



APPENDIX 4D & HALF-YEAR REPORT

For the half-year ended 31 December 2022

SRG Global Limited
ABN: 81 104 662 259



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APPENDIX 4D INFORMATION FOR ASX

For the Half-Year Ended 31 December 2022

The following information is provided to ASX in accordance with Listing Rule 4.2A.3. This information should be read in conjunction with SRG Global Limited's Financial Report for the half-year ended 31 December 2022 as contained herein.

Name of entity

SRG Global Limited ('Company'; 'Group' or 'SRG Global'), ABN 81 104 662 259

Details of reporting period

	6-month period ended
Reporting period	31 December 2022
Previous corresponding period	31 December 2021

Results for announcement to the market

For the six months ended 31 December			2022 \$000's	2021 \$000's
	%			
Revenue from ordinary activities	Up 28		380,021	296,774
EBITDA	Up 26		34,039	27,036
EBIT(A) ⁽¹⁾	Up 31		20,897	15,921
NPAT(A) ⁽²⁾	Up 31		13,242	10,089
Profit before tax	Up 39		17,966	12,909
Profit from ordinary activities after tax attributable to members	Up 41		12,424	8,830
Net profit for the period attributable to members	Up 41		12,424	8,830
Earnings per share (basic)	Up 40		2.8¢	2.0¢
Net tangible assets per security (basic)	Up 9		31.1¢	28.6¢

⁽¹⁾ Earnings before interest, tax, and amortisation of customer contracts and intangible assets

⁽²⁾ Net profit before amortisation of customer contracts and intangible assets, and after tax

Dividends & distributions

	Amount per security	Franked Amount per security
Reporting period		
Interim dividend for the six months ended 31 December 2022	2.0¢	2.0¢
Previous corresponding period		
Interim dividend for the six months ended 31 December 2021	1.5¢	1.5¢

Dividend reinvestment plan

SRG Global does not have a dividend reinvestment plan.

Half-year information given to ASX under listing rule 4.2A.3

This interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report should be read in conjunction with the annual financial report for the year ended 30 June 2022 and any public announcements made during the reporting period by the Company in accordance with the continuous disclosure requirements of the ASX Listing Rules and the *Corporations Act 2001*.

DIRECTORS' REPORT

For the Half-Year Ended 31 December 2022

The Directors submit their report for the half-year ended 31 December 2022 for the Group, consisting of SRG Global Limited and its controlled entities.

Directors

The names of the Company's directors in office during the half-year and until the date of this report are set out below. Directors were in office for the entire period unless otherwise stated.

Non-Executive Chairman	Peter McMorrow
Managing Director	David Macgeorge
Non-Executive Director	Michael Atkins
Non-Executive Director	Amber Banfield
Non-Executive Director	Peter Brecht (Resigned 13 October 2022)

Company Secretaries

The names of the Company Secretaries in office during the half-year and until the date of this report are set out below. Company Secretaries were in office for the entire period unless otherwise stated.

Roger Lee
Judson Lorkin

Principal Activities

During the half-year, the principal continuing activities of the consolidated entity consisted of delivering a suite of engineering-led specialist Asset Maintenance, Mining Services, and Engineering and Construction services across the entire asset lifecycle.

Review of Operations

Asset Maintenance Segment

The Asset Maintenance segment consist of supplying integrated services to customers across the entire asset life cycle. Services provided span multiple sectors including oil and gas, energy, major infrastructure, offshore, mining, power generation, water treatment plants, commissioning, decommissioning, shutdowns and civil works. Contracts vary in length from short to long-term.

For the six months ended 31 December 2022 the Asset Maintenance segment generated revenues of \$123.1m, an increase of 22.1% on the previous corresponding period. EBITDA for the six-month period was \$14.3m, an increase of 22.4% on the previous corresponding period.

Mining Services Segment

The Mining Services segment services mining clients and provides comprehensive ground solutions including production drilling, ground and slope stabilisation, design engineering and monitoring services. Contracts vary in length from short to long-term.

For the six months ended 31 December 2022 the Mining Services segment generated revenues of \$70.5m, an increase of 32.6% on the previous corresponding period. EBITDA for the six-month period was \$14.2m, an increase of 25.5% on the previous corresponding period.

DIRECTORS' REPORT

For the Half-Year Ended 31 December 2022

Engineering and Construction Segment

The Engineering and Construction segment consist of supplying integrated products and services to customers involved in the construction of complex infrastructure. These typically include bridges, dams, office towers, high rise apartments, shopping centres, hotels, car parks, recreational buildings, and hospitals. Contracts are typically medium to long-term.

For the six months ended 31 December 2022 the Engineering and Construction segment generated revenues of \$186.4m, an increase of 30.5% on the previous corresponding period. EBITDA for the six-month period was \$13.8m, an increase of 24.1% on the previous corresponding period.

Matters subsequent to the end of the half-year financial results

On 2 February 2023, the Group secured two contracts with Northern Star Resources Limited (Northern Star) valued at \$220m. The scope of services of both contracts include the provision of specialist drill and blast services, explosives management and grade control drilling. The first contract is a five-year term contract at Bronzewing gold operations in Western Australia (WA) with contract services commencing immediately. The second contract is a two-year extension to the initial five-year contract which commenced in April 2020 at the Thunderbox and Carosue Dam gold operations in WA.

On 6 February 2023, the Group secured four contracts in Victoria (VIC) with Department of Transport Victoria (DoT) for bridge maintenance works at the West Gate Bridge, Nine Mile Creek Bridge, Glenferrie Road over Caulfield Rail Bridge and Donnybrook Road Bridge over Barbers Creek. These contracts have commenced and are expected to be completed within two to six months. The Group also secured a contract with CBGU JV (CPB Contractors, UGL, Ghella and BAM) for the supply of products and specialist engineering services at the Cross River Rail project in Queensland (QLD) which has commenced and is expected to be completed within eight months. Furthermore, the Group secured wharf remediation works as part of Port of Melbourne's Swanson Dock West Remediation Project in VIC for McConnell Dowell Constructors (Aust) Pty Ltd (McConnell Dowell). The contract is expected to commence in March 2023 and run to December 2024. The combined value of the contracts with DoT, CBGU JV and McConnell Dowell is \$40m.

On 16 February 2023, SRG Global entered into a binding agreement with ALS Industrial Holdings Pty Ltd, a subsidiary of ALS Ltd to acquire 100% of the issued shares in ALS Industrial Pty Ltd ("Asset Care") for A\$80 million. SRG Global intends to fund the acquisition via a combination of equity raising, drawing down from a new secured term loan, and utilising existing cash on hand at 31 December 2022. The acquisition is highly strategic, with Asset Care's market-leading technical expertise in front-end asset integrity and reliability services complementing SRG Global's existing back-end maintenance expertise.

On 16 February 2023, the Company declared an interim fully franked dividend of 2.0c per share. The Record Date for this dividend is 16 March 2023 and the payment is scheduled for 14 April 2023.

No other matter or circumstance has arisen since 31 December 2022 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the Group's state of affairs in future financial years other than the matters above.

Dividends

On Thursday, 16 February 2023, the Company declared an interim 2.0c per share, fully franked dividend (2021: 1.5c per share fully franked). The Record Date for this dividend is 16 March 2023 with payment to be made on 14 April 2023.

Auditors' Independence Declaration

The auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 7 and forms part of the Directors' Report for the half-year ended 31 December 2022.

DIRECTORS' REPORT

For the Half-Year Ended 31 December 2022

Rounding

The Company is a company of the kind referred to in *ASIC Corporations (Rounding in Financials / Directors' Reports) Instrument 2016/91*, dated 24 March 2016, and in accordance with that Corporations Instrument amounts in the interim financial report are rounded off to the nearest thousand dollars (\$'000), unless otherwise indicated.

This report is made in accordance with a resolution of the directors, pursuant to Section 306(3) of the *Corporations Act 2001*.

A handwritten signature in black ink, appearing to read 'Peter McMorrow', written over a faint, light grey circular background.

Peter McMorrow
Non-Executive Chairman
Perth, 16 February 2023

AUDITORS' INDEPENDENCE DECLARATION

For the Half-Year Ended 31 December 2022



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DECLARATION OF INDEPENDENCE BY PHILLIP MURDOCH TO THE DIRECTORS OF SRG GLOBAL LIMITED

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

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

This declaration is in respect of SRG Global Limited and the entities it controlled during the period.



Phillip Murdoch

Director

BDO Audit (WA) Pty Ltd

Perth, 16 February 2023

BDO Audit (WA) Pty Ltd ABN 79 112 284 787 is a member of a national association of independent entities which are all members of BDO Australia Ltd ABN 77 050 110 275, an Australian company limited by guarantee. BDO Audit (WA) Pty Ltd and BDO Australia Ltd are members of BDO International Ltd, a UK company limited by guarantee, and form part of the international BDO network of independent member firms. Liability limited by a scheme approved under Professional Standards Legislation.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the Half-Year Ended 31 December 2022

	Note	31 Dec 2022 \$'000	31 Dec 2021 \$'000
Revenue		380,021	296,774
Other Income		2,179	502
Construction, servicing and contract costs		(183,168)	(135,005)
Employee benefits expense		(151,917)	(124,060)
Depreciation expense		(13,140)	(11,113)
Other expenses		(13,076)	(11,175)
Finance expenses		(1,762)	(1,214)
Amortisation expense		(1,169)	(1,798)
Share of net profits of joint ventures accounted for using the equity method		(2)	(2)
Profit before tax		17,966	12,909
Income tax expense		(5,542)	(4,079)
Profit after tax for the period		12,424	8,830
Other comprehensive income			
Exchange differences arising on translation of foreign operations		878	2
Fair value movement of cash flow hedging		-	342
Total comprehensive income for the period, net of tax		13,302	9,174
		2022	2021
Earnings per share attributable to members of the parent entity			
Basic earnings per share (cents per share)	5	2.8	2.0
Diluted earnings per share (cents per share)	5	2.7	2.0

The above statement should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at Half-Year Ended 31 December 2022

	Note	31 Dec 2022 \$'000	30 Jun 2022 \$'000
Current assets			
Cash and cash equivalents		75,791	59,302
Trade and other receivables		77,199	97,876
Contract assets		68,449	60,756
Inventories		20,862	18,714
Other current assets		7,123	2,902
Derivative financial instrument asset		1,333	2,410
Equity accounted investments		129	130
Current tax assets		-	160
Total current assets		250,886	242,250
Non-current assets			
Property, plant and equipment		110,119	104,343
Right of use assets		21,681	17,275
Intangible assets		102,687	102,641
Contract assets		1,577	1,557
Deferred tax assets		12,155	16,497
Total non-current assets		248,219	242,313
Total assets		499,105	484,563
Current liabilities			
Trade and other payables		115,003	122,396
Contract liabilities		45,248	33,116
Borrowings	3	15,444	13,983
Right of use liabilities		9,023	7,654
Current tax liabilities		163	-
Provisions		31,681	32,402
Total current liabilities		216,562	209,551
Non-current liabilities			
Borrowings	3	22,213	24,792
Right of use liabilities		13,856	10,860
Provisions		4,832	4,794
Total non-current liabilities		40,901	40,446
Total liabilities		257,463	249,997
Net assets		241,642	234,566
Equity			
Issued capital		218,096	218,096
Reserves		8,301	6,927
Retained earnings		15,245	9,543
Total equity		241,642	234,566

The above statement should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the Half-Year Ended 31 December 2022

	Share capital \$'000	Reverse acquisition reserve \$'000	Total issued capital \$'000	Retained earnings \$'000	Share based payments reserve \$'000	Foreign currency translation reserve \$'000	Hedging Reserve \$'000	Total equity \$'000
Balance at 1 July 2022	306,576	(88,480)	218,096	9,543	9,195	(2,268)	-	234,566
Profit for the period	-	-	-	12,424	-	-	-	12,424
Other comprehensive income	-	-	-	-	-	878	-	878
Total comprehensive income	-	-	-	12,424	-	878	-	13,302
Transactions with owners in their capacities as owners								
Issue of ordinary shares, net of transaction costs	-	-	-	-	-	-	-	-
Share based payments	-	-	-	-	496	-	-	496
Dividends paid	-	-	-	(6,722)	-	-	-	(6,722)
Balance at 31 December 2022	306,576	(88,480)	218,096	15,245	9,691	(1,390)	-	241,642
Balance at 1 July 2021	306,576	(88,480)	218,096	556	8,410	(470)	209	226,801
Profit for the period	-	-	-	8,830	-	-	-	8,830
Other comprehensive income	-	-	-	-	-	2	342	344
Total comprehensive income	-	-	-	8,830	-	2	342	9,174
Transactions with owners in their capacities as owners								
Issue of ordinary shares, net of transaction costs	-	-	-	-	-	-	-	-
Share based payments	-	-	-	-	304	-	-	304
Dividends paid	-	-	-	(4,458)	-	-	-	(4,458)
Balance at 31 December 2021	306,576	(88,480)	218,096	4,928	8,714	(468)	551	231,821

The above statement should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the Half-Year Ended 31 December 2022

	31 Dec 2022 \$'000	31 Dec 2021 \$'000
Receipts from customers	448,079	360,646
Interest received	57	4
Payments to suppliers and employees	(400,937)	(325,232)
Interest paid	(1,819)	(1,218)
Income tax paid	(879)	(815)
Cash inflow from operating activities	44,501	33,385
Payments for property, plant and equipment	(15,916)	(8,596)
Proceeds from sale of property, plant and equipment	2,388	907
Payment for acquisition of subsidiary, net of cash	(1,918)	-
Payment of software development costs	(794)	(1,312)
Cash outflow from investing activities	(16,240)	(9,001)
Proceeds from borrowings	6,333	7,551
Repayment of borrowings	(11,615)	(13,936)
Payment of dividends	(6,722)	(4,458)
Cash outflow from financing activities	(12,004)	(10,843)
Net cash increase in cash and cash equivalents held	16,257	13,541
Effect of exchange rates on cash and cash equivalents holdings	232	121
Cash and cash equivalents at the beginning of financial period	59,302	46,236
Cash and cash equivalents at the end of the financial period	75,791	59,898

The above statement should be read in conjunction with the accompanying notes.

NOTES TO THE CONSOLIDATED FINANCIAL REPORT

For the Half-Year Ended 31 December 2022

1. Basis of Preparation of Half-Year Financial Report

This general-purpose financial report for the interim half-year reporting period ended 31 December 2022 has been prepared in accordance with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*.

This interim financial report does not include all the notes of the type normally included in annual financial report. Accordingly, these statements should be read in conjunction with the most recent annual financial reports.

The consolidated financial report has been prepared on the basis of historical cost, except for the revaluation of certain non-current assets and financial instruments. Costs is based on the fair values of the consideration given in exchange for assets. All amounts are presented in Australian dollars, unless otherwise indicated. The carrying amount of all financial assets and financial liabilities are not materially different to their fair value.

The accounting policies adopted in the preparation of the interim consolidated financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 30 June 2022, except for the adoption of new standards effective as of 1 July 2022. The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

NOTES TO THE CONSOLIDATED FINANCIAL REPORT

For the Half-Year Ended 31 December 2022

2. Segment Information

Description of segments

Management has determined that strategic decision making is facilitated and enhanced by evaluation of operations on the customer segments of Asset Maintenance, Mining Services, and Engineering and Construction. For each of the strategic operating segments, the Managing Director reviews internal management reports on a regular basis.

The Group is managed primarily on the basis of product category and service offerings as the diversification of the Group's operations have inherently different risk profiles and performance assessment criteria. Operating segments are therefore determined on the same basis.

The following summary describes the operations in each of the Group's reportable segments:

Asset Maintenance segment

The Asset Maintenance segment consist of supplying integrated services to customers across the entire asset life cycle. Services provided span multiple sectors including oil and gas, energy, major infrastructure, offshore, mining, power generation, water treatment plants, commissioning, decommissioning, shutdowns and civil works. Contracts vary in length from short to long-term.

Mining Services segment

The Mining Services segment services mining clients and provides comprehensive ground solutions including production drilling, ground and slope stabilisation, design engineering and monitoring services. Contracts vary in length from short to long-term.

Engineering and Construction segment

The Engineering and Construction segment consist of supplying integrated products and services to customers involved in the construction of complex infrastructure. These typically include bridges, dams, office towers, high rise apartments, shopping centres, hotels, car parks, recreational buildings, and hospitals. Contracts are typically medium to long-term.

The Managing Director assesses the performance of the operating segments based on a measure of adjusted EBITDA. This measurement excludes certain non-recurring expenditures which are of an isolated nature such as equity settled share-based payments and corporate activities pertaining to the overall Group including the treasury function which manages the cash and funding arrangements of the Group.

NOTES TO THE CONSOLIDATED FINANCIAL REPORT

For the Half-Year Ended 31 December 2022

2. Segment Information (continued)

Segment information provided to the Managing Director for the half-year ended 31 December 2022 is set out below:

Segment Revenues and Results

	Asset Maintenance \$'000	Mining Services \$'000	Engineering and Construction \$'000	Corporate \$'000	Total \$'000
31 December 2022					
Construction revenue	-	-	186,435	-	186,435
Services revenue	123,102	70,484	-	-	193,586
Revenue from external customers	123,102	70,484	186,435	-	380,021
EBITDA	14,284	14,246	13,785	(8,276)	34,039
Depreciation	(4,771)	(3,680)	(4,024)	(665)	(13,140)
Amortisation	(940)	-	-	(229)	(1,169)
Finance costs	(259)	(301)	(298)	(904)	(1,762)
Equity accounted investment results	-	-	(2)	-	(2)
Profit before income tax	8,314	10,265	9,461	(10,074)	17,966
Income tax expense					(5,542)
Profit after income tax					12,424

31 December 2021

Construction revenue	-	-	142,813	-	142,813
Services revenue	100,815	53,146	-	-	153,961
Revenue from external customers	100,815	53,146	142,813	-	296,774
EBITDA	11,666	11,352	11,111	(7,093)	27,036
Depreciation	(4,043)	(3,609)	(2,804)	(657)	(11,113)
Amortisation	(1,798)	-	-	-	(1,798)
Finance costs	(291)	(171)	(197)	(555)	(1,214)
Equity accounted investment results	-	-	(2)	-	(2)
Profit before income tax	5,534	7,572	8,108	(8,305)	12,909
Income tax expense					(4,079)
Profit after income tax					8,830

NOTES TO THE CONSOLIDATED FINANCIAL REPORT

For the Half-Year Ended 31 December 2022

2. Segment Information (continued)

Segment Assets and Liabilities

	Asset Maintenance \$'000	Mining Services \$'000	Engineering and Construction \$'000	Corporate \$'000	Total \$'000
31 December 2022					
Segment assets	163,098	58,816	223,449	53,742	499,105
Segment liabilities	49,146	33,281	134,645	40,391	257,463
30 June 2022					
Segment assets	159,036	47,274	235,073	43,180	484,563
Segment liabilities	43,800	30,945	143,319	31,933	249,997

3. Loans and Borrowings

	31 Dec 2022 \$'000	30 Jun 2022 \$'000
Current		
Secured borrowings	15,444	13,983
	15,444	13,983
Non-current		
Secured borrowings	22,213	24,792
	22,213	24,792
Total loans and borrowings	37,657	38,775
The Group has access to the following lines of credit:		
Total facilities available		
Bank overdraft	1,500	1,500
Hire purchase facility	70,000	60,000
Other facilities	64,250	45,750
Bank guarantee facility	20,000	20,000
Surety bond facility	130,000	130,000
	285,750	257,250
Facilities used at the end of the period:		
Bank overdraft	-	-
Hire purchase facility	33,904	33,525
Other facilities	3,968	5,357
Bank guarantee facility	11,661	11,778
Surety bond facility	82,801	72,267
	132,334	122,927

NOTES TO THE CONSOLIDATED FINANCIAL REPORT

For the Half-Year Ended 31 December 2022

3. Loans and Borrowings (continued)

	31 Dec 2022 \$'000	30 Jun 2022 \$'000
Facilities not used at the end of the period:		
Bank overdraft	1,500	1,500
Hire purchase facility	36,096	26,475
Other facilities	60,282	40,393
Bank guarantee facility	8,339	8,222
Surety bond facility	47,199	57,733
	153,416	134,323

For bank overdraft, bank guarantee and other facilities, a general security arrangement is in place which creates a security interest in all present and future assets of the Group.

4. Dividends

On Thursday, 16 February 2023, the Company declared an interim 2.0c per share, fully franked dividend (2021: 1.5c per share fully franked). The Record Date for this dividend is 16 March 2023 with payment to be made on 14 April 2023.

5. Earnings Per Share

	31 Dec 2022	31 Dec 2021
Profit attributable to members of the parent entity – \$'000	12,424	8,830
WANOS used in the calculations of basic EPS (shares)	447,350,424	445,796,415
WANOS used in the calculations of diluted EPS (shares)	453,187,665	449,359,846
Earnings per share		
Basic (cents per share)	2.8¢	2.0¢
Diluted (cents per share)	2.7¢	2.0¢

6. Commitments and Contingencies

There has been no change in contingent liabilities, contingent assets or commitments since the last annual reporting date, being 30 June 2022.

7. Related Party Information

There have been no new related party transactions since the last annual reporting date, being 30 June 2022, other than share based payments issued to key management personnel as disclosed in Note 8.

NOTES TO THE CONSOLIDATED FINANCIAL REPORT

For the Half-Year Ended 31 December 2022

8. Share Based Payments

On 9 December 2022, a total of 2,835,000 performance rights (convertible into one ordinary share per right) were issued to key management personnel and certain employees, subject to the terms of the SRG Global Performance Rights Plan (the "Plan"), which was approved by shareholders at the AGM held on 27 November 2018. Of the approved amount, 20,000 were deemed to be granted as terms and conditions had been agreed. The remaining 2,815,000 performance rights will be deemed to be granted once the relevant terms and conditions of the rights have been agreed between the Company and the relevant parties. The performance rights are subject to the satisfaction of performance hurdles which are based on achieving agreed profit targets and an increase in the earnings per share and shareholder return targets. The performance rights are also subject to a continuous service requirement.

The following share-based payment arrangements were issued during the 31 December 2022 half-year period:

Performance rights series	Number	Grant date	Expiry date	Method of valuation	Fair value at grant date (AUD)
Tranche 1g	10,000	09-Dec-22	30-Jun-28	Black-Scholes	0.44
Tranche 1h	10,000	09-Dec-22	30-Jun-28	Monte Carlo Simulation	0.19
Tranche 1i	10,000	N/A	30-Jun-28	N/A	N/A
Tranche 1j	10,000	N/A	30-Jun-28	N/A	N/A
Tranche 1k	10,000	N/A	30-Jun-28	N/A	N/A
Tranche 1l	10,000	N/A	30-Jun-28	N/A	N/A
Tranche 1m	462,500	N/A	30-Jun-29	N/A	N/A
Tranche 1n	462,500	N/A	30-Jun-29	N/A	N/A
Tranche 1o	462,500	N/A	30-Jun-29	N/A	N/A
Tranche 1p	462,500	N/A	30-Jun-29	N/A	N/A
Tranche 1q	462,500	N/A	30-Jun-29	N/A	N/A
Tranche 1r	462,500	N/A	30-Jun-29	N/A	N/A

The valuation was performed using the Black-Scholes model for Rights that are subject to non-market conditions and for Rights that are subject to an Absolute Shareholder Return (ASR), the Monte Carlo Simulation was utilised:

Input	Value
Dividend yield (%)	5.39%
Expected volatility (%)	45%
Risk free interest rate (%)	0.45%
Expected life of performance rights (years)	1.65 years
Rights exercise price (A\$)	-
Discount for lack of marketability (%)	5.88%

Furthermore, on 31 August 2022, a total of 2,343,750 performance rights were exercised and converted into fully paid ordinary shares (see Note 9). These relate to the below share-based payment arrangements:

Performance rights series	Number	Grant date	Expiry date	Method of valuation	Fair value at grant date (AUD)
Tranche 1a	468,750	26-Nov-19	30-Jun-25	Black-Scholes	0.325
Tranche 1b	625,000	26-Nov-19	30-Jun-25	Monte Carlo Simulation	0.048
Tranche 1c	625,000	01-Jul-21	30-Jun-25	Black-Scholes	0.45
Tranche 1d	625,000	01-Jul-21	30-Jun-25	Monte Carlo Simulation	0.21

NOTES TO THE CONSOLIDATED FINANCIAL REPORT

For the Half-Year Ended 31 December 2022

9. Issued Capital

Share Capital	31 Dec 2022	30 Jun 2022
	Shares \$'000	Shares \$'000
Ordinary shares fully paid	448,140,165 218,096	445,796,415 218,096

	Number of shares	Total \$'000
Balance as at 1 July 2022	445,796,415	218,096
Share based payments (see Note 8)	2,343,750	-
Balance as at 31 December 2022	448,140,165	218,096

A total of 2,343,750 performance rights were exercised and converted into fully paid ordinary shares on 31 August 2022 under the SRG Global Long Term Incentive Plan.

10. Events Occurring After the Reporting Period

On 2 February 2023, the Group secured two contracts with Northern Star Resources Limited (Northern Star) valued at \$220m. The scope of services of both contracts include the provision of specialist drill and blast services, explosives management and grade control drilling. The first contract is a five-year term contract at Bronzewing gold operations in Western Australia (WA) with contract services commencing immediately. The second contract is a two-year extension to the initial five-year contract which commenced in April 2020 at the Thunderbox and Carosue Dam gold operations in WA.

On 6 February 2023, the Group secured four contracts in Victoria (VIC) with Department of Transport Victoria (DoT) for bridge maintenance works at the West Gate Bridge, Nine Mile Creek Bridge, Glenferrie Road over Caulfield Rail Bridge and Donnybrook Road Bridge over Barbers Creek. These contracts have commenced and are expected to be completed within two to six months. The Group also secured a contract with CBUG JV (CPB Contractors, UGL, Ghella and BAM) for the supply of products and specialist engineering services at the Cross River Rail project in Queensland (QLD) which has commenced and is expected to be completed within eight months. Furthermore, the Group secured wharf remediation works as part of Port of Melbourne's Swanson Dock West Remediation Project in VIC for McConnell Dowell Constructors (Aust) Pty Ltd (McConnell Dowell). The contract is expected to commence in March 2023 and run to December 2024. The combined value of the contracts with DoT, CBUG JV and McConnell Dowell is \$40m.

On 16 February 2023, SRG Global entered into a binding agreement with ALS Industrial Holdings Pty Ltd, a subsidiary of ALS Ltd to acquire 100% of the issued shares in ALS Industrial Pty Ltd (“Asset Care”) for A\$80 million. SRG Global intends to fund the acquisition via a combination of equity raising, drawing down from a new secured term loan, and utilising existing cash on hand at 31 December 2022. The acquisition is highly strategic, with Asset Care’s market-leading technical expertise in front-end asset integrity and reliability services complementing SRG Global’s existing back-end maintenance expertise.

On 16 February 2023, the Company declared an interim fully franked dividend of 2.0c per share. The Record Date for this dividend is 16 March 2023 and the payment is scheduled for 14 April 2023.

No other matter or circumstance has arisen since 31 December 2022 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the Group's state of affairs in future financial years other than the matters above.

DIRECTORS' DECLARATION

For the Half-Year Ended 31 December 2022

The Directors of the Company declare that:

1. The financial statement and notes set out on pages 8 to 18 are in accordance with the *Corporations Act 2001*, including:
 - a) Complying with Accounting Standards AASB134 *Interim Financial Reporting* and *Corporation Regulations 2001* and other mandatory professional reporting requirements, and
 - b) Giving a true and fair view of the consolidated entity's financial position as at 31 December 2022 and of its performance for the half-year ended on that date; and
2. There are reasonable grounds to believe that SRG Global Limited will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the directors, pursuant to s303(5) of the *Corporations Act 2001*.

A handwritten signature in black ink, appearing to read 'Peter McMorrow', written over a faint circular stamp or watermark.

Peter McMorrow
Non-Executive Chairman
Perth, 16 February 2023

INDEPENDENT AUDITOR'S REVIEW REPORT

For the Half-Year Ended 31 December 2022



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Australia

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of SRG Global Limited

Report on the Half-Year Financial Report

Conclusion

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

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

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

Basis for conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Financial Report* section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to the audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

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INDEPENDENT AUDITOR'S REVIEW REPORT

For the Half-Year Ended 31 December 2022



Responsibility of the directors for the financial report

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

Auditor's responsibility for the review of the financial report

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

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

BDO Audit (WA) Pty Ltd

A handwritten signature in black ink, appearing to be 'P. Murdoch', with the letters 'BDO' written above it.

Phillip Murdoch

Director

Perth, 16 February 2023

CORPORATE DIRECTORY

For the Half-Year Ended 31 December 2022

Directors

Non-Executive Chairman	Peter McMorrow
Managing Director	David Macgeorge
Non-Executive Director	Michael Atkins
Non-Executive Director	Amber Banfield

Company Secretaries

Roger Lee
Judson Lorkin

Registered Office & Principal Place of Business

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ASX Code

SRG

Auditors

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

Share Registry

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

Bankers

Commonwealth Bank of Australia	National Australia Bank
300 Murray Street	100 St Georges Terrace
Perth WA 6000	Perth WA 6000