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Annual Report 2024

CORPORATE REGISTRY

DIRECTORS

Michael Arnett
Chairman and Non-Executive Director

Julian Pemberton
Chief Executive Officer and
Managing Director

Jeff Dowling
Non-Executive Director

Fiona Murdoch
Non-Executive Director

David Joyce
Non-Executive Director
(Appointed 19 March 2024)

Adrienne Parker
Non-Executive Director
(Appointed 13 May 2024)

Peter Johnston
Former Non-Executive Director
(Retired 28 November 2023)

COMPANY SECRETARY

Kim Hyman

REGISTERED OFFICE

181 Great Eastern Highway
Belmont WA 6104

Telephone: +61 8 9232 4200
Facsimile: +61 8 9232 4232

AUDITOR

Deloitte Touche Tohmatsu
Tower 2
Brookfield Place
Level 9
123 St Georges Terrace
Perth WA 6000

SHARE REGISTRY

Link Market Services Limited
Level 4 Central Park
152 St Georges Terrace
Perth WA 6000

Telephone: +61 1300 554 474
Facsimile: +61 2 8287 0303

ASX CODE

NWH – NRW Holdings Limited
Fully Paid Ordinary Shares

nrw.com.au

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ABOUT THIS REPORT

ANNUAL REPORT 2024

This Annual Report (Report) discloses a summary of NRW's operations, activities and performance information for the financial year 1 July 2023 to 30 June 2024 (FY24).

This Report forms part of NRW's Annual Reporting Suite through which the Company communicates the value created for its stakeholders – including shareholders, clients, employees and the communities in which we operate. This Report can be read in conjunction with the other documents in NRW's Annual Reporting Suite and other periodic announcements lodged with the Australian Securities Exchange (ASX), including the Annual Financial Statements, all of which are available on the NRW website (nrw.com.au) and the ASX platform.

NRW Holdings Limited (ACN 118 300 217) is the parent entity of the NRW group of companies, and its shares are listed on the ASX (ASX Code: NWH). In this Report, unless otherwise stated, references to 'NRW', 'we', 'our', the 'Company' or 'NRW Group' refer to NRW Holdings Limited and its wholly-owned subsidiaries listed on page 87 – 88 of NRW's Annual Financial Statements for the year ended 30 June 2024 (2024 Annual Financial Statements) released to the ASX on 15 August 2024.

To the extent this Report contains certain 'forward-looking statements' and comments about future events

(including projections, guidance on future earnings and estimates) these statements are provided as a general guide only and should not be relied upon as an indication or guarantee of future performance. Such statements by their nature involve known and unknown risks, uncertainty and other factors, many of which are outside the control of NRW. As such, undue reliance should not be placed on any forward-looking statement and no representation or warranty is made by any person as to the likelihood of achievement or reasonableness of any forward-looking statements, forecast financial information or other forecast. Similarly, past performance should not be relied upon (and is not) an indication of future performance. It represents NRW's historical financial position at a specific date (and reference should be had to the full accounts released to ASX from which it is derived).

Unless otherwise stated, financial information in this report is presented on the basis described in the 2024 Annual Financial Statements – Basis of Preparation on page 53, and monetary amounts in this Report are expressed in AUD dollars.

OUR ANNUAL REPORTING SUITE

You can view all documents of the NRW Holdings Limited's Annual Reporting Suite on the nrw.com.au website.



Annual Report



Sustainability Report



Corporate Governance
Statement



Modern Slavery
Statement



ABOUT US

Founded in 1994, NRW has grown to be a leading diversified provider of world-class service and product solutions to the resources and infrastructure sectors. The Company specialises in delivering engineering, manufacturing, construction, operations and maintenance services across Australia and North America. With a reputation for excellence, we create value by forming meaningful partnerships with industry leaders who value safety, quality and dependability.

Our end-to-end capability allows us to deliver value across a project or asset's entire lifecycle. With full Engineering, Procurement and Construction (EPC) and Original Equipment Manufacturer (OEM) capability, NRW provides innovative and effective technical design, in addition to manufacturing our own products we take to market. We work with top-tier clients to deliver civil construction projects with diversification across various sectors, including renewable energy and resource projects. Our operations services encompass mining, mineral processing plants and materials handling across a range of commodities and includes shutdown services.

We offer specialist Electrical and Instrumentation (E&I) design and construction services, maintenance services for mobile equipment and plant maintenance for heavy equipment. Across all capabilities, safety remains our highest priority as we work to deliver to the highest industrial safety standards.

Guided by shared values, our business has fostered a strong workplace culture built around trust. This culture has sparked our entrepreneurial spirit and created a workplace that is conducive to innovative thinking. We care for our people, and enable safe, respectful and inclusive workplaces.

As a business, we are always looking ahead, continuing to innovate beyond our core vision. Through our dedication to operating excellence, meeting customer needs and caring for our people, we are committed to delivering returns to shareholders over the long term.

Together, our eyes are on the future.

2024

Increased Workforce HSE Mining Acquisition

Acquired HSE Mining equipment and personnel, delivering mining services for Stanmore at South Walker Creek.

2023

New Capabilities and Markets OFI Acquisition

OFI added process controls, electrical, instrumentation design, switchboard/panel manufacture and consultation capability, together with an entry to Defence contracting.

2021

Added Significant EPC Capabilities Primero Acquisition

Primero added significant process design, construction and Operations and Maintenance (O&M) capability to establish our Minerals, Energy & Technologies pillar.

2019

Increased Scale and Capabilities BGC Contracting and DIAB Engineering Acquisition

BGC Contracting significantly enhanced NRW's ability to participate as a large construction partner in public works projects. DIAB Engineering added maintenance, fabrication, construction and shutdown capability.

2019

Increased Capabilities RCR Mining Technologies Acquisition

Established mining technologies and maintenance capability. Platform for growth across OEM products and fixed plant maintenance.

2017

Geographic Expansion Golding Acquisition

Increased exposure to east coast civil infrastructure, urban and mining markets.

PURPOSE, VISION & VALUES

Our Values



Safety & Wellbeing

The safety and wellbeing of our people is our first priority.
We think and act safely at all times.



Teamwork & Collaboration

We achieve great outcomes by working together.
We embrace diversity and a culture where everyone feels part of the team.



Loyalty & Integrity

We value long-term relationships built on trust.
Our word is our bond.



Excellence

We strive to continuously improve.
We encourage our people to grow.



Entrepreneurial Spirit

We pursue opportunities to strengthen our business.
We support our people to unlock innovative solutions.

Our Vision

To be the leading diversified provider of world-class service and product solutions to the resource and infrastructure sectors.

Our Purpose

We exist to deliver a satisfactory return to shareholders over the long term through operating excellence, meeting customer needs and caring for our people.

OUR CAPABILITY

Civil

NRW Civil
Golding Civil
Golding Urban

- National infrastructure prequalifications R5, B4, F150+
- Roads and bridges
- Public / defence infrastructure
- Rail formations
- Mine development
- Bulk earthworks
- Renewable energy projects
- Airstrips
- Commercial and residential subdivisions

Mining

NRW Mining
Golding Mining
Action Drill & Blast
AES Equipment Solutions

- Whole of mine management
- Mine development
- Load and haul
- Coal handling preparation plants
- Mine site rehabilitation
- Full scope drill and blast
- Explosives supply and management
- Maintenance services
- Mobile equipment maintenance
- Service vehicle manufacture and sales

Minerals, Energy & Technologies

Primero
RCR Mining Technologies
DIAB Engineering
OFI

- Full EPC capability
- Apron, belt and hybrid feeders
- Materials handling specialists
- Build Own Operate
- Structural, mechanical and piping work
- Maintenance services
- Process controls
- E&I design and construction
- Non-process infrastructure
- Routine preventative maintenance and shutdowns
- Offsite repairs and fabrication services
- Product support, spare parts and service
- Heat treatment
- Switchboard / panel manufacture



CHAIRPERSON'S MESSAGE

As Chairperson of NRW Holdings, and on behalf of the Board, I am pleased to present this year's Annual Report.

We saw some changes to the NRW Board during FY24. Peter Johnston retired as Non-Executive Director prior to the Annual General Meeting in November 2023. We extend our sincere thanks to Peter for his dedication and significant contributions during his seven years of service. Additionally, we are pleased to welcome David Joyce and Adrienne Parker as new Non-Executive Directors. We look forward to their valuable contributions to the Board.

OUR PERFORMANCE

In FY24, the Group achieved another record year for both revenue and earnings. This success was coupled with continued improvement in safety outcomes, alongside enhanced operational performance across the organisation. This is another outstanding outcome for the business and our shareholders, as the Company continues to deliver above expectations.

Our growth was driven by increased activity across all operational segments, with several new contract awards and extensions of existing agreements. Favourable market conditions supported a more consistent flow of contract awards compared to the previous year, which had been impacted by weather and client delays.

All operational segments benefited from these improved conditions leading to a 9.2% increase in revenue compared to FY23, as well as higher earnings and profitability year-on-year. Normalised Net Earnings rose by 18.6% to \$123.8 million, up from \$104.4 million in FY23, reflecting these favourable trends.

This performance highlights our ongoing commitment to the disciplined execution of our growth strategy. In line with this strategy and during the financial year, our wholly-owned subsidiary Golding finalised an agreement to acquire the mining services contract, associated fleet, and the transfer of employees from HSE Mining Pty Ltd at Stanmore Resources Limited's South Walker Creek mine. Valued at \$85 million (less assumed employee liabilities and other closing adjustments), the transaction was primarily funded through NRW's asset finance facilities, with financial close completed on 1 August 2024.

PURPOSE, VISION AND VALUES

Earlier this year, NRW Holdings undertook a comprehensive project to review our corporate purpose, vision and values. Our primary objective was to align these elements with our corporate strategy and lead our businesses under a common purpose.

Our purpose is to deliver a satisfactory return to shareholders over the long term through operating excellence, meeting customer needs and caring for our people. Our vision is to be the leading diversified provider of world-class service and product solutions to the resource and infrastructure sectors. Our core values are safety and wellbeing, teamwork and collaboration, loyalty and integrity, excellence and entrepreneurial spirit.

We believe our purpose, vision and values provide clear direction and alignment across our business to ensure we continue to deliver on our strategic objectives for the benefit of our shareholders.

OUR PEOPLE

Our people are our greatest asset and their dedication has been central to our success over the past year. We reported zero fatalities and achieved a further reduction in the Total Recordable Injury Frequency Rate (TRIFR) to 4.42, down from 5.00 in FY23. This reflects our commitment to safe project delivery and the valuable contributions of everyone across the organisation.

Despite ongoing challenges in the labour market, NRW has remained competitive in attracting and retaining a highly skilled workforce. As at 30 June 2024, our headcount stood at 7,400, up from 7,200 in FY23. With the addition of new team members following the HSE acquisition at the South Walker Creek project, our workforce now totals approximately 8,000.

Through continuous education and development initiatives, NRW remains committed to fostering a workplace that is safe, respectful and inclusive. We recognise the value of diverse perspectives and the importance of positive workplace interactions. As always, our work in this area continues to be a focus and one of the highest priorities for our teams.



CHAIRPERSON'S MESSAGE CONTINUED

SUSTAINABILITY

In FY24, NRW continued to advance its environmental, social and governance (ESG) performance, with a strong focus on reducing the Group's carbon footprint and embedding sustainability into core business processes. Operating our business sustainably is a key objective for the Company as we continue to progress our work in this area.

I would encourage you to read our standalone Sustainability Report for FY24 which expands on the information provided in this Annual Report. The standalone Sustainability Report details the ESG initiatives we are undertaking and how they benefit NRW, our clients and the community.

FINAL DIVIDEND PAYMENT

Disciplined capital management remains a priority, and NRW is committed to paying dividends in line with the Company's policy. The Board is pleased to declare a final fully franked dividend of 9.0 cents per share, following an interim fully franked dividend of 6.5 cents per share. This brings the total FY24 dividend to 15.5 cents per share, 11.1% up on FY23, on a comparable franked basis.

In closing, on behalf of the Board, I would like to extend our thanks to our Managing Director and CEO, Jules Pemberton, for his leadership in achieving another outstanding result. We also express our gratitude to our clients, employees and shareholders for their ongoing commitment and contribution in making FY24 another positive year for the Company.



Michael Arnett
Chairperson, NRW Holdings Limited

Success was coupled with continued improvement in safety outcomes, alongside enhanced operational performance across the organisation.





CEO REVIEW OF OPERATIONS

I am proud to share NRW Holdings' operational review for the financial year ended 30 June 2024.

I want to start by expressing my appreciation to our valued workforce. Their dedication and hard work have been crucial in delivering safe and profitable projects throughout the year.

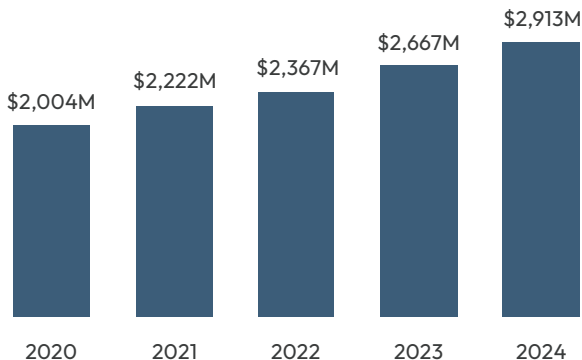
Our growth this year was driven by increased activity across all three operational segments, including securing several new contracts and extensions to existing contracts. The positive FY24 result was achieved during a period of increased volatility in some commodity prices. As a business, we see the benefit of portfolio diversity as an important element in our strategic plan as we continue to deliver strong results throughout these commodity cycles.

FINANCIAL YEAR HIGHLIGHTS

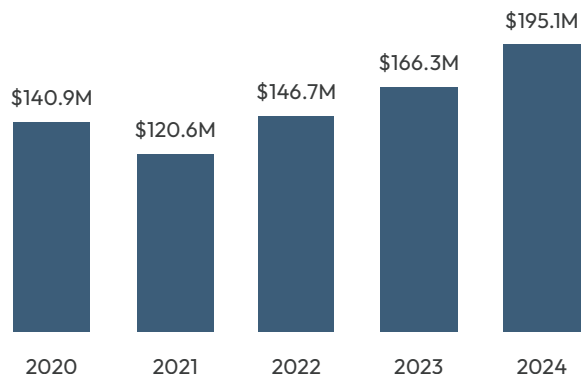
In the Group's 30-year history, this has been a record-breaking year for us. Below are some financial highlights:

- Revenue \$2.9 billion, up 9.2% on FY23;
- EBITDA \$334.8 million, up 15.9% on FY23;
- EBITA \$195.1 million, up 17.4% on FY23 at a 6.7% margin;
- NPATN \$123.8 million, up 18.6% on FY23;
- Cash holdings of \$246.6 million, 94.9% conversion;
- Normalised EPS 27.3 cps, up 17.7% on FY23;
- Strong order book of \$5.5 billion, inclusive of repeat business;
- Pipeline of near-term prospects is very solid at \$16.4 billion, with \$5.5 billion of active tenders; and
- Fully franked final dividend of 9.0 cents per share, total FY24 dividend 15.5 cents per share up 11.1% pcp (on a comparable franked basis), 57.0% payout ratio.

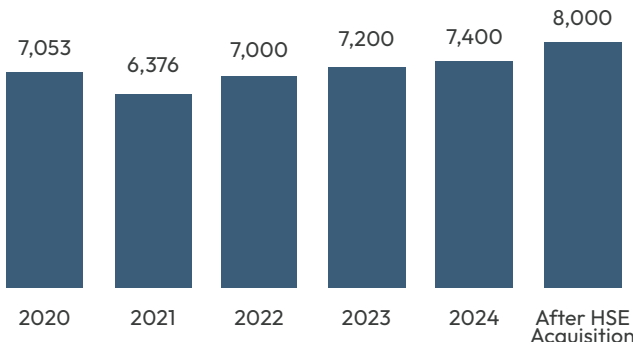
Statutory Revenue



EBITA



Headcount



Our business model spans geographies, commodities, clients and services, allowing us to spread and manage risk while focusing on accessing future opportunities.



CEO REVIEW OF OPERATIONS CONTINUED

SEGMENT PERFORMANCE

Our diverse range of businesses service the resources and infrastructure sectors. Our business model spans geographies, commodities, clients and services, allowing us to spread and manage risk while focusing on accessing future opportunities. Business activities are conducted primarily in Australia, with engineering operations in Canada and the USA.

NRW comprises three reportable segments which are Civil, Mining and Minerals, Energy & Technologies (MET). Our consistent operational performance has been delivered despite skilled labour shortages and volatility in some commodity prices that have presented challenges for our clients. I am pleased to say that notwithstanding these challenges, NRW has continued to execute its strategy, which has delivered another solid financial and operational result for the year across all three of our segments.

Civil

Revenue in the Civil segment increased by 19.6% from the previous year, driven by strong demand. This growth was seen across all sectors, and the increased workload led to improved profitability of 4.5% as we utilised capacity and spread overheads over a larger revenue base.

This year, the Civil segment successfully completed FMG's Christmas Creek Hall Hub project, while work on Rio Tinto's Gudai-Darri Solar Farm moved into testing, commissioning and ramping up phases. The ongoing Pilbara iron ore replacement and sustaining capital cycle continues to support a strong pipeline of mine developments, expansions and upgrades. We have been included in Early Contractor Involvement (ECI) work for major clients, helping shape projects and positively positioning ourselves for future opportunities. In Western Australia, we secured four new sustaining capital projects in the Pilbara for Rio Tinto, covering two sites at West Angelas, Paraburdoo and Coastal Water Supply.

In the public infrastructure space in WA, we were named preferred contractor for the Reid Highway Interchanges project in early 2024. Jointly funded by the Federal and WA State Governments, this project will contribute to our FY25 and FY26 results, with work expected to start late 2024. A visible pipeline of further public sector projects and tenders is in progress.

In Queensland, ongoing public infrastructure projects, flood remediation efforts, a resilient housing market and preparations for the 2032 Brisbane Olympics all signal continued growth opportunities for the segment.

Mining

Despite uncertainty in some commodity markets, notably lithium, our Mining segment continued its growth trajectory. In a year with relatively normal weather, revenue grew by 5.8%, and earnings increased by 7.1%. This includes \$8.1 million of profit from the sale of shares in Spartan Resources, which were issued as partial payment for our mining services.

Contract highlights include:

- CS Energy, four-year \$245 million extension at the Kogan Creek Mine;
- Batchfire Resources, \$52 million blasthole drilling services contract at Callide Mine; and
- A \$160 million variation to Golding's five-year mining services agreement at the Jellinbah East Mine.

Prior to year-end, Golding executed an agreement to acquire the mining services contract, associated fleet and transfer of the employees of HSE Mining Pty Ltd that are operating at Stanmore Resources Limited's South Walker Creek Mine. This acquisition delivers an existing mining services contract that will generate approximately \$250 million of revenue over the remaining term to August 2025.

Our Karara and Mt Webber contracts performed above expectations, with volumes exceeding targets and additional scope added by clients. Meanwhile, Talison Lithium and Arcadium Lithium scaled back production due to declining market prices. This, however, had minimal impact as we successfully renegotiated rates and deferred capital spending on these projects.

Action Drill & Blast (ADB) and AES Equipment Solutions (AES) both saw growth, with ADB growing third-party revenue and AES expanding their operations and securing a new location to meet customer demand.

Minerals, Energy & Technologies

MET revenue increased by 8.6% compared to FY23, with profitability improving to 5.8%. Whilst the performance of one of the MET businesses did not meet expectations this year, we continue to see a number of innovative initiatives underway that reinforce our growth prospects for this segment.

Primero delivered strong results this year driven by projects including the Mount Holland lithium concentrator for Covalent Lithium, the Western Range NPI project for Rio Tinto and the KCGM Fimiston project in Kalgoorlie.

CEO REVIEW OF OPERATIONS CONTINUED

RCR faced challenges due to delayed contract awards, but its support, maintenance and heat treatment divisions met expectations. This underperformance led to a cost restructure and strategic shift within the business, including overhead cost reductions and a focus on OEM product sales. As these changes take effect, we expect to see an improvement in profitability in FY25.

DIAB had a record year, completing contracts for Lynas Rare Earths and securing new work for the Mt Weld expansion project.

OFI's integration into the Group is complete, with projects now incorporating its enhanced capabilities.

PEOPLE & SAFETY

Our people are always our highest priority. Despite a competitive labour market, we have successfully maintained a skilled workforce, growing our headcount from 7,200 in FY23 to 7,400 as at 30 June 2024. Following the acquisition of HSE in August 2024, our workforce now totals approximately 8,000.

Our health and safety focus resulted in another fatality-free year, with a Total Recordable Injury Frequency Rate of 4.42, down from 5.00 in FY23. Reinforcing our commitment to safety is the Group's Critical Risk Management Program, which is our key fatality prevention program. The first phase of the program is being rolled out across the business and has received positive feedback from both our employees and clients. Further rollouts are planned in FY25.

We have made substantial investments in leadership training to develop teams capable of safely delivering high-quality projects for our clients. We are proud to support 188 apprentices, 66 graduates, 64 trainees, 20 undergraduates, two interns and six students on work placements. Many of our team members are also engaged in formal training and leadership courses, reflecting our commitment to developing a capable and resilient workforce.

Diversity and equality are key to our success and innovation. We are dedicated to creating an environment where everyone feels safe and can thrive. This year, we focused on psychosocial safety, rolling out a Group-wide standard and reporting process in line with Work Health and Safety Acts.

As the business goes into its 30th year, it is timely to reflect on the success and growth achieved through the hard work and commitment of our people.



Action Drill & Blast team, Greenbushes

CEO REVIEW OF OPERATIONS CONTINUED

CLIMATE & ENVIRONMENT

We are committed to reducing our carbon footprint and integrating sustainability into our operations.

Across the business, we have been focused on reducing our carbon footprint through actively installing renewable energy systems across our facilities to minimise emissions associated with electricity consumption. This includes the installation of solar panels and other renewable energy technologies to reduce reliance on grid electricity. Where appropriate, we have also transitioned our light vehicle fleet to hybrid or electric vehicles to lower fuel consumption.

As a business, we are also leveraging opportunities presented by the evolving global climate agenda through the provision of new product and service offerings, such as the AES business which manufactures battery electric vehicle bodies for clients.

The Company has appropriate systems in place for the management of its environmental requirements and is not aware of any breaches of those environmental requirements as they apply to the operations of the Group.

OUTLOOK

The total Group pipeline currently stands at \$16.4 billion, including \$5.5 billion in active tenders. The outlook remains very positive with a strong order book of \$5.5 billion, including repeat business.

The macro drivers of resources and public infrastructure expenditure support a favourable outlook for the Civil segment. We are also presently working on tenders and ECI projects for iron ore replacement tonnage developments. These are major capital projects that the tier one miners are progressing to deliver replacement tonnage for depleting existing mines. These new ore body developments typically require mine site infrastructure such as haul roads, tailing storage facilities, rail formations, ore handling and loading infrastructure, utilities, warehousing, maintenance and refuelling facilities, all of which the Civil and MET segments have successfully delivered in the past.

Significant portfolios of mine development work across new projects and sustaining capital have been announced by client organisations and are being

released to the market. NRW has secured or is preferred for a number of these and is well-positioned to secure ongoing work, with nearly all of FY25's revenue in the Mining segment secured through contracts.

The diversity of MET capabilities, combined with the Group's core civil and mining skills, now enables NRW to offer comprehensive outsourced solutions for greenfields resource developments. This includes mine development, mining operations, process plant design and construction, materials handling, operations and maintenance services. We are currently exploring potential early stage opportunities for outsourced project development with specific clients, with expectations that these discussions will advance to the ECI phase in the coming months.

The innovation initiatives underway within MET are expected to enhance future competitiveness and could also potentially deliver major new sources of income beyond direct contracting.

For FY25, revenue is expected to be circa \$3.1 billion, and earnings (EBITA) are expected to be between \$205 million and \$215 million. Cash and gearing are expected to be consistent with long-term averages.

This is a very positive outlook for the business and positions us well for continued growth over the short to medium term.

In closing, I would like to again thank the committed teams across the Group for their dedication and effort. As the business goes into its 30th year, it is timely to reflect on the success and growth achieved through the hard work and commitment of our people, and I look forward to sharing and celebrating this milestone with you all. I also extend my gratitude to my fellow directors, shareholders and stakeholders for their continued support.



Jules Pemberton
CEO and Managing Director,
NRW Holdings Limited

The innovation initiatives underway within MET are expected to enhance future competitiveness and potentially deliver major new sources of income beyond direct contracting.



DIAB Workshop Robot, Geraldton Workshop



CFO FINANCIAL REPORT

I am delighted to share our financial results for FY24, which marks my second year with NRW.

NRW achieved revenues of \$2,913.0 million, up 9.2% from \$2,667.1 million in FY23. This growth was driven by increased activity across all three of our operational segments, supported by new contract awards and extensions of existing agreements.

This higher revenue led to an EBITA of \$195.1 million, representing a 17.4% increase from FY23 (\$166.3 million). Alongside increased client activity, improved weather conditions compared to the previous year significantly boosted productivity across the Group's mining operations.

All operating segments benefited from improved market

conditions, delivering stronger earnings and better profitability than the year before.

Depreciation and amortisation was \$145.6 million, a 13.3% increase on the previous year, reflecting recent capital investments in the Group's fleet. Additionally, interest costs rose due to these fleet investments and the higher marginal costs of financing new equipment.

Normalised Net Earnings (NPATN) increased by 18.6% to \$123.8 million compared to \$104.4 million in FY23, reflecting the overall favourable conditions.

Below is a summary of key financial performance metrics for the current financial year compared to last year:

	FY24		FY23	
	Revenue \$M	Earnings \$M	Revenue \$M	Earnings \$M
Total Revenue / EBITDA	2,913.0	334.8	2,667.1	288.8
Depreciation and Amortisation		(139.7)		(122.5)
Operating EBIT / EBITA		195.1		166.3
Amortisation of Acquisition Intangibles		(5.9)		(5.9)
Non-recurring Transactions		(28.1)		(18.3)
EBIT		161.1		142.1
Net Interest		(18.3)		(17.2)
Profit before Income Tax		142.8		124.9
Income Tax Expense		(37.7)		(39.3)
Net Earnings		105.1		85.6
NPATN		123.8		104.4

All operating segments benefited from improved market conditions, delivering stronger earnings and better profitability than the year before.



CEO FINANCIAL REPORT CONTINUED

BALANCE SHEET, OPERATING CASH FLOW & CAPITAL EXPENDITURE

The Group's cash balance at year-end stood at \$246.6 million, an 8.4% increase from the opening balance 12 months earlier. We remained compliant with all banking covenants throughout the year, including as at 30 June 2024.

Debt repayments for the year totalled \$101.4 million, with \$73.2 million relating to asset finance, all in line with agreed terms. Net debt reduced to \$78.8 million, down from \$84.3 million at 30 June 2023, with headline gearing also decreasing to 12.1%.

Shareholder returns included a final fully franked dividend for FY23 of 8.0 cents, paid in October 2023, and an interim fully franked dividend for FY24 of 6.5 cents, paid in April 2024. Total dividend payments for the year were \$65.7 million.

Our investments decreased following the sale of our entire shareholding in Spartan Resources Limited (formerly Gascoyne) (ASX: SPR).

NRW's wholly-owned subsidiary, Golding, finalised an agreement to acquire the mining services contract, associated fleet, and employees from HSE Mining Pty Ltd at Stanmore Resources Limited's South Walker Creek mine. The transaction, valued at \$85 million (less assumed employee liabilities and other adjustments), was primarily funded through NRW's asset finance facilities, with financial close completed on 1 August 2024.

We also renegotiated our secured debt facilities, bringing in two additional tier-one banks, giving us access to a total of four banks to support our funding needs. The new debt facilities, which are committed for a multi-year evergreen term, offer significantly better commercial terms and pricing. The total value of available debt facilities increased from \$260 million to \$450 million, allowing for future growth initiatives. Transaction documents were signed on 7 August 2024, with financial close occurring on 24 August 2024.

A summary of the balance sheet at the end of the current financial year, compared to last year, is provided below:

	FY24	FY23
	\$M	\$M
Cash	246.6	227.6
Financial Debt	(279.8)	(260.4)
Lease Debt	(45.7)	(51.5)
Net Debt	(78.8)	(84.3)
Property, Plant and Equipment	554.2	491.0
Right-of-use Assets	39.3	44.9
Working Capital	25.2	8.9
Investments	4.4	26.9
Current Net Tax Liabilities	(0.7)	(0.3)
Deferred Net Tax Liabilities	(98.6)	(90.4)
Net Tangible Assets	445.0	397.0
Intangibles and Goodwill	207.6	213.1
Net Assets	652.6	610.1
Gearing	12.1%	13.8%
Gearing Excl. Lease Debt	5.1%	5.4%

It is an exciting time to be part of NRW as we continue to grow and evolve, leveraging our strong financial position. I would like to thank Jules and the NRW Board for their ongoing support.

Richard Simons
CFO, NRW Holdings Limited



Golding team, Curragh

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Appendix 4E



DIRECTORS' REPORT

The Directors present their report together with the financial statements of NRW Holdings Limited (the Company) and of the consolidated group (also referred to as 'the Group'), comprising the Company and its subsidiaries, for the financial year ended 30 June 2024.

DIRECTORS

The following persons held office as Directors of NRW Holdings Limited during the financial year and up to the date of this report:

Michael Arnett

Chairperson and Non-Executive Director

Mr Arnett was appointed as a Non-Executive Director on 27 July 2007 and appointed Chairperson on 9 March 2016.

Mr Arnett is a former consultant to, partner of and member of the Board of Directors and National Head of the Natural Resources Business Unit of the law firm Norton Rose Fulbright (formally Deacons). He has been involved in significant corporate and commercial legal work for the resources industry for over 20 years.

Mr Arnett has held the following directorships of listed companies in the three years immediately before the end of the financial year:

- Non-Executive Chairperson, Genmin Limited (Appointed 10 March 2021)

Julian Pemberton

Chief Executive Officer and Managing Director

Mr Pemberton was appointed as a Director on 1 July 2006 and appointed as Chief Executive Officer and Managing Director on 7 July 2010.

Mr Pemberton has more than 28 years' experience in both the resources and infrastructure sectors. He joined NRW in 1996, and prior to his appointment as Chief Executive Officer and Managing Director, he held a number of senior management and executive positions at NRW, including Chief Operating Officer.

Jeff Dowling

Non-Executive Director

Mr Dowling was appointed as a Non-Executive Director on 21 August 2013.

Mr Dowling has over 35 years' experience in professional services with Ernst & Young. He has held numerous leadership roles within Ernst & Young which focused on the mining, oil and gas and other industries.

Mr Dowling has a Bachelor of Commerce from the University of Western Australia and is a fellow of the Institute of Chartered Accountants, the Australian Institute of Company Directors (AICD) and the Financial Services Institute of Australasia.

Mr Dowling has held the following directorships of listed companies in the three years immediately before the end of the financial year:

- Non-Executive Director, S2 Resources Limited (Appointed 29 May 2015)
- Non-Executive Director, Fleetwood Corporation Limited (Appointed 1 July 2017)
- Chairperson and Non-Executive Director, Arrow Minerals Limited (Appointed 15 February 2024)
- Non-Executive Director, Battery Minerals Limited (Appointed 25 January 2018, **Resigned 4 September 2023**)

DIRECTORS' REPORT CONTINUED

Fiona Murdoch

Non-Executive Director

Ms Murdoch was appointed as a Non-Executive Director on 24 February 2020.

Ms Murdoch has over 30 years' resource and infrastructure experience, holding senior operational roles with MIM Holdings, Xstrata Queensland and the AMCI Group.

She has extensive domestic and international experience with major projects and operations in Western Australia, Northern Territory and Queensland, and in the United Kingdom, Germany, South America, Dominican Republic, Papua New Guinea and the Philippines.

Ms Murdoch is a graduate of the AICD Company Director program and holds an MBA as well as an Honours degree in Law.

Ms Murdoch has held the following directorships of listed companies in the three years immediately before the end of the financial year:

- Non-Executive Director, Metro Mining Limited (Appointed 11 May 2019)
- Non-Executive Director, Ramelius Resources Limited (Appointed 1 December 2021)
- Non-Executive Director, KGL Resources Limited (Appointed 12 June 2018, Resigned 15 October 2021)

In addition, Ms Murdoch serves on the Joint Venture Committee for the Australian Premium Iron Joint Venture and is also Chairperson of The Pyjama Foundation, a not-for-profit organisation providing learning-based activities for children in foster care.

David Joyce

Non-Executive Director

Mr Joyce was appointed as a Non-Executive Director on 19 March 2024.

Mr Joyce is a former mining executive with over 37 years' experience in delivering major projects in Australia and internationally. This experience includes delivering the required infrastructure, services, processing facilities and initial mining developments (underground and open pit) for both greenfield and brownfield developments around the world.

Mr Joyce graduated from the University of Adelaide with a Bachelor of Engineering (1st Class Hons.).

Mr Joyce has held the following directorship in the three years immediately before the end of the financial year:

- Non-Executive Director, Synergy (Appointed 21 February 2024)

Adrienne Parker

Non-Executive Director

Ms Parker was appointed as a Non-Executive Director on 13 May 2024.

Ms Parker is a lawyer with over 25 years' experience in the resources, energy and infrastructure sectors, with a focus on major projects as well as running complex disputes.

Ms Parker has a law degree from the University of Western Australia.

Ms Parker has held the following directorships of listed companies in the three years immediately before the end of the financial year:

- Non-Executive Director, Fleetwood Limited (Appointed 23 August 2017)
- Non-Executive Director, Liontown Resources Limited (Appointed 1 October 2022)
- Non-Executive Director, Resolute Mining Limited (Appointed 20 March 2024)

DIRECTORS' REPORT CONTINUED

Peter Johnston

Former Non-Executive Director

Mr Johnston was appointed as a Non-Executive Director on 1 July 2016.

Mr Johnston retired as a Director on 28 November 2023.

Mr Johnston has served with a number of national and international companies.

Mr Johnston graduated from the University of Western Australia with a Bachelor of Arts majoring in psychology and industrial relations. He is also a Fellow of the AICD and AusIMM.

Mr Johnston has held the following directorships of listed companies in the three years immediately before the end of the financial year:

- Non-Executive Director, Tronox Ltd (NYSE) (Appointed 1 August 2012)
- Chairperson, Jervois Global Limited (Appointed 19 June 2018)
- Non-Executive Director, Red 5 Limited (Appointed 1 July 2023)

Kim Hyman

Company Secretary

Mr Hyman was appointed to the position of Company Secretary on 10 July 2007. Mr Hyman has responsibility for company secretarial services and co-ordination of general legal services, as well as the insurance portfolio.

Directors' Meetings

The number of Directors' meetings and number of meetings attended by each of the Directors of the Company during the financial year were:

Director	Directors' Meetings Held	Directors' Meetings Attended
Michael Arnett	12	12
Jeff Dowling	12	12
Fiona Murdoch	12	11
Peter Johnson (Retired 28 November 2023)	7	7
David Joyce (Appointed 19 March 2024)	4	4
Adrienne Parker (Appointed 13 May 2024)	2	2
Julian Pemberton	12	12

Nomination & Remuneration Committee

The members of the Nomination & Remuneration Committee (N&RC) are Fiona Murdoch (Chairperson), Michael Arnett and Jeff Dowling. During the 2024 financial year, two meetings of the N&RC were held with all members in attendance. Certain responsibilities of the N&RC were also considered at board meetings as required.

Audit Committee

The Audit & Risk Committee was split during the year into the Audit Committee and the Risk Committee. The members of the Audit Committee are Jeff Dowling (Chairperson), Fiona Murdoch and David Joyce. During the 2024 financial year, four meetings of the combined Audit & Risk Committee were held with all members at that time in attendance. In addition, some audit matters were considered in the course of regular board meetings.

Risk Committee

The members of the newly created Risk Committee, which was established on 13 February 2024, are Adrienne Parker (Chairperson), Jeff Dowling and David Joyce. During the 2024 financial year, one meeting of the newly created Risk Committee was held, in addition to the previous combined committee meetings, with all members at that time in attendance. In addition, some risk matters were considered in the course of regular board meetings.

DIRECTORS' REPORT CONTINUED

Sustainability Committee

The members of the Sustainability Committee are David Joyce (Chairperson), Michael Arnett, Fiona Murdoch and Adrienne Parker. During the 2024 financial year, two meetings of the Sustainability Committee were held with all members at that time in attendance. In addition, some sustainability matters were considered in the course of regular board meetings.

OPERATING AND FINANCIAL REVIEW

Principal Activities

NRW is a leading provider of diversified contract services to the resources and infrastructure sectors.

With extensive operations across all of Australia and engineering offices in Canada and the USA, NRW's geographical diversification is complemented by its ability to deliver a wide range of services.

NRW's Civil and Mining segments provide civil construction, including bulk earthworks, road and rail construction and concrete installation, together with contract mining and drill and blast services.

The Minerals, Energy & Technologies (MET) segment offers tailored mine-to-market solutions, specialist maintenance (shutdown services and onsite maintenance), non-process infrastructure, innovative materials handling solutions and complete turnkey design, construction and operation of minerals processing and energy projects.

NRW also offers a comprehensive Original Equipment Manufacturer (OEM) capability, providing refurbishment and rebuild services for earthmoving equipment and machinery.

NRW has a workforce of around 7,400 people supporting projects for clients across the resources, renewable energy, infrastructure, industrial engineering, maintenance and urban subdivision sectors.

Financial Performance

A summary of the key financial performance metrics for the current financial year (FY24) is provided below with comments on significant movements compared to the financial year ended 30 June 2023 (FY23).

NRW reported total revenue of \$2,913.0 million, compared to \$2,667.1 million in FY23, a 9.2% increase. The growth during this period was driven by increased activity across all three operational segments. This resulted from several new contract awards and extensions of existing contracts. NRW's operations benefited from favourable market conditions which facilitated a more consistent flow of contract awards compared to the previous fiscal year, which had been marked by delays in new awards, particularly in the Civil segment.

The higher revenue level resulted in EBITA of \$195.1 million, 17.4% higher than FY23 (\$166.3 million). In addition to increased client activity, the weather conditions during FY24 markedly improved compared to FY23, resulting in heightened productivity across the Group's mining activities.

All operating segments benefitted from the improved market conditions delivering higher earnings and increased profitability over the prior year.

Depreciation and amortisation was \$145.6 million, 13.3% higher over the prior year, attributable to capital investments in the Group's fleet in recent years. Additionally, interest costs rose during this period, influenced by the fleet investments and the higher marginal costs associated with financing new equipment.

Normalised Net Earnings (NPATN) increased by 18.6% to \$123.8 million compared to \$104.4 million in FY23, reflecting these improved conditions.

DIRECTORS' REPORT CONTINUED

Financial Performance Continued

The table below summarises the financial performance for FY24 compared to FY23.

	FY24		FY23	
	Revenue	Earnings	Revenue	Earnings
	\$M	\$M	\$M	\$M
Revenue / EBITDA⁽¹⁾	2,913.0	334.8	2,667.1	288.8
Depreciation and amortisation ⁽²⁾		(139.7)		(122.5)
Operating EBIT / EBITA⁽³⁾		195.1		166.3
Amortisation of acquisition intangibles ⁽⁴⁾		(5.9)		(5.9)
Non-recurring transactions ⁽⁵⁾		(28.1)		(18.3)
EBIT		161.1		142.1
Net interest		(18.3)		(17.2)
Profit before income tax		142.8		124.9
Income tax expense		(37.7)		(39.3)
Net earnings		105.1		85.6
NPATN⁽⁶⁾		123.8		104.4

(1) EBITDA is earnings before interest, tax, depreciation, amortisation of acquisition intangibles and non-recurring transactions.

(2) Includes depreciation and amortisation.

(3) Operating EBIT / EBITA is earnings before interest, tax, amortisation of acquisition intangibles and non-recurring transactions.

(4) Amortisation of intangibles as part of business acquisitions.

(5) Non-recurring transactions in FY24 included transactions relating to the Wärtsilä settlement offset by net gains on investments. In FY23, transactions related to Gascoyne Resources and Nathan River Resources.

(6) NPATN is Operating EBIT less interest and tax (at a 30% tax rate).

Refer to the above definitions throughout the report.

Operating Segments

NRW is comprised of three reportable segments, Civil, Mining and Minerals, Energy & Technologies (MET). Business activities are conducted primarily in Australia, with engineering offices in Canada and the USA. The results for each of the segments are provided below and in note 2 to these accounts. The Civil and MET segment results have been presented at EBIT level given the current low level of capital intensity in these segments. The Mining segment has been presented at both EBIT and EBITDA levels, recognising that this segment has significantly higher capital intensity than the other two segments.

Commentary on the performance of each segment follows:

Civil

The Civil segment specialises in the delivery of private and public civil infrastructure projects, mine development, bulk earthworks and commercial and residential subdivisions. Civil construction projects include roads, bridges, tailings storage facilities, rail formations, ports, renewable energy projects, water infrastructure and concrete installations.

Results summary (\$M)

	FY24		FY23	
Revenue	655.5		548.0	
EBIT	29.8	4.5%	20.7	3.8%

Revenue in Civil grew by 19.6% over the prior period reflecting strong demand conditions. Across the spectrum of Civil's capabilities, all sectors experienced strong growth in new project awards. The growth in demand-driven revenue was accompanied by an increase in profitability to 4.5%, as excess capacity was utilised and overheads spread over a larger revenue base.

During the period, the Civil segment successfully completed FMG's Christmas Creek Hall Hub project, whilst work on Rio Tinto's Gudai-Darri Solar Farm (GDSF) entered the testing, commissioning and ramping up phase.

DIRECTORS' REPORT CONTINUED

Operating Segments Continued

The substantial multi-year Pilbara iron ore tonnage replacement and sustaining capital cycle continues to support a visible pipeline of new mine developments, expansions and upgrades. The segment continues to undertake Early Contractor Involvement (ECI) work for tier one clients, assisting in project development and definition, as well as positioning for the forthcoming projects. During the year, the Civil segment in Western Australia secured four new sustaining capital projects in the Pilbara for Rio Tinto, two at the West Angelas mine site, the Paraburdoo plant site and recently, the Coastal Water Supply Sustaining project.

In the public sector infrastructure market in Western Australia, NRW Civil was awarded preferred proponent status for the Reid Highway Interchanges project - Altone Road and Drumpellier Drive / Daviot Road in January 2024. This project, jointly funded (50% each) by the Federal and Western Australian State Governments, will be an important contributor to Group results during FY25 and FY26 with commencement expected in late 2024. There is a visible pipeline of further public sector projects and current tenders that are being pursued.

In Queensland, the continuing public infrastructure expenditure programs, flood remediation works, resilient South East Queensland residential market and the infrastructure programs that will precede the 2032 Brisbane Olympic Games, support a strong outlook for continued growth opportunities.

Mining

The Mining segment specialises in mine management, contract mining, load and haul, drill and blast, coal handling preparation plants, maintenance services and the fabrication of water and service vehicles.

Results summary (\$M)

	FY24		FY23	
Revenue	1,524.9		1,441.0	
EBITDA	259.3	17.0%	234.0	16.2%
Depreciation	(115.8)		(100.0)	
EBIT	143.6	9.4%	134.1	9.3%

Mining continued its historical growth trend despite the uncertainty in specific commodity markets, most notably lithium. In a year that experienced relatively normal weather conditions, revenue grew by 5.8% and earnings by 7.1%. This result included an \$8.1 million profit from the disposal of shares held in Spartan Resources Limited which were issued in partial satisfaction of NRW's mining services invoices.

Key contracts awards and extensions during the year included:

- The CS Energy, four-year \$245 million extension at the Kogan Creek Mine;
- The Arcadium Limited, three-year \$332 million contract at Mt Cattlin Mine;
- A \$160 million variation to Golding's five-year mining services agreement at the Jellinbah East Mine; and
- A \$52 million blasthole drilling services contract with Batchfire Resources at the Callide Mine.

Prior to year-end, Golding executed an agreement to acquire the mining services contract, associated fleet and transfer of the employees of HSE Mining Pty Ltd that are operating at Stanmore Resources Limited's South Walker Creek Mine. This acquisition delivers an existing mining services contract that will generate approximately \$250 million of revenue over the remaining term to August 2025.

During the year, the Karara and Mt Webber mining contracts performed ahead of expectations with volumes in excess of contract targets and additional scope added by the clients. In the second half of the year, Talison Lithium and Arcadium Lithium announced their respective intentions to reduce mine production rates due to the reduction in market pricing for their products. The overall impact of these client volume reductions was immaterial over the course of the year as rates were renegotiated and capital expenditure deferred.

Action Drill & Blast delivered strong growth over the year. Importantly, the segment also grew its revenue from third-party clients demonstrating the strong standalone capability of the drill and blast services offering.

AES Equipment Solutions (AES) business also grew in the year. In response to sustained customer demand, AES secured a second location, relocating its service and support vehicle manufacturing activities to a larger facility. This also freed up space for its mining fleet maintenance, refurbishment and repair business to accelerate the delivery of client orders.

DIRECTORS' REPORT CONTINUED

Operating Segments Continued

Minerals, Energy & Technologies

The Minerals, Energy & Technologies (MET) segment includes Primero Group (Primero), RCR Mining Technologies (RCR), DIAB Engineering (DIAB) and Overflow Industrial (OFI). Primero is a multidisciplinary engineering business that specialises in the design, construction, operation and maintenance of global resource projects across the mineral processing, energy and non-process infrastructure market segments. RCR is a leading Original Equipment Manufacturer (OEM) that offers innovative materials handling design capability. DIAB is an engineering and fabrication services provider to the metals and mining industry and provides specialist maintenance (shutdown services and onsite maintenance), industrial engineering and construction services. OFI specialises in industrial electrical engineering, automation, switchboard design and manufacture, instrumentation and electrical design and construction across a number of sectors including mining and resources, government and defence, fuels and explosives, infrastructure, utilities and industrial processing.

Results summary (\$M)

	FY24		FY23	
Revenue	791.8		729.1	
EBIT	45.5	5.8%	30.5	4.2%

MET revenue increased 8.6% from FY23. Profitability improved substantially over the prior year to 5.8% with an improved performance in the second half of the year. The strong results delivered by the Primero and DIAB businesses offset the below-expectations performance of the RCR business. The lower levels of sales activity in RCR due to the delayed award of new projects and resultant under recovery of overheads, led to a restructure of its cost base and a revised strategy to refocus the business. The profitability of the MET segment is expected to continue to improve as the changes take effect.

Primero

The Primero business performed very well in FY24 as compared to the prior period when it was completing pre-COVID-19 fixed-price projects. In FY24, Primero delivered a strong margin driven by the on-plan performance of a number of key projects and contracts including:

- The Mount Holland lithium concentrator project for Covalent Lithium which completed construction in July. The Primero team then provided commissioning and start-up support services under a separate contract through to December when the plant operations were fully handed over to the client's team;
- The Western Range NPI project for Rio Tinto, although initially delayed by site access issues, achieved 20% completion and performed in accordance with expectations;
- The KCGM Fimiston Growth Project for Northern Star Resources, awarded in July 2023, achieved over 9% completion. This progress is ahead of plan with 115 engineering specialists dedicated to the project, site civil works well underway and procurement activities exceeding 55% completion;
- FMG Hall Hub for Christmas Creek achieved substantial completion in December, with final installation and project completion imminent;
- Pilbara Minerals project P480 was completed during the year and the follow on project P680, secured in October, on track for completion in August 2024; and
- Tianqi Lithium commissioning support activities continued during the year and further support packages are under negotiation.

Primero's North American engineering operations, whilst impacted by a reduction in studies and delays to projects caused by the pricing pressures in the global lithium market, delivered positive cash and reasonable profitability as initiatives to further diversify the sector focus of the business are implemented.

RCR

RCR's project division was impacted by delays in the award of new contracts which impacted overhead recoveries. This was offset by contributions from the support, maintenance and heat treatment divisions which aligned with expectations. During the year a number of strategic changes have been implemented to reduce overheads and realign operational focus to the OEM product sales and support services, which are expected to deliver an overall margin improvement into FY25.

DIRECTORS' REPORT CONTINUED

Operating Segments Continued

DIAB

DIAB performed very well during the year, significantly increasing both revenue and earnings over the prior period, reaching record levels. The Lynas Rare Earths contracts for the filter building and associated equipment works were completed during the year and a new contract for the Mt Weld expansion project was also secured.

The results were also supported by construction contracts that include Iluka's Cataby mining unit, Rio Tinto's dust suppression systems, Gruyere's crusher fabrication and installation, plant construction for Liontown's Kathleen Valley project and brownfields works at Fimiston for Northern Star Resources. DIAB's portfolio of repeatable maintenance contracts also supported the business' strong performance.

OFI

The integration of OFI into the Group has been completed, and projects incorporating its enhanced capabilities for other MET segments are currently being delivered. OFI has a growing presence in the defence and materials handling sectors, as evidenced by the award during the year of the electrical services contract for a defence facility expansion project at Exmouth and a series of ongoing projects for the CBH Group, both in Western Australia.

Balance Sheet, Operating Cash Flow and Capital Expenditure

A summary of the balance sheet as at the end of the current financial year and the previous financial year is provided below.

	FY24	FY23
	\$M	\$M
Cash	246.6	227.6
Financial debt	(279.8)	(260.4)
Lease debt	(45.7)	(51.5)
Net debt	(78.8)	(84.3)
Property, plant and equipment	554.2	491.0
Right-of-use assets	39.3	44.9
Working capital	25.2	8.9
Investments	4.4	26.9
Current net tax liabilities	(0.7)	(0.3)
Deferred net tax liabilities	(98.6)	(90.1)
Net Tangible Assets	445.0	397.0
Intangibles and goodwill	207.6	213.1
Net Assets	652.6	610.1
Gearing	12.1%	13.8%
Gearing excl. lease debt	5.1%	5.4%

Cash balances in the Group ended the year at \$246.6 million, reflecting an 8.4% increase on the 12-month opening balance. All banking covenants were in compliance at all times during the year and on 30 June 2024.

Debt repayments in the year totalled \$101.4 million, of which \$73.2 million was asset finance repayments. All debt repayments were in line with agreements.

The Group utilised \$20.0 million of corporate debt to assist with the settlement payments made to Wärtsilä in the first half of the financial year.

The combined effect of these factors resulted in a decrease in net debt to \$78.8 million compared to \$84.3 million at 30 June 2023, with headline gearing decreasing accordingly to 12.1%.

Returns to shareholders included a final fully franked dividend for FY23 of 8.0 cents paid in October 2023 and an interim fully franked dividend for the current financial year of 6.5 cents paid in April 2024. Overall dividend payments in the year totalled \$65.7 million.

DIRECTORS' REPORT CONTINUED

Balance Sheet, Operating Cash Flow and Capital Expenditure Continued

Working capital increased to \$25.2 million from \$8.6 million at FY23 due to increases in receivables and inventories, offset with increases in provisions and payables, which is consistent with the growth the business has experienced over this time.

The carrying value of investments decreased due to the sale of the total shareholding in Spartan Resources Limited (formerly Gascoyne) (ASX: SPR).

Deferred tax liabilities increased by \$8.5 million during the period, mainly due to the use of prior-year Australian tax losses.

Outlook

Civil

The macro drivers of resources and public infrastructure expenditure remain positive, continuing to support a favourable outlook for the Civil segment.

In the resources sector, the segment observed that the major iron ore miners remain committed to their previously announced capital expenditure programs. The current and most immediate opportunities for the Civil segment are sustaining capital projects and the business is presently delivering a number of these and tendering for more.

The Civil segment is also presently working on tenders and ECI projects for iron ore replacement tonnage developments. These are major capital projects that the tier one miners are progressing to deliver replacement tonnage for depleting existing mines. These new ore body developments typically require mine site infrastructure such as haul roads, tailing storage facilities, rail formations, ore handling and loading infrastructure, utilities, warehousing, maintenance and refuelling facilities, all of which the Civil and MET segments have delivered historically.

In addition, the number of carbon reduction projects in the resources sector is also growing which will create further opportunities for the Group.

In the public and private infrastructure sectors, the demand for housing and urban infrastructure continues unabated. Population growth in South East Queensland supports a strong pipeline of current projects and near-term prospects for the Group's urban sub-division development business. Further, in both Queensland and Western Australia, the continuing housing shortage and population growth support a visible pipeline of transport and utility infrastructure projects.

Work in hand currently totals \$0.4 billion and there are current active tenders totalling circa \$1.0 billion.

Mining

The Mining segment has over 90% of its expected revenue for the forthcoming financial year secured. In addition, there are specific near-term opportunities that, if won, would contribute revenue and earnings in FY25, delivering growth beyond current expectations. This is a very strong starting position for the new financial year and underscores the clear visibility of revenue and earnings for a number of future years.

In addition to a major near-term metallurgical coal tender, other coal, iron ore and gold mining opportunities are presently under consideration. Given the extent of secured contracts, the Group continues its highly disciplined approach of selectively targeting those commodities and projects that will deliver the best returns.

Work in hand currently totals \$3.4 billion and there are current active tenders totalling circa \$3.5 billion.

Minerals, Energy & Technologies

The MET segment has continued to diversify its operations across multiple commodities including iron ore, gold, rare earths and battery critical minerals. This diversification has extended beyond mining and minerals processing into the growing alternative energy, decarbonisation and defence sectors. A strong pipeline of opportunities and increasing activity levels are also supporting the recovery of margins in the MET segment.

Securing the near \$1 billion KCGM Fimiston Growth Project demonstrates the applicability of Primero's processing and construction capability beyond the battery critical minerals expertise for which it is recognised globally. The Fimiston project provides revenue visibility across three years and is also a very important demonstration of Primero's capability for other potential gold sector clients.

DIRECTORS' REPORT CONTINUED

Outlook Continued

The diversity of MET capabilities is delivering a range of new and expanded organic growth opportunities. MET skills, combined with the Group's core civil and mining capabilities, now provides the ability for NRW to deliver new greenfields resource developments for clients on a fully outsourced basis - mine development through mining operations, process plant design and construction, materials handling, operations and maintenance. Potential early-stage opportunities for this type of outsourced project development and delivery are being discussed with specific customers and are expected to progress to an ECI phase in coming months.

Beyond core projects such as the P480 and P680 expansions for Pilbara Minerals, the Lynas Minerals plant expansions and the key KCGM Fimiston Growth Project for Northern Star, the MET businesses are also developing a number of potential new future income streams such as:

- RCR's recently launched sealed pan feeder, which has secured orders from tier one iron ore majors, has a significant capital and operating cost advantage over traditional apron feeders. This new machine will be launched globally at the MINEXPO in the US in September 2024;
- To further drive OEM parts and service support sales, RCR is launching a B2B portal targeting the mining companies that own RCR OEM equipment globally. This initiative, which is presently being piloted with a tier one iron ore miner, could double the current size of RCR's parts sales business within a few years;
- Primero process engineers have developed potential new methods of producing battery-ready lithium compounds. This internally developed IP is in the pilot testing phase and has produced early results which when scaled up, could change the current economics of lithium refining and potentially alleviate many of the start-up issues that hydroxide refineries currently experience; and
- OFI is developing a modular solution for mine site electrification in conjunction with a tier one iron ore miner, that simplifies and standardises in-pit electrification services. They are also supporting another NRW company with the internal development of hybrid-powered mining equipment.

The innovation initiatives that are occurring across MET are expected to enhance competitiveness in the future and could also potentially deliver major new sources of income outside of direct contracting.

Work in hand currently totals \$1.1 billion and there are current active tenders totalling circa \$1.0 billion.

Group

The total Group pipeline is \$16.4 billion. Of this amount, \$5.5 billion is active tenders. With a strong order book of \$4.9 billion, the outlook remains very positive.

Significant Events After Period End

On 12 June 2024, it was announced that NRW's wholly-owned subsidiary Golding, had executed an agreement to acquire the mining services contract, associated fleet and transfer of the employees that HSE Mining Pty Ltd has deployed to Stanmore Resources Limited's South Walker Creek mine site. The transaction value of \$85 million less assumed employee liabilities and other closing adjustments, was predominantly funded via NRW's asset finance facilities. The financial close of this transition occurred on 1 August 2024.

NRW has renegotiated the terms of its secured debt facilities and, as part of this process, introduced two additional tier one banks to the structure, now providing access to four banks to support the Group's funding requirements. The new debt finance facilities, which are committed for a multi-year evergreen term, are on materially improved commercial terms and pricing. The total value of available debt facilities has increased from \$260 million to \$450 million, to facilitate corporate initiatives. The transaction documents for the new facilities were entered into by NRW on 7 August 2024 with financial close subject to customary conditions precedent.

Other than the information disclosed elsewhere in the Directors' Report and those disclosed above, in the opinion of the Directors, there were no other significant events after the reporting period.

Dividend

The Directors have declared a final fully franked dividend for the financial year of 9.0 cents per share, following an interim fully franked dividend of 6.5 cents per share paid in April 2024. This brings the total fully franked dividend for the year to 15.5 cents per share. The final dividend will be paid in October 2024.

DIRECTORS' REPORT CONTINUED

Directors' Interests

The relevant interests of each Director in the ordinary share capital are set out in section 9.2 of the Remuneration Report. There were no transactions between entities within the Group and Director-related entities as disclosed in note 7.3 of the financial statements.

Performance Rights Over Unissued Shares or Interests

As at 30 June 2024, there are 8,329,727 Performance Rights outstanding (2023: 9,242,336).

Details of Performance Rights granted to Executives as part of their remuneration are set out in the Remuneration Report on pages 26 to 46.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG)

Health and Safety

The health and safety of the Group's people remained the highest priority in FY24, resulting in another fatality-free year. This outcome was due to significant progress on key strategic initiatives and a continuous commitment to improving safety culture and leadership. In early 2024, NRW conducted its second employee survey, which verified that health and safety remain high priorities for NRW, its employees and stakeholders.

The Company continued to focus on psychosocial safety, developing a group-wide standard and reporting process in line with applicable State Work Health and Safety Acts. Education has been progressing for all levels of the Company, from the Board through to operations. Businesses are continuing to make advances in their risk reduction plans.

Another key focus for FY24 was the completion of the first phase of the implementation of the Critical Risk Management program. This phase included the identification of critical risks and critical controls, the development of NRW's leader field verifications, Group Critical Risk Management Standard and Protocol and roll-out materials. Segments commenced the rollout in January 2024. FY25 will focus on worker verification questions and system verifications.

NRW's Total Recordable Injury Frequency Rate at 30 June 2024 was 4.42 (FY23: 5.00).

People and Culture

NRW's people and their actions have been integral to its achievements over the past year, and the Company is grateful for their dedication and contributions. Despite the ongoing competitiveness of the labour market, NRW has maintained a strong position that has enabled us to attract and retain a highly skilled and talented workforce, which at year-end totalled 7,400 across the Group (FY23: 7,200).

Throughout the year, NRW has continued to focus on developing safe, inclusive and supportive workplaces. NRW has implemented various initiatives across focus areas, such as psychosocial risk management, education, development, support, engagement, and reward. Through continuous education initiatives, NRW empowers its people with the knowledge and skills necessary for promoting respectful interactions. NRW recognises the critical role positive workplace behaviours play in nurturing inclusive environments where every individual feels valued and respected.

Additionally, the development of NRW's people remains a top priority. NRW has made significant investments in leadership training to ensure NRW cultivates a strong and sustainable workforce. NRW's commitment to leadership development ensures that its teams are well-equipped to navigate the complexities of the industry and maintain their competitive edge.

NRW is proud to share that it now has 188 apprentices, 66 graduates, 64 trainees, 20 undergraduates, 2 interns, and 6 students on work placements. This supplements many of NRW's team members participating in formal training programs and undertaking various leadership and development courses. NRW's investment in leadership training is a testament to its dedication to fostering a capable and resilient workforce enabled with the skills and knowledge for current and future challenges.

NRW's commitment to fostering a supportive and progressive work environment ensures that its team is well-equipped to meet the challenges ahead and continue driving success.

DIRECTORS' REPORT CONTINUED

Taskforce for Climate-Related Financial Disclosure

Governance

The Board's Oversight of Climate-Related Risks and Opportunities

The NRW Board is responsible for the oversight of the strategic direction across NRW. The Board has delegated responsibility for Environmental, Social and Governance-related matters, including climate-related topics, to the Sustainability Committee. Together, NRW's Board and Sustainability Committee oversee the governance of climate-related risks and opportunities.

In accordance with the Sustainability Committee Charter, the Committee is responsible for making recommendations to the Board regarding the Company's climate change strategy, providing oversight to ensure both physical and transitional climate-related risks and opportunities which affect the Company's ability to achieve its objectives are identified, assessed and addressed. This includes oversight of a climate change strategy that maps the Company's pathway to a practical and appropriate level of carbon reduction for the business through agreed metrics and targets.

The Sustainability Committee endorses policies that are relevant to the Company's management of climate-related risk, sustainability and other key topics. The Sustainability Committee also oversees the management of specific climate-related risks and opportunities through regular review of global best practice, internal compliance programs and relevant sustainability frameworks. The NRW Board and Sustainability Committee oversees the progress of the sustainability strategy, while the NRW executive team ensures its development and implementation.

In accordance with the Sustainability Committee Charter, the Committee is required to meet a minimum of two times per year, and report to the Board after every meeting. The Sustainability Committee met twice in 2024, and minutes from each meeting were made available to Board members. The Chief Health, Safety, Environment and Sustainability Officer (Chief HSES Officer) is the executive sponsor of the Sustainability Committee and attends all meetings to provide an update on climate-related matters.

Management's Role in Assessing and Managing Climate-Related Risks and Opportunities

The NRW management team is accountable for the strategic and operational leadership and management of the Company, which includes consideration of climate-related risks and opportunities. The Chief HSES Officer is responsible for coordinating and updating the Board and Sustainability Committee on the progress of activities related to climate at each Sustainability Committee meeting.

Supporting the Chief HSES Officer are the Sustainability Working Group and the Carbon Reduction Working Group, formed to optimise alignment across the Group and monitor progress on the implementation of ESG-related matters included in the Group Sustainability Strategy. The Carbon Reduction Working Group focuses on climate-related risks and opportunities and reduction projects to reduce NRW's carbon footprint. The working group supports the integration of the climate change strategy into each NRW segment and is key to progressing internal Greenhouse Gas (GHG) targets across operations, ensuring these are aligned with Company commitments. Climate-related risks and opportunities and agreed actions are discussed in these forums and escalated, when required, to the Sustainability Committee via the Chief HSES Officer. The working groups are comprised of subject matter experts from each business, responsible for informing their management group about the Group strategy, climate-related risks and opportunities.

In addition to communication from working group members, the management team is kept abreast of climate issues through reporting and updates from the Chief HSES Officer and various knowledge-sharing methods by industry experts (e.g., training, webinars, subscriptions). The Chief HSES Officer is due to complete his Masters in Sustainable Leadership in 2025.

NRW's Chief HSES Officer is responsible for coordinating, reviewing, monitoring and reporting to the Sustainability Committee where appropriate, on matters including:

- The coordination and review of climate-related risks, strategy and reporting;
- The development and implementation of initiatives regarding emissions reduction;
- The policies and systems for ensuring compliance with applicable legal and regulatory requirements associated with climate-related matters; and
- The Group's reporting regarding climate-related matters.

DIRECTORS' REPORT CONTINUED

Taskforce for Climate-Related Financial Disclosure Continued

Strategy

Identified Climate-Related Risks and Opportunities Over the Short, Medium and Long term

In conducting its climate risk assessment, NRW evaluated climate-related risks and opportunities over three distinct time horizons: short term (up to 2030), medium term (2031 - 2040), and long term (2041 and beyond). The time horizons selected extend past the normal expected useful life of the Company's assets, and therefore climate-related risks related to the Company's assets have been considered as part of this assessment (see note 3.3 of the Annual Financial Statements). Climate-related opportunities have not been assessed at this stage.

Physical Risk

NRW has identified the following physical climate-related risks as having the potential to impact the Group.

Risk	Timeframe	Potential Financial Impacts	Risk Mitigation Steps
Acute			
Increase in frequency and severity of extreme weather events.	Short to Long Term	Impacts: - Increased operating costs due to additional project downtime / delays or the potential for liquidated damages. - Decreased revenue due to lower productivity resulting from supply chain or freight disruptions. - Damage to assets increasing capital costs of repairs. - Increased costs for insurance premiums for operations in certain geographical areas.	- Project / location-specific risk assessments that consider the short and medium-term risk of inclement weather and bushfire. - Continue to operate across geographically diverse locations. - Record keeping and reporting to enable forecasting and planning to minimise impact of extreme weather events. - Contractual mitigating factors such as allowance for additional wet weather days.
Chronic			
- Changes in precipitation patterns and extreme variability in weather patterns. - Rising mean temperatures.	Medium to Long Term	Impacts: - Decreased revenue due to lower productivity resulting from supply chain or freight disruptions. - Increased costs due to the negative employee health impacts from working in areas with volatile weather patterns or hostile work environments. - Increased costs for insurance premiums for operations in certain geographical areas. - Decreased revenue from unfeasible projects in geographical areas of high risk.	- Project / location-specific risk assessments that consider the short and medium-term risk of inclement weather, heat and bushfire. - Continue to operate across geographically diverse locations.

DIRECTORS' REPORT CONTINUED

Taskforce for Climate-Related Financial Disclosure Continued

Transitional Risk

NRW has identified the following transitional climate-related risks as having the potential to impact the Group.

Risk	Timeframe	Potential Financial Impacts	Risk Mitigation Steps
Policy and Legal			
- GHG emissions pricing. - Enhanced climate-reporting obligations. - Mandates on or regulation of assets and services that are emissions intensive. - Exposure to litigation.	Short to Medium Term	- Increased operating costs due to pricing of GHG emissions within the mining and mining services market. - Increased operating costs due to increased compliance burden on mining services companies. - Increased costs for insurance premiums for operating in certain industries (e.g., mining, mining services), geographical areas (e.g., high-risk areas such as the Pilbara or North Queensland) or operating certain assets (such as large manufacturing facilities).	- Build internal capability to monitor, respond to and communicate policy and regulatory changes. - Adopt and comply with best practice climate disclosure regimes to prepare for mandatory legislative requirements. - Develop and implement a carbon reduction roadmap to reduce the impact of future policy and pricing. - Maintain appropriate insurance coverage.
Technology			
- Substitution of existing products and services with lower emissions options. - Costs to transition to lower emissions technologies. - Uncertainty / reliability and availability of new technologies. - Human resource availability and skills required in adoption of new technologies.	Short to Long Term	- Increased operating costs due to write-offs and impairment of existing emissions-intensive assets such as large mining fleet. - Reduced revenue from decreased demand for emissions intensive products and services. - Increased capital costs to transition to lower-emissions technologies such as the capital costs associated with purchasing lower-emissions fleet. - Increased operating costs to adopt and deploy new technologies within the business.	- Develop strategic partnerships with suppliers, industry experts and OEM's to stay abreast of technological advances to incorporate into future business planning. - Build internal capability to adopt and deploy new technologies. - Ensure fleet strategy includes assessment of the lifespan of emissions-intensive equipment against external carbon reduction expectations.
Market			
- Changing and uncertain market signals, client and consumer behaviour. - Increased input costs of emissions-intensive products, services and materials.	Short to Medium Term	- Reduced revenue from decreased demand for emissions-intensive products and services such as thermal coal mining. - Increased operating costs due to increased input prices from carbon taxes and compliance obligations.	- Diversify service offerings to clients to include low-carbon emissions products / services. - Continue to operate across a broad range of future-focused minerals and technologies. - Reduce exposure to thermal coal contracts.
Reputation			
- Shifts in client or consumer preferences. - Reputational damage if climate action is viewed as inadequate. - Increased societal and stakeholder pressure to increase disclosure and targets. - Stigmatisation of certain commodities or sectors.	Short to Medium Term	- Reduced revenue from decreased demand for emissions-intensive products and services such as thermal coal mining. - Increased operating costs for workforce attraction and retention resulting from the negative impacts of emission-intensive activities, sectors, and commodities NRW works in. - Decreased revenue and ability to win new work if NRW is not proactive with response to climate and carbon reduction. - Reduced access to capital due to exposure to certain emissions-intensive industries and commodities. - Increased costs to build capability and capacity to stay abreast of stakeholder expectations and associated reporting.	- Continue to operate across a broad range of future-focused minerals and technologies. - Develop and communicate a carbon reduction strategy to ensure stakeholders understand pathway to reducing carbon footprint. - Maintain an honest and transparent approach through enhanced reporting and disclosure, and upskilling internal employees to perform in a way that meets stakeholder expectations. - Continue to engage with clients, capital providers and investors to understand expectations.

DIRECTORS' REPORT CONTINUED

Taskforce for Climate-Related Financial Disclosure Continued

Impact of Climate-Related Risks and Opportunities on the Group's Segments, Strategy and Financial Planning

Climate change presents significant challenges and opportunities that influence NRW's business, strategy and financial planning as NRW transitions towards a low-carbon economy.

Climate-related risks and opportunities impact the NRW business through:

- **Carbon Reduction and Operational Efficiency:** NRW is committed to reducing its carbon footprint, particularly in Scope 1 and Scope 2 GHG emissions, to mitigate the environmental impact of its operations. NRW is implementing renewable energy systems across a number of its manufacturing facilities, mostly in Western Australia. Where appropriate, NRW is transitioning light vehicle fleet to hybrid or electric vehicles to lower fuel consumption, and investing in modernised, hybrid road transport options to minimise diesel usage in transportation activities.
- **Products / Services:** NRW leverages opportunities presented by the evolving global climate agenda through the provision of new product and service offerings, such as the AES business which manufactures battery electric vehicle bodies for clients.
- **Supply Chain:** NRW's procurement team actively works with suppliers, demonstrating decarbonisation efforts.
- **Partnerships and Innovation:** NRW fosters partnerships with suppliers, industry experts and original equipment manufacturers to leverage technological advancements as well as increase industry cross-collaboration, learning and improved outcomes.
- **Investment in Technology:** By integrating modern technologies into operations, NRW enhances efficiency, reduces costs and meets evolving environmental standards.

Climate-related risks and opportunities impact NRW's strategy through:

- **Business Combinations:** NRW is focused on growth, which is often delivered through acquisitions. NRW carefully considers the climate-related risks associated with any acquisition and ensures any risk identified fits within the risk tolerance of the Company. Specific climate-related considerations include whether the business fits within desired commodity exposure mix, and whether the useful life of assets acquired is consistent with the transition to low-carbon alternatives.
- **Commodity Mix:** NRW acknowledges the mining sector's pivotal role in the global energy transition and is diversifying its portfolio to include critical minerals essential for the low-carbon economy. This strategic shift positions NRW to capitalise on opportunities in future-focused minerals and technologies, focusing on early works, mining and minerals infrastructure.
- **Access to Customers / Reputational Considerations:** NRW recognises that staying at the forefront of technology is essential for maintaining stakeholder trust and securing future business opportunities. This commitment ensures NRW retains client confidence by demonstrating dedication to responsible practices.
- **Access to Finance:** NRW's strategy requires securing funding for the acquisition of businesses and assets, which could be restricted without addressing climate-related considerations. NRW works closely with its banks to ensure appropriate and fairly valued asset purchases and a smooth transition to lower-emission models.

Climate-related risks and opportunities impact NRW's financial planning through:

- **Assets:** Climate-related risks and opportunities influence NRW's financial planning by impacting the determination of useful lives, depreciation rates and asset impairments, aligning with NRW's climate-related commitments. These impacts have been considered in the assessment of recoverable amounts for assets or segments within the Group, aligning impairment testing with climate-related risks.

DIRECTORS' REPORT CONTINUED

Taskforce for Climate-Related Financial Disclosure Continued

Risk Management

Processes for Identifying and Assessing Climate-Related Risks

NRW has established robust processes for identifying and assessing climate-related risks. This begins with thorough data gathering from both internal and external sources. NRW leverages these insights to identify potential risks and assess the impacts on its business through a comprehensive climate risk assessment. The climate risk assessment was done through a workshop which was conducted with engagement from each of its business units to identify and assess the impact of these climate-related risks on the business across short, medium and long-term time horizons.

Climate-related risks identified during the assessment were categorised in accordance with the Taskforce for Climate-Related Financial Disclosures' recommendations (under both transition and physical risks) and integrated into the enterprise-wide risk register where considered material under NRW's enterprise-wide risk framework.

Each identified risk undergoes a detailed evaluation of its potential likelihood and consequence (e.g., financial, operational, reputational) which are assessed in a manner consistent with the enterprise-wide risk process. This ensures that climate-related risks are consistently assessed alongside other enterprise-wide risks for appropriate risk prioritisation by the business.

NRW's approach also includes continuous monitoring and assessment of existing and emerging regulatory requirements related to climate change. This involves staying informed about emissions regulations, mandatory climate reporting, carbon pricing mechanisms and other policies that could impact business operations and compliance obligations. Any existing or emerging regulatory requirements identified are added to the risk register in accordance with the process above.

Processes for Managing Climate-Related Risk

NRW's governance framework encompasses policies, standards and procedures to manage risk, including climate-related risk. The organisation actively evaluates the impacts of climate risks across its operations and seeks to implement risk mitigation strategies that are appropriate for both the business and the risk itself. These risk mitigation strategies, once identified, are documented within the enterprise-wide risk register. This register serves as a central repository where risks are prioritised based on their significance and potential impact, guiding discussions with the Risk Committee and, where required, the Board. For climate-related risks identified by the climate risk assessment, risk mitigation strategies are outlined above.

Material climate-related risks are disclosed in the 'Corporate Governance and Risk Management' section of NRW's Annual Financial Statements and include commentary on NRW's risk mitigation strategies.

Integration of Climate-Related Risk into Risk Management

NRW takes a consistent approach to risk management across its business through a structured approach to identifying, assessing and managing material risks, including climate-related risks, for inclusion in the enterprise-wide risk register. NRW seeks to understand the potential for climate-related transition and physical risks to impact its business, in particular the possible impact on financial, operational and reputational risks.

DIRECTORS' REPORT CONTINUED

Taskforce for Climate-Related Financial Disclosure Continued

Metrics And Targets

Metrics Used to Assess Climate-Related Risks and Opportunities

NRW quantifies and measures Scope 1 and Scope 2 GHG emissions in accordance with the Australian National Greenhouse and Energy Reporting Act 2007 (NGER Act) and adopts the carbon emissions boundary based on 'operational control'.

As contractors in the civil, resources and infrastructure sectors, NRW monitors GHG emissions on mine sites relative to its contracted workload (i.e. emissions intensity), which is calculated in relation to revenue (measured in millions of dollars). This method provides a consistent metric to assess and manage climate-related risks and performance, ensuring adjustments for fluctuations in business activity are accounted for.

To generate NRW's emissions intensity, the total Scope 1 and Scope 2 GHG emissions are divided by the total Group revenue. This metric provides a normalised view of emissions relative to economic output, enabling better performance tracking over time.

The short-term incentive program for leaders includes the requirement for one Environmental, Social and / or Governance objective where appropriate. This ensures the leadership team is accountable not only for financial performance but also for advancing sustainable practices and fostering positive social and environmental outcomes within the organisation.

Scope 1 and Scope 2 GHG Emissions and Related Risks

NRW has determined its GHG emissions boundary using the definition of 'operational control' as prescribed by the NGER Act. Please see below FY24 GHG emissions information for NRW:

Energy & Emissions	FY24	FY23 ⁽¹⁾
Scope 1 (ktCO ₂ -e)	11.30	9.30
Scope 2 (ktCO ₂ -e)	4.33	3.57
Total Scope 1 & Scope 2 (ktCO₂-e)	15.63	12.87
Emissions Intensity (Scope 1 + Scope 2) (tCO₂-e / \$M AUD)	5.36	4.82
Energy Consumption (GJ)	197,429	166,238
Energy Intensity (GJ / \$M AUD)	67.8	62.3
Revenue (\$M)	2,913	2,667

(1) Revised from previous report due to updates in reported operational boundaries and corrected emission factors used.

NRW's GHG emission values are directly related to the volume of contracted projects within our 'operational control'. Effectively managing these emissions and implementing reduction strategies remains a significant challenge. NRW's Scope 1 and Scope 2 GHG emissions and energy consumption have increased from prior year, primarily driven by the additional one civil and seven urban projects across the business.

NRW recognises the risk of an increased carbon footprint in the future as a result of winning more projects where the Company is deemed to have 'operational control'. NRW is actively collaborating with teams to identify and implement measures to reduce emissions at these sites. NRW remains committed to addressing this challenge as NRW continues to invest in strategies and technologies aimed at achieving a 25% reduction in Scope 1 and Scope 2 emissions by 2030.

DIRECTORS' REPORT CONTINUED

Taskforce for Climate-Related Financial Disclosure Continued

Targets Used to Manage Climate-Related Risks and Opportunities and Performance

NRW is committed to aligning with the Australian Government's Nationally Determined Contribution (NDC) to reduce GHG emissions⁽¹⁾.

NRW is committed to a 25% reduction in Scope 1⁽²⁾ and Scope 2⁽³⁾ GHG emissions from 2020 levels⁽⁴⁾ by 2030⁽⁵⁾. NRW will achieve this commitment through:

- **Implementation of Renewable Energy⁽⁶⁾:** Where viable, NRW will actively install renewable energy systems across its facilities⁽⁷⁾ to minimise emissions associated with electricity consumption. This includes the installation of solar panels and other renewable energy technologies to reduce reliance on grid electricity and lower its carbon footprint.
- **Transitioning to Hybrid or Electric Vehicles:** NRW will prioritise the adoption of hybrid or electric vehicles to reduce fuel usage within the light vehicle fleet⁽⁸⁾. By gradually replacing conventional vehicles with more sustainable alternatives, NRW aims to significantly lower Scope 1 emissions.
- **Investing in Modernised and Hybrid Road Transport:** NRW is committed to assessing and where viable, investing in modernised and / or hybrid road transport options⁽⁹⁾ to minimise diesel consumption within transport activities. This includes exploring the latest advancements in transportation technology and incorporating them into NRW's logistics and operations.

To track progress and ensure accountability, NRW is establishing the following performance metrics and monitoring processes:

- **Annual GHG Emissions Reporting:** NRW will report Scope 1 and Scope 2 GHG emissions annually, providing transparency on progress towards the 2030 target. This reporting will be in line with the standards set by the NGER Act.
- **Energy Consumption and Efficiency Metrics:** NRW will monitor and report on total energy consumption and energy efficiency improvements. This will help identify areas where NRW can further reduce emissions and enhance operational efficiency.
- **Renewable Energy Adoption:** NRW will monitor the installation and performance of renewable energy systems across facilities.

- (1) NRW has aligned to the Australian Government's NDC of 43% on 2005 level by factoring in the Government's progress from 2005 levels to its baseline year, being 2020. Between 2005 and 2020, the Australian Government achieved an 18% reduction in total carbon emissions. Therefore, from 2020 to 2030 (NRW's commitment period) the Australia Government must get an additional 25% reduction in carbon emissions to achieve its 43% NDC target.
- (2) NRW classifies Scope 1 GHG emissions in line with the NGER Act scheme established by the NGER Act. NRW assesses its organisation boundary based on the concepts of operational control as defined in the NGER Act and includes facilities under its operational control where there is no Reporting Transfer Certificate (RTC) in place under the NGER Act. NRW classifies Scope 1 GHG emissions in line with the NGER Act. NRW assesses its organisation boundary based on the concepts of operational control as defined in the NGER Act and includes facilities under its operational control where there is no Reporting Transfer Certificate (RTC) in place. The Company will exclude project-related carbon emissions from its Scope 1 target footprint due to the variability and visibility of contract works over NRW's Commitment Period, which primarily relates to both the civil and urban projects.
- (3) NRW classifies Scope 2 GHG emissions in line with the NGER scheme established by the NGER Act. NRW assesses its organisation boundary based on the concepts of operational control as defined in the NGER Act and includes facilities under its operational control where there is no RTC in place under the NGER Act.
- (4) NRW's 2020 levels will be based on its assessment of GHG emissions under the NGER Act for the financial year ended 30 June 2020. NRW's 2020 baseline will be adjusted for any material transactions based on GHG emissions at the time of the transaction.
- (5) Achievement of NRW's 2030 target will be based on its assessment of GHG emissions under the NGER Act for the financial year ended 30 June 2030.
- (6) Renewable energy includes energy generated from the installation of solar panels and similar structures on NRW-owned and leased premises, in addition to electricity drawn from the State-owned electricity grid which would include a portion of renewable energy.
- (7) Refers to facilities under NRW's operational control as defined in the NGER Act.
- (8) Refers to fleet under NRW's operational control as defined in the NGER Act.
- (9) Refers to transport fleet under NRW's operational control as defined in the NGER Act.

CORPORATE GOVERNANCE AND RISK MANAGEMENT

Corporate Governance Principles and Recommendations

The Australian Securities Exchange (ASX) Corporate Governance Council sets out best practice recommendations, including corporate governance practices and suggested disclosures, through the ASX Corporate Governance Principles and Recommendations (the ASX Recommendations). ASX Listing Rule 4.10.3 requires companies to disclose the extent to which they have complied with the ASX Recommendations and to provide reasons for not following them.

The NRW Board endorses the ASX Recommendations, which have been fully adopted by the Company for the year ended 30 June 2024. Please see the Company's Appendix 4G and accompanying Corporate Governance Statement, which are released on the ASX platform annually, for further information.

The Company also has a Corporate Governance section on its website: www.nrw.com.au which includes the relevant documentation suggested for disclosure by the ASX Recommendations.

Material Business Risks

Risk is an inherent part of NRW's business, and managing risks is critical to the Company's ability to deliver on its strategic objectives. There are several risk factors, both specific to the Company and of a general nature, that may impact the future operating and financial performance of the Group. The performance of the Company is also influenced by a variety of general economic and business conditions, including interest rates, exchange rates, access to debt and capital markets, and government policies.

Material risks that could adversely affect the Company are identified below, along with commentary on the risks and mitigating actions. The risks are not listed in order of significance, nor are they all-encompassing; rather, they reflect the most significant risks identified at an enterprise-wide or consolidated level.

Workplace Health and Safety

NRW recognises its moral and legal responsibilities to provide a safe and healthy work environment for all employees and contractors, including addressing psychosocial hazards. Any failure to adequately address these responsibilities could result in serious injury and/or death and negatively impact the Company's reputation and profitability, including through significant fines, temporary shutdowns of operations/sites or the inability to win new work due to reputational damage.

Mitigation actions include an ongoing work program to embed a safety culture across the business through training and leadership programs. These programs focus on critical risk management and control verification processes, which provide the framework for managing serious injury and fatality risk. The Group also maintains high standards for safety systems, policies, and procedures for all businesses, overseen by health and safety specialists at all levels of the organisation.

Market

NRW's financial performance is influenced by the level of activity in the resources and mining industry and the construction and engineering sector, impacted by factors outside NRW's control. These factors include the demand for mining production, influenced by commodity prices, exchange rates, the competitiveness of Australian mining operations, macroeconomic cycles (particularly capital expenditure in natural resources), and government infrastructure policy. Other influencing factors are mine owners' policies, including decisions to undertake their own mining operations or to outsource these functions, the availability and cost of key resources, and the rate of technological improvements within the resources and mining industry, including new competing technologies.

Furthermore, NRW operates in a competitive market, making it difficult to predict whether new contracts will be awarded due to multiple factors influencing how clients evaluate potential service providers.

Mitigation actions include developing a diversified service offering with contractual counterparties in infrastructure and across a range of commodities in the resources sector. NRW also continues to monitor the market for new technologies relevant to NRW's business and deploys such technologies where appropriate.

CORPORATE GOVERNANCE AND RISK MANAGEMENT CONTINUED

Material Business Risks Continued

Loss of Contracts / Reduction in Contract Scope

NRW's revenue is subject to underlying contracts with varying terms. There is a risk that NRW's contracts may be cancelled (whether for convenience or with cause) or may not be renewed if NRW's clients decide to reduce their levels of spending, potentially reducing revenue generated on those projects.

Contract operations are also vulnerable to interruptions due to factors beyond NRW's control, including prolonged heavy rainfall or cyclones, geological instability, accidents or unsafe conditions, equipment breakdowns, industrial relations issues and scarcity of materials and equipment. Interruptions to existing operations or delays in commencing operations experienced by NRW's clients may result in lost revenue and, in some circumstances, additional costs for NRW, adversely affecting NRW's business, results of operations, and financial condition.

NRW also depends on its clients' assessments of the financial viability of their projects, ensuring they have access to sufficient funding to meet project working capital and debt covenant requirements. If a client fails to obtain sufficient funding or meet its working capital or debt covenant requirements, the client may scale back or cancel its contract with NRW, adversely impacting NRW's financial performance.

Mitigation actions include working closely with NRW's clients to understand their issues and identify opportunities where NRW can assist in minimising the impact of the identified issues. NRW also focuses on contract terms and conditions to ensure operational interruptions outside of NRW's control are appropriately priced into the tender, or relief under the contract terms and conditions is prescribed to ensure fair and equitable outcomes for the business.

Delivery Performance

NRW's execution and delivery of projects involve judgement regarding the planning, development and management of complex operating facilities and equipment. As a result, NRW's operations, cash flows and liquidity could be affected if the resources or time needed to complete a project are miscalculated, if it fails to meet contractual obligations, or if it encounters delays or unspecified conditions. Some of NRW's contracts are 'lump sum' in nature, and if costs exceed the contracted price, these amounts may not be recovered. From time to time, variations to the planned scope occur or issues arise during the construction phase of a project that were not anticipated at the time of the bid. This may give rise to claims under the contract with the clients in the ordinary course of business. If these claims are not resolved in the ordinary course of business, they may enter formal dispute, and the outcome upon resolution may be materially different from the position taken by NRW.

NRW is also exposed to input costs through its operations, such as fuel, energy sources, equipment and personnel. If these costs cannot be passed on to customers in a timely manner, or at all, NRW's financial performance could be adversely affected. If NRW materially underestimates the cost of providing services, equipment, or plant, there is a risk of a negative impact on NRW's financial performance.

Mitigation actions include developing robust tender and contract review processes to identify risk and develop specific mitigation plans to address issues as they arise. A number of contracts include a rise and fall clause that mitigates changes in input costs to NRW. Additionally, NRW invests in its management and reporting systems and conducts regular business and project reviews to provide early warnings and implement corrective actions.

Access to Resources

NRW's growth and profitability may be limited by the loss of key management or operational personnel or due to the inability to recruit and retain skilled and experienced staff. NRW operates in an environment where competition for personnel has increased significantly, driven by high construction activity and strong commodity demand. This restriction on available labour combined with the competitive labour market may lead to higher staff turnover, increased labour costs and lower productivity.

Further, NRW relies on third-party equipment to perform contract obligations, which may not be available or may be subject to pricing premiums to secure appropriate equipment. NRW's supply chain is reliant on overseas sourcing and normal logistical support timeframes. Without these, NRW could experience delays in project timeframes, leading to increased costs.

Mitigation actions include maintaining a database of staff who have worked on all Company projects and pricing contracts to include estimates of the costs required to attract the right people. NRW has also developed strong working relationships with several equipment suppliers to ensure equipment requirements are understood ahead of time and to minimise any potential risk around availability.

CORPORATE GOVERNANCE AND RISK MANAGEMENT CONTINUED

Material Business Risks Continued

Financial

NRW requires sufficient cash flow to meet its financial obligations as they fall due. The Company's ability to access cash could be impacted by counterparty risk, poor project performance and the inability of the businesses to repatriate cash on a timely basis. This could result in the withdrawal of financial support or an increased cost to finance the businesses' operations.

NRW also requires access to capital to meet the Group's future growth ambitions and other funding requirements. The inability to access cash could impact the Group's ability to win new work, fund future growth plans, and deliver on its overall strategic objectives.

Mitigation actions include a proactive approach to treasury management, the scale of the business and the large number of counterparties and projects that contribute to the Group's cash flows such that NRW is not reliant on any one project or counterparty. Additionally, the Company maintains a stringent approach to cash flow forecasting to monitor and manage minimum liquidity levels within the Group to meet financial obligations. NRW also maintains a disciplined capital allocation process, ensuring an appropriately balanced debt and equity capital structure to fund growth opportunities.

Engineering Design

NRW operates as a 'design, construct and operate' contractor in the engineering sector and as a Build-Own-Operate service provider. Such projects and contracts place an obligation on NRW to design 'fit for purpose' infrastructure and provide warranties to such effect. Any failure in design may expose NRW to contractual claims for breach of 'fit for purpose' or design obligations.

NRW constructs complex processing plants and infrastructure that may operate under extreme conditions. The potential for failure of components or NRW's design is present. If this failure results in a loss to NRW, it may be exposed to rectification costs under warranties at its own expense. Funding such potential expenses may place additional unforeseen pressure on NRW's cash flow.

Mitigation actions include maintaining professional indemnity insurance and engaging appropriate third-party design consultants for complex or specialist design expertise.

Environmental, Social and Governance Responsibility

NRW's stakeholders have expectations regarding a range of important environmental, social and governance matters. A failure to acknowledge and adequately address these expectations could negatively impact NRW's reputation and profitability. Investing in ESG programs and strategies to meet stakeholder expectations could also increase NRW's cost structure.

NRW is committed to operating sustainably and responsibly to deliver lasting value to its stakeholders by minimising its environmental footprint, making a positive social impact, and applying ethical business and governance practices across the Group.

Mitigation actions include engaging with stakeholders to understand material ESG topics, embedding pragmatic ESG practices across the organisation and focusing on ESG reporting that aligns with global best practices.

Climate-Related Risks

NRW operates in industries that may have a negative impact on the environment, including GHG emissions, and recognises the potential challenges posed by climate risk. Responding to these challenges is critical to NRW's ability to operate sustainably. Risks include reduced activity levels in certain sectors, the physical and transitional risks associated with moving to a low-carbon economy (e.g., ensuring its mining fleet meets current and forecast client demand) and increased government policy and mandates.

Mitigation actions include incorporating climate-related risks and opportunities into strategic decision-making processes; updating risk management processes to include climate-related risks and opportunities; identifying and implementing opportunities to reduce NRW's carbon footprint; offering clients low-carbon solutions to support their emissions reduction targets; partnering with the industry to invest in and drive low-emissions technology development; setting clear and practical objectives and actions in response to climate change; and adopting and reporting against the Taskforce for Climate-Related Financial Disclosures recommendations as a precursor to the Australian Sustainability Reporting Standards.

CORPORATE GOVERNANCE AND RISK MANAGEMENT CONTINUED

Material Business Risks Continued

Regulatory Compliance

NRW must meet regulatory requirements that are subject to continual review, including inspection by regulatory authorities. Failure to comply with regulatory requirements or take satisfactory corrective action in response to adverse inspection findings could result in enforcement actions.

NRW operates in a regulated environment with the potential for significant penalties for non-compliance with applicable laws and regulations. The Company's future growth prospects rely on its ability to market its services, and any regulatory change, event or enforcement action restricting those activities could materially impact NRW's growth and future financial performance. Amendments to current laws and regulations governing operations or more stringent implementation of laws and regulations could adversely impact NRW, including increased expenses, capital expenditure and costs.

NRW is also dependent on various technical and financial accreditations to operate the business, including safety accreditations, quality assurance standards, technical accreditations and financial accreditations. Any failure to maintain or comply with accreditation can impact NRW's eligibility to participate in certain projects and sectors.

Mitigation actions include monitoring regulatory and legislative changes that impact the organisation and ensuring NRW is monitoring and up to date with its compliance obligations.

Intellectual Property

NRW's ability to leverage innovation and expertise depends upon its ability to protect intellectual property and any improvements to it. Such intellectual property may not be capable of being legally protected and may be subject to unauthorised disclosure or unlawful infringement. NRW may incur substantial costs in asserting or defending its intellectual property rights.

Mitigation actions include continual internal assessment to identify potential intellectual property and, where possible, the legal protection of such rights.

Cyber Security and Data Protection

NRW relies on information technology systems and networks for a variety of business activities, exposing it to the growing frequency and sophistication of cyber security attacks. These attacks include the misuse and release of sensitive information, denial of service and ransomware attacks. Information technology security threats can arise from user error or cyber security attacks designed to gain unauthorised access to NRW's systems, networks and data. The potential consequences of a material cyber security attack include reputational damage, litigation with third parties, government enforcement actions, penalties, disruption to systems, unauthorised release of confidential or otherwise protected information, data corruption and increased cyber security protection and remediation costs. This, in turn, could adversely affect the Company's competitiveness, results of operations and financial condition.

Mitigation actions include significant investment in people, systems and infrastructure to protect NRW's information technology systems and networks. Measures include encryption, multi-factor authentication, penetration testing, provision of anti-malware/endpoint detection and response software, IT security awareness and training materials, and business resilience planning.

REMUNERATION REPORT

LETTER FROM CHAIRPERSON OF THE NOMINATION & REMUNERATION COMMITTEE

Dear Fellow Shareholders,

On behalf of the Board, I am pleased to present the Company's Remuneration Report (the Report) for the financial year ended 30 June 2024, my first Report since being appointed Chairperson of the Nomination & Remuneration Committee (N&RC, the Committee).

Having served on the Committee for a number of years, I am aware that the Company's remuneration framework has not always met the expectations of all shareholders and disappointingly, has resulted in the Company receiving a "strike" at consecutive Annual General Meetings. This is not a pleasing result, as the Committee has consistently worked to diligently balance the expectations of our shareholders alongside fairly remunerating our highly experienced and capable Executive Management Team consistent with independent remuneration advice that is benchmarked against a relevant peer group. In a bid to close this gap, the Company has again worked hard to engage on these matters and taken action to amend our remuneration disclosure and frameworks to improve trust and transparency with shareholders. In this Report, we have included additional commentary that explains how the Committee and the Board govern and assess the remuneration practices of the Company.

We are proud of our continued success and the Company's exceptional performance in the 2024 financial year, with strong financial and strategic outcomes delivered. I would like to thank our dedicated workforce of 7,400 for another successful year of safely delivering projects for our clients. Our people are our most important resource and we acknowledge the vital contributions made by all our teams working across our business. We would also like to extend a warm welcome to the 539 HSE personnel joining our business this year, we look forward to your contribution in the years to come.

Highlights for FY24 include:

- Revenue of \$2,913.0 million consistent with guidance;
- EBITA of \$195.1 million, NRW's highest ever EBITA result, exceeding the guidance range of \$175.0 million to \$185.0 million, with a strong net profit after tax result of \$105.1 million;
- Order book of circa \$5.5 billion, including repeat business; and
- Cash holdings of \$246.6 million with conversion of 95% of EBITDA.

The value created for shareholders in FY24 included an annual share price increase of 22.1% as at 30 June and franked dividends for FY24 of 15.5 cents per share.

To continue to thrive in the current tight labour market, the Company's remuneration structures must remain consistently competitive to attract, motivate and retain our highly skilled employees, including our Executives. To achieve this, the Company is committed to offering competitive rewards to attract and retain an experienced and high-performing workforce whilst ensuring our remuneration principles support performance outcomes and the creation of shareholder value.

Remuneration Outcomes in FY24

We believe the remuneration outcomes for FY24 reflect the performance of the Company and are aligned with the experience of shareholders.

Short-Term Incentive Scheme (STI)

Our STI Plan outcomes are measured as at 30 June each year, following a one-year performance period and vest post-approval of the financial statements by the Board of Directors. In FY24, the team has successfully delivered a strong set of results, improving on the performance of FY23 by delivering record revenue and earnings. Based on this, 100% (FY23: 89%) of the short-term incentive has vested to our CEO, as set out in section 6.1 of the Report. The plan also includes strategic targets that have been reviewed and assessed by the N&RC and appropriately recognised in FY24 remuneration outcomes approved by the Board. Key performances also resulted in the award to the CFO Richard Simons of 100% (FY23: 89%); to the COO Golding, Geoff Caton of 76% (FY23: 100%); to the COO MET, Michael Gollschewski of 65% (FY23: 40%); and to the COO NRW Civil & Mining and Action Drill & Blast, Mike Sutton of 62% (FY23: Not eligible). Please refer to section 6 for details.

REMUNERATION REPORT CONTINUED

Long-Term Incentive Scheme (LTI)

In FY24, the Company had two LTI plans that were assessed for vesting being the FY20 LTI Plan – Tranche 2 (which had a four-year performance period up to 30 June 2023) and the FY21 LTI Plan (which had a three-year performance period up to 30 June 2023), subject to the achievement of performance metrics.

Both awards, to varying degrees, required Board discretion to align vesting outcomes with Company performance. We understand that the exercise of discretion for the FY21 LTI Plan resulted in the Company receiving a “strike” against the 2023 Remuneration Report at the last AGM. The Board exercised this discretion thoughtfully.

- The FY20 LTI Plan – Tranche 2 vested at 100% following the strong performance of the Company. The Board exercised discretion in relation to the TSR performance metric which resulted in an increase from 99.73% to 100%, being 0.27% of the total award.
- The FY21 LTI Plan vested at 100% following the resilient performance of the Company notwithstanding the unprecedented challenges that the COVID-19 pandemic presented. The Board only exercised discretion in relation to the EBITA performance metric on the basis that at the time the FY21 LTI Plan measures were approved, the Board was aware that COVID-19 would have an impact on the market, and eventually, Company performance, however, given the extent of those impacts was uncertain, the Board did not adjust forecast earnings (EBITA) and instead utilised “business as usual” assumptions for forecast planning. This is the only time that the Board has used its discretion to adjust short-term or long-term incentive outcomes due to the implications of COVID-19 and did so on the basis that the earnings objective outcome was not a fair outcome or reflection of Company performance over that uncertain time. The exercise of this discretion resulted in an increase of the FY21 LTI measurement outcome from 66.67% to 100%, being 33.33%.

To address shareholder concerns, we have provided additional, detailed commentary on this carefully considered exercise of discretion in section 7.2.1.

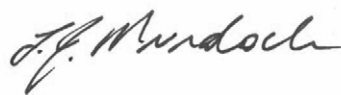
Following shareholder approval at the 2023 Annual General Meeting, the Committee rolled out to the Executive Team the FY24 annual Performance Rights award. The award has a three-year performance period up to 30 June 2026, and focuses on medium to long-term business performance. Details of the FY24 LTI Plan are provided in section 5.4.

Looking Forward – Remuneration for FY25

The Committee will continue to monitor market best practice and respond to both internal and external developments, including a highly competitive talent environment. The Committee is satisfied that the current remuneration structure, which received shareholder support at the 2023 Annual General Meeting, appropriately motivates and rewards Executive performance whilst also delivering shareholder value. This is supported again, by the Company’s FY24 strategic and financial performance, giving us confidence that we are adopting effective remuneration frameworks.

We remain committed to our remuneration framework, a framework that is working in the interests of our shareholders and the Company. It is focused on driving performance and behaviours that we are proud of and delivering value to shareholders both in the short and long term.

Thank you for your support of NRW.



Fiona Murdoch

Chairperson Nomination & Remuneration Committee

REMUNERATION REPORT CONTINUED

1 SCOPE OF REPORT

The Report for the year ended 30 June 2024 outlines the remuneration arrangements in place for the Key Management Personnel (KMP) of NRW Holdings Ltd (NRW, the Company) which includes Non-Executive Directors, Executive Directors and those key executives who have authority and responsibility for planning, directing and controlling the activities of NRW during the financial year.

The Report that follows forms part of the Directors' Report and has been prepared in accordance with Section 300A of the Corporations Act 2001 (Cth) (the Act) and audited in accordance with Section 308(3C) of the Act. Executive Directors and Other Executives are together referred to as 'Executives' within this report.

2 KEY MANAGEMENT PERSONNEL

The following persons were classified as KMP during the financial year ended 30 June 2024 and unless otherwise indicated, were classified as KMP for the entire period being 1 July 2023 – 30 June 2024 (FY24):

Key Management Personnel		Term
EXECUTIVE DIRECTORS		
Julian Pemberton	Chief Executive Officer and Managing Director (CEO)	Full Year FY24
OTHER EXECUTIVES		
Richard Simons	Chief Financial Officer	Full Year FY24
Geoff Caton	Chief Operating Officer – Golding	Full Year FY24
Michael Gollschewski	Chief Operating Officer – Minerals, Energy & Technologies	Full Year FY24
Mike Sutton	Chief Operating Officer – NRW Civil & Mining and Action Drill & Blast	Appointed 11 September 2023
NON-EXECUTIVE DIRECTORS		
Michael Arnett	Chairperson and Non-Executive Director	Full Year FY24
Jeff Dowling	Non-Executive Director	Full Year FY24
Fiona Murdoch	Non-Executive Director	Full Year FY24
Peter Johnston	Non-Executive Director	Retired 28 November 2023
David Joyce	Non-Executive Director	Appointed 19 March 2024
Adrienne Parker	Non-Executive Director	Appointed 13 May 2024

3 REMUNERATION GOVERNANCE

3.1 Guiding Principles

NRW's remuneration strategy is guided by its Remuneration Guiding Principles. The Board has adopted the following overarching principles which recognise the importance of fair, effective and appropriate remuneration outcomes.

Objective	Principles
Alignment	NRW's remuneration strategy is aligned with the interests of the Company's shareholders. A significant proportion of Executive remuneration is 'at-risk' to motivate Executives to maintain focus on delivering strategic objectives.
Attract and Retain	NRW's remuneration framework has been established to ensure that the Company is competitive in the labour market, aiding the attraction, engagement and retention of experienced and high-performing Executives. NRW's remuneration framework is regularly reviewed to ensure it reflects contemporary trends and provides remuneration that is fair and benchmarked against a relevant peer group on an appropriate basis.
Motivate	Remuneration plans are structured to ensure that NRW's top talent are rewarded for achieving both short and long-term business objectives. The Company's short and long-term 'at-risk' reward is directly aligned to performance.
Appropriate	Remuneration packages are established and reviewed regularly to ensure that they reflect contemporary trends in sectors and regions relevant to the operations of NRW.

REMUNERATION REPORT CONTINUED

3.2 Roles and Responsibilities

The Board reviews and, as appropriate, approves the remuneration practices within NRW for the Non-Executive Directors, Executive Director and KMP.

The Board is responsible for ensuring the remuneration framework is aligned with the Company's short-term and long-term strategic objectives. In addition, the Board is responsible for approving the remuneration targets, performance conditions and outcomes for KMP set under the remuneration framework.

The Board delegates responsibility to the N&RC for reviewing and making recommendations to the Board on these matters. The N&RC may use its powers when setting, reviewing or recommending remuneration award outcomes to ensure that they are fair and reasonable, and may use its discretion to decrease or increase the award outcomes it recommends as it considers appropriate. Whilst the N&RC takes responsibility for performing these functions, ultimate approval lies with the Board.

The N&RC seeks to engage external advisors to provide information on remuneration-related issues, including with regards to benchmarking and market data. The N&RC is mandated to engage external and independent remuneration advisors who do not have a relationship with or advise NRW management.

The N&RC comprises Non-Executive Directors Fiona Murdoch (Chairperson), Michael Arnett and Jeff Dowling. The N&RC is governed by the N&RC Committee Charter, which is available on the Company's website. The N&RC convened twice throughout FY24 and invited CEO and external advisor input where required.

The CEO makes recommendations to the N&RC regarding the remuneration of Key Executives but is not involved in making recommendations to the N&RC in relation to his own remuneration.

Any changes to the Director fee pool are approved by shareholders, in line with the Company Constitution.

The Company's Remuneration Report is put to shareholders at the Company's Annual General Meeting each year in accordance with the requirements of Section 300A of the Corporations Act 2001. Of the total valid available votes lodged on its Remuneration Report for the 2023 financial year, NRW received a "FOR" vote of 39.77%, resulting in a "strike".

Remuneration Engagement and Feedback from "Strike" – at the 2023 AGM

As reported above, the Company received a "strike" at the 2023 Annual General Meeting against the 2023 Remuneration Report.

The N&RC and Company Executives have actively engaged with shareholders and proxy advisors for the last three years regarding the Company's remuneration framework and arrangements. The N&RC has always acted, where it considers reasonable, on feedback received from these engagement sessions. Above all, the N&RC is committed to ensuring remuneration is aligned to both market conditions and shareholder expectations. In this regard, the Company has worked over the last three years to action the following:

- Eliminate the use of "Gearing" as a performance measure in the LTI Schemes;
- Include Earnings Per Share in lieu of Earnings Before Interest Tax and Amortisation to ensure stronger earnings targets aligned with shareholder value;
- Increase transparency in NRW's Remuneration Report by way of disclosing STI performance targets in the year they are assessed;
- Move to relative TSR, from absolute TSR, to eliminate market impacts, and disclose the relative TSR peer group to shareholders to promote transparency;
- Where appropriate, include an ESG-related strategic objective as part of the STI Plan performance measures; and
- Annually engage an independent remuneration consultant to review the remuneration framework and package of NRW's CEO, Mr Pemberton, along with other members of its Executive team and Non-Executive Directors on an ad hoc basis.

In calendar year 2023, engagement with shareholders and proxy advisors included five meetings (both in-person and online), and various written correspondence. NRW has always approached these meetings in an open and honest manner. Feedback received from these sessions was generally positive, with shareholders and proxy advisors supportive of the remuneration framework and performance measures put in place for the FY24 STI and LTI Plans.

Whilst the feedback was positive for the current remuneration framework and FY24 performance measures, shareholders primary concern related to the Board's use of discretion – exercised in relation to the FY20 and FY21 LTI Plans which vested in September 2023 and November 2023 respectively and as a result of this there was a vote against the 2023 remuneration report.

Given the vesting of these plans fell in the FY24 financial year, NRW has provided narrative within the Report, at section 7.2.1, to aid shareholders in understanding the Board's robust decision-making process.

REMUNERATION REPORT CONTINUED

3.3 Use of Independent Remuneration Consultants

During the year, the N&RC engaged Egan Associates (Egan) to provide a detailed briefing and report to the Chairperson of the N&RC regarding the market remuneration arrangements established for Managing Directors / Chief Executive Officers of organisations with comparable attributes to NRW. The research entailed a review of reward levels among ASX companies ranked between 151 and 200 together with organisations in the metals, mining and industrials sectors. The analysis incorporated companies with comparable revenue, total assets and market capitalisation.

Egan's observations were provided directly to the Chairperson of the N&RC for consideration. Egan's general observations were that NRW's CEO's total annual incentive opportunity is market competitive when benchmarked against organisations within the metals, mining and industrials sectors, or when benchmarked against organisations of comparable size, scale or market capitalisation. The N&RC discussed these observations and are comfortable with this market-based feedback as the Company seeks to retain the services of NRW's long-serving and highly capable CEO.

The Board is satisfied that the recommendations made by Egan were made free from undue influence from any KMP. Fees paid to Egan for the year ended 30 June 2024 are shown below.

	2024	2023
	\$	\$
Fees paid to Egan Associates	5,800	29,600
Total	5,800	29,600

In FY23, fees paid to Egan included a comprehensive review of both the CEO and KMP remuneration to ensure alignment of total remuneration, covering fixed remuneration, short-term and long-term incentives, with prevailing market conditions. In FY24, we sought external review and advice from Egan on the CEO / MD's remuneration only. The N&RC is committed to seeking external review and advice on the CEO's remuneration on an annual basis and, every second year or as needed, extending this review to include KMP remuneration as well.

Use of Independent Consultants

The N&RC has continued to engage directly with an independent remuneration consultant to ensure the remuneration, both fixed and at-risk, for NRW's CEO and broader Executive KMP is aligned to market conditions. There was no communication between the independent remuneration consultant and the CEO and Executive KMP to ensure the risk of any potential undue influence on the remuneration consultant was mitigated.

The Board makes its remuneration-related decisions after considering the recommendations of the N&RC and the advice from the independent remuneration consultant. The N&RC considers this annual engagement prudent to ensure NRW remains aligned to market norms and reward NRW's CEO at the level NRW considers appropriate to motivate long-term value creation through the realisation of its strategy and retain his services.

REMUNERATION REPORT CONTINUED

4 LINK BETWEEN REMUNERATION AND COMPANY PERFORMANCE

A key underlying principle of NRW's Executive remuneration framework is the delivery of financial targets, recognising that the delivery of financial targets is the foundation for long-term value creation for shareholders. The following information summarises key financial performance of NRW over the last five financial years. 2020 - 2022 were subject to COVID-19 and hyper-escalation challenges.

Measure	2024	2023	2022 ^{(1) (6)}	2021 ⁽⁶⁾	2020 ⁽⁶⁾
Market Capitalisation (30 June) - \$ million	1,406.3	1,141.7	761.4	657.9	793.6
Share Price (30 June) - \$	3.09	2.53	1.70	1.47	1.86
Total Revenue - \$ million	2,913	2,667	2,367	2,222	2,004
EPS - cents	23.2	19.0	20.1	12.5	18.2
EBITA - \$ million ⁽²⁾	195.1	166.3	146.7	120.6	140.9
Net Profit After Tax - \$ million	105.1	85.6	90.2	54.3	73.7
NPATN - \$ million ⁽³⁾	123.8	104.4	93.7	75.1	89.7
Interim Dividend Paid - cents	6.5	8.5 ⁽⁴⁾	5.5	4.0	2.5
Final Dividend Declared in Respect of the Year - cents	9.0	8.0	7.0	5.0	4.0
Annual TSR ⁽⁵⁾ - \$ million	358.4	463.6	170.9	(143.2)	(244.5)

(1) Restated to reflect prior period adjustment, disclosed in FY23 Annual Financial Statements.

(2) EBITA – Earnings before interest, taxes and amortisation.

(3) NPATN is Operating EBIT less interest and tax (at a 30% tax rate).

(4) This was an unfranked dividend.

(5) TSR – Total shareholder return calculated as the change in market capitalisation adjusted for capital raisings plus dividends paid.

(6) Results heavily impacted by COVID-19 supply chain issues and market-wide hyper-escalation challenges.

REMUNERATION REPORT CONTINUED

5 EXECUTIVE REMUNERATION ARRANGEMENTS

The terms of employment for Executives are formalised within an employment contract (Executive Service Agreement). All Executives listed in the Key Management Personnel table are appointed under an Executive Service Agreement not for any fixed term and carry no termination payments other than statutory entitlements.

All Executives have a notice period of six months. The Executive Service Agreements in place contain non-compete provisions, restraining Executives from operating or being associated with an entity that competes with the business of NRW for up to six months after termination.

5.1 Executive Remuneration Framework

The remuneration framework is designed to support the Company's strategy and to reward its people for its successful execution. NRW's remuneration framework combines elements of fixed remuneration and 'at-risk' remuneration, comprising short and long-term incentive plans, as detailed below.

The NRW remuneration framework recognises that the Group's overall objectives of delivering profitable growth will ultimately lead to long-term shareholder value.

	Fixed Remuneration	Short-Term Incentive (STI)	Long-Term Incentive (LTI)
Purpose	Attract, engage and retain a high-performing workforce to ensure NRW delivers on its strategic objectives.	Motivate and reward Executive performance against annual performance metrics (both financial and strategic) to focus Executive effort on short-term business performance.	Align Executive and shareholder interests by motivating and rewarding long-term value creation measured through the delivery of long-term strategic goals and promoting employee retention by requiring participants remain employed with NRW throughout the performance period up to vesting date.
Approach	Fixed remuneration is reviewed annually, and set with reference to individual performance, market conditions and relevant experience. Industry remuneration surveys and data are utilised to assist in this process.	Annual STI objectives are set for each Executive based on core accountabilities. Awards vest through achieving a set of relevant business objectives. Awards up to the maximum amount payable can be achieved when stretch objectives are met.	Annual LTI objectives are set for each Executive based on long-term value creation for shareholders. Performance Rights, which vest following the achievement of objectives, are converted to shares on the vesting date.
Structure	Fixed Remuneration	STI award is based on a percentage of the Executive's TFR (see 5.2).	LTI award is based on a percentage of the Executive's TFR (see 5.2) and determined with reference to the 30-day Volume Weighted Average Price (VWAP) up to and including the start date of the performance period.
Award	Cash – salary and superannuation capped at the relevant concessional contribution limit.	Cash – Executives can earn a cash-based incentive by achieving specific objectives set by the CEO and N&RC.	Performance Rights – Executives can participate in an equity-based incentive through the award of Performance Rights.
Performance Period	Duration of employment	One year performance period beginning 1 July and ending 30 June the following year. If an Executive commences part-way through the performance period, the STI award is prorated.	Three-year performance period beginning 1 July in the year of award up to vesting date.
Key Terms	Other Benefits The opportunity to salary sacrifice benefits on a tax compliant basis is available upon request. NRW also provides basic income protection cover for all employees.	Continued Employment Participants must remain actively employed with the Group throughout the performance period for STI awards to vest. The normal performance period being one year. Award Deferral Up to 25% of an award can be deferred for up to 12 months at the discretion of the N&RC, if they determine that additional time is required to provide more certainty on specific business-related outcomes. Award Adjustment / Clawback NRW may adjust the value of the award paid under this plan in circumstances approved by the N&RC including, but not limited to, unpaid claims where the value of the claim has previously been assessed under this plan.	Continued Employment Participants must remain actively employed with the Group throughout the performance period, up to and including the vesting date, for LTI awards to vest. The normal performance period being three years. Other Key Provisions Other key provisions, including related to Breach of Obligation, Good Leaver, Change of Control and Ceasing of Employment, are detailed in NRW Holdings Limited Performance Rights Plan Terms and Conditions.
Board Discretion	The Board has the discretion to adjust the STI payment or the LTI Performance Rights awarded.		

REMUNERATION REPORT CONTINUED

5.2 Fixed Annual Remuneration and Remuneration Mix

As the Group continues to grow, it is important to ensure that the remuneration levels of the Executive team support the Group in attracting and retaining high-calibre staff to lead the delivery of strategic objectives. Remuneration for Executives is set dependent on a number of factors, including, but not limited to, the scope of their role, experience and market conditions at the time of employment. NRW engages external consultants where required to benchmark remuneration practices to market.

During the year, the Board awarded Mr Pemberton a fixed salary increase from \$1,300,000 to \$1,352,000 effective 1 July 2023. The fixed salary increase equates to a 4% pay rise to Mr Pemberton's base salary and is driven by and in line with broader market conditions and awards.

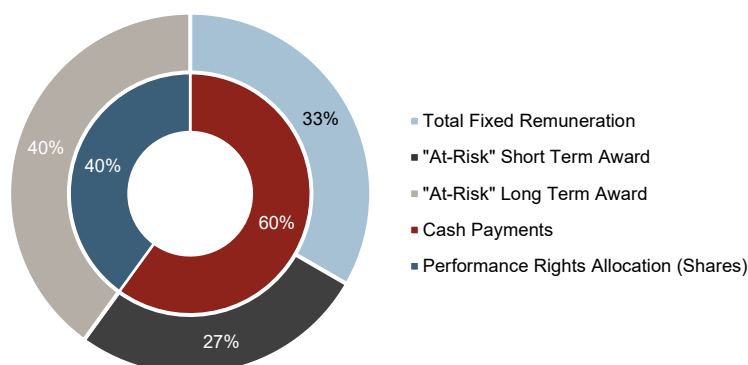
The table below provides information on the remuneration packages of Executives, including the maximum 'at-risk' percentage for both the STI and LTI, as at 30 June 2024.

	TFR ⁽¹⁾	STI	LTI ⁽²⁾
Julian Pemberton	1,352,000	80%	120%
Richard Simons	703,099	50%	80%
Geoff Caton	739,100	40%	40%
Michael Gollschewski	734,299	40%	40%
Mike Sutton	752,107	50%	-

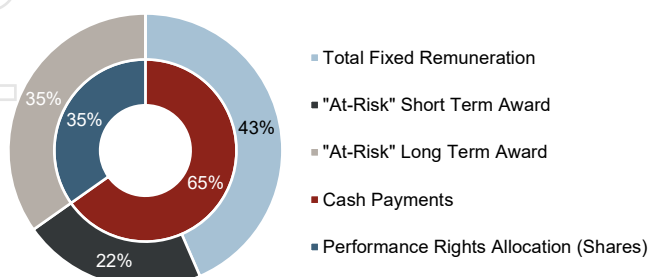
(1) Annual Total Fixed Remuneration (TFR) as at 30 June 2024 which includes base (cash) salary plus superannuation capped at the maximum contribution limit.

(2) LTI structure approved by N&RC.

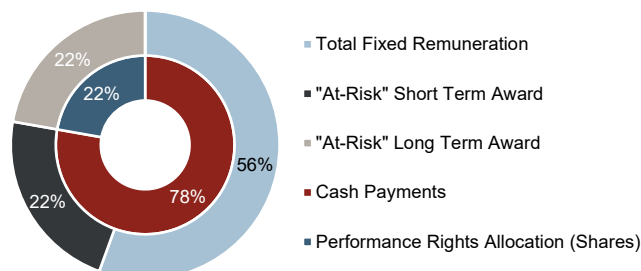
CEO Remuneration Mix
At Maximum Award



CFO Remuneration Mix
At Maximum Award



COO⁽¹⁾ Remuneration Mix
At Maximum Award



(1) Excluding Mike Sutton

REMUNERATION REPORT CONTINUED

5.3 Short-Term 'At-Risk' Remuneration

The Board considers the financial measures contained within the STI plan to be appropriate as they are aligned with the Group's overall objectives of delivering profitable growth and, ultimately, over the long term, shareholder value creation. The FY24 STI Plan was finalised by the N&RC and approved by the Board in September 2023. The STI award was finalised following the release of the FY23 Annual Financial Statements and a review of forecast budgets and projections for FY24 and FY25. The following table summarises the key components and operation of the FY24 STI plan.

Plan Name	FY24 STI Plan			
Participants	All Executives			
Plan Approval	The structure of the plan and quantum of award to the CEO was recommended by the N&RC, and approved by the Board.			
Performance Period	One-year performance period beginning 1 July 2023 and ended 30 June 2024.			
Award Value	Award value is equal to a percentage of the KMP's TFR (as shown in 5.2).			
Vesting Date	Subject to the achievement of the performance metrics across the performance period, award will vest post approval of the financial statements by the Board of Directors.			
Performance Metrics	Performance metrics are made up of two critical financial measures and four individual strategic measures. Hurdles for financial measures are set to allow for a staggered path to achievement of incentive targets.			
	Earnings ⁽¹⁾	Target 1	\$172M	Earnings is measured through Earnings before interest, taxes, and amortisation (EBITA). EBITA is selected as a proxy for 'cash' generation at the business unit level.
		Target 2	\$175M	
		Target 3	\$185M	
	Revenue Growth	Target 1	Undisclosed, commercially sensitive	NRW operates in a contracting environment where securing, as well as delivering, work is critical to sustaining earnings. Achievement of this financial target is measured against the extent to which the businesses approved FY25 budget reflects a revenue forecast at or above the objectives included in the businesses' strategic plan.
		Target 2	Undisclosed, commercially sensitive	
	Strategic Objectives	Four individual performance measures are set during the performance period for strategic objectives. These strategic objectives vary for each Executive dependent upon the business units they manage. The strategic performance measures of the CEO are approved by the N&RC. The strategic performance measures of the Other Executives are approved by the CEO to drive strategic initiatives and performance consistent with the overall business strategy.		
Testing Date	Incentive payments are determined in line with the approval of the Financial Statements for the end of the performance period – being the 30 June 2024 Annual Financial Statement.			
Relationship between performance and payment	Objectives are based on achieving a minimum target in the performance period, at which time a proportion of the total incentive will be earned. The balance of the total STI is accrued by achieving progressively higher earnings. Actual financial performance between targets is paid pro rata.			
	Earnings	60%		
	Target 1	20% earned		
	Target 2	Additional 20% earned		
	Target 3	Additional 20% earned		
	Revenue Growth Objectives	20%		
	Target 1	10% earned		
	Target 2	Additional 10% earned		
	Strategic Objectives	20%		
Other Terms and Conditions	Safety Moderator If safety is not managed to expectations, any STI award earned can be adjusted downwards by a maximum of 20%.			

(1) Earnings targets, as listed, relate to the CEO's and CFO's Group performance hurdles. Each COO has earnings targets specifically related to their respective operational entities.

REMUNERATION REPORT CONTINUED

5.4 Long-Term 'At-Risk' Remuneration

The LTI Plan seeks to align Executive and Shareholder interests by rewarding long-term value creation. The Board considers the performance metrics chosen to be appropriate as they are focused on delivering increased earnings and growth in shareholder value. For the FY24 Award, the Board increased the allocation of Performance Rights to Relative Total Shareholder Return (TSR) and Earnings Per Share (EPS), subsequently removing the weighting of Gearing as a performance measure. This has resulted in a 50%:50% weighting to TSR and EPS. The CEO was granted an award of Performance Rights under the FY24 LTI Plan post approval of shareholders at the 2023 AGM.

The following table summarises the key components and operation of the FY24 LTI Plan.

Plan Name	FY24 LTI Plan				
Participants	All Executives ⁽¹⁾				
Plan Approval	The structure of the plan and quantum of Performance Rights awarded to the CEO was approved by shareholders at the 2023 AGM. Please see the 2023 Notice of Meeting for further details.				
Performance Period	Three-year performance period beginning 1 July 2023 and ending 30 June 2026.				
Award Value	Grant of Performance Rights is equal to a percentage of the KMP's TFR (as shown in 5.2).				
Valuation Assumptions	The value per Performance Right to determine the total Performance Rights allocated under this plan is based on the 30-day VWAP to 30 June 2023, being \$2.34 per share.				
Vesting Date	Subject to the achievement of the performance metrics across the performance period, Performance Rights will vest on 30 September 2026.				
Performance Metrics	Performance measures for the vesting of Performance Rights under the plan are included below.				
	Relative TSR ⁽²⁾	Target 1	Between 50 th and 75 th percentile ⁽³⁾		Relative TSR performance will be assessed as TSR for the whole performance period relative to an appropriate and pre-defined comparator group for NRW Holdings Limited.
		Target 2	At or above the 75 th percentile ⁽³⁾		
	EPS ⁽⁴⁾	Target 1	26.8 cents		The FY26 hurdles have been calculated utilising FY23 actual NPATN ⁽⁵⁾ (\$104.4M) for compounded growth at 5% and 10%, or min and max respectively.
		Target 2	30.8 cents		
Testing Date	The vesting of Performance Rights will be calculated for the performance period at or before vesting date.				
Relationship between performance and vesting	Objectives are based on achieving a minimum target in the performance period, at which time a proportion of the total incentive will be earned. Performance Rights will vest in full subject to the above performance hurdles being met. Where performance is above Target 1 but below Target 2, the Performance Rights will vest pro rata to actual achievement.				
	TSR				50%
	Target 1				25% earned
	Target 2				Additional 25% earned
	EPS				50%
	Target 1				25% earned
	Target 2				Additional 25% earned
Other Terms and Conditions	There are no other Terms and Conditions associated with this Plan.				

(1) Excluding Mr M Sutton see section 5.2.

(2) The Relative TSR objective will include the movement in share price during the performance period, in addition to appropriate adjustments which will include dividend payments and any equity raisings to reflect actual TSR performance.

(3) When compared to the TSR Comparator Group which is MacMahon (ASX: MAH), Monadelphous (ASX: MND), Emeco (ASX: EHL), SRG Global (ASX: SRG), Southern Cross Electrical (ASX: SXE) and Perenti (ASX: PRN).

(4) The final assessment of EPS will exclude the amortisation of acquisition intangibles and non-operating transactions (acquisition transaction costs for example) at normal tax rates and may be adjusted for any significant variances in forecast assumptions.

(5) NPATN is Operating EBIT less interest and tax (at a 30% tax rate).

Votes in Favour of the FY24 Performance Rights Plan Award to the CEO

Of the total valid available votes lodged for approval of the FY24 Performance Rights Plan (award to the CEO) at the 2023 Annual General Meeting, the Company received 82.48% "FOR" votes. The N&RC are pleased with this result, as it signals that NRW's shareholders are satisfied that its FY24 Performance Rights Plan meets their expectations. The FY24 LTI Plan, which remains unchanged from the prior period, will form the basis of long-term executive reward provided it remains contemporary within the market and continues to meet shareholder expectations.

REMUNERATION REPORT CONTINUED

5.4 Long-Term 'At-Risk' Remuneration Continued

Details in relation to the LTI Plans which have vested or are outstanding during the financial year are outlined below.

Plan	FY24 LTI Plan				FY23 LTI Plan				FY22 LTI Plan				FY21 LTI Plan				FY20 LTI Plan – Tranche 2 ⁽¹⁾							
Plan Details	Plan approved by Shareholders at the 2023 AGM.				Plan approved by Shareholders at the 2022 AGM.				Plan approved by Shareholders at the 2021 AGM.				Plan approved by shareholders at the 2021 AGM				Plan approved by Shareholders at the 2019 AGM							
Performance Period	FY24, FY25, FY26				FY23, FY24, FY25				FY22, FY23, FY24				FY21, FY22, FY23				FY20, FY21, FY22, FY23							
Value Period	FY24				FY23				FY22				FY21				FY20							
Vesting Date	30 September 2026				30 September 2025				30 September 2024				30 September 2023				30 November 2023							
Performance Measures	Details of the FY24 LTI Plan performance measures can be found at section 5.4, above.				Details of the FY23 LTI Plan performance measures can be found in the FY23 Remuneration Report.				Details of the FY22 LTI Plan performance measures can be found in the FY22 Remuneration Report.				Details of the FY21 LTI Plan performance measures can be found in the FY21 Remuneration Report.				Details of the FY20 LTI Plan performance measures can be found in the FY20 Remuneration Report.							
	Relative TSR	Min	Between the 50th and 75th percentile ⁽²⁾		TSR	Min	\$2.92		TSR	Min	\$2.81		TSR	Min	\$2.56		TSR	Min	\$3.46					
		Max	At or above the 75th percentile ⁽²⁾			Max	\$3.35			Max	\$3.02			Max	\$2.70			Max	\$3.66					
	EPS	Min	26.8c		EPS	Min	26.0c		EPS	Min	27.8c		EBITA (\$M)	Min	\$169		EBITDA ⁽³⁾ (\$M)	Min	\$245					
		Max	30.8c			Max	29.9c			Max	29.5c			Max	\$176			Max	\$263					
		Gearing		Below		40%		Gearing		Below		40%		Gearing		Below		40%		Gearing		Below		40%
	Performance Rights Outstanding	3,211,982				2,472,268				2,382,977				-				-						

(1) The FY20 LTI Plan award was assessed for vesting in two equal Tranches: Tranche One vested in FY23 and Tranche Two vested in FY24. The Tranche, which vested during FY24, had a four-year performance period.

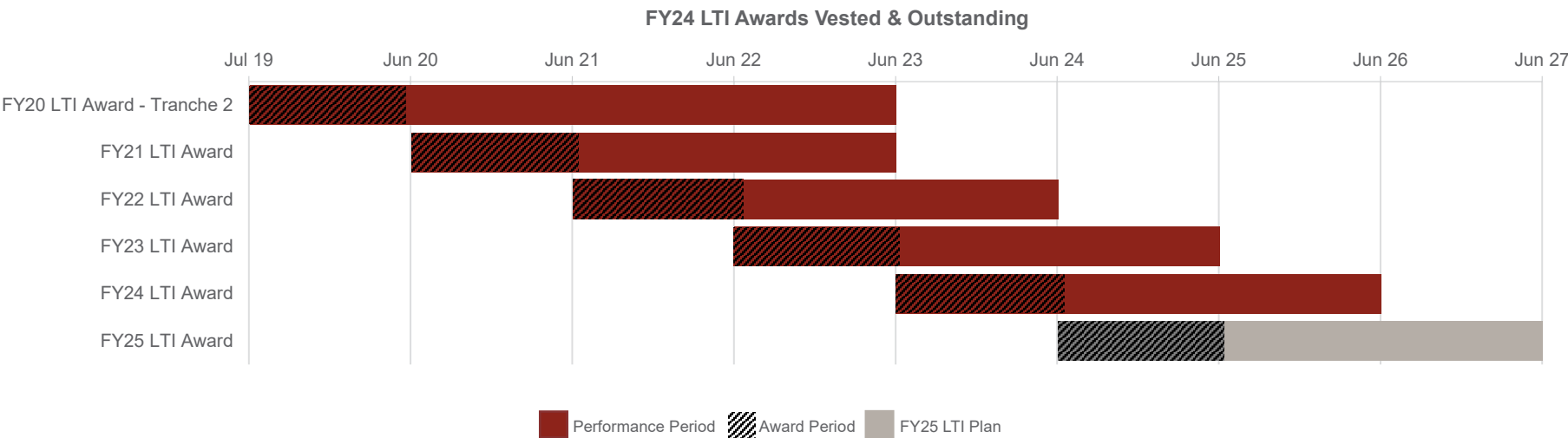
(2) When compared to the TSR Comparator Group which is MacMahon (ASX: MAH), Monadelphous (ASX: MND), Emeco (ASX: EHL), SRG Global (ASX: SRG), Southern Cross Electrical (ASX: SXE) and Perenti (ASX: PRN).

(3) The performance hurdles set have been adjusted for the impacts of AASB16.

REMUNERATION REPORT CONTINUED

5.4 Long-Term 'At-Risk' Remuneration Continued

The following chart summarises the remuneration cycle and timelines for the relevant award periods in place for the CEO. The FY25 LTI Award is currently under consideration and will be put for Shareholder approval at the 2024 AGM.



REMUNERATION REPORT CONTINUED

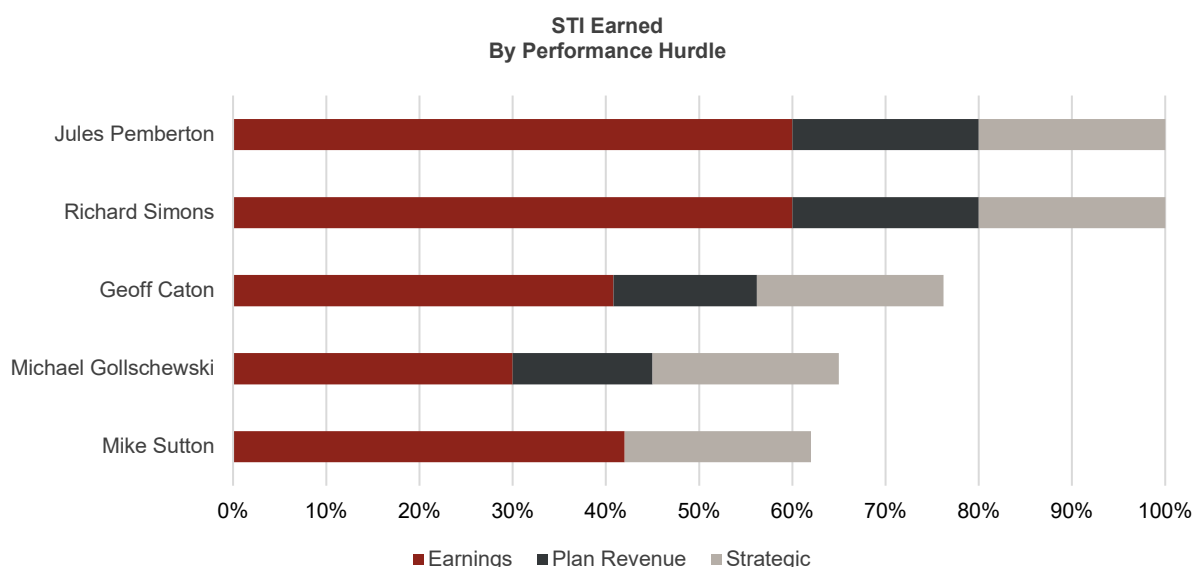
6 SHORT-TERM 'AT-RISK' EXECUTIVE REMUNERATION OUTCOMES

6.1 Short-Term Performance Outcomes

The following table provides information on the outcome of the STI Plan for each Executive for the year ended 30 June 2024. The value of the award is outlined in the remuneration table in section 9.1.

	FY24		FY23	
	STI Earned	STI Forfeited	STI Earned	STI Forfeited
Julian Pemberton	100%	0%	89%	11%
Richard Simons	100%	0%	89%	11%
Geoff Caton	76%	24%	100%	0%
Michael Gollschewski	65%	35%	40%	60%
Mike Sutton ⁽¹⁾	62%	38%	-	-

(1) Mr M Sutton was appointed on 11 September 2023 and was therefore not eligible for an FY23 STI Award.



Rigorous Performance Assessment by the Board

At the end of the financial year, the N&RC conducts a review of CEO performance, including consideration of preliminary remuneration outcomes. The review is holistic and covers safety performance, operational performance, business strategy development and delivery of financial results including shareholder value. This process seeks to identify any ideas where discretion may warrant use, particularly in the area of safety.

The N&RC Chairperson then undertakes a formal assessment of CEO performance against STI targets. This assessment is an independent, objective assessment of CEO performance against agreed financial and strategic targets over the performance period.

The proposed outcome is then considered by the N&RC, and approved by the Board, before final award. Each Non-Executive Director has the opportunity to review and carefully consider any recommendation put to the Board and ask questions or challenge outcomes where they see fit. Adjustment may be made by the Board to the final award outcome where the Board considers appropriate.

REMUNERATION REPORT CONTINUED

6.2 Short-Term Performance Measures

The outcomes of the STI Plan are outlined below.

6.2.1 STI Performance Measures for the year ended 30 June 2024 – CEO

Performance Metrics	STI Weighting	Target (\$M)	Result (\$M)	STI Earned	Performance Commentary
EBITA	60%		\$195.1	60%	The Company achieved FY24 EBITA of \$195.1 million resulting in the full vesting of this award for the CEO.
Target 1		\$172			
Target 2		\$175			
Target 3		\$185			
FY25 Plan Revenue	20%		Undisclosed, commercially sensitive	20%	FY25 Plan Revenue has been determined in accordance with the Board-approved FY25 budget. This objective was met at stretch target, resulting in the full vesting of this part of the award. Due to the commercially sensitive nature of the Plan Revenue target, this result will be disclosed in FY25.
Target 1		Undisclosed, commercially sensitive			
Target 2		Undisclosed, commercially sensitive			
Strategic Objectives	20%			20%	Strategic objectives were set through discussions with the N&RC Chairperson and the CEO. In FY24, the agreed objectives set related to strategic growth and diversification targets, in addition to succession planning and enterprise-wide risk management. The Board endorsed full award of the CEO's FY24 strategic objectives this year on the basis the CEO has successfully delivered on his agreed objectives.
TOTAL	100%			100%	

6.2.2 STI Performance Measures for the year ended 30 June 2024 – Other Executives

Performance Metrics	STI Weighting	Richard Simons	Geoff Caton	Michael Gollschewski	Mike Sutton
EBITA (\$M)	60%				
Target 1		\$172.0	\$89.7	\$60.1	\$50.7
Target 2		\$175.0	\$96.9	\$63.6	\$54.4
Target 3		\$185.0	\$105.4	\$69.1	\$59.0
Result		60%	41%	30%⁽¹⁾	42%
FY25 Plan Revenue	20%				
Target 1		Undisclosed, commercially sensitive	Undisclosed, commercially sensitive	Undisclosed, commercially sensitive	Undisclosed, commercially sensitive
Target 2		Undisclosed, commercially sensitive	Undisclosed, commercially sensitive	Undisclosed, commercially sensitive	Undisclosed, commercially sensitive
Result		20%	15%	15%	0%
Strategic Objectives	20%	Banking arrangements, portfolio savings, IT systems infrastructure	Succession planning, organisational culture and business systems	MET-related strategic deliverables including growth and diversification targets	Strategic partnerships, organisation structure and tender and project frameworks
Result		20%	20%	20%	20%
TOTAL	100%	100%	76%	65%	62%

(1) The Board has elected to apply discretion with regards to the EBITA performance metric after prioritising the Mr M Gollschewski's focus on the Primero business which as a result performed strongly in FY24.

REMUNERATION REPORT CONTINUED

6.2.3 STI Performance Measures for the year ended 30 June 2023 – CEO

Performance Metrics	STI Weighting	Target (\$M)	Result (\$M)	STI Earned	Performance Commentary
EBITA	60%		\$166.3	49%	
Target 1		\$155			The Company recognised FY23 EBITA of \$166.3 million resulting in the partial vesting of this award.
Target 2		\$162			
Target 3		\$172			
FY24 Plan Revenue	20%		\$2,800	20%	
Target 1		\$2,680			FY24 Plan Revenue was determined in June 2023 in accordance with the Board-approved FY24 budget. This objective was met at stretch target, resulting in full vesting of this part of the award.
Target 2		\$2,800			
Strategic Objectives	20%			20%	Delivery of strategic objectives related to integration of the MET business, succession planning, sustainability and workplace culture.
	100%			89%	

7 LONG-TERM 'AT-RISK' EXECUTIVE REMUNERATION OUTCOMES

7.1 Long-Term Performance Measures

During the period ended 30 June 2024, the following LTI Plans were tested for vesting and award.

The Company had two LTI plans vest during FY24 being the FY20 LTI Plan - Tranche 2 (which had a four-year performance period up to 30 June 2023) and the FY21 LTI Plan (which had a three-year performance period up to 30 June 2023).

The following tables provide information on the outcome of the LTI Plan for each Executive that vested during the period. Further details in relation to the vesting hurdles, assessment and outcomes are provided at 7.2 below.

7.1.1 LTI Performance Measures for the year ended 30 June 2024

Name	LTI Plan	Allocation Date	Vesting Date	Performance Rights Granted (Number)	Performance Rights Vested (Number)	Value at Grant Date ⁽¹⁾ (\$)
Julian Pemberton	FY20 LTI Plan – Tranche 2 ⁽²⁾	26/11/2019	30/11/2023	582,245	582,245	1,438,145
Julian Pemberton	FY21 LTI Plan	25/11/2021	30/09/2023	750,000	750,000	1,440,000
Geoff Caton	FY20 LTI Plan – Tranche 2 ⁽²⁾	20/07/2020	30/11/2023	137,980	137,980	340,811
Geoff Caton	FY21 LTI Plan	17/06/2022	30/09/2023	118,490	118,490	227,501

(1) Value at Grant Date is the number of Performance Rights issued multiplied by the 30-day VWAP up to the beginning of the performance period, being 30 June 2019 and \$2.47 for FY20 LTI Plan – Tranche 2 Performance Rights and 30 June 2020 and \$1.92 for the FY21 LTI Plan Performance Rights.

(2) FY20 LTI Plan was issued in two tranches – Tranche 1, which had a three-year performance period and vested in FY23, and Tranche 2, which had a four-year performance period and vested in FY24.

7.1.2 LTI Performance Measures for the year ended 30 June 2023

Name	LTI Plan	Allocation Date	Vesting Date	Performance Rights Granted (Number)	Performance Rights Vested (Number)	Value at Grant Date ⁽¹⁾ (\$)
Julian Pemberton	FY20 LTI Plan – Tranche 1 ⁽²⁾	26/11/2019	30/11/2022	582,245	582,245	1,438,145
Geoff Caton	FY20 LTI Plan – Tranche 1 ⁽²⁾	20/07/2020	30/11/2022	137,980	137,980	340,811

(1) Value at Grant Date is the number of Performance Rights issued multiplied by the 30-day VWAP to 30 June 2019 (\$2.47).

(2) FY20 LTI Plan was issued in two tranches – Tranche 1, which had a three-year performance period and vested in FY23 and Tranche 2, which had a four-year performance period and vested in FY24.

REMUNERATION REPORT CONTINUED

7.2 Long-Term Performance Outcomes

7.2.1 LTI Performance Measures for the year ended 30 June 2024

During the financial year, the Company had two LTI Plans which required a vesting assessment. The LTI Plans and associated outcomes are outlined below.

FY20 LTI Plan - Tranche 2

The second tranche of Performance Rights issued under the FY20 LTI Plan were tested for vesting following the end of the performance period and vesting outcomes have been shown below. The Performance Rights vested on 30 November 2023.

Performance Metrics	LTI Weighting	Target	Result	LTI Earned	Performance Commentary
TSR	33.33%		\$3.65	33.33% ⁽¹⁾ (Discretion)	TSR has been measured on sustaining returns at a target level for a minimum two-month period within the performance period and assessed utilising a 60-day VWAP. The final assessment of TSR includes appropriate adjustments for dividend payments (+50 cents per share) and equity raisings (-4 cents per share) to reflect actual TSR and was achieved in the period January to February 2020.
Target 1		\$3.46			
Target 2		\$3.66			
EBITDA	33.33%		\$288.8M	33.33%	EBITDA was assessed in line with the audited financial statements and included consideration and (where required) adjustment for the prior period adjustment outlined in note 1.9 of the FY23 annual financial statements. EBITDA for FY23 was \$288.8 million, and consequently, the maximum outcome for this hurdle has been achieved.
Target 1		\$245M			
Target 2		\$263M			
Gearing	33.34%		21.5%	33.34%	Gearing is calculated as average Gearing for the performance period being 21.5%, resulting in the full vesting of this award.
Below		40%			
Total	100.00%			100.00%	
Total				99.73%	Without discretion this award vested at 99.73%.
Discretion Exercised				0.27%	Related to TSR Hurdle as indicated
Total Award				100.00%	Final Award Outcome

(1) Discretion was applied by the Board to this performance hurdle to fully vest this part of the award.

Relative TSR Assessment

As a further check to determine the appropriateness of the TSR result, the N&RC requested a relative TSR assessment be completed. This was considered important given the extreme fluctuations in the share market over the performance period (due to COVID-19 and labour shortages) to ensure relative performance to NRW's peers also reflected upper quartile performance (as anticipated when the absolute TSR hurdles were set).

The Company engaged a third-party financial advisor to prepare a relative TSR calculation against a peer group consisting of four other ASX listed organisations (Monadelphous (ASX: MND), Perenti (ASX: PRN), Emeco (ASX: EHL), Southern Cross (ASX: SXE)). Looking at peers within the market there was only one Company (Southern Cross) that outperformed NRW over this performance period. This puts NRW's performance on the upper scale of peers and on a relative TSR basis supports the vesting (actual and discretionary) proposal.

Exercise of Board Discretion for TSR Performance Metric

The maximum TSR measure (being \$3.66) was not achieved for the FY20 Tranche 2 Plan. Final TSR for the performance period was assessed at \$3.65.

The Board is of the view that the CEO has successfully delivered on the very specific Board-approved diversification strategy over the four-year performance period related to the FY20 LTI Plan. The Board came to this decision considering the following business outcomes achieved over this period including the successful acquisition of BGC Contracting Pty Ltd in December 2019, the successful acquisition of Primero Group Limited in February 2021 and the delivery of strong financial results despite the impacts of COVID-19 on the resource and infrastructure sectors.

The Board, therefore, resolved, upon recommendation from the N&RC, that it is appropriate to vest the additional quantum of unvested shares to the CEO under this plan.

The Board's decision was made through informed and robust discussion, without the CEO present, and with the outcome considered a fair and equitable reward for CEO performance. During the deliberation, each Director had the ability to "have their say", and ultimately vote on the outcome. The decision to discretionarily vest the award was extended to all other Performance Rights issued under the FY20 LTI Plan.

REMUNERATION REPORT CONTINUED

FY21 LTI Plan

Performance Rights issued under the FY21 LTI Plan were tested for vesting following the end of the performance period, and vesting outcomes have been shown below. The Performance Rights vested on 30 September 2023.

Performance Metrics	LTI Weighting	Target	Result	LTI Earned	Performance Commentary
TSR	33.33%		\$3.39	33.33%	TSR has been measured on sustaining returns at a target level for a minimum two-month period within the performance period and assessed utilising a 60-day VWAP. The final assessment of TSR includes appropriate adjustments for dividend payments (+44 cents per share), noting that there was negligible impact of equity raisings during the performance period.
Target 1		\$2.56			
Target 2		\$2.70			
EBITA	33.33%		\$166.3M	33.33% ⁽¹⁾ (Discretion)	The audited Annual Financial Statements for the periods ended 30 June 2021, 2022 and 2023 recognised EBITA of lower than the minimum \$169M and consequently this hurdle has not been achieved.
Target 1		\$169M			
Target 2		\$176M			
Gearing	33.34%		18.8%	33.34%	Gearing is calculated as average Gearing for the performance period being 18.8%, resulting in the full vesting of this award.
Below		40%			
Total	100.00%			100.00%	
Total				66.67%	Without discretion this award vested at 66.67%.
Discretion Exercised				33.33%	Related to EBITA hurdle as indicated
Total Award				100.00%	Final Award Outcome

(1) Discretion was applied by the Board to this performance hurdle to fully vest this part of the award. Actual performance had this performance hurdle vesting at 0%.

Exercise of Board Discretion for FY21 EBITA Performance Metric

The threshold EBITA measure (being \$169 million) was not achieved for the FY21 LTI Plan. Therefore, the award without discretion did not vest to Executives.

The Board considered very closely the outcomes of the FY21 LTI Plan, particularly as it related to the EBITA objective. This included careful consideration of the vesting conditions set at the time the plan was awarded, and market conditions throughout the course of the performance period.

At the time the FY21 LTI Plan measures were approved, the Board was aware that COVID-19 would have an impact on market (and eventually, Company) performance, however, the extent of those implications was uncertain. As such, the Board did not adjust forecast earnings (EBITA) and instead utilised "business as usual" assumptions for forecast planning. This resulted in the EBITA measures under the FY21 LTI Plan assuming 10% (min) - 12% (max) cumulative growth in earnings from FY20 levels (noting FY20 results were only partially impacted by COVID-19).

Whilst at this time the Board believed this was an appropriate and achievable measure for NRW's CEO, over time, the implications of COVID-19 unfolded within the business and the extent of inflationary and supply chain pressures, along with a tight labour market, significantly increased costs over this period. These costs included the significant impact associated with recruiting and training a predominantly new blue-collar workforce, who were previously interstate employees who returned home during the pandemic. These cost increases were outside of the control of NRW's CEO, who NRW believes managed earnings (and the broader business) over this period exceptionally well.

Upon reflection, and now understanding how COVID-19 impacted the industry, the Board is of the view that 10% - 12% cumulative growth in Earnings was not sustainable for its business, particularly on FY20 earnings, which were substantially unaffected by the pandemic. The Board therefore considered a more "normalised" earnings target over this period to measure CEO performance. The Board considered the following:

- Reduced cumulative earnings growth over the three-year performance period.
- Resetting the baseline year for cumulative earnings growth to FY21, which included a whole year of COVID-19-related impacts.

Given the set EBITA outcomes under both alternatives resulted in full vesting of award, the Board considered it appropriate to use its discretion to vest the award at 100%.

This approach was consistent with the approach of a number of other companies of similar size listed on the ASX.

The Board reiterates to shareholders that it has never adjusted short-term or long-term incentive outcomes due to the implications of COVID-19 or used its discretion to vest where outcomes have not been achieved in the past. Achievement in this regard under the FY21 Scheme is the first time the Board has used its discretion where it took the view that the Earnings objective outcome was not a fair outcome or reflection of Company performance over this uncertain time. The Board refers shareholders to the FY21 STI remuneration outcomes where it did not vest the CEO's Earnings outcomes for the implications of COVID-19 as at the time, as it did not consider that a fair or appropriate remuneration outcome.

REMUNERATION REPORT CONTINUED

7.2.2 LTI Performance Measures for the year ended 30 June 2023

The first tranche of Performance Rights issued under the FY20 LTI Plan were tested for vesting following the end of the performance period and vesting outcomes have been shown below.

Performance Metrics	LTI Weighting	Target	Result	LTI Earned	Performance Commentary
TSR	33.33%		\$3.57	33.33%	TSR has been measured on sustaining returns at a target level for a minimum two-month period within the performance period and assessed utilising a 60-day VWAP. The final assessment of TSR includes appropriate adjustments for dividend payments (+42 cents per share) and equity raisings (-3 cents per share) to reflect actual TSR. This was achieved in the period January to February 2020.
Target 1		\$3.22			
Target 2		\$3.36			
EBITDA	33.33%		\$262.1M	33.33%	EBITDA was assessed in line with the audited financial statements and adjusted for the prior-period adjustment outlined in note 1.9 of the annual financial statements. EBITDA for FY22 was \$262.1 million, and consequently, the maximum outcome for this hurdle has been achieved.
Target 1		\$224M			
Target 2		\$237M			
Gearing	33.34%		24.0%	33.34%	Gearing reduced significantly in FY22 following the sale of the Boggabri mobile equipment acquired as part of the BGC Contracting acquisition. Average Gearing for the period was well below 40%, resulting in the full vesting of this award.
Below		40.0%			
100.00%			100.00%		

7.3 Performance Rights Award and Status

The above LTI Plans resulted in the following movement of Performance Rights during FY24. The probability of Executives achieving the relevant performance measures for vesting of LTI plans currently outstanding has been reflected in the share-based payment expense. Further details in relation to the KMP long-term incentive awards, including the share-based payment expense, are set out in note 4.7 in the Annual Financial Statement.

Name	Allocation Date	Balance of Unvested Equity Awards as at 1 July 2023 (Number)	Granted in FY24 (Number)	Vested in FY24 (Number)	Forfeited in FY24 (Number)	Balance of Unvested Equity Awards as at 30 June 2024 (Number)	Fair Value Per Security (Cents)	Fair Value at Grant Date (\$)	Share Based Payments Expense FY24 (\$)
Julian Pemberton	20/07/2020 to 30/11/2023	3,181,255	693,333	(1,332,246)	-	2,542,342	12.8 to 257	4,695,538	999,667
Richard Simons	18/11/2022 to 30/11/2023	221,298	240,376	-	-	461,674	37.9 to 257	722,212	240,737
Geoff Caton	20/07/2020 to 30/11/2023	551,820	126,342	(256,470)	-	421,692	12.8 to 257	836,366	167,410
Michael Gollschewski	08/02/2023 to 30/11/2023	55,804	125,521	-	-	181,325	37.9 to 298	295,608	98,536

REMUNERATION REPORT CONTINUED

8 NON-EXECUTIVE DIRECTORS' REMUNERATION ARRANGEMENTS

The Board is responsible for assessing Non-Executive Director fees, assisted by the N&RC. In setting the Non-Executive Director fees, the Board considers other Australian ASX companies of comparable size and complexity and seeks to benchmark this research against reports received from an independent remuneration consultant. Non-Executive Directors receive a fixed fee for Board and Committee duties and are not entitled to any performance-related remuneration.

8.1 Non-Executive Director Fees

The NRW constitution provides that Non-Executive Directors' remuneration must not exceed the maximum aggregate sum determined by the Company in a general meeting. At present, the maximum aggregate Non-Executive Director sum is \$1,500,000 per annum.

During the period, the Board Chairperson fees increased from \$225,000 to \$250,000. This increase was due to the additional responsibilities incumbent on the Chairperson arising from the Company's increasing scale and scope, particularly as areas of governance become more complex and have a greater impact on Company perception and market performance. Non-Executive Director fees (excluding superannuation and non-cash benefits) to be paid by the Company are outlined below.

	FY24	FY23
	\$	\$
Board Chairperson	250,000	225,000
Board Member	125,000	125,000
Audit & Risk Committee Chairperson ^{(1) (2)}	-	25,000
Audit Committee Chairperson ⁽¹⁾	25,000	-
Risk Committee Chairperson ⁽¹⁾	10,000	-
Sustainability Committee Chairperson ⁽¹⁾	10,000	10,000
Nomination & Remuneration Committee Chairperson ⁽¹⁾	10,000	10,000

(1) Fees are in addition to Board Member fees recognising the additional work involved in Chairing Board Committees.

(2) During the year, the Audit & Risk Committee was split into the Audit Committee and Risk Committee.

Non-Executive Directors are entitled to receive reimbursement for travel and other expenses they properly incur in attending Board meetings, attending any general meetings of the Company or in connection with the Company's business. The table below sets out the fees paid to each Non-Executive Director during the financial year.

		Short-Term Employment Benefits		Post Employment Benefits	Total
		Salary & fees	Non-cash benefit	Superannuation	
		\$	\$	\$	\$
Michael Arnett	FY24	250,000	-	27,500	277,500
	FY23	225,000	-	23,625	248,625
Jeff Dowling	FY24	150,000	-	16,500	166,500
	FY23	150,000	-	15,750	165,750
Fiona Murdoch	FY24	135,000	-	14,850	149,850
	FY23	135,000	-	14,175	149,175
Peter Johnston ⁽¹⁾	FY24	56,250	-	6,188	62,438
	FY23	135,000	-	14,175	149,175
David Joyce ⁽²⁾	FY24	33,173	-	3,649	36,822
	FY23	-	-	-	-
Adrienne Parker ⁽³⁾	FY24	14,423	-	1,587	16,010
	FY23	-	-	-	-
TOTAL	FY24	638,846	-	70,274	709,120
	FY23	645,000	-	67,725	712,725

(1) Mr P Johnston retired on 28 November 2023.

(2) Mr D Joyce was appointed on 19 March 2024.

(3) Ms A Parker was appointed on 13 May 2024.

REMUNERATION REPORT CONTINUED

9 OTHER STATUTORY DISCLOSURES

9.1 Executive Remuneration Tables

The table below sets out the remuneration outcomes for each of NRW's Executives for the year ended 30 June 2024.

	Year	Salary & Fees	Cash Based Awards (STI)	Annual Leave ⁽¹⁾	Post Employment Benefits (Super)	Other Long-Term Benefits ⁽²⁾	Cost of Equity Grants (LTI)	Total
EXECUTIVE DIRECTOR								
Julian Pemberton	2024	1,322,682	1,081,600	86,589	27,399	22,081	999,667	3,540,018
	2023	1,292,096	714,968	83,320	25,292	21,249	1,103,599	3,240,524
OTHER EXECUTIVES								
Richard Simons	2024	674,700	351,549	(5,207)	27,399	-	240,737	1,289,178
	2023	474,786	221,681	(23,462)	18,969	-	121,050	813,024
Geoff Caton	2024	710,757	224,763	11,548	27,500	11,877	167,410	1,153,855
	2023	683,474	234,858	10,723	27,500	11,440	192,386	1,160,381
Michael Gollschewski	2024	705,854	191,288	19,022	27,399	-	98,536	1,042,099
	2023	269,269	38,008	5,021	12,646	-	36,037	360,981
Mike Sutton ⁽³⁾	2024	571,405	188,505	26,454	25,148	-	-	811,512
	2023	-	-	-	-	-	-	-
Total	2024	3,985,398	2,037,705	138,406	134,845	33,958	1,506,350	7,836,662
Total	2023	2,719,625	1,209,515	75,602	84,407	32,689	1,453,072	5,574,910

(1) Represents the movement in accrued annual leave.

(2) Represents the movement in accrued long service leave.

(3) Mr M Sutton was appointed on 11 September 2023.

9.2 Share Ownership

9.2.1 Shareholding and Transactions

The number of ordinary shares in NRW Holdings Ltd (ASX: NWH) held directly, indirectly or beneficially, by each individual (including shares held in the name of all close members of the Director's or Executive's family and entities over which either the Director or Executive or the family member has, directly or indirectly, control, joint control or significant influence) are shown below. These are ordinary shares held without performance conditions or restrictions for the preceding two financial years.

	Held at 30 June 2023 ⁽¹⁾	Rights Vested	Purchases	Share Sales	Held at 30 June 2024
Michael Arnett	1,012,534	-	-	-	1,012,534
Jeff Dowling	364,705	-	-	-	364,705
Fiona Murdoch	28,500	-	-	-	28,500
David Joyce	-	-	36,363	-	36,363
Adrienne Parker	-	-	-	-	-
Julian Pemberton	9,040,742	1,332,245	-	-	10,372,987
Richard Simons	-	-	10,500	-	10,500
Geoff Caton	-	256,470	-	(256,470)	-
TOTAL	10,446,481	1,588,715	46,863	(256,470)	11,825,589

(1) Mr P Johnston retired 28 November 2023 and had a shareholding of 137,771 as at that date.

REMUNERATION REPORT CONTINUED

9.2.2 Prohibition on Hedging of Shares and Invested Equity Awards

The Company's share trading policy prohibits employees (including KMP) from dealing in NWH shares if the dealing is prohibited under the Corporations Act. Therefore, in accordance with this policy, all KMP are prohibited from entering into arrangements in connection with NWH shares which operate to limit the executives' economic risk under any equity-based incentive schemes.

The ability to deal with unvested Performance Rights is restricted in the relevant Performance Rights Plan Rules which apply to the Performance Rights which have been granted.

9.3 Related Party Transactions

All transactions between the Company and its KMP or their associates during the 2024 financial year are disclosed at note 7.3 in the Annual Financial Statement.

End of Remuneration Report (Audited)

AUDITOR'S INDEPENDENCE DECLARATION



Deloitte Touche Tohmatsu
ABN 74 490 121 060

Tower 2
Brookfield Place
123 St Georges Terrace
Perth WA 6000
GPO Box A46
Perth WA 6837 Australia

Tel: +61 8 9365 7000
Fax: +61 8 9365 7001
www.deloitte.com.au

The Board of Directors
NRW Holdings Limited
181 Great Eastern Highway
Belmont WA 6104

14 August 2024

Dear Board Members

Auditor's Independence Declaration to NRW Holdings Limited

In accordance with section 307C of the Corporations Act 2001, I am pleased to provide the following declaration of independence to the directors of NRW Holdings Limited.

As lead audit partner for the audit of the financial statements of NRW Holdings Limited for the financial year ended 30 June 2024, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and
- (ii) any applicable code of professional conduct in relation to the audit.

Yours faithfully

A handwritten signature in blue ink that reads "Deloitte Touche Tohmatsu".

DELOITTE TOUCHE TOHMATSU

A handwritten signature in blue ink, appearing to be "D K Andrews", followed by a horizontal line.

D K Andrews
Partner
Chartered Accountants

Liability limited by a scheme approved under Professional Standards Legislation.
Member of Deloitte Asia Pacific Limited and the Deloitte organisation.

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;
- (b) in the Directors' opinion, the attached financial statements are in compliance with International Financial Reporting Standards, as stated in note 1.2 to the financial statements;
- (c) 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 consolidated entity;
- (d) in the Directors' opinion, the Consolidated Entity Disclosure Statement within the Annual Financial Statements is true and correct; and
- (e) the Directors have been given the declarations required by Section 295A of the Corporations Act 2001.

At the date of this declaration, the Company is within the class of companies affected by ASIC Class Order 98/1418. The nature of the Deed of Cross Guarantee is such that each company which is party to the deed guarantees to each creditor payment in full of any debt in accordance with the Deed of Cross Guarantee.

In the Directors' opinion, there are reasonable grounds to believe that the Company and the companies to which the ASIC Class Order applies, as detailed in note 7.1 to the financial statements will, as a Group, be able to meet any obligations or liabilities to which they are, or may become, subject by virtue of the Deed of Cross Guarantee.

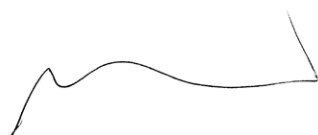
Signed in accordance with a resolution of the Directors made pursuant to Section 295(5) of the Corporations Act 2001.

On behalf of the Directors



Julian Pemberton

Chief Executive Officer and Managing Director



Michael Arnett

Chairperson and Non-Executive Director

Perth, 14 August 2024

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the Year Ended 30 June 2024

	Notes	Consolidated	
		2024 \$'000	2023 \$'000
REVENUE		2,913,007	2,667,064
Other income	2.3	27,911	6,001
Materials and consumables		(662,213)	(697,315)
Employee benefits expense		(1,035,443)	(931,412)
Subcontractor costs		(612,979)	(477,942)
Plant and equipment costs		(241,356)	(238,957)
Depreciation and amortisation expenses		(145,553)	(128,418)
Other expenses	2.4	(82,360)	(56,443)
Share of profit / (loss) from associates	3.6	113	(495)
Net finance costs	2.5	(18,317)	(17,165)
Profit before income tax		142,810	124,918
Income tax expense	6.1	(37,714)	(39,283)
Profit for the year		105,096	85,635
Profit and Other Comprehensive Income attributable to:			
Equity holders of the Company		105,096	85,635
EARNINGS PER SHARE		Cents	Cents
Basic earnings per share	4.6	23.2	19.0
Diluted earnings per share	4.6	22.7	18.6

The consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2024

		Consolidated	
	Notes	2024	2023
		\$'000	\$'000
ASSETS			
Current assets			
Cash and cash equivalents		246,648	227,580
Trade and other receivables	3.1	429,792	363,961
Inventories	3.2	103,927	97,298
Other current assets		25,957	25,142
Current tax assets		489	-
Total current assets		806,813	713,981
Non-current assets			
Property, plant and equipment	3.3	554,154	490,959
Right-of-use assets	3.4	39,327	44,941
Investments in listed equities	3.5	4,359	25,822
Investments in associates	3.6	-	1,104
Intangibles	3.7	37,282	42,791
Goodwill	3.8	170,323	170,323
Total non-current assets		805,445	775,940
Total assets		1,612,258	1,489,921
LIABILITIES			
Current liabilities			
Trade and other payables	3.10	423,001	387,137
Financial debt	5.3	77,998	78,902
Lease debt	5.4	15,665	14,342
Provisions	3.11	96,881	81,280
Current tax liabilities		1,169	272
Total current liabilities		614,714	561,933
Non-current liabilities			
Financial debt	5.3	201,810	181,515
Lease debt	5.4	29,986	37,161
Provisions	3.11	14,592	9,093
Deferred tax liabilities	6.4	98,600	90,097
Total non-current liabilities		344,988	317,866
Total liabilities		959,702	879,799
Net assets		652,556	610,122
EQUITY			
Contributed equity	4.2	383,416	383,416
Reserves	4.3	20,498	17,477
Retained profits	4.4	248,642	209,229
Total equity		652,556	610,122

The consolidated statement of financial position should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the Year Ended 30 June 2024

	Notes	Contributed Equity	Foreign Currency Translation Reserve	Share Based Payment Reserve	Total Reserves	Retained Earnings	Total Equity
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Balance as at 30 June 2022		383,416	(79)	14,358	14,279	193,395	591,090
Total profit and other comprehensive income for the year	4.4	-	-	-	-	85,635	85,635
Dividends paid	4.5	-	-	-	-	(69,801)	(69,801)
Movements in foreign currency		-	77	-	77	-	77
Share based payments	4.3	-	-	3,121	3,121	-	3,121
Balance at 30 June 2023		383,416	(2)	17,479	17,477	209,229	610,122
Total profit and other comprehensive income for the year	4.4	-	-	-	-	105,096	105,096
Dividends paid	4.5	-	-	-	-	(65,683)	(65,683)
Movements in foreign currency		-	(65)	-	(65)	-	(65)
Share based payments	4.3	-	-	3,086	3,086	-	3,086
Balance at 30 June 2024		383,416	(67)	20,565	20,498	248,642	652,556

The consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the Year Ended 30 June 2024

		Consolidated	
	Notes	2024	2023
		\$'000	\$'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		3,177,711	2,993,310
Payments to suppliers and employees		(2,897,060)	(2,728,039)
Interest paid	2.5	(21,447)	(18,500)
Interest received	2.5	3,130	1,335
Income tax paid		(28,802)	(1,112)
Net cash flow from operating activities	5.1	233,532	246,994
CASH FLOWS USED IN INVESTING ACTIVITIES			
Proceeds from the sale of property, plant and equipment		8,316	10,593
Proceeds from the sale of investments		34,237	35
Acquisition of property, plant and equipment	3.3	(192,846)	(183,400)
Acquisition of intangible assets	3.7	(1,985)	(3,896)
Payment for subsidiary		-	(2,113)
Acquisition of shares in listed equities		-	(1,792)
Net cash used in investing activities		(152,278)	(180,573)
CASH FLOWS USED IN FINANCING ACTIVITIES			
Proceeds from borrowings	5.3	105,032	104,411
Repayment of borrowings	5.3	(85,641)	(77,476)
Repayment of lease debt	5.4	(15,829)	(15,390)
Payment of dividends to shareholders	4.5	(65,683)	(69,801)
Net cash used in financing activities		(62,121)	(58,256)
NET INCREASE IN CASH AND CASH EQUIVALENTS		19,133	8,165
Cash and cash equivalents at beginning of the year		227,580	219,338
Effect of foreign exchange rate changes		(65)	77
Cash and cash equivalents at the end of the year		246,648	227,580

The consolidated statement of cash flows should be read in conjunction with the accompanying notes.

NOTES TO FINANCIAL STATEMENTS

1 GENERAL NOTES

1.1 General Information

NRW Holdings Limited is a public company listed on the Australian Securities Exchange which is incorporated and domiciled in Australia. The address of the Company's registered office is 181 Great Eastern Highway, Belmont, Western Australia. The consolidated financial statements of the Company, for the year ended 30 June 2024, comprises the Company and its subsidiaries, together referred to as 'the Group'. The Group is primarily involved in the provision of diversified contract services to the resources and infrastructure sectors in Australia.

1.2 Basis of Preparation

This section sets out the basis of preparation and the Group accounting policies that relate to the consolidated financial statements as a whole. Significant and other material accounting policies that summarise the measurement basis used and are relevant to an understanding of the financial statements, are provided throughout the notes to the financial statements, to which it relates.

The financial report is a general-purpose financial report which:

- Has been prepared in accordance with Australian Accounting Standards (AASBs), including Australian Accounting Interpretations adopted by the Australian Accounting Standards Board, and the Corporations Act 2001. The financial report of the Group also complies with International Financial Reporting Standards (IFRS) and Interpretations as issued by the International Accounting Standards Board (IASB);
- Has been prepared on the basis of historical cost except for the revaluation of financial instruments. Historical cost is based on the fair values of the consideration given in exchange for goods and services;
- Is presented in Australian dollars (AUD);
- Is rounded to the nearest thousand (\$000), unless otherwise stated, in accordance with ASIC Corporations (Rounding in Financial & Directors' Reports) Instrument 2016/191;
- Adopts all new and amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (the AASB) that are relevant to the operations of the Group and effective for reporting periods beginning on or after 1 July 2023. Refer to note 1.5 for further details;
- Does not early adopt any Accounting Standards and Interpretations that have been issued or amended but are not yet effective; and
- Has applied the Group accounting policies consistently to all periods presented.

The financial statements were authorised for issue by the Directors on 14 August 2024.

1.3 Going Concern

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

1.4 Basis of Consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company and its subsidiaries. Control is achieved when the Company:

- Has power over the investee;
- Is exposed, or has rights, to variable returns from its involvement with the investee; and
- Has the ability to use its power to affect its returns.

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

NOTES TO FINANCIAL STATEMENTS

CONTINUED

1.4 Basis of Consolidation Continued

When the Company has less than a majority of the voting rights of an investee, it considers that it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Company considers all relevant facts and circumstances in assessing whether or not the Company's voting rights in an investee are sufficient to give it power, including:

- The size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- Potential voting rights held by the Company, other vote holders or other parties;
- Rights arising from other contractual arrangements; and
- Any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Company gains control until the date when the Company ceases to control the subsidiary.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used in line with the Group's accounting policies.

All intra-Group assets and liabilities, equity, income, expenses and cash flows, relating to material transactions between members of the Group, are eliminated on consolidation.

1.5 New Accounting Standards

The Group has adopted all the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (the AASB) that are relevant to their operations and effective for the current financial year:

Standard / Interpretation

OECD Pillar Two Reform – Amendments to AASB 112: <i>Income Tax</i>
--

1.6 Accounting Judgements and Estimates

In applying the Group's accounting policies, which are described throughout the notes to the financial statements, management is required to make judgements (other than those involving estimations) that have a significant impact on the amounts recognised, and to make estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and various other factors that are considered to be reasonable under the circumstances. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised:

- If the revision affects only that period; or
- In the period of the revision and future periods, if the revision affects both current and future periods.

Throughout the notes to the financial statements, further information is provided about key judgements and estimates that the Group consider material to the financial statements.

NOTES TO FINANCIAL STATEMENTS

CONTINUED

1.7 Climate-Related Considerations

Climate-related risk is a developing issue that can affect NRW's business through a reduction to current activity levels in certain sectors, the physical and transitional risks associated with moving to a low-carbon economy, and increased Government policy and mandates.

Mitigation actions include ensuring climate-related risks and opportunities form part of the Group's strategic decision-making process; updating risk management processes to include climate-related risks and opportunities; identifying and implementing opportunities within the business that reduce NRW's carbon footprint; offering clients low-carbon solutions to support their emissions reduction targets, and partnering with industry to invest in and drive low emissions technology development where relevant to the business.

The accounting-related measurement and disclosure items that are most impacted by commitments, and climate-related risks more generally, relate to those areas in the financial statements that are prepared based on historical cost and subject to estimation uncertainties in the medium term. Climate change impacts can also introduce greater volatility in assets measured or carried at fair value.

The Group's current climate-related commitment is reflected in the Group's Directors' report, and the financial statements, within note 3.3 and note 3.9.

2 BUSINESS PERFORMANCE

2.1 Segment Reporting

NRW is comprised of three reportable segments, Civil, Mining and Minerals, Energy & Technologies. Business activities are conducted primarily in Australia, with engineering offices in Canada and the USA.

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses (including revenues and expenses relating to transactions with other components of the Group). Segment operating results are regularly reviewed by the Group's Chief Operating Decision Maker (the Board of Directors) who make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

Reportable Segments

NRW has structured its business reporting into three segments, Civil, Mining and Minerals, Energy & Technologies.

- **Civil:** The Civil segment specialises in the delivery of private and public civil infrastructure projects, mine development, bulk earthworks and commercial and residential subdivisions. Civil construction projects include roads, bridges, tailings storage facilities, rail formations, ports, renewable energy projects, water infrastructure and concrete installations.
- **Mining:** The Mining segment specialises in mine management, contract mining, load and haul, drill and blast, coal handling preparation plants, maintenance services and the fabrication of water and service vehicles.
- **Minerals, Energy & Technologies:** The Minerals, Energy & Technologies (MET) segment includes Primero Group (Primero), RCR Mining Technologies (RCR), DIAB Engineering (DIAB) and Overflow Industrial (OFI). Primero is a multidisciplinary engineering business that specialises in the design, construction, operation and maintenance of global resource projects across the mineral processing, energy and non-process infrastructure market segments. RCR is a leading Original Equipment Manufacturer (OEM) that offers innovative materials handling design capability. DIAB is an engineering and fabrication services provider to the metals and mining industry and provides specialist maintenance (shutdown services and onsite maintenance), industrial engineering and construction services. OFI specialises in industrial electrical engineering, automation, switchboard design and manufacture, instrumentation and electrical design and construction across a number of sectors including mining and resources, government and defence, fuels and explosives, infrastructure, utilities and industrial processing.

Segment results include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise predominantly corporate expenses. Inter-segment pricing is determined on an arm's length basis.

NOTES TO FINANCIAL STATEMENTS

CONTINUED

2.1 Segment Reporting Continued

Reportable Segment Revenues and Results

2024	Civil	Mining	MET	Corporate / Eliminations	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Revenue	655,459	1,524,875	791,808	(59,135)	2,913,007
EBITDA⁽¹⁾	31,712	259,332	61,157	(17,401)	334,800
<i>EBITDA margin (%)</i>	4.8%	17.0%	7.7%	-	11.5%
Depreciation and amortisation ⁽²⁾	(1,897)	(115,782)	(15,612)	(6,372)	(139,663)
EBITA⁽³⁾	29,815	143,550	45,545	(23,773)	195,137
<i>EBITA margin (%)</i>	4.5%	9.4%	5.8%	-	6.7%
Amortisation of acquisition intangibles ⁽⁴⁾					(5,890)
Non-recurring transactions ⁽⁵⁾					(28,120)
Net interest					(18,317)
Profit before income tax					142,810
Income tax expense					(37,714)
Profit for the year					105,096

2023	Civil	Mining	MET	Corporate / Eliminations	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Revenue	548,033	1,441,042	729,114	(51,125)	2,667,064
EBITDA⁽¹⁾	23,387	234,039	43,964	(12,587)	288,803
<i>EBITDA margin (%)</i>	4.2%	16.2%	6.0%	-	10.8%
Depreciation and amortisation ⁽²⁾	(2,727)	(99,986)	(13,500)	(6,315)	(122,528)
EBITA⁽³⁾	20,660	134,053	30,464	(18,902)	166,275
<i>EBITA margin (%)</i>	3.8%	9.3%	4.2%	-	6.2%
Amortisation of acquisition intangibles ⁽⁴⁾					(5,890)
Non-recurring transactions ⁽⁵⁾					(18,302)
Net interest					(17,165)
Profit before income tax					124,918
Income tax expense					(39,283)
Profit for the year					85,635

(1) EBITDA is earnings before interest, tax, depreciation, amortisation of acquisition intangibles and non-recurring transactions.

(2) Includes depreciation, and amortisation of software.

(3) EBITA is earnings before interest, tax and amortisation of acquisition intangibles and non-recurring transactions.

(4) Amortisation of intangibles as part of business acquisitions.

(5) Non-recurring transactions in FY24 included transactions relating to the Wärtsilä settlement offset by net gains on investments. In FY23, transactions related to Gascoyne Resources and Nathan River Resources.

NOTES TO FINANCIAL STATEMENTS

CONTINUED

2.1 Segment Reporting Continued

Segment Assets and Liabilities

	Segment Assets		Segment Liabilities	
	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000
Civil	174,442	98,403	134,035	96,368
Mining	806,069	776,866	464,673	461,070
MET	374,066	375,062	219,489	191,640
Unallocated	257,681	239,590	141,505	130,721
Consolidated	1,612,258	1,489,921	959,702	879,799

Information About Major Customers

Included in the revenues arising from sales of the reportable segments are approximate revenues to arise from the sales to the Group's largest customers.

For the year end 30 June 2024, there were two major customers, one contributing 12.1% of group revenue being \$352.6 million for the Civil segment and the other contributing 10.9% of group revenue being \$316.9 million for the Mining segment.

For the year end 30 June 2023, there was only one major customer contributing 11.1% of group revenue being \$297.1 million for the Mining segment.

2.2 Revenue

Construction Contracts

Revenues from construction contracts are recognised by reference to the stage of completion of the contract activity. Measurement is based on the proportion of contract costs incurred for work performed to date relative to the estimated total contract costs, except where this would not be representative of the stage of completion.

The Directors consider that this input method is an appropriate measure of the progress towards complete satisfaction of performance obligations under AASB 15: *Revenue from Contracts with Customers*.

The Group becomes entitled to invoice customers for construction contracts based on achieving a series of performance-related milestones. When a particular milestone is reached, the customer is sent a relevant statement of work signed by a third party assessor and an invoice for the related milestone payment. The Group will previously have recognised a contract asset for any work performed. Any amount previously recognised as a contract asset is reclassified to trade receivables at the point at which it is invoiced to the customer. If the milestone payment exceeds the revenue recognised to date under the cost-to-cost method, then the Group recognises a contract liability for the difference.

Service Contracts

Revenue from service contracts is recognised on the basis of the value of work completed. Customer contracts are generally based on schedule of rates for each of the activities performed which identify value for the work performed and hence the value of revenue to be recognised.

Revenue for preventative maintenance contracts is recognised progressively over the contract term.

NOTES TO FINANCIAL STATEMENTS

CONTINUED

2.2 Revenue Continued

Transaction Price and Contract Modifications

The transaction price is the amount of consideration to which the Company expects to be entitled to under the customer contract and which is used to value total revenue and is allocated to each performance obligation. The determination of this amount includes both 'fixed consideration' (for example the agreed lump sum, aggregated schedule of rates or pricing for services) and 'variable consideration'.

The main variable consideration elements are claims (contract modifications) and consideration for optional works and provisional sums, each of which needs to be assessed. Contract modifications are changes to the contract approved by the parties to the contract. When determining whether approval has been granted by the parties to the contract, the Group takes into consideration factors including, but not limited to, contract terms, customary business practices, the status of the negotiation process, the ability to enforce the other party and expert legal opinion.

A contract modification may exist even though the parties to the contract may not have finalised the scope or price (or both) of the modification. Contract modifications may include a claim, which is an amount that the contractor seeks to collect as reimbursement for costs incurred (and/or to be incurred) due to reasons or events that could not be foreseen and are not attributable to the contractor, for more work performed (and/or to be performed) or variations that were not formalised in the contract scope.

The right to income from a contract modification shall be provided to the extent the agreement with the customer creates enforceable rights and obligations. Once the enforceable right has been identified, the Group applies the guidance given in AASB 15: *Revenue from Contracts with Customers* in relation to variable consideration. This requires an assessment that it is highly probable that there will not be a significant reversal of this revenue in the future.

Costs to Obtain and Fulfil a Contract

Costs incurred during the tender/bid process are expensed, unless they are incremental to obtaining the contract and the Group expects to recover those costs or where they are explicitly chargeable to the customer regardless of whether the contract is obtained. The incremental costs of obtaining a contract are those costs that an entity incurs to obtain a contract with a customer that it would not have incurred if the contract had not been obtained.

Financing Components

The Group does not expect to have any contracts where the period between the transfer of the promised goods or services to the customer represents a financing component. As a consequence, the Group does not adjust any of the transaction prices for the time value of money.

Warranties

Generally, construction and services contracts include defect and warranty periods following completion of the project. These obligations are not deemed to be separate performance obligations and are therefore estimated and included in the total costs of the contracts. Where required, amounts are recognised accordingly in line with AASB 137: *Provisions, Contingent Liabilities and Contingent Assets*. Refer to note 3.11 for further details.

NOTES TO FINANCIAL STATEMENTS

CONTINUED

2.2 Revenue Continued

Key Judgements and Estimates

Stage of completion

Determining the stage of completion requires an estimate of expenses incurred to date as a percentage of total estimated costs. Key assumptions regarding costs to complete include estimations of labour, technical costs, impact of delays and productivity. These estimates are performed by qualified professionals within the project teams.

Variable consideration

The measurement of the additional consideration arising from claims is subject to a high level of uncertainty, both in terms of the amounts that the customer will pay and the collection times, which usually depend on the outcome of negotiations between the parties or decisions taken by judicial/arbitration bodies. The Group considers all the relevant aspects and circumstances such as the contract terms, business and negotiating practices of the sector, the Group's historical experiences with similar contracts and consideration of those factors that affect the variable consideration that are out of the control of the Group or other supporting evidence when making the above decision.

Remaining Performance Obligations (Work in Hand)

The transaction price allocated to remaining performance obligations (unsatisfied or partially satisfied) at 30 June 2024 is set out below.

	Consolidated	
	2024	2023
	\$'000	\$'000
Civil	447,958	591,477
Mining	3,415,801	3,886,150
MET	1,075,161	1,412,328
Total	4,938,920	5,889,955

2.3 Other Income

	Consolidated	
	2024	2023
	\$'000	\$'000
Gain on sale of financial assets	23,059	-
Fair value net gains on financial assets	-	1,428
Profit on sale of property, plant and equipment	1,132	1,997
Lease income	602	494
All other income	3,118	2,082
Total	27,911	6,001

2.4 Other Expenses

	Consolidated	
	2024	2023
	\$'000	\$'000
Wärtsilä settlement and associated legal fees	(28,304)	(3,923)
Impairment of financial assets (Spartan Resources)	-	(11,979)
Fair value net losses on financial assets	(11,501)	-
All other expenses	(42,555)	(40,541)
Total	(82,360)	(56,443)

NOTES TO FINANCIAL STATEMENTS

CONTINUED

2.5 Net Finance Costs

	Consolidated	
	2024	2023
	\$'000	\$'000
Interest income	3,130	1,335
Total finance income	3,130	1,335
Interest expense on financial debt	(18,366)	(15,424)
Interest expense on lease debt	(3,081)	(3,076)
Total finance expenses	(21,447)	(18,500)
Net finance costs	(18,317)	(17,165)

3 BALANCE SHEET

3.1 Trade and Other Receivables

	Consolidated	
	2024	2023
	\$'000	\$'000
Trade receivables	152,108	108,423
Contract assets	250,607	240,085
Other receivables including loans to associates	27,077	15,453
Total trade and other receivables	429,792	363,961

Trade Receivables

Trade receivables represent receivables in respect of which the Group's right to consideration is unconditional, subject only to the passage of time. Trade receivables and other receivables are initially recognised at fair value and subsequently at amortised cost, using the effective interest rate method, less an allowance for expected credit losses.

The average credit period on trade receivables ranges from 30 to 75 days in most cases. In determining the recoverability of a trade receivable, the Group used the expected credit loss model as per AASB 9: *Financial Instruments*.

Contract Assets

AASB 15 uses the terms 'contract asset' and 'contract liability' to describe what might more commonly be known as 'accrued revenue' and 'deferred revenue'. Contract assets represent the Group's right to consideration for services provided to customers for which the Group's right remains conditional on something other than the passage of time. Amounts are generally reclassified to trade receivables when contract performance obligations have been certified or invoiced to the customer. Contract liabilities arise where payment is received prior to work being performed.

Age of Trade Receivables that are Past Due

	Consolidated	
	2024	2023
	\$'000	\$'000
61 - 90 days	2,529	888
91 days+	4,383	559
Total	6,912	1,447

Past due is defined under AASB 7: *Financial Instruments: Disclosures* to mean any amount outstanding for one or more days after the contractual due date. Past due amounts relate to a number of trade receivable balances where, for various reasons, the payment terms may not have been met. The expected credit losses are immaterial.

NOTES TO FINANCIAL STATEMENTS

CONTINUED

3.1 Trade and Other Receivables Continued

Key Judgements and Estimates

Estimation of contract revenue (contract assets)

Where performance obligations are satisfied over time, revenue is recognised in the consolidated statement of profit and loss by reference to the progress towards complete satisfaction of each performance obligation. Fundamental to this calculation is a reliable estimate of the transaction price. Refer to note 2.2 for judgements applied in determining the amount of unbilled revenue to recognise.

3.2 Inventories

	Consolidated	
	2024	2023
	\$'000	\$'000
Raw materials and consumables	88,202	84,363
Work in progress	15,725	12,935
Total inventories	103,927	97,298

3.3 Property, Plant and Equipment

	Land	Buildings	Leasehold Improvements	Plant and Equipment	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
COST					
Balance as at 30 June 2022	3,218	7,249	4,364	997,955	1,012,786
Acquisitions from business combination	-	-	165	689	854
Additions	-	-	60	183,340	183,400
Disposals	-	(20)	-	(88,644)	(88,664)
Balance as at 30 June 2023	3,218	7,229	4,589	1,093,340	1,108,376
Additions	-	-	200	192,646	192,846
Disposals	(2,205)	(619)	(9)	(66,088)	(68,921)
Balance as at 30 June 2024	1,013	6,610	4,780	1,219,898	1,232,301
DEPRECIATION					
Balance as at 30 June 2022	1,000	6,094	2,174	580,009	589,277
Depreciation expense	-	223	232	107,753	108,208
Disposals	-	(18)	-	(80,050)	(80,068)
Balance as at 30 June 2023	1,000	6,299	2,406	607,712	617,417
Depreciation expense	-	161	231	122,075	122,467
Disposals	(1,000)	(619)	(163)	(59,955)	(61,737)
Balance as at 30 June 2024	-	5,841	2,474	669,832	678,147
CARRYING VALUES					
At 30 June 2023	2,218	930	2,183	485,628	490,959
At 30 June 2024	1,013	769	2,306	550,066	554,154

Recognition and Measurement

The value of property, plant and equipment is measured as the cost of the asset less accumulated depreciation and impairment. All property, plant and equipment, other than freehold land, is depreciated or amortised at rates appropriate to the estimated useful life of the assets or in the case of certain leased plant and equipment, the shorter lease term or hours (usage) reflecting the effective lives.

NOTES TO FINANCIAL STATEMENTS

CONTINUED

3.3 Property, Plant and Equipment Continued

A technical assessment of the operating life of an asset requires significant judgement. Useful lives are amended prospectively when a change in the operating life is determined.

The normal expected useful lives bands are:

Buildings	4 to 40 years
Leasehold improvements	2 to 7 years
Major plant and equipment	5 to 10 years (normally based on machine hours)
Minor plant and equipment	1.5 to 10 years
Office equipment	2 to 8 years
Furniture and fittings	2 to 5 years
Motor vehicles	3 to 7 years

The bands provide a range of effective lives, regardless of methodology used in the depreciation process (either machine hours or straight line).

Depreciation rates and methods are normally reviewed at least annually. Where depreciation rates or methods are changed, the net written-down value of the asset is depreciated from the date of the change in accordance with the new depreciation rate or method. Depreciation recognised in prior financial years is not changed, that is, the change in depreciation rate or method is accounted for on a 'prospective' basis. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

Property, plant and equipment, as well as intangible assets, are systematically depreciated or amortised to their estimated residual values over their projected useful lives. The determination of these useful lives, and consequently the rate of depreciation or amortisation, aligns with NRW's climate-related commitments.

The Group's policies regarding property, plant and equipment, as well as intangible assets, are also subject to considerations of impairment estimation uncertainties, as detailed in note 3.9. This note provides information on key judgements and estimates related to climate-related matters that could potentially impact the useful economic lives of the associated assets.

NOTES TO FINANCIAL STATEMENTS

CONTINUED

3.4 Right-of-Use (RoU) Assets

	RoU Buildings	RoU Plant and Equipment	Total
	\$'000	\$'000	\$'000
COST			
Balance as at 30 June 2022	57,091	15,150	72,241
Acquisitions from business combinations	235	-	235
Additions	5,718	8,179	13,897
Disposals	(3,590)	(4,411)	(8,001)
Balance as at 30 June 2023	59,454	18,918	78,372
Additions	3,363	6,614	9,977
Disposals	(840)	(4,838)	(5,678)
Balance as at 30 June 2024	61,977	20,694	82,671
DEPRECIATION			
Balance as at 30 June 2022	20,444	7,329	27,773
Depreciation expense	8,493	5,166	13,659
Disposals	(3,590)	(4,411)	(8,001)
Balance as at 30 June 2023	25,347	8,084	33,431
Depreciation expense	9,466	6,125	15,591
Disposals	(840)	(4,838)	(5,678)
Balance as at 30 June 2024	33,973	9,371	43,344
CARRYING VALUES			
At 30 June 2023	34,107	10,834	44,941
At 30 June 2024	28,004	11,323	39,327

NOTES TO FINANCIAL STATEMENTS

CONTINUED

3.5 Investments in Listed Equities

	Consolidated	
	2024	2023
	\$'000	\$'000
Investments at fair value through profit and loss		
Spartan Resources Limited (formerly Gascoyne) (ASX: SPR) ⁽¹⁾	-	9,964
Green Technology Metals Limited (ASX: GT1)	1,262	11,960
Barton Gold Limited (ASX: BGD)	1,983	1,983
Grid Metals Corp. (TSXV: GRDM.V)	715	1,644
Other listed equities	399	271
Total investments in listed equities	4,359	25,822

(1) Total shareholding sold during the period for \$33.0 million.

All equity investments within the scope of AASB 9 are measured at fair value in the statement of financial position with value changes recognised in profit or loss, except for those equity investments for which the Group has elected the option to present value changes in other comprehensive income if it is not held for trading. The fair value of the listed equities is determined based on prices quoted on stock exchanges at the close of trading on 30 June 2024. The quoted prices are derived from active markets, ensuring a high degree of reliability in the valuation process.

3.6 Investments in Associates

	Consolidated	
	2024	2023
Interest in Associates		
Salini Impregilo NRW Joint Venture	20%	20%
NewGen Drilling Pty Ltd	-	20%

Reconciliation and Movement in the Group's Carrying Value of its Investments

	Consolidated	
	2024	2023
	\$'000	\$'000
Opening balance of investment in associates	1,104	1,599
Share of profit / (loss) from equity accounted investments	113	(495)
Sale of share in associates	(1,217)	-
Closing balance of investment in associates	-	1,104

The Group accounts for its investments in associates using the equity method. The investment in associates is carried at cost plus post-acquisition changes in the Group's share of the associates' net assets, less any impairment in value in accordance with AASB 136: *Impairment of Assets*.

Key Judgements and Estimates

Determination of control

The Company considers all relevant facts and circumstances in assessing whether or not the Company's voting rights in an investee are sufficient to give it control, including:

- The size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- Potential voting rights held by the Company, other vote holders or other parties;
- Rights arising from other contractual arrangements; and
- Any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

NOTES TO FINANCIAL STATEMENTS

CONTINUED

3.7 Intangible Assets

	Software and System Development	Patent Technology	Brand Names	Customer Relationships	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
COST					
Balance as at 30 June 2022	18,108	9,460	17,967	71,046	116,581
Additions	3,896	-	-	-	3,896
Assets recognised on business combinations	-	-	703	3,940	4,643
Balance as at 30 June 2023	22,004	9,460	18,670	74,986	125,120
Additions	1,985	-	-	-	1,985
Balance as at 30 June 2024	23,989	9,460	18,670	74,986	127,105
AMORTISATION					
Balance as at 30 June 2022	12,835	9,460	-	53,483	75,778
Amortisation expense	661	-	-	5,890	6,551
Balance as at 30 June 2023	13,496	9,460	-	59,373	82,329
Amortisation expense	1,604	-	-	5,890	7,494
Balance as at 30 June 2024	15,100	9,460	-	65,263	89,823
CARRYING VALUES					
At 30 June 2023	8,508	-	18,670	15,613	42,791
At 30 June 2024	8,889	-	18,670	9,723	37,282

Intangible Assets Acquired in a Business Combination

Intangible assets acquired in a business combination and recognised separately from goodwill are recognised initially at their fair value at the acquisition date (which is regarded as their deemed cost).

Subsequent to initial recognition, intangible assets acquired in a business combination are reported at cost less accumulated amortisation and accumulated impairment losses.

Software and System Development

Software is recognised at cost of acquisition. Software has a finite life and is carried at cost less any accumulated amortisation and any impairment losses. Software is amortised over its useful life ranging from two to seven years.

Patent Technology

Patents are initially recognised at their fair value at the acquisition date (which is regarded as their deemed cost). Patents have a finite life and are carried at cost less any accumulated amortisation and any impairment losses. They are amortised over their useful life of up to five years.

Brand Names

Brand names recognised by the Group have an indefinite useful life and are not amortised. Each period, the useful life of this asset is reviewed to determine whether events and circumstances continue to support an indefinite useful life assessment for the asset. Such assets are tested for impairment at least annually, or more frequently whenever there is the presence of other indicators of impairment.

Customer Relationships

Customer relationships are initially recognised at their fair value at the acquisition date (which is regarded as their deemed cost). Customer relationships have a finite life and are carried at cost less any accumulated amortisation and any impairment losses. They are amortised over their useful life of up to five years.

NOTES TO FINANCIAL STATEMENTS

CONTINUED

3.8 Goodwill

	Consolidated	
	2024	2023
	\$'000	\$'000
Balance at beginning of the period	170,323	168,467
Amounts recognised on business combinations	-	1,856
Balance at end of the period	170,323	170,323

Goodwill arising on an acquisition of a business is carried at cost established at the date of the acquisition of the business less accumulated impairment losses, if any.

Goodwill is attributable to Cash Generating Units (CGU) aggregated in the following reporting segments whose results are regularly reviewed by the Board.

	2024	2023
	\$'000	\$'000
Civil	18,513	18,513
Mining	59,858	59,858
MET	91,952	91,952
Balance at end of the period	170,323	170,323

3.9 Impairment of Assets

At the end of each reporting period, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets may have suffered an impairment loss.

The determination of the existence of impairment indicators requires a degree of management judgement. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of a CGU to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual CGUs, or otherwise they are allocated to the smallest group of CGUs for which a reasonable and consistent allocation basis can be identified.

Intangible assets with indefinite useful lives, intangible assets not yet available for use, and goodwill are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs to sell and value in use (VIU). In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which estimates of future cash flows have not been adjusted. These estimates are based on internal budgets, forecasts and asset life plans. Factors such as prices, operating costs, capital expenditure, taxes, risk adjustments applied to cash flows and discount rates are considered in these projections. It should be noted that some assumptions and values may differ from those of market participants, as they reflect management's perspective.

If the recoverable amount of an asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount.

An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease. The Company undertook formal impairment testing for those obligatory CGUs to which goodwill and indefinite-life intangibles are allocated, and those where the Company determined the existence of impairment indicators.

All estimates involve management's judgements and assumptions, and they are inherently subject to risks and uncertainties beyond the control of the Group. Consequently, changes in circumstances have the potential to significantly impact projections, thereby affecting the recoverable amount of assets / CGUs at each reporting date.

NOTES TO FINANCIAL STATEMENTS

CONTINUED

3.9 Impairment of Assets Continued

The Group recognises that climate-related impacts can affect NRW's business and can potentially result in either an increase or decrease in demand for the Group's services due to policy, regulatory (including carbon pricing mechanisms), legal, technological, market or societal responses towards climate change, along with certain physical impacts which might arise from heightened risks stemming from more frequent or severe extreme weather events and long-term alterations in climate patterns. These impacts have been considered when assessing the recoverable amounts for assets or CGUs within the Group.

Key areas of management judgement required in this assessment include:

Key Judgements and Estimates

Sales and earnings growth

The five-year cash flow estimates used in assessments for all CGUs were based on Board approved budgets for the year ending 30 June 2025 adjusted for material known transactions. Growth assumptions thereafter are 2.5% (2023: 2.5%) per annum for each future year. The terminal value assumes perpetual growth of 2.5% (2023: 2.5%). Growth rates do not exceed historical averages.

Discount rate

A pre-tax discount rate of 12.2% (2023: 14.1%), which includes a risk margin, was applied to the cash flows within each of the CGUs.

Working capital and capital expenditure

Working capital has been adjusted to return to, and continue to reflect, what management estimate to be normal operating levels in order to continue to support the underlying businesses.

Capital expenditure forecasts were based on the various strategic business plans and those levels considered appropriate to sustain current growth projections above the current level of operating activities.

The Company was satisfied that the recoverable values were sufficiently in excess of their carrying values at reporting date. This conclusion was supported having applied a sensitivity analysis on the key assumptions used in determining the recoverable values.

Sensitivity Analysis

Short-term assumptions

The Company simulated several scenarios to sensitise future cash flows for different outcomes associated with the short-term climate-related risks identified in assessing indicators of potential impairment, highlighted above. These included the net future cash flow impacts of:

- An absolute or timing delay for disruptions at a current client's operations; or
- A non-award or delay to an award of future contracts.

Long-term assumptions

In addition, the Company undertook sensitivity analysis with regard to the longer-term drivers of future cash flow relating to:

- Future years' growth rate assumption adjusted to a range of 1.5% to 3.5% growth per annum; and
- Pre-tax discount rate assumption increased from 12.2% to 13.9%, representing the higher degree of risk to returns through an extended period of higher uncertainty surrounding input costs due to global inflationary pressures, labour availability, supply chain constraints and climate-related impacts.

Each of these individual sensitivities were performed in isolation of the other and did not result in the carrying values of any CGU exceeding their respective recoverable amounts assessed at 30 June 2024.

NOTES TO FINANCIAL STATEMENTS

CONTINUED

3.10 Trade and Other Payables

	Consolidated	
	2024	2023
	\$'000	\$'000
Trade payables	233,560	250,060
Goods and service tax	9,511	9,416
Other payables	68,537	34,011
Accruals	111,393	93,650
Total trade and other payables	423,001	387,137

The amounts are unsecured and are usually paid within 30 to 60 days of recognition.

The Group has financial risk management policies in place to ensure that all payables are paid within credit terms pre-agreed. All payables are expected to be settled within the next 12 months.

3.11 Provisions

	Consolidated			
	Onerous Contracts	Warranty and Other	Employee Benefits	Total
	\$'000	\$'000	\$'000	\$'000
Total balance as at 30 June 2023	130	1,924	88,319	90,373
Provisions made during the year	10	2,159	109,199	111,368
Provisions applied during the year	(140)	(1,313)	(88,815)	(90,268)
Total balance as at 30 June 2024	-	2,770	108,703	111,473
Current provisions	-	1,319	95,562	96,881
Non-current provisions	-	1,451	13,141	14,592
Total balance as at 30 June 2024	-	2,770	108,703	111,473

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (where the effect of the time value of money is material).

Onerous Contracts

A provision is made for the difference between the expected cost of fulfilling a contract and the expected unearned portion of the transaction price where the forecast costs are greater than the forecast revenue. The provision is recognised in full in the period in which loss-making contracts are identified under AASB 137.

Warranties and Other

Provisions for warranties and defect claims are made for the estimated liability on all products still under warranty at balance sheet date and known defects arising under service and construction contracts.

NOTES TO FINANCIAL STATEMENTS

CONTINUED

3.11 Provisions Continued

Employee Benefits

The employee benefits liability represents accrued wages and salaries, leave entitlements and other incentives recognised in respect of employees' services up to the end of the reporting period. These liabilities are measured at the amounts expected to be paid when they are settled and include related on-costs.

Key Judgements and Estimates

Onerous contracts

These provisions have been calculated based on management's best estimate of discounted net cash outflows required to fulfil the contracts (where the effect of the time value of money is material). The status of these contracts and the adequacy of provisions are assessed at each reporting date.

Warranties

The provision is estimated having regard to previous claims experience.

Long service leave

Management judgement is applied in determining employee entitlements for long service leave. This determination considers future increases in wages and salaries, future on-cost rates, employee departures and period of service. Expected future payments are discounted using the market yield at the reporting date on Australian corporate bonds, with terms to maturity and currencies to match, as close as possible, the estimated future cash outflows.

4 CAPITAL STRUCTURE

The Group manages its capital structure to ensure that entities in the Group will be able to continue as a going concern while maximising returns to shareholders.

Gearing Ratio

The Board meets regularly to determine the level of borrowings and shareholder funding required to appropriately support business operations. The gearing ratio is a function of the capital structure, dividends and movements in debt. The gearing ratio was calculated at 30 June 2024 as:

	Consolidated	
	2024	2023
	\$'000	\$'000
Cash and cash equivalents	246,648	227,580
Financial debt	(279,808)	(260,417)
Lease debt	(45,651)	(51,503)
Net Debt	(78,811)	(84,340)
Total equity	652,556	610,122
Gearing	12.1%	13.8%
Gearing excl. lease debt	5.1%	5.4%

NOTES TO FINANCIAL STATEMENTS

CONTINUED

4.1 Financial Instruments and Risk Management

Capital Risk Management

The capital structure of the Group is comprised of debt and equity. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or increase or decrease debt.

The Group's objectives when managing capital are to safeguard its ability to operate as a going concern so that it can meet all its financial obligations when they fall due, provide adequate returns to shareholders, maintain an appropriate capital structure to optimise its cost of capital and maintain an investment grade credit rating to ensure ongoing access to funding. The Group is subject to certain financing arrangement covenants and meeting these is given priority in all capital risk management decisions. There have been no events of default on the financing arrangements during the financial year.

Financial Risk Management

The Group's overall financial risk strategy seeks to ensure appropriate funding levels, approved treasury directives to meet ongoing project needs and to allow flexibility for growth. The Board has ultimate responsibility for the Group's policy of risk management. The risk policies and procedures are reviewed periodically. In addition, the going concern basis is reviewed throughout the year, ensuring adequate working capital is available.

The financial instruments in the Group primarily consist of interest-bearing debt, cash, trade receivables and payables. The Group has minimal foreign currency risks.

Interest Rate Risk Management

Interest rate risk is the risk that the value of a financial instrument or cash flow associated with the instrument will fluctuate due to changes in the market interest rates. Sources of financial exposure include variable-rate borrowings (cash flow risk) and fixed-rate borrowings (fair value risk). Interest rate exposures are kept within an acceptable range as determined by the Board.

The Board continues to monitor the Group's exposure to market rate volatility. If the Group were to consider a movement of 200 basis points in interest rates or cost of funds, this would have an immaterial impact circa \$1.0 million to the cost of debt. Refer to the Consolidated Interest and Liquidity table on the following page for further details around interest rate profiles.

Foreign Exchange and Currency Exposure

The Group consolidated financial statements are presented in Australian dollars (AUD). The Board considers that movements in foreign currency will have virtually no impact on operating profits, given that most projects are agreed and billed in Australian dollars, and cash holdings in other currencies other than AUD are negligible. Should foreign operations expand, suitable risk measures would be put in place accordingly. Any new developments which the Group considers or bids for are considered as part of the risk management reviews held by the Board. Other than specific transactions or purchases negotiated with the supplier, transactions dealing in foreign currency are dealt with at spot rates.

Liquidity Risk Management

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. Ultimate responsibility for liquidity risk management rests with the Board, which has established an appropriate liquidity risk management framework for the management of the Company's short, medium and long-term funding and liquidity management requirements. The Company manages liquidity risk by maintaining appropriate banking facilities, ensuring a suitable credit control program, continuously monitoring forecast and actual cash flows, and considering the level of capital commitment commensurate with project demands and other market forces.

The estimated contractual maturity for its financial liabilities and financial assets is set out in the following tables. The tables show the effective interest rates and average interest rates as relevant to each class.

NOTES TO FINANCIAL STATEMENTS

CONTINUED

4.1 Financial Instruments and Risk Management Continued

Consolidated Interest and Liquidity Analysis 2024 – Financial Liabilities

	Effective Interest Rate	Total	< 1 Year	1 to 5 Years	> 5 Years
		\$'000	\$'000	\$'000	\$'000
Bank loans	7.2%	49,561	9,561	40,000	-
Equipment finance	5.6%	230,046	68,236	161,810	-
Lease debt	6.6%	45,651	15,665	29,986	-
Trade and other payables ⁽¹⁾		423,001	423,001	-	-
Other		201	201	-	-
Subtotal		748,460	516,664	231,796	-

(1) Normal trade payable terms. See note 3.10.

Consolidated Interest and Liquidity Analysis 2023 – Financial Liabilities

	Effective Interest Rate	Total	< 1 Year	1 to 5 Years	> 5 Years
		\$'000	\$'000	\$'000	\$'000
Bank loans	6.0%	42,037	12,662	29,375	-
Equipment finance	5.0%	218,181	66,041	152,140	-
Lease debt	6.3%	51,503	14,342	34,133	3,028
Trade and other payables ⁽¹⁾		387,137	387,137	-	-
Other		199	199	-	-
Subtotal		699,057	480,381	215,648	3,028

(1) Normal trade payable terms. See note 3.10.

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.

The Group is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions and other financial instruments. The carrying amount of financial assets recorded in the financial statements net of any allowance for losses, represents the Group's maximum exposure to credit risk without taking into account the value of any collateral.

Trade and other receivables payment terms are primarily 30 to 75 days. Cash retentions are low as clients require bonds and bank guarantees. The Group's exposure and the credit ratings of these counterparties are regularly monitored and transactions are diversified among approved counterparties.

Expected Credit Losses

The Group recognises a loss allowance for Expected Credit Losses (ECL) on investments in debt instruments that are measured at amortised cost, including lease receivables, amounts due from customers and on loan commitments.

The Group has elected to measure the loss allowance for a financial instrument at an amount equal to the lifetime ECL if the credit risk of that financial instrument has increased significantly since initial recognition. Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument.

In making the assessment, management takes into consideration the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current, as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

As at 30 June 2024, expected credit losses are immaterial.

NOTES TO FINANCIAL STATEMENTS

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4.2 Issued Capital

Fully Paid Ordinary Shares

	Consolidated	
	2024	2023
	\$'000	\$'000
ORDINARY SHARES		
455,102,564 fully paid ordinary shares (2023: 451,247,975)	383,416	383,416

All issued shares are fully paid and rank equally. Fully paid ordinary shares carry one vote per share and carry a right to dividends.

	Consolidated			
	2024	2024	2023	2023
	No. '000	\$'000	No. '000	\$'000
FULLY PAID ORDINARY SHARES				
Balance at the beginning of the financial year	451,248	383,416	449,194	383,416
Issue of shares to executives and employees	3,855	-	2,054	-
Balance at the end of the period	455,103	383,416	451,248	383,416

4.3 Reserves

	Consolidated	
	2024	2023
	\$'000	\$'000
Share based payment reserve	20,565	17,479
Foreign currency reserve	(67)	(2)
Total reserves	20,498	17,477

Share Based Payment Reserve

	Consolidated	
	2024	2023
	\$'000	\$'000
Balance at the beginning of the financial year	17,479	14,358
Share based payments	3,086	3,121
Balance at the end of the financial year	20,565	17,479

Information relating to performance rights, including details of rights issued, exercised and lapsed during the financial year and outstanding at the end of the financial year, is set out in the Remuneration Report and at note 4.7.

4.4 Retained Earnings

	Consolidated	
	2024	2023
	\$'000	\$'000
Balance at the beginning of the financial year	209,229	193,395
Net profit attributable to members of the parent entity	105,096	85,635
Dividends paid	(65,683)	(69,801)
Balance at the end of the financial year	248,642	209,229

NOTES TO FINANCIAL STATEMENTS

CONTINUED

4.5 Dividends

During the period, NRW Holdings Limited made the following dividend payments:

Fully Paid Ordinary Shares	Consolidated Year Ended 30 June 2024		Consolidated Year Ended 30 June 2023	
	Cents per share	\$'000	Cents per share	\$'000
Final dividend (FY23 / FY22)	8.0	36,101	7.0	31,444
Interim dividend (FY24 / FY23)	6.5	29,582	8.5 ⁽¹⁾	38,357
Total dividend payments		65,683		69,801

(1) This was an unfranked dividend.

The Directors have declared a final dividend for the current financial year of 9.0 cents per share. The dividend will be fully franked and paid in October 2024.

Franking Account

	Consolidated	
	2024 \$'000	2023 \$'000
Franking account balance at 1 July	1,798	14,985
Australian income tax paid	27,171	278
Franking credits transferred to head entity upon acquisition	-	972
Franking credits attached to dividends paid:		
As final dividend	(15,471)	(13,476)
As interim dividend	(12,678)	-
Accrued dividend paid to vendors of acquired company after acquisition	-	(961)
Franking account balance at 30 June	820	1,798
Franking credits that will attach to the payment of fully franked dividends declared but not paid as at reporting date	(17,554)	(15,471)

4.6 Earnings Per Share

	Consolidated	
	2024	2023
Profit for the year (\$'000)	105,096	85,635
Weighted average number of shares for the purposes of basic earnings per share (000s)	453,913	450,404
Basic earnings per share	23.2 cents per share	19.0 cents per share
Shares deemed to be issued for no consideration in respect of:		
Performance rights (000's)	8,103	9,063
Weighted average number of shares used for the purposes of diluted earnings per share (000s)	462,016	459,467
Diluted earnings per share	22.7 cents per share	18.6 cents per share

NOTES TO FINANCIAL STATEMENTS

CONTINUED

4.7 Share Based Payments

Share based compensation payments are provided to employees in accordance with the NRW Holdings Limited Performance Rights Plan (PRP) detailed in the Remuneration Report.

Share based compensation payments are measured at the fair value of the equity instruments at the grant date. The choice of valuation methodology is determined by the structure of the awards, particularly the vesting conditions:

- Market based valuations – a Monte-Carlo simulation valuation methodology is used to determine the share based payment cost relative to TSR growth. The valuation methodology used is chosen from those available to incorporate an appropriate amount of flexibility with respect to the particular performance and vesting conditions of the award; and
- Non-market-based valuations – EBITDA, EBITA, EPS and Gearing targets are based on a 30-day VWAP up to and including the grant date, risk-weighted for the likelihood of achievement of the vesting conditions. The valuation methodology assumes between 25% and 100% achievement of vesting conditions.

The variables in the valuation model are the share price on the date of the award, the duration of the award, the risk-free interest rate, share price volatility and dividend yield. The inputs used for each of the current schemes are provided below.

Scheme ID	Risk-Free Interest Rate	Share Price Volatility	Dividend Yield	Value (cents per share)
O	0.29%	62.74%	1.34%	30.1 to 182
S	0.29%	92.52%	3.62%	56.1 to 153
T	0.29%	87.82%	3.62%	60.5 to 153
U	0.27%	65.21%	3.62%	38.7 to 192
W	1.02%	62.08%	6.57%	20.2 to 165
X	0.42%	62.12%	6.57%	12.8 to 152
Y	3.23%	61.10%	8.13%	47.9 to 252
Z	3.49%	61.10%	8.13%	44.6 to 254
A	3.06%	61.10%	8.13%	56.1 to 260
B	2.98%	61.10%	8.13%	63.8 to 289
C	3.28%	61.10%	8.13%	55.9 to 298
D	3.28%	61.10%	8.13%	55.9 to 298
E	2.88%	61.10%	8.13%	32.4 to 240
F	2.78%	61.10%	8.13%	33.4 to 239
G	3.98%	43.23%	7.06%	37.9 to 257
H	3.83%	43.23%	7.06%	48.4 to 284
I	3.86%	43.23%	7.06%	46.2 to 278

For all awards, the share price volatility assumption is representative of the level of uncertainty expected in the movements of the Company's share price over the life of the award. The assessment of the volatility includes the historic volatility of the market price of the Company's share and the mean reversion tendency of volatilities.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

4.7 Share Based Payments Continued

Details of the awards for each scheme, the status of those awards and share based payment expense for KMP and non-KMP is provided in the table below.

Name / Scheme	Scheme ID	Allocation Date	Vesting Date	Balance of Unvested Equity Awards as at 1 July 2023	Lapsed / Forfeited in FY24	Granted in FY24	Vested in FY24	Balance of Unvested Equity Awards as at 30 June 2024	Fair Value Per Security	Fair Value at Grant Date	Fair Value at Vesting Date	Share Based Payments Expense FY24
				Number of Rights		Number of Rights	Number of Rights	Number of Rights	Cents	\$	\$	\$
J Pemberton												
FY20 Tranche 2	O	26/11/2019	30/11/2023	582,246	-	-	(582,246)	-	30.1 to 182	835,411	1,502,192	-
FY21 Tranche 1	U	25/11/2021	30/09/2023	750,000	-	-	(750,000)	-	38.7 to 192	798,625	2,017,500	-
FY22 Tranche 1	X	25/11/2021	30/09/2024	986,842	-	-	-	986,842	12.8 to 152	611,020	-	182,840
FY23 Tranche 1	Y	18/11/2022	30/09/2025	862,167	-	-	-	862,167	47.9 to 252	1,414,816	-	471,605
FY24 Tranche 1	G	30/11/2023	30/09/2026	-	-	693,333	-	693,333	37.9 to 257	1,035,666	-	345,222
Subtotal				3,181,255	-	693,333	(1,332,246)	2,542,342		4,695,538	3,519,692	999,667
R Simons												
FY23 Tranche 1	Y	18/11/2022	30/09/2025	221,298	-	-	-	221,298	47.9 to 252	363,150	-	121,050
FY24 Tranche 1	G	30/11/2023	30/09/2026	-	-	240,376	-	240,376	37.9 to 257	359,062	-	119,687
Subtotal				221,298	-	240,376	-	461,674		722,212	-	240,737
G Caton												
FY20 Tranche 2	O	20/07/2020	30/11/2023	137,980	-	-	(137,980)	-	30.1 to 182	197,975	355,988	-
FY21 Tranche 1	U	17/06/2022	30/09/2023	118,490	-	-	(118,490)	-	38.7 to 192	126,172	318,738	-
FY22 Tranche 1	X	17/06/2022	30/09/2024	157,730	-	-	-	157,730	12.8 to 152	97,661	-	29,224
FY23 Tranche 1	Y	18/11/2022	30/09/2025	137,620	-	-	-	137,620	47.9 to 252	225,835	-	75,278
FY24 Tranche 1	G	30/11/2023	30/09/2026	-	-	126,342	-	126,342	37.9 to 257	188,723	-	62,908
Subtotal				551,820	-	126,342	(256,470)	421,692		836,366	674,726	167,410
M Gollschewski												
FY23 Tranche 1	C	8/02/2023	30/09/2025	55,804	-	-	-	55,804	55.9 to 298	108,111	-	36,037
FY24 Tranche 1	G	30/11/2023	30/09/2026	-	-	125,521	-	125,521	37.9 to 257	187,497	-	62,499
Subtotal				55,804	-	125,521	-	181,325		295,608	-	98,536

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

4.7 Share Based Payments Continued

Name / Scheme	Scheme ID	Allocation Date	Vesting Date	Balance of Unvested Equity Awards as at 1 July 2023	Lapsed / Forfeited in FY24	Granted in FY24	Vested in FY24	Balance of Unvested Equity Awards as at 30 June 2024	Fair Value Per Security	Fair Value at Grant Date	Fair Value at Vesting Date	Share Based Payments Expense FY24
				Number of Rights		Number of Rights	Number of Rights	Number of Rights	Cents	\$	\$	\$
Non-KMP Summary												
FY20 Tranche 2	O	20/07/2020	30/11/2023	584,219	-	-	(584,219)	-	30.1 to 182	838,241	1,507,285	-
FY20 Tranche 2	S	1/06/2021	30/09/2023	656,250	-	-	(656,250)	-	58.2 to 153	811,425	1,765,313	-
FY21 Tranche 1	S	1/06/2021	30/09/2023	328,125	-	-	(328,125)	-	56.1 to 153	455,506	882,656	-
FY21 Tranche 2	T	1/06/2021	30/09/2024	262,500	-	-	-	262,500	60.5 to 153	448,069	-	-
FY21 Tranche 1	U	17/06/2022	30/09/2023	697,281	-	-	(697,281)	-	38.7 to 192	742,489	1,875,686	-
FY22 Tranche 1	W	16/12/2021	30/03/2025	197,368	-	-	-	197,368	20.2 to 165	136,421	-	40,940
FY22 Tranche 1	X	17/06/2022	30/09/2024	1,175,357	(134,320)	-	-	1,041,037	12.8 to 152	727,741	-	192,880
FY23 Tranche 1	Y	18/11/2022	30/09/2025	1,174,888	(119,743)	-	-	1,055,145	47.9 to 252	1,927,990	-	577,163
FY23 Tranche 1	Z	12/10/2022	30/09/2025	41,436	-	-	-	41,436	44.6 to 254	68,121	-	22,707
FY23 Tranche 1	A	6/12/2022	30/09/2025	23,481	-	-	-	23,481	56.1 to 260	40,462	-	13,487
FY23 Tranche 1	B	20/01/2023	30/09/2025	28,450	-	-	-	28,450	63.8 to 289	54,373	-	18,124
FY23 Tranche 1	D	8/02/2023	30/09/2025	21,053	-	-	-	21,053	55.9 to 298	40,787	-	13,596
FY23 Tranche 1	E	20/03/2023	30/09/2025	25,814	-	-	-	25,814	32.4 to 240	39,091	-	13,030
FY23 Tranche 1	F	21/03/2023	30/09/2025	15,937	(15,937)	-	-	-	33.4 to 239	24,092	-	-
FY24 Tranche 1	G	30/11/2023	30/09/2026	-	-	1,857,654	-	1,857,654	37.9 to 257	2,774,870	-	924,961
FY24 Tranche 1	H	19/04/2024	30/09/2026	-	-	95,372	-	95,372	48.4 to 284	161,155	-	53,717
FY24 Tranche 1	I	17/05/2024	30/09/2026	-	-	73,384	-	73,384	46.2 to 278	120,717	-	40,239
Subtotal				5,232,159	(270,000)	2,026,410	(2,265,875)	4,722,694		9,411,550	6,030,940	1,910,844
Grand Total				9,242,336	(270,000)	3,211,982	(3,854,591)	8,329,727		15,961,274	10,225,358	3,417,194

NOTES TO FINANCIAL STATEMENTS

CONTINUED

5 FINANCING

5.1 Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks and other short-term highly-liquid investments with original maturities of three months or less.

Reconciliation of Profit for the Period to Net Cash Flows from Operating Activities

	Consolidated	
	2024	2023
	\$'000	\$'000
PROFIT FOR THE PERIOD	105,096	85,635
Adjustments for:		
Depreciation and amortisation	145,553	128,418
Gain on sale of financial assets	(23,059)	(4)
Fair value net loss / (gain) on financial assets	11,501	(3,307)
Share based payment expense	3,086	3,121
Profit on sale of property, plant and equipment	(1,132)	(1,997)
Share of (profit) / loss from associates	(113)	495
Net cash generated before movement in working capital	240,932	212,361
Change in trade and other receivables	(65,830)	44,687
Change in lease receivables	-	180
Change in inventories	(6,629)	(26,988)
Change in other assets	(815)	(2,597)
Change in trade and other payables	35,863	(8,108)
Change in provisions	21,100	(10,404)
Change in current tax liabilities	408	148
Change in deferred tax balances	8,503	37,715
Net cash from operating activities	233,532	246,994

5.2 Guarantees

	Consolidated	
	2024	2023
	\$'000	\$'000
Bank guarantees	11,907	27,410
Insurance bonds	340,099	154,740
Balance at the end of the financial year	352,006	182,150

The Group has contract performance bank guarantees and insurance bonds issued in the normal course of business in respect to its contracts.

NOTES TO FINANCIAL STATEMENTS

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5.3 Financial Debt

	Consolidated	
	2024	2023
	\$'000	\$'000
SECURED AT AMORTISED COST		
Current		
Bank loans	9,561	12,662
Equipment finance	68,236	66,041
Other	201	199
Total current financial debt	77,998	78,902
Non-current		
Bank loans	40,000	29,375
Equipment finance	161,810	152,140
Total non-current financial debt	201,810	181,515
Total financial debt	279,808	260,417

All loans and financial debt are initially recognised at fair value, being the amount received less attributable transaction costs. After initial recognition, interest-bearing liabilities are stated at amortised cost, with any difference between cost and redemption value being recognised in the statement of profit or loss over the period of the borrowings on an effective interest basis.

Various financial institutions provide the Group with fixed interest rate finance leases, secured by the underlying assets financed.

As at 30 June 2024, the Group is in compliance with its obligations under its facilities and expects to be in compliance with agreed covenants throughout the year ending 30 June 2025. The Group has in place a multi-option general banking facility with Bankwest and Bank of China. The agreement provides NRW with facilities to be used for contract guarantees, and facilities which can be used for either contract guarantees or as working capital (an overdraft facility). As discussed at note 7.6 within these Financial Statements, subsequent to year-end, the Group has negotiated new and expanded facilities.

Financial debt movement reconciliation for the year ended 30 June 2024.

	Consolidated	
	2024	2023
	\$'000	\$'000
Opening balance	260,417	233,160
Equipment finance assumed (through business acquisition)	-	322
New equipment finance	85,032	104,411
Repayment of equipment finance	(73,167)	(65,006)
New financial debt	20,000	-
Net repayment of financial debt	(12,474)	(12,470)
Total financial debt	279,808	260,417

NOTES TO FINANCIAL STATEMENTS

CONTINUED

5.3 Financial Debt Continued

Interest-Bearing Finance Facilities

Consolidated finance facilities as at 30 June 2024

Finance Description	Face Value (limit)	Carrying Amount (utilised)	Unutilised Amount
	\$'000	\$'000	\$'000
Banking facilities ⁽¹⁾	237,800	49,561	188,239
Equipment finance ⁽²⁾	598,955	230,046	368,909
Guarantees and insurance bonds ⁽³⁾	521,966	352,006	169,960

(1) Includes cash advance facilities and an overdraft facility.

(2) Terms range from one to five years.

(3) \$10.0 million of the overall limit is interchangeable as an overdraft facility.

Consolidated finance facilities as at 30 June 2023

Finance Description	Face Value (limit)	Carrying Amount (utilised)	Unutilised Amount
	\$'000	\$'000	\$'000
Banking facilities ⁽¹⁾	135,300	42,037	93,263
Equipment finance ⁽²⁾	514,785	218,181	296,604
Guarantees and insurance bonds ⁽³⁾	399,001	182,150	216,851

(1) Includes cash advance facilities and an overdraft facility.

(2) Terms range from one to five years.

(3) \$10.0 million of the overall limit is interchangeable as an overdraft facility.

5.4 Lease Debt

	Consolidated	
	2024	2023
	\$'000	\$'000
Opening balance	51,503	52,761
New leases through a business combination	-	235
New leases	9,977	13,897
Net repayments	(15,829)	(15,390)
Balance at 30 June	45,651	51,503
Current	15,665	14,342
Non-current	29,986	37,161
Total lease debt	45,651	51,503

NOTES TO FINANCIAL STATEMENTS

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5.4 Lease Debt Continued

Group lease debt relates mainly to properties, with the balance comprised of plant and equipment, various types of vehicles and IT equipment.

With the adoption of AASB 16: *Leases*, the Group assesses whether a contract is or contains a lease at inception of the contract. The Group recognises a lease asset and a corresponding lease debt with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low-value assets (such as tablets and personal computers, small items of office furniture and telephones). For these leases, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

The lease debt is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the lessee uses its incremental borrowing rate.

Lease payments included in the measurement of the lease debt comprise:

- Fixed lease payments (including in-substance fixed payments), less any lease incentives receivable;
- Variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- The amount expected to be payable by the lessee under residual value guarantees;
- The exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and
- Payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The lease debt is subsequently measured by increasing the carrying amount to reflect interest on the lease debt (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made. The Group remeasures the lease debt (and makes a corresponding adjustment to the related lease asset) whenever:

- The lease term has changed or there is a significant event or change in circumstances resulting in a change in the assessment of exercise of a purchase option, in which case, the lease debt is remeasured by discounting the revised lease payments using a revised discount rate;
- The lease payments change due to changes in an index or rate, or a change in expected payment under a guaranteed residual value, in which case, the lease debt is remeasured by discounting the revised lease payments using an unchanged discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case, a revised discount rate is used); and
- The lease contract is modified and the lease modification is not accounted for as a separate lease, in which case, the lease debt is remeasured based on the lease term of the modified lease by discounting the revised lease payments, using a revised discount rate at the effective date of the modification.

The Group did not make any material adjustments during the periods presented.

Variable rents that do not depend on an index or rate are not included in the measurement of the lease debt and the right-of-use asset. The related payments are recognised as an expense in the period in which the event or condition that triggers those payments occurs.

NOTES TO FINANCIAL STATEMENTS

CONTINUED

5.4 Lease Debt Continued

Key Judgements and Estimates

Determination of the existence of leases

Identifying a lease will sometimes require a significant amount of judgement based on the elements of the definition of a lease, including identification of the leased asset, whether the contract passes the right to substantially obtain all of the economic benefits from the use of identified assets within the defined scope of the contract and whether the supplier has a substantive right to substitute identified assets throughout the period of use.

Lease extension periods

In determining the lease term, the Group considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated). After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise (or not to exercise) the option to renew.

Incremental borrowing rate

In determining the present value of the future lease payments, the Group discounts the lease payments using an incremental borrowing rate (IBR). The IBR reflects the financing characteristics and duration of the underlying lease. Once a discount rate has been set for a leased asset (or portfolio of assets with similar characteristics), this rate will remain unchanged for the term of that lease. When a lease modification occurs, and it is not accounted for as a separate lease, a new IBR will be assigned to reflect the new characteristics of the lease.

5.5 Capital and Other Commitments

Capital expenditure that was contracted at the end of the reporting period but not recognised as liabilities:

	Consolidated	
	2024	2023
	\$'000	\$'000
Not later than 12 months	68,932	68,151
Between 12 months and 5 years	73	790
Greater than 5 years	-	16
Total capital and other commitments	69,005	68,957

The capital commitments are to be funded from cash and available finance facilities.

NOTES TO FINANCIAL STATEMENTS

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6 TAXATION

6.1 Income Tax Recognised in Profit or Loss

	Consolidated	
	2024	2023
	\$'000	\$'000
CURRENT TAX EXPENSE		
Current year income tax	29,461	1,521
Other adjustments	(250)	47
Subtotal	29,211	1,568
DEFERRED TAX EXPENSE		
Origination and reversal of temporary differences	6,606	37,589
Deferred tax assets not brought to account	1,897	126
Subtotal	8,503	37,715
Total income tax expense	37,714	39,283

6.2 Reconciliation of Effective Tax Rate

	Consolidated	
	2024	2023
	\$'000	\$'000
Profit before tax for the period	142,810	124,918
INCOME TAX USING THE COMPANY'S DOMESTIC TAX RATE OF 30%	42,843	37,475
Changes in income tax expense due to:		
Adjustments recognised in the current year in relation to prior years	1,525	696
Non-assessable income	(5,385)	-
Non-deductible costs	530	1,425
Share based payments	(1,550)	(1,062)
Non-recoverable withholding taxes	2	316
Effect of different income tax rates for subsidiaries operating in a different tax jurisdiction	(265)	(179)
Current year unrealised losses on investments not recognised as deferred tax assets	1,418	486
Use of prior year unrecognised tax losses	(1,882)	-
Current year tax losses not recognised as deferred tax assets	478	126
Total income tax expense	37,714	39,283

6.3 OECD Pillar Two Model Rules

The Group is within the scope of the Organisation for Economic Co-operation and Development (OECD) Pillar Two model rules. In June 2023, the AASB issued amendments to AASB 112: *Income Taxes* that include specific disclosure requirements. The Australian Federal Government announced as part of the 2023 Federal Budget that it would adopt the Pillar Two rules, including a 15% global minimum tax and a 15% domestic minimum tax. These rules are intended to apply for years commencing on or after 1 January 2024, with an additional underpaid profits tax rule to apply for years commencing on or after 1 January 2025. Legislation to effect these Pillar Two provisions has been introduced but is yet to be enacted in Australia.

Pillar Two legislation has been enacted in Canada, a jurisdiction in which a subsidiary member of the Group is incorporated, coming into effect from 1 January 2024. No current tax expense has been recorded for the current financial year due to the Group's Canadian subsidiary not being liable to any Pillar Two tax (including by qualifying for a transitional 'safe harbour' exemption from the imposition of any top-up tax).

NOTES TO FINANCIAL STATEMENTS

CONTINUED

6.4 Current and Deferred Tax Balances

Current Tax Liabilities

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the consolidated statement of profit and loss and other comprehensive income because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted in the relevant jurisdictions by the end of the reporting period.

Income taxes are paid in the jurisdictions where the Group operates, predominantly Australia. Significant judgement is involved in applying the tax rules and regulations relevant in deriving the final provision for income tax. If, in subsequent periods, matters arise that cause the final tax outcome to vary to the reported carrying amounts, such differences will alter the tax balances in the period the change is identified.

Tax losses have been applied to offset Australian taxable income. The reported current tax liability as at 30 June 2024 relates to estimated tax payable in Australia. The reported current tax asset relates to estimated refunds in the United States.

Deferred Tax Balances

	Assets		Liabilities		Net	
	2024	2023	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Accrued income	-	-	(42,473)	(28,828)	(42,473)	(28,828)
Inventories	-	-	(3,461)	(3,399)	(3,461)	(3,399)
Property, plant and equipment	-	-	(79,469)	(99,071)	(79,469)	(99,071)
Investments and joint ventures	-	-	(1,133)	(3,144)	(1,133)	(3,144)
Intangibles	-	-	(11,697)	(10,618)	(11,697)	(10,618)
Leases	1,897	1,952	-	-	1,897	1,952
Provisions	32,511	32,619	-	-	32,511	32,619
Accrued expenses	4,636	4,278	-	-	4,636	4,278
Corporate costs	597	949	-	-	597	949
Share based payments	1,789	2,381	-	-	1,789	2,381
Losses	-	13,381	-	-	-	13,381
Other	416	589	(2,213)	(1,186)	(1,797)	(597)
Deferred tax assets / (liabilities)	41,846	56,149	(140,446)	(146,246)	(98,600)	(90,097)

Movement of Deferred Tax Balances

	Consolidated	
	2024	2023
	\$'000	\$'000
DEFERRED TAX EXPENSE		
Recognised in profit or loss (note 6.1)	(8,503)	(37,715)
Balance acquired through business combinations	-	(1,303)
Total	(8,503)	(39,018)

NOTES TO FINANCIAL STATEMENTS

CONTINUED

6.4 Current and Deferred Tax Balances Continued

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available, against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries and associates and interests in joint ventures, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

The Group has applied the mandatory temporary exception to accounting for deferred taxes arising from the implementation of the Pillar Two model rules published by the OECD in accordance with the amendment to AASB 112 issued by the AASB in June 2023.

Accordingly, the Group neither recognises nor discloses information about deferred tax assets and liabilities related to Pillar Two income taxes.

Unrecognised Deferred Tax Balances

No deferred tax asset has been recognised in respect of current-year foreign tax losses. During the year a deferred tax asset arising from the revaluation of investments was derecognised due to representing a potential capital loss.

6.5 Relevance of Tax Consolidation to the Group

The Company and its wholly-owned Australian resident entities formed a tax consolidated group under Australian taxation law with effect from 1 July 2014 and are therefore taxed as a single entity from that date. The head entity within the tax consolidated group is NRW Holdings Limited. The members of the tax consolidated group are identified in note 7.1.

Tax expense or benefit, deferred tax liabilities and deferred tax assets arising from temporary differences of the members of the tax consolidated group are recognised in the separate financial statements of the members of the tax consolidated group using the 'stand-alone taxpayer' approach by reference to the carrying amounts in the separate financial statements of each entity and the tax values applying under tax consolidation. Current tax liabilities and assets and deferred tax assets arising from unused tax losses and tax credits of the members of the tax consolidated group are recognised by the Company (as head entity in the tax consolidated group). Due to the existence of a tax funding agreement between the entities in the tax consolidated group, amounts are recognised as payable to, or receivable by, the Company and each member of the Group in relation to the tax contribution amounts paid or payable between the parent entity and the other members of the tax consolidated group in accordance with the agreement.

NOTES TO FINANCIAL STATEMENTS

CONTINUED

6.5 Relevance of Tax Consolidation to the Group Continued

Nature of Tax Funding Arrangements and Tax Sharing Agreements

Entities within the tax consolidated group have entered into a tax funding agreement and a tax sharing agreement with the head entity. Under the terms of the tax funding agreement, NRW Holdings Limited and each of the entities in the tax consolidated group have agreed to pay a tax equivalent payment to or from the head entity, based on the current tax liability or current tax asset of the entity. The tax sharing agreement entered into between members of the tax consolidated group provides for the determination of the allocation of income tax liabilities between the entities should the head entity default on its tax payment obligations or if an entity should leave the tax consolidated group.

6.6 Goods and Services Tax

Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST), except:

- Where the amount of GST incurred is not recoverable from the taxation authority, it is recognised as part of the cost of acquisition of an asset or as part of an item of expense; or
- Receivables and payables which are recognised inclusive of GST.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables.

Cash flows are included in the statement of cash flows on a gross basis. The GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority, is classified within operating cash flows.

6.7 Tax Policy, Strategy and Governance

Approach to Tax Governance

NRW has developed a Board-approved Tax Risk Management Framework (TRMF) to govern the way in which the Group manages its tax obligations. The TRMF has been designed in line with the Australian Taxation Office (ATO) Tax Risk Management and Governance Review Guide. The TRMF applies to all entities within the NRW tax consolidated group.

In accordance with the TRMF, decisions on tax risk are reviewed by the Chief Financial Officer and reported to the Audit and Risk Committee as appropriate. Ultimate responsibility for tax governance is borne by the Board. Tax risk assessments are conducted and are consistent with the risk tolerance levels applied to other decisions in the business.

Corporate Income Tax Contribution Summary

At 30 June 2023, NRW had carry forward tax losses, resulting in no income tax being payable in Australia. The NRW tax consolidated group has commenced paying corporate tax in Australia in the current financial year due to fully utilising those losses.

The ATO publishes the income tax information of taxpayers with a total income of \$100 million or more. The information is published in the Report of Entity Tax Information online. NRW confirms the following disclosures under the ATO regime.

	2018-19	2019-20	2020-21	2021-22	2022-23 ⁽¹⁾
	\$'000	\$'000	\$'000	\$'000	\$'000
Total income	1,087,568	2,011,916	2,235,779	2,390,037	2,559,087
Taxable / Net income	Nil	Nil	Nil	11.9	Nil
Tax payable	Nil	Nil	Nil	Nil	Nil

(1) Not yet disclosed by the ATO under the Report of Entity Tax Information regime online.

NOTES TO FINANCIAL STATEMENTS

CONTINUED

6.7 Tax Policy, Strategy and Governance Continued

Relationships with Tax Authorities

NRW is committed to open and transparent dealings with the ATO and other relevant tax authorities. NRW's approach to engagement with these authorities is to be compliant with tax laws to ensure its statutory obligations are met.

NRW is considered to be a significant global entity and is included in the ATO's Justified Trust review program. NRW's last assurance review under this regime was finalised in June 2022. The ATO obtained an overall high level of assurance that NRW paid the correct amount of Australian income tax for the income years reviewed.

International Related Party Dealings

The NRW Group includes entities incorporated under foreign jurisdictions where corporate tax is remitted in accordance with the applicable taxation laws and administrative guidance.

NRW does not have material operations located outside of Australia, resulting in minor international-related party dealings. These dealings are disclosed to the ATO within the International Related Party Dealings Schedule, and to the ATO and other revenue authorities through annual Country-by-country reporting.

NOTES TO FINANCIAL STATEMENTS

CONTINUED

7 OTHER NOTES

7.1 Subsidiaries

Information about the composition of the Group at the end of the reporting period is as follows:

Entity	Principal Activities	Country of Incorporation	Ownership Interest	
			2024	2023
NRW Holdings Limited (ACN 118 300 217) <	Holding Company	Australia	-	-
Actionblast Pty Ltd (ACN 058 473 331) <	Mining Equipment Solutions	Australia	100%	100%
Action Drill & Blast Pty Ltd (ACN 144 682 413) <	Drill & Blast	Australia	100%	100%
Hughes Drilling 1 Pty Ltd (ACN 011 007 702) <	Dormant	Australia	100%	100%
NRW Pty Ltd (ACN 067 272 119) <	Civil & Mining	Australia	100%	100%
The Trustee for NRW Unit Trust (ABN 69 828 799 317)	Civil & Mining	Australia	100%	100%
NRW Contracting Pty Ltd (ACN 008 766 407) <	Civil, Mining & Urban	Australia	100%	100%
NRW Contracting (No.2) Pty Ltd (ACN 621 008 473) <	Mining	Australia	100%	100%
DIAB Engineering Pty Ltd (ACN 611 036 689) <	MET	Australia	100%	100%
NRW Intermediate Holdings Pty Ltd (ACN 120 448 179) <	Intermediary	Australia	100%	100%
Indigenous Mining & Exploration Company Pty Ltd (ACN 114 493 579) <	Investment Shell	Australia	100%	100%
NRW International Holdings Pty Ltd (ACN 138 827 451) <	Investment Shell	Australia	100%	100%
RCR Heat Treatment Pty Ltd (ACN 631 155 032)	Heat Treatment	Australia	100%	100%
RCR Mining Technologies Pty Ltd (ACN 107 724 274) <	MET	Australia	100%	100%
NRW Mining Pty Ltd (ACN 117 524 277) <	Investment Shell	Australia	100%	100%
Golding Group Pty Ltd (ACN 129 247 025) <	Holding Company	Australia	100%	100%
Golding Employee Equity Pty Ltd (ACN 134 623 680) <	Dormant	Australia	100%	100%
Golding Finance Pty Ltd (ACN 128 839 056) <	Holding Company	Australia	100%	100%
Golding Contractors Pty Ltd (ACN 009 734 794) <	Civil, Mining & Urban	Australia	100%	100%
Golding Civil Pty Ltd (ACN 628 709 777)	Civil	Australia	100%	100%
Golding Mining Pty Ltd (ACN 628 709 740)	Mining	Australia	100%	100%
Golding Services Pty Ltd (ACN 628 709 768)	Civil, Mining & Urban	Australia	100%	100%
Golding Urban Pty Ltd (ACN 628 709 759)	Urban	Australia	100%	100%

NOTES TO FINANCIAL STATEMENTS

CONTINUED

7.1 Subsidiaries Continued

Entity	Principal Activities	Country of Incorporation	Ownership Interest	
			2024	2023
Golding PNG Limited	Deregistered	Papua New Guinea	-	100%
NRW Guinea SARL	Dormant	Guinea	100%	100%
The Trustee for NRW Holdings Employee Share Trust (ABN 85 324 493 658)	Trustee	Australia	100%	100%
Primero Group Limited (ACN 149 964 045)	MET	Australia	100%	100%
PGX Ops Pty Ltd (ACN 645 420 542)	MET	Australia	100%	100%
Primero Group Americas Inc	MET	Canada	100%	100%
Primero USA Inc	MET	USA	100%	100%
The Trustee for Overflow Industrial Unit Trust (ABN 99 227 134 227)	MET	Australia	100%	100%
OFI Group Holdings Pty Ltd (ACN 613 144 513)	MET	Australia	100%	100%
Overflow Industrial Pty Ltd (ACN 009 367 257)	MET	Australia	100%	100%

< Entered into ASIC Corporations Instrument 98/1418 Deed of Cross Guarantee with NRW Holdings Limited.

NRW Holdings Limited and its wholly-owned subsidiaries incorporated in Australia, form the Tax Consolidated Group.

Deed of Cross Guarantee

Pursuant to ASIC Corporations (Amendment and Repeal) Instrument 2016/914, the wholly-owned subsidiaries listed within this note as parties to the Deed of Cross Guarantee, are relieved from the Corporations Act 2001 requirements for preparation, audit and lodgement of Financial Reports and Directors' Reports.

NOTES TO FINANCIAL STATEMENTS

CONTINUED

7.1 Subsidiaries Continued

The consolidated statement of comprehensive income of the entities party to the Deed of Cross Guarantee is as follows:

	Consolidated	
	2024	2023
	\$'000	\$'000
STATEMENT OF COMPREHENSIVE INCOME		
Revenue	2,241,992	2,087,186
Other income	26,024	940
Materials and consumables used	(511,150)	(533,741)
Employee benefits expense	(743,816)	(661,080)
Subcontractor costs	(465,061)	(400,741)
Plant and equipment costs	(212,065)	(198,706)
Depreciation and amortisation expenses	(132,295)	(116,442)
Other expenses	(28,486)	(40,805)
Share of profit / (loss) in associate	113	(495)
Net finance costs	(18,056)	(15,932)
Profit before income tax	157,200	120,184
Income tax expense	(40,244)	(33,472)
Profit for the year	116,956	86,712
OTHER COMPREHENSIVE INCOME		
Total comprehensive income for the year	116,956	86,712

The consolidated statement of financial position of the entities party to the Deed of Cross Guarantee is as follows:

	Consolidated	
	2024	2023
	\$'000	\$'000
ASSETS		
Current assets		
Cash and cash equivalents	160,144	179,831
Trade and other receivables	330,921	279,929
Inventories	100,008	91,925
Other current assets	18,824	17,949
Total current assets	609,897	569,634
Non-current assets		
Property, plant and equipment	502,980	444,836
Right-of-use assets	34,382	39,468
Investment in listed equities	-	9,964
Investments in subsidiaries and associates	154,184	161,361
Intangibles	21,607	21,225
Goodwill	85,036	85,036
Total non-current assets	798,189	761,890
Total assets	1,408,086	1,331,524

NOTES TO FINANCIAL STATEMENTS

CONTINUED

7.1 Subsidiaries Continued

	Consolidated	
	2024	2023
	\$'000	\$'000
LIABILITIES		
Current liabilities		
Trade and other payables	288,736	304,763
Financial debt	72,102	73,409
Lease debt	13,562	12,749
Provisions	68,988	54,629
Current tax liabilities	1,165	-
Total current liabilities	444,553	445,550
Non-current liabilities		
Financial debt	191,057	169,697
Lease debt	29,986	32,654
Provisions	12,605	8,414
Deferred tax liabilities	85,956	85,639
Total non-current liabilities	319,604	296,404
Total liabilities	764,157	741,954
Net assets	643,929	589,570
EQUITY		
Contributed equity	383,413	383,413
Reserves	20,078	16,992
Retained earnings	240,438	189,165
Total equity	643,929	589,570

NOTES TO FINANCIAL STATEMENTS

CONTINUED

7.2 Unincorporated Joint Operations

The Group has significant balances in the following jointly controlled operations:

Name of Operation	Principal Activity	Country of Operation	Group Interest	
			2024	2023
BGC Contracting Pty Ltd & Laing O'Rourke Australia Construction Pty Ltd	NorthLink WA Roads	Australia	50%	50%
South West Gateway Alliance	Bunbury Outer Ring Road	Australia	40%	40%
Intelligent Freeways Alliance	Smart Freeways	Australia	46.5%	46.5%

7.3 Related Parties

The ultimate parent entity within the Group is NRW Holdings Limited. The interests in subsidiaries are set out in note 7.1.

Key Management Personnel Transactions

There are no transactions and balances with Key Management Personnel and their related parties.

NOTES TO FINANCIAL STATEMENTS

CONTINUED

7.4 Parent Entity Information

As at, and throughout, the financial year ended 30 June 2024, the parent company of the Group was NRW Holdings Limited.

The accounting policies of the parent entity, which have been applied in determining the financial information shown below, are the same as those applied in the consolidated financial statements.

Financial Position

	Parent	
	2024	2023
	\$'000	\$'000
ASSETS		
Current assets	228,814	175,917
Non-current assets	253,974	279,188
Total assets	482,788	455,105
LIABILITIES		
Current liabilities	13,277	15,797
Non-current liabilities	40,000	29,718
Total liabilities	53,277	45,515
Net assets	429,511	409,590
EQUITY		
Contributed equity	383,416	383,416
Share based payment reserve	20,512	17,426
Retained earnings	25,583	8,748
Total equity	429,511	409,590

Financial Performance

	Parent	
	2024	2023
	\$'000	\$'000
Profit for the year	82,518	58,340
Total comprehensive income	82,518	58,340

Guarantees Entered into by the Parent in Relation to the Debts of its Subsidiaries

	Parent	
	2024	2023
	\$'000	\$'000
Equipment finance	230,046	218,181
Total	230,046	218,181

NOTES TO FINANCIAL STATEMENTS

CONTINUED

7.5 Auditors Remuneration

	Consolidated	
	2024	2023
	\$	\$
AUDIT SERVICES		
Auditors of the Company:		
Deloitte Touche Tohmatsu	694,000	639,000
OTHER SERVICES		
Industry-specific compliance audits	35,701	38,500
Non-audit services	231,426	177,075
Total	961,127	854,575

7.6 Events After the Reporting Period

The Directors have declared a fully franked dividend for the current financial year of 9.0 cents per share, payable in October 2024.

On 12 June 2024, it was announced that NRW's wholly-owned subsidiary Golding, had executed an agreement to acquire the mining services contract, associated fleet and transfer of the employees that HSE Mining Pty Ltd has deployed to Stanmore Resources Limited's South Walker Creek mine site. The transaction value of \$85 million less assumed employee liabilities and other closing adjustments, was predominantly funded via NRW's asset finance facilities. The financial close of this transition occurred on 1 August 2024.

NRW has renegotiated the terms of its secured debt facilities and, as part of this process, introduced two additional tier one banks to the structure, now providing access to four banks to support the Group's funding requirements. The new debt finance facilities, which are committed for a multi-year evergreen term, are on materially improved commercial terms and pricing. The total value of available debt facilities has increased from \$260 million to \$450 million, to facilitate corporate initiatives. The transaction documents for the new facilities were entered into by NRW on 7 August 2024 with financial close subject to customary conditions precedent.

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

CONSOLIDATED ENTITY DISCLOSURE STATEMENT

Basis of Preparation and Determination of Tax Residency

This Consolidated Entity Disclosure Statement has been prepared in accordance with the Corporations Act 2001 and includes required information for each entity that was part of the consolidated entity as at the end of the financial year.

Section 295 (3A) of the Corporations Act 2001 defines tax residency as having the meaning in the Income Tax Assessment Act 1997. The determination of tax residency involves judgement as there are currently several different interpretations that could be adopted, and which could give rise to a different conclusion on residency.

As at 30 June 2024

Entity	Entity Type	Entity Type Involvement	Body Corporates		
			Country of Incorporation / Formation	% of Share Capital Held	Tax Residency
NRW Holdings Limited	Body Corporate	-	Australia	-	Australia
Actionblast Pty Ltd	Body Corporate	-	Australia	100%	Australia
Action Drill & Blast Pty Ltd	Body Corporate	-	Australia	100%	Australia
Hughes Drilling 1 Pty Ltd	Body Corporate	-	Australia	100%	Australia
NRW Pty Ltd	Body Corporate	-	Australia	100%	Australia
The Trustee for NRW Unit Trust	Trust	Trustee	Australia	100%	Australia
NRW Contracting Pty Ltd	Body Corporate	-	Australia	100%	Australia
NRW Contracting (No.2) Pty Ltd	Body Corporate	-	Australia	100%	Australia
DIAB Engineering Pty Ltd	Body Corporate	-	Australia	100%	Australia
NRW Intermediate Holdings Pty Ltd	Body Corporate	-	Australia	100%	Australia
Indigenous Mining & Exploration Company Pty Ltd	Body Corporate	-	Australia	100%	Australia
NRW International Holdings Pty Ltd	Body Corporate	-	Australia	100%	Australia
RCR Heat Treatment Pty Ltd	Body Corporate	-	Australia	100%	Australia
RCR Mining Technologies Pty Ltd	Body Corporate	-	Australia	100%	Australia
NRW Mining Pty Ltd	Body Corporate	-	Australia	100%	Australia
Golding Group Pty Ltd	Body Corporate	-	Australia	100%	Australia
Golding Employee Equity Pty Ltd	Body Corporate	-	Australia	100%	Australia
Golding Finance Pty Ltd	Body Corporate	-	Australia	100%	Australia
Golding Contractors Pty Ltd	Body Corporate	-	Australia	100%	Australia
Golding Civil Pty Ltd	Body Corporate	-	Australia	100%	Australia
Golding Mining Pty Ltd	Body Corporate	-	Australia	100%	Australia
Golding Services Pty Ltd	Body Corporate	-	Australia	100%	Australia
Golding Urban Pty Ltd	Body Corporate	-	Australia	100%	Australia
NRW Guinea SARL	Body Corporate	-	Guinea	100%	Guinea
The Trustee for NRW Holdings Employee Share Trust	Trust	Trustee	Australia	100%	Australia
Primero Group Limited	Body Corporate	-	Australia	100%	Australia
PGX Ops Pty Ltd	Body Corporate	-	Australia	100%	Australia
Primero Group Americas Inc	Body Corporate	-	Canada	100%	Canada
Primero USA Inc	Body Corporate	-	USA	100%	USA
The Trustee for Overflow Industrial Unit Trust	Trust	Trustee	Australia	100%	Australia
OFI Group Holdings Pty Ltd	Body Corporate	-	Australia	100%	Australia
Overflow Industrial Pty Ltd	Body Corporate	-	Australia	100%	Australia
BGC Contracting Pty Ltd & Laing O'Rourke Australia Construction Pty Ltd	Joint Operation	Participant	Australia	50%	Australia
South West Gateway Alliance	Joint Operation	Participant	Australia	40%	Australia
Intelligent Freeways Alliance	Joint Operation	Participant	Australia	46.5%	Australia

SHAREHOLDER INFORMATION

The shareholder information set out below was applicable as at 30 July 2024. NRW's contributed equity comprises 455,102,564 fully paid ordinary shares.

Distribution of Shareholdings

Range	Fully Paid Ordinary Shares	%	No of Holders	%
100,001 and over	401,988,346	88.33	160	2.06
10,001 to 100,000	36,606,651	8.04	1,324	17.06
5,001 to 10,000	8,545,436	1.88	1,121	14.44
1,001 to 5,000	6,734,319	1.48	2,441	31.45
1 to 1,000	1,227,812	0.27	2,716	34.99
Subtotal	455,102,564	100.00	7,762	100.00
Unmarketable parcels	7,231	0.00	433	5.58

NRW's 20 Largest Shareholders

Rank	Name	Shares	% Interest
1	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	137,141,535	30.13
2	J P MORGAN NOMINEES AUSTRALIA PTY LIMITED	89,016,515	19.56
3	CITICORP NOMINEES PTY LIMITED	72,696,763	15.97
4	NATIONAL NOMINEES LIMITED	12,168,179	2.67
5	JULIAN ALEXANDER PEMBERTON	9,888,192	2.17
6	MR DAVID RONALDSON	8,020,392	1.76
7	BNP PARIBAS NOMINEES PTY LTD	4,700,078	1.03
8	BNP PARIBAS NOMS PTY LTD	3,921,790	0.86
9	BNP PARIBAS NOMINEES PTY LTD	2,964,081	0.65
10	CITICORP NOMINEES PTY LIMITED	2,947,667	0.65
11	SCHALIT SUPER PTY LTD	2,243,766	0.49
12	JEFFRESS NOMINEES PTY LTD	2,233,489	0.49
13	GABRIELLA NOMINEES PTY LTD	2,229,213	0.49
14	MS LESLEY ANN JEFFRESS	1,866,093	0.41
15	UBS NOMINEES PTY LTD	1,785,740	0.39
16	EST PETER HOWELLS	1,602,926	0.35
17	MR STEVEN SCHALIT & MS CANDICE SCHALIT	1,602,125	0.35
18	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	1,527,125	0.34
19	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED-GSCO ECA	1,516,113	0.33
20	MR ANDREW JOHN WALSH	1,364,880	0.30

Substantial Holders of 5% or More of Fully Paid Ordinary Shares

As at the date of this report, the names of the substantial holders in the Company who have notified the Company in accordance with Section 671B of the Corporations Act 2001 are set out below:

Name	No. of Shares	Ownership %
Australian Retirement Trust	26,045,619	5.72

Voting Rights

Every shareholder present in person or represented by a proxy or other representative shall have one vote for each share held by them.

INDEPENDENT AUDITOR'S REPORT



Deloitte Touche Tohmatsu
ABN 74 490 121 060

Tower 2
Brookfield Place
123 St Georges Terrace
Perth WA 6000
GPO Box A46
Perth WA 6837 Australia

Tel: +61 8 9365 7000
Fax: +61 8 9365 7001
www.deloitte.com.au

Independent Auditor's Report to the Members of NRW Holdings Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of NRW Holdings Limited (the "Company") and its subsidiaries (the "Group") which comprises the consolidated statement of financial position as at 30 June 2024, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information and other explanatory information, the directors' declaration and the consolidated entity disclosure statement.

In our opinion, the accompanying financial report of the Group is 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 financial performance for the year then ended; and
- Complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

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

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

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

Key Audit Matters

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

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INDEPENDENT AUDITOR'S REPORT

CONTINUED



Key Audit Matter	How the scope of our audit responded to the Key Audit Matter
Revenue recognition As disclosed in Note 2.2, the Group's revenues from construction contracts are recognised by reference to the stage of completion of the contract activity. Revenue is recognised by management after assessing all factors relevant to each contract, including: • Determination of stage of completion and measurement of progress towards satisfaction of performance obligations; • Estimation of total contract revenue and costs including the estimation of cost contingencies; • Determination of contractual entitlement and assessment of the probability of customer approval of changes in scope and/or price; and • Estimation of the project completion date. The Group recognises in contract assets and contract liabilities progressive measurement of the goods and services transferred and valuation of work completed as well as amounts invoiced to customers. The recognition of these amounts is based on management's assessment of the expected amounts recoverable from the customer. NRW have submitted contract variations and claims on certain projects which requires management to exercise judgement in determining the amount of revenue to be recognised in relation to these items.	Our procedures included, but were not limited to: • Evaluating management's processes and controls in respect of the recognition of contract revenue. As part of this process we tested the design and implementation of key controls including: ○ The review process conducted at the tendering phase; and ○ The preparation, review and authorisation of monthly valuation reports for contracts which includes forecasts costs to completion and unapproved variations. • Obtaining an understanding of the contract terms and conditions to evaluate whether these were reflected in management's estimate of forecast costs and revenue; • Testing a sample of costs incurred to date and agreeing these to supporting documentation; • Reconciling costs incurred for a sample of projects between general ledger records and contract valuation reports; • Assessing the forecast costs to complete through challenge of project managers and finance personnel in relation to margins, status of relationships with customers and level of contingencies; • Evaluating significant exposures such as liquidated damages for late delivery of contract works and the probability of recovery of outstanding amounts by reference to: ○ Testing contractual entitlement for changes, variations and claims recognised within contract revenue by reference to the underlying contract; ○ Evaluating the status of contract negotiations through review of correspondence, minutes and discussions; and ○ Testing historical recoveries against previous estimates made. We also assessed the appropriateness of the disclosures in relation to revenue recognition included in Note 2.2 to the financial statements.

Other Information

The directors are responsible for the other information. The other information comprises the Directors' Report and Corporate Governance & Risk Management, which we obtained prior to the date of this auditor's report, and also includes the additional information which will be included in the Group's annual report (but does not include the financial report and our auditor's report thereon), which is expected to be made available to us after that date.

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

INDEPENDENT AUDITOR'S REPORT

CONTINUED



In connection with our audit of the financial report, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

When we read the additional information which will be included in the Group's annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to the directors and use our professional judgement to determine the appropriate action.

Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible:

- For the preparation of the financial report in accordance with the Corporations Act 2001, including giving a true and fair view of the financial position and performance of the Group in accordance with Australian Accounting Standards; and
- For such internal control as the directors determine is necessary to enable the preparation of the financial report in accordance with the Corporations Act 2001, including giving a true and fair view of the financial position and performance of the Group, and is free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Report

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

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

INDEPENDENT AUDITOR'S REPORT CONTINUED



- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group's to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Group's audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 26 to 46 of the Directors' Report for the year ended 30 June 2024.

In our opinion, the Remuneration Report of NRW Holdings Limited, for the year ended 30 June 2024, complies with section 300A of the *Corporations Act 2001*.

Responsibilities

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

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DELOITTE TOUCHE TOHMATSU

A blue ink signature that appears to read "D K Andrews".

D K Andrews
Partner
Chartered Accountants
Perth, 14 August 2024

APPENDIX 4E

RESULTS FOR ANNOUNCEMENT TO THE MARKET

For the Year Ended 30 June 2024

	% Change up / (down)	Year Ended 30 June 2024	Year Ended 30 June 2023
		\$'000	\$'000
Revenues from ordinary activities	9.2%	2,913,007	2,667,064
Profit from ordinary activities after tax attributable to members	22.7%	105,096	85,635
Total comprehensive income	22.7%	105,096	85,635

INTERIM DIVIDEND

Date dividend is payable	11 April 2024	6 April 2023
Record date to determine entitlements to dividend	27 March 2024	23 March 2023
Interim dividend payable per security (cents)	6.5	8.5
Franked amount of dividend per security (cents)	6.5	-
Unfranked amount of dividend per security (cents)	-	8.5

FINAL DIVIDEND

Date dividend is payable	9 October 2024	11 October 2023
Record date to determine entitlements to dividend	20 September 2024	22 September 2023
Final dividend payable per security (cents)	9.0	8.0
Franked amount of dividend per security (cents)	9.0	8.0

RATIOS AND OTHER MEASURES

Net tangible asset backing per ordinary security	\$0.98	\$0.88
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Commentary on the Results for the Year

A commentary on the results for the year is contained in the statutory financial report dated 14 August 2024.

Status of Accounts

This statutory financial report is based on audited accounts.

NRW Holdings Limited - ACN 118 300 217



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NRW Holdings Limited

181 Great Eastern Highway
BELMONT WA 6104
+ 61 8 9232 4200

nrw.com.au