



**MADER**

# *Annual Report*

**FINANCIAL YEAR 2022**

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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 maintenance, 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 2,200+ 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**

James (Jim) Walker	Non-Executive Chairman
Luke Mader	Executive Director
Justin Nuich	Executive Director and Chief Executive Officer
Patrick Conway	Executive Director
Craig Burton	Non-Executive Director

## **Company Secretary**

Shannon Coates

## **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**

National Australia Bank Limited  
Level 13, 100 St Georges Terrace  
Perth WA 6000

## **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)



  
**MADER**  
HEAVY EQUIPMENT MAINTENANCE

EVR





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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 (referred to here after 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' maintenance for more than 350 customers across 480+ locations worldwide.

Expanding its service fleet to more than 900 vehicles in FY22, 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 2,200+ passionate employees, Mader is able to mobilise highly specialised taskforces rapidly, or as required, across Australia, Asia, Africa and the Americas.

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.

2,200<sup>+</sup> STAFF   
*Operating Worldwide*



# Our Journey

## 2005

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

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

## 2011

## 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.

## 2017

## 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.

## 2019

## 2020

- Mader celebrates 15-year anniversary.
- Mader opens 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 enters Canada, based out of Edmonton, Alberta.
- Organic start-up Mader Energy launched, based out of Fort Worth, Texas.

## 2021

## 2022

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

# Highlights

"Throughout the year we continued to deliver on our strategic priorities; proactively addressing opportunities in large markets whilst providing superior technical services for our customers across nine countries"

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

## Awards

### 2021 Winner

Employer of the Year  
Rise Business Awards  
sponsored by Business News



### 2021 Winner

Contract Miner of the Year  
Australian Mining Prospect  
Awards



### 2021 Winner

Most Trusted Mining and Civil  
Contractor  
Australian Enterprise Awards



### 2021 Winner

Training Excellence Award  
Australian Business Awards



## Our People

### 3.9M Hrs Worked

Maintenance labour services  
delivered to over 350 customers



2,200+

Employees  
Operating  
Worldwide



68 Apprentices

inducted throughout FY22  
(in Trade Upgrade Program)



17 Years' Strong

Longstanding experience and  
mining excellence





## Our Operations



900+

Service Vehicles

spanning four continents

480+

Locations



Providing technical support across more than 480 locations worldwide



350+

Diverse network of customers across multiple industries

## 25+ Services

Widening scope of specialist services delivered globally



9 Countries

Actively supporting customers across four continents



Organic start-ups launched

Establishment of two organic start-ups; Mader Energy and Canada business unit



## Our Financials

\$402.1M

FY22 sales revenue



32.1%

FY22 revenue growth

\$48.0M

FY22 EBITDA\*

34.2%

FY22 earnings\* growth

\$26.0M

FY22 NPAT\*



34.5%

FY22 NPAT\* growth



13.97c

Basic earnings per share FY22

28% CAGR



Compound Annual Growth Rate over 10 years



Low Net Debt

and significant financial flexibility

\* Adjusted to remove impact of sale of associate.

See page 16 for calculation.

# Global Reach

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

## Where We Work

Operations in FY22

### Australia

#### WESTERN AUSTRALIA

- Pilbara
- Kimberley
- Goldfields
- Mid West
- South West
- Perth and surrounds

#### SOUTH AUSTRALIA

- Roxby Downs

#### QUEENSLAND

- Brisbane
- Bowen Basin
- Surat Basin
- Far North Queensland

#### NEW SOUTH WALES

- Hunter Valley
- Gunnedah Basin
- Southern NSW
- Central and Far West
- Riverina

#### NORTHERN TERRITORY

- Tanami Region
- Gulf of Carpentaria

#### TASMANIA

- Zeehan

### North America

#### UNITED STATES

- Alaska
- Arizona
- California
- Colorado
- Florida
- Illinois
- Indiana
- Iowa
- Louisiana
- Montana
- Nevada

- New Mexico
- North Carolina
- Oklahoma
- Tennessee
- Texas
- Utah
- Virginia
- Wyoming

#### CANADA

- Alberta

### Asia

- Mongolia
- Laos
- Papua New Guinea
- Phillipines

### Africa

- Mauritania
- Zambia



Alberta



Nevada

## Specialist Maintenance

 **Mobile Plant Equipment**

 **Fixed Infrastructure**



Texas

Queensland

Mauritania

Western Australia



# Energy Compressor Stations

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# Chairman's Report

Dear Shareholders, I am honoured to present to you Mader's Annual Report for the financial year ended 30 June 2022 (FY22).



**Jim Walker**  
Non-Executive Chairman

It is truly rewarding to look upon the last financial year and acknowledge the significant progress we have made in the pursuit of our strategic goals. Since listing on the ASX in 2019 Mader has delivered on its growth agenda through continued service line and geographical diversification – from humble beginnings in Western Australia, to steadily becoming a global provider of specialist technical services across multiple industries.

Reporting another record-breaking performance as Mader surpasses \$400 million in revenue for the first time, it is clear that the challenges we have faced over the past few years have made our business more adaptable than ever.

With our 2,200 strong team displaying unwavering commitment, we placed a dedicated focus on our people. Treating obstacles as valuable learning experiences, we effectively tightened processes and systems to support our workforce as they navigated a dynamic operating environment.

Guided by an action-oriented management team, our inclusive culture of fellowship and comradery is underpinned by our core value of safety. We make it our priority to ensure we do everything in our power to keep ourselves and those around us safe. Our team stood united when we lost one of our own in a non-work related incident in March. We extend our heartfelt condolences to the family, friends and colleagues of Bradley Taylor.

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Our results are a direct reflection of continued delivery against our strategic growth priorities, with solid foundations laid through organic start-ups in new markets. Highlighting the latest in our campaign to expand across North America, we have leveraged our industry experience and relationships to launch Mader Energy and our Canada business unit.

Introducing the Mader business model to the oil and gas industry has proved favourable, with our tap on, tap off services now being delivered to a number of customers in the large addressable energy market. Aligned to our vision of becoming a globally recognised household name, we are pleased with the milestones we have achieved in expanding our portfolio of service offerings.

In Australia, the business' ancillary and infrastructure maintenance divisions have optimised existing operations to widen service areas and deliver support across multiple states. Backed by an exceptional team, we have played to our strengths and swiftly pivoted to meet market needs. As a key pillar in our growth strategy, identifying further geographical and project opportunities is fundamental in driving success.

A record financial performance, coupled with improved earnings has enabled an increase in returns to shareholders, with a total of \$8.0 million declared during the period. Dividends distributed for the period represent a payout ratio of 31%\*.

Having regard to Mader's unique positioning in the market, robust balance sheet and organic growth opportunities I am optimistic about what the future holds for the business. On behalf of the Board, I would like to extend our sincerest gratitude to our shareholders, customers and suppliers for your ongoing support.

To the Mader team, thank you for making this year our best yet. We recognise that you are the driving force behind our business, without your hard work and dedication our achievements would not be possible. It is with great pride that I invite you to read our FY22 Annual Report.

Yours faithfully



**Jim Walker**  
Non-Executive Chairman

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\* Calculated based on adjusted net profit after tax which removes the impact of sale of associate.  
See page 16 for calculation of adjusted results.

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# CEO's Report of Operations



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

As I reflect on the year that was, I am humbled to say that the themes our Founder and Executive Director, Luke Mader, embedded into the business at inception, are alive and stronger than ever.

17-years on, we continue to cultivate an electric and progressive culture that pulses through the veins of our operations globally. Building upon our position as an employer of choice, we have given our people access to unprecedented opportunity as we evolve into a truly diversified, global business.

We close the year standing tall with 2,200 employees and look to the horizon with a view to outperform expectations, set new benchmarks and provide compounding returns for our people, customers and investors.

## Safety is Paramount

Safety comes first, always. Returning our people home safely to their loved ones is our top priority. Creating safe systems of work and reducing hazards is key to ensuring our workforce are empowered to be their best both physically and mentally. Mader's Total Recordable Injury Frequency Rate (TRIFR) improved significantly over the financial year, with 4.48 recordable injuries per million hours worked. The improvement is a testament to the ongoing development of our safety processes, systems and communication.

Over the financial year, we:

- Introduced vehicle ignition interlock devices to improve driver safety across our workforce. The trial was complete in FY22 with devices being installed throughout FY23 for our Australian fleet.
- Tested cutting-edge artificial intelligence technology to monitor driver fatigue and detect unusual driver behaviour.

- Rolled out our custom-built mobile app to our workforce in North America, effectively connecting our remote network of employees to company news, important alerts and safety tools.
- Introduced an online training platform within our Mader mobile app and launched a series of safety-related training modules to support the development and education of our workforce.
- Streamlined internal systems to track and monitor employee vaccination statuses as required by local government mandates and to satisfy customer requirements.
- Increased frontline leadership and safety interactions through site visits and Mader Day's to improve workplace safety behaviour and awareness.

Sadly, on 13 March 2022, we lost one of our team members, Bradley Taylor, in a non-work related incident in Western Australia. We extend our heartfelt condolences to Bradley's family, friends and colleagues and continue to provide channels of support and counselling to those affected.

## The Financial Highlights

Our ability to sustainably deliver against our strategic priorities and growth goals is reflected in our results across the Group. Demonstrating the strength and stability of the business, we are pleased to report the following financial highlights in FY22:

- Mader generated record revenue of \$402.1m, up 32% from \$304.3m in FY21.
- EBITDA\* of \$48.0m delivered, up 34% from \$35.7m in FY21.
- NPAT\* of \$26.0m delivered, up 34% from \$19.3m in FY21.
- Net debt of \$26.7m, equating to net leverage of ~0.6x\*.

\* Adjusted to remove impact of sale of associate. Net leverage is calculated based on adjusted EBITDA. See page 16 for calculation of adjusted results.

- Enhanced returns for shareholders with dividend growth of 33%.
- During the financial year, shareholders received \$7.0 million in fully franked dividends, to the value of 3.5 cents per share (1.5 cents final FY21, 2.0 cents interim FY22).
- A final dividend for FY22 activities declared, to be paid on the 27 September 2022, to the value of 2.0 cents per share, fully franked.

We are tremendously proud to have outperformed our FY22 market guidance of at least \$370 million in revenue and \$24 million in NPAT. Exceeding our revenue guidance by 9%, exemplifies the efforts of a high performing team, motivated culture and unique business model that we continue to deploy across the world.

## Operational Performance

Active in nine countries, we successfully diversified service offerings and expanded into new markets to support over 350 customers across more than 480 locations. Backed by a 2,200 strong workforce, our technical specialists provided 3.9 million hours of maintenance and support across the mining, energy and industrial sectors.

The business maintained a strong balance sheet, positive operating cash flow and low capital intensity which has allowed us to rapidly address market opportunities as they present. I am incredibly optimistic about the trajectory of the Mader business and the value we will extend to shareholders.

## Markets and Growth

Mader's growth profile is impressive. Placing a focus on expanding our market share, we targeted a series of opportunities; launched new services; reached new regions and built a name for ourselves in new sectors.

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## CEO'S REPORT OF OPERATIONS

With an adaptive business model that allows us to deliver across a range of markets, we were able to introduce new revenue streams into the Group through the establishment of two organic start-ups in North America; Mader Energy and our Canada business unit. Both operations delivered first revenue in FY22 and are expected to develop into key growth drivers for the business in FY23.

This financial year also saw our ancillary and infrastructure maintenance divisions experience significant growth. Both service lines were well received in new geographical markets with infrastructure maintenance providing support in five states; Western Australia, Queensland, Victoria, South Australia and Northern Territory. We also introduced a hard rock equipment maintenance service based out of Mt Isa, Queensland, to focus specifically on hard rock mineralisation and its associated equipment maintenance requirements.

Our newer service lines; specialist drill and excavator services, power generation and marine vessel support, hard rock equipment maintenance and rail services are all expected to accelerate rapidly as we establish a stronger brand presence and build our customer base in these large markets.

International activity continued to rebound, with the Group's specialists supporting a global network of customers and providing technical advisory across nine countries, including Australia, the United States of America, Canada, Laos, Mongolia, Papua New Guinea, Philippines, Mauritania and Zambia.

### **Australia**

Mader's Australian business performed strongly, with \$342.0 million revenue delivered for the financial year ended 30 June 2022. The 25% increase on FY21 reflects our commitment to scaling operations through service diversification and geographic expansion.

A positive economic landscape and tight labour market in Australia saw demand increase for both our core mechanical services and ancillary products. Through field support (technical specialists with service vehicles and diagnostic tooling), shutdown crews and rostered labour, our in-house team of specialists kept our customers' operations online and powering. Our newer service lines continued to advance from strength to strength, providing maintenance for rail equipment, power generation facilities, marine vessels and port infrastructure.

Infrastructure maintenance and our ancillary services remained key pillars in our growth strategy, with revenue generated increasing by 120% and 20% respectively. A rise in demand for light vehicle mechanics, heavy road transport mechanics and boilermakers attributed to growth in our ancillary division, whilst geographical expansion was a primary driver for infrastructure maintenance.

Currently reported within our ancillary segment, our rail services division delivered maintenance and repairs across locomotive and wagon equipment in Western Australia with goals to commence operations on the East Coast of Australia in early FY23.

On the East Coast, operational growth was aided by strengthening commodity prices and the introduction of new service lines. Responding to demand we introduced a dedicated specialist excavator and drill rig support team, and a hard rock equipment maintenance service. Both service lines provide highly specialised maintenance and opportunities to broaden our revenue base whilst adding value for our customers.

The completion of our custom-built Mader Maintenance Centre in Perth was a high point of the year, with the first of a series of rebuild projects commencing in early FY23. The economics of the world-class facility are underpinned by an impressive





forward order book of 28 machine rebuilds, valued at more than \$20 million. Replacing our existing workshop, the 3,400m<sup>2</sup> space has significantly increased our capacity, allowing us to provide large-scale offsite repairs and equipment rebuilds for customers throughout Australia.

Working to close the skills gap, Mader's tailored Trade Upgrade Program continued to deliver. Operating in Western Australia and Queensland, the program gave almost 70 Light Vehicle and Road Transport Mechanics the opportunity to develop their skills and become qualified Heavy Duty Diesel Mechanics, with 28 participants graduating from the program in the year. We are proud to have received recognition, winning a Training Excellence Award at the 2021 Australian Business Awards, a testament to the hard work of the entire team.

Last financial year, we acquired a 25% equity interest in Western Plant Hire (WPH), a Western Australian based mobile plant hire provider. Although the business performed well and delivered solid returns, we made the decision to divest based on capital allocation rationale. The disposal was completed in January 2022 and proceeds will be redeployed to fund growth activities across the globe.

Headquartered in Perth, Western Australia, our Australian operations are also supported by regional offices in Kalgoorlie, Western Australia; and Brisbane, Queensland. With community-based support we were able to maintain unbeatable flexibility and an exceptional service for our customers.

### **North America**

Revenue generated in North America increased to \$50.0 million for the year ended 30 June 2022, up 107% on the \$24.2 million delivered in FY21 (100% increase excluding AUD/USD foreign exchange movements). Revenue growth was driven by the segment's mining operations in the United States,

with the team supporting several new customers and increasing volume across existing operations. The team provided a full suite of mechanical and electrical services, rounding out their capabilities with the introduction of a new custom welding and fabrication service.

Central to Mader's growth strategy, North America is a large addressable market for the Group, brimming with business development opportunities including our latest start-ups; Mader Energy and our Canada business unit. Both ventures were launched and delivered first revenue within the financial year – a remarkable accomplishment for the Group.

Key management personnel were repositioned to support our North American operations in FY22, leveraging industry relationships to build brand awareness and secure a steady pipeline of work across the continent. Our unique business model has been well received in all markets with operations trending positively and strong growth in several key mineral producing regions. During the year, our team of technicians were deployed throughout 20 states for scheduled and unplanned maintenance support.

Based in Edmonton, Alberta, our new start-up in Canada was boosted by our Global Pathways Initiative; an internal program that allows highly skilled expatriate technicians to stretch their legs across the world whilst supporting a global network of customers. The Canadian team also secured a fleet of Dodge Ram 5500 crane trucks with fully heated cabinets and an additional order has been placed in anticipation of projected growth.

Mader Energy was introduced to support customers across the United States' oil and gas sector; the world's largest energy market. Based in Fort Worth, Texas, the new business will initially provide natural gas compressor maintenance in several states. The organic start-up introduces a new revenue stream for the Group with large growth potential. Since

*"Mader continues to deliver on its growth agenda through geographical and service line expansion, effectively diversifying revenue streams and extending value to shareholders."*

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*Justin Nuich, Chief Executive Officer and Executive Director*



commencement, the business has established a strong industry presence and a stable customer base with upstream and midstream operators across multiple shale formations.

### **Rest of World (Africa, Asia and Latin America)**

Our Rest of World segment has endured a number of challenges in recent years, including varying mobility and work permit restrictions. Despite these hurdles, the Group has achieved year-on-year growth with high global demand resulting from a large maintenance deficit. In the financial year, we placed a focus on securing new opportunities whilst actively re-engaging existing and previous customers.

In Africa, our team delivered comprehensive shutdown and breakdown support in Mauritania, effectively improving digger and drill fleet reliability for a key customer. In Zambia, we provided hands-on technical advisory services, with our OEM-trained team imparting their best practice knowledge to the local workforce. Visiting Zambia on a business development trip, our management team were able to return to the Kijilamatambo Primary School in Solwezi for the first time since the pandemic. After funding the construction of the school's new classroom block in 2018, our team were thrilled to deliver supplies and conduct building repairs four years on.

In Asia, our team completed a major project in Laos, welcomed a new client in the Philippines and continued to provide technical support in Mongolia. Additionally, we increased support for customers in Papua New Guinea as travel restrictions eased to allow safe and efficient mobilisation into these regions.

We are encouraged by the outlook in this area and have taken proactive steps to rebuild operations to pre-covid levels. We have strategically bolstered our management personnel including the introduction of a business development manager employed to drive growth in the segment in FY23.

## **Our People and Culture**

Whilst performance against our strategy was exceptional, it would not be possible without our passionate and dedicated team. Reaching a milestone of 2,200 employees is reflective of our vision – to provide a transparent, flexible and inclusive workplace where the safety and wellbeing of our people is the highest priority. To encourage our staff and enable their accomplishment, we are proud to offer global career opportunities, training and development, leadership pathways and unmatched flexibility and job variety.

Driving continuous improvement, we utilise effective leadership and communication, coupled with enhancements in our digital strategy and internal systems to support a fast-paced, team environment. Our adaptable business model allows us to remain nimble, increasing flexibility around roster arrangements and providing extensive site and location diversity for our people. Further, our Global Pathways Initiative opens doors for staff to work around the world; building unforgettable memories and rich experiences. We are proud to give our people the opportunity to immerse themselves in unique cultures, building truly rounded employees.

Forging our name as leaders in the market for attraction, retention and development, we also joined forces with adventure partner, Three Gears, to challenge our people and encourage them to step outside their comfort zones. Our team across Australia enjoyed abseiling, hiking, BBQ's and sunsets alongside their work mates. We look forward to rolling out this program globally in the year to come.

These programs and initiatives have earned us external recognition, landing Employer of the Year at the 2021 RISE Business Awards, Contract Miner of the Year at the 2021 Australian Prospect Mining Awards, and most recently being named a national finalist for Best Workplace Flexibility, with the winner to be announced at the upcoming 2022 Australian HR Awards.

## Equipping the Community

This financial year, we were pleased to formally introduce our community engagement program, Tools for Life. Tools for Life aims to equip individuals and communities with the tools they need to build a better future and succeed in life. Getting involved in numerous volunteer, charity and sponsorship initiatives around the globe, the program effectively recognises the opportunity we have to improve socio-economic development in the regions we operate in.

With a focus on youth, education and support, we are proud to be encouraging the future generation to identify available pathways and build sustainable careers within the industry.

## A Bright Future

It is an exciting time in the journey of Mader. From the heat of the desert to freezing snowfields – we get the job done no matter what it takes. Behind the hard work, greasy spanners, night shifts, long swings and extreme conditions is a united and passionate team celebrating every win and having fun along the way.

With clear goals and a resilient mindset, we forge ahead fearlessly. We look to the future with optimism and confidence, knowing that our disciplined approach and ability to recognise our strengths will enable us to achieve incredible feats.

Yours sincerely



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

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\* During the financial year, the Group disposed of its investment in Western Plant Hire Limited. The 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>





MICKEY

MADER

# Community Engagement



## 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.

### Some highlights this year included:

- Returning to the Kijilamatambo Primary School in Solwezi, Zambia to deliver school supplies and conduct repairs to the classrooms after funding and assisting in the construction of the school in 2018.
- Participating in a sixth consecutive MACA Cancer 200: Ride for Research, with the team riding 200km from Perth to Mandurah and back.
- Transforming the Perth Workshop into a sea of pink in support of Breast Cancer Awareness Month, with staff wearing pink PPE and six special edition pink field services vehicles released to raise awareness of the disease.
- Attending the STEM/Engineering & Trades Career Expo at Comet Bay College to educate and inspire interested students on the career opportunities available within the industry.
- Sponsoring the Heart Warrior Open annual fundraising golf tournament in Phoenix, Arizona in support of the Phoenix Children's Hospital.

*"On behalf of the Perkins Family, I would like to say a huge thank you to Mader for your continued support. We value your participation and look forward to building our relationship further"*

**Steve Currie, Partner Relationship Manager**  
(Harry Perkins Institute of Medical Research)



*"We are grateful to Mader for their participation at the 2022 STEM/ Engineering & Trades Career Expo at Comet Bay College. Your assistance has helped motivate and inspire students to identify future career pathways within the industry"*

**Clare Hunt, Career Development Events Coordinator**  
(Comet Bay College)

# People & Culture

The driving forces behind our purpose as an organisation.



"Comradery echoes loudly throughout our business".





*"Our strong name is the result of happy and healthy employees we can count on"*



*"We learn together, we succeed together, we grow together."*

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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 2022 (FY22).

## Directors

The following persons were directors of the Company (the Directors) at any time during or since the end of the financial year and up to the date of this report. Directors were in office for this period unless otherwise stated.

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Director Name	Position
Jim Walker	Non-Executive Chairman
Luke Mader	Executive Director
Justin Nuich	Executive Director & Chief Executive Officer (CEO)
Patrick Conway	Executive Director
Craig Burton	Non-Executive Director



**JIM WALKER**  
NON-EXECUTIVE  
CHAIRMAN



**LUKE MADER**  
EXECUTIVE  
DIRECTOR



**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 were 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.

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## Overview and Financial Results

Information on the operations and the Group's business strategies is set out in the Chief Executive Officer's Report on pages 10 to 16.

Mader generated revenue of \$402.1 million, an increase of 32% versus the prior year. Relative to the increase in demand for Mader's services across Australia, revenue increased by 25% to \$342.0 million. The North America market generated \$50.0 million in revenue, up 107% in comparison to the prior year of \$24.2 million. Mader's Rest of World segment delivered services in Africa and Asia, with revenue increasing 49% to \$10.1 million from \$6.8 million the prior year.

Similarly, the Group's EBITDA grew 42% to \$50.9 million in comparison with the prior year. EBITDA for the Australian market was \$40.1 million, an increase of 36% as opposed to the prior year of \$29.4 million. In North America, EBITDA grew to \$10.1 million (up 49%) which was a result of the growth in revenue. The Rest of World market contributed \$2.1 million to the Group's EBITDA decreasing 7% compared to the prior year.

As at 30 June 2022, Mader maintained its strong liquidity position with net cash inflows from operations for the year of \$35.4 million (2021: \$16.2 million). Cash outflows from investing activities of \$31.0 million is mainly due to the expansion of Mader's fleet of service vehicles. The Group's net debt position as at 30 June 2022 was \$26.7 million (2021: \$24.0 million).

## Dividends

On 23 August 2022, the Company declared a final fully franked dividend of 2.0 cents per share. The total value of the final dividend payment is \$4.0m. The record date is 6 September 2022 with a payment date of 27 September 2022.

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 FY21 Fully Franked	1.5 cents per share	\$3.0m	28 September 2021
Interim FY22 Fully Franked	2.0 cents per share	\$4.0m	23 March 2022
Final FY22 Fully Franked	2.0 cents per share	\$4.0m	27 September 2022

### 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. Its global expansion strategy is staggered in two key phases; primary and secondary to ensure long-term, sustainable momentum.

Primary:

- North America
- Infrastructure Maintenance
- Mader Energy

Secondary:

- Other Ancillary Services
- Power Generation and Marine
- Rail Services

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.

The Group sees a continuance of the current trends in its business and strong macro trends with growth momentum expected to be maintained through strategic diversification in large existing and emerging markets.

Growth in industry demand is affected by:

- Total commodity/mineral production (more production means more machine stock);
- The average age of existing machinery stock (older machines means more maintenance); and
- The extent to which mining, energy and industrial companies outsource equipment maintenance.

The Group's specific growth strategies include:

- Being an employer of choice;
- Replicating the business model in new areas;
- Continuing to diversify by commodity;
- Continuing to maintain and develop new customer relationships; and
- Continuing to expand its range of service offerings and markets entered.



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 2022 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 under the Commonwealth, State and Territory legislation.

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

## DIRECTORS' REPORT

### Information on current Directors



#### JIM WALKER

GAICD, FAIM

**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), MLG OZ Ltd (ASX: MLG), 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
- MLG Oz Limited from 21 January 2021 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

#### Special responsibilities

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

#### Interest in shares and options

- 66,667 Ordinary Shares



#### LUKE MADER

MAICD

**Experience and expertise:** Founder of Mader, Luke is trade qualified with 20 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 marketing and realising 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 shares and options

- 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

- 186,081 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:** Formerly the CEO and CFO of Mader, Patrick has been with the Company for over 8 years and has a background in Public Practice accounting and business advisory including 4 years' experience with a West African gold development project. Patrick 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 shares and options**

- 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 shares and options**

- 39,000,000 Ordinary Shares





## DIRECTORS' REPORT

### 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 2022 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
Jim Walker	6	6	2	2	1	1
Luke Mader	6	6	2	2	1	1
Justin Nuich	6	6	2	2	1	1
Patrick Conway	6	6	2	2	1	1
Craig Burton	6	6	2	2	1	1

### Company Secretary

#### SHANNON COATES

*LLB, BA (JUR), AGIA, ACIS, GAICD*

**Experience and expertise:** 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 2022. 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
Jim Walker	Non-Executive Chairman	Full financial year
Craig Burton	Non-Executive Director	Full financial year
Luke Mader	Executive Director	Full financial year
Justin Nuich	Executive Director/Chief Executive Officer	Full financial year
Patrick Conway	Executive Director	Full financial year
John Greville	Chief Operating Officer	Full financial year
Paul Hegarty	Chief Financial Officer	Full financial year

## 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, diversity and employee satisfaction.

### How remuneration is governed

Mader has established a Nomination and Remuneration Committee (the Committee) to assist the Directors 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 Executive Management;
- Equity participation;
- Human resources policies; and
- Other matters referred to the Committee by the Directors.

## REMUNERATION REPORT - AUDITED

The Committee presently consists of Messrs Jim Walker, 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 is set out below.

Feature	Description																
<b>Maximum opportunity</b>	Executives can earn up to 3.33% of the increase in Statutory Net Profit Before Tax for the financial year, when compared to financial year in which the Executive commenced with the Group, plus any discretionary amounts as decided by the Board in its sole discretion.																
<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><thead><tr><th>Metric</th><th>Target</th><th>Weighting</th><th>Reason for selection</th></tr></thead><tbody><tr><td>Net profit before tax</td><td>No target is set</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;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>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	Net profit before tax	No target is set	50%	Reflects improvements in both revenue and cost control	Total recordable injury frequency rate (TRIFR)	<5 incidents per million hours worked	30%	Our people operating safely both in our and our client's environments is paramount	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
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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 a previous 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 is 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>		
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<b>Grants</b>	Rights may be granted under the Equity Incentive Plan to eligible participants from time to time in 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. If no date is specified, the expiry date will be the business day prior to the 15 year anniversary of the date of grant.								
<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 STIP and LTIP 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 \$500,000	Range between \$270,000 and \$330,000
Variable Remuneration	None	As per STI scheme	As per STI scheme
Allowances	None	May include motor vehicle allowance	None
Notice Period	6 months	Range between 5 weeks and 6 months	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.

	2022	2021	2020	2019	2018
Net profit for the year (\$'m)	27.9	19.3	17.5	14.9	11.4
Basic earnings per share (cents)	13.97	9.67	8.75	8.77	6.68
Diluted earnings per share (cents)	13.60	9.67	8.75	8.77	6.68
Total dividends (\$'m)	8.0	6.0	7.3	11.1	3.0
Share price at end of year (cents)	2.66	0.85	0.78	-	-

## REMUNERATION REPORT - AUDITED

### Remuneration of KMP for the Years Ended 30 June 2022 and 30 June 2021

		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	<b>2022</b>	<b>110,000</b>	-	-	<b>11,000</b>	-	-	<b>121,000</b>	-	
	2021	110,000	-	-	10,450	-	-	120,450	-	
Craig Burton	<b>2022</b>	<b>60,000</b>	-	-	<b>6,000</b>	-	-	<b>66,000</b>	-	
	2021	60,000	-	-	5,700	-	-	65,700	-	
Justin Nuich <sup>3</sup>	<b>2022</b>	-	-	-	-	-	-	-	-	
	2021	30,000	-	-	-	-	-	30,000	-	
<b>Total Non-executive Directors</b>	<b>2022</b>	<b>170,000</b>	-	-	<b>17,000</b>	-	-	<b>187,000</b>	-	
	2021	200,000	-	-	16,150	-	-	216,150	-	
<b>Executive directors</b>										
Luke Mader	<b>2022</b>	<b>198,500</b>	-	-	<b>17,592</b>	-	-	<b>216,092</b>	-	
	2021	200,000	-	-	17,687	-	-	217,687	-	
Justin Nuich <sup>3</sup>	<b>2022</b>	<b>527,475</b>	<b>500,000</b>	<b>40,484</b>	<b>51,905</b>	-	<b>561,960</b>	<b>1,681,824</b>	<b>63</b>	
	2021	183,972	200,000	10,004	12,731	-	-	406,707	49	
Patrick Conway	<b>2022</b>	<b>269,509</b>	<b>810,847</b>	-	<b>23,954</b>	<b>46,604</b>	-	<b>1,150,914</b>	<b>70</b>	
	2021	267,783	237,013	-	22,973	-	-	527,769	45	
<b>Senior executives</b>										
John Greville	<b>2022</b>	<b>288,309</b>	<b>1,142,749</b>	-	<b>18,126</b>	<b>(5,327)</b> <sup>4</sup>	<b>99,602</b>	<b>1,543,459</b>	<b>80</b>	
	2021	228,038	347,051	-	21,018	4,894	-	601,001	58	
Paul Hegarty <sup>5</sup>	<b>2022</b>	<b>305,957</b>	<b>200,000</b>	-	<b>27,441</b>	-	<b>140,960</b>	<b>674,358</b>	<b>51</b>	
	2021	181,802	72,000	-	17,474	-	-	271,276	27	
Lili Lim <sup>6</sup>	<b>2022</b>	-	-	-	-	-	-	-	-	
	2021	35,647	-	-	3,106	-	-	38,753	-	
<b>Total Executive and Senior Directors</b>	<b>2022</b>	<b>1,589,750</b>	<b>2,653,596</b>	<b>40,484</b>	<b>139,018</b>	<b>41,277</b>	<b>802,522</b>	<b>5,266,647</b>	<b>66</b>	
	2021	1,097,242	856,064	10,004	94,989	4,894	-	2,063,193	41	
<b>Total KMP</b>	<b>2022</b>	<b>1,759,750</b>	<b>2,653,596</b>	<b>40,484</b>	<b>156,018</b>	<b>41,277</b>	<b>802,522</b>	<b>5,453,647</b>	<b>63</b>	
	2021	1,297,242	856,064	10,004	111,139	4,894	-	2,279,343	38	

<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 and motor vehicle related expenses.

<sup>3</sup> Ceased as Non-executive Director and appointed as CEO on 28 January 2021.

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

<sup>5</sup> Appointed on 4 September 2020.

<sup>6</sup> Ceased on 4 September 2020.

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%	-	3,434,484	-
Patrick Conway	100%	-	-	-
John Greville	100%	-	730,960	-
Paul Hegarty	100%	-	868,294	-

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	19-Aug-21	30-Jun-24	Black Scholes	0.34
	07-Oct-21			0.57
FY24 Performance Rights	19-Aug-21	30-Jun-24	Black Scholes	1.01
	07-Oct-2			1.32
FY26 Performance Rights	19-Aug-21	30-Jun-26	Black Scholes	0.95
	07-Oct-2			1.25

## 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 2021	Granted as remuneration	On market purchase	Disposals/ Other changes	Balance 30 June 2022
Jim Walker	66,667	-	-	-	66,667
Craig Burton	40,000,000	-	-	(1,000,000)	39,000,000
Luke Mader	113,697,095	-	-	-	113,697,095
Justin Nuich	181,881	-	4,200	-	186,081
Patrick Conway	113,824	-	-	-	113,824
John Greville	166,667	-	-	-	166,667
Paul Hegarty	55,000	-	-	-	55,000
<b>Total</b>	<b>154,281,134</b>	<b>-</b>	<b>4,200</b>	<b>(1,000,000)</b>	<b>153,285,334</b>

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 2021	Granted as remuneration	Vested	Forfeited	Balance 30 June 2022
Justin Nuich	-	3,250,000	-	-	3,250,000
Patrick Conway	-	-	-	-	-
John Greville	-	750,000	-	-	750,000
Paul Hegarty	-	1,150,000	-	-	1,150,000
<b>Total</b>	<b>-</b>	<b>5,150,000</b>	<b>-</b>	<b>-</b>	<b>5,150,000</b>

## REMUNERATION REPORT - AUDITED

### Loans to Key Management Personnel

There were no loans to Directors or Executives during the financial year ended 30 June 2022.

### 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	
		2022	2021	2022	2021	2022	2021
		\$	\$	\$	\$	\$	\$
Services provided to MLG Oz Limited	Jim Walker	3,316,744	3,280,866	69,091	551,451	-	-
Services provided to Austin Engineering Ltd	Jim Walker	114,452	-	5,143	-	-	-
Services provided to Western Plant Hire Holdings Limited	Luke Mader Patrick Conway <sup>1</sup>	561,761	344,866	11,077 <sup>2</sup>	188,848	-	-
Services provided by Venture South Pty Ltd	Luke Mader	36,694	82,818	-	-	-	-
Services provided to Premium Plant Hire Pty Ltd	Luke Mader	310,078	-	77,524	-	-	-
Services provided to L&A Trust	Luke Mader	101,256	-	33,103	-	-	-
Services provided to Salt Lake Potash Limited	Justin Nuich	-	62,210	-	62,210 <sup>3</sup>	-	-
Consultancy services provided by Allscope Holdings Pty Ltd	Justin Nuich	29,836	8,989	-	-	-	-

<sup>1</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>2</sup> Balance is as at the date Luke Mader and Patrick Conway resigned as director of Western Plant Hire Holdings Limited.

<sup>3</sup> Balance is as at the date Justin Nuich became CEO of the Group.

### 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. 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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## 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 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 24 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 nature and scope of each type of non-audit services provided means the auditor's independence was not compromised.

## Auditors Independence Declaration

The auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 38.

## 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*.



**Jim Walker**  
Non-Executive Chairman  
22 August 2022

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# Auditor's Independent Declaration



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Australia

## DECLARATION OF INDEPENDENCE BY PHILLIP MURDOCH TO THE DIRECTORS OF MADER GROUP LIMITED

As lead auditor of Mader Group Limited for the year ended 30 June 2022, 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.

**Phillip Murdoch**  
Director

**BDO Audit (WA) Pty Ltd**  
Perth  
22 August 2022

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





**MADER**  
HEAVY EQUIPMENT MAINTENANCE

LUKE

MADER  
HEAVY EQUIPMENT MAINTENANCE

CE  
EN 388  
ML  
BIR  
100% POLYESTER  
100% COTTON

# Consolidated Statement of Profit or Loss & Other Comprehensive Income

For the Year Ended 30 June 2022

	NOTE	2022 \$'000	2021 \$'000
Revenue	4	402,084	304,300
Cost of sales	5	(323,499)	(245,925)
<b>Gross profit</b>		<b>78,585</b>	<b>58,375</b>
Distribution expense		(20)	(199)
Marketing expenses		(1,580)	(1,171)
Administration expenses	5	(42,051)	(30,446)
Other operating expenses		187	(152)
Finance costs	5	(1,432)	(1,427)
Share of profit from associates		532	1,004
Other income	4	6,179	795
<b>Profit before income tax</b>		<b>40,400</b>	<b>26,779</b>
Income tax expense	6	(12,455)	(7,437)
<b>Profit for the year</b>		<b>27,945</b>	<b>19,342</b>

## Other comprehensive income/(loss)

Items that may be reclassified to profit or loss

Exchange differences arising on translation of foreign operations		1,955	(787)
<b>Total comprehensive income for the year</b>		<b>29,900</b>	<b>18,555</b>

## Earnings per share

Basic earnings per share (cents per share)	8	13.97	9.67
Diluted earnings per share (cents per share)	8	13.60	9.67

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 2022

	NOTE	2022 \$'000	2021 \$'000
<b>Current assets</b>			
Cash and cash equivalents		6,648	3,209
Trade and other receivables	11	85,649	67,881
Other assets	12	3,466	956
<b>Total current assets</b>		<b>95,763</b>	<b>72,046</b>
<b>Non-current assets</b>			
Property, plant and equipment	13	67,944	36,922
Investment in associates	14	110	4,651
Right of use of asset	15	7,965	3,499
Other assets	12	391	320
Deferred tax assets	6	944	5,072
<b>Total non-current assets</b>		<b>77,354</b>	<b>50,464</b>
<b>Total assets</b>		<b>173,117</b>	<b>122,510</b>
<b>Current liabilities</b>			
Trade and other payables	16	39,289	21,543
Lease liabilities		1,234	549
Provisions	17	3,902	1,670
Tax liabilities	6	306	4,494
Borrowings	18	21,264	19,037
<b>Total current liabilities</b>		<b>65,995</b>	<b>47,293</b>
<b>Non-current liabilities</b>			
Lease liabilities		7,000	3,134
Provisions	17	-	888
Deferred tax liabilities	6	3,081	2,401
Borrowings	18	12,059	8,122
<b>Total non-current liabilities</b>		<b>22,140</b>	<b>14,545</b>
<b>Total liabilities</b>		<b>88,135</b>	<b>61,838</b>
<b>Net assets</b>		<b>84,982</b>	<b>60,672</b>
<b>Equity</b>			
Issued capital	19	2	2
Reserves	20	2,145	(1,220)
Retained earnings		82,835	61,890
<b>Total equity</b>		<b>84,982</b>	<b>60,672</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 2022

	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	21	-	-	-	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>

	NOTE	Issued Capital \$'000	Retained Earnings \$'000	Foreign Currency Translation \$'000	Share Based Payments \$'000	Total \$'000
<b>Balance at 1 July 2020</b>		<b>2</b>	<b>48,548</b>	<b>(433)</b>	<b>-</b>	<b>48,117</b>
<b>Comprehensive income/(loss)</b>						
Profit for the year		-	19,342	-	-	19,342
Other comprehensive loss for the year		-	-	(787)	-	(787)
<b>Total comprehensive income/(loss) for the year</b>		<b>-</b>	<b>19,342</b>	<b>(787)</b>	<b>-</b>	<b>18,555</b>
Dividends paid or provided for	9	-	(6,000)	-	-	(6,000)
<b>Balance at 30 June 2021</b>		<b>2</b>	<b>61,890</b>	<b>(1,220)</b>	<b>-</b>	<b>60,672</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 2022

	Note	2022 \$'000	2021 \$'000
<b>Cash flows from operating activities</b>			
Receipts from Customers		422,748	321,132
Payments to Suppliers & Employees		(374,329)	(296,206)
Interest Received		-	19
Interest Paid		(1,196)	(862)
Income Tax Paid		(11,835)	(7,928)
<b>Net cash generated from Operating Activities</b>	10	<b>35,388</b>	<b>16,155</b>
<b>Cash flows from investing activities</b>			
Proceeds from Sale of Property, Plant & Equipment		73	58
Payments for Property, Plant & Equipment		(39,461)	(11,232)
Sale of Associates		8,400	-
Investments in Associates		(20)	(3,591)
<b>Net cash used in investing activities</b>		<b>(31,008)</b>	<b>(14,765)</b>
<b>Cash flows from financing activities</b>			
Proceeds from Borrowings		20,235	12,867
Repayment of Borrowings		(14,623)	(11,176)
Payment of Dividends		(7,000)	(6,000)
<b>Net cash used in Financing Activities</b>		<b>(1,388)</b>	<b>(4,309)</b>
<b>Net Cash Increase / (Decrease) in Cash and Cash Equivalents Held</b>		<b>2,992</b>	<b>(2,919)</b>
Effect of Exchange Rates on Cash and Cash Equivalent Holdings		447	(328)
Cash and Cash Equivalents at Beginning of Financial Year		3,209	6,456
<b>Cash and Cash Equivalents at End of Financial Year</b>		<b>6,648</b>	<b>3,209</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 2022

## 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 22 August 2022. 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.

## 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.





## (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 2021. 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 2020-3 Amendments to Australian Accounting Standards – Annual Improvements 2018-2020 and Other Amendments	1 January 2022
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

	2022 \$'000	2021 \$'000
<b>Operating revenue</b>		
Maintenance services	374,242	288,170
Hire recoveries	183	991
Direct expense recoveries	27,659	15,139
<b>Total operating revenue</b>	<b>402,084</b>	<b>304,300</b>
<b>Timing of revenue recognition</b>		
At a point in time	27,659	15,139
Over time	374,425	289,161
<b>Total other income</b>	<b>402,084</b>	<b>304,300</b>
<b>Other income</b>		
Interest income	-	19
Gain on sale of associate	3,354	-
Other income	2,825	776
<b>Total other income</b>	<b>6,179</b>	<b>795</b>

## 5. Expenses

	2022 \$'000	2021 \$'000
<b>Expenses</b>		
Depreciation	9,053	7,526
Employee benefits expense	279,039	216,287
Share based payment expense	1,410	-
<b>Finance costs</b>		
Interest expense	1,196	1,143
Other finance costs	236	284

## NOTES TO THE FINANCIAL STATEMENTS

### 6. Tax

<b>(a) Income tax expense</b>	<b>2022 \$'000</b>	<b>2021 \$'000</b>
<b>Components of income tax expense</b>		
Current income tax expense	8,011	10,125
Deferred tax expense	4,807	(1,760)
Under/(over) provision in respect of prior year	(363)	(928)
	<b>12,455</b>	<b>7,437</b>

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

Profit before income tax	40,400	26,779
Tax at the Australian tax rate of 30% (2021: 30%)	12,120	8,034
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:		
• Non-deductible expenses	-	38
• Differences in foreign tax rates	(263)	(334)
• Other	961	627
Under/(over) provision in respect of prior year	(363)	(928)
	<b>12,455</b>	<b>7,437</b>

#### (b) Deferred tax

##### Deferred tax assets

The balance comprises temporary differences attributed to:

• Lease liabilities	2,351	1,018
• Accrued expenses and provision	5,081	2,175
• Employee leave entitlements	1,063	937
• Share based payments	271	-
• Tax losses	394	480
• Other	62	462
	<b>9,222</b>	<b>5,072</b>
Tax offset	(8,278)	-
	<b>944</b>	<b>5,072</b>

##### Deferred tax liabilities

The balance comprises temporary differences attributed to:

• Accrued revenue and prepayment	207	-
• Right of use asset	2,271	1,009
• Property, plant and equipment	8,881	1,442
• Other	-	(50)
	<b>11,359</b>	<b>2,401</b>
Tax offset	(8,278)	-
	<b>3,081</b>	<b>2,401</b>

<b>(c) Reconciliations</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>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	-	206	-	206
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>8,957</b>	<b>-</b>	<b>11,358</b>
<b>2021</b>				
<b>Deferred tax assets</b>				
Lease liabilities	-	1,018	-	1,018
Accrued expenses and provision	853	1,322	-	2,175
Employee leave entitlements	578	359	-	937
Tax losses	217	263	-	480
Other	360	102	-	462
	<b>2,008</b>	<b>3,064</b>	<b>-</b>	<b>5,072</b>
<b>Deferred tax liabilities</b>				
Accrued revenue and prepayment	4	(4)	-	-
Right of use of asset	-	1,009	-	1,009
Property, plant and equipment	1,093	349	-	1,442
Other	-	(50)	-	(50)
	<b>1,097</b>	<b>1,304</b>	<b>-</b>	<b>2,401</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 2022 is as follows:

	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
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

	Australia	North America	Rest of World	Corporate	Total
2021	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Financial performance</b>					
Maintenance services	260,154	22,057	5,959	-	288,170
Hire recoveries	991	-	-	-	991
Direct expense recoveries	12,166	2,140	833	-	15,139
Other revenue	930	16	(173)	22	795
<b>Revenue</b>	<b>274,241</b>	<b>24,213</b>	<b>6,619</b>	<b>22</b>	<b>305,095</b>
EBITDA	29,390	6,772	2,217	(2,647)	35,732
Depreciation and amortisation	(5,909)	(1,271)	(39)	(307)	(7,526)
EBIT	23,481	5,501	2,178	(2,954)	28,206
Finance costs	(1,062)	(168)	(30)	(167)	(1,427)
Income tax (expense)/benefit	(6,013)	(1,033)	(898)	507	(7,437)
<b>Net profit after tax</b>	<b>16,406</b>	<b>4,300</b>	<b>1,250</b>	<b>(2,614)</b>	<b>19,342</b>
<b>Other Segment Information</b>					
Assets	93,625	15,701	4,818	8,366	122,510
Liabilities	51,177	5,795	1,361	3,505	61,838

## 8. Earnings Per Share (EPS)

	2022	2021
Basic earnings per share (cents)	13.97	9.67
Diluted earnings per share (cents)	13.60	9.67
Net profit used in the calculation of basic and diluted earnings per share (\$'000)	27,945	19,342
Weighted average number of shares used in the calculation of basic earnings per share (thousands of shares)	200,000	200,000
Adjustments for calculation of diluted earnings per share:		
• Rights (thousands of rights)	5,500	-
Weighted average number of shares used in the calculation of diluted earnings per share (thousands of shares)	205,500	200,000

## NOTES TO THE FINANCIAL STATEMENTS

### 9. Dividends

	2022 \$'000	2021 \$'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 2020 of 1.5 cents per share paid on 17 September 2020 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 2021 of 1.5 cents per share paid on 17 March 2021 franked at the tax rate of 30%</li> </ul>	-	3,000
<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	-
	<b>7,000</b>	<b>6,000</b>
<b>Dividends declared after 30 June 2022</b>		
<ul style="list-style-type: none"> <li>The Company has resolved to declare a final fully franked ordinary dividend of 2.0 cents per share payable on 27 September 2022 franked at the tax rate of 30%</li> </ul>	4,000	-
<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 2022</li> </ul>	2,472	5,472
<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>	(1,714)	(1,286)
<b>Adjusted franking account balance</b>	<b>758</b>	<b>4,186</b>





## 10. Cash and Cash Equivalents

	2022 \$'000	2021 \$'000
<b>Reconciliation of cash flow from operations with Profit after Income Tax</b>		
Profit for the year	27,945	19,342
Depreciation	9,053	7,526
Share of Profit from Associates	(532)	(1,004)
Disposal of Property, Plant and Equipment	(2)	3
Impact of Foreign Exchange	1,507	(455)
Share Based Payments	1,410	-
Gain on Sale of Associates	(3,354)	-
<i>Change in assets and liabilities:</i>		
- (Increase)/decrease in Trade and Other Receivables	(17,768)	(12,360)
- (Increase)/decrease in Other Assets	(2,581)	298
- (Increase)/decrease in Deferred Tax Assets	4,128	(1,759)
- (Decrease)/increase in Trade and Other Payables	17,746	2,645
- (Decrease)/increase in Provisions	1,344	652
- (Decrease)/increase in Tax Liability	(4,188)	1,267
- (Increase)/decrease in Deferred Tax Liability	680	-
<b>Net cash flow from operating activities</b>	<b>35,388</b>	<b>16,155</b>

## 11. Trade and Other Receivables

	2022 \$'000	2021 \$'000
Trade receivables	84,493	67,499
Other receivables	1,794	700
Allowance for expected credit losses	(638)	(318)
	<b>85,649</b>	<b>67,881</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.

## NOTES TO THE FINANCIAL STATEMENTS

### 12. Other Assets

	2022 \$'000	2021 \$'000
<b>Current</b>		
Prepayments	3,323	877
Other	143	79
	<b>3,466</b>	<b>956</b>
<b>Non-current</b>		
Other	391	320
	<b>391</b>	<b>320</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 2022</b>					
Cost	1,160	2,230	86,923	10,626	100,939
Accumulated depreciation	(299)	(1,127)	(31,569)	-	(32,995)
	<b>861</b>	<b>1,103</b>	<b>55,354</b>	<b>10,626</b>	<b>67,944</b>
<b>Movement in property, plant and equipment</b>					
At 1 July 2021	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>

	Buildings & property \$'000	Office furniture & equipment \$'000	Plant equipment & motor vehicles \$'000	Capital work in progress \$'000	Total \$'000
<b>30 June 2021</b>					
Cost	650	1,744	59,060	-	61,454
Accumulated depreciation	(233)	(846)	(23,453)	-	(24,532)
	<b>417</b>	<b>898</b>	<b>35,607</b>	<b>-</b>	<b>36,922</b>
<b>Movement in property, plant and equipment</b>					
At 1 July 2020	483	794	31,265	-	32,542
Additions	19	364	10,914	-	11,297
Disposals	-	(34)	(94)	-	(128)
Depreciation expense	(85)	(226)	(6,478)	-	(6,789)
	<b>417</b>	<b>898</b>	<b>35,607</b>	<b>-</b>	<b>36,922</b>

## 14. Investment in Associates

	Country of Incorporation	% of Equity Interest	
		2022	2021
Western Plant Hire Holdings Limited	Australia	-	25%

In the previous financial year, Mader acquired a 25% equity interest in Western Plant Hire Holdings Limited for cash consideration of \$3.5 million. The associate was accounted for using the equity method as set out in the Group's accounting policies. During the current financial year, the Group sold its investment for cash consideration of \$8.4 million resulting in a net gain on sale of \$3.4 million. Transaction costs associated with the divestment were not material.

	2022 \$'000	2021 \$'000
<b>Statement of Financial Position</b>		
Current assets	-	12,907
Non-current assets	-	42,416
<b>Total assets</b>	<b>-</b>	<b>55,323</b>
Current liabilities	-	14,876
Non-current liabilities	-	24,008
<b>Total liabilities</b>	<b>-</b>	<b>38,884</b>
<b>Net assets</b>	<b>-</b>	<b>16,439</b>
Issued capital	-	8,965
Retained earnings	-	7,474
<b>Total equity</b>	<b>-</b>	<b>16,439</b>
<b>Statement of Financial Performance</b>		
Revenue	11,912	17,268
Profit for the year	2,129	4,048
Other comprehensive income	-	-
<b>Total comprehensive income</b>	<b>2,129</b>	<b>4,048</b>
<b>Reconciliation to carrying amount of interest:</b>		
Net assets of associate	-	16,439
Proportion of the Group's ownership interest	-	4,110
Goodwill	-	393
Associates that are not individually material	110	148
<b>Carrying amount of Group's Interest</b>	<b>110</b>	<b>4,651</b>

## NOTES TO THE FINANCIAL STATEMENTS

### 15. Right of Use Assets

	2022 \$'000	2021 \$'000
<b>Buildings and property</b>		
Cost	9,759	4,884
Accumulated depreciation	(1,794)	(1,385)
	<b>7,965</b>	<b>3,499</b>
Opening balance	3,499	2,587
Additions	5,119	1,641
Depreciation expense	(671)	(737)
Foreign exchange	18	8
	<b>7,965</b>	<b>3,499</b>
<b>Amounts recognised in profit or loss</b>		
Depreciation expense on right of use asset	671	737
Interest expense on lease liabilities	152	145
Expense relating to short-term leases or low value assets	1,152	283

### 16. Trade and Other Payables

	2022 \$'000	2021 \$'000
Trade payables	7,135	1,970
Accrued expenses	18,527	10,364
Other payables	13,627	9,209
	<b>39,289</b>	<b>21,543</b>

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

### 17. Provisions

	2022 \$'000	2021 \$'000
<b>Current</b>		
Provision for annual leave and long service leave	3,902	1,670
	<b>3,902</b>	<b>1,670</b>
<b>Non-current</b>		
Provision for long service leave	-	888
	<b>-</b>	<b>888</b>

## 18. Borrowings

	2022 \$'000	2021 \$'000
<b>Current</b>		
Secured borrowings – asset financing	6,492	7,616
Secured borrowings – working capital	14,093	10,689
Unsecured borrowings – other	679	732
	<b>21,264</b>	<b>19,037</b>
<b>Non-current</b>		
Secured borrowings – asset financing	12,059	7,730
Unsecured borrowings – other	-	392
	<b>12,059</b>	<b>8,122</b>

The Group has access to the following lines of credit:

	2022 \$'000	2021 \$'000
<b>Facilities used:</b>		
Secured borrowings – asset financing	18,551	15,346
Secured borrowings – working capital	14,093	10,689
Unsecured borrowings – other	679	1,124
	<b>33,323</b>	<b>27,159</b>
<b>Facilities not used:</b>		
Secured borrowings – asset financing	23,626	9,654
Secured borrowings – working capital	28,810	28,972
	<b>52,436</b>	<b>38,626</b>
<b>Facilities available:</b>		
Secured borrowings – asset financing <sup>1</sup>	42,177	25,000
Secured borrowings – working capital <sup>1</sup>	42,903	39,661
Unsecured borrowings – other	679	1,124
	<b>85,759</b>	<b>65,785</b>

<sup>1</sup> In the current reporting period, \$25 million of the asset financing and \$40 million of the working capital (\$10 million uncommitted) facilities are part of a multi borrower facility which is subject to a yearly annual review and financial covenants measured on the reporting dates of 31 December and 30 June. In addition, there is a general security charge over the current and future assets of the obligor group of Mader. As at 30 June 2022, the Group is in compliance with its financial covenants.

## NOTES TO THE FINANCIAL STATEMENTS

### 19. Issued Capital

	30 June 2022 Number of shares	30 June 2021 Number of shares	30 June 2022 \$'000	30 June 2021 \$'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.

### 20. 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.

### 21. 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 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.

Rights Series	Number	Grant Date	Expiry Date	Method of Valuation	Fair Value at Grant Date
Share Appreciation Rights	1,400,000	19-Aug-21 07-Oct-21	30-Jun-24	Black Scholes	0.34 0.57
FY24 Performance Rights	2,000,000	19-Aug-21 07-Oct-21	30-Jun-24	Black Scholes	1.01 1.32
FY26 Performance Rights	7,740,000	19-Aug-21 07-Oct-21	30-Jun-26	Black Scholes	0.95 1.25

The following assumptions were used in determining the fair value of the rights at grant date:

Input	SARs	FY24 PRs	FY26 PRs
Dividend Yield (%)	3.01	3.01	3.01
Expected Volatility (%)	49.58	49.58	49.58
Risk Free Interest Rate (%)	0.15	0.15	0.57
Expected Life of Rights (Years)	3.00	3.00	5.00
Rights Exercise Price (A\$)	1.00	-	-
Share Price at Grant (A\$)	1.11 - 1.45	1.11 - 1.45	1.11 - 1.45

Details of the rights (Performance Rights and Share Appreciation Rights) outstanding as at the end of the year are as follows:

	Number of Rights
Outstanding at beginning of year	-
Granted during the year	11,140,000
Forfeited during the year	-
Exercised during the year	-
Expired during the year	-
<b>Outstanding at end of year</b>	<b>11,140,000</b>

### 22. 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	Fixed interest rate maturing within			Non-interest bearing \$'000	Total \$'000
		Floating interest rate \$'000	1 year or less \$'000	Over 1 year \$'000		
<b>2022</b>						
<b>Financial assets</b>						
Cash and cash equivalents	0.0%	6,648	-	-	-	6,648
Trade and other receivables	-	-	-	-	85,649	85,649
		<b>6,648</b>	<b>-</b>	<b>-</b>	<b>85,649</b>	<b>92,297</b>
<b>Financial Liabilities</b>						
Trade and other payables	-	-	-	-	39,289	39,289
Lease liabilities	4.3%	-	1,234	7,000	-	8,234
Borrowings	3.9%	14,093	7,171	12,059	-	33,323
		<b>14,093</b>	<b>8,405</b>	<b>19,058</b>	<b>39,289</b>	<b>80,846</b>
<b>2021</b>						
<b>Financial assets</b>						
Cash and cash equivalents	5.4%	3,209	-	-	-	3,209
Trade and other receivables	-	-	-	-	67,881	67,881
		<b>3,209</b>	<b>-</b>	<b>-</b>	<b>67,881</b>	<b>71,090</b>
<b>Financial Liabilities</b>						
Trade and other payables	-	-	-	-	21,543	21,543
Lease liabilities	4.3%	-	549	3,134	-	3,683
Borrowings	3.3%	10,689	8,348	8,122	-	27,159
		<b>10,689</b>	<b>8,897</b>	<b>11,256</b>	<b>21,543</b>	<b>52,385</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.

#### 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

## NOTES TO THE FINANCIAL STATEMENTS

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	
Trade and other receivables	49,781	25,292	7,885	3,329	86,287
Expected loss allowance	-	-	-	(638)	(638)

### 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	5 years or more \$'000	Contractual cash flows \$'000	Carrying amount \$'000
<b>2022</b>					
Trade and other payables	39,289	-	-	39,289	39,289
Lease liabilities	1,565	6,487	1,417	9,469	8,234
Borrowings	22,998	11,058	-	34,056	33,323
	<b>63,852</b>	<b>17,545</b>	<b>1,417</b>	<b>82,814</b>	<b>80,846</b>
<b>2021</b>					
Trade and other payables	21,543	-	-	21,543	21,543
Lease liabilities	697	2,657	947	4,301	3,683
Borrowings	19,362	8,224	-	27,586	27,159
	<b>41,602</b>	<b>10,881</b>	<b>947</b>	<b>53,430</b>	<b>52,385</b>

## 23. Commitments and Contingencies

### (a) Capital Expenditure Commitments

	2022 \$'000	2021 \$'000
<b>Capital Commitments</b>		
Committed at the reporting date but not recognised as liabilities:		
• Property, plant and equipment	29,869	15,438
	<b>29,869</b>	<b>15,438</b>

### (b) Contingencies

There are no contingent assets or liabilities as at 30 June 2022 (2021: nil).

## 24. Auditors' Remuneration

	2022 \$	2021 \$
<b>BDO Audit (WA) Pty Ltd and related network firms</b>		
<b>Audit and review of financial statements</b>		
• Group	127,022	104,892
• Subsidiaries	8,390	17,125
	<b>135,412</b>	<b>122,017</b>
<b>Non-audit services</b>		
• Taxation compliance services	15,757	44,260
• Consulting services	-	-
	<b>15,757</b>	<b>44,260</b>
<b>Total services provided by BDO</b>	<b>151,169</b>	<b>166,277</b>
<b>Remuneration of other auditors and their related network firms</b>		
<b>Audit and review of financial statements</b>		
• Subsidiaries	29,278	30,798
<b>Non-audit services</b>		
• Taxation compliance services	-	-
<b>Total services provided by other auditors</b>	<b>29,278</b>	<b>30,798</b>
<b>Total auditor's remuneration</b>	<b>180,447</b>	<b>197,075</b>

## NOTES TO THE FINANCIAL STATEMENTS

### 25. Subsidiaries

The consolidated financial statements of the Group include:

	Country of Incorporation	% of Equity Interest	
		2022	2021
Mader Contracting Pty Ltd	Australia	100%	100%
Mader Queensland Pty Ltd	Australia	100%	100%
Mader Services Pty Ltd	Australia	100%	100%
Mader Plant Hire Pty Ltd	Australia	100%	100%
Forefront People Pty Ltd	Australia	100%	-
Mader Corporation	USA	100%	100%
Mader Energy LLC	USA	100%	-
Mader Assets LLC	USA	100%	-
Mader Mining (Canada) Limited	Canada	100%	100%
Neto Crystal Worldwide Company Limited	British Virgin Islands	100%	100%
Mader International Limited	Hong Kong	100%	100%
Global Maintenance Solutions Pte Ltd	Singapore	100%	100%
MI Mechanical Limited	Mauritius	100%	100%
Mader Gobi LLC	Mongolia	100%	100%
Mader Mechanical Limited	Zambia	100%	100%
Mader Chile SPA	Chile	100%	100%
Mader DRC SARLU	Democratic Republic of Congo	100%	100%
Mader PNG Limited	Papua New Guinea	100%	100%

### 26. Parent Entity Information

	2022 \$'000	2021 \$'000
Current assets	136	859
Non-current assets	16,477	13,856
<b>Total assets</b>	<b>16,613</b>	<b>14,715</b>
Current liabilities	5,391	2,089
Non-current liabilities	2,355	301
<b>Total liabilities</b>	<b>7,746</b>	<b>2,390</b>
<b>Net assets</b>	<b>8,867</b>	<b>12,325</b>
Issued capital	1	1
Retained earnings	2,095	-
Reserves	6,771	12,324
<b>Total equity</b>	<b>8,867</b>	<b>12,325</b>
<b>Profit/(Loss) after income tax for the year</b>	<b>2,372</b>	<b>15,430</b>

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## 27. Deed of Cross Guarantee

As at 30 June 2022 and/or 30 June 2021, the Group had not entered into a deed of cross guarantee in relation to the debts of its subsidiaries.

## 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

	2022 \$'000	2021 \$'000
Short-term employee benefits	4,454	2,163
Post-employment benefits	156	111
Other long-term benefits	41	5
Share based payments	803	-
<b>Total</b>	<b>5,454</b>	<b>2,279</b>

Detailed remuneration disclosures are provided in the Remuneration Report.

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

There were no loans to or other transactions with Directors and executives during the financial year ended 30 June 2022 (2021: nil).

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

On 23 August 2022, the Company declared a final fully franked dividend of 2.0 cents per share. The total value of the dividend payment is \$4.0 million. The record date is 6 September 2022 with a payment date of 27 September 2022.

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 2022 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:



**Jim Walker**

Non-Executive Chairman

Dated this 22nd day of August 2022

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# 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 2022, 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 2022 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.

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





### 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.

#### 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 statements.</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 2022, 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 on pages 30 to 36 of the directors' report for the year ended 30 June 2022.

In our opinion, the Remuneration Report of Mader Group Limited, for the year ended 30 June 2022, 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 'P. Murdoch', is written over a horizontal line. The word 'BDO' is printed in small letters above the signature.

**Phillip Murdoch**

**Director**

Perth, 22 August 2022



# 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 2022.

## Distribution of Ordinary Shares

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

Range	Number of Holders	Number of Shares
1 - 1,000	372	180,874
1,001 - 5,000	549	1,537,418
5,001 - 10,000	222	1,722,362
10,001 - 100,000	259	7,339,899
100,001 and over	39	189,219,447
<b>Total</b>	<b>1,441</b>	<b>200,000,000</b>

The number of shareholders holding less than a marketable parcel of ordinary shares is 65 (being 187 Shares as at 9 August 2022).

## Performance Rights

The Company has 9,740,000 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	18	900,000
100,001 and over	26	8,840,000
<b>Total</b>	<b>44</b>	<b>9,740,000</b>

Mr Justin Nuich, as trustee for the J&C Nuich Family Trust, holds 2,250,000 performance rights comprising 23.10% of this class.

## SHAREHOLDER INFORMATION

### Share Appreciation Rights

The Company has 1,400,000 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	2	1,400,000
<b>Total</b>	<b>2</b>	<b>1,400,000</b>

Mr Justin Nuich, as trustee for the J&C Nuich Family Trust, holds 1,000,000 share appreciation rights comprising 71.43% of this class; Ms Joanna Kiernan, the spouse of Mr Paul Hegarty, holds 400,000 share appreciation rights, comprising 28.57% 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.

## SHAREHOLDER INFORMATION

### 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	11,425,590	5.71
5. NATIONAL NOMINEES LIMITED	5,969,633	2.98
6. MS AMY MADER	5,750,000	2.88
7. HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	5,584,388	2.79
8. J P MORGAN NOMINEES AUSTRALIA PTY LIMITED	4,193,576	2.10
9. GOTTERDAMERUNG PTY LIMITED <GOTTERDAMERUNG FAMILY A/C>	2,138,000	1.07
10. CAVES HOUSE HOLDINGS PTY LTD	1,390,000	0.70
11. BNP PARIBAS NOMINEES PTY LTD <IB AU NOMS RETAILCLIENT DRP>	864,923	0.43
12. B & R JAMES INVESTMENTS PTY LIMITED <JAMES SUPERANNUATION A/C>	630,000	0.32
13. MR GREGORY ROSS MADER + MRS IRENE THERESE MADER <GREG MADER SUPER FUND A/C>	600,000	0.30
14. HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED <EUROCLEAR BANK SA NV A/C>	426,671	0.21
15. W FAIRWEATHER & SON PTY LTD	380,000	0.19
16. GANG - GANG PTY LTD <PIPPA A/C>	330,000	0.17
17. BOND STREET CUSTODIANS LIMITED <NDOCV2 - V13182 A/C>	307,095	0.15
18. VERONA EMPAT PTY LTD <VERONA EMPAT SUPER FUND A/C>	300,000	0.15
19. TUETEX PTY LIMITED <BRADLEY INVESTMENT A/C>	275,000	0.14
20. HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED <GSCO CUSTOMERS A/C>	270,675	0.14
<b>Total</b>	<b>186,085,551</b>	<b>93.06</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 2022 financial year can be accessed at: [www.madergroup.com.au/investor-centre/corporate-governance](http://www.madergroup.com.au/investor-centre/corporate-governance)









## AUSTRALIA

### WA

#### **Head Office**

Suite A1, Hkew Alpha Building  
2 George Wiencke Drive  
Perth Airport, Western Australia

#### **Mader Maintenance Centre**

19-23 Eva Street  
Maddington, Western Australia

#### **Kalgoorlie Office**

Unit 7  
19 Cheetham Street  
Kalgoorlie, Western Australia

### QLD

#### **Brisbane Office**

Level 2  
1/485 Kingsford Smith Drive  
Hamilton, Queensland

## USA

### CO

#### **Fort Collins Office**

2950 E. Harmony Road  
Suite #220  
Fort Collins, Colorado

### NV

#### **Reno Office**

5470 Kietzke Lane  
Suite #300  
Reno, Nevada

### TX

#### **Fort Worth Office**

3116 W 6<sup>th</sup> Street  
Fort Worth, Texas

## CANADA

### AB

#### **Edmonton Office**

Suite 310  
13220 St. Albert Trail  
Edmonton, Alberta

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

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

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