



# ANNUAL REPORT

INNOVATIVE • INTEGRATED • INTERNATIONAL



2024

# INSIDE THIS REPORT

This annual report gives a summary of Wagners' business activities and financial results for FY24. It is presented for the information of our shareholders and other stakeholders interested in the company's key achievements.

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WAGNERS HOLDING COMPANY LIMITED ABN 49 622 632 848

## GUIDING PRINCIPLES: IT'S FAIR

AT WAGNERS WE STRIVE FOR INTREPID PROGRESS TO ACHIEVE BENEFICIAL OUTCOMES. WE WILL:

**I**

Deal with **INTEGRITY**

**T**

Work **TOGETHER** to overcome challenges

**S**

Work in a **SAFE** environment

**F**

Be **FAMILY** conscious

**A**

Encourage and **ACKNOWLEDGE** success

**I**

Foster **INNOVATION**

**R**

**REQUIRE** quality and excellence

# ABOUT WAGNERS

## **ESTABLISHED IN 1989 IN TOOWOOMBA (QUEENSLAND), WAGNERS IS AN ASX-LISTED DIVERSIFIED PROVIDER OF CONSTRUCTION MATERIALS AND SERVICES, GLOBALLY.**

Wagners core construction materials and project services segments are complemented by its Composite Fibre Technologies business. We are an innovative, vertically integrated producer of both traditional and sustainable construction materials, as well as a supplier of a diverse range of project-specific products and services.

### **CONSTRUCTION MATERIALS**

Wagners construction materials business spans a variety of integrated businesses covering residential, industrial, infrastructure, resources and renewables sectors, with a particular focus on leveraging its concrete operations as a critical channel to market. The segment consists of:

- ▶ Concrete — operation of concrete plants in South East Queensland
- ▶ Cement — manufacturing and supply of bulk and bagged cement
- ▶ Aggregates — manufacturing and delivering crushed rock from Wagners quarry operations
- ▶ Reinforcing Steel — supply of reinforcing steel products.

### **PROJECT SERVICES**

Wagners project services segment focuses on providing critical product and services to major projects, globally, including:

- ▶ Bulk haulage — provision of bulk haulage solutions to minerals and resources customers
- ▶ Mobile concrete supply — onsite concrete batching and supply
- ▶ Mobile contract crushing — on-site crushing services
- ▶ Precast concrete — manufacture of precast concrete products, commonly used in bridge, overpass and tunnel projects.

### **COMPOSITE FIBRE TECHNOLOGIES (CFT)**

CFT products, designed by Wagners, are durable construction materials that are used as substitutes for other building materials, for example, steel, aluminium and timber. CFT is lightweight, resistant to rust, corrosion and chemical attack. The products are designed and manufactured inhouse by custom pultrusion machines, both in Australia and the US.

Wagners CFT products are increasingly being specified in Australia and overseas for boardwalks, bridges, walkways, marinas and as cross-arms and poles for electrical distribution networks.



# FY24 HIGHLIGHTS

## GROUP HIGHLIGHTS

**\$481M**  
GROUP  
REVENUE

**\$10.3M**  
NET PROFIT AFTER TAX  
+229% VS FY23

**\$40M**  
OPERATING EBIT  
+81% VS FY23

**7**  
COUNTRIES  
WORKED IN

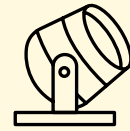


## CONSTRUCTION MATERIALS

Improved market conditions and strong demand for construction materials and services delivered improved results vs FY23.

**\$215M**  
REVENUE

**\$31M**  
EBIT

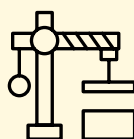
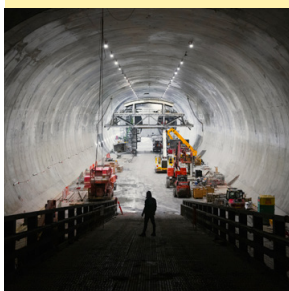


## PROJECT SERVICES

Completion of large precast tunnel project delivering over 70,000 segments and bulk haulage business servicing 10 projects were key contributors to result.

**\$206M**  
REVENUE

**\$18M**  
EBIT



## COMPOSITE FIBRE TECHNOLOGIES (CFT)

Growth in revenue and earnings in Australia/ New Zealand driven by increased demand for composite poles, strong crossarm volumes and improved margins in custom build projects.

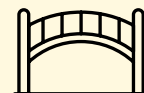
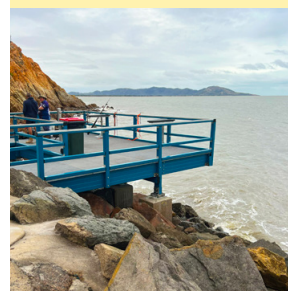
**\$59M**  
REVENUE

**\$4.6M**  
AUSTRALIA/  
NEW ZEALAND EBIT  
+4.1M VS FY23

**>300 PROJECTS  
COMPLETED  
IN AUSTRALIA/  
NEW ZEALAND**

**25 PROJECTS  
DELIVERED INTO  
INTERNATIONAL  
JURISDICTIONS**

**CONTINUED  
INVESTMENT  
IN THE US**



# CHAIRMAN'S REVIEW

**DENIS WAGNER**  
CHAIRMAN



## I WOULD LIKE TO WELCOME ALL SHAREHOLDERS OF WAGNERS HOLDING COMPANY LIMITED TO READ OUR ANNUAL REPORT FOR 2024.

Could I also thank shareholders and other associates for your continued support during this financial year. Our full year operating results were very pleasing, proving the persistence and commitment from Cameron and his team are delivering results. We have taken impairments on both the Earth Friendly Concrete® business and the Wacol lease this year, which should put any negative sentiment behind us.

Our safety performance this year has been positive, however the focus will always be to improve further. We strive to ensure we all work safely and deliver our ambition of never having an accident nor injuring a worker. We will always be committed to this at Wagners.

The construction materials sector in South East Queensland should enjoy a good forward order book for the foreseeable future and coming into the construction for the Brisbane 2032 Olympic and Paralympic Games. With this in mind we are investing in new plants to service the expected demand. Across Australia, we are experiencing a severe shortage of housing and whilst continued demand in this sector is driven by economic factors, we also expect very little abatement in the demand for cement, concrete, steel and quarry materials.

The mining services business, through our bulk haulage, on-site concrete production and crushing operations, has enjoyed a reasonable year. We do see some challenges in the mining sector, which forms the basis for these operations. That said, our investment in equipment and our people should enable us to ensure we maintain our competitiveness and give us the ability to deliver reliable products and services to our customers. We have done some really innovative and exciting work in the renewables sector, and we see these opportunities increasing as the focus on carbon reduction increases in the future.

I did say last year that we have an unwavering confidence and a real commitment to the technology of our Earth Friendly Concrete®. As mentioned earlier, we have taken an impairment on these assets but our strategy is to protect the intellectual property and our investment until we see the market will positively support carbon reduction technology.

The Composite Fibre Technologies business has had a much better year in FY24, showing signs of being a real contributor going forward. We have some work to do with our business model with CFT. This division enjoyed some real successes during the year but also had some disappointing aspects on the way we delivered some projects. We have learnt some good lessons during the year, which will make us a much stronger and more innovative business.

The USA has been a challenge in FY24. I have spent a lot of time there getting an understanding of the market, the different culture and the opportunities. I have every confidence in our operations and our people in North America. Our product is stronger and more advanced than any other pultrusion in that market. Our challenge is getting the market to understand what we have and what they can do with our technology. I see it like most of the technology and innovation in which we have enjoyed success in past years, if we believe in our people, our product and our technology, we will succeed.

Our long standing Board member, Lynda O'Grady, made the decision to resign from the Board in August. On behalf of everyone at Wagners, I would like to thank Lynda and acknowledge her contribution to our Company since listing in 2017. We do wish Lynda every success in the future.

## OUR SUCCESS CAN BE ATTRIBUTED TO ALL THOSE WHO HAVE HAD POSITIVE INPUT AND HAVE ADOPTED THE "LET'S MAKE IT HAPPEN" ATTITUDE WITHIN THE COMPANY.

I would also like to acknowledge everyone who has made a contribution to Wagners during financial year 2024. Our success can be attributed to all those who have had positive input and have adopted the *"let's make it happen"* attitude within the Company.

Yours sincerely,

**Denis Wagner**  
CHAIRMAN

# STRATEGIC APPROACH

## INTEGRATED

Wagners' vertically integrated business model provides security of supply and increased margins for the businesses, while enabling a broad service offering to customers.

Our vertical integration sees separate specialist divisions connect to support and supply materials and services on a timely, cost efficient and competitive basis. Some of our achievements this year include:

*Completed large precast concrete tunnel segment project, manufacturing and delivering*

**>70,000 SEGMENTS**

*utilising integration of precast, concrete, steel, cement and transport businesses — ensuring continuity of supply of materials and services and maximising earnings*

*Expansion of South East Queensland concrete plant network:*

*7 operating plants and*

**3 NEW PLANTS**

*in various stages of design and development*

*Concrete plant network drove strong cement volumes — contributing to 50% growth in EBIT delivered in cement*

*Self performance of*

**\$16M CAPITAL PROJECT**

*in the quarries business utilising the internal design and construction expertise of Wagners Engineering Solutions division. This project allows increased production capacity and lowers production costs, delivering value to both Wagners quarries and concrete plant businesses.*

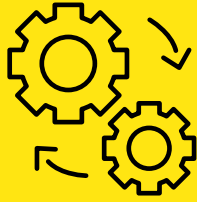
*Expansion of*

**TRANSPORT FLEET**

*allowing efficient delivery of cement and aggregates to Wagners concrete plants*



**WE ARE INNOVATIVE, INTEGRATED, AND OPERATE INTERNATIONALLY. OUR DIVERSE BUSINESSES WORK TOGETHER TO ACHIEVE GREAT OUTCOMES FOR OUR CUSTOMERS.**



**INNOVATIVE  
INTEGRATED  
INTERNATIONAL**



**INNOVATIVE**

Wagners are always seeking ways to differentiate our business, be more efficient, safer and environmentally responsible. Wagners have demonstrated this innovation through the development of new building materials and technologies, being CFT and EFC®, which provide bespoke solutions for our customers, while reducing the impact on the environment.

*Increased demand for innovative composite products:*

**>300 CFT**

*custom build projects delivered throughout Australia/New Zealand*

*Various contracts secured for composite products, including Wagners recently released composite power and light poles*

*Continued research and development:*

*Product development using composites to replace traditional construction materials*

*Automation and production efficiencies groupwide*

**INTERNATIONAL**

Wagners has established itself as an international supplier of construction materials and services. Utilising our expertise and experience, our construction materials and services business has the ability to deliver major projects, globally. We also now have international manufacturing facilities.

*Manufacturing facilities in US (CFT) and UK (EFC®)*

**25 CFT**

*projects delivered internationally, including US, Canada and UK*

*Wagners business delivered products and services across*

**7 COUNTRIES**

*throughout FY24*

*Pursuit of international project opportunities to deliver future revenue and growth from new jurisdictions*

# MANAGING DIRECTOR'S UPDATE

## WAGNERS HAS DELIVERED IMPROVED EARNINGS IN FY24, DRIVING GROWTH FROM CAPITAL INVESTED IN PRIOR YEARS.

Demand for construction materials and services remained strong throughout the year and market conditions were stable. This resulted in a significantly improved full year result compared to FY23.

On a consolidated basis the group delivered a revenue result of \$481.4 million, slightly up on FY23. Our operating EBIT result of \$40 million and Net Profit After Tax of \$10.3 million were pleasing, reflecting year-on-year growth of 81% and 229% respectively.

Some notable drivers behind this improved financial performance include:

- ▶ overall strong demand for construction materials and services, and improvement in our gross margins, reflecting improved market conditions and a focus on cost control;
- ▶ increasing output from our concrete business with record volumes supplied from our plants late in the year;
- ▶ significant contribution from a large precast concrete tunnel segment project; and
- ▶ improved margins across our Composite Fibre Technologies business in Australia.







## FY24 ACHIEVEMENTS

### CONSTRUCTION MATERIALS AND SERVICES

To provide a better understanding of our core business and for more transparent reporting, the Construction Materials and Services segment has now been divided into 2 reporting segments: Construction Materials — our cement, concrete, aggregates and reinforcing steel businesses; and Project Services — which is a contracting business including bulk haulage, precast, mobile crushing and concrete services — these businesses being subject to more significant revenue variability.

Our Construction Materials business delivered improved results on last year, with revenue of \$215 million, compared to \$208 million in FY23. More pleasing was the improvement in the EBIT margin — coming in at 14.7% versus 9.1% in FY23. This resulted in an EBIT result of approximately \$31 million for Construction Materials, driven by:

- ▶ **Cement** — strong volumes, particularly in Q4, with increased contribution from Wagners-operated concrete plants;
- ▶ **Concrete** — improved performance with increasing volumes, focus on cost control measures and stable market conditions. Efforts were also directed towards the continued expansion of our South-East Queensland concrete plant network; and
- ▶ **Quarries** — capacity and efficiency improvements across each of our sites.

The Project Services segment observed revenue and EBIT results consistent with FY23, with revenue of \$206 million and an EBIT result of approximately \$18 million, driven predominantly by:

- ▶ **Precast** — completing the supply of just over 70,000 tunnel segments for the Sydney Metro project during the year; and
- ▶ **Bulk haulage** — servicing 10 projects throughout Queensland and the Northern Territory utilising 60 company owned prime movers and 180 trailers.

With the completion of the Sydney Metro project and no significant replacement project, the Company decided to terminate the lease at the Wacol facility early, which will allow us to relocate in time to a new Company-owned site with a purpose-built facility. As a result of this, the reported financial results include a \$3.2 million impairment reflecting end of lease and make good cost requirements at the Wacol site.

### COMPOSITE FIBRE TECHNOLOGIES (CFT)

Overall, while Composite Fibre Technologies sales were relatively consistent year on year, the business delivered an improved EBIT result, driven by the Australia/New Zealand business, reflecting increased demand for composite poles as well as strong demand for custom-build projects.

Specifically, the Australia/New Zealand business delivered growth in both revenues and underlying EBIT. Crossarm volumes improved versus FY23 and efficiencies generated from the investment made in automated processing equipment delivered improved margins in crossarm production.

Demand for light and utility poles continued to increase during the year and the business secured 2 new long term contracts late in Q4 for the supply of CFT utility poles throughout New South Wales and Queensland.

Notwithstanding positive domestic performance, the result was negatively impacted by an unfavourable custom build project in New Zealand, resulting in a material project loss. CFT USA also negatively impacted segment profitability with a \$4.2 million loss in FY24, reflecting the investment made throughout the year as the business establishes itself in the US market.

**DEMAND FOR CONSTRUCTION MATERIALS AND SERVICES REMAINED STRONG THROUGHOUT THE YEAR AND MARKET CONDITIONS WERE STABLE.**

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE

During FY24, we commenced a process to formalise an ESG Strategy. We recognise the importance of aligning our business strategy to upcoming reporting requirements and acknowledge that ESG plays a critical role in our working environment. We engaged an ESG advisory group to provide guidance to ensure we are making informed decisions and commitments to measure and improve the current ESG-related practices across the business.

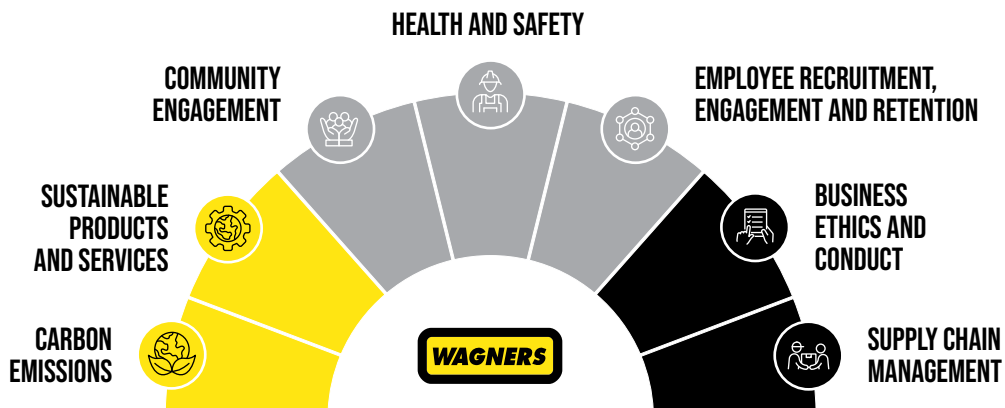
Our materiality assessment has determined 7 ESG topics that are most meaningful to our business, as seen in our ESG framework, being:

1. Carbon emissions
2. Sustainable products and services
3. Community engagement
4. Occupational health and safety
5. Employee recruitment, engagement and retention
6. Business ethics and conduct
7. Supply chain management

We look forward to providing further updates on our initiatives and actions around this.

## ESG FRAMEWORK

Identifying and prioritising the most relevant and impactful topics to Wagners.



### Carbon emissions

Recognition of the importance of understanding Wagners' carbon emissions profile, incl. taking steps to effectively report against climate-related disclosure requirements.



### Sustainable products and services

Designing, producing, and delivering Wagners products and services in a way that minimise negative environmental or social impact.



### Community engagement

Aspire to leave a lasting legacy in the communities in which Wagners operate, the Company is focused on fostering ongoing engagement and ensuring that Wagners' workforce is representative of these communities.



### Health and safety

Fundamental to the way Wagners does business, the Company is unwavering in this commitment to never compromise on the safety of its people and the communities served.



### Employee recruitment, engagement and retention

Wagners is dedicated to fostering a culture that encourages and facilitates opportunities for all. The Company support persons from diverse backgrounds, promotes skills and career development and seeks to create an inclusive and welcoming environment, valuing its people.



### Business ethics and conduct

Wagners is committed to holding high standards of business ethics and conduct across its organisation. Supporting this commitment is the Company's suite of governance policies, processes and procedures.



### Supply chain management

Wagners seek to partner with suppliers who not only have the resources and capabilities to meet the Company's organisational needs, but also embrace Wagners' values and guiding principles.



## PEOPLE

**990**

EMPLOYEES AT  
WORKFORCE PEAK

**4,634**

SAFETY  
CONVERSATIONS

**94**

APPRENTICES AND  
TRAINEES ACROSS  
9 BUSINESS UNITS

**8,473**

TRAINING AND  
INDUCTION COURSES  
UNDERTAKEN

MATERIALS AND  
SERVICES DELIVERED  
IN 7 COUNTRIES



A business is only as good as its people, and I am extremely proud of the entire Wagners team and the contributions from all throughout the period.

While FY24 has been an encouraging year for the business, it has remained difficult to recruit and retain great talent in the midst of a very competitive landscape while also providing rewarding career opportunities to all employees. However, we are proud of the culture that we have developed within our organisation, underpinned by our "Guiding Principles". These principles ensure we can deliver on the promises we make, to our fellow employees, our customers, clients and also our boarder community and shareholders.

We completed our reporting under the Workplace Gender Equality Act 2012 during the year. This reporting process assists us in identifying any gender equality issues that may exist and allows us to implement action plans around promoting gender equality across our business.

We will continue to develop and implement initiatives that improve our culture, provide a workplace of choice with long term and rewarding careers for all employees, however most importantly, a workplace that is committed to the safety of everyone.

## OUTLOOK

Wagners remains confident in the medium term outlook, expecting demand for our core products to remain strong. We have a solid forward order book across all areas of the business with several contracts secured for the longer-term supply of materials and project services.

There is no doubt the demand we've experienced in FY24 for innovative products, particularly, our composite products will continue to increase, driven by both an expectation and effort to reduce construction costs, increase energy efficiency and improve sustainability.

And finally, we operate in an extremely favourable resources environment across Queensland and the Northern Territory. In addition, there is a robust civil infrastructure pipeline, particularly in South East Queensland, with anticipated population growth along with the Brisbane 2032 Olympic and Paralympic Games which will at some point require significant construction materials and services to deliver on the infrastructure requirements for those games. Our strategy remains sound and our businesses are well positioned to take advantage of these opportunities in our sector to deliver revenue growth and increased returns to our shareholders.

I would like to take this opportunity to thank the entire Wagners' team for their efforts throughout FY24 and look forward to continuing to grow our business together.

**OUR STRATEGY REMAINS SOUND AND OUR  
BUSINESSES ARE WELL POSITIONED TO  
TAKE ADVANTAGE OF THESE OPPORTUNITIES  
IN OUR SECTOR.**

Thanks also to the Board of Directors, who provide valued guidance with a commitment to delivering on the overall group strategy and value to our stakeholders.

Yours sincerely,

**Cameron Coleman**  
MANAGING DIRECTOR

# DIRECTORS' REPORT

The Directors of Wagners Holding Company Limited (Wagners, the 'Company') and its controlled entities (the 'Group' or 'Consolidated Entity'), present their report together with the consolidated financial statements for the year ended 30 June 2024.

## DIRECTORS

The following persons were directors of the Group during the period and until the date of this report, unless otherwise stated:

DIRECTOR	ROLE	DATE OF APPOINTMENT	DATE OF RESIGNATION
Denis Wagner	Non-executive chairman	2 November 2017	
John Wagner	Non-executive director	2 November 2017	
Lynda O'Grady	Non-executive director	8 November 2017	
Ross Walker	Non-executive director	2 November 2017	
Cameron Coleman	Managing director	1 July 2022	

## PRINCIPAL ACTIVITIES

The principal activities of the Group consist of construction materials and services and new generation building materials.

Construction materials and services supplies a large range of construction materials and services to customers in the construction, infrastructure and resources industries. Key products include cement, flyash, aggregates, ready-mix concrete, precast concrete products and reinforcing steel. Services include project specific mobile and on-site concrete batching, contract crushing and haulage services.

New generation building materials provides innovative and environmentally sustainable building products and construction materials through Composite Fibre Technologies (CFT) and Earth Friendly Concrete (EFC).

## SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

There are no other significant changes in the state of affairs that impact the Consolidated Entity for the year ended 30 June 2024.

## DIVIDENDS

No dividends were paid during the 2023 and 2024 financial years.

# DIRECTORS' REPORT

## OPERATING AND FINANCIAL REVIEW

### Group financial results

Net profit after tax (NPAT) of \$10,282k was achieved in FY24 (30 June 2023: \$3,123k).

### Non-IFRS measures

Throughout this report, Wagners has included certain non-IFRS financial information, including Earnings before Interest, Depreciation & Amortisation (EBITDA), and IFRS measures such as net profit after tax. These non-IFRS measures may provide useful information to recipients for measuring the underlying operating performance of the Group. Non-IFRS measures are unaudited.

### Financial year 2024 operating results

Operating results for the financial year ended 30 June 2024 (FY24) are summarised in Table 1 below with the following presentation adjustments to allow shareholders to assess the Group's performance:

- ▶ Separating the EFC operating results from the Group's Earnings before Interest & Tax (EBIT), providing users with the ability to assess Group operating performance outside of the significant investment being made in the EFC business. *All line items above Operating earnings before interest and tax (Operating EBIT) shown in Table 1 below have EFC impact removed, with the Operating revenue & Operating EBIT reconciling back to the Operating segment note.*
- ▶ Separating the fair value changes on derivatives & impairment of trade receivable in the Group's EBIT, as management consider this to be a more appropriate reflection to assess Group operating performance.

# DIRECTORS' REPORT

## OPERATING AND FINANCIAL REVIEW (CONTINUED)

### Group financial results (continued)

#### Financial year 2024 operating results (continued)

	30 JUNE 2024 \$'000	30 JUNE 2023 \$'000
<b>TABLE 1: FY24 RESULTS COMPARED TO THE PRIOR FINANCIAL YEAR</b>		
Revenue	481,375	475,092
Costs of goods sold	(229,090)	(227,445)
Other attributable costs <sup>1</sup>	(111,830)	(128,073)
<b>Gross profit<sup>1</sup></b>	<b>140,455</b> 29.2%	<b>119,574</b> 25.2%
Other income	4,587	1,862
Repairs and maintenance	(44,568)	(41,249)
Other operating expenses	(33,711)	(30,201)
<b>Operating earnings before interest, tax, depreciation and amortisation</b>	<b>66,763</b> 13.9%	<b>49,986</b> 10.5%
Depreciation & amortisation	(27,085)	(28,076)
<b>Operating earnings before interest and tax</b>	<b>39,678</b> 8.2%	<b>21,910</b> 4.6%
EFC — Earnings before interest and tax	(1,353)	(4,010)
EFC — Impairment	(5,592)	–
Wacol Site — Impairment	(3,173)	–
Impairment of Trade Receivables	371	(153)
Fair value adjustment on derivative instruments	(438)	(744)
<b>Earnings before interest and tax</b>	<b>29,493</b>	<b>17,003</b>
Net finance costs	(12,678)	(11,472)
<b>Net profit before tax</b>	<b>16,815</b>	<b>5,531</b>
Income tax expense	(6,533)	(2,408)
<b>Net profit after tax</b>	<b>10,282</b>	<b>3,123</b>

1 Other attributable costs are those that management consider provide a better reflection of the Group's underlying Gross Profit. This is a non-IFRS, unaudited measure. Within the consolidated statement of profit or loss and other comprehensive income, \$8,603k is included within contract work and purchased services (2023: \$15,107k), \$75,924k is included within employee benefits (2023: \$76,599k), \$17,901k is included within transport and travel expenses (2023: \$20,549k) and \$9,402k is included within other expenses (2023: \$15,818k).

FY24 showed consistent revenue compared to FY23. While sales have slightly improved compared to FY23, margins have been positively impacted by strong market conditions in the Construction Materials and Projects businesses. Both years contained significant value from the Sydney Metro precast concrete tunnel segment project. Improved raw material cost management has significantly improved the margin in the Construction Materials business.

Increased repairs and maintenance costs mainly due to higher spend on bulk transport fleet assets and the annual shutdown of our Cement plant grinding facilities.

Other operating expenses have increased with the largest contributor being employee benefits expense as a result of the CPI based increases throughout the year.

# DIRECTORS' REPORT

## OPERATING AND FINANCIAL REVIEW (CONTINUED)

### Group financial results (continued)

#### Operating results by segment

SEGMENT (\$'000)	30 JUNE 2024			30 JUNE 2023		
	OPERATING			OPERATING		
	REVENUE	EBIT	EBIT	REVENUE	EBIT	EBIT
Construction Materials	215,875	31,674	31,674	208,315	19,045	19,045
Project Services	206,198	21,680	18,507	207,498	17,862	17,862
Composite Fibre Technologies	59,302	419	419	59,244	(1,921)	(1,921)
EFC — Carbon Reducing Technologies	269	–	(6,960)	360	–	(4,010)
Other/Eliminations	–	(14,095)	(14,147)	163	(13,076)	(13,973)
<b>Total</b>	<b>481,644</b>	<b>39,678</b>	<b>29,493</b>	<b>475,452</b>	<b>21,910</b>	<b>17,003</b>

#### CONSTRUCTION MATERIALS

Construction Materials achieved revenue growth of 3.6% in FY24.

Improved H1 trading conditions continued in H2 of FY24.

Cement — strong volumes with increased contribution from Wagners-operated plants.

Concrete — improved performance with growth in volumes, focus on cost control measures and stable market conditions. Loss contribution again in FY24, although 33% improvement on FY23.

Quarries — capacity and efficiency improvements across fixed quarries.

#### PROJECT SERVICES

Precast – completion of Sydney Metro precast concrete tunnel segment project, resulting in:

- ▶ >70,000 total segments, manufactured and delivered from Wacol facility;
- ▶ Significant contribution to overall result
- ▶ Decision to terminate lease of Wacol facility early given no large precast projects secured to deliver material contribution in FY25 resulting in a \$3.2 million impairment in FY24 (intention to relocate to new Company-owned site)<sup>1</sup>

Bulk Haulage — haulage projects performances were consistent with the prior year.

Concrete Projects — ongoing project-related work on central Queensland wind farm project contributed positively in FY24.

#### COMPOSITE FIBRE TECHNOLOGIES

Stronger underlying EBIT performance achieved in CFT Australia, partially offset by negative impact from unfavourable custom build project in New Zealand.

Demand for composite poles continued to increase, as well as demand for custom-build projects.

Efficiencies of automated processing delivered improved margins within CFT crossarm production.

Long-term contracts secured for the supply of CFT utility poles throughout New South Wales and Queensland

CFT USA losses higher in FY24 but narrowing in H2 (versus H1).

#### EFC — CARBON REDUCING TECHNOLOGIES

EFC EBIT is lower following the decision to scale back the EFC business which resulted in a \$5.6 million impairment of property, plant & equipment, inventory and provision in FY24.

#### OTHER

Other mostly represents corporate related income and costs.

# DIRECTORS' REPORT

## LIKELY DEVELOPMENTS AND EXPECTED RESULTS OF OPERATIONS

### Strategy

Wagners remains focused on delivering future growth through the following strategies:

- ▶ Growing Wagners core vertically integrated Construction Materials and Services Business in Australia through the expansion of its concrete plant and quarry networks in South East Queensland, subject to the prevailing market conditions.
- ▶ Growing Wagners CFT business through product development, a focussed marketing and sales strategy, and the expansion of manufacturing facilities in the USA.
- ▶ Pursuit of major project opportunities, domestically and internationally.

In terms of the FY25 Outlook, improved market conditions experienced in the second half of FY24 are expected to continue. With respect to the individual business areas:

### Likely Developments

#### Construction Materials

- ▶ **Cement:** Cement volumes are expected to increase throughout FY25 in line with the SEQ construction sector.
- ▶ **Concrete plants:** Concrete volumes expected to increase in line with the SEQ construction segment together with maturity of existing and new plants:
  - one new site to commence operating in Q1 FY25, with two additional sites secured and working through approval processes (expected to be in operation post FY25).
  - continued review of opportunities to expand SE Queensland plant network post FY25.
- ▶ **Quarries:** Significant capital upgrades at Wellcamp and Castlereagh Quarries, with results in improved margins as the production capacity and efficiencies are realised.

#### Project Services

- ▶ **Precast:** No precast projects secured to replace Sydney Metro precast concrete tunnel project completed in FY24. Decision made to exit Wacol facility in Q4 FY25 and continue to pursue opportunities for a new Company-owned purpose-built precast facility.
- ▶ **Transport:** Company will continue to improve operating efficiencies and reduce repair & maintenance.

#### Composite Fibre Technologies (CFT):

- ▶ In Australia, the focus for FY25 is:
  - Achieve improved margins from the crossarm product range through disciplined pricing and full utilisation of the Crossarm Automation Line
  - Develop and service an increased market demand for composite utility poles
- ▶ In the US, increased sales through the current marketing and sales campaign. The focus in the US is to expand the product range from custom build or pedestrian infrastructure to also the supply of utility poles into electricity networks.

#### Earth Friendly Concrete (EFC):

- ▶ The business has significantly reduced its operational and R&D costs associated with EFC.



# DIRECTORS' REPORT

## MATERIAL RISKS AND RISK MANAGEMENT STRATEGY

There are a number of risks and uncertainties which could have an impact on the Group's long-term performance and cause actual results to differ materially from expected and historical results. The Directors seek to identify material risks and put in place policies and procedures to mitigate any exposure. The following table provides details of the key risks and the approach being taken to manage them.

RISK	POTENTIAL ADVERSE IMPACT	MITIGATION
Health and safety	Failure to manage health and safety risks could cause harm to our employees or those around us and expose the Group to significant potential disruption, regulatory breaches, liabilities and reputational damage.	<p>Safety remains a top priority. We target an accident-free environment and have robust policies in place covering expected levels of performance, responsibilities, communications, controls, reporting, monitoring and review.</p> <p>We safeguard the health and safety of employees, contractors and others working on behalf of the Group, with experienced health and safety professionals who provide relevant training and help develop a strong culture alongside the management teams; all of which is overseen and audited by our Group HSEQ director and the support of consultants where necessary.</p> <p>We are constantly improving communication and reporting across the Group through simple and effective systems and processes, including our HSE Reporting and Monitoring software and monthly Group safety &amp; environment meetings.</p>
Cost inflation	<p>The Group is susceptible to significant increases in the price of raw materials, utilities, fuel oil and haulage costs and decreases in availability.</p> <p>Risks exist around our ability to pass on increased costs through price increases to our customers and would have an adverse effect on margins if unable to do so.</p>	<p>The Group seeks to manage our costs by putting in place a strategic procurement plan to minimise key supplier risks and seek to offset rising commodity prices through tactical supplier pricing strategies and programmes.</p> <p>The Group aims to maintain a group of suppliers such that we avoid becoming dependent on any single supplier, although like some of our own markets, parts of our supply chain are highly consolidated and as such alternative suppliers may be scarce.</p> <p>Rigorous commercial management reviews of contracts for appropriateness given prevailing market conditions, including inflation pressures &amp; supply shortages that may increase costs to execute.</p>

# DIRECTORS' REPORT

## MATERIAL RISKS AND RISK MANAGEMENT STRATEGY (CONTINUED)

RISK	POTENTIAL ADVERSE IMPACT	MITIGATION
Environment and Climate change	<p>There is a risk that environmental issues or the effects of climate change could expose the Group to regulatory breaches, significant disruption, reputational risk, or a reduction in demand for our products.</p> <p>Periods of extreme weather have the potential to adversely impact the Group's performance through interruption to operations, disruption to the workforce with associated declines in productivity, increase in costs to execute and lower fixed cost recovery.</p>	<p>Management, training, and control systems are in place to identify potential issues and prevent environmental incidents.</p> <p>The Group recognises the positive impact that several of our products have on the built environment across their lifespan and are eager for the durability, longevity and lower lifecycle carbon footprint of our products to be championed and better understood.</p> <p>Transitional risks include increasing regulatory burden or cost, the inability to adapt with new regulations, or customer preferences changing more rapidly than anticipated.</p> <p>The Group's ambition to reduce its impact upon the environment sits hand-in-hand with maximising the financial performance of the business; through increasing the sales of its environmentally friendly products and also investing in modernising our production facilities that will reduce energy consumption and waste.</p>
Attracting, retaining and developing employees	<p>The Group recognise that its greatest asset is its workforce and a failure to attract, retain and develop talent will be detrimental to Group performance.</p> <p>The availability of labour, with risks around core skills, demographics, capability and changing working patterns has become a key differentiator in the market. This has led to high competition for talent with skill shortages in certain areas.</p>	<p>The Group understands where key person dependencies and skills gaps exist and continue to develop succession, talent acquisition, and retention plans.</p> <p>Employee support, strong communication and employee engagement remain focus areas and the Group continues to investigate further improvements to its HR and payroll systems.</p> <p>The Group is committed to provide a workplace that prioritises inclusion, supports the health and wellbeing of our people, and provides opportunities for their professional growth and development.</p>

## ENVIRONMENT REGULATION

The Group is subject to particular and significant environmental regulations. All relevant authorities have been provided with regular updates, and to the best of the directors' knowledge all activities have been undertaken in compliance with or in accordance with a process agreed with the relevant authority.

Wagners recognises and accepts that proper care of the environment is a fundamental part of its corporate business strategy and concerns for the environment must be integrated into all management programs. Wagners employs a number of substantial internal environmental policies, procedures and

monitoring processes, including the Board participation in monthly Environmental Quality and Safety reviews with a large number of employee participants from throughout the Group.

Wagners believes that it must conduct business in an environmentally responsible manner that leaves the environment healthy, safe and does not compromise the ability of future generations to sustain their needs. Our environmental performance is assured annually by SAI Global through compliance to ISO 14001:2015. Wagners is also subject to the *National Greenhouse and Energy Reporting Act 1997* and required to report on energy consumption and greenhouse gas emissions of Australian operations, with the Group compliant with requirements.

# DIRECTORS' REPORT

## CORPORATE GOVERNANCE

Wagners Holding Company Limited is committed to achieving and demonstrating the effective standards of corporate governance. The Group has reviewed its corporate governance practices against the *Corporate Governance Principles and Recommendations (3rd edition)* published by the ASX Corporate Governance Council.

A description of Wagners Holding Company Limited's current corporate governance practices is set out in the Wagners Holding Company Limited's corporate governance statement, which can be viewed on the Wagners website at [investors.wagner.com.au/corporate-governance](https://investors.wagner.com.au/corporate-governance).

Wagners has several policies to support a strong governance framework. These policies include a Diversity Policy, Continuous Disclosure Policy, Whistle-blower Policy and Securities Trading Policy, and they have been implemented to promote responsible management and conduct. Further information is available on the Group's website [investors.wagner.com.au/corporate-governance](https://investors.wagner.com.au/corporate-governance).

## INDEMNITIES AND INSURANCE OF OFFICERS AND AUDITORS

### Indemnification

In accordance with the constitution, except as may be prohibited by the Corporations Act 2001 every officer of the Company shall be indemnified out of the property of the Company against any liability incurred by them in their capacity as officer or agent of the Company in respect of any act or omission whatsoever and howsoever occurring or in defending any proceedings, whether civil or criminal.

The Group has not entered into any agreement to indemnify their auditor, BDO Audit Pty Ltd for any liabilities to another person (other than the Company) that may arise from their position as auditor.

### Insurances

During the reporting period and since the end of the reporting period, the Company has paid premiums in respect of a contract insuring directors and officers of the Group in relation to certain liabilities. In accordance with normal commercial practices under the terms of the insurance contracts, the nature of liabilities insured against and the amounts of premiums paid are confidential.

## AUDITOR'S INDEPENDENCE DECLARATION

A copy of the lead auditor's independence declaration, as required under section 307C of the Corporations Act 2001 is set out on page 34 and forms part of the Directors' Report for financial year ended 30 June 2024.

## NON-AUDIT SERVICES

The following non-audit services were provided by the Group's auditor, BDO Audit Pty Ltd. The directors are satisfied that the provision of non-audit services is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001. The nature and scope of each type of non-audit service provided means that auditor independence was not compromised. This assessment has been confirmed to the Board by the Audit & Risk Committee.

During the year, the following fees were paid or payable for non-audit services provided by the auditor of the parent entity, its related practices and non-related firms:

	2024 \$	2023 \$
Other assurance services	–	2,725
Tax compliance, advisory and other services	1,500	–
	<b>1,500</b>	<b>2,725</b>

## ROUNDING

The Company is a kind referred to in *Australian Securities & Investment Commission (ASIC) Legislative Instrument 2016/191*, and in accordance with that instrument all financial information presented in Australian dollars has been rounded to the nearest thousand dollars unless otherwise stated.

## PROCEEDINGS ON BEHALF OF COMPANY

No person has applied for leave of Court to bring proceedings on behalf of the Company, or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings.

The company was not a party to any such proceedings during the year.

## EVENTS OCCURRING AFTER THE REPORTING DATE

The directors of the Company are not aware of any other matter or circumstance not otherwise dealt with in the financial report that significantly affected or may significantly affect the operations of the Group, the results of those operations or the state of affairs in the period subsequent to the financial year ended 30 June 2024.

# DIRECTORS' REPORT

## SHARES UNDER PERFORMANCE RIGHTS

Unissued ordinary shares of the Company under performance rights at the date of this report are as follows:

CALENDAR YEAR ISSUED	TRANCHE	GRANT DATE	VESTING DATE	EXPIRY DATE	GRANT DATE FAIR VALUE	VESTING CONDITIONS	PERFORMANCE PERIOD	MOVEMENTS				30 JUNE 2024
								1 JULY 2023	ISSUED	EXERCISED	EXPIRED/ FORFEITED <sup>2</sup>	
2023	1	30/11/2023	30/09/2026	30/11/2028	\$0.26	FY24 SP	1 year <sup>1</sup>	–	528,856	–	(118,529)	<b>528,856</b>
2023	2	30/11/2023	30/09/2026	30/11/2028	\$0.19	FY25 SP	2 years <sup>1</sup>	–	528,856	–	(118,529)	<b>528,856</b>
2023	3	30/11/2023	30/09/2026	30/11/2028	\$0.15	FY26 SP	3 years <sup>1</sup>	–	528,856	–	(118,529)	<b>528,856</b>
2022	1	20/09/2022	30/09/2025	20/09/2027	\$0.08	FY23 SP	1 year <sup>2</sup>	640,408	–	–	(640,408)	–
2022	2	20/09/2022	30/09/2025	20/09/2027	\$0.12	FY24 SP	2 years <sup>2</sup>	640,408	–	–	(69,784)	<b>570,624</b>
2022	3	20/09/2022	30/09/2025	20/09/2027	\$0.15	FY25 SP	3 years <sup>2</sup>	640,408	–	–	(69,784)	<b>570,624</b>
2021	1	26/11/2021	31/08/2022	26/11/2026	\$1.42	FY22 EPS	1 year	230,737	–	–	(27,918)	<b>202,819</b>
2021	2	26/11/2021	31/08/2023	26/11/2026	\$1.39	FY23 EPS	2 years	230,737	–	–	(27,918)	<b>202,819</b>
2021	3	26/11/2021	31/08/2024	26/11/2026	\$1.37	FY24 EPS	3 years	230,737	–	–	(27,918)	<b>202,819</b>
2021	1B	26/11/2021	31/08/2022	26/11/2025	\$1.42	FY22 EPS	1 year	328,158	–	–	(328,158)	–
2021	2A	26/11/2021	31/08/2023	26/11/2025	\$1.39	FY23 EPS	2 years	492,234	–	–	(492,234)	–
2020	1	19/11/2020	31/08/2021	19/11/2025	\$1.41	FY21 EPS	1 year	164,075	–	–	(164,075)	–
2020	2	19/11/2020	31/08/2022	19/11/2025	\$1.39	FY22EPS	2 years	328,158	–	–	(328,158)	–
2020	3	19/11/2020	31/08/2023	19/11/2025	\$1.34	FY23 EPS	3 years	328,158	–	–	(328,158)	–
								<b>4,254,218</b>	<b>1,586,568</b>		<b>– (2,504,513)</b>	<b>3,336,273</b>

1 The options granted on 30 November 2023 have a vesting date that is three years from the offer date, or 30 September 2026, whichever is later. Whilst each tranche has a respective performance period of 1 to 3 years, the vesting date is taken as 30 September 2026.

2 The options granted on 20 September 2022 have a vesting date that is three years from the offer date, or 30 September 2025, whichever is later. Whilst each tranche has a respective performance period of 1 to 3 years, the vesting date is taken as 30 September 2025.

All performance rights have no exercise price.

There have been no movements from balance date to the date of this report.

Details of performance rights granted to key management personnel are disclosed on page 26.

# DIRECTORS' REPORT

## INFORMATION ON DIRECTORS AND COMPANY SECRETARY

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<b>NAME</b>	<b>DENIS WAGNER</b>
<b>Title</b>	Non-executive Chairman
<b>Qualifications</b>	FAICD
<b>Experience and expertise</b>	Denis is one of the co-founders of Wagners and has been involved in the business since its inception and has been instrumental in developing Wagners into one of the leading construction materials producers in South East Queensland. Denis brings over 30 years' experience in the construction materials.
<b>Other current directorships</b>	None
<b>Former directorships (last 3 years)</b>	None
<b>Special responsibilities</b>	Chair of Nomination Committee and Member of Remuneration Committee
<b>Interests in shares</b>	37,343,188 Ordinary shares*
<b>Interests in options</b>	None
<b>Interests in rights</b>	None
<b>Contractual rights to shares</b>	None

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<b>NAME</b>	<b>CAMERON COLEMAN</b>
<b>Title</b>	Managing Director
<b>Experience and expertise</b>	Cameron is currently the Managing Director of Wagners, commencing his employment with the Company over 25 year ago. Cameron has experience across all areas of the business, having held various management roles across a number of different business. He now oversees almost 1,000 employees across Australia, New Zealand, UK, USA, Malaysia and UAE. Cameron completed the General Management Program at Harvard Business School in 2012.
<b>Other current directorships</b>	None
<b>Former directorships (last 3 years)</b>	None
<b>Interests in shares</b>	167,057 Ordinary shares
<b>Interests in options</b>	None
<b>Interests in rights</b>	699,759
<b>Contractual rights to shares</b>	None

# DIRECTORS' REPORT

## INFORMATION ON DIRECTORS AND COMPANY SECRETARY (CONTINUED)

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<b>NAME</b>	<b>JOHN WAGNER</b>
<b>Title</b>	Non-executive Director
<b>Experience and expertise</b>	John is one of the co-founders of Wagners and has been involved in the business since its inception and has been instrumental in developing Wagners into one of the leading construction materials producers in South East Queensland. John brings over 30 years' experience in the construction materials industry.
<b>Other current directorships</b>	None
<b>Former directorships (last 3 years)</b>	None
<b>Special responsibilities</b>	Member of Audit and Risk Committee
<b>Interests in shares</b>	36,614,431 Ordinary shares*
<b>Interests in options</b>	None
<b>Interests in rights</b>	None
<b>Contractual rights to shares</b>	None

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<b>NAME</b>	<b>ROSS WALKER</b>
<b>Title</b>	Independent, Non-executive Director
<b>Qualifications</b>	BCom, FCA
<b>Experience and expertise</b>	Ross is a Chartered Accountant, with more the 30 years' corporate and accounting experience, and a former managing partner of accounting and consulting firm, Pitcher Partners Brisbane.
<b>Other current directorships</b>	RPM Global Limited (ASX: RUL) (Appointed in 2008), Sovereign Cloud Holdings Limited (ASX: SOV) (Appointed in 2017)
<b>Former directorships (last 3 years)</b>	None
<b>Special responsibilities</b>	Chair of Audit and Risk Committee and Member of Nomination Committee
<b>Interests in shares</b>	200,000 Ordinary shares
<b>Interests in options</b>	None
<b>Interests in rights</b>	None
<b>Contractual rights to shares</b>	None

# DIRECTORS' REPORT

## INFORMATION ON DIRECTORS AND COMPANY SECRETARY (CONTINUED)

<b>NAME</b>	<b>LYNDA O'GRADY</b>
<b>Title</b>	Independent, Non-executive Director
<b>Qualifications</b>	BCom(Hons), FAICD
<b>Experience and expertise</b>	Lynda has held Executive/Managing Director roles at Telstra, including Chief of Product. Prior to this Lynda was Commercial Director of Australian Consolidated Press (PBL) and General Manager of Alcatel Australia. She was Chairman of the Aged Care Financing Authority until her retirement effective 30 April 2018 and a member of the Advisory Board of Jamieson Coote Bonds.
<b>Other current directorships</b>	Domino's Pizza Enterprises Limited (ASX: DMP) (Appointed in 2015), Rubicon Water Ltd (ASX: RWL) (Appointed in 2021), AVANT Group (Appointed in 2019) & Musica Viva Australia (Appointed in 2018)
<b>Former directorships (last 3 years)</b>	None
<b>Special responsibilities</b>	Member of Nomination Committee and Audit and Risk Committee and Chair Remuneration Committee
<b>Interests in shares</b>	50,000 Ordinary shares
<b>Interests in options</b>	None
<b>Interests in rights</b>	None
<b>Contractual rights to shares</b>	None

<b>NAME</b>	<b>KAREN BROWN</b>
<b>Title</b>	Company Secretary
<b>Qualifications</b>	LLB, BCom
<b>Experience and expertise</b>	Karen is a solicitor of the Supreme Court of Queensland and was appointed as General Counsel and Company Secretary to Wagners in December 2017. Karen has over 20 years' experience in the legal sector, and is a former partner of Carter Newell Lawyers.

*'Other current directorships'* quoted above are current directorships for listed entities only and excludes directorships of all other types of entities, unless otherwise stated.

*'Former directorships (last 3 years)'* quoted above are directorships held in the last 3 years for listed entities only and excludes directorships of all other types of entities, unless otherwise stated.

*'Interests in shares'* refers to shareholdings as at the date of the Directors' report.

\* Includes interest in 14,201,056 shares held by Wagner Property Operations Pty Ltd.

# DIRECTORS' REPORT

## DIRECTORS' MEETINGS

The number of meetings of the Company's Board of Directors ('the Board') and of each Board committee held during the year ended 30 June 2024, and the number of meetings attended by each Director were:

	FULL BOARD MEETINGS		AUDIT & RISK COMMITTEE MEETINGS		REMUNERATION COMMITTEE MEETINGS		NOMINATION COMMITTEE MEETINGS	
	HELD	ATTENDED	HELD	ATTENDED	HELD	ATTENDED	HELD	ATTENDED
Denis Wagner	11	11	–	–	2	2	–	–
John Wagner	11	11	2	2	–	–	–	–
Ross Walker	11	10	2	2	2	2	–	–
Lynda O'Grady	11	11	2	2	2	2	–	–
Cameron Coleman	11	11	2	2	2	2	–	–

*Held: represents the number of meetings held during the time the Director held office or was a member of the relevant committee.*



# REMUNERATION REPORT (AUDITED)

The Directors of Wagners Holding Company Limited are pleased to present the Remuneration Report (the 'Report') for the Company and its subsidiaries (together, the 'Group') for the financial year ended 30 June 2024.

The information provided in the Report has been audited as required by section 308(3C) of the Corporations Act 2001.

The Report consists of the following sections:

1. Remuneration report overview
2. Remuneration governance
3. Executive remuneration policy and practices
4. Non-executive Director remuneration policy and practices
5. Overview of Group performance
6. Employment contracts of key management personnel
7. Details of remuneration
8. Equity instruments held by key management personnel
9. Other transactions with key management personnel

## 1 REMUNERATION REPORT OVERVIEW

For the purposes of this Report, the Group's key management personnel ('KMP') are its Non-executive Directors and executives who have been identified as having authority and responsibility for planning, directing and controlling the major activities of the Group.

The table below outlines the KMP of Wagners and their movement during the financial year end 30 June 2024:

NAME	ROLE	TERMS AS KMP
<b>NON-EXECUTIVE DIRECTORS</b>		
Denis Wagner	Non-executive Chairman	Full financial year
John Wagner	Non-executive Director	Full financial year
Lynda O'Grady	Non-executive Director	Full financial year
Ross Walker	Non-executive Director	Full financial year
<b>SENIOR EXECUTIVES</b>		
Cameron Coleman	Managing Director ('MD')	Full financial year
Fergus Hume	Chief Financial Officer ('CFO')	Full financial year

# REMUNERATION REPORT (AUDITED)

## 2 REMUNERATION GOVERNANCE

Ultimately, the Board is responsible for the Group's remuneration policies and practices. The role of the Remuneration Committee (the 'Committee') is to assist the Board to ensure that appropriate and effective remuneration packages and policies are implemented within the Company and Group in relation to the KMP and those reporting directly to the Managing Director.

The Remuneration Committee's functions include:

- ▶ Review and evaluation of market practices and trends on remuneration matters;
- ▶ Recommendations to the Board about the Group's remuneration policies and procedures;
- ▶ Recommendations to the Board about remuneration of senior management; and
- ▶ Reviewing the Group's reporting and disclosure practices in relation to the remuneration of senior executives.

The Committee's Charter allows the Committee access to specialist external advice about remuneration structure and levels, which it intends to utilise periodically in support of its remuneration decision making process.

## 3 EXECUTIVE REMUNERATION POLICY AND PRACTICES

The Group's remuneration framework is designed to attract, retain, motivate and reward employees for performance that is competitive and appropriate for the results delivered. The framework aligns remuneration with the achievement of strategic goals and the creation of value for shareholders.

The key criteria supporting the Group's remuneration framework are:

- ▶ Competitiveness and reasonableness;
- ▶ Acceptability to shareholders;
- ▶ Performance linkage/alignment of executive compensation; and
- ▶ Transparency.

Wagner's Executive KMP remuneration consists of fixed remuneration, short-term incentives and long-term incentives plans. Executive KMP remuneration includes both fixed and variable components, with variable rewards consisting of short and long term incentives that are based on Group performance outcomes.

### (a) Fixed remuneration

Fixed remuneration for employees reflects the complexity of the individual's role and their experience, knowledge and performance. Internal and external benchmarking is regularly undertaken, and fixed remuneration levels are set with regards to comparable market remuneration.

Fixed remuneration is comprised of base salary, salary sacrificed non-monetary benefits, annual & long service leave and employer superannuation contributions, in line with statutory obligations.

Fixed remuneration is reviewed annually, taking into consideration the performance of the individual, business unit, and the Group as a whole.

# REMUNERATION REPORT (AUDITED)

## 3 EXECUTIVE REMUNERATION POLICY AND PRACTICES (CONTINUED)

### (b) Short-term incentive plan

The Company has adopted a short-term incentive (STI) plan for key employees, and is designed to motivate and align employees with the Group's financial and strategic objectives.

Non-executive Directors are not entitled to participate in the STI. Key employees are entitled to receive STI payments, calculated as a percentage of base salary, subject to achieving performance targets against key performance indicators agreed with the Board.

Operating Earnings before Interest and Tax (EBIT) has been assessed as the most suitable measure of financial performance for the STI, as EBIT aligns the Group's operating profit performance to the incentive attainable.

The following table outlines the key features of the STI Plan for the financial year ended 30 June 2024:

<b>PARTICIPANTS</b>	All KMP executives		
<b>PERFORMANCE PERIOD</b>	Financial year ending 30 June 2024		
<b>PERFORMANCE TARGET</b>	Performance was measured against a target EBIT, being the Group's operational budgeted EBIT, approved and ratified by the Board.		
<b>OPPORTUNITY<sup>1</sup></b>	<b>TARGET EBIT ACHIEVED</b>	<b>% OF BASE SALARY</b>	
	<90%	0%	
	90%	12.5%	
	100%	25%	
	110%	37.5%	
	120%	50%	
<b>PERFORMANCE RESULTS</b>	The Group achieved 102% of its Target EBIT for the financial year, as such the Group STI performance target was met.		
<b>PAYMENT METHOD</b>	100% of STI earned will be payable by way of cash in two equal tranches, over one year. Other than in certain circumstances, if the employee ceases employment with the Group, any tranches earned that have not yet been paid will be forfeited.		

<sup>1</sup> Where EBIT falls between target EBIT ranges, then % of Base Salary will be calculated on a pro rata basis between the upper and lower percentages of that range. Note that the STI payments are capped at a maximum of 50% of base salary.

# REMUNERATION REPORT (AUDITED)

## 3 EXECUTIVE REMUNERATION POLICY AND PRACTICES (CONTINUED)

### (c) Long-term incentive plan

The Company adopted a new long-term incentive plan in connection with its admission to the ASX, the Omnibus Incentive Plan (LTI).

Performance rights are issued under the LTI, and it provides for KMP to receive a number of performance rights, as determined by the Board, over ordinary shares. Performance rights issued under the LTI will be subject to performance conditions that are detailed below.

The Remuneration Committee consider this equity performance-linked remuneration structure to be appropriate as KMP only receive a benefit when there is a corresponding direct benefit to shareholders.

Details of performance rights over ordinary shares in the company provided as remuneration to each of the key management personnel of the group are set out below. When exercisable, each performance right is convertible into one ordinary share of Wagners Holding Company Limited.

The following page provides the key details and movements of all key management personnel performance rights applicable to the financial year ended 30 June 2024.

# REMUNERATION REPORT (AUDITED)

## 3 EXECUTIVE REMUNERATION POLICY AND PRACTICES (CONTINUED)

### (c) Long-term incentive plan (continued)

CALENDAR YEAR ISSUED	TRANCHE	GRANT DATE	VESTING DATE	EXPIRY DATE	GRANT DATE FAIR VALUE	VESTING CONDITIONS	PERFORMANCE PERIOD <sup>1</sup>	MOVEMENTS				
								1 JULY 2023	ISSUED	EXERCISED	EXPIRED/FORFEITED <sup>2</sup>	30 JUNE 2024
2023	1	30/11/2023	30/09/2026	30/11/2028	\$0.26	FY24 SP	1 year <sup>1</sup>	–	184,331	–	–	184,331
2023	2	30/11/2023	30/09/2026	30/11/2028	\$0.19	FY25 SP	2 years <sup>1</sup>	–	184,331	–	–	184,331
2023	3	30/11/2023	30/09/2026	30/11/2028	\$0.15	FY26 SP	3 years <sup>1</sup>	–	184,331	–	–	184,331
2022	1	20/09/2022	30/09/2025	20/09/2027	\$0.08	FY23 SP <sup>3</sup>	1 year	197,162	–	–	(197,162)	–
2022	2	20/09/2022	30/09/2025	20/09/2027	\$0.12	FY24 SP <sup>4</sup>	2 years	197,162	–	–	–	197,162
2022	3	20/09/2022	30/09/2025	20/09/2027	\$0.15	FY25 SP <sup>5</sup>	3 years	197,162	–	–	–	197,162
2021	1	26/11/2021	31/08/2022	26/11/2026	\$1.42	FY22 EPS <sup>6</sup>	1 year	74,861	–	–	–	74,861
2021	2	26/11/2021	31/08/2023	26/11/2026	\$1.39	FY23 EPS <sup>6</sup>	2 years	74,861	–	–	–	74,861
2021	3	26/11/2021	31/08/2024	26/11/2026	\$1.37	FY24 EPS <sup>6</sup>	3 years	74,861	–	–	–	74,861
2021	1B	26/11/2021	31/08/2022	26/11/2025	\$1.42	FY22 EPS <sup>6</sup>	1 year	120,120	–	–	(120,120)	–
2021	2A	26/11/2021	31/08/2023	26/11/2025	\$1.39	FY23 EPS <sup>6</sup>	2 years	180,179	–	–	(180,179)	–
2020	1	19/11/2020	31/08/2021	19/11/2025	\$1.41	FY21 EPS <sup>7</sup>	1 year	60,059	–	–	(60,059)	–
2020	2	19/11/2020	31/08/2022	19/11/2025	\$1.39	FY22EPS <sup>7</sup>	2 years	120,120	–	–	(120,120)	–
2020	3	19/11/2020	31/08/2023	19/11/2025	\$1.34	FY23 EPS <sup>7</sup>	3 years	120,120	–	–	(120,120)	–
								<b>1,416,667</b>	<b>552,993</b>	<b>–</b>	<b>(797,760)</b>	<b>1,171,900</b>

- 1 Represents the relevant period of time to which both the performance vesting condition is measured and the period of time the recipient must remain employed with the Group.
- 2 Where performance rights of a particular calendar year offer have not met all vesting conditions, they will be forfeited in the financial year that the final vesting date of that offer has passed, therefore the remaining performance with a final vesting condition of FY24 will be forfeited in FY25.
- 3 The 10-working day volume weighted average price (VWAP) of the Wagners share price, after the release of the financial results for the period ended 30 June 2024, must be equal to or exceed \$1.85.
- 4 The 10-working day VWAP of the Wagners share price, after the release of the financial results for the period ended 30 June 2024, must be equal to or exceed \$2.50.
- 5 The 10-working day VWAP of the Wagners share price, after the release of the financial results for the period ended 30 June 2025, must be equal to or exceed \$2.95.
- 6 Offer Earnings Per Share (Offer EPS), based on earnings excluding the EFC investment (Operating EPS).
- 7 Offer Earnings Per Share (Offer EPS).
- 8 Amended earnings per share (Amended EPS).

# REMUNERATION REPORT (AUDITED)

## 3 EXECUTIVE REMUNERATION POLICY AND PRACTICES (CONTINUED)

### (c) Long-term incentive plan (continued)

#### 2023 ISSUED PERFORMANCE RIGHTS

1	<b>VESTING DATES</b>	30 September 2026
2	<b>VESTING CONDITIONS</b>	<b>TRANCHE 1</b> The 10-working day volume weighted average price (VWAP) of the Wagners share price, after the release of the financial results for the period ended 30 June 2024, must be equal to or exceed \$1.20. <b>TRANCHE 2</b> The 10-working day VWAP of the Wagners share price, after the release of the financial results for the period ended 30 June 2025, must be equal to or exceed \$1.80. <b>TRANCHE 3</b> The 10-working day VWAP of the Wagners share price, after the release of the financial results for the period ended 30 June 2026, must be equal to or exceed \$2.70. <b>ADDITIONAL VESTING TERMS</b> The participant must be still employed at the Vesting Date for any options to be eligible to be vested.
3	<b>EXPIRY DATE</b>	5 years from the date the Performance rights were issued.

The assessed fair value at the date of grant of performance rights issued is determined using an option pricing model that takes into account the exercise price, the underlying share price at the time of issue, the term of performance right, the underlying share's expected volatility, expected dividends and risk-free interest rate for the expected life of the instrument.

## 4 NON-EXECUTIVE DIRECTOR REMUNERATION POLICY AND PRACTICES

Fees and payments to non-executive Directors reflect the demands and responsibilities of their role. Non-executive Directors' fees and payments are reviewed annually by the Remuneration Committee, and reflects the market salary for a position and individual of comparable responsibility and experience whilst considering the Group's stage of development.

Non-executive Directors' fees were fixed, and they did not receive any performance-based remuneration. Under the Company's Constitution the amount paid or provided for payments to Directors as a whole must not exceed the maximum aggregate amount of \$750,000. The current Independent Non-executive Directors fees are \$115,000 per annum and Directors may also be reimbursed for all travelling and other expenses incurred in connection with their Company duties. Non-executive Chairman fees are \$230,000 per annum.

# REMUNERATION REPORT (AUDITED)

## 5 OVERVIEW OF GROUP PERFORMANCE

The relationship between remuneration policy and Group performance is assessed for the current year and the prior four financial years.

	30 JUN 2024	30 JUN 2023	30 JUN 2022	30 JUN 2021	30 JUN 2020
Revenue (\$'000)	481,644	475,452	336,851	320,650	249,668
EBITDA (\$'000) <sup>1</sup>	57,048	45,272	45,379	48,280	27,614
Operating EBIT <sup>2</sup> (\$'000)	39,678	21,910	21,430	26,520	11,519
EBIT (\$'000) <sup>1</sup>	29,493	17,003	20,965	25,398	8,627
NPAT (\$'000)	10,282	3,123	7,659	10,001	(17)
Dividends paid (cents per share)	0.0	0.0	0.0	0.0	0.0
Basic Earnings per share (cents)	5.4	1.7	4.1	5.3	(0.0)
Share price movement (cents per share)	(5)	(31)	(101)	111	(69)

- 1 EBITDA (Earnings before interest, tax, depreciation and amortisation) & EBIT (earnings before interest and tax) are both non-IFRS measures and are unaudited
- 2 Operating EBIT (earnings before interest & tax less non-operating items such as impairments and fair value adjustments) is a non-IFRS measure and is unaudited.

## 6 EMPLOYMENT CONTRACTS OF KEY MANAGEMENT PERSONNEL

The Company has entered into standard employment agreements (fixed remuneration and equity-based incentives) with all senior management. None of the Non-executive directors have employment contracts with the Company.

Key terms of the employment agreements for the executive KMP members are as follows:

EXECUTIVE KMP	ROLE	CONTRACT DURATION	NOTICE PERIOD	TERMINATION PAYMENTS APPLICABLE <sup>1</sup>	ANNUAL BASE SALARY (EXCLUSIVE OF SUPERANNUATION) \$
Cameron Coleman	MD	Unlimited	12 months (Wagner's notice)/ 6 months (employee's notice)	Applicable notice period	588,511
Fergus Hume	CFO	Unlimited	6 months	Notice period	405,440

- 1 Termination payments are based on base salary, including superannuation.

# REMUNERATION REPORT (AUDITED)

## 7 DETAILS OF REMUNERATION

### (a) Performance against STI plan

For the executive KMP members, the applicable STI award payable against the performance of the Group's EBIT for the financial year ended 30 June 2024 was:

EXECUTIVE KMP	MAXIMUM 'AT-RISK'	% OF MAXIMUM STI AWARDED/PAYABLE	% OF STI FORFEITED	ESTIMATE OF MAXIMUM TOTAL VALUE \$
Cameron Coleman	50% of base salary	28%	22%	294,256
Fergus Hume	50% of base salary	28%	22%	202,720

### (b) Director & executive KMP remuneration

Details of the remuneration of Directors and other key management personnel of the Company in respect to their terms as a KMP outlined above, for the financial years ended 30 June 2024 & 30 June 2023 are set out in the tables on the following pages:

FINANCIAL YEAR ENDED	SHORT-TERM		POST-EMPLOYMENT		LONG-TERM		EQUITY BASED BENEFITS		TOTAL REMUNERATION	PERFORMANCE RELATED
	SALARY AND FEES <sup>1</sup>	STI AWARDED <sup>2</sup>	NON-CASH BENEFITS <sup>5</sup>	SUPER-ANNUATION	LONG SERVICE LEAVE <sup>3</sup>	SHARE BASED PAYMENTS <sup>4</sup>				
30 JUNE 2024	\$	\$	\$	\$	\$	\$	\$	\$	\$	%
<b>Non-executive Directors</b>										
Denis Wagner	230,000	–	–	–	–	–	–	230,000	–	–
John Wagner	115,000	–	–	–	–	–	–	115,000	–	–
Lynda O'Grady	115,000	–	–	–	–	–	–	115,000	–	–
Ross Walker	115,000	–	–	–	–	–	–	115,000	–	–
<b>Executive KMP's</b>										
Cameron Coleman	590,746	164,544	14,362	27,500	14,018	203,529	1,014,699	36.27		
Fergus Hume <sup>6</sup>	420,185	113,359	22,428	27,500	20,848	141,235	745,555	34.15		
<b>Total Directors' and Executive remuneration</b>	<b>1,585,931</b>	<b>277,903</b>	<b>36,790</b>	<b>55,000</b>	<b>34,866</b>	<b>344,764</b>	<b>2,335,254</b>	<b>26.66</b>		

1 Amount includes the movement in annual leave provision during the year applicable to KMP.

2 STI bonus is for performance during the respective financial year using the criteria set out on page 25. STI's awarded is paid in two equal tranches over a one-year period, with outstanding amounts forfeited should the employee terminate their contract. The STI will be payable in the 2025 financial year.

3 Amount includes the value of long service leave accrued during the year.

4 This reflects the value of issued performance rights expected to meet the hurdle rates and those that have vested.

5 Non-cash benefits relates to motor vehicle allowance.

6 Salary and fees for Fergus Hume is higher than the reported base salary in section 6 due to amounts in excess of super guarantee limit paid in lieu of cash.



# REMUNERATION REPORT (AUDITED)

## 7 DETAILS OF REMUNERATION (CONTINUED)

### (b) Director & executive KMP remuneration (continued)

FINANCIAL YEAR ENDED	SHORT-TERM		NON-CASH BENEFITS <sup>5</sup>	POST-EMPLOYMENT	LONG-TERM	EQUITY BASED BENEFITS	TOTAL REMUNERATION	PERFORMANCE RELATED
	SALARY AND FEES <sup>1</sup>	STI AWARDED <sup>2</sup>		SUPER-ANNUATION	LONG SERVICE LEAVE <sup>3</sup>	SHARE BASED PAYMENTS <sup>4</sup>		
30 JUNE 2023	\$	\$	\$	\$	\$	\$	\$	%
<b>Non-executive Directors</b>								
Denis Wagner	230,000	–	–	–	–	–	230,000	–
John Wagner	115,000	–	–	–	–	–	115,000	–
Lynda O'Grady	115,000	–	–	–	–	–	115,000	–
Ross Walker	115,000	–	–	–	–	–	115,000	–
<b>Executive KMP's</b>								
Cameron Coleman	586,754	–	8,546	27,500	59,511	(17,819)	664,492	(2.68%)
Fergus Hume	405,938	–	14,280	27,500	14,583	(10,576)	451,725	(2.34%)
<b>Total Directors' and Executive remuneration</b>	<b>1,567,692</b>	<b>–</b>	<b>22,826</b>	<b>55,000</b>	<b>74,094</b>	<b>(28,395)</b>	<b>1,691,217</b>	<b>(1.68%)</b>

1 Amount includes the movement in annual leave provision during the year applicable to KMP.

2 STI bonus is for performance during the respective financial year using the criteria set out on page 25. STI's awarded is paid in two equal tranches over a one-year period, with outstanding amounts forfeited should the employee terminate their contract. The STI will be payable in the 2024 financial year.

3 Amount includes the value of long service leave accrued during the year.

4 This reflects the value of issued performance rights expected to meet the hurdle rates and those that have vested, an overall credit was recognised due to:

- In the 2024 financial year, there was a reversal of prior recognised values after tranches with hurdle conditions relating to this financial year were not achieved, the profit or loss impact of these reversals was a credit of (\$81,578).
- Hurdle conditions for 2025 financial year were reassessed to be achieved and along with the recognition of market condition performance rights issued in 2023, the profit or loss impact was an expense totalling \$53,183.

5 Non-cash benefits relates to motor vehicle allowance.

6 Salary and fees for Fergus Hume is higher than the reported base salary in section 6 due to amounts in excess of super guarantee limit paid in lieu of cash.

# REMUNERATION REPORT (AUDITED)

## 8 EQUITY INSTRUMENTS HELD BY KEY MANAGEMENT PERSONNEL

### (a) Ordinary shares

The movement in number of ordinary shares in Wagners Holding Company Limited held directly, indirectly, or beneficially, by each key management person during the 2024 financial year, is as follows:

KEY MANAGEMENT PERSON	OPENING BALANCE	PURCHASES ON MARKET	PURCHASES OFF MARKET	LTI RIGHTS EXERCISED	SHARE DISPOSALS	CLOSING BALANCE
Denis Wagner <sup>1</sup>	37,343,188	21,343	–	–	–	37,364,531
John Wagner <sup>1</sup>	36,614,431	–	–	–	–	36,614,431
Lynda O'Grady <sup>1</sup>	50,000	–	–	–	–	50,000
Ross Walker	200,000	–	–	–	–	200,000
Cameron Coleman	167,057	–	–	–	–	167,057
Fergus Hume	52,014	–	–	–	–	52,014

1 The closing balance includes 14,201,056 shares held by Wagners Property Operations Pty Ltd.

2 The closing balance includes 28,598 shares held by Lynda O'Grady's spouse.

### (b) STI/LTI instrument granted and issued during the year

The following LTI performance rights were issued during the financial year ended 30 June 2024 (2023: 591,486).

KEY MANAGEMENT PERSON	MOVEMENTS				30 JUNE 2024
	1 JULY 2023	GRANTED	EXERCISED	EXPIRED/FORFEITED	
Cameron Coleman	867,824	327,423	–	(495,488)	699,759
Fergus Hume	548,843	225,570	–	(302,272)	472,141

No performance rights were exercisable at 30 June 2024 (2023: none).

The total values of the LTI performance rights granted during the financial year for the key management personnel were as follows:

KEY MANAGEMENT PERSON	30 JUN 2024 \$	30 JUN 2023 \$
Cameron Coleman	294,255	294,256
Fergus Hume	202,719	188,753

# REMUNERATION REPORT (AUDITED)

## 9 OTHER TRANSACTIONS WITH KEY MANAGEMENT PERSONNEL AND THEIR RELATED PARTIES

### (a) Loans to key management personnel and their related parties

There were no loans issued to any key management personnel, or their related parties during the financial year ended 30 June 2024.

### (b) Other transactions with key management personnel and their related parties

#### Directors and related parties

All transactions between the Group and any Director and their related parties are conducted on the basis of normal commercial trading terms and conditions as agreed upon between the parties as per normal arms-length business transactions. The below table summarises the transactions with the Group and related companies that are controlled by Directors Denis Wagner and John Wagner. There were no other related party transactions with other Directors' of KMP's.

DESCRIPTION	2024 REVENUE/(COSTS) \$	2024 OWED/(OWING) <sup>2</sup> \$	2023 REVENUE/(COSTS) \$	2023 OWED/(OWING) \$
Sale of materials and services	1,324,049	332,504	3,634,884	425,178
Payments for rent of property and plant <sup>2</sup>	(7,770,610)	–	(7,071,498)	–
Payments for material royalties, wharfage & other	(3,203,859)	(77,466)	(2,343,526)	(91,328)
<b>Totals</b>	<b>(9,650,420)</b>	<b>255,038</b>	<b>(5,780,140)</b>	<b>333,850</b>

1 Amounts owed/ (owing) are included within current trade receivables and current trade payables respectively.

2 Payments for rent of property and plant relate to the following right-of-use assets and lease liabilities being recognised:

	30 JUN 2024 \$	30 JUN 2023 \$
Right-of-use asset	117,201,544	119,827,585
Lease liability	(133,957,196)	(133,283,427)

All lease liabilities relates to existing leases with related parties and no new lease transactions were entered into with related parties in the period 1 July 2023 to 30 June 2024.

#### This ends the Audited Remuneration Report.

The Directors' Report is signed in accordance with a resolution of the directors made pursuant to s298(2) of the Corporations Act 2001.



MR DENIS WAGNER

Chairman

Dated at Brisbane, Queensland on 21 August 2024.

## DECLARATION OF INDEPENDENCE BY D P WRIGHT TO THE DIRECTORS OF WAGNERS HOLDING COMPANY LIMITED

As lead auditor of Wagners Holding Company Limited for the year ended 30 June 2024, 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 audit; and
2. No contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Wagners Holding Company Limited and the entities it controlled during the year.



**D P Wright**  
Director

**BDO Audit Pty Ltd**

Brisbane, 21 August 2024

BDO Audit Pty Ltd ABN 33 134 022 870 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 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 YEAR ENDED 30 JUNE 2024

	NOTE	30 JUN 2024 \$'000	30 JUN 2023 \$'000
Revenue from contracts with customers	3(a)	481,644	475,452
Other income	3(b)	4,704	1,874
Costs of goods sold	4(d)	(229,209)	(227,889)
Employee benefits expense	4(a)	(98,167)	(96,421)
Depreciation — right-of-use assets	10(a)	(7,777)	(8,021)
Depreciation and amortisation expense — other	9(a)+11(a)	(19,622)	(20,248)
Finance costs — lease liabilities	15	(5,881)	(5,591)
Net finance cost — other	4(b)	(6,797)	(5,881)
Contract work and purchased services		(16,012)	(23,153)
Repairs and maintenance		(44,649)	(41,249)
Transport and travel		(16,250)	(20,549)
Impairment loss	4(e)	(8,765)	–
Fair value adjustment on derivative instruments	16	(438)	(744)
Impairment of trade receivables — gain/(loss)	7(a)	371	(153)
Other expenses	4(c)	(16,337)	(21,896)
<b>Profit before income tax</b>		<b>16,815</b>	<b>5,531</b>
Income tax expense	5	(6,533)	(2,408)
<b>Profit attributable to equity holders of the parent</b>		<b>10,282</b>	<b>3,123</b>
<b>OTHER COMPREHENSIVE INCOME (NET OF TAX)</b>			
<i>Items that may be reclassified to profit or loss</i>			
Adjustment from translation of foreign controlled entities, net of tax	19	(621)	58
		(621)	58
<b>Total comprehensive income attributable to equity holders of the parent</b>		<b>9,661</b>	<b>3,181</b>
<b>EARNINGS PER SHARE</b>		<b>CENTS</b>	<b>CENTS</b>
Basic earnings per share	21	5.5	1.7
Diluted earnings per share	21	5.4	1.6

The accompanying notes form part of these financial statements.

# CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2024

	NOTE	30 JUN 2024 \$'000	30 JUN 2023 \$'000
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	6	18,661	11,363
Trade and other receivables	7	68,519	95,148
Inventories	8	39,866	41,255
Derivative instruments	16	650	1,257
Current tax assets		–	1,899
Other assets		2,309	1,464
<b>Total Current Assets</b>		<b>130,005</b>	<b>152,386</b>
<b>NON-CURRENT ASSETS</b>			
Other financial assets		7	7
Property, plant and equipment	9	160,243	163,617
Right-of-use assets	10	118,239	130,439
Intangible assets	11	2,045	2,164
Deferred tax assets	12	2,572	2,058
<b>Total Non-current Assets</b>		<b>283,106</b>	<b>298,285</b>
<b>TOTAL ASSETS</b>		<b>413,111</b>	<b>450,671</b>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	13	54,615	64,523
Borrowings	14	7,073	23,026
Lease liabilities	15	10,070	10,404
Derivative instruments	16	2,475	2,643
Current tax liabilities		4,656	–
Provisions	17	11,438	10,062
<b>Total Current Liabilities</b>		<b>90,327</b>	<b>110,658</b>
<b>NON-CURRENT LIABILITIES</b>			
Borrowings	14	59,212	81,712
Lease liabilities	15	126,547	133,712
Provisions	17	2,461	610
<b>Total Non-current Liabilities</b>		<b>188,220</b>	<b>216,034</b>
<b>TOTAL LIABILITIES</b>		<b>278,547</b>	<b>326,692</b>
<b>NET ASSETS</b>		<b>134,564</b>	<b>123,979</b>
<b>EQUITY</b>			
Issued capital	18	411,564	411,564
Pre IPO distributions to related entities		(354,613)	(354,613)
Reserves	19	273	(30)
Retained earnings		77,340	67,058
<b>TOTAL EQUITY</b>		<b>134,564</b>	<b>123,979</b>

The accompanying notes form part of these financial statements.

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2024

	NOTE	SHARE CAPITAL \$'000	PRE IPO DISTRIBUTIONS TO RELATED ENTITIES \$'000	RESERVES \$'000	RETAINED EARNINGS \$'000	TOTAL \$'000
<b>Balance at 1 July 2022</b>		<b>411,564</b>	<b>(354,613)</b>	<b>14</b>	<b>63,935</b>	<b>120,900</b>
Profit for the financial year 30 June 2023		–	–	–	3,123	3,123
Exchange differences from translation of foreign controlled entities, net of tax		–	–	58	–	58
<b>Total comprehensive income for the financial year</b>		<b>–</b>	<b>–</b>	<b>58</b>	<b>3,123</b>	<b>3,181</b>
<i>Transactions with owners in their capacity as owners:</i>						
– Recognition of share-based payments	19(a)	–	–	(102)	–	(102)
– New shares issued (net of share issue costs)		–	–	–	–	–
<b>Balance at 30 June 2023</b>		<b>411,564</b>	<b>(354,613)</b>	<b>(30)</b>	<b>67,058</b>	<b>123,979</b>
Profit for the financial year 30 June 2024		–	–	–	10,282	10,282
Exchange differences from translation of foreign controlled entities, net of tax		–	–	(621)	–	(621)
<b>Total comprehensive income for the financial year</b>		<b>–</b>	<b>–</b>	<b>(621)</b>	<b>10,282</b>	<b>9,661</b>
<i>Transactions with owners in their capacity as owners:</i>						
– Recognition of share-based payments	19(a)	–	–	924	–	924
– Exercise of employee performance rights	18(b), 19(a)	–	–	–	–	–
<b>Balance at 30 June 2024</b>		<b>411,564</b>	<b>(354,613)</b>	<b>273</b>	<b>77,340</b>	<b>134,564</b>

The accompanying notes form part of these financial statements.

# CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2024

	NOTE	30 JUN 2024 \$'000	30 JUN 2023 \$'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from customers (inclusive of GST)		560,123	489,973
Payments to suppliers and employees (inclusive of GST)		(475,794)	(460,366)
Interest received		130	–
Dividends received		1,214	691
Finance costs		(12,585)	(11,523)
Income tax paid		(492)	(1,980)
<b>Net cash provided by operating activities</b>	22(a)	<b>72,596</b>	<b>16,795</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>			
Proceeds from sale of property, plant and equipment		3,439	1,135
Payments for property, plant and equipment		(23,859)	(15,151)
<b>Net cash used in investing activities</b>		<b>(20,420)</b>	<b>(14,016)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Proceeds from borrowings	22(b)	9,175	14,044
Repayment of lease liabilities	22(b)	(5,811)	(3,890)
Repayment of borrowings	22(b)	(47,629)	(13,829)
<b>Net cash (used in)/provided by financing activities</b>		<b>(44,265)</b>	<b>(3,675)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>7,911</b>	<b>(896)</b>
Cash at beginning of financial year		11,363	12,200
Effect of currency translation on cash and cash equivalents		(613)	59
<b>CASH AT END OF FINANCIAL YEAR</b>	6	<b>18,661</b>	<b>11,363</b>

The accompanying notes form part of these financial statements.



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2024

## 1 STATEMENT OF MATERIAL ACCOUNTING POLICIES

The consolidated financial statements of Wagners Holding Company Limited and its subsidiaries (together, the 'Group' or 'Consolidated Entity') for the year ended 30 June 2024 were authorised for issue in accordance with a resolution of the directors on 21 August 2024.

Wagners Holding Company Limited (the 'Company') is a for-profit company limited by shares incorporated on 2 November 2017 and domiciled in Australia.

The principal activities of the Group during the year consisted of the production and sale of construction materials and its new generation building materials, including the provision of ancillary services.

The principal accounting policies adopted in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all years presented, unless otherwise stated.

### (a) Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards (AASBs) and the Corporations Act 2001, including interpretations issued by the Australian Accounting Standards Board (AASB). The consolidated financial statements comply with International Financial Reporting Standards (IFRS) adopted by the International Accounting Standards Board (IASB).

#### (i) Basis of measurement and reporting convention

Except for cash flow information, the consolidated financial statements have been prepared on an accruals basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

#### (ii) New and revised accounting standards adoption

There were no new or revised accounting standards adopted that had any impact on the group's accounting policies and required retrospective adjustments.

#### (iii) Critical accounting estimates and judgements

The preparation of the consolidated financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Group. Actual results may differ from these estimates. Areas where assumptions and estimates are significant to the financial statements, or involving a higher degree of judgement due to complexity are as follows:

#### ALLOWANCE FOR EXPECTED CREDIT LOSSES

The allowance for expected credit losses assessment for trade receivables and contract assets requires a degree of estimation and judgement. It is based on the lifetime expected credit loss, grouped based on days overdue, and makes assumptions to allocate an overall expected credit loss rate for each group. These assumptions include recent sales experience, historical collection rates, the impact of current economic conditions and forward-looking information that is available. Refer to note 7 for further information.

#### IMPAIRMENT OF NON-FINANCIAL ASSETS

The consolidated entity assesses impairment of non-financial assets at each reporting date by evaluating conditions specific to the consolidated entity and to the particular asset that may lead to impairment. If an impairment trigger exists, the recoverable amount of the asset is determined. This involves fair value less costs of disposal or value-in-use calculations, which incorporate a number of key estimates and assumptions using information available at the reporting date. No impairment indicators were identified.

#### INCREMENTAL BORROWING RATE

Where the interest rate implicit in a lease cannot be readily determined, an incremental borrowing rate is estimated to discount future lease payments to measure the present value of the lease liability at the lease commencement date. Such a rate is based on what the consolidated entity estimates it would have to pay a third party to borrow the funds necessary to obtain an asset of a similar value to the right-of-use asset, with similar terms, security and economic environment.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2024

## 1 STATEMENT OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

### (a) Basis of preparation (continued)

#### (iii) Critical accounting estimates and judgements (continued)

##### PERFORMANCE RIGHTS

The consolidated entity measures the cost of equity settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by using the Black Scholes model while taking into account the terms and conditions upon which the instruments were granted. The accounting estimates and assumptions used include share price volatility, interest rates and vesting periods, refer to Note 26 for further information.

### (b) Principles of consolidation

#### Subsidiaries

The consolidated financial statements incorporate all of the assets, liabilities and results of the Group and all of its subsidiaries. Subsidiaries are all entities over which the Group has control. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

The assets, liabilities and results of all subsidiaries are fully consolidated into the financial statements of the Group from the date on which control is obtained by the Group. The consolidation of a subsidiary is discontinued from the date that control ceases. Intercompany transactions, balances and unrealised gains or losses on transactions between group entities are fully eliminated on consolidation. Accounting policies of subsidiaries have been changed and adjustments made where necessary to ensure uniformity of the accounting policies adopted by the Group.

### (c) Revenue recognition

#### Sale of materials and goods

The Group derives revenue from the sale of cement, flyash, aggregates, ready-mix concrete, precast concrete products and reinforcing steel.

Sale of construction and new generation building materials contains only one performance obligation, with revenue recognised at the point in time when the material or good is delivered to the customer, with payment terms typically 30 days end of month.

#### Provision of services

The Group derives revenue from the provision of services including project specific mobile and on-site concrete batching, contract crushing and haulage services, with payment terms typically between 30-60 days end of month.

#### INFRASTRUCTURE & MINING PROJECT SERVICES

Revenue from infrastructure and mining project services is recognised when the performance obligation to the customer has been satisfied, which is generally when the service is performed on site.

#### CONSTRUCTION CONTRACTS

For fixed-price construction contracts, mainly concerning the Group's New Generation Building Materials division, and the construction of concrete batch plants, revenue is recognised over time based on the actual service provided to the end of the reporting period as a proportion of the total services to be provided. This is measured by reference to actual labour hours incurred and actual costs incurred, relative to the total expected inputs to the satisfaction of the individual performance obligations. Estimates of revenues, costs or extent of progress toward completion are revised if circumstances change. Any resulting increases or decreases in estimated revenues or costs are reflected in profit or loss in the period in which the circumstances that give rise to the revision become known by management.

For precast infrastructure projects, revenue is recognised over time based on the output method, being segments produced as a proportion of the total segments to be delivered.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2024

## 1 STATEMENT OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

### (c) Revenue recognition (continued)

#### Dividends and interest

Dividend revenue is recognised when the right to receive a dividend has been established, and interest revenue is recognised using the effective interest method.

All revenue is stated net of the amount of goods and services tax.

#### Contract assets and contract liabilities

AASB 15 uses the terms 'contract asset' and 'contract liability' to describe what is commonly known as 'accrued revenue' and 'deferred revenue'. Contract assets are balances due from customers under contracts as work is performed and therefore a contract asset is recognised over the period in which the performance obligation is fulfilled. This represents the entity's right to consideration for the services transferred to date. Amounts are generally reclassified to trade receivables when these have been certified or invoiced to a customer. Contract liabilities arise where payment is received prior to work being performed.

### (d) Financial instruments

#### Classification

The group classifies its financial assets in the following measurement categories:

- ▶ those to be measured subsequently at fair value (either through Other Comprehensive Income (OCI), or through profit or loss), and
- ▶ those to be measured at amortised cost.

The classification depends on the group's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments that are not held for trading, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at Fair Value through Other Comprehensive Income (FVOCI). The Group reclassifies debt investments when and only when its business model for managing those assets changes.

#### Measurement

At initial recognition, the group measures a financial asset at its fair value plus, in the case of a financial asset not at Fair Value through Profit or Loss (FVPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest. Measurement of cash and cash equivalents and trade and other receivables are measured at amortised cost.

#### DEBT INSTRUMENTS

Subsequent measurement of debt instruments depends on the group's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the group classifies its debt instruments:

- ▶ Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other gains/(losses), together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the profit or loss.
- ▶ Fair Value through OCI (FVOCI): Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest. When the financial asset is derecognised, the cumulative gain or loss previously recognised is reclassified from equity to profit or loss and recognised in other gains/(losses).

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2024

## 1 STATEMENT OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

### (d) Financial instruments (continued)

#### Measurement (continued)

##### DEBT INSTRUMENTS (CONTINUED)

- ▶ Fair Value through Profit or Loss (FVPL): Assets that do not meet the criteria for amortised cost or FVOCI are measured at FVPL. A gain or loss on a debt investment that is subsequently measured at FVPL is recognised in profit or loss and presented net within other gains/(losses) in the period in which it arises.

##### IMPAIRMENT

The Group's accounting for impairment losses relating to financial assets is on a forward looking basis using the Expected Credit Losses (ECL) approach. For trade receivables and contract assets, the Group applies the simplified approach permitted by AASB 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables. The Group has established a provision matrix that is based on the Group's historical credit losses against the receivables ageing profile.

##### DERIVATIVES

The Group uses derivative financial instruments, such as forward currency contracts and interest rate swaps, to hedge its foreign currency risks and interest rate risks, respectively. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

### (e) Income tax

The income tax expense or benefit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction where the Company's subsidiaries operate and generate taxable income, adjusted by changes in deferred tax assets and liabilities attributable to temporary differences, unused tax losses and prior period adjustments (where applicable).

Current and deferred tax is recognised in the consolidated income statement, except to the extent that it relates to items recognised in other comprehensive income. In which case, the tax is also recognised in other comprehensive income.

Deferred tax assets and liabilities are recognised for temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements, at the tax rates expected to apply when the asset is realised or the liability is settled, except for:

- ▶ When the deferred income tax asset or liability arises from the initial recognition of goodwill or an asset or liability in a transaction other than a business combination, that at the time of the transaction affects neither accounting nor taxable profit or loss; or
- ▶ When the taxable temporary differences relate to interests in subsidiaries, associates or joint ventures, and the Company is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future; or

Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2024

## 1 STATEMENT OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

### (e) Income tax (continued)

#### Tax consolidation group

Wagners Holding Company Limited, the ultimate Australian controlling entity, and its Australian subsidiaries, have implemented the tax consolidation legislation.

Wagners Holding Company Limited and its subsidiaries in the tax consolidated Group account for their own current and deferred tax amounts. These tax amounts are measured as if each entity in the tax consolidated Group continues to be a stand-alone taxpayer in its own right. In addition to its own current and deferred tax amounts, Wagners Holding Company Limited, the ultimate Australian controlling entity, also recognises the current tax liabilities (or assets) and the deferred tax assets arising from unused tax losses and unused tax credits assumed from subsidiaries in the tax consolidated Group.

Assets or liabilities arising under tax funding arrangements within the tax consolidated entities are recognised as amounts receivable from or payable to other entities in the Group. Under the tax funding arrangement, the members of the tax consolidated Group compensate Wagners Holding Company Limited for any current tax payable assumed, and are compensated by Wagners Holding Company Limited for any current tax receivable and deferred tax assets relating to unused tax losses or unused tax credits that are transferred to Wagners Holding Company Limited.

### (f) Earnings per share

#### (i) Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to the owners of the Company, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial period, adjusted for bonus elements in ordinary shares issued during the financial period.

#### (ii) Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

### (g) Inventories

Inventories are stated at the lower of cost and net realisable value. The cost of manufactured products includes direct costs & labour, and apportioned fixed overhead costs, which are assigned on the basis of weighted average costs. Net realisable value is the estimated selling price in the ordinary course of business less the estimate costs of completion and the necessary costs to make the sale.

### (h) Property, plant and equipment

All property, plant and equipment are measured on the cost basis and therefore carried at cost less accumulated depreciation and any accumulated impairment. In the event the carrying amount of property, plant and equipment is greater than the estimated recoverable amount, the carrying amount is written down immediately to the estimated recoverable amount and impairment losses are recognised through profit or loss. A formal assessment of recoverable amount is made when impairment indicators are present (refer to Note 1(j) for details of impairment).

The carrying amount of property, plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the asset's employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

The cost of fixed assets constructed within the Group includes the cost of materials, direct labour, borrowing costs and an appropriate proportion of fixed and variable overheads.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are recognised as expenses in profit or loss during the financial period in which they are incurred.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2024

## 1 STATEMENT OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

### (h) Property, plant and equipment (continued)

#### Depreciation

The depreciable amount of all fixed assets including land improvements & buildings, is depreciated on a straight-line basis over the asset's useful life to the Group commencing from the time the asset is held ready for use. Estimated useful lives for each class of depreciable asset are as follows:

Land improvements & buildings	5 – 30 years
Plant and equipment	2 – 30 years
Motor vehicles	4 – 15 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are recognised in profit or loss in the period in which they arise.

#### (i) Impairment of non-financial assets

Non-financial assets are tested at the end of each reporting period for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. An impairment test is carried out on an asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs of disposal and value in use, to the asset's carrying amount. Any excess of the asset's carrying amount over its recoverable amount is recognised immediately in profit or loss. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash generating units).

### (j) Foreign currency transactions and balances

#### (i) Functional and presentation currency

The functional currency of each of the Group's entities is measured using the currency of the primary economic environment in which it operates. The consolidated financial statements are presented in Australian dollars, which is Wagners Holding Company Limited's functional and presentation currency.

#### (ii) Transactions and balances

Foreign currency transactions are translated into functional currency using the exchange rates prevailing at the date of the transaction. Foreign currency monetary items are translated at the year-end exchange rate. Non-monetary items measured at historical cost continue to be carried at the exchange rate at the date of the transaction. Non-monetary items measured at fair value are reported at the exchange rate at the date when fair values were determined.

Exchange differences arising on the translation of monetary items are recognised in profit or loss. Exchange differences arising on the translation of non-monetary items are recognised directly in other comprehensive income to the extent that the underlying gain or loss is recognised in other comprehensive income; otherwise the exchange difference is recognised in profit or loss.

#### (iii) Group companies

The results and financial position of foreign operations (none of which has the currency of a hyperinflationary economy), whose functional currency is different from the presentation currency are translated into the presentation currency as follows:

- ▶ Assets and liabilities in the statement of financial position are translated at the closing exchange rate at the reporting date of the reporting period; and
- ▶ Income and expenses in the statement of profit or loss and other comprehensive income are translated at average exchange rates for the reporting period.

Exchange differences arising on translation of foreign operations with functional currencies other than Australian dollars are recognised in other comprehensive income and included in the foreign currency translation reserve in the statement of financial position. The cumulative amount of these differences is reclassified into profit or loss in the period in which the operation is disposed of.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2024

## 1 STATEMENT OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

### (k) Employee benefits

#### (i) Short-term employee benefits

Liabilities for wages and salaries, including non-monetary benefits and annual leave expected to be settled wholly within 12 months after the end of the reporting period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liability for annual leave is presented as provision for employee benefits. All other short-term employee benefit obligations are presented as payables.

#### (ii) Other long-term employee benefits

The liabilities for long service leave and annual leave which is not expected to be settled wholly within 12 months after the end of the reporting period in which the employees render the related service is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the end of the reporting period on corporate bonds with terms and currencies that match, as closely as possible, the estimated future cash outflows.

The Group's obligations for long-term employee benefits are presented as non-current provision for employee benefits the consolidated statement of financial position, except where the Group does not have an unconditional right to defer settlement for at least 12 months after the end of the reporting period, in which case the obligations are presented as a current provision for employee benefits.

#### (iii) Retirement benefit obligations

All Australian-resident employees of the Group are entitled to receive a superannuation guarantee contribution, to the employee's superannuation fund of choice. All superannuation guarantee contributions are recognised as an expense when they become payable. All obligations for unpaid superannuation guarantee contributions at the end of the reporting period are measured at the (undiscounted) amounts expected to be paid when the obligation is settled and are presented as current liabilities in the Group's statement of financial position.

Other amounts charged to the financial statements in this respect represents the contribution made by the consolidated entity to employee retirement benefit funds in other jurisdictions.

#### (iv) Termination benefits

Termination benefits are payable when employment is terminated by the Group before the normal retirement date, or when an employee accepts voluntary redundancy in exchange for these benefits. The Group recognises a liability and expense for termination benefits at the earlier of: (a) the date when the Group can no longer withdraw the offer of those benefits; and (b) when the Group recognises costs for restructuring pursuant to AASB 137 *Provisions, Contingent Liabilities and Contingent Assets* and the costs include termination benefits. In either case, unless the number of employees affected is known, the obligation for termination benefits is measured on the basis of the number of employees expected to be affected. Termination benefits that are expected to be settled wholly before 12 months after the annual reporting period in which the benefits are recognised are measured at the (undiscounted) amounts expected to be paid. All other termination benefits are accounted for on the same basis as other long-term employee benefits.

#### (v) Short-term incentive scheme

The Group recognises a liability and an expense for bonuses based on a formula that takes into consideration the earnings of the Group after certain adjustments, subject to Board approval.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2024

## 1 STATEMENT OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

### (l) Provisions

Provisions are recognised when the Group has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

Provisions are measured using the best estimate of the amounts required to settle the obligation at the end of the reporting period.

### (m) Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are reported within borrowings in current liabilities on the statement of financial position.

### (n) Trade and other receivables

Trade and other receivables include amounts due from customers for goods sold and services performed in the ordinary course of business. Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets.

Trade receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognised at fair value. The group holds the trade receivables with the objective to collect the contractual cash flows where those cashflows represent solely payments of principal and interest and therefore measures them subsequently at amortised cost using the effective interest method.

### (o) Trade and other payables

Trade and other payables represent liabilities for goods and services provided to the Group prior to the end of the reporting period which are unpaid. Trade and other payables are presented as current liabilities and are normally paid within 45 days of recognition, unless payment is not due within 12 months after the reporting period where they are recognised as non-current liabilities.

### (p) Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Borrowing costs on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs.

Borrowings are removed from the consolidated statement of financial position when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as other income or finance costs.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

Borrowing costs incurred for the construction of any qualifying assets are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Other borrowing costs not previously mentioned are expensed as incurred.

### (q) Contributed equity

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2024

## 1 STATEMENT OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

### (r) Dividends

Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the Company, on or before the end of the reporting period but not distributed at the end of the reporting period.

### (s) Goods and services tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included with other receivables or payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to, the ATO are presented as operating cash flows included in receipts from customers or payments to suppliers.

### (t) Rounding of amounts

The amounts contained in the financial report have been rounded to the nearest thousand dollars where noted (\$'000), or in certain cases the nearest dollar, under the option available to the Company under *ASIC Legislative (Rounding in Financial/ Directors' Reports) Instrument 2016/191*. The Company is an entity to which this legislative instrument applies.

### (u) Parent entity financial information

The financial information for the parent entity, Wagner Holding Company Limited, has been prepared on the same basis as the consolidated financial statements. Investments in subsidiaries are carried at cost.

### (v) Leases

As a lessee, the Group recognises right-of-use assets and lease liabilities for most leases in the Consolidated Statement of Financial Position, representing its obligation to make lease payments.

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

The lease liability is subsequently increased by the interest cost on the lease liability and decreased by lease payments made. Lease liabilities are remeasured when there is a change in future lease payments arising from a change in a rate, or changes in the assessment of whether a purchase or extension option is reasonably certain to be exercised or a termination option is reasonably certain not to be exercised.

The right-of-use asset is initially measured at the amount of lease liability plus any lease payments made before commencement less any lease incentives received. It also includes direct costs and restoration costs. Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Group is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life.

The Group has elected not to recognise right-of-use assets and lease liabilities for leases with terms less than twelve months with no renewal options, and for leases of low-value assets. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

The Group has applied judgement to determine the lease term for some lease contracts in which it is a lessee that include renewal options. The assessment of whether the Group is reasonably certain to exercise such options impacts the lease term, which significantly affects the amount of lease liabilities and right-of-use assets recognised.

### (w) New accounting standards for application in future periods

New accounting standards and interpretations have been issued by the AASB that are not yet mandatory for the 30 June 2024 reporting periods and have not been early adopted by the Group. The Group continues to assess the impact of these new standards and interpretations, including AASB 2020-6 Classification of Liabilities as Current or Non-Current, but has not yet finalised its assessment of the impact on the Group in the current or future reporting periods and on foreseeable future transactions.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2024

## 2 SEGMENT REPORTING

AASB 8 Operating Segments requires the Group to identify operating segments and disclose segment information on the basis of internal reports that are provided to, and reviewed by, the chief operating decision maker of the Group to allocate resources and assess performance. In the case of the Group, the chief operating decision maker is the Board of Directors.

An operating segment is a component of the Group that engages in business activity from which it may earn revenues or incur expenditure, including those that relate with other Group components. Each operating segment's results are reviewed regularly by the Board to make decisions about resources to be allocated to the segments and assess its performance. The Board monitors the operations of the Group based on the following four segments:

- ▶ **Construction Materials (CM):** supplies a range of construction materials predominantly to customers in the construction, infrastructure, and resources industries. Key products include cement, flyash, ready-mix concrete, precast concrete products, aggregates and reinforcing steel. Services include mobile concrete, crushing and haulage services, and are typically provided via medium to long-term contracts both domestically and internationally.
- ▶ **Project Services (Projects):** supplies a range of project services predominantly to customers in the construction, infrastructure, and resources industries. Services include mobile concrete, crushing and haulage services, and are typically provided via medium to long-term contracts both domestically and internationally.
- ▶ **Composite Fibre Technology (CFT):** provides an innovative and environmentally sustainable new generation building material, Composite Fibre Technology (CFT).
- ▶ **Earth Friendly Concrete (EFC):** provides an innovative and environmentally sustainable new generation building material, Earth Friendly Concrete (EFC) technology.

Corporate amounts reflect corporate costs incurred by the Group, as well as the financing and investment activities of the Group.

Segment performance is evaluated based on profit before interest and tax. Inter-segment pricing is determined on an arm's length basis and inter-segment revenue is generated from the sales of materials and services between operations.

Allocations of assets and liabilities are not separately identified in internal reporting so are not disclosed in this note.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2024

## 2 SEGMENT REPORTING (CONTINUED)

### Reconciliations of reportable segment revenues & profit or loss

YEAR ENDED 30 JUNE 2024	CMS \$'000	PROJECTS' \$'000	CFT \$'000	EFC <sup>2</sup> \$'000	CORPORATE \$'000	TOTAL \$'000
Segment revenue	224,394	206,198	59,377	269	–	490,238
Inter-segment elimination	(8,519)	–	(75)	–	–	(8,594)
<b>Revenue from contracts with customers</b>	<b>215,875</b>	<b>206,198</b>	<b>59,302</b>	<b>269</b>	<b>–</b>	<b>481,644</b>
Other income	1,724	194	333	117	2,336	4,704
<b>Total revenue for the year</b>	<b>217,599</b>	<b>206,392</b>	<b>59,635</b>	<b>386</b>	<b>2,336</b>	<b>486,348</b>
<b>Profit/(loss) before interest &amp; income tax</b>	<b>31,674</b>	<b>18,507</b>	<b>419</b>	<b>(6,960)</b>	<b>(13,709)</b>	<b>29,931</b>
Finance costs						(12,808)
Fair value adjustment on derivatives						(438)
Interest income						130
Income tax expense						(6,533)
<b>Profit for the year</b>						<b>10,282</b>

1 Profit or loss includes impairment expense recognised in segment of \$3,173k in relation to Wacol precast [Note 4(e)].

2 Profit or loss includes impairment expense recognised in segment of \$5,592k in relation to winding down of EFC operations [Note 4(e)].

YEAR ENDED 30 JUNE 2023	CMS \$'000	PROJECTS \$'000	CFT \$'000	EFC \$'000	CORPORATE \$'000	TOTAL \$'000
Segment revenue	218,045	207,498	59,244	395	–	485,182
Inter-segment elimination	(9,730)	–	–	–	–	(9,730)
<b>Revenue from contracts with customers</b>	<b>208,315</b>	<b>207,498</b>	<b>59,244</b>	<b>395</b>	<b>–</b>	<b>475,452</b>
Other income	951	–	–	12	911	1,874
<b>Total revenue for the year</b>	<b>209,266</b>	<b>207,498</b>	<b>59,244</b>	<b>407</b>	<b>911</b>	<b>477,326</b>
<b>Profit/(loss) before interest &amp; income tax</b>	<b>19,045</b>	<b>17,862</b>	<b>(1,921)</b>	<b>(4,010)</b>	<b>(13,229)</b>	<b>17,747</b>
Finance costs						(11,472)
Fair value adjustment on derivatives						(744)
Interest income						–
Income tax expense						(2,408)
<b>Profit for the year</b>						<b>3,123</b>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2024

## 2 SEGMENT REPORTING (CONTINUED)

### Major customers

The Group has a number of customers to whom it provides both materials and services. The Group supplies two external customers (2023: one) in the CM segment who accounts for 28% of external revenue (2023: 12%).

### Geographical information

Refer to note 3(c) for disclosure of geographical information on revenue.

## 3 INCOME

### (a) Revenue from contracts with customers

	NOTE	30 JUN 2024 \$'000	30 JUN 2023 \$'000
Sale of goods		363,294	358,375
Sale of services		118,350	117,077
<b>Total revenue from contracts with customers</b>		<b>481,644</b>	<b>475,452</b>

\$6.062 million of revenue was recognised in the current financial year from satisfied performance obligations outstanding at the end of the previous reporting period.

### (b) Other income

	NOTE	30 JUN 2024 \$'000	30 JUN 2023 \$'000
Profit on sale of property, plant and equipment		2,404	913
Dividends received		1,214	691
Rent and hire received		695	237
Other income		391	33
<b>Total other income</b>		<b>4,704</b>	<b>1,874</b>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2024

## 3 INCOME (CONTINUED)

### (c) Disaggregation of revenue

The Group earns revenue from several geographical locations, the net revenue presented below is based on the selling entity.

	30 JUNE 2024					30 JUNE 2023				
	CMS \$'000	PROJECTS \$'000	CFT \$'000	EFC \$'000	CORPORATE \$'000	CMS \$'000	PROJECTS \$'000	CFT \$'000	EFC \$'000	CORPORATE \$'000
<b>AUSTRALIA</b>										
– Point-in-time	215,514	128,333	33,742	85	–	207,780	135,623	22,617	184	–
– Over-time	361	77,865	19,434	–	–	535	71,875	26,173	–	–
<b>UNITED STATES OF AMERICA</b>										
– Over-time	–	–	2,057	–	–	–	–	5,168	–	–
<b>NEW ZEALAND</b>										
– Point-in-time	–	–	3,713	–	–	–	–	2,550	–	–
– Over-time	–	–	356	–	–	–	–	2,736	–	–
<b>UNITED KINGDOM</b>										
– Point-in-time	–	–	–	184	–	–	–	–	211	–
<b>PNG &amp; MALAYSIA</b>										
– Point-in-time	–	–	–	–	–	–	–	–	–	–
<b>Total point-in-time</b>	<b>215,514</b>	<b>128,333</b>	<b>37,455</b>	<b>269</b>	<b>–</b>	<b>207,780</b>	<b>135,623</b>	<b>25,167</b>	<b>395</b>	<b>–</b>
<b>Total over-time</b>	<b>361</b>	<b>77,865</b>	<b>21,847</b>	<b>–</b>	<b>–</b>	<b>535</b>	<b>71,875</b>	<b>34,077</b>	<b>–</b>	<b>–</b>
<b>Revenue from contracts</b>	<b>215,875</b>	<b>206,198</b>	<b>59,302</b>	<b>269</b>	<b>–</b>	<b>208,315</b>	<b>207,498</b>	<b>59,244</b>	<b>395</b>	<b>–</b>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2024

## 4 PROFIT OR LOSS ITEMS

Profit for the following year included the following specific items:

### (a) Expenses

	NOTE	30 JUN 2024 \$'000	30 JUN 2023 \$'000
Employee benefits expense (i)		88,231	88,604
Defined contributions plans (ii)		9,012	7,920
Performance rights expense (iii)	26	924	(102)

(i) Excludes the Group's defined contributions paid for its employees and performance rights.

(ii) Defined contributions plan is the compulsory superannuation payable on employee salaries and wages.

(iii) Performance rights expense is recognised based on probability of vesting conditions being met.

### (b) Net finance costs

	30 JUN 2024 \$'000	30 JUN 2023 \$'000
Interest income	(130)	–
Interest costs and facility fees	7,202	6,151
Other finance costs/(income)	(275)	(270)
	<b>6,797</b>	<b>5,881</b>

### (c) Other expenses

	30 JUN 2024 \$'000	30 JUN 2023 \$'000
Rent & hire costs	9,728	12,250
Freight & postal costs	1,571	3,343
Other expenses	5,038	6,303
	<b>16,337</b>	<b>21,896</b>

### (d) Cost of goods sold

Cost of goods sold includes the values of \$148,840k for the purchase cost of inventory and materials (2023: \$160,759), \$53,152k (2023: \$46,953k) for other direct costs and cartage on sales (freight of \$49,721k (2023: \$42,367k, royalties of \$2,473k (2023: \$3,183k) and drill and blast costs of \$958k (2023: \$1,403k)) and \$27,217k (2023: \$20,177k) for allocation of overheads (labour costs of \$24,074k (2023: \$15,466k) and other plant and equipment expenses of \$3,143k (2023: \$4,711k)) to produce inventory for sale.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2024

## 4 PROFIT OR LOSS ITEMS (CONTINUED)

### (e) Impairment losses

	30 JUN 2024 \$'000	30 JUN 2023 \$'000
Wacol Precast <sup>1</sup>	3,173	–
EFC <sup>2</sup>	5,592	–
	<b>8,765</b>	–

- 1 Early termination of the Wacol precast facility property, plant and equipment and lease write offs, and winding down our precast operations business in a caretaker mode. This loss is included in the Projects segment.
- 2 Winding down of our EFC business operations, included in our EFC segment.

## 5 INCOME TAX

### (a) Income tax expense

	CONSOLIDATED GROUP	
	30 JUN 2024 \$'000	30 JUN 2023 \$'000
The components of income tax expense comprise:		
Current tax on profits for the year	9,115	–
Adjustments for current tax of prior periods	(2,068)	–
Deferred tax expense/(benefit)	(514)	2,408
	<b>6,533</b>	<b>2,408</b>

### (b) Numerical reconciliation of income tax expense to prima facie tax payable

	30 JUN 2024 \$'000	30 JUN 2023 \$'000
<b>Profit before income tax expense</b>	<b>16,533</b>	<b>5,531</b>
Prima facie tax payable using Australian tax rate of 30% (2023: 30%)	5,045	1,659
<i>Adjusted for:</i>		
– Foreign tax rate differential	571	251
– Offshore (non-Australian) tax losses not recognised in deferred taxes	2,158	655
– Foreign exchange impacts on tax expense	–	18
– Other net non-deductible/(non-assessable) items	(333)	(175)
– Under/(over) provision from prior years	(908)	–
<b>Income tax expense</b>	<b>6,533</b>	<b>2,408</b>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2024

## 6 CASH AND CASH EQUIVALENTS

	30 JUN 2024 \$'000	30 JUN 2023 \$'000
Cash on hand	6	7
Cash at bank	18,655	11,356
	<b>18,661</b>	<b>11,363</b>

## 7 TRADE AND OTHER RECEIVABLES

	30 JUN 2024 \$'000	30 JUN 2023 \$'000
<b>CURRENT</b>		
Trade receivables	66,006	83,250
Provision for expected credit loss of trade receivables	(1,481)	(1,314)
	<b>64,525</b>	<b>81,936</b>
Contract assets (i)	3,743	13,107
Other receivables	251	105
	<b>68,519</b>	<b>95,148</b>

(i) Contract assets decreased due mainly to the Sydney Metro Precast contract finalization in the financial year ended 30 June 2024.

### (a) Provision for expected credit losses of trade receivables

Movement in the allowance for expected credit losses of trade receivables is as follows:

	30 JUN 2024 \$'000	30 JUN 2023 \$'000
Balance at beginning of period	1,314	1,161
– Impairment expense recognised during the year	(371)	153
– Receivables (written off)/recouped during the year as uncollectable	538	–
<b>Balance at end of period</b>	<b>1,481</b>	<b>1,314</b>



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2024

## 7 TRADE AND OTHER RECEIVABLES (CONTINUED)

### (b) Ageing of trade receivables and contract assets

Due to the short-term nature of current receivables, their carrying amount is assumed to approximate their fair value.

The Group has considered the collectability and recoverability of trade receivables and contract assets. An allowance for expected credit loss is recognised for the specific irrecoverable trade receivable amounts. The ageing of trade receivables are outlined for the current and prior financial periods as follows:

TRADE RECEIVABLE AGEING AS AT 30 JUNE 2024	EXPECTED LOSS RATE	GROSS TRADE RECEIVABLE AND CONTRACT ASSET \$'000	LOSS ALLOWANCE \$'000
Current <sup>1</sup>	0.5%	50,327	218
1 to 30 days past current	1.0%	12,754	138
31 to 60 days past current	5.0%	992	52
61 to 90 days past current	20.0%	74	89
90+ days past current	50.0%	1,859	984
Contract assets	0%	3,743	–
<b>Balance at end of period</b>		<b>69,749</b>	<b>1,481</b>

TRADE RECEIVABLE AGEING AS AT 30 JUNE 2023	EXPECTED LOSS RATE	GROSS TRADE RECEIVABLE AND CONTRACT ASSET \$'000	LOSS ALLOWANCE \$'000
Current <sup>1</sup>	0.5%	72,471	361
1 to 30 days past current	1.0%	15,868	159
31 to 60 days past current	5.0%	1,730	88
61 to 90 days past current	20.0%	–	–
90+ days past current	50.0%	1,378	706
Contract assets	0%	4,910	–
<b>Balance at end of period</b>		<b>96,357</b>	<b>1,314</b>

1 Current is defined as per the payment terms disclosed in note 1(c), being a combination of 30 and 60 day terms.

The Group applies the AASB 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables and contract assets.

To measure the expected credit losses, trade receivables and contract assets have been grouped based on shared credit risk characteristics and the days past due. The contract assets relate to the Group's right to consideration for performance complete to date before payment is due and have substantially the same risk characteristics as the trade receivables for the same types of contracts. The Group has therefore concluded that the expected loss rates for current trade receivables are a reasonable approximation of the loss rates for the contract assets.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2024

## 7 TRADE AND OTHER RECEIVABLES (CONTINUED)

### (b) Ageing of trade receivables and contract assets (continued)

The expected loss rates are based on the payment profiles of sales over the last 3 years. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The Group has identified the GDP, country specific unemployment rates and the outlook for customer industries as the most relevant factors, and accordingly adjusts the historical loss rates based on expected changes in these factors.

The Group has not adjusted its expected loss rate in the financial year ended 30 June 2024 due to it seeing no current trend with its customers extending outside payment terms. In addition, the Group foresees continued significant Government backed spending in the construction and infrastructure sectors in the coming financial periods, particularly in Southeast Queensland.

Trade receivables and contract assets are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the Group, and a failure to make contractual payments for a period of greater than 120 days past due.

Impairment losses on trade receivables and contract assets are presented as net impairment losses. Subsequent recoveries of amounts previously written off are credited against the same line item.

## 8 INVENTORIES

	30 JUN 2024 \$'000	30 JUN 2023 \$'000
<b>AT COST</b>		
Raw materials and stores	20,323	24,263
Work in progress	300	518
Finished goods	19,243	16,474
	<b>39,866</b>	<b>41,255</b>

The Group recognised \$121.8 million of inventory through profit or loss for the financial year ending 30 June 2024 (2023: \$142.1 million).

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2024

## 9 PROPERTY, PLANT & EQUIPMENT

	30 JUN 2024 \$'000	30 JUN 2023 \$'000
<b>LAND IMPROVEMENTS &amp; BUILDINGS</b>		
Land improvements & buildings — at cost	27,477	27,427
Less accumulated depreciation	(8,587)	(7,075)
	<b>18,890</b>	<b>20,352</b>
<b>PLANT &amp; EQUIPMENT</b>		
Plant & equipment — at cost	209,293	187,844
Less accumulated depreciation	(104,191)	(93,995)
	<b>105,102</b>	<b>93,849</b>
<b>MOTOR VEHICLES</b>		
Motor vehicles — at cost	71,768	67,844
Less accumulated depreciation	(42,995)	(38,628)
	<b>28,773</b>	<b>29,216</b>
<b>ASSETS UNDER CONSTRUCTION — AT COST</b>	<b>7,478</b>	<b>20,200</b>
<b>Total property, plant &amp; equipment</b>	<b>160,243</b>	<b>163,617</b>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2024

## 9 PROPERTY, PLANT & EQUIPMENT (CONTINUED)

### (a) Movements in carrying amounts

FINANCIAL YEAR ENDED 30 JUNE 2024 \$'000	LAND IMPROVEMENTS & BUILDINGS	PLANT & EQUIPMENT	MOTOR VEHICLES	ASSETS UNDER CONSTRUCTION	TOTAL
Opening net book value	20,352	93,849	29,216	20,200	163,617
Additions	–	2,480	7,128	14,250	23,858
Transfers from under construction	50	25,170	118	(25,338)	–
Transfers between classes	–	–	–	(1,633)	(1,633)
Impairment charges	(760)	(4,260)	(12)	–	(5,032)
Exchange differences	–	3	(10)	(1)	(8)
Depreciation	(752)	(11,904)	(6,846)	–	(19,502)
Disposals	–	(236)	(821)	–	(1,057)
<b>Closing net book value</b>	<b>18,890</b>	<b>105,102</b>	<b>28,773</b>	<b>7,478</b>	<b>160,243</b>

FINANCIAL YEAR ENDED 30 JUNE 2023 \$'000	LAND IMPROVEMENTS & BUILDINGS	PLANT & EQUIPMENT	MOTOR VEHICLES	ASSETS UNDER CONSTRUCTION	TOTAL
Opening net book value	15,852	90,080	27,186	25,472	158,590
Additions	(1,419)	5,292	8,273	13,232	25,378
Transfers from under construction	6,578	9,753	2,173	(18,504)	–
Transfers between classes	–	119	(119)	–	–
Exchange differences	–	–	–	–	–
Depreciation	(659)	(11,376)	(8,094)	–	(20,129)
Disposals	–	(19)	(203)	–	(222)
<b>Closing net book value</b>	<b>20,352</b>	<b>93,849</b>	<b>29,216</b>	<b>20,200</b>	<b>163,617</b>

As at 30 June 2024 the value of the Group's assets pledged as security was \$23,083,143 (2023: \$24,290,242).

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2024

## 10 RIGHT-OF-USE ASSETS

	30 JUN 2024 \$'000	30 JUN 2023 \$'000
Land & buildings	141,422	153,647
Less accumulated depreciation	(23,183)	(23,208)
<b>Total right-of-use assets</b>	<b>118,239</b>	<b>130,439</b>

### (a) Movements in carrying amounts

	30 JUN 2024 \$'000	30 JUN 2023 \$'000
<b>LAND &amp; BUILDINGS</b>		
Opening net book value	130,439	100,545
Additions	–	–
Modifications	(1,688)	37,915
Impairment	(1,699)	–
Depreciation to profit or loss	(8,813)	(8,021)
<b>Closing net book value</b>	<b>118,239</b>	<b>130,439</b>

## 11 INTANGIBLE ASSETS

	30 JUN 2024 \$'000	30 JUN 2023 \$'000
<b>LICENCES</b>		
Licences — at cost	2,740	2,740
Less accumulated amortisation	(695)	(576)
	<b>2,045</b>	<b>2,164</b>
<b>Total intangible assets</b>	<b>2,045</b>	<b>2,164</b>

### (a) Movements in carrying amounts

	30 JUN 2024 \$'000	30 JUN 2023 \$'000
<b>LICENCES</b>		
Opening net book value	2,164	2,283
Amortisation	(119)	(119)
<b>Closing net book value</b>	<b>2,045</b>	<b>2,164</b>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2024

## 12 DEFERRED TAX ASSETS AND LIABILITIES

### (a) Recognised deferred tax assets and liabilities

Deferred tax assets and liabilities are attributable to the following:

\$'000	ASSETS		LIABILITIES		NET ASSETS/(LIABILITIES)	
	30 JUN 2024	30 JUN 2023	30 JUN 2024	30 JUN 2023	30 JUN 2024	30 JUN 2023
Inventories	–	–	(200)	(251)	(200)	(251)
Property, plant & equipment	886	–	(7,431)	(8,356)	(6,545)	(8,356)
Expected credit loss	343	352	–	–	343	352
Employee benefits	3,503	3,257	(68)	–	3,435	3,257
Derivative financial instruments	742	794	(193)	(377)	549	417
Provisions	304	508	–	–	304	508
Leases	40,987	43,236	(34,794)	(39,131)	6,193	4,105
Contract liabilities	–	1,968	–	–	–	1,968
Contract assets	–	–	(1,993)	(1,513)	(1,993)	(1,513)
Share based payments	160	55	–	–	160	55
Tax losses	–	1,016	–	–	–	1,016
Other items	751	688	(425)	(188)	326	500
Deferred tax assets/(liabilities)	47,676	51,874	(45,104)	(49,816)	2,572	2,058
Set off deferred taxes	(45,104)	(49,816)	45,104	49,816	–	–
<b>Net deferred tax assets</b>	<b>2,572</b>	<b>2,058</b>	<b>–</b>	<b>–</b>	<b>2,572</b>	<b>2,058</b>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2024

## 12 DEFERRED TAX ASSETS AND LIABILITIES (CONTINUED)

### b) Movement in temporary difference during the year

The movement in deferred tax balances for the Group are shown in the tables below:

YEAR ENDED 30 JUNE 2024 \$'000	OPENING BALANCE	CHARGED TO INCOME	CHARGED TO EQUITY	EXCHANGE DIFFERENCES	CLOSING BALANCE
Inventories	(251)	51	–	–	(200)
Property, plant & equipment	(8,356)	1,811	–	–	(6,545)
Expected credit loss	352	(9)	–	–	343
Employee benefits	3,257	178	–	–	3,435
Derivative financial instruments	417	132	–	–	549
Provisions	508	(204)	–	–	304
Leases	4,105	2,088	–	–	6,193
Contract liabilities	1,968	(1,968)	–	–	–
Contract assets	(1,513)	(480)	–	–	(1,993)
Share based payments	55	105	–	–	160
Tax losses	1,016	(1,016)	–	–	–
Other items	500	(174)	–	–	326
<b>Net deferred tax assets</b>	<b>2,058</b>	<b>514</b>	<b>–</b>	<b>–</b>	<b>2,572</b>

YEAR ENDED 30 JUNE 2023 \$'000	OPENING BALANCE	CHARGED TO INCOME	CHARGED TO EQUITY	EXCHANGE DIFFERENCES	CLOSING BALANCE
Inventories	(305)	54	–	–	(251)
Property, plant & equipment	(3,923)	(4,433)	–	–	(8,356)
Expected credit loss	339	13	–	–	352
Employee benefits	2,901	356	–	–	3,257
Derivative financial instruments	190	227	–	–	417
Provisions	235	273	–	–	508
Leases	2,864	1,241	–	–	4,105
Contract liabilities	2,036	(68)	–	–	1,968
Contract assets	(224)	(1,289)	–	–	(1,513)
Share based payments	70	(15)	–	–	55
Tax losses	–	1,016	–	–	1,016
Other items	273	227	–	–	500
<b>Net deferred tax assets</b>	<b>4,456</b>	<b>(2,398)</b>	<b>–</b>	<b>–</b>	<b>2,058</b>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2024

## 13 TRADE AND OTHER PAYABLES

	30 JUN 2024 \$'000	30 JUN 2023 \$'000
Trade payables	17,155	27,286
Contract liabilities <sup>1</sup>	10	3,593
Sundry payables and accrued expenses <sup>2</sup>	37,450	33,644
	<b>54,615</b>	<b>64,523</b>

The carrying amounts of trade and other payable are presumed to be at their fair values due to their short-term nature.

- Contract liabilities have been distinguished for the Precast Concrete division, that was recognising advanced payments of a major secured contracts. Revenue of \$3.583 million was recognised during the year that was in contract liabilities at the beginning of the period (2023: \$5.725 million)
- The Group's sundry payables and accrued expenses can be broken up into the following overarching categories:

	30 JUN 2024 \$'000	30 JUN 2023 \$'000
Accrued expenses	11,264	8,987
Goods Received Not Invoiced payables	17,307	16,718
GST/VAT payables	2,501	269
Payroll accruals and payables	6,379	7,670
	<b>37,451</b>	<b>33,644</b>



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2024

## 14 BORROWINGS

	30 JUN 2024 \$'000	30 JUN 2023 \$'000
<b>CURRENT</b>		
<i>Secured liabilities</i>		
Finance facility	–	15,694
Chattel mortgages	7,073	7,332
	<b>7,073</b>	<b>23,026</b>
<b>NON-CURRENT</b>		
<i>Secured liabilities</i>		
Finance facility	52,500	75,000
Chattel mortgages	6,712	6,712
	<b>59,212</b>	<b>81,712</b>
<b>TOTAL CURRENT AND NON-CURRENT SECURED LIABILITIES:</b>		
Finance facility <sup>1</sup>	52,500	90,694
Chattel mortgages <sup>2</sup>	13,785	14,044
	<b>66,285</b>	<b>104,738</b>

1 The products within the finance facility bear interest at the Bank Bill Swap Rate plus a predetermined margin.

Rates vary across the two club banks who cover the Group's finance facilities, and are affected by a number of factors including prior covenant ratios, date range within the facility agreements and the sub-facility being utilised.

As part of the extended facility agreement the Group must adhere to three covenants, a fixed charge cover ratio, debt to EBITDA ratio and a capitalisation ratio covenant. All covenants have been complied with during the financial years ended 30 June 2024 & 30 June 2023.

In July 2023 new facilities were agreed to with existing lenders NAB & HSBC. These new facilities will expire in July 2026 and increase both term debt and working capital facility limits, to a combined limit of \$145 million.

2 The Group enters into agreements to fund certain plant and equipment purchases; these are assessed on a case by case basis. The underlying plant and equipment is held as security over each Chattel mortgage until repayments are made in full.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2024

## 15 LEASE LIABILITIES

	NOTE	30 JUN 2024 \$'000	30 JUN 2023 \$'000
<b>CURRENT</b>			
Lease liabilities		10,070	10,404
<b>NON-CURRENT</b>			
Lease liabilities		126,547	133,712
<b>Total current and non-current lease liabilities</b>	22(b)	<b>136,617</b>	<b>144,116</b>

### (a) Movements in carrying amounts

LEASE LIABILITIES		30 JUN 2024 \$'000	30 JUN 2023 \$'000
Opening net book value		144,116	110,091
Additions		–	–
Modifications		(2,563)	37,915
Interest expense		5,881	5,591
Lease repayments		(10,817)	(9,481)
<b>Closing net book value</b>		<b>136,617</b>	<b>144,116</b>

### (b) Amounts recognised in profit or loss

		30 JUN 2024 \$'000	30 JUN 2023 \$'000
Interest expense on lease liabilities		5,881	5,591
Rent & hire expense — low value assets		558	821
Rent & hire expense — short-term		6,472	9,451
<b>Total</b>		<b>12,911</b>	<b>15,863</b>

Short term lease commitments are entered into by the Group on a case-by-case basis, as such any commitments outstanding at the end of the financial year have an insignificant value in total.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2024

## 15 LEASE LIABILITIES (CONTINUED)

### (c) Extension options

Extension options are included in a number of premises leases across the Group, these are used to maximise operational flexibility in terms of managing assets in the Group's operations. In determining the lease term, the Group considers all facts and circumstances available at the time. Extension options are only included in the lease term if the lease is reasonably certain to be extended.

The majority of the Group's premises leases still have a considerable number of years left until expiry, as such no extension options on premises leases have been included in the calculation of lease liabilities.

## 16 DERIVATIVE INSTRUMENTS

	NOTE	30 JUNE 2024		30 JUNE 2023	
		CURRENT \$'000	NON-CURRENT \$'000	CURRENT \$'000	NON-CURRENT \$'000
<b>ASSETS</b>					
Foreign exchange forward contracts		650	–	1,257	–
<b>LIABILITIES</b>					
Foreign exchange forward contracts		(2,475)	–	(2,643)	–
		<b>(2,475)</b>	<b>–</b>	<b>(2,643)</b>	<b>–</b>
<b>Total movement in Derivatives recognised through Profit or Loss</b>		<b>(438)</b>		<b>(744)</b>	<b>–</b>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2024

## 17 PROVISIONS

### (a) Provision balances

	30 JUN 2024 \$'000	30 JUN 2023 \$'000
<b>CURRENT</b>		
Employee benefits (i)	9,297	8,323
Other (ii)	2,141	1,739
	<b>11,438</b>	<b>10,062</b>
<b>NON-CURRENT</b>		
Employee benefits (i)	553	610
Make good provision (iii)	1,908	–
	<b>2,461</b>	<b>610</b>
<b>Total Provision</b>	<b>13,899</b>	<b>10,672</b>

(i) Provision for employee benefits represents amounts accrued for annual leave and long service leave.

The current portion for this provision includes the total amount accrued for annual leave entitlements and the amounts accrued for long service leave entitlements that have vested due to employees having completed the required period of service. Based on past experience, the Group does not expect the full amount of annual leave or long service leave balances classified as current liabilities to be settled within the next 12 months. However, these amounts must be classified as current liabilities since the Group does not have an unconditional right to defer the settlement of these amounts in the event employees wish to use their leave entitlement.

The non-current portion for this provision includes amounts accrued for long service leave entitlements that have not yet vested in relation to those employees who have not yet completed the required period of service.

In calculating the present value of future cash flows in respect of long service leave, the probability of long service leave being taken is based on historical data and the expected future payments are discounted using market yields at the end of the reporting period of corporate bonds with terms and conditions which match, as closely as possible, the estimated future cash outflows. The measurement and recognition criteria relating to employee benefits have been discussed in Note 1(m).

(ii) Other provisions is made up of various cost provisions to allow for repairs & maintenance on plant and machinery.

(iii) Make good provision represents accrued amounts for the estimated future costs to bring leased property and equipment back to the required state as detailed within the relevant leases.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2024

## 18 ISSUED CAPITAL

### (a) Share capital

	30 JUN 2024 SHARES	30 JUN 2023 SHARES	30 JUN 2024 \$'000	30 JUN 2023 \$'000
Ordinary shares	187,618,665	187,618,665	411,564	411,564

### (b) Movement in share capital

DATE	DETAILS	NO. OF SHARES	\$'000
1 July 2022	Opening balance	187,618,665	411,564
	No transactions in financial year		
<b>30 June 2023</b>	<b>Closing balance</b>	<b>187,618,665</b>	<b>411,564</b>
	No transactions in financial year		
<b>30 June 2024</b>	<b>Closing balance</b>	<b>187,618,665</b>	<b>411,564</b>

Ordinary shares have no par value and the Company does not have a limited amount of authorised capital.

### (c) Other securities issued

As part of the previously disclosed Long Term Incentive Plan (Omnibus Incentive Plan) for Company employees, the Company issued 1,586,568 performance rights on 28 November 2023 (2023: 2,276,811) with more information to be found in Note 26.

### (d) Pre IPO distributions of equity

Prior to listing on the ASX, transactions with other entities within the previous consolidated Group were recognised as a distribution of equity to related parties.

### (e) Capital risk management

The Board's policy is to maintain a strong capital base as to maintain investor, creditor and market confidence and to sustain future development of the business. Capital consists of ordinary shares and retained earnings of the Group. The Board of Directors monitors the return on capital as well as considers the potential of future dividends to ordinary shareholders. The Board seeks to maintain a balance between the higher returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position.

Capital is regarded as total equity, as recognised in the statement of financial position, plus net debt. Net debt is calculated as total borrowings less cash and cash equivalents. At the end of the 2024 financial year net debt was \$47,624k, decreasing significantly from \$93,375k in 2023, with the net debt to equity ratio decreasing from 77.2% to 38.4% respectively.

In order to maintain or adjust the capital structure, the consolidated entity may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt. The consolidated entity would look to raise capital when an opportunity to invest in a business or company was seen as value adding relative to the current company's share price at the time of the investment.

The consolidated entity is subject to certain financing arrangements covenants and meeting these is given priority in all capital risk management decisions. There have been no events of default on the financing arrangements during the financial year. The consolidated entity monitors capital to ensure it maintains compliance with its various financial covenants. Refer to note 14 for a summary of existing financial covenants for the debt facilities.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2024

## 19 RESERVES

	30 JUN 2024 \$'000	30 JUN 2023 \$'000
Share based payment reserve	1,108	184
Foreign exchange reserve	(835)	(214)
	<b>273</b>	<b>(30)</b>

### (a) Movement in each class of reserve

	30 JUN 2024 \$'000	30 JUN 2023 \$'000
<b>SHARE BASED PAYMENT RESERVE</b>		
Opening balance	184	286
Share based payments fair value recognised in profit or loss	924	(102)
<b>Closing balance</b>	<b>1,108</b>	<b>184</b>
<b>FOREIGN EXCHANGE RESERVE</b>		
Opening balance	(214)	(272)
Exchange differences on translation of foreign operations, net of tax	(621)	58
<b>Closing balance</b>	<b>(835)</b>	<b>(214)</b>

### (b) Details of reserves

#### (i) Share based payment reserve

The share-based payment reserve arises on the grant of performance rights to executives under the Long Term Incentive Plan (LTI). Further information about LTI is made in note 26 to the financial statements. The Group settled the Wagner Limited Employee Share Trust to manage the share option plan.

#### (ii) Foreign exchange reserve

The foreign currency translation reserve records exchange differences arising on the translation of foreign controlled subsidiaries, as described in note 1(l).

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2024

## 20 DIVIDENDS

### (a) Dividends paid

There were no dividends paid in both the current and prior financial years ended 30 June 2024 & 30 June 2023 respectively.

### (b) Dividends proposed

A fully franked final dividend of 2.5c per share proposed to be paid as at the date of this report.

### (c) Franking credits

The franking account balance available to the shareholders of the Company at year-end is \$6.217 million (2023: \$16.807 million). This balance includes adjustments made for franking credits/debits arising from the payment of estimated provision for 2024 income tax and payment of proposed final dividend.

## 21 EARNINGS PER SHARE

EARNINGS USED IN CALCULATING EARNINGS PER SHARE	30 JUN 2024 \$'000	30 JUN 2023 \$'000
Profit attributable to the ordinary equity holders of the Company	10,282	3,123

WEIGHTED AVERAGE NUMBER OF SHARES USED AS DENOMINATOR	30 JUN 2024 NO. '000	30 JUN 2023 NO. '000
Weighted average number of ordinary shares used in calculating basic earnings per share	187,618,665	187,618,665
Adjustment for calculation of diluted EPS:		
– Performance rights on issue	3,975,671	4,254,218
Weighted average number of ordinary and potential ordinary shares used in calculating diluted earnings per share	191,594,336	191,872,883

BASIC & DILUTED EARNINGS PER SHARE	30 JUN 2024 CENTS	30 JUN 2023 CENTS
Basic earnings per share	5.5	1.7
Diluted earnings per share	5.4	1.6

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2024

## 22 CASH FLOW INFORMATION

### (a) Reconciliation of cash flow from operation with profit/(loss) after income tax

	30 JUN 2024 \$'000	30 JUN 2023 \$'000
Profit after income tax	10,282	3,123
<b>NON-CASH FLOWS IN PROFIT</b>		
– Depreciation of property, plant & equipment	19,503	20,129
– Depreciation of right-of-use assets	7,534	8,021
– Amortisation of intangible assets	119	119
– Fair value adjustment on derivative instruments	439	744
– Net (gain)/loss on disposal of non-current assets	(2,383)	(913)
– Performance rights expense	924	(102)
– Net exchange differences	8,967	–
<b>CHANGES IN OPERATING ASSETS AND LIABILITIES</b>		
– (Increase)/decrease in trade and other receivables	26,630	(30,139)
– (Increase)/decrease in other assets	(846)	(479)
– (Increase)/decrease in inventories	3,811	9,085
– Increase/(decrease) in trade and other payables	(9,343)	5,213
– Increase/(decrease) in income taxes payable	6,555	(1,970)
– Increase/(decrease) in deferred taxes payables	(514)	2,398
– Increase/(decrease) in provisions	918	1,566
<b>Net cash provided by operating activities</b>	<b>72,596</b>	<b>16,795</b>



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2024

## 22 CASH FLOW INFORMATION (CONTINUED)

### (b) Reconciliation of financial liabilities to cash flows from financing activities

YEAR ENDED 30 JUNE 2024 \$'000	LEASE LIABILITIES	CHATTEL MORTGAGES	FINANCE FACILITY	DERIVATIVES HELD TO HEDGE BORROWINGS	TOTAL
Opening balance	144,116	14,044	90,694	2,643	251,497
Cash inflows	–	9,175	–	–	9,175
Cash outflows	(5,811)	(9,435)	(38,194)	–	(53,440)
<i>Non-cash flows in financial liabilities</i>					
Fair value change in derivatives	–	–	–	(168)	(168)
Lease liability changes	(1,688)	–	–	–	(1,688)
<b>Closing balance</b>	<b>136,617</b>	<b>13,784</b>	<b>52,500</b>	<b>2,475</b>	<b>205,376</b>

YEAR ENDED 30 JUNE 2023 \$'000	LEASE LIABILITIES	CHATTEL MORTGAGES	FINANCE FACILITY	DERIVATIVES HELD TO HEDGE BORROWINGS	TOTAL
Opening balance	110,091	14,497	79,800	684	205,072
Cash inflows	–	–	10,961	–	10,961
Cash outflows	(3,890)	(10,679)	(67)	–	(14,636)
<i>Non-cash flows in financial liabilities</i>					
Chattel mortgage contracts	–	10,226	–	–	10,226
Fair value change in derivatives	–	–	–	1,959	1,959
Lease liability changes	37,915	–	–	–	37,915
<b>Closing balance</b>	<b>144,116</b>	<b>14,044</b>	<b>90,694</b>	<b>2,643</b>	<b>251,497</b>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2024

## 23 FAIR VALUE MEASUREMENTS

The Group measures and recognises certain financial assets and liabilities at fair value on a recurring basis after initial recognition, currently being only derivative financial instruments. The Group subsequently does not measure any other assets or liabilities at fair value on a non-recurring basis.

### (a) Fair value hierarchy

AASB 13: *Fair Value Measurement* requires the disclosure of fair value information by level of the fair value hierarchy, which categorises fair value measurements into one of three possible levels as follows:

- ▶ **Level 1:** measurements based on quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.
- ▶ **Level 2:** measurements based on inputs, other than quoted prices in active markets (Level 1), which are observable for the asset or liability, either directly or indirectly. If all significant inputs required to measure fair value are observable, the asset or liability is included in Level 2.
- ▶ **Level 3:** measurements based on inputs for the asset or liability that are not based on observable market data (unobservable inputs).

### (b) Estimation of fair values

The Group selects a valuation technique that is appropriate in the circumstances and for which sufficient data is available to measure fair value. The availability of sufficient and relevant data primarily depends on the specific characteristics of the asset or liability being measured. The valuation techniques selected by the Group is the income approach:

- ▶ **Income approach:** valuation techniques that convert estimated future cash flows or income and expenses into a single discounted present value.

Fair value techniques and inputs are summarised as follows:

DESCRIPTION	FAIR VALUE HIERARCHY	NOTE	VALUATION TECHNIQUE & INPUTS
Derivative instruments	Level 2	16	The fair value of forward foreign exchange contracts is determined using the present value of future cash flows based on the forward exchange rates at the end of the reporting period. The fair value of interest rate swaps is determined using the present value of the estimated future cash flows based on observable yield curves.

### (c) Recurring fair value measurements

AS AT 30 JUNE 2024	NOTE	LEVEL 1 \$'000	LEVEL 2 \$'000	LEVEL 3 \$'000	TOTAL \$'000
Foreign exchange forward contracts	16	–	(1,825)	–	(1,825)
		–	(1,825)	–	(1,825)
<b>AS AT 30 JUNE 2023</b>					
Foreign exchange forward contracts	16	–	(1,386)	–	(1,386)
		–	(1,386)	–	(1,386)

There were no transfers between fair value hierarchies during the current and previous financial years.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2024

## 24 FINANCIAL RISK MANAGEMENT

The Group's activities expose it to a variety of financial risks: credit risk, liquidity risk, and market risk consisting of interest rate risk, foreign currency risk and other price risk (commodity and equity price risk). The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Group. The Group uses different methods to measure different types of risk to which it is exposed.

Risk management is carried out by a central finance department. Finance identifies, evaluates and hedges financial risks in close co-operation with the Group's operating units. Finance provides overall risk management, covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments in accordance with the Group's facilities agreement and company policies.

The Group uses derivative financial instruments such as foreign exchange forward contracts and interest rate swaps to hedge certain risk exposures. Derivatives are exclusively used for economic hedging purposes and not as trading or speculative instruments. These derivatives are not designated hedges and the Group has therefore not applied hedge accounting. The Group uses different methods to measure different types of risk to which it is exposed. These methods include sensitivity analysis in the case of interest rate, foreign exchange and other price risks, and aging analysis for credit risk.

### (a) Credit risk

Exposure to credit risk relating to financial assets arises from the potential non-performance by counterparties of contract obligations that could lead to a financial loss to the Group.

Credit risk is managed through the maintenance of procedures such as the utilisation of systems for the approval, granting and renewal of credit limits, regular monitoring of exposures against such limits and monitoring of the financial stability of significant customers and counterparties; ensuring to the extent possible that customers and counterparties to transactions are of sound credit worthiness. Such monitoring is used in assessing receivables for impairment.

Where the Group is unable to ascertain a satisfactory credit risk profile in relation to a customer or counterparty, these customers may be required to pay upfront, or the risk may be further managed through obtaining security by way of personal or commercial guarantees over assets of sufficient value which can be claimed against in the event of any default.

### Credit risk exposures

The maximum exposure to credit risk at the end of the reporting period is equivalent to the carrying amount of trade receivables and cash and cash equivalents. The Group does not consider there to be any significant concentration of credit risk with any single/ or group of customers. The Group derives revenue from two key customer (2023: one), which accounted for 28% of revenue for the financial year ended 30 June 2024 (2023: 12%). Trade and other receivables that are neither past due nor impaired are considered to be of high credit quality, aggregates of such amounts are detailed in note 7.

### (b) Liquidity risk

Liquidity risk arises from the possibility that the Group might encounter difficulty in settling its debts or otherwise meeting its obligations related to financial liabilities. The Group manages this risk through the following mechanisms:

- ▶ preparing forward-looking cash flow analyses in relation to its operating, investing and financing activities;
- ▶ monitoring undrawn credit facilities;
- ▶ obtaining funding from a variety of sources;
- ▶ maintaining a reputable credit profile;
- ▶ managing credit risk related to financial assets;
- ▶ only investing surplus cash with major financial institutions; and
- ▶ comparing the maturity profile of financial liabilities with the realisation profile of financial assets.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2024

## 24 FINANCIAL RISK MANAGEMENT (CONTINUED)

### (b) Liquidity risk (continued)

The table below reflects an undiscounted contractual maturity analysis for financial liabilities. Bank overdrafts have been deducted in the analysis as management does not consider there is any material risk of termination of such facilities. Financial guarantee liabilities are treated as payable on demand since the Group has no control over the timing of any potential settlement of the liabilities. The table include both interest and principal cash flows and therefore the total may differ from their carrying amount in the statement of financial position.

AS AT 30 JUNE 2024	WITHIN 1 YEAR \$'000	1 TO 5 YEARS \$'000	OVER 5 YEARS \$'000	TOTAL \$'000
Trade and other payables	55,080	–	–	55,080
Derivative financial liabilities	2,475	–	–	2,475
Chattel mortgages	8,928	5,744	–	14,672
Finance facility	891	54,283	–	55,174
Lease liabilities	10,253	34,939	188,186	233,378
	<b>77,627</b>	<b>94,966</b>	<b>188,186</b>	<b>360,779</b>

AS AT 30 JUNE 2023	WITHIN 1 YEAR \$'000	1 TO 5 YEARS \$'000	OVER 5 YEARS \$'000	TOTAL \$'000
Trade and other payables	64,523	–	–	64,523
Derivative financial liabilities	2,643	–	–	2,643
Chattel mortgages	7,819	6,970	–	14,789
Finance facility	15,694	75,000	–	90,694
Lease liabilities	10,606	41,642	193,075	245,323
	<b>101,285</b>	<b>123,612</b>	<b>193,075</b>	<b>417,972</b>

At the end of each reporting period the Group had access to the following undrawn borrowing facilities:

	AS AT 30 JUNE 2024		AS AT 30 JUNE 2023	
	DRAWN \$'000	AVAILABLE \$'000	DRAWN \$'000	AVAILABLE \$'000
Expiring within one year	–	–	15,694	–
Expiring beyond one year	52,500	92,500	75,000	29,306
	<b>52,500</b>	<b>92,500</b>	<b>90,694</b>	<b>29,306</b>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2024

## 24 FINANCIAL RISK MANAGEMENT (CONTINUED)

### (c) Market risk

#### (i) Interest rate risk

The Group's main exposure to interest rate risk is long-term borrowings. Borrowings issued at variable rates, expose the Group to cash flow interest rate risk. Borrowings issued at fixed rates expose the Group to fair value interest rate risk if the borrowings are carried at fair value.

Interest rate risk is managed using a mix of fixed and floating rate debt and the Group enters into interest rate swaps to convert the majority of debt to fixed rate. At 30 June 2024 0% (2023: 0%) of Group debt is at a fixed rate.

#### INTEREST RATE SWAPS

The Group manages its cash flow interest rate risk by using floating-to-fixed interest rate swaps. Under these swaps, the Group agrees with other parties to exchange, at specified intervals, the difference between fixed contract rates and floating rate interest amounts calculated by reference to the agreed notional principal amounts.

The notional principal amounts of the swap contracts approximate the Group's borrowing facilities, as described above. The net interest payment, or receipt settlements of the swap contracts occur every 30 to 90 days and correspond with interest payment dates on the borrowings.

At the end of the reporting period, the Group had no outstanding interest rate swap contracts.

#### SENSITIVITY ANALYSIS

The following table illustrates sensitivities to the Group's exposures to changes in interest rates. Profit or loss is sensitive to the change in interest rates from higher/lower interest income from cash and cash equivalents, and also the increase/decrease in fair value of derivative instruments as they are measured at fair value through profit or loss, per note 1(j).

	IMPACT ON POST TAX PROFIT	
	30 JUN 2024 \$'000	30 JUN 2023 \$'000
+100bp variability in interest rate	(338)	(505)
-100bp variability in interest rate	338	505

#### (ii) Foreign exchange risk

The Group operates internationally and is exposed to foreign exchange risk arising from various currency exposures.

The Group is exposed to currency risk to the extent that there is a mismatch between the currencies in which sales & purchases are denominated and the respective functional currencies of Group companies. The functional currencies of Group companies is primarily the Australian dollar (AUD), with currently minor subsidiaries operating in United States dollars (USD) & Malaysian ringgit (RM).

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2024

## 24 FINANCIAL RISK MANAGEMENT (CONTINUED)

### (c) Market risk (continued)

#### (ii) Foreign exchange risk (continued)

##### FOREIGN EXCHANGE FORWARD CONTRACTS

At any point in time, the Group hedges 60% to 100% of its estimated foreign currency exposure in respect of forecast purchases in US Dollars (USD), being the main exposure, over the following 12 months. The Group uses forward exchange contracts to hedge its currency risk. These contracts commit the Group to buy and sell specified amounts of foreign currencies in the future at specified exchange rates, most have a maturity of less than 1 year from the reporting date. The Group's current foreign subsidiaries operations is collectively immaterial, and so the Group does not hedge against these foreign currency exposures.

The following table summarises the notional amounts of the Group's commitments in relation to foreign exchange forward contracts.

	NOTIONAL AMOUNT		AVERAGE EXCHANGE RATES	
	30 JUN 2024 \$'000	30 JUN 2023 \$'000	30 JUN 2024 \$'000	30 JUN 2023 \$'000
<b>BUY USD / SELL AUD</b>				
Settlement within six months	23,435	12,906	0.6774	0.7032
Settlement between six and twelve months	10,425	1,500	0.6698	0.7000
	<b>33,860</b>	<b>14,406</b>	<b>0.6750</b>	<b>0.7029</b>

	NOTIONAL AMOUNT		AVERAGE EXCHANGE RATES	
	30 JUN 2024 \$'000	30 JUN 2023 \$'000	30 JUN 2024 \$'000	30 JUN 2023 \$'000
<b>SELL USD / SELL AUD</b>				
Settlement within six months	6,825	18,405	0.7369	0.7322
Settlement between six and twelve months	8,175	–	0.7578	
	<b>15,000</b>	<b>18,405</b>	<b>0.7481</b>	<b>0.7322</b>

##### SENSITIVITY ANALYSIS

The following table illustrates sensitivities to the Group's exposures to changes in foreign exchange rates. Profit or loss is sensitive to the change in foreign exchange rates from purchases, and also the change in fair value of derivative instruments as they are measured at fair value through profit or loss, per note 1(j).

	IMPACT ON POST TAX PROFIT	
	30 JUN 2024 \$'000	30 JUN 2023 \$'000
+10% AUD/USD exchange rate	3,896	1,673
-10% AUD/USD exchange rate	(4,748)	(2,056)

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2024

## 24 FINANCIAL RISK MANAGEMENT (CONTINUED)

### (c) Market risk (continued)

#### (iii) Other price risk

Other price risk relates to the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices largely due to demand and supply factors (other than those arising from interest rate risk or currency risk) for commodities.

The Group's exposure to commodity price risk arises from commercial transactions required for the operations of the business. To manage its commodity price risk the Group enters into fixed price contracts with its main suppliers for raw materials in its cement business. There are no derivative asset or liabilities in relation to commodity prices at year end, and so any commodity price movement would not impact reported profit for the year ended 30 June 2024.

## 25 RELATED PARTY TRANSACTIONS

### (a) Parent entity

Wagners Holding Company Limited is the Group's ultimate parent entity.

### (b) Controlled entities

Interests in controlled entities are set out in Note 27.

### (c) Key management personnel

Compensation of key management personnel during the years was as follows:

	30 JUN 2024 \$'000	30 JUN 2023 \$'000
Short-term employee benefits	1,900,624	1,590,518
Post-employment benefits	55,000	55,000
Long-term employee benefits	34,866	74,094
Termination benefits	–	–
Share based payments	344,765	(28,395)
	<b>2,335,255</b>	<b>1,691,217</b>

Further disclosures relating to key management personnel compensation are set out in the Remuneration report, which can be found on pages 23 to 33 of the Directors' Report.

No loans have been provided to key management personnel by the Group throughout the financial year.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2024

## 25 RELATED PARTY TRANSACTIONS (CONTINUED)

### (d) Transactions with other related parties

#### Directors and related parties

All transactions between the Group and any Director and their related parties are conducted on the basis of normal commercial trading terms and conditions as agreed upon between the parties as per normal arm's length business transactions. Such transactions and amounts owed or owing with Director and their related parties are detailed as follows:

DESCRIPTION	2024 REVENUE/ (COSTS) \$	2024 OWED/ (OWING) <sup>1</sup> \$	2023 REVENUE/ (COSTS) \$	2023 OWED/ (OWING) \$
Sale of materials and services	1,324,049	332,504	3,634,884	425,178
Payments for rent of property and plant <sup>2</sup>	(7,770,610)	–	(7,071,498)	–
Payments for material royalties, wharfage & other	(3,203,859)	(77,466)	(2,343,526)	(91,328)
<b>Totals</b>	<b>(9,650,420)</b>	<b>255,038</b>	<b>(5,780,140)</b>	<b>333,850</b>

1 Amounts owed/ (owing) are sitting within current trade receivables and current trade payables respectively.

2 Payments for rent of property and plant resulted in the following right-of-use assets and lease liabilities being recognised:

DESCRIPTION	30 JUN 2024 \$	30 JUN 2023 \$
Right-of-use asset	117,201,544	119,827,585
Lease liability	(133,957,196)	(133,283,427)

All lease liabilities relates to existing leases with related parties and no new lease transactions were entered into with related parties in the period 1 July 2023 to 30 June 2024.



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2024

## 26 SHARE BASED PAYMENTS

The Company adopted a long-term incentive plan in connection with its admission to the ASX, the Omnibus Incentive Plan (LTI).

Performance rights are issued under the LTI, and it provides senior executives to receive a number of performance rights, as determined by the Board, over ordinary shares. Performance rights issued under the LTI will be subject to performance conditions that are detailed below.

The Remuneration Committee consider this equity performance-linked remuneration structure to be appropriate as senior executives only receive a benefit when there is a corresponding direct benefit to shareholders.

### (a) Expenses recognised through profit or loss

The total expense for share based payment recognised through Profit or Loss for the financial year 30 June 2024 was an expense of \$912,559 (2023: \$102,699 credit). The expense was calculated based on the probability of vesting conditions being met and the fair value of options granted. There were vesting conditions met this financial year.

### (b) Overall performance rights movements

Details of performance rights issued, exercised and expired during the financial year are set out below:

CALENDAR YEAR ISSUED	TRANCHE	VESTING DATE	EXPIRY DATE	PERFORMANCE PERIOD <sup>1</sup>	MOVEMENTS				
					1 JULY 2023	ISSUED	EXERCISED	EXPIRED/ FORFEITED <sup>2</sup>	30 JUNE 2024
2023	1	30 Sep 2026	Sep 2028	1 year	–	528,856	–	–	528,856
2023	2	30 Sep 2026	Sep 2028	2 years	–	528,856	–	–	528,856
2023	3	30 Sep 2026	Sep 2028	3 years	–	528,856	–	–	528,856
2022	1	30 Sep 2025	Sep 2027	1 year	640,408	–	–	(640,408)	–
2022	2	30 Sep 2025	Sep 2027	2 years	640,408	–	–	(69,784)	570,624
2022	3	30 Sep 2025	Sep 2027	3 years	640,408	–	–	(69,784)	570,624
2021	1	31 Aug 2022	Nov 2026	1 year	230,737	–	–	(27,918)	202,819
2021	2	31 Aug 2023	Nov 2026	2 years	230,737	–	–	(27,918)	202,819
2021	3	31 Aug 2024	Nov 2026	3 years	230,737	–	–	(27,918)	202,819
2021	1B	31 Aug 2022	Nov 2024	1 year	328,158	–	–	(328,158)	–
2021	2A	31 Aug 2023	Nov 2024	2 years	492,234	–	–	(492,234)	–
2020	1	31 Aug 2021	Nov 2025	1 year	164,075	–	–	(164,075)	–
2020	2	31 Aug 2022	Nov 2025	2 years	328,158	–	–	(328,158)	–
2020	3	31 Aug 2023	Nov 2025	3 years	328,158	–	–	(328,158)	–
					<b>4,254,218</b>	<b>1,586,568</b>	<b>–</b>	<b>(2,504,513)</b>	<b>3,336,273</b>

1 Represents the relevant period of time to which both the performance vesting condition is measured and the period of time the recipient must remain employed with the Group.

2 Where performance rights of a particular calendar year offer have not met all vesting conditions, they will be forfeited in the financial year that the final vesting date of that offer has passed, therefore any the remaining performance rights with a final vesting condition of FY23 will be forfeited in FY24.

The weighted average remaining contractual life of performance rights outstanding at the end of the year was 2.9 years.

The performance options outstanding have no exercise price.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2024

## 26 SHARE BASED PAYMENTS (CONTINUED)

### (c) Performance rights granted vesting conditions and fair values

#### 2023 ISSUED PERFORMANCE RIGHTS

1	<b>VESTING DATES</b>	30 September 2026
2	<b>VESTING CONDITIONS</b>	<p><b>TRANCHE 1</b> The 10-working day volume weighted average price (VWAP) of the Wagners share price, after the release of the financial results for the period ended 30 June 2024, must be equal to or exceed \$1.20</p> <p><b>TRANCHE 2</b> The 10-working day VWAP of the Wagners share price, after the release of the financial results for the period ended 30 June 2025, must be equal to or exceed \$1.80</p> <p><b>TRANCHE 3</b> The 10-working day VWAP of the Wagners share price, after the release of the financial results for the period ended 30 June 2026, must be equal to or exceed \$2.70</p> <p><b>ADDITIONAL VESTING TERMS</b> The participant must be still employed at the Vesting Date for any options to be eligible to be vested.</p>
3	<b>EXPIRY DATE</b>	5 years from the date the Performance rights were issued.

### (c) Performance rights granted vesting conditions and fair values (continued)

The assessed fair value at the date of grant of performance rights issued is determined using an option pricing model that takes into account the exercise price, the underlying share price at the time of issue, the term of performance right, the underlying share's expected volatility, expected dividends and risk-free interest rate for the expected life of the instrument.

The value of the performance rights were calculated using the inputs shown below:

#### 2023 ISSUED PERFORMANCE RIGHTS

INPUTS INTO PRICING MODEL	TRANCHE 1	TRANCHE 2	TRANCHE 3
Grant Date	28 November 2023	28 November 2023	28 November 2023
Exercise Price	\$0.00	\$0.00	\$0.00
Vesting Conditions	Refer above	Refer above	Refer above
Share price at grant date	\$0.88	\$0.88	\$0.88
Expiry date	30 November 2028	30 November 2028	30 November 2028
Life of the instruments	5 years	5 years	5 years
Underlying share price volatility	50%	50%	50%
Expected dividends	2.83%	2.83%	2.83%
Risk free interest rate	4.168%	4.168%	4.168%
Pricing model	Monte Carlo	Monte Carlo	Monte Carlo

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2024

## 26 SHARE BASED PAYMENTS (CONTINUED)

### (c) Performance rights granted vesting conditions and fair values (continued)

#### 2022 ISSUED PERFORMANCE RIGHTS

1	<b>GRANT DATES</b>	20 September 2022
2	<b>VESTING DATE</b>	30 September 2025
3	<b>VESTING CONDITIONS</b>	<p><b>TRANCHE 1</b> The 10-working day volume weighted average price (VWAP) of the Wagners share price, after the release of the financial results for the period ended 30 June 2023, must be equal to or exceed \$1.85</p> <p><b>TRANCHE 2</b> The 10-working day VWAP of the Wagners share price, after the release of the financial results for the period ended 30 June 2024, must be equal to or exceed \$2.50</p> <p><b>TRANCHE 3</b> The 10-working day VWAP of the Wagners share price, after the release of the financial results for the period ended 30 June 2025, must be equal to or exceed \$2.95</p> <p><b>ADDITIONAL VESTING TERMS</b> The participant must be still employed at the Vesting Date for any options to be eligible to be vested.</p>
4	<b>EXPIRY DATE</b>	5 years from the date the Performance rights were issued.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2024

## 26 SHARE BASED PAYMENTS (CONTINUED)

### (c) Performance rights granted vesting conditions and fair values (continued)

#### 2021 ISSUED PERFORMANCE RIGHTS

1	GRANT DATE	26 November 2021
1	VESTING DATES	Tranche 1 — 31 August 2022 Tranche 2 — 31 August 2023 Tranche 3 and Remainder Performance rights — 31 August 2024
3	VESTING CONDITIONS	<b>OFFER EARNINGS PER SHARE (OFFER EPS) OF 4.84C, BASED ON EARNINGS EXCLUDING THE EFC® INVESTMENT (OPERATING EPS) TRANCHE 2 TARGET EPS - 6.38C OPERATING EPS TRANCHE 3 TARGET EPS - 10% INCREASE ON TRANCHE 2 TARGET EPS</b>  <b>TRANCHE 1</b> On the Tranche 1 Vesting Date, if the Operating earnings per share ( <b>EPS</b> ) of the Company as at 30 June 2021 ( <b>Tranche 1 EPS</b> ) is: (a) at least 10% (but less than 12.5%) higher than the Offer EPS, 50% of the Tranche 1 Performance rights shall vest; or (b) at least 12.5% (but less than 15%) higher than the Offer EPS, 75% of the Tranche 1 Performance rights shall vest; or (c) at least 15% higher than the Offer EPS, 100% of the Tranche 1 Performance rights shall vest.  <b>TRANCHE 2</b> On the Tranche 2 Vesting Date, if the Operating earnings per share ( <b>EPS</b> ) of the Company as at 30 June 2022 ( <b>Tranche 2 EPS</b> ) is: (a) at least 10% (but less than 12.5%) higher than the Tranche 2 Target EPS, 50% of the Tranche 2 Performance rights shall Vest; or (b) at least 12.5% (but less than 15%) higher than the Tranche 2 Target EPS, 75% of the Tranche 2 Performance rights shall Vest; or (c) at least 15% higher than the Tranche 2 Target EPS, 100% of the Tranche 2 Performance rights shall Vest.  <b>TRANCHE 3</b> On the Tranche 3 Vesting Date, if the Operating earnings per share ( <b>EPS</b> ) of the Company as at 30 June 2023 ( <b>Tranche 3 EPS</b> ) is: (a) at least 10% (but less than 12.5%) higher than Tranche 3 Target EPS, 50% of the Tranche 3 Performance rights shall Vest; or (b) at least 12.5% (but less than 15%) higher than the Tranche 3 Target EPS, 75% of the Tranche 3 Performance rights shall Vest; or (c) at least 15% higher than the Tranche 3 Target EPS, 100% of the Tranche 3 Performance rights shall Vest.  <b>ADDITIONAL VESTING TERMS</b> Any Tranche 1 or 2 Performance rights which did not vest on the Tranche 1 Vesting Date or Tranche 2 Vesting Date respectively ( <b>Remainder Performance rights</b> ) will vest on the Tranche 3 Vesting Date if the Tranche 3 EPS is at least 20% higher than the Tranche 3 Target EPS.
4	EXPIRY DATE	5 years from the date the Performance rights were issued.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2024

## 26 SHARE BASED PAYMENTS (CONTINUED)

### (c) Performance rights granted vesting conditions and fair values (continued)

As well as the above performance rights issued in 2021, on 26 November 2021 the Company also issued performance rights in addition to prior year's performance rights issued under the Long-Term Incentive Plan. The Company issued these additional performance rights to better reflect target EPS values due to the significant increase in investment for EFC expansion since the original performance rights were issued. Details of these additional performance rights are shown in the following two tables.

#### 2021 ISSUED PERFORMANCE RIGHTS – ADDITIONAL 1

1	VESTING DATES	26 November 2021
2	VESTING DATES	Tranche 1 and Remainder Performance rights — 31 August 2022
3	VESTING CONDITIONS	<b>OFFER EARNINGS PER SHARE (OFFER EPS) OF 4.93C, BASED ON EARNINGS EXCLUDING THE EFC® INVESTMENT (OPERATING EPS)</b>  <b>TRANCHE 1A</b> On the Tranche 1 Vesting Date, if the Operating earnings per share ( <b>EPS</b> ) of the Company as at 30 June 2022 ( <b>Tranche 1 EPS</b> ) is: (a) at least 5% (but less than 10%) higher than the Offer EPS, 50% of the Tranche 1 Performance rights shall vest; or (b) at least 10% (but less than 15%) higher than the Offer EPS, 75% of the Tranche 1 Performance rights shall vest; or (c) at least 15% higher than the Offer EPS, 100% of the Tranche 1 Performance rights shall vest.  <b>ADDITIONAL VESTING TERMS</b> Any Remainder Performance rights will vest on the Tranche 1 Vesting Date if the Tranche 1 EPS is at least 20% higher than the Offer EPS.
4	EXPIRY DATE	3 years from the date the Performance rights were issued.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2024

## 26 SHARE BASED PAYMENTS (CONTINUED)

### (c) Performance rights granted vesting conditions and fair values (continued)

#### 2021 ISSUED PERFORMANCE RIGHTS – ADDITIONAL 2

1	GRANT DATE	26 November 2021
2	VESTING DATES	Tranche 1 — 31 August 2022 Tranche 2 and Remainder Performance rights — 31 August 2023
3	VESTING CONDITIONS	<p><b>OFFER EARNINGS PER SHARE (OFFER EPS) OF 4.93C, BASED ON EARNINGS EXCLUDING THE EFC<sup>®</sup> INVESTMENT (OPERATING EPS) TRANCHE 2 TARGET EPS – 10% INCREASE ON OFFER EPS</b></p> <p><b>TRANCHE 1B</b> On the Tranche 1 Vesting Date, if the Operating earnings per share (<b>EPS</b>) of the Company as at 30 June 2021 (<b>Tranche 1 EPS</b>) is:</p> <ul style="list-style-type: none"><li>(a) at least 5% (but less than 10%) higher than the Offer EPS, 50% of the Tranche 1 Performance rights shall vest; or</li><li>(b) at least 10% (but less than 15%) higher than the Offer EPS, 75% of the Tranche 1 Performance rights shall vest; or</li><li>(c) at least 15% higher than the Offer EPS, 100% of the Tranche 1 Performance rights shall vest.</li></ul> <p><b>TRANCHE 2A</b> On the Tranche 2 Vesting Date, if the Operating earnings per share (<b>EPS</b>) of the Company as at 30 June 2022 (<b>Tranche 2 EPS</b>) is:</p> <ul style="list-style-type: none"><li>(a) at least 5% (but less than 10%) higher than the Tranche 2 Target EPS, 50% of the Tranche 2 Performance rights shall Vest; or</li><li>(b) at least 10% (but less than 15%) higher than the Tranche 2 Target EPS, 75% of the Tranche 2 Performance rights shall Vest; or</li><li>(c) at least 15% higher than the Tranche 2 Target EPS, 100% of the Tranche 2 Performance rights shall Vest.</li></ul> <p><b>ADDITIONAL VESTING TERMS</b> Any Remainder Performance rights will vest on the Tranche 2 Vesting Date if the Tranche 2 EPS is at least 20% higher than the Tranche 2 Target EPS.</p>
4	EXPIRY DATE	4 years from the date the Performance rights were issued.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2024

## 26 SHARE BASED PAYMENTS (CONTINUED)

### (c) Performance rights granted vesting conditions and fair values (continued)

#### 2020 ISSUED PERFORMANCE RIGHTS

1	VESTING DATES	Tranche 1 — 31 August 2021 Tranche 2 — 31 August 2022 Tranche 3 and Remainder Performance rights — 31 August 2023
2	VESTING CONDITIONS	<p><b>OFFER EARNINGS PER SHARE (OFFER EPS) OF 4.9¢</b> <b>TRANCHE 2 TARGET EPS – 10% INCREASE ON OFFER EPS</b> <b>TRANCHE 3 TARGET EPS – 10% INCREASE ON TRANCHE 2 TARGET EPS</b></p> <p><b>TRANCHE 1</b> On the Tranche 1 Vesting Date, if the earnings per share (<b>EPS</b>) of the Company as at 30 June 2021 (<b>Tranche 1 EPS</b>) is:</p> <ul style="list-style-type: none"><li>(a) at least 5% (but less than 10%) higher than the Offer EPS, 50% of the Tranche 1 Performance rights shall vest; or</li><li>(b) at least 10% (but less than 15%) higher than the Offer EPS, 75% of the Tranche 1 Performance rights shall vest; or</li><li>(c) at least 15% higher than the Offer EPS, 100% of the Tranche 1 Performance rights shall vest.</li></ul> <p><b>TRANCHE 2</b> On the Tranche 2 Vesting Date, if the earnings per share (<b>EPS</b>) of the Company as at 30 June 2022 (<b>Tranche 2 EPS</b>) is:</p> <ul style="list-style-type: none"><li>(a) at least 5% (but less than 10%) higher than the Tranche 2 Target EPS, 50% of the Tranche 2 Performance rights shall Vest; or</li><li>(b) at least 10% (but less than 15%) higher than the Tranche 2 Target EPS, 75% of the Tranche 2 Performance rights shall Vest; or</li><li>(c) at least 15% higher than the Tranche 2 Target EPS, 100% of the Tranche 2 Performance rights shall Vest.</li></ul> <p><b>TRANCHE 3</b> On the Tranche 3 Vesting Date, if the earnings per share (<b>EPS</b>) of the Company as at 30 June 2023 (<b>Tranche 3 EPS</b>) is:</p> <ul style="list-style-type: none"><li>(a) at least 5% (but less than 10%) higher than Tranche 3 Target EPS, 50% of the Tranche 3 Performance rights shall Vest; or</li><li>(b) at least 10% (but less than 15%) higher than the Tranche 3 Target EPS, 75% of the Tranche 3 Performance rights shall Vest; or</li><li>(c) at least 15% higher than the Tranche 3 Target EPS, 100% of the Tranche 3 Performance rights shall Vest.</li></ul> <p><b>ADDITIONAL VESTING TERMS</b> Any Tranche 1 or 2 Performance rights which did not vest on the Tranche 1 Vesting Date or Tranche 2 Vesting Date respectively (<b>Remainder Performance rights</b>) will vest on the Tranche 3 Vesting Date if the Tranche 3 EPS is at least 20% higher than the Tranche 3 Target EPS.</p>
3	EXPIRY DATE	5 years from the date the Performance rights were issued.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2024

## 27 SUBSIDIARIES AND CONTROLLED ENTITIES

The consolidated financial statements include the financial statements of Wagners Holding Company Limited and the following subsidiaries:

NAME OF ENTITY	COUNTRY OF INCORPORATION	EQUITY HOLDING	
		30 JUNE 2024 %	30 JUNE 2023 %
Wagners Queensland Pty Ltd	Australia	100%	100%
Wagner Investments Pty Ltd	Australia	100%	100%
Wagners Flyash Pty Ltd	Australia	100%	100%
Wagners Australian Operations Pty Ltd	Australia	100%	100%
Wagners Concrete Pty Ltd	Australia	100%	100%
Wagners Quarries Pty Ltd	Australia	100%	100%
Wagners Transport Pty Ltd	Australia	100%	100%
Wagners Industrial Services Pty Ltd	Australia	100%	100%
Wagners Cement Pty Ltd	Australia	100%	100%
Wagners Charter Pty Ltd	Australia	100%	100%
Wagners International Operations Pty Ltd	Australia	100%	100%
Wagners Global Projects Sdn Bhd	Malaysia	100%	100%
Wagners Global Services (Malaysia) Sdn Bhd	Malaysia	100%	100%
Wagners Services Mozambique Limiteda	Mozambique	98.75%	98.75%
Wagners Global Ventures Sdn Bhd	Malaysia	100%	100%
Wagners Global Services Mongolia LLC	Mongolia	100%	100%
Wagners Concrete Mongolia LLC	Mongolia	100%	100%
Wagners Composites Malaysia Sdn Bhd	Malaysia	100%	100%
Wagners Composite Fibre Technologies Pty Ltd	Australia	100%	100%
Wagners CFT Manufacturing Pty Ltd	Australia	100%	100%
Wagners EFC Pty Ltd	Australia	100%	100%
Wagner USA Holding Company	United States	100%	100%
Wagners CFT LLC	United States	100%	100%
Wagners Manufacturing LLC	United States	100%	100%
Wagners Property Holdings LLC	United States	100%	100%
Wagners Holding NZ Limited	New Zealand	100%	100%
Wagners Holding Company UK Ltd	United Kingdom	100%	100%
EFC Green Concrete Technology UK Ltd	United Kingdom	100%	100%
East Coast Chemicals Pty Ltd	Australia	100%	100%



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2024

## 28 CAPITAL COMMITMENTS

### Capital expenditure commitments

Capital expenditure commitments contracted for but not recognised as liabilities at the end of the financial year is as follows:

	30 JUN 2024 \$'000	30 JUN 2023 \$'000
Within twelve months	49	641

## 29 CONTINGENT ASSETS AND LIABILITIES

The Group enters into arrangements in the normal course of business, whereby it is required to supply a performance guarantee to its customers. These guarantees are provided in the form of performance bonds issued by the Group's financial institution or insurance company.

The probability of having to make a payment in respect to these performance bonds is considered to be highly unlikely. As such, no provision has been made in the consolidated financial statements in respect of these contingencies.

## 30 AUDITOR'S REMUNERATION

During the financial year the following fees were paid or are payable to the Group's auditor:

	30 JUN 2024 \$	30 JUN 2023 \$
<b>BDO AUDIT PTY LTD &amp; RELATED COMPANIES</b>		
<b>AUDIT SERVICES</b>		
Audit and review of financial statements — <i>BDO Audit Pty Ltd</i>	248,077	254,770
<b>Total audit services</b>	<b>248,077</b>	<b>254,770</b>
<b>NON-AUDIT SERVICES</b>		
Taxation services — <i>BDO Services Pty Ltd</i>	1,500	2,725
<b>Total non-audit services</b>	<b>1,500</b>	<b>2,725</b>
<b>Total amount paid or payable to auditor</b>	<b>249,577</b>	<b>257,495</b>

## 31 DEED OF CROSS GUARANTEE

Wagners Holding Company Limited, Wagners Australian Operations Pty Ltd, Wagners Cement Pty Ltd, Wagners CFT Manufacturing Pty Ltd, Wagners Concrete Pty Ltd, Wagners Industrial Services Pty Ltd, Wagner Investments Pty Ltd, Wagners Quarries Pty Ltd, Wagners Queensland Pty Ltd and Wagners Transport Pty Ltd are parties to a deed of cross guarantee under which each company guarantees the debts of the others. By entering into the deed, the wholly-owned entities have been relieved from the requirement to prepare a financial report and directors' report under ASIC Corporations (Wholly-owned Companies) Instrument 2016/785.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2024

## 31 DEED OF CROSS GUARANTEE (CONTINUED)

### (a) Consolidated statement of profit or loss and other comprehensive income and summary of movements in consolidated retained earnings

The above companies represent a 'closed group' for the purposes of the instrument. Set out below is a consolidated statement of statement of profit or loss and other comprehensive income and a summary of movements in consolidated retained earnings for the year ended 30 June 2024 of the closed group consisting of the Companies listed above.

	30 JUN 2024 \$'000	30 JUN 2023 \$'000
Revenue from contracts with customers	474,738	464,170
Other income	3,368	1,166
Costs of goods sold	(221,262)	(219,870)
Employee benefits expense	(94,300)	(91,542)
Depreciation – right-of-use assets	(7,815)	(7,796)
Depreciation and amortisation expense - other	(18,867)	(19,947)
Finance costs – lease liabilities	(5,955)	(5,580)
Net finance cost – other	(6,775)	(5,690)
Fuel	(9,835)	(12,323)
Contract work and purchased services	(7,233)	(15,667)
Freight and postal	(1,480)	(3,151)
Legal and professional	(3,316)	(582)
Rent and hire	(9,398)	(11,931)
Repairs and maintenance	(44,378)	(40,880)
Travel and accommodation	(6,059)	(7,585)
Utilities	(4,892)	(5,873)
Impairment loss	(3,657)	–
Fair value adjustment on derivative instruments	(438)	(744)
Impairment of trade receivables – gain/(loss)	(567)	(47)
Other expenses	(3,019)	(5,371)
<b>Profit before income tax</b>	<b>28,860</b>	<b>10,757</b>
Income tax expense	(7,828)	(3,254)
<b>Profit for the period</b>	<b>21,032</b>	<b>7,503</b>
<b>Other comprehensive income (net of tax)</b>		
<i>Items that may be reclassified to profit or loss</i>		
None	–	–
<b>Total comprehensive income for the period</b>	<b>21,032</b>	<b>7,503</b>
<i>Summary of movement in consolidated retained earnings</i>		
<b>Retained earnings at the beginning of the financial year</b>	<b>74,633</b>	<b>67,130</b>
Profit for the year	21,032	7,503
Transfer exercised performance rights balance to retained earnings	–	–
<b>Retained earnings at the end of the financial year</b>	<b>95,665</b>	<b>74,633</b>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2024

## 31 DEED OF CROSS GUARANTEE (CONTINUED)

### (b) Consolidated statement of financial position

Set out below is a consolidated statement of financial position as at 30 June 2024 of the closed group consisting of the Companies as previously mentioned.

	30 JUN 2024 \$'000	30 JUN 2023 \$'000
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	16,823	10,215
Trade and other receivables	113,929	128,220
Inventories	33,824	39,244
Derivative instruments	650	1,257
Current tax assets	–	1,859
Other assets	2,226	1,425
<b>Total Current Assets</b>	<b>167,452</b>	<b>182,220</b>
<b>NON-CURRENT ASSETS</b>		
Property, plant and equipment	133,325	137,342
Right-of-use assets	117,997	130,439
Intangible assets	2,045	2,164
Deferred tax assets	2,882	2,365
<b>Total Non-current Assets</b>	<b>256,249</b>	<b>272,310</b>
<b>Total Assets</b>	<b>423,701</b>	<b>454,530</b>
<b>CURRENT LIABILITIES</b>		
Trade and other payables	53,079	66,094
Borrowings	7,067	23,026
Lease liabilities	9,827	10,409
Derivative instruments	2,475	2,643
Current tax liabilities	4,696	–
Provisions	10,014	9,940
<b>Total Current Liabilities</b>	<b>87,158</b>	<b>112,112</b>
<b>NON-CURRENT LIABILITIES</b>		
Borrowings	59,212	81,712
Lease liabilities	126,714	133,712
Derivative instruments	–	–
Provisions	2,813	610
<b>Total Non-current Liabilities</b>	<b>188,739</b>	<b>216,034</b>
<b>Total Liabilities</b>	<b>275,897</b>	<b>328,146</b>
<b>Net Assets</b>	<b>147,804</b>	<b>126,384</b>
<b>EQUITY</b>		
Issued capital	411,564	411,564
Pre IPO distributions to related entities	(360,448)	(360,448)
Reserves	1,023	635
Retained earnings	95,665	74,633
<b>Total Equity</b>	<b>147,804</b>	<b>126,384</b>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2024

## 32 PARENT ENTITY FINANCIAL INFORMATION

The following information has been extracted from the books and records of the parent, Wagners Holding Company Limited, and has been prepared in accordance with Australian Accounting Standards.

STATEMENT OF FINANCIAL POSITION	30 JUN 2024 \$'000	30 JUN 2023 \$'000
<b>ASSETS</b>		
Current assets	197	42
Non-current assets	138,058	129,951
<b>Total assets</b>	<b>138,225</b>	<b>129,993</b>
<b>LIABILITIES</b>		
Current liabilities	24,981	16,923
Non-current liabilities	8,824	10,854
<b>Total liabilities</b>	<b>33,805</b>	<b>27,777</b>
<b>EQUITY</b>		
Issued capital	411,564	411,564
Distribution to related entities	(355,010)	(355,010)
Reserves	573	184
Retained earnings	47,323	45,479
<b>Total equity</b>	<b>104,450</b>	<b>102,217</b>
<b>STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME</b>		
Total profit for the financial year	1,845	(28)
<b>Total comprehensive income for the financial year</b>	<b>1,845</b>	<b>(28)</b>

### (a) Contingent assets and liabilities

The parent entity does not have any contingent assets or liabilities as at 30 June 2024.

### (b) Guarantees entered into by the parent entity

There are cross guarantees given by Wagners Holding Company Limited as described in note 30. No deficiencies of assets exist in any of these companies.

### (c) Contractual commitments for the acquisition of property, plant or equipment

The parent entity had \$26 thousand of contractual commitments for the acquisition of property, plant or equipment (2023: \$425 thousand).

## 33 EVENTS OCCURRING AFTER THE REPORTING PERIOD

To the Directors' best knowledge, there has not arisen in the interval between 30 June 2024 and the date of this report any item, any other transaction or event of a material and unusual nature that will, or may, significantly affect the operations of the Group.

# CONSOLIDATED ENTITY DISCLOSURE STATEMENT

AS AT 30 JUNE 2024

NAME OF ENTITY	TYPE OF ENTITY	TRUSTEE, PARTNER OR PARTICIPANT IN JOINT VENTURE**	% OF SHARE CAPITAL HELD	COUNTRY OF INCORPORATION	AUSTRALIAN RESIDENT OR FOREIGN RESIDENT (FOR TAX PURPOSES)	FOREIGN TAX JURISDICTION(S) OF FOREIGN RESIDENTS
Wagners Holding Company Ltd	Body corporate	N/A	100%	Australia	Australia	Australia
Wagners Queensland Pty Ltd	Body corporate	N/A	100%	Australia	Australia	Australia
Wagner Investments Pty Ltd	Body corporate	N/A	100%	Australia	Australia	Australia
Wagners Flyash Pty Ltd	Body corporate	N/A	100%	Australia	Australia	Australia
Wagners Australian Operations Pty Ltd	Body corporate	N/A	100%	Australia	Australia	Australia
Wagners Concrete Pty Ltd	Body corporate	N/A	100%	Australia	Australia	Australia
Wagners Quarries Pty Ltd	Body corporate	N/A	100%	Australia	Australia	Australia
Wagners Transport Pty Ltd	Body corporate	N/A	100%	Australia	Australia	Australia
Wagners Industrial Services Pty Ltd	Body corporate	N/A	100%	Australia	Australia	Australia
Wagners Cement Pty Ltd	Body corporate	N/A	100%	Australia	Australia	Australia
Wagners Charter Pty Ltd	Body corporate	N/A	100%	Australia	Australia	Australia
Wagners International Operations Pty Ltd	Body corporate	N/A	100%	Australia	Australia	Australia
Wagners Global Projects Sdn Bhd	Body corporate	N/A	100%	Malaysia	Foreign	Malaysia
Wagners Global Services (Malaysia) Sdn Bhd	Body corporate	N/A	100%	Malaysia	Foreign	Malaysia
Wagners Services Mozambique Limited	Body corporate	N/A	98.75%	Mozambique	Foreign	Mozambique
Wagners Global Ventures Sdn Bhd	Body corporate	N/A	100%	Malaysia	Foreign	Malaysia
Wagners Global Services Mongolia LLC	Body corporate	N/A	100%	Mongolia	Foreign	Mongolia
Wagners Concrete Mongolia LLC	Body corporate	N/A	100%	Mongolia	Foreign	Mongolia
Wagners Composites Malaysia Sdn Bhd	Body corporate	N/A	100%	Malaysia	Foreign	Malaysia
Wagners Composite Fibre Technologies Pty Ltd	Body corporate	N/A	100%	Australia	Australia	Australia
Wagners CFT Manufacturing Pty Ltd	Body corporate	N/A	100%	Australia	Australia	Australia
Wagners EFC Pty Ltd	Body corporate	N/A	100%	Australia	Australia	Australia
Wagner USA Holding Company	Body corporate	N/A	100%	United States	Foreign	United States
Wagners CFT LLC	Body corporate	N/A	100%	United States	Foreign	United States
Wagners Manufacturing LLC	Body corporate	N/A	100%	United States	Foreign	United States
Wagners Property Holdings LLC	Body corporate	N/A	100%	United States	Foreign	United States
Wagners Holding NZ Limited	Body corporate	N/A	100%	New Zealand	Foreign	New Zealand
Wagners Holding Company UK Ltd	Body corporate		100%	United Kingdom	Foreign	United Kingdom
EFC Green Concrete Technology UK Ltd	Body corporate	N/A	100%	United Kingdom	Foreign	United Kingdom
East Coast Chemicals Pty Ltd	Body corporate	N/A	100%	Australia	Australia	Australia

# CONSOLIDATED ENTITY DISCLOSURE STATEMENT

AS AT 30 JUNE 2024

## Basis of Preparation

This Consolidated Entity Disclosure Statement (CEDS) has been prepared in accordance with the Corporations Act 2001. It includes certain information for each entity that was part of the consolidated entity at the end of the financial year.

## Determination of Tax Residency

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

In determining tax residency, the consolidated entity has applied the following interpretations:

### Australia tax residency

The consolidated entity has applied current legislation and judicial precedent, including having regard to the Tax Commissioner's public guidance in Tax Ruling TR 2018/5.

### Foreign tax residency

Where necessary, the consolidated entity has used independent tax advisers in foreign jurisdictions to assist in determining tax residency and ensure compliance with applicable foreign tax legislation.

### Partnerships and Trusts

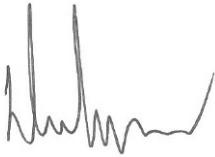
Australian tax law does not contain specific residency tests for partnerships and trusts. Generally, these entities are taxed on a flow-through basis, so there is no need for a general residence test. Some provisions treat trusts as residents for certain purposes, but this does not mean the trust itself is an entity that is subject to tax.

Additional disclosures on the tax status of partnerships and trusts have been provided where relevant.

# DIRECTORS' DECLARATION

In accordance with a resolution of the directors of Wagners Holding Company Limited, the directors of the Company declare that:

- (a) the consolidated financial statements and notes, as set out on pages 35 to 92, are in accordance with the *Corporations Act 2001*, including:
  - i. complying with the Corporations Regulations 2001 and Australian Accounting Standards and Interpretations, which, as stated in accounting policy Note 1 to the financial statements, constitutes compliance with International Financial Reporting Standards; and
  - ii. giving a true and fair view of the consolidated Group's financial position as at 30 June 2024 and of its performance for the financial year ended on that date; and
- (b) in the directors' opinion there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable; and
- (c) the information disclosed in the attached consolidated entity disclosure statement is true and correct; and
- (d) the directors have been given the declarations required by s295A of the *Corporations Act 2001* from the Chief Executive Officer and Chief Financial Officer, for the financial year ended 30 June 2024.



**MR DENIS WAGNER**  
**Chairman**

Dated at Toowoomba, Queensland  
on 21 August 2024.

## INDEPENDENT AUDITOR'S REPORT

To the members of Wagners Holding Company Limited

### Report on the Audit of the Financial Report

#### Opinion

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

In our opinion the accompanying financial report of the Group, is in accordance with the *Corporations Act 2001*, including:

- (i) Giving a true and fair view of the Group's financial position as at 30 June 2024 and of its financial performance for the year ended on that date; and
- (ii) Complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

#### Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the Financial Report* section of our report. We are independent of the Group in accordance with the *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 financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

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



## Key audit matters

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

### Revenue recognition and measurement

Key audit matter	How the matter was addressed in our audit
<p>The Group's disclosures regarding revenue recognition are included in Note 1(c) and Note 3, detailing the accounting policies applied, and disclosures relating to AASB 15 <i>Revenue from Contracts with Customers</i>.</p> <p>The assessment of revenue recognition was significant to our audit given revenue is a material balance within the financial statements for the year ended 30 June 2024.</p> <p>The assessment of revenue recognition and measurement required significant auditor effort.</p> <p>In addition, the Group entered into a contract during the prior year to provide precast materials to the Sydney Metro tunnel project. This contract requires the Group to manufacture and supply tunnel segments over a two-year period, which completed in the current year. The total value of the contract is considered material to the Group, and required significant auditor effort in assessing the revenue recognition of this contract.</p>	<p>Our procedures included, but were not limited to:</p> <ul style="list-style-type: none"> <li>Assessing the Group's revenue recognition policy for compliance with AASB 15 <i>Revenue from Contracts with Customers</i>;</li> <li>Documenting the processes and assessing the internal controls relating to revenue processing and recognition;</li> <li>Tracing a sample of revenue transactions to supporting documentation and the satisfaction of performance obligations;</li> <li>Performing detailed substantive analytical procedures on the yearly sales for each material component;</li> <li>Obtaining management's revenue recognition paper on the Sydney Metro tunnelling contract, assessing revenue recognition for compliance with AASB 15 <i>Revenue from Contracts with Customers</i> including identifying separate performance obligations and allocating the transaction price to the separate performance obligations, obtaining a confirmation of the year end receivables balance, and reconciling amounts recognised as revenue and contract assets or liabilities; and</li> <li>Assessing the adequacy of the Group's disclosures within the financial statements.</li> </ul>

## Impairment loss

Key audit matter	How the matter was addressed in our audit
<p>A material impairment loss is included within the Consolidated Statement of Profit or Loss and Other Comprehensive Income for the year ended 30 June 2024.</p> <p>As disclosed in note 4(e), this balance is made up of the early termination of a lease and the impairment of the EFC segment.</p> <p>The assessment of impairment workings was significant to our audit given the complex and judgemental manner in which impairment assessments are completed. Further, the total impairment expense recognised was material, and required significant auditor effort.</p>	<p>Our procedures included, but were not limited to:</p> <ul style="list-style-type: none"> <li>• Obtaining management’s impairment position paper relating to the EFC segment;</li> <li>• Obtaining balance sheet data on the EFC segment at date of impairment, reconciling the impairment expense recognised;</li> <li>• Reconciling impairment expense recognised to the ASX announcement made on 28 November 2023;</li> <li>• Obtaining management’s impairment position paper relating to the early lease termination;</li> <li>• Obtaining the underlying lease schedule for this facility from the Group’s leasing software;</li> <li>• Reconciling inputs, and the balance of right-of-use assets and lease liabilities on termination date in order to validate the impairment expense recognised; and</li> <li>• Assessing the adequacy of the Group’s disclosures within the financial statements.</li> </ul>

## Other information

The directors are responsible for the other information. The other information comprises the information in the Group’s annual report for the year ended 30 June 2024, but does not include the financial report and the auditor’s report thereon.

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

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## Responsibilities of the directors for the Financial Report

The directors of the Company are responsible for the preparation of:

- a) the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001 and
- b) the consolidated entity disclosure statement that is true and correct in accordance with the Corporations Act 2001, and

for such internal control as the directors determine is necessary to enable the preparation of:

- i) the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error; and
- ii) the consolidated entity disclosure statement that is true and correct and is free of misstatement, whether due to fraud or error.

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

## Auditor's responsibilities for the audit of the Financial Report

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

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website (<http://www.auasb.gov.au/Home.aspx>) at:

[https://www.auasb.gov.au/admin/file/content102/c3/ar1\\_2020.pdf](https://www.auasb.gov.au/admin/file/content102/c3/ar1_2020.pdf)

This description forms part of our auditor's report.

## Report on the Remuneration Report

### Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 23 to 33 of the directors' report for the year ended 30 June 2024.

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

## Responsibilities

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

### BDO Audit Pty Ltd

BDO



**D P Wright**  
Director

Brisbane, 21 August 2024

# ADDITIONAL INFORMATION

Additional information required by the Australian Securities Exchange Limited Listing Rules and not disclosed elsewhere in this report is set out below.

The information is current as at 13 September 2024 unless stated otherwise.

## DISTRIBUTION SCHEDULE

RANGE	TOTAL HOLDERS	UNITS	% OF ISSUED CAPITAL
1–1,000	1,009	532,968	0.28
1,001–5,000	1,483	3,993,173	2.13
5,001–10,000	587	4,411,048	2.35
10,001–100,000	731	20,433,721	10.89
100,001 and over	81	158,247,755	84.35
<b>Rounding</b>			<b>0.00</b>
<b>Total</b>	<b>3,891</b>	<b>187,618,665</b>	<b>100.00</b>

## SHARES AND VOTING RIGHTS

All 187,618,665 shares in the Company are ordinary shares, held by 3,891 shareholders. Voting rights for ordinary shares are:

- ▶ On a show of hands, one vote for each shareholder
- ▶ On a poll, one vote for each fully paid ordinary share.

Option holders have no rights until the options are exercised. There is no current on-market buy-back.

## SUBSTANTIAL SHAREHOLDERS

The following information is extracted from the Company's Register of Substantial Shareholders as at 31 August 2024 and as disclosed in substantial notices to the ASX and Company.

NAME	DATE OF LAST NOTICE RECEIVED	NUMBER OF ORDINARY SHARES	% OF ISSUED CAPITAL
Denis Wagner	15 December 2017	103,998,114	55%
John Wagner	15 December 2017	103,248,014	55%
Neill Wagner	15 December 2017	102,957,631	55%
Joe Wagner	15 December 2017	102,957,631	55%
Wagner Property Operations Pty Ltd	25 November 2019	14,201,056	7.6%
Paradise Investment Management Pty Ltd and David Paradise	18 November 2020	13,757,558	7.3%

## UNMARKETABLE PARCELS

	MINIMUM PARCEL SIZE	HOLDERS	UNITS
Minimum \$ 500.00 parcel at \$ 0.9000 per unit	556	553	152,648

# ADDITIONAL INFORMATION

## TOP 20 SHAREHOLDERS

RANK	NAME	UNITS	% UNITS
1	DENIS PATRICK WAGNER	21,321,928	11.36
1	JOHN HENRY WAGNER	21,321,928	11.36
1	JOSEPH DOYLE WAGNER	21,321,928	11.36
1	NEILL THOMAS WAGNER	21,321,928	11.36
5	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	18,744,731	9.99
6	WAGNER PROPERTY OPERATIONS PTY LTD	14,201,056	7.57
7	CITICORP NOMINEES PTY LIMITED	9,243,536	4.93
8	J P MORGAN NOMINEES AUSTRALIA PTY LIMITED	3,372,255	1.80
9	ITA VERO PTY LTD <THE RICHMOND A/C>	3,100,000	1.65
10	BRAZIL FARMING PTY LTD	1,597,623	0.85
11	NETWEALTH INVESTMENTS LIMITED <WRAP SERVICES A/C>	1,441,132	0.77
12	JOHN WAGNER INVESTMENTS PTY LTD <JHW FAMILY A/C>	1,091,447	0.58
13	DWFT PTY LTD <HARVEY ROAD A/C>	1,040,483	0.55
14	ARCHERFIELD AIRPORT CORPORATION PTY LTD	998,337	0.53
15	NETWEALTH INVESTMENTS LIMITED <SUPER SERVICES A/C>	965,719	0.51
16	MR JOHN PATERSON	847,003	0.45
17	DENIS WAGNER INVESTMENTS PTY LTD <DPW FAMILY A/C>	801,064	0.43
17	NEILL WAGNER INVESTMENTS PTY LTD <NTW FAMILY A/C>	801,064	0.43
19	ACE PROPERTY HOLDINGS PTY LTD	800,000	0.43
20	MR KEVIN JOHN CAIRNS + MRS CATHERINE VALERIE CAIRNS <CAIRNS FAMILY SUPER A/C>	700,000	0.37
<b>Total Top 20 holders of ORDINARY FULLY PAID SHARES</b>		<b>144,742,779</b>	<b>77.15</b>
<b>Total Remaining Holders Balance</b>		<b>42,875,886</b>	<b>22.85</b>

## UNQUOTED OPTIONS

There are 13 holders of 3,932,727 unvested unquoted options.

## CORPORATE GOVERNANCE STATEMENT

The Company's Corporate Governance Statement for the financial year ended 30 June 2024 is available to download and access from [investors.wagner.com.au/corporate-governance](https://investors.wagner.com.au/corporate-governance).

# CORPORATE DIRECTORY

## DIRECTORS

Denis Wagner, Non-executive Chairman

Cameron Coleman, Managing Director

John Wagner, Non-executive Director

Lynda O'Grady, Non-executive Director

Ross Walker, Non-executive Director

## COMPANY SECRETARY

Karen Brown

## REGISTERED OFFICE

Level 10, 12 Creek Street,

Brisbane QLD 4000

1300 138 991

+61 3237 5999

## PRINCIPAL PLACE OF BUSINESS

11 Ballera Court,

1511 Toowoomba-Cecil Plains Road

Wellcamp QLD 4350

+61 7 4637 7777

## SHARE REGISTRY

Computershare Investor Services Ltd

Level 1, 200 Mary Street

Brisbane QLD 4000

1800 850 505 (within Australia)

+61 3 9415 4000 (outside Australia)

## AUDITOR

BDO Audit Pty Ltd

Level 10, 12 Creek Street

Brisbane QLD 4000

## SOLICITORS

McCullough Robertson Lawyers

Level 11, 66 Eagle Street

Brisbane QLD 4000

## BANKERS

National Australia Bank Limited

HSBC Bank Australia Limited

Australian and New Zealand Banking Group Limited

## SECURITIES EXCHANGE

Wagners Holding Company Limited shares

are listed on the ASX (code: WGN)

[www.wagner.com.au](http://www.wagner.com.au)



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Toowoomba QLD 4350, Australia

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