

## Appendix 4D

### Half Yearly Report

**Name of Entity:** PWR Holdings Limited  
**ABN:** 85 105 326 850

#### 1. Reporting Period

<b>Reporting Period:</b>	<b>Half year ended 31 December 2016 (“current period”)</b>
<b>Previous Reporting Period</b>	<b>Half year ended 31 December 2015 (“previous corresponding period”)</b>

#### 2. Results for Announcement to the Market

A\$'000

Revenues from ordinary activities	Up	0.8%	to	18,624
Profit / (loss) from ordinary activities after tax attributed to members <sup>(i)</sup>	Up	47.4%	to	1,813
Net profit / (loss) for the period attributed to members <sup>(i)</sup>	Up	47.4%	to	1,813

<sup>(i)</sup> In 1H FY16, one off costs associated with the IPO of A\$2.67 million were incurred. Excluding the after-tax impact of this amount, profit from ordinary activities after tax attributed to members was down 41.6% to A\$1.81 million, as outlined further below.

<b>Dividends (distributions)</b>	<b>Amount per security</b>	<b>Franked amount per security</b>
<i>Current period</i>		
Interim dividend	0.90 cents	100%
<i>Previous corresponding period</i>		
Interim dividend	0.62 cents	100%
Record date for determining entitlements to the dividend	31 March 2017	

#### Brief explanation of revenue, net profit and dividends (results commentary)

Revenue of the Group for the six months ended 31 December 2016 was \$18.62 million (31 December 2015: \$18.47 million), an increase of 0.8%. The Group achieved organic growth of 11.8% compared to the comparative period, primarily arising from increased market penetration in the motorsports sector, however unfavourable movement in exchange rates offset the majority of these revenue gains, resulting in AUD revenue growth of 0.8%. The net profit after tax of the Group for the six months ended 31 December 2016 was \$1.81 million (31 December 2015: \$1.23 million). The comparative period included the recognition of \$2.67 million (\$1.87 million after tax) of one-off expenses in relation to the initial public offering of the Company.

EBITDA for 1H FY17 was \$3.37 million compared to \$5.32 million for 1H FY16. EBITDA margins were 18.1% and 28.8% respectively. The lower EBITDA margin and profit in 1H FY17 compared to the comparative period was primarily driven by: weaker British pound; investment in new engineering and production personnel to achieve current organic growth and ensure capability to deliver on future growth opportunities; investment in marketing activities; and a full period of public company costs.

Further information on results and operations is included in the Directors' Report.

Subsequent to the end of the reporting period:

- The directors declared a fully franked interim dividend for the half year ending 31 December 2016 of 0.9 cents per ordinary share to be paid on 7 April 2017, a total estimated distribution of \$900,000 based on the number of ordinary shares on issue as at 31 March 2017, representing 50% of NPAT.

### 3. Net Tangible assets per security

	Current period	Previous corresponding period
Net tangible assets per security	\$0.21	\$0.16

### 4. Details of entities over which control has been gained or lost during the period

#### Control gained over entities

Name of entities	Nil
Date(s) from which control was gained	N/A
Contribution to consolidated profit/(loss) from ordinary activities after tax by the controlled entities since the date(s) in the current period on which control was acquired.	N/A
Profit/(loss) from ordinary activities after tax of the controlled entities for the whole of the previous corresponding period.	N/A

#### Loss of control of entities

Name of entities	Nil
Date(s) from which control was lost	N/A
Contribution to consolidated profit/(loss) from ordinary activities after tax by the controlled entities to the date(s) in the current period when control was lost.	N/A
Profit/(loss) from ordinary activities after tax of the controlled entities for the whole of the previous corresponding period.	N/A

### 5. Details of Individual and Total Dividends

	Date dividend is payable	Amount per security	Franked amount per security at 30% tax	Amount per security of foreign source dividend
Interim Current period dividend	7 April 2017	0.90 cents	100%	-
Previous corresponding period	8 April 2016	0.62 cents	100%	-

### 6. Dividend reinvestment plan

Details of any dividend reinvestment plans in operation

N/A
The last date for the receipt of an election notice for participation in any dividend or distribution reinvestment plan
N/A

### 7. Details of Associates and Joint Ventures:

Name of associate or joint venture entity	Percentage holding	
	Current period	Previous corresponding period
Nil	Nil	Nil

Where material to an understanding of the report – aggregate share of profits (losses) of these entities, details of contributions to net profit for each of these entities, and with comparative figures for each of these disclosures for the previous corresponding period:

N/A
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### 8. For foreign entities, details of origin of accounting standards used in compiling the report (e.g. International Financial Reporting Standards)

N/A
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### 9. Description of dispute or qualification if the accounts have been audited or subject to review

N/A
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**This report is based on:**

Accounts that have been subject to review.

A handwritten signature in black ink, appearing to read 'Kees Weel', written in a cursive style.

**Kees Weel**

Managing Director

Dated this 23<sup>rd</sup> day of February 2017



**PWR Holdings Limited  
and its controlled entities**

ACN:105 326 850

**Interim Financial Report**

**For the six months ended 31 December 2016**

## Contents

	<b>Page</b>
<b>Directors' Report</b>	2
<b>Lead Auditor's Independence Declaration</b>	5
<b>Consolidated Financial Statements</b>	
Consolidated Statement of Profit or Loss and Other Comprehensive Income	6
Consolidated Statement of Financial Position	7
Consolidated Statement of Changes in Equity	8
Consolidated Statement of Cash Flows	9
Notes to the Condensed Consolidated Interim Financial Statements	10
Directors' Declaration	14
Independent Auditor's Review Report	15

**PWR Holdings Limited  
and its controlled entities**

**Directors Report**

**For six months ended 31 December 2016**

The directors present their report together with the financial report of PWR Holdings Limited (the "Company") and its controlled entities (the "Group") for the six months ended 31 December 2016 and the review report thereon.

**Directors**

The directors of the Company at any time during or since the end of the period are:

<b>Director</b>	<b>Period of Directorship</b>
Kees Cornelius Weel <i>Managing Director</i>	Since 30 June 2003
Robert Edward Thorn <i>Independent, Non-Executive Director and Chairman</i>	Since 7 August 2015
Jeffrey Ian Forbes <i>Independent, Non-Executive Director</i>	Since 7 August 2015
Teresa Gayle Handicott <i>Independent, Non-Executive Director</i>	Since 1 October 2015

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

**Operating and financial review**

The principal activities of the Group during the half year were the design, engineering, production, testing, validation and sales of customised aluminium cooling products and solutions to the motorsports, automotive original equipment manufacturing ("OEM"), automotive aftermarket and emerging technologies sectors for domestic and international markets.

**Summary of financial results**

*Profit and loss summary*

	<b>1H FY17</b>	<b>1H FY16</b>	<b>1H FY16 to</b>
	<b>AS'000</b>	<b>AS'000</b>	<b>1H FY17</b>
			<b>%</b>
Revenue	18,624	18,472	0.8%
EBITDA (excluding IPO costs)	3,374	5,322	(36.6%)
EBITDA margin (excluding IPO costs)	18.1%	28.8%	(10.7%)
Net profit after tax (including IPO costs)	1,813	1,230	47.4%
Operating cashflow	1,253	5,808	(78.4%)
Basic earnings per share	1.81 cents	1.40 cents	0.41 cents

*Revenue*

The Group achieved organic growth of 11.8% compared to the comparative period, primarily arising from increased market penetration in the motorsports sector, however unfavourable movement in exchange rates offset the majority of these revenue gains, resulting in AUD revenue growth of 0.8%.

Organic growth comprised growth in GBP sales of 23.9%, USD sales of 4.4% and AUD sales of 8.6% compared to the prior comparative period.

With unfavourable movement in exchange rates in 1H FY17, revenue was impacted negatively by \$2.03 million compared to the comparative period, with this impact largely flowing through to EBITDA and net profit after tax.

**PWR Holdings Limited  
and its controlled entities**

**Directors Report**

**For six months ended 31 December 2016**

**Operating and financial review (continued)**

*EBITDA<sup>1</sup>*

The lower EBITDA margin in 1H FY17 compared to the comparative period was primarily driven by:

- The flow on effect of the revenue impact of unfavourable movement in exchange rates, particularly in relation to the British pound;
- Investment in new engineering and production personnel to achieve current organic growth and ensure capability to deliver on future growth opportunities, with 26.7% growth in average global engineering and production headcount from the prior comparative period;
- Investment in marketing; and
- Growth in general and administration costs reflecting underlying growth and a full period of public company costs.

*Net profit after tax*

Net profit after tax of the Group for the six months ended 31 December 2016 was \$1.81 million (31 December 2015: \$1.23 million, including the recognition of \$2.67 million, or \$1.87 million after tax of one-off expenses in relation to the initial public offering of the Company in November 2015).

*Operating cashflow*

The lower operating cashflow in 1H FY17 compared to the comparative period was primarily driven by:

- \$1.75 million increase in inventories during the half as the Group invested in raw materials and PWR manufactured heat exchanger cores held in stock at C&R Racing to ensure sufficient inventory to achieve expected growth in demand; and
- The flow on effect on cash of unfavourable movement in exchange rates, particularly in relation to the British pound;
- Increased employee costs to achieve current organic growth and ensure capability to deliver on future growth opportunities; and
- Growth in general and administration costs reflecting underlying growth and a full period of public company costs, together with increased marketing expenses.

*Review of principal business*

During the six months ended 31 December 2016, the Group:

- Achieved growth in GBP sales of 23.9%, USD sales of 4.4% and AUD sales of 8.6% compared to the prior comparative period;
- Was selected as cooling assembly supplier for two OEM programs in North America;
- Continued other OEM development and prototype work;
- Continued to invest in new engineering and production personnel to achieve current organic growth and ensure capability to deliver on future growth opportunities, resulting in global staff numbers increasing to 203 at 31 December 2016; and
- Undertook capital investment to expand production capabilities.

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<sup>1</sup> Earnings Before Interest, Tax, Depreciation and Amortisation (“EBITDA”) is a non-IFRS term which has not been subject to audit or review but has been determined using information presented in the Group’s interim financial report.

**PWR Holdings Limited  
and its controlled entities**

**Directors Report**

**For six months ended 31 December 2016**

**Operating and financial review (continued)**

*Foreign currency*

The Group is exposed to movements in foreign exchange rates, with consolidated revenue generated in various currencies as outlined below:

	1H FY17	1H FY16
	%	%
British pounds (GBP)	46.18	46.92
US dollars (USD)	38.72	39.06
Australian dollars (AUD)	15.10	14.02

*Capital management*

The balance sheet remains strong with cash of \$2.12 million (30: June 2016: \$8.80 million) and no core debt.

Working capital increased during the half as the Group invested in raw materials and PWR manufactured heat exchanger cores held in stock at C&R Racing to ensure sufficient resources to achieve current organic growth and deliver on future growth opportunities.

Capital expenditure for the half was \$1.90 million (1H FY16: \$0.26 million), including specific capital expenditure to expand production capabilities.

The Group also continued to invest in new engineering and production personnel in order to achieve current organic growth and ensure capability to deliver on future growth opportunities.

**Events subsequent to reporting date**

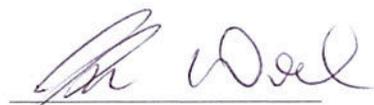
The Board declared an interim dividend of 0.9 cents per share. The financial effect of the 2017 declared interim dividend has not been brought to account in the consolidated financial statements for the half-year ended 31 December 2016.

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

**Lead auditor's independence declaration**

The lead auditor's independence declaration is set out on page 5 and forms part of the directors' report for the six months ended 31 December 2016.

Signed in accordance with a resolution of the directors:



Kees Weel  
*Managing Director*



Bob Thorn  
*Chairman*

Dated at Brisbane, this 23<sup>rd</sup> day of February 2017.



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

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To the Directors of PWR Holdings Limited

I declare that, to the best of my knowledge and belief, in relation to the review for the half year ended 31 December 2016 there have been:

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

KPMG

KPMG

Jason Adams  
Partner

Brisbane

23 February 2017

**PWR Holdings Limited  
and its controlled entities**

**Consolidated Statement of Profit or Loss  
and Other Comprehensive Income**

**For the six months ended 31 December 2016**

	<i>Note</i>	<b>31 Dec 2016</b>	<b>31 Dec 2015</b>
		\$	\$
Revenue		18,623,648	18,471,610
Other income		-	85,000
Raw materials and consumables used		(4,965,765)	(4,848,292)
Changes in inventories of finished goods and work in progress		935,792	1,201,688
Employee expenses		(9,002,912)	(7,649,260)
Depreciation and amortisation		(702,059)	(568,200)
Occupancy expenses		(825,960)	(749,472)
Initial public offering costs	<i>B2</i>	-	(2,665,936)
Other expenses		(1,390,793)	(1,189,278)
<b>Results from operating activities</b>		<u>2,671,951</u>	<u>2,087,860</u>
Finance income		7,456	3,061
Finance costs		(132,932)	(351,058)
<b>Net finance income/(costs)</b>		<u>(125,476)</u>	<u>(347,997)</u>
<b>Profit before income tax</b>		2,546,475	1,739,863
Income tax expense		(733,771)	(509,829)
<b>Profit for the period</b>		<u>1,812,704</u>	<u>1,230,034</u>
<b>Other comprehensive income</b>			
<b>Items that are or may be reclassified to profit or loss:</b>			
Exchange differences on translating foreign operations		(46,466)	440,031
<b>Total comprehensive income for the period</b>		<u>1,766,238</u>	<u>1,670,065</u>
<b>Basic and diluted earnings per share</b>		<u>1.81 cents</u>	<u>1.40 cents</u>

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

**PWR Holdings Limited  
and its controlled entities**

**Consolidated Statement of Financial Position**

**As at 31 December 2016**

	<i>Note</i>	<b>31 Dec 2016</b>	<b>30 June 2016</b>
		\$	\$
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents		2,118,169	8,796,805
Trade and other receivables		3,775,304	4,089,710
Inventories		8,498,409	6,743,778
Current tax assets		1,123,337	-
Other assets		971,225	631,403
<b>Total current assets</b>		<u>16,486,444</u>	<u>20,261,696</u>
<b>Non-current assets</b>			
Property, plant and equipment		6,983,467	5,909,144
Intangible assets		14,201,046	14,174,350
Deferred tax assets		1,714,428	1,821,995
<b>Total non-current assets</b>		<u>22,898,941</u>	<u>21,905,489</u>
<b>Total assets</b>		<u>39,385,385</u>	<u>42,167,185</u>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables		2,275,082	2,662,196
Loans and borrowings	<i>CI</i>	399,634	396,621
Employee benefits		1,169,698	969,807
Provisions		119,905	119,009
Current tax liabilities		-	408,648
<b>Total current liabilities</b>		<u>3,964,319</u>	<u>4,556,281</u>
<b>Non-current liabilities</b>			
Loans and borrowings	<i>CI</i>	564,448	763,641
Employee benefits		131,602	123,765
<b>Total non-current liabilities</b>		<u>696,050</u>	<u>887,406</u>
<b>Total liabilities</b>		<u>4,660,369</u>	<u>5,443,687</u>
<b>Net assets</b>		<u>34,725,016</u>	<u>36,723,498</u>
<b>Equity</b>			
Issued capital	<i>C2</i>	25,920,826	25,920,826
Reserves		482,879	514,065
Retained earnings		8,321,311	10,288,607
<b>Total equity</b>		<u>34,725,016</u>	<u>36,723,498</u>

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

**PWR Holdings Limited  
and its controlled entities**

**Consolidated Statement of Changes in Equity  
For the six months ended 31 December 2016**

<i>Note</i>	Share capital \$	Foreign currency translation reserve \$	Employee performance rights reserve \$	Retained earnings \$	Total equity \$
Balance at 1 July 2016	25,920,826	514,065	-	10,288,607	36,723,498
<b>Total comprehensive income for the period</b>					
Profit for the period	-	-	-	1,812,704	1,812,704
Other comprehensive income	-	(46,466)	-	-	(46,466)
Total comprehensive income	-	(46,466)	-	1,812,704	1,766,238
<b>Transactions with owners, recorded directly in equity</b>					
Dividends paid	-	-	-	(3,780,000)	(3,780,000)
Employee share based payments	-	-	15,280	-	15,280
Total transactions with owners	-	-	15,280	(3,780,000)	(3,764,720)
<b>Balance at 31 December 2016</b>	<b>25,920,826</b>	<b>467,599</b>	<b>15,280</b>	<b>8,321,311</b>	<b>34,725,016</b>
Balance at 1 July 2015	2,553,251	531,463	-	2,173,141	5,257,855
<b>Total comprehensive income for the period</b>					
Profit for the period	-	-	-	1,230,034	1,230,034
Other comprehensive income	-	440,031	-	-	440,031
Total comprehensive income	-	440,031	-	1,230,034	1,670,065
<b>Transactions with owners, recorded directly in equity</b>					
Share issued during the period, net of costs	C2 23,367,575	-	-	-	23,367,575
Total transactions with owners	23,367,575	-	-	-	23,367,575
<b>Balance at 31 December 2015</b>	<b>25,920,826</b>	<b>971,494</b>	<b>-</b>	<b>3,403,175</b>	<b>30,295,495</b>

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

**PWR Holdings Limited  
and its controlled entities**

**Consolidated Statement of Cash Flows  
For the six months ended 31 December 2016**

	<i>Note</i>	<b>31 Dec 2016</b>	<b>31 Dec 2015</b>
		<b>\$</b>	<b>\$</b>
<b>Cash flows from operating activities</b>			
Cash receipts from customers		19,127,108	19,056,771
Cash paid to suppliers and employees		(17,874,369)	(13,248,541)
Cash generated from operating activities		<u>1,252,739</u>	<u>5,808,230</u>
Interest paid		(25,935)	(278,849)
Income tax paid		(2,110,632)	(752,041)
<b>Net cash (used in)/from operating activities</b>		<u>(883,828)</u>	<u>4,777,340</u>
<b>Cash flows from investing activities</b>			
Government grant income received		-	40,000
Interest received		7,456	3,061
Proceeds from sale of property, plant and equipment		77,847	-
Payments for property, plant and equipment (net of asset finance)		(1,901,020)	(261,828)
<b>Net cash used in investing activities</b>		<u>(1,815,717)</u>	<u>(218,767)</u>
<b>Cash flows from financing activities</b>			
Proceeds from issue of shares	<i>C2</i>	-	24,150,000
Payments for issue of shares	<i>C2</i>	-	(3,783,685)
Dividends paid	<i>C3</i>	(3,780,000)	-
Repayment of borrowings	<i>C1</i>	-	(22,451,143)
Payment of finance lease liabilities		(196,178)	(386,400)
<b>Net cash used in financing activities</b>		<u>(3,976,178)</u>	<u>(2,471,228)</u>
<b>Net increase in cash and cash equivalents</b>		<u>(6,675,723)</u>	<u>2,087,345</u>
Cash and cash equivalents at 1 July		8,796,805	1,005,861
Effect of exchange rate fluctuations on cash held		(2,913)	79,410
<b>Cash and cash equivalents at 31 December</b>		<u>2,118,169</u>	<u>3,172,616</u>

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

**PWR Holdings Limited  
and its controlled entities**

**Notes to the consolidated interim financial statements**

**For the six months ended 31 December 2016**

**Section A About this report**

**A1 Reporting entity**

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

These consolidated interim financial statements of the Company as at and for the six months ended 31 December 2016 comprise the Company and its subsidiaries (together referred to as the “Group” and individually as “Group Entities”).

The Group is involved in the design, engineering, production, testing, validation and sales of customised aluminium cooling products and solutions to the motorsports, automotive original equipment manufacturing, automotive aftermarket, emerging technologies and industrial industries for domestic and international markets.

The consolidated annual financial statements of the Group as at and for the year ended 30 June 2016 are available upon request from the Company’s registered office at 103 Lahrs Road, Ormeau, Queensland 4208.

**A2 Basis of preparation**

**(a) Statement of compliance**

These interim financial statements are general purpose financial statements prepared in accordance with AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*, and with IAS 34 *Interim Financial Reporting*.

They do not include all of the information required for a complete set of annual financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to understanding the changes in the Group’s financial position and performance since the last annual consolidated financial statements as at and for the year ended 30 June 2016.

The accounting policies applied in these interim financial statements are the same applied in the Group’s consolidated financial statements as at and for the year ended 30 June 2016, except as outlined below.

These interim financial statements were approved by the Board of Directors on 23 February 2017.

**(b) Use of estimates and judgements**

In preparing these interim financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

The significant judgements made by management in applying the Group’s accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 30 June 2016.

**A3 Significant accounting policies**

**(a) Employee benefits – share based payment transactions**

As disclosed in note C4, the Group granted performance rights to employees under the terms of the Performance Rights Plan approved at the Company’s Annual General Meeting on 21 October 2016.

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

**PWR Holdings Limited  
and its controlled entities**

**Notes to the consolidated interim financial statements**

**For the six months ended 31 December 2016**

**Section B Business performance**

**B1 Operating segments**

The Group determines its operating segments based on information presented to the Managing Director being the chief operating decision maker.

Intersegment pricing is determined based on cost plus a margin.

	PWR Performance				Total	
	Products		C&R Racing			
	31 Dec 2016	31 Dec 2015	31 Dec 2016	31 Dec 2015	31 Dec 2016	31 Dec 2015
	\$	\$	\$	\$	\$	\$
External revenues	12,257,747	12,234,025	6,365,901	6,237,585	18,623,648	18,471,610
Inter-segment revenues	2,076,370	2,378,137	234,993	231,982	2,311,363	2,610,119
Segment revenue	14,334,117	14,612,162	6,600,894	6,469,567	20,935,011	21,081,729
Operating EBITDA <sup>1</sup>	3,235,956	6,482,312	205,972	(496,283)	3,441,928	5,986,029
Depreciation	(502,001)	(379,846)	(200,058)	(188,354)	(702,059)	(568,200)
Segment profit/(loss) before interest and tax	2,733,955	6,102,466	5,914	(684,637)	2,739,869	5,417,829

<sup>1</sup> Operating EBITDA is the segment's profit from operations before interest, taxation, depreciation and amortisation.

	31 Dec 2016	31 Dec 2015
	\$	\$
<b>Reconciliation of reportable segment profit or loss</b>		
<i>Profit before tax</i>		
Profit before tax for reportable segments	2,739,869	5,417,829
Net finance income/(costs)	(125,476)	(347,997)
Elimination of inter-segment profit	(67,918)	(663,424)
Unallocated corporate expenses	-	(2,666,545)
Consolidated profit before tax	2,546,475	1,739,863

**B2 Significant items**

During the comparative period, the Company incurred \$3.78 million before tax in one-off costs in relation to the initial public offering undertaken by the Company, of which \$1.12 million was allocated to equity and \$2.67 million was recorded as an expense. These non-recurring expenses are included in "Initial Public Offering Expenses" in the Consolidated Statement of Profit or Loss and Other Comprehensive Income.

**B3 Seasonality of operations**

The Group's operations are subject to seasonal fluctuations as a result of motorsports seasons operating on a calendar year basis, with the majority of motorsports team spend occurring in the second half of the financial year. As a result, the Group typically has lower revenues and profits in the first half of the financial year.

**PWR Holdings Limited  
and its controlled entities**

**Notes to the consolidated interim financial statements**

**For the six months ended 31 December 2016**

**Section C Capital structure and borrowings**

**C1 Loans and borrowings**

During the comparative period, the Group repaid in full its foreign currency debt facilities of £7.20 million (A\$13.83 million) and US\$4.95 million (A\$6.47 million). The repayment was funded by the proceeds of the initial public offering undertaken by the Company during that period.

**C2 Capital and reserves**

	31 Dec 2016		31 Dec 2015	
	No. of shares	\$	No. of shares	\$
<b>Share capital</b>				
<i>Ordinary shares</i>				
Balance at 1 July	100,000,000	25,920,826	1,000,000	2,553,251
Share subdivision (i)	-	-	82,900,000	-
Issued for initial public offering (ii)	-	-	16,100,000	24,150,000
Transaction costs recognised during the period, net of tax	-	-	-	(782,425)
Balance at 31 December	100,000,000	25,920,826	100,000,000	25,920,826

**(i) Share subdivision**

In October 2015, the Company subdivided its shares, with the existing 1,000,000 shares split into 83,900,000 shares.

**(ii) Initial public offering**

In October 2015, the Company issued a prospectus for the purposes of an initial public offering of 54.5 million shares at an offer price of \$1.50 per share, comprising the sell-down of 38.4 million existing shares by existing shareholders and the issue of 16.1 million new shares. As a result:

- The Company listed on the Australian Securities Exchange (ASX code: PWH) on 18 November 2015;
- The Company raised \$24.15 million;
- The Group repaid debt of £7.20 million (A\$13.83 million) and US\$4.95 million (A\$6.47 million);
- The Company incurred \$3.78 million before tax in costs in relation to the transaction, of which \$1.12 million was allocated to equity and \$2.67 million was recorded as an expense.

**C3 Dividends**

Dividends recognised in the current period by the Company are:

	Cents per share	Total amount \$	Franked/unfranked	Date of payment
2016 Final Dividend	3.78	3,780,000	Franked	19 September 2016
Total amount		3,780,000		

No dividends were recognised by the Company during the prior period.

Subsequent to half year end, the Company declared the following dividends:

	Cents per share	Total amount \$	Franked/unfranked	Date of payment
2017 Interim Dividend	0.9	900,000	Franked	7 April 2017
Total amount		900,000		

**PWR Holdings Limited  
and its controlled entities**

**Notes to the consolidated interim financial statements**

**For the six months ended 31 December 2016**

**Section C Capital structure and borrowings (continued)**

**C4 Share based payments**

During the period the Board approved the grant of performance rights to employees under the terms of the Performance Rights Plan (the Plan) following approval at the Company's Annual General Meeting on 21 October 2016.

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

Vesting of the performance rights approved during the half year is subject to meeting a 3 year service condition and achievement of performance hurdles (based on either an EPS growth target or total shareholder return (TSR) ranking). The performance period for the rights issued is from 1 July 2016 to 30 June 2019.

135,875 performance rights were approved during the half year with 50% subject to the EPS performance hurdle and 50% subject to the TSR performance hurdle.

In accordance with the Group's accounting policy, the grant date fair values of the rights issued will be recognised as an expense over the vesting period. The grant date fair values have been determined using the Binomial or Monte-Carlo Simulation valuation methods. An expense of \$15,280 was recognised during the half year and included in "employee expenses" in the statement of profit or loss and other comprehensive income.

**Section D Other information**

**D1 Subsequent events**

The Board declared an interim dividend of 0.9 cents per share. The financial effect of the 2017 declared interim dividend has not been brought to account in the consolidated financial statements for the half-year ended 31 December 2016.

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

## Directors' declaration

In the opinion of the directors of PWR Holdings Limited (the "Company"):

- (a) the consolidated financial statements and notes, set out on pages 6 to 13 are in accordance with the Corporations Act 2001, including:
  - (i) giving a true and fair view of the Group's financial position as at 31 December 2016 and of its performance for the six month period ended on that date; and
  - (ii) complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the Corporations Regulations 2001;
- (b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the directors:



Kees Weel

*Managing Director*

Dated at Brisbane, this 23<sup>rd</sup> day of February 2017.



Bob Thorn

*Chairman*

Dated at Brisbane, this 23<sup>rd</sup> day of February 2017.

# Independent Auditor's Review Report

To the shareholders of PWR Holdings Limited

## Conclusion

We have reviewed the accompanying **Interim Financial Report** of PWR Holdings Limited.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the Interim Financial Report of PWR Holdings Limited is not in accordance with the *Corporations Act 2001*, including:

- giving a true and fair view of the Group's financial position as at 31 December 2016 and of its performance for the **Interim Period** ended on that date; and
- complying with *Australian Accounting Standard AASB 134 Interim Financial Reporting* and the *Corporations Regulations 2001*.

The **Interim Financial Report** comprises:

- Consolidated statement of financial position as at 31 December 2016;
- Consolidated statement of profit or loss and other comprehensive income, Consolidated statement of changes in equity and Consolidated statement of cash flows for the Interim Period ended on that date;
- Notes A1 to D1 comprising a summary of significant accounting policies and other explanatory information; and
- The Directors' Declaration.

The **Group** comprises PWR Holdings Limited (the Company) and the entities it controlled at the Interim Period's end or from time to time during the Interim Period.

The **Interim Period** is the six months ended on 31 December 2016.

## Responsibilities of the Directors for the Interim Financial Report

The Directors of the Company are responsible for:

- the preparation of the Interim Financial Report that gives a true and fair view in accordance with *Australian Accounting Standards* and the *Corporations Act 2001*; and
- for such internal control as the Directors determine is necessary to enable the preparation of the Interim Financial Report that is free from material misstatement, whether due to fraud or error.

## Auditor's responsibility for the review of the Interim Financial Report

Our responsibility is to express a conclusion on the Interim Financial Report based on our review. We conducted our review in accordance with *Auditing Standard on Review Engagements ASRE 2410 Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the Interim Financial Report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the Group's financial position as at 31 December 2016 and its performance for the Interim Period ended on that date; and complying with *Australian Accounting Standard AASB 134 Interim Financial Reporting* and the *Corporations Regulations 2001*. As auditor of PWR Holdings Limited, *ASRE 2410* requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

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

## Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.



KPMG



Jason Adams  
Partner

Brisbane

23 February 2017