, and for that, I am extremely grateful for the commitment our people put in daily.

When I founded this business in 2005, it was my goal to build a workplace that people would jump out of bed for; one that promotes adventure, flexibility, leadership and above-all, good times with even better mates. I'm proud to say that I've seen this dream become a reality over the last 18 years.



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We're actively expanding our primary culture programs, Global Pathways and Three Gears, which are essential in upholding our foundational values. Alongside 25 services in eight countries, every individual has their own Mader story, largely shaped by these programs, and rest assured – these are not boring stories to tell!

As we continue to develop operations in North America, our entry into Canada in particular has been a standout for the financial year. Having been involved in the start up of North America back in 2018, it is fantastic to see the team I worked with at the time now taking their expertise across the border to Canada and making it a success.

Whilst growth in North America has been exciting, our Australian business continues to be our largest contributor to the bottom line. With core mechanical services still experiencing high demand, we are diligently working to expand our ancillary offerings to support customers across multiple industries.

For many years, market and geographical diversification have been key priorities, with business strength driven by our two-pronged objective of diversifying revenue streams and offering enhanced opportunities for our people. Backed by a proven business model, a solid balance sheet and the continued dedication of our incredible team, we are primed for another remarkable year of success and achievement.

On behalf of the Board, I would like to extend my gratitude to our shareholders, customers and workforce for their ongoing support. We have a culture-led foundation, clear goals, and will continue to challenge ourselves, set new benchmarks, create unmatched opportunities for our people, and most importantly, have fun along the way.

Yours sincerely,



**Luke Mader**  
Executive Chairman & Founder

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# CEO's Report of Operations



**Mr Justin Nuich**  
Executive Director & Chief Executive Officer

As I reflect on the last financial year, I am immensely proud of the significant achievements of the Mader business; having successfully entered new markets and regions, all whilst continuing to expand our core service offering at a remarkable pace.

Our feats would not be possible without our committed and hard-working team, and I would like to extend my heartfelt appreciation to our 2,900+ Mader technicians around the world. Over the past 18 years, we have established a unique culture-led, market-leading business that puts our people first. Our people are our biggest asset, and we will continue to invest in them, providing unmatched global career options and lifestyle experiences. Guided by a passionate leadership team with extensive industry experience, I believe that we are well-placed to navigate an ever-evolving landscape with confidence.

Our commitment to continually diversifying service offerings, industries and geographies has unlocked new avenues for growth and strengthened our position as an employer of choice. Today, we are right where we want to be; leveraging our strong foothold in key markets around the globe and creating more opportunities for our people than ever before.

As we embark on the next chapter of our journey, we remain focused on building a diversified global services business, which will deliver exceptional value to our stakeholders and shape a sustainable future for Mader.

## Safety is Paramount

Our goal of 'zero harm' remains an absolute priority across all operations. We leave no stone unturned in our commitment to creating a safe and secure workplace for our employees, customers and stakeholders.

Throughout the year, Mader's Total Recordable Injury Frequency Rate improved by 14% year on year, closing at 3.91 recordable injuries per million hours worked. Whilst this has been a definitive improvement, we will continue our unwavering commitment towards zero harm. During the financial year we continued to invest in preventative safety systems and technology-based solutions to enhance our safety culture at all levels and ensure our people are protected to the highest standard.

## Over the course of the year we have:



*Enhanced in-vehicle monitoring systems across the global fleet*



*Tested fatigue and driver monitoring systems to mitigate vehicle-based risks*



*Launched a series of proactive safety campaigns via the custom-built Mader mobile app*



*Improved safety systems for efficient incident reporting and investigations*



*Prioritised mental wellbeing and further developed internal management's understanding of mental health issues*



*Streamlined digital communication with a focus on connectivity of our largely remote workforce*

## The Financial Highlights

Our ability to apply our proven service delivery model across multiple industry verticals and regions demonstrates the strength of our unique value proposition. The compounding effect of additional revenue streams operating in parallel, has enabled us to deliver the following financial results in FY23:

- Revenue of \$608.8m, a 51% increase from \$402.1m in FY22
- EBITDA of \$75.1 m delivered, up 56% from \$48.0m\* in FY22
- NPAT of \$38.5m, up 48% from \$26.0m\* in FY22
- Net debt of \$42.7m, equating to net leverage of 0.57x
- Enhanced returns for shareholders with dividend growth of 45%

In August 2022, Mader initially forecasted Group revenue of at least \$510 million and NPAT of at least \$33 million. Then, in October 2022, Mader upgraded that guidance to revenue of at least \$550 million and NPAT of at least \$35.5 million. Finally, in February 2023, Mader upgraded its financial guidance for a second time, to revenue of at least \$580 million and NPAT of at least \$37 million.

To surpass guidance that was twice upgraded, delivering a 51% revenue growth year on year is an incredible achievement. This result underscores the Group's ability to penetrate new and existing markets and deliver strong sustainable growth, all whilst remaining laser focused on safety and culture.

\* Adjusted to remove impact of sale of associate. Net leverage is calculated based on adjusted EBITDA.

See page 17 for calculation of adjusted results.

### Operational Milestones

Active in eight countries, we diligently expanded our operations geographically and diversified our service offerings to support over 380 customers across more than 530 locations - backed by a dedicated workforce of 2,900+ skilled technicians.

This strategic approach has enabled us to achieve unprecedented growth and surpass all previous revenue records, marking FY23 as another exceptional year for the business.

#### Australia

Mader's Australia segment performed strongly, generating \$468.5 million in revenue, a 37% increase on FY22. The core mechanical business experienced strong growth, with customer demand for our specialist services sustained amid immense structural skilled labour shortages. Demand for our ancillary products increased, with industry verticals; infrastructure maintenance, rail, road transport, power generation and marine all experiencing growth year on year.

#### North America

Operations in North America gained momentum, reporting revenue of \$132.2 million for the year ended 30 June 2023, increasing by 164% on the \$50.0 million delivered in FY22 (146% increase on a constant currency basis). In the United States, the team focused on refining their service delivery model and ensuring sustainable growth as the business unit matures. Supporting new and existing customers, the team provided mechanical and electrical services across 32 states.

Performance in Canada exceeded expectations with the team of 160+ technicians delivering support across five provinces and territories. Growth can be attributed to local recruitment efforts, and is further enhanced by Mader's Global Pathways program, an unparalleled initiative that provides our skilled technicians with career and adventure opportunities

around the world. Central to our growth strategy, the outlook for Canada remains extremely positive, with significant further unmet demand in the region.

Mader Energy provided support across the United States' oil and gas sector, with the business unit providing natural gas compressor maintenance in multiple states. This organic start up remains focused on developing meaningful customer relationships and expanding its geographical service delivery across a range of shale formations.

#### Rest of World (Africa and Asia)

Our Rest of World segment delivered \$8.1 million in revenue, a decrease of 20% vs the previous financial year. Specialist support and training was delivered to customers in five countries across Africa, Asia and Oceania. Despite the decline in revenue, the business unit is operating steadily and we remain focused on strategically increasing growth as appropriate opportunities and jurisdictions are identified.

### Global business highlights included:



*Surpassing all previous revenue records to report revenue of \$608.8 million*



*Further refining our service delivery model in diverse industries and regions*



*Experiencing high customer demand in core mechanical and ancillary services globally*



*Operations in Canada exceeding expectations*





## Our People and Culture

When defining what sets Mader apart from others, the answer is simple – it is our people. Our people, who are fueled by their dedication and passion to get the job done. Guided by our culture-led business model we have continued to invest in our two culture centered programs, Global Pathways and Three Gears.

Creating global career and adventure opportunities, Mader's unparalleled Global Pathways program expanded throughout the year, with the highly sought-after program offering short and long-term secondment opportunities in North America, Africa and Asia. Designed to provide the best of both work and play, many of our team kick-started their journey and immersed themselves in new cultures, challenged their skills and unlocked their full potential.

Driven by a strong sense of adventure, our people and their families enjoyed multiple trips and activities created by our internal adventure division, Three Gears. Currently unmatched in the industry, Three Gears is a leading employee engagement program that connects our people with the business, its leadership and most importantly, each other. Crafting some of the best adventures, our team enjoyed canyoning, sailing, camping, hiking and much more. We look forward to further expanding this program across our global operations in the years to come.

These two culture programs, endless training and development opportunities, and an extensive employee benefits program has earned Mader external recognition, winning Large Employer of the Year at the 2022 RISE Business Awards, Employer of Choice at the 2022 Australian Business Awards, an Excellence Award for Workplace Flexibility at the Australian HR Awards and most recently, named finalists for Best Candidate Experience Initiative at the 2023 SEEK Talent Acquisition Recognition (STAR) Awards.

## Investing in our people and their careers included:



*Fostering opportunity, growth, flexibility and job diversity for our people*



*Creating overseas opportunities for 200+ employees via Global Pathways*



*A multitude of activities and trips through adventure division Three Gears*



*Being recognised nationally for our employee engagement programs*

*"Mader continues to diligently address opportunities in new markets; ultimately leading to proactive solutions for customers and fulfilling careers for our people."*

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**Justin Nuich**  
Executive Director & Chief Executive Officer





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## Strengthening our Workforce

Our success at Mader is in part attributed to the guidance and vision provided by our exceptional Management team. Many of our leaders have been an integral part of the company since inception, showcasing their commitment to our values throughout their tenure. With their long-term experience, they possess valuable industry knowledge, strategic insight and a deep understanding of our unique business model and company culture, which they embed daily into operations. Their dedication and expertise sets an example for the entire business, and empowers our workforce to strive for excellence and continuously innovate.

We believe that continuous training and development is key to building the most skilled technical specialists. To achieve this, we invest significantly into comprehensive training and leadership development for our people. Our innovative Team Leader program has proven to be instrumental in transforming our people into exceptional leaders. This program aims to empower our workforce with the skills and qualities necessary to become reliable mentors for our field teams. With a largely remote workforce, equipping our people with the confidence and abilities to lead and guide fosters a sense of comradery and mutual support on site.

Further, our tailored Mader Trade Upgrade program provides an opportunity for light vehicle and heavy road transport mechanics to gain their heavy mobile plant qualifications, with FY23 seeing more than 60 apprentices graduate and join our existing service lines throughout Australia. The program also continues to address the skills shortage by feeding trained technicians into the resources industry.

## Equipping the Community

Having formally introduced our Tools for Life community engagement program last financial year, we are pleased to have made significant strides forward to support numerous volunteer, charity and sponsorship initiatives. The wide-ranging, global program is aimed at equipping individuals and communities with the tools they need to succeed.

A highlight for the year was introducing our youth engagement sessions, 'Introduction to Mining' for local high school students at our Mader Maintenance Centre in Perth. Dedicated to empowering the next generation of technicians, we are proud to be encouraging the future generation by giving participants an exclusive insight into the endless opportunities available within the industry.

Having raised funds for our charity partner, the Kijilamatambo Primary School in Solwezi, Zambia through the Strong Minds, Strong Mines boxing event, I'm pleased to say that copping a few hits to an already ordinary looking head was all for a good cause, with the business raising just over \$26,000 to go towards improving the quality of education for the students. I really appreciate the team for getting behind me, and I will reveal more about this exciting project in the months to come!

### Markets and Growth

It is an exciting time in the growth journey of Mader, and it's a privilege to have been a part of the process to get here. The financial year saw the business continue to grow as a global, diversified provider of specialist technical services. We have doubled down on our focus to extend our service delivery across multiple industry verticals, operating with conviction across the resources, energy, infrastructure maintenance, transport and logistics, and power generation and marine sectors.

Through service diversification, we can deliver top-tier support across a range of markets and regions and introduce new revenue streams to the Group. Key to driving future growth, and ensuring sustainability of the business, diversified operations will create compounding returns for our shareholders, with our long-term historical growth rate of around 30% year on year expected to continue into FY24 and beyond.

Central to our diversification strategy is geographical expansion across North America. Having established strong foundations in Canada for FY23, we look forward to further growth as we expand our reach across further provinces and territories, and venture into various commodities.

Demand across the Canadian market remains largely unfulfilled, presenting a significant opportunity for the business, especially given the skilled labour shortages in the region. Our business model has been well-received to date and has bolstered our confidence in the growth prospects available within Canada.

Operations in the United States continue to evolve as the company matures. We remain focused on expanding our service offerings and volume of labor to existing customers, whilst attracting new customers and advancing our market share beyond the 32 States we are currently working in. Organic start up, Mader Energy will continue its dedication to delivering field maintenance across a number of large shale formations whilst exploring further opportunities in the energy industry.

In the pursuit of building a large, resilient and diversified global services provider, Mader has conducted research into new and emerging markets to assess the suitability of Mader's business model. We will continue to do this, exploring the business model's viability in penetrating large addressable markets, some of which are directly relevant to our existing operations, and others further removed.





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## A Bright Future

Today, if we circled the globe, you would find someone proudly wearing a Mader shirt on four continents. From the snow in North America, tropics in Asia or the Outback of Australia – our dedicated team will be there.

Concluding another successful financial year, full of new records, I'd like to again thank our people for their passion for delivering a superior service. Our people are more than just employees to us; they are individuals who are empowered to shape their own journey within and beyond the workplace. Without their driving force and spirit of adventure, our achievements would not be possible.

We remain committed to achieving our vision of becoming a diversified, global services business – chosen by our people, selected by customers and backed by investors. Looking ahead we embrace the bright future that awaits us, confident in our abilities to seize opportunities, disrupt markets and provide a culture-led workplace worthy of our people.

Yours sincerely,



**Justin Nuich**

Chief Executive Officer & Executive Director

*"When defining what sets Mader apart from others, the answer is simple – it is our people. Our people, who are fueled by their dedication and passion to get the job done."*

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**Justin Nuich**

Executive Director & Chief Executive Officer

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\*During FY22, the Group disposed of its investment in Western Plant Hire Limited. Therefore, the prior corresponding periods reported results have been adjusted for this one off occurrence as follows:

A\$'000	NPAT	EBIT	EBITDA
Reported Results	27,945	41,832	50,885
Less Sale of Associate	(1,939)	(2,921)	(2,921)
<b>Adjusted Results</b>	<b>26,006</b>	<b>38,911</b>	<b>47,964</b>

# Made for Impact

## Community Engagement



## Some highlights this year included:

- Participating in the 2022 MACA Cancer 200: Ride for Research and raising more than \$75,000 for cancer research at the Harry Perkins Institute.
- Mader's CEO, Justin Nuich lacing up for the Strong Minds, Strong Mines boxing event, with over \$26,000 raised for charity partner, the Kijilamatambo School in Solwezi, Zambia.
- Sponsoring the 2022 Happiness Gala as a Gold Sponsor, helping to create a positive impact for men's mental health.
- Getting involved in the local community in Queensland and sponsoring the Mount Isa Rodeo, and Hunter Valley Charity Golf Day to raise funds for the Westpac Rescue Helicopter.
- Providing sponsorship for the Heart Warrior Open, an annual fundraising golf tournament held in Phoenix, Arizona in support of the Phoenix Children's Hospital.



*"FY23 marked Mader's seventh year participating in the Cancer 200: Ride for Research. We're incredibly grateful for their support, and for the valuable funds they have contributed to lifesaving cancer research."*

**Steve Currie, Corporate Partnerships Manager**  
(Harry Perkins Institute of Medical Research)





# Made for Impact

## Tools for Life

**Our Tools for Life Program aims to equip individuals and communities with the tools they need to build a better future and succeed in life.**

Consisting of a series of volunteer, charity and sponsorship initiatives, this program recognises the opportunity the mining sector has to improve socio-economic development.

With a strong focus on youth, education and support to remote areas and disadvantaged groups, our program aims to empower communities, improve social dynamics and lessen inequality across the globe.



*"At Mader, we believe in showcasing the realities of being a technician and offering students an exclusive chance to gain insight into the rewarding aspects of a career in the mining sector."*

**Charlotte Wagner, General Manager - HR & Training**  
(Mader Group)



## Hero Project

*Unlocking Youth Potential in Mining*

- Intro to Mining sessions were held at the Mader Maintenance Centre in Perth for students in year 10, 11 and 12 from local high schools.
- Sessions were led by expert Mader personnel and guest speakers relevant to the industry.
- Students were given a facility tour, and learned about the various equipment that is serviced in the state-of-the-art workshop, before gaining practical exposure on a CAT 3196 core engine.



# Made for our People

The driving force behind our purpose as an organisation.









# THREE GEARS

Our adventure division, Three Gears is all about creating epic adventures with a difference!

Kicking into gear, our team experienced heart-pumping experiences, like abseiling, hiking and mountain biking, mixed with chilled-out moments of BBQ's, ocean swims and breath-taking sunsets!





**“OUR MANTRA IS SIMPLE. WE BRING PEOPLE TOGETHER, CHALLENGE THEIR LIMITS AND HAVE FUN WHILST DOING SO.”**

Ben Nash,  
**General Manager - Culture**  
(Mader Group)



**15,780KM**  
*Biked around islands*



**2,034**  
*Snags consumed*



**845**  
*Flights in a helicopter*



**36,400KM**  
*Hiked in picturesque locations*



**2,375KM**  
*Traversed through canyons*





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# Directors' Report

The Directors submit their report with the financial report on the consolidated entity consisting of Mader Group Limited (Mader) and the entities it controlled (Group) at the end of, or during, the year ended 30 June 2023 (FY23).

## Directors

The following persons were directors of the Company (the Directors) at any time during the whole of the financial year and up to the date of this report, unless otherwise stated.

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Director Name	Position
Luke Mader	Executive Chairman & Founder - Appointed Executive Chairman from Executive Director, effective 21 April 2023
Justin Nuich	Executive Director & Chief Executive Officer (CEO)
Patrick Conway	Executive Director
Craig Burton	Non-Executive Director
Jim Walker	Non-Executive Chairman - Resigned effective 21 April 2023



**LUKE MADER**  
EXECUTIVE  
CHAIRMAN



**JUSTIN NUICH**  
CHIEF EXECUTIVE  
OFFICER



**PATRICK CONWAY**  
EXECUTIVE  
DIRECTOR



**CRAIG BURTON**  
NON-EXECUTIVE  
DIRECTOR

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## Principal Activities

The principal activities of Mader during the financial year was for the provision of specialist technical services in the mining, energy and industrial sectors around the globe. The services provided include in-field technical support, major overhauls and repairs, preventative equipment maintenance, training of maintenance teams, and a range of ancillary services.



## Overview and Financial Results

Mader generated revenue of \$608.8 million, an increase of 51% versus the prior year. Relative to the increase in demand for Mader's services across Australia, revenue increased by 37% to \$468.5 million. The North America market generated \$132.2 million in revenue, up 164% in comparison to the prior year of \$50.0 million. Mader's Rest of World segment delivered services in Africa, Asia and Oceania, with revenue decreasing 20% to \$8.1 million down from \$10.1 million the prior year.

Similarly, the Group's EBITDA grew 48% to \$75.1 million in comparison with the prior year. EBITDA for the Australian market was \$57.0 million, an increase of 42% as opposed to the prior year of \$40.1 million. In North America, EBITDA grew to \$23.2 million (up 131%) which was a result of the growth in revenue. The Rest of World market contributed \$1.1 million to the Group's EBITDA decreasing 47% compared to the prior year.

As at 30 June 2023, Mader maintained its strong liquidity position with net cash inflows from operations for the year of \$411 million (2022: \$35.4 million). Cash outflows from investing activities of \$47.3 million is largely due to the expansion of Mader's fleet of service vehicles. The Group's net debt position as at 30 June 2023 was \$42.7 million (2022: \$26.7 million).

## Dividends

On 21 August 2023, the Company declared a final fully franked dividend of 3.4 cents per share, taking total FY23 dividends to 5.8 cents per share fully franked, an increase of 45% from FY22. The record date is 20 September 2023 with a payment date of 4 October 2023.

A summary of the dividends that have been paid or declared during or in relation to the financial year is set out below:

Dividend Type	Dividend Paid	Total Value	Payment Date
Final FY22 Fully Franked	2.0 cents per share	\$4.0m	27 September 2022
Interim FY23 Fully Franked	2.4 cents per share	\$4.8m	6 April 2023
Final FY23 Fully Franked	3.4 cents per share	\$6.8m	4 October 2023



## Operational Performance

### Australia

Australia continues to be the strongest contributor to the Group's revenue base, delivering \$468.5 million for the financial year ended 30 June 2023. The 37% increase is impressive, and a record for the segment as we continue to scale operations through service diversification and geographic expansion. A tight labour market, caused by a structural skills shortage in Australia saw sustained demand for both core mechanical and ancillary products across multiple industry verticals.

Having been commissioned in the first quarter of the financial year, our custom-built Mader Maintenance Centre in Perth operated to nameplate capacity, completing a number of major offsite rebuilds and repairs for tier one mining customers. Experiencing high customer demand, the 3,400m<sup>2</sup> workshop has a solid forward order book and will continue to expand into FY24 and beyond.

Over FY23, more than 60 heavy-duty technicians completed the tailored Mader Trade Upgrade Program, effectively joining our existing teams out in the field across Australia. Since the program's inception in 2018, more than 200 dual-trade technicians have graduated with their Mobile Plant Trade Certificates via programs in Western Australia and Queensland.

### North America

Operations in North America delivered revenue of \$132.2 million for the year ended 30 June 2023, up 164% on the \$50.0 million delivered in FY22 (146% increase on a constant currency basis). In the United States, our team supported a number of customers across 32 states, increasing their volume of delivery for both mechanical and electrical services.

Currently based in Edmonton, Alberta and with a second operational office opening in Calgary in early FY24, our new, organic start up in Canada has exceeded expectations. Delivering incredible revenue growth, demand in the region has been unprecedented, with our team deployed throughout five provinces and territories; amongst key mineral producing regions.

Mader Energy was introduced in the previous financial year to target the gas compression industry across the United States. Based in Fort Worth, Texas, the business unit has established itself in the new sector and will continue to focus on diversifying its customer base across a variety of shale formations.

### Rest of World (Africa and Asia)

In FY23, Rest of World operations generated \$8.1 million revenue, down 20% from the prior year, yet maintained support and advisory services across Asia, Africa, and Oceania. In Asia, we provided maintenance support in Indonesia, Mongolia and Philippines and in Oceania, Papua New Guinea. In Africa, we completed technical advisory services in Zambia. For FY24, we anticipate growth through strategic planning, local partnerships, and business development.

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## Significant Changes in the State of Affairs

There have been no significant changes in the state of affairs of the Group that occurred during the financial year not otherwise disclosed in this report or the financial statements.

## Future Developments

Mader is well positioned to address growth opportunities and strong commodity markets as they present, with a dedicated focus on diversification to mitigate macro market risks and enhance earnings potential.

The Group's growth pillars seek to improve the strength of its revenue base, with a dedicated focus on service line, geographic and sector diversification to effectively improve profit margins across existing and emerging markets.

The Board is confident that Mader's leading market position will enable the business to continue to grow through the ongoing attraction of high quality and suitably skilled people and the penetration of new and existing addressable markets.

Mader's revenue growth is predominantly driven by three factors:

- Increase in demand in regions where Mader already operates (both existing and new customers). Mader believes significant revenue growth potential remains in all regions in which Mader currently operates;
- The continued diversification and scaling of supplementary services in established regions, such as Mader's ancillary services and infrastructure maintenance. These services are complementary and add value to Mader's core capabilities in mechanical maintenance; and
- Sector and geographic diversification through expansion to new addressable markets that suit Mader's business model, skillsets and/or abilities.

Mader's economic performance and future prospects are subject to a number of risks which may impact its business and which include the Group's ability to maintain its culture; maintaining quality of work and delivery; occupational health, safety and environment; potential downturn in the resources industry; loss of key personnel; management of growth; ability to win new work; the Group's large casual workforce; changes to industrial relations policy or labour laws; reliance on key customers and projects; foreign operations; increase in labour costs; increased competition; labour shortages; decline in the trend towards outsourcing maintenance activities; customer pricing risk, and capital requirements for growth.

## Events Subsequent to the End of the Financial Year

Apart from the Company declaring a dividend as set out above, there have been no other matters or circumstances that have arisen since 30 June 2023 that has significantly affected, or may significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial years.

## Environmental Regulation and Performance

The operations of the Group are subject to various environmental regulations in the countries in which Mader operates.

The Directors are not aware of any material breaches of environmental regulations during the year or as at the date of this report. The Group has met all of its reporting requirements under the relevant legislation during the year.

## DIRECTORS' REPORT

### Information on current and prior Directors



#### LUKE MADER

MAICD

**Experience and expertise:** Founder of Mader, Luke is trade qualified with 25 years' experience in the mining services industry. Luke leads Mader's strategic growth and development and has built Mader into a leading global provider of specialist technical services across multiple industries. Luke formerly completed a mechanical apprenticeship for an Original Equipment Manufacturer (OEM) before entering into a marketing role and then identifying an underserved niche in the industry.

##### Directorships held in other listed entities

- None

##### Former directorships held in listed companies in the last three years

- None

##### Special responsibilities

- Member of the Audit and Risk Committee
- Member of the Nomination and Remuneration Committee

##### Interest in securities

- 113,697,095 Ordinary Shares



#### JUSTIN NUICH

MBA, GRAD DIP MAINTENANCE MANAGEMENT

**Experience and expertise:** Justin has over 20 years' experience in the mining and energy industries in Australia and globally. Currently Mader's Executive Director and CEO, Justin is well versed with the business having sat on the Board since January 2019. He formerly held senior roles with Fortescue Metals Group Limited (ASX: FMG), Mineral Resources Limited (ASX: MIN) and BHP Group Ltd (ASX: BHP).

##### Directorships held in other listed entities

- None

##### Former directorships held in listed companies in the last three years

- None

##### Special responsibilities

- Member of the Audit and Risk Committee
- Member of the Nomination and Remuneration Committee

##### Interest in securities

- 191,081 Ordinary Shares
- 2,250,000 Performance Rights, on the terms and conditions as set out in the Notice of Meeting dated 7 September 2021.
- 1,000,000 Share Appreciation Rights, on the terms and conditions as set out in the Notice of Meeting dated 7 September 2021.



#### PATRICK CONWAY

BBUS, CPA, GACG

**Experience and expertise:** Patrick has over 13 years' experience in the mining and mining services industries in Australia and globally. Patrick has been with the Company for over 9 years and has previously held roles as CEO and CFO. He currently plays a pivotal role in influencing the Group's strategic direction as the Director Emerging Business.

##### Directorships held in other listed entities

- None

##### Former directorships held in listed companies in the last three years

- None

##### Special responsibilities

- Chair of the Audit and Risk Committee
- Member of the Nomination and Remuneration Committee

##### Interest in securities

- 113,824 Ordinary Shares





**CRAIG BURTON**  
*BJURIS, LLB, MAICD*

**Experience and expertise:** Craig is a venture capital investor in emerging projects and businesses. He has a track record of providing financing backing and strategic advice to successful management teams and start-up entrepreneurs.

**Directorships held in other listed entities**

- Grand Gulf Energy Limited from 16 September 2013 to current

**Former directorships held in listed companies in the last three years**

- Cradle Resources Limited from 5 March 2019 to 12 October 2021

**Special responsibilities**

- Member of the Audit and Risk Committee
- Chair of the Nomination and Remuneration Committee

**Interest in securities**

- 39,000,000 Ordinary Shares



**JIM WALKER**  
*GAICD, FAIM*  
**RESIGNED 21 APRIL 2023**

**Experience and expertise:** Jim has over 45 years' experience in the resources sector. He was the former Managing Director of WesTrac and a Director of Seven Group Holdings and National Hire Group. Jim was formerly the Non-Executive Chairman of Macmahon Holdings Ltd (ASX: MAH) having been a member of the Macmahon board since 2013. Jim is currently Chairman of Austin Engineering Ltd (ASX: ANG), State Training Board (WA) and Motor Museum of WA. Jim is a Non-Executive Director of M G Kailis Pty Ltd. Jim is a member of the RAC Council, Chair of RACWA Holdings Pty Ltd, RAC Insurance Pty Ltd and RAC Finance Ltd.

**Directorships held in other listed entities**

- Austin Engineering Limited from 8 July 2016 to current

**Former directorships held in listed companies in the last three years**

- Australian Potash Limited from 15 August 2018 to 15 December 2021
- Macmahon Holdings Limited from 11 October 2013 to 27 June 2019
- MLG Oz Limited from 21 January 2021 to 21 April 2023



## Directors' meetings

The number of meetings of the Company's Board of Directors and of each Board committee held during the year ended 30 June 2023 and the number of meetings attended by each Director were as follows:

	Director's Meeting		Audit and Risk Committee		Nomination and Remuneration Committee	
	Eligible to attend	Attended	Eligible to attend	Attended	Eligible to attend	Attended
Luke Mader	7	6	2	2	2	2
Justin Nuich	7	7	2	2	2	2
Patrick Conway	7	7	2	2	2	2
Craig Burton	7	7	2	2	2	2
Jim Walker <sup>1</sup>	6	6	2	2	1	1

<sup>1</sup> Resigned as Chairman, effective 21 April 2023.

## Company Secretary

### SARAH WILSON

APPOINTED 23 AUGUST 2022

Sarah is an experienced company secretary with more than 10 years' experience in governance and compliance. She is an Executive Director of national corporate advisory firm Source Governance, and is currently company secretary to a number of ASX listed companies with a strong focus on resources.

### SHANNON COATES

APPOINTED 6 NOVEMBER 2018, RESIGNED 25 JULY 2023

Shannon is a qualified lawyer, Chartered Secretary and graduate of the AICD's Company Directors course. She has more than 25 years' experience in corporate law and compliance, is an Executive Director of national corporate advisory firm Emerson CoSec, and is currently company secretary to a number of ASX listed companies with a strong focus on resources.





# Remuneration Report - Audited

## Overview

The Directors of Mader Group Limited present the Remuneration Report (the Report) for the Company and its controlled entities for the year ended 30 June 2023. This Report forms part of the Directors' Report and has been audited in accordance with section 300A of the Corporations Act 2001. The Report details the remuneration arrangements for Mader's Key Management Personnel (KMP) being:

- Non-Executive Directors
- Executive Directors and Senior Executives (collectively the Executives)

KMP are those persons who, directly or indirectly, have authority and responsibility for planning, directing and controlling the major activities of the Group and the Company. The table below outlines the KMP of the Company and their movements during the financial year:

Name	Position	Term as KMP
Luke Mader	Executive Chairman & Founder	Appointed Executive Chairman 21 April 2023
Justin Nuich	Executive Director & Chief Executive Officer	Full financial year
Patrick Conway	Executive Director	Full financial year
Craig Burton	Non-Executive Director	Full financial year
John Greville	Chief Operating Officer	Full financial year
Paul Hegarty	Chief Financial Officer	Full financial year
Jim Walker	Non-Executive Chairman	Resigned 21 April 2023

## Executive Remuneration

### How we determine executive remuneration policies and structures

Four principles guide our decisions about executive remuneration at Mader:

- Fairness: provide a fair level of reward to all employees;
- Transparency: build a culture of achievement by transparent links between reward and performance;
- Alignment: promote mutually beneficial outcomes by aligning employee, customer, shareholder interests; and
- Mader Culture: drive leadership performance and behaviours that create a culture that promotes safety, performance, diversity and employee satisfaction.

### How remuneration is governed

Mader has established a Nomination and Remuneration Committee (the Committee) to assist the Board in fulfilling its corporate governance responsibilities. The Committee provides advice, recommendations and assistance to the Directors with respect to:

- Remuneration policies for Non-Executive Directors;
- Remuneration policies for Executive Directors;
- Remuneration policies for Senior Executives;
- Equity participation;
- Human resources policies; and
- Other matters referred to the Committee by the Board.

The Committee presently consists of Messrs Craig Burton, Justin Nuich, Luke Mader and Patrick Conway. Mr Burton acts as the Chairman of the Committee.

The Committee may, when it considers necessary or appropriate, obtain advice from external consultants or specialists in relation to remuneration related matters at the Company's expense. During the financial year, the Company did not engage any such advisors.

## Elements of executive remuneration

### Fixed remuneration

Executive fixed remuneration is competitively structured and may include cash, superannuation and other non-financial benefits. Non-financial benefits generally consist of items to enable the effective discharge of the executive's duties and may include the provision of motor vehicles, mobile phones and computers. Fixed remuneration is designed to reward the Executive for their relevant skills, experience and qualifications with reference to their role.

### Variable remuneration - short-term incentives (STI)

STIs currently take the form of a cash bonus which is paid to Executives following the end of the financial year. The Committee is responsible for determining the achievement of the targets and whether a bonus amount is paid. The Committee will consider the Executive's performance and contributions in making their determination.

Features of the STI plan are set out below.

Feature	Description																
<b>Maximum opportunity</b>	Executives can earn a pre-determined amount, which is agreed upon at the commencement of each financial year.																
<b>Performance metrics</b>	<p>The STI metrics align with the Group's strategic targets as follows:</p> <ul style="list-style-type: none"> <li>Economic profit is a core component and aligns to growth in shareholder's wealth</li> <li>Attract and retain qualified, experienced and high calibre executives rewarding long term commitment to the Group</li> <li>Reward performance and achievement of the Group's strategic targets</li> </ul> <table border="1"> <thead> <tr> <th>Metric</th> <th>Target</th> <th>Weighting</th> <th>Reason for selection</th> </tr> </thead> <tbody> <tr> <td>Compounding annual revenue growth and minimum NPAT threshold</td> <td>Not less than 25% p.a with NPAT target agreed by the board each financial year.</td> <td>50%</td> <td>Reflects improvements in both revenue and cost control</td> </tr> <tr> <td>Total recordable injury frequency rate (TRIFR)</td> <td>&lt;4.5 incidents per million hours worked</td> <td>30%</td> <td>Our people operating safely both in our and our client's environments is paramount</td> </tr> <tr> <td>Labour retention rate</td> <td>Achieving appropriate labour turnover rate as set by the Board considering labour market conditions</td> <td>20%</td> <td>Staff retention is core to maintaining a safe, well trained workforce</td> </tr> </tbody> </table>	Metric	Target	Weighting	Reason for selection	Compounding annual revenue growth and minimum NPAT threshold	Not less than 25% p.a with NPAT target agreed by the board each financial year.	50%	Reflects improvements in both revenue and cost control	Total recordable injury frequency rate (TRIFR)	<4.5 incidents per million hours worked	30%	Our people operating safely both in our and our client's environments is paramount	Labour retention rate	Achieving appropriate labour turnover rate as set by the Board considering labour market conditions	20%	Staff retention is core to maintaining a safe, well trained workforce
Metric	Target	Weighting	Reason for selection														
Compounding annual revenue growth and minimum NPAT threshold	Not less than 25% p.a with NPAT target agreed by the board each financial year.	50%	Reflects improvements in both revenue and cost control														
Total recordable injury frequency rate (TRIFR)	<4.5 incidents per million hours worked	30%	Our people operating safely both in our and our client's environments is paramount														
Labour retention rate	Achieving appropriate labour turnover rate as set by the Board considering labour market conditions	20%	Staff retention is core to maintaining a safe, well trained workforce														

## REMUNERATION REPORT - AUDITED

### Variable remuneration - long-term incentives (LTI)

LTIs currently take the form of an equity incentive plan for eligible participants. The LTI offered to Executives forms a key part of their remuneration and assists to align their interest with the long term interest of shareholders. The purpose of the LTI is to reward Executives for attaining results over a long, measurable period and also as a retention mechanism.

In accordance with the terms of the plan, as approved by the shareholders at the 2021 annual general meeting, rights may be offered by the Board to Executives and are an entitlement to receive ordinary shares in the Company upon satisfaction of applicable performance conditions. The Committee is responsible for determining the achievement of the targets and whether the performance hurdles have been satisfied.

Features of the LTI plan are set out below.

Component	Description								
<b>Types of securities</b>	The plan provides the Company with the ability to grant Performance Rights or Share Appreciation Rights (Rights).								
	<table border="1"> <thead> <tr> <th>Type</th> <th>Terms</th> </tr> </thead> <tbody> <tr> <td>Performance Rights</td> <td>Each Performance Right constitutes a right to receive one share upon satisfaction of the applicable vesting or exercise conditions.</td> </tr> <tr> <td>Share Appreciation Rights</td> <td>Each Share Appreciation Right constitutes a right to receive a number of shares upon satisfaction of the applicable vesting or exercise conditions. The number of shares granted is calculated in accordance with the following formula: <ul style="list-style-type: none"> <li>Resulting Value divided by the Subsequent Market Value;</li> <li>Resulting Value is defined as the Subsequent Market Value less the market value of the share as at the date of grant;</li> <li>Subsequent Market Value is defined as the market value of a share as at the date of exercise.</li> </ul> </td> </tr> </tbody> </table>	Type	Terms	Performance Rights	Each Performance Right constitutes a right to receive one share upon satisfaction of the applicable vesting or exercise conditions.	Share Appreciation Rights	Each Share Appreciation Right constitutes a right to receive a number of shares upon satisfaction of the applicable vesting or exercise conditions. The number of shares granted is calculated in accordance with the following formula: <ul style="list-style-type: none"> <li>Resulting Value divided by the Subsequent Market Value;</li> <li>Resulting Value is defined as the Subsequent Market Value less the market value of the share as at the date of grant;</li> <li>Subsequent Market Value is defined as the market value of a share as at the date of exercise.</li> </ul>		
	Type	Terms							
Performance Rights	Each Performance Right constitutes a right to receive one share upon satisfaction of the applicable vesting or exercise conditions.								
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<b>Grants</b>	Rights may be granted under the Equity Incentive Plan to eligible participants from time to time at the absolute discretion of the Board. Luke Mader and non-executive directors are not eligible to participate in the plan.								
<b>Vesting and exercise</b>	Rights will vest if and to the extent that any applicable performance, service and other vesting conditions specified at the time of the grant are satisfied, deemed to be satisfied or waived and the Company has given the participant a vesting notice.								
<b>Equity or cash settlement</b>	The plan has the flexibility for vested Rights to be settled in either shares or cash. Cash settlement will only be available if the Company sets out in the terms and conditions of an invitation to participate in the plan that cash settlement is available.								
<b>Expiry</b>	Rights will be issued with an expiry date.								
<b>Lapse / forfeiture</b>	If a participant ceases employment, their vested and unvested Rights will automatically be forfeited unless the Board determines otherwise.								
<b>Performance metrics</b>	In line with the Group's long term strategic plan, the LTI rewards performance and achievements through the following targets:								
	<table border="1"> <thead> <tr> <th>Type</th> <th>Target</th> </tr> </thead> <tbody> <tr> <td>FY24 Performance Rights</td> <td>The Group achieves net profit after tax of \$40 million</td> </tr> <tr> <td>FY26 Performance Rights</td> <td>The Group achieves net profit after tax of \$60 to \$65 million</td> </tr> <tr> <td>Share Appreciation Rights</td> <td>KMP to continue employment to 30 June 2024</td> </tr> </tbody> </table>	Type	Target	FY24 Performance Rights	The Group achieves net profit after tax of \$40 million	FY26 Performance Rights	The Group achieves net profit after tax of \$60 to \$65 million	Share Appreciation Rights	KMP to continue employment to 30 June 2024
	Type	Target							
	FY24 Performance Rights	The Group achieves net profit after tax of \$40 million							
FY26 Performance Rights	The Group achieves net profit after tax of \$60 to \$65 million								
Share Appreciation Rights	KMP to continue employment to 30 June 2024								



## Non-Executive Director Remuneration

Mader's Non-Executive Director fee policy is designed to attract and retain high calibre directors who can discharge the roles and responsibilities required in terms of good governance, strong oversight, independence and objectivity. The fees reflect the demands and responsibilities of the Directors whilst incurring a cost which is acceptable to shareholders. Directors currently do not receive any additional fees for participation in Board Committees.

The Committee reviews non-executive directors' remuneration annually against comparable companies and may consider advice from external advisors if deemed necessary. Non-Executive director fees are determined within an aggregated non-executive director fee pool limit of \$300,000 per annum.

## Executive Service Agreements

Each KMP has entered into a service agreement with the Company. All KMP are entitled to receive payment in lieu of notice of any accrued statutory entitlement (i.e. annual leave and long service leave) on cessation of their employment. In addition, all KMP are entitled to participate in the STI Plan and LTI Plan that has been disclosed above.

The following table outlines the contractual terms of the executive service agreements:

Component	Luke Mader	Executive Directors	Senior Executives
Fixed Remuneration	\$2,000 per day worked	Range between \$250,000 and \$600,000 per annum	Range between \$400,000 and \$650,000 per annum
Variable Remuneration	None	As per STI scheme	As per STI scheme
Allowances	None	May include motor vehicle allowance	May include accommodation allowance
Notice Period	6 months	Up to 6 months	Up to 6 months
Annual and Long Service Leave	None	Statutory requirements plus 17.5% annual leave loading	Statutory requirements plus 17.5% annual leave loading
Redundancies	None	Statutory requirements	May include 12 months payout on change of control event

## Relationship between Remuneration and Group Performance

Mader rewards the performance of KMPs with regard to the achievement of operational and financial targets having regard to the duties, performance and contribution of the KMP during the financial year.

The table below sets out information about the Group's earnings and movements in shareholder wealth for the past five years up to and including the current financial year.

	2023	2022	2021	2020	2019
Net profit for the year (\$'m)	38.5	27.9	19.3	17.5	14.9
Basic earnings per share (cents)	19.25	13.97	9.67	8.75	8.77
Diluted earnings per share (cents)	18.21	13.60	9.67	8.75	8.77
Total dividends (\$'m)	11.6	8.0	6.0	7.3	11.1
Share price at end of year (\$)	5.70	2.66	0.85	0.78	-

## REMUNERATION REPORT - AUDITED

### Remuneration of KMP for the Years Ended 30 June 2023 and 30 June 2022

		Short-term employee benefits			Post-employment	Long-term benefits	Share Based Payments	Total remuneration	Performance related
		Salary & fees	Short Term incentives <sup>1</sup>	Non-monetary <sup>2</sup>	Super-annuation	Long service leave	Performance & Share Appreciation Rights		
		\$	\$	\$	\$	\$	\$		
<b>Non-executive directors</b>									
Jim Walker <sup>3</sup>	<b>2023</b>	<b>88,917</b>	-	-	<b>9,336</b>	-	-	<b>98,253</b>	-
	2022	110,000	-	-	11,000	-	-	121,000	-
Craig Burton	<b>2023</b>	<b>60,000</b>	-	-	<b>6,300</b>	-	-	<b>66,300</b>	-
	2022	60,000	-	-	6,000	-	-	66,000	-
<b>Total Non-executive Directors</b>	<b>2023</b>	<b>148,917</b>	-	-	<b>15,636</b>	-	-	<b>164,553</b>	-
	2022	170,000	-	-	17,000	-	-	187,000	-
<b>Executive directors</b>									
Luke Mader	<b>2023</b>	<b>215,000</b>	-	-	<b>18,241</b>	-	-	<b>233,241</b>	-
	2022	198,500	-	-	17,592	-	-	216,092	-
Justin Nuich	<b>2023</b>	<b>624,203</b>	<b>500,000</b>	<b>67,718</b>	<b>26,677</b>	-	<b>936,777</b>	<b>2,155,375</b>	<b>67</b>
	2022	527,475	500,000	40,484	51,905	-	561,960	1,681,824	63
Patrick Conway	<b>2023</b>	<b>260,564</b>	<b>250,000</b>	-	<b>24,503</b>	<b>5,835</b>	-	<b>540,902</b>	<b>46</b>
	2022	269,509	810,847	-	23,954	46,604	-	1,150,914	70
<b>Senior executives</b>									
John Greville	<b>2023</b>	<b>639,284</b>	<b>602,393</b>	<b>50,031</b>	<b>37,037</b>	<b>61,472</b>	<b>510,359</b>	<b>1,900,576</b>	<b>59</b>
	2022	288,309	1,142,749	-	18,126	(5,327) <sup>4</sup>	99,602	1,543,459	80
Paul Hegarty	<b>2023</b>	<b>399,725</b>	<b>400,000</b>	-	<b>26,163</b>	-	<b>236,216</b>	<b>1,062,104</b>	<b>60</b>
	2022	305,957	200,000	-	27,441	-	140,960	674,358	51
<b>Total Executive Directors and Senior Executives</b>	<b>2023</b>	<b>2,138,776</b>	<b>1,752,393</b>	<b>117,749</b>	<b>132,620</b>	<b>67,307</b>	<b>1,683,352</b>	<b>5,892,197</b>	<b>58</b>
	2022	1,589,750	2,653,596	40,484	139,018	41,277	802,522	5,266,647	66
<b>Total KMP</b>	<b>2023</b>	<b>2,287,693</b>	<b>1,752,393</b>	<b>117,749</b>	<b>148,257</b>	<b>67,307</b>	<b>1,683,352</b>	<b>6,056,751</b>	<b>57</b>
	2022	1,759,750	2,653,596	40,484	156,018	41,277	802,522	5,453,647	63

<sup>1</sup> Short-term incentives relate to cash bonuses provided under the Group's STI plan.

<sup>2</sup> Non-monetary benefits relate to the provision of motor vehicles, motor vehicle related expenses and accommodation allowances.

<sup>3</sup> Resigned as Chairman, effective 21 April 2023.

<sup>4</sup> Negative long service leave value is a result of more days taken than accrued during the year.

The table below shows the percentage of each Executives' STI that was awarded or forfeited during the financial year. It also shows the value of long-term incentives granted and exercised during the year.

	Short-term Incentives		Long-term Incentives	
	Awarded	Forfeited	Granted	Exercised
	%	%	\$	\$
Justin Nuich	100%	-	-	-
Patrick Conway	100%	-	-	-
John Greville	100%	-	1,007,391	-
Paul Hegarty	100%	-	-	-

Details of the rights issued during the year are as follows:

Rights series	Grant date	Expiry date	Method of valuation	Fair value at grant
Share Appreciation Rights	9-Jan-2023	30-Jun-2024	Black Scholes	2.52

## Shareholdings of Key Management Personnel

The number of shares in the Company held directly or indirectly during the financial year by each director and KMP of the Group, including their related parties, are set out below.

	Balance 1 July 2022	Granted as remuneration	On market purchase	Disposals/ Other changes	Balance 30 June 2023
Craig Burton	39,000,000	-	-	-	39,000,000
Luke Mader	113,697,095	-	-	-	113,697,095
Justin Nuich	186,081	-	5,000	-	191,081
Patrick Conway	113,824	-	-	-	113,824
John Greville	166,667	-	-	-	166,667
Paul Hegarty	55,000	-	-	-	55,000
Jim Walker <sup>1</sup>	66,667	-	-	(66,667)	-
<b>Total</b>	<b>153,285,334</b>	<b>-</b>	<b>5,000</b>	<b>(66,667)</b>	<b>153,223,667</b>

<sup>1</sup> Resigned as Chairman, effective 21 April 2023.

The number of rights (Performance Rights and Share Appreciation Rights) held directly or indirectly during the financial year by each director and KMP of the Group are set out below. All rights remain unvested as at the end of the year.

	Balance 1 July 2022	Granted as remuneration	Vested	Forfeited	Balance 30 June 2023
Justin Nuich	3,250,000	-	-	-	3,250,000
Patrick Conway	-	-	-	-	-
John Greville	750,000	400,000	-	-	1,150,000
Paul Hegarty	1,150,000	-	-	-	1,150,000
<b>Total</b>	<b>5,150,000</b>	<b>400,000</b>	<b>-</b>	<b>-</b>	<b>5,550,000</b>



## REMUNERATION REPORT - AUDITED

### Loans to Key Management Personnel

There were no loans to Directors or Executives during the financial year ended 30 June 2023 (2022: Nil).

### Other Transactions and Balances with KMP and their Related Parties

The following transactions occurred and were outstanding at reporting date in relation to transactions with related parties. The services have been provided on normal commercial terms and conditions.

	Related KMP	Transactions		Receivables		Payables	
		2023	2022	2023	2022	2023	2022
		\$	\$	\$	\$	\$	\$
Services provided to MLG Oz Limited	Jim Walker	4,612,393	3,316,744	1,572,874 <sup>1</sup>	69,091	-	-
Services provided to Austin Engineering Ltd	Jim Walker	34,579	114,452	- <sup>1</sup>	5,143	-	-
Services provided to Western Plant Hire Holdings Limited	Luke Mader <sup>2</sup> Patrick Conway	-	561,761	-	11,077 <sup>3</sup>	-	-
Services provided by Venture South Pty Ltd	Luke Mader	5,871	36,694	-	-	-	-
Services provided to Premium Plant Hire Pty Ltd	Luke Mader	328,521	310,078	31,562	77,524	-	-
Services provided to L&A Trust	Luke Mader	113,567	101,256	84,169	33,103	-	-
Services provided by Naturaliste Aviation Pty Ltd	Justin Nuich	12,705	-	-	-	-	-
Consultancy services provided by Allscope Holdings Pty Ltd	Justin Nuich	17,909	29,836	-	-	-	-

<sup>1</sup> Balances are as at the date Jim Walker resigned as Chairman, effective 21 April 2023.

<sup>2</sup> Luke Mader was a director of Western Plant Hire Holdings Limited and Patrick Conway was an alternate director for Luke Mader during the period of Mader's investment in Western Plant Hire Holdings Limited.

<sup>3</sup> Balance is as at the date Luke Mader and Patrick Conway resigned as director's of Western Plant Hire Holdings Limited.

### Voting of Shareholders at Last Year's Annual General Meeting

Mader received more than 90% of "yes" votes on its remuneration report for the financial year ended 30 June 2022. The Company did not receive any specific feedback at the annual general meeting or throughout the year on its remuneration practices.

End of audited remuneration report.

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## DIRECTORS' REPORT

### Shares Under Option

There were no unissued ordinary shares of Mader Group Limited under option at the date of this report.

### Indemnification and Insurance of Officers and Auditors

The Company has executed a deed of access, indemnity and insurance in favour of each Director during the financial year. The indemnity deed requires the Company to indemnify each Director for liability incurred by the Director as an officer of the Company subject to the restrictions prescribed in the Corporations Act 2001. The deed also gives each Director a right of access to Board papers and requires the Company to maintain insurance cover for the Directors.

The Company has not otherwise, during or since the end of the financial year, except to the extent permitted by law, indemnified or agreed to indemnify an officer or auditor of the Company or of any related body corporate against a liability incurred as such an officer or auditor.

### Proceedings on Behalf of the Company

No person has applied to the Court under section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the Company, or to intervene in any proceedings to which the Company is a party, for the purpose of taking responsibility on behalf of the Company for all or part of those proceedings.

### Non-Audit Services

Details of the amounts paid or payable to the auditor for non-audit services provided during the financial year by the auditor are outlined in Note 23 to the financial statements.

The Directors are satisfied that the provision of non-audit services is compatible with the general standard of independence of auditors imposed by the Corporations Act 2001. The directors are satisfied that the provision of non-audit services by the auditor did not compromise the auditor independence requirements of the Corporation Act 2001 for the following reasons.

- all non-audit services have been reviewed by the audit committee to ensure they do not impact the impartiality and objectivity of the auditor, and
- none of the services undermine the general principles relating to auditor independence as set out in APES 110 Code of Ethics for Professional Accountants.

### Auditors Independence Declaration

The auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out on page 42.

### Rounding

The Company is a company of the kind referred to in ASIC Corporations Instrument 2016/191 issued by the Australian Securities and Investments Commission dated 24 March 2016, and in accordance with the Corporations Instrument, amounts in this report have been rounded off to the nearest thousand dollars, unless otherwise stated.

This directors' report is made in accordance with a resolution of Directors, pursuant to Section 298(2)(a) of the Corporations Act 2001.



**Luke Mader**  
Executive Chairman & Founder

21 August 2023

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# Auditor's Independent Declaration



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Australia

## DECLARATION OF INDEPENDENCE BY DEAN JUST TO THE DIRECTORS OF MADER GROUP LIMITED

As lead auditor of Mader Group Limited for the year ended 30 June 2023, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
2. No contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Mader Group Limited and the entities it controlled during the period.

**Dean Just**  
**Director**

**BDO Audit (WA) Pty Ltd**  
Perth  
21 August 2023

BDO Audit (WA) Pty Ltd ABN 79 112 284 787 is a member of a national association of independent entities which are all members of BDO Australia Ltd ABN 77 050 110 275, an Australian company limited by guarantee. BDO Audit (WA) Pty Ltd and BDO Australia Ltd are members of BDO International Ltd, a UK company limited by guarantee, and form part of the international BDO network of independent member firms. Liability limited by a scheme approved under Professional Standards Legislation.









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# Consolidated Statement of Profit or Loss & Other Comprehensive Income

For the Year Ended 30 June 2023

	NOTE	2023 \$'000	2022 \$'000
Revenue	4	608,793	402,084
Cost of Sales	5	(472,942)	(323,499)
<b>Gross profit</b>		<b>135,851</b>	<b>78,585</b>
Distribution expense		(20)	(20)
Marketing expenses		(2,405)	(1,580)
Administration expenses	5	(77,724)	(42,051)
Other operating expenses		(263)	187
Finance costs	5	(3,542)	(1,432)
Share of profit from associates		-	532
Other income	4	2,700	6,179
<b>Profit before income tax</b>		<b>54,597</b>	<b>40,400</b>
Income tax expense	6	(16,089)	(12,455)
<b>Profit for the year</b>		<b>38,508</b>	<b>27,945</b>
<b>Other comprehensive income/(loss)</b>			
<i>Items that may be reclassified to profit or loss</i>			
Exchange differences arising on translation of foreign operations		1,951	1,955
<b>Total comprehensive income for the year</b>		<b>40,459</b>	<b>29,900</b>
<b>Earnings per share</b>			
Basic earnings per share (cents per share)	8	19.25	13.97
Diluted earnings per share (cents per share)	8	18.21	13.60

The above Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the notes to the financial statements.



# Consolidated Statement of Financial Position

As at 30 June 2023

	NOTE	2023 \$'000	2022 \$'000
<b>Current assets</b>			
Cash and cash equivalents		13,010	6,648
Trade and other receivables	11	122,819	87,614
Other assets	12	4,861	3,466
<b>Total current assets</b>		<b>140,690</b>	<b>97,728</b>
<b>Non-current assets</b>			
Property, plant and equipment	13	100,163	67,944
Investment in associates		110	110
Right of use of asset	14	8,086	7,965
Other assets	12	331	391
Deferred tax assets	6	3,317	944
<b>Total non-current assets</b>		<b>112,007</b>	<b>77,354</b>
<b>Total assets</b>		<b>252,697</b>	<b>175,082</b>
<b>Current liabilities</b>			
Trade and other payables	15	49,968	41,255
Lease liabilities		1,394	1,233
Provisions	16	5,314	3,902
Tax liabilities	6	2,644	306
Borrowings	17	15,056	21,264
<b>Total current liabilities</b>		<b>74,376</b>	<b>67,960</b>
<b>Non-current liabilities</b>			
Lease liabilities		7,298	7,000
Deferred tax liabilities	6	10,723	3,081
Borrowings	17	40,656	12,059
<b>Total non-current liabilities</b>		<b>58,677</b>	<b>22,140</b>
<b>Total Liabilities</b>		<b>133,053</b>	<b>90,100</b>
<b>Net Assets</b>		<b>119,644</b>	<b>84,982</b>
<b>Equity</b>			
Issued capital	18	2	2
Reserves	19	7,099	2,145
Retained earnings		112,543	82,835
<b>Total equity</b>		<b>119,644</b>	<b>84,982</b>

The above Consolidated Statement of Financial Position should be read in conjunction with the notes to the financial statements.

# Consolidated Statement of Changes in Equity

For the Year Ended 30 June 2023

	NOTE	Issued Capital \$'000	Retained Earnings \$'000	Foreign Currency Translation \$'000	Share Based Payments \$'000	Total \$'000
<b>Balance at 1 July 2022</b>		<b>2</b>	<b>82,835</b>	<b>735</b>	<b>1,410</b>	<b>84,982</b>
<b>Comprehensive income/(loss)</b>						
Profit for the year		-	38,508	-	-	38,508
Other comprehensive income for the year		-	-	1,951	-	1,951
<b>Total comprehensive income/(loss) for the year</b>		<b>-</b>	<b>38,508</b>	<b>1,951</b>	<b>-</b>	<b>40,459</b>
Dividends paid or provided for	9	-	(8,800)	-	-	(8,800)
Equity settled share based payments	20	-	-	-	3,003	3,003
<b>Balance at 30 June 2023</b>		<b>2</b>	<b>112,543</b>	<b>2,686</b>	<b>4,413</b>	<b>119,644</b>

	NOTE	Issued Capital \$'000	Retained Earnings \$'000	Foreign Currency Translation \$'000	Share Based Payments \$'000	Total \$'000
<b>Balance at 1 July 2021</b>		<b>2</b>	<b>61,890</b>	<b>(1,220)</b>	<b>-</b>	<b>60,672</b>
<b>Comprehensive income/(loss)</b>						
Profit for the year		-	27,945	-	-	27,945
Other comprehensive income for the year		-	-	1,955	-	1,955
<b>Total comprehensive income/(loss) for the year</b>		<b>-</b>	<b>27,945</b>	<b>1,955</b>	<b>-</b>	<b>29,900</b>
Dividends paid or provided for	9	-	(7,000)	-	-	(7,000)
Equity settled share based payments	20	-	-	-	1,410	1,410
<b>Balance at 30 June 2022</b>		<b>2</b>	<b>82,835</b>	<b>735</b>	<b>1,410</b>	<b>84,982</b>

The above Consolidated Statement of Changes of Equity should be read in conjunction with the notes to the financial statements.

# Consolidated Statement of Cash Flows

For the Year Ended 30 June 2023

	Note	2023 \$'000	2022 \$'000
<b>Cash flows from operating activities</b>			
Receipts from Customers		630,949	422,748
Payments to Suppliers & Employees		(578,257)	(374,329)
Interest Paid		(3,124)	(1,196)
Income Tax Paid		(8,482)	(11,835)
<b>Net cash generated from Operating Activities</b>	10	<b>41,086</b>	<b>35,388</b>
<b>Cash flows from investing activities</b>			
Proceeds from Sale of Property, Plant & Equipment		242	73
Payments for Property, Plant & Equipment		(47,535)	(39,461)
Sale of Associates		-	8,400
Investments in Associates		-	(20)
<b>Net cash used in Investing Activities</b>		<b>(47,293)</b>	<b>(31,008)</b>
<b>Cash flows from financing activities</b>			
Proceeds from Borrowings		42,559	20,235
Repayment of Borrowings		(21,444)	(14,623)
Payment of Dividends		(8,800)	(7,000)
<b>Net cash (used in)/provided by Financing Activities</b>		<b>12,315</b>	<b>(1,388)</b>
<b>Net Cash Increase / (Decrease) in Cash and Cash Equivalents Held</b>		<b>6,108</b>	<b>2,992</b>
Effect of Exchange Rates on Cash and Cash Equivalent Holdings		254	447
Cash and Cash Equivalents at Beginning of Financial Year		6,648	3,209
<b>Cash and Cash Equivalents at End of Financial Year</b>		<b>13,010</b>	<b>6,648</b>

The above Consolidated Statement of Cash Flows should be read in conjunction with the notes to the financial statements.

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# Notes to the Consolidated Financial Statements

For the Year Ended 30 June 2023

## 1. Corporate Information

These financial statements are general purpose financial statements which have been prepared in accordance with the Corporations Act 2001, Accounting Standards and other authoritative pronouncements issued by the Australian Accounting Standards Board (AASB), and comply with other requirements of the law.

Compliance with Australian Accounting Standards ensures that the financial statements and notes of the Group comply with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB). Consequently, this financial report has been prepared in accordance with and complies with IFRS as issued by the IASB.

The financial statements comprise the consolidated financial statements of the Group and were authorised for issue in accordance with a resolution of the board of directors dated 21 August 2023. For the purposes of preparing the consolidated financial statements, the Company is a for-profit entity.

These financial statements are presented in Australian Dollars (\$). Foreign operations are included in accordance with policies set out in note 2. In addition, the financial statements have been prepared on a historical cost basis. Historical costs are generally based on the fair value of the consideration given in exchange for goods and services. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique.

The Company is a company of the kind referred to in ASIC Corporations Instrument 2016/191 issued by the Australian Securities and Investments Commission dated 24 March 2016, and in accordance with the Corporations Instrument, amounts in this report have been rounded off to the nearest thousand dollars, unless otherwise stated.

## 2. Summary of Significant Accounting Policies

### (a) Going Concern

The Directors have, at the time of approving the financial statements, a reasonable expectation that the Group have adequate resources to continue the operational existence for the foreseeable future. Thus, they continue to adopt the going concern basis of accounting in preparing the financial statements.

### (b) Basis of Consolidation

The consolidated financial statements comprises the financial statements of the Company and the entities controlled by the Company (its subsidiaries). Control is achieved when the Company has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee
- The ability to use its power over the investee to affect its returns

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above. Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. The results of subsidiaries acquired or disposed of during the year are included in the profit and loss from the date of the Company gains control until the date the Company ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. All intra-group assets and liabilities, equity, income, expense and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.



### 2. Summary of Significant Accounting Policies (continued)

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Company loses control over a subsidiary, it derecognises the related assets (including goodwill), assets, liabilities and other components of equity, with any resultant gain or loss resulting from the difference between the consideration received and the net financial position of the subsidiary is recognised in profit or loss.

#### (c) Income Tax

##### Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date in the countries where the Group operates and generates taxable income.

Current income tax relating to items recognised directly in equity is recognised in equity and not in the Statement of Profit or Loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

##### Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- When the deferred tax liabilities arises from the initial recognition of goodwill or asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.
- In respect of taxable temporary differences associated with investments in subsidiaries,

associates and interests in joint arrangements, when the timing of reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

- When the deferred tax assets relating to the deductible temporary difference arises from initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.
- In respect to deductible temporary differences associated with investments in subsidiaries, associates and interest in joint arrangements, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax items are recognised in correlation to the underlying transaction either in other

comprehensive income or directly in equity.

The Group offsets deferred tax assets and deferred tax liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

#### (d) Property, Plant and Equipment

Each class of plant and equipment is carried at cost or fair value less, where applicable, any accumulated depreciation and impairment losses. Freehold land is not depreciated.

##### Plant and equipment

Plant and equipment are measured on a cost basis. At each reporting date, the Group reviews the carrying amounts of its property, plant and equipment to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated to determine the extent of the impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the Group estimates the recoverable amount of the cash-generating units for which a reasonable and consistent allocation basis can be identified.

The recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the

asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of impairment loss is recognised immediately in profit or loss to the extent that it eliminates the impairment loss which has been recognised for the asset in prior years.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. The gains or loss on disposal or retirement of the asset is determined by comparing proceeds with the carrying amount. These gains or losses are included in the Statement of Profit or Loss and Other Comprehensive Income.

##### Depreciation

Depreciation is recognised so as to write off the cost (other than freehold land) less their residual values over the useful lives, using the diminishing value method. The depreciation rates used for each class of depreciable assets are as follows:

Class of fixed assets	Depreciation rate
Computer equipment	37.5%
Office furniture and fittings	10 – 40%
Motor vehicles	20 – 30%
Plant and equipment	10 – 30%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

### 2. Summary of Significant Accounting Policies (continued)

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are included in the Statement of Profit or Loss and Other Comprehensive Income. When revalued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to retained earnings.

#### (e) Leases

##### Right of use assets

A right of use asset is recognised at the commencement date of a lease. The right of use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the asset.

Right of use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the Group expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right of use assets are subject to impairment or adjusted for any remeasurement of lease liabilities. The Group determines whether a right of use asset is impaired and accounts for any identified impairment loss as described in the 'Property, Plant and Equipment' policy above.

The Group has elected not to recognise a right of use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are expensed to profit or loss as incurred.

##### Lease liabilities

A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease

payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Lease payments comprise of fixed payment less any lease incentives receivable, variable lease payments that depends on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following:

- future lease payments arising from a change in an index or a rate used
- residual guarantee
- lease term
- certainty of a purchase option
- termination penalties

When a lease liability is remeasured, an adjustment is made to the corresponding right of use asset, or to the profit or loss if the carrying amount of the right of use asset is fully written down.

#### (f) Financial Instruments

Financial assets and financial liabilities are recognised in the Group's Statement of Financial Position when the Group becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value, except for trade receivables that do not have a significant financing component which are measured at transaction price. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition.

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Transaction costs attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

### Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

All recognised financial assets are measured subsequently in their entirety at either amortised cost or fair value, depending on the classification of financial assets.

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. For financial assets other than assets that are credit-impaired on initial recognition, the effective interest rate is the rate that exactly discounts estimated cash receipts, excluding expected credit losses, through the expected life of the debt instrument or where appropriate a shorter period to the gross carrying amount of the debt instrument on initial recognition.

The amortised cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance. The gross carrying amount of a financial asset is the amortised costs of a financial asset before adjusting for any loss allowance.

Interest income is recognised in profit or loss and is included in the 'Other Revenue' line item.

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all

the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. On derecognition of a financial asset measured at amortised costs, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

### Financial liabilities

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Group are recognised at the proceeds received, net of direct issue costs.

All financial liabilities are measured subsequently at amortised cost using the effective interest method. The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.



### 2. Summary of Significant Accounting Policies (continued)

#### (g) Impairment of Financial Assets

The Group recognises a loss allowance for expected credit losses (ECLs) on lease receivables, trade receivables and contract assets. The amount of ECLs is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

The ECLs are estimated using a provision matrix based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as forecast direction of conditions at the reporting date, including time value of money where appropriate.

In assessing whether the credit risk has increased significantly since initial recognition, the Group compares the risk of a default occurring at the reporting date with the risk of a default occurring at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort. Forward-looking information considered includes the future prospects of the industries in which the Group's debtors operate, obtained from economic expert reports, financial analysts, government bodies, relevant think-tanks and other similar organisations, as well as consideration of various external sources of actual and forecast economic information that relate to the Group's core operations.

The Group regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

The Group writes off a financial asset when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor has been placed under liquidation or has entered into bankruptcy

proceedings. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, considering legal advice where appropriate. Any recoveries made are recognised in profit or loss.

#### (h) Short-Term and Other Long-Term Employee Benefits

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave and sick leave in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

Liabilities recognised in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Group in respect of services provided by employees up to the reporting date.

#### (i) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks and other short-term highly liquid investments with original maturities of three months or less. Bank overdrafts are shown within financial liabilities in current liabilities on the Statement of Financial Position.

#### (j) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the taxation authority. In these circumstances the GST is recognised as part of the costs of acquisition of the asset or as part of an item of the expense. Receivables and payables in the Statement of Financial Position are shown inclusive of GST. The net amount of GST recoverable from, or payable to, the tax authority is included within 'Other Receivables or Other Payables' in the Statement of Financial Position.

Cash flows are presented in the Statement of Cash Flows on a gross basis. The GST component of cashflows arising from investing and financing activities which is recoverable from, or payable to,

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the taxation authority is classified within operating cash flows.

### **(k) Borrowing Costs**

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are recognised in profit or loss in the year in which they occur.

### **(l) Foreign Currency Translation**

In preparing the financial statements of the Group entities, transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing on the dates of the transactions. At each reporting date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are translated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences are recognised in profit or loss in the period in which they arise except for:

- Exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings
- Exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur in the foreseeable future (therefore forming part of the net investment in the foreign operation), which are recognised initially in other comprehensive income and reclassified from

equity to profit or loss on disposal or partial disposal of the net investment.

For the purpose of presenting consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated at exchange rates prevailing on the reporting date. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during that period, in which case the exchange rates at the date of transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in a foreign exchange translation reserve (attributed to non-controlling interests as appropriate).

On the disposal of a foreign operation (i.e. disposal of the Group's entire interest in a foreign operation, or a disposal involving loss of control over a subsidiary that includes a foreign operation of which the retained interest becomes a financial asset), all the exchange differences accumulated in a foreign exchange translation reserve in respect of that operation attributable to the owners of the Company are reclassified to profit or loss.

In addition, in relation to a partial disposal of a subsidiary that includes a foreign operation that does not result in the Group losing control over the subsidiary, the proportionate share of accumulated exchange differences are re-attributed to non-controlling interests and are not recognised in profit or loss. For all other partial disposals (i.e. partial disposals of associates or joint arrangements that do not result in the Group losing significant influence or joint control), the proportionate share of the accumulated exchange differences is reclassified to profit or loss.

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## NOTES TO THE FINANCIAL STATEMENTS

### 2. Summary of Significant Accounting Policies (continued)

#### (m) Revenue Recognition

The Group derives revenue from labour hire and support and maintenance services to the mining sector. Revenue is measured based on the consideration to which the Group expects to be entitled in a contract with a customer and excludes amounts collected on behalf of third parties. The Group recognises revenue when it transfers control of a product or service to a customer.

#### Services revenue

Contracts entered into can cover services which may involve various different processes or servicing of related assets. Where these processes and activities are highly interrelated, and the Group provides a significant service of integration for these activities, they are taken as one performance

obligation. The transaction price is allocated across each performance obligation based on contracted prices. Variable consideration may be included in the transaction price. The performance obligation is fulfilled over time as the Group enhances the assets which the customer controls, for which the Group has no alternative use and has a right to payment for performance to date.

Revenue is recognised in the accounting period in which services are rendered. Customers are in general invoiced for an amount that is calculated based on agreed contract terms in accordance with stand-alone selling prices for each performance obligation.





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## **(n) Share Based Payments**

Equity settled share based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date. The fair value excludes the effect of non-market based vesting conditions. Details regarding the determination of the fair value of equity settled share based transactions are set out in the Share Based Payments note.

The fair value determined at the grant date of the equity settled share based payments is expensed on a straight line basis over the vesting period, based on the Group's estimate of the number of equity instruments expected to vest as a result of the effect of non-market based vesting conditions. The impact of the revision of the original estimates, if any, is recognized in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to reserves.

Equity settled share based payment transactions with parties other than employees are measured at the fair value of the goods or services received, except where that fair value cannot be estimated reliably, in which case they are measured at the fair value of the equity instruments granted, measured at the date the entity obtains the goods or the counterparty renders the service.

## **(o) Adoption of New and Amended Standards and Interpretations**

### **Impact of the initial application of new and amended Standards that are effective for the current year**

In the current year, the Group has applied a number of amendments to the Australian Standards and Interpretations issued by the Australian Standards Board (AASB) that are effective for an annual period that begins on or after 1 July 2022. Their adoption has not had any material impact on the disclosures or on the amounts reported in these financial statements.





## NOTES TO THE FINANCIAL STATEMENTS

### 2. Summary of Significant Accounting Policies (continued)

New and revised Australian Accounting Standards and Interpretations on issue but not yet effective.

At the date of authorisation of the financial statements, the Group has not applied the following new and revised Australian Accounting Standards, Interpretations and amendments that have been issued but are not yet effective:

Standard / amendment	Effective for annual reporting periods beginning on or after
AASB 2014-10 Amendments to Australia Accounting Standards – Sale or Contribution of Assets between an investor and its Associate or Joint Venture, AASB 2015-10 Amendments to Australian Accounting Standards – Effective Date of Amendments to AASB 10 and AASB 128, AASB 2017-5 Amendments to Australian Accounting Standards – Effective Date of Amendments to AASB 10 and AASB 128 and Editorial Corrections and AASB 2021-7 Amendments to Australian Accounting Standards – Effective Date of Amendments to AASB 10 and AASB 128 and Editorial Corrections	1 January 2025
AASB 2020-1 Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-Current and AASB 2020-6 Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-Current Deferral of Effective Date	1 January 2023
AASB 2021-2 Amendments to Australian Accounting Standards – Disclosure of Accounting Policies and Definition of Accounting Estimates	1 January 2023
AASB 2021-5 Amendments to Australian Accounting Standards – Deferred Tax related to Assets and Liabilities arising from a Single Transaction	1 January 2023

### 3. Critical Accounting Judgements and Key Sources of Estimation Uncertainty

In applying the Group's accounting policies, which are described above, management are required to make judgements that have a significant impact on the amounts recognised and to make estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the review and future periods if the revision affects both current and future periods.

The following are the critical judgements and estimations that management have made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised in the financial statements:

- Assessment and impairment of property, plant and equipment (Note 2(d))
- Estimation of expected useful lives of property, plant and equipment (Note 2(d))
- Estimation of allowance for expected credit losses on financial assets (Note 2(g))
- Estimation of the number of equity instruments expected to vest as a result of the effect of non-market based vesting conditions and valuation of the equity instruments (Note 2(n))

## 4. Revenue

	2023 \$'000	2022 \$'000
<b>Operating revenue</b>		
Maintenance services	545,924	374,242
Hire recoveries	369	183
Direct expense recoveries	62,500	27,659
<b>Total operating revenue</b>	<b>608,793</b>	<b>402,084</b>
<b>Timing of revenue recognition</b>		
At a point in time	62,500	27,659
Over time	546,293	374,425
<b>Total operating revenue</b>	<b>608,793</b>	<b>402,084</b>
<b>Other income</b>		
Interest income	1	-
Gain on sale of associate	-	3,354
Other income	2,699	2,825
<b>Total other income</b>	<b>2,700</b>	<b>6,179</b>

## 5. Expenses

	2023 \$'000	2022 \$'000
<b>Expenses</b>		
Depreciation	16,955	9,053
Employee benefits expense	405,103	279,039
Share based payment expense	3,003	1,410
<b>Finance costs</b>		
Interest expense	3,124	1,196
Other finance costs	418	236

## NOTES TO THE FINANCIAL STATEMENTS

### 6. Tax

(a) Income tax expense	2023 \$'000	2022 \$'000
<b>Components of income tax expense</b>		
Current income tax expense	12,402	8,011
Deferred tax expense	3,141	4,807
Under/(over) provision in respect of prior year - current tax expense	(2,281)	(363)
Under/(over) provision in respect of prior year - deferred tax expense	2,827	-
	<b>16,089</b>	<b>12,455</b>

#### Numerical reconciliation of income tax expense to prima facie tax payable

Profit before income tax	54,870	40,400
Tax at the Australian tax rate of 30% (2022: 30%)	16,461	12,120
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:		
• Differences in foreign tax rates	(1,304)	(263)
• Differences in state tax rates	282	-
• Other	104	961
Under/(over) provision in respect of prior year	546	(363)
	<b>16,089</b>	<b>12,455</b>

### (b) Deferred tax

#### Deferred tax assets

The balance comprises temporary differences attributed to:

• Lease liabilities	2,538	2,351
• Accrued expenses and provision	5,890	5,081
• Employee leave entitlements	1,391	1,063
• Share based payments	1,277	271
• Tax losses	1,284	394
• Other	1,713	62
	<b>14,093</b>	<b>9,222</b>
Tax offset	(10,776)	(8,278)
	<b>3,317</b>	<b>944</b>

#### Deferred tax liabilities

The balance comprises temporary differences attributed to:

• Accrued revenue and prepayment	645	207
• Right of use asset	2,370	2,271
• Property, plant and equipment	18,484	8,881
	<b>21,499</b>	<b>11,359</b>
Tax offset	(10,776)	(8,278)
	<b>10,723</b>	<b>3,081</b>

<b>(c) Reconciliation</b>	<b>Opening balance \$'000</b>	<b>Recognised in Profit or Loss \$'000</b>	<b>Charged to tax provision \$'000</b>	<b>Closing balance \$'000</b>
<b>2023</b>				
<b>Deferred tax assets</b>				
Lease liability	2,351	187	-	2,538
Accrued expenses and provision	5,081	809	-	5,890
Employee leave entitlements	1,063	328	-	1,391
Share based payments	271	1,006	-	1,277
Tax losses	394	890	-	1,284
Other	62	1,651	-	1,713
	<b>9,222</b>	<b>4,871</b>	<b>-</b>	<b>14,093</b>
<b>Deferred tax liabilities</b>				
Accrued revenue and prepayment	207	438	-	645
Right of use asset	2,271	99	-	2,370
Property, plant and equipment	8,881	9,603	-	18,484
	<b>11,359</b>	<b>10,140</b>	<b>-</b>	<b>21,499</b>
<b>2022</b>				
<b>Deferred tax assets</b>				
Lease liabilities	1,018	1,333	-	2,351
Accrued expenses and provision	2,175	2,906	-	5,081
Employee leave entitlements	937	126	-	1,063
Share based payments	-	271	-	271
Tax losses	480	(86)	-	394
Other	462	(400)	-	62
	<b>5,072</b>	<b>4,150</b>	<b>-</b>	<b>9,222</b>
<b>Deferred tax liabilities</b>				
Accrued revenue and prepayment	-	207	-	207
Right of use asset	1,009	1,262	-	2,271
Property, plant and equipment	1,442	7,439	-	8,881
Other	(50)	50	-	-
	<b>2,401</b>	<b>8,958</b>	<b>-</b>	<b>11,359</b>



## NOTES TO THE FINANCIAL STATEMENTS

### 7. Segment Information

Management has determined that the strategic operating segments comprise of Australia, North America, Rest of World and Corporate. These reporting segments provide a balanced view of cross-operational performance across business units, recognising and compensating for inter-regional differences in relation to technical methodologies and processes, the cost of labour, the existence of competition and differing customer requirements that may affect product pricing.

Segment information provided to the Chief Executive Officer for the year ended 30 June is as follows:

	Australia	North America	Rest of World	Corporate	Total
2023	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Financial performance</b>					
Maintenance services	427,238	111,198	7,488	-	545,924
Hire recoveries	369	-	-	-	369
Direct expense recoveries	40,878	20,975	647	-	62,500
	<b>468,485</b>	<b>132,173</b>	<b>8,135</b>	<b>-</b>	<b>608,793</b>
Other revenue	3,016	24	(351)	11	2,700
<b>Revenue</b>	<b>471,501</b>	<b>132,197</b>	<b>7,784</b>	<b>11</b>	<b>611,493</b>
EBITDA	56,950	23,202	1,096	(6,154)	75,094
Depreciation and amortisation	(7,701)	(7,859)	(9)	(1,386)	(16,955)
EBIT	49,249	15,343	1,087	(7,540)	58,139
Finance costs	(2,033)	(840)	(33)	(636)	(3,542)
Income tax (expense)/benefit	(13,873)	(3,484)	(405)	1,673	(16,089)
<b>Net profit after tax</b>	<b>33,343</b>	<b>11,019</b>	<b>649</b>	<b>(6,503)</b>	<b>38,508</b>
<b>Other Segment Information</b>					
Assets	150,519	84,027	5,607	12,543	252,696
Liabilities	80,929	40,905	966	10,253	133,053

	Australia	North America	Rest of World	Corporate	Total
2022	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Financial performance</b>					
Maintenance services	319,960	45,316	8,966	-	374,242
Hire recoveries	183	-	-	-	183
Direct expense recoveries	21,818	4,695	1,146	-	27,659
	<b>341,961</b>	<b>50,011</b>	<b>10,112</b>	<b>-</b>	<b>402,084</b>
Other revenue	3,304	128	(528)	3,275	6,179
<b>Revenue</b>	<b>345,265</b>	<b>50,139</b>	<b>9,584</b>	<b>3,275</b>	<b>408,263</b>
EBITDA	40,089	10,057	2,062	(1,323)	50,885
Depreciation and amortisation	(6,075)	(2,595)	(27)	(356)	(9,053)
EBIT	34,014	7,462	2,035	(1,679)	41,832
Finance costs	(974)	(269)	(36)	(153)	(1,432)
Income tax (expense)/benefit	(8,517)	(1,699)	(905)	(1,334)	(12,455)
<b>Net profit after tax</b>	<b>24,523</b>	<b>5,494</b>	<b>1,094</b>	<b>(3,166)</b>	<b>27,945</b>
<b>Other Segment Information</b>					
Assets	114,492	46,582	7,029	5,014	173,117
Liabilities	67,438	10,159	2,792	7,746	88,135

## 8. Earnings Per Share (EPS)

	2023	2022
Basic earnings per share (cents)	19.25	13.97
Diluted earnings per share (cents)	18.21	13.60
<b>Earnings used in the calculation of basic and diluted earnings per share</b>		
Earnings used in the calculation of basic and diluted earnings per share	<b>\$'000</b>	<b>\$'000</b>
	38,508	27,945
<b>Weighted average number of ordinary shares</b>		
Weighted average number of ordinary shares used in the calculation of basic earnings per share	<b>\$'000</b>	<b>\$'000</b>
	200,000	200,000
Effect of dilutive potential ordinary shares		
• Rights	11,489	5,500
Weighted average number of ordinary shares used in the calculation of diluted earnings per share	211,489	205,500

## NOTES TO THE FINANCIAL STATEMENTS

### 9. Dividends

	2023 \$'000	2022 \$'000
<b>Dividends paid</b>		
Dividends declared and paid during the year		
<ul style="list-style-type: none"> <li>Final fully franked ordinary dividend for the year ended 30 June 2021 of 1.5 cents per share paid on 28 September 2021 franked at the tax rate of 30%</li> </ul>	-	3,000
<ul style="list-style-type: none"> <li>Interim fully franked ordinary dividend for the year ended 30 June 2022 of 2.0 cents per share paid on 23 March 2022 franked at the tax rate of 30%</li> </ul>	-	4,000
<ul style="list-style-type: none"> <li>Final fully franked ordinary dividend for the year ended 30 June 2022 of 2.0 cents per share paid on 27 September 2022 franked at the tax rate of 30%</li> </ul>	4,000	-
<ul style="list-style-type: none"> <li>Interim fully franked ordinary dividend for the year ended 30 June 2023 of 2.4 cents per share paid on 6 April 2023 franked at the tax rate of 30%</li> </ul>	4,800	-
	<b>8,800</b>	<b>7,000</b>
<b>Dividends declared after 30 June 2023</b>		
<ul style="list-style-type: none"> <li>The Company has resolved to declare a final fully franked ordinary dividend of 3.4 cents per share payable on 4 October 2023 franked at the tax rate of 30%</li> </ul>	6,800	-
<b>Franking account balance</b>		
Dividends declared and paid during the year		
<ul style="list-style-type: none"> <li>Franking credits available for subsequent financial years as at 30 June</li> </ul>	11,557	2,472
<ul style="list-style-type: none"> <li>Imputation debits that will arise from the payments of dividends declared but not recognised in the financial statements</li> </ul>	(2,914)	(1,714)
<b>Adjusted franking account balance</b>	<b>8,643</b>	<b>758</b>



## 10. Cash and Cash Equivalents

### (a) Reconciliation of cash flow from operations with Profit after Income Tax

	2023 \$'000	2022 \$'000
<b>Profit for the year</b>	38,508	27,945
Depreciation	16,955	9,053
Share of Profit from Associates	-	(532)
Disposal of Property, Plant and Equipment	(269)	(2)
Impact of Foreign Exchange	1,697	1,507
Share Based Payments	3,003	1,410
Gain on Sale of Associates	-	(3,354)
<i>Change in assets and liabilities:</i>		
- (Increase)/decrease in Trade and Other Receivables	(35,205)	(17,768)
- (Increase)/decrease in Other Assets	(1,335)	(2,581)
- (Increase)/decrease in Deferred Tax Assets	(2,373)	4,128
- (Decrease)/increase in Trade and Other Payables	8,713	17,746
- (Decrease)/increase in Provisions	1,412	1,344
- (Decrease)/increase in Tax Liability	2,338	(4,188)
- (Decrease/Increase) in Deferred Tax Liability	7,642	680
<b>Net cash flow from operating activities</b>	<b>41,086</b>	<b>35,388</b>

### (b) Changes in liabilities arising from financing activities

	Borrowings \$'000	Leases \$'000	Total \$'000
<b>Balance as at 1 July 2022</b>	33,322	8,234	41,556
Financing cash flows	22,389	(1,275)	21,115
New leases	-	1,707	1,707
<i>Other changes</i>	-	25	25
<b>Balance as at 30 June 2023</b>	<b>55,711</b>	<b>8,691</b>	<b>64,403</b>
<b>Balance as at 1 July 2021</b>	27,159	3,683	30,842
Net financing cash inflows/(outflows)	6,163	(551)	5,612
New leases	-	5,119	5,119
<i>Other changes</i>	-	(17)	(17)
<b>Balance as at 30 June 2022</b>	<b>33,322</b>	<b>8,234</b>	<b>41,556</b>



## NOTES TO THE FINANCIAL STATEMENTS

### 11. Trade and Other Receivables

	2023 \$'000	2022 \$'000
<b>Current</b>		
Trade receivables	116,216	84,493
Other receivables	7,259	3,759
Allowance for expected credit losses	(656)	(638)
	<b>122,819</b>	<b>87,614</b>

Trade receivables are non-interest bearing and are generally on terms between 30 and 90 days. Refer to the Financial Instruments note for further details on credit risk.



## 12. Other Assets

	2023 \$'000	2022 \$'000
<b>Current</b>		
Prepayments	4,448	3,323
Other	413	143
	<b>4,861</b>	<b>3,466</b>
<b>Non-current</b>		
Other	331	391
	<b>331</b>	<b>391</b>

## 13. Property, Plant and Equipment

	Buildings & property \$'000	Office furniture & equipment \$'000	Plant equipment & motor vehicles \$'000	Capital work in progress \$'000	Total \$'000
<b>30 June 2023</b>					
Cost	3,973	2,766	129,863	13,824	150,426
Accumulated depreciation	(512)	(1,548)	(48,203)	-	(50,263)
	<b>3,461</b>	<b>1,218</b>	<b>81,660</b>	<b>13,824</b>	<b>100,163</b>
<b>Movement in property, plant and equipment</b>					
At 1 July	860	1,153	55,305	10,626	67,944
Additions	2,826	551	41,823	3,198	48,398
Disposals	-	(8)	(1,879)	-	(1,887)
Depreciation expense	(227)	(486)	(14,646)	-	(15,359)
Foreign exchange	2	8	1,057	-	1,067
	<b>3,461</b>	<b>1,218</b>	<b>81,660</b>	<b>13,824</b>	<b>100,163</b>

	Buildings & property \$'000	Office furniture & equipment \$'000	Plant equipment & motor vehicles \$'000	Capital work in progress \$'000	Total \$'000
<b>30 June 2022</b>					
Cost	1,160	2,230	86,923	10,626	100,939
Accumulated depreciation	(300)	(1,077)	(31,618)	-	(32,995)
	<b>860</b>	<b>1,153</b>	<b>55,305</b>	<b>10,626</b>	<b>67,944</b>
<b>Movement in Property, Plant and Equipment</b>					
At 1 July	417	898	35,607	-	36,922
Additions	514	511	29,182	10,626	40,833
Disposals	(7)	-	(2,188)	-	(2,195)
Depreciation expense	(64)	(290)	(8,739)	-	(9,093)
Foreign exchange	-	34	1,443	-	1,477
	<b>860</b>	<b>1,153</b>	<b>55,305</b>	<b>10,626</b>	<b>67,944</b>

## NOTES TO THE FINANCIAL STATEMENTS

### 14. Right of Use Assets

	2023 \$'000	2022 \$'000
<b>Buildings and property</b>		
Cost	10,961	9,759
Accumulated depreciation	(2,875)	(1,794)
	<b>8,086</b>	<b>7,965</b>
Opening balance	7,965	3,499
Additions	1,707	5,119
Depreciation expense	(1,596)	(671)
Foreign exchange	10	18
	<b>8,086</b>	<b>7,965</b>
<b>Amounts recognised in profit or loss</b>		
Depreciation expense on right of use asset	1,596	671
Interest expense on lease liabilities	358	152
Expense relating to short-term leases or low value assets	2,121	1,152

The Group leases land and buildings for its offices and workshops under agreements of between 2 to 10 years with, in some cases, options to extend. The leases have various escalation clauses. On renewal, the terms of the leases are renegotiated.

### 15. Trade and Other Payables

	2023 \$'000	2022 \$'000
<b>Current</b>		
Trade payables	7,691	7,135
Accrued expenses	21,920	18,527
Other payables	20,357	15,593
<b>Total</b>	<b>49,968</b>	<b>41,255</b>

Trade payables are non-interest bearing and are normally settled on 30-day terms.

### 16. Provisions

	2023 \$'000	2022 \$'000
<b>Current</b>		
Employee entitlements	5,314	3,902
	<b>5,314</b>	<b>3,902</b>

The current provision for employee benefits includes all unconditional entitlements where employees have completed the required period of service and also those where employees are entitled to pro-rata payments in certain circumstances. The entire amount is presented as current, since the consolidated entity does not have an unconditional right to defer settlement. However, based on past experience, the consolidated entity does not expect all employees to take the full amount of accrued leave or require payment within the next 12 months.

## 17. Borrowings

	2023 \$'000	2022 \$'000
<b>Current</b>		
Secured borrowings – asset financing	14,410	6,492
Secured borrowings – working capital	-	14,093
Unsecured borrowings – other	646	679
	<b>15,056</b>	<b>21,264</b>
<b>Non-current</b>		
Secured borrowings – asset financing	32,656	12,059
Secured borrowings – working capital	8,000	-
	<b>40,656</b>	<b>12,059</b>

The Group has access to the following lines of credit:

	2023 \$'000	2022 \$'000
<b>Facilities used:</b>		
Secured borrowings – asset financing	47,066	18,551
Secured borrowings – working capital	8,000	14,093
Unsecured borrowings – other	646	679
	<b>55,712</b>	<b>33,323</b>
<b>Facilities not used:</b>		
Secured borrowings – asset financing	73,089	23,626
Secured borrowings – working capital	39,530	28,810
	<b>112,619</b>	<b>52,436</b>
<b>Facilities available:</b>		
Secured borrowings – asset financing <sup>1</sup>	120,155	42,177
Secured borrowings – working capital <sup>1</sup>	47,530	42,903
Unsecured borrowings – other	646	679
	<b>168,331</b>	<b>85,759</b>

<sup>1</sup> Borrowings comprise (a) committed and uncommitted working capital facilities held with the Group's primary Australian lender and secondary US based lender, and (b) asset facilities held with the Group's primary Australian lender and secondary lenders in Australia, Canada and the USA.

Australian based working capital facilities and relevant asset finance facilities are subject to a general security charge over the current and future assets of the applicable obligor group but excluding security over specific assets financed by secondary lenders. Asset finance facilities held with secondary lenders (both onshore and offshore) are subject to individual security arrangements over the assets financed and in some cases an ultimate parent entity guarantee.

Borrowings held with the Group's primary lender are subject to an annual review and customary covenant reporting.



## NOTES TO THE FINANCIAL STATEMENTS

### 18. Issued Capital

	30 June 2023 Number of shares	30 June 2022 Number of shares	30 June 2023 \$'000	30 June 2022 \$'000
Issued Capital	200,000,000	200,000,000	2	2

#### Ordinary shares

Fully paid ordinary shares carry one vote per share and entitle the holder to participate in dividends and the proceeds on the winding up of the company in proportion to the number of and amounts paid on the shares held. The fully paid ordinary shares have no par value and the Company does not have a limit on the amount of authorised capital.

### 19. Reserves

#### Nature and purpose of reserves

##### (a) Foreign Currency Translation Reserve

The foreign currency translation reserve is used to record exchange differences arising from the translation of foreign operations with functional currencies other than those of the presentation currency of these financial statements.

##### (b) Share Based Payments Reserve

The share based payments reserve is used to recognise the value of the vesting of equity settled share based payments provided to employees, including key management personnel, as part of their remuneration.

### 20. Share Based Payments

#### Equity Settled Rights Plan

The Group has an equity incentive plan for eligible participants by offering them Performance Rights (PRs) and/or Share Appreciation Rights (SARs). In accordance with the terms of the plan, as approved by the shareholders at a previous annual general meeting, eligible participants include employees and certain Executive Directors of the Group as declared by the Board from time to time.

In accordance with the plan, each performance right constitutes a right to receive one share and each share appreciation right constitutes a right to receive a number of shares upon satisfaction of the applicable vesting or exercise conditions. The number of shares granted for share appreciation rights is calculated in accordance with the formula approved by the shareholders at the 2021 annual general meeting.

Details of the rights issued during the year are as follows. For vesting conditions for the rights issued, refer to the Remuneration Report.

Performance Rights Series	Number	Grant Date	Expiry Date	Method of Valuation	Fair Value at Grant Date
Share Appreciation Rights	400,000	09-Jan-23	30-Jun-24	Black Scholes	2.52
FY26 Performance Rights	220,000	3 & 20-Oct-26	30-Jun-26	Black Scholes	2.59

The following assumptions were used:

Input	SARs	FY26 PRs
Dividend Yield (%)	3.01	3.01
Expected Volatility (%)	55.50	55.50
Risk Free Interest Rate (%)	3.31	3.74
Expected Life of Performance Rights (Years)	2.00	4.00
Rights Exercise Price (A\$)	1.00	-
Share Price at Grant (A\$)	3.64	2.90

Details of the rights outstanding as at the end of the year are as follows:

Number of Rights	2023	2022
Outstanding at beginning of year	11,140,000	-
Granted during the year	620,000	11,140,000
Forfeited during the year	(120,000)	-
Exercised during the year	-	-
Expired during the year	-	-
<b>Outstanding at end of year</b>	<b>11,640,000</b>	<b>11,140,000</b>

### 21. Financial Instruments

#### Financial risk management objectives

In common with all other businesses, the Group is exposed to risks that arise from its use of financial instruments which include foreign currency risk, interest rate risk, credit risk and liquidity risk. This note describes the Group's objectives, policies and processes for managing those risks and the methods used to measure them. Further quantitative information in respect of these risks is presented throughout these financial statements.

The Group's principal financial liabilities comprise borrowings, lease liabilities and trade and other payables. The main purpose of these financial liabilities is to finance the Group's operations. The Group's principal financial assets include trade and other receivables and cash and cash equivalents that derive directly from its operations.

The overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the business. Different methods are used to measure different types of risk to which the Group is exposed to. These methods include age analysis in the case of credit risk and monitoring market rates in the case of interest rate risk.

Risk management is carried out by the finance function under principles and parameters approved by the Board of Directors. The finance function identifies and evaluates financial risks in close co-operation with the Group's operating units.

#### Foreign currency risk

The Group operates internationally and undertakes transactions denominated in foreign currencies, primarily with respect to the US dollar. Consequently, exposures to exchange rate fluctuations arise as a result of transactions that are denominated in a currency other than the Group's functional currency. To minimise the risk, management utilises a natural hedge by ensuring both the customer contracts and recoverable costs are denominated in the same foreign currency. As a result, the impact to the profit or loss would be immaterial.

#### Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's debt obligations based on floating interest rates. Management minimizes the interest rate risk by having a balanced portfolio of fixed and variable rate loans and borrowings and analyses its interest rate exposure on an ongoing basis.



	Weighted average interest rate	Floating interest rate \$'000	Fixed interest rate maturing within		Non-interest bearing \$'000	Total \$'000
			1 year or less \$'000	Over 1 year \$'000		
<b>2023</b>						
<b>Financial assets</b>						
Cash and cash equivalents	0.0%	-	-	-	13,010	13,010
Trade and other receivables	-	-	-	-	122,819	122,819
		-	-	-	<b>135,829</b>	<b>135,829</b>
<b>Financial Liabilities</b>						
Trade and other payables	-	-	-	-	49,968	49,968
Lease liabilities	4.3%	-	1,394	7,298	-	8,692
Borrowings	7.0%	8,000	15,056	32,656	-	55,712
		<b>8,000</b>	<b>16,450</b>	<b>39,954</b>	<b>49,968</b>	<b>114,372</b>
<b>2022</b>						
<b>Financial assets</b>						
Cash and cash equivalents	0.0%	-	-	-	6,648	6,648
Trade and other receivables	-	-	-	-	87,614	87,614
		-	-	-	<b>94,262</b>	<b>94,262</b>
<b>Financial Liabilities</b>						
Trade and other payables	-	-	-	-	41,255	41,255
Lease liabilities	4.3%	-	1,233	7,000	-	8,233
Borrowings	3.9%	14,093	7,171	12,059	-	33,323
		<b>14,093</b>	<b>8,404</b>	<b>19,059</b>	<b>41,255</b>	<b>82,811</b>

A sensitivity analysis has not been disclosed in relation to the floating interest rate financial instruments as the net results of a reasonable change in interest rates has been determined to be immaterial to the profit or loss.



## NOTES TO THE FINANCIAL STATEMENTS

### Credit risk

Credit risk is the risk that a counterparty will not meet its obligation under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions. The credit risk associated with the Group's financing activities is limited because counterparties are banks with high credit ratings assigned by international credit-rating agencies.

As the Group's activities are largely focused on the mining and mining services industry, its credit risk for trade receivables is concentrated in this sector. The Group's exposure to credit risk for trade receivables is influenced mainly by the individual characteristics of each customer. However, management also considers the demographics of the Group's customer base, including the default risk of the industry and country in which customers operate. To further minimise the Group's credit risk exposure, transactions are entered into with a number of key operators within the resources industry. During the financial year, one customer individually contributed greater than 10% of group revenue.

Individual risk exposures are set for customers in accordance with specified limits established by management based on independent credit reports, financial information, credit references and the Group's credit and trading history with the customer. Outstanding trade receivables are regularly monitored with focus being placed on customers that exceed their credit terms and who are not within the specified limits established by management. Refer to the 'Trade and Other Receivables' note for further details on the expected credit loss allowance recognised. The maximum exposure to credit risk, without considering the value of any collateral or other security in the event that other parties fail to perform their obligations, is the carrying amount of the financial assets as indicated in the Statement of Financial Position.

The following table details the risk profile of trade and other receivables based on the Group's provision matrix. As the Group's historical credit loss experience does not show significantly different loss patterns for different customer segments, the provision for loss allowance based on past due status is not further distinguished between the Group's different customer segments.

	Aging (Days)				Total \$'000
	Current \$'000	31-60 \$'000	61-90 \$'000	>91 \$'000	
<b>2023</b>					
Trade and other receivables	69,470	39,593	10,920	3,494	123,476
Expected loss allowance	-	-	-	(657)	(657)
	<b>69,470</b>	<b>39,593</b>	<b>10,920</b>	<b>2,837</b>	<b>122,819</b>
<b>2022</b>					
Trade and other receivables	51,746	25,292	7,885	3,329	88,252
Expected loss allowance	-	-	-	(638)	(638)
	<b>51,746</b>	<b>25,292</b>	<b>7,885</b>	<b>2,691</b>	<b>87,614</b>

## Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations when they fall due. The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of its available financing facilities. The Group has established a number of policies and processes for managing liquidity risks which include:

- maintaining adequate borrowing and finance facilities
- monitoring the maturity profiles of financial assets and liabilities in order to match inflows and outflows

The table below summarises the maturity profile of the Group's financial liabilities based on contractual undiscounted payments:

	1 year or less \$'000	1 to 5 years \$'000	More than 5 years \$'000	Contractual cash flows \$'000	Carrying amount \$'000
<b>2023</b>					
Trade and other payables	49,968	-	-	49,968	49,968
Lease liabilities	1,841	9,858	753	12,452	8,691
Borrowings	25,175	35,277	-	60,452	55,712
	<b>76,984</b>	<b>45,135</b>	<b>753</b>	<b>122,872</b>	<b>114,371</b>
<b>2022</b>					
Trade and other payables	41,255	-	-	41,255	41,255
Lease liabilities	1,565	6,487	1,417	9,469	8,234
Borrowings	22,997	11,059	-	34,056	33,323
	<b>65,817</b>	<b>17,546</b>	<b>1,417</b>	<b>84,780</b>	<b>82,812</b>

## 22. Commitments and Contingencies

### (a) Capital Expenditure Commitments

	2023 \$'000	2022 \$'000
<b>Capital Commitments</b>		
Committed at the reporting date but not recognised as liabilities:		
• Property, plant and equipment	17,813	29,869
	<b>17,813</b>	<b>29,869</b>

### (b) Contingencies

Other than guarantees that are issued to third parties arising out of dealings in the normal course of business, there are no contingent liabilities as at 30 June 2023 (2022 nil).

## NOTES TO THE FINANCIAL STATEMENTS

### 23. Auditors' Remuneration

	2023 \$	2022 \$
<b>BDO Audit (WA) Pty Ltd and related network firms</b>		
<b>Audit and review of financial statements</b>		
• Group	151,907	127,022
• Subsidiaries	37,228	8,390
	<b>189,135</b>	<b>135,412</b>
<b>Non-audit services</b>		
• Taxation compliance services	-	15,757
• Consulting services	-	-
	-	<b>15,757</b>
<b>Total services provided by BDO</b>	<b>189,135</b>	<b>151,169</b>
<b>Remuneration of other auditors and their related network firms</b>		
<b>Audit and review of financial statements</b>		
• Subsidiaries	190,586	29,278
<b>Non-audit services</b>		
• Taxation compliance services	-	-
<b>Total services provided by other auditors</b>	<b>190,586</b>	<b>29,278</b>
<b>Total auditor's remuneration</b>	<b>379,721</b>	<b>180,447</b>



## 24. Material Subsidiaries

The consolidated financial statements of the Group include the following material subsidiaries:

	Country of Incorporation	% of Equity Interest	
		2023	2022
Mader Contracting Pty Ltd	Australia	100%	100%
Mader Queensland Pty Ltd	Australia	100%	100%
Mader Corporation	USA	100%	100%
Mader Energy LLC	USA	100%	100%
Mader Assets LLC	USA	100%	100%
Mader Mining (Canada) Limited	Canada	100%	100%
Mader International Limited	Hong Kong	100%	100%
Mader Gobi LLC	Mongolia	100%	100%
Mader Mechanical Limited	Zambia	100%	100%
Mader PNG Limited	Papua New Guinea	100%	100%

## 25. Parent Entity Information

	2023 \$'000	2022 \$'000
Current assets	116	136
Non-current assets	40,011	16,477
<b>Total assets</b>	<b>40,127</b>	<b>16,613</b>
Current liabilities	3,535	5,391
Non-current liabilities	6,718	2,355
<b>Total liabilities</b>	<b>10,253</b>	<b>7,746</b>
<b>Net assets</b>	<b>29,874</b>	<b>8,867</b>
Issued capital	2	2
Reserves	6,310	2,095
Retained earnings	23,562	6,770
<b>Total equity</b>	<b>29,874</b>	<b>8,867</b>
<b>Profit after income tax for the year</b>	<b>25,592</b>	<b>2,372</b>

## 26. Deed of Cross Guarantee

As at 30 June 2023 and/or 30 June 2022, the Group had not entered into a deed of cross guarantee in relation to the debts of its subsidiaries.



## NOTES TO THE FINANCIAL STATEMENTS

### 28. Related Party Information

#### (a) Parent entity

The parent entity is Mader Group Limited, which is incorporated in Australia.

#### (b) Subsidiaries

Interests in subsidiaries are disclosed in the note 'Subsidiaries'.

#### (c) Key management personnel compensation

	2023 \$'000	2022 \$'000
Short-term employee benefits	4,158	4,454
Post-employment benefits	148	156
Other long-term benefits	68	41
Share based payments	1,683	803
<b>Total</b>	<b>6,057</b>	<b>5,454</b>

Detailed remuneration disclosures are provided in the Remuneration Report.

#### (d) Loans and other transactions with key management personnel

Other than the transactions disclosed in the Remuneration Report, there were no loans to or other transactions with Directors and executives during the financial year ended 30 June 2023 and 30 June 2022.

### 29. Events After the End of the Reporting Period

On 21 August 2023, the Company declared a final fully franked dividend of 3.4 cents per share. The total value of the dividend payment is \$6.8 million. The record date is 20 September 2023 with a payment date of 4 October 2023.

Other than the matter described above, there have been no other matters or circumstances that have arisen after the reporting period that have significantly affected, or may significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial periods.

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# Directors' Declaration

In the Directors' opinion:

1. The financial statements, comprising the consolidated statement of profit or loss and other comprehensive income, consolidated statement of financial position, consolidated statement of cash flows, consolidated statement of changes in equity and accompanying notes are in accordance with the Corporations Act 2001, including:
  - (a) Complying with Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements; and
  - (b) Giving a true and fair view of the Group's financial position as at 30 June 2023 and of the performance for the financial year ended on that date.
2. The financial statements and notes also comply with International Financial Reporting Standards as disclosed in Note 1.
3. The remuneration disclosures contained in the Remuneration Report in the Directors' Report comply with section 300A of the Corporations Act 2001.
4. There are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable.

The Directors have been given the declarations required by section 295A of the Corporations Act 2001.

This declaration is made in accordance with a resolution of the Board of Directors and is signed on behalf of the Directors by:



**Luke Mader**

Executive Chairman & Founder

Dated this 21st day of August 2023

# Independent Audit Report



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## INDEPENDENT AUDITOR'S REPORT

To the members of Mader Group Limited

### Report on the Audit of the Financial Report

#### Opinion

We have audited the financial report of Mader Group Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 June 2023, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial report, including a summary of significant accounting policies and the directors' declaration.

In our opinion the accompanying financial report of the Group, is in accordance with the *Corporations Act 2001*, including:

- (i) Giving a true and fair view of the Group's financial position as at 30 June 2023 and of its financial performance for the year ended on that date; and
- (ii) Complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

#### Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the Financial Report* section of our report. We are independent of the Group in accordance with the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's *APES 110 Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

LLC ADN 77 030 110 273, an Australian company limited by guarantee. BDO Audit (WA) Pty Ltd and BDO Australia LLC are members of BDO International Ltd, a UK company limited by guarantee, and form part of the international BDO network of independent member firms. Liability limited by a scheme approved under Professional Standards Legislation.



### Revenue Recognition

<i>Key audit matter</i>	<i>How the matter was addressed in our audit</i>
<p>Revenue is disclosed in Note 2(m) and Note 4 of the financial report.</p> <p>Revenue is generated from multiple streams and across different geographic locations.</p> <p>This area is a key audit matter as revenue is one of the key drivers to the Group's performance and there is a significant volume of transactions included in revenue.</p>	<p>Our audit procedures included but were no limited to the following:</p> <ul style="list-style-type: none"><li>• Performing analytical procedures to understand movements and trends in revenue for comparisons against expectations;</li><li>• Testing the operating effectiveness of internal controls surrounding revenue relating to the existence of labour hours sold;</li><li>• Assessing credit notes issued post year end and performing cut-off testing to ensure revenue transactions around year end have been recorded in the correct reporting period;</li><li>• Agreeing, for a sample of revenue transactions, the amounts recorded by the Group to supporting documentation to confirm the existence and accuracy of the revenue recognised and to consider whether the transaction was recorded in the correct period; and</li><li>• Assessing the adequacy of the relevant disclosures within the financial report.</li></ul>





#### **Other information**

The directors are responsible for the other information. The other information comprises the information in the Group's annual report for the year ended 30 June 2023, but does not include the financial report and the auditor's report thereon.

Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

#### **Responsibilities of the directors for the Financial Report**

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

#### **Auditor's responsibilities for the audit of the Financial Report**

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website (<http://www.auasb.gov.au/Home.aspx>) at:

[https://www.auasb.gov.au/admin/file/content102/c3/ar1\\_2020.pdf](https://www.auasb.gov.au/admin/file/content102/c3/ar1_2020.pdf)

This description forms part of our auditor's report.



## **Report on the Remuneration Report**

### **Opinion on the Remuneration Report**

We have audited the Remuneration Report included in pages 34 to 40 of the directors' report for the year ended 30 June 2023.

In our opinion, the Remuneration Report of Mader Group Limited, for the year ended 30 June 2023, complies with section 300A of the *Corporations Act 2001*.

### **Responsibilities**

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

**BDO Audit (WA) Pty Ltd**

A handwritten signature in black ink, appearing to read 'Dean Just', is written over a faint, light grey BDO logo.

**Dean Just**

**Director**

Perth,

21 August 2023



# Shareholder Information

Additional information required by the Australian Securities Exchange and not shown elsewhere in this report is as follows. The information is current as at 9 August 2023.

## Distribution of Ordinary Shares

The number of shareholders, by size of holding, are:

Range	Number of Holders	Number of Shares
1 - 1,000	1,485	649,706
1,001 - 5,000	1,100	2,762,923
5,001 - 10,000	240	1,811,870
10,001 - 100,000	251	6,927,605
100,001 and over	42	187,847,896
<b>Total</b>	<b>3,118</b>	<b>200,000,000</b>

The number of shareholders holding less than a marketable parcel of ordinary shares is 62 (being 79 Shares as at 8 August 2023).

## Performance Rights

The Company has 9,840,000 Performance Rights on issue. Performance Rights do not entitle the holders to vote in respect of that Performance Right, nor participate in dividends, when declared, until such time as the performance rights vest and are subsequently registered as ordinary shares.

## Distribution of Performance Rights

The number of rights holders, by size of holding, are:

Range	Number of Holders	Number of Rights
1 - 1,000	-	-
1,001 - 5,000	-	-
5,001 - 10,000	-	-
10,001 - 100,000	15	760,000
100,001 and over	28 <sup>1</sup>	9,080,000
<b>Total</b>	<b>43</b>	<b>9,840,000</b>

<sup>1</sup> Mr Justin Nuich, as trustee for the J&C Nuich Family Trust, holds 2,250,000 performance rights comprising 22.87% of this class.



## SHAREHOLDER INFORMATION

### Share Appreciation Rights

The Company has 1,800,000 Share Appreciation Rights on issue. Share Appreciation Rights do not entitle the holders to vote in respect of that Share Appreciation Right, nor participate in dividends, when declared, until such time as the Share Appreciation Rights vest and are subsequently registered as ordinary shares.

### Distribution of Share Appreciation Rights

The number of rights holders, by size of holding, are:

Range	Number of Holders	Number of Rights
1 - 1,000	-	-
1,001 - 5,000	-	-
5,001 - 10,000	-	-
10,001 - 100,000	-	-
100,001 and over	3 <sup>1</sup>	1,800,000
<b>Total</b>	<b>3</b>	<b>1,800,000</b>

<sup>1</sup> Mr Justin Nuich, as trustee for the J&C Nuich Family Trust, holds 1,000,000 share appreciation rights comprising 55.56% of this class; Ms Joanna Kiernan, the spouse of Mr Paul Hegarty, holds 400,000 share appreciation rights, comprising 22.22% of this class; Mrs Breanna Greville, the spouse of Mr John Greville, holds 400,000 share appreciation rights, comprising 22.22% of this class.

### Voting Rights

All ordinary shares carry one vote per share without restriction.

### Restricted Securities

There are no restricted securities on issue.

### Substantial Shareholders

The names of substantial shareholders who have notified the Company in accordance with section 671B of the Corporations Act 2001 are:

Name	Number of Shares	% of Shares
1. Luke Mader, Amy Mader, and Maidment Bridge Farm Investments Pty Ltd <sup>1</sup>	112,000,000	56.00
2. Skye Alba Pty Ltd <sup>2</sup>	40,000,000	20.00

<sup>1</sup> See ASX Announcement on 30 September 2019.

<sup>2</sup> See ASX Announcement on 9 March 2021.

## Twenty Largest Shareholders

The names of the twenty largest registered holders of quoted ordinary shares are:

Name	Number of Shares	% of Shares
1. MAIDMENT BRIDGE FARM INVESTMENTS PTY LTD	63,750,000	31.88
2. MR LUKE BENJAMIN MADER	42,500,000	21.25
3. SKYE ALBA PTY LTD	39,000,000	19.50
4. CITICORP NOMINEES PTY LIMITED	11,159,348	5.58
5. J P MORGAN NOMINEES AUSTRALIA PTY LIMITED	6,874,815	3.44
6. MS AMY MADER	5,750,000	2.88
7. NATIONAL NOMINEES LIMITED	3,005,622	1.50
8. HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	2,859,760	1.43
9. GOTTERDAMERUNG PTY LIMITED <GOTTERDAMERUNG FAMILY A/C>	2,138,000	1.07
10. BNP PARIBAS NOMINEES PTY LTD <IB AU NOMS RETAILCLIENT DRP>	1,408,116	0.70
11. CAVES HOUSE HOLDINGS PTY LTD	1,390,000	0.70
12. UBS NOMINEES PTY LTD	806,306	0.40
13. MR GREGORY ROSS MADER + MRS IRENE THERESE MADER <GREG MADER SUPER FUND A/C>	600,000	0.30
14. W FAIRWEATHER & SON PTY LTD	475,000	0.24
15. HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED <EUROCLEAR BANK SA NV A/C>	426,671	0.21
16. HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED <GSCO CUSTOMERS A/C>	410,675	0.21
17. WARBONT NOMINEES PTY LTD <UNPAID ETREPOT A/C>	335,134	0.17
18. GANG - GANG PTY LTD <PIPPA A/C>	330,000	0.17
19. BNP PARIBAS NOMS PTY LTD <DRP>	322,354	0.16
20. BOND STREET CUSTODIANS LIMITED <NDOCV2 - V13182 A/C>	307,095	0.15
<b>Total</b>	<b>183,848,896</b>	<b>91.92</b>

## Securities Exchange Quotation

The Company's ordinary shares are listed on the Australian Securities Exchange (Code: MAD). The Home Exchange is Perth.

## On-market Share Buy-back

There is no current on-market buy-back.

## Corporate Governance Statement

The Company's Corporate Governance Statement for the 2023 financial year can be accessed at: [www.madergroup.com.au/investor-centre/corporate-governance](http://www.madergroup.com.au/investor-centre/corporate-governance)

**MADER**









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Kalgoorlie, Western Australia

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