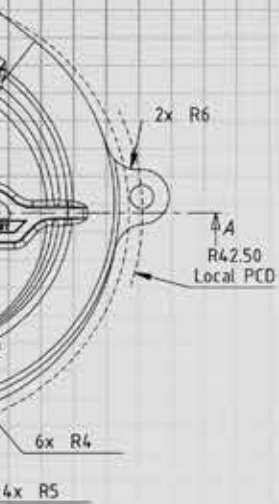
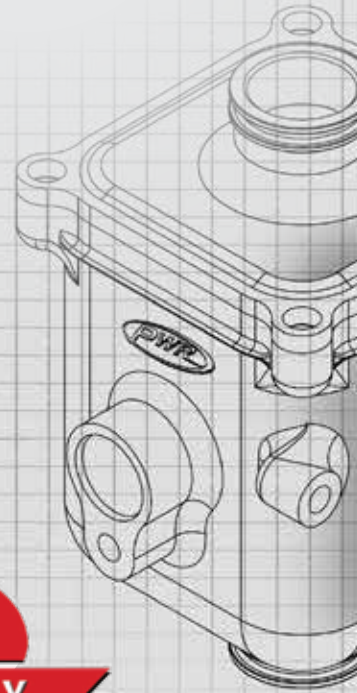
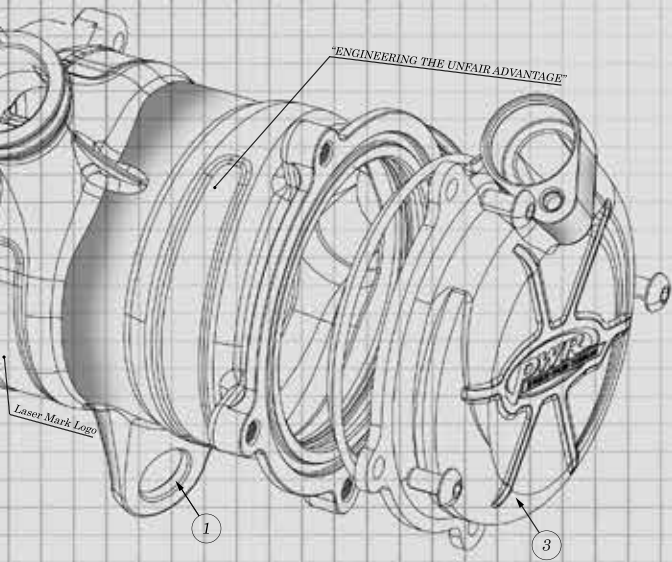
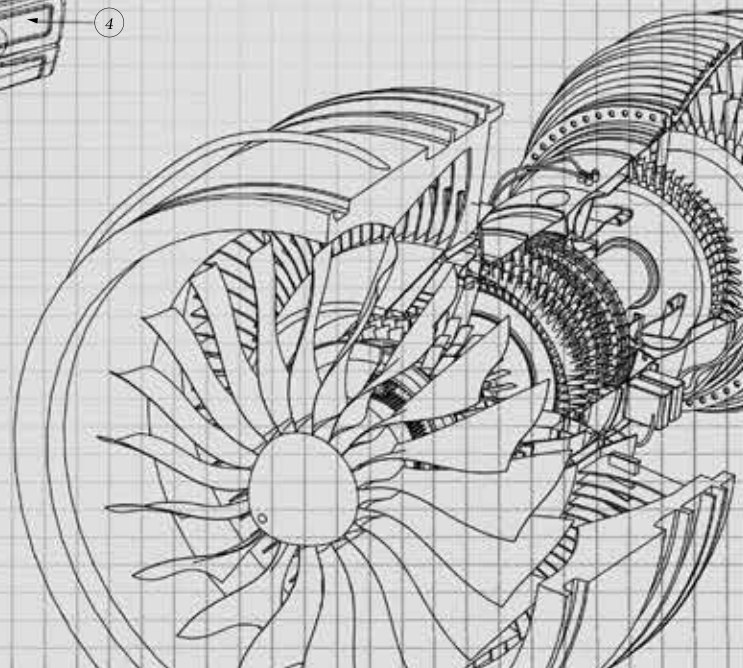
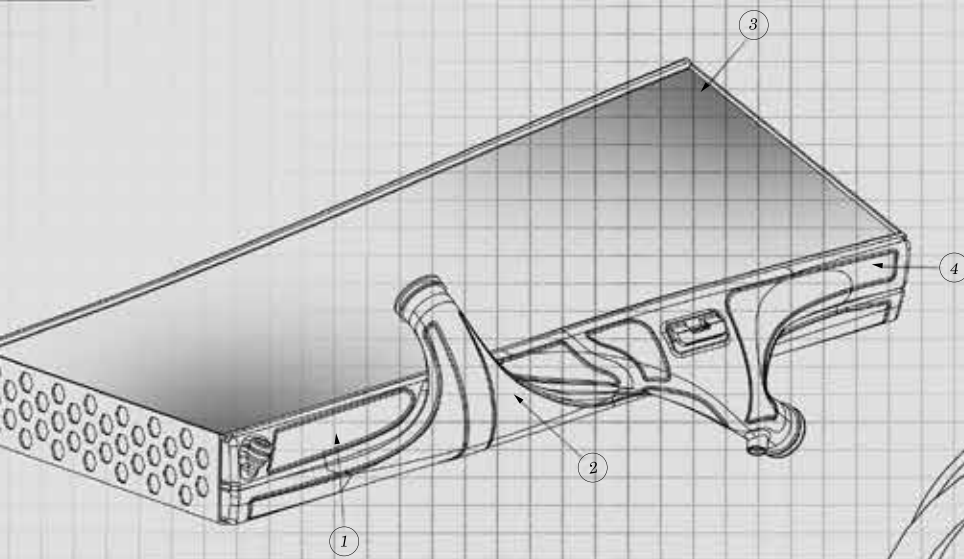


Annual Report 2024



The Global Leader in Cooling Technology

Inspired by Engineering Excellence



About us



PWR is a global designer, manufacturer and supplier of technically advanced high performance cooling solutions. We invest in research and development to provide solutions to our customers using advanced cooling technology.

We adopt a flexible manufacturing approach and take pride in supporting our customers through great relationships and technical partnerships.

About PWR

PWR Holdings Limited (ABN 85 105 326 850) (PWR) is a company limited by shares, incorporated and domiciled in Australia and listed on the Australian Stock Exchange (ASX:PWH).

PWR is the parent company of the PWR consolidated group of companies. Unless otherwise stated in this report, all references to PWR, the Group, the Company, we, us and our, refer to PWR Holdings Limited and its controlled entities as a whole.

References to 2024, the financial year or FY are to the year ended 30 June 2024 unless stated otherwise. All dollar figures are expressed in Australian currency unless otherwise stated. An electronic version of this report is available www.pwr.com.au/investors/reports.

In consideration of the environmental footprint associated with the production of the Annual Report, printed copies of the Annual Report will be posted only to shareholders who have requested a printed copy.

About this Report

PWR's 2024 Annual Report presents an integrated view of PWR's social, environmental, operating and financial performance for the year ended 30 June 2024. The report describes how we create value through our business activities, focusing on what matters most to our many stakeholders and our business. It covers our performance and our future plans to address the challenges that come with growth as well as the challenges of a changing climate and the part we play in addressing these issues.

This Annual Report is provided for the benefit of all of PWR's stakeholders.

Corporate Governance Statement

PWR's Corporate Governance Statement discloses the extent to which PWR has complied with the ASX Corporate Governance Council's Corporate Governance Principles & Recommendations (4th edition). This Statement is available at www.pwr.com.au/investors/corporate-governance.

Our Locations

- PWR Headquarters is located at 103 Lahrs Road, Ormeau, Queensland, Australia and employs 398 staff
- PWR North America (C&R Racing Inc.) is located at 6950 Guion Road, Indianapolis, IN 46268, USA and employs 125 staff
- PWR Europe is located at Unit C, Valley Point, Valley Drive Rugby, Warwickshire, CV21 1TN, United Kingdom and employs 55 staff.

Annual General Meeting

Friday, 18 October 2024 at PWR's manufacturing facility at Ormeau, Queensland, Australia.

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YEAR IN REVIEW

REVIEW OF OPERATIONS

LEADERSHIP

DIRECTORS' REPORT

FINANCIAL STATEMENTS

ADDITIONAL INFORMATION

2024 Highlights



Revenue

\$139.4_m  17.8%



EBITDA¹

\$45.2_m  15.7%



NPAT

\$24.8_m  14.0%



EPS

24.69_c  13.9%



DPS

14.0_c  12.0%



EBITDA to Operating Cash Conversion Ratio

86%  0.2%

¹ Earnings Before Interest, Tax, Depreciation and Amortisation (EBITDA) is a non-IFRS term which has not been subject to audit or review but has been determined using information presented in the annual financial report.



YEAR IN REVIEW

REVIEW OF
OPERATIONS

LEADERSHIP

DIRECTORS'
REPORT

FINANCIAL
STATEMENTS

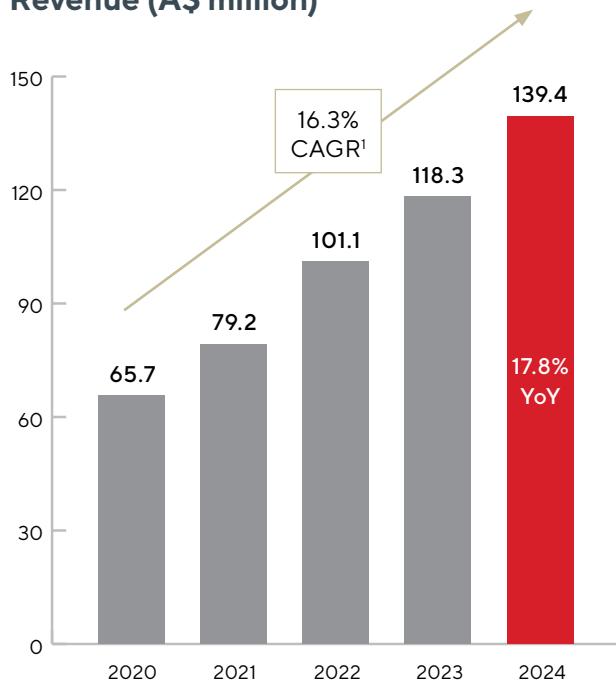
ADDITIONAL
INFORMATION

Year in Review

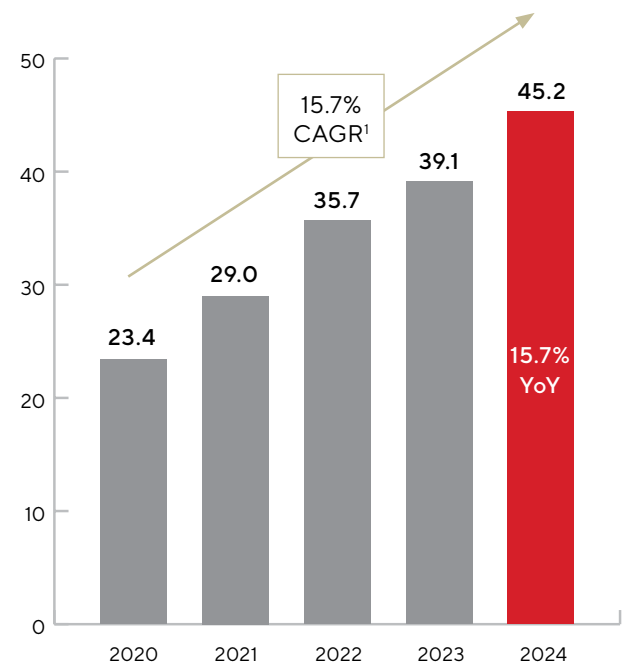
Financial Highlights

continued

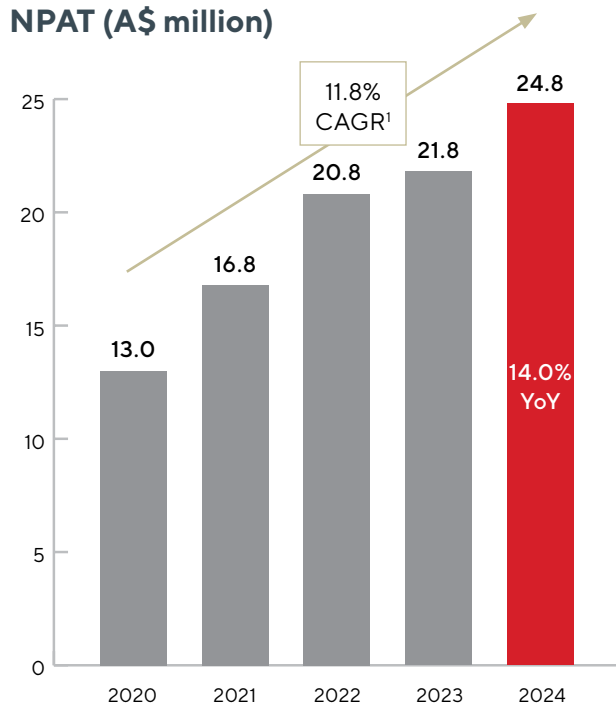
Revenue (A\$ million)



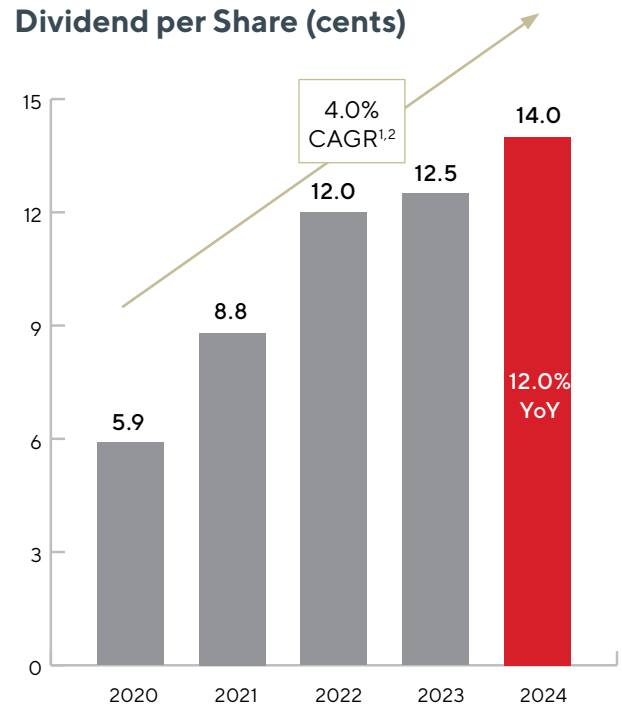
EBITDA (A\$ million)



NPAT (A\$ million)



Dividend per Share (cents)



1 Compound Annual Growth Rate over 5 years

2 2019 dividend included a 3.0 cent special dividend. Excluding the 2019 special dividend the 5 year CAGR was 10.5%

2024 Outcomes



Innovation

- Incorporated powerful optical 3D scanning technologies such as the Zeiss Atos Q into production and quality control processes
- Developed an automation strategy and roadmap for the next five years
- Supplied cooling solutions to every Formula One team in the world
- Achieved a material reduction in the cost of poor quality as a % of total sales and a significant improvement in our Delivery on Time and in Full (DIFOT) performance (a component of executive short-term remuneration)
- Increased our investment in research and development investing \$11.0m on R&D activities in 2024 (2023: \$10.1m)
- Implemented enhancements to our Enterprise Resource Planning (ERP) system continuing to build capability for serialisation of products including full traceability of components and raw materials used in the production process



Profitable Growth

- Total Shareholder Return over the last 3 years of 65%
- Generated \$21.0m revenue from Aerospace and Defence (2023: \$10.5m)
- Awarded Moon to Mars Grant totalling \$985,000 from the Australian Government through the Australian Space Agency to develop and manufacture PWR's proprietary Micro Matrix Heat Exchanger technology for space applications
- Secured a 15 year lease for PWR's new Australian based headquarters in Stapylton, expected to be move in ready by mid 2025, supported by Qld Government
- Expanded the manufacturing capacity at our site in Rugby with headcount growth of 60%
- Secured more factory space in Indianapolis with a lease of premises (8,600 SqFt) for Aerospace and Defence Programs at a site adjacent to the current North America site



Sustainability

- Planned installation of 1.7MW solar panels at our new Stapylton headquarters, currently under development
- Recycled 453 tonnes of aluminium
- Diverted 88% of waste measured in tonnes to recycling
- PWR Performance Products Pty Ltd became a member of the Defence Industry Security Program (Australia) supported by a Chief Security Officer
- Continued regular staff cyber security awareness training and compulsory security awareness training
- Implemented a Speak Up Campaign, underpinned by our Whistleblower Policy to promote trust, transparency and freedom for staff to raise issues or concerns



Investing in our People

- Employed 578 passionate people across the globe (increase of 13.1% from 2023)
- Developed a mentally healthy workplace strategy, and an action plan following a psychosocial workplace survey with targeted staff focus groups to highlight workplace challenges
- Implemented our Human Resource Information System in Australia and the UK with plans to roll out in North America in 2025
- Designed and planned the PWR Academy to support tailored learning and development for our people
- Commenced trial of a 9-day fortnight at PWR's Australian headquarters to provide workplace flexibility
- Appointed Amanda Holt, Kristen Podagiel and Jason Conroy to the Board

Innovation | Profitable Growth | Sustainability | Investing in our People



Roland Dane, Chairman

In my first year as Chairman, I am pleased to say that PWR delivered another record result for the 2024 financial year, with NPAT of \$24.8m up 14% on the prior period (2023: \$21.8m).

The PWR Group continued to deliver on its growth objective through implementation of its ongoing capital investment and research and development programs whilst still producing a strong return on equity at 25% (2023: 25%).

The year has seen us closely monitor and adjust inventories of raw materials in response to global supply chain challenges, including not only the impact of the war in Ukraine on global aluminium supplies, but also the disruption of shipping in the Suez Canal region. We have also closely monitored and managed customer credit risk caused by elevated interest rates and global economic uncertainty. The EBITDA to operating cash conversion ratio remains steady compared with the prior period 2024: 86% (2023: 86%).

PWR retained a strong cash balance at 30 June 2024 of \$21.7m (2023: \$17.6m) and remains debt free, with access to its \$10m multicurrency and \$7.5m equipment finance facilities to support future operational requirements, if required.

Considering these results and the balance sheet position, the Board has declared a fully franked final dividend of 9.20 cents per share, taking the full year dividend to 14.00 cents per share, an increase of 12.0% on last year's full year dividend (2023: 12.50 cents per share).

The Board, in conjunction with management, refreshed the Company's strategy to 2030+ with particular focus on our four strategic objectives, whilst also ensuring integration with our material sustainability pillars.

These objectives of Innovation, Profitable Growth, Sustainability and Investing in our People will continue to guide the Company's growth over the medium term. I have confidence in the leadership team to implement our strategy while managing the challenges that come with rapid growth, particularly in a year where we will be moving our entire Australian factory from Ormeau to new headquarters at Stapylton, Queensland.

The Board has had a long-standing succession plan in place and implementing that plan has seen the appointment of three new Non-Executive Directors during the last twelve months. I extend a welcome to Amanda Holt, Kristen Podagiel and Jason Conroy who all bring their own unique set of skills, capabilities and experience which will be invaluable in guiding the execution of PWR's 2030+ strategy.

On behalf of the Company, and me personally, I would like to extend our sincere thanks to Teresa Handicott who was appointed as a Non-executive Director in October 2015 and served as Chairman of PWR from 2017 to October 2023, retiring at the 2023 Annual General Meeting. During Teresa's time, PWR went from strength to strength and Teresa's extensive corporate and management expertise was instrumental in building PWR's strong governance platform which has supported its growth over the past eight years.

Thank you to the people at PWR who have worked with passion and drive to continue to deliver significant and transformative growth. The Board recognises that the achievements of 2024 would not have been possible without extraordinary efforts from the entire PWR team throughout our three operating sites across three different continents. Moreover, the Board is grateful to each and every member of the PWR team for the way they were able to remain focused on our customers, delivering innovative and high-quality products using our advanced technology, as well as also looking after their teammates whilst living and breathing the PWR DNA.

Thank you also to my Board colleagues who have brought their individual experience and expertise to the table which has resulted in excellent debate and collective decision making throughout the year.

Finally, thank you, as always, to our shareholders for their continued support of PWR.

A handwritten signature in black ink, appearing to read 'RDane', written over a white background.

Roland Dane
Chairman

Investing Now to be Ready for Future Opportunities



Kees Weel, Founder and Managing Director

PWR Australia

PWR Performance Products continues to be a global leader in cooling technology by supplying most global motorsport categories. In 2024 the supply of cooling technology to aerospace, defence, and automotive OEM to existing and new customer markets, have been significant growth drivers. PWR Performance Products continues to be PWR's research and development centre of excellence and operates as a vertically integrated business.

PWR Europe

PWR Europe continues to expand manufacturing from the state-of-the-art facility located in Rugby in the United Kingdom (UK). This facility has over 3,160 square meters of manufacturing space operated by a team of over 55 employees. PWR Europe manufacture products for European motorsport, automotive OEM, automotive aftermarket, aerospace and defence, and are continuing to increase their capacity and capability.

PWR North America

PWR North America (also known as PWR C&R and C&R Racing, Incorporated) has successfully delivered new aerospace and defence programs and solid growth in the motorsport and automotive aftermarket. PWR North America is well placed to further develop these market sectors with the commissioning of vacuum brazing and heat treatment furnaces, and anodising plant for surface treatment. During the year we leased a further 8,500 SqFt of space adjacent to PWR North America's existing facilities to cater for future growth opportunities.

Global Operating Model

A key aspect of our corporate strategy is having Centres of Excellence for the different aspects of our business including; manufacturing operations, engineering, design, testing, quality assurance, research and development and shared services. This approach ensures that appropriately located and resourced specialised teams will collectively focus on delivering the best strategic outcomes for the Group.

I am confident in our growth potential for the next five to ten years, however this year and into the next we need to make significant investment of time and money in the new headquarters at Stapylton and upgrading some of our systems to support these growth opportunities.

Technology Developments

During the year, we invested \$12.3m in leading edge technology and equipment to support our vertically integrated business and our growth objectives (2023: \$15m).

We deployed advanced technologies into our manufacturing processes to ensure we remain at the forefront of manufacturing capability and complexity for both existing customers as well as potential new customers and industries.

During 2024, technology supporting cold plates, micro matrix and additive manufacturing have been further developed and commercialised. Our application of these technologies continues to expand as current and potential customers embrace the benefits, including customers in the aerospace and defence, electric and hybrid vehicle and alternative energy sectors.

New Global Headquarters

This year we spent significant time and attention designing PWR's new headquarters at Stapylton, supported by a 15-year lease and the Queensland Government, through the Invested in Queensland program. We have managed to access the site early following the surrender of the former tenant's lease and commenced works on the site on 1 August 2024 at a discounted rent while we undertake upgrade works.

The new headquarters will be transformative for PWR promoting a safe, efficient manufacturing site with greatly enhanced productivity levels, with almost double the space. This allows us to layout the factory for efficiency and provide more benefits to our employees through the inclusion of Weely's diner, a gymnasium and more onsite parking. We aim to have largely moved in by November 2025 and expect this coming year to be somewhat disrupted as we focus on our new facility and move our entire manufacturing site from Ormeau to Stapylton. I am sure however the team is up for the challenge and we will remain focused on delivering products and services to our customers while safely managing the transition.

Message from the Managing Director



PWR Academy

We recognise that our staff are crucial to the current and future success of PWR, and that investment in training and development is essential to keep staff engaged and productive. During the year, we continued to invest in our people and their development with the planning and design of our own PWR Academy, which will be purpose built to support dedicated and tailored job-related training. We also invested in career development plans and experienced on site trainers and have partnered with TAFE Queensland in Australia to deliver apprentice and trainee programs on site at PWR. This investment in training and career development forms the foundation of the PWR Academy and once fully operational, will deliver training to all PWR employees globally.

New ERP

In 2026, we will commence a program to replace our current enterprise resource planning (ERP) system with an enterprise grade system to improve our capacity planning, manufacturing scheduling and global coordination. The new ERP will take several years to fully implement and will be a core enabler for our future growth and profitability.

Investing Now for the Future

I am confident in our growth potential for the next five to ten years, recognising this year and into the next that we need to make significant investment of time and money in the new headquarters at Stapylton, upgrading some of our systems to support these growth opportunities and investing in headcount, particularly in the Aerospace and Defence area.

FY2025 will be a transition year for PWR which is crucial to successfully position us for future growth. Margins will be impacted in the near term as we invest in the business to set us up for the future.

The PWR Team continue to go beyond what is expected of them on a regular basis and I thank them for the dedication and commitment which is so often demonstrated. I know that they will put their shoulders to the wheel to do the best they can with the numerous transformative activities we are pursuing this year.

Thank you to shareholders, customers and staff for your continued support. I am looking forward to working with the PWR Team to build solid foundations to continue our growth journey.

Kees Weel
Founder & Managing Director

Review of Financial Performance



Martin McIver, Chief Financial Officer

PWR continues to invest for the future. 2024 performance was strong and we have invested in people, research and development, facilities, systems and equipment to support future performance.

Summary of Financial Results

	2024 A\$'000	2023 A\$'000	Change %
Revenue	139,392	118,326	17.8%
EBITDA ¹	45,186	39,051	15.7%
EBITDA ¹ margin	32.4%	33.0%	0.6%
Net profit after tax (NPAT)	24,805	21,752	14.0%
Operating cash flow (excluding interest and tax)	38,708	33,399	15.9%
Basic and diluted earnings per share	24.69 cents	21.67 cents	13.9%

1. Earnings Before Interest, Tax, Depreciation and Amortisation ("EBITDA") is a non-IFRS term which has not been subject to audit or review but has been determined using information presented in the annual financial report.

EBITDA¹ Reconciliation

A reconciliation of EBITDA¹ to the reported profit before tax in the consolidated statement of profit or loss and other comprehensive income is as follows:

	2024 A\$'000	2023 A\$'000
Profit for the period before tax	34,766	30,243
Add : net finance costs/(income)	290	333
Add : depreciation & amortisation	10,130	8,475
EBITDA ¹	45,186	39,051

1. Earnings Before Interest, Tax, Depreciation and Amortisation ("EBITDA") is a non-IFRS term which has not been subject to audit or review but has been determined using information presented in the annual financial report.

Revenue

The Group achieved overall revenue growth of 17.8% compared to the prior corresponding period. Sales revenue increased by 12.9% plus favourable exchange rate movements of 4.9%.

The above growth was primarily driven by third party sales out of the United Kingdom, Australia, and the United States of America, where sales grew 8.9%, 14.7% and 10.6% respectively.

Exchange rates at 30 June 2024 saw the GBP being 2.1% weaker and the US dollar being 0.5% weaker compared to the prior period. Average rates during the financial year saw the GBP 7.0% stronger and the US dollar 2.7% stronger than the prior period.

The net impact of exchange rate movements had a favourable impact on revenue for the year of \$5.77 million (2023: \$1.06 million).

Review of Financial Performance

Review of Financial Performance

continued

Revenue by Customer Market	2024				2023				Growth	
	Advanced Cooling ¹ \$'000	Emerging Technologies ² \$'000	Total \$'000	% of Total	Advanced Cooling ¹ \$'000	Emerging Technologies ² \$'000	Total \$'000	% of Total	\$'000	%
Motorsports	57,260	10,089	67,349	48%	55,026	7,230	62,256	52%	5,093	8%
Automotive OEM	24,967	3,058	28,025	20%	21,935	3,704	25,639	22%	2,386	9%
Automotive Aftermarket	18,853	614	19,467	14%	17,796	3	17,799	15%	1,668	9%
Aerospace & Defence	-	21,047	21,047	15%	-	10,533	10,533	9%	10,514	100%
Other	3,376	128	3,504	3%	1,431	668	2,099	2%	1,405	67%
	104,456	34,936	139,392	100%	96,188	22,138	118,326	100%	21,066	17.8%

- Advanced Cooling includes revenue from the sale of tube and fin heat exchangers, and bar and plate heat exchangers, design, simulation and testing services, but excluding revenue from Emerging Technologies.
- Emerging Technologies includes revenue from Aerospace and Defence across all technologies, and revenue from other market sectors generated by cold plate, micro matrix and additive manufacturing.

EBITDA

EBITDA in 2024 compared to the prior corresponding period was stronger mainly due to:

- Solid revenue growth across the aerospace and defence, automotive aftermarket, automotive OEM and motorsports sectors;
- Production costs control; and
- Administration and overhead costs control.

EBITDA was impacted by the increase in production labour, raw materials, marketing, computer expenses including cyber security and human resources.

Net profit after tax

Net profit after tax of the Group for the year ended 30 June 2024 was \$24.81 million (2023: \$21.75 million).

Operating cash flow

The Group continues to closely monitor and adjust inventories of raw materials in response to global supply chain challenges, including the impact of the war in Ukraine on global aluminium supplies. The Group also closely monitors and manages customer credit risk caused by elevated interest rates and global economic uncertainty. 2024 operating cash flow (excluding interest and tax) was \$38.71 million, a conversion of 86% from EBITDA (2023: \$33.40 million, a conversion of 86% from EBITDA).

Foreign currency

The Group is exposed to movements in foreign exchange rates, with consolidated revenue generated in various currencies (using average exchange rates through the reporting period) as outlined below:

	2024	2023
British pounds (GBP)	53.4%	53.1%
US dollars (USD)	30.0%	30.8%
Australian dollars (AUD)	11.4%	11.7%
Euro (EUR)	5.2%	4.4%
	100%	100%

Balance sheet management

The balance sheet remains strong with cash of \$21.7 million (2023: \$17.6 million).

Working capital utilisation has decreased from 236 days at 30 June 2023 to 190 days at 30 June 2024 due largely to the raw material inventory management as we continue to monitor global supply chain challenges, offset by an increase in finished goods inventories.

Capital expenditure for the year was \$12.3 million (2023: \$15.0 million). The capital expenditure was lower than the prior corresponding period due to the timing of purchase orders being placed as we finalise plans for the new Australian factory expansion. Our strong balance sheet and available financing facilities can support ongoing expected capital expenditure.

The Group did not complete any business acquisitions during the year (2023: \$2.0 million).

With the solid working capital position, expected future capital investment requirements and the ongoing strong contribution of EBITDA to operating cash flows, the Board has declared a final 2024 dividend of 9.20 cents per share bringing the total dividend paid to 14.00 cents per share.

Review of operating segments

The Group has two operating segments, PWR Performance Products which comprises its Australian and European operations, and PWR C&R which comprises its USA operations (also referred to as PWR North America and C&R). The performance of the operating segments are outlined below:

	PWR Performance Products		PWR C&R		Total	
	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
External revenues	99,969	85,435	39,423	32,891	139,392	118,326
Inter-segment revenues	11,286	7,896	2,555	4,122	13,841	12,018
Segment revenue	111,255	93,331	41,978	37,013	153,233	130,344
Segment EBITDA ¹	39,585	33,611	5,671	5,350	45,256	38,961
Depreciation and amortisation	(7,839)	(6,604)	(2,291)	(1,871)	(10,130)	(8,475)
Segment profit/(loss) before interest and tax	31,746	27,007	3,380	3,479	35,126	30,486
Capital expenditure	8,388	9,420	3,905	5,626	12,293	15,046

¹ Segment EBITDA is the segment's profit from operations before interest, taxation, depreciation and amortisation.

The carrying value of goodwill and trademarks is assessed on an ongoing basis to ensure these are not impaired. This assessment has been performed at 30 June 2024 and using currently available information has resulted in the current values continuing to be recognised.

New Global Headquarters

The move to the new global headquarters at Stapylton is expected to incur operating expenditure, including debt costs, of \$4.3 million in 2025 and \$0.9 million in 2026.

After the move to Stapylton has been completed and the Group has fully exited the existing Ormeau leases, the property related expenses, consisting of right of use amortisation, right of use interest and depreciation on leasehold improvements, will increase by \$3.5 million per year. The additional capacity of the new Stapylton factory will be utilised in coming years as we continue to grow.

The upgrade and fit out of the new Stapylton factory is expected to be circa \$24.6 million in capital expenditure and \$13.0 million in new equipment which will be funded through cash and a staged draw down on our debt facilities².

Review of principal businesses

During the year ended 30 June 2024, in addition to the items outlined above, the Group focussed on diversifying its operations within the targeted segments in a sustainable and profitable manner for the long-term benefit of stakeholders including shareholders, staff, customers, and suppliers.

Environmental, Social and Governance (ESG), including the Impacts of Climate Change

The critical environmental, social and governance issues and opportunities impacting the Group are embedded in PWR's strategy and have been included in the 2024 Annual Report on pages 12 to 34.

Risk Management

The Group understands that effective risk management enables us to identify priorities, allocate resources, demonstrate due diligence in discharging legal and regulatory obligations, and meet the standards and expectations of our stakeholders. An outline of material risks and management strategies are outlined on pages 50 to 57.

Significant changes in the state of affairs

Other than as outlined in the operating and financial review, there were no significant changes in the state of affairs of the Group during the year.

² PWR is in the advanced stages of documenting a new \$30 million limit debt facility to replace the existing debt facilities. The new debt facility will provide additional headroom above the debt funding required for the new Stapylton factory.

Our Value Creating Strategy

PWR is committed to creating long term value for all stakeholders through the four strategic pillars of **Innovation**, **Profitable Growth**, **Sustainability** and **Investing in our People**.

Our strategy is underpinned by four key principles:



PWR's approach to sustainability is embedded into our strategy.



Our governance framework monitors and guides performance.



Our risk management approach includes scenario planning, stress testing and stakeholder feedback within the context of our risk appetite.



We set realistic and measurable targets to track performance and progress.

VISION

The Global Leader in Cooling Technology Inspired by Engineering Excellence.

PURPOSE

Through passionate people and innovative solutions we lead the way in advanced cooling system design and supply, to exceed the expectations of our global partners across diverse industries.

Strategic Goals



Innovation

Innovation is part of PWR's fabric. We invest in research and development to enhance our product offering, capitalising on our intellectual property and engineering expertise.



Profitable Growth

Growing our revenue while maintaining or improving our profit margin is a long-term objective that requires we have a strong foundation from which to grow. A foundation that focuses on efficiency, data for decision making and an unwavering focus on quality and service to our customers.



Sustainability

We believe that finding ways to ensure we embrace diversity, play our part in being a good corporate citizen and seeking to ensure our manufacturing is sustainable will contribute to our long term success as a business. Energy efficiency and waste management is a key focus for PWR.



Investing in our People

Our people make us who we are. We respect them and we are passionate about their safety, invest in them and support their growth and development.

PWR DNA



RESPECT



PASSION

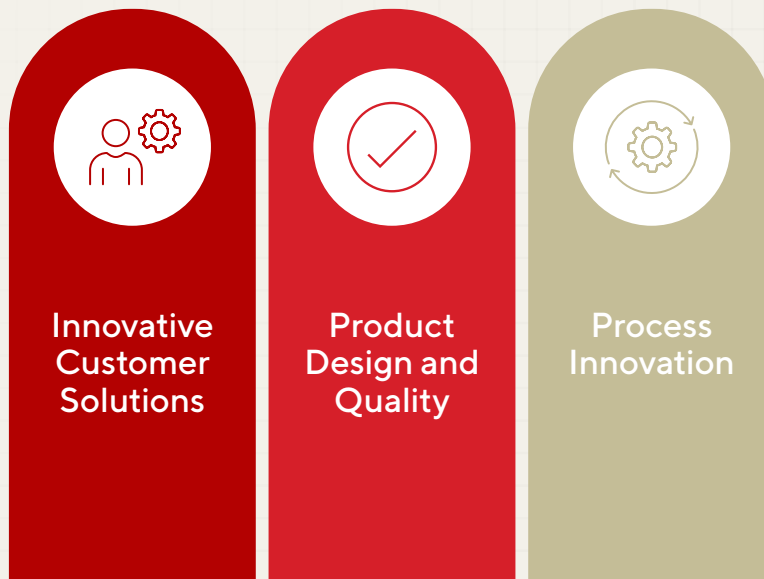


TEAMWORK



Innovation

Innovation is part of PWR’s fabric. We invest in research and development to enhance our product offering, capitalising on our intellectual property and engineering expertise to deliver customer solutions.



Innovative Customer Solutions

Leveraging our existing technology into new industries and focusing on continuous innovation and learning to remain an industry leader. Our project engagement is one of true partnership with our customers with a shared goal to succeed in producing the best final product or solution.

2024 Activities and Outcomes	Invested in leading edge technology and equipment, spending \$12.3m on new equipment this year (2023: \$15m)
	Provided value adding services to our customers including computational flow dynamics and wind tunnel testing, going beyond just manufacturing their part
	Attended numerous trade shows and industry events, showcasing our innovative products and services, forming new relationships
	Invested \$11.0m in research and development underpinned by a robust governance process over recording our R&D expenditure
	Refreshed and upgraded our online performance aftermarket store

Innovative solutions are at the core of our purpose and a material sustainability pillar. To continue to be the global leader in cooling technology we must innovate and ensure that we are providing the solutions of tomorrow. PWR explores opportunities in the advanced technology space and clean or low-carbon technology. For example, hydrogen, end of useful life battery storage, exploration of potential strategic development initiatives in the clean technology space and the possibility of future revenue generation from such technologies.

PWR has developed an extensive range of tube and fin geometries allowing us to optimize core constructions to achieve lightweight and high performing coolers. Whether the heat exchanger be a water radiator, oil cooler, charge air cooler or refrigerant application we have dedicated core specifications that can be tailored to maximise cooling performance. PWR has also developed new technology, materials and processes to optimise thermal management for coolers in applications like battery cooling, motor cooling and electronics cooling.

PWR can also completely customise the size and shape of tube and fin heat exchangers. With the ability to produce 3D profiled coolers and free-form coolers, PWR can design a tube fin cooler to maximize heat exchanger face area and minimize packaging space.

Leveraging our Technology into Moto GP

PWR continues to expand its top-level motorsport activities with significant product development and programs in Moto GP and World and National level Superbike categories.

These premier two-wheel categories are now also accessing the competitive benefits that PWR has been offering four-wheel motorsport for many years. These manufacturers and top-level teams are able to access previously unobtainable performance as a complete thermal package aiding not only improved heat rejection but "Engineering the Unfair Advantage" with PWR to capitalize on improved packaging through PWR's unique core construction capabilities to improve aerodynamic performance and reduce weight.



Honda MotoGP

Research and Development

This year we have expanded our research and development activities across a large range of diverse projects to support PWR product and process improvements. We have automated a number of physical and digital processes, including Zeiss Atos Q (GOM) measurement techniques that capture data from a 3D scan of a component and automatically programs associated component processing and assembly with high precision and repeatability. PWR continues to push boundaries in manufacturing technology in areas such as Battery Cell coolers where R&D activities include developing capabilities in thin wall Control Atmosphere Brazed (CAB) components, Additive Manufacturing and CNC machining processes.

We have also been conducting R&D for the development of products and processes for aerospace and defence applications, including a compact mechanical accumulator for closed loop cooling, as well as technology and process developments for Micro Matrix (MMX) heat exchangers that will enable a range of projects for space applications, with the latter being supported with capital equipment investment from the Australian Government via the Australian Space Agency's Moon to Mars grant. The sky is no longer the limit for PWR and its products.

PWR continues to invest in the development of simulation capabilities that are necessary to maintain the technical advantages of our cooling products. This R&D focus has resulted in significant improvement and predictive accuracy for our range of conventional, MMX, Additive and Cold Plate thermal solutions supporting PWR in design innovation, and new materials and process development that underpins PWR's commitment to "Engineering the Unfair Advantage".



PWR's clean room MMX laboratory at Ormeau

Innovation

continued



Product Design and Quality

When designing our products we focus on product design, safety, quality, and lifecycle management. We are laser focused on designing our products to avoid equipment failures, manufacturing defects, design flaws, or inadequate disclosure of product-related risks.

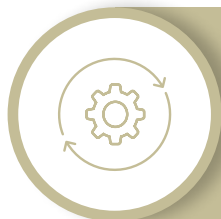
2024 Activities and Outcomes	Achieved a material reduction in the cost of poor quality as a % of total sales and a significant improvement in our Delivery on Time and in Full (DIFOT) performance (a component of executive short-term remuneration)
	Built a highly talented and well resourced Quality Assurance department to support the business with maintaining our exemplary quality standards
	Implemented enhancements to our Enterprise Resource Planning (ERP) system taking a significant step towards reducing paper-based processes and continued to build capability for serialisation of products including full traceability of components and raw materials used in the production process
	Maintained ISO 9001 and AS9100 Rev D certification (aerospace and defence quality standard)
	Maintained National Aerospace and Defense Contractors Accreditation Program (NADCAP) accreditation (thermal and chemical management)
	Adopted performance metrics for the business and our executives which include; emerging technologies revenue growth; cost of poor quality and DIFOT metrics

Process design and quality impacts every aspect of what we do and is a material sustainability pillar. When designing our products we focus on product design, safety, quality, and lifecycle management. We seek to limit the use of material inputs that could be associated with health concerns while addressing issues such as energy efficiency and end-of-life disposal of our products. We are laser focused on designing our products to avoid equipment failures, manufacturing defects and design flaws.

PWR is accredited to the National Aerospace and Defence Contractors Accreditation Program. We firmly believe that our Quality Management System (QMS) drives a system centric approach to internal business processes within PWR. Both AS9100D and NADCAP require internal processes to be robust, effective, and aligned to how the business performs those internal processes with effective controls in place. A quality system needs to work for the business and help drive the right culture expected in the demanding global industry sectors PWR operates.

Being a NADCAP-recognized supplier means our customers can reduce or replace costly individual audits that would otherwise be required by their own Quality Departments. Large aerospace and defence contractors historically would have sent individual personnel out to audit suppliers, but NADCAP certification is a high-level third-party accreditation program to validate those successful in achieving endorsement as a trusted company to the primes of the Aerospace and Defence market sectors. PWR has taken this challenge head on expanding its Management team and internal structure through a highly talented and well resourced Quality Assurance department ensuring governance of structures, systems and processes that underpin the PWR Group’s product development. This approach supports robust and well communicated end to end processes that result in the PWR Group providing quality results to our global customers.





Process Innovation

Technology and innovation are advancing at a rapid pace and we pride ourselves at being at the forefront of technology advances in the field of cooling, however it requires continued investment and focus.

2024 Activities and Outcomes	Incorporated powerful optical 3D scanning technologies such as the Zeiss Atos Q into production and quality control processes
	Developed and commenced implementation of our automation vision and strategy for operational efficiency
	Introduced handheld scanners throughout our factories to streamline real-time data capture of our manufacturing processes (allowing us to better capture and analyse data which will in turn improve our capacity planning and operations to deliver product to our customers when they need it)
	Invested in building an Advanced Planning team and commenced scoping of systems to support sales, operational planning and manufacturing resource planning for future growth opportunities

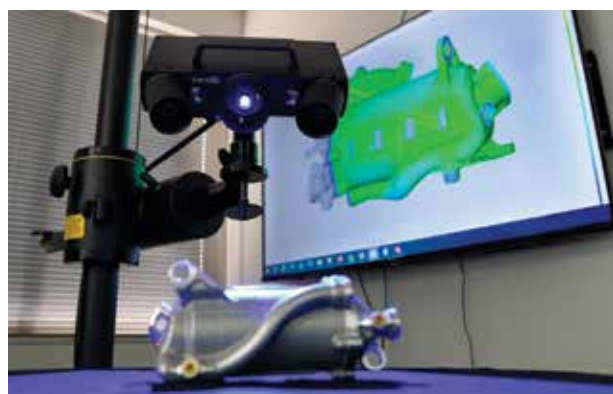
As the PWR business grows, so too do our requirements for technology and business systems to support our operations. PWR operations have always benefited from investment in innovative technology to ensure we continue to exceed the expectations of our global partners across our diverse industries. PWR recently invested in the ATOS Q system for our product manufacturing processes and an upgrade of our ERP system.

Innovative Engineering to Ensure the Highest Degree of Quality for our Products | ATOS Q

PWR continues to find innovative engineering solutions to produce the highest degree of quality for its products.

Powerful optical 3D scanning technologies such as the Zeiss Atos Q are now being integrated into production. This system is able to capture geometric surface data of scanned objects and can be used to inspect, measure, and digitize objects with incredible accuracy.

ATOS Q uses light emitted in the visible spectrum to illuminate surface features of a scanned object which are captured by calibrated binocular images. Small and large objects can be scanned by moving the scanner or subject to capture all angles. Once coverage has been achieved, sophisticated Zeiss software is used to integrate the individual images together and generate a high-resolution 3D model. This entire process is relatively quick, reliable and non-contact for the scanned part, meaning that complex and delicate objects can be scanned efficiently.



Resulting 3D models provide many valuable metrology opportunities. For quality assurance, the high level of detail ensures that even minute deviations can be detected and remedied. These can be archived as a form of digital documentation to ensure that stringent quality standards are being maintained. Reverse engineering of parts is also possible, given the fidelity of geometries and dimensions captured.

After considerable planning, ATOS Q arrived at PWR Ormeau in mid 2024. Working with our partners Scan-Xpress, this system was integrated into PWR's production processes. New hardware and software is currently being developed in-house to employ the system in a number of specific applications.

Over the coming year, work will continue to explore and develop new and exciting implementations throughout PWR utilising this powerful emerging technology.



Profitable Growth

Growing our revenue while maintaining or improving our profit margins is a long-term objective that requires us to ensure we have a strong foundation from which to grow. A foundation that focuses on efficiency and an unwavering focus on quality and service to our customers.

 New Australian Headquarters	 Growing our Aerospace and Defence Business	 Investing in Automation for Efficiency	 Exemplary Customer Service through True Partnerships	 Respecting all of our Stakeholders
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New Australian Headquarters

PWR's plans for a larger advanced manufacturing facility at Stapylton in Queensland will enable PWR to expand further into the key industries of aerospace and defence as well as renewable energy solutions in the future.

2024 Activities and Outcomes	Secured a long-term lease of over 20,801 square metres at Stapylton for PWR's new headquarters
	PWR's new headquarters is supported by the Queensland Government's Invested in Queensland program with \$8.78 million in assistance over 10 years for the expansion of PWR's manufacturing facility to the new premises at Stapylton
	Worked closely with our architects and our PWR team to design a state of the art manufacturing facility and associated offices, gymnasium and Weely's diner
	Gained early access to the Stapylton site from 1 August 2024 and commenced installing the factory and undertaking fitout works
	Ordered new equipment to support growth at the new Stappylton premises including furnaces, laser cutter, turret punch, brake press, CNC machines, scanning machines and PWR designed and built washer fluxers

Architect's impression of PWR's new Stapylton Headquarters. Proudly supported by the Queensland Government's Invested in Queensland Program.



New Stapylton Headquarters

PWR has secured a long-term lease of a premises at Stapylton, in Queensland, and will spend the next 12-months upgrading the site to become PWR's new global headquarters and Australian manufacturing facility. Almost double the size of our current headquarters at Ormeau it gives us room to streamline the factory layout and expand our manufacturing resources and capabilities.

PWR was successful in receiving an \$8.78 million Invested in Queensland Grant over 10 years to support PWR's expansion of its manufacturing facility to the new premises at Stapylton. The Invested in Queensland program has provided real incentive to re-invest in Queensland and provide hundreds of new local jobs as a result.

The new headquarters will include around 2,500 m2 of office space, our PWR Academy, a gymnasium and of course Weely's Diner, our in-house restaurant for our staff.

PWR plans to invest significantly in facility upgrades and new equipment with support from the Queensland Government's Invested in Queensland program.

The new facility, expected to be move in ready by mid-2025, will also see PWR add up to 488 new jobs over the next 10 years that will more than double its current Australian workforce. Additionally, the fit-out phase will support about 75 jobs.

2025 will be an incredibly busy year for our team as we build our state of the art manufacturing facility, ensuring efficiency and with added automation and then move our factory and offices from Ormeau to Stapylton with plans to have completely moved in by November 2025.



The Hon. Cameron Dick, Deputy Premier, Treasurer and Minister for Trade and Investment (Queensland) and Kees Weel, Managing Director of PWR

Review of Operations

Profitable Growth

continued



Growing our Aerospace and Defence Business

A conscious decision 5 years ago to leverage our advanced motorsport technology and diversify into the Aerospace and Defence industry has seen PWR grow its A&D business significantly, building a highly capable team and reputation.

2024 Activities and Outcomes	Over 15% of the Group's 2024 revenue was generated by Aerospace and Defence sales (2023: 9%)
	Revenue of \$21.0m for Aerospace and Defence in 2024 (2023: \$10.5m)
	Built a highly capable Aerospace and Defence team, supported by highly capable manufacturing talent
	Strong Aerospace and Defence expertise on our board with the appointment of Kym Osley and Amanda Holt
	Awarded a \$985,000 Moon to Mars grant from the Australian Government to advance our proprietary Micro Matrix Heat Exchanger (MMX) technology for applications within space
	Secured more factory space in Indianapolis with a 8,500SqFt lease of premises adjacent to the PWR NA site

In 2020, we made a strategic decision to diversify our business, leveraging our unique capability and technology in Motorsport to build an Aerospace and Defence business. Here is a snapshot of our journey:



Building our Aerospace and Defence Business Organically

PWR was well positioned, due its significant investment and experience in manufacturing cooling components for the motorsports industry, to expand its manufacturing capacity for the aerospace and defence industry. To do this we needed to develop our Quality Management System to Aerospace and Defence standards and become accredited.

We took a significant step forward in 2021 with the achievement of AS9100 certification (Rev D), a true reflection of the quality of the processes we built in-house to support our growing aerospace and defence capability. We followed that up with NADCAP accreditation for heat treatment processes and chemical processing.



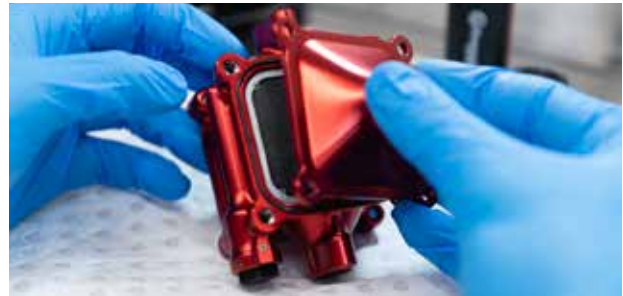


Andi Scott, GM Advanced Technology

A Visionary and Determined Leader - GM Advanced Technology | Andi Scott

I am PWR's General Manager of Advanced Technology, having joined PWR in 2015, after some time as a Race Engineer in Motorsport. Motorsport and high-performance engineering have always been a passion of mine and I managed to work my way through the ranks of engineering roles culminating in a job within Formula 1. During this time, my wife and I travelled to Australia. We immediately loved the country and were determined to return permanently one day to make it our home. After a few conversations and long flights later, I started at PWR and the rest was history, having enjoyed almost 9 years here now. After several years in the motorsport side of the business, we decided that a new division should be set up to fulfil the needs of the aerospace, defence and emerging technology sectors. I was privileged to be chosen to lead this group and I became the GM of Advanced Technology in 2020.

There are no limits to what can be achieved by PWR. We are a large team of like-minded people who just want to succeed and win every day. We are lucky enough to embed ourselves in a R&D environment to push the boundaries of what is possible, getting involved in the initial concept design, all the way through to the finished product and testing. When we create a new product or receive good feedback from our customers it is very rewarding. Since 2020, we have obtained some industry leading accreditations, grown a sizable customer base, together with a fantastic team of people to support our growth. It has been an enjoyable journey so far and I look forward to our future.



Aerospace and Defence Products

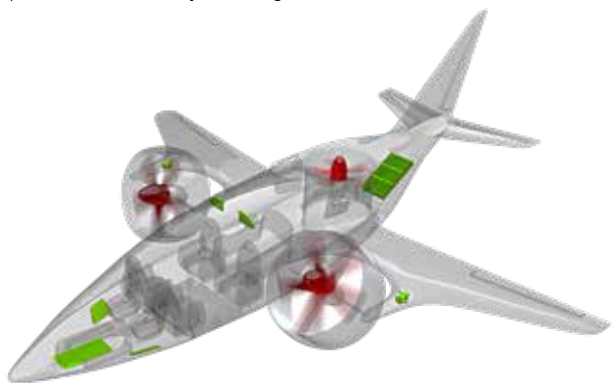
Micro Matrix Heat Exchangers

MMX heat exchangers are extremely efficient, compact and light weight solutions, constructed from an array of hollow micro tubes, similar to hypodermic needles and ranging in sizes from 0.3mm diameter to 1mm diameter. These thin wall tubes provide exceptional surface area in a compact package to maximize heat transfer in liquid/liquid, liquid/air or liquid/phase change material applications.

This technology has many advantages for Aerospace and Defence due to the ability to reduce thermal signature, increase payload, flight time and reduce space claim.

Ruggedized Liquid Cold Plates and Bipolar HFC Plates

PWR manufacture liquid cooling plates and brazed chassis for Aerospace, Defence, Automotive and Motorsport markets. These components are used in a variety of end applications such as radar systems, electric vehicles, autonomous vehicles, energy storage systems and power electronics cooling applications. PWR can customise a range of pressed cold plates and wave MPE (multiport extrusion) tube options for cylindrical and pouch cell battery cooling.



Growing our Aerospace and Defence Revenue

PWR manufactures products such as bar and plate coolers, micromatrix coolers and cold plate coolers, backed up by processes such as CT scanning and additive manufacturing (3D printing aluminium). We work with global Aerospace and Defence customers, partnering with them to develop bespoke solutions in their fields.

Review of Operations

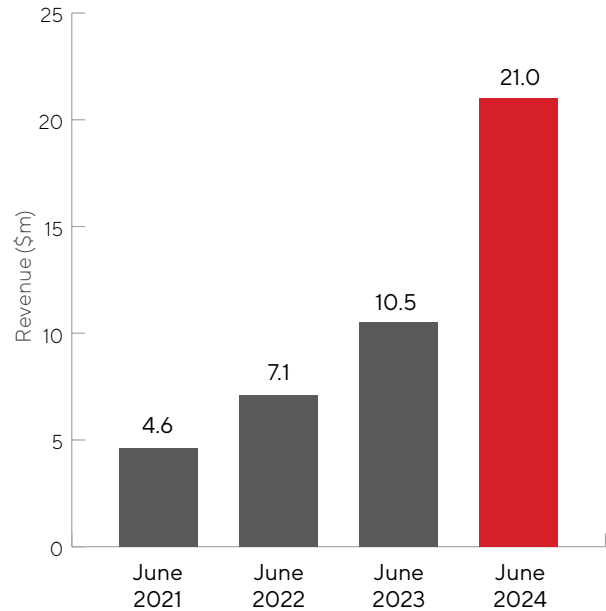
Profitable Growth

continued

Investing in Equipment and Capability at PWR NA for Aerospace and Defence Business

One area of particular growth for PWR has been our supply of vacuum brazed cold plates for electronic cooling applications. With ever increasing computer power comes increased heat, therefore liquid cooled systems help optimise the electronics working window during all environmental conditions. Supporting our Aerospace and Defence customers, PWR has previously invested millions of dollars in equipment, such as, a vacuum furnace, automated chemical processing line and additional CNC machines. All of these helped ensure our vertically integrated methodology was maintained. Having the ability to make everything in-house allows PWR to be more responsive, reduce complex supply chains and reduce lead time. To support our near term growth, we have invested further in mirrored equipment, accreditations and skill set at our US facility, together with additional equipment in Australia. This will help increase our capacity for large volume products we see in our pipeline.

Aerospace & Defence Revenue Growth



Moon to Mars Grant | From Motorsport to Space

This project received grant funding from the Australian Government through the Australian Space Agency

PWR was successful in being awarded a \$985,000 Moon to Mars grant from the Australian Government to advance its proprietary Micro Matrix Heat Exchanger (MMX) technology for applications within space.

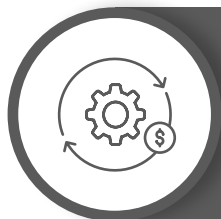
The Moon to Mars grants program is part of the broader \$150 million Moon to Mars initiative and seeks to grow Australia's sovereign space industry, ensuring it is in a position to support the United States-led public-private Moon to Mars exploration program, including NASA's Artemis mission.

PWR's cutting-edge thermal management products are currently used in Formula 1, Aerospace and Original Equipment Manufacturer (OEM) automotive. PWR's MMX technology has been proven in these sectors and variants of the technology present a large opportunity for global export when used in complex thermal management systems for spacecraft and supporting platforms.

PWR will optimise materials and processes to advance Technology Readiness Level to ensure MMX resilience in extreme environmental and thermal conditions, suitable for critical support systems in space.

This is a testament to our Aerospace team who strives to be at the forefront of innovation and development.





Investing in Automation for Efficiency

As a company that strategically values innovation we invest in automation and are always looking at automating manufacturing processes particularly in a labour constrained market.

2024 Activities and Outcomes	Developed a strategy and roadmap for automation opportunities to reduce repetitive activities, improve workflow and optimise delivery timeframes and to support our growth objectives
	Invested in a new automated racking system to be installed at our new facility in Stapylton for the automated storage, retrieval and presentation of metal sheets to the operation cells which include laser cutting and CNC turret punch pressing machines installed at our new facility in Stapylton
	Explored the use of robotics to transport parts from one part of the factory to another when planning our new facility at Stapylton

Automation Process Improvement

PWR continues to seek innovative solutions to complex designed products. In support of this, various automation initiatives were investigated that would offer the best reward for productivity improvements and reducing complexity.

These solutions range from across the factory to within the design release processes. Introducing smart systems provides benefits that enable designers to focus on their core roles, which improves the accuracy of information, improving quality and saving time. As such, PWR has implemented several system smarts allowing for this, namely PDM, Driveworks and CADLink, allowing for consistency and accuracy of information being loaded into the ERP.

As we continuously seek ways to remove manual processing, we have realized some good wins with the introduction of some new technologies. Future scanning of components, through the acquisition of a new GOM (Zeiss Atos Q) Scanner in mid-2024, allows us to further enhance our engineering capabilities.

Earlier in the year, we commissioned a custom fin loading machine into our Main production department. This made light work of a remedial manual fin loading process, resulting in increased volume and now allows us to further expand its abilities.

Further commissioning of a new Semi-Automated core stacker, all designed in-house by PWR engineers, to support a specific higher volume project, demonstrates PWR's commitment to innovate. This allows for precision control and repeatability, ensuring that quality is not compromised.

The future growth of PWR presents further opportunities, as the expansion to a larger facility in 2025 unlocks extra floor space and capital investment in new automated systems like the AMADA MARS Racking system. This intended investment removes the manual operation in one of our busiest departments in the factory, the Sheetmetal department, and will allow automated storage, retrieval and presentation of metal sheets to the cutter, removing the room for human error. Added benefits include improved quality and operator safety.



Nelson Erbe, Automation Engineer

Review of Operations

Profitable Growth

continued



Exemplary Customer Service through True Partnerships

PWR is an extension of our customer base when it comes to collaborating with them to design and manufacture the very best thermal solution for their application.

2024 Activities and Outcomes

PWR partnered with Max Verstappen and Sergio Perez, drivers of the Oracle Red Bull Racing team to announce the launch of our new Australian online store

Supported our F1 customers with hand delivery of parts to Bahrain Formula 1 and Saudi Arabia Formula 1

Building Trust and Respect

Genuine customer relationships built on trust and respect underpins the successful achievements of PWR, while providing the foundation for successful growth in the future. At the forefront our success in delivering value is:



Our staff are Passionate

PWR's engagement between customer and staff is unrivalled with a can-do attitude and an approach to take on tasks and challenges like they were our own, to provide innovative solutions and solve complex challenges to serve the best interests of our customers. PWR's true value is provided through industry leading products and services with highly differentiated features and benefits compared to any potential competitor offer. Our willingness to engage in new developments and push boundaries of current capability is without peer, and is one of the defining characteristics of a relationship with PWR.

We Provide our Customers with Around-the-Clock Service

A global presence through Australia, Europe and the USA, with highly dedicated staff we provide our customer base with around the clock service. Our project engagement is one of true partnership with a shared goal to succeed in producing the best final product or solution. Our feedback from our key customer base is consistently that of partnership, where PWR is recognised and acknowledged as an integral part of our customers own team in the way that we work.

Customer Engagement

PWR is an extension of our customer base when it comes to collaborating with them to design and manufacture the very best thermal solution for their application, however the extent of our commitment does not end there, and reciprocal of our efforts to integrate with our customers and go the extra mile, our customers happily recognize our close collaboration.



PWR Collaborates with Max Verstappen and Sergio Perez for our Online Store

Earlier this year, PWR partnered with Max Verstappen and Sergio Perez, drivers of the Oracle Red Bull Racing team, to announce the launch of our new Australian online store. This announcement came via a short video of Max and Sergio, available to view on our website and all of PWR's social media platforms.

PWR and Oracle Red Bull Racing have had a strong relationship for the past 15 years and we were pleased to have two of the biggest names in motorsport collaborating with us for this rollout.

Going the Extra Mile for our Customers

When some of the F1 teams required urgent delivery of parts PWR employees Peter Simpson (Performance Aftermarket Sales) Dave Colbran (Technical Sales) and Josh Apap (Specialty Build) were flown to Bahrain to hand-deliver the additional manufactured parts. The team at PWR Ormeau worked overtime to produce the additional parts when calls were received ahead of the first race for 2024. The PWR team was invited into the team's garages for their efforts.

Later in the year and ahead of the second F1 race Dylan Lovriha (Technical Sales) was flown from Australia to Saudi Arabia to hand deliver parts to the Red Bull Racing team to support an upgrade package for the car. The Red Bull team invited Dylan into the garage where he was able to see their mechanics working to install the PWR part.

PWR's success has grown from partnerships like these that mean F1 teams can rely upon PWR to design and manufacture bespoke cooling solutions for them and to support them on the track with urgent product deliveries.



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DIRECTORS' REPORT

FINANCIAL STATEMENTS

ADDITIONAL INFORMATION

Review of Operations

Profitable Growth

continued



Respecting all of our Stakeholders

PWR's people are eager to engage with our many stakeholders to showcase our products and services.

2024 Activities and Outcomes

Our 2023 AGM was attended by over 100 shareholders and guests (traveling from as far away as New Zealand, Melbourne, Sydney and Mildura) and included hosting over 80 people on factory tours

Attended the Goodwood Festival of Speed, held at the parklands surrounding Goodwood House in the UK. PWR was able to promote its brand, foster existing customer relationships and attract new business opportunities

PWR supported Australia's first Indigenous motorsport team and is the official radiator supplier to the team

Hosted Phoenix Racing Team from Coventry University and supported its 2024 Racing Program

Engaging with our Shareholders

PWR is always keen to show our shareholders what we do.

We are proud of our Annual General Meetings, dedicated to interacting with our shareholders and showing them our manufacturing facility at Ormeau.

Our 2023 AGM again provided a great opportunity for PWR to invite Investors and Shareholders to our Australian facility and to be able to share examples of our latest product developments, as well as tour the factory providing valuable insight into the significant investments made by the company to support the adoption of latest advanced technologies and manufacturing capabilities.

With over 100 shareholders and guests (traveling from as far away as New Zealand, Melbourne, Sydney and Mildura) we hosted over 80 people on factory tours led by our amazing tour guides and their offsideers which was followed by lunch before the meeting.

We received many comments about how amazing the culture is at PWR.

An overwhelming trend of feedback received from our AGM was positive towards our staff, regarding their knowledge and passion for PWR, our products and our customers. The open forum created by hosting events such as this delivers positive results for Shareholders and staff alike with the ability for all to engage in discussion around common points of interest behind PWR. This is certainly a platform that PWR plans to retain and grow in the future.

"The staff are so friendly and professional and it is obvious they love what they do!"



Matthew Bryson, our Chief Technical and Commercial Officer, hosting a tour at the 2023 AGM

Engaging with the Community

We are always keen to show members of our community what we do.



Phoenix Racing Team, Coventry University at PWR Europe

Hosting Phoenix Racing Team from Coventry University and Supports its 2024 Racing Program

Following PWR Europe's attendance at the Professional Motorsport World Expo in Cologne, Germany, PWR Europe was approached by the Phoenix Racing Team from Coventry University expressing an interest in visiting the PWR Europe factory to find out more about PWR operations. PWR Europe arranged for 20 students from the University's Formula Student Program to tour our facility. During the tour the students were able to see how work comes into the factory; the various roles/responsibilities of all PWR team members and how all departments work collaboratively to solve our customer requirements. Further discussions were had about career opportunities when the students finish their studies and the possibility of PWR graduate programs, internships, work experience and summer placements. PWR Europe is excited to support the Phoenix Racing Team with their cooling package requirements for their 2024 racing program.

Cars and Coffee

PWR Europe held its first Cars and Coffee morning at our Rugby facility. This first event was exclusive to Porsche Club Great Britain members and vehicles were limited to the Porsche brand. Despite some pretty awful weather (typical British Summer!) we hosted over 30 Porsches from classic 911's to a Manthey Porsche 991.2 GT3 RS MR.

We also had displays from Nitron Suspension and Ram Air Filters with cars on display from RPM Technik and Adrenaline Collection.

In addition, we held factory tours giving us the opportunity to show the excellent facilities at PWR Europe.

Guests were staggered at the facility and the feedback received was excellent with the day being a roaring success. This has laid the foundations for future cars and coffee mornings.



Review of Operations

Profitable Growth

continued

Engaging with the Automotive Community

Shows are a great way to increase engagement with our customers, enthusiasts and promote brand awareness. PWR's passionate team of representatives are always eager to talk about our heritage, new products and our affiliation with elite motorsport teams and OEMs. Many of PWR's employees are also passionate automotive enthusiasts which is reflected in their interactions with customers and the community.

2024 Goodwood Festival of Speed

Representatives from PWR Europe and PWR headquarters in Australia recently attended the Goodwood Festival of Speed, held at the parklands surrounding Goodwood House in the UK. Promoted as motorsport's ultimate summer garden party celebrating the world's most glamorous sport it was a fantastic weekend of hill-climbs, car launches and reveals, modern F1 Grand Prix machines, the biggest names from F1, endurance racing, MotoGP and modern WRC rally machines. Vendors were also able to showcase their products including virtual reality, alternative fuels, STEM programme opportunities, EV accessibility and "Future Lab" including technology for a better world.

PWR was able to promote its brand, foster existing customer relationships and attract new business opportunities.



Volvo P1800 restored by Cyan Racing with cooling technology from PWR, on show at Goodwood Festival of Speed, 2024



The PWR pavillion at Goodwood Festival of Speed



Karlai Warner and Kade Davey, Australia's first Indigenous Motorsport Team sponsored by PWR

Supporting the Indigenous Racing Together Team

Australia's first Indigenous motorsport team has received assistance from PWR during the first three years since its foundation. PWR is the official radiator supplier to the team.

Racing Together was founded to encourage the participation of young Aboriginal and Torres Strait Islander people in motorsport, with the ultimate objective of teaching them the skills to achieve a career in the sport or related automotive industries.

"Racing Together" female driver, 17 year old Karlai Warner said *"It is great to have PWR helping us because motorsport is a tough sport to get into and we would not able to even dream of being part of it without the generous support of our programme partners"*.



Sustainability

We believe that playing our part in being a good corporate citizen and seeking to ensure our manufacturing is sustainable will contribute to our long term success as a business. Energy efficiency and waste management is a key focus for PWR.

 Playing our Part on Climate Change	 Circular Economy and Waste	 Managing Cybersecurity and Protecting our Intellectual Property	 Ethical Business Practices supported by PWR DNA
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Playing our Part on Climate Change

PWR is committed to playing its part in developing lower emissions technology to support customers and help to build a sustainable world for the next generation.

2024 Activities and Outcomes	Planned installation of 1.7MW solar panels at our new Stapylton headquarters, currently under development
	Maintained our ISO 14001 Environmental Management System certification
	Removed, via activated compounds, exhaust gases generated in the manufacturing process, prior to being released into the environment
	Recorded zero material environmental incidents
	Worked with our customers to aid them in working towards their environmental footprint targets by seeking to manufacture less carbon-intense thermal cooling solutions for them
	Invested in research and development for emerging technologies

Sustainability

continued



Aluminium is PWR’s main raw material used in its products. Aluminium is an energy and Green House Gas (GHG) intensive raw material to produce, however it lends itself to recycling.

Our future focus will be on understanding the financial impacts aligned with the recommendations from the Task Force on Climate Related Financial Disclosures so we have a foundation on which to build realistic targets. We aim to have 2027 as our comparative year and commence reporting in 2028, aligned with the IISB disclosure requirements. We intend to:

- Explore opportunities to reduce our scope 1 and scope 2 emissions
- Revenue classification has been updated during 2024 to determine underlying exposure to vehicle power units and will be reported in 2025
- Undertake an initial upstream scope 3 emissions assessment of raw material inputs (2026)
- Implement processes to capture data for scope 3 emissions (2027)
- Identify opportunities to reduce carbon intensity for Scope 1 and 2 (2026), Scope 3 (2028)

PWR is not subject to the Federal Government’s National Greenhouse and Energy Reporting (NGER) Scheme. We have however undertaken scope 1 and 2 baseline emissions calculations for our global operations as follows:

PWR Location	2023 (t CO ₂ -e) ¹	2024 (t CO ₂ -e) ¹
Ormeau, Australia	2,853	3,294
Rugby, United Kingdom ²	43	122
Indianapolis, USA	1,148 ³	1,027
TOTAL	4,044	4,443

1. References for emissions factors used:

AUSTRALIA FACTORS

<https://www.cleanenergyregulator.gov.au/NGER/Forms-and-resources/Calculators>

UK FACTORS

<https://www.gov.uk/government/collections/government-conversion-factors-for-company-reporting>

USA FACTORS

<https://www.epa.gov/system/files/documents/2024-02/ghg-emission-factors-hub-2024.pdf>

<https://ghgprotocol.org/calculation-tools-and-guidance>

2. Operational from February 2023

3. Corrected from 2023 figure reported



Circular Economy and Waste

Integrating and advocating good sustainability practices in PWR's global operations. We take every opportunity we can to recycle from our raw material to our coffee cups!

2024 Activities and Outcomes	Recycled over 450 tonnes of aluminium scrap material globally
	Diverted 88% of waste measured in tonnes; or an equivalent of 33% of waste measured in volume to recycling
	Reviewed and refreshed our Waste Management Procedure
	Partnered with a third party to assist us with recycling, waste management, sustainable waste options, water treatment and energy services
	Re-used cardboard where possible for packaging

PWR is conscious of its environmental impact through the waste produced from raw material offcuts, packaging materials, and the end of life of its sold products, as well as the potential exposure to toxic waste management and packaging regulations. The Australian Aluminium Council reports that aluminium is able to be recycled endlessly without compromising any of its unique properties or quality. Recycling aluminium provides significant benefits, saving 95% of the energy it would take to make primary aluminium metal.

PWR continues to review its operations to identify opportunities to reuse, recycle and reduce our waste generated from the manufacturing process.

In Australia PWR has engaged local Yatala based company, and one of the largest aluminium recyclers in Australia, SIMS Metals, to collect PWR aluminium scrap from its manufacturing processes for recycling purposes. In 2024 PWR Ormeau produced 347 tonnes of aluminium scrap. Additionally, PWR collects aluminium cans which are donated to a local charity, Hearts of Purple. PWR Europe and PWR North America similarly engage local companies to collect aluminium scrap for recycling.

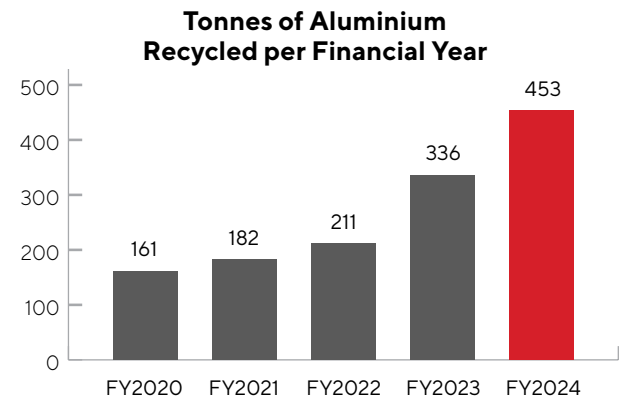
Other significant waste items produced as part of PWR manufacturing processes include comingled waste containers, grease trap waste, liquid waste, oily water and dry waste. In Australia PWR engages national waste management Veolia to assist us with recycling, waste management, sustainable waste options, water treatment and energy services. Veolia specialises in managing manufacturing waste and through its amalgamated plant and facility services is able to support businesses like PWR improve key measures such as environmental, social and economic business benchmarks.

For 2024 PWR was able to divert 88% of its waste measured in tonnes; or an equivalent of 33% of its waste measured in volume. All three PWR facilities engage local companies to assist manage waste on a similar basis.

Smaller recycling initiatives include the central collection of Lithium and Lead-Acid batteries; and paper and cardboard products. Where possible, cardboard is reused for packaging.

Where appropriate, PWR also endeavours to reduce its usage of certain products like fluorescent tubes replacing them with LED lights; and reuse appropriate products like gas cylinders which are refilled by our local suppliers.

As part of its future expansion plans for the new facility at Stapylton, PWR is investigating a 'closed loop' wastewater treatment plant that can be integrated with PWR production processes onsite. This technology would provide recycled rinse water that can be reused in the manufacturing process removing the need to transport wastewater offsite for processing, and the need for continual supply of new water as a resource in manufacturing.



Sustainability

continued



Managing Cybersecurity and Protecting our Intellectual Property

Protection of PWR’s intellectual property and that of our customers is paramount. There are strict protocols in place to manage their intellectual property and to ensure stewardship of PWR’s systems.

2024 Activities and Outcomes	PWR Performance Products Pty Ltd became a member of the Defence Industry Security Program (Australia) supported by a Chief Security Officer
	Zero material cybersecurity breaches
	Continued regular cybersecurity awareness training as mandatory, ongoing program
	Maintained strict confidentiality procedures for new technology and manufacturing processes
	Operated restricted areas within our manufacturing sites and do not permit phones or cameras on the factory floor
	Prohibited the use of personal computers and laptops across all PWR sites globally
	Continued to scope and conduct independent external reviews of our IT and potential cyber security vulnerabilities (Next penetration test is to be performed in Q2 2025)
	Refreshed our Crisis Management and Business Continuity Procedures to include cyber incident response



Manufacturing companies globally face significant cybersecurity threats, including ransomware attacks, intellectual property theft, and advanced persistent threats (APTs). These threats can lead to severe consequences such as production downtime, financial losses, and damage to PWR’s reputation and are at the forefront of customer concerns. Taking into consideration the profile of some of PWR’s customers, it is essential that their sensitive data is handled securely. To mitigate these threats, we are continually implementing robust cybersecurity measures like 24/7 Managed Detection and Response (MDR) solutions, conducting regular security audits, and ensuring comprehensive employee security training.



Ethical Business Practices supported by PWR DNA

PWR maintains high standards of ethical conduct and is responsible for ensuring that high standards of conduct are maintained by all staff.

2024 Activities and Outcomes	Undertook fraud risk assessments on our business activities and developed and implemented a comprehensive Fraud Corruption and Control Procedure
	Developed a mentally healthy workplace strategy, undertook, a psychosocial workplace survey and held focus groups with our staff to understand and put plans in place to address challenges
	Revised our Workplace Anti-Discrimination, Bullying and Harassment Policy and rolled out training to the Board and people managers
	Implemented a Speak Up Campaign, underpinned by our Whistleblower Policy to promote trust, transparency and freedom to staff to raise issues or concerns
	Demonstrated that PWR DNA is embedded in our performance management system
	Continued implementation of our Ethical Sourcing and Modern Slavery Policy

PWR DNA and Code of Conduct

We expect our people to consistently act according to our DNA and Code of Conduct when dealing with all of our stakeholders and when overseeing and governing our global business.

The PWR DNA defines us and is a key consideration in all decisions we make and interactions we have with our people. It is embedded in our Employee Handbook, new employee Induction Program and employee reward and recognition programs. It is also at the core of our annual Performance and Development Review process.



RESPECT

We are polite and courteous

We respect the PWR uniform and take pride in our personal appearance

We look out for our team-mates

We turn up to work on time



PASSION

We are solutions focused – we take customers problems and make them our own

We have a positive ‘can do’ attitude

We take pride in what we do



TEAMWORK

We work together

We talk to each other

We chip in when one of the team is under pressure

We solve problems together

Our Code of Conduct ensures that PWR consistently achieves the highest standards of business conduct possible, including:

- the creation of sustainable value for shareholders and other stakeholders
- compliance with the law
- respect for local cultures
- a healthy and safe workplace
- responsible environmental management
- integrity, fairness and respect in its interaction with others.

Trust and transparency are critical to the ongoing success of business relationships. We recognise that companies are evaluated on their oversight and management of business ethics issues such as fraud, misconduct, corrupt practices, money laundering and anti-trust violations. This is a key area of focus of our Sustainability Pillar and PWR recognises it is absolutely essential to embed good governance in everything it does for the benefit of both PWR its shareholders, employees and customers.



Investing in our People

At the heart of PWR is its people.

We believe in them, support their health, safety and wellbeing and ensure they have access to learning and development opportunities. We encourage a workplace that is diverse, empowered and demonstrates good decision making and one which fosters innovation and high productivity.



Health,
Safety and
Wellbeing



Developing
Passionate
People



Diversity
and
Inclusion



Employee
Attraction,
Engagement,
Recognition
and Reward



Investing in
Early Career
Development





Health, Safety and Wellbeing

PWR's DNA calls out respect – respect for our employees and respect for each other. We strive to ensure that a culture of respect promotes a safe workplace so that everyone goes home safe every day.

At PWR, our employees are at the heart of the business and their safety and wellbeing remain the highest priority. PWR's key focus is on preventing work-related injuries, illnesses and incidents as well as protecting and promoting workforce psychological and physical health through relevant programs and initiatives related to mental health and physical wellbeing.

2024 Activities and Outcomes	Our global LTIFR of 10.01 across the PWR Group for the reporting period remains challenging, however we have seen incredible commitment from our leaders in carrying out over 690 safety observations during the year at our three operating sites
	We developed a mentally healthy workplace strategy, undertook, a psychosocial workplace survey and held focus groups with our staff to understand and put plans in place to address challenges
	We developed life-saving rules and safety non-negotiables addressing our critical safety risks
	We continued our random drug and alcohol testing for our Australian workforce this year. Since the launch of this program in February 2023, we have conducted a total of 15 testing sessions on 470 employees
	We continued to focus on proactive injury management and early intervention for injured employees
	We again facilitated free flu vaccinations at our Australian operations

Health and Safety

During the year, the business focused on continuing to build a global approach to safety management through increasing safety leadership capability and visibility and further understanding critical safety risks as the business grows and evolves.

Safety performance at our Ormeau manufacturing facility continued to be challenging, a contributing factor being the space constrained environment our people are working in which will be alleviated when we move to the new Stapylton premises in mid-2025.

We undertook a total of 697 safety observations in the reporting period across our three operating sites to record both positive and negative safety behaviours, hazards and incidents including near misses.

We reviewed and refreshed our safety communication methods ensuring collaboration and open communication with targeted material: preventing musculoskeletal injuries; working safety around moving plant; the importance of housekeeping in space constrained worksites; and taking accountability for safety.



Review of Operations

Investing in our People

continued

Wellbeing

Weely's Diner at PWR Ormeau continues to be a real point of difference, providing breakfast, morning tea and a cooked lunch for every employee, every day, free of charge. We also provide afternoon tea for workers who work overtime and dinner for our afternoon shift employees. A well fed and hydrated workforce is happier and more productive. Furthermore, taking a planned and proper break from the work area helps our staff to refresh and interact with others – especially those from other teams or departments, where they exchange ideas and return to work rejuvenated.



Supporting Community Wellbeing Initiatives

Hearts of Purple

We continue to support Hearts of Purple – a Not-for-Profit Charity based in QLD assisting high risk Domestic Violence victims, and those in crisis situations. The organisation is run by volunteers from the community, raising funds through the 10 cent bottles and cans recycling program. Purple wheelie bins are located on our Ormeau site and the funds raised are used for a number of initiatives including providing at-risk victims of abuse with a special security device that can sound alerts and contact emergency numbers.



Community Engagement

Our PWR Europe employees got together at Christmas to buy gifts for children supported by Homes2Inspire. Homes2Inspire seeks to help the most vulnerable children, giving them a safe place to live and the time and patience to work through any difficulties they have.

“It is our aim to provide each and every one of them with a home in which they can feel safe, secure and loved and where we can create memories.

Gifts like yours today helps us achieve this.”

Homes2inspire





Developing Passionate People

At the heart of PWR is its people. We believe in them and support their growth by providing access to learning and development opportunities.

Passionate People are written into PWR's corporate purpose, and critical to the success of the business.

2024 Activities and Outcomes	Reduced our voluntary employee turnover by 6% from the prior year
	Developed the strategy and designed our PWR Academy
	Delivered Certificate II in Engineering on site at our PWR facility at Ormeau
	Introduction of day work-release training options for Apprentice training allowing apprentices to select the campus location closest to their home address (saving of up to 670km travel per week for apprentices)
	Face-to-face delivery of training and formal assessment to support new and existing staff
	Undertook 7,344 competency-based On Job Training observable tasks
	Rolled-out an on-line training module of our Human Resource Implementation System for self-service and easy access and completion of training modules by our employees
	Ongoing consultation with whole of business through introduction of monthly Training Champion meetings to identify and develop generic and department- specific onboarding and upskilling training requirements

Our Vision for the PWR Academy

As part of PWR's plans to relocate its factory in 2025 and move into a bigger facility which has been purpose designed for manufacturing efficiency, PWR will invest in its people. In addition to our ongoing recruitment initiatives PWR has commenced planning of the "PWR Academy" leveraging facilities, staff training and technology to support our business to attract and retain the best people. With design work completed and relocation plans underway, excitement is building as 3D virtual plans of the new PWR Academy are revealed.



Architect's impression of PWR Academy at PWR's new headquarters at Stapylton

While all staff will benefit from contextualised training resources, delivered on-site matched to our workplace tools and equipment; we are most excited about the improved ability to provide apprentice training 100% on site, supported by TAFE Queensland. The PWR Academy will support greater numbers of apprentices, provided with specific PWR training which can be evidence assessed by qualified persons and provide accredited recognised training outcomes for our staff.

Review of Operations

Investing in our People

continued



Certificate II in Engineering Training

Certificate II in Engineering

PWR has partnered with TAFE Queensland to deliver a Certificate II in Engineering to 11 of our employees using onsite plant and equipment wherever practical. The Certificate II in Engineering is an entry level course to establish a path to a career in engineering and has been specifically developed to reflect the minimum training requirements for employment in the engineering and manufacturing industry. When complete, our employees will also have a solid foundation to advance their career at PWR and will be able to continue with further study and training in this field.

International Secondment Opportunities

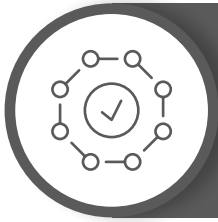
During the year we continued our International Secondment Program by providing employees an opportunity to work at a PWR manufacturing site in another country for 1 to 2 years, with PWR supporting the visa application and contributing to relocation, accommodation and motor vehicle costs.



Darcy White heads to PWR Europe on an International Secondment

We asked Darcy about his secondment...

I have been seconded to PWR Europe, located in the United Kingdom. My secondment will last for 2 years, starting from January 2024. The most significant learning experience during my secondment has been understanding the operational methodologies and procedural improvements implemented in Australia before my tenure in the UK. This has enabled me to grasp the underlying technical rationale and engineering principles that drive our standards and best practices. The secondment has greatly advanced my career by providing exposure to a broader spectrum of the business. Given that PWR Europe has a smaller team compared to Australia, I have been able to engage in various aspects of the business outside of my previous role, allowing me to gain comprehensive experience and broaden my skill set.



Diversity and Inclusion

Workplace diversity and inclusion are key inputs to making PWR's business sustainable by improving productivity, efficiency and supporting better decision making.

2024 Activities and Outcomes	
	Participation in Women in Manufacturing Breakfast: We attended the Women in Manufacturing Breakfast, facilitating connections with interested female students from over 10 schools. Through this event we arranged site tours, providing firsthand insights into our operations and opportunities
	Partnership with 'Women Who Weld': We developed a relationship with 'Women Who Weld,' a nonprofit organization that trains women in welding and helps them secure employment in the industry. We recently attended one of their workshops to showcase the career opportunities available at PWR for women considering a future in welding
	Engagement at Girls on Track Event: We participated in the FIA Girls on Track event at the Melbourne Grand Prix. These events aim to inspire girls and women to recognise their place in the motorsports industry, encouraging them to pursue careers in this field
	Enhancements in Job Advertising: Our job advertisements were updated to highlight the success of our female employees, thereby attracting more female applicants. We introduced a specific SEEK banner featuring only female faces to demonstrate that we have a supportive environment for women. This initiative led to an increase in female applicants for our roles
	Creation of Promotional Video Featuring Female Welders: We produced a video showcasing our female welders at PWR Australia. This video aims to break down barriers and highlight how our female employees thrive in a traditionally male-dominated environment, encouraging other women to consider a career with us
	Targeted Advertising in Female-Dominated Industries: We advertised manufacturing roles in industries typically dominated by females on SEEK. This included posting entry-level manufacturing positions under the retail category to attract new talent pools who might not have otherwise considered manufacturing careers

Gender Diversity Targets	2023 Actual	2024 Target	2024 Actual	2025 Target	2026 Target
Number of women on Board of Directors	1	2	2	2	2
Number of women in Executive Management	2	2	2	3	3
PWR Group Female representation					
PWR Australia	16%	22%	16%	23%	24%
PWR North America	20%	22%	22%	23%	24%
PWR Europe	8%	12%	15%	15%	16%

PWR operates within an industry which has historically demonstrated a lack of diversity, in particular in relation to gender. A key focus for PWR and one of our material sustainability pillars is to do whatever we can to achieve a diverse and inclusive workforce and increase our number of female employees. We seek to do this through promoting a corporate culture which embraces and values the unique contributions of our people with diverse backgrounds, experiences and perspectives to provide exceptional customer service and to make PWR a great place to work.

Review of Operations

Investing in our People

continued

As a global manufacturer in the motorsports, original equipment manufacturer, aftermarket, aerospace and defence sectors, also supporting adjacent markets such as industrial and marine industries, PWR is aware of the challenges associated with its journey towards gender diversity, equity and inclusion. One of the common barriers male-dominated industries face is a lack of role models in manufacturing, however, the PWR informal network of 'Women in Welding and Engineering' across our global business aims to change that.



Paige McElhone, Welding apprentice

Our Newest Female Apprentice Welder in Australia

Paige McElhone is our newest welding apprentice in Australia. She was asked about her journey to becoming an apprentice welder.

"I had an engineering class at school which made me interested in working with metal and since PWR works with aluminium it was something I became interested in pursuing. I began as a work experience student after an email was sent out at my school. I had work experience at PWR every school holidays for the whole of 2023 because I enjoyed it so much and PWR offered me a welding apprenticeship. The people at PWR are all friendly and always willing to help with things when I need it. Getting to learn new skills and learn the ability to problem solve and how to work with welding are what I enjoy most."

"If you are interested in working in a male dominated industry, my advice would be you should definitely just do it. If you're passionate, it's not as hard as its perceived to be. When you get down to it, its not a "mans" job, anyone can do it, it's just a job that is mainly men. I want to be a qualified TIG welder and if I want to progress further, I will look at becoming a boiler maker."



Chloe Boardman, First Female Apprentice Welder in Europe

Our First Female Apprentice Welder in Europe

Chloe Boardman is currently training as PWR Europe's first female welder. After leaving high school Chloe attended college for two years to study Vehicle Mechanics, where she achieved a Level 2 and Level 3 qualification. After many attempts to get a job in a garage she applied to PWR. Chloe started at PWR knowing nothing about welding, manufacturing radiators and fabrication. After a year at PWR she has learnt how to weld, clean cores, radiators, and had gained valuable fabrication skills. Chloe is currently undertaking her apprenticeship to obtain welding qualifications.

"When I joined PWR Europe as the first female Welder it was intimidating at first. I really didn't know what to expect however once you adapt to working in a male dominated environment it is really great and today working at PWR feels like one big family. We are always having fun and having a joke together. The advice I would give to others is to get involved and joke back then you are treated like one of the team. Everyone is keen to help one another and we all get along well which I actually think is quite rare for a work environment."

I love seeing how things are put together. Before I started working here I would look at something like a radiator and think it is quite simple but since working at PWR it has made me think about the world of manufacturing in general and I think it's so cool to understand how things are put together and how much goes into it. It really changes your perspective on things. I'm looking forward to finishing off my apprenticeship next year and progressing my career at PWR."

Celebrating Women's Day at PWR

PWR again celebrated INTERNATIONAL WOMEN'S DAY across our sites; an annual celebration of the social, economic, cultural and political accomplishments of women that has been observed since the early 1900's.

PWR is extremely proud of the women who are a part of our company and the achievements they have accomplished.



Pictured above **Top L-R:** Louise Wales, Ketna Gohil, Helen Farrant
Bottom L-R: Christine Clarke, Chole Boardman, Ute Rodgers



Pictured above **Top L-R:** Alex Papa, Jodie Baker, Dimitti Gordon, Demi Cross, Paige McElhone, Amanda Brock, Cindy Marker, Kaitlyn Claydon, Alison Carr, Lani Morris, Karen Beauchamp, Lauren Stratton, Jo Kuip, Briony Neal, Maddi Fahey
Middle L-R: Soledad Priano, Suguna Kondur, Karina Page, Kaila Tattersall, Verona Flynn, Claudia Marmisolle, Sophie Ujdur, Brionny Dean, Brittany Ji
Bottom L-R: Cheryl Jewell, Tarsha Smith, Morgan-Rose Alexander, Amy Gray, Jade Donald, Sarah Addison, Mikayla Ward, Riska Annisa, Ma Lozano, Kirra-Lee Goldfinch

Pictured below **L-R:** Morgan-Rose Alexander, Jason Hicks, Maddi Fahey, Debbie Bodill, Kristen Podagiel, Cheryl Jewell, Amy Gray, Kirra-Lee Goldfinch, Demi Cross, Lani Morris



Review of Operations

Investing in our People

continued



Employee Attraction, Engagement, Recognition and Reward

We strive to make PWR a great place to work. We recognise and reward employees for their efforts and great performance. We believe that by motivating them and boosting morale we achieve higher productivity and engagement.

2024 Activities and Outcomes

PWR Employees' of the Month – All employees and supervisors are asked to submit their Employees of the Month nominations throughout month, these are then collated, and reviewed by the Executive Leadership Team. Three winners are selected, and each receive \$200 Visa gift card.

PWR Employee of the Year – The employee of the year is chosen from a pool nominated by supervisors and management. The winner gets a free carpark on site at Ormeau for 12 months, as well as an invite to the Australian Grand Prix or \$500 equivalent prize and trophy.

PWR Apprentice of the Quarter – An apprentice each quarter is assessed in areas such as safety, productivity, attendance, and reliability and an Apprentice of the Quarter wins a \$200 Trade Tools voucher.

PWR Apprentice of the Year – The Apprentice of the Year receives an invite to the Australian Grand Prix OR a \$500 equivalent prize and trophy.

Family Fun Day – Held a family fun day at our headquarters so employees could show their families where they work, participate in carnival games, win great prizes and generally have fun and build comradeship

Employee Referral Program – If an existing PWR employee refers a new employee, they can receive up to \$750.

Trip to Melbourne Grand Prix – highly coveted, a small number of outstanding employees are invited to attend the Melbourne Grand Prix as part of the PWR Team.

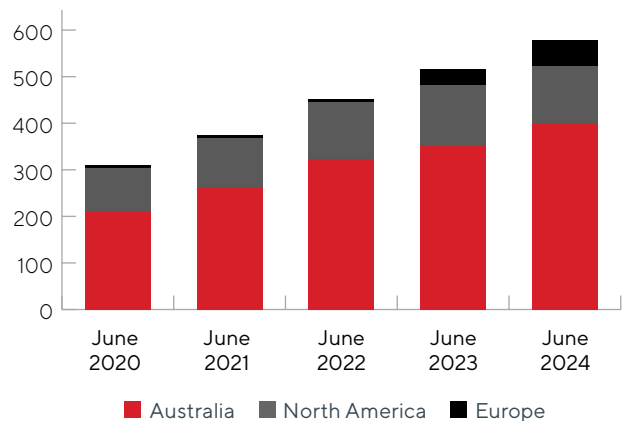
Recognition of Work Anniversaries – 2, 5, 10, 15, 20 and 25-year anniversaries are celebrated as a team. 2 and 5 years are recognised with a certificate and photo in our monthly newsletter. 10, 15, 20 and 25 are recognised with a certificate, award and photo in the monthly newsletter.

Growth in a challenging employment market

The labour market continued to present challenges over the year globally, with low candidate availability and high recruitment demand and unemployment remaining low in Australia, USA and UK. Despite these challenges, PWR grew employee numbers by 13.1% over the year, continuing our progressive growth over the last five years.

Expanded our team to employ an additional 67 people across our three operating sites

PWR Group Employee Numbers



Recruitment

As PWR expands its global footprint and international operations, it needs to attract more people into key roles in an ever-increasing tough recruitment market in Australia, Europe and the USA.

In Australia, an annual Jobs Fair is held at Ormeau attracting locals to visit our facility, see what we do and chat to our team-members about current and future career opportunities available at PWR. In addition to local advertisements, regular job ads, attending local industry events to showcase our business and employment opportunities, PWR offers a referral program for employees to earn up to \$750 AUD for introducing a successful candidate for an advertised position in Australia.

Globally at our three locations our HR team members attend school career events, local jobs fairs and university career fairs in an effort to reach more potential candidates and invite them to join PWR. In the last twelve months, PWR employees attended:

- University of Queensland (Australia) Careers Fair
- Logan City Council (Qld, Australia) Jobs Expo
- Ohio (USA) Jobs Fair
- Aerospace and Defence Showcase (Sydney, NSW, Australia)

Employee Family Fun Day

On Saturday 28th October 2023, PWR held its very first Family Day. The event was a great success with roughly 300-350 attendees. We held the event as a fundraiser for the Ronald McDonald Charity House, who supported the family of our GM of Advanced Technology, Andi Scott during his daughter Alba's brain tumour surgery just before Christmas 2022.

On the day, we had an ice cream/slushie van, fairy floss, snow cones, coffee van, a radiator crash course by Chris Crowe, giant Connect-4, bean bag toss, chocolate mining, factory tours, a children's entertainment zone with colouring in, bookmark making and cupcake decorating, and the highlight of the day—a dunk tank where employees got to dunk the boss. In the lead up to and on the event day, we sold raffle tickets for some exciting prizes donated by PWR and our customers. We are very proud to say that with funds matched by PWR, we raised over \$10,000 for Ronald McDonald House.



Employee Recognition

At PWR we recognise those employees who live the PWR DNA and go above and beyond their role, assist and support others and show initiative.



Joe Van Galen, Welder

Joe Van Galen – Employee of the Year

Our Employee of the Year, Joe Van Galen, joined PWR in early 2020 as a fulltime production hand before pursuing his passion for welding and fabrication in August of that year. Since starting his journey with us, Joe has been a standout employee, consistently demonstrating the PWR DNA in all aspects of his work.

Joe's professional journey has seen him go from strength to strength – from welding Formula 1 and OEM products to the highest standard to being awarded 2022 Apprentice of the Year. As of April 2024, he has finished his Certificate III in Engineering-Fabrication Trade and continues to work hard and lead by example, mentoring his peers and fostering a positive environment for the wider team.



Review of Operations

Investing in our People

continued

Employee Trip to Melbourne Formula One

This year, PWR took 28 staff to Albert Park in Melbourne for the Formula One Grand Prix where they had the opportunity to see some of the results of their hard work in the products PWR supplies to Formula 1. Staff were selected from those nominated during the year for the employee of the month awards.

It's a great team building experience and a further point of connection to our customers to have access to see and appreciate the importance of the products and services we are responsible for delivering. This is also an opportunity to hear firsthand from the F1 teams, the positive influence PWR makes to a reliable and efficient race car.



Melbourne Grand Prix 2024



Investing in Early Career Development

We proactively invest in providing opportunities for early career talent to enhance the skill set of our workforce and foster an environment of continuous learning and growth.

We Invest in Early Career Development to Attract our Future Talent and Foster an Environment of Continuous Learning and Growth.

2024 Activities and Outcomes	Partnered with over 28 schools, universities and trade schools to implement our early careers program
	Appointed 12 new Apprentices in PWR Australia, finishing the year with 38 Apprentices
	6 of PWR's Apprentices completed and transitioned to fully qualified tradespeople
	45 School work experience students rotated through our Australian headquarters during the year.
	19 school students returned throughout the year for further work experience over their school holidays
	7 work experience students went on to become PWR employees.

Work Experience Opportunities

PWR Australia partners with a number of local schools, universities and trade colleges to offer work experience opportunities for students at the Ormeau facility. Given the increase in promotional work attracting students PWR has hit the road in a fully branded 'Accelerate your Career' utility to really get the message out there in our local community about PWR.

Not only do work experience programs benefit students but they also provide mentoring opportunities for PWR staff and broader connections with our local community.



PWR Work Experience Students

Review of Operations

Investing in our People

continued



Ardin Masson Court, Quality Inspector

From Work Experience to A Valued Member of the Quality Control Team – Ardin Masson Court

We asked Ardin why he was interested in working at PWR...

“My Passion for Engineering & Design started frankly when I was a kid playing with Lego in my dad’s garage. Any chance I could, going through school, I would pick engineering related courses. Things really just fell into place from there.

Whilst still in high school I would work for Peter Simpson at PWR doing framing up in toolroom, then during the holiday breaks I would come onsite for work experience to join specialty design and toolroom framing. After working fulltime over the holidays after school finished, I knew this is where I wanted to be (at PWR) working alongside our fabulous team and growing up with it.

I was also given the opportunity to work in the Quality Control department. Since starting, I’ve always felt very welcomed into the PWR family and it is always good solving the tricky problems/ figuring out ways to improve processes.

I see myself staying at PWR for a long time in the Quality side of Engineering (essentially what I’m doing now), I feel my role is still developing around the company’s needs.”

School Careers Fair

PWR HR team members Ketna Gohil (HR Business Partner) and Morgan-Rose Alexander (Global Talent Acquisition Lead) attended local Ashlawn School in Rugby, England for the local careers fair to meet with year 12 and 13 students to discuss the apprenticeship opportunities currently available at PWR Europe. One of the initiatives at the high school careers fair included bingo cards which prompted the students to approach various employers and ask questions, such as: “What does your day at work consist of?”; “What qualifications do you need to get into the job you are in now?”; and “What interview questions are asked in a job interview?”. The Ashlawn School careers fair provided a great opportunity for our team to talk to young students interested in pursuing engineering and trades as a possible future career.

Apprenticeship Program

We take a particular interest in recruiting apprentices, offering work experience to high school students and investing in them to build a capable and committed workforce to maintain PWR’s exceptional quality workmanship and customer service.

PWR works closely with TAFE Queensland to provide quality training programs. Our apprenticeship program allows employees to meet all their practical skill requirements, earn an income and have time as part of their work day to attend TAFE and complete their theoretical study requirements. For 2024, PWR had 38 enrolled apprentices at Ormeau, completing their Cert III in Engineering – Fabrication Trade; Cert III in Engineering – Mechanical Trade; or Electrotechnology Trade. Additionally a group of apprentices is also completing their Cert II in Workplace Skills.



David Green, Apprentice - Fitter/Machinist

Celebrating David Green | Apprentice of the Year

Our Apprentice of the Year was David Green from Specialty Build.

David Green was awarded Apprentice of the Year, in recognition for his outstanding achievements and passion for the world of technology. David started at PWR as a Manufacturing Production Assistant before Commencing his Certificate III Engineering-Mechanical Trade Apprenticeship in late 2022.

Since joining the team, David’s genuine enthusiasm for the trade has been evident, he is constantly challenging himself to be the best and advance his skillset. This proactive approach not only makes him a stand-out employee but also positively contributes to the success of his team and the wider PWR. We were thrilled to recognise David as our Apprentice of the Year.



PWR's graduate engineers

Pictured top L-R: Neshas Khandagale, Mihir Chopde, Tom Vella, Kingson Tai, Lachlan Holroyd, Jack Wagner, Jock Thompson, Alex Evans
 Pictured bottom L-R: Josh Bryant, Spencer Roche, Adam Philipson, Tim Reardon, Harrison Stock, Blake Hamilton, Matthew Bowen

Graduate Engineer Program

PWR values the new ideas, enthusiasm and technical expertise that our graduate students bring to our business operations. The hands-on experience we offer is not as available with many of our engineering competitors. It allows our engineers to better problem-solve because they are more personal with their work.

PWR supports its Graduate Engineers with time off for study and exams, as well as the opportunity to work on exciting practical applications for their studies and thesis work. Our Australian Graduate Engineer program has grown every year and include a mix of different tertiary qualifications:

- Engineering (Mechanical, Electrical, Aerospace, Mechatronics)
- Science (Physics)
- Environmental Science
- Industrial Design

from a number of local universities (including University of Queensland, Queensland University of Technology, Griffith University and University of Canterbury). Our current graduates are spread throughout our various PWR departments:

- Specialty Build
- Aerospace and Defence
- Technical Services
- Cell Coolers
- Technical Sales/Process Development
- Bar and Plate
- Quality Assurance
- Vacuum Brazing.

Investing in our People

continued



Some quotes and comments from our 2024 Graduates Engineer Program:

- **Matthew Bowen (Specialty Build)**
My goal is to boost PWR's environmental awareness through sustainable practices; and to engage in the sales engineer role well and build engineering skills.
- **Josh Bryant (Aerospace and Defence)**
I have always had a passion for motorsport and aerospace; however, it was my motorsport passion that led me to apply to complete my thesis at PWR. I was later shocked to find out I would be working within the sector I had always dreamed about, aerospace and defence.
- **Adam Philipson (Technical Services)**
I was offered the opportunity to work for PWR through a past employee, and after some further research into who the company was, I found that the technical advancements that PWR is making is, to me, quite remarkable, and that is something that I wanted to be a part of!
- **Jack Wagener (Cell Coolers)**
My future aspirations include reaching a position where I am frequently designing, testing and simulating new groundbreaking technologies in the defence, aerospace & motorsport sectors.
- **Neshas Khandagale (Bar and Plate)**
I have always had an interest in motorsports from a very young age and having an opportunity to join an industry leader in cooling technology for the highest level of motorsports was a dream come true
- **Blake Hamilton (Vacuum Brazing)**
My aspirations for the next 5 years include continuing to learn as much as possible and make meaningful contributions to innovative projects.
- **Mihir Chopde (Technical Services)**
I've been able to combine my work experience with my university thesis which includes investigating research and design of an automatic core builder focusing on the assembly process.



Erin McQueen, PWR North America Aerospace and Defence Design Engineer

From Intern to Aerospace and Defence Design Engineer - Erin McQueen (PWR North America)

Erin McQueen is an Aerospace and Defence Design Engineer partnering with our team from PWR North America. She began working with us in the summer of 2022 as an intern while pursuing her degree in Mechanical Engineering from Purdue University's satellite location in Indianapolis.

Erin's journey with us is a testament to the opportunities for growth within our company. Starting as an intern in 2022, she delved into the manufacturing process within our Aerospace and Defence Machining Centre. Her second internship in 2023 allowed her to explore the motorsports side of the business. Now, as of January 2024, Erin is a full-time team member, contributing her skills to our continued success.

Another point Erin made that sets us apart is the diversity of products she is involved with creating. The opportunities for her this early in her career and the ability to learn from her mistakes have been rewarding in her personal and professional development. The collaboration among the team and the ability to gain opinions from others have been instrumental in her success with PWR.

Erin says she always wanted to be an engineer and wants to grow within PWR and see the company as a platform for endless possibilities. *"We are so much more than radiators, and being a part of moving this company forward is a pretty cool thought."* This optimism about her future is contagious, inspiring others to see the potential for growth within the company.

Erin's message to other women interested in a career in engineering or a male-dominated industry is one of empowerment: *"Come work for this industry, and don't allow yourself to get in your own way."* Erin says she conquered the feeling of not believing in herself, and once she conquered that, she fully felt valued as a team member at PWR.



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REVIEW OF OPERATIONS

LEADERSHIP

DIRECTORS' REPORT

FINANCIAL STATEMENTS

ADDITIONAL INFORMATION

Governance and Risk Management



Our governance framework monitors and guides our strategy implementation and our performance



Our risk management approach includes scenario planning, stress testing and stakeholder feedback within the context of our risk

The Board of PWR is committed to providing a return to its shareholders and meeting the expectations of shareholders by leading a company culture that embodies ethical business practice. Our approach is driven by our Purpose and our DNA of Respect, Teamwork and Passion.

PWR's 2024 Corporate Governance statement is available through the Group website and is also released to the ASX as part of our annual reporting. The Corporate Governance statement adopted by the Board reflects the Board's endorsement and adoption of the recommendations contained in the ASX Corporate Governance Council's Principles and Recommendations and details the key aspects of the governance framework and practices of PWR.

Highlights of the Board's activities and our approach to managing our enterprise risks is outlined here.

Key Focus Areas of the Board during the year:

- Implementing our Board succession plan aligned to our desired skills with the appointment of Amanda Holt, Kristen Podagiel and Jason Conroy as Independent Non-Executive Directors; and the appointment of Roland Dane as the Board's Chairman after Teresa Handicott's retirement from the Board in October 2023.
- Participating in a strategic audit and the development of a 2030+ Group Strategy.
- Reviewing the Group's risk management framework and the Enterprise Risk Register and monitoring key mitigation actions.
- Monitoring the Group's operating and cashflow performance, financial position and key metrics.
- Approving the expansion of PWR North America by securing a new facility adjacent to the two existing facilities.
- Approving the long term lease for PWR's new Australian headquarters at Stapylton, with a targeted date of mid-2025 to commence moving in.
- Monitoring and reviewing the Group's safety performance and overseeing implementation of strategies to improve safety performance and continue to build safety leadership capabilities.
- Overseeing the implementation of plans to respond to the Group's psychosocial risk assessment.



Board Skills and Experience

The Board Skills Matrix sets out the skills and experience considered essential to the effectiveness of the Board and its Committees. The Matrix is reviewed by the Nomination and Remuneration Committee to ensure the prescribed skills and experience address PWR's strategy and operating environment.

Board Skills and Experience		Expert	Competent	Aware
Strategy	Experience in leading, developing or executing strategic business objectives			
Accounting/Financial Statements	Proficient in financial accounting and reporting			
Risk Management	Experience in identifying, assessing and monitoring existing and emerging financial and non-financial risks			
Corporate Governance	An understanding of legal and regulatory frameworks underpinning corporate governance principles			
ICT/Cybersecurity	Experience in ICT and managing cybersecurity risk			
Senior Executive	Held senior leadership/executive role in an organisation of significant size or complexity			
Human Resources	Experience in human resources			
Manufacturing	Experience at a senior level working in and/or leading a manufacturing business			
Global Business	Experience in global business operations			
Motorsports	Experience in the motorsports industry			
ESG	An understanding of Environmental, Social and Governance performance and reporting			
Aerospace/Defence	Experience in the Aerospace and Defence industry			
Marketing/Brand	Marketing and branding experience			
Intellectual Property	Experience with protecting and commercialising intellectual property			
Listed Entity	Experience as a Non-Executive Director of a listed entity			
Legal	Legal qualifications or significant legal experience			

Board Succession and Renewal

During the year, the Board focused on Board succession and developed comprehensive succession plans for directors driven by its assessment of skills and capabilities aligned to PWR's Strategy.

The outcome of the succession planning and Board Skills Matrix and the decision by Teresa Handicott, former Chairman, not to stand for re-election at the 2023 Annual General Meeting has resulted in:

1. The Board determining that Roland Dane was to be appointed as its Chairman following the end of the 2023 Annual General Meeting, and
2. The Board commencing a Non-Executive Director recruitment exercise focusing on:
 - Gender diversity
 - Experience in financial statements and reporting
 - Experience in corporate governance/legal and listed entity operating environment.

Governance and Risk Management

continued

Risk Management

People and Culture Risks

Protecting the health, safety and wellbeing of our people

PWR's DNA calls out **respect**. Respect for our employees and respect for each other. We strive to ensure that a culture of respect promotes a safe workplace so that everyone goes home safe every day. We also believe that providing our employees with health and wellbeing opportunities supports a happier, healthier, more productive workforce and workplace

- We have identified and regularly talk about our critical safety risks
- We investigate the root cause of all incidents, identify key learnings and talk about them in our toolbox talks
- We are continuously improving our working environments to make them safer and more productive for our people
- We have an Employee Assistance Program to help employees deal with life's challenges by giving them and their families free access to professionals who can provide them with strategies to minimise stress and manage their mental health
- Weely's diner provides quality food, free of charge to our employees for breakfast, morning tea, lunch and dinner with healthy selections available
- We facilitate and encourage onsite vaccinations for the flu
- Safety leadership and visibility as a key performance indicator to measure safety leadership activity in the business have been included in corporate and personal scorecards

Talent identification, recruitment, upskilling and retention

Our ability to identify, attract, upskill and retain key talent and develop capabilities is fundamental to delivering our strategic objectives

- We focus on enhancing our offerings to employees and potential employees to distinguish ourselves in the market through targeted and effective approaches to talent and recruitment management
- We focus on succession planning and we identify key talent and provide them with experience and growth through time in critical roles and identify relevant internal and external training for their skills development and career progression
- We continue to improve our long-term workforce planning and talent management program across PWR
- We continue to improve our career planning and training programs across PWR
- We invest in our leaders to support their skills in leading and managing their teams and have developed a tailored front line leadership program to develop our supervisors and managers and equip them with the skills to lead their teams effectively

Reliance on key personnel risk

PWR's growth is supported by a highly capable team. Ongoing development of the team and effective succession planning is required for delivering our strategic objectives

- We identify key functions across the PWR operations, establishing succession plans to manage key personnel risk and increase capacity
- We have an active Executive Leadership Team that meets regularly to set priorities, monitor performance, and manage issues
- We continue to expand our technical sales teams to broaden our customers relationships

Labour rate increases

Labour and on costs are PWR's largest expense. Managing labour rate increase is important to ensure we can attract and retain quality employees, while protecting the profit margin and shareholder return

- We monitor market labour rates, adjusting salary and wage rates where appropriate to remain competitive
- We manage productivity to minimise the use of overtime
- We identify and implement production improvements, including investigating opportunities for automated and semi-automated production activities where applicable
- We review our customer pricing and pass through cost increases where appropriate and justified

Operational Risks

Managing the challenges that come with rapid growth

PWR has worked hard to get where we are and have grown our business year on year but with this comes challenge. The challenge of managing and communicating with a larger, wider-spread workforce, more workload, the need for more factory space, better and more streamlined systems and processes, more customers and new advances in technology, to name a few

- First and foremost, we need to stay focused on our people at all times, no matter how demanding our business growth becomes - because our people are responsible for driving our growth. We have invested in a highly capable human resource area to provide the extra support and focus required
- We have focused on developing high performing leaders, targeting managers and supervisors for our in-house front line leadership program where a self-assessment of one's own behavioural preferences is the first step in the journey
- Recruiting for growth has no doubt been a challenge during the reporting period with the availability of workers the lowest it has been in a long time
- Competition for workers is ongoing and retaining our workforce is a key focus
- With growth comes change and maintaining open channels of communication with our people is essential. We are committed to ensuring each and every employee understands our vision and purpose and their role in helping to deliver them. We hold monthly team talks with consistent, transparent messages and giving employees an opportunity to ask questions
- We are focused on ensuring we have robust systems and processes that facilitate knowledge transfer for the production of our many products. When everyone follows a well-tested set of steps, we reduce the likelihood of mistakes, delays and duplicated effort
- We have made progress this year to extract value from our current Enterprise Resource Planning system and have selected and commenced implementation of a Human Resource Management System that will support the business for many years to come

Protecting our intellectual property and managing cyber security risks

Second only to our people is PWR's intellectual property and that of our customers

- We regularly undertake independent external reviews of our IT and potential cyber security exposures and have implemented all recommendations arising from these reviews
- We have strict confidentiality procedures in place when developing new technology and manufacturing processes
- We operate restricted areas within our manufacturing sites and do not permit phones or cameras on the factory floor

Sustainability Risk

PWR is committed to playing its part in building a more sustainable world for the future generations. How we go about this requires focus and investment and close contact with our many stakeholders. We believe that PWR can play its part in the transition towards a sustainable society through the use of emerging technology and innovative product development to support our customer's climate change targets

- We invest in new technologies and projects to support low emissions programs
- We have integrated our material sustainability pillars into our strategy, described on page 12 and reported outcomes in our review of operations on pages 12 to 48
- We have recorded our scope 1 and scope 2 baseline emissions outlined on page 30
- We will set realistic and measurable targets to meet and report against
- We will continuously review and revise our approach to sustainability and climate change to ensure it keeps pace with the expectations of our stakeholders
- We will incorporate the recommendations from the Task Force on Climate Related Financial Disclosures
- We determine where to manufacture product considering source location of raw materials, capacity and capability of the PWR factory, and destination of the final product

Governance and Risk Management

continued

Diversifying our business

Our objective is to leverage our research and development and success in providing cooling solutions to motorsport into other industries where we can use our know-how and add value

- We keep our strategy front of mind as it informs the decisions we make about leveraging our existing cooling solutions into new industries
- We regularly evaluate our strategic objectives with the Board
- We have a dedicated advanced technology team focused on building a pipeline of opportunities
- We strategically invest in leading edge manufacturing technology
- We hold AS9100 accreditation (aerospace and defence quality standard) and National Aerospace and Defence Contractors Accreditation Program (NADCAP) accreditation (thermal and chemical management)
- This year we will focus on securing accreditation for the Defence Industry Security Programs for Australia and North America

Maintaining our leading edge through innovation and advanced technology

Technology and innovation are advancing at a rapid pace, and we pride ourselves at being at the forefront of technology advances in the field of cooling however it requires continued investment and focus and falling behind is not an option

- We are continuously investing in research and development. This year we invested \$10,956,609 on R&D activities (2023: \$10,058,487)
- We adopt quality control approaches in everything we do and use advanced technology to problem solve for our customers
- We have capability for serialisation of products including full traceability of components and raw materials used in the production process back to raw material source
- We attend trade shows and keep up to date with the latest advances in technology
- We are investing in understanding automation and artificial intelligence and how these technologies can be applied to PWR to increase efficiency

Customer and market concentration risk

PWR has been successful in expanding across the motorsports market. We are well placed to expand our customer base and exposure to customer markets to limit the impact of commercial and market variability

- We regularly evaluate our strategic objectives with the Board
- We invest in our technical sales teams to provide capacity to broaden our customer base and market focus
- We invest in trade shows and marketing to increase the PWR brand awareness, with a particular focus on aerospace and defence
- We invest in flexible equipment that services a broad range of customer programs and markets, allowing us to redeploy resources as required

Contract risk

PWR has historically been engaged on lower volume, flexible orders. Increasingly, PWR is engaging on longer term, higher volume programs with set pricing and contractual terms. The importance of disciplined contract governance is increasing

- We review all contract pricing, terms and conditions closely, and engage advisors where appropriate
- We are enhancing our contract governance, with particular focus on understanding contract exposures, risks and opportunities, with approval escalations
- We are investing in our ERP to provide improved data to support contract pricing and analysis of contract performance

Raw material supply and pricing

Raw materials, consisting mainly of aluminium products including extruded tube, billet, coil and sheet metal, are used in the manufacture of PWR products.

- We maintain stocks of raw materials to ensure continuity of PWR production and to provide time to manage changes in global pricing and supply
- We maintain diverse sourcing options globally to reduce exposure on a single company, country or region
- We forecast demand and target stock holding of between 12 and 24 months for critical raw material lines
- We hold raw material that can be further cut to size to provide flexibility in our stock holding

Movement in the aluminium commodity markets, production costs of aluminium products and global logistics impact the price paid by PWR

Major equipment risk

PWR continues to invest in equipment to provide capacity and capability. There are major items of equipment that are important to production continuity, including: furnaces, wind tunnel and CT machine

- We continue to review and update our risk register and business continuity plans
- We have invested in new furnaces that will provide some redundancy across PWR locations
- We employ an experienced maintenance team that have detailed knowledge of the installation and operation of the equipment
- We undertake regular services and inspections
- We engage local suppliers to support servicing and repairs
- We hold critical spares

Accreditation and Certification Risk

PWR holds accreditations that are important to support current and future customer programs. These accreditations also enhance the PWR systems to improve efficiency and consistency. Specific accreditations include AS9100 (aerospace and defence quality standard), NADCAP (National Aerospace and Defence Contractors Accreditation Program), and ISO 14001 (Environmental Management System)

- We continue to update our systems and training programs to incorporate and improve the requirements of these accreditations
- We have a dedicated team to carry out surveillance audits and manage third party certification
- We continue to assess other accreditations to determine if they are appropriate for PWR

Natural disaster, fire, flood and loss of critical services risk

There are potential events that, if they occur, could have a significant impact on the operations of one or more PWR locations

- We continue to review and update our risk register and business continuity plans
- We maintain our facilities and conduct regular inspections
- We engage local suppliers to support servicing and repairs
- We are aligning manufacturing capabilities, where possible, across all PWR locations to provide flexibility for delivering on customer programs

Review of Operations

Governance and Risk Management

continued

Pandemic risk

Regional or global health events can have the ability to impact PWR operations. As a manufacturing business, the majority of PWR staff are required to work at the PWR facilities. There is limited ability to work remotely for certain roles

- We continue to review and update our risk register and business continuity plans
- We review local health advice and have demonstrated an ability to respond swiftly to protect the health and wellbeing of our staff and their families
- We facilitate and encourage onsite health information sessions (as required) and vaccinations for the flu and COVID-19
- We are aligning manufacturing capabilities, where possible, across all PWR locations to provide flexibility for delivering on customer programs, if one of the PWR locations is impacted by a regional or global health event

Financial, Legal and Regulatory Risks

Liquidity and funding risk

PWR operations required working capital and investment in equipment. Operating cash flows and access to funding will be required to support future growth

- We generate ongoing cash from the sale of products and services
- We manage customer credit limits and outstanding debtors closely
- We maintain access to debt facilities and currently have \$17.5m in undrawn debt facilities
- We are listed on the Australian Stock Exchange, so have the ability to raise equity capital if required

Currency and foreign exchange risk

PWR operates facilities in Australia, the United States of America and the United Kingdom, reporting consolidated financial results in Australian Dollars (AUD). Most of the Australian production is sold to European customers, with the production costs in AUD and sales in Great British Pounds (GBP) or Euro

- We operate a hedging strategy for the GBP, protecting a portion of future sales in GBP out to between 6 to 12 months
- We operate production facilities in the United States of America and the United Kingdom. Local production costs reduce PWR's exposure to exchange rate movement in the local currencies
- We are increasing sales in Euro to further mitigate the impact of currency fluctuations

Macro-economic conditions risk

Global and regional economic conditions impact PWR, impacting customer demand, labour rates, commodity prices, energy prices, freight and logistics

- We continue to review and update our risk register and business continuity plans
- We regularly evaluate our strategic objectives with the Board
- We communicate closely with our customers and suppliers to monitor impacts from changing economic conditions
- We invest in flexible equipment that services a broad range of customer programs and markets, allowing us to redeploy resources as required in response to changes in customer markets
- We hold raw material that can be further cut to size to provide flexibility in our stock holding
- We maintain access to funding sources to support short term impacts on operating cash flow

Debtor risk

PWR recognises the importance of collecting cash from sales. Cash receipts are the measure of effective sales

- We operate a strict debtor policy to determine credit terms ranging from cash up front to trading with an appropriate credit limit
- We monitor the credit performance of customers, changing credit terms where appropriate
- We report to senior leaders the cash balances daily and outstanding credit balances weekly
- We self-insure for bad debts through holding a doubtful debt provision that is adjusted based on debtor aging

Fraud risk

PWR is aware of the potential for fraud across its operations. While maintaining clear expectations for behaviour, it is important to understand and protect against fraud risk

- We train all staff in the PWR Code of Conduct and Business Ethics, including what we expect from all PWR staff as part of the PWR DNA of Respect, Passion and Teamwork
- We maintain an anti-corruption and bribery policy
- We maintain segregation of duties for critical functions and IT permissions based on role
- We promote the whistleblower policy

Insurance risk

PWR understand the importance of holding comprehensive insurance policies to protect the interests of shareholders, customers, officers and employees

- In 2023 we engaged Arthur J. Gallagher as our global insurance broker, to undertake a review of our insurance program and to provide broking services for future insurance renewals. They identified several improvements to our insurance program that we have adopted
- We maintain a comprehensive insurance program that is adjusted to align with our changing requirements

Regulatory risk

PWR recognises the importance of understanding and complying with the regulations in the countries where we operate, purchase supplies and sell our products. Changes to the regulations in these countries may impact how PWR operates

- Our facilities are located in Australia, the United States of America and the United Kingdom
- We continue to monitor changes in regulations impacting PWR, updating our operating processes as required
- We engage advisors globally to highlight regulation changes, assisting us to understand the impact on PWR and advising on how to comply
- We engage directly with government departments and are members of relevant industry bodies

Leadership

Directors



Roland Dane A N

Independent Chairman,
Non-Executive Director



Kees Weel

Managing Director and
Chief Executive Officer



Jeffrey Forbes A

Independent,
Non-Executive Director



Kym Osley AM, CSC A

Independent,
Non-Executive Director

Roland has been an Independent Non-Executive Director since March 2017 and was appointed Chairman of PWR on 26 October 2023 after Teresa Handicott retired from the Board.

Roland has extensive automotive business experience in the UK, Asia and Australia. Roland was the founder of, and remains the principal shareholder in, the Park Lane (UK) vehicle acquisition business in the UK some 35 years ago. He is the former Managing Director of the successful Triple Eight Race Engineering team, winning 10 of the last 16 V8 Supercars Championships. He remains non-executive chairman of Triple Eight.

Roland is also a director of Racing Together Limited, a charitable organisation promoting opportunities in motor sports for young indigenous Australians. He is a member of the FIA Touring Car Commission and is a member of the Motorsport Australia Risk & Safety Committee.

Kees Weel is the founder of PWR and has been awarded the 2021 Australian Performance Automotive Industry "Australian of the Year". From the humble beginnings of hand making his first copper and brass radiator in 1982 to a visionary leader of PWR, Kees has lead PWR on an extraordinary journey that has cemented PWR's reputation globally for quality and innovative cooling products and unparalleled customer service.

It was Kees' inspiration to begin manufacturing radiators that quickly led to a ready-made customer base that required superior quality and capability from radiators. With an ever growing business and in-demand product, in 2006 Kees started building, what is today, PWR's state of the art manufacturing facility at Ormeau.

Kees' uniquely Australian approach to business is his greatest strength, where no challenge is too big and an ethos that everything can be made with time, money and hard work.

Following its listing on the ASX, Kees has continued to oversee the extraordinary growth of PWR while still maintaining its commitment to quality and customer service and that 'family feel' amongst employees.

Kees' continues to develop PWR's business capabilities and leads his high performance team to be innovative, listen to the customer and always have a can do attitude. Printed in supersized letters on the wall at the Ormeau manufacturing facility is Kees' motto: Most people see things as they are and say why. We dream of things that never were and say why not?

Jeff has over 30 years' experience in senior finance and management roles with extensive mergers and acquisitions, equity and capital markets and project development experience.

As an executive Jeff worked at Cardno Limited, an engineering and environment consultancy company as CFO, Executive Director and Company Secretary before leaving in 2013 to commence Non-Executive Director roles. Prior to joining Cardno, Jeff was Chief Financial Officer and Executive Director at Highlands Pacific Limited, a PNG-based mining and exploration company. He has significant experience in capital raisings and debt financing. During his career has worked for numerous major companies including Rio Tinto, BHP and CSR and has previously held senior finance roles in the resources sector.

Jeff is a Non-Executive Director of Cardno Limited and Ventia Services Group Limited. Jeff is a former Director of Intega Group Limited (ASX:ITG) retiring in December 2021.

Jeff holds a Bachelor of commerce from the University of Newcastle and is a Graduate of the Australian Institute of Company Directors.

Kym joined the Board on 1 February 2023. Kym brings to the Board over 45 years' experience in the Defence Force and Defence industry. He has undertaken Defence strategic procurement and capability planning for the Defence Force as well as personally leading major Defence capability programs, including the \$17B F-35 Joint Strike Program for Australia. Kym was Australia's senior Air Force representative to the UK, and later was the senior Defence representative in the US engaging with the US military as well as with international major Defence companies.

In his Reserve military capacity he has also led many overseas industry delegations to engage with overseas primes and military organisations to generate export contracts. In 2020, Kym was awarded a Defence Industry Service Commendation by the Minister for Defence for his contributions to Defence and Defence Industry over many years.

Mr Osley was the most recent NSW Defence Advocate (Investment NSW) and is a non-executive director of Quickstep Holdings Limited (ASX:QHL) and is the Chair of the Australian Air Force Cadet Foundation. He also is an Air Vice-Marshal in the Air Force Active Reserves, and acts in a pro-bono capacity as Executive Secretary of the Australian Institute of Navigation, Patron of the Australian Federation Guard, and Patron of various Air Force veteran organisations.

Key A Audit, Risk and Sustainability Committee
N Nomination and Remuneration Committee
● Committee Chair



Amanda Holt N

Independent,
Non-Executive Director

An accomplished and respected senior executive and defence industry leader, Amanda commenced her career in military systems engineering developing interoperable combat, communications and simulation systems for the Royal Australian Navy in roles at Adacel, ADI and Thales.

She further developed her understanding of complex military systems when she joined Australian engineering and systems integration company, SYPAQ Systems in 2007. SYPAQ provided Amanda with the opportunity to work with capabilities such as naval shipbuilding, submarine systems, naval and army aviation, aerospace systems, land surveillance and autonomous Systems. Amanda was appointed SYPAQ's Chief Executive Officer in 2015 after being General Manager, Defence and Aerospace and Chief Engineer for four years prior.

Amanda was the recipient of the 2019 Female Defence Leader of the Year Award.

Amanda is currently Executive Director and Chief Executive Officer, SYPAQ, a member of the Defence Council of Victoria, the Cyber Security Expert Advisory Panel, Victorian Government and Co-Chair of the Land Environmental Working Group, Army and the Maritime Environmental Working Group, Navy.



Kristen Podagiel N

Independent,
Non-Executive Director

Kristen has a distinguished legal background and over the past 20 years has worked as a commercial lawyer advising a wide range of companies and boards on governance matters, major projects and developments including those in the technology, mining, energy and defence industries. Kristen has extensive senior executive-level experience including her prior role as Chief Executive Officer and Managing Partner of McCullough Robertson, a leading Australian independent law firm and most recently as CEO of Women's Legal Service Queensland, which provides free legal and social work services to over 5000 Queensland women every year.

Kristen has a passion for supporting girls to pursue careers in industries where women are underrepresented, and was a founding director of charity UNIQ YOU, a charity supporting women in STEM related areas.

Kristen is a current non-executive director of Silver Mines Limited (ASX: SVL) and is the Chairman of ADG Capital Pty Ltd, a company involved in a range of engineering disciplines across various industry sectors including resources and infrastructure.



Jason Conroy

Independent,
Non-Executive Director

Jason has over 30 years' of experience working with businesses in Australia, New Zealand, the United States and the United Kingdom.

Through his experience as a chief financial officer, board chair, non-executive director and audit & risk committee chair, Jason brings expertise in the management and governance of ASX-listed and private commercial companies, particularly in the fields of M&A, corporate finance, complex project delivery and business transformation.

Jason's current board roles are focused on accelerating Australia's clean energy transition.

He is a former board member of companies in the power, utilities, resources and green technology sectors, and a former CFO of Transgrid, Australia's largest electricity transmission and renewables grid connections business, and DUET Group, an ASX100 member that owned five energy infrastructure and utility businesses.

Jason is currently a Non-executive Director of Symphony Infrastructure Partners, Non-executive Chairman of Birdwood Distributed Energy Platform (backed by Aware Super) and a Non-executive Director of Beca Group Limited.

- Key**
- A Audit, Risk and Sustainability Committee
 - N Nomination and Remuneration Committee
 - Committee Chair

Leadership

Leadership Team



Martin McIver

Chief Financial Officer
B. Bus, MBA (International - Hons),
Grad. Dip. Applied Finance and
Investment

Martin McIver joined PWR in April 2021 and is responsible for finance, treasury and information technology.

Martin was previously the CFO at WorkPac with 7 years' service and is currently Chairman at Tlou Energy Ltd (ASX:TOU). Earlier he held the position of Director in Corporate Finance with PricewaterhouseCoopers with a focus on mergers and acquisitions, and General Manager roles with mining services and transport and logistics companies.

Martin has a Bachelor of Business from QUT and is a MBA graduate from the American Graduate School of International Management (Thunderbird).



Matthew Bryson

Chief Technical and
Commercial Officer

Matthew is responsible for the technical and commercial operations of PWR Advanced Cooling Technology, working with his team of managers and supporting engineers to develop unique solutions for our customers, and continuing PWR's advanced manufacturing technology pathway. Matthew completed his Mechanical Engineering Trade as a special class Fitter and Machinist/Toolmaker concurrently studying Mechanical Engineering, before working as a design engineer and applying both engineering and trade skill sets to the Motorsport industry.

Matthew joined PWR in 2000 as a design and manufacturing engineer contributing to PWR's formative years across product and production engineering responsibilities. This role progressed to the position of Engineering Manager at PWR, as a position held for 15 years, working closely with PWR's customers to grow the business, and overseeing the continued development of PWR's product and advanced manufacturing capabilities. In July 2020, Matthew commenced the position of Chief Operating Officer at PWR, before taking on his current role of Chief Technical and Commercial Officer.



Andrew Scott

GM Advanced Technology
B. Eng (Mechanical), Fdsc

Andi manages all advanced technology projects including internal R&D within PWR's Global Engineering Team.

Andi joined PWR in 2015 after a long career in motorsport. Growing up in Northern Ireland, surrounded by motorcycle and car racing, together with a family-owned engineering business, helped plant the seed from an early age for the career path ahead. After several years in the family business and graduating university with a engineering degree, Andi moved up the ranks of motorsport engineering until reaching the pinnacle and working for one of the most prestigious front running Formula 1 teams, where Andi became familiar with the PWR brand.

Having previously travelled Australia with his wife in 2002 and enjoying the culture, weather, and coastal life he left with a determination to emigrate to Australia permanently one day. Andi and his family moved to the Gold Coast in 2015, joining PWR, where the same motorsport ethos of performance, drive and passion have fitted together perfectly within the PWR business.

Andi graduated from Northampton University with a first-class honours degree in Mechanical Engineering, together with a Fdsc in Motorsport and High Performance Engineering.



Mick Cullen

A/GM PWR North America
GM Advanced Planning

Mick Cullen joined PWR in 2003 completing a Trade Certificate III in Boiler Making before growing into the role of head fabricator.

Mick performed the role of Production Manager from 2015 – 2023 and in May 2023 commenced the role of General Manager, Global Capacity Planning and Data Management. Mick is a member of the Senior Management team. Mick's role looks at the global manufacturing capacity for PWR and he works closely with the production teams across our 3 manufacturing sites to optimise product production locations. Mick's long history at PWR has provided him with knowledge and strategic insight into the production process and his passion of mentoring and coaching staff position him well to make a real difference in this new role which is integral to PWR's continued growth. Mick is currently Acting GM PWR North America.



Jason Hicks
GM Production (Australia)

Jason Hicks, General Manager of Production in Australia, joined PWR in 2002 after completing a dual Trade Certificate of Fitting and Turning and Boilermaker. He initially worked in the Machine Shop for 9 years, where he became the Machine Shop Manager before transitioning to a role managing a small fabrication team for an O.E program. Upon completion of the O.E program, Jason was tasked with developing and growing the quality department where he served as the Production Quality Manager. He led and mentored a driven and passionate team of quality inspectors for 8 years. In 2022, Jason was promoted to the role of Production Manager, and in May 2023, he was appointed as General Manager of Production, becoming a member of the Executive Leadership Team.

In his current position, Jason excels as a highly motivated manager overseeing a skilled workforce specializing in advanced manufacturing processes. He is dedicated to mentoring staff and is deeply passionate about quality, employee development, and workplace safety. Jason is driven by a continuous improvement approach to enhance PWR's production environment through training, staff and culture development, system implementation, strategic development. Additionally, he actively participates in PWR's Work Experience and Apprentice programs, ensuring the future success of young employees and promoting positive production outcomes for PWR.



Wayne Rodgers
EGM PWR Europe

Wayne Rodgers, Executive General Manager – PWR Europe, is responsible for the management of all European activities including implementation of manufacturing facilities in the UK, driving the development of PWR products into all UK and European market segments while creating sustainable growth policies for the near future.

Motorsport has been Wayne's lifeblood for over 35 years, initially competing as a rally co-driver he switched from the "hot seat" to a position in sales engineering within the motorsport industry. Relocating to Italy in 2000 Wayne started his international lifestyle of managing various companies within the Brembo Group pivoting between living in the USA and Italy. The experience gained from these roles generated a multi-faceted skill set of Performance and Motorsport products for both two- and four-wheel vehicles.

"The international experience gained over the last 20 years has created a wealth of global contacts and friends within the industry and it is this camaraderie which makes every day of my life in this industry a pleasure to wake up to".



Lisa Dalton
Company Secretary
LLB.App.Sc., M.App.Sc.,
LLB (Hons), FAICD, FCIS

Lisa was appointed as Company Secretary on 7 August 2015 and currently heads up the People, Learning and Development and Weely's Diner teams.

Lisa is an experienced governance professional having held roles as a director, chief executive officer, senior executive and company secretary. Lisa has strong capability in leadership, problem solving and communicating with significant stakeholders. She has led large teams responsible for strategy development and implementation, governance, risk management, internal audit, human resources, cultural improvement, communication, stakeholder relations and program management.

Lisa is Chairman of Second Skin Pty Ltd, an independent member of the Audit and Risk Committees for the Queensland Department of Regional Development, Manufacturing and Water and the Deputy Chair of the Advisory Council of Marist College Ashgrove.



Andrew Styman
Head of Quality Assurance

Andrew joined PWR in August 2023 after relocating from South Australia with his wife to lead our Quality Assurance Department.

Through the 90s Andrew developed a diverse career in the automotive sector, advancing his knowledge within various manufacturing processes such as metal pressings, investment castings, injection mouldings and assemblies establishing a career path which led to Andrew cultivating a strong managerial career with a passion for quality and continual improvement.

In April 2003, Andrew joined ZF Friedrichshafen, supplying Land Rover UK.

Andrew led quality to achieve 15 months consecutive zero-defect performance, a first for any ZF systems plant. This career defining moment helped launch him into moving from the UK to South Australia in June 2007 to support the supply of ZF assemblies to GM Holden and Ford Australia.

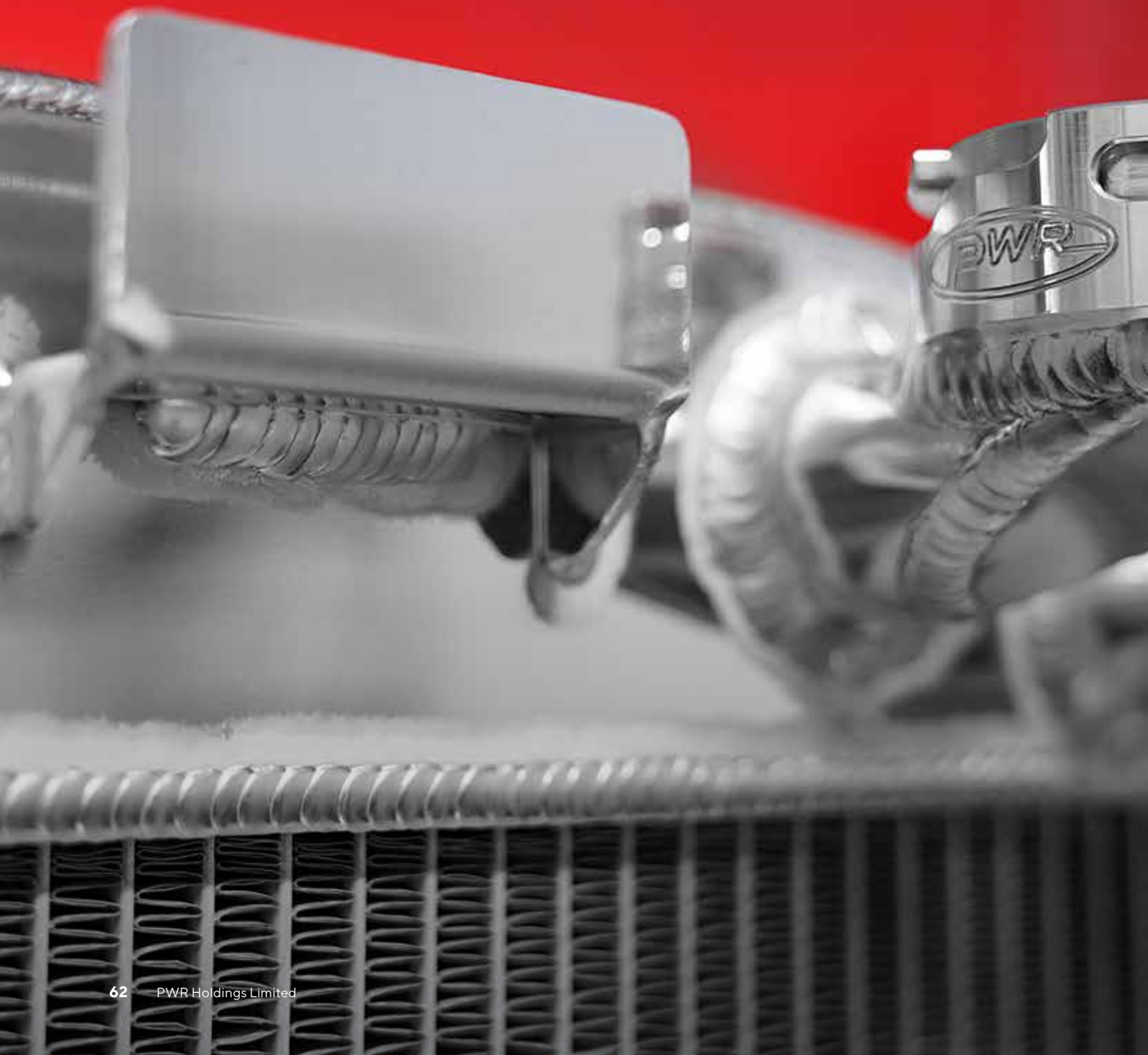
Since March 2019, Andrew has focused on compliance to AS9100 and further enhanced interpretation of standards with integration of aerospace customer requirements into everyday processes. Andrew is dedicated to embedding the three PWR values of Passion, Teamwork, and Respect through innovation in quality.

A passion for empowered prevention influenced by Quality Guru's such as Deming, Juran, Ishikawa and Taguchi drive's an unparalleled vision for Quality.

Andrew is a member of the Australian Organisation for Quality.

Financial Report FY2024

For the year ended 30 June 2024



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Directors' Report

Directors' Report

For the year ended 30 June 2024

The Directors present their report together with the financial report of PWR Holdings Limited (the Company) and its controlled entities (the Group) for the year ended 30 June 2024 (reporting period) and the auditor's report thereon.

The report is prepared in accordance with the requirements of the Corporations Act, with the following information forming part of the report:

- Operating and financial review on the inside front cover to page 57
- Director biographical information on pages 58 to 59 and Leadership team including Company Secretary biographical information on pages 60 to 61
- Auditors Independence Declaration on page 68
- Remuneration report on pages 69 to 86
- Note H1 Financial risk management objectives and policies on pages 112 to 116
- Note F3 Capital and reserves on page 107 and I10 Share capital on page 121
- Note H3 Auditor's remuneration on page 117
- Note D3 Employee share based payments on pages 103 to 104
- Directors' declaration on page 125
- Shareholder information on pages 130 to 131
- Corporate directory (inside back cover).

1. DIRECTORS

Directors at the date of this report

As at the date of this report, the Directors in office were:

Roland Dane	Appointed 1 March 2017
Kees Weel	Appointed 30 June 2003
Jeffrey Forbes	Appointed 7 August 2015
Kym Osley	Appointed 1 February 2023
Amanda Holt	Appointed 11 September 2023
Kristen Podagiel	Appointed 1 February 2024
Jason Conroy	Appointed 1 May 2024

Directors during part of the year

Teresa Handicott	Appointed 1 October 2015. Retired 27 October 2023
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You can find information about our Directors' qualifications, experience, special responsibilities and other directorships on pages 58 to 59.

2. COMPANY SECRETARY

Lisa Dalton (B.App.Sc., M.App.Sc., LLB (Hons), FAICD, FCSA, FCIS)

Lisa Dalton was appointed as PWR's company secretary on 7 August 2015 and remains the company secretary at the date of this report.

You can find information about our Company Secretary's qualifications, experience and special responsibilities on page 61.

Directors' Report

For the year ended 30 June 2024

3. DIRECTORS' MEETINGS

Our Chairman sets the agenda for Board meetings, with the Managing Director and the Company Secretary. The meetings typically include:

- Minutes of the previous meeting
- Matters arising
- Health and Safety report
- Strategy discussion
- Managing Director's report
- Chief Financial Officer report
- Production reports from our three operating sites
- People report
- Board Committee Chair reports
- Continuous disclosure checkpoint
- Share trading checkpoint

Closed sessions are held with Non-Executive Directors periodically throughout the year and only as required.

Our Board receives periodic reports on operational and other important business matters including regulatory updates, market research and investor relations activities.

The number of Directors' meetings (including meetings of committees of Directors) and number of meetings attended by each of the Directors of the Company during the financial year are:

Director	Board Meetings		Audit and Risk Sustainability Committee		Nomination and Remuneration Committee Meetings	
	Attended	Held	Attended	Attended	Attended	Held
Roland Dane	10	10	4	4	4	4
Kees Weel ¹	10	10	4 ³	4 ³	4 ³	4 ³
Jeffrey Forbes	10	10	4	4	4	4
Kym Osley	10	10	4	4	4	4
Amanda Holt ¹	8	8	3 ³	3 ³	3 ³	3 ³
Kristen Podagiel	6	6	2 ³	2 ³	1	1
Jason Conroy ¹	2	2	1 ³	1 ³	1 ³	1 ³
Teresa Handicott ²	4	4	1	1	1	1

1. Not members of the Audit, Risk and Sustainability Committee or the Nomination and Remuneration Committee during the Reporting Period.

2. Retired 27 October 2023

3. Attended by invitation

4. PRINCIPAL ACTIVITIES

The Company's registered office and principal place of business is 103 Lahrs Road, Ormeau, Queensland 4208.

The principal activities of the Group during the year were the design, prototyping, production, testing, validation and sales of advanced cooling products and solutions to the motorsports, automotive original equipment manufacturing (OEM), aerospace and defence, and automotive aftermarket sectors for domestic and international markets.

The Group has manufacturing and distribution facilities in Australia, the United Kingdom (UK) and the United States of America (USA).

Other than items outlined in the Operating and Financial review from the inside front cover to page 57, there were no significant changes in the nature of the activities of the Group during the year.

Review of principal businesses

During the year ended 30 June 2024, in addition to the items outlined above, the Group focussed on diversifying its operations within the targeted segments in a sustainable and profitable manner for the long-term benefit of stakeholders including shareholders, staff, customers, and suppliers.

Directors' Report

Directors' Report

For the year ended 30 June 2024

5. DIVIDENDS

Dividends paid or declared by the Company to members since the end of the previous financial year were:

Declared and paid during the year	Cents per share	Total amount \$'000	Date of payment
Final 2023 ordinary	8.90	8,934	23 September 2023
Interim 2024 ordinary	4.80	4,823	22 March 2024
Total amount		13,757	

Declared after end of year

The following dividend was declared by the Directors since the end of the financial year:

	Cents per share	Total amount \$'000	Date of payment
Final 2024 ordinary dividend	9.20	9,245	20 September 2024
Total amount		9,245	

The financial effect of the dividends declared after the end of the year have not been brought to account in the consolidated financial statements for the year end 30 June 2024 and will be recognised in subsequent financial reports. There is no dividend re-investment plan in operation.

6. LIKELY DEVELOPMENTS

The Group will continue its strategy of increasing profitability and market share within existing categories and markets and pursue opportunities with emerging technologies in existing and new markets and categories during the next financial year.

Further information about likely developments in the operations of the Group and the expected results of those operations in future financial years has not been included in this report because disclosure of the information would be likely to result in unreasonable prejudice to the Group.

7. EVENTS SUBSEQUENT TO REPORTING DATE

The Board declared a fully franked final 2024 ordinary dividend of 9.20 cents per share. The financial effect of this dividend has not been brought to account in the consolidated financial statements for the year ended 30 June 2024.

On 24 July 2024, the Company entered into an Amended Incentive and Fitout Deed with the Landlord of Quarry Road, Stapylton and gained access to the site from 1 August 2024 under a licence arrangement to commence property upgrade works. The early works access licence fee for the period August 2024 until March 2025 is \$1.2 million.

Other than the matter noted above, there has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the Directors of the Company, to affect significantly the operations of the Group, the results of those operations, or the state of affairs of the Group, in future financial years.

8. ROUNDING OF AMOUNTS

The Company is of a kind referred to in ASIC Corporations Instrument 2016/191 issued by the Australian Securities and Investment Commission, relating to the "rounding off" of amounts in the Directors' Report. Amounts in the Directors' Report have been rounded off in accordance with that Instrument to the nearest thousand dollars unless otherwise stated.

9. ENVIRONMENTAL REGULATIONS

The Group is not subject to any significant environmental regulations.

Directors' Report

For the year ended 30 June 2024

10. INDEMNIFICATION AND INSURANCE OF OFFICERS

The Group has indemnified the Directors and Executives for costs incurred, in their capacity as a Director or Executive, for which they may be held personally liable, except where there is a lack of good faith.

During the financial year, the Group paid insurance premiums in respect of a contract to insure the Directors and Executives of the Group against a liability to the extent permitted by the *Corporations Act 2001*. The insurance contract prohibits disclosure of the nature of liability and the amount of the premium.

11. 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.

12. NON-AUDIT SERVICES

During the year KPMG, the Group's auditor, has not performed any services other than the audit and review of the financial statements.

13. LEAD AUDITOR'S INDEPENDENCE DECLARATION

The lead auditor's independence declaration is set out on page 68 and forms part of the directors' report for the financial year ended 30 June 2024.

14. DIRECTORS' INTERESTS

Details of the Directors' interests in the securities of the Company are disclosed in the remuneration report.

This report is made with a resolution of the directors:



Roland Dane
Chairman
Brisbane
15 August 2024



Kees Weel
Managing Director
Brisbane
15 August 2024

Lead Auditors Independence Declaration Under Section 307C of the Corporations Act 2001

for the year ended 30 June 2024



Lead Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

To the Directors of PWR Holdings Limited

I declare that, to the best of my knowledge and belief, in relation to the audit of PWR Holdings Limited for the financial year ended 30 June 2024 there have been:

- i. no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and
- ii. no contraventions of any applicable code of professional conduct in relation to the audit.

KPMG

KPMG

E. Neville Stanley

Erin Neville-Stanley
Partner

Brisbane
15 August 2024

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Remuneration Report

For the year ended 30 June 2024

1. LETTER FROM CHAIRMAN OF THE NOMINATION AND REMUNERATION COMMITTEE

Dear Shareholders,

On behalf of the Board, I'm pleased to present the Remuneration Report for the year ended 30 June 2024. I was delighted to join the Board of PWR in February 2024 and to be appointed Chairman of the Nomination and Remuneration Committee (NRC) on 1 March 2024.

PWR's remuneration report describes our approach to remunerating Executive key management personnel (Executives) and the key principles that underpin our Pay for Performance Framework, as well as providing information on how we remunerate our Non-Executive Directors.

Strong results while investing in capability and capacity

In 2024, PWR Holdings Limited (the "Company") and its controlled entities (the "Group") have grown revenue year on year by 17.8%. We have been able to deliver a Net Profit After Tax of \$24.8 million.

To allow the Group to deliver on future opportunities, in 2024 we have invested in expanding capability and capacity. This included investing in employee development, ongoing research and development of new technologies, continuing to grow our manufacturing footprint, including increasing our capacity in North America, and ongoing investment in additional critical equipment.

Total Fixed Remuneration Reviews for Remuneration in 2025

Annual salary reviews were conducted at the end of 2024 for salaries moving into 2025.

- **Managing Director (MD)** - In recognition of Mr Weel's established tenure in the role of MD, performing at a high level and leading the company through significant growth (in revenue, profit and share price), and in consideration of his remuneration relative to market peers, his Total Fixed Remuneration (TFR) was increased effective 1 July 2024 to \$865,030 per annum, representing a 15% increase on his TFR from the prior year. His Short Term Incentive Program (STIP) opportunity remains at 60% of TFR, with up to half payable in cash and the remaining half deferred into restricted rights over a two year period under the terms of the STIP. His Long Term Incentive Program (LTIP) opportunity remains at 90% of TFR, subject to performance over a 3-year period and payable in shares, cash or a combination of shares and cash.
- **Chief Financial Officer (CFO)** - Mr McIver's TFR increased 5.5% to \$428,790 per annum from 1 July 2024. His STIP opportunity remains at 50% of TFR, with up to half payable in cash and the remaining half deferred into restricted rights over a two year period under the terms of the STIP. His LTIP opportunity also remains at 50% of TFR, subject to performance over a 3-year period and payable in shares, cash or a combination of shares and cash at the Board's discretion.

The deferred portion of the STIP has a service condition where the Executive must remain continually employed by the Company or another Group entity until the date of vesting. 50% of the deferred portion of the STI will vest on 1 September, 14 months after the end of the STI financial year, and the remaining 50% of the deferred STI will vest on 1 September, 26 months after the end of the STI financial year. Upon vesting, the deferred portion of the STI can be paid in shares, cash or a combination of shares and cash.

Short Term Incentive Program (STIP) Outcomes for 2024

The intent of the 2024 STIP was to focus our Executives on what they can influence in the performance year. For the STIP to be activated for Executives, it must have met a profitability Gate established by the Board at the beginning of 2024. If the STIP Gate is met, this unlocks a greater STIP amount for Executives and forms the basis of a stretch target. This is a key feature of the STIP Plan that assists the Board in aligning the creation of shareholder value with actual company performance. The STIP Gate is a financial measure linked to budgeted NPAT for the Group. Provided the STIP gate is met or exceeded, the Corporate Scorecard opens and is assessed against NPAT growth, safety, staff retention, product quality and manufacturing efficiency. The more the STIP Gate is exceeded, the more of the Corporate Scorecard is unlocked for assessment.

As outlined in more detail on page 75, although the Company exceeded the gate for the STIP, forecast NPAT was not reached and the Board and Executives have agreed that they would not earn bonuses for 2024 under the STIP. The Board extends its thanks to the Executives for their extraordinary efforts during the reporting period for which I and my fellow directors sincerely thank them.

Directors' Report

Remuneration Report

For the year ended 30 June 2024

1. LETTER FROM CHAIRMAN OF THE NOMINATION AND REMUNERATION COMMITTEE (continued)

Long Term Incentive Program (LTIP) Outcomes

Performance of long-term incentive rights granted in the 2021 year were assessed for the end of 2023. Both the TSR and EPS performance hurdles for the 3-year performance period were exceeded, resulting in 100% vesting of long-term incentives in September 2023.

At the end of June 2023, following a 3-year performance period:

- the Company ranked at the 88th percentile for Total Shareholder Return (TSR) for the performance period for the 2021 performance rights (1 July 2020 to 30 June 2023) when compared to the benchmark group of ASX 300, excluding the Energy sector (oil, gas and coal)
- the Group's EPS hurdle for the 2021 performance rights was measured by the compound growth in EPS over the three year performance period. The compound EPS growth rate was 18.4% over that period, resulting in 100% of the performance rights linked to the EPS hurdle vesting.

As a result, 100% of the 2021 performance rights vested on 1 September 2023 and provided the LTIP Participants an equivalent number of the Company shares to the rights granted as remuneration. Neither Executive had any 2021 performance rights.

Board Membership

The Board has in place a long term succession plan for its membership which has resulted in a number of Board changes in 2024. Teresa Handicott, our former Chairman retired at the 2023 Annual General Meeting after serving over 8 years on the Board. Amanda Holt, an experienced Aerospace and Defence executive was appointed in September 2023 and in 2024, both myself and Jason Conroy were appointed. The skills and attributes of PWR's Board are summarised on pages 58 to 59.

Board Evaluation

We undertook a Board and Committee evaluation in 2024 and for the coming year the Board will prioritise:

- Succession planning for key management roles
- The safe delivery and smooth transition of the new headquarters for our Australian operations
- Opportunities for director development
- Considering the challenges that come with growth and developing appropriate mitigation plans for implementation.

Directors' fees remain unchanged

The fees for the Chairman and Non-Executive Directors will remain unchanged for 2025. Further details can be found on page 81.

Looking Forward

The Board has confidence in the integrity of the Pay for Performance Framework and believes it incorporates the necessary flexibility to continue to balance rewarding our Executives for performance and recognising the interests of shareholders.

Our Corporate Scorecard for 2025 will continue to focus our Executives and people on our business priorities including implementing controls to keep our people safe and well, growing our aerospace and defence business, maintaining exceptional product quality, improving productivity and efficiency, implementing our Automation roadmap and continuing to invest and innovate through our Research and Development activities.

2025 will be an important year for PWR as we focus on building our new Australian headquarters and moving our operations to Stapylton safely and with the least amount of impact on production as possible.

I wish to thank our shareholders for their continued support.

Sincerely,



Kristen Podagiel
Chairman, NRC
15 August 2024

Remuneration Report

For the year ended 30 June 2024

2. INTRODUCTION AND SCOPE OF REPORT

This report details the remuneration framework and outcomes for Key Management Personnel (KMP) of PWR Holdings Limited (the “Company”) and its controlled entities (the “Group”) for 2024. This report forms part of the Directors’ Report for this period. The information provided in the Remuneration Report has been audited as required by section 308(3C) of the *Corporations Act 2001*.

The following personnel were classified as KMP during 2024:

Executive KMP
Kees Weel, Managing Director
Martin Mclver, Chief Financial Officer
Non-Executive Directors
Roland Dane (Independent Chairman and Non-Executive Director), appointed Non-Executive Director on 1 March 2017 and Chairman on 27 October 2023.
Jeffrey Forbes (Independent, Non-Executive Director), appointed 7 August 2015
Kym Osley (Independent, Non-Executive Director), appointed 1 February 2023
Amanda Holt (Independent, Non-Executive Director), appointed 11 September 2023
Kristen Podagiel (Independent, Non-Executive Director), appointed 1 February 2024
Jason Conroy (Independent, Non-Executive Director), appointed 1 May 2024
Former Non-Executive Director
Teresa Handicott (former Independent Chairman and Non-Executive Director), retired 27 October 2023.

3. REMUNERATION GOVERNANCE

The Board is accountable for establishing the remuneration policies and framework for the Group and ensuring remuneration of the Executive KMP is fair and reasonable and aligned with the interests of shareholders. Outlined below is the Board’s framework for remuneration governance:

Board	The Board is responsible for setting remuneration policy and determining KMP remuneration. In addition, the Board is responsible for approving all key performance indicators and performance hurdles set under the Executive KMP variable remuneration framework, being the Short Term Incentive Plan (STIP) and the Long Term Incentive Plan (LTIP). The Board delegates responsibility to the Nomination and Remuneration Committee for reviewing and making recommendations to the Board on these matters. The Board retains full discretion to decrease or increase outcomes to ensure that they are fair and reasonable. The Board has regular contact with each of the Executive KMP during the year.
Nomination and Remuneration Committee	The NRC makes remuneration recommendations to the Board regarding all aspects of Executive remuneration. This includes making recommendations in relation to the targets to be included in the STIP (both the financial and other non-financial) and in relation to setting performance hurdles that attach to Performance Rights under the LTIP. The Group’s Managing Director provides updates and makes recommendations to the NRC on these matters in relation to his direct reports throughout the year. To inform the Board and NRC, and to assist with their decision-making processes, additional information and data is sought from management and remuneration consultants, as required. The NRC Charter sets out further information regarding the Committee’s objectives and role.
Managing Director	Our Managing Director makes recommendations to the NRC regarding Executive KMP who report to him and how the Pay for Performance Policy and framework applies to all our employees.
Responsibility for determining NED remuneration	The Board is responsible for assessing Non-Executive Director fees, assisted by the NRC. Shareholders approve the total annual fee limit (AFL) for Non-Executive Director remuneration. The AFL approved by shareholders is currently \$1,000,000 per annum. Reviews of Non-Executive Director and Committee Member fees are carried out periodically with assistance of independent benchmarking reports and/or consultants.
Remuneration Consultants	There were no remuneration consultants appointed in 2024.

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For the year ended 30 June 2024

4. REMUNERATION PRINCIPLES

The guiding principles governing the Group's Pay for Performance Policy and how we implement them are summarised in the table below:

Guiding Principles		How we meet these principles
Attract and Retain	Remuneration will incorporate external market reference to maintain market competitiveness	We periodically undertake remuneration benchmarking using independent remuneration consultants to maintain market competitiveness and ensure our reward supports the Group in both attracting and retaining key talent.
Pay Executives for Performance that Delivers Value to Shareholders	Make clear the line of sight between performance and reward to ensure that superior performance is recognised and rewarded, with a view to driving long-term growth and shareholder value	<p>We set key performance indicators that have a stretch target component, evidenced by improvement over and above actual results achieved from the prior year or specifically linked to achievement of an outcome linked to our strategic objectives.</p> <p>We also ensure our reward outcomes are aligned to performance by providing a significant part of Executive KMP "at risk" remuneration on both financial and non-financial measures.</p> <p>We align short term and long term performance measures to our strategy and vision. This includes a focus on the Group being a safe place to work, ensuring our reputation for quality products and innovation is maintained, achieving key strategic priorities, and achieving leading Total Shareholder Returns.</p>
Promote Internal Fairness and Equity	Provide fair, consistent, and internally equitable reward to appropriately compensate employees for their contributions and performance outcomes	<p>The Group's DNA is at the centre of how we work together to deliver on our goals.</p> <p>Internal equity is achieved partly through external benchmarking and internally moderating performance assessments across the business.</p>
Always Consider the Group's Capacity to Pay	Manage the balance between reward funding and Company performance / financial outcomes	The Board maintains ultimate discretion under the Group's incentive plans to make awards or not and all awards are subject to consideration of the Company's ability to pay.
Build Trust by Promoting Transparency	Ensure a level of transparency and clarity in reward design and governance processes	We attempt to report in a transparent manner on the link between reward and performance under our incentive schemes and outline the governance process to give confidence to our shareholders.

5. REMUNERATION STRUCTURE

The Total Remuneration for Executive KMP is made up of the following 3 components:

Component	What it is	How does it link to strategy and performance?
Total Fixed Remuneration (TFR)	TFR consists of base salary and statutory superannuation contributions.	Provides competitive ongoing remuneration in recognition of accountabilities for their role.
Short Term Incentive (STI)	The STI Plan is an annual bonus that involves linking specific financial and non-financial targets with the opportunity to earn incentives based on a percentage of TFR. Half of the STIP earned by Executive KMP is paid in cash and half is deferred by either 14 or 26 months through restricted rights which convert upon vesting to shares, cash or a combination of shares and cash shares and cash at the Board's discretion.	<p>Ensures TFR is competitive.</p> <p>Rewards delivery of strategic KPIs through the Corporate Scorecard</p> <p>Enables individual performance to be rewarded based on personal KPIs specific to the role.</p>

Remuneration Report

For the year ended 30 June 2024

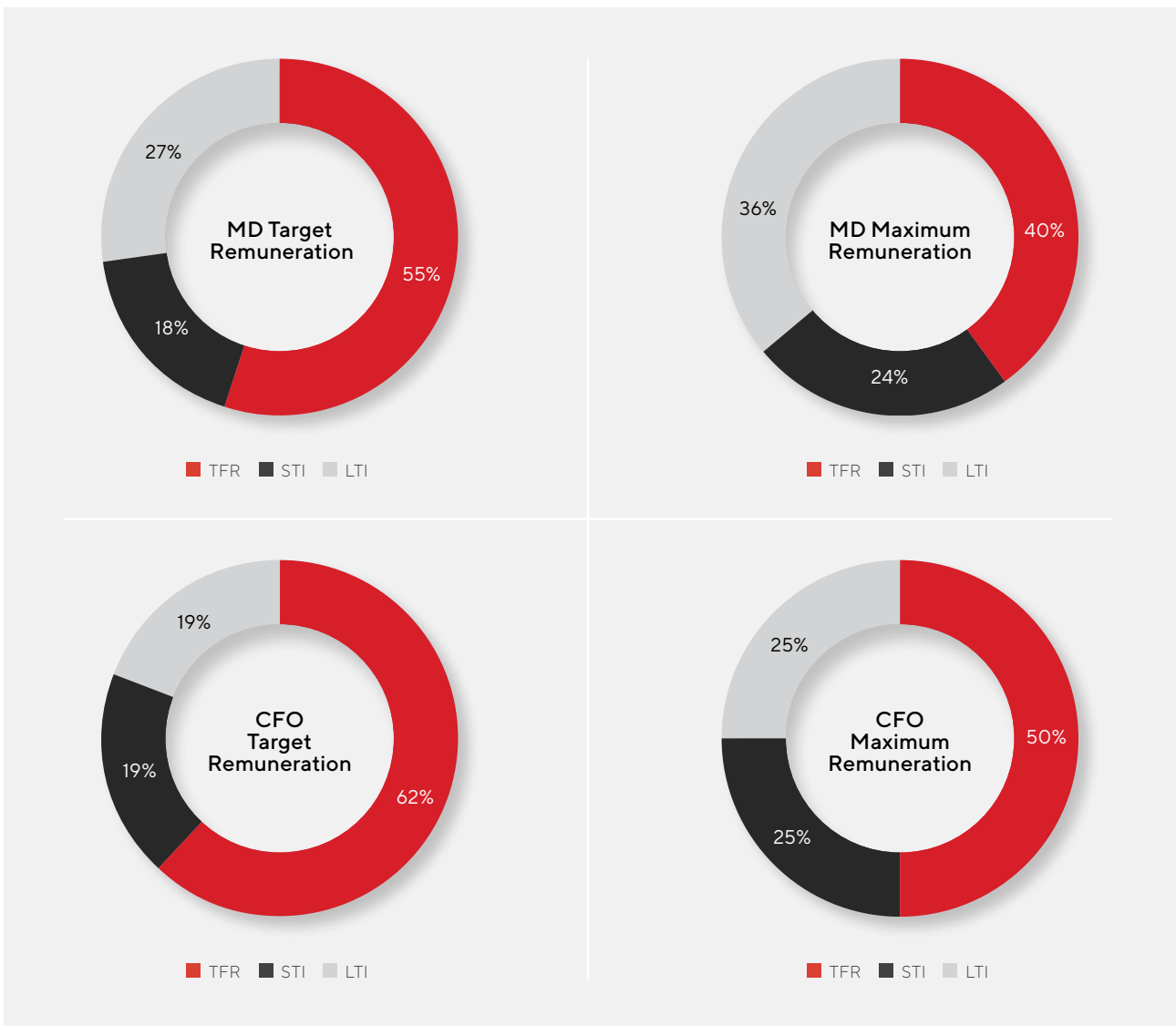
5. REMUNERATION STRUCTURE (continued)

Component	What it is	How does it link to strategy and performance?
Long Term Incentive (LTI)	The LTI Plan is designed to link long-term executive performance with ongoing creation of shareholder value, through performance rights which convert to shares, cash or a combination of shares and cash, subject to the satisfaction of long term performance conditions.	Rewards delivery of strategic objectives and longer term growth and sustained shareholder value. Provides greater alignment between shareholder and participant outcomes.

6. REMUNERATION MIX

Remuneration mix for the Executive KMP refers to the proportion of Total Remuneration that is made up of each component of remuneration as outlined in contracts of employment and not actual remuneration received during the year.

Figure 1 Targeted and Maximum Remuneration Mix



Directors' Report

Remuneration Report

For the year ended 30 June 2024

7. LINK BETWEEN THE GROUP PERFORMANCE, REMUNERATION OUTCOMES AND SHAREHOLDER VALUE

The Board's objective when determining remuneration for the Executive KMP is that remuneration outcomes should be linked to the performance of the Group. Given the longer term component of remuneration, reporting on performance for 2024 together with performance over prior years provides shareholders with important context.

Table 1 The Group's Historical Performance below summarises and compares the Group's performance in recent financial years ending 2024.

Table 1 The Group's Historical Performance

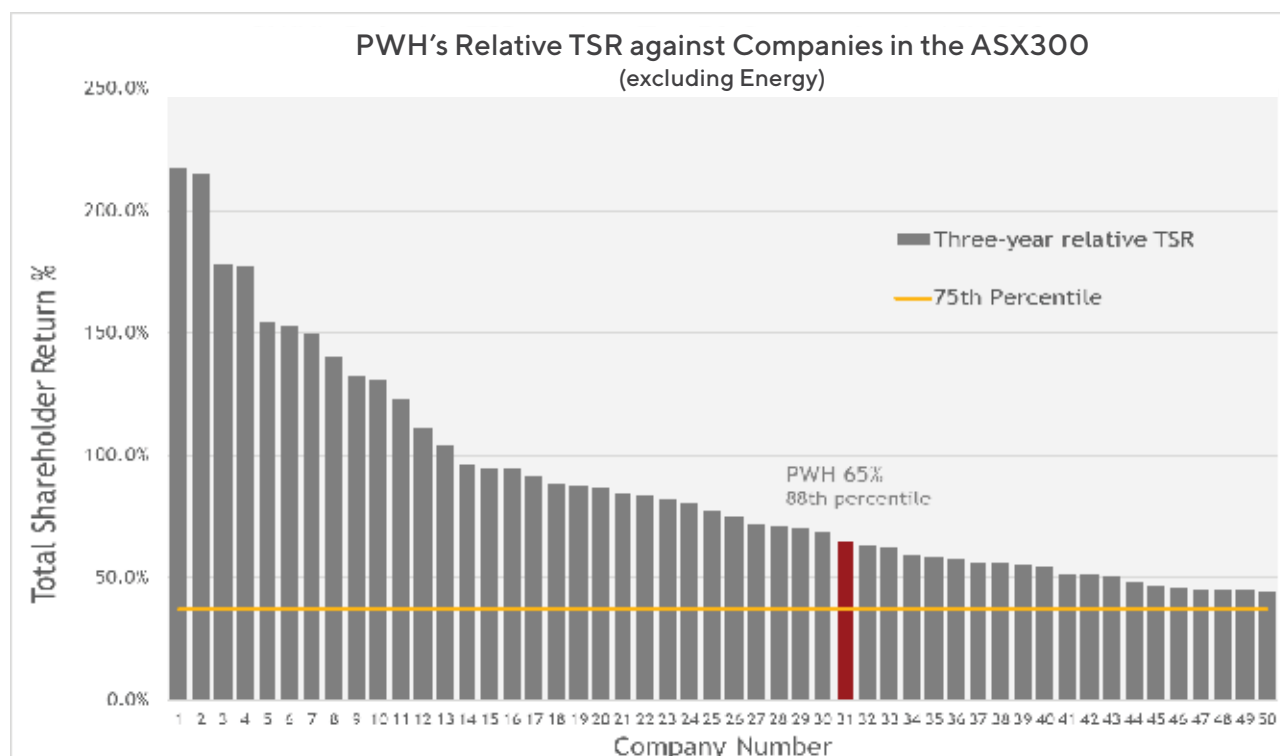
Key indicators	Units	Note	2024	2023	2022	2021	2020
EBITDA ¹	\$'000		\$45,186	\$39,051	\$35,747	\$28,963	\$23,430
Net profit after tax	\$'000		\$24,805	\$21,752	\$20,843	\$16,797	\$13,049
Ordinary dividend per share	cents		14.00	12.50	12.00	8.80	5.90
Change in share price year-on-year	\$		\$2.31	\$2.35	(\$0.77)	\$2.60	\$0.37
Earnings per share	cents	B5	24.69	21.67	20.79	16.77	13.04
Total Shareholder Return Ranking ²	percentile		88 th percentile	88 th percentile	86 th percentile	98 th percentile	90 th percentile

1 Earnings Before Interest, Tax, Depreciation and Amortisation (EBITDA) is a non-IFRS term which has not been subject to audit or review but has been determined using information presented in the annual financial report. Refer to page 9 for the EBITDA reconciliation to profit before tax.

2 Compares the Company's TSR to the S&P/ASX 300 excluding companies operating in the Energy sector (oil, gas and coal) and those that have de-listed over a 3 year performance period ending on 30 June for the relevant financial year.

Figure 2 The Company's Total Shareholder Return (3 years to 30 June 2024) compares PWR to the ASX 300, excluding Energy sector (oil, gas and coal) over the 3 year performance period, ranking PWR at the 88th percentile.

Figure 2 The Company's Total Shareholder Return (3 years to 30 June 2024)



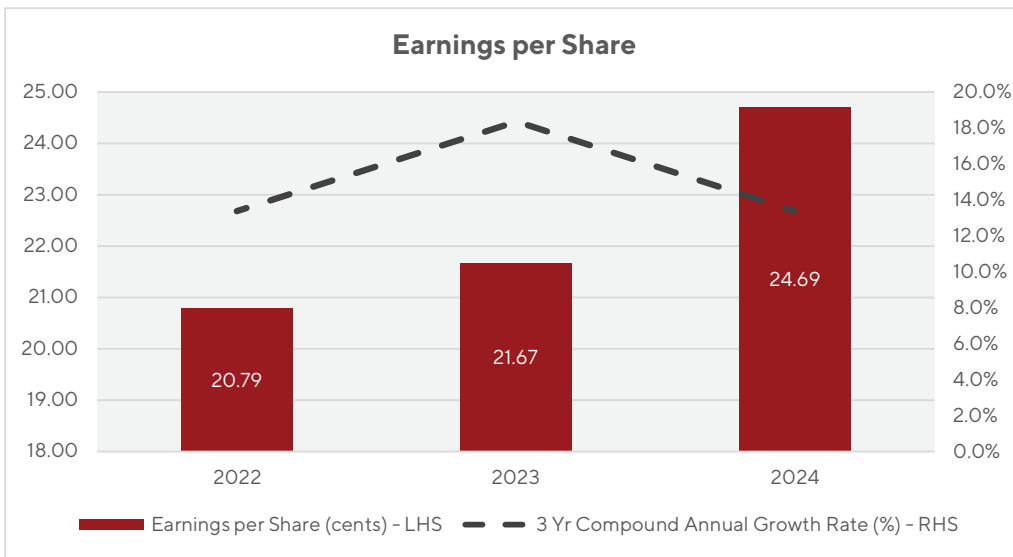
Remuneration Report

For the year ended 30 June 2024

7. LINK BETWEEN THE GROUP PERFORMANCE, REMUNERATION OUTCOMES AND SHAREHOLDER VALUE (continued)

Figure 3 The Group's EPS growth to 30 June 2024, shows a year on year increase in the Group's Earnings per Share which equates to a 3 year growth rate of 47.2% and a 3 year compound annual growth rate of 13.8%.

Figure 3 The Group's 3-year growth in EPS to 30 Jun 2024



8. EXECUTIVE KMP SHORT TERM INCENTIVE REMUNERATION OUTCOMES

8.1. STIP Gate

The STIP operates with a NPAT gate to activate the plan. For 2024 the NPAT gate was 90% of the NPAT budget. The gate was exceeded for 2024, opening the corporate component of the STIP up to 82% of its maximum score. An increasing amount of STIP is available depending on by how much the STIP gate is exceeded. The maximum score of 100% requires the STIP gate (NPAT Budget) to be exceeded by 10%. Notwithstanding that the Gate was exceeded, the NPAT budget was not achieved and the Board and Executive KMP agreed that no STI would be payable to them for 2024.

8.2. Corporate Scorecard

At the beginning of the reporting period, the Board established Company KPIs which together formed the Company Scorecard and which are largely non-financial KPIs. Subject to the STIP gate being met or exceeded the Company Scorecard accounts for up to 60% of the maximum potential STIP bonus payable to the Executive KMP. Corporate KPIs on the Company Scorecard align interest and performance at a Group level and to be achieved require strategic thinking, collaboration, and business wide leadership which ultimately improves both short and long term shareholder value.

Directors' Report

Remuneration Report

For the year ended 30 June 2024

8. EXECUTIVE KMP SHORT TERM INCENTIVE REMUNERATION OUTCOMES (continued)

Outcomes of the 2024 Corporate Scorecard are outlined below:

Figure 4 Company Scorecard Outcomes 2024

KPI	Growth	Profitability	Excellence
Weighting	20% (15% target and 5% stretch)	20% (15% target and 5% stretch)	60% (35% target and 25% stretch)
Measure	Group NPAT and Manufacturing Location NPAT	Delivery in Full and On Time (DIFOT) Cost of Poor Quality (COPQ)	Human Resource Information System ERP Enhancement Voluntary Employee Turnover Group Lost Time Injury Frequency Rate % Female Workforce
Result	Group NPAT Australia NPAT Europe NPAT North America NPAT	Australia DIFOT Europe DIFOT North America DIFOT	Australia COPQ Europe COPQ North America COPQ HRIS Implemented ERP Enhancement Employee Turnover Lost Time Injury Frequency Rate % Female Workforce

8.3. Personal Scorecards

Personal Scorecards for Executive KMP accounts for up to 40% of the maximum potential STIP bonus payable and includes 2 measures:

- 10% on meeting Group EBITDA target.
- Up to 30% on meeting personal KPIs aligned to achieving key business outcomes identified in the Group's strategic plan. Outcomes for personal KPIs for the Executive KMP are set out below:

Table 2 Executive KMP Personal KPI Outcomes

Executive KMP	Personal KPI	Weighting	Percentage of KPI outcomes achieved	STIP Outcomes
Kees Weel (Managing Director)	- Targets related to succession planning, capacity expansion and demonstration of the Group DNA	30%	21%	Zero STIP. 2024 Budget not met
	- Group EBITDA target	10%	0%	
	- Corporate Scorecard	60%	18.6%	
Martin McIver (Chief Financial Officer)	- Targets related to financial reporting, ERP development and demonstration of the Group DNA	30%	23%	Zero STIP. 2024 Budget not met
	- Group EBITDA target	10%	0%	
	- Corporate Scorecard	60%	18.6%	

Remuneration Report

For the year ended 30 June 2024

8. EXECUTIVE SHORT TERM INCENTIVE REMUNERATION OUTCOMES (continued)

8.4. 2024 STIP Awards

Table 3 Executive KMP 2024 STIP Awards

Executive KMP	Maximum Potential STIP (% TFR)	STIP earned in 2024 (\$)	Actual Bonus included in 2024 remuneration (\$)	Actual Bonus Earned in 2024 (as % TFR)
Kees Weel (Managing Director)	60%	\$0	\$0	\$0
Martin Mclver (Chief Financial Officer)	50%	\$0	\$0	\$0

9. LTIP PERFORMANCE OUTCOMES AND 2024 AWARDS

The following table sets out LTIP performance outcomes for the 3 year period ended 30 June 2023. Performance Rights vested in September 2023, were exercised in October 2023 and Company shares issued to participants. The Executive KMP did not hold any performance rights relating to the 3-year period ended 30 June 2023.

Table 4 LTIP Performance Outcomes for the 3-year period ended 30 June 2023

Performance measure	Outcome	% of LTIP attaching to performance measure payable
EPS growth		
From 1 July 2020 to 30 June 2023	66.2%	100%
Relative Total Shareholder Return		
Relative to S&P/ASX 300 excluding companies operating in the Energy sector (oil, gas and coal) and those that have de-listed since 1 July 2020 over a 3 year performance period ending on 30 June 2023	88 th percentile	100%

The following table sets out LTIP performance outcomes for the 3 year period ended 30 June 2024. Performance Rights vest in September 2024 and following exercise, Company shares will be issued to participants, subject to participants remaining employed at the date of vesting.

Table 5 LTIP Performance Outcomes for the 3 year period ended 30 June 2024

Performance measure	Outcome	% of LTI payable
Compound annual EPS growth		
From 1 July 2021 to 30 June 2024	13.8%	100%
Relative Total Shareholder Return		
Relative to S&P/ASX 300 excluding companies operating in the Energy sector (oil, gas and coal) and those that have de-listed since 1 July 2021 over a 3 year performance period ending on 30 June 2024	88 th percentile	100%

Directors' Report

Remuneration Report

For the year ended 30 June 2024

9. LTIP PERFORMANCE OUTCOMES AND FY2024 AWARDS (continued)

The following table sets out details of performance rights held by and granted to Executive KMP.

Table 6 Performance Rights held by and granted to Executive KMP for the period ended 30 June 2024

Name	Balance at 1 July 2023	Granted during the year	Vested during the year	Forfeited during the year	Balance 30 June 2024	\$ value of rights at grant date ¹
Kees Weel	50,077	78,436	-	-	128,513	\$1,127,721
Martin Mclver	33,175	23,491	-	-	56,666	\$499,019

1. Total value of performance rights on issue based on the fair value of the performance rights on the respective grant dates.

The table below sets out the percentage performance achieved and percentage vested against the LTIP for performance rights currently on issue to Executive KMP.

Table 7 Performance and vesting of Performance Rights held by and granted to Executive KMP per year

Plan Year	Grant date	Vesting date ¹	Value of rights at grant date ²	EPS target achieved	TSR target achieved	% vested
2022 LTIP	01/10/21	01/09/24	\$287,025	100%	100%	Vest on 01/09/24
2023 LTIP	08/11/22	01/09/25	\$660,081	To be determined		
2024 LTIP	01/11/23	01/09/26	\$829,686	To be determined		

1. Subject to Board approval of performance hurdles and service conditions being met

2. Matthew Bryson was classified as an Executive KMP for the 2022 Plan Year

10. SUMMARY OF REMUNERATION COMPONENTS AND HOW THEY OPERATE

10.1. Total Fixed Remuneration

Total Fixed Remuneration is set with reference to the median of the Group's peers and is a function of size and complexity of the role, individual responsibilities, experience, skills and market remuneration levels. This consists of cash salary, salary sacrifice items, employer superannuation, annual leave provisions and any fringe benefits tax charges related to employee benefits. The opportunity to salary sacrifice benefits on a tax-compliant basis is available.

The Board determines an appropriate level of fixed remuneration for the Executive KMP following recommendations from the NRC. The NRC has the delegated authority from the Board to engage independent remuneration consultants as it sees fit.

Fixed remuneration is reviewed annually following performance reviews at the end of the financial year and considers the Executive KMP's role and accountabilities, relevant market benchmarks and attraction, retention and motivation of Executive KMP in the context of the overall market.

With respect to the annual salary reviews conducted at the end of 2024 for salaries moving into 2025, the Board referred to the July 2022 Godfrey Remuneration Group (**GRG**) benchmark report on the Executive KMP Total Variable Remuneration and took on board GRG's advice when determining remuneration for the Executive KMP for 2024. The outcome of that exercise was:

- Managing Director (**MD**) - In recognition of Mr Weel's established tenure in the role of MD, performing at a high level and leading the company through significant growth (in revenue, profit and share price), and in consideration of his remuneration relative to market peers, his Total Fixed Remuneration (TFR) was increased effective 1 July 2024 to \$865,030 per annum, representing a 15% on his base pay from the prior year. His Short Term Incentive Program (STIP) opportunity remains at 60% of TFR, with up to half payable in cash and the remaining half deferred into restricted rights over a two year period under the terms of the STIP. His Long Term Incentive Program (LTIP) opportunity remains at 90% of TFR, subject to performance over a 3-year period and payable in shares, cash or a combination of shares and cash.
- Chief Financial Officer (**CFO**) - Mr Mclver's TFR increased 5.5% to \$428,790 per annum from 1 July 2024. His STIP opportunity remains at 50% of TFR, with up to half payable in cash and the remaining half deferred into restricted rights over a two year period under the terms of the STIP. His LTIP opportunity also remains at 50% of TFR, subject to performance over a 3-year period and payable in shares, cash or a combination of shares and cash.

Remuneration Report






For the year ended 30 June 2024

10. SUMMARY OF REMUNERATION COMPONENTS AND HOW THEY OPERATE (continued)

The deferred portion of any STIP earned will have a service condition where the Executives must remain continually employed by the Company or another Group entity until the date of vesting. 50% of the deferred portion of the STI will vest on 1 September, 14 months after the end of the STI financial year, and the remaining 50% of the STI will vest on 1 September, 26 months after the end of the STIP financial year. STIP performance rights can be paid in shares, cash or a combination of shares and cash at the Board's discretion.

10.2. 2024 Short Term Incentives

The Executive KMP are eligible to participate in the Group's short-term incentive plan.

Executive KMP Participants	Managing Director and Chief Financial Officer				
How is it paid	Annual bonus subject to achievement of corporate and personal KPIs with 50% of the STIP entitlement awarded in cash, 25% deferred as equity (restricted rights), vesting in September, 14 months after the relevant performance period and 25% deferred as equity (restricted rights), vesting in the September 26 months after the relevant performance period. Restricted rights convert into ordinary shares in the Company on a 1 for 1 basis or paid in cash calculated by multiplying the number of rights by the share price at the time of vesting, or a combination of ordinary shares and cash, at the Board's discretion.				
STIP Gate	The STIP gate is a minimum profit gateway based on the Group's budgeted profit after tax target which must be met for the STIP to be activated for Executive KMP. The amount by which the gate is exceeded then determines the maximum that can be attributed to each KPI on the Company Scorecard.				
Corporate Scorecard	The Board establishes company KPIs that form the Corporate Scorecard on an annual basis. These are determined by assessing key drivers that are required to deliver on our strategic objectives and require the Executive KMP to work as a team to achieve. Corporate Scorecard accounts for up to 60% of the maximum potential STIP bonus payable to the Executive KMP.				
Personal KPIs	At the beginning of the performance period, the Board establishes personal KPIs for the Managing Director and the Managing Director recommends personal KPIs for other Executive KMP for Board approval. Personal KPIs represent up to 40% of the maximum potential STIP award to the Executive KMP and for payment to be made against these KPIs, the STIP gate must have been met. If the STIP gate is not met, irrespective of whether the KPIs have been achieved, they attract no STIP award				
Target	Managing Director – 45.0% TFR Chief Financial Officer – 37.5% TFR				
Maximum	Managing Director – 60% TFR Chief Financial Officer – 50% TFR				
Potential Outcome of STIP		STIP not activated for Executive KMP			No STI Award
	Not met				
STIP Gate 	Met	Company Scorecard Weighting Maximum 45% 	Personal KPIs and PWR DNA - Weighting Maximum 40% 	=	STI Award Corporate up to 75% of maximum Personal up to 100% of maximum
	Exceeded	Company Scorecard Weighting between 45% and 60% 	Personal KPIs and PWR DNA - Weighting Maximum 40% 	=	STI Award Corporate up to 100% of maximum Personal up to 100% of maximum

Directors' Report

Remuneration Report

For the year ended 30 June 2024

10. SUMMARY OF REMUNERATION COMPONENTS AND HOW THEY OPERATE (continued)

10.3. 2024 Long Term Incentives

The Executive KMP are eligible to participate in the Group's long term incentive plan.

The LTIP is an equity-based incentive designed to provide participants with the incentive to deliver growth in shareholder value.

Executive participants	Managing Director and Chief Financial Officer																
How is it paid?	Performance Rights. Executive KMP are invited by the Board to apply for performance rights (Rights) on an annual basis under the LTIP as part of their Total Remuneration.																
How many Rights are granted?	The number of Rights granted to each Executive is calculated by dividing the % of TFR eligibility by the Company volume weighted average share price for the 30 days of the June prior to the commencement of the performance period. Managing Director – 90% of TFR (Grant of performance rights to the Managing Director is subject to approval of shareholders at each Annual General Meeting (AGM)). Chief Financial Officer – 50% of TFR																
Performance period	3 years. At the end of the 3 year performance period, the Rights convert into ordinary shares in the Company on a 1 for 1 basis or paid in cash calculated by multiplying the number of rights by the share price at the time of vesting, or a combination of ordinary shares and cash, at the Board's discretion.																
Performance hurdles ¹	<p>Total Shareholder Return</p> <ul style="list-style-type: none"> 50% of the rights will vest upon the achievement of Total Shareholder Return (TSR) ranking criteria relative to the TSR of constituents of the S&P/ASX300, excluding Energy sector (oil, gas and coal). TSR is calculated by an independent third party, comparing the TSR percentile rank that the Company holds relative to the benchmark group for the relevant 3-year performance period: <table border="1"> <thead> <tr> <th>TSR Ranking (TSR)</th> <th>Vesting outcome</th> </tr> </thead> <tbody> <tr> <td>TSR is 50% or less</td> <td>Nil vesting</td> </tr> <tr> <td>TSR is more than 50% but less than 75%</td> <td>Pro rata vesting</td> </tr> <tr> <td>TSR is 75% or more</td> <td>100% vesting</td> </tr> </tbody> </table> <ul style="list-style-type: none"> 50% of the rights will vest based on compound growth in annual EPS relative to a target set by the Board. Vesting is determined by the compound annual growth rate in EPS over the 3-year Performance Period measured against specific EPS targets: <table border="1"> <thead> <tr> <th>Earnings Per Share (EPS)</th> <th>Vesting outcome</th> </tr> </thead> <tbody> <tr> <td>Compound annual growth rate of EPS <4%</td> <td>Nil vesting</td> </tr> <tr> <td>Compound annual growth rate of EPS ≥4% to ≤10%</td> <td>Pro rata vesting</td> </tr> <tr> <td>Compound annual growth rate of EPS >10%</td> <td>100% vesting</td> </tr> </tbody> </table>	TSR Ranking (TSR)	Vesting outcome	TSR is 50% or less	Nil vesting	TSR is more than 50% but less than 75%	Pro rata vesting	TSR is 75% or more	100% vesting	Earnings Per Share (EPS)	Vesting outcome	Compound annual growth rate of EPS <4%	Nil vesting	Compound annual growth rate of EPS ≥4% to ≤10%	Pro rata vesting	Compound annual growth rate of EPS >10%	100% vesting
TSR Ranking (TSR)	Vesting outcome																
TSR is 50% or less	Nil vesting																
TSR is more than 50% but less than 75%	Pro rata vesting																
TSR is 75% or more	100% vesting																
Earnings Per Share (EPS)	Vesting outcome																
Compound annual growth rate of EPS <4%	Nil vesting																
Compound annual growth rate of EPS ≥4% to ≤10%	Pro rata vesting																
Compound annual growth rate of EPS >10%	100% vesting																
Service Condition	Participants must remain continually employed with the Company until the date of vesting.																
Vesting	Rights that do not vest at the end of the 3-year period lapse unless the Board in its discretion determines otherwise. Upon cessation of employment prior to the vesting date, Rights will be forfeited and lapse unless the Board in its discretion determines otherwise. Rights do not entitle holders to dividends that are declared during the vesting period.																

1. Performance hurdles for performance rights issued during 2024 are unchanged from the prior period.

Remuneration Report

For the year ended 30 June 2024

10. SUMMARY OF REMUNERATION COMPONENTS AND HOW THEY OPERATE (continued)

Why relative TSR and Compound EPS?	The Board believes that these hurdles represent an appropriate balance between internal performance and external benchmarking. EPS is a relevant indicator of increase in shareholder value and the EPS hurdles provide a line of sight to encourage performance. Relative TSR is aligned with the Group's growth strategy.
Restrictions	Participants are prohibited from entering transactions or arrangements which operate to transfer or limit the economic risk of any Rights held under the LTIP while they are subject to performance hurdles or otherwise unvested.

11. CONTRACT DURATION AND TERMINATION REQUIREMENTS

The Company has contracts of employment with no fixed tenure requirements with the Executive KMP. The notice period for each is outlined in the table below. Termination with notice may be initiated by either party. The contracts contain customary clauses dealing with immediate termination for gross misconduct, confidentiality, and post-employment restraint of trade provisions.

Table 8 Executive KMP Notice Periods

Name	Position	Notice Period
Kees Weel	Managing Director	6 months
Martin Mclver	Chief Financial Officer	3 months

12. REMUNERATION OF NON-EXECUTIVE DIRECTORS

12.1. NED Remuneration Policy

Non-Executive Directors receive remuneration for undertaking their role. They do not participate in the Group's incentive plans nor receive any variable remuneration. Non-Executive Directors are not entitled to retirement payments.

The objective of the Non-Executive Director remuneration policy is to:

- provide a clear fee arrangement that avoids potential conflicts of interest associated with performance incentives,
- remunerate Directors at market rates for their commitment and responsibilities, and
- obtain independent external remuneration advice when required.

The Main Board Package (MBP) approved by Shareholders in 2022 is \$1,000,000 per annum (inclusive of superannuation contributions). The Board determines the distribution of Non-Executive Director fees within the approved MBP.

12.2. NED Remuneration

The following table sets out the Main Board Package for the Chairman and Non-Executive Directors throughout the reporting period.

Table 9 Non-Executive Director Main Board Package

Role	MBP during Reporting Period \$
Chairman	195,000
Non-Executive Director	110,000
Chairman Audit, Risk and Sustainability Committee and Chairman Nomination and Remuneration Committee	20,000

Remuneration Report

For the year ended 30 June 2024

13. KEY MANAGEMENT PERSONNEL | STATUTORY REMUNERATION TABLE

Details of the nature and amount of each major element of remuneration of each Director and Executive of the Group for the Reporting Period are:

Table 10 KMP Statutory Remuneration Table

Name and Role	Year	Short-term benefits			Total	Post Employment Benefits		Termination benefits	Long-term benefits		Share-based payments	Total
		Cash salary & fees	Cash Bonus	Non-cash benefits		Super benefits	Long service leave		Performance rights			
		\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Non-executive Directors												
Current												
Roland Dane ^{1,6}	2024	166,667	-	-	166,667	-	-	-	-	-	-	166,667
Chairman, Non-Executive Director	2023	110,000	-	-	110,000	-	-	-	-	-	-	110,000
Jeff Forbes	2024	117,648	-	-	117,648	12,941	-	-	-	-	-	130,589
Non-Executive Director	2023	117,648	-	-	117,648	12,352	-	-	-	-	-	130,000
Kym Osley ⁶	2024	110,000	-	-	110,000	-	-	-	-	-	-	110,000
Non-Executive Director	2023	45,833	-	-	45,833	-	-	-	-	-	-	45,833
Amanda Holt ²	2024	88,544	-	-	88,544	9,740	-	-	-	-	-	98,284
Non-Executive Director	2023	-	-	-	-	-	-	-	-	-	-	-
Kristen Podagiel ³	2024	52,500	-	-	52,500	5,775	-	-	-	-	-	58,275
Non-Executive Director	2023	-	-	-	-	-	-	-	-	-	-	-
Jason Conroy ⁴	2024	16,516	-	-	16,516	1,817	-	-	-	-	-	18,333
Non-Executive Director	2023	-	-	-	-	-	-	-	-	-	-	-
Former												
Teresa Handicott ⁵	2024	57,207	-	-	57,207	6,293	-	-	-	-	-	63,500
Chairman, Non-Executive Director	2023	176,471	-	-	176,471	18,529	-	-	-	-	-	195,000
Total - Non-Executive	2024	609,082	-	-	609,082	36,566	-	-	-	-	-	645,648
Directors' Remuneration	2023	449,952	-	-	449,952	30,881	-	-	-	-	-	480,833

1 Appointed Chairman 27 October 2023

2 Appointed Non-Executive Director 11 September 2023

3 Appointed NED 1 February 2024 and Chairman NRC 1 March 2024

4 Appointed NED 1 May 2024

5 Retired 27 October 2023

6 Director's fees paid to a company or trust instead of paying as salary and superannuation to the individual Director

Remuneration Report

For the year ended 30 June 2024

13. KEY MANAGEMENT PERSONNEL | STATUTORY REMUNERATION TABLE (continued)

Name and Role	Year	Short-term benefits			Employment Benefits		Long-term benefits			Share-based payments		Proportion of remuneration performance related %
		Cash salary & fees	Cash Bonus	Non-cash benefits ¹	Total	Super benefits	Termination benefits	Long service leave	Performance Rights ²	Total		
		\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	%
Executive Directors and Executives												
Current												
Kees Weel	2024	736,772	-	42,705	779,477	29,033	-	25,182	324,417	1,158,109	28.0%	
Managing Director	2023	625,694	142,541	52,027	820,262	26,250	-	25,283	111,367	983,162	25.8%	
Martin McIver	2024	384,821	-	18,364	403,185	28,300	-	-	152,841	584,326	26.2%	
Chief Financial Officer	2023	354,192	42,929	3,348	400,469	25,292	-	-	85,785	511,546	25.2%	
Total – Executive Directors' and Executives' Remuneration	2024	1,121,593	-	61,069	1,182,662	57,333	-	25,182	477,258	1,742,435	27.4%	
	2023	979,886	185,470	55,375	1,220,731	51,542	-	25,283	197,152	1,494,708	25.6%	
Total – KMP Remuneration	2024	1,730,675	-	61,069	1,791,744	93,899	-	25,182	477,258	2,388,083	20.0%	
	2023	1,429,838	185,470	55,375	1,670,683	82,423	-	25,283	197,152	1,975,541	19.4%	

1 Annual leave and Fringe Benefits Tax (FBT) movement

2 The fair value of the rights is calculated at the date of grant and allocated to each reporting period evenly over the period from grant date to vesting date.

Directors' Report

Remuneration Report

For the year ended 30 June 2024

14. SHAREHOLDINGS OF KEY MANAGEMENT PERSONNEL

The movement during the year in the number of ordinary shares in PWR Holdings Limited held, directly, indirectly or beneficially, by each member of the Key Management Personnel, including their related parties, is as follows:

Table 11 Shareholdings of KMP

Name	Shareholdings of KMP				Closing Balance 30 June 2024
	Opening Balance 1 July 2023	Shares acquired during the year	Shares disposed of during the year	Shares issued on exercise of performance rights	
Non-Executive Directors					
Roland Dane	73,768	41,176	-	-	114,944
Jeff Forbes	20,000	-	-	-	20,000
Kym Osley	-	3,000	-	-	3,000
Amanda Holt	-	1,000	-	-	1,000
Kristen Podagiel	-	-	-	-	-
Jason Conroy	-	10,000	-	-	10,000
Executives					
Kees Weel ¹	19,307,788	-	2,494,719	-	16,813,069
Martin Mclver	1,200	-	-	-	1,200
Former Non-Executive Directors					
Teresa Handicott ²	41,500	-	-	-	41,500

1 61,385 shares held personally by Kees Weel; 16,751,684 shares held by entities controlled by Kees Weel (10,000,000 shares held by Wagon Weel Co. Pty Ltd as trustee for the Wagon Weel Trust. At 30 June 2024 Kees Weel is a director of the trustee and beneficiary of the Wagon Weel Trust; 6,751,684 shares held by KPW Property Holdings Pty Ltd as trustee for the KPW Holdings Trust. At 30 June 2024 Kees Weel is a director of the trustee and beneficiary of the trust).

2 Closing balance is at date of retirement, 27 October 2023.

15. VOTING AND COMMENTS MADE AT THE COMPANY'S 2023 ANNUAL GENERAL MEETING

The Company received 99.24% 'for' votes on its remuneration report for 2023. The Company did not receive any specific feedback or comments at the 2023 AGM on its remuneration report.

16. EQUITY INSTRUMENTS

16.1. Performance rights over equity instruments

Details of performance rights over ordinary shares in the Company that were granted as remuneration to Executive KMP during the reporting period are included in Table 13 Executive KMP Performance Rights Over Equity Instruments on page 85.

There were no alterations to the terms and conditions of performance rights granted as remuneration to Executive KMP since their grant date.

Remuneration Report

For the year ended 30 June 2024

16. EQUITY INSTRUMENTS (continued)

103,791 performance rights vested during the reporting period. Total Performance Rights on issue at 30 June 2024 are as follows:

Table 12 Rights Over Equity Instruments Granted as Remuneration

Executive KMP	Description of Rights	Number of Rights granted	Fair Value per Right at Grant Date		Grant Date	Vesting Date	Expiry Date	Estimated maximum expense to be recognised in future periods ¹
			TSR Component \$	EPS Component \$				
Kees Weel	2023 LTIP	50,077	9.35	10.19	08/10/22	01/09/25	01/03/26	\$203,696
Managing Director	2024 LTIP	78,436	8.14	8.14	02/11/23	01/09/26	01/03/27	\$488,241
Martin Mclver	2022 LTIP	15,690	8.15	9.31	01/10/21	01/09/24	01/03/25	\$8,095
Chief Financial Officer	2023 LTIP	17,485	9.35	10.19	08/10/22	01/09/25	01/03/26	\$71,123
	2024 LTIP	23,491	8.14	8.14	02/11/23	01/09/26	01/03/27	\$146,225
Total on Issue to Executive KMP		185,179						
Total on Issue to Non KMP		299,506						
Total on issue at 30 June 2024		484,685						
Total Vested during the reporting period		103,791						
Total Forfeited due to resignation		26,017						

1. Estimated minimum expense to be recognised in future periods is nil if vesting conditions are not expected to be met.

The movement during the reporting period, by number of rights over ordinary shares in PWR Holdings Ltd held, directly, indirectly or beneficially by each member of the Executive KMP, including their related parties, is as follows:

Table 13 Executive KMP Performance Rights Over Equity Instruments

Rights	Held 1 July 2023	Granted as compensation	Exercised	Lapsed	Forfeited	Held 30 June 2024	Vested during year	Vested and exercisable at 30 June 2023	Vested and unexercisable at 30 June 2024
Kees Weel	50,077	78,436	-	-	-	128,513	-	-	-
Martin Mclver	33,175	23,491	-	-	-	56,666	-	-	-

The forfeited Rights represent those Rights that did not vest due to failure to meet service conditions.

During the reporting period, the following shares were issued on the exercise of Rights previously granted as compensation:

Table 14 Rights That Vested to Executive KMP During the Reporting Period

Executive KMP	Number of shares	Amount paid per share \$
Kees Weel	-	-
Martin Mclver	-	-

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For the year ended 30 June 2024

16. EQUITY INSTRUMENTS (continued)

The value of Rights over ordinary shares in the Company granted and exercised by each Executive KMP during the reporting period is detailed below.

Table 15 Value of Rights That Vested to Executive KMP during the Reporting Period

Executive KMP	Granted in year \$ ¹	Value of rights exercised in year \$ ²
Kees Weel	638,469	-
Martin McIver	191,217	-

- 1 The total value of rights granted in the year is the fair value of the rights calculated at grant date. This amount is allocated to remuneration over the vesting period.
- 2 The value of rights exercised during the year is the market price based on the previous 5 days VWAP at vesting date after deducting the price paid to exercise the right.

16.2. Key management personnel transactions

KMP, or their related parties, may hold positions in other entities that result in them having control, or joint control, over the financial or operating policies of those entities.

These entities may transact with the Group. The terms and conditions of the transactions with KMP and their related parties were no more favourable than those available, or which might reasonably be expected to be available, on similar transactions to non-key management personnel related entities on an arm's length basis.

From time to time, directors of the Group, or their related entities, may purchase goods from the Group. These purchases are on the same terms and conditions as those entered into by other Group employees or customers and are not material.

This report is made with a resolution of the directors:



Roland Dane
Chairman
Brisbane
15 August 2024



Kees Weel
Managing Director
Brisbane
15 August 2024

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Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended 30 June 2024

	Note	2024 \$'000	2023 \$'000
Revenue	B2	139,392	118,326
Other income	B2	2,160	1,882
Raw materials and consumables expenses		(27,879)	(23,819)
Employee expenses		(57,250)	(47,124)
Occupancy expenses		(1,449)	(1,351)
Other expenses		(9,788)	(8,863)
Profit before depreciation, amortisation net finance costs and income tax		45,186	39,051
Depreciation and amortisation	C5	(10,130)	(8,475)
Total depreciation and amortisation expense		(10,130)	(8,475)
Finance income		374	198
Finance costs		(664)	(531)
Net finance costs	B4	(290)	(333)
Profit before income tax	B1	34,766	30,243
Income tax expense	E1	(9,961)	(8,491)
Profit for the year attributable to equity holders of the parent		24,805	21,752
Other comprehensive income			
Items that are or may be reclassified to profit or loss:			
Exchange differences on translating foreign operations		(489)	1,638
Total comprehensive income for the year		24,316	23,390
Basic and diluted earnings per share	B5	24.69 cents	21.67 cents

The accompanying notes are an integral part of these financial statements.

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Consolidated Statement of Financial Position

At 30 June 2024

	Note	2024 \$'000	2023 \$'000
Assets			
Current assets			
Cash and cash equivalents	C1	21,664	17,626
Trade and other receivables	C2	23,057	16,006
Inventories	C3	19,995	17,789
Other assets	C4	2,714	2,050
Total current assets		67,430	53,471
Non-current assets			
Property, plant and equipment	C5	55,944	53,766
Intangible assets	C6	15,894	15,919
Deferred tax assets	E2	155	373
Total non-current assets		71,993	70,058
Total assets		139,423	123,529
Liabilities			
Current liabilities			
Trade and other payables	C7	8,895	7,667
Lease liabilities	F1	2,442	2,565
Deferred government grant income	F2	404	476
Contract liabilities	C8	1,613	450
Employee benefits	D1	4,604	4,041
Current tax liabilities	E2	4,427	657
Provisions		242	297
Total current liabilities		22,627	16,153
Non-current liabilities			
Lease liabilities	F1	13,425	15,722
Deferred government grant income	F2	949	742
Contract liabilities	C8	-	-
Employee benefits	D1	573	502
Deferred tax liabilities	E2	1,556	1,940
Total non-current liabilities		16,503	18,906
Total liabilities		39,130	35,059
Net assets		100,293	88,470
Equity			
Issued capital	F3	27,343	26,807
Reserves		3,240	3,001
Retained earnings		69,710	58,662
Total equity		100,293	88,470

The accompanying notes are an integral part of these financial statements.

Consolidated Statement of Changes in Equity

For the year ended 30 June 2024

	Note	Issued Capital \$'000	Foreign currency translation reserve \$'000	Share based payments reserve \$'000	Retained earnings \$'000	Total equity \$'000
Balance at 1 July 2023		26,807	1,647	1,354	58,662	88,470
Total comprehensive income for the year						
Profit for the year		-	-	-	24,805	24,805
Other comprehensive income		-	(489)	-	-	(489)
Total comprehensive income		-	(489)	-	24,805	24,316
Transactions with owners, recorded directly in equity						
Employee share-based payments	D3	536	-	728	-	1,264
Dividends paid	F4	-	-	-	(13,757)	(13,757)
Total transactions with owners		536	-	728	(13,757)	(12,493)
Balance at 30 June 2024		27,343	1,158	2,082	69,710	100,293
Balance at 1 July 2022		26,484	9	855	49,049	76,397
Total comprehensive income for the year						
Profit for the year		-	-	-	21,752	21,752
Other comprehensive income		-	1,638	-	-	1,638
Total comprehensive income		-	1,638	-	21,752	23,390
Transactions with owners, recorded directly in equity						
Employee share-based payments	D3	323	-	499	-	822
Dividends paid	F4	-	-	-	(12,139)	(12,139)
Total transactions with owners		323	-	499	(12,139)	(11,317)
Balance at 30 June 2023		26,807	1,647	1,354	58,662	88,470

The accompanying notes are an integral part of these financial statements.

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Consolidated Statement of Cash Flows

For the year ended 30 June 2024

	Note	2024 \$'000	2023 \$'000
Cash flows from operating activities			
Cash receipts from customers		143,115	121,827
Government grants received		35	48
Cash paid to suppliers and employees		(104,442)	(88,476)
Cash generated from operating activities		38,708	33,399
Interest paid		(664)	(6)
Income tax paid		(5,192)	(5,694)
Net cash from operating activities	C1	32,852	27,699
Cash flows from investing activities			
Interest received		461	147
Proceeds from sale of property, plant and equipment		30	17
Payment for acquisition of business	B6	-	(2,024)
Payments for property, plant and equipment	C5	(12,293)	(15,046)
Net cash used in investing activities		(11,802)	(16,906)
Cash flows from financing activities			
Dividends paid		(13,757)	(12,139)
Payment of lease liabilities	F1	(3,268)	(2,498)
Net cash used in financing activities		(17,025)	(14,637)
Net (decrease)/increase in cash and cash equivalents		4,025	(3,844)
Cash and cash equivalents at 1 July		17,626	21,499
Effect of exchange rate fluctuations on cash held		13	(29)
Cash and cash equivalents at 30 June	C1	21,664	17,626

The accompanying notes are an integral part of these financial statements

Notes to the Consolidated Financial Statements

For the year ended 30 June 2024

SECTION A ABOUT THIS REPORT

A1 Reporting entity

PWR Holdings Limited (the Company) is a Company domiciled in Australia.

The consolidated financial statements of the Company as at and for the year ended 30 June 2024 comprise the Company and its subsidiaries (together referred to as the Group and individually as Group Entities).

The Group is involved in the design, engineering, testing, production, validation and sale of customised cooling products and solutions to the motorsports, automotive original equipment manufacturing (OEM), aerospace and defence, and automotive aftermarket sectors for domestic and international markets.

The Company's registered office and principal place of business is 103 Lahrs Road, Ormeau, Queensland 4208. The Group is a for-profit entity for the purposes of preparing these financial statements.

A2 Basis of preparation

(a) Statement of compliance

The consolidated financial statements are general purpose financial statements which have been prepared in accordance with Australian Accounting Standards (AASB) adopted by the Australian Accounting Standards Board (AASB) and the *Corporations Act 2001*. The consolidated financial statements comply with International Financial Reporting Standards (IFRS) adopted by the International Accounting Standards Board (IASB).

The Company is of a kind referred to in ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191 and in accordance with that instrument, amounts in the Financial Report and Directors' Report have been rounded off to the nearest thousand dollars, unless otherwise stated.

The financial statements were approved by the Board of Directors on 15th August 2024.

(b) Functional and presentation currency

These consolidated financial statements are presented in Australian dollars, which is the Company's functional currency.

(c) Use of estimates and judgements

The preparation of consolidated financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates.

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 and in any future periods affected.

Information about critical judgements, estimates and assumptions in applying accounting policies that have the most significant effect on the amounts recognised in the consolidated financial statements is included in the Note C6 (Intangible assets).

A3 Material accounting policies

The accounting policies set out in Section I (Material Accounting Policies) to the consolidated financial statements have been applied consistently to all periods presented in these consolidated financial statements.

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For the year ended 30 June 2024

SECTION B BUSINESS PERFORMANCE

B1 Operating segments

The Group has 2 strategic divisions, which are its operating segments. These divisions offer similar products and services, but are managed separately because they require different technology, apply contrasting marketing strategies and cater to different markets.

The following summary describes the operations of each reportable segment.

Operating segments	Operations
PWR Performance Products	Designing and manufacturing high end motorsports, OEM, aerospace and defence, and automotive aftermarket products for non-USA markets.
PWR C&R	Designing and manufacturing high end motorsports, OEM, aerospace and defence, and automotive aftermarket products primarily for the USA market. The PWR C&R segment is also referred to as PWR North America, C&R Racing and C&R.

The Group determines its operating segments based on information presented to the Managing Director being the chief operating decision maker, with operating segments based on the Group's operating divisions.

Intersegment pricing is determined based on cost plus a margin.

	PWR Performance Products		PWR C&R		Total	
	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
Revenue from sale of manufactured products	99,599	85,362	31,416	30,588	131,015	115,950
Revenue from services	370	73	8,007	2,303	8,377	2,376
External revenues	99,969	85,435	39,423	32,891	139,392	118,326
Inter-segment revenues	11,286	7,896	2,555	4,122	13,841	12,018
Segment revenue	111,255	93,331	41,978	37,013	153,233	130,344
Segment EBITDA ¹	39,585	33,611	5,671	5,350	45,256	38,961
Depreciation and amortisation	(7,839)	(6,604)	(2,291)	(1,871)	(10,130)	(8,475)
Segment profit before interest and tax	31,746	27,007	3,380	3,479	35,126	30,486
Capital expenditure	8,388	9,420	3,905	5,626	12,293	15,046

¹ Segment EBITDA is the segment's profit from operations before interest, taxation, depreciation and amortisation.

	2024 \$'000	2023 \$'000
Reconciliation of reportable segment profit or loss		
Revenues		
Total revenue for reportable segments	153,233	130,344
Elimination of inter-segment revenue	(13,841)	(12,018)
Consolidated revenue	139,392	118,326
Profit before tax		
Profit before interest and tax for reportable segments	35,126	30,486
Elimination of inter-segment (profit)/loss	(70)	90
Net finance costs	(290)	(333)
Consolidated profit before tax	34,766	30,243

Notes to the Consolidated Financial Statements

For the year ended 30 June 2024

SECTION B BUSINESS PERFORMANCE (continued)

Major Customers

3 customers in the PWR Performance Products segment comprise 15% of Group's revenue for the year ended 30 June 2024 (2023: 3 customers comprised 14%).

Geographic information

The Group operates manufacturing facilities and sales offices in Australia, the UK and the USA, and sells its products to customers in various countries throughout the world.

Below is an analysis of the Group's revenue based on the location of the Group's customers and location of the Group's non-current assets.

	2024		2023	
	Revenue \$'000	Non-current assets ⁽ⁱ⁾ \$'000	Revenue \$'000	Non-current assets ⁽ⁱ⁾ \$'000
Australia	11,162	36,780	11,065	36,453
USA	36,771	20,761	31,248	18,423
UK	41,930	14,297	36,351	14,809
Italy	17,610	-	15,711	-
Germany	7,893	-	7,799	-
France	5,815	-	4,570	-
Japan	3,815	-	2,376	-
Other Countries	14,396	-	9,206	-
	139,392	71,838	118,326	69,685

(i) Excluding deferred tax assets.

B2 Revenue and other income

	2024 \$'000	2023 \$'000
Revenue from contracts with customers		
Sales of goods	131,015	115,952
Rendering of services	8,377	2,374
	139,392	118,326
Other income		
R&D tax incentive	2,201	1,864
Loss on sale of assets	(76)	(30)
Government grants	35	48
	2,160	1,882

In 2024 the Group invoiced \$1,421,654 in milestone revenue and recorded a contract liability as it relates to dispatches expected in July and August 2024.

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Notes to the Consolidated Financial Statements

For the year ended 30 June 2024

SECTION B BUSINESS PERFORMANCE (continued)

Customer Revenue by Market Sector	2024			2023		
	Advanced Cooling ¹ \$'000	Emerging Technologies ² \$'000	Total \$'000	Advanced Cooling ¹ \$'000	Emerging Technologies ² \$'000	Total \$'000
Motorsports	57,260	10,089	67,349	55,026	7,230	62,256
Automotive OEM	24,967	3,058	28,025	21,935	3,704	25,639
Automotive Aftermarket	18,853	614	19,467	17,796	3	17,799
Aerospace and Defence	-	21,047	21,047	-	10,533	10,533
Other	3,376	128	3,504	1,431	668	2,099
	104,456	34,936	139,392	96,188	22,138	118,326

Timing of revenue recognition	2024			2023		
	Advanced Cooling ¹ \$'000	Emerging Technologies ² \$'000	Total \$'000	Advanced Cooling ¹ \$'000	Emerging Technologies ² \$'000	Total \$'000
Products transferred at a point in time	104,456	30,236	134,692	96,188	21,126	117,314
Products and services transferred over time	-	4,700	4,700	-	1,012	1,012
	104,456	34,936	139,392	96,188	22,138	118,326

1 Advanced Cooling includes revenue from the sale of tube and fin heat exchangers, bar and plate heat exchangers, design, simulation and testing services, but excluding revenue from Emerging Technologies.

2 Emerging Technologies includes revenue from Aerospace and Defence across all technologies, and revenue from other market sectors generated by cold plate, micro matrix and additive manufacturing.

The Group recognised \$642,010 (2023: \$896,055) in customer revenue from satisfying performance obligations for contract liabilities (refer Note C8).

B3 Expenses and Income

Research and Development

The Group recognised \$10,956,609 (2023: \$10,058,487) as an expense in relation to its research and development activities. This is included in employee expenses, raw materials, consumables and other expenses in the income statement.

Notes to the Consolidated Financial Statements

For the year ended 30 June 2024

SECTION B BUSINESS PERFORMANCE (continued)

B4 Finance income and finance costs

	2024 \$'000	2023 \$'000
Interest income	461	147
Net (loss)/gain on derivatives	(87)	51
Finance income	374	198
Interest expense	(664)	(531)
Finance costs	(664)	(531)
Net finance costs	(290)	(333)

B5 Earnings per share

	2024 \$'000	2023 \$'000
Profit attributable to equity holders	24,805	21,752

Weighted average number of ordinary shares (basic)

	2024	2023
Issued ordinary shares at 1 July	100,380,340	100,296,046
Effect of shares issued during the year	72,597	61,893
Weighted average number of ordinary shares at 30 June (basic)	100,452,937	100,357,939
Basic and diluted earnings per share	24.69 cents	21.67 cents

The impact of the performance rights issued by the Group during the year and in prior years was not material to the calculation of the Group's diluted earnings per share.

B6 Business combinations

On 19 August 2022, the Group acquired the business and assets of Docking Engineering (Docking) and on 30 January 2023, the Group acquired the business and assets of Bespoke Motorsport Radiators (BMR). The provisional fair value of the identifiable assets and liabilities as at the dates of acquisition were disclosed in the 30 June 2023 financial statements as \$1.313m collectively. There have been no further adjustments made to Docking during the provisional accounting period ended on 19 August 2023 and no further adjustments made to BMR during the provisional accounting period ended on 30 January 2024. There were no business acquisitions during the year ended 30 June 2024.

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SECTION C OPERATING ASSETS AND LIABILITIES

C1 Cash and cash equivalents

	2024 \$'000	2023 \$'000
Bank balances	21,664	12,626
Term Deposit	-	5,000
Cash and cash equivalents in the statement of cash flows	21,664	17,626

Reconciliation of cash flows from operating activities

Cash flows from operating activities

Profit for the year	24,805	21,752
Adjustments for:		
Depreciation and amortisation	10,130	8,475
Research & development tax credit	(2,201)	(1,898)
Unrealised (gain)/loss on derivatives	(323)	432
Share based remuneration	1,264	822
Loss on sale of property, plant and equipment	76	30
Changes in:		
Trade and other receivables	(7,051)	(2,193)
Inventories	(2,206)	(5,043)
Trade and other payables	1,228	135
Other assets	(664)	797
Employee benefits	634	871
Contract liabilities	1,163	(869)
Other	192	282
Tax balances (excluding research & development tax credit)	5,805	3,237
Net cash from operating activities	32,852	27,699

C2 Trade and other receivables

Trade receivables	23,057	16,006
Trade receivables due from related parties (refer Note H2)	-	-
	23,057	16,006

A provision for trade receivables has been assessed based on an expected credit loss model, resulting in a provision of \$89k (2023: \$nil).

Notes to the Consolidated Financial Statements

For the year ended 30 June 2024

SECTION C OPERATING ASSETS AND LIABILITIES (continued)

C3 Inventories

	2024 \$'000	2023 \$'000
Raw materials	9,189	8,845
Work in progress	2,087	1,767
Finished goods	10,062	8,327
Consumables	234	59
Allowance for inventory obsolescence	(1,577)	(1,209)
	19,995	17,789

The cost of inventories sold and recognised as an expense during the year end 30 June 2024 was \$27,879,019 (2023: \$23,819,048). The movement in the allowance for inventory obsolescence recognised as an expense during the year end 30 June 2024 was \$368k (2023: \$196k).

C4 Other assets

Prepayments	2,714	1,298
Other assets	-	752
	2,714	2,050

C5 Property, plant and equipment

Plant and equipment – at cost	69,625	55,969
Accumulated depreciation	(34,020)	(26,852)
	35,605	29,117
Motor vehicles – at cost	507	443
Accumulated depreciation	(350)	(324)
	157	119
Land and buildings – at cost	25,482	25,162
Accumulated amortisation	(10,900)	(8,100)
	14,582	17,062
Under construction	5,600	7,468
	55,944	53,766

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Notes to the Consolidated Financial Statements

For the year ended 30 June 2024

SECTION C OPERATING ASSETS AND LIABILITIES (continued)

Reconciliations

Reconciliations of the carrying amounts for each class of property, plant and equipment are set out below:

	Land and buildings \$'000	Plant and equipment \$'000	Motor vehicles \$'000	Under construction \$'000	Total \$'000
2024					
Cost					
Opening balance	25,162	55,969	443	7,468	89,042
Additions	402	151	-	12,142	12,695
Transfers	-	13,913	76	(13,989)	-
Disposals	-	(130)	(9)	-	(139)
Effect of movements in exchange rates	(82)	(278)	(3)	(21)	(384)
Closing balance	25,482	69,625	507	5,600	101,214
Accumulated depreciation					
Opening balance	8,100	26,852	324	-	35,276
Disposals/amortisation	-	(24)	(9)	-	(33)
Depreciation	2,800	7,293	37	-	10,130
Effect of movements in exchange rates	-	(101)	(2)	-	(103)
Closing balance	10,900	34,020	350	-	45,270
Net carrying amount	14,582	35,605	157	5,600	55,944
2023					
Cost					
Opening balance	11,689	46,377	385	813	59,264
Additions	12,643	787	-	14,259	27,689
Additions from business combinations	-	835	-	-	835
Transfers	-	7,537	95	(7,632)	-
Disposals	-	(95)	(47)	-	(142)
Effect of movements in exchange rates	830	528	10	28	1,396
Closing balance	25,162	55,969	443	7,468	89,042
Accumulated depreciation					
Opening balance	5,564	20,766	340	-	26,670
Disposals/amortisation	-	(57)	(46)	-	(103)
Depreciation	2,536	5,915	24	-	8,475
Effect of movements in exchange rates	-	228	6	-	234
Closing balance	8,100	26,852	324	-	35,276
Net carrying amount	17,062	29,117	119	7,468	53,766

The land and buildings balances comprise right-of-use assets with carrying value of \$14,581,238 (2023: \$17,062,298).

Notes to the Consolidated Financial Statements

For the year ended 30 June 2024

SECTION C OPERATING ASSETS AND LIABILITIES (continued)

Right-of-use assets

The Group leases its office and factory facilities where leases typically run for between 5 years and 20 years. The property leases include extension options exercisable by the Group between 3 and 6 months before the expiry of the non-cancellable contract period. Where practicable, the Group seeks to include extension options in new leases to provide operational flexibility and certainty. Extension options held, ranging from 5 years to 10 years, are exercisable only by the Group and not by the lessors. The potential unrecognised liability if these extension options were exercised would be \$7.2 million.

The Group assesses at the lease commencement dates whether it is reasonably certain to exercise the extension options. The Group reassesses whether it is reasonably certain to exercise the options if there is a significant event or significant changes in circumstances within its control.

Right-of-use assets relate to leased properties that do not meet the definition of investment property and are presented as property, plant and equipment and included in land and buildings.

	Land and Buildings	
	2024 \$'000	2023 \$'000
Right of Use Lease Assets:		
Balance at beginning of year	17,062	6,125
Additions to right-of-use assets	402	12,643
Amortisation charge for the year	(2,800)	(2,536)
Effect of movements in exchange rates	(82)	830
Balance at end of year	14,582	17,062
	2024 \$'000	2023 \$'000
Amounts recognised in Profit or Loss		
Deemed interest charge for the year	670	525
Amortisation charge for the year	2,800	2,536
Expenses relating to short term leases	3	6
	3,473	3,067

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SECTION C OPERATING ASSETS AND LIABILITIES (continued)

C6 Intangible assets

	Goodwill \$'000	Trademarks \$'000	Total \$'000
2024			
Cost	4,909	10,985	15,894
Accumulated amortisation	-	-	-
	4,909	10,985	15,894
2023			
Cost	4,934	10,985	15,919
Accumulated amortisation	-	-	-
	4,934	10,985	15,919
Reconciliations			
2024			
Carrying amount at beginning of year	4,934	10,985	15,919
Effect of movements in exchange rates	(25)	-	(25)
Balance at the end of the year	4,909	10,985	15,894
2023			
Carrying amount at beginning of year	4,042	10,985	15,027
Additions resulting from business combinations	764	-	764
Effect of movements in exchange rates	128	-	128
Balance at the end of the year	4,934	10,985	15,919

Impairment

For impairment testing, goodwill and trademarks are allocated to the Group's cash generating units (CGUs) as follows:

	PWR Performance Products		PWR C&R		Total	
	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
Goodwill	2,756	2,768	2,153	2,166	4,909	4,934
Trademarks	8,432	8,432	2,553	2,553	10,985	10,985
	11,188	11,200	4,706	4,719	15,894	15,919

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SECTION C OPERATING ASSETS AND LIABILITIES (continued)

For impairment testing, the recoverable amount of each CGU was based on its value in use, determined by discounting the future cash flows to be generated from the continuing use of each CGU. The carrying amount of each CGU was determined to be less than its recoverable amount and accordingly, no impairment loss was recognised.

Value in use is calculated based on the present value of the cash flow projections over a 5-year period and include a terminal value at the end of year 5. The cash flow projections over the 5-year period are based on the Group's budget for 2025 and growth over the forecast periods based on the Group's business plans and management's assessment of the impacts of underlying economic conditions, past performance and other factors on each CGU's financial performance.

The cashflow projections for each CGU include management's estimates of the expected growth in aerospace and defence, automotive aftermarket, motorsports and automotive OEM. Increases to operating expenses are forecast to be offset through price increases and improved operating efficiencies.

The long-term growth rate used in calculating the terminal value is based on long term inflation estimates for the country and industry in which each CGU operates.

The cash flows are discounted to their present value using a post-tax discount rate based on a weighted average cost of capital adjusted for country and industry specific risks associated with each CGU.

Management have considered sensitivities to the recoverable amount. No reasonable possible change in the assumptions would result in an impairment of the assets in either CGU.

Key assumptions used in the estimation of value in use over the 5-year period including the terminal value were:

	2024 %	2023 %
PWR Performance Products		
Discount rate – pre tax	13.6%	12.8%
Terminal value growth rate	2.0%	2.0%
Revenue – compound annual growth rate	4.7%	5.2%
Average EBITDA margin	38.4%	34.6%
PWR C&R		
Discount rate – pre tax	12.6%	11.5%
Terminal value growth rate	2.0%	2.0%
Revenue – compound annual growth rate	10.2%	9.2%
Average EBITDA margin	12.8%	16.6%

C7 Trade and other payables

Trade and other payables are carried at amortised cost.

	2024 \$'000	2023 \$'000
Trade payables	3,667	4,301
Other payables	5,228	3,366
	8,895	7,667

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SECTION C OPERATING ASSETS AND LIABILITIES (continued)

C8 Contract liabilities

The contract liabilities primarily relate to the advance consideration received from customers for performance obligations, for which revenue is recognised over time.

The amount of revenue recognised from performance obligations satisfied in 2024 was \$642,010 (2023: \$896,055).

	2024 \$'000	2023 \$'000
Less than 1 year	1,613	450
Between 1 and 2 years	-	-
Between 2 and 5 years	-	-
Balance at end of year	1,613	450

SECTION D EMPLOYEE BENEFITS

D1 Employee benefits

	2024 \$'000	2023 \$'000
Current		
Annual leave liability	3,445	2,983
Long service leave liability	1,159	1,058
	4,604	4,041
Non-current		
Long service leave liability	573	502

During the year ended 30 June 2024, the Group contributed \$3,239,624 (2023: \$2,518,243) to defined contribution plans. These contributions are included in employee expenses in the statement of profit or loss and other comprehensive income.

D2 Key management personnel compensation

Key management personnel compensation comprised the following:

	2024 \$'000	2023 \$'000
Short-term employee benefits	1,792	1,671
Termination benefits	-	-
Post-employment benefits	94	82
Share based payments	477	197
Other long-term benefits	25	25
	2,388	1,975

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SECTION D EMPLOYEE BENEFITS (continued)

D3 Share based payments

During the year the Board granted performance rights to employees under the terms of the Performance Rights Plan (the Plan) first approved at the Company's Annual General Meeting on 21 October 2016 and revisions approved at the Company's Annual General Meeting on 4 November 2022.

Under the Plan, the Board may issue employees conditional performance rights for no consideration. Subject to the achievement of vesting conditions, the performance rights entitle the employee to receive ordinary shares in the Company at no cost.

Vesting of the performance rights approved during the year is subject to meeting a 3-year service condition and achievement of performance hurdles (based on an earnings per share (EPS) growth target and total shareholder return (TSR) ranking). The performance period for the rights issued during 2024 is from 1 July 2023 to 30 June 2026.

Performance rights issued to key management personnel (KMP) and non-key management personnel (Non KMP) during the year are 50% subject to the EPS performance hurdle and 50% subject to the TSR performance hurdle. At 30 June 2024, all of these performance rights remain on issue.

The EPS performance hurdle for the performance rights is based on the compound annual growth rate in EPS.

In accordance with the Group's accounting policy, the grant date fair values of the rights issued will be recognised as an expense over the vesting period. An expense of \$1,265,767 (2023: \$822,527) was recognised during the year and included in "employee expenses" in the statement of profit or loss and other comprehensive income.

Measurement of fair values

The fair value of the TSR component of the performance rights has been measured using a Monte Carlo simulation. The fair value of the EPS component of the performance rights has been measured using the Black Scholes formula. The inputs used in the measurement of the fair values at grant date of the equity-settled share-based payments were as follows:

	2024		2023	
	TSR component	EPS component	TSR component	EPS component
Fair value at grant date	\$7.13	\$9.15	\$9.35	\$10.19
Share price at grant date	\$9.72	\$9.72	\$10.63	\$10.63
Exercise price	Nil	Nil	Nil	Nil
Expected volatility	35%	N/A	40%	N/A
Risk free rate	4.37%	N/A	3.50%	N/A
Expected life	2.84 Years	2.84 Years	2.82 Years	2.82 Years
Expected dividends	2.11%	2.11%	1.51%	1.51%

Expected volatility has been based on an evaluation of the historical volatility of the Company's share price prior to the grant date.

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SECTION D EMPLOYEE BENEFITS (continued)

D3 Share based payments (continued)

Reconciliation of the number of outstanding performance rights

	2024			2023		
	KMP	Non KMP	Total	KMP	Non KMP	Total
Opening outstanding balance	83,252	287,090	370,342	83,720	189,618	273,338
Reclassified during the year ¹	-	-	-	(68,030)	68,030	-
Granted during the year	101,927	147,971	249,898	67,562	122,364	189,926
Exercised during the year	-	(103,791)	(103,791)	-	(84,294)	(84,294)
Forfeited during the year	-	(31,764)	(31,764)	-	(8,628)	(8,628)
Closing outstanding balance	185,179	299,506	484,685	83,252	287,090	370,342
Vested and exercisable at 30 June	-	-	-	-	-	-

1. On 1 July 2021, Matthew Bryson changed role to Chief Commercial and Technical Officer and due to his change in responsibilities is no longer classified as a Key Management Personnel from 1 July 2022 for the purpose of the Remuneration Report and associated disclosures

Reconciliation of share based payment reserve

	2024 \$'000	2023 \$'000
Opening balance	1,354	855
Employee expenses	1,264	822
Shares issued during the year	(536)	(323)
Closing balance	2,082	1,354

SECTION E TAXATION

E1 Income tax expense

	2024 \$'000	2023 \$'000
Current tax expense		
Current period	10,292	7,244
Under provision in prior period	(231)	426
	10,061	7,670
Deferred tax expense		
Origination and reversal of temporary differences	(100)	1,041
Over provision in prior period	-	(220)
Total income tax expense	9,961	8,491
Numerical reconciliation between tax expense and pre-tax accounting profit		
Profit for the period	24,805	21,752
Total income tax expense	9,961	8,491
Profit excluding income tax	34,766	30,243
Income tax using the Company's domestic tax rate of 30%	10,430	9,073
Tax effect of R&D benefit	(878)	(563)
Effect of tax rates in foreign jurisdictions	(234)	(487)
Other	643	468
	9,961	8,491

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SECTION E TAXATION (continued)

E2 Tax assets and liabilities

Current tax assets and liabilities

The current tax liability of \$4,427,376 (2023: \$657,177) represents the amount of income tax payable in respect of current and prior periods to the relevant tax authority.

	Net balance at 1 July \$'000	Recognised in profit or loss \$'000	Recognised through Equity \$'000	Net balance at 30 June \$'000	Deferred tax assets \$'000	Deferred tax liabilities \$'000
2024						
Property, plant and equipment	(3,790)	744	-	(3,046)	-	(3,046)
Intangible assets	(766)	-	-	(766)	-	(766)
Employee benefits	1,762	28	-	1,790	1,790	-
Accruals	231	(127)	-	104	104	-
Inventories	555	52	-	607	703	(96)
Unrealised foreign exchange	(328)	88	66	(174)	41	(215)
Tax losses	625	(625)	-	-	-	-
Lease liabilities	4,781	(647)	-	4,134	4,134	-
Right of use assets	(4,457)	653	-	(3,804)	-	(3,804)
Other items	(180)	(66)	-	(246)	458	(704)
Tax assets/(liabilities) before set-off	(1,567)	100	66	(1,401)	7,230	(8,631)
Set-off of tax	-	-	-	-	(7,075)	7,075
Net tax assets/(liabilities)	(1,567)	100	66	(1,401)	155	(1,556)
2023						
Property, plant and equipment	(2,499)	(1,291)	-	(3,790)	-	(3,790)
Intangible assets	(766)	-	-	(766)	-	(766)
Employee benefits	1,272	490	-	1,762	1,762	-
Accruals	48	183	-	231	231	-
Inventories	581	(26)	-	555	656	(101)
Unrealised foreign exchange	(220)	(29)	(79)	(328)	-	(328)
Tax losses	392	233	-	625	625	-
Lease liabilities	1,870	2,911	-	4,781	4,781	-
Right of use assets	(1,700)	(2,757)	-	(4,457)	-	(4,457)
Other items	355	(535)	-	(180)	(4,003)	3,823
Tax assets/(liabilities) before set-off	(667)	(821)	(79)	(1,567)	4,052	(5,619)
Set-off of tax	-	-	-	-	(3,679)	3,679
Net tax assets/(liabilities)	(667)	(821)	(79)	(1,567)	373	(1,940)

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SECTION F CAPITAL STRUCTURE AND BORROWINGS

F1 Lease liabilities

	2024 \$'000	2023 \$'000
Current		
Lease liability	2,442	2,565
	2,442	2,565
Non-current		
Lease liability	13,425	15,722
	13,425	15,722
Total lease liability	15,867	18,287

Reconciliation of movements in liabilities to cash flows arising from financing activities

	2023 Opening Carrying Value \$'000	Cash flows \$'000	Non-cash changes			2024 Closing Carrying Value \$'000
			Foreign exchange movements \$'000	Deemed Interest movements \$'000	Lease additions \$'000	
Lease liabilities	18,287	(3,268)	(98)	671	274	15,866
Total liabilities from financing facilities	18,287	(3,268)	(98)	671	274	15,866

	2022 Opening Carrying Value \$'000	Cash flows \$'000	Non-cash changes			2023 Closing Carrying Value \$'000
			Foreign exchange movements \$'000	Deemed Interest movements \$'000	Right-of-use movements \$'000	
Lease liabilities	6,742	(2,498)	875	525	12,643	18,287
Total liabilities from financing facilities	6,742	(2,498)	875	525	12,643	18,287

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SECTION F CAPITAL STRUCTURE AND BORROWINGS (continued)

F1 Lease liabilities (continued)

Finance facilities

The terms and conditions of the Group's finance facilities were as follows:

Facility	Currency	Nominal interest rate	Maturity	2024		2023	
				Facility limit \$'000	Carrying amount \$'000	Facility limit \$'000	Carrying amount \$'000
Corporate credit card	AUD	Variable	2026	100	-	100	-
Corporate credit card	USD	Variable	-	100	-	100	-
Bank guarantee facility	AUD	1.54% pa	2026	5,000	-	200	-
Asset finance facility assets	AUD	Variable	2026	7,500	-	7,500	-
Multi-currency facility	AUD	Variable	2026	10,000	-	10,000	-

Finance facilities are secured by charges over the Group's assets. Under the terms of the agreements, the Company and several of its wholly owned subsidiaries jointly and severally guarantee and indemnify the lender in relation to the borrower's obligations.

F2 Deferred income

	Note	2024 \$'000	2023 \$'000
Less than 1 year		404	476
Between 1 and 5 years		949	742
Balance at end of year	115	1,353	1,218

Government grants

Government grants received by the Group for the purchase of equipment have been recognised as deferred income, with the deferred income amortised over the useful life of the equipment in relation to which the grant was provided.

F3 Capital and reserves

Issued capital	2024		2023	
	No. of shares	\$'000	No. of shares	\$'000
Ordinary shares				
Balance at beginning of year	100,380,340	26,807	100,296,046	26,484
Issue of shares on vesting of 2020 performance rights	-	-	84,294	-
Issue of shares on vesting of 2021 performance rights	103,791	536	-	323
Balance at end of year	100,484,131	27,343	100,380,340	26,807

Capital management

The Board aims to maintain a strong capital base to maintain investor, creditor and market confidence and to sustain future development of the business. The Board of Directors monitors the capital base as well as the level of dividends to ordinary shareholders. There were no changes in the Group's approach to capital management during the year.

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For the year ended 30 June 2024

SECTION F CAPITAL STRUCTURE AND BORROWINGS (continued)

F4 Dividends

Dividends recognised by the Company are:

	Cents per share \$	Total amount \$'000	Franked/ unfranked	Date of payment
2024				
Interim 2024 ordinary	4.80	4,823	Franked	22 March 2024
Final 2023 ordinary	8.90	8,934	Franked	22 September 2023
Total amount		13,757		
2023				
Interim 2023 ordinary	3.60	3,614	Franked	24 March 2023
Final 2022 ordinary	8.50	8,525	Franked	23 September 2022
Total amount		12,139		

Franked dividends declared or paid during the year were fully franked at the tax rate of 30%.

Dividend franking accounts

The 30% franking credits by Group entity:

	2024 \$'000	2023 \$'000
PWR Holdings Limited	(19)	912
PWR IP Pty Ltd	1,870	1,297
P.W.R Performance Products Pty Ltd	2,311	3,157
Total franking credits available at 30 June	4,162	5,366

The ability to utilise the franking credits is dependent upon the ability to declare dividends.

Recognition and measurement

Dividends are recognised as a liability in the period in which they are declared.

The following dividend was declared by the Directors since the end of the financial year:

	Cents per share	Total amount \$'000	Date of payment
Final 2024 ordinary dividend (Franked)	9.20	9,245	20 September 2024
Total amount		9,245	

The financial effect of these dividends has not been brought to account in the consolidated financial statements for the year end 30 June 2024 and will be recognised in subsequent financial reports.

F5 Commitments

At 30 June 2024, the Group had agreed to purchase plant and equipment for \$13.5 million (2023: \$4.4 million) within 12 months. The Group has entered into a 15 year lease in Australia commencing on 1 July 2025 to increase its manufacturing facility. The annual rent expense is in the range of \$2.8 million to \$4.5 million over the 15 year period of the lease, with two additional options to extend the lease for another 5 years each.

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SECTION G GROUP STRUCTURE

G1 Parent entity information

As at and throughout the financial year ended 30 June 2024, the parent and ultimate parent entity of the Group was PWR Holdings Limited.

Statement of profit or loss and other comprehensive income	2024 \$'000	2023 \$'000
Profit after income tax	10,621	10,011
Total comprehensive income	10,621	10,011
Statement of financial position		
Total current assets	3	142
Total non-current assets	28,994	30,781
Total assets	28,997	30,923
Total current liabilities	22	76
Total non-current liabilities	-	-
Total liabilities	22	76
Net assets	28,975	30,847
Equity		
Issued capital	27,343	26,807
Reserves	2,082	1,354
Retained earnings	(450)	2,686
Total equity	28,975	30,847

Contingent liabilities

The parent entity is party to a cross guarantee and indemnity in relation to the Group's borrowing arrangements, refer Note F1. The parent had no other contingent liabilities at 30 June 2024 or 30 June 2023.

Material accounting policies

The accounting policies of the parent entity are consistent with those of the Group, as disclosed in the notes. Investments in subsidiaries are carried at cost.

G2 Controlled entities

The following entities are subsidiaries of the parent entity, the results of which are included in the consolidated financial statements of the Group.

	Country of incorporation	Ownership interest	
		2024 %	2023 %
PWR Performance Products Pty Ltd	Australia	100	100
PWR IP Pty Ltd	Australia	100	100
PWR Europe Limited	UK	100	100
C&R Racing Inc	USA	100	100
PWR EU B.V.	Netherlands	100	100

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SECTION G GROUP STRUCTURE (continued)

G3 Deed of Cross Guarantee

Pursuant to ASIC Corporations (wholly owned companies) Instrument 2016/785, the wholly owned subsidiaries listed below are relieved from the *Corporations Act 2001* requirements for the preparation, audit and lodgement of financial reports, and Directors' reports.

It is a condition of the Instrument that the Company and each of the subsidiaries enter into a Deed of Cross Guarantee. The effect of the Deed is that the Company guarantees to each creditor, payment in full of any debt in the event of winding up of any of the subsidiaries under certain provisions of the *Corporations Act 2001*. If a winding up occurs under other provisions of the Act, the Company will only be liable in the event that after 6 months any creditor has not been paid in full. The subsidiaries have also given similar guarantees in the event that the Company is wound up.

The subsidiaries subject to the Deed are:

PWR Performance Products Pty Ltd

PWR IP Pty Ltd

Both subsidiaries became a party to the Deed on 18 May 2017.

A consolidated statement of comprehensive income and consolidated statement of financial position, comprising the Company and controlled entities which are a party to the Deed, after eliminating all transactions between parties to the Deed of Cross Guarantee, is set out below.

Statement of profit or loss and other comprehensive income	2024 \$'000	2023 \$'000
Revenue	97,529	80,874
Other income	2,202	1,878
Raw materials and consumables expenses	(16,416)	(12,589)
Employee expenses	(40,773)	(33,492)
Occupancy expenses	(723)	(614)
Other expenses	(5,868)	(5,969)
Profit before depreciation, amortisation, net finance costs and income tax	35,951	30,088
Depreciation and amortisation	(6,646)	(5,805)
Profit before net finance costs and income tax	29,305	24,283
Finance income	2,223	1,785
Finance costs	(1,676)	(1,463)
Net finance income	547	322
Profit before income tax	29,852	24,605
Income tax expense	(8,867)	(7,209)
Profit for the year attributable to equity holders of the parent	20,985	17,396
Total comprehensive income for the year	20,985	17,396
Retained earnings at beginning of year	41,062	36,119
Transfers to and from reserves	(223)	(315)
Dividends recognised during the year	(13,757)	(12,139)
Retained earnings at end of year	48,067	41,061

Notes to the Consolidated Financial Statements

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SECTION G GROUP STRUCTURE (continued)

G3 Deed of Cross Guarantee (continued)

Statement of financial position	2024 \$'000	2023 \$'000
Assets		
Current assets		
Cash and cash equivalents	19,324	11,898
Trade and other receivables	12,508	9,682
Inventories	11,815	12,327
Other assets	1,475	869
Total current assets	45,122	34,776
Non-current assets		
Property, plant and equipment	24,962	24,629
Intangible assets	11,751	11,751
Related party loans	6,735	6,800
Investments in subsidiaries	7,142	7,142
Deferred tax assets	3,060	4,739
Total non-current assets	53,650	55,061
Total assets	98,772	89,837
Liabilities		
Current liabilities		
Trade and other payables	4,644	3,971
Lease liabilities	1,866	626
Employee benefits	4,087	3,612
Deferred income	404	441
Contract liabilities	192	450
Current tax liabilities	3,614	6
Provisions	192	169
Total current liabilities	14,999	9,275
Non-current liabilities		
Lease liabilities	228	2,961
Deferred income	865	623
Contract liabilities	-	-
Deferred tax liabilities	3,006	5,637
Employee benefits	573	502
Total non-current liabilities	4,672	9,723
Total liabilities	19,671	18,998
Net assets	79,101	70,839
Equity		
Issued capital	27,343	26,807
Reserves	3,691	2,971
Retained earnings	48,067	41,061
Total equity	79,101	70,839

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SECTION H OTHER INFORMATION

H1 Financial risk management

The Group has exposure to the following risks arising from financial instruments:

- credit risk
- liquidity risk
- market risk

The note presents information about the Group's exposure to each of the above risks, the Group's objectives, policies and processes for measuring and managing risk, and the Group's management of capital.

Risk management framework

The Company's Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework.

The Group's risk management activities are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management activities are reviewed to reflect changes in market conditions and the Group's operations. The Group aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Group's receivables from customers.

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk of the industry and country in which customers operate. Details of concentration of revenue are included in Note B2.

Management assesses each new customer for creditworthiness before the Group's standard payment and delivery terms and conditions are offered.

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the end of the reporting period was as follows.

	Note	Carrying amount	
		2024 \$'000	2023 \$'000
Cash and cash equivalents	C1	21,664	17,626
Trade and other receivables	C2	23,057	16,006
		44,721	33,632

Cash and cash equivalents

The Group held cash and cash equivalents of \$21,664,486 at 30 June 2024 (2023: \$17,626,406), which represents its maximum credit exposure on these assets. The cash and cash equivalents are held with bank and financial institution counterparties, which are rated A to AA-, based on independent rating agency ratings.

Trade and other receivables

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the demographics of the Group's customer base, including the default risk of the country in which customers operate, as these factors may have an influence on credit risk.

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SECTION H OTHER INFORMATION (continued)

H1 Financial risk management (continued)

Exposure to credit risk

The maximum exposure to credit risk for trade and other receivables at the end of the reporting period by geographic region was as follows:

	Carrying amount	
	2024 \$'000	2023 \$'000
Australia	1,849	1,648
UK	10,974	11,551
USA	8,687	2,807
Europe	1,547	-
	23,057	16,006

The ageing of the Group's trade and other receivables at the end of the reporting date was as follows:

Aged 0 - 30 days	15,487	11,049
Aged 31 - 60 days	6,766	4,386
Aged 61 - 90 days	395	516
Aged > 90 days	498	55
	23,146	16,006
Provision for expected credit losses	(89)	-
	23,057	16,006

A provision for trade receivables has been assessed based on an expected credit loss model, resulting in a provision of \$89k (2023: \$nil).

Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

In addition, the Group maintains the following lines of credit: (refer Note F1)

- A\$10,000,000 foreign currency advance facility (multicurrency);
- A\$7,500,000 asset finance facility;
- A\$5,000,000 bank guarantee facility;
- A\$100,000 corporate credit card facility; and
- USD\$100,000 corporate credit card facility.

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Notes to the Consolidated Financial Statements

For the year ended 30 June 2024

SECTION H OTHER INFORMATION (continued)

H1 Financial risk management (continued)

The following are the remaining contractual maturities at the end of the reporting period of financial liabilities, including estimated interest payments.

	Note	Carrying amount \$'000	Total \$'000	Contractual cash flows	
				12 months \$'000	1-5 years \$'000
2024					
Trade and other payables	C7	8,895	(8,895)	(8,895)	-
Lease liabilities	F1	15,867	(20,517)	(3,012)	(17,505)
		24,762	(29,412)	(11,907)	(17,505)
2023					
Trade and other payables	C7	7,667	(7,667)	(7,667)	-
Lease liabilities	F1	18,287	(23,618)	(3,101)	(20,517)
		25,954	(31,285)	(10,768)	(20,517)

Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates, will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

Currency risk

The Group is exposed to currency risk on its financial assets and liabilities arising from sales, purchases and borrowings that are denominated in a currency other than the respective functional currencies of Group entities, being the Australian dollar (AUD), Pound Sterling (GBP), US dollar (USD), and Euro (EUR). The currencies in which these transactions are denominated are primarily AUD, GBP, USD, and EUR.

Under the Group's financial risk management policies, the Group may use derivative financial instruments to manage its foreign currency risks. At 30 June 2024, the Group had entered into convertible forward contracts to manage its exposure to sales denominated in GBP. These contracts, which settle monthly until 4 October 2024, have a total notional amount of £6.7 million (2023: £6.6 million) and have been accounted for at fair value through the profit and loss. The fair value at year end was an asset of \$73,596 (2023: \$553,289 liability).

During the year ended 30 June 2024, the Group recognised \$409,104 in realised losses (2023: \$482,692 gains) and \$322,694 in unrealised gains on derivatives (2023: \$431,945 losses). This has been included in finance income or costs in the income statement.

Exposure to currency risk

A summary of quantitative data about the Group's exposure to currency risk on financial assets and liabilities at year end is as follows:

	Note	30 June 2024				30 June 2023			
		AUD \$'000	GBP £'000	USD \$'000	EUR €'000	AUD \$'000	GBP £'000	USD \$'000	EUR €'000
Trade receivables	C2	1,860	5,823	5,822	964	1,290	5,437	2,214	313
Trade payables	C7	(2,241)	(285)	(546)	(151)	(1,729)	(937)	(1,544)	(31)
Net statement of financial position exposure		(381)	5,538	5,276	813	(439)	4,500	670	282
Notional amount of foreign currency derivatives		-	6,700	-	-	-	6,600	-	-

Notes to the Consolidated Financial Statements

For the year ended 30 June 2024

SECTION H OTHER INFORMATION (continued)

H1 Financial risk management (continued)

Sensitivity analysis

At 30 June, exchange rates used to translate the above were 0.5283 to the GBP, 0.6682 to the USD, and 0.6233 to the EUR (2023: 0.5246 to the GBP, 0.6618 to the USD and 0.6087 to the EUR). A strengthening (weakening) of the GBP, USD or EUR against the AUD at 30 June would have affected the measurement of financial instruments denominated in a foreign currency and increased or (decreased) equity and profit or loss by the amounts shown below. This analysis is based on foreign currency exchange rate variances that the Group considered to be reasonably possible at the end of the reporting period. The analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases. The analysis is performed on the same basis for 2023, using consistent foreign exchange rate variances, as indicated below.

	Profit or loss (net of tax)		Equity (net of tax)	
	Strengthening \$'000	Weakening \$'000	Strengthening \$'000	Weakening \$'000
30 June 2024				
GBP (10% movement)	(734)	667	(734)	667
USD (10% movement)	(553)	502	(553)	502
EUR (10% movement)	(91)	83	(91)	83
30 June 2023				
GBP (10% movement)	(600)	546	(600)	546
USD (10% movement)	(71)	64	(71)	64
EUR (10% movement)	-	-	-	-

The impact of the movement in EUR in prior year was not material.

Interest rate risk

At the end of the reporting period the interest rate profile of the Group's interest-bearing financial instruments as reported to the management of the Group was as follows:

Fixed rate instruments		Nominal amount	
		2024 \$'000	2023 \$'000
Financial assets	C1	-	5,000
Financial liabilities	F1	-	-
		-	5,000
Variable rate instruments			
Financial assets	C1	21,664	12,626
Financial liabilities	F1	-	-
		21,664	12,626

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Notes to the Consolidated Financial Statements

For the year ended 30 June 2024

SECTION H OTHER INFORMATION (continued)

H1 Financial risk management (continued)

Cash flow sensitivity analysis for variable rate instruments

A change of 100 basis points in interest rates at the beginning of reporting period would have increased or (decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency rates, remain constant.

	Profit or loss (net of tax)		Equity (net of tax)	
	100bp increase \$'000	100bp decrease \$'000	100bp increase \$'000	100bp decrease \$'000
30 June 2024				
Variable rate instruments	152	(152)	152	(152)
Cash flow sensitivity (net)	152	(152)	152	(152)
30 June 2023				
Variable rate instruments	123	(123)	123	(123)
Cash flow sensitivity (net)	123	(123)	123	(123)

Fair values

The fair values of the Group's financial assets and liabilities approximate their carrying amounts recognised in the statement of financial position.

H2 Related party information

Certain key management personnel, or their related parties, hold positions in other entities that result in them having control, joint control or significant influence over the financial or operating policies of these entities.

A number of these entities transacted with the Group during the year. The terms and conditions of the transactions with key management personnel and their related parties were no more favourable than those available, or which might reasonably be expected to be available, on similar transactions to non-key management personnel related entities on an arm's length basis.

The aggregate value of transactions and outstanding balances relating to key management personnel and entities over which they have control, joint control or significant influence were as follows:

Entity	Transaction	Transaction values during the year		Balance outstanding Receivable/(Payable)	
		2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
Triple Eight Race Engineering Pty Ltd ⁽ⁱ⁾	Sales of goods	53	100	-	-
Triple Eight Race Engineering Pty Ltd ⁽ⁱ⁾	Purchases of goods	1	-	-	-

(i) Triple Eight Race Engineering Pty Ltd is an entity associated with Roland Dane, which purchases goods from and sells goods to the Group.

Notes to the Consolidated Financial Statements

For the year ended 30 June 2024

SECTION H OTHER INFORMATION (continued)

H3 Auditor Remuneration

	2024 \$	2023 \$
Audit services		
Auditors of the Group – KPMG		
<i>Audit and review of financial statements</i>	214,000	195,000
<i>Magma Chartered Accountants UK</i>		
<i>Audit and review of financial statements – controlled entity</i>	33,635	26,115
Other services		
Auditors of the Group –		
<i>Magma Chartered Accountants UK – Capital allowance report for controlled entity</i>	19,206	-
<i>Accountability GB –</i>		
<i>Payroll services for controlled entity</i>	-	8,794

H4 Subsequent events

The Board declared a fully franked final 2024 ordinary dividend of 9.20 cents per share. The financial effect of this dividend has not been brought to account in the consolidated financial statements for the year ended 30 June 2024.

On 24 July 2024, the Company entered into an Amended Incentive and Fitout Deed with the Landlord of Quarry Road, Stapylton and gained access to the site from 1 August 2024 under a licence arrangement to commence property upgrade works. The early works access licence fee for the period August 2024 until March 2025 is \$1.2 million.

Other than the matter noted above, there has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the Directors of the Company, to affect significantly the operations of the Group, the results of those operations, or the state of affairs of the Group, in future financial years.

H5 New accounting standards

Changes in accounting policies –new standards and interpretations adopted.

The accounting policies applied in these financial statements are the same as those applied in the Group's consolidated financial statements as at and for the year ended 30 June 2023. A number of new standards are effective from 1 July 2023 but they did not have a material effect on the Group's financial statements.

New Standards and Interpretations Not Yet Adopted

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2024 reporting and have not been early adopted by the Group.

The most significant of these to the Group are AASB 2020-1 Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current and AASB 18 Presentation and Disclosure in Financial Statements.

The Group has not yet considered the estimated impact that these Amendments to Australian Accounting Standards will have on its consolidated financial statements.

Financial Statements

Notes to the Consolidated Financial Statements

For the year ended 30 June 2024

SECTION I MATERIAL ACCOUNTING POLICIES

1. Basis of consolidation
2. Foreign currency
3. Revenue
4. Employee benefits
5. Finance income and finance costs
6. Income tax
7. Inventories
8. Property, plant and equipment
9. Intangible assets and goodwill
10. Share capital
11. Leases
12. Government Grants

1 Basis of consolidation

Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and can affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated.

2 Foreign currency

Transactions in foreign currencies are translated to the respective functional currencies of the Group's entities at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated to the functional currency at the exchange rate at transaction or balance date.

Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated to the functional currency at the exchange rate when the fair value was determined. Non-monetary items that are measured based on historical cost in a foreign currency are translated using the exchange rate at the date of the transaction.

Foreign currency differences are generally recognised in profit or loss.

The consolidated assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition are translated to the functional currency at exchange rates at the reporting date. The income and expenses of foreign operations are translated to the functional currency (AUD) at exchange rates at the dates of the transactions.

Foreign currency translation differences are recognised in other comprehensive income and presented in the foreign currency translation reserve in equity.

3 Revenue

Sale of goods

For the sale of manufactured products, revenue is recognised at the point in time that the performance obligation is satisfied which is on shipment of the goods to the customer from the Group's warehouse. The amount of revenue arising on a transaction is determined by agreement between the entity and the buyer. It is measured at the fair value of the consideration received or receivable using a fixed price per order, taking into account the amount of any rebates allowed.

Rendering of services

For services, including wind tunnel testing, revenue is recognised over time as those services are provided. The rendering of services involves the performance by the entity of a contractually agreed task over an agreed period of time. Revenue is priced on either a fixed fee or an agreed hourly rate. Revenue is recognised as each of the agreed-upon performance obligations is satisfied, upon formal acceptance by the customer or upon evidence that the agreed-upon specifications have been met.

Notes to the Consolidated Financial Statements

For the year ended 30 June 2024

SECTION I MATERIAL ACCOUNTING POLICIES (continued)

4 Employee benefits

Short-term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount due to past services provided by the employee and the obligation can be estimated reliably.

Long-term employee benefits

The Group's net obligation in respect of long-term employee benefits is the amount of future benefits that employees have earned in return for their service in the current and prior periods. That benefit is discounted to determine its present value. Re-measurements are recognised in profit or loss in the period in which they arise.

Share based payment transactions

The grant-date fair value of share-based payment awards granted to employees is recognised as an expense, with a corresponding increase in equity, over the period that the employees become unconditionally entitled to the awards. The amount recognised as an expense is adjusted to reflect the number of awards for which the related service and non-market performance conditions are expected to be met, such that the amount ultimately recognised as an expense is based on the number of awards that meet the related service and non-market performance conditions at the vesting date.

Termination benefits

Termination benefits are expensed at the earlier of when the Group can no longer withdraw the offer of those benefits and when the Group recognises costs for a restructuring. If benefits are not expected to be settled wholly within 12 months of the reporting date, then they are discounted.

Defined contribution funds

Obligations for contributions to defined contribution plans are expensed as the related service is provided.

5 Finance income and finance costs

Finance income comprises interest income on funds invested and changes in the fair value of derivative financial instruments at fair value through profit or loss. Interest income is recognised as it accrues in profit or loss, using the effective interest method.

Finance costs comprise interest expense on borrowings and changes in the fair value of derivative financial instruments at fair value through profit or loss. Interest expense is recognised using the effective interest method.

Foreign currency gains and losses on monetary assets and liabilities are reported on a net basis as either finance income or finance costs depending on whether foreign currency movements are in a net gain or net loss position.

6 Income Tax

Income tax on the profit or loss for the year comprises current and deferred tax. Current and deferred tax is recognised in the statement of comprehensive income except to the extent that it relates to items recognised directly in equity, or in other comprehensive income.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the balance date, and any adjustments to tax payable in respect of previous years. Current tax payable also includes any tax liability arising from the declaration of dividends.

Deferred tax is provided using the balance sheet liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: initial recognition of goodwill, the initial recognition of assets and liabilities that affect neither accounting nor taxable profit, and difference relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date.

Financial Statements

Notes to the Consolidated Financial Statements

For the year ended 30 June 2024

SECTION I MATERIAL ACCOUNTING POLICIES (continued)

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

In determining the amount of current and deferred tax the Group considers the impact of uncertain tax positions and whether additional taxes and interest may be due. The Group believes that its accruals for tax liabilities are adequate for all open tax years based on its assessment of many factors, including interpretations of tax law and prior experience. This assessment relies on estimates and assumptions and may involve a series of judgements about future events. New information may become available that causes the Group to change its judgement regarding the adequacy of existing tax liabilities, such as changes to tax liabilities will impact tax expense in the period that such a determination is made.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Additional income taxes that arise from the distribution of dividends are recognised at the same time as the liability to pay the related dividend.

7 Inventories

Inventories are measured at the lower of cost and net realisable value.

The cost of inventories is based on the weighted-average cost method, and includes expenditure incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their existing location and condition. In the case of manufactured inventories and work in progress, cost includes an appropriate share of production overheads based on normal operating capacity.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

8 Property, plant and equipment

Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the assets to a working condition for their intended use, and the costs of dismantling and removing the items and restoring the site on which they are located, and capitalised borrowing costs. Cost also may include transfers from other comprehensive income of any gain or loss on qualifying cash flow hedges of foreign currency purchases of property, plant and equipment. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment and are recognised net within other income in profit or loss.

Subsequent costs

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Group. Ongoing repairs and maintenance are expensed as incurred.

Depreciation

Depreciation is calculated to write off the cost of property, plant and equipment less their estimated residual values using the straight-line and/or diminishing value basis over their estimated useful lives, and is generally recognised in profit or loss. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Group will obtain ownership by the end of the lease term.

Notes to the Consolidated Financial Statements

For the year ended 30 June 2024

SECTION I MATERIAL ACCOUNTING POLICIES (continued)

8 Property, plant and equipment (continued)

The estimated useful lives are as follows:

	2024	2023
Right of use assets and leasehold improvements	10-27 years	10-27 years
Plant and equipment	2-10 years	2-10 years
Motor vehicles	4-6 years	4-6 years

Depreciation methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

9 Intangible assets and goodwill

Goodwill

Goodwill on acquisition is initially measured at cost, being the excess of the cost of the business combination over the acquirer's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities. At the acquisition date, any goodwill acquired is allocated to each of the cash-generating units expected to benefit from the combination's synergies. Goodwill is not amortised.

Trademarks

Separately acquired trademarks are measured initially at cost of acquisition. Trademarks acquired in a business combination are recognised at fair value at the acquisition date. Fair value is determined using the relief from royalty method.

The Group's trademarks are subsequently carried at cost less impairment losses and are not amortised as they are considered to have an indefinite useful life.

Research and development

Research expenditure is recognised as an expense as incurred. Concessional tax benefits and incentives receivable are recognised as other income based on an estimate of the eligible research and development expenditure incurred during the financial year. Costs incurred on development projects are recognised as intangible assets only when it is probable that a project will, after assessment of its commercial and technical feasibility, be completed and generate future economic benefits and can be measured reliably.

Impairment of non-financial assets

The carrying amounts of the Group's non-financial assets, other than inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. Goodwill and trademarks with an indefinite life are tested annually for impairment.

An impairment loss is recognised if the carrying amount of an asset or its related cash generating unit (CGU) exceeds its estimated recoverable amount. The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. 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 or CGU. For impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGU.

Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of other assets in the CGU on a pro rata basis. An impairment loss in respect of goodwill is not reversed. For other assets, an impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

10 Share capital

Ordinary shares

Ordinary shares are classified as equity. Incremental costs directly attributable to issue of ordinary shares are recognised as a deduction from equity, net of any related income tax benefit.

The Company does not have authorised capital or par value in respect of its issued shares. All shares are fully paid. The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to 1 vote per share at meetings of the Company.

Financial Statements

Notes to the Consolidated Financial Statements

For the year ended 30 June 2024

SECTION I MATERIAL ACCOUNTING POLICIES (continued)

10 Share capital (continued)

Foreign currency translation reserve

The foreign currency translation reserve comprises all foreign currency differences arising from the translation of the financial statements of foreign operations, as well as the effective portion of any foreign currency differences arising from hedges of a net investment in a foreign operation.

Share based payments reserve

The share-based payments reserve comprises the grant-date fair value of share-based payment awards granted to employees.

11 Provisions

Warranties

A provision for warranties is recognised when the underlying products are sold, based on historical warranty data and a weighting of possible outcomes against their assumed possibilities.

Provision for warranties relates to products sold during the current and prior financial years. The provision is based on estimates made from historical warranty data. The Group expects to settle most of the liability over the next year.

12 Leases

Leased assets

The Group, as a lessee, assesses whether a contract is or contains a lease. A contract is, or contains, a lease if the contract conveys a right to control the use of an identified asset for a period in exchange for consideration.

The Group recognises right of use assets and lease liabilities for most leases – i.e. these leases are on-balance sheet. Right of use assets are presented as Property, Plant and Equipment. However, the Group has elected not to recognise right of use assets and liabilities for some leases of low value assets. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

The Group recognises a right of use asset and lease liability at the lease commencement date. The right of use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right of use asset is subsequently depreciated using the straight-line basis from the commencement date to the end of the lease term. The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. The Group uses its incremental borrowing rate as the discount rate.

The lease liability is measured at amortised cost using the effective interest rate method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, a change in the estimate of the amount expected to be payable under a residual value guarantee, or as appropriate, changes in the assessment of whether a purchase or extension option is reasonably certain to be exercised or a termination option is reasonably certain not to be exercised.

Where applicable, the Group has applied some judgement to determine the lease term for some lease contracts which include renewal options or terminations. The assessment of whether the Group is reasonably certain to exercise such options impacts the lease term, which affects the amount of lease liabilities and right-of-use assets recognised.

13 Financial instruments

Non-derivative financial instruments

Trade and other receivables are initially recognised as fair value and subsequently measured at amortised cost less impairment. Trade receivables are due for settlement no more than 30-60 days from the date of recognition.

The Group initially recognises debt securities issued and subordinated liabilities on the date that they are originated. All other financial liabilities are recognised initially on the trade date at which the Group becomes a party to the contractual provisions of the instrument. Fair value, which is determined for disclosure purposes, is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at reporting date.

Notes to the Consolidated Financial Statements

For the year ended 30 June 2024

SECTION I MATERIAL ACCOUNTING POLICIES (continued)

13 Financial instruments (continued)

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled or expire.

The Group classifies non-derivative financial liabilities into the other financial liabilities' category. Such financial liabilities are recognised initially at fair value less any directly attributable transaction costs. After initial recognition, these financial liabilities are measured at amortised cost using the effective interest rate method.

Interest-bearing loans and liabilities are recognised initially at fair value less attributable transaction costs. After initial recognition, interest-bearing borrowings are stated at amortised cost with any difference between cost and redemption value being recognised in the income statement over the period of the borrowings on an effective interest basis.

Derivative financial instruments

The Group may use derivative financial instruments to manage its foreign currency exposures.

Derivatives are recognised initially at fair value. Any directly attributable transaction costs are recognised in profit or loss as they are incurred. After initial recognition, derivatives are measured at fair value, and changes therein are generally recognised in profit or loss.

14 Fair value measurements

The consolidated financial statements have been prepared on the historical cost basis except for any derivative financial instruments which are recognised at fair value.

'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 in the principal or, in its absence, the most advantageous market to which the Group has access at that date. The fair value of a liability reflects its non-performance risk.

Several of the Group's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities.

When one is available, the Group measures the fair value using the quoted price in an active market for that asset or liability. A market is regarded as active if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis. When an active market is not available, the Group uses observable market data as far as possible.

Further information about the methods and assumptions made in determining fair values for measurement and/or disclosure purposes is included in Note D3 - Share based payments.

15 Government Grants

Government grants related to assets are initially recognised as deferred income at fair value when received. They are then recognised in profit or loss as other income on a systematic basis over the useful life of the asset to which the grant relates.

Grants that compensate the Group for expenses incurred are recognised in profit or loss on a systematic basis in the periods in which the expenses are recognised.

Financial Statements

Consolidated Entity Disclosure Statement

For the year ended 30 June 2024

Entity Name	Operation	Place incorporated	% of share capital held direct directly by the Company	Australian or Foreign tax resident	Jurisdiction for Foreign tax resident
PWR Holdings Limited	Body Corporate	Australia		Australian	N/A
PWR Performance Products Pty Ltd	Body Corporate	Australia	100%	Australian	N/A
PWR IP Pty Ltd	Body Corporate	Australia	100%	Australian	N/A
PWR Europe Limited	Body Corporate	United Kingdom	100%	Foreign	United Kingdom
C&R Racing, Incorporated	Body Corporate	United States of America	100%	Foreign	United States of America
PWR EU B.V.	Body Corporate	Netherlands	100%	Foreign	Netherlands

KEY ASSUMPTIONS AND JUDGEMENTS

Determination of Tax Residency

Section 295 (3A) of the *Corporation Acts 2001* requires that the tax residency of each entity which is included in the Consolidated Entity Disclosure Statements (CEDS) be disclosed. In the context of an entity which was an Australia resident, "Australian resident" has the meaning provided in the *Income Tax Assessment Act 1997*. The determination of tax residency involves judgement as the determination of tax residency is highly fact dependent and there are currently several difference interpretations that could be adopted, and which could give rise to a difference conclusion on residency.

In determining tax residency, the consolidated entity has applied the following interpretations:

- **Australian tax residency**

The consolidated entity has applied current legislation and judicial precedent, including having regard to the Commissioner of Taxation's public guidance in *Tax Ruling TR 2018/5*.

- **Foreign tax residency**

The consolidated entity has applied current legislation and where available judicial precedent in the determination of foreign tax residency. Where necessary, the consolidated entity has used independent tax advisors in foreign jurisdictions to assist in its determination of tax residency to ensure applicable foreign tax legislation has been complied with.

Directors' Declaration

For the year ended 30 June 2024

DIRECTORS' DECLARATION AS AT 30 JUNE 2024

- In the opinion of the directors of PWR Holdings Limited (the "Company"):
 - the consolidated financial statements and notes that are set out on pages 87 to 123 and the Remuneration report in section 16 in the Directors' report on pages 69 to 86, are in accordance with the *Corporations Act 2001*, including:
 - giving a true and fair view of the Group's financial position as at 30 June 2024 and of its performance for the financial year ended on that date; and
 - complying with Australian Accounting Standards and the Corporations Regulations 2001;
 - the Consolidated entity disclosure statement as at 30 June 2024 set out on page 124 is true and correct; and
 - there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.
- There are reasonable grounds to believe that the Company and the group entities identified in Note G3 will be able to meet any obligations or liabilities to which they are or may become subject to by virtue of the Deed of Cross Guarantee between the Company and those group entities pursuant to ASIC Corporations (Wholly-owned Companies) Instrument 2016/785.
- The directors have been given the declarations required by Section 295A of the *Corporations Act 2001* from the Chief Executive Officer and Chief Financial Officer for the financial year ended 30 June 2024.
- The directors draw attention to Note A2 to the consolidated financial statements, which includes a statement of compliance with International Financial Reporting Standards.

Signed in accordance with a resolution of directors.



Kees Weel
Director
Brisbane
15 August 2024

Independent Auditor's Report to the Members of PWR Holdings Limited

For the year ended 30 June 2024



Independent Auditor's Report

To the shareholders of PWR Holdings Limited

Report on the audit of the Financial Report

Opinion

We have audited the **Financial Report** of PWR Holdings Limited (the Company).

In our opinion, the accompanying Financial Report of the Company gives a true and fair view, including of the **Group's** financial position as at 30 June 2024 and of its financial performance for the year then ended, in accordance with the *Corporations Act 2001*, in compliance with *Australian Accounting Standards* and the *Corporations Regulations 2001*.

The **Financial Report** comprises:

- Consolidated Statement of financial position as at 30 June 2024;
- Consolidated Statement of profit or loss and other comprehensive income, Consolidated Statement of changes in equity, and Consolidated Statement of cash flows for the year then ended;
- Consolidated Entity Disclosure Statement and accompanying basis of preparation as at 30 June 2024;
- Notes, including material accounting policies as at 30 June 2024; and
- Directors' Declaration.

The **Group** consists of the Company and the entities it controlled at the year end or from time to time during the financial year.

Basis for opinion

We conducted our audit in accordance with *Australian Auditing Standards*. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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 fulfilled our other ethical responsibilities in accordance with these requirements.

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Independent Auditor's Report to the Members of PWR Holdings Limited

For the year ended 30 June 2024



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.

This matter was 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 this matter.

Valuation of goodwill and intangible assets (\$15.9m)

Refer to Note C6 to the Financial Report

The key audit matter	How the matter was addressed in our audit
<p>A key audit matter for us was the Group's annual testing of goodwill and intangible assets for impairment given the nature of the balance and the complex value-in-use models used.</p> <p>The Group uses complex value-in-use models in performing their annual impairment testing. These models are largely manually developed, use forward looking assumptions based on the Group's budgeting and business plans, and a range of other internal and external sources as inputs to the assumptions. Significant forward-looking assumptions applied in their value-in-use models include forecast revenue growth, EBITDA margin and discount rates applied on net cash flows.</p> <p>Complex modelling using forward-looking assumptions tend to be prone to greater risk for potential bias, error and inconsistent application. These conditions necessitate additional scrutiny by us, in particular to address the objectivity of sources used for assumptions, and their consistent application.</p> <p>We involved valuation specialists to supplement our senior audit team members in assessing this key audit matter.</p>	<p>Our procedures included:</p> <ul style="list-style-type: none"> We considered the appropriateness of the value-in-use methods applied by the Group to perform the annual impairment testing of goodwill and intangible assets against the requirements of the accounting standards. We, along with our valuation specialists, assessed the integrity of the value-in-use models used, including the accuracy of the underlying calculation formulas. We compared the forecast cash flows contained in the value-in-use models to Board approved budgets and the Group's business plans. We assessed the accuracy of previous Group budgets to inform our evaluation of forecasts incorporated in the models. We considered the sensitivity of the models by varying key assumptions, such as forecast revenue growth, EBITDA margin, capital expenditure and discount rates, within a reasonably possible range. We did this to identify those assumptions at higher risk of bias or inconsistency in application and to focus our further procedures. We challenged the Group's significant forecast cash flow and growth rate assumptions including PWR C&R's ability to convert emerging technology opportunities, specifically for Aerospace and Defence customers. We compared forecast growth rates to published analyst reports, comparable companies and considered differences for the Group's operations. For these assumptions and

Independent Auditor's Report to the Members of PWR Holdings Limited

For the year ended 30 June 2024



	<p>EBITDA, we used our knowledge of the Group, their past performance and our understanding of factors impacting the business and customers in which the CGUs operate in.</p> <ul style="list-style-type: none">• Working with our valuation specialists, we independently developed a discount rate range, considered comparable using publicly available market data for comparable entities, adjusted by risk factors specific to the Group, CGUs and the industry it operates in.• We assessed the disclosures in the financial report using our understanding obtained from our testing and against the requirements of the accounting standards.
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Other Information

Other Information is financial and non-financial information in PWR Holdings Limited's annual report which is provided in addition to the Financial Report and the Auditor's Report. The Directors are responsible for the Other Information.

Our opinion on the Financial Report does not cover the Other Information and, accordingly, we do not express an audit opinion or any form of assurance conclusion thereon, with the exception of the Remuneration Report and our related assurance opinion.

In connection with our audit of the Financial Report, our responsibility is to read the Other Information. In doing so, we 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.

We are required to report if we conclude that there is a material misstatement of this Other Information, and based on the work we have performed on the Other Information that we obtained prior to the date of this Auditor's Report we have nothing to report.

Responsibilities of the Directors for the Financial Report

The Directors are responsible for:

- preparing the Financial Report in accordance with the Corporations Act, including giving a true and fair view of the financial position and performance of the Group, and in compliance with *Australian Accounting Standards* and the *Corporations Regulations 2001*;
- implementing necessary internal control to enable the preparation of a Financial Report in accordance with the Corporations Act, including giving a true and fair view of the financial position and performance of the Group, and that is free from material misstatement, whether due to fraud or error; and
- assessing the Group and Company's ability to continue as a going concern and whether the use of the going concern basis of accounting is appropriate. This includes disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they either intend to liquidate the Group and Company or to cease operations, or have no realistic alternative but to do so.

Independent Auditor's Report to the Members of PWR Holdings Limited

For the year ended 30 June 2024



Auditor's responsibilities for the audit of the Financial Report

Our objective is:

- 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 *Australian Auditing Standards* will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error. They 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 the 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 at: 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

In our opinion, the Remuneration Report of PWR Holdings Limited for the year ended 30 June 2024, complies with *Section 300A* of the *Corporations Act 2001*.

Directors' 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 responsibilities

We have audited the Remuneration Report included in pages 69 to 86 of the Directors' report for the year ended 30 June 2024.

Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with *Australian Auditing Standards*.

KPMG

Erin Neville-Stanley
Partner

Brisbane
15 August 2024

Additional Information

ASX Additional Information

Shareholder Information at 19 July 2024

DISTRIBUTION OF EQUITY SECURITY HOLDERS

The following table shows the distribution of PWR shareholders by size of shareholding and number of shareholders and shares at 19 July 2024.

Category	Number of Ordinary shares	Number of Security Holders
1 – 1,000	1,058,466	2,610
1,001 – 5,000	5,670,739	2,201
5,001 – 10,000	3,672,495	499
10,001 – 100,000	7,418,668	316
100,001 and over	82,663,763	26
	100,484,131	5,652

117 shareholders hold less than a marketable parcel of ordinary shares of 41 shares at 19 July 2024

TWENTY LARGEST SHAREHOLDERS

The following table sets out the 20 largest shareholders of ordinary shares listed on our shareholder register and the details of their shareholding at 19 July 2024.

Rank	Name	Number of ordinary shares held	Percentage of capital held %
1	J P MORGAN NOMINEES AUSTRALIA PTY LIMITED	23,554,433	23.44
2	CITICORP NOMINEES PTY LIMITED	15,589,876	15.51
3	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	12,885,416	12.82
4	WAGON WHEEL CO PTY LTD <WAGON WHEEL A/C>	10,000,000	9.95
5	KPW PROPERTY HOLDINGS PTY LTD <KPW HOLDINGS A/C>	6,751,684	6.72
6	BNP PARIBAS NOMINEES PTY LTD <AGENCY LENDING A/C>	3,905,467	3.89
7	MAMLEC PTY LTD <BRYSON FAMILY A/C>	3,030,301	3.02
8	NATIONAL NOMINEES LIMITED	1,070,159	1.07
9	BNP PARIBAS NOMINEES PTY LTD <HUB24 CUSTODIAL SERV LTD>	1,029,753	1.02
10	BNP PARIBAS NOMS PTY LTD	824,246	0.82
11	NETWEALTH INVESTMENTS LIMITED <WRAP SERVICES A/C>	600,922	0.60
12	NEWECONOMY COM AU NOMINEES PTY LIMITED <900 ACCOUNT>	513,309	0.51
13	TRUEBELL CAPITAL PTY LTD <TRUEBELL INVESTMENT FUND>	455,000	0.45
14	WASK MANAGEMENT PTY LTD <THE USHER INVESTMENT A/C>	364,575	0.36
15	PALM BEACH NOMINEES PTY LIMITED	351,305	0.35
16	CITICORP NOMINEES PTY LIMITED <COLONIAL FIRST STATE INV A/C>	227,676	0.23
17	ANACACIA PTY LTD <WATTLE FUND A/C>	226,100	0.23
18	AMCIL LIMITED	200,000	0.20
19	UBS NOMINEES PTY LTD	191,721	0.19
20	NETWEALTH INVESTMENTS LIMITED <SUPER SERVICES A/C>	166,116	0.17
	Totals: Top 20 holders of ORDINARY FULLY PAID SHARES (Total)	81,938,059	81.54
	Total Remaining Holders Balance	18,546,072	18.46

ASX Additional Information

Shareholder Information at 19 July 2024

SUBSTANTIAL SHAREHOLDERS

At 19 July 2024, PWR Holdings Limited had three substantial shareholders who, together with their associates, hold five per cent or more of the voting rights in PWR, as notified to PWR under the Australian Corporations Act.

Shareholder	Number of shares	%
KPW Property Holdings Pty Ltd ATF KPW Holdings Trust on its own behalf and on behalf of Kees Weel and Paul Weel and Lazy Weel PTY Ltd ATF Lazy Weel Super Fund Account and Wagon Weel Co Pty Ltd	16,813,069	16.7%
AustralianSuper Pty Ltd	6,429,682	6.4%
ECP Asset Management Pty Ltd (and associated entities)	6,038,194	6.0%

RIGHTS

The number of performance rights on issue are set out below:

Number of rights holders	Number of rights on issue
21	484,685

VOTING RIGHTS

Ordinary shares

The Company does not have authorised capital or par value in respect of its issued shares. All shares are fully paid. The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company.

Securities Exchange

The Company is listed on the Australian Securities Exchange. The Home exchange is Sydney.

Ticker Code

ASX:PWH

Other information

PWR Holdings Limited, incorporated and domiciled in Australia, is a publicly listed company limited by shares.

On-market buy-back

There is no current on-market buy-back.

Additional Information

Corporate Directory

PWR HOLDINGS LIMITED

ABN 85 105 326 850

DIRECTORS

Roland Dane
Kees Weel
Jeffrey Forbes
Kym Osley, AM, CSC
Amanda Holt
Kristen Podagiel
Jason Conroy

COMPANY SECRETARY

Lisa Dalton

PRINCIPAL REGISTERED OFFICE

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