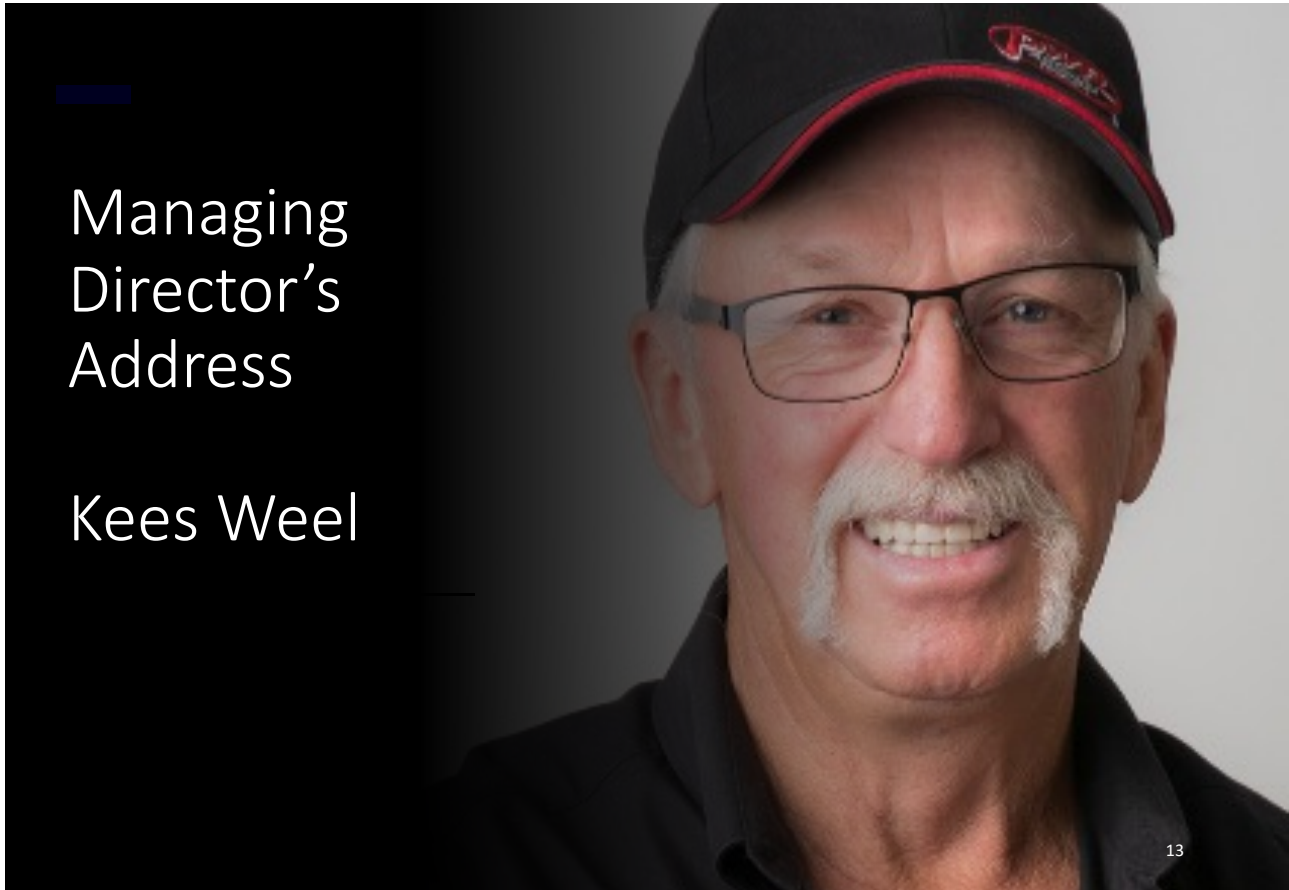


PWR MANAGING DIRECTOR'S ADDRESS TO 2023 ANNUAL GENERAL MEETING | 27 OCTOBER 2023

Managing Director's Address

Kees Weel



Thank you, Roland.

Good afternoon and thank you for joining us today for PWR's 2023 Annual General Meeting.

I hope you all enjoyed your lunch and my thanks go out to our full-time onsite chefs Grant, Hanh and Kopu for cooking up a good feed.

I am really pleased to see that we were able to get quite a few of you through our manufacturing facility which has grown significantly since our listing on the ASX in 2015.

With a solid financial year behind I am pleased to take you through both the financial and operational highlights of what has been achieved over the 2023 financial year, as well as provide an update on where we see the 2024 financial year taking us.

FY2023 Performance Highlights



17.1% Revenue Growth

- Across all major markets
- 48% - Aerospace & Defence
- 19% - Original Equipment Manufacturers (OEM)
- 13% - Motorsports
- 12% - Automotive Aftermarket
- Expanding pipelines

Investing in the Future

- \$15 million – new equipment investment
- 4 new furnaces on order being commissioned in H1 FY2024
- \$2 million – strategic acquisitions
- Established European manufacturing facility in the UK
- 40% increase in factory space
- 60 headcount increase
- \$0.6 million upgrade to Enterprise Resource Planning (ERP) System

Shareholder Return

- NPAT \$21.8 million (4.4% increase on prior year)
- Dividend policy - 40 to 60% NPAT
- 8.90 cents per share final dividend (full year 12.50 cents, 58% of NPAT)
- 37% increase in share price over FY2023
- 103% Total Shareholder Return over 3 years (88th percentile when compared with the ASX300¹)

“Investing Now to Collect Later”

1 ASX300 excluding energy companies

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The FY23 performance highlights reflect the outstanding effort contributed by all staff during the year:

- Revenue was up across all key markets and geographies
- Of note is the strong revenue growth out of Europe (18%) and Australia (17%) from OEM and Motorsports. The teams in Australia and Europe are to be congratulated for that achievement
- Revenue in Aerospace & Defence was up 48% to \$10.5m and now represents 9% of total sales
- We continue to invest in new equipment, factory space and headcount to support growth. **“Investing now to collect later”**
- We established a UK manufacturing facility to increase global capacity and to support further expansion into European markets
- We expect our budgeted CAPEX program for FY24 to be funded from cash reserves and cash generated from operations. In addition, we have significant undrawn financing facilities should we need them
- As mentioned by the Chairman, we paid a final dividend of 8.9c per share making the total dividend of 12.5c per share for the 2023 financial year - an increase of 4.2% from the prior year
- We delivered a 103% total shareholder return over the last 3 years. This was the 88th percentile when compared to the ASX300 excluding energy stocks

Revenue by Market Sector



Revenue by Customer Market										
	2023				2022				Growth	
	Advanced Cooling	Emerging Technologies ¹	Total	%	Advanced Cooling	Emerging Technologies ¹	Total	%		
	\$'000	\$'000	\$'000	%	\$'000	\$'000	\$'000	%	\$'000	%
Motorsports	55,026	7,230	62,256	52%	47,476	7,809	55,285	55%	6,971	13%
Automotive OEM	21,935	3,704	25,639	22%	18,007	3,462	21,469	21%	4,170	19%
Automotive Aftermarket	17,796	3	17,799	15%	15,485	360	15,845	16%	1,954	12%
Aerospace & Defence	-	10,533	10,533	9%	-	7,130	7,130	7%	3,403	48%
Other	1,431	668	2,099	2%	671	672	1,343	1%	756	56%
	96,188	22,138	118,326	100%	81,639	19,433	101,072	100%	17,254	17.1%

Key points – Customer Markets

- Motorsports – growth across all motorsports categories
- Automotive OEM – continuation of existing programs and the commencement of new programs. The pipeline continuing to develop
- Automotive aftermarket – continuing to increase production capacity to meet demand. Further growth potential is evident, with particular focus on North America and Europe
- Aerospace and Defence – increasing size and number of programs across a range of customers

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

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- Motorsport remains the largest market and an important technology driver for PWR. Total motorsports revenue grew 13%, with growth across several major motorsport categories. Given our current penetration into all major motorsports categories, we expect more moderate revenue growth for FY24 and beyond
- Automotive OEM grew by 19% due to the continuation of existing programs and commencement of new programs
- Aerospace and Defence grew by 48% as we expand the number of customers and programs. As these programs progress into full production, we expect Aerospace and Defence to be an important contributor to growth in FY24 and beyond
- Automotive Aftermarket grew 12%. Demand in this market remains strong and we are continuing to work on increasing production capacity and improving our marketing efforts

Business Outlook



Organic Growth – extensive organic growth opportunities. Disciplined approach to selecting which opportunities to progress

Europe Manufacturing – consolidated new acquisitions, establishing a manufacturing base from the new 3,590 m² facility in Rugby, United Kingdom

Aerospace and Defence (A&D) – continued growth in existing and new programs across a range of applications, including several electric vertical take-off and landing (eVTOL) aircraft programs. Expanding A&D manufacturing capability in the US with the commissioning of vacuum braze and heat treatment furnaces, and an anodizing plant in H1 FY2024

OEM programs – continuing to deliver on existing programs, commencing new programs, while continuing to develop the pipeline for future programs

Automotive Aftermarket – continuing to increase production capacity to satisfy demand. Further growth potential is evident, with particular focus on North America and Europe

Motorsports – continue to support all major motorsports categories as they strive to develop more efficient cooling technology



Electric vertical take-off and landing (eVTOL) aircraft (source: shutterstock.com)



PWR Charge Air Cooler being developed as a component of the Universal Hydrogen powertrain delivering carbon free flight

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- PWR is vertically integrated, manufacturing everything in house. This is one of the major reasons we have been able to grow our revenue and to push into new markets including Aerospace and Defence. We are able to control and lower the supply chain risk for customers
- The newly established European manufacturing facility in Rugby continues to expand. Starting from an empty factory in January this year, the team has delivered a world class facility, increasing our global manufacturing capacity and providing local engineering and manufacturing support for our European customers
- The number and potential size of Aerospace and Defence opportunities continue to grow across Australia, Europe, and North America, supporting our view that Aerospace and Defence will be an important contributor to growth in FY24 and beyond
- We continue to leverage our knowledge gained in the Motorsports sector to become a key supplier to large Aerospace and Defence organisations in the new and earlier stage projects due to our technology, reduced lead times and our high-quality standards
- The continued introduction of emerging and advanced technologies into our manufacturing processes ensures we remain at the forefront of manufacturing capability and complexity for both existing customers as well as potential new customers and industries

Pipelines – Key Automotive OEM



Program	Status	SOP FY	Prod. Years	FY2024	FY2025	FY2026
Rimac - Novera (300)	Nominated Supplier	2022	4			
Valkyrie + Spider (258)	Nominated Supplier	2023	2			
AMG X1 Road car (275)	Nominated Supplier	2022	3			
EV Delivery Vehicle	Nominated Supplier	2022	5			
EV Road Car (150)	Nominated Supplier	2022	4			
Roadcar (500)	Nominated Supplier	2023	5			
Hypercar (250)	Nominated Supplier	2023	4			
Hypercar (200)	Nominated Supplier	2023	4+			
EV Semi Truck	Nominated Supplier	2023	7			
Road Car (70)	Nominated Supplier	2023	2			
European Hyper Car (100)	Nominated Supplier	2023	2			
Roadcar (100)	Nominated Supplier	2023	2			
Track Car (28)	Nominated Supplier	2023	2			
Undisclosed	Nominated Supplier	2024	7			
Roadcar (300)	Nominated Supplier	2024	6			
Undisclosed	Nominated Supplier	2024	5			
European Road Car (300)	Nominated Supplier	2024	4			
Undisclosed	Nominated Supplier	2024	4			
Additive Hypercar (75)	Nominated Supplier	2024	3			
Undisclosed	Nominated Supplier	2024	2			
European Track Car (30)	Nominated Supplier	2024	2			
Undisclosed	Nominated Supplier	2024	5+			
Undisclosed	In Discussion	2025	2			
Undisclosed	In Discussion	2025	3			
Undisclosed	In Discussion	2025	4			
US Road Car (20,000)	In Discussion	2026	4			
Undisclosed	B Sample Phase - Nominated	2026	5			
Undisclosed	A Sample Phase - Nominated	2026	10			
Undisclosed	In Discussion	2027	4			
Undisclosed	In Discussion	2027	5			
Number of Key Programs (Nominated Supplier + In Discussion)				22	19	18

Secured / Won
In production / future production

In discussion / potential program
Design and/or planning phase

Program timing, volume and term are dependent upon manufacturer requirements and are subject to change. Information provided on current expectations

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- We continue to deliver existing OEM programs for Valkyrie, AMG X1, Rimac Novera and Koenigsegg Jesco. We are also in discussion with several parties for new OEM programs
- The OEM pipeline continues to expand with discussion about the size and timing of future programs ongoing

Pipelines – Other Production Pipelines



Market	Status	SOP FY	Prod. Years	FY2024	FY2025	FY2026
Motorsports - Emerging Tech - F1 current	Nominated Supplier - multiple Teams	2023	Ongoing			
Motorsports - Emerging Tech - F1 2026	Nominated Supplier - multiple Teams	2026	Ongoing			
Motorsports - Hybrid & Electric	Nominated Supplier - multiple Teams	2023	Ongoing			
Aerospace & Defence	Nominated Supplier	2024	8			
Aerospace & Defence	Nominated Supplier	2023	Ongoing			
Aerospace & Defence	Nominated Supplier	2024	4			
Aerospace & Defence	Nominated for Prototyping/B Samples	2023	TBC			
Aerospace & Defence	Nominated Supplier	2022	Ongoing			
Aerospace & Defence	Nominated Supplier	2023	3			
Aerospace & Defence	Nominated for Prototyping	2023	TBC			
Aerospace & Defence	Nominated for Prototyping/B Samples	2023	TBC			
Aerospace & Defence	Nominated for Prototyping	2023	3			
Aerospace & Defence	Nominated Supplier	2023	8			
Aerospace & Defence	Nominated Supplier	2023	TBC			
Aerospace & Defence	Nominated Supplier	2023	TBC			
Aerospace & Defence	Nominated Supplier	2023	TBC			
Aerospace & Defence	Nominated Supplier	2023	TBC			
Aerospace & Defence	Nominated Supplier	2023	TBC			
Aerospace & Defence	Nominated for Prototyping	2023	TBC			
Aerospace & Defence	Nominated for Prototyping	2023	TBC			
Aerospace & Defence	Nominated for Prototyping	2023	TBC			
Aerospace & Defence	Nominated Supplier	2023	TBC			
Aerospace & Defence	Nominated for Prototyping	2023	TBC			
Aerospace & Defence	Nominated Supplier	2023	TBC			
Aerospace & Defence	Nominated for Prototyping	2023	TBC			
Aerospace & Defence	Nominated for Prototyping	2023	TBC			
Aerospace & Defence	Nominated Supplier	2023	TBC			
Aerospace & Defence	Nominated for Prototyping	2023	TBC			
Aerospace & Defence	Nominated for Prototyping	2023	TBC			
Aerospace & Defence	In Discussion	2024	3			
Aerospace & Defence	In Discussion	2024	3			
Aerospace & Defence	In Discussion	2024	2			
Aerospace & Defence	In Discussion	2024	2			
Aerospace & Defence	In Discussion	2024	TBC			
Aerospace & Defence	In Discussion	2024	2			
Aerospace & Defence	In Discussion	2024	1			
Aerospace & Defence	In Discussion	2024	1			
Aerospace & Defence	In Discussion	2025	7			
Number of Key Programs (Nominated Supplier + In Discussion)				33	32	23

Secured / Won
In production / future production

In discussion / potential program
Design and/or planning phase

Program timing, volume and term are dependent upon manufacturer requirements and are subject to change. Information provided on current expectations

- Other non-OEM production pipelines also continue to expand and develop with the expanding Aerospace and Defence programs, and the uptake of Emerging Technologies across a range of customer markets, in particular Motorsports and Aerospace and Defence

Investing in People



PWR recognises that our People are core to our future success. To deliver on current and future opportunities, PWR is investing in growing headcount and developing the skills of our people

The People strategy includes:

- **Investment in Headcount** – growth requires an ongoing investment in people to build headcount, with a focus on targeted attraction, selection and efficient upskilling
- **Apprentice Program** – PWR employs 37 apprentices across a range of trades and is continuing to expand the apprentice program
- **PWR Academy** – expand job related learning and development through a dedicated PWR Academy
- **Graduate Engineer Program** – PWR has a 2 year graduate engineer program, where graduates rotate between engineering teams to gain valuable experience before deciding their preferred specialisation
- **Global Engineer Exchange Program** – PWR has an exchange program between Australia, North America and the United Kingdom. To expand the professional experience of the Engineers and to reinforce the PWR DNA across all operations
- **Work Experience Program** – PWR runs a work experience program for high school students interested in a career in advanced manufacturing



PWR Australia job fair - attracted over 250 people, with 90 application and expressions of interest received within 48 hours of the event

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- Of course, it goes without saying that continued further growth for PWR comes down to our staff in Australia, the USA and Europe. They will continue to drive product innovation and customer focused solutions both of which are central to our strategy and our continued growth and success
- PWR now has over 515 team members globally and with continued growth, our ability to attract and retain top talent is another key pillar in our strategy
- PWR is investing in growing its headcount and is actively recruiting for several roles. The employment market has improved slightly but remains tight for quality staff
- We also invest heavily in apprentices, work experience students (both school and university) and graduate engineer programs
- Most of all our people demonstrate every day PWR's DNA - RESPECT, PASSION and TEAMWORK

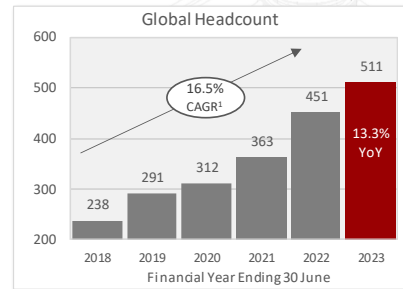
Retaining our Staff



Retaining skilled staff is crucial to achieving our growth plans. We invest in upskilling our staff and strive to provide a rewarding career path

Our staff retention strategies include:

- **Short Term Incentive (STI)** – the PWR STI program has been expanded in recent years to include supervisors and key team members, providing a direct link between PWR's performance and personal reward, with a portion deferred over 2 years
- **Career Developing Planning** – we are developing individual career plans and training pathways
- **Supervisor Training** – regular training for Supervisors so they can better support their teams
- **Employee Assistance Program** – independent and confidential support for our staff and their immediate families
- **Weely's Diner** – PWR Australia provides morning tea and lunch daily for all staff and has done since inception
- **Employee Feedback** – we actively seek feedback from our staff through one on one meetings and staff surveys, and build this feedback into our action plans



1 CAGR - Compound Annual Growth Rate over 5 years



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- Retaining our talented people is vital for maintaining quality, production efficiency and for achieving our growth targets
- This involves providing a clear and rewarding career path, ongoing development training and a range of employee benefits. In Australia we provide free breakfast, morning tea and lunch daily
- Several years back I proposed to the Board expanding our Short-Term Incentive program to include supervisors and key staff. The broad STI program provides a direct link between our performance and personal reward for key employees
- A significant number of staff are also PWR shareholders, allowing them to share in our ongoing success

Investing in Capability and Capacity



Capital Investment – an ongoing targeted capital investment program is critical to stay at the forefront of technology developments and to ensure we have sufficient capacity for anticipated and planned growth

Future capex will be focused on increased capacity, new facility fit out and program specific equipment

Factory footprint – we continue to assess the optimal factory footprint to ensure we plan for growth while maintaining efficiency:

- United Kingdom – New 3,590m² manufacturing facility secured in December 2022 for 20 years
- North America – New 1,300m² PWR North America – Aerospace & Defence Machining Centre operational in October 2022
- Australia – Discussions continuing for a factory relocation to be ready in mid 2025. The factory relocation is expected to support growth for the next 10-20 years. A 1,500m² raw material warehouse was secured in November 2022 to provide additional space ahead of the factory relocation

Cyber Security – protecting intellectual property, client data and sensitive personal data is critical. We are continuing to invest in the latest technology and services to secure our systems. This is an important investment as we pursue Aerospace and Defence programs

Enterprise Resource Planning (ERP) System – we are undertaking several programs to expand our use of the ERP, improving visibility, planning and costs control. Expanding the use of scanners and computers across the factories

Capacity planning – we are expanding our capacity planning function to improve efficiency within each factory and capacity planning globally. This includes aligning equipment capabilities across each factory where appropriate

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- To achieve our growth potential, it is imperative we continue to plan well ahead, investing in the latest technology and of course factory space for manufacturing
- Capex was higher in FY23 due to the timing of purchase orders and extended lead times for equipment ordered in the prior year. FY24 capex is expected to be similar to the historical average, excluding capex for specific new customer programs
- This year we have expanded our global capacity planning function to improve efficiency within each factory and to better utilise our global capacity

New Australian Factory in mid 2025



- **Size** – c.21,00m² – 114% increase in production floorspace
- **Term** – 15-year lease with 2 x 5-year options to extend
- **Location** – Stapylton, Queensland, 6.5km North from the existing facility at Ormeau
- **Timing** – operational mid 2025

Planning underway for the new facility to streamline workflows and increase automation where appropriate

Proudly supported by the Queensland Government's Invested in Queensland Program



**Queensland
Government**

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- At last year's AGM we told you about our vision to move to a brand new manufacturing facility. Today, I am pleased to advise that we have signed a 15 year lease with 2 x 5 year extension options for around a 21,000m² facility at Stapylton in Queensland, with plans to undertake a purpose design fit out moving in around July 2025
- Planning for the new site will consider growth in our headcount numbers, traffic access, manufacturing flows and the opportunity to increase the use of automation where appropriate
- The Queensland Government has supported our decision to expand our Australian manufacturing base through the Invested in Queensland grant program. Under the grant, PWR will receive up to \$8.78 million in support over a 10-year period, provided PWR meet investment and headcount targets over the grant period
- The Invested in Queensland program has provided real incentive to stay on home soil to grow and provide over time hundreds of new local jobs as a result

Our short-term vision is to set PWR Australia up for the next 20 years of growth.

Thank you for joining us today at our AGM.

I will now hand back to Tess to take your questions.