

**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 2020 ("current period")</b>
<b>Previous Reporting Period</b>	<b>Half year ended 31 December 2019 ("previous corresponding period")</b>

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

**AS'000**

Revenues from ordinary activities	Up	25.0%	to	\$37,226
Profit / (loss) from ordinary activities after tax attributed to members	Up	90.2%	to	\$6,576
Profit / (loss) for the period attributed to members	Up	50.5%	to	\$5,202

<b>Dividends (distributions)</b>	<b>Amount per security</b>	<b>Franked amount per security</b>
<i>Current period</i>		
Interim dividend	2.80 cents	100%
<i>Previous corresponding period</i>		
Interim dividend	1.90 cents	100%
Record date for determining entitlements to the dividend		19 March 2021

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

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 2020 of 2.8 cents per ordinary share to be paid on 26 March 2021, a total estimated distribution of \$2.8 million based on the number of ordinary shares on issue as at 18 February 2021 and representing 43% of NPAT.

**3. Net Tangible assets per security**

	<b>Current period</b>	<b>Previous corresponding period</b>
Net tangible assets per security	\$0.41	\$0.33

**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 dividend	Current period	26 March 2021	2.80 cents	100%	-
	Previous corresponding period	27 March 2020	1.90 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

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

N/A

**9. Description of dispute or qualification if the accounts have been audited or subject to review**

N/A

**This report is based on:** Accounts that have been subject to review.



**Kees Weel**  
Managing Director  
18 February 2021



**PWR Holdings Limited  
and its controlled entities**

ACN:105 326 850

**Interim Financial Report**

**For the six months ended 31 December 2020**

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**PWR Holdings Limited  
and its controlled entities**

**Directors Report**

**For six months ended 31 December 2020**

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 2020 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>Commencement Date</b>
Teresa Gayle Handicott <i>Independent, Non-Executive Director and Chairman</i>	1 October 2015
Kees Cornelius Weel <i>Managing Director</i>	30 June 2003
Jeffrey Ian Forbes <i>Independent, Non-Executive Director</i>	7 August 2015
Roland Dane <i>Independent, Non-Executive Director</i>	1 March 2017

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

**Operating and financial review**

During the half year, the group has continued with its previously announced commitment to strategic diversification focussing on military and aerospace applications, in addition to maintaining and growing existing core segments.

Our investment of over \$8m during the period in additional capital equipment has provided improved capability, increased capacity and extended quality control processes. In addition, the transformation of C&R into a full second manufacturing base has continued and performance during the reporting period was encouraging with C&R producing a \$2.5 million segment EBIT profit (1H FY20 \$0.6 million loss).

Net profit after tax of the Group for the six months ended 31 December 2020 was \$6.58 million (31 December 2019: \$3.46 million). Earnings per ordinary share of 6.57c was an increase of 90% on the previous corresponding period earnings per ordinary share of 3.45c.

**COVID - 19**

This continuing public health issue impacted the full year results to 30 June 2020 and, amongst other things, resulted in a number of high level motor sport event cancellations and deferrals. Subsequently, a large number of those deferred and rescheduled events took place in the current reporting period resulting in a higher first half financial year result in comparison to the previous comparative period.

The continuing uncertainty and effects of COVID – 19 have been partly mitigated by the JobKeeper program which the company was eligible for until 30 September 2020. The company received \$1.9 million from that program in the current reporting period. This program was instrumental in PWR maintaining all employees engaged and employed during this time and without it could have led to different decisions being made and implemented. The decision to keep all employees employed during that uncertain time allowed us to upskill and cross train staff which has benefits for our future growth.

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<sup>1</sup> Earnings before interest, tax, depreciation and amortisation (“EBITDA”) and underlying EBITDA are non-IFRS terms which have not been subject to audit or review but have 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 2020**

**Operating and financial review (continued)**

*COVID – 19 (continued)*

The future potential impacts on the business are unknown. Maintaining our strong liquidity and ensuring safe work practices will remain a focus and we will adapt our business as circumstances require. During this reporting period, we have not terminated any staff nor had any bad debts due to this public health issue.

*Revenue*

The Group achieved overall revenue growth of 25.0% compared to the previous corresponding period.

In addition to the postponed F1 racing calendar eventuating in the current half, organic revenue growth was driven primarily from emerging technologies and original equipment manufacturer (OEM) sales. Despite currency fluctuations during the reporting period, movements in the exchange rates had a negligible impact on revenue growth. C&R saw a 69.2% revenue increase driven by increased volumes as a result of the manufacturing of OEM products and parts of new emerging technology products.

*EBITDA*

The higher EBITDA in 1H FY21 compared to the previous corresponding period was mainly due to:

- Economies of scale from higher volumes;
- Increased revenue at constant gross profit margins;
- Overhead costs increasing at a lower rate than revenue increases; and
- The rescheduling of Formula 1 and other race categories from the traditional first half of the calendar year to the second half.
- C&R revenue growth of 82% from organic growth in emerging technologies and OEM products.
- JobKeeper receipts of \$1.9 million during the period which ceased at end September 2020.

*Operating cash flow*

The Group continued its strong conversion of earnings to cash and efficient working capital utilisation with an operating cash flow of \$17.3 million for the period before income tax payments and interest. This significant increase was due to a release of working capital (\$2.6m) and prepaid contractual amounts from customers (\$2.8m). This operating cash flow is an increase of 317% from the previous comparative period.

This continued strong operating cash flow has enabled the Group to fund revenue growth and capital expenditure from cash resources with no change in borrowings. The Group maintains its net cash position.

	<b>1H FY21</b>	<b>1H FY20</b>	<b>Change from</b>
	<b>A\$'000</b>	<b>A\$000</b>	<b>prior period</b>
Statutory operating cashflow	17,339	5,464	317%

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<sup>1</sup> Earnings before interest, tax, depreciation and amortisation ("EBITDA") and underlying EBITDA are non-IFRS terms which have not been subject to audit or review but have 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 2020**

**Operating and financial review (continued)**

*Foreign currency*

Foreign currency movements during the period combined with the Group's hedging strategy resulted in foreign exchange losses of \$0.2m (1H FY19 \$0.3m loss): The Group is exposed to movements in foreign exchange rates, with consolidated revenue generated in various currencies as outlined below:

	<b>1H FY21</b>	<b>1H FY20</b>
British pounds (GBP)	48%	59%
US dollars (USD)	36%	25%
Australian dollars (AUD)	14%	16%
Euro (€)	2%	-

*Review of principal business*

During the six months ended 31 December 2020, the Group continued focussing on diversifying its operations into new targeted segments as well as managing growth opportunities in core business segments in a sustainable and profitable manner for the long term benefit of stakeholders including shareholders, staff, customers and suppliers.

*Balance sheet management*

The balance sheet remains strong with cash of \$16.8 million (30: June 2020: \$20.8 million). Debt of \$5 million drawn down during the initial COVID-19 outbreak and outstanding at 30 June 2020, has been repaid in full during the period. The £2 million borrowing remains outstanding.

Working capital management during the reporting period was robust with a decrease of \$2.5m (36%) despite an increase in revenue of 25% from the prior comparative period.

Capital expenditure for the reporting period was \$8.3 million (1H FY20: \$4.4 million). This investment provides both additional capacity and increased quality control capability as part of the program to manage expected growth.

**Events subsequent to reporting date**

The Board declared an interim dividend of 2.8 cents per share. The financial effect of the interim dividend has not been brought to account in the consolidated financial statements for the half-year ended 31 December 2020.

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 6 and forms part of the directors' report for the six months ended 31 December 2020.

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<sup>1</sup> Earnings before interest, tax, depreciation and amortisation ("EBITDA") and underlying EBITDA are non-IFRS terms which have not been subject to audit or review but have been determined using information presented in the Group's interim financial report.

**PWR Holdings Limited  
and its controlled entities**

**Directors Report**

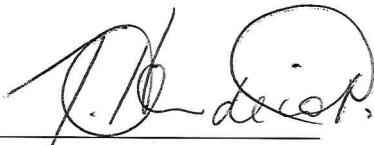
**For six months ended 31 December 2020**

**Operating and financial review (continued)**

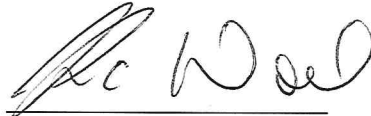
**Rounding of amounts**

The Company is of a kind referred to in ASIC Corporations Instrument 2016/191 issued by the Australian Securities and Investments Commission, relating to the “rounding off” of amounts in the Directors’ Report. Amounts in the Directors’ Report have been rounded off in accordance with that Instrument to the nearest thousand dollars or, in certain cases, to the nearest dollar.

Signed in accordance with a resolution of the directors:



Teresa Handicott  
*Chairman*



Kees Weel  
*Managing Director*

Brisbane  
18 February 2021





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

To the Directors of PWR Holdings Limited

I declare that, to the best of my knowledge and belief, in relation to the review of PWR Holdings Limited for the half year ended 31 December 2020 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

*E. Neville Stanley*

Erin Neville-Stanley  
*Partner*

Brisbane  
18 February 2021

**PWR Holdings Limited  
and its controlled entities**

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

**For the six months ended 31 December 2020**

	<i>Note</i>	<b>31 Dec 2020 \$'000</b>	<b>31 Dec 2019 \$'000</b>
Revenue		37,226	29,778
Other income	<i>B2</i>	2,287	457
Raw materials and consumables used		(10,114)	(5,979)
Employee expenses		(15,197)	(14,514)
Occupancy expenses		(276)	(280)
Other expenses		(1,713)	(1,834)
<b>Profit before depreciation, net finance costs and income tax</b>		<b>12,213</b>	<b>7,628</b>
Depreciation and amortisation		(1,717)	(1,412)
Right of use asset amortisation		(920)	(912)
<b>Total depreciation and amortisation expense</b>		<b>(2,637)</b>	<b>(2,324)</b>
Finance income	<i>B3</i>	16	23
Finance costs		(295)	(360)
Right of use asset deemed interest		(113)	(124)
<b>Net finance income/(costs)</b>		<b>(392)</b>	<b>(461)</b>
<b>Profit before income tax</b>		<b>9,184</b>	<b>4,843</b>
Income tax expense	<i>B4</i>	(2,608)	(1,387)
<b>Profit for the period</b>		<b>6,576</b>	<b>3,456</b>
<b>Other comprehensive income</b>			
<b>Items that are or may be reclassified to profit or loss:</b>			
Exchange differences on translating foreign operations		(1,374)	(99)
<b>Total comprehensive income for the period</b>		<b>5,202</b>	<b>3,357</b>
<b>Basic and diluted earnings per share</b>		<b>6.57 cents</b>	<b>3.45 cents</b>

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 2020**

	<i>Note</i>	<b>31 Dec 2020</b>	<b>30 June 2020</b>
		<b>\$'000</b>	<b>\$'000</b>
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents		16,788	20,805
Trade and other receivables		6,646	6,932
Inventories		6,243	6,528
Current tax asset		390	-
Other assets		2,713	2,912
<b>Total current assets</b>		<u>32,780</u>	<u>37,177</u>
<b>Non-current assets</b>			
Property, plant and equipment	<i>B5</i>	26,327	20,368
Right of use lease assets		8,769	8,928
Intangible assets		14,888	15,034
Deferred tax assets		-	876
<b>Total non-current assets</b>		<u>49,984</u>	<u>45,206</u>
<b>Total assets</b>		<u>82,764</u>	<u>82,383</u>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables		6,947	4,770
Loans and borrowings		-	229
Contract liability		1,139	208
Right of use lease liabilities		1,591	1,653
Employee benefits		2,351	2,050
Current tax liabilities		-	1,886
Deferred tax liability		903	-
Provisions		145	133
<b>Total current liabilities</b>		<u>13,076</u>	<u>10,929</u>
<b>Non-current liabilities</b>			
Loans and borrowings	<i>B6</i>	3,541	8,585
Contract liability		2,674	798
Right of use lease liabilities		7,575	7,560
Employee benefits		274	261
<b>Total non-current liabilities</b>		<u>14,064</u>	<u>17,204</u>
<b>Total liabilities</b>		<u>27,140</u>	<u>28,133</u>
<b>Net assets</b>		<u>55,624</u>	<u>54,250</u>
<b>Equity</b>			
Share capital	<i>C1</i>	26,223	26,071
Reserves		(909)	437
Retained earnings		30,310	27,742
<b>Total equity</b>		<u>55,624</u>	<u>54,250</u>

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

**PWR Holdings Limited**  
and its controlled entities

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**Consolidated Statement of Changes in Equity**  
**For the six months ended 31 December 2020**

<i>Note</i>	<b>Share capital \$'000</b>	<b>Foreign currency translation reserve \$'000</b>	<b>Share based payments reserve \$'000</b>	<b>Retained earnings \$'000</b>	<b>Total equity \$'000</b>
Balance at 1 July 2020	26,071	(87)	524	27,742	54,250
<b>Total comprehensive income for the period</b>					
Profit for the period	-	-	-	6,576	6,576
Other comprehensive income	-	(1,374)	-	-	(1,374)
Total comprehensive income	-	(1,374)	-	6,576	5,202
<b>Transactions with owners, recorded directly in equity</b>					
Dividends paid C3	-	-	-	(4,008)	(4,008)
Employee share based payments	152	-	28		180
Total transactions with owners	152		28	(4,008)	(3,828)
<b>Balance at 31 December 2020</b>	<b>26,223</b>	<b>(1,461)</b>	<b>552</b>	<b>30,310</b>	<b>55,624</b>
Balance at 1 July 2019	25,921	237	344	26,495	52,997
<b>Total comprehensive income for the period</b>					
Profit for the period	-	-	-	3,456	3,456
Other comprehensive income	-	(99)	-	-	(99)
Total comprehensive income	-	(99)	-	3,456	3,357
<b>Transactions with owners, recorded directly in equity</b>					
Dividends paid C3	-	-	-	(9,900)	(9,900)
Employee share based payments	150	-	-	-	150
Total transactions with owners	150	-	-	(9,900)	(9,750)
<b>Balance at 31 December 2019</b>	<b>26,071</b>	<b>138</b>	<b>344</b>	<b>20,051</b>	<b>46,604</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 2020**

	<i>Note</i>	<b>31 Dec 2020</b> \$'000	<b>31 Dec 2019</b> \$'000
<b>Cash flows from operating activities</b>			
Cash receipts from customers		40,399	28,647
Cash paid to suppliers and employees		(25,045)	(23,183)
Government COVID-19 grants received		1,985	-
Cash generated from operations		17,339	5,464
Interest paid		(198)	(58)
Income tax received/(paid)		(2,828)	(2,554)
<b>Net cash from/(used in) operating activities</b>		14,313	2,852
<b>Cash flows from investing activities</b>			
Interest received		16	23
Proceeds from sale of property, plant and equipment		3	1
Payments for property, plant and equipment	<i>B5</i>	(8,274)	(4,378)
<b>Net cash used in investing activities</b>		(8,255)	(4,354)
<b>Cash flows from financing activities</b>			
Dividends paid	<i>C3</i>	(4,007)	(9,900)
Proceeds from / (repayment of) borrowings	<i>B6</i>	(5,044)	-
Payment of finance lease liabilities		(229)	(63)
Payment of right of use lease liabilities		(796)	(881)
<b>Net cash used in financing activities</b>		(10,076)	(10,844)
<b>Net increase/(decrease) in cash and cash equivalents</b>		(4,018)	(12,346)
Cash and cash equivalents at 1 July		20,805	20,223
Effect of exchange rate fluctuations on cash held		1	(4)
<b>Cash and cash equivalents at 31 December</b>		16,788	7,873

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 2020**

**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 2020 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 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 2020 are available from the Company’s website ([www.pwr.com.au](http://www.pwr.com.au)) or 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 2020.

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 2020.

The Company is of a kind referred to in ASIC Corporations (Rounding in Financial/Directors’ Reports) Instrument 2016/191 and in accordance with that Instrument, amounts in the Interim Financial Report and Directors’ Report have been rounded off to the nearest thousand dollars, unless otherwise stated.

These interim financial statements were approved by the Board of Directors on 18 February 2021.

**(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 2020.

**PWR Holdings Limited  
and its controlled entities**

**Notes to the consolidated interim financial statements**

**For the six months ended 31 December 2020**

**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.

	<b>PWR Performance Products</b>		<b>C&amp;R</b>		<b>Total</b>	
	<b>31 Dec 2020</b>	<b>31 Dec 2019</b>	<b>31 Dec 2020</b>	<b>31 Dec 2019</b>	<b>31 Dec 2020</b>	<b>31 Dec 2019</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
Revenue from sale of manufactured products	23,600	22,203	13,236	7,257	36,836	29,460
Revenue from services	255	238	135	80	390	318
External revenues	23,855	22,441	13,371	7,337	37,226	29,778
Inter-segment revenues	2,132	458	765	980	2,897	1,438
Segment revenue	25,987	22,899	14,136	8,317	40,123	31,216
Operating EBITDA <sup>1</sup>	9,010	7,285	3,203	202	12,213	7,487
Depreciation	(1,936)	(1,524)	(701)	(800)	(2,637)	(2,324)
Segment profit/(loss) before interest and tax	7,074	5,761	2,502	(598)	9,576	5,163

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

	<b>31 Dec 2020 \$'000</b>	<b>31 Dec 2019 \$'000</b>
<b>Reconciliation of reportable segment profit or loss</b>		
Profit before interest and tax for reportable segments	9,586	5,163
Net finance income/(costs)	(392)	(461)
Elimination of inter-segment loss	(10)	141
Consolidated profit before tax	9,184	4,843

**PWR Holdings Limited  
and its controlled entities**

**Notes to the consolidated interim financial statements**

**For the six months ended 31 December 2020**

**Section B - Business performance (*continued*)**

**B1 Operating segments (*continued*)**

**Geographic information**

The Group operates manufacturing facilities and/or sales offices in Australia, the UK and the USA and sells its products to customers in various countries around the world. An analysis of the Group's revenue on the basis of the location of the Group's customers is outlined below.

	<b>31 Dec 2020</b>	<b>31 Dec 2019</b>
	<b>\$'000</b>	<b>\$'000</b>
Australia	4,424	3,516
USA	12,294	7,324
UK	10,898	8,819
Italy	3,412	2,979
Other	6,198	7,140
	<u>37,226</u>	<u>29,778</u>

**B2 Other Income**

	<b>\$'000</b>	<b>\$'000</b>
R&D tax incentive	302	457
JobKeeper receipts	1,985	-
	<u>2,287</u>	<u>457</u>

**B3 Finance income and finance costs**

Interest income	16	23
<b>Finance income/(loss)</b>	<u>16</u>	<u>23</u>
Net foreign exchange loss	(210)	(302)
Interest expense	(85)	(58)
Right of use asset deemed interest	(113)	(124)
<b>Finance costs</b>	<u>(408)</u>	<u>(484)</u>
<b>Net finance income/(costs)</b>	<u>(392)</u>	<u>(461)</u>

**B4 Income tax expense**

The Group's consolidated effective tax rate for the six months ended 31 December 2020 was 28.4% (2019 : 28.6%).



**PWR Holdings Limited  
and its controlled entities**

**Notes to the consolidated interim financial statements**

**For the six months ended 31 December 2020**

**B5 Property, plant and equipment**

Capital expenditure of \$8.3 million (2019 : \$4.4 million) during the reporting period has been funded from the Group's cash reserves.

**B6 Loans and borrowings**

At 31 December 2020, £2 million remained drawn down from available facilities which was used to fund capital investments. Interest on this loan is linked to GBP Libor plus a margin. The \$5 million drawn down as a precaution at the start of the COVID – 19 pandemic was repaid during the reporting period.

**B7 Seasonality of operations**

The Group's operations are subject to seasonal fluctuations as a result of motorsports seasons typically 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. For the period ended 31 December 2020 this has changed as a result of the revised Formula 1 and other motor racing category schedules due to consequences of COVID-19. The impact on the split for the current financial year will only be evident at 30 June 2021. Given the circumstances of events in 2020, past results cannot be used as an indication of future results in this regard.

**Section C Capital structure**

**C1 Capital and reserves**

	<b>31 Dec 2020</b>		<b>31 Dec 2019</b>	
<b>Share capital</b>	<b>No. of shares</b>	<b>\$'000</b>	<b>No. of shares</b>	<b>\$'000</b>
<i>Ordinary shares</i>				
Balance at 1 July	100,087,694	26,071	100,000,000	25,921
Issue of shares on vesting of performance rights -FY17			87,694	150
- FY18	92,080	152	-	-
Balance at 31 December	100,179,774	26,223	100,087,694	26,071

**C2 Performance Rights**

Performance Rights that vested and lapsed during the Reporting Period and total Performance Rights issued at 31 December 2020 are as follows:

	<b>Number of Performance Rights</b>			
	<b>Balance at 30 June 2020</b>	<b>Issued in period</b>	<b>Lapsed during period</b>	<b>Vested &amp; exercised during period</b>
<b>KMP</b>				
Matthew Bryson	91,990	-	-	(37,330)
Stuart Smith	79,546	-	-	(56,303)
	171,535	-	-	(93,633)
<b>Non - KMP</b>	114,185	-	-	(29,864)
<b>Total</b>	285,720	-	-	(123,497)

**PWR Holdings Limited  
and its controlled entities**

**Notes to the consolidated interim financial statements**

**For the six months ended 31 December 2020**

**C3 Dividends**

Dividends recognised in the current and prior period by the Company are:

**Current period**

	<b>Cents per share</b>	<b>Total amount \$'000</b>	<b>Franked/ unfranked</b>	<b>Date of payment</b>
2020 Final Dividend	4.00	4,008	Franked	25 September 2020
Total amount		<u>4,008</u>		

**Prior period**

	<b>Cents per share</b>	<b>Total amount \$'000</b>	<b>Franked/ unfranked</b>	<b>Date of payment</b>
2019 Final Dividend	6.90	6,900	Franked	19 September 2019
2019 Special Dividend	3.00	3,000	Franked	19 September 2019
Total amount		<u>9,900</u>		

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

	<b>Cents per share</b>	<b>Total amount \$'000</b>	<b>Franked/ unfranked</b>	<b>Date of payment</b>
2021 Interim Dividend	2.80	2,805	Franked	26 March 2021
Total amount		<u>2,805</u>		

**Section D Change in significant accounting policies**

The accounting policies applied in these interim financial statements are the same as those applied in the Group's consolidated financial statements as at and for the year ended 30 June 2020.

**Section E Other information**

**E1 Subsequent events**

The Board declared an interim dividend of 2.8 cents per share. The financial effect of the interim dividend has not been brought to account in the consolidated financial statements for the half-year ended 31 December 2020.

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.

**PWR Holdings Limited  
and its controlled entities**

**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 7 to 15 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 2020 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:



Teresa Handicott  
*Chairman*  
Brisbane  
18 February 2021



Kees Weel  
*Managing Director*  
Brisbane  
18 February 2021



# 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 does not comply with the *Corporations Act 2001*, including:

- giving a true and fair view of the **Group's** financial position as at 31 December 2020 and of its performance for the half year 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 2020;
- Consolidated statement of profit or loss and other comprehensive income, Consolidated statement of changes in equity and Consolidated statement of cash flows for the half year ended on that date;
- Notes A1 to E1 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 half year's end or from time to time during the half year.

## 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 our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

## 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
- such internal control as the Directors determine is necessary to enable the preparation of the Interim Financial Report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.





### Auditor's Responsibilities for the Review of the Interim Financial Report

Our responsibility is to express a conclusion on the Interim 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 Interim Financial Report does not comply with the *Corporations Act 2001* including giving a true and fair view of the Company's financial position as at 31 December 2020 and its performance for the half year ended on that date, and complying with *Australian Accounting Standard AASB 134 Interim Financial Reporting* and the *Corporations Regulations 2001*.

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.

KPMG

Erin Neville-Stanley  
*Partner*

Brisbane  
18 February 2021