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MADER

Financial Report

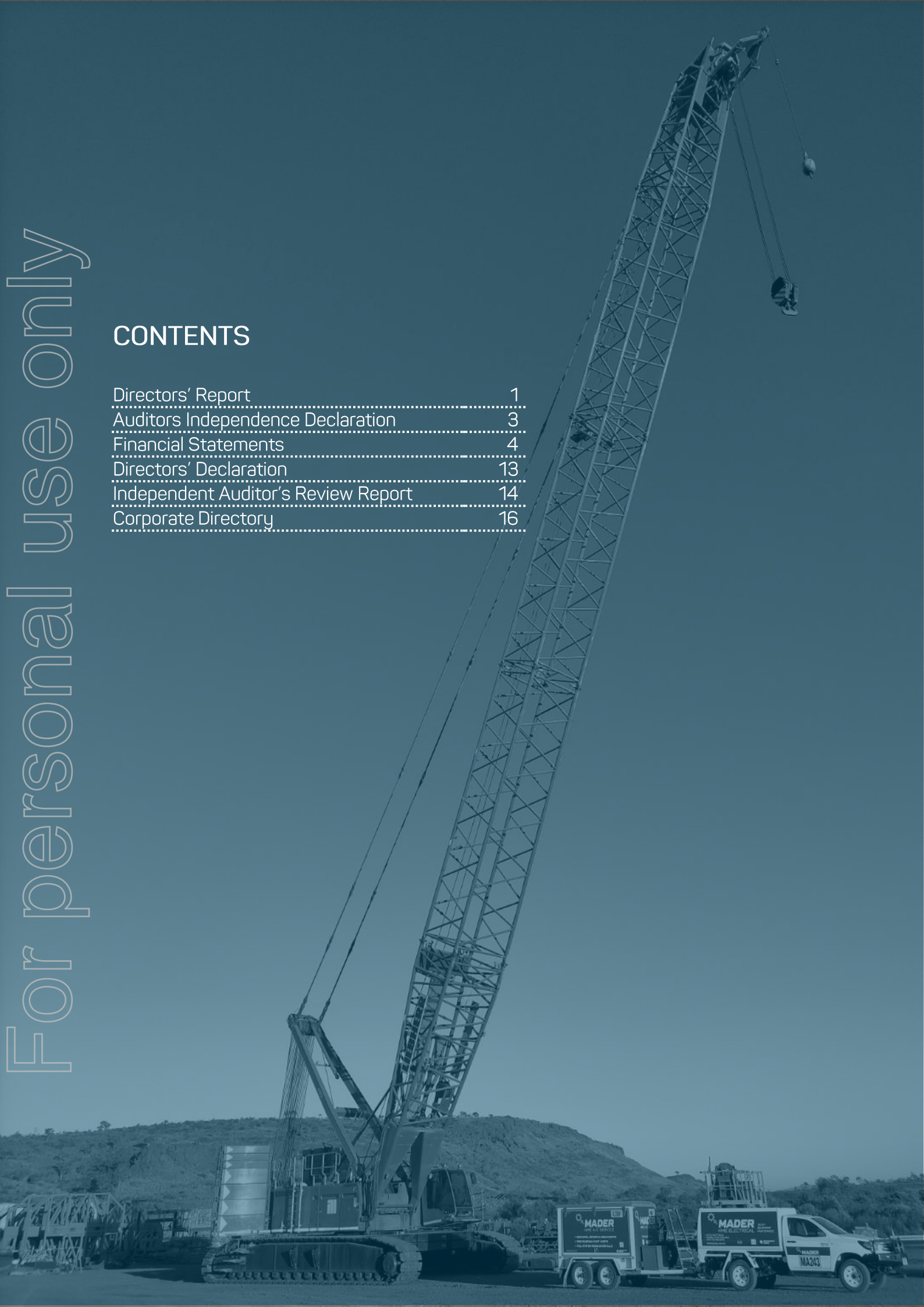
FOR THE HALF YEAR ENDED
31 DECEMBER 2022

MADER GROUP LIMITED
ABN 51 159 340 397

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DIRECTORS' REPORT

The Directors submit their report with the financial report on the consolidated entity (referred to hereafter as "Mader" or "Group") consisting of Mader Group Limited (the "Company") and the entities it controlled at the end of, or during, the half-year ending 31 December 2022.

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

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

Principal Activities

During the half-year, the principal activities of Mader were the provision of specialised labour and support for the maintenance of heavy mobile equipment and fixed infrastructure in the global resources sector. The services provided include maintenance labour, field support (site labour with service vehicles and tooling), shutdown teams for major overhauls, offsite repairs and component rebuilds, training of maintenance teams, and a range of other ancillary services.

Overview and Financial Results

Over the first half year of FY23, Mader reported revenue of \$280.3m, an increase of 51% versus the prior half year (ended 31 December 2021, "1H FY22").

The Australian segment performed strongly, with revenue increasing by 36% to \$218.5m. Positive growth momentum continued from the Group's core mechanical services, ancillary and infrastructure maintenance business units, driven by ongoing customer demand amidst a tight labour market and high commodity prices.

During the period, the Perth-based Mader Maintenance Centre was commissioned, with a number of rebuilds and repairs completed for tier one mining customers. The forward order book continues to expand and will see the facility deliver major turnkey offsite rebuilds and repairs.

Mader's Trade Upgrade Apprenticeship Program saw four cohorts of apprentices qualify as dual-trade technicians, three in Western Australia and one in Queensland. Supporting a constantly evolving industry and skills shortage, the program has seen over 260 participants inducted since 2019.

North America's performance was a highlight, generating revenue of \$57.4m in the period, a 198% increase from 1H FY22. In the United States, Mader's market presence continued to build as relationships with new and existing customers were developed. As the business unit matured, additional focus has been placed on diversifying service lines and industries.

Canada experienced rapid headcount growth, reaching a milestone of ~100 skilled technicians now mobilised into the region. This can be attributed to the application of proven recruitment techniques locally and further complemented by Mader's Global Pathways Program – an initiative that deploys skilled technicians to opportunities around the world. Supporting a range of customers across a diverse commodity base in Alberta and the North West Territories, the Group will be well-positioned to fulfill significant unmet demand in the region.

Mader Energy continues to focus on developing customer relationships and enhance its geographical footprint across a variety of shale formations. Growth has been pleasing and the business unit will continue to expand inline with headcount growth and new customers.

Mader's Rest of World operations delivered revenue of \$4.5m over 1H FY23, providing specialist support and training to customers in five countries across Africa, Asia and Oceania. Although the segment experienced a 21% decline in revenue vs PCP, Mader remains focused on strategically rebuilding the business unit.

The Group's EBITDA grew to \$33.8m, an increase of 60% vs 1H FY22.

Net debt closed at \$50.9m, an increase of \$24.2m from net debt levels as at 30 June 2022. The increase is attributed to growth in working capital requirements due to:

- Continued growth in Group revenue – the increased working capital requirements stem from the difference in timing between the Group's payroll (every 14 days) and receipts from customers (days sales outstanding of 65 days).
- The expansion of the Group's offsite rebuilds and repair service offering at the Mader Maintenance Centre has more than doubled the working capital requirements of the business unit.
- Exceptional growth rates in North America, in addition to the nature of the services provided has also increased the level of working capital required, particularly in Canada.

These three factors have resulted in an increase in the level of working capital required to support the continued revenue growth of the Group.

Mader secured long-term finance facilities in the United States in addition to increasing existing facilities in Australia during the period. These facility limit increases, in addition to the regimented deployment of working and growth capital provides Mader the option to increase leverage in line with growth in revenue and earnings.

Dividends

On 21 February 2023, the Company declared an interim fully franked dividend of 2.4 cents per share. The total value of the dividend payment is \$4.8m. The record date is 7 March 2023 with a payment date of 6 April 2023.

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

| Dividend Type | Dividend Paid | Total Value | Payment Date |
|-------------------------------------|---------------------|-------------|-------------------|
| Final FY22 fully franked dividend | 2.0 cents per share | \$4.0m | 27 September 2022 |
| Interim FY23 fully franked dividend | 2.4 cents per share | \$4.8m | 6 April 2023 |

Events Subsequent to the End of the Half-Year

On 10 January 2023, the Company granted 400,000 share appreciation rights to Chief Operating Officer, John Greville under the Mader Equity Incentive Plan.

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

Rounding

The Company is a company of the kind referred to in *ASIC Corporations (Rounding in Financials/Directors' Reports) Instrument 2016/191*, dated 24 March 2016, and in accordance with that Corporations Instrument amounts in this directors' report are rounded off to the nearest thousand dollars, unless otherwise indicated.

Auditor's Independence Declaration

The auditor's independence declaration under s 307C of the Corporations Act 2001 is set out on page 3.

Signed in accordance with a resolution of Directors made pursuant to s.306(3) of the *Corporations Act 2001*.

On behalf of the Directors



Jim Walker
Non-executive Chair
Perth, 20 February 2023

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

As lead auditor for the review of Mader Group Limited for the half-year ended 31 December 2022, I declare that, to the best of my knowledge and belief, there have been:

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

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



Dean Just

Director

BDO Audit (WA) Pty Ltd

Perth

20 February 2023

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Consolidated Statement of Profit or Loss & Other Comprehensive Income

For the Half-Year Ended 31 December 2022

| | Note | 31 Dec 2022 \$'000 | 31 Dec 2021 \$'000 |
|---|------|-----------------------|-----------------------|
| Revenue | 4 | 280,349 | 185,175 |
| Cost of sales | | (222,198) | (149,664) |
| Gross profit | | 58,151 | 35,511 |
| Distribution expenses | | (7) | (7) |
| Marketing expenses | | (856) | (525) |
| Administration expenses | | (31,974) | (19,497) |
| Other operating expenses | | (145) | 72 |
| Finance costs | | (1,498) | (713) |
| Share of profit from associates | | - | 532 |
| Other income | | 1,399 | 1,026 |
| Profit before income tax | | 25,070 | 16,399 |
| Income tax expense | | (7,500) | (4,293) |
| Profit for the period | | 17,570 | 12,106 |
| Other comprehensive income/(loss): | | | |
| <i>Items that may be reclassified to profit or loss:</i> | | | |
| Exchange differences arising on translation of foreign operations | | 866 | 502 |
| Total comprehensive income for the period | | 18,436 | 12,608 |
| Earnings per share | | | |
| Basic earnings per share (cents per share) | | 8.78 | 6.05 |
| Diluted earnings per share (cents per share) | | 8.49 | 6.05 |

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

Consolidated Statement of Financial Position

As at 31 December 2022

| | Note | 31 Dec 2022 \$'000 | 30 Jun 2022 \$'000 |
|--------------------------------------|------|-----------------------|-----------------------|
| Current assets | | | |
| Cash and cash equivalents | | 10,473 | 6,648 |
| Trade and other receivables | | 107,378 | 85,649 |
| Other assets | | 8,602 | 3,466 |
| Total current assets | | 126,453 | 95,763 |
| Non-current assets | | | |
| Property, plant and equipment | 5 | 85,849 | 67,944 |
| Right of use of asset | | 7,744 | 7,965 |
| Other assets | | 424 | 501 |
| Deferred tax assets | | 1,663 | 944 |
| Total non-current assets | | 95,680 | 77,354 |
| Total assets | | 222,133 | 173,117 |
| Current liabilities | | | |
| Trade and other payables | | 39,852 | 39,289 |
| Lease liabilities | | 1,327 | 1,234 |
| Provisions | | 4,731 | 3,902 |
| Tax liabilities | | 1,088 | 306 |
| Borrowings | 6 | 21,277 | 21,264 |
| Total current liabilities | | 68,275 | 65,995 |
| Non-current liabilities | | | |
| Lease liabilities | | 6,850 | 7,000 |
| Deferred tax liabilities | | 6,345 | 3,081 |
| Borrowings | 6 | 40,116 | 12,059 |
| Total non-current liabilities | | 53,311 | 22,140 |
| Total liabilities | | 121,586 | 88,135 |
| Net assets | | 100,547 | 84,982 |
| Equity | | | |
| Issued capital | | 2 | 2 |
| Reserves | | 4,140 | 2,145 |
| Retained earnings | | 96,405 | 82,835 |
| Total equity | | 100,547 | 84,982 |

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

Consolidated Statement of Changes in Equity

For the Half-Year Ended 31 December 2022

| | Note | Issued Capital \$'000 | Retained Earnings \$'000 | Foreign Currency Translation Reserve \$'000 | Share Based Payment Reserve \$'000 | Total \$'000 |
|--|------|--------------------------|-----------------------------|--|---------------------------------------|-----------------|
| Balance at 1 Jul 2022 | | 2 | 82,835 | 735 | 1,410 | 84,982 |
| Comprehensive income | | | | | | |
| Profit for the period | | - | 17,570 | - | - | 17,570 |
| Other comprehensive income for the period | | - | - | 866 | - | 866 |
| Total comprehensive income for the period | | - | 17,570 | 866 | - | 18,436 |
| Transactions with owners, in their capacity as owners | | | | | | |
| Dividends paid or provided for the period | 7 | - | (4,000) | - | - | (4,000) |
| Equity settled share based payment | | - | - | - | 1,129 | 1,129 |
| Total transactions with owners | | - | (4,000) | - | 1,129 | (2,871) |
| Balance at 31 Dec 2022 | | 2 | 96,405 | 1,601 | 2,539 | 100,547 |
| Balance at 31 Dec 2021 | | | | | | |
| Balance at 1 Jul 2021 | | 2 | 61,890 | (1,220) | - | 60,672 |
| Comprehensive income | | | | | | |
| Profit for the period | | - | 12,106 | - | - | 12,106 |
| Other comprehensive income for the period | | - | - | 502 | - | 502 |
| Total comprehensive income for the period | | - | 12,106 | 502 | - | 12,608 |
| Transactions with owners, in their capacity as owners | | | | | | |
| Dividends paid or provided for the period | 7 | - | (3,000) | - | - | (3,000) |
| Total transactions with owners | | - | (3,000) | - | - | (3,000) |
| Balance at 31 Dec 2021 | | 2 | 70,996 | (718) | - | 70,280 |

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

Consolidated Statement of Cash Flows

For the Half-Year Ended 31 December 2022

| | Note | 31 Dec 2022 \$'000 | 31 Dec 2021 \$'000 |
|--|------|-----------------------|-----------------------|
| Cash flows from operating activities | | | |
| Receipts from customers | | 284,481 | 209,923 |
| Payments to suppliers and employees | | (274,239) | (180,105) |
| Interest received | | - | - |
| Finance costs | | (1,295) | (583) |
| Income tax paid | | (4,173) | (6,863) |
| Net cash provided by operating activities | | 4,774 | 22,372 |
| Cash flows from investing activities | | | |
| Proceeds from sale of plant and equipment | | 3 | 7 |
| Payments for plant and equipment | | (24,555) | (17,697) |
| Investment in associates | | - | (20) |
| Net cash (used in) investing activities | | (24,552) | (17,710) |
| Cash flows from financing activities | | | |
| Payment of dividends | 7 | (4,000) | (3,000) |
| Proceeds from borrowings | | 36,988 | 9,419 |
| Payment of borrowings | | (9,502) | (8,457) |
| Net cash (used in) financing activities | | 23,486 | (2,038) |
| Net increase/(decrease) in cash held | | 3,708 | 2,624 |
| Net foreign exchange difference | | 117 | 213 |
| Cash at the beginning of the financial period | | 6,648 | 3,209 |
| Cash at the end of the financial period | | 10,473 | 6,046 |

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

Notes to the Consolidated Financial Statements

1. General Information

The half-year financial report is a general purpose financial report prepared in accordance with the *Corporations Act 2001* and AASB 134 *Interim Financial Reporting*. Compliance with AASB 134 ensures compliance with International Financial Reporting Standards IAS 34 *Interim Financial Reporting*. The half-year report does not include notes of the type normally included in an annual financial report and should be read in conjunction with the most recent annual report.

The condensed consolidated financial statements have been prepared on the basis of historical costs, except for the revaluation of certain non-current assets and financial instruments. Cost is based on the fair values of the consideration given in exchange for assets. All amounts are presented in Australian dollars (\$), unless otherwise noted.

The accounting policies and methods of computation adopted in the preparation of the half-year financial report are consistent with those adopted and disclosed in the company's 2022 annual financial report for the financial year ended 30 June 2022. The accounting policies are consistent with Australian Accounting Standards and with International Financial Reporting Standards.

The Company is a company of the kind referred to in *ASIC Corporations (Rounding in Financials/Directors' Reports) Instrument 2016/191*, dated 24 March 2016, and in accordance with that Corporations Instrument, amounts in the half-year financial report are rounded off to the nearest thousand dollars, unless otherwise indicated.

(b) New and amended standards that are effective in the current period

The Company has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

(c) New and amended Standards and Interpretations on issue not yet effective

The Directors have reviewed all the new and amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that are mandatory to the current reporting period.

The adoption of these standards has not had any impact on the disclosures or amounts reported in these financial statements.

2. Significant Changes from the Annual Financial Statements

There have been no significant changes since the Group's most recent annual financial statements for the year ended 30 June 2022.

3. Segment Information

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

Segment information provided to the Chief Executive Officer for the half-year ended 31 December is as follows:

| | Australia \$'000 | North America \$'000 | Rest of World \$'000 | Corporate \$'000 | Total \$'000 |
|----------------------------------|---------------------|----------------------------|----------------------------|---------------------|-----------------|
| 31 Dec 2022 | | | | | |
| Financial Performance | | | | | |
| Maintenance services | 201,428 | 46,379 | 4,124 | - | 251,931 |
| Hire recoveries | 153 | - | - | - | 153 |
| Direct expense recoveries | 16,871 | 10,979 | 415 | - | 28,265 |
| | 218,452 | 57,358 | 4,539 | - | 280,349 |
| Other income | 1,507 | 48 | (167) | 11 | 1,399 |
| Revenue | 219,959 | 57,406 | 4,372 | 11 | 281,748 |
| EBITDA | 25,073 | 11,030 | 755 | (3,034) | 33,824 |
| Depreciation and amortisation | (3,384) | (3,236) | (6) | (630) | (7,256) |
| EBIT | 21,689 | 7,794 | 749 | (3,664) | 26,568 |
| Finance costs | (971) | (299) | (18) | (210) | (1,498) |
| Income tax (expense)/benefit | (6,210) | (2,091) | (332) | 1,133 | (7,500) |
| Net profit after tax | 14,508 | 5,404 | 399 | (2,741) | 17,570 |
| Other Segment Information | | | | | |
| Assets | 136,601 | 70,149 | 5,030 | 10,353 | 222,133 |
| Liabilities | 73,822 | 35,194 | 1,193 | 11,377 | 121,586 |
| 31 Dec 2021 | | | | | |
| Financial Performance | | | | | |
| Maintenance services | 150,351 | 17,662 | 5,072 | - | 173,085 |
| Hire recoveries | 45 | - | - | - | 45 |
| Direct expense recoveries | 9,796 | 1,594 | 655 | - | 12,045 |
| | 160,192 | 19,256 | 5,727 | - | 185,175 |
| Other income | 1,343 | 17 | (351) | 17 | 1,026 |
| Revenue | 161,535 | 19,273 | 5,376 | 17 | 186,201 |
| EBITDA | 18,224 | 4,534 | 1,134 | (2,712) | 21,180 |
| Depreciation and amortisation | (2,813) | (1,074) | (14) | (167) | (4,068) |
| EBIT | 15,411 | 3,460 | 1,120 | (2,879) | 17,112 |
| Finance costs | (502) | (131) | (20) | (60) | (713) |
| Income tax (expense)/benefit | (3,230) | (885) | (919) | 741 | (4,293) |
| Net profit after tax | 11,679 | 2,444 | 181 | (2,198) | 12,106 |
| 30 Jun 2022 | | | | | |
| Other Segment Information | | | | | |
| Assets | 114,492 | 46,582 | 7,029 | 5,014 | 173,117 |
| Liabilities | 67,438 | 10,159 | 2,792 | 7,746 | 88,135 |

4. Revenue

| | 31 Dec 2022 \$'000 | 31 Dec 2021 \$'000 |
|--------------------------------------|-----------------------|-----------------------|
| Operating revenue: | | |
| Maintenance services | 251,931 | 173,085 |
| Hire recoveries | 153 | 45 |
| Direct expense recoveries | 28,265 | 12,045 |
| | 280,349 | 185,175 |
| Timing of revenue recognition | | |
| At a point in time | 252,084 | 173,130 |
| Over time | 28,265 | 12,045 |
| | 280,349 | 185,175 |

5. Property, Plant & Equipment

| | Buildings and property \$'000 | Office furniture and equipment \$'000 | Plant equipment and motor vehicles \$'000 | Capital work in progress \$'000 | Total \$'000 |
|--|-------------------------------------|---|---|---------------------------------------|-----------------|
| 31 Dec 2022 | | | | | |
| Cost | 1,950 | 2,470 | 105,703 | 16,033 | 126,156 |
| Accumulated depreciation | (382) | (1,351) | (38,574) | - | (40,307) |
| | 1,568 | 1,119 | 67,129 | 16,033 | 85,849 |
| Movement in property, plant and equipment | | | | | |
| At 1 Jul 2022 | 860 | 1,153 | 55,305 | 10,626 | 67,944 |
| Additions | 805 | 273 | 18,652 | 5,407 | 25,137 |
| Disposals | - | (9) | (402) | - | (411) |
| Depreciation | (97) | (293) | (6,604) | - | (6,994) |
| Foreign exchange movement | - | (5) | 178 | - | 173 |
| | 1,568 | 1,119 | 67,129 | 16,033 | 85,849 |

| | Buildings and property \$'000 | Office furniture and equipment \$'000 | Plant equipment and motor vehicles \$'000 | Capital work in progress \$'000 | Total \$'000 |
|--|-------------------------------------|---|---|---------------------------------------|-----------------|
| 30 Jun 2022 | | | | | |
| Cost | 1,160 | 2,230 | 86,923 | 10,626 | 100,939 |
| Accumulated depreciation | (299) | (1,127) | (31,569) | - | (32,995) |
| | 861 | 1,103 | 55,354 | 10,626 | 67,944 |
| Movement in property, plant and equipment | | | | | |
| At 1 Jul 2021 | 417 | 898 | 35,607 | - | 36,922 |
| Additions | 514 | 511 | 29,182 | 10,626 | 40,833 |
| Disposals | (7) | - | (2,188) | - | (2,195) |
| Depreciation | (64) | (290) | (8,739) | - | (9,093) |
| Foreign exchange | - | 34 | 1,443 | - | 1,477 |
| | 860 | 1,153 | 55,305 | 10,626 | 67,944 |

6. Borrowings

| | 31 Dec 2022 \$'000 | 30 Jun 2022 \$'000 |
|--------------------------------------|-----------------------|-----------------------|
| Current | | |
| Secured borrowings – asset financing | 12,070 | 6,492 |
| Secured borrowings – working capital | 5,000 | 14,093 |
| Unsecured borrowings – other | 4,207 | 679 |
| | 21,277 | 21,264 |
| Non-current | | |
| Secured borrowings – working capital | 9,700 | - |
| Secured borrowings – asset financing | 30,416 | 12,059 |
| | 40,116 | 12,059 |

The Group has access to the following lines of credit:

| | 31 Dec 2022 \$'000 | 30 Jun 2022 \$'000 |
|--------------------------------------|-----------------------|-----------------------|
| Facilities used: | | |
| Secured borrowings – asset financing | 42,486 | 18,551 |
| Secured borrowings – working capital | 14,700 | 14,093 |
| Unsecured borrowings – other | 4,207 | 679 |
| | 61,393 | 33,323 |
| Facilities not used: | | |
| Secured borrowings – asset financing | 66,118 | 23,626 |
| Secured borrowings – working capital | 32,680 | 28,810 |
| | 98,798 | 52,436 |
| Facilities available: | | |
| Secured borrowings – asset financing | 108,604 | 42,177 |
| Secured borrowings – working capital | 47,380 | 42,903 |
| Unsecured borrowings – other | 4,207 | 679 |
| | 160,191 | 85,759 |

During the half-year, the Group completed a refinance of its Australian facilities which extended tenure, increased facility limits, reduced borrowing costs and is subject to financial undertakings measured on the reporting dates of 31 December and 30 June. Financial undertakings include a debt service cover ratio, a gross leverage ratio, an asset coverage ratio and a guarantor group coverage test.

In addition, the Group secured long term finance facilities in the United States and is subject to financing undertakings measured on a quarterly basis. Financial undertakings for the United States include a debt service coverage ratio and a minimum tangible net worth ratio.

The facility limit increases, in addition to the regimented deployment of working and growth capital, provides Mader the option to increase leverage in line with growth in revenue and earnings. As at 31 December 2022, the Group was in compliance with its financial covenants.

7. Dividends

| | 31 Dec 2022 \$'000 | 31 Dec 2021 \$'000 |
|--|-----------------------|-----------------------|
| Dividends Paid: | | |
| Dividends declared and paid during the period | | |
| - Final fully franked ordinary dividend for the year ended 30 June 2021 of 1.5 cents per share paid on 28 September 2021 franked at the tax rate of 30% | - | 3,000 |
| - Final fully franked ordinary dividend for the year ended 30 June 2022 of 2.0 cents per share paid on 27 September 2022 franked at the tax rate of 30% | 4,000 | - |
| | 4,000 | 3,000 |
| Dividends declared after 31 Dec 2022: | | |
| - The Company has resolved to declare an interim fully franked ordinary dividend of 2.4 cents per share payable on 6 April 2023 franked at the tax rate of 30% | 4,800 | 4,000 |

8. Commitments and Contingencies

| | 31 Dec 2022 \$'000 | 30 Jun 2022 \$'000 |
|--|-----------------------|-----------------------|
| Capital Expenditure Commitments: | | |
| Committed at the reporting date but not recognised as liabilities: | | |
| - Property, plant and equipment | 35,781 | 29,869 |
| | 35,781 | 29,869 |
| Contingencies: | | |
| - Contingent asset or liabilities | - | - |
| | - | - |

9. Related Party Information

There is no material changes with related party transactions for the period.

10. Events Subsequent to the End of the Half-Year

On 10 January 2023, the Company granted 400,000 share appreciation rights to Chief Operating Officer, John Greville under the Mader Equity Incentive Plan.

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

DIRECTORS' DECLARATION

The Directors declare that:

- (a) In the Directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable; and
- (b) In the Directors' opinion, the attached financial statements and notes thereto are in accordance with the *Corporations Act 2001*, including compliance with accounting standards and giving a true and fair view of the financial position and performance of the Group.

Signed in accordance with a resolution of the Directors made pursuant to s.303(5) of the *Corporations Act 2001*.

On behalf of the Directors



Jim Walker
Non-executive Chair
Perth, 20 February 2023

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Mader Group Limited

Report on the Half-Year Financial Report

Conclusion

We have reviewed the half-year financial report of Mader Group Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 31 December 2022, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the half-year ended on that date, a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of the Group does not comply with the *Corporations Act 2001* including:

- (i) Giving a true and fair view of the Group's financial position as at 31 December 2022 and of its financial performance for the half-year ended on that date; and
- (ii) Complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Financial Report* section of our report. We are independent of the Company in accordance with the auditor independence requirements of 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 the audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Responsibility of the directors for the financial report

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

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Auditor's responsibility for the review of the financial report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2022 and its financial performance for the half-year ended on that date and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

BDO Audit (WA) Pty Ltd

BDO

A handwritten signature in black ink, appearing to read 'Dean Just', is written over the printed name.

Dean Just

Director

Perth

20 February 2023

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CORPORATE DIRECTORY

Directors

| | |
|-------------------|--|
| Mr Jim Walker | Non-Executive Chair |
| Mr Luke Mader | Executive Director |
| Mr Justin Nuich | Executive Director & Chief Executive Officer |
| Mr Patrick Conway | Executive Director |
| Mr Craig Burton | Non-Executive Director |

Company Secretaries

Ms Shannon Coates
 Ms Sarah Wilson appointed 23 August 2022

Registered Office and Principal Place of Business

Hkew Alpha Building
 2 George Wiencke Drive
 Perth Airport WA 6105

Share Registry

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

Auditors

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

Stock Exchange Listing

Australian Securities Exchange (ASX)
 ASX Code: MAD

Company Website

www.madergroup.com.au