ANNUAL REPORT 2022

Perenti

ABN 95 009 211 474

Creating enduring value and certainty

Expect More

ABOUT US

We are a diversified global mining services group with interests in contract mining, mining support services and future technology solutions. The Group was founded in Kalgoorlie in 1987 and is today one of the world's largest mining service companies providing surface and underground mining at scale. Our portfolio consists of sustainable, inter-related and value-adding mining services and technology focused businesses.

Headquartered in Perth, Australia, and operating across four continents, our focus is to create enduring value and certainty for our investors, clients, employees and the communities in which we operate.

EMPLOYEES	PROJECTS	COMMODITIES	COUNTRIES	CONTINENTS
~9,000	62	9	11	4

AUSTRALIA

AFRICA & EUROPE

NORTH AMERICA

ABOUT THIS REPORT

This Annual Report is a summary of Perenti and its operations, activities and financial position as at 30 June 2022. All dollar figures are expressed in Australian dollars unless otherwise stated.

This Report is printed on paper that is manufactured from 100% recycled fibre that is FSC Mix Certified. Both paper manufacturer and printer are certified to the ISO 14001 standard.

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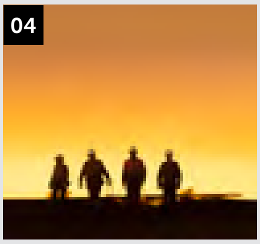
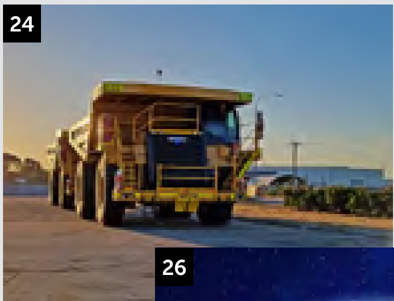
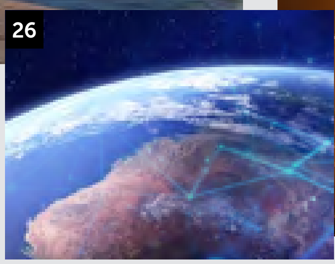
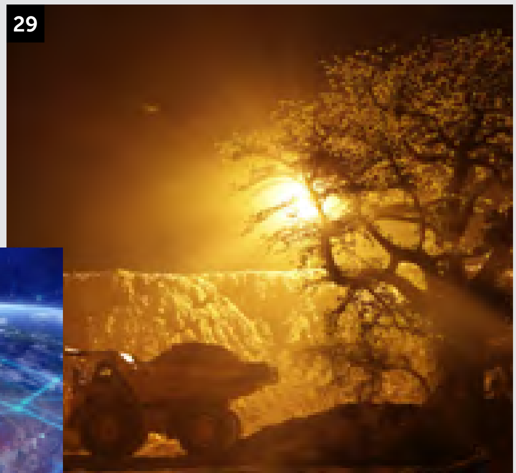


GROUP PERFORMANCE OVERVIEW

OPERATING OVERVIEW







OUR UPDATED 2025 STRATEGY

Perenti has made significant progress against our 2025 Strategy which was launched in February 2019. We have stabilised the business, recycled cash, invested in our business foundations and positioned Perenti for the future.

In 2022, the Perenti Board and the Group Executive completed a review of our 2025 Strategy, taking into consideration the Group's performance as well as a range of domestic and global economic and industry trends. These included COVID-19, technology adoption, the growing focus on sustainability, global uncertainty and the energy revolution and decarbonisation.

As a result of the review, we are implementing important changes to our strategy as we see significant opportunity for our business into the future. Our updated 2025 Strategy has been designed to capitalise on these shifts and to deliver improved returns through disciplined capital investment.

OUR STRATEGY IS TO DELIVER COMPETITIVE TOTAL SHAREHOLDER RETURNS (TSR)

We do this by building a portfolio of complementary businesses that deliver consistent and quality cash backed profits to create enduring value for our clients, our people and our investors.

SUSTAINABILITY EMBEDDED IN EVERYTHING WE DO

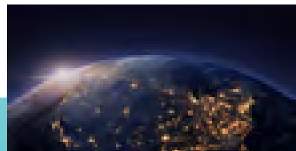
HOW THE GROUP CREATES VALUE TOGETHER

CONTRACT MINING

We are a global contract miner, with widely recognised brands who combines industry-leading mining technologies, demonstrated mining expertise and the relentless pursuit of operational improvements to meet and exceed our clients' expectations.

MINING SERVICES

We are a portfolio of industry-leading businesses who work closely with clients across the mining sector to deliver value-add services that meet current and emerging needs.



IDOBA

We are a technology informed services business who provide unique end to end digital, technology and consulting services designed to rethink, transform and disrupt the mining industry and beyond.

Blended portfolio to deliver competitive TSR

CORPORATE CENTRE

We support and enhance the long-term success of the Group by ensuring development of current and future Perenti leaders, investing capital to deliver future growth, promoting our brand and safeguarding our reputation.

OUR PRINCIPLES

NO SHORTCUTS | NEVER WASTEFUL | WALK IN THEIR SHOES | SMARTER TOGETHER | ENABLE TOMORROW

ABN 95 009 211 474

OUR UPDATED
2025 STRATEGY

DELIVERING THROUGH OUR STRATEGIC FOCUS AREAS

BUSINESS PERFORMANCE

As part of our strategy we are focused on continuous improvement across all our contracts. In recent times, we have been successful in securing rate improvements at projects in Western Australia and Senegal - a testament to the quality of the service we provide and the strength of the relationship with our clients.

CAPITAL MANAGEMENT

Through our Capital Management Policy, Perenti has adopted a measured and structured approach to deploying capital to our business to ensure we can offer long-term sustainable returns to shareholders. The recent share buyback program announced on the back of the divestments of non core businesses and property assets, is one way of delivering greater value for shareholders.

ORGANISATIONAL HEALTH

To support our focus on delivering competitive shareholder returns, Perenti announced a strengthened business model that comprises three complementary divisions: Contract Mining, Mining Services and idoba, our digital platform offering. The new structure is underpinned by a simplified operating model that focuses on culture, leadership and empowering employees through clear accountabilities and ‘fit for purpose’ business tools. Our organisational health is a key competitive advantage for Perenti and is critical to delivering on our updated 2025 Strategy.

PEOPLE AND CULTURE

To forge a culture where our people can successfully deliver for all stakeholders, we need to provide a safe, diverse and inclusive workplace. Our *It’s Not OK* campaign, a collaboration between multiple stakeholders, seeks to eliminate harmful behaviours, including sexual assault, sexual harassment, other forms of harassment and bullying, from our workplace. The program reflects Perenti’s strong commitment to the physical and psychological safety, respect and wellbeing of everyone at our workplaces.

DATA AND ANALYTICS

In February 2022, Perenti’s technology platform provider idoba and Sumitomo Corporation, entered into a Memorandum of Understanding for the co-creation and joint development of digital mining products for the advancement of sustainable mining practices. The two companies have worked collaboratively to initiate *My Performance Navigator*, a mining process optimisation service that connects and analyses mine data to predict future performance and provide decision support.

YEAR IN REVIEW

UNDERLYING REVENUE

↑ $2.4B

Up 21% on FY21

In-line with revised FY22 guidance range.

UNDERLYING EBITDA

↑ $426M

Up 12% on FY21

Up and in-line with increasing earnings contribution from growth projects.

UNDERLYING EBIT(A)

↑ $176M

Up 3% on FY21

Exceeded revised FY22 guidance range.

UNDERLYING NPAT

↑ $82M

Up 6% on FY21

Up on stronger overall business performance.

UNDERLYING CASH CONVERSION[1]

↑ $108%

Second consecutive period of +100% cashflow conversion.

UNDERLYING LEVERAGE

1.3x

Leverage in-line with FY21 and outperformed revised FY22 guidance.

UNDERLYING ROACE[2]

↑ 15.2%

Up 93bps

Increase on Underlying FY21 ROACE.

SPIFR

↓ 2.8

Serious Potential Incident Frequency Rate reduced from 2.9 to 2.8 in FY22.

TRIFR

↑ 6.9

Total Recordable Injury Frequency Rate increased from 5.1 to 6.9 in FY22.

1 Cashflow conversion is operating cash flows before interest and tax divided by underlying EBITDA. Proceeds from divestments are excluded from cashflow conversion figures.
2 ROACE is defined as underlying EBIT(A) / sum of average receivables, inventories, PP&E including assets classified as held for sale and right of use assets less trade payables for the relevant period.

All references, unless specifically provided, relate to underlying figures and a reconciliation to statutory results is on page 13.

NAVIGATING THROUGH UNPRECEDENTED CHALLENGES

COVID-19

COUNTRY & BORDER RESTRICTIONS

LABOUR CONSTRAINTS

SUPPLY CHAIN & INFLATIONARY PRESSURES

GEOPOLITICAL CONFLICTS

EMBEDDING SUSTAINABILITY IN EVERYTHING WE DO

Sustainability is central to Perenti's purpose to create enduring value and certainty and to our 2025 Strategy. To deliver on our purpose requires us to not only be consistently profitable but also plan and operate in a responsible manner.

Established a **Sustainability Committee** with a focus on business-wide improvement in safety, health, environment, climate, social performance and human rights.

Refer to page 34 in the Sustainability Report

Launched Perenti's *It's Not OK* campaign that aims to **eliminate sexual assault, sexual harassment and other harmful behaviours** from our workplace.

Refer to page 48 in the Sustainability Report

Utilising technology to keep our people safe by working to develop a **collision avoidance system** for underground mining.

Refer to page 44 in the Sustainability Report

Introduced *CheckMate,* a tool for frontline employees **to 'check' the critical safety controls** are in place and working effectively prior to commencing work.

Refer to page 43 in the Sustainability Report

Focusing on **reducing our carbon emissions** through introducing energy efficiency programs, trialling low carbon technology to accelerate decarbonisation at new and existing projects.

Refer to page 38 in the Sustainability Report

Investing in the development of African communities through our training centre in Botswana which was **recognised by the Australia-African Minerals & Energy Group (AAMEG) as the Best Workforce and Industry Development Initiative,** at 2021 Africa Awards.

Refer to page 49 in the Sustainability Report

A MESSAGE FROM THE CHAIR AND MANAGING DIRECTOR & CEO

OUR VISION FOR THE FUTURE

In our third year as Perenti, we have updated our strategy and operating model to ensure we deliver competitive shareholder returns, whilst continuing to deliver value and certainty to our clients and employees in a constantly changing global environment, through a simplified business model, prudent capital management and a technology driven future.

The 2022 Financial Year saw robust demand for our services on the back of healthy commodity markets. This robust demand was set in an environment of significant inflationary pressures and other complexities driven by the ongoing COVID-19 pandemic and the war in Ukraine. Against these external headwinds, our continued focus on financial and operational performance delivered full year revenue of $2.4 billion, exceeding our expectations from the start of the year. This revenue translated into a solid underlying EBIT(A) result of $176.3 million, which exceeded the top end of our revised guidance. Pleasingly, we saw a notable step up in our performance in the second half of the year as some of the COVID-19 challenges started to ease.

Underpinning this performance are our 9,000 employees who continue to demonstrate resolve in the face of the challenges presented by the ongoing pandemic and other economic factors. We remain hugely proud of our people and their ability to adapt to the changing landscape over the past three years and to deliver results that are ahead of expectations. We look forward to the continuation of this positive momentum into the new financial year.

SAFETY

The target we set for the safety of our people is simple – No Physical or Psychological Life Changing Events.

Tragically we failed in this objective as we lost three employees this year. Baleseng Sechele and Moses Marpaung were fatally injured in an underground incident at the Zone 5 Project in Botswana in May 2022, and Troy Cameron was fatally injured in an underground incident at the Hemlo Project in Canada in July 2021. We extend our deepest sympathies to the families, friends and colleagues of Baleseng, Moses and Troy. Further detail as to the response to these events is outlined below and included in the Safety and Sustainability sections of this report (refer pages 17 and 41 respectively).

We continued to embed our Critical Risk Management Program during the year, which ensures critical controls are identified and implemented to prevent potentially fatal events and empowers frontline workers and leaders to verify that the right life-saving controls required for a specific activity are in place and effective, prior to starting work.

The year also saw the rollout of a standardised HSE information system across all of our locations.

This replaced two separate systems, and for the first time provided a common platform and single source of truth for managing HSE data across the organisation. This enables better understanding of performance and helps provide insights for risk-based decision making and supports meeting our strategic objectives for HSE.

We continue to develop the skills of our leaders to manage safety in every aspect of their roles. As part of this development, we rolled out our *Thinking Differently about Safety* Program to senior leaders across the business. The program is designed to challenge conventional thinking around aspects of safety and promote courageous leadership, risk management and culture.

Despite these meaningful initiatives, our recent safety performance is not meeting the standard we set ourselves. We have identified a number of immediate actions and we recognise we need to do more. A comprehensive safety transformation plan has been developed and will be finalised upon completion of the investigation into the recent deaths of our colleagues at Zone 5. This plan includes an initial detailed review of the safety culture and capability across the Contract Mining Division to help understand where we are doing things well, current deficiencies and where additional organisational support is required as part of further improvement.

2025 STRATEGY

Three years into our 2025 Strategy, and in consideration of both external and internal factors, we took the opportunity to refresh our strategy to ensure that we continue to deliver enduring value and certainty for our stakeholders.

Since its inception in early 2019, we have made significant and positive progress against our original 2025 Strategy, including securing new projects in the tier one mining jurisdictions Australia, Botswana and Canada; stabilising and divesting some elements of our business that had been underperforming or were not seen as core; and making significant progress in upgrading legacy systems and processes that are needed to better integrate our diverse businesses.

In July 2021 we launched idoba, our future-focused digital and innovation business, that provides us with long-term internal and external growth opportunities. The business requires low capital investment and will leverage the significant information and data from the world-renowned brands in our Contract Mining Division, namely Ausdrill, Barminco, AMS and AUMS. We have also strategically positioned sustainability to be at the forefront of our business.

Simplifying our business to focus on our core competencies is also a strategic objective for Perenti. During the year we divested a range of non-core assets including MinAnalytical, Well Control Solutions and our investment in Chrysos, generating $134.7 million (excluding transaction costs) for the business. This allowed us to pay down debt as we move towards a more sustainable leverage target and initiate a share buyback that coincided with our 2025 Strategy update in June.

Having made considerable progress against our strategy, the update drives a renewed focus on delivering competitive total shareholder returns. To achieve this, we have simplified our business structure and created a new operating model which provides for greater clarity and accountability for our three operating divisions and a smaller, more strategically focused corporate centre:

- **Contract Mining** – We are a global contract miner, with widely recognised brands who combines industry-leading mining technologies, demonstrated mining expertise and the relentless pursuit of operational improvements to meet and exceed our clients' expectations;
- **Mining Services** – We are a portfolio of industry-leading businesses who work closely with clients across the mining sector, to deliver value-add services that meet current and emerging needs;
- **idoba** – We are a technology informed services business who provide unique end to end digital, technology and consulting services designed to rethink, transform and disrupt the mining industry and beyond;
- **Corporate Centre** – We support and enhance the long-term success of the Group by ensuring development of current and future Perenti leaders, investing capital to deliver future growth, promoting our brand and safeguarding our reputation.

As part of our 2025 Strategy update, we have committed to embedding sustainability into everything we do and set revised targets around critical business metrics, including higher EBIT(A) margins, lower capital expenditure, reduced leverage and stronger free cashflow.

A revised Capital Management Policy was announced in December, under which we will focus on the allocation of capital aligned with our strategic priorities, but most importantly, to generate competitive shareholder returns.

OUR 2025 TARGETS

HEALTH & SAFETY

No life changing events

ROACE

20%

EBIT(A) MARGIN

10%

REVENUE

$2.5B

LEVERAGE

<1.0x

INVESTOR QUESTION

Q: You updated the 2025 Strategy, what are the primary components of this?

Our 2025 Strategy update outlined a greater focus on shareholder returns through improved project performance, disciplined capital management and a refined business and operating model. To demonstrate our commitment to improvements, we outlined several FY25 targets that illustrate the growth potential of the business.

Through our Contract Mining Division, we will continue to focus on more measured growth in the key mining markets of Australia, Botswana and North America. The recent award of the Cowal contract in New South Wales, Australia, is an example of the type of long-term opportunity we will strive for in our Contract Mining Division.

Our Mining Services and idoba divisions are set up for long-term growth in future focused sectors of the industry with reduced capital intensity. These divisions leverage our strengths and relationships in the Contract Mining Division, and are critical for building our blended portfolio, that provides a platform for increasing our free cash flow to generate shareholder returns.

OUR PEOPLE ARE OUR DIFFERENCE

Perenti's story has changed over the years – but it started with one man, Ron Sayers, who sadly passed away in May this year.

Ron was a pioneer of the mining industry for more than 40 years in Australia and Africa. He started Ausdrill in Kalgoorlie in 1987 and through his entrepreneurial spirit continued building this business until his retirement in 2018. On behalf of the Board and the entire organisation, we appreciate what Ron did for the industry and our Company. We extend our sympathies and best wishes to Ron's family and many friends.

One of Ron's great legacies is Perenti's commitment to training and developing people. Our reputation for investing in our people has been a key strategic advantage in attracting and retaining talent in the current highly competitive labour market, particularly in Western Australia.

We are proud to be one of the largest private sector employers of apprentices and trainees in Western Australia with more than 435 people being part of our programs in FY22.

This year we also expanded our Graduate Program to include international graduates, continued to operate our two world class training centres in Australia and Africa, as well as invest in our leaders of tomorrow through a range of bespoke programs.

This year we welcomed Tim Longstaff and Craig Laslett to our Board. Tim has an extensive background in investment banking and corporate finance and Craig is an experienced mining and construction executive.

RON SAYERS

It is with great sadness that Ausdrill founder and mining industry pioneer Ron Sayers passed away in May 2022. Ron was a true legend of the industry, a trailblazer who built a successful international business from a one drill rig operation and humble beginnings in Kalgoorlie.

Perenti Managing Director & CEO Mark Norwell talks with employees at the Mako Project in Senegal.

Perenti subsidiary AUMS provided solar panels, batteries and lighting to classrooms at the Pahin Public Primary School, in Burkina Faso.

A SUSTAINABLE FUTURE

Our approach to sustainability continues to evolve and as outlined in our 2025 Strategy update in June, our focus will be on embedding sustainability in everything we do. During the period, a Sustainability Committee was established, with Non-executive director Tim Longstaff appointed as the chair and Alex Atkins and Mark Hine appointed as committee members.

The Company also released our Human Rights Policy as well as initiating our *It's Not OK* campaign, a collaboration between multiple stakeholders and a crucial program of work that seeks to eliminate harmful behaviours, including sexual assault, sexual harassment, other forms of harassment and bullying, from our workplace. The program reflects Perenti's strong commitment to the physical and psychological safety, respect and wellbeing of everyone at our workplaces.

Following analysis of results from an internal survey and focus groups conducted during early 2022, and in conjunction with recommendations from federal and state enquiries including the *Enough is Enough* report, a detailed improvement plan is currently being developed. The plan will help us eliminate harmful behaviours and improve the physical and psychological safety of our workforce.

We are also transitioning in a way that puts sustainability at the heart of our business. Our decarbonisation roadmap, currently being developed, will drive our commitment to helping reduce our greenhouse gas emissions, which decreased by 23% in FY22 on the back of the divestment of several businesses and a reduction in operational facilities. We are part of the Electric Mine Consortium, which is pursuing the electrification of vehicles in underground mines – a key precursor to powering underground operations with renewable energy.

Through idoba, we are developing services and strategies that will help our clients reduce their emissions. idoba's Memorandum of Understanding with Sumitomo will see the co-creation and the joint development of digital mining services, including mine process optimisation and carbon footprint management.

The communities that host us also sustain us. They provide us with the people who work on our projects and they work hard to create shared value and develop capability, so that when our businesses leave, we also leave a positive and enduring legacy. We are proud that local employment in our international operations has increased to 89% in FY22. In addition, our training centre in Botswana was recognised by the Australia-African Minerals & Energy Group (AAMEG) as the Best Workforce and Industry Development Initiative at the 2021 Africa Awards – a reflection of our significant investment in the African communities in which we operate (more details on page 49).

LOOKING AHEAD

We are excited about the next 12 months. Our strong second half operational and financial performance, combined with our updated 2025 Strategy, focus on capital management, business performance and a new and more accountable operating model, has us confident that we are on a path to deliver a significant step-up in performance in FY23 with continued improvement through to FY25.

Finally, on behalf of the Board and the Group Executive, we thank all of our 9,000 people, across the world, who have been resilient, innovative and creative in the way they have helped us negotiate the challenges of the year. We can't thank them enough for their pride in our business and their commitment to creating enduring value for our clients.

We also thank our shareholders, our clients and our suppliers for their ongoing support. We look forward to reporting again in 2023.

Rob Cole
Chair

Mark Norwell
Managing Director & CEO

THE PERENTI GROUP EXECUTIVE

MARK NORWELL

MANAGING DIRECTOR &
CHIEF EXECUTIVE OFFICER

Mark was appointed as the Managing Director & CEO of Perenti in September 2018. Mark has more than 20 years' experience in the mining industry throughout Australia, New Zealand, Africa and the Americas.

PETER BRYANT

CHIEF FINANCIAL OFFICER

Peter is a CFO with more than 30 years' experience. He has served in various executive roles across the mining, construction and media sectors.

BEN DAVIS

CHIEF PEOPLE AND
SUSTAINABILITY OFFICER

With experience spanning more than 20 years, Ben has held a number of operational, corporate and executive functional roles across Australia, Africa and North America.

PAUL MULLER

CHIEF EXECUTIVE OFFICER
CONTRACT MINING

Paul has more than 20 years' experience in the mining industry, working for both mining services providers and mine owners in Australia, Asia and Africa.

VIVIENNE POWE

CHIEF EXECUTIVE OFFICER
MINING SERVICES

Vivienne is a senior executive with more than 30 years' experience and a strong track record of creating shareholder value in global mining and oil and gas companies.

SARAH COLEMAN

CHIEF EXECUTIVE OFFICER
IDOBA

Sarah has more than 20 years' mining and management consulting experience with an impressive background spanning operations, improvement, innovation, technology and asset management.

JOSH BOVELL

CHIEF INFORMATION OFFICER

Josh has more than 20 years' experience throughout Australia, Asia and North America in the information systems and technology industry and has held leadership roles in organisations operating across a broad range of sectors.

RAJ RATNESER

CHIEF LEGAL AND RISK OFFICER

Raj is a senior executive with more than 25 years' national and international experience across legal, commercial, governance, risk and internal audit primarily in the resources, engineering and construction industries.

PERENTI ORGANISATIONAL STRUCTURE

Perenti

Perenti CONTRACT MINING

We are a global contract miner, with widely recognised brands who combines industry-leading mining technologies, demonstrated mining expertise and the relentless pursuit of operational improvements to meet and exceed our clients' expectations.

Barminco

African Underground Mining Services

Ausdrill

AMS African Mining Services

Perenti MINING SERVICES

We are a portfolio of industry-leading businesses who work closely with clients across the mining sector, to deliver value-add services that meet current and emerging needs.

BTP

Supply Direct

Logistics Direct

idoba

We are a technology informed services business who provide unique end to end digital, technology and consulting services designed to rethink, transform and disrupt the mining industry and beyond.

SANDPIT

impres.

OPTIKASOLUTIONS

atomorphis

ORELOGY

FINANCIAL REVIEW

STRONG FINANCIAL PERFORMANCE

GROUP PERFORMANCE UNDERLYING RESULTS

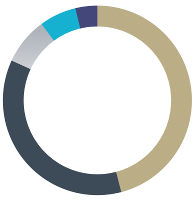
REVENUE

By project (%)

Top Project	6
Top 2-10 Projects	40
Top 11-20 Projects	23
All others	31

Not reliant on any one project for revenue.

By country (%)



Australia	47
West Africa	37
Botswana	8
Southern Africa	7
North America	4

Revenue from tier one mining jurisdictions increased from 44% to 60%.

By commodity (%)

Gold	64
Nickel	11
Copper	8
Zinc	4
Manganese	2
Iron Ore	2
Mixed Coal	3
Other	6

Reduced reliance on gold projects but revenue from battery minerals increased from 18% to 25%.

Battery Minerals

CORPORATE OVERVIEW

During FY22, Perenti's business continued to evolve. The update of the 2025 Strategy in June 2022 resulted in a change to our business model with the three historic core service offerings, Underground Mining, Surface Mining and Investments, transitioning to Contract Mining, Mining Services and idoba.

The Contract Mining Division, which currently represents 94.0% of Perenti's revenue, operates both surface and underground mining services with more than 60 projects. The portfolio of projects are geographically diverse with an increasing focus on the tier one mining jurisdictions of Australia, Botswana and North America. During FY22 Contract Mining projects within these tier one mining jurisdictions contributed 53% of total revenue, up from FY21.

Our Mining Services and idoba divisions are set up for long-term growth with a lower capital intensity. These divisions leverage our strengths and relationships in our Contract Mining Division, and make up the blended portfolio, that provides a platform for improved margins and return on investment. In FY22, the consolidated Mining Services and idoba divisions contributed 6.0% of total revenue.

FINANCIAL RESULTS

Perenti delivered strong revenue growth for the year ending 30 June 2022 as robust demand for our services continued off the back of healthy commodity markets. Revenue was $2.4 billion, an increase of 20.6% over the previous financial year's revenue of $2.0 billion. This growth was largely attributable to the ramp-up of several growth projects across our portfolio, primarily in the tier one jurisdictions of Australia, Botswana and North America and. As these growth projects continued to progress through their respective ramp-up phases, the positive impact of their increasing earnings contribution was and will continue to be reflected in the consolidated results.

Underlying EBIT(A) for Perenti was $176.3 million up by 3.2% on the previous years result of $170.8 million. The EBIT(A) margin of 8.4% in FY21 softened to 7.2% in FY22 mainly due to headwinds in the macroeconomic environment.

These headwinds include a tight Australian labour market, supply chain constraints, general inflationary pressures and other complexities driven by the ongoing COVID-19 pandemic, all of which continued to impact the business during the year. Pleasingly, there was a notable step-up in our EBIT(A) margin in the second half of FY22 ('2H22') driven by improvements in operational productivity and the outcomes of recent contract negotiations which resulted in several increases. This positive trend is expected to continue into FY23 and Perenti is well positioned to deliver its targeted EBIT(A) margin of 10% by 2025.

The Group reported a statutory Net Profit After Tax (NPAT) for the year of $42.5 million, an improvement of $92.3 million when compared to the statutory loss of $52.3 million posted in FY21. The FY22 statutory result was impacted by non-underlying adjustments mainly related to the amortisation of client related intangibles, impairments and provisions recorded relating to country exits for Egypt and Mali and offset by the profit on sale from the divestment of MinAnalytical and other positive tax impacts.

CONTRACT MINING

The Contract Mining Division contributed 94.0% of the Group's total revenue and underlying EBIT(A) before corporate overheads. Within Contract Mining our underground business contributed 71.3% and 80.8% of Group revenue and EBIT(A) before corporate overheads. In-line with the commencement of new contracts, underground mining revenues increased by 17.7% in FY22 when compared to FY21, and were 4.6% stronger in 2H22 compared to 1H22. FY22 underground EBIT(A) margins softened compared to FY21 primarily due to labour constraints and supply pressures across several Australian underground projects. In 2H22, Perenti secured contract rates increases, supporting an improved earnings and margin outlook. In addition, Perenti is planning to exit from Dugald River at the end of our current contract. African underground EBIT(A) improved by 6.8% and North American earnings more than doubled as Red Chris and Hemlo continue to deliver solid results. In addition, during FY22, the Company completed our transition out of the Sukari Project in Egypt and after the end of the period, announced its intent to exit Mali.

FY22 RECONCILIATION OF STATUTORY TO UNDERLYING RESULTS

$MILLION	REVENUE	EBITDA	EBIT(A)	NPAT(A)
Underlying results	**2,437.7**	**426.4**	**176.3**	**81.7**
Margin (%)	-	17.5	7.2	3.4
Add non-recurring items below:				
Transaction, restructuring and other one-off costs	-	(9.9)	(9.9)	(9.9)
Non-cash impairment of Customer Related Intangibles	-	(23.2)	(23.2)	(23.2)
Provisions relating to the exit of Mali	-	(11.6)	(11.6)	(11.6)
Net foreign exchange loss	-	(2.0)	(2.0)	(2.0)
Gain on disposal of business	-	25.6	25.6	25.6
Net tax effect	-	-	-	10.2
Non-controlling interest and other	-	-	-	0.7
Statutory results after amortisation add back	**2,437.7**	**405.4**	**155.3**	**71.5**
Non-cash amortisation of intangibles	-	-	(29.0)	(29.0)
Statutory results	**2,437.7**	**405.4**	**126.2**	**42.5**

The surface mining business contributed 22.7% of the Group's total revenue and 13.2% underlying EBIT(A) before corporate overheads. During FY22, Perenti progressed with the ramp-up of the Iduapriem Project in Ghana, commenced its largest ever surface mining contract at the Motheo Project in Botswana and secured improved rates at the Mako Project in Senegal. As a result, revenue, earnings and margins significantly improved, with 2H22 delivering improved performance compared to 1H22.

The earnings profile of Motheo will underpin the sustainable growth of AMS and will be a significant contributor to the expected stronger earnings performance in FY23 and beyond. Underpinned by a strong commodity price environment, surface mining in Australia delivered stronger revenues and earnings when compared to FY21.

MINING SERVICES AND IDOBA

Mining Services and idoba contributed a total of 6.0% of Group revenue and EBIT(A) before corporate overheads in FY22. Revenue increased by 8.4% when compared to FY21, mainly supported by higher demand for BTP services related to the strengthening commodity pricing environment, partially offset by the impact of wet weather on the east coast of Australia. During FY22, the Mining Services Division divested the MinAnalytical and Well Control Solutions businesses from its portfolio.

In FY22, the Mining Services Division captured the results of idoba, which delivered revenue of $16.2 million and a small EBIT(A) loss. This was in-line with expectations and reflects a strategic decision to invest in appropriate resources and corporate governance structures to enable the future delivery of the broader idoba vision. During FY22, in support of our strategy to establish digital, innovation and technology driven products and services, Perenti expanded the capabilities of idoba, acquiring Atomorphis and Orelogy, and executed a Memorandum of Understanding with Sumitomo Corporation for the co-creation and joint development of digital mining products for the advancement of sustainable mining practices.

? INVESTOR QUESTION

Q: In FY22, there was significant volatility in the share price, what were the main drivers of this?

Share price performance is impacted by many factors. Some of these, such as market sentiment and macroeconomic headwinds, are beyond our control. In FY22, we successfully navigated a number of challenging headwinds while also continuing to focus on the performance of the business to ensure that our foundations are supportive of the creation of long-term, sustainable shareholder value. During FY22, we achieved a number of strategic objectives which continued to strengthen our business, delivering a forecast improved 2H22 performance which underpins the sustainability of our earnings base and supports further improvements in FY23 and beyond.

OUR PERFORMANCE

UNDERGROUND

Revenue

↑ $1,737M
(Up 18% on YoY)

EBIT (A)

↓ $185M
(Down 8% YoY)

SURFACE

Revenue

↑ $554M
(Up 35% YoY)

EBIT (A)

↑ $30M
(Up 1069% YoY)

MINING SERVICES & IDOBA

Revenue

↑ $147M
(Up 8% YoY)

EBIT (A)

↑ $13M
(Up 33% YoY)

CASH FLOWS

Net operating cash flows increased during FY22 by 15.2% to $341.3 million when compared to the prior financial year. This reflected growth in the underlying business and a healthy cash flow conversion of 108%, the second consecutive year the company has achieved a conversion rate higher than 100%.

Total capital invested during the year was $467.9 million comprising stay in business capital of $199.1 million and an investment in growth capital of $268.8 million. This significant investment in growth capital represents an increase of $138.7 million when compared to FY21 as the company continued to invest in its large scale long-term growth projects. Returns from these investments are expected to crystallise over FY23 and beyond, with the overall growth of Perenti's Contract Mining Division to be moderate in the coming years as the business focuses on bolstering cash flow generation and margin improvement. Perenti's capital investment in the period was materially offset by the proceeds of portfolio management activities, including:

- the sale of MinAnalytical and Well Control Solutions and the acquisition of Atomorphis and Orelogy for net proceeds of $41.0 million;
- the sale of listed and unlisted corporate equity investments, including Chrysos, Hiseis and historical drill for equity holdings for $56.6 million;
- the sale of non-core property for $31.1 million; and
- the sale of plant and equipment for $26.7 million.

During FY22, Perenti paid $68.1 million of cash tax paid up from $56.4 million in FY21 due largely to an increase in withholding tax paid on the continued repatriation of funds from our foreign operations.

BALANCE SHEET AND CAPITAL MANAGEMENT

During FY22, the Group released its Capital Management Policy targeting, amongst other things, a net leverage target of less than 1.0x by 2025. Simplifying our business to focus on our core competencies is also a strategic objective for Perenti. During FY22, Perenti executed a number of portfolio management activities, including both the divestment and acquisition of assets and businesses. On 7 May 2022, Perenti announced it had generated $134.7 million (excluding transaction costs) through the divestment of several non-core assets including MinAnalytical, Well Control Solutions and our investment in Chrysos. In-line with the principles of the Capital Management Policy, that cash was allocated across the business with a focus of sustainably reducing net leverage towards the target of less than 1.0x by 2025.

At 30 June 2022, Perenti delivered net leverage of 1.3x, which was notably below market expectations and consistent with the leverage position from FY21 despite a significant increase in capital expenditure during FY22. FY22 net leverage was buoyed by a strong cash conversion rate of 108% and the receipt of cash generated from divestments. Net debt at 30 June 2022 for the Group was $553.3 million compared to $503.3 million at 30 June 2021. The primary driver of this increase was the impact on the high yield bonds as a result of the strengthening US dollar (relative to the Australian dollar) and a greater drawdown of revolving credit facilities, which was more than offset by higher underlying EBITDA, resulting in a net leverage consistent with the prior period. The gearing ratio (net debt divided by shareholders equity) for the Group increased slightly from FY21 to 29.5%.

In accordance with the Capital Management Policy, shareholder dividends are unlikely to be declared until the net leverage target is delivered. Accordingly, the directors did not determine a dividend payable at 31 December 2021 or 30 June 2022.

In alignment with the Capital Management Policy principles, and noting the cash generated from divestment activities, as well as Perenti's share price and the ongoing objective to maximise shareholder value, on 7 June 2022 Perenti announced the establishment of an on-market buyback program for up to 10% of shares on issue. On 23 June 2022, in accordance with the relevant regulatory requirements and prescribed timeframes, Perenti commenced the buyback. At 30 June 2022, Perenti had completed the purchase of 3,250,759 shares for a total cost of $2.0 million at an average price of $0.64 per share. The share buyback program will continue to be reviewed during FY23.

On 23 June 2022, Perenti announced it had secured a new line of credit worth $420 million through a syndicated debt facility, effectively refinancing and slightly increasing its existing $400 million revolving credit facilities, which were due to mature on 1 July 2023. The new debt facility is a revolving and floating line of credit comprised of a spread of maturity dates over two to five years designed to manage potential refinancing risk.

At 30 June 2022, the Group had liquidity of $544.6 million, comprising $348.5 million in cash (30 June 2021: $264.7 million) and $196.1 million in undrawn revolving credit facilities.

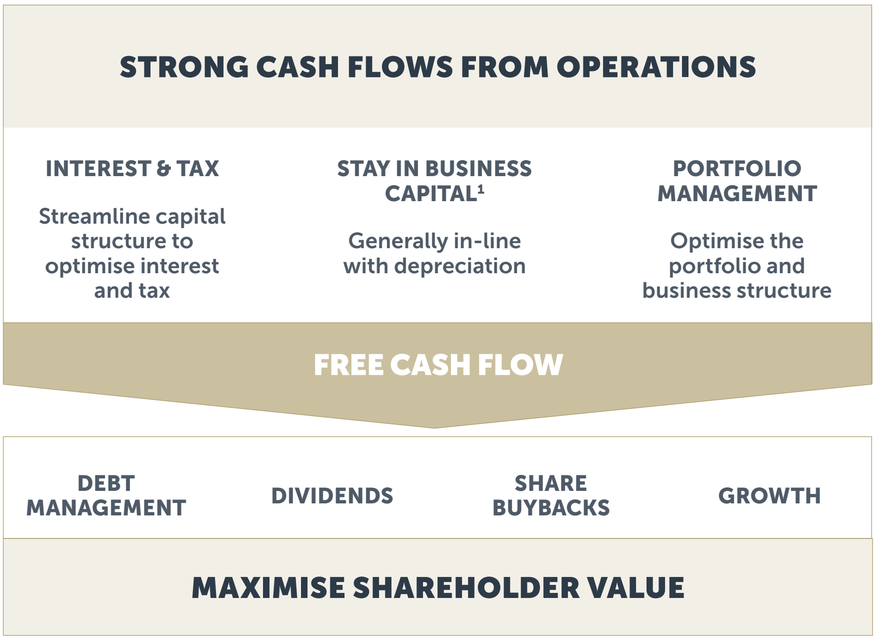
Perenti continues to hold a strong tangible asset backing and at 30 June 2022 its total net tangible asset position, including cash and working capital was $1.5 billion, up 12% on FY21 given the increased fleet of tangible assets such as a large mobile fleet of dozers, drills, loaders, trucks, excavators and other ancillary equipment across its portfolio.

INVESTOR QUESTION

Q: When can we expect to receive a dividend again?

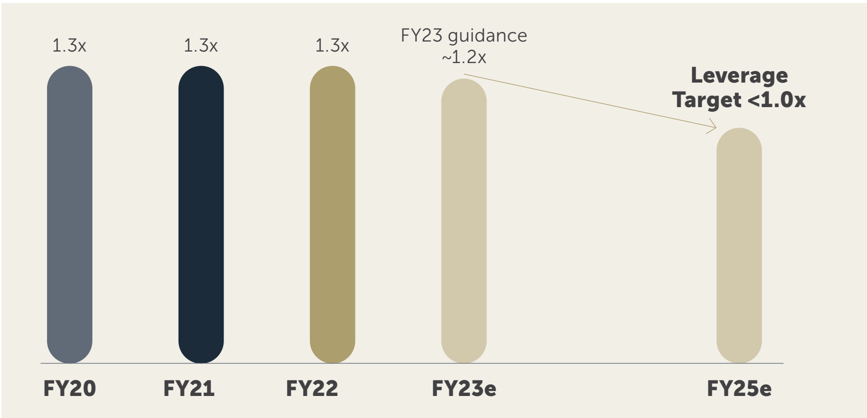
As presented within our Capital Allocation framework, the business is prioritising achieving a leverage ratio of less than 1.0x by 2025. As a result of this, dividends will be suspended until this target is delivered. Due to the success of our portfolio rationalisation activities, Perenti commenced a share buyback, which in lieu of dividends, is a mechanism to create shareholder value.

PERENTI CAPITAL MANAGEMENT FRAMEWORK



1. Stay in business capital relates to capital expenditure required to sustain operations, reduce risk and meet compliance obligations.

PERENTI PROGRESS ON LEVERAGE TARGET



OUR PEOPLE

WE ATTRACT, RETAIN & ENGAGE GREAT PEOPLE

WORKFORCE

↑ 8,939

Workforce numbers remain strong with more than 3,400 employees in Australia and 5,500 internationally.

LOCAL EMPLOYMENT INTERNATIONALLY

↑ 89%

Local employment in our international operations has increased to 89% (from 87%) with an additional 2.4% of employees from within the region.

FEMALE PARTICIPATION

↑ 10.6%

Female participation rates increased in FY22 to 10.6%

We have two female Non-executive directors on our Board and women occupy 19% of our senior management positions.

APPRENTICES AND TRAINEES

↑ 435

We have a strong commitment to training our workforce of tomorrow with 282 trainees, of which 20% are female, and 153 apprentices.

ENABLING OUR PEOPLE

Work continued in FY22 to improve Perenti's people related systems and visibility of key data and information to better connect our global business, with significant progress made to improve our approach to recruitment and onboarding. Perenti has embedded HR and HSE systems that provide leaders and employees with access to important information and analysis. The embedding of these systems has been critical to underpinning our growth as we work to future proof our organisation.

Our people data has provided greater insights into matters such as pay and gender equity, as well as understanding turnover. This data has informed decision making as we proactively work on company-wide improvement opportunities to engage and retain our employees.

BUILDING OUR LEADERS FOR TOMORROW

Engagement with our senior leaders across the Group is vitally important to ensure we deliver our business objectives. A Senior Leader Forum is held annually bringing together leaders from across the Group's international operations to discuss and align on strategic plans, business direction, leadership development and culture.

A pilot of a new, bespoke leadership development program, Leading@Perenti, which aims to enhance the capability and capacity of senior leaders across the business, was completed with the Group Executive in FY22, with full roll out planned to commence in Q2 FY23.

In addition, front line leader programs have continued in FY22 and we focused on the developmental needs of our line leaders in areas such as effective people management, managing work priorities and creating high performance teams in a workplace safe from harmful behaviours.

These included leadership programs delivered through an experienced external vendor for our Contract Mining and Mining Services divisions.

Inclusion and diversity is also being included as a theme throughout all our leadership programs, with cultural and behavioural principles embedded as well.

INVESTING IN OUR PEOPLE

Our focus on developing our people has continued throughout the year. Our Apprenticeship Program saw increased uptake with 153 apprentices across the Group. A number of apprentices have been able to successfully work across divisions, taking up opportunities to expand their skills and exposing them to the diverse work and operations across the Perenti group of companies. In addition to our commitment to apprentices, we also supported 282 traineeships during the year, of which 20% were female.

Our Graduate Program increased to 47 graduates in FY22, with the continuation of our structured program designed to assist graduates in achieving specific objectives across their operational rotations. Our graduates came together for our annual graduate forum which supports these future leaders to develop leadership skills, as well as a focus on safety, technology and innovation and alignment with the Perenti principles.

WORKING TO ENSURE OPERATIONAL CONTINUITY

The labour market has continued to tighten across Australia and for international roles, exacerbated by COVID-19 and the resulting country and state-based travel restrictions. Within Australia, border restrictions impacted the ability for FIFO employees to move freely across state boundaries. Perenti has continued to support our people with a dedicated team focused on travel and mobility management to ensure operational continuity for our clients.

HEALTH AND SAFETY

BUILDING AND MATURING OUR SAFETY CULTURE

TRIFR

↑ 6.9

Total Recordable Injury Frequency Rate increased from 5.1 to 6.9 in FY22.

SPIFR

↓ 2.8

Serious Potential Incident Frequency Rate reduced from 2.9 to 2.8 in FY22.

CRITICAL FIELD VERIFICATION CHECKLISTS CONDUCTED

↑ 27,450

HEALTH AND SAFETY

We continue to work tirelessly toward our goal of No Physical or Psychological Life Changing Events, however tragically during the year we experienced the loss of three of our employees in workplace incidents. One colleague died in an incident underground at the Hemlo mine in Canada in July 2021, and two colleagues died in an incident underground at the Zone 5 mine in Botswana in May 2022. The loss of any person through the work we do is completely unacceptable, and the leadership of Perenti and the entire organisation are steadfast in ensuring the lessons we learn from these events are implemented, and furthermore we take a step back to ensure our current focus areas adequately support our safety goals and expectations.

It is for this reason that one of our commitments for FY23 is to undertake an independent review of the safety culture, capability and processes across our Contract Mining Division.

SAFETY LEADERSHIP AND CULTURE

Our safety leadership programs are vital as we work towards developing our leaders, maturing our culture and achieving our objective of No Physical or Psychological Life Changing Events. FY22 saw further progress of these initiatives to improve our safety performance.

A primary phase of our safety leadership journey, the *Thinking Differently About Safety* Program, was delivered across the business to senior leaders in FY22. This program aims to challenge leaders' thinking around certain aspects of safety, including what we believe safety is, courageous leadership, risk management and culture. Furthermore, we implemented our *Know, Say, Do* Program, which is aimed at frontline leaders and involves a series of workshops to develop people's understanding and capability to identify key items they should know and say about safety, and what to do to lead and manage safety in their day-to-day roles.

CRITICAL RISK MANAGEMENT

Perenti's focus on our Critical Risk Management (CRM) Program further progressed throughout the year, as we continued to engage our employees in the identification, elimination, control and mitigation of fatal risks.

In FY22, we conducted an audit involving independent auditors to assess the design and implementation of Perenti's Critical Risk Standards across the business, resulting in a number of positive opportunities to share good practice and address gaps to improve our management of critical risks.

Our focus remains on embedding field verifications of critical risk controls, a process of verification undertaken by frontline leaders through to senior managers. These are aimed at ensuring the life-saving controls required are in place and effective for their team on the job. We also developed and implemented Critical Control Operator Verifications (branded as *CheckMate*) which are aimed at enabling frontline workers to ensure their critical controls are in place and working effectively for the tasks being undertaken.

EFFECTIVE SYSTEMS

A number of audits were held in FY22, including a surveillance audit for AS/NZS 4801 at BTP, and certification audits for ISO 45001 at Barminco and Ausdrill. The audits all resulted in either recertification of existing standards or successful conversion to the newer ISO 45001 standard. In addition, an independent audit program was established for Australian and international mining projects, developed to provide assurance of our controls for the prevention of fall of ground and slope stability.

In early FY22, a new HSE information system for the collection, analysis and reporting of HSE related data was implemented across the Group. Branded internally as *HSE Central*, the system provides a common platform and single source of truth for the management of HSE data across the organisation.

The introduction of this system has already achieved some of the initial improvement objectives. These include:

- the centralised collation of greenhouse gas emission data that provides us with a baseline understanding of current greenhouse gas emissions; and
- improved analysis of incidents and injuries that ensures we have a better understanding of our performance enabling superior decision making to manage risks and look after our people, environment, communities and assets.

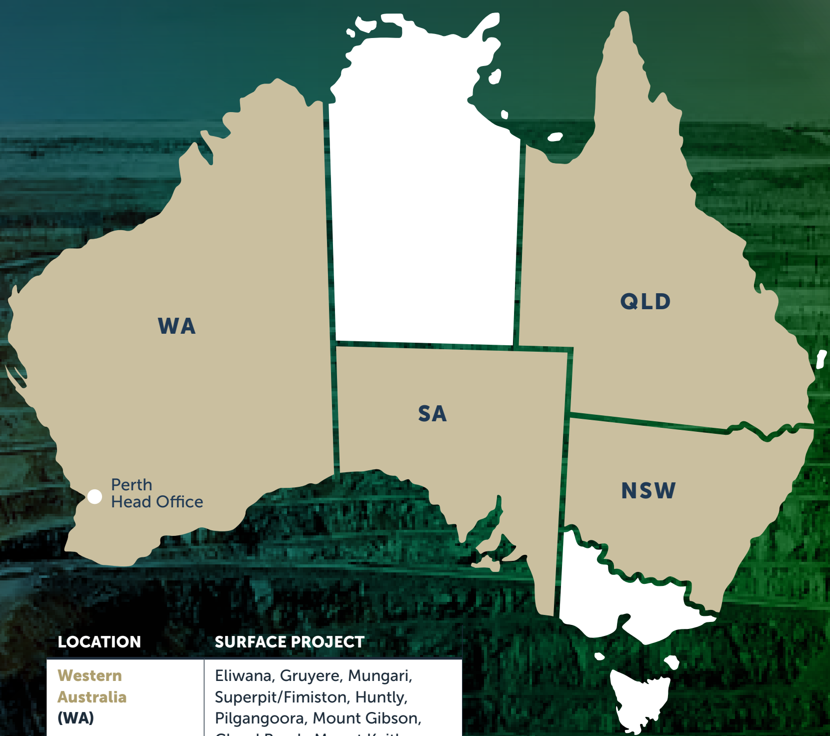
CONTRACT MINING AUSTRALIA

Perenti's 2025 Strategy update in June 2022, resulted in a change to our business model to support a group-wide focus on shareholder value through a blended portfolio of complementary divisions that include Contract Mining, Mining Services and idoba.

As part of the implementation of the updated strategy the Contract Mining Division will be re-organised into three regions – Australia, Africa and North America. This regional model will improve the level of support the business provides to our projects whilst reducing duplication and, as a consequence, improve efficiency.

AUSDRILL Barminco

EMPLOYEES	STATES	PROJECTS
3,400+	4	43



LOCATION	SURFACE PROJECT
Western Australia (WA)	Eliwana, Gruyere, Mungari, Superpit/Fimiston, Huntly, Pilgangoora, Mount Gibson, Cloud Break, Mount Keith, South Flank, St Ives Woodie Woodie, BHP (WAIO), Granny Smith (GSM), St Ives (SIGM), NickelWest, Cue Project Lake, Illaara Gold Project, Mt Magnet Gold Mine Ramelius), Mount Monger, Mt Magnet (Dacian Gold)
Queensland (QLD)	Blair Athol, Middlemount Coal, Millennium, Commodore BMA
New South Wales (NSW)	Boggabri
South Australia (SA)	Whyalla RC Drilling

LOCATION	UNDERGROUND PROJECT
Western Australia (WA)	New Holland, Agnew, Wallaby, Plutonic, Odysseus, Flying Fox, Spotted Quoll, Sunrise Dam, Nova, Rosemont, Garden Well, Savannah
Queensland (QLD)	Dugald River, Mt Colin
New South Wales (NSW)	Cowal

INVESTOR QUESTION

Q: What are your growth objectives for the Contract Mining Division?

As outlined in our 2025 Strategy update we have strengthened our capital prioritisation and allocation framework. We recognise that our Contract Mining Division, when in a growth phase, requires capital investment. This means we expect to moderate our growth in the Contract Mining Division but enhance the quality of earnings, focusing on quality projects in the tier one mining jurisdictions of North America, Botswana and Australia, as demonstrated by the recently announced Cowal Underground Project in New South Wales.

ABN 95 009 211 474

AUSTRALIAN OPERATIONS

Throughout FY22, our Australian underground and surface operations continued to deliver solid outcomes and performance despite the ongoing global challenges associated with the COVID-19 pandemic.

With a workforce of approximately 3,000 employees in Australia, Barminco and Ausdrill have operated for more than 30 years and have a presence in four states with more than 40 projects.

Specialising in hard-rock underground mining, Barminco further enhanced its reputation as a contract mining company of choice by securing a four-year, $520M full-service mining contract at Cowal in New South Wales. In addition to the mining contract, Barminco was also awarded a four year term for diamond drilling services, valued at $60M. This is a significant Australian underground project for a high-quality client and when in full production, it will become one of Barminco's largest projects in Australia. It also represents the Group's first material contract in New South Wales.

More recently, Barminco extended its presence at IGO's Nova mine in Western Australia for a further two years. Our strong and ongoing relationship with IGO signifies continual confidence in our performance and further builds on our seven years at the site.

In line with our updated strategy, there has also been a focus on optimising our operational performance and in recent times we have been successful in securing rate increases at a number of projects. This is a testament to the quality of the service we provide and the strength of the relationship we have with our clients.

Year on year, Barminco delivered increased development and production output for our clients and FY23 is forecast to deliver even further growth, with plans to deliver approximately 73 kilometres of development and 8 million tonnes of production.

In the near term, Barminco will conclude its work at Wallaby and by Q3 FY23 will conclude work at Dugald River, having enabled our client MMG to transition to owner operator production works. These contract conclusions will enable capital to be redeployed to new projects and the earnings contribution will be more than offset by the new contract for Cowal and the ramp up of production activities at the Savannah, Garden Well and Odysseus projects.

In surface mining, FY22 saw Ausdrill continue to perform strongly and enter FY23 with an impressive demand for its exploration, drill and blast and grade control services.

New contracts have been secured in Queensland and Western Australia for FY23, as well as extending a significant number of current works, leveraging long-term client relationships. This results in Ausdrill having one of its strongest secured order books in recent history.

These results cannot be underestimated and have been achieved against a backdrop of COVID-19 interruptions, border closures, elevated vacancies, challenging mine conditions and unfavourable weather events. These events have resulted in well documented cost escalation and this has been exacerbated, particularly in Western Australia, by the availability of labour which has also been a significant challenge. The results achieved reflect the strength of the business and we are excited about the future. Labour constraints and cost escalation will ultimately improve and our Australian Contract Mining service offerings are well positioned to reap the financial upside that will follow.

In FY23, the safety of our workforce will be a continued focus for the business with the introduction and consolidation of new and existing tools and campaigns, further embedding our principles and critical risk management tools in order to deliver ongoing improvement in safety outcomes across all operations.

CASE STUDY

COWAL

Barminco will continue operations at the Cowal Gold Mine in regional New South Wales, after successfully winning a contract for services with project owner, Evolution Mining.

Our underground operations have been awarded a four-year, $520 million contract, one of Barminco's largest underground mining projects in recent history.

The work will see us expand our initial scope of works to include development of a second portal, all underground development and production works and underground mining services required to support the continued mill feed of underground ore.

This is a fantastic opportunity for Barminco to build on our strong working relationship with Evolution Mining, one of Australia's premier gold mining companies, while also creating enduring value for the local, regional and Indigenous communities of the Cowal region.

It is our first project in New South Wales and one that will provide us a foothold in the state. We appreciate the opportunity provided to Barminco by Evolution Mining and look forward to further developing our relationship with them and delivering safe and efficient operations at the mine.

This is Barminco's first entry into New South Wales in more than 30 years of operation. The project will grow to become one of our largest in Australia.

The contract extension commenced in July 2022.

CONTRACT MINING
AFRICA

Comprising underground and surface operations as well as exploration drilling, our African operations generate a significant portion of the Company's annual revenue.

Perenti's Contract Mining Division in Africa incorporates Barminco, African Mining Services (AMS) and African Underground Mining Services (AUMS). It operates 17 projects across six countries and employs more than 5,000 people.

EMPLOYEES	LOCAL EMPLOYEES	PROJECTS	LOCATIONS
5,000+	89%	17	6

LOCATION	SURFACE PROJECT	UNDERGROUND PROJECT
Botswana (BW)	Motheo	Zone 5
Burkina Faso (BF)	Sanbrado	Siou, Yaramoko
Ghana (GH)	Akyem, Ahafo, Damang, Iduapriem, Jappa, Nsuta	Obuasi, Subika
Mali (ML)	Fekola	-
Senegal (SN)	Mako	-
Tanzania (TZ)	-	Geita Hill, Nyankanga

AFRICAN OPERATIONS

A focus in recent years has been our strategic expansion into the tier one mining jurisdiction of Botswana. The start of open pit mining at the Motheo Project in April 2022 builds on our presence at the Zone 5 underground project near Maun. These two significant contracts have positioned the division as, arguably, the largest contract miner in Botswana, and as such provide a great base to build this part of our business in future years.

The COVID-19 pandemic continued to be extremely challenging during FY22. We navigated our way through expatriate travel issues and personnel shortages as our work force was impacted by the virus. Delayed access to parts and equipment due to global supply chain issues also contributed to these significant challenges.

Despite these challenges, due in large part to the unrelenting efforts of our workforce, productivity and development results were strong for FY22.

The ongoing expansion at Zone 5, the start of work at Motheo, the establishment of joint ventures with a number of local businesses to build in-country capability and meet local content requirements, as well as the transition to a new bulk underground mining method at Subika, are just some of the impressive developments that continue to take place across the division. In line with our focus on optimising business performance, we were also successful in securing a rates increase at one of our surface projects, which is a testament to the strength of our client relationship and the quality of our service offering.

An incident at our Zone 5 operation in Botswana in May 2022, led to the tragic loss of life of two colleagues. Both were experienced employees and investigations into what led to their deaths are ongoing. We continue to work with local authorities and will consider any relevant recommendations that come from the investigation to ensure any risk is mitigated into the future. Our thoughts and prayers are with the families and friends of Baleseng Sechele and Moses Marpaung.

FY22 also saw a consolidation of business as we exited Egypt following the conclusion of our contract at the Sukari Mine, where we successfully operated for more than a decade, including being the first mechanised underground mine in Egypt. Importantly, the commitment to our people was recognised as we transferred some of our 400-strong Sukari workforce to other areas of the business. We successfully sold our equipment and inventory for profit, which reflects our business model and generated positive cash flows on the project exit.

Investing in our communities continues to be a focus with 89% of our international workforce from areas local to our operations and a further 2% from within the region.

As a global operator, many more exciting plans are touted for FY23 as we look to continue to leverage our relationships and secure further work in this mining-rich continent.

CASE STUDY

ZONE 5

After successfully being appointed to the Zone 5 contract in 2019, Perenti's underground mining business, Barminco, set about ensuring the operation would be one of the most technologically advanced mines in its portfolio.

With the support of mine owner, KCM (Khoemacau Copper Mine), Barminco planned and executed a design that would make Zone 5 an industry leader in underground communication network capability.

Traditionally, a significant challenge facing underground mining is an inability to understand or identify issues that may be affecting production from the surface. Lost time or problems generally can't be addressed until teams complete shifts and debriefs are held.

Acknowledging this, Barminco invested heavily in technology to overcome these problems and improve network connectivity. The use of Wi-Fi underground is quite common in the sector, however the difference at Zone 5 is the improved coverage utilising Wi-Fi over co-axial cable, which makes the near complete coverage of the mine more cost effective and less labour intensive in commissioning and maintenance.

With the foresight to build Zone 5 as a technology-centric mine, two and a half years on, the investment is now paying dividends.

Confidence in Wi-Fi connectivity allows for remote loading from the surface, provides real time data feedback on machine performance and diagnostics and the ability to instantly log maintenance requests. It also allows live feedback to site leaders by providing images of underground operations back to the surface.

We are able to utilise traditionally lost time in between shifts and during blast times to continue loading activities, thereby increasing productivity. Additionally, loaders are operated under automation allowing for greater speed, reduced damage and allowing operators to control multiple machines at a time.

Looking forward, emergency management in the underground environment will also be dramatically improved. Plans are underway to allow the use of tablets to provide the ability for instant access to safety manuals and procedures.

CONTRACT MINING
NORTH AMERICA

Perenti's strategy to expand into North America continued into FY22 as we delivered high quality and reliable underground mining services for our clients, despite facing some unique mining challenges associated with operating in sub-zero temperatures during the northern hemisphere winter.

Barminco

EMPLOYEES	PROJECTS
~400	2

LOCATION	UNDERGROUND PROJECT
Ontario (ON)	Hemlo
British Columbia (BC)	Red Chris
*** Denver**	**North America office**

 ABN 95 009 211 474

NORTH AMERICAN OPERATIONS

Employing approximately 400 people in North America, Barminco is leading the development for Newcrest Mining at Red Chris in Northern British Columbia and Barrick Gold's Hemlo Project in Ontario.

The extreme weather conditions, which see temperatures ranging from 30 degrees Celsius in the summer to minus 30 degrees in winter, require extra measures to ensure production remains safely on track. Both sites have their own individual logistical considerations given their remote locations. The Red Chris Project is located appropriately 1,700 kilometres north of Vancouver in British Columbia while the Hemlo Project is located 350 kilometres east of Thunder Bay in Ontario.

The team at Red Chris continues to develop the decline, and positively, is awaiting further approvals to expand our scope at the mine. The future remains bright despite some early ground condition challenges that have since been rectified.

At Hemlo, partial flooding of the mine due to snow melt during late spring and early summer did impact operations but production returned to normal as the weather improved and targets continued to be revised. Combined with a number of infrastructure improvements the team is forecasting a greater growth period across FY23.

Perenti would also like to pay our respects to the memory of a valued employee who received fatal injuries during an accident at Hemlo in July 2021. Our deepest sympathies extend to the family and friends of our respected colleague, Troy Cameron.

CASE STUDY

TAHLTAN NATION – COMMUNITY PARTNERSHIP

At Perenti, we embed our principles in everything we do. This extends beyond our 'job' and looks for ways to positively influence the communities in which we operate.

The Red Chris Project in Northern British Columbia operates on the traditional lands of the Tahltan Nation. As part of operating in the region, Barminco is focused on providing opportunities to Tahltan people across all aspects of our project.

Working closely with our client, Newcrest Mining, Barminco's commitment to the traditional custodians has seen us enter a formal agreement with the Tahltan Nation Development Corporation (TNDC), which represents the local Bands of Iskut and Tahltan people. This agreement further reflects our principles of Enable tomorrow and Walk in their shoes as we look to employ and upskill local people in a safe and professional environment.

In addition to employing local people, the TNDC also provides a range of logistics, capital and resource support services to operations on site.

An investment in new equipment by the corporation provides consistent income for the TNDC, as Barminco's agreement as a business partner sees us hire the equipment directly from them, creating consistent positive cash-flow for their organisation.

FY23 will also see the first Tahltan mining engineer employed by Barminco at Red Chris, ensuring a positive role model within the community and further enhancing our reputation as a diverse and inclusive company.

Going forward, we are looking to introduce apprenticeship and cadetship opportunities that will include a mining engineer course and practical experience on site. We will continue to conduct and participate in local recruitment and information sessions to attract more Tahltan Nation people and take up employment opportunities.

In a further sign of our commitment to the Tahltan community and to better educate the workforce at site, Barminco employees will undergo cultural awareness training at Red Chris.

MINING SERVICES

The past year was one of transformation and improved performance for the Perenti Mining Services Division, which was formerly known as Investments. The change in name reflects growth opportunities that are future focused and lower capital intensity, as part of the Perenti strategy update that was presented in June 2022.

Key achievements by the division through the year included the successful divestments of onshore oil and gas equipment supplier, Well Control Solutions, assaying services company, MinAnalytical, and our shareholding in Photon Assay technology company, Chrysos. Collectively these divestments liberated $92.5 million in cash that was re-deployed in line with the Perenti Capital Management Policy.

Against this backdrop of significant change within the division the remaining business, which comprise BTP and our logistics businesses Supply Direct and Logistics Direct, delivered strong performances in what continued to be challenging conditions.

? INVESTOR QUESTION

Q: Your Mining Services Division has been reduced in size through divestments, what is the future of this division?

Our Mining Services Division is an emerging growth opportunity which is future focused with lower capital intensity. We will look to build a portfolio of industry leading businesses who work with clients across the mining sector to deliver value add services to meet existing and emerging needs.

BTP

BTP continued its improvement as commodity markets rebounded and a shift of focus into new markets gathered pace. The business met its earnings forecast for FY22, despite ongoing headwinds in the form of wet weather conditions on the east coast and skills shortages, that caused some delays resulting in under utilisation of rental fleets. Like the rest of the resources industry, BTP continued to manage the impacts of labour shortages and people being absent due to COVID-19.

The new equipment rebuild workshop at BTP Hazelmere is now complete. This modernised workshop facility has a ten-bay capacity, increasing the number and size of rebuild projects that BTP can comfortably undertake (see case study on page 25 for more information).

SUPPLY DIRECT

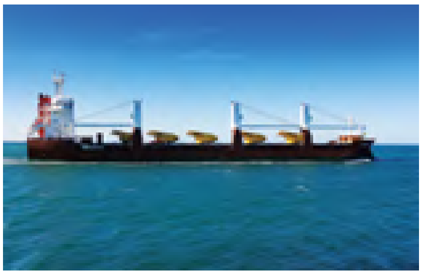
Supply Direct delivered a strong result, exceeding both revenue and earnings targets through strong operational performance, and organic growth.

The team continued to innovate by delivering new product offerings, which expanded Supply Direct's client base and provided added flexibility and resilience.

As a global business with a small workforce based in Johannesburg, COVID-19 has caused significant disruption and the impact of COVID-19 on global supply chains has also been a challenge the team has had to contend with throughout the year.

We believe our ability to successfully navigate complex and disrupted supply chains to deliver certainty for our clients was a key competitive advantage and contributed to our result in FY22.

Maintaining and growing our talented team and focusing on new business will be the key focus areas for FY23.



LOGISTICS DIRECT

With global supply chains under pressure like never before, Logistics Direct rose to the challenge of helping to keep our clients' operations running as efficiently as possible. While our business is grounded in mining, where we continue to grow market share, this year we also started to extend our range into non-mining businesses that require reliable, efficient logistics services.

Our focus on client retention by delivering great service was rewarded with a 100% retention rate. We work closely with our Contract Mining Division colleagues to not only support their activities, but to ensure their clients can navigate a complex logistics environment to maximise the operational efficiency of their businesses.

Africa is a key market for us, and our expertise, built up over decades of operational experience, allowed us to navigate challenges including regional political instability and COVID-19 induced border closures.

Our ongoing focus on working safely will continue into FY23, while we continue delivering for our existing clients and expand our reach into non-mining logistics opportunities.

LOGISTICS DIRECT

CASE STUDY

FACILITIES TO BOOST EFFICIENCY AND CAPACITY FOR BTP

BTP is building our capability to provide complete equipment rebuild solutions for our clients by investing in modern equipment facilities in Western Australia and Queensland.

BTP's expansion is underpinned by our new Hazelmere equipment maintenance facility, which includes 10 rebuild bays totaling $2400m^2$, and 15 tonne crane capacity, making it one of the largest mining equipment rebuild workshops in Perth. Alongside the Perth expansion, BTP's Mackay facility has seen the introduction of three rebuild bays and component rebuild capability which have recently been utilised to undertake the overhaul of a CAT 785C truck.

For BTP's clients, these modern facilities mean quicker turnarounds as they provide a one stop shop for fleet repairs, eliminating the need to manage multiple suppliers and ultimately reducing the total cost of ownership for clients.

In FY22, BTP completed our CAT 785C truck rebuild program which saw 11 machines dismantled, assessed, and then re-assembled by BTP technicians at our Hazelmere facility. Eight of these trucks have now been sold or hired out to clients, with further sales in the pipeline for the remaining trucks.

PERENTI'S TECHNOLOGY DRIVEN FUTURE

Technology is critical to the mining industry and for Perenti it is a key enabler to deliver a sustainable future. Our journey towards a technology driven future started in 2019, when we first outlined our 2025 Strategy. The building blocks of that strategy began to take shape in July 2020 with the initial acquisition of the two idoba foundation businesses, Sandpit Innovation and ImpRes, and then later Optika Solutions. Since the official launch of idoba last July, Orelogy and Atomorphis have been added to the stable of strategically aligned technology businesses that make up idoba's technology informed service offering.

Collectively, these businesses have industry leading capabilities in data science, automation, mine and processing optimisation, digital transformation and sustainability. With more than 50 years collective experience servicing the resources sector, the idoba businesses are truly diverse with extensive lived experience, deep domain knowledge and a passion for creating change.

While the experience and knowledge each of the idoba businesses offer is formidable, the team's real and unique ability is in using co-creation to unleash the true impact of diverse thinking, enabling them to innovate across the full spectrum of problem discovery, solution concept and ideation, solution delivery, implementation and value realisation.

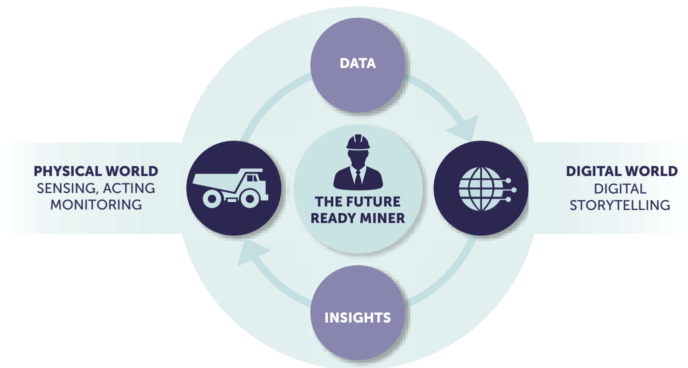
idoba's approach is nimble, fast, and solutions focused. It is a relatively small investment for Perenti, but one that we believe will generate significant returns in the long-term. This is because of our unique capability to develop and service the mines of the future, brought about through the coupling of:

- Perenti's significant mining capability, having more than 30 years of surface and underground mining experience in Australia, Africa and North America; and
- the digital and technology focused capabilities in idoba.

Importantly, this presents significant future upside and at the same time, mitigates risk to our business from new competition.

idoba's ecosystem approach transfers mining know-how into transformative digital offerings. idoba's priorities are to:

- improve Perenti's businesses;
- develop new digital product offerings; and
- build new recurring revenue streams.



? INVESTOR QUESTION

Q: How has idoba evolved in FY22?

During the year we continued to invest in idoba and the corporate structures to underpin its growth. Furthermore, to expand on our capabilities and services, we acquired two additional and complimentary businesses, Atomorphis and Orelogy and executed a Memorandum of Understanding with Sumitomo Corporation for the co-creation and joint development of digital mining products for the advancement of sustainable mining practices. We are very pleased with how idoba is progressing and are confident in its future.

ABN 95 009 211 474

In the crowded and competitive global market for technology opportunities, Sumitomo have identified the recently formed idoba as a player it wants to work with, reflecting the calibre of potential that idoba brings to Perenti and the mining industry.

IDOBA + SUMITOMO

In February 2022, idoba and Sumitomo Corporation entered into a Memorandum of Understanding (MOU) for the co-creation and joint development of digital mining products focused on advancing sustainable mining practices.

As a major investment and trading group consisting of over 900 companies in 112 countries, Sumitomo brings a unique global perspective complementing idoba's mining services and technology expertise.

Under the terms of the MOU, Sumitomo and idoba will collaborate and jointly develop digital mining services, including mining process optimisation and carbon footprint management services. Over the past six months idoba and Sumitomo have initiated development of *Mine Performance Navigator,* a mining process optimisation service that connects and analyses mine data to predict future performance and provide decision support.

JOINING AROSE

At the end of 2021, idoba joined Australian Remote Operations for Space and Earth (AROSE), a not-for-profit, industry-led consortium with a vision for Australia to be the trusted leader of remote operations on earth and in space.

The union between idoba and AROSE presents an opportunity to combine insights across industries, better strengthening global mining services, as well as harnessing idoba's future-thinking to grow the nation's space industry.

Through Perenti's global expertise in mining operations, idoba is able to provide real life data and insight to the AROSE consortium which will assist in strengthening their mission to triple the size of the nation's space sector by 2030. Utilising mining data in space projects will in turn allow the industry to operate more safely, sustainably, and productively.

In return the AROSE consortium provides idoba with expert insight into reduced footprint processes from the space industry, which often operates in untouched territories. This data will support the future development of the mining industry on earth, as well as Perenti's commitment to a sustainable future. It will also uniquely position Perenti as a leader in the field of remote operations excellence.

LEVERAGING THE AKUMEN PLATFORM

Originally obtained through the acquisition of Optika Solutions, Akumen is idoba's digital data science and decision support platform. Akumen delivers real time data analysis and autonomous complex scenario analysis, providing the architecture that allows previously stranded data models and tools to interconnect despite disparities in language and optimisation. In addition to supporting clients using the Akumen platform, the idoba team have been working on developing the next iteration of the platform.

The team has also pooled their skills and talents to use Akumen as the platform or 'backbone' to incorporate a number of existing concepts, ideas and products from within the idoba ecosystem. This has led to the generation of DiiMOS™ – a Distributed, Intelligent, Integrated Mining Operating System that harnesses knowledge, data, and insights from across operating domains and organisational silos, empowering client businesses to optimise and unlock unrealised value across their operations.

IDOBA BUSINESSES AT A GLANCE

SANDPIT

Sandpit Innovation is a technology and innovation services consulting firm with more than 10 years' experience and a diverse range of mining clients across top tier miners, contract miners and engineering firms. Sandpit boasts a strong autonomous mining, remote operations and ESG footprint in the market.

ORELOGY

Orelogy is a specialist mine planning and mining technical consultancy with multi-commodity expertise across resource sector project development and management, mine planning and cost modelling optimisation, as well as pre-feasibility and feasibility studies. Orelogy has a track record of delivering significant value across a range of global projects and commodities.

OPTIKASOLUTIONS

Optika Solutions is an award-winning West Australian software, products and solutions company specialising in data science, artificial intelligence and industrial mathematics. Its digital platform, Akumen, is a cloud-based decision support environment that brings together the best technologies of advanced analytics and simulation modelling within a single platform, allowing clients to create meaningful insights from their data and provide a pathway to artificial intelligence.

impres.

ImpRes is an operational improvement services consulting firm which has delivered billions of dollars in bottom line improvements across mining, oil and gas, manufacturing and health care over an impressive 11-year history.

atomorphis

Atomorphis is a digital modelling company who apply agent-based modelling and cutting-edge data science techniques to solve resource sector problems which were previously considered unsolvable. Solutions include modelling mine fleet variability in 3D using parameters such as loading rates, payload, spotting and dumping times. This provides mining companies with the ability to model their operations and see the true impact of fleet interactions, increasing productivity and reducing costs.

CASE STUDY

DIVERSITY AND INCLUSION DRIVES INNOVATION

idoba's passionate, talented, and diverse team has been built on the belief that no one individual or organisation has the solution to address today's complex problems. It takes a diverse group of different perspectives and skills to make sense of the issues and to adaptively respond to them.

idoba's Chief Technology Officer Matthew Schneider is one of the outstanding leaders of the idoba team and a founding partner of acquired data science business, Optika Solutions.

Matt explains that Optika was established from a need for companies to utilise the data they had, in a way that enabled better decision making. Data is futile unless it can tell a story to clients that is meaningful and relevant.

With a 90% neurodiverse team, the Optika team already has a reputation for applying their "out of the box" thinking to find new solutions to often abandoned problems.

Combining Optika's data science thinking with idoba's significant operational experience and ability to contextualise data insights is already driving innovation in the resources industry and gaining traction both locally and globally. This unique way of thinking has led to the development and evolution of several of idoba's products, including the Akumen platform, which has picked up national awards for innovation and data science.

Through leveraging our collective capabilities, idoba will develop Perenti's digital capability ultimately adding substantial value to our clients and shareholders. As Matt acknowledges, value is created all round when we are part of an inclusive organisation that embraces diversity and allows everyone to bring their authentic best self to work.

SUSTAINABILITY REPORT 2022

Perenti

ABN 95 009 211 474

Creating enduring value and certainty

Expect More

CONTENTS

INTRODUCTION

INTRODUCTION FROM THE CHAIR OF THE SUSTAINABILITY COMMITTEE

I am pleased to present Perenti's FY22 Sustainability Report. At Perenti, we are committed to progressing our sustainability journey to meet the expectations of stakeholders and to deliver shareholder value.

To reinforce the criticality of sustainability to the business, we have embedded sustainability into everything we do within our updated 2025 Strategy. During the past year we also established the Sustainability Committee to ensure material sustainability issues receive appropriate attention, oversight and strategic guidance. Since the committee's establishment we have engaged in our planned approach on issues such as climate change, human rights and the further development of our sustainability strategy and standards.

Safety is a vital focus of the committee's work. Despite our ongoing safety efforts we are deeply saddened by the tragic loss of three of our employees and the irreplaceable loss this has caused their families, friends and workmates.

The loss of our colleagues is felt deeply throughout Perenti and reinforces our determination to continue strengthening programs to improve the management of critical risks, further develop our leadership capability and culture, as well as provide effective systems for safe work.

Our Sustainability Report outlines our efforts to improve our sustainability performance and address risks and opportunities which are material to our business.

TIM LONGSTAFF
22 August 2022

SUSTAINABILITY EMBEDDED IN EVERYTHING WE DO

ABN 95 009 211 474

OUR APPROACH

At Perenti, sustainability means the ability to thrive in perpetuity, considering all our stakeholders and honouring our 'social licence to operate.' This is consistent with our organisational purpose 'to create enduring value and certainty' for all our stakeholders. To deliver on our purpose requires us to not only be consistently profitable but also plan and operate in a responsible manner.

In FY22, COVID-19, the Ukraine conflict as well as a series of natural disasters reinforced how external issues can impact business. In recognition of the criticality of sustainability to the future success of Perenti we emphasised the intention to "embed sustainability into everything we do" with the launch in June 2022 of the Perenti 2025 Strategy update.

In practice, this means, amongst other things:

- Integrating sustainability considerations in key business processes such as those relating to business planning, project tendering, risk and opportunity management, investment evaluation and capital allocation.
- Focusing on safety improvement projects.
- Ensuring our performance and service offerings are aligned with external stakeholder and market expectations.
- Incorporating sustainability into our operating model and organisational structure.
- Reviewing our business to ensure plans are developed to access and address sustainability-related risks and opportunities, including climate change physical and transition risks.
- Transparently disclosing our position and performance on issues that our stakeholders care about.
- Ensuring roles and responsibilities relating to sustainability are clear from the Board to operational levels.
- Supporting the mining industry's efforts to improve its position and approach on material sustainability issues.

During FY22, we have continued to improve our overall approach and performance including:

Environment

- Active participation in the Electric Mine Consortium including trialling of electric plant on operating sites.
- Delivered Group Executive training on climate change.
- Developed a Decarbonisation Plan to help focus our efforts and activities going forward in line with our clients and broader societal ambitions.

Social

- Introduced *CheckMate*, a tool for frontline employees to 'check' the critical safety controls are in place and working effectively prior to commencing work.
- Progressed a technology solution on collision avoidance to improve pedestrian safety in underground operations.
- Published our Eliminating Sexual Harassment Position Statement and launched the associated *It's Not OK* campaign that aims to eliminate sexual assault, sexual harassment and other harmful behaviours from our workplace.
- Published our Human Rights Policy and continued the implementation of our Human Rights Action Plan.
- Invested in local communities with ~$1.5 billion in local procurement and 89% local employment rate.

Governance

- Established a Sustainability Committee to provide oversight and strategic direction on material sustainability issues for the business.
- Delivered tailored anti-corruption and anti-bribery training to high-risk roles across the business.
- Launched a data protection standard for the Group.
- Updated the Code of Conduct to incorporate expectations relating to sexual harassment and other harmful behaviours.

STRUCTURE AND SCOPE

As in previous years, this Sustainability Report is designed around our Sustainability Framework that is based on our five principles. We also continue to progressively expand the performance metrics we report on, which are aligned with internationally recognised standards such as GRI. To that end, we are keeping abreast of developments in disclosure standards including those of the International Sustainability Standards Board. We are also progressively aligning our disclosure with the Taskforce on Climate-Related Financial Disclosure Framework (see page 39 of this report).

OUR PRINCIPLES

- NO SHORTCUTS
- NEVER WASTEFUL
- SMARTER TOGETHER
- WALK IN THEIR SHOES
- ENABLE TOMORROW

MATERIAL ISSUES

Perenti has undertaken a materiality assessment involving internal and external stakeholders to inform the development of our Strategic Sustainability Plan. Further details regarding our materiality assessment approach were provided in our 2021 Sustainability Report.

Our priority sustainability issues are shown in the graphic to the right. Safety remains our most material issue. Despite significant progress made, Perenti's health and safety performance throughout the year was overshadowed by the death of three of our colleagues in two separate events. Further details on our safety performance and approach is detailed on page 41 of this report.

Perenti's material sustainability issues are reviewed every three years and the materiality assessment will be updated in FY24.

IMPORTANCE TO PERENTI

IMPORTANT ISSUES

Innovation and technology
Workforce management
Community relations
Water use & management
Cyber security
Supply chain
Waste management
Land rehabilitation

HIGHEST PRIORITIES

Safety
Workplace health & wellbeing
Governance
Financial performance
Business ethics & anti-corruption
Climate change
Community involvement
Indigenous engagement
Talent attraction and retention
Security
Diversity and inclusion
Labour relations
Human rights and modern slavery

IMPORTANCE TO STAKEHOLDERS

UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS

The United Nation's Sustainable Development Goals (SDGs) were developed as a call to action for governments, business and communities to work together to end poverty, fight inequalities and protect the planet. The SDGs define 17 goals and accompanying targets focus on the most urgent economic, social and environmental challenges facing society today. The SDGs were adopted in 2016 by all 193 UN Member States with the intention of achieving the goals by 2030.

Many of Perenti's activities and initiatives contribute in a meaningful way to the SDGs (see table), including our own goals and commitments which are outlined at the beginning of each section of this report.

Material Issue	Perenti contribution to the goals	UN SDG	Read more
Environmental Contribution			
Climate change	Perenti is taking action by addressing the transitional and physical risks of climate change. We are also collaborating with others to reduce our scope 1, 2 and 3 greenhouse gas emissions.	7 AFFORDABLE AND CLEAN ENERGY; 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE; 13 CLIMATE ACTION	Page 38
Social and Economic Contribution			
Safety	Perenti remains committed to maintaining working environments that mitigate occupational health and safety hazards and protect the health and wellbeing of our people.	3 GOOD HEALTH AND WELL-BEING	Page 41
Workplace health and wellbeing			Page 45
Governance	Perenti aims to conduct business in a transparent manner in compliance with the laws of the countries in which we operate. We strive to act with integrity and maintain trust with our shareholders, communities and other stakeholders.	16 PEACE, JUSTICE AND STRONG INSTITUTIONS	Page 34
Business ethics and anti-corruption			Page 34
Security	Perenti aims to mitigate and respond to security risks that may result from political, economic or social factors. We manage security in a manner that protects our people and our operations while promoting human rights.		Page 36
Human rights and modern slavery	Perenti has further progressed its approach to human rights and modern slavery in FY22 with the overall objective of identifying, mitigating and preventing human rights infringements and risks.		Page 36
Inclusion and diversity	Perenti seeks to recruit and retain talented and qualified individuals and ensure all people systems and practices are inclusive and deliver diversity outcomes. We promote the social and economic wellbeing of employees and respect internationally recognised workers' rights.	5 GENDER EQUALITY; 4 QUALITY EDUCATION; 8 DECENT WORK AND ECONOMIC GROWTH; 10 REDUCED INEQUALITIES	Page 47
Talent attraction and retention			Page 48
Labour relations			Page 48
Indigenous engagement	Perenti works to create genuine, respectful and productive relationships with Indigenous groups.		Page 49
Decent work and economic growth	We are committed to local employment, training and procurement. Central to Perenti's 2025 Strategy is the generation of competitive returns that in turn attract further capital investments.	8 DECENT WORK AND ECONOMIC GROWTH	In Annual Report on page 16 and on page 49

SUMMARY OF OUR PERFORMANCE

	Metric	2022	2021	2020
NO SHORTCUTS				
Ethics and Governance				
Compliance with Code of Conduct	# breaches	0	0	0
Compliance with continuous disclosure	# breaches	0	0	0
Safety and Health				
Total fatalities	#	3	1	1
Lost Time Injury Frequency Rate (LTIFR)	# incidents per million hrs worked	0.5	0.4	0.3
Total Recordable Injury Frequency Rate (TRIFR)	# incidents per million hrs worked	6.9	5.1	4.9
All Injury Frequency Rate (AIFR)	# incidents per million hrs worked	28.9	26.5	26.2
Serious Potential Incident Frequency Rate (SPIFR)	# incidents per million hrs worked	2.8	2.9	4.1
Fines and Prosecutions	#	0	0	0
NEVER WASTEFUL				
Environment				
Greenhouse gas emissions – scope 1	tonnes CO_2-e	2,323	3,462	6,456*
Greenhouse gas emissions – scope 2	tonnes CO_2-e	4,361	5,193	5,546
Energy consumed	Gigajoules	63,655	99,865	125,424
Total significant environmental incidents	#	0	0	0
Fines and prosecutions	#	0	0	0
SMARTER TOGETHER				
Our people				
Total workforce	#	8,939	7,881	7,729
Employees by Region:				
• *Australia*	%	38.9	40.8	37.1
• *Africa*	%	56.7	53.2	62.7
• *United Kingdom*	%	<1.0	<1.0	<1.0
• *North America*	%	4.3	4.6	<1.00
Total voluntary turnover rate	%	26.6	17.0	14.7
Females on the Board [1]	#/%	2/29	2/31	2/29
Females in senior management	%	18.8	18.2	16.2
Females in the workplace	%	10.6	10.0	8.6
Australian workforce employed as an apprentice	%	4.4	4.4	5.0
Australian workforce provided with a traineeship	%	8.1	8.0	
WALK IN THEIR SHOES				
Local participation in international workforce[2]	%	89.4	86.8	88.2
Local procurement expenditure[3]	AUD$	1.48B	1.12B**	-
Community investment and donations	AUD$	368,601	244,500	-

* Includes emissions associated from exploration activities which is outside of our operational control.

** FY21 local procurement spend corrected due to an administrative error.

1. Females on the Board for FY22 is based on the absolute number at the end of the financial year. The FY21 figure is based on average of days worked.
2 Local participation is country Nationals (Locals) only, does not include third country nationals.
3 Local procurement expenditure refers to the purchasing of goods or services from a supplier registered or based within the same country as the operation.

NO SHORT CUTS
ETHICS AND GOVERNANCE

OUR COMMITMENTS

Perenti made the following FY22 commitments:

FY22 commitment	Status	Reference
Cyber and information security: Develop and roll-out a data protection standard for the Group.	In progress	Cyber and information security, page 35
Review the coverage of sustainability matters within the Board structure and meeting program.	Complete	Board structure, page 34
Board undergoes climate change training to ensure their understanding of climate related developments is current.	Complete	Climate change, page 38
Ensure human rights related provisions within contracts and service agreements are applied consistently across the Group.	Complete	Human rights and modern slavery, page 36

In FY23 we will:

- Undertake two crisis and two emergency management training exercises across the Group.
- Conduct one second line assurance audit of the division level emergency management plan and project (site) emergency response plan.
- Implement the Perenti Governance Framework, including a single document management platform across the organisation.
- Deliver tailored human rights training to high-risk roles across the Group.
- Undertake a human rights audit of a high-risk category supplier.

BOARD STRUCTURE

The Perenti Board is comprised of the relevant skills, diversity and experience to ensure ethical and responsible delivery of value to shareholders. The composition of the Board is reviewed annually by the Nominations Committee. As at 30 June 2022, the Board comprised seven Directors, six of whom are non-executive directors. Details of each Board member, including their skills, experience and term of office are set out in Perenti's 2022 Annual Report and are also available on Perenti's website.

The Board Charter requires a majority of directors to be independent, with an assessment of the independence of each Non-executive director being undertaken in August 2021 in accordance with ASX Recommendations and Principles. The Board currently has four committees to assist in carrying out the role of guiding the Company's strategic direction – the Audit & Risk Committee, People & Remuneration Committee, Sustainability Committee (established in February 2022) and the Nominations Committee (established February 2022). The charters for these committees are available on Perenti's website. The members of the committees are all independent directors.

The newly formed Sustainability Committee met in February and June 2022. Topics discussed by the committee included safety, sustainability strategy, climate change, human rights and modern slavery, investor expectations, sustainability disclosure and environmental management. Safety and sustainability related issues are also discussed collectively by the Board. For example, climate change was discussed as part of the Board Strategy Workshop in December 2021.

RISK AND INTERNAL AUDIT

Perenti faces a broad array of risks, including operational, economic, technological, geo-political, regulatory, environmental and reputational risks (see page 56 of the Annual Report for further information). Perenti's approach to sustainability risk and opportunity is integrated into our overarching risk management framework, which is aligned with ISO 31000:2018 and the ASX Principles and Recommendations. Sustainability related risks are assessed involving cross-functional input from across the business.

The approach utilises an enterprise-wide process to identify and assess material risks to the Group and seeks to apply appropriate controls. Our top-down/bottom-up risk framework enables the Group to make informed decisions and effectively prioritise resources. The framework views risk from a variety of time horizons which allows for detection and investigation of emerging risks and effective evaluation of risks against longer term strategic objectives.

The Internal Audit function was established in August 2020 and is a critical part of the Perenti Assurance Framework. The purpose, role and authority of Internal Audit is governed by a charter approved by the Audit and Risk Committee. The Audit and Risk Committee approved the FY22 Internal Audit Plan.

Twelve internal audits were completed during FY22. The audits largely focused on the adequacy of the health, safety and environmental systems, critical control management and reporting. The audits included an assessment of how effective these systems and controls were implemented and used across Perenti's operations. Internal audit actions were raised during the year to strengthen controls and improve systems and processes. The actions are subject to a governance process and are tracked until closed.

The FY23 Internal Audit Program will continue to have a health, safety and environmental focus, together with key financial and business processes.

CODE OF CONDUCT

Our Code of Conduct sets out the standards of behaviour expected of our directors, employees, consultants, contractors and suppliers. In FY22, the Code of Conduct was updated to specifically reference harmful behaviours in line with our Eliminating Sexual Harassment Position Statement.

During the past year we also monitored compliance with the mandatory learning module for the Code of Conduct, with all employees required to complete refresher training at least every two years.

SUPPORTING A CULTURE OF SPEAKING UP

Perenti is committed to achieving and demonstrating the highest standards of ethics and corporate governance. Policies and standards are in place to provide guidance to directors, executives and employees in the management and running of our operations.

Perenti has a *Speak Up* Program in place across the business in the relevant local language. The *Speak Up* Program gives employees, and other stakeholders, a range of options to report misconduct while providing anonymity and protection to the person reporting the misconduct. The program is supported by a *Speak Up* Policy and Standards specific to the countries in which Perenti operates.

In FY22, there was one disclosure made through the *Speak Up* Program that was classified as a non-material Code of Conduct issue. The allegation relates to a potential misuse of a minor amount of funds.

ANTI-BRIBERY AND ANTI-CORRUPTION

Perenti has an Anti-bribery and Anti-corruption (ABAC) Policy which sets out the Company's zero tolerance for any bribery or corruption in its business dealings and operations anywhere in the world. The Company also has a related ABAC Standard which sets out the specific requirements of our Company's employees and suppliers related to the policy. Consistent with this standard, no political donations or facilitation payments were made during FY22. Any material breaches of the ABAC Policy are reported to the Board and Audit & Risk Committee. No breaches were reported in FY22.

In FY22, the Company monitored compliance with the online training module for ABAC for all new employees as part of their induction as well as a tailored module for 372 employees working in 'high-risk' roles. These roles include all supervisor positions and above, as well as those involved in commercial interactions such as procurement. As of the time of reporting, 71% of those identified as high-risk roles had completed the ABAC training with the remainder to complete the training in Q1 FY23.

In accordance with the ABAC Policy and Standard, all businesses have a gift and hospitality register in place, maintained by nominated employees within each business and reported and consolidated at a Group level.

TIMELY AND CONSISTENT DISCLOSURE

Our Market Disclosure and Communications Policy outlines Perenti's commitment to providing our shareholders and the market with full and timely information about our activities. In the last financial year, the Company made 73 announcements and disclosures via the ASX with no breaches of continuous disclosure.

CYBER AND INFORMATION SECURITY

In FY22, Perenti's Security Program delivered extensive people, process and technology capability improvements which have strengthened our security position by reducing risk and exposure. Key activities of the Security Program included the deployment of a sophisticated market-leading vendor managed platform for the detection, response and remediation of malicious activity and behaviour across Perenti's device network. The program also established a 24x7 security operations centre, delivered in partnership with a leading security service provider.

A range of other security enhancements were delivered under the program, including implementation of device-level encryption, risk-based conditional access to Microsoft 365, an enterprise password management solution and identity and access management-related enhancements. Security awareness campaigns were delivered throughout the business in FY22 which focused on reinforcing cyber-safe security aware behaviours.

A Data Protection and Privacy Group Standard was developed in FY22 and will be implemented in FY23.

INDUSTRY ASSOCIATION MEMBERSHIPS

Perenti, or its operating businesses, are members of peak bodies and organisations including:

- Association of Mining and Exploration Compaines (AMEC) – Associate member
- Australia-Africa Minerals and Energy Group (AAMEG)
- Australian Resources and Energy Employer Association (AREEA) - member of the Mental Health working group
- Austmine
- Chamber of Minerals and Energy Western Australia (CMEWA) - Member of the Work Health and Safety and the Safe and Respectful Behaviours working group
- Gold Industry Group
- Minerals Council of Australia – Member of the Safety and Sustainability Committee.

Our engagement with these organisations is consistent with the Perenti Code of Conduct.

HUMAN RIGHTS AND MODERN SLAVERY

Upholding human rights is core to our principles at Perenti. We are committed to respecting human rights, cultures and customs of employees, communities and suppliers by implementing practices consistent with recognised international standards including the *Voluntary Principles on Security and Human Rights*. This commitment is included within our Code of Conduct and associated training module for employees, which sets out employee expectations, and was further strengthened in FY22 with the publishing of our Human Rights Policy.

In FY22, we submitted and published our second public Modern Slavery Statement in accordance with the Commonwealth Modern Slavery Act 2018. Our commitment to ensuring human rights related provisions within contracts and service agreements are applied consistently across the Group was completed in FY22. All Perenti supplier agreements now require suppliers to acknowledge compliance to the Perenti Modern Slavery Statement requirements.

We continue to strengthen our governance framework with the development of a Human Rights Modern Slavery training package aimed at our procurement team, a supplier audit protocol and accommodation checklist. FY23 will see these processes and tools embedded into our current systems.

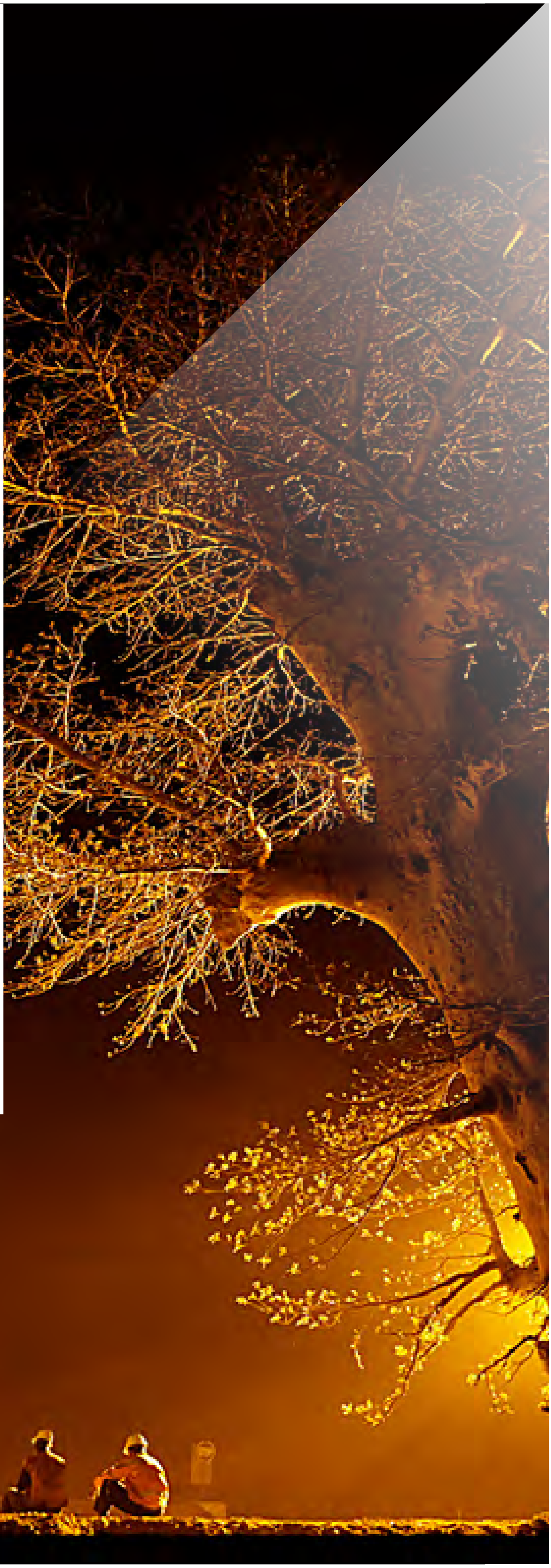
SECURITY

Perenti is committed to ensuring we maintain a state of security, emergency, and crisis preparedness to enable us to prevent, respond and recover from security and other events which may impact our people, the environment, assets, business operations or reputation.

The Group continues to adopt a holistic approach to the management of security, emergency and crisis related risks which is supported by a suite of standards and associated plans and guidelines.

A significant priority for FY22 was the continued COVID-19 response, in particular the planning and coordination of crew change operations.

Our security, emergency and crisis management capability has been further strengthened through the provision of training to corporate and site teams in both Africa and Australia. A number of crisis and emergency exercises were also conducted during the past year in line with our training program.



NEVER WASTEFUL ENVIRONMENT

OUR COMMITMENTS

Perenti made the following FY22 commitments:

FY22 commitment	Status	Reference
Publish a Climate Change Position Statement consistent with the Taskforce on Climate Related Financial Disclosure Framework.		Climate Change, page 38
Further formalise and progress our decarbonisation efforts.		Emissions and Decarbonisation, page 38
Deliver climate change training to the Board.		Climate Change, page 38
Establish an internal water and energy efficiency initiative platform to record, track and improve collaboration on water and energy initiatives throughout the business.		Water, page 40

In FY23 we will:

- Develop and commence implementation of a Group Environmental Management Standard.
- Publish a Climate Change Position Statement.
- Capture and disclose our scope 3 emissions associated with fuel use on our client sites.
- Set a scope 1 and 2 greenhouse emissions reduction target.
- Capture and disclose water use and waste for our office and workshop facilities.

We are committed to minimising the environmental impact of our operations and offices through the education of our employees, utilising best practice procedures, complying with legislation and conforming to any specific environmental requirements of individual sites and clients.

During the reporting period we progressed actions identified in our three-year Environmental Business Plan which included the development of a Group-level environmental risk register, refresh of environmental induction material, distribution of environmental education 'toolboxes' to sites and capturing GHG data in our HSE information system.

Focusing on what Perenti can influence

Perenti aims to improve the sustainability performance of systems and processes under our control and influence. Importantly, there are several mining processes on client sites where we operate, for which we do not offer services or have influence to change. Perenti does not design, maintain or operate tailings storage facilities for our clients. We recognise the potentially significant risk tailings storage facilities pose to the safety and health of people, infrastructure and the environment, if not effectively managed and governed. Rehabilitation is typically the responsibility of the mine operator and is managed by Perenti's clients.

As a mining services provider Perenti is not the mine site owner involved in the planning or approval phase of a mining project and therefore does not contribute to pre-mining activities such as obtaining regulatory approvals, developing an environmental and social impact assessment, stakeholder identification and consultation, resettlement, and establishing free, prior and informed consent. Perenti recognises the importance of maintaining the biodiversity that underpins ecosystem functioning and is aware of developing industry initiatives such as the Task Force on Nature-related Financial Disclosure. Avoiding and minimising biodiversity impacts of the mine is typically managed early in the project life cycle by our clients, who are also responsible for monitoring, restoring and, if necessary, offsetting residual impacts.

The above-mentioned requirements are the responsibility of Perenti's clients at all our locations. Perenti recognises the importance of these processes and acts in accordance with any regulatory approvals obtained by the operator, as well as the laws and regulations of the host country.

ENVIRONMENTAL MANAGEMENT SYSTEM

Our environmental management practices are directed by our Health, Safety and Environment Policy and our Sustainability Policy. The Health, Safety and Environment Management System described in the health and safety section of this report is consistent with the requirements of ISO 14001 and forms the framework for how environmental management is planned, executed and governed.

During the reporting period, a comprehensive review of environmental risk registers from across the business was conducted. The review has applied a consistent methodology across different business units, providing a robust group level environmental risk register. Both business environmental management plans and the environmental inductions have been reviewed and updated to align and address risks identified in the risk review.

Greenhouse gas (GHG) reporting processes were enhanced in the reporting period with the introduction of centralised reporting into the Perenti HSE information system. This has strengthened data reliability and transparency as well as verification processes.

Sustainability considerations were reviewed and refined to optimise the sustainability impact in the reporting period. This has included emission calculations being embedded into tendering estimates and high-level risk reviews of other sustainability issues.

The environmental awareness program was strengthened in the reporting period with the development and implementation of a business-wide environmental communication plan. Outputs from the plan have included country specific environmental toolbox posters on a range of topics and a sustainability ideas form which encourages personnel from all parts of the business to submit improvement ideas.

An internal sustainability working group was established in the reporting period. The purpose of the working group is to improve sustainability understanding, engagement and performance across the business.

CLIMATE CHANGE

Perenti remains committed to acting on climate change by responding to physical and transitional risks and opportunities while playing our role in industry efforts to support the transition to a low carbon economy. We consider transparency in climate change response and management to be a fundamental practice in the collective action on climate change.

The key climate-related actions completed by Perenti in FY22 include:

- Established the Sustainability Committee which has oversight of climate-related issues, including carbon emissions reduction and climate change risk and opportunity management.
- Delivered climate change training to the Board.
- Developing a Decarbonisation Plan to define the themes of work and associated activities required to support us decarbonise our operations and value chain.

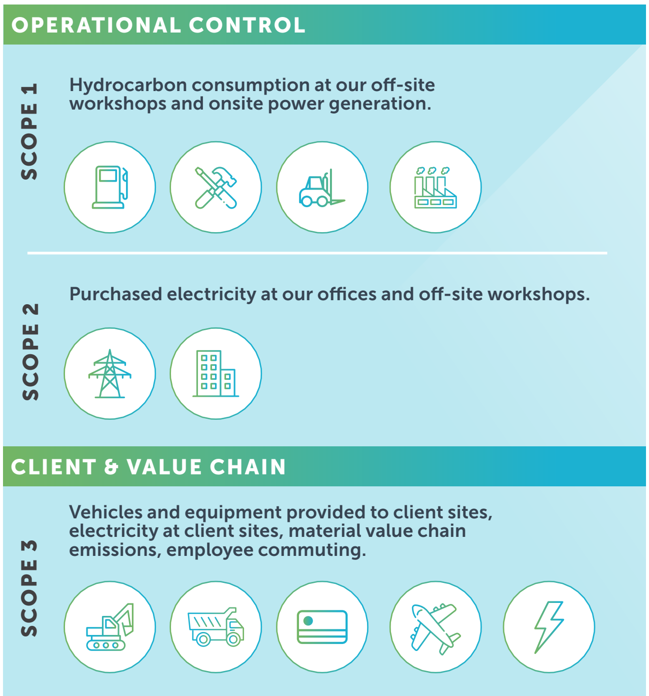
Perenti is undertaking a business-wide risk and opportunity assessment for the physical and transitional impacts of climate change. The comprehensive assessment is guided by the recommendations of the Taskforce for Climate related Financial Disclosure and is scheduled for completion in the first half of FY23.

Outcomes of the physical risk assessment will supplement existing business processes such as risk management, emergency response and preparedness, and operational planning. The transitional risk and opportunity assessment will provide industry specific insight into issues on climate related policy and legal risks, technology and market changes and reputational risks.

EMISSIONS AND DECARBONISATION

As a mining service provider it is important for Perenti to differentiate scope 1, 2 and 3 emissions to understand our GHG risk exposure and prioritise our decarbonisation efforts. Our scope 1 emissions are comprised of mobile and stationary combustion of fuels at locations under our operational control, which include our off-site workshops, warehouses and offices. Our scope 2 emissions comprise entirely of purchased electricity. Scope 3 emissions are considered to be indirect emissions that occur in the value chain, including both upstream and downstream emissions.

A diagram demonstrating Perenti's FY22 emissions profile by scope is provided below.



Since 2020, we have measured and disclosed the greenhouse gas emissions under our operational control (i.e. scope 1 and 2). A summary of Perenti's emissions and energy consumption since 2020 is provided in the performance summary table on page 33. In FY22, emissions under our operational control reduced by 23% from the previous year.

Stakeholders are becoming increasingly interested in understanding businesses' material scope 3 emissions and management approach. Perenti recognises scope 3 emissions as relevant to our business given they comprise a large portion of our overall emissions profile and contribute to GHG risk exposure. Accordingly, in 2022 we began tracking what we believe to be our most significant and actionable scope 3 emissions source, which is fuel consumption and emissions from our equipment at our client's sites. We are aiming to disclose our scope 3 emissions associated with fuel use on our client sites in FY23.

TASKFORCE ON CLIMATE RELATED FINANCIAL DISCLOSURES

Perenti supports the Task Force on Climate related Financial Disclosures (TCFD) as a framework to increase reporting of climate related financial information. In 2022, we made the commitment to progressively align our approach to the recommendations of the TCFD. A summary of key Perenti practices and actions being taken to meet the TCFD framework is provided in the table below.

TCFD PILLAR	CURRENT PROGRESS	FUTURE ACTIONS
Governance	Established in 2022, the Sustainability Committee has oversight of climate-related issues at Perenti, including carbon emissions reduction and climate change risk management. The Chief People & Sustainability Officer, who reports to the Managing Director & Chief Executive Officer, has overall responsibility for ensuring climate change risks and opportunities are assessed and managed. Accountability for specific climate-related risks and opportunities are allocated to relevant roles within the business. The Group Executive has received climate change training to enable informed consideration of climate-related issues during the annual risk review.	• Perenti will review oversight of climate change responsibilities at the executive level following completion of the scenario analysis and physical risk assessment. Further clarification of responsibilities will be defined if needs arise.
Strategy	Announced in June 2022, Perenti's Strategy update outlines Perenti's intention to embed sustainability in everything we do. The risks and opportunities of climate change is considered as part of the Board's strategy framework. Climate change and carbon emissions have been acknowledged as an emerging risk and material issue in our 2022 Annual Report and Sustainability Report. We have developed a Decarbonisation Plan which outlines the focus areas and activities to support us to decarbonise our operations and align with our clients' climate-related ambitions. Furthermore, our operational technology roadmap includes electrification of the fleet as a key consideration.	• Perenti will continue to assess and disclose climate-related risks as part of our internal risk assessment process, with an aim of improving the level of detail over time. • We are in the process of undertaking scenario analysis in accordance with the methodology proposed in the TCFD Technical Supplement for Scenario Analysis. This will enable us to describe the impact of climate-related risks and opportunities on Perenti's strategy and plan accordingly. • Perenti has included its first ESG related performance metric, in our FY23 short-term incentive program. This will focus on our plan around scope 1 and 2 emissions. This will continue to be assessed and refined over time.
Risk management	Perenti's approach to climate-related risk is integrated into our overarching risk management framework, which is aligned with ISO 31000:2018 and the ASX Principles and Recommendations. Climate related risks are assessed involving cross functional input from across the business. In 2021, we completed a climate change risk assessment of the business using bowtie methodology with cross functional input.	• The risk bowtie is evolving into a physical and transitional risk assessment, scheduled for completion in FY23. • We will continue to review the management of climate-related risks and opportunities within our risk management systems, broader business strategy and investment decisions to ensure our business is resilient to changes in climate. • Outcomes of the climate change scenario analysis and physical risk assessment will be integrated into Perenti's overarching risk management framework. • Perenti will integrate climate-related considerations within the investment due diligence process.
Metrics and targets	Perenti has disclosed scope 1 and 2 emissions in our annual Sustainability Report since 2020.	• In FY23, we will undertake pre-assurance of greenhouse gas and energy data. • In FY23, we will announce our targets in relation to operational control emissions. Six-monthly reviews will be established to assess progress towards goals.

WATER

Perenti recognises that water is a shared natural resource that has environmental, social, cultural and economic value. Access to and monitoring of water use at mine sites is managed by Perenti's clients. In FY22, we committed to identify water opportunities at high water risks sites, however given this is managed by our clients this has proved challenging. Therefore, operational improvements and supporting our client's water management goals continue to be the focus. Water consumption at facilities within Perenti's operational control comprises the minority of Perenti's overall water consumption.

In FY21, Perenti completed a water risk assessment of all our operations using World Resource Institute's Aqueduct tool. Perenti is now using this information to supplement a comprehensive climate scenario analysis which includes a risk assessment of the physical risks of climate change. Due for completion in FY23, the climate change physical risk assessment will inform our approach to water management at a regional level.

In the last Sustainability Report we committed to establishing an internal water and energy efficiency initiative platform to record, track and improve collaboration on water and energy initiatives throughout the business. Perenti delivered on this commitment by launching the internal sustainability ideas form. The sustainability initiative portal is accessible to all employees and contractors within the business and provides a mechanism to share water saving opportunities and initiatives.

ENVIRONMENTAL INCIDENTS

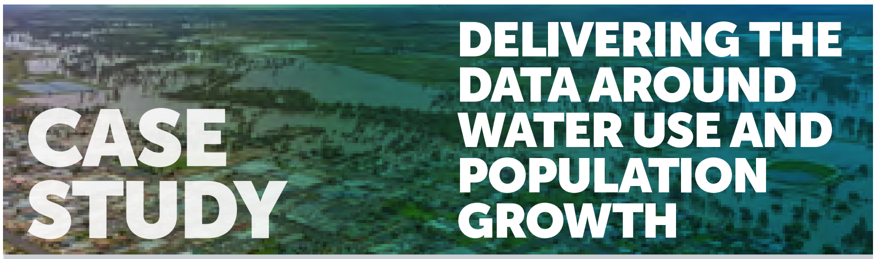
Environmental incidents are classified on a scale of one to five with four and five resulting in serious impact to the environment and regulatory action. Over the past three years we have not had any level four or five incidents.

SOLAR LIGHTING TOWERS

In July 2021 Ausdrill replaced two diesel lighting towers with solar-battery units. The zero emissions towers have saved about 17,000 litres of diesel, or 45 tonnes of CO_2-e, in FY22. The towers have the added benefit of operating without engine oil and coolant and significantly reduce maintenance hours in comparison to the diesel units.

LANDCRUISER ELECTRIC CONVERSION

Barminco, as part of the Electric Mine Consortium, is leading the light and auxiliary vehicle working group which aims to accelerate the adoption of electric vehicles by integrating them into operating mine sites. In FY22, Barminco successfully converted a diesel single-cab Landcruiser to full electric, which is now being trialled at IGO's Nova mine in Western Australia. The BeLV contributes to a safer working environment in underground operations through zero emissions and reduced heat output. Trials for various BeLV models will extend into FY23.



DELIVERING THE DATA AROUND WATER USE AND POPULATION GROWTH

Climate change is a significant factor when it comes to managing water and the Perth community. In FY22, the Water Corporation engaged idoba to collect and analyse 12 months of water data to provide insights into water usage and better plan for the future. idoba used predictive analysis and advanced data science techniques to link client behaviour to lifestyle and water use.

Algorithms were applied across all clients using Amazon Web services, CSIRO aerial photogrammetry and high-frequency smart meter data to develop a robust analysis tool. The tool allows the Water Corporation to differentiate between different water streams, establish new baselines, understand what drives water use and make decisions on impact and infrastructure based on accurate future predictions. The tool will inform water management decisions in a future of changing water use patterns and climate change.

SMARTER TOGETHER
SAFETY AND HEALTH

OUR COMMITMENTS

Perenti made the following FY22 commitments:

FY22 commitment	Status	Reference
Continue to embed the HSE Information system and improve downstream HSE processes, further standardising good practice across the Group.		HSE Information System – *HSE Central*, page 42
Complete a third line audit against the requirements of the Health Safety and Environment Management System to assess compliance and share best practice.		Critical Risk Management, page 43
Complete the rollout of phase one of the Safety Leadership Program to all senior leaders and initiate the implementation of phase two of the program.		Safety Leadership, page 44
Complete the development of and implement Critical Control Operator Verifications, as well as develop Critical Control System Verifications.		Critical Risk Management, page 43

In FY23 we will:

- Receive independent reports on fatalities and take decisive action.
- Undertake an independent assessment of the safety culture and capability across Contract Mining Division, seeking a step change in safety outcomes.
- Roll out a critical control operational level verification process at 100% of all operational sites.
- Develop and implement high-risk task critical control verifications for leaders at 100% of all operational sites.

The physical and psychological health, safety and wellbeing of our people is foremost at Perenti and we are committed to the elimination of life-altering physical and psychological injuries and illnesses. We will achieve this through continuing to advance our safety culture and leadership, managing our critical risks and controls and ensuring safe and effective systems are in place.

Our Health, Safety and Environment Management System meets the requirements of ISO 45001 and provides the framework for planning, executing and governing health and safety management at Perenti.

SAFETY PERFORMANCE

While we have made significant progress in maturing our safety approach, strengthening the foundations and focusing the organisation on the management of critical risks and their controls, we have failed to deliver on our objective of no life changing events. Over the reporting period, two separate tragic incidents have claimed the lives of three of our employees. At the Hemlo mine in Canada, Troy Cameron lost his life when he was caught between ventilation doors underground and at the Zone 5 mine in Botswana, Baleseng Sechele and Moses Marpaung also lost their lives in an event underground after being overcome by blasting fumes.

Working with our clients, we have investigated the nature of these tragic events and will ensure these findings inform our safety programs and ongoing focus on preventing life-changing events. Actions derived from the investigation to the Hemlo incident have already been rolled out across the business and are captured within many of the improvement initiatives detailed in this report.

Over the past 12 months our continued focus on safety and leadership development has resulted in a slight decline in our Serious Potential Incident Frequency Rate (SPIFR) from 2.9 to 2.8. However, we have also recorded an increase in our Total Recordable Injury Frequency Rate (TRIFR), which has risen from 5.1 to 6.9 over the reporting period. While the majority of these recordable injuries are from low-impact events that are not life-changing – 41% of all recordable injuries involve hands and fingers – we understand we need to do more to reduce all injuries across the business.

Targeted programs for prevention of hand and finger injuries have been implemented and involve engaging our frontline supervisors in conversations to verify hand safety controls are available and being used correctly. A customised program has been developed with a specialist injury prevention provider to support enhanced physical capabilities for key diamond drill roles. The program takes into consideration the type of work undertaken and each person's unique physical capabilities.

In FY23, Perenti will introduce an early intervention physiotherapy program providing early treatment in addressing musculoskeletal injuries that minimises the impact of the injury and improves return to work time.

Throughout FY22, we continued to focus on strengthening Critical Risk Controls and building the capability of our leaders in understanding and enabling safe work through their teams. An analysis of the Serious Potential Incidents (SPIs) by critical risk category demonstrates that almost a third (28%) of SPIs relate to mobile equipment operation and interaction. This is closely followed with 27% of SPIs relating to the control of ground conditions and 15% of incidents involving the risk of isolation and control of hazardous energy sources. Such outcomes are consistent with industry peers.

HEALTH, SAFETY AND ENVIRONMENT (HSE) INFORMATION SYSTEM

In early FY22, a new HSE information system for the collection, analysis and reporting of HSE related data was implemented across the Group. The purpose of the new system, branded internally as *HSE Central*, is to provide a common platform and single source of truth for managing HSE data across the organisation, enabling better understanding of performance and development of strategic insights. Key objectives of the system include improving:

- the ease of conducting critical control verifications in the field for frontline leaders and employees;
- the ability of frontline leaders and employees to input and manage HSE incidents to support improved learning;
- data integrity of HSE data and reducing duplication of effort by employees and leaders; and
- the ability of the business to obtain relevant HSE data to inform risk-based decision making and enhanced workplace practices.

Since its rollout, *HSE Central* has continued to develop and improve systems and processes. Notable improvements from the implementation include:

- improved analysis of incidents and injuries, enabling the identification of trends and key issues for improving organisational learning and control of risks; and
- providing insights into the health of critical risk controls to help inform leaders decisions and further improvements to critical risk management.

CASE STUDY

HELPING HANDS

At Perenti, our businesses transcend borders. Working across three continents and providing significant support to the resources sector globally exposes the company – and its employees - to various cultures, communities and environments.

Safety and controlling risk is paramount across the workforce. Yet still at BTP, statistics show hand and finger injuries account for almost 40% of all injuries reported.

Recognising a need to think outside the square in hand safety, BTP engaged the *Helping Hands Program* to stimulate the conversation around hand injuries, do something memorable and importantly, make a lasting impression and give back to the communities in which we operate.

The *Helping Hands Program* saw apprentices undertake an engagement exercise, building prosthetic hands that were then donated to amputee landmine victims throughout the developing world.

As part of the challenge participants covered their preferred hand with a drink holder and could only use their non-dominant hand to complete the exercise, simulating the loss of use or sustained significant injury to their favoured hand. The aim of the activity was to get employees to think differently about the importance of hand safety in their own day-to-day job and consider limitations with a significant hand injury, while also making a real and lasting contribution to others less fortunate.

The exercise was paramount in reinforcing Perenti's Smarter together and No shortcuts principles and a unique way to have a positive impact on people in need.

CRITICAL RISK MANAGEMENT

In direct support of Perenti's goal for No Physical or Psychological Life Changing Events, our Critical Risk Management (CRM) program engages employees in the identification, elimination, control and mitigation of fatal risks. The program provides assurance that potentially life-impacting health and safety risks are known, understood and being effectively managed through a combination of improved frontline understanding of critical risks and controls, program assurance and robust governance.

An audit was commissioned across the business to assess the design and implementation of the Perenti Critical Risk Standards by the Board Audit and Risk sub-committee and was conducted by Group Audit and an independent external auditor. The audit was undertaken at sites in Western Australia (Fimiston, Nova and BTP Hazelmere), Queensland (Dugald River) and Ghana (Subika and Iduapriem) and found that Perenti's Critical Risk Management requirements are broadly in line with industry guidance. The audit also made a number of positive observations and identified gaps and opportunities for improvement. Progress on the resulting action plan is reported directly to the Board Sustainability and Audit and Risk Committees.

Perenti's CRM program has focused on the identification of critical risks and controls, embedding verification processes for frontline leaders (Critical Control Field Verifications, or CCFVs), the development of frontline worker verification tools and continuous improvement of CCFVs based on lessons learned, industry best practice benchmarking and feedback from the workforce.

In FY22, Perenti developed and implemented Critical Control Operator Verifications, branded as "*CheckMate*". These are a tool for frontline operators and maintainers to 'check' that the critical controls that prevent fatalities and life-altering injuries are in place and working effectively prior to commencing work. Further detail on *CheckMate* is provided in the case study.

As unstable ground conditions are one of the major hazards in underground mining, we implemented an independent audit program in FY22 to provide assurance of our controls for the prevention of fall of ground and slope stability with the support of our clients. Five audits across our Australian operations were completed in the reporting period and covered Mt Colin, Sunrise Dam, Savannah, Agnew, and Odysseus operations, identifying opportunities for improvement.

These recommendations have been actioned to ensure robust quality assurance and quality control processes are in place and effective.

We have also undertaken audits across a number of our international sites including Iduapriem and Obuasi in Ghana, Zone 5 in Botswana and Hemlo in Canada. The findings from these audits are under review and an action plan is being developed. The action plan will be reviewed by the Sustainability Committee and will be implemented in FY23.

CASE STUDY

CHECKMATE – NOT JUST ANOTHER CHECKLIST

Our critical risk management program was further strengthened in FY22 with the introduction of our Critical Control Operator Verification process, *CheckMate*. *CheckMate* is aimed at our frontline workers, supports Perenti's Critical Risk Management framework and is an integral component in embedding critical control identification, control and management.

In line with a clear mandate that these tools are "for the workforce, by the workforce", *Checkmate* was developed with extensive engagement and consultation with our operator and maintenance teams. Working groups from across the business reviewed a range of high-risk tasks relevant to their work area and were charged with identifying the physical critical controls that will prevent potential life changing events. The working group outcomes were then reviewed and endorsed by operational leaders before being transformed into the *CheckMate*.

Importantly, *CheckMate* is not just another checklist. They are designed to complement processes already in place such as equipment pre-start inspections, personal field risk assessments, job hazard analyses (JHAs) and procedures. The tools and implementation materials have been developed in consultation with safety communication experts and have been designed with graphical representation of each critical control to limit literacy barriers.

CheckMate will support a progression from leader compliance checks to the more mature approach of enabling frontline workers to take ownership by understanding their critical controls and ensuring these controls are working effectively in an ever-changing environment.

SAFETY LEADERSHIP

Our safety leadership and critical risk management programs are vital to improving how we manage safety, assess risk, train our people and work towards achieving our objective of no life changing events. In FY22, we delivered the *Thinking Differently About Safety* Program, across the business, which has seen 126 leaders trained to date. The program challenges our leaders to think differently and covers topics such as courageous leadership, culture and critical risk management.

Our *Know, Say, Do* Program aimed at frontline leaders was also rolled out during the reporting period. The program involved a series of workshops with frontline and senior leaders identifying the key items they should know about safety, say about safety, and do to lead and manage safety in their day-to-day roles. The *Know, Say, Do* Program culminated in a frontline leader's manual being developed and adopted across the African Mining Services business and with other business units developing and implementing similar tools to support frontline supervisors.

As we look forward to FY23, a significant body of work has already been undertaken which will see the launch of our No shortcuts campaign. The campaign aims to foster safety conversations in our frontline workforce and motivate individuals to achieve positive outcomes in their work that includes returning home safely at the end of each shift.

COLLISION AVOIDANCE

In line with mobile equipment operation and interactions representing a significant critical risk category, and informed by analysis and lessons learnt from investigation into events within the business and across industry, Barminco has been exploring new technology advancements to improve pedestrian safety at our operations, particularly within the confined spaces of underground mining.

As one of the world's leading underground mining contractors, Barminco currently operates projects in six countries and employs more than 5,400 people. Almost all of these employees will be exposed to a working Heavy Vehicle (HV) during their career. These HVs are a significant risk factor for people who work in close proximity to them in an underground environment.

Since September 2021, Barminco has been working with Sandvik and Newtrax to develop Collision Avoidance System technology that is superior to any Collision Warning System currently available to industry.

The result of this partnership is developing functionality that will automatically intervene and respond on behalf of a heavy mobile equipment operator when a pedestrian or object is too close, slowing the vehicle or bringing it to a halt, prior to impact.

This is world-first technology and reflects our commitment to improving the safety of pedestrians in all organisations wherever there is a risk of vehicle to person incidents.

Over the last six months, in particular, we have been working with our technology partners to bring reality to life including testing the technology at Barminco's head office in Hazelmere.

Sensing equipment has been fitted to a LH517i loader and functionality has been refined to fully meet Barminco's operating requirements. This will ensure our system will meet safety requirements without negatively impacting productivity or operator experience.

Results to date have been very positive, with additional work underway to ensure optimum performance in a fully operational environment.

HEALTH

Perenti is committed to protecting the health and wellbeing of our employees and contractors. We set clear mandatory minimum standards to identify and assess health risks, manage their impact and monitor the health of our people. Our Health and Hygiene Standard defines the minimum requirements to effectively manage occupational exposure risk, occupational diseases, occupational injuries, and overall well-being and mental health. This includes identifying and controlling potential sources of exposure to hazardous substances, pathogens, dust, vapours, noise, vibration and other hazards that may result in occupational illnesses. We also ensure that in the event any of our people are injured or suffer ill health as a result of their work, we provide the best possible rehabilitation opportunities to ensure people can achieve the earliest safe return to work and reintegrate following a workplace injury or illness. Where there is a risk of exposure, health surveillance activities including fitness assessments, hearing and blood tests are undertaken to ensure early detection and improvements to controls are identified and implemented.

The introduction of the new Perenti HSE information system has enabled improved visibility and understanding of the effectiveness of controls in place to safeguard the occupational health of our employees. Reporting processes were configured during FY22 and further improvements to the utilisation of data to improve health will occur throughout FY23.

MENTAL HEALTH AND WELLBEING

Good mental health and wellbeing is a fundamental part of our safety culture. In January 2022, we introduced our health, safety and well-being e-magazine, Core, with the aim of improving awareness of mental and physical health and wellbeing. Our ultimate objective is to improve the physical and mental wellbeing of our people and encourage them to support and look out for one another.

To support the proactive management of mental health and wellbeing, and to provide our employees with tools and skills to build resilience and positive mental health, we continue to promote the Employee Assistance Programme (EAP), a free, voluntary and confidential health program available 24/7 to all Perenti employees and their immediate families.

The EAP aims to foster a shared understanding of mental health care in our workplace and provides employees with easy access to professional assistance for resolving personal and work-related issues which may affect their work or quality of life.

Perenti continues to support Australian and global mental health campaigns, including World Mental Health Day and R U OK? Day. Activities throughout the organisation included:

- Focused discussions by subject experts on topics associated with mental health,
- Visits by psychologists to some of our locations to engage directly with our people about mental health,
- In support of Beyond Blue, our team at Ausdrill painted a Rock Commander blue with a prominent slogan "Reach out and start the chat".

  The blue Rock Commander is a visual reminder for all our people that it's ok to stop, take the time to have a chat and that there is always someone willing to talk, listen and help.

CASE STUDY

POSITIVE STEPS TOWARDS BETTER MENTAL HEALTH

Mental illness can affect anyone, of any age or background. In 2020, across Australia 3,139 people died from suicide. In addition, approximately one in five people suffer from some form of mental illness.

With more than nine-thousand employees across Perenti and our businesses, the workforce is a direct reflection of society. Recognising the rise in need for mental health support and to eradicate stigma associated with mental health.

FY22 saw BTP introduce a series of programs to improve mental health and wellbeing, strengthening an environment where people want to come to work, are safe to speak up if they're struggling and have support mechanisms in place to be able to recognise and help those affected.

80 BTP employees participated in a General Awareness Mental Health and Wellbeing training course during the reporting period to improve mental health and suicide prevention understanding.

Another area of action saw front-line Managers and Supervisors participate in specialised EAP training. The *Manager Assistance Program* worked to increase their understanding of the value of EAP to ensure they know the services on offer and can speak with advice and guidance when liaising with employees about mental health options.

BTP rounded out FY22 by becoming a signatory to the Life in Mind Communications Charter. As part of this charter, BTP has pledged its support toward a unified approach to mental health and suicide prevention.

COVID-19

The ongoing global threat of COVID-19 continued to impact our people and the business throughout FY22. While specific aspects of our response varied by country, a major part of our work in this area was dedicated to testing and vaccination support. Perenti recognises the importance of vaccinations in playing a pivotal role in assisting the global fight against this virus. Accordingly, we placed a significant focus on vaccinations and testing as the best proven means at our disposal of preventing the spread of COVID-19 and worked with clients and partners in government around the world to strengthen the capacity to vaccinate our workers and contractors. We continue to track and monitor the pandemic closely through our risk management processes.

At our project sites, we continued to apply prevention activities which included limiting the size of toolbox and pre-start meetings to achieve social distancing, increased hygiene and cleaning practices, split rosters, and staggered meal breaks and start and finish times where possible.

Across Perenti there were 1,251 confirmed positive cases of COVID-19 in FY22. Fortunately, the majority of cases have had a limited direct impact on the health and well-being of our people. The positive cases detected largely reflect the rigor of applying testing protocols prior to workers travelling to site or in screening on arrival prior to entering the workplace.

OCCUPATIONAL HYGIENE MONITORING

In FY22, we continued with our hygiene-sampling activities to gather data on workplace exposures to evaluate health risks to our people and provide assurance of control effectiveness. Perenti's health and hygiene commitment includes identifying and controlling potential sources of exposure to hazardous substances, dust, vapours, noise, vibration and other hazards that may result in occupational illnesses. The most prevalent occupational hygiene hazards that occur throughout the Group include excessive noise, airborne contaminants (welding fumes, respirable dust and crystalline silica) and volatile organic compounds.

In addition to occupational hygiene monitoring conducted with our people as part of our clients' on-site programs, during the reporting period 152 individual monitoring activities were undertaken across 16 similar exposure groups at our BTP, Ausdrill, Barminco and MinAnalytical (prior to its divestment) operated facilities. This important work is evident in subsequent improvements to equipment and facilities to minimise occupational health exposures. An example of a key improvement delivered during the year was installing Local Exhaust Ventilation (LEV) systems at our MinAnalytical facility and improvements to the LEV system at BTP to reduce worker exposure to airborne contaminants in the workplace by capturing the emission at source and transporting it to a safe emission point or to a filter/ scrubber.

SMARTER TOGETHER
OUR PEOPLE

OUR COMMITMENTS

Perenti made the following FY22 commitments:

FY22 commitment	Status	Reference
Roll out a bespoke leadership development program across the Group.		Leadership and capability development, page 47
Conduct a self-assessment of a sample of our sites to identify opportunities to make them more amenable to all genders.		Inclusion and diversity, page 47
Define the key cultural priorities to action and commence embedding these as needed across the business.		Inclusion and diversity, page 47
As part of the annual remuneration review cycle, implement leader training for the annual gender pay gap review and provide detailed reporting to monitor progress from the newly implemented HR system.		Remuneration, page 48

In FY23 we will:

- Implement and embed a new operating model and ways of working.
- Obtain Board review an endorsement of the *Its Not OK* (Elimination of Harmful Behaviours) assessment report and associated enterprise-wide action plan.
- Join the 40:40 Vision and set gender equity targets in line with a commitment to attain 40:40:20 gender balance in Board and executive leadership roles by 2030.
- Undertake a detailed gender pay gap review for wage employees (operators and maintainers) and deliver identified actions.

INCLUSION AND DIVERSITY

Perenti recognises the value of an inclusive and diverse workforce. Our local participation in the international workforce remains high at 89.4%, an increase on FY21. Our percentage of females in senior management (18.8%) has increased by 7.7% since 2019. Female employees in the workforce have also increased over this same period from 7.4% in FY19 to 10.6% in FY22.

As part of our commitment to inclusion and diversity in FY22, the following measures were taken:

- Culture and Inclusion Steering Group formed to provide guidance on the implementation of the Inclusion and Diversity Strategy;
- Implementation of the Inclusion and Diversity Strategy;
- Commenced the development of a group-wide Indigenous Engagement Strategy. A yarning circle was held with the Indigenous Desert Alliance to help inform the approach;
- Understanding unconscious bias session and subsequent development pathway undertaken by Group Executive and made available to their leadership teams;
- Self-assessments to identify opportunities to make our sites more amenable to all genders and cultural needs were undertaken at our Mining Services Division and in partnership with our clients at a sample of our Contract Mining sites. Opportunities identified included improved female ablution facilities and uniforms. Further self-assessment planning in progress across the business to ensure continuous improvement in FY23;
- Development of the *It's Not OK* campaign and body of work across our business, including conducting a survey and focus groups on the experience of our workforce with respect to sexual assault, sexual harassment and other harmful behaviours; and
- *Leading@Perenti* pilot program has been undertaken with the Group Executive and select senior leaders with a diagnostic designed around the cultural attributes of leadership, the climate leaders create and work on leading diversity, inclusion and belonging.

LEADERSHIP AND CAPABILITY DEVELOPMENT

In FY22, we progressed the full design and development of the *Leading@Perenti* Program. The intention of this program is to enhance the capability of our leaders across the business. It aligns to the behavioural expectations articulated in the Perenti principles and our revised business strategy and operating model. The roll out of *Leading@Perenti* will commence in FY23.

Our *It's Not OK* campaign is focused on eliminating sexual assault, sexual harassment and other harmful behaviours. The program outlines acceptable behaviours, expectations of leaders and the cultural attributes that ensure a psychologically safe work environment for our people.

Thinking Differently About Safety (behavioural based safety leadership program) has been rolled out across our Australian Operations in FY22. This program is being undertaken with leadership across our business. This is focused on further understanding the work of leaders, the culture they create and linkages to behaviours and safety outcomes.

REMUNERATION

In FY22, Perenti's People and Remuneration Committee undertook an external incentive plan review to ensure continued alignment of our Remuneration Framework with delivery of the company strategy and ensuring market competitive remuneration. The outcomes of this review will continue to be implemented throughout FY23.

As part of the 2021 salaried remuneration review cycle, we implemented unconscious bias leader training to support our gender pay gap review, with 80 leaders completing the training. Our focus on ensuring gender pay equity will continue to be incorporated into our review processes.

Perenti continued to experience challenges to attract and retain employees in a tight labour market. Whilst we support a sustainable 'pay for performance' philosophy, Perenti undertook a comprehensive review of various mechanisms, such as retention programs, to ensure we attract and retain core high performing talent.

We expect similar labour pressures will continue into FY23 and we will continue to monitor and respond accordingly to ensure seamless project and service delivery for our clients.

HR SYSTEM

In FY22, we continued to improve on our new company-wide HR information system with the implementation of recruitment and onboarding modules. Our investment in people related systems has enabled improved leader and employee experience in HR processes as well as greater visibility of HR data and faster, more meaningful decision making regarding our people.

LABOUR RELATIONS AND MANAGEMENT

Perenti is committed to ensuring all employees and contractors are treated in a fair, equitable and ethical manner. Across our varied employment jurisdictions, we work closely with the relevant governments, union representatives and employee groups to ensure adherence and compliance to the required labour laws, HR regulations and labour rights policies.

In addition to maintaining the required minimum labour regulations across the Group, we hold ourselves to a high standard of business policies related to Code of Conduct, Anti-bribery and Anti-corruption and *Speak Up*. These policies ensure all employees and contractors are aware of, and adhere to, practices that are ethical, fair and help create an environment free from harassment, discrimination, or victimisation.

Perenti is proud of its reputation and processes on workplace relations matters, evidenced by the lack of industrial disputes across the varied employment jurisdictions. Should any company be subject to labour controversy, based on the nature of the interaction and/or union agreement, these are managed by our experienced Operations Managers, supported by the local Human Resources team, who are well versed in the relevant laws and regulations of the host country and where necessary, our internal legal advisors.

IT'S NOT OK!

ELIMINATION OF SEXUAL ASSAULT, SEXUAL HARASSMENT

In late 2021, Perenti commenced a program of work dedicated to eliminating harmful behaviours, including sexual harassment, from our workplace. As part of this program, the *It's Not OK* campaign was launched. This program reflects Perenti's strong commitment to a safe and respectful workplace as well as reinforcing our support for the mining industry's collective response to eliminate sexual harassment and other harmful behaviours. To that end, we have signed up to the Mineral Council of Australia's commitment to eliminate sexual harassment and are active in the Chamber of Minerals and Energy working group, Safe and Respectful Behaviours.

We conducted a survey and focus groups across our Australian businesses, which aimed to understand the experience of our people.

The response rate to our survey was positive with more than 30% of our Australian workforce participating in the survey.

In parallel to this survey, leader readiness sessions have been developed to ensure leaders are equipped to lead in a manner that promotes psychological safety in our workplaces, and have the ability to have difficult conversations, and provide feedback and coaching to their people.

Importantly the feedback from our workforce has indicated that they are proud to work for a company that encourages and is open to honest conversations. We also received feedback on where there are challenging situations and where we can improve. We are committed to continue this conversation into the future.

WALK IN THEIR SHOES COMMUNITY

OUR COMMITMENTS

Perenti works to build respectful relationships with communities and maintain broad support for our operations. We do this by supporting local initiatives, providing stable local employment and local procurement opportunities, and minimising project-related impacts to nearby populations. Perenti contributes to national economies through payments in taxes and royalties and by procuring goods and services from the host country.

In FY23 we will:

- Develop social performance standard.
- Develop group wide formal community grievance procedure.
- Develop a revised Indigenous Engagement Strategy.

OUR LOCAL COMMUNITIES

Perenti is committed to establishing open and trusting relationships with the communities across the countries we operate within. Central to building relationships are Perenti's community investment programs, which aim to achieve broad and sustained positive impact within the community. In FY22 Perenti provided a total contribution of $368,601 to local, regional and national programs supporting positive social outcomes. Examples of the community programs and initiatives Perenti supported in FY22 include:

- donating new solar panels and batteries to the Pahin Public Primary School, just five kilometres from our Yaramoko operation in Burkino Faso. The project has improved the lighting in classrooms and provided a renewable energy source for the school;
- continuing our long-standing relationship with the University of Mines and Technology, Tarkwa, by donating ten high speed computers, with dedicated graphic cards and 24-inch monitors; and
- sponsoring six local indigenous girls and be a platinum sponsor for the 2022 Camp Engies, in Ontario Canada. Camp Engies is a two-day, one-night retreat aimed at attracting girls in grades 6 through 8 to study engineering.

Local Procurement

Perenti strives to purchase local goods and services to support local businesses. In FY22, Perenti procured $1.5 billion worth of goods and services from local businesses, including $834 million from business in Australia, $603 million from businesses in Africa, and $38 million from businesses in North America. Factors such as new projects in North America and Africa have resulted in an increase in local procurement spend in FY22.

Local Employment and Training

Mining projects create a significant number of high-quality employment opportunities and have the capacity to generate social and economic value for local and regional communities. Perenti actively encourages local workers to apply for positions and aims to prioritise local applicants where possible. At the end of FY22, 89% of our workforce outside of Australia comprised of local employees with a further 2% coming from within the region.

We are also committed to train local people to support the development of their careers as well as to build the local capacity to capitalise on opportunities within the industry.

In 2019, when awarded the contract in Botswana at the Zone 5 Project, we committed to investing in local communities through the employment and upskilling of local people. Our state-of-the-art training centre in Botswana was purpose-built to train employees in all the core competencies required in the mining induction process. Recruits were attracted by job advertisements placed in surrounding village meeting places as part of our Local Locals Employees program. The successful recruitment program has led to the transfer of world-class knowledge and exposure to leading technology programs. The training centre, which is now also being used to train people for the Motheo Project in Botswana, is helping build capability in the national workforce and is an example of our commitment to train local people and Enable tomorrow for the communities we operate in. Some key achievements in FY22 include:

- trained 49 tradespeople in hand and power tools and 57 tradespeople in hydraulics and pneumatics at the Engineering School;
- 186 employees completed the cultural awareness training; and
- 186 employees completed induction training.

Perenti's training centre in Botswana and our commitment to support and develop African communities was recognised in FY22 by the Australia-Africa Minerals & Energy Group (AAMEG) at the 2021 Africa Awards announced at the Africa Down Under conference.

Indigenous Engagement

In recognition of the fact that mining often takes place on indigenous land, Perenti is developing a group-wide Indigenous Engagement Strategy. This strategy will further help guide our approach to creating genuine, respectful, and productive relationships with local groups.

Our entry into North America has seen us partner with First Nations groups to ensure we maximise local participation and we have recently formed a partnership with the Indigenous Desert Alliance (IDA) in Australia to help shape our approach to Indigenous engagement in the future.

CLONTARF

Barminco has partnered with the Clontarf Foundation since 2010 and is committed to the continued support of this program, participating in a range of activities to strengthen our ties as a partner.

As part of our NAIDOC Week celebrations in FY22, Barminco hosted an art challenge. The brief to students was to demonstrate what it means to them to "Walk in their Shoes". This core principle supports the commitment we make to the communities we operate in, and to listen, understand and respect different points of view.

Barminco employees have also supported a range of academies with participation in employment forums, dodgeball tournaments and *Good Bunch Lunches*, even providing a joint experience to the students at Kalgoorlie to learn about Australia's Birds of Prey.

We are committed to developing and maintaining relationships of mutual understanding and respect with local Indigenous communities in whose traditional lands the Company operates.

PERENTI SUPPORTS CoRE LEARNING FOUNDATION

Perenti is proud to sponsor of the Centre of Resource Excellence (CoRE) Learning Foundation for the first year. The CoRE Learning Foundation works to inspire the next generation through hands on STEM learning across its 11 schools in Western Australia's Pilbara, Wheatbelt and Goldfields regions. CoRE's mission is to make learning real-world by combining the sciences, technology, engineering, arts and maths to develop novel solutions to real-world problems.

Our sponsorship helped support nearly 1000 CoRE students progress through the 2021 – 2022 program, an increase of 60% from the previous year. The year saw the launch of a new digital earth science learning tool for that provides students with the choice of eight educational games. One game allows students to digitally create a diorama describing an archean deep sea environment, reflecting a Pilbara iron ore formation.

CASE STUDY

IDA PARTNERSHIP

The Indigenous Desert Alliance (IDA) is an Indigenous led not-for-profit organisation whose membership is comprised of Indigenous land management organisations working in the desert regions of Australia.

The IDA plays a vital role in 'Keeping the Desert Connected' and building resilience for desert ranger programs. It is focused on working with its members and partners to ensure that Indigenous people are enabled to collaboratively manage Australia's desert country and through this, to realise their social, cultural, environmental and economic aspirations.

The partnership will enable Perenti to continue its engagement with Indigenous communities, ensure the IDA's vital programs are supported and the importance of the desert regions of Australia is acknowledged.

Perenti

SUSTAINABILITY REPORT 2022

Expect More

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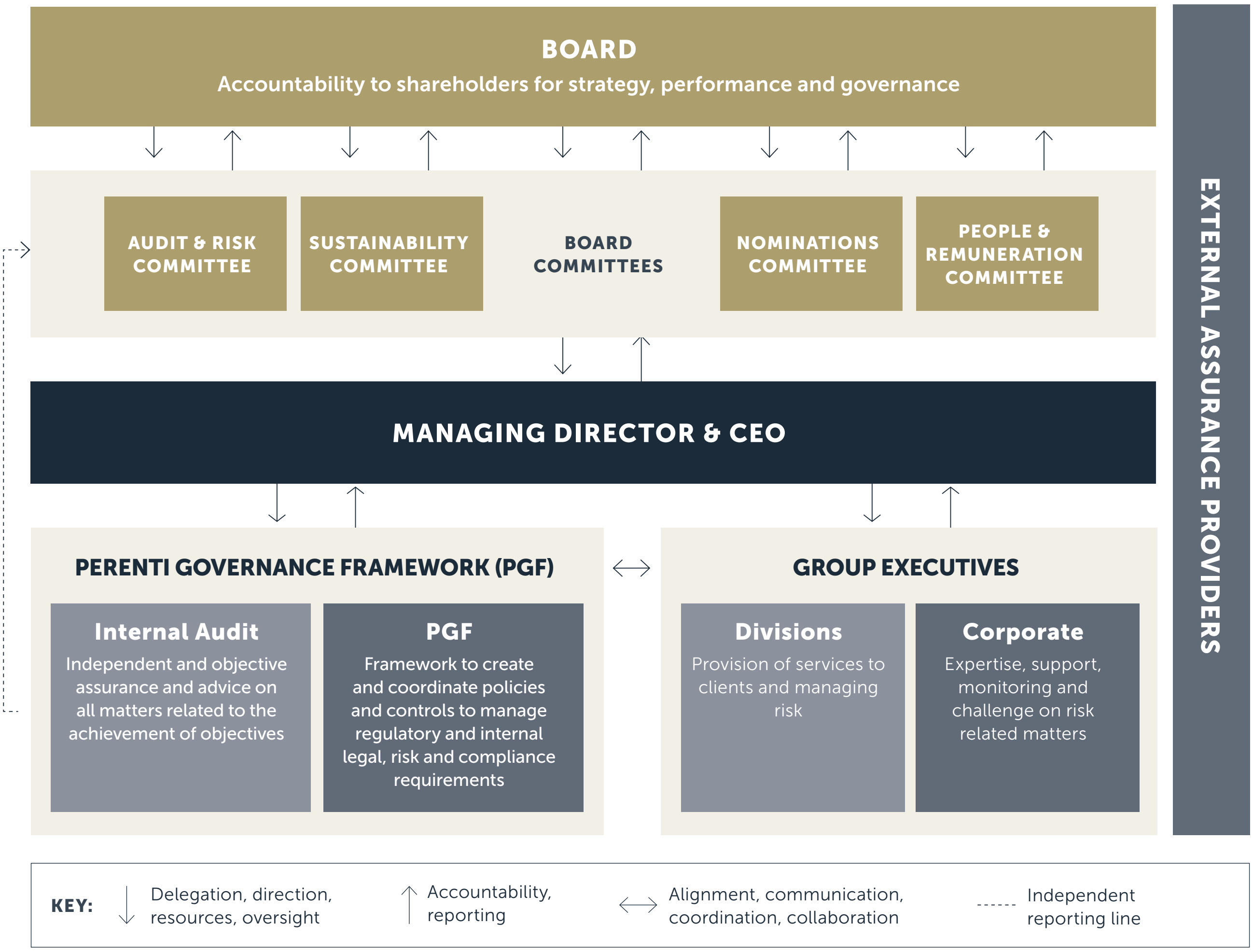
GOVERNANCE
AND RISK

STRENGTHENING GOVERNANCE AT PERENTI

ORGANISATIONAL STRUCTURE MAP AND LINES OF RESPONSIBILITY AND ACCOUNTABILITY



GOVERNANCE AND RISK

BOARD COMMITTEES

The Board has established four committees that are structured in accordance with the Corporate Governance Principles and Recommendations 4th Edition of the ASX Corporate Governance Council (**ASX Recommendations**) and enable the Board to effectively discharge its responsibilities. The committees review relevant matters and make recommendations to the Board.

In line with the Company's ongoing commitment to best practice corporate governance, in January 2022 the Board approved the change in the committee structures to establish the Sustainability Committee and the Nomination Committee.

Each committee has a Charter that outlines the roles and responsibilities of the committee, its members, meetings and reporting requirements. All Charters were reviewed and updated for best practice in FY22. Further information about corporate governance as well as copies of the Board and committee charters can be found in the corporate governance section of the Company's website at **perentigroup.com**.

CORPORATE GOVERNANCE STATEMENT

The Company's 2022 Corporate Governance Statement outlines the Company's current corporate governance framework, by reference to the ASX Recommendations.

The Corporate Governance Statement is current as at 22 August 2022 and has been approved by the Board.

The statement can be found in the corporate governance section of the Company's website at **perentigroup.com**. The related ASX Appendix 4G, a checklist cross-referencing the ASX Recommendations to disclosures in the Corporate Governance Statement and the 2022 Annual Report can be found under the ASX Announcements section of the Company's website at **perentigroup.com**.

BOARD SKILLS MATRIX

In FY22, an external review was conducted of the board skills as part of the annual Board evaluation process to identify the key skill areas for the Board to discharge its responsibilities in accordance with the highest standards of governance and to execute the Company's 2025 Strategy. The results of this review were evaluated to ascertain whether there were any skill gaps that would need to be addressed through succession planning and/or director professional development program. The combination of skills and experience were chosen to align with the Company's 2025 Strategy as well as the Company's current and emerging risks, opportunities, challenges and developments. The Company's board skills matrix shows the extent of the knowledge and experience of the directors in each area, taking into consideration their years of direct experience.

SKILLS / COMPETENCY

 ABN 95 009 211 474

MEMBERSHIP	ROLE	KEY RESPONSIBILITIES
Audit and Risk Committee		
Andrea Hall (Chair) Robert Cole Timothy Longstaff	To assist the Board in fulfilling its oversight responsibilities in relation to the integrity of the Company's financial reporting, the effectiveness of the Company's systems of risk management and controls, the Company's legal and regulatory compliance and internal and external audit.	The responsibilities of the committee are to monitor, review and, where appropriate, make recommendations to the Board on the following matters: • Relevant changes in legislation and corporate governance in relation to financial and risk reporting • Material accounting policies and practices and the adequacy of the Company's financial controls • Adequacy of and compliance with the Company's risk management framework and policy and the material emerging business risks • Procedures for the appointment, dismissal and rotation of the external auditor, independence and performance of the external auditor, external audit reports and annual audit plan and work program • Performance of internal audit function, the internal audit plan and work program and internal audit reports and recommendations • The Company's tax risk governance framework and tax reporting • Assessment of processes to ensure compliance with legal and regulatory requirements • Reviewing the half and full year financial statements and the integrity of periodic corporate reports released to the market • Any material reports received through Speak Up or breaches of the Company's Anti-Bribery and Corruption Policy.
Nomination Committee		
Robert Cole (Chair) All Non-executive directors	To assist the Board in fulfilling its oversight responsibilities in relation to the Board's composition, performance, and succession planning.	The responsibilities of the committee are to monitor, review and make recommendations to the Board on the following matters: • Criteria for appointment of new directors • The composition of the Board and committees • Director induction program • Board performance evaluation • Board skills matrix • Board succession planning • Director professional development program • Director independence and associated disclosures.
People and Remuneration Committee		
Mark Hine (Chair) Andrea Hall Robert Cole	To assist the Board in fulfilling its oversight responsibilities in relation to people and remuneration and ensuring the Company's has a remuneration framework and policies to attract, reward and retain a diverse workforce.	The responsibilities of the committee are to monitor, review and, where appropriate, make recommendations to the Board, on the following matters: • The Company's inclusion and diversity strategy and policy • The Company's remuneration framework, policies and practices • Chair, Non-executive director, MD & CEO and Group Executive remuneration • MD & CEO and Group Executive succession planning • Organisational culture • Breaches of the Code of Conduct • The Company's incentive plans.
Sustainability Committee		
Timothy Longstaff (Chair) Alexandra Atkins Mark Hine Robert Cole	To assist the Board in fulfilling its oversight responsibilities in relation to the Company's policies, practices and governance in safety, health, environment, climate change, communities and human rights.	The responsibilities of the committee are to monitor, review and, where appropriate, make recommendations to the Board, on the following matters: • Sustainability policies and strategies • Sustainability risk management • Compliance with legal and regulatory obligations relating to sustainability • The Company's performance in relation to sustainability matters and commitment • Safety and safety investigations • Relevant changes in legislation, corporate governance, standards or expectations in relation to sustainability • The Company's sustainability reporting.

GOVERNANCE AND RISK

OUR RISK MANAGEMENT FRAMEWORK

During FY22, Perenti conducted a strategic update of its risk management framework with an emphasis on optimising risk culture and formalised integration into decision making. The revised risk management framework sets out clear roles and responsibilities with minimum performance requirements applicable across the Group. Perenti relies on effective risk management as a competitive advantage to adapt to a dynamic mining industry within a complex external environment.

While we have controls in place to manage threats, we realise the importance of making effective risk-reward decisions based on relevant data and intelligence. Our framework is designed around understanding and controlling those events that can significantly impact our strategic and operating objectives, ultimately decreasing the probability and impact of threats while realising the benefit from opportunities where practicable. We regularly review our enterprise risk suite, including the impact, likelihood, critical control effectiveness and committed actions to optimise our control profile and inform our decision making. We also conduct strategic risk assessments of our insurable risk profile to optimise our risk mitigation and transfer in line with our risk appetite.

Perenti's risk framework defines enterprise risks as those risks that are significant at a Group level, based on materiality, strategic time horizon and broader Group applicability. Enterprise risks are managed by the Group Executive Committee with effective oversight by the Board, and with the Audit and Risk Committee of the Board monitoring the overall effectiveness of our risk management framework.

Perenti has an effective crisis management program which is regularly tested and exercised. This is complemented by integrated business continuity planning and a cyber incident response team to ensure we are resilient in the face of cyber threats.

Enterprise risk management is a fundamental component of the Perenti governance framework and enables effective second and third line assurance to test the adequacy and effectiveness of the internal control framework to increase the likelihood of achieving business objectives.

EMERGING RISK

Geopolitical tensions, logistics constraints and supply / demand imbalances continue to create challenges for globalised markets and the impact to organisations will continue to be felt. This complex landscape highlights the importance of proportionate risk management, including detection and investigation of emerging risks. Perenti proactively analyses the impact of these risks to our key strategic and operational objectives so we can react and respond effectively.

Some emerging risk themes faced by Perenti are described below:

Changing ESG expectations: There are varying frameworks, principles and guidelines that exist which makes it challenging for organisations to navigate the ever evolving and complex ESG environment. The reporting landscape is beginning to converge in terms of standards and disclosure, however expectations from major stakeholders, including investors, financial institutions and wider society continue to increase. While these changing expectations are likely to impact the mining industry, there remains opportunity for Perenti as we monitor and actively adapt to the changing environment. We continue to integrate sustainability into our decision-making, business processes and operational practices.

Climate change and carbon emissions: The regulation (and associated pricing) of greenhouse gasses is increasing globally. As a result, there is a growing market pressure for companies to disclose their measures for identifying and managing both physical and transitional climate related risks. Perenti continues to act to address climate change as we incorporate climate-related considerations in our strategic planning, business planning and decision-making.

Evolving mining services market: The rate of technological improvements in the mining industry is increasing, as is the potential for the introduction of new competing technologies by direct and indirect competitors. Perenti has committed to fund digital technology capability through investment in idoba, which will allow us to stay ahead of technological advancement in the mining industry to maintain our competitiveness while remaining responsive to market demand.

Macroeconomic environment and commodity cycle: A war in Europe and the supply-chain disruptions exacerbated by shutdowns in China are significantly impacting global economic conditions with the potential for a recession. Changes to commodity prices may impact our client's capital investment or contracting strategy. Perenti maintains a diverse portfolio of businesses across a range of markets and geographies to mitigate macroeconomic uncertainty.

KEY ENTERPRISE RISKS

Perenti has a consistent, proactive approach to risk management across operations globally aligned with ISO 31000, as well as the ASX Principles and Recommendations. The Group's commitment to strong governance extends through to the approach taken to risk management systems and controls and effective integration with our internal audit function. Our enterprise risks are risks which have been identified to have the potential to have a material adverse impact on the financial condition and results of operations and they are the risks that are most relevant to existing and potential shareholders.

The key enterprise risks are set out below with an overview of how we manage those risks. The risks are not necessarily listed in order of importance and are not intended as an exhaustive list of all the risks and uncertainties associated with the Group's business.

RISK	MITIGATION
WINNING WORK AND MARKET RISK	
It's important that Perenti maintains its project pipeline to balance our organic growth objectives. Perenti strives to win and maintain quality projects underpinned by robust financial and commercial disciplines to enable organic growth objectives. However, there is inherent uncertainty in how contract mining projects are priced given the risk environment in which we operate. We also face disruption due to the changing technology landscape and mining service market.	We balance risk and reward carefully with all projects and are selective in the contracts that we enter to allow for options to extend where possible to maximise the contract period and the return on capital. Utilisation of our considerable body of knowledge together with the application of our estimating and work procurement practices (including tenders) and structured approval processes maximises the likelihood of securing quality work with commensurate returns for the risks taken. The Group maintains a work portfolio diversified by geography, market, activity and client to mitigate the impact of emerging trends and market volatility. We have historically had a strong record of completing contracts to term and securing contract extensions. There remains an opportunity to invest in technology capability to expand and diversify mining services revenue sources.
PROJECT DELIVERY AND MARGINS	
The Group's activity levels and results are dependent on production levels at clients' mines while revenues are linked to the production volumes and not to the short-term price of the underlying commodity. Perenti is exposed to uncertainty over the availability and cost of key resources, including talent, assets and key supplies. Sub-optimal project execution can put pressure on earnings, cashflow and ability to fund growth. Contracts can be terminated for convenience by the client at short notice and without penalty, although this is not a common occurrence.	The Group derives most revenues from mines which are already in production. We have limited our exposure to the exploration activities market which has been volatile and are focused on providing services to large lower-cost producers who are not subject to the same production risk as higher-cost operations. We are focused on ensuring execution of work to a high standard and improving our operation to increase our value proposition to clients. Rise and fall provisions exist in key contracts to compensate Perenti for key project input cost movements.
FINANCIAL RISK	
Liquidity risk is the risk that Perenti will not be able to meet its financial obligations as they fall due. This could be as a result of counterparty risk, poor project performance and inability to repatriate and recycle cash on a timely basis, amongst other things.	Our approach to managing liquidity risk is addressed through active treasury management, the scale of the business and the large number of counter-parties and projects that contribute to the Group's cash flows so that we are not reliant on any one project, party, or jurisdiction. In addition, we continuously monitor minimum liquidity level thresholds through short, medium and long-term cash flow forecasting and through active management of credit and equity funding lines. In addition, Perenti has a comprehensive insurance program that provides protections against key risks and loss of assets.
Access to capital is a risk that could adversely impact the Group's ability to meet its growth ambitions and meet other funding requirements as and when required.	This risk is managed through a disciplined capital allocation process, targeting and maintaining an appropriate balanced debt and equity capital structure which includes access to a mix of credit lines with different maturity dates. Interest rate risk is an outcome of the Group's overall capital structure and is actively reviewed and managed through a mix of fixed and variable sources of funding and capital allocation to prudently manage this exposure.
The Group operates across a number of international jurisdictions and has US dollar denominated debt through its US144A notes and as result can have exposure to foreign currency fluctuations, primarily in US dollars, Euros and West African francs. The Group also has US dollar denominated debt through its US144A notes and credit lines.	The Group aims to ensure that the net balance sheet exposure is kept to an acceptable level by matching foreign denominated financial assets with matching financial liabilities, natural cashflow hedges with certain cash inflows and outflows denominated in the same currency and is further supported by flexible credit lines which can be drawn in Australian and US dollars. The Group may hedge material foreign exchange exposures for firm commitments relating to sales or purchases or when highly probable forecast transactions have been identified.

GOVERNANCE AND RISK

RISK	MITIGATION
SOVEREIGN AND SECURITY RISKS IN SOME JURISDICTIONS WE OPERATE IN	
Some of the jurisdictions within which the Group operates are subject to sovereign and security risks. Changes in Government, regulation and tax in overseas jurisdictions has the potential to impact our performance.	Board approval is required to enter a new jurisdiction. The Group ensures that it has a comprehensive understanding of the overseas jurisdiction before entering it. Management monitors our current and potential geographies, industries, activities and competitors on an ongoing basis. We employ internal security expertise to manage the Group's security framework. There is ongoing communication with the businesses and reporting on operations and developments in all jurisdictions in which we operate. The Group also limits its risks contractually by only accepting a manageable risk profile within the terms and conditions of our contracts.
LABOUR COSTS AND AVAILABILITY OF SKILLED PEOPLE	
The Group is exposed to increased labour costs in markets where the demand for labour is strong. Changes to labour laws and regulations may limit productivity and increase costs of labour. If implemented and enforced, these types of changes to labour laws and regulations could adversely impact revenues and, if costs increase or productivity declines, operating margins. Perenti could also lose key executives, senior management or key operational personnel.	The Group's labour costs are typically protected by rise and fall mechanisms within client contracts, which mitigate the impact of rising labour costs. In Australia, wage labour costs are typically governed by agreed enterprise agreements, which set out agreed wage increases within defined periods of time. We have an apprenticeship program that focuses on training and development of our employees. We utilise a comprehensive Group-wide framework to conduct reward/remuneration and succession planning which includes talent development as well as bi-annual salary benchmarking.
HEALTH AND SAFETY	
It is possible that the Group may experience incidents, including life-changing events which have the potential to cause physical or psychological harm. Perenti is committed to providing a systematic process to manage these hazards.	Governance of health and safety is overseen by the Sustainability Board Committee. The Group has established a HSE management system consistent with international standards to manage health and safety risks. Key aspects include: • Integration of psychosocial hazards into operational risk management practices • Provision of appropriate training, supervision and resources • Critical Risk Standards and verification processes provide the framework for managing serious injury and fatality risk • Leadership training and development to support a mature culture which includes specific programs in relation to safety, and with particular respect to sexual assault, sexual harassment and other harmful behaviours • Regular review and audit of HSE processes and controls • Monitoring of periodic HSE reporting and Significant Potential Incidents (SPI) at Group level.
CYBER SECURITY AND DATA PROTECTION	
The growing volume and complexity of cyber-attacks is increasing the risk to Perenti's network.	The Group continues to invest in systems and infrastructure to protect our assets. This includes: • Information security management systems (ISMS) • Segregation and segmentation of networks • Anti-malware / endpoint detection and response detection software • Multi-factor authentication (MFA) • Security education and awareness materials • Penetration testing and supporting independent assurance of our control framework • Ensuring business resilience plannings for cyber related scenarios.
FRAUD, BRIBERY AND CORRUPTION	
Perenti is exposed to fraud, bribery and corruption risk in some jurisdictions which could result in fines, reputational impacts and the loss of growth opportunities. Perenti's reputation is critical to allow us to deliver on our strategy.	Perenti is committed to the highest standard of ethical conduct and regulatory compliance. Management authority is effectively delegated through risk-based delegation of authorities; appropriate segregation of duties are in place and compliance risks are a key part of Perenti's broader risk framework. Group level policies and standards, including our Code of Conduct set out the standards of behaviour expected of our directors, employees, consultants, contractors and suppliers and are supported by robust first, second and third line assurance.

ABN 95 009 211 474

FINANCIAL REPORT 2022

Perenti

ABN 95 009 211 474

Creating enduring
value and certainty

Expect
More

CORPORATE DIRECTORY

DIRECTORS

Robert Cole - Chair
Mark Norwell - Managing Director & Chief Executive Officer
Mark Hine - Non-executive Director
Alexandra Atkins - Non-executive Director
Andrea Hall - Non-executive Director
Timothy Longstaff - Non-executive Director
Craig Laslett - Non-executive Director

SECRETARIES

Rajiv Ratneser
Justine Passaportis

CHIEF FINANCIAL OFFICER

Peter Bryant

PRINCIPAL REGISTERED OFFICE IN AUSTRALIA

Level 2, 202 Pier Street
Perth Western Australia 6000

SHARE REGISTER

Link Market Services Limited
Level 12, QV1 Building, 250 St Georges Terrace
Perth Western Australia 6000

AUDITOR

PwC
Level 15, 125 St Georges Terrace
Perth Western Australia 6000

SOLICITORS

Johnson Winter & Slattery
Level 4, 167 St Georges Terrace
Perth Western Australia 6000

STOCK EXCHANGE LISTINGS

Perenti Global Limited shares are listed on the Australian Stock Exchange. ASX CODE: **PRN**

Perenti Global Limited's subsidiary USD notes are listed on the Singapore Exchange (SGX).

WEBSITE

perentigroup.com

FINANCIAL REPORT 2022

ABOUT THIS REPORT

These financial statements are consolidated financial statements for the Group consisting of Perenti Global Limited and its subsidiaries. A list of major subsidiaries is included in note 14.

- The financial statements are presented in Australian currency, Australian Dollars.
- The financial statements were authorised for issue by the directors on 22 August 2022. The directors have the power to amend and reissue the financial statements.
- All press releases, financial reports and other information are available on our website: **perentigroup.com**

DIRECTORS' REPORT

Your directors present their report on the consolidated entity (the "Group") consisting of Perenti Global Limited (the "Company") and the entities it controlled at the end of, or during, the year ended 30 June 2022.

DIRECTORS AND COMPANY SECRETARY

The following persons were directors of the Company during the financial year and up to the date of this report (unless indicated otherwise):

- Robert Cole (Chair)
- Mark Norwell (Managing Director & Chief Executive Officer)
- Mark Hine
- Alexandra Atkins
- Andrea Hall
- Timothy Longstaff (appointed 16 August 2021)
- Craig Laslett (appointed 28 February 2022)

Rajiv Ratneser and Justine Passaportis are the Joint Company Secretaries.

Mr Ratneser BCom, LLB, is the Chief Legal & Risk Officer and Joint Company Secretary. Mr Ratneser is a senior executive and qualified lawyer with more than 20 years' national and international experience across legal, commercial, governance and risk. Mr Ratneser has served in senior leadership and executive roles for a variety of businesses and his experience spans Australia, Africa, Asia, UK and North America.

Ms Passaportis BCom, LLB is Senior Legal Counsel and Joint Company Secretary. Prior to joining the Company, Ms Passaportis was a Senior Associate at the global law firm, Clifford Chance, and prior to that at Clayton Utz. Ms Passaportis has held other various positions as an in-house legal counsel.

DIVIDENDS - PERENTI GLOBAL LIMITED

The following table outlines dividends paid/payable to members during the financial year. On 22 August 2022, the directors determined that no final ordinary dividend for the year ended 30 June 2022 (2021: 2.0 cents) be declared in line with the Group's Capital Management Policy.

	22 $'000	21 $'000
Prior year unfranked dividend of 2.0 cents per ordinary share paid 20 October 2021 (2020: 3.5 cents paid 3 November 2020).	**14,108**	24,563
No interim dividends were determined for the year ended 30 June 2022 (2021: unfranked interim dividend of 3.5 cents per ordinary share paid 7 April 2021).	**-**	24,707
	14,108	49,270

The Company's Dividend Reinvestment Plan (DRP) was suspended with effect from 16 March 2021 until further notice.

PRINCIPAL ACTIVITIES AND REVIEW OF OPERATIONS

The principal activities for the Group during the year were the provision of contract mining - for surface and underground mining, mining services and idoba. Additional information on the principal activities, operations and financial position of the Group and its business strategies and prospects is set out in the operating and financial review on pages 2 to 28 of this annual report.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

There were no significant changes in the state of affairs of the consolidated entity during the financial year ended 30 June 2022.

EVENTS SINCE THE END OF THE FINANCIAL YEAR

On 18 July 2022, the Group announced it has entered into a settlement agreement to recover $10 million related to historical damages caused to a property in West Africa. The settlement amount is before fees and taxes and will have a positive impact to FY23 statutory earnings.

On 22 August 2022, the Group announced it executed a Share Sale Agreement for the sale of 10% of the issued shares in idoba Pty Ltd to the Sumitomo Corporation for a total cash consideration of $5.4 million.

There are no other matters or circumstances that have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in subsequent financial years.

LIKELY DEVELOPMENTS AND EXPECTED RESULTS OF OPERATIONS

Additional comments on expected results of certain operations of the Group are included in this Annual Report in the operating and financial review on pages 2 to 28.

ENVIRONMENTAL REGULATIONS

The Group is subject to environmental regulations and complies to these regulations at its owned and operated facilities (for example our workshops). Our clients have obligations under environmental regulations and the Group complies with its contractual obligations in this regard. The Group is committed to reducing the impact of its operations on the environment and meeting its environmental regulations and contractual obligations.

INFORMATION ON DIRECTORS

The following information is current as at the date of this report.

Robert Cole

BSc, LLB (Hons)
Non-executive director and Chair

Experience and expertise

Rob Cole was appointed as a non-executive director on 14 July 2018 and was appointed as Chair on 8 May 2021.

Mr Cole has over 35 years experience in the energy and resources industry. He was a former Executive Director on the board of Woodside Petroleum Limited and a former Managing Director of Beach Energy Limited. He was also a former Chair of the Australian Petroleum Production and Exploration Association. Prior to joining the oil and gas industry, Mr Cole was a partner in the law firm now known as King & Wood Mallesons.

Mr Cole is currently Chair of Illuka Resources Ltd, Chair of Synergy, Chair of the Western Australian Land Information Authority (Landgate) and a member of the Council of Curtin University.

Mr Cole holds Bachelor of Science and Bachelor of Laws degrees from the Australian National University in Canberra and is also a graduate of the Harvard Business School Advanced Management Program.

Other current directorships of listed companies

Non-executive director of Iluka Resources Ltd since March 2018 and Chair since April 2022

Former directorships in last 3 years

None

Special responsibilities

Chair of the Board

Member of the People and Remuneration Committee

Member of the Audit and Risk Committee

Member of the Sustainability Committee since 1 January 2022

Chair of the Nomination Committee since 1 January 2022

Interests in shares and options

249,831 ordinary shares

Mark Norwell

BE(Hons), MBA, MAICD
Managing Director & Chief Executive Officer

Experience and expertise

Mark Norwell was appointed as Managing Director & Chief Executive Officer on 17 September 2018.

Mr Norwell is a highly experienced mining services executive. Prior to joining Perenti, he was the Executive General Manager, Strategy & Growth at Thiess Pty Ltd, and a member of Thiess' executive leadership team. Over a 20-year career in the mining services sector he has held senior roles with Leighton Contractors, HWE Mining and Macmahon Holdings.

Mr Norwell holds a Bachelor of Civil Engineering (Hons) degree from the University of Western Australia and an Executive MBA from the University of New South Wales. He is also a member of the Australian Institute of Company Directors.

Other current directorships of listed companies

None

Former directorships in last 3 years

None

Special responsibilities

Managing Director & Chief Executive Officer

Interests in shares and options

528,956 ordinary shares

1,419,409 LTI rights over ordinary shares issued

271,246 STI rights over ordinary shares issued

1,969,831 LTI rights over ordinary shares are awaiting grant at Perenti's Annual General Meeting if approved by the Shareholders

Up to a maximum of 515,961 STI rights over ordinary shares granted, not yet issued at 30 June 2022

INFORMATION ON DIRECTORS (CONTINUED)

Mark Hine

MAICD, MAusIMM
Non-executive director

Experience and expertise

Mark Hine was appointed as a non-executive director on 24 February 2015.

Mr Hine is a mining engineer. He graduated from the Western Australia School of Mines and is a member of the Australian Institute of Company Directors and the Australian Institute of Mining and Metallurgy. He has extensive mining experience with over 25 years of senior management roles in both surface and underground mining operations.

Mr Hine previously held senior positions in the mining industry as Chief Operating Officer at Griffin Mining Ltd, Chief Operating Officer at Focus Minerals Ltd, Chief Operating Officer at Golden West Resources Ltd, Executive General Manager Mining at Macmahon Contractors Pty Ltd, Chief Executive Officer at Queensland Industrial Minerals Ltd, General Manager at Consolidated Rutile Ltd and General Manager Pasminco, Broken Hill/Elura Mines.

Other current directorships of listed companies

None

Former directorships in last 3 years

None

Special responsibilities

Chair of the People and Remuneration Committee

Member of the Sustainability Committee since 1 January 2022

Member of the Nomination Committee since 1 January 2022

Interests in shares and options

145,000 ordinary shares

Alexandra Atkins

BE (Mineral Exploration & Mining Geology), Hon BE (Mining), MBA (Finance), FIEAust, CPEng, EngExec, NER, APEC Engineer IntPE(Aus), FAusIMM(CP), GAICD
Non-executive director

Experience and expertise

Alex Atkins was appointed as a non-executive director on 14 July 2018.

Ms Atkins is also a non-executive director of Strandline Resources Limited, Aquirian Limited and a former director of the Australasian Institute of Mining and Metallurgy and International Women in Mining (London). She has over 25 years' multi-disciplinary, multi-commodity experience through the full mining value chain across Australia and PNG in roles that find, design, run and regulate mines.

Ms Atkins' mine operations roles include: Geologist for Australian Consolidated Minerals; Mining Engineer for Mt Isa Mines Ltd; Underground Miner/Airleg Miner for Plutonic Resources; Underground Miner, Mining Engineer/Deputy Mine Manager and Geotechnical Engineer for Placer Dome Asia Pacific; and Mining Engineer for Murchison United.
Her career then pivoted to professional services and regulation, including: Senior Mining Engineer for AMC Consultants; District Inspector of Mines for the WA Department of Mines & Petroleum; Principal Mining Consultant for Optiro & Alternate Futures; Chief Advisor at Sustainability; Risk Manager at Deloitte; COO at PETRA Data Science; and MD & Principal at Alex Atkins & Associates, which is focused on conformance and performance.

Ms Atkins holds two Bachelor of Engineering Degrees, from the University of Queensland and WA School of Mines, qualifying her as a Mining Engineer, Geotechnical Engineer and Geologist. She holds First Class Mine Manager's Certificates for Western Australia and Queensland and has an MBA (Finance) from the Australian Institute of Business. She is a Graduate Member of the Australian Institute of Company Directors, Chartered Professional Fellow of The AusIMM and Engineers Australia.

Other current directorships of listed companies

Non-executive director of Strandline Resources Limited since May 2021

Non-executive director of Aquirian Limited since April 2021

Former directorships in last 3 years

None

Special responsibilities

Member of the People and Remuneration Committee until 1 January 2022

Member of the Sustainability Committee since 1 January 2022

Member of the Nomination Committee since 1 January 2022

Interests in shares and options

66,166 ordinary shares

INFORMATION ON DIRECTORS (CONTINUED)

Andrea Hall

FCA, GAICD, BCom
Non-executive director

Experience and expertise

Andrea Hall was appointed as a non-executive director on 15 December 2019.

Ms Hall is a chartered accountant with more than 30 years' experience in the financial services industry in roles involved in internal audit, risk management, corporate and operational governance, external audit, financial management and strategic planning. She commenced her career at KPMG in 1987, before retiring from the firm in 2012 as a Risk Consulting Partner where she serviced industries including mining, mining services, transport, healthcare, insurance, property and government.

Ms Hall is an experienced non-executive director and currently serves as a non-executive director on the boards of several listed and non-listed entities, including Evolution Mining, the AFL Fremantle Dockers, Pioneer Credit, and the Insurance Commission of Western Australia.

Ms Hall holds a Bachelor of Commerce degree from the University of Western Australia and is also a Fellow of Chartered Accountants Australia & New Zealand. She served on the WA Council for Chartered Accountants Australia & New Zealand for seven years until 2011, the last year as the Chair. She has also completed a Masters in Applied Finance (Corporate Finance) and is a graduate of the Australian Institute of Company Directors.

Other current directorships of listed companies

Non-executive director of Evolution Mining Limited since October 2017

Non-executive director of Pioneer Credit Limited since November 2016

Former directorships in last 3 years

Non-executive director of Automotive Holdings Group Limited from May 2018 to September 2019

Special responsibilities

Chair of the Audit and Risk Committee

Member of the People and Remuneration Committee 1 January 2022

Member of the Nomination Committee since 1 January 2022

Interests in ordinary shares

142,500 ordinary shares

Timothy Longstaff

BEc, FCA, GAICD, F FIN
Non-executive director

Experience and expertise

Tim Longstaff was appointed as a non-executive director effective from 16 August 2021.

Through his career in Australia and overseas, Mr Longstaff brings a depth of experience in finance, strategy formulation, acquisitions and divestments, debt and equity capital markets, and investor engagement amongst asset-intensive industrial companies.

Mr Longstaff holds a Bachelor of Economics degree, is a Fellow of the Institute of Chartered Accountants in Australia and New Zealand, a Graduate of the Australian Institute of Company Directors, and a Fellow of the Financial Services Institute of Australia.

Mr Longstaff started his career in the audit division of Price Waterhouse (now PricewaterhouseCoopers). He then had a 25-year career in investment banking, with many years in Managing Director and senior executive roles at top-tier global firms.

More recently, Mr Longstaff served as Senior Advisor to the Federal Minister for Finance and Leader of the Government in the Senate, and the Federal Minister for Trade, Tourism and Investment. Through this experience, he brings valuable global geo-political perspectives and insights into the workings of Government.

Mr Longstaff is also a non-executive director of ASX-Listed Ingham's Group Limited where he serves on the Risk & Sustainability Committee and the Finance & Audit Committee; a non-executive director of Snowy Hydro Limited where he serves on the Audit & Compliance Committee and the Safety, Operations & Environmental Risk Committee; and a non-executive director of the Board of the George Institute for Global Health where he is Chair of the Risk Committee and serves on the Audit Committee. He is also a member of the Australian Government's Takeovers Panel and a member of Chifley Associates.

Other current directorships of listed companies

Non-executive director of Ingham's Group Limited since January 2022

Former directorships in last 3 years

None

Special responsibilities

Member of the Audit and Risk Committee since 16 August 2021

Chair of the Sustainability Committee since 1 January 2022

Member of the Nomination Committee since 1 January 2022

Interests in ordinary shares

100,000 ordinary shares

INFORMATION ON DIRECTORS (CONTINUED)

Craig Laslett

BEng (Civil), FIE(Aust) CP Eng, EngExc, FAICD
Non-executive director

Experience and expertise

Craig Laslett was appointed as a non-executive director on 28 February 2022.

Mr Laslett is a Civil Engineer with nearly 40 years of engineering, project management and executive experience across some of Australia's largest publicly listed mining services and infrastructure companies, including a role as the Managing Director of Leighton Contractors, a subsidiary of the Leighton Holdings Group (now CIMIC Group). This experience included accountability for HWE Mining and Leighton Mining, providing open cut mining, underground mining, and materials processing services across operations in Australia and overseas.

Mr Laslett is currently the Managing Director and Co-Owner of Leed Engineering & Construction Pty Ltd, a privately owned civil infrastructure contractor.

Mr Laslett holds a Bachelor of Civil Engineering degree from the University of South Australia, formerly the South Australian Institute of Technology.

In addition to his professional career, Mr Laslett is passionate about enhancing the contribution and value provided by the contracting and services industries, including representing the industry at board and governmental levels. This includes enhancing digital capability and supporting industry diversity and providing opportunities for indigenous and disadvantaged youth.

Other current directorships of listed companies

None

Former directorships in last 3 years

None

Special responsibilities

Member of the Nomination Committee since 28 February 2022

Interests in ordinary shares

1,000 ordinary shares

Meetings of directors

The numbers of meetings of the Company's board of directors and of each board committee held during the year ended 30 June 2022 and the numbers of meetings attended by each director were:

	Full meetings of directors		Meetings of committees							
			Audit & Risk		People & Remuneration		Sustainability		Nomination	
	A	B	A	B	A	B	A	B	A	B
Robert Cole - Chair	11	11	4	4	4	4	2	2	1	1
Mark Norwell	11	11	*	*	*	*	*	*	*	*
Mark Hine#	10	11	*	*	4	4	2	2	1	1
Alexandra Atkins#	10	11	*	*	2	2	2	2	1	1
Andrea Hall	11	11	4	4	2	2	2	2	1	1
Tim Longstaff #	9	10	4	4	*	*	*	*	1	1
Craig Laslett#	4	6	*	*	*	*	*	*	1	1

A = Number of meetings attended

B = Number of meetings held during the time the director held office or was a member of the committee during the year

* = Not a member of the relevant committee

Director unable to attend unscheduled Board meeting.

REMUNERATION REPORT

Dear Shareholders,

On behalf of the Board, I am pleased to present Perenti Global Limited's (Perenti or Group) Remuneration Report for the financial year to 30 June 2022.

The report details our remuneration framework for key management personnel (KMP), including how this framework is linked to our business strategy and the remuneration outcomes that were provided to KMP during the 2022 financial year.

FY22 overview

We were deeply saddened by the death of three employees. At the Hemlo mine in Canada, Troy Cameron lost his life when he was caught between ventilation doors underground and at the Zone 5 mine in Botswana, Baleseng Sechele and Moses Marpaung also lost their lives in event underground after being overcome by blasting fumes. Working with our clients, we have investigated the nature of these tragic events and will ensure these findings inform our safety programs and ongoing focus on preventing life-changing events.

The Board understands that the number of our people getting injured at work is not acceptable and, whilst we have been focusing on our Critical Risk Standards including being clear on the controls required to manage these risks and ensuring these controls are in place, the fatalities in FY22 have impacted executive remuneration outcomes. In FY23 and beyond, we are focused on our safety performance. Steps have been and continue to be taken to ensure we uphold our commitment to providing a safe workplace for our people.

The Company's financial performance for the year exceeded our expectations and was above the higher end of our revised guidance with a solid underlying EBIT(A) result of $176.3 million. This was achieved, despite the ongoing significant challenges related to numerous external factors including the continued impacts of the COVID-19 pandemic, border restrictions, geopolitical conflicts, labour constraints and supply chain and inflationary pressures. We are appreciative of the efforts of our employees who always strive to perform for our shareholders and support our clients and all stakeholders in our business.

Throughout the year management have paid particular attention to updating our 2025 Strategy, formalised the Capital Management Policy and completed a full operating model review which will enable a more agile, empowered, and focused business into the future. Some key outcomes in FY22 include:

- Completed a detailed cultural diagnostic report to fully understand core elements of our culture including how we operate, our principles and the behaviours we expect to enable a high performing and safe (physical & psychological) environment for our people,
- Developed and implemented a plan to eliminate sexual harassment and other harmful behaviours. This plan included our *It's Not Ok* campaign which surveyed our people to understand the reality of any harmful behaviours in our workplaces,
- Introduced a Culture and Inclusion Steering Group to provide oversight, direction and guidance across the company on cultural and inclusion initiatives,
- Mobilising new work in quality mining jurisdictions including the expansion into North America with the Red Chris project, New South Wales in Australia at the Cowal underground development and production contract and the ongoing ramp up at the Zone 5 underground project and the Motheo surface mining project both in Botswana,
- The idoba business has acquired the Orelogy and Atomorphis businesses as well as signing a Memorandum of Understanding with Sumitomo Corporation for the co-creation of digital mining products for the advancement of sustainable mining practices, and
- The sale of our MinAnalytical and Well Control Solutions businesses, as well as a property asset and our portfolio of equity shares including the Chrysos investment with the proceeds used to generate long term future value for our shareholders.

FY22 remuneration outcomes overview

The Board has assessed the FY22 remuneration outcomes to balance incentivising and rewarding and retaining our executives while ensuring they reflect overall business performance (including safety performance) and shareholder experience.

Executive KMP fixed remuneration outcomes

The Board was comfortable that the Total Fixed Remuneration (TFR) for the Managing Director & CEO, and CEO Contract Mining continued to be market competitive and as such their TFR and incentive opportunities were unchanged. However, after reviewing external peer market data, a modest increase was provided to the Chief Financial Officer's TFR increasing from $560,000 to $600,000 to better align his TFR with the market.

Short term incentive (STI) remuneration outcomes

The Board has reviewed the FY22 STI scorecard outcomes with a summary provided below:

- Due to the tragic fatalities, the fatality gateway for the safety metrics was not met, resulting in the 20% allocated to the safety components of the scorecard being reduced to 0%. However, the actual business outcome forfeited by each KMP was 30% given that two of the three safety metrics achieved stretch, before the application of the individual multiplier, and
- For our financial measures; the Group financial EBIT(A) metric has achieved at between target and stretch performance, cash conversion at stretch performance and work in hand at between target and stretch performance.

REMUNERATION REPORT (CONTINUED)

The application of the business and individual outcome modifier has led to a FY22 outcome for the Managing Director & CEO of 87% of maximum STI opportunity, 80% for the Chief Financial Officer and 84% for the CEO Contract Mining. From a maximum opportunity perspective, the Executive KMP's have forfeited on average 16% of their STI award, which the Board believes is reflective of a balanced position given the year's safety and financial performance.

Long term incentive (LTI) remuneration outcomes

The first Perenti LTI awards granted in FY19 were tested for vesting against its performance hurdles in FY22. The relative total shareholder return (rTSR) component of that award did not meet threshold vesting requirements, therefore vested at 0%. However, the return on average capital employed (ROACE) component met threshold performance. The combined performance provided for an overall 30.6% vesting outcome of the possible LTI opportunity. The Board feels this outcome is reflective of the company's performance over the LTI performance period.

FY22 incentive framework changes

As noted last year, Perenti had engaged an external remuneration consultancy to provide an all-encompassing review on our variable remuneration plans. Based on the outcomes of this review and feedback from shareholders, the following changes were made:

- The LTI rTSR peer group was revised as several comparators had shifted in size and/or operational focus and more relevant comparators had entered the market. The peer group continues to consist of mining services companies,
- Return on equity (ROE) replaces the ROACE metric in the LTI with a reduced weighting (50% to 30%). This aims to reflect feedback from investors that ROE would more accurately assess our capital efficiency and aligns with our updated strategy,
- A strategic initiative component worth 20% was introduced. This component comprises financial and non-financial measures which aim to incentivise performance related to long term cultural and financial improvements that create value for shareholders,
- The first measure (10% weighting), aligned with our 2025 Strategy, will assess cultural improvements, in particular through creating a psychologically safe and inclusive work environment. We aim to create an environment that sets us apart from our peers and delivers a strategic advantage in a competitive labour market. This also seeks to strengthen one of our key organisational principles of Smarter together. We will ensure appropriate, objectively measurable KPIs are in place for achieving this outcome,
- The second measure (10% weighting) requires reducing debt leverage to sub 1.0 times EBITDA, excluding possible acquisitions. This measure, which is aligned with our 2025 Strategy, incentivises an improved focus on capital management and acts as a balance with our introduction of ROE, where management is not incentivised to unnecessarily increase debt, and
- In the STI, a single Group business scorecard was applied for all Executive KMP. Previously, varying scorecards applied to different KMP. This approach ensures a collective focus on Group achievements, with individual performance differentiated via the individual multiplier.

Full details of the updates to the FY22 remuneration framework are detailed in sections 4 and 6, and further detail on the LTI will be provided in the 2022 Notice of Meeting.

Board remuneration outcomes

Fee levels for the Board roles have remained unchanged since 1 January 2020.

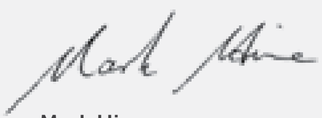
A new Sustainability Committee was introduced in January 2022 to assist the Board in fulfilling its responsibilities in relation to sustainability matters including safety, health, environment, climate change, communities and social performance, and human rights. We believe this will assist the Board to place an increased focus on improving the safety performance at the Company. The Sustainability Committee fees are the same as for the other committees of the Board.

The Board also established a separate Nomination Committee to recognise the benefit of focus from a standalone committee. The Nomination Committee includes all non-executive director and no separate committee fees have been provided for the Chair or members.

Summary

The Board is confident that the FY22 remuneration outcomes and the updates to the FY22 framework provide for a balanced approach to remuneration that seeks to appropriately reward financial and non-financial performance and shareholder value creation.

We thank you for your support and we look forward to welcoming you to our AGM.



Mark Hine
Chair, People and Remuneration Committee

REMUNERATION REPORT (CONTINUED)

1. Introduction

The Directors present the Perenti FY22 Remuneration Report, outlining key aspects of our remuneration principles, framework, and remuneration awarded this year.

The Remuneration Report is structured as follows:

1. Introduction
2. KMP for FY22
3. Remuneration strategy and principles
4. FY22 Remuneration changes
5. Outcomes in FY22
6. FY22 Executive KMP Remuneration Framework
7. Remuneration governance
8. Contractual arrangements with Executive KMP
9. Non-executive director remuneration
10. Additional statutory information

2. KMP for FY22

The tables below confirm all the KMP covered by the FY22 Remuneration Report:

Non-executive Directors (NEDs)		Term
Robert Cole	Chairperson	Full year
	Audit and Risk Committee – Member	Full year
	People and Remuneration Committee – Member	Full year
	Sustainability Committee – Member	Part year (from 1 January 2022)
	Nomination Committee – Chair	Part year (from 1 January 2022)
Mark Hine	Non-executive director	Full year
	People and Remuneration Committee – Chair	Full year
	Sustainability Committee – Member	Part year (from 1 January 2022)
	Nomination Committee – Member	Part year (from 1 January 2022)
Alexandra Atkins	Non-executive director	Full year
	People and Remuneration Committee – Member	Part year (until 31 December 2021)
	Sustainability Committee – Member	Part year (from 1 January 2022)
	Nomination Committee – Member	Part year (from 1 January 2022)
Andrea Hall	Non-executive director	Full year
	Audit and Risk Committee – Chair	Full year
	People and Remuneration Committee – Member	Part year (from 1 January 2022)
	Nomination Committee – Member	Part year (from 1 January 2022)
Tim Longstaff	Non-executive director	Part year (from 16 August 2021)
	Audit and Risk Committee – Member	Part year (from 16 August 2021)
	Sustainability Committee – Chair	Part year (from 1 January 2022)
	Nomination Committee – Member	Part year (from 1 January 2022)
Craig Laslett	Non-executive director	Part year (from 28 February 2022)
	Nomination Committee – Member	Part year (from 28 February 2022)

Executive Key Management Personnel (KMP)		Term
Mark Norwell	Managing Director & Chief Executive Officer (MD & CEO)	Full year
Peter Bryant	Chief Financial Officer (CFO)	Full year
Paul Muller	Chief Executive Officer Contract Mining (CEO Contract Mining)	Full year

REMUNERATION REPORT (CONTINUED)

3. Remuneration Strategy and Principles

Outlined below is Perenti's remuneration approach.

REMUNERATION STRATEGY

Perenti's remuneration strategy aims to enable the achievement of the Company's business objectives, and reward Executive KMP where its company strategy is achieved. To achieve the Company's business objectives, the framework is guided by the following principles in the table below.

REMUNERATION PRINCIPLES

ATTRACT AND RETAIN	SHAREHOLDER ALIGNMENT	PAY-FOR-PERFORMANCE	MARKET COMPETITIVE	SIMPLE AND TRANSPARENT
Enable Perenti to attract, motivate and retain talented and high performing employees that can execute and deliver our business objectives.	Align remuneration with the shareholder experience and long term value generation.	Linking remuneration to the performance of the Company and the individual.	Provide remuneration, which is competitive and relative to the market we are operating within.	Can be easily explained and understood by internal and external stakeholders.

EXECUTIVE KMP REMUNERATION FRAMEWORK

ELEMENT	Total Fixed Remuneration (TFR)	Short-Term Incentive (STI)	Long-Term Incentive (LTI)
HOW IS IT DELIVERED	Cash	Cash and equity	Equity
HOW IT WORKS	Provided as cash and statutory superannuation contributions	Award payment is provided as two thirds in cash and one third as STI Rights deferred for 12 months Award outcome is calculated as business outcomes times individual STI modifier STI Rights are subject to malus and clawback	Provided as performance rights subject to a three-year performance period Measured against strategically focused performance metrics Subject to malus and clawback
HOW IS IT POSITIONED	Positioned at the 50th percentile of comparative benchmarking data	Target Total Reward including TFR, STI and LTI at target outcomes is positioned at the 62.5th percentile of comparative market data	
WHAT IT ACHIEVES	Allows us to attract and retain key talent to deliver on business objectives	Incentivises strong performance to deliver on the key business priorities through variable, at-risk payments	Align reward with the shareholder experience and long-term value generation

REMUNERATION REPORT (CONTINUED)

4. FY22 Remuneration Changes

The following updates to the FY22 remuneration approach were made.

ADJUSTMENTS WITHIN THE REMUNERATION FRAMEWORK	FY21 APPROACH	CHANGE IN FY22	ALIGNMENT TO REMUNERATION PRINCIPLES AND RATIONALE
TOTAL FIXED REMUNERATION (TFR)	Various adjustments made as reported in the 2021 annual report	Only the CFO's TFR was increased from $560,000 to $600,000 from 1 October 2021. No changes to incentive opportunities were made.	**ATTRACT AND RETAIN, MARKET COMPETITIVE** Benchmarking data against peers of comparable market capitalisation and revenue indicated the CFO was paid below market. The Board provided a modest increase to the CFO's TFR to enhance competitiveness in the market.
STI SCORECARD	Separate business outcomes scorecard for CEO Contract Mining	Aligned business outcomes scorecard for all Executive KMP.	**PAY FOR PERFORMANCE, SHAREHOLDER ALIGNMENT, SIMPLE AND TRANSPARENT** Ensures a collective executive team focus on achieving Group outcomes, whilst the individual modifier continues to allow for the differentiation of individual performance.
LTI PERFORMANCE MEASURES	• 50% rTSR, and • 50% ROACE	• 50% rTSR. No updates to performance hurdles, with an updated peer group used, • 30% ROE replacing ROACE as the capital efficiency measure, and • 20% strategic initiatives.	**ATTRACT AND RETAIN, SHAREHOLDER ALIGNMENT, PAY FOR PERFORMANCE** The Board engaged an external remuneration consultant and shareholder feedback to support a review of incentive plans. Following the review: • The rTSR peer group was updated to ensure the most appropriate mining services companies continue to be included, • To reflect investor feedback that ROACE does not best reflect Perenti's capital performance and concerns that the use of underlying NPAT(A) is preferable to underlying EBIT, ROE has been selected, and • A strategic component, comprising of financial and non-financial measures, was introduced to incentivise the focus and achievement of long-term objectives.

To note, in FY23 the CFO's TFR will increase from $600,000 to $675,000 effective 1 October 2022. This increase reflects significant movement in the CFO benchmark survey data over the prior 24 months, hence increases in consecutive years. Additionally, the FY23 KMP scorecard will move from 200% to 150% of target STI opportunity, in line with Godfrey Remuneration Group's independent review. This change was implemented in FY22 for non-KMP and now aligns our STI scorecard application for all employees, commencing in FY23. For clarity, the maximum STI opportunity will remain unchanged.

REMUNERATION REPORT (CONTINUED)

5. Outcomes in FY22

(a) Company performance

The Company is conscious of the need to link remuneration to performance. The table below sets out a summary of information which provides details of performance measures used for the Executive KMP with some of the measures used in the STI or LTI plan.

Table 1 – Company Performance FY18 – FY22

	22 **$'000**	21 **$'000**	20 **$'000**	19 **$'000**	18 **$'000**
Sales revenue	**2,437,656**	2,087,542	2,046,058	1,638,392	866,281
Underlying EBIT(A)^	**176,293**	170,787	211,708	180,707	86,823
Operating profit before income tax*	**93,484**	22,369	107,146	268,554	74,079
Profit/(loss) after tax attributable to equity holders	**40,658**	(55,140)	23,837	181,326	61,050
Net profit/(loss) after tax	**42,486**	(52,303)	27,555	182,281	61,050
Share price at start of year ($ per share)	**0.67**	1.16	1.83	1.84	1.84
Share price at end of year ($ per share)	**0.66**	0.67	1.16	1.83	1.84
Dividends paid/payable	**14,108**	49,272	48,043	42,602	19,855
Basic earnings/(loss) (cents per share) from continuing operations	**5.8**	(7.8)	3.5	30.0	16.9
Diluted earnings/(loss) (cents per share) from continuing operations	**5.7**	(7.8)	3.5	29.8	16.6
Total Recordable Injury Frequency Rate (TRIFR)	**6.9**	5.1	4.9	4.5	3.5

^ Non IFRS Measure | * Does not include impairment expense

REMUNERATION REPORT (CONTINUED)

5. Outcomes in FY22 (continued)

(b) FY22 STI business outcomes

The STI award incentivises executive and senior leaders' performance to deliver on the key business priorities to ensure success in the current financial year and future years. These business outcomes are a balance of financial and non-financial performance measures that are within the control of the Executive KMP. Table 2 summarises the performance versus target for the FY22 STI scorecard business outcomes for the Executive KMP, with additional details on the performance measures described below.

Table 2 – FY22 STI business outcomes for the Executive KMP

Category	Performance measure	Target Weighting %	Threshold	Target	Stretch	Performance Outcome %	Adjusted Outcome %	Outcome detail
Safety	TRIFR	5	●			0	0	Fatality gateway was not met, hence adjusted outcome was nil for this metric TRIFR was performing under threshold performance
	% of 'above the line' actions from SPI investigations	5			●	10.0	0	Fatality gateway was not met, hence adjusted outcome was nil for this metric Metric was performing at stretch performance
	Critical Control Verification completion	10			●	20.0	0	Fatality gateway was not met, hence adjusted outcome was nil for this metric. Metric was performing at stretch performance
Financial performance	Underlying Group EBIT(A)	40		●		63.0	63.0	Between target and stretch performance. Underlying EBIT(A) $176.3M based on Perenti's net interest in subsidiaries achieved against a $169.0M target.
Financial stability	EBITDA Cash Conversion	20			●	40.0	40.0	Achieved 108% against a 95% target providing stretch performance.
Growth	Mining work in hand ratio	20		●		36.4	36.4	Achieved above target performance with a 2.38 ratio against a 2.27 target.
						169.4	**139.4**	Overall business performance provided for a target to stretch outcome

● FY22 Performance outcome

In addition to Executive KMP and Perenti Group Executive, the STI Plan was provided to a further 64 participants across the Group.

REMUNERATION REPORT (CONTINUED)

5. Outcomes in FY22 (continued)

(c) FY22 individual modifier outcome for Executive KMP

In addition to the business outcome scorecard, Executive KMP have their individual performance assessed by the Board based on:

- Individual performance measures for their area of responsibility that are set at the start of the year and reviewed on a regular basis, including the outcomes discussed in the People and Remuneration Committee Chairperson's letter.
- How they delivered against their performance measures, which takes into consideration demonstrated leadership attributes and behaviours as aligned with our principles and business strategy.

This approach ensures that safeguards are in placed to protect against the risk of unintended and unjustified STI award outcomes.

The FY22 individual modifier outcomes for Executive KMP ranged from 115% to 125% as per below.

Executive KMP	Individual modifier	Rationale for modifier
Mark Norwell (MD & CEO)	125%	Taken significant steps to strategically shift the organisation to provide greater value to shareholders with a refreshed strategy that focuses on total shareholder returns, free cash flow, reducing capital intensity through diversifying the portfolio and increased focus on debt management. In addition, the FY22 EBIT(A) performance, notwithstanding significant headwinds, exceeded our expectations and was above the higher end of revised guidance at $176.3 million with cash conversion and work in hand metrics performing between target and stretch. Has also been instrumental in driving the Perenti principles and leading from the front on broader cultural outcomes including sexual harassment and other harmful behaviours. Overall, and along with the Group Executive, progress continues to be made to deliver current priorities and position for the future.
Peter Bryant (CFO)	115%	Increasing leadership presence across the business and continued strong external engagement. Has been proactive in a number of areas including debt refinancing and divestment activities. Continues to be a strong contributor in driving financial and business outcomes. Played a key role, along with other executive leaders in refreshing the Perenti group strategy and developing a revised operating model for the business.
Paul Muller (CEO Contract Mining)	120%	Successfully led the global Contract Mining Division against a backdrop of significant COVID-19 and global economic headwinds to exceed budget to EBIT(A) performance, cash conversion and work in hand metrics and position Contract Mining for a strong FY23. Played a key role, along with other executive leaders in refreshing the Perenti group strategy and developing a revised operating model for the business.

REMUNERATION REPORT (CONTINUED)

5. Outcomes in FY22 (continued)

(d) Overall FY22 STI outcomes

The overall FY22 STI outcome as determined through the Board's assessment of the business outcomes and application of the individual modifier is represented in the Table 3 below.

Table 3 – Overall FY22 STI award outcomes for the Executive KMP

Executive KMP	Maximum STI opportunity (A) $	Business outcome (B) %	Individual modifier (C) %	Overall STI outcome of target opportunity (D) = (B x C) %	Calculated STI award (A) X (D) x 50% $	STI cash portion $	Deferred STI Rights portion [1] $	% of maximum STI awarded %	% of maximum STI forfeited %
Mark Norwell (MD & CEO)	1,110,000	139.4	125	174.3	**967,274**	644,850	322,424	87	13
Peter Bryant (CFO)	420,000	139.4	115	160.3	**336,716**	224,477	112,239	80	20
Paul Muller (CEO Contract Mining)	962,800	139.4	120	167.3	**805,441**	536,961	268,480	84	16

[1] One third of the STI award is deferred into STI Rights that will be granted around October 2022 and will be eligible to vest into Perenti shares 12 months later subject to Board approval.

(e) FY19 LTI vesting outcome

Our FY19 LTI grant was tested for performance following the end of the performance period on 30 June 2021. 50% of the Rights were subject to a rTSR measure and 50% were subject to a ROACE measure.

The rTSR Rights did not achieve the 50th percentile threshold vesting requirements and lapsed. ROACE over the performance period was calculated at 16.5% which achieved vesting of 61.1% of the ROACE Rights.

As a result, an overall vesting outcome of 30.6% was achieved against the maximum FY19 LTI opportunity.

Table 4 – FY19 LTI outcome awarded in FY22

Executive KMP	Number of Rights granted	Number of rights vested into shares	Value at grant [1] $	Value at vesting [2] $	Value movement $	% of maximum LTI awarded %	% of maximum LTI forfeited %
Mark Norwell (MD & CEO)	649,087	**198,332**	960,000	134,112	(825,888)	30.6	69.4
Peter Bryant (CFO)	269,777	**82,432**	399,000	55,741	(343,260)	30.6	69.4
Paul Muller (CEO Contract Mining)	393,002	**120,084**	581,250	81,201	(500,049)	30.6	69.4

[1] Value at grant is the FY19 LTI maximum opportunity which is the number of rights multiplied by the 10 day Volume Weighted Average Price (VWAP) of Perenti shares over the last 10 trading days of October 2018, which was $1.4790.

[2] Value at vesting is the number of shares that vested, multiplied by the closing by the 10 day VWAP of Perenti shares over the last 10 trading days of June 2021, which was $0.6762.

(f) FY22 LTI grant

For our FY22 LTI plan, Executive KMP were offered Performance Rights as per the table below (subject to the terms and conditions as outlined in section 6b).

Table 5 – FY22 LTI offering

Executive KMP	LTI opportunity (% of TFR) %	LTI opportunity $	10 Day VWAP $	Offered Performance Rights [1] $	Target LTI (% of TFR) [2] %	Target LTI $
Mark Norwell (MD & CEO)	120	1,332,000	0.6762	**1,969,831**	60.0	666,000
Peter Bryant (CFO)	75	420,000	0.6762	**621,118**	37.5	210,000
Paul Muller (CEO Contract Mining)	75	722,100	0.6762	**1,067,879**	37.5	361,050

[1] The number of Rights offered is TFR multiplied by the LTI opportunity divided by the 10 day Volume Weighted Average Price (VWAP) of Perenti shares over the last 10 trading days of June 2021, which was $0.6762.

[2] Target LTI represents 50% of LTI opportunity and represents the difficulty of achieving performance hurdles and share price volatility.

5. Outcomes in FY22 (continued)

(g) Statutory disclosure of FY22 Executive KMP remuneration

The table has been prepared in accordance with relevant accounting standards reflecting the remuneration for each Executive KMP that relates to their services in FY22. Where applicable, remuneration for Executive KMP has been pro-rated for the period they served as a KMP.

Table 6 – Executive KMP remuneration

		Fixed Remuneration					Variable remuneration				
Name	Year	Cash Salary	Non-monetary benefits	Leave entitlements [1]	Post-employment benefits (Super)	Other	STI cash payment	STI Rights	Performance Rights [2]	Retention Rights [3]	Total
EXECUTIVE KMP											
M Norwell	**2022**	**1,086,432**	**42,155**	**(5,710)**	**23,568**	**-**	**644,850**	**322,424**	**512,323**	**-**	**2,626,042**
	2021	1,042,056	32,911	26,772	21,694	-	183,416	183,416	488,618	-	1,978,883
P Bryant	**2022**	**566,432**	**-**	**26,171**	**23,568**	**-**	**224,477**	**112,239**	**182,221**	**-**	**1,135,108**
	2021	535,806	-	17,146	21,694	-	59,976	59,976	200,760	-	895,358
P Muller	**2022**	**939,234**	**-**	**671**	**23,568**	**-**	**536,961**	**268,480**	**289,194**	**-**	**2,058,108**
	2021	885,707	-	23,094	21,694	-	252,049	252,049	292,773	143,227	1,870,593
FORMER EXECUTIVE KMP											
S Winter	**2022**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
	2021	163,326	-	-	5,424	-	-	-	-	-	168,750
Total executive directors and other KMPs	**2022**	**2,592,098**	**42,155**	**21,132**	**70,704**	**-**	**1,406,288**	**703,143**	**983,738**	**-**	**5,819,258**
	2021	2,626,895	32,911	67,012	70,506	-	495,441	495,441	982,151	143,227	4,913,584
Total non-executive directors	**2022**	**719,488**	**-**	**-**	**71,948**	**-**	**-**	**-**	**-**	**-**	**791,436**
	2021	738,625	-	-	70,169	9,670	-	-	-	-	818,464
Total KMP remuneration expense	**2022**	**3,311,586**	**42,155**	**21,132**	**142,652**	**-**	**1,406,288**	**703,143**	**983,738**	**-**	**6,610,694**
	2021	3,365,520	32,911	67,012	140,675	9,670	495,441	495,441	982,151	143,227	5,732,048

Notes

[1] This includes annual leave and long service leave.

[2] The 2021 figure includes Performance Rights granted (for accounting purposes) by the Company in FY19, FY20, FY21 and the 2022 figure also includes rights granted in FY20, FY21 and FY22.

[3] Includes Retention Rights granted (for accounting purposes) by the Company in FY19 with a two year retention period that have now vested.

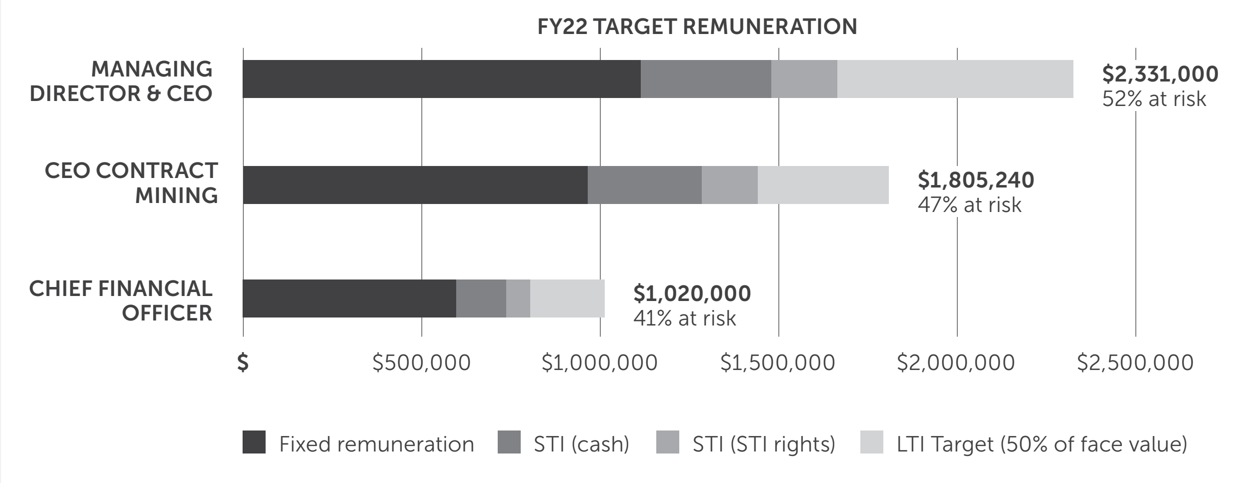
REMUNERATION REPORT (CONTINUED)

6. FY22 Executive KMP Remuneration Framework

The remuneration packages of Executive KMP are comprised of fixed remuneration and variable 'at-risk' remuneration in the form of an STI and LTI.

(a) Remuneration mix

Diagram 1: The remuneration mix for Perenti's Executive KMP at target levels for FY22 is represented below.



(b) Executive KMP remuneration components

Diagram 2: A summary of the remuneration structure over time for Executive KMP is below

FIXED	Base salary and superannuation			
Variable	STI (12 months)	Cash Deferred Rights		MD & CEO and CEO Contract Mining target is 50% of TFR and maximum is 100% of TFR. CFO target is 35% of TFR and maximum is 70% of TFR
	LTI (36 months)			MD & CEO maximum is 120% of TFR. CFO and CEO Contract Mining maximum is 75%
	YEAR 1	**YEAR 2**	**YEAR 3**	

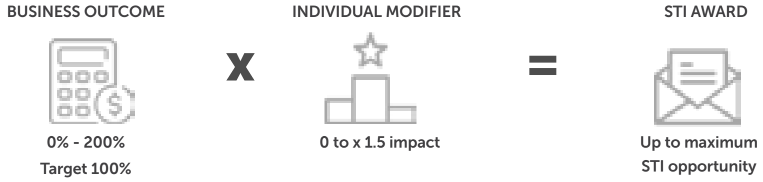
Total Fixed Remuneration (TFR)	
Description	A competitive level of TFR is offered to attract and retain high quality and experienced Executive KMP. TFR comprises of all fixed remuneration including statutory superannuation contributions. If the statutory superannuation contribution is required to increase, the Executive KMP will have an equal reduction in base salary to ensure their TFR is unchanged.
Approach	TFR is reviewed annually and on promotion to ensure that it is market competitive. The Company targets the median of the relevant market. The relevant market peer group will take into consideration one or more of the following: • Peer mining services companies; and/or • Companies with market capitalisation and/or annual revenue in a range comparable to Perenti. The TFR review also gives regard to the size, geographic reach, and complexity of the Company.

REMUNERATION REPORT (CONTINUED)

6. FY22 Executive KMP Remuneration Framework (continued)

(b) Executive KMP remuneration components (continued)

FY22 Short-term Incentive (STI)

Description	Executive KMPs are eligible to participate in the annual STI plan, which comprises a portion of their variable remuneration and is subject to performance measures. The STI performance outcome is based on a business outcome scorecard, which includes a mix of safety, financial and growth measures, that is multiplied by an individual modifier.
Award operation	The Executive KMP's business outcome scorecard comprises of a mix of financial and non-financial measures. All measures have a threshold, target and stretch level of achievement. The weighting of each business outcome metric is then applied to its performance, with the total equalling the business outcome. The business outcome is then multiplied by an individual modifier (with a range from zero to 1.5 times but not exceeding maximum STI opportunity) which reflects what the individual achieved through their Individual KPI's and how the individual achieved these KPI's in terms of their behaviours as aligned to Perenti's Principles.  The Board retains absolute discretion with respect to the targets and outcomes assessed under the STI plan. Any discretion is applied after consideration of factors both positive and negative to the outcome.
Gateways	Should a workplace related fatality occur the relevant safety portion (20% weighting) of the scorecard is foregone.
Performance period	Financial year
Maximum opportunity	MD & CEO and the CEO Contract Mining: 100% of TFR CFO: 70% of TFR
Measures	

Measure	Weighting	Further detail
Total Recordable Injury Frequency Rate (TRIFR)	5%	A TRIFR metric assists in measuring an element of safety performance. This measure aims to ensure there is a substantial improvement in recordable safety outcomes, compared to the prior year. In addition, this component is subject to a 'fatality' gateway. Where a work-related fatality occurs during the performance period, no payment will be made under this component.
Group Serious Potential Incident (SPI) investigations that identify at least one 'above the line' action	5%	This is a leading safety metric, to reinforce the importance of learning and implementing robust controls to prevent recurrence of incidents and improve safety. An above the line action refers to engineering, substitution, isolation or elimination control actions under the hierarchy of control. In addition, this component is subject to a 'fatality' gateway. Where a work-related fatality occurs during the performance period, no payment will be made under this component.

REMUNERATION REPORT (CONTINUED)

6. FY22 Executive KMP Remuneration Framework (continued)

(b) Executive KMP remuneration components (continued)

FY22 Short-term Incentive (STI) (continued)

<table>
<tr><td rowspan="5">Measures</td><td>Measure</td><td>Weighting</td><td>Further detail</td></tr>
<tr><td>Group Critical Control Verification Completion</td><td>10%</td><td>A metric to ensure a strong program and culture of managing critical risks is developed and embedded. This measure aims to ensure that operational leaders are actively verifying critical controls in the field with workgroups whilst they are undertaking critical risk activities.

In addition, this component is subject to a 'fatality' gateway. Where a work-related fatality occurs during the performance period, no payment will be made under this component.</td></tr>
<tr><td>EBIT (A) defined as earnings before finance costs, finance income, income tax expense or benefit and amortisation of intangible assets</td><td>40%</td><td>The use of EBIT(A) ensures that the majority of the individual's STI is aligned to the Company's financial performance that is within the control of the executive.

It aims to build a pay-for-performance culture and ensure executive accountability for the Company's performance.</td></tr>
<tr><td>EBITDA Cash Conversion</td><td>20%</td><td>The percentage of EBITDA converted to cash.

This metric evaluates the efficiency of the company's operations and management.</td></tr>
<tr><td>Work in Hand ratio of secured revenue at the end of FY22 to FY22 budget revenue</td><td>20%</td><td>This component measures the portion contractually remaining on executed contracts against revenue to ensure a strong and robust growth pipeline.

A qualitative assessment will be made on the quality of the contract terms as well as the quantitative assessment.</td></tr>
<tr><td>Delivery</td><td colspan="3">For FY22, two thirds of any outcome is delivered in cash and one third is delivered in STI Rights. The STI Rights vest 12 months after their grant date.

Any STI Rights that are provided to the MD & CEO are subject to shareholder approval as per ASX Listing Rule 10.14.</td></tr>
<tr><td>Allocation methodology (STI Rights only)</td><td colspan="3">The deferred STI Rights will be allocated on a face value basis. This is calculated as the STI Rights opportunity ($) divided by the 10-day volume weighted average price (VWAP) of the Company's shares up to and including the end of the performance period, which is 30 June 2022.</td></tr>
<tr><td>Cessation of employment</td><td colspan="3">Typically, if employment ceases before the end of the performance period, the Executive KMP foregoes any STI award for the current performance period which they would have otherwise been entitled.

STI Rights that have been awarded will become unrestricted in the usual course unless the participant is deemed to be a bad leaver as defined by the Plan Rules.

Notwithstanding the above, the Board retains absolute discretion to treat STI awards and vesting as it sees fit on cessation of employment.</td></tr>
<tr><td>Malus/clawback</td><td colspan="3">In circumstances of fraud, dishonesty or gross misconduct by the participant, or breach of duties or obligations by the participant, the Board has the ability to:
• lapse all unvested STI awards (malus); and
• require the individual to repay a portion of any STI awards which have vested (clawback).</td></tr>
</table>

REMUNERATION REPORT (CONTINUED)

6. FY22 Executive KMP Remuneration Framework (continued)

(b) Executive KMP remuneration components (continued)

FY22 Long-term Incentive (LTI)

Description	LTI is delivered via a Performance Rights plan with annual grants made to eligible employees (including all Executive KMP) as part of their variable remuneration. The Performance Rights are subject to performance measures and a three-year performance period.
Performance period	Three (3) years, commencing on 1 July 2021 and ending 30 June 2024.
Maximum opportunity	MD & CEO: 120% of TFR CFO and the CEO Contract Mining: 75% of TFR
Delivery	The LTI will be wholly delivered in Performance Rights. Any Performance Rights that are provided to the Managing Director & CEO are subject to shareholder approval as per ASX Listing Rule 10.14
Allocation methodology	The LTI will be granted on a face value basis. This is calculated as the LTI opportunity ($) divided by the 10 day volume weighted average price (VWAP) of the company's shares prior to the commencement date of the performance period, which is 1 July 2021.
Performance measures	The performance measures are aligned to shareholder returns and the business strategy.

Relative Total Shareholder Return (TSR) (50%)

The vesting metrics are as follows:

Level of performance	% of Performance Rights that will vest
Below Median	0%
Median	50%
Median to 75th percentile	Straight-line vesting between 50% and 100%
75th percentile and above	100%

The peer group for the relative TSR measure includes Boart Longyear Limited; DDH1 Limited; Emeco Holdings Limited; Imdex Limited; MACA Limited; Macmahon Holdings Limited; Mader Group Limited; Monadelphous Group Limited; NRW Holdings Limited; and SRG Global Limited. Vesting assessment is inclusive of Perenti's TSR.

Return on equity (ROE) (30%)

The vesting metrics are as follows with ROE performance calculated as the simple average of the ROE calculations for each of the three relevant financial years.

Level of performance	% of Performance Rights that will vest
Less than 6.0% ROE over Performance Period.	0%
6.0% ROE over Performance Period.	30%
Between 6.0% and 6.8% ROE over Performance Period.	Straight-line vesting between 30% and 100%
Greater than 6.8% ROE over Performance Period.	100%

Strategic initiative 1: Psychologically safe work environment (10%)

Vesting is based on the Board's assessment of strategically shifting the culture of the organisation to ensure a psychologically safe and inclusive work environment. This initiative requires evolving our culture to provide a strategic advantage in line with increasing societal expectations of a safe and respectful workplace through the elimination of bullying and sexual harassment.

Assessment will be via completion of elimination of bullying and sexual harassment action plans and improvement in related workplace surveys.

Strategic initiative 2: Reducing debt leverage (10%)

Vesting is based on reducing leverage to less than 1.0 times EBITDA, excluding possible acquisitions, as aligned to the Capital Management Policy introduced in December 2021.

The Board retains absolute discretion with respect to the targets and outcomes assessed under the LTI plan.

REMUNERATION REPORT (CONTINUED)

6. FY22 Executive KMP Remuneration Framework (continued)

(b) Executive KMP remuneration components (continued)

FY22 Long-term Incentive (LTI) (continued)

Cessation of employment	Typically, if employment ceases before the end of any LTI performance periods, the KMP foregoes any Performance Rights for the performance periods which they would have otherwise been entitled. Notwithstanding the above, the Board retains absolute discretion to treat LTI awards and vesting as it sees fit on cessation of employment.
Malus/clawback	In circumstances of fraud, dishonesty or gross misconduct by the participant, or breach of duties or obligations by the participant, the Board has the ability to: • lapse all unvested LTI awards (malus); and • require the individual to repay a portion of any LTI awards which have vested (clawback). This may occur via a sale of shares allocated under the LTI plan.

7. Remuneration Governance

Board

Approves the overall Executive KMP remuneration framework, Executive KMP remuneration levels and non-executive director remuneration, having regard to the People and Remuneration Committee's recommendations.

External Stakeholder Engagement

Consultation with proxy advisors and institutional investors to ensure external feedback is received.

People and Remuneration Committee

The Committee reviews and determines our remuneration framework annually to ensure it remains aligned to business needs and meets our remuneration principles.

Management

Provides the People and Remuneration Committee with the required information to assist with remuneration decisions and recommendations. Communicates with external remuneration consultants to ensure the People and Remuneration Committee has all the necessary information.

External Remuneration Consultants

From time to time, the People and Remuneration Committee may engage external remuneration consultants to inform its views.

SW Corporate were engaged by the People and Remuneration Committee as external remuneration advisors. A separate advisor, Godfrey Remuneration Group, was engaged by management to undertake the incentive framework review. Neither were required to provide any remuneration recommendations during FY22.

8. Contractual Arrangements with Executive KMP

Remuneration and other terms of employment for Executive KMP are formalised in service agreements. A summary of the terms of employment as of the end of FY22 are presented below.

Table 7 – Employment contracts

Name	TFR ($)	Duration of service agreement	Notice period		Severance payment entitlement
			By executive	By company	
Mark Norwell (MD & CEO)	1,110,000	Ongoing	6 months	6 months	No entitlement
Peter Bryant (CFO)	600,000	Ongoing	3 months	3 months	No entitlement
Paul Muller (CEO Contract Mining)	962,800	Ongoing	3 months	3 months	No entitlement

REMUNERATION REPORT (CONTINUED)

9. Non-executive Director Remuneration

Non-executive directors' fees are set at a level which enables the attraction and retention of experienced and skilled Board members to ensure an effective oversight role over the Company's operations. Fee levels aim to reflect the demands which are made on, and the responsibilities of, the directors.

Non-executive directors' fees are reviewed annually by the Board to ensure fee levels are appropriate and in-line with the market. Whilst no further increases were provided for FY22, the introduction of the Sustainability Committee, to support the Company's Sustainability Strategy including oversight of safety performance, means the Chair and members of that committee received higher total fees in FY22 than FY21. No fees are payable to the Chair or members of the Nomination Committee.

The maximum aggregate amount we can pay our non-executive directors is $1.2 million per annum with shareholder approval required to increase this amount. The current Perenti Board fees are outlined below.

Position	FY22 fees* $	FY21 fees* $	Increase %
Board Chair **	225,000	225,000	-
Board Members	114,975	114,975	-
Committee Chair	20,000	20,000	-
Committee Members	11,000	11,000	-

* All fees are inclusive of superannuation with any legislated increases in superannuation leading to a reduction in base salary if required. An individual Non-executive Director may seek Australian Tax Office approval to be exempt from Superannuation payment as per relevant legislation.

** The Board Chair's fee is inclusive of all Board and Committee responsibilities.

Table 8 – FY22 Non-executive director remuneration

	Year	Base fee	Audit and Risk Committee	People and Remuneration Committee	Sustainability Committee	Other	Superannuation	Total
R Cole Chair [1]	**2022**	**204,545**	**-**	**-**	**-**	**-**	**20,455**	**225,000**
	2021	119,862	15,512	8,531	-	-	13,671	157,576
M Hine	**2022**	**104,524**	**-**	**18,181**	**5,000**	**-**	**12,770**	**140,475**
	2021	105,000	-	18,265	-	-	11,710	134,975
A Atkins	**2022**	**104,524**	**-**	**5,000**	**5,000**	**-**	**11,452**	**125,976**
	2021	105,000	-	10,046	-	-	10,929	125,975
A Hall	**2022**	**104,524**	**18,181**	**5,000**	**-**	**-**	**12,770**	**140,475**
	2021	105,311	18,265	-	-	-	11,740	135,316
T Longstaff [2]	**2022**	**91,854**	**8,788**	**-**	**9,090**	**-**	**10,973**	**120,705**
	2021	-	-	-	-	-	-	-
C Laslett [3]	**2022**	**35,277**	**-**	**-**	**-**	**-**	**3,528**	**38,805**
	2021	-	-	-	-	-	-	-
I Cochrane *Former Chair* [4]	**2022**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
	2021	175,310	-	-	-	-	16,654	191,964
T Strapp *Former NED* [5]	**2022**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
	2021	52,459	5,064	-	-	9,670	5,465	72,658
Total non-executive directors	**2022**	**645,248**	**26,969**	**28,181**	**19,090**	**-**	**71,948**	**791,436**
	2021	662,942	38,841	36,842	-	9,670	70,169	818,464

Notes

All movements in relation to which Committees each Board member is included on along with the date of appointment if within the year is included in Section 2 of the Remuneration Report.

[1] Robert Cole was appointed as Chair of the Board on 8 May 2021. Prior to this was Deputy Chair of the Board and continued to receive Committee fees for the Audit and Risk and People and Remuneration Committees.

[2] Timothy Longstaff was appointed to the Board on 16 August 2021 and was appointed Chair of the Sustainability Committee on 01 January 2022.

[3] Craig Laslett was appointed to the Board on 28 February 2022.

[4] Ian Cochrane served as Chair of the Board until he resigned on 8 May 2021.

[5] Terry Strapp retired from the Board on 31 December 2020. Terry Strapp received a gift on retirement (other).

REMUNERATION REPORT (CONTINUED)

10. Additional Statutory Information

This section provides details of any additional statutory disclosures that have not been included in the previous sections of the Remuneration Report. There have been no alterations to the terms and conditions of the prior year Rights grants during the financial year.

(a) Executive KMP equity awards

Reconciliation of rights held by KMP

Table 9 below shows a reconciliation of rights held by each KMP from the beginning to the end of 30 June 2022.

Table 9 – Executive rights held by KMP

Executive - Grant Date	Instrument	Holding at 01 July 2021	Rights Granted in FY22	Vested		Forfeited		Holding at 30 June 2022	Anticipated vesting date	Fair Value per right at grant date
				Number	%	Number	%			
M Norwell										
28 February 2019	Performance Right - TSR	324,543	-	-	-	324,543	100	-	August 2021	$1.22
28 February 2019	Performance Right - ROACE	324,544	-	198,332	61	126,212	39	-	August 2021	$1.60
28 November 2019	Performance Right - TSR	284,091	-	-	-	-	-	284,091	August 2022	$1.33
28 November 2019	Performance Right - ROACE	284,091	-	-	-	-	-	284,091	August 2022	$1.78
10 November 2020	Short Term Incentive Rights	68,566	-	68,566	100	-	-	-	November 2021	$1.06
28 May 2021	Performance Right - TSR	425,614	-	-	-	-	-	425,614	August 2023	$0.21
28 May 2021	Performance Right - ROACE	425,613	-	-	-	-	-	425,613	August 2023	$0.54
8 October 2021	Short Term Incentive Rights	-	271,246	-	-	-	-	271,246	October 2022	$0.90
AGM FY22*	Performance Right - TSR	-	*	-	-	-	-	-	August 2024	$0.45
AGM FY22*	Performance Right - ROE	-	*	-	-	-	-	-	August 2024	$0.65
AGM FY22*	Performance Right - Strategic Objective 1	-	*	-	-	-	-	-	August 2024	$0.65
AGM FY22*	Performance Right - Strategic Objective 2	-	*	-	-	-	-	-	August 2024	$0.65
P Bryant										
28 February 2019	Performance Right - TSR	134,888	-	-	-	134,888	100	-	August 2021	$1.22
28 February 2019	Performance Right - ROACE	134,889	-	82,432	61	52,457	39	-	August 2021	$1.60
28 November 2019	Performance Right - TSR	118,075	-	-	-	-	-	118,075	August 2022	$1.33
28 November 2019	Performance Right - ROACE	118,076	-	-	-	-	-	118,076	August 2022	$1.78
10 November 2020	Short Term Incentive Rights	35,675	-	35,675	100	-	-	-	October 2021	$1.06
28 May 2021	Performance Right - TSR	158,167	-	-	-	-	-	158,167	August 2023	$0.21
28 May 2021	Performance Right - ROACE	158,167	-	-	-	-	-	158,167	August 2023	$0.54
8 October 2021	Short Term Incentive Rights	-	88,696	-	-	-	-	88,696	October 2022	$0.90
13 May 2022	Performance Right - TSR	-	310,559	-	-	-	-	310,559	August 2024	$0.45
13 May 2022	Performance Right - ROE	-	186,335	-	-	-	-	186,335	August 2024	$0.65
13 May 2022	Performance Right - Strategic Objective 1	-	62,112	-	-	-	-	62,112	August 2024	$0.65
13 May 2022	Performance Right - Strategic Objective 2	-	62,112	-	-	-	-	62,112	August 2024	$0.65
P Muller										
28 February 2019	Performance Right - TSR	196,501	-	-	-	196,501	100	-	August 2021	$1.22
28 February 2019	Performance Right - ROACE	196,501	-	120,084	61	76,417	39	-	August 2021	$1.60
28 November 2019	Performance Right - TSR	172,008	-	-	-	-	-	172,008	August 2022	$1.33
28 November 2019	Performance Right - ROACE	172,008	-	-	-	-	-	172,008	August 2022	$1.78
10 November 2020	Short Term Incentive Rights	60,042	-	60,042	100	-	-	-	October 2021	$1.06
28 May 2021	Performance Right - TSR	232,937	-	-	-	-	-	232,937	August 2023	$0.21
28 May 2021	Performance Right - ROACE	232,937	-	-	-	-	-	232,937	August 2023	$0.54
8 October 2021	Short Term Incentive Rights	-	372,743	-	-	-	-	372,743	October 2022	$0.90
13 May 2022	Performance Right - TSR	-	533,940	-	-	-	-	533,940	August 2024	$0.45
13 May 2022	Performance Right - ROE	-	320,364	-	-	-	-	320,364	August 2024	$0.65
13 May 2022	Performance Right - Strategic Objective 1	-	106,788	-	-	-	-	106,788	August 2024	$0.65
13 May 2022	Performance Right - Strategic Objective 2	-	106,788	-	-	-	-	106,788	August 2024	$0.65

* Mark Norwell was provided with 1,969,831 Performance rights during the period. These rights are subject to shareholder approval at the FY22 Annual General Meeting and will be granted if approved at that time.

1,125,209 STI Rights relating to FY22 STI outcomes that are to be granted to current Executive KMP's post 30 June 2022 have not been included in the above table.

Details of rights over ordinary shares in the Company provided as remuneration to Executive KMP are set out above. On vesting, each right is convertible into one ordinary share of Perenti Global Limited. Further information on the rights is set out in note 19 to the financial statements.

REMUNERATION REPORT (CONTINUED)

10. Additional Statutory Information (continued)

(b) Shareholdings of KMP

The number of ordinary shares in Perenti held directly, indirectly or beneficially by each individual (including shares held in the name of the spouse, superannuation fund, nominee and/or other controlled entities) as at 30 June 2022 are shown in Table 10 below.

Table 10 – Shareholdings of KMP

Name	Balance at start of year	Received on vesting of rights	Other changes during the year: Purchase of Shares	Other changes during the year: DRP Shares	Balance at end of year
DIRECTORS					
R Cole	99,831	-	150,000	-	249,831
M Hine	121,771	-	19,480	3,749	145,000
A Atkins	40,774	-	25,392	-	66,166
A Hall	90,000	-	52,500	-	142,500
T Longstaff	-	-	100,000	-	100,000
C Laslett	-	-	1,000	-	1,000
EXECUTIVE					
M Norwell	262,058	266,898	-	-	528,956
P Bryant	281,110	118,107	-	-	399,217
P Muller	671,123	180,126	-	-	851,249

None of the shares above are held nominally by the directors or any of the other key management personnel.

(c) Prohibition on hedging of Perenti shares and unvested equity awards

The Company's Securities Trading Policy imposes trading restrictions on all employees of the Company and its related companies with "inside information" or with respect to derivative products and on trading securities during trading prohibition periods.

(d) Loans to KMP

Loans to key management personnel were made on normal terms and conditions. The loans on acquisition of the Barminco group are repayable by 22 October 2022. Interest was payable at the rate of 4.52% on loans advanced. Outstanding balances are unsecured and are repayable in cash.

	22 $	21 $
Loans to key management personnel		
Beginning of the period	**186,039**	187,512
Interest charged	**8,492**	8,964
Interest received	**(8,492)**	(10,437)
End of period	**186,039**	186,039

(e) Other transactions with entities associated with KMP

There were no other transactions with related parties.

This Remuneration Report was approved by the Board on 22 August 2022 and has been signed in accordance with a resolution of the Directors made pursuant to section 298(2) of the *Corporations Act 2001* (Cth).

SHARE RIGHTS

Unissued share rights over ordinary shares of Perenti Global Limited at the date of this report are:

Date rights granted	Performance period end date	Fair value per right	Number
28 November 2019	30 June 2022	$1.78	1,583,382
28 November 2019	30 June 2022	$1.33	1,583,371
9 April 2021	30 June 2023	$0.62	1,515,716
9 April 2021	30 June 2023	$0.99	1,515,697
28 May 2021	30 June 2023	$0.21	1,101,803
28 May 2021	30 June 2023	$0.54	1,101,801
8 October 2021	30 June 2021	$0.90	988,477
13 May 2022	30 June 2024	$0.45	5,523,961
13 May 2022	30 June 2024	$0.65	5,523,962
9 June 2022	31 December 2023	$0.71	3,240,473
			23,678,643

Note 19 to the financial statements has information relating to the valuation techniques used to value the rights.

SHARES ISSUED ON THE EXERCISE OF RIGHTS

The following ordinary shares of Perenti Global Limited were issued during the year ended 30 June 2022 on the exercise of rights granted under the Employee Rights Plan. No further shares have been issued since that date. No amounts are unpaid on any of the shares.

Date shares issued	Fair value per right	Number of shares issued
6 September 2021	$1.60	198,332
6 September 2021	$1.60	330,812
6 September 2021	$1.23	602,187
9 November 2021	$1.06	284,641
		1,415,972

INDEMNIFICATION

- Under the Company's constitution and subject to section 199A of the *Corporations Act 2001*, the Company indemnifies each of the directors, the company secretary and every other person who is an officer of the Company and its wholly-owned subsidiaries against:
- any liability incurred as an officer of the Company (as the case may be) by that person to any person other than the Company or a related body corporate of the Company, unless that liability arises out of conduct involving a lack of good faith or is a liability for a pecuniary penalty order under certain provisions of the *Corporations Act 2001*; and
- costs and expenses incurred in defending civil or criminal proceedings subject to certain conditions.

The above indemnity is a continuing indemnity and applies in respect of all acts done by a person while an officer of the Company or its wholly-owned subsidiaries even though the person is not an officer at the time the claim is made.

The Company has entered into a Deed of Indemnity, Access and Insurance ("Deed") with each current and former officer of the Company and its subsidiaries, including each director and company secretary and persons who previously held those roles. Under each Deed, to the extent permitted by law and to the extent and in the amount that the officer is not indemnified under any other indemnity, including an indemnity contained in any insurance policy, the Company indemnifies the relevant officer against all liabilities of any kind (including liabilities for legal expenses) incurred by the officer arising out of:

- the discharge of his or her duties as an officer of the Company or a subsidiary of the Company, or as an officer of any corporation in which the Company holds securities ("Related Corporation") where the officer is representing the interests of the Company in relation to the Related Corporation; and
- the conduct of the business of the Company or a subsidiary of the Company, or a Related Corporation where the officer is representing the interests of the Company in relation to that Related Corporation.

No amount has been paid under any of these indemnities during the financial year under review.

INSURANCE OF OFFICERS

During the financial year, the Company has paid a premium in respect of insuring the directors and officers of the Company and the Group. The insurance contract prohibits disclosure of the premium or the nature of liabilities insured against under the policy.

NON-AUDIT SERVICES

The Company may decide to employ the auditor on assignments additional to their statutory audit duties where the auditor's expertise and experience with the Company and/or the Group are important.

Details of the amounts paid or payable to the auditor (PwC) for audit and non-audit services provided during the year are set out in note 20 to the financial statements.

The Board have considered the position and, in accordance with advice received from the Audit and Risk Committee, is satisfied that the provision of the non-audit services is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001*. The directors are satisfied that the provision of non-audit services by the auditor did not compromise the auditor independence requirements of the *Corporations Act 2001* for the following reasons:

- all non-audit services have been reviewed by the Audit and Risk Committee to ensure they do not impact the impartiality and objectivity of the auditor; and
- none of the services undermine the general principles relating to auditor independence as set out in APES 110 *Code of Ethics for Professional Accountants*.

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

	22 $	21 $
Other assurance services		
PricewaterhouseCoopers firm:		
Advisory and accounting consulting services	**481,157**	587,452
Non PricewaterhouseCoopers firms:		
Advisory and accounting consulting services	**328,239**	636,235
Total remuneration for other assurance services	**809,396**	1,223,687
Taxation services		
PricewaterhouseCoopers firm:		
Taxation services	**739,889**	734,843
Non PricewaterhouseCoopers firms:		
Taxation services	**166,258**	165,963
Total remuneration for taxation services	**906,147**	900,806
Other services		
Total remuneration for non-audit services	**1,715,543**	2,124,493

AUDITOR'S INDEPENDENCE DECLARATION

The auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 88.

ROUNDING OF AMOUNTS

The Company is of a kind referred to in ASIC Legislative Instrument 2016/191, relating to the 'rounding off' of amounts in the directors' report. Amounts in the directors' report have been rounded off, in accordance with the instrument, to the nearest thousand dollars, or in certain cases, to the nearest dollar.

This report is made in accordance with a resolution of directors.

Mark Norwell

Managing Director & Chief Executive Officer

Perth
22 August 2022

pwc

Auditor's Independence Declaration

As lead auditor for the audit of Perenti Global Limited for the year ended 30 June 2022, I declare that to the best of my knowledge and belief, there have been:

(a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and

(b) no contraventions of any applicable code of professional conduct in relation to the audit.

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

Craig Heatley
Partner
PricewaterhouseCoopers

Perth
22 August 2022

PricewaterhouseCoopers, ABN 52 780 433 757
Brookfield Place, 125 St Georges Terrace, PERTH WA 6000, GPO Box D198, PERTH WA 6840
T: +61 8 9238 3000, F: +61 8 9238 3999, www.pwc.com.au

CORPORATE GOVERNANCE STATEMENT

The Company's 2022 Corporate Governance Statement outlines the Company's current corporate governance framework, by reference to the ASX Recommendations.

The Corporate Governance Statement is current as at 22 August 2022 and has been approved by the Board.

The statement can be found in the corporate governance section of the Company's website at **perentigroup.com**. The related ASX Appendix 4G, a checklist cross-referencing the ASX Recommendations to disclosures in the Corporate Governance Statement and the 2022 Annual Report can be found under the ASX Announcements section of the Company's website at **perentigroup.com**.

OUR GOVERNANCE FRAMEWORK

BOARD

Responsible for overseeing the performance and operations of the Company

Robert Cole	**Mark Norwell**	**Mark Hine**	**Alexandra Atkins**	**Andrea Hall**	**Timothy Longstaff**	**Craig Laslett**
Independent, Non-executive Chair	Managing Director and Chief Executive Officer	Independent, Non-executive director	Independent, Non-executive director	Independent, Non-executive director	Independent, Non-executive director	Independent, Non-executive director

BOARD COMMITTEES

Assist the Board to discharge its responsibilities:

Audit and Risk	**People and Remuneration**
Sustainability Committee	**Nomination Committee**

Below is the list of the Company's core governance framework documents.
These documents are located on the Company's website.

Charters

Board Charter	Audit and Risk Committee Charter	People and Remuneration Committee Charter	Sustainability Committee Charter	Nomination Committee Charter

Corporate Governance Policies

Market Disclosure and Communication Policy	Anti-Bribery and Anti-Corruption Policy and Standard	Securities Trading Policy	Code of Conduct Policy and Booklet
Sustainability Policy	Risk and Opportunity Management Policy	Inclusion and Diversity Policy	Speak-Up Policy and Speak-Up Standards
Health, Safety and Environment Policy	Quality Policy	Human Rights Policy	Eliminating Sexual Harassment Position Statement

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the year ended 30 June 2022

	Notes	22 $'000	21 $'000
Revenue	2	**2,437,656**	2,087,542
Other income	4(a)	**47,251**	9,091
Materials expense		**(734,512)**	(628,091)
Labour costs		**(1,037,993)**	(875,850)
Rental and hire expense	4(b)	**(45,306)**	(18,177)
Depreciation expense	4(b)	**(250,120)**	(222,230)
Amortisation expense	4(b)	**(29,042)**	(39,303)
Finance costs	4(b)	**(56,316)**	(63,452)
Finance income		**397**	495
Other expenses from ordinary activities	4(b)	**(238,531)**	(227,656)
Impairment of assets	4(b)	**(23,162)**	(70,563)
Profit/(loss) before income tax		**70,322**	(48,194)
Income tax expense	5	**(27,836)**	(4,109)
Profit/(loss) for the year		**42,486**	(52,303)
Profit/(loss) is attributable to:			
Equity holders of Perenti Global Limited		**40,658**	(55,140)
Non-controlling interests		**1,828**	2,837
Profit/(loss) for the year		**42,486**	(52,303)

Earnings/(loss) per share for profit attributable to the ordinary equity holders of the Company:		**Cents**	**Cents**
Basic earnings/(loss) per share	21	**5.8**	(7.8)
Diluted earnings/(loss) per share	21	**5.7**	(7.8)

The above consolidated statement of profit or loss should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 30 June 2022

	Notes	22 $'000	21 $'000
Profit/(loss) for the year		**42,486**	(52,303)
Other comprehensive loss			
Items that may be reclassified to profit or loss			
Exchange losses on translation of foreign operations	8(b)	**(26,497)**	(680)
Exchange gains/(losses) on translation of foreign operations - non-controlling interest		**1,185**	(508)
Items that will not be reclassified to profit or loss			
Loss on revaluation of land and buildings, net of tax	8(b)	**-**	(175)
Gain on revaluation of FVOCI financial assets, net of tax	8(b)	**21,762**	1,333
Other comprehensive loss for the year, net of tax		**(3,550)**	(30)
Total comprehensive income/(loss) for the year		**38,936**	(52,333)
Total comprehensive income/(loss) for the year is attributable to:			
Equity holders of Perenti Global Limited		**35,923**	(54,662)
Non-controlling interests		**3,013**	2,329
Total comprehensive income/(loss) for the year		**38,936**	(52,333)

The above consolidated statement of comprehensive income should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2022

	Notes	22 $'000	21 Restated* $'000
ASSETS			
Current assets			
Cash and cash equivalents	9(c)	**348,519**	264,741
Trade and other receivables	6(a)	**391,101**	325,893
Inventories	7(a)	**212,119**	214,411
Current tax receivables		**12,546**	10,545
Assets classified as held for sale	7(b)	**7,488**	28,894
Total current assets		**971,773**	844,484
Non-current assets			
Receivables	6(a)	**9,430**	4,889
Financial assets at fair value through other comprehensive income	6(b)	**-**	25,536
Property, plant and equipment	7(c)	**926,320**	716,667
Right-of-use assets	7(d)	**59,305**	74,691
Intangible assets	7(e)	**652,207**	678,814
Deferred tax assets	5(g)	**170,239**	147,741
Total non-current assets		**1,817,501**	1,648,338
Total assets		**2,789,274**	2,492,822
LIABILITIES			
Current liabilities			
Trade and other payables	6(c)	**393,298**	260,311
Borrowings	6(d)	**2,172**	3,268
Lease liabilities	7(d)	**27,943**	24,537
Current tax liabilities		**15,002**	14,659
Employee benefit obligations	7(f)	**79,722**	70,719
Total current liabilities		**518,137**	373,494
Non-current liabilities			
Borrowings	6(d)	**843,492**	690,923
Lease liabilities	7(d)	**28,250**	49,272
Deferred tax liabilities	5(g)	**72,240**	78,135
Employee benefit obligations	7(f)	**4,263**	2,870
Provisions		**532**	65
Total non-current liabilities		**948,777**	821,265
Total liabilities		**1,466,914**	1,194,759
Net assets		**1,322,360**	1,298,063
EQUITY			
Contributed equity	8(a)	**1,137,030**	1,137,783
Other reserves	8(b)	**(56,027)**	(10,594)
Retained earnings		**230,937**	160,986
Capital and reserves attributable to owners of Perenti Global Limited		**1,311,940**	1,288,175
Non-controlling interests		**10,420**	9,888
Total equity		**1,322,360**	1,298,063

** See note 25(a) for details regarding the restatement as a result of a change in accounting policy.*

The above consolidated statement of financial position should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 30 June 2022

	Notes	Attributable to owners of Perenti Global Limited					
	Notes	Contributed equity $'000	Other reserves $'000	Retained earnings $'000	Total $'000	Non-controlling interests $'000	Total equity $'000
Balance at 1 July 2020		**1,135,323**	**(11,104)**	**270,039**	**1,394,258**	**5,496**	**1,399,754**
(Loss)/profit for the year		-	-	(55,140)	(55,140)	2,837	(52,303)
Other comprehensive income/(loss)		-	478	-	478	(508)	(30)
Total comprehensive (loss)/income for the year		**-**	**478**	**(55,140)**	**(54,662)**	**2,329**	**(52,333)**
Transactions with owners in their capacity as owners:							
Issue of ordinary shares as part of dividend reinvestment plan, net of transaction costs and tax		962	-	-	962	-	962
Shares issued on conversion of employee share options/rights		2,082	(2,001)	-	81	-	81
Deferred tax movement on capital raising costs		(584)	-	-	(584)	-	(584)
Capital contribution from non-controlling interests		-	-	-	-	2,063	2,063
Dividends paid/payable	12(b)	-	-	(49,270)	(49,270)	-	(49,270)
Employee share options/rights - value of employee services		-	2,033	-	2,033	-	2,033
		2,460	32	(49,270)	(46,778)	2,063	(44,715)
Balance at 30 June 2021		**1,137,783**	**(10,594)**	**165,629**	**1,292,818**	**9,888**	**1,302,706**
Balance at 1 July 2021 as originally presented		**1,137,783**	**(10,594)**	**165,629**	**1,292,818**	**9,888**	**1,302,706**
Prior year adjustment Software-as-a-Service - Intangible		-	-	(4,643)	(4,643)	-	(4,643)
Restated total equity at 1 July 2021		**1,137,783**	**(10,594)**	**160,986**	**1,288,175**	**9,888**	**1,298,063**
Profit for the year		-	-	40,658	40,658	1,828	42,486
Other comprehensive income		-	(4,735)	-	(4,735)	1,185	(3,550)
Total comprehensive income for the year		**-**	**(4,735)**	**40,658**	**35,923**	**3,013**	**38,936**
Transfer from financial assets at FVOCI reserve to retained earnings		-	(29,474)	29,474	-	-	-
Asset revaluation reserve gain taken to retained earnings on sale of asset		-	(11,998)	11,998	-	-	-
Vested employee share rights that have lapsed, been cancelled or forfeited		-	(1,929)	1,929	-	-	-
Transactions with owners in their capacity as owners:							
Dividends paid	12(b)(i)	-	-	(14,108)	(14,108)	-	(14,108)
Buy-back of ordinary shares, net of tax	12(c)	(2,057)	-	-	(2,057)	-	(2,057)
Dividends paid to non-controlling interests		-	-	-	-	(2,665)	(2,665)
Deferred tax movement on capital raising costs	8(a)	(584)	-	-	(584)	-	(584)
Employee share rights - value of employee services	19(c)	-	4,591	-	4,591	-	4,591
Shares issued on conversion of employee share rights	8(a), 8(b)	1,888	(1,888)	-	-	-	-
Capital contribution from non-controlling interests		-	-	-	-	184	184
		(753)	2,703	(14,108)	(12,158)	(2,481)	(14,639)
Balance at 30 June 2022		**1,137,030**	**(56,027)**	**230,937**	**1,311,940**	**10,420**	**1,322,360**

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 30 June 2022

	Notes	22 $'000	21 $'000
Cash flows from operating activities			
Receipts from customers (inclusive of goods and services tax)		**2,515,724**	2,214,811
Payments to suppliers and employees (inclusive of goods and services tax)		**(2,056,808)**	(1,818,019)
		458,916	396,792
Interest received		**397**	495
Insurance recovery		**-**	2,124
Interest and other costs of finance paid		**(49,919)**	(46,701)
Income taxes paid		**(68,092)**	(56,447)
Net cash inflow from operating activities	9(a)	**341,302**	296,263
Cash flows from investing activities			
Payments for property, plant, equipment and intangibles		**(467,937)**	(278,619)
Proceeds from sale of property, plant and equipment		**26,715**	85,400
Proceeds from sale of assets at FVOCI	6(b)(iii)	**56,625**	-
Proceeds from sale of businesses		**46,186**	-
Proceeds from sale of assets held for sale	7(b)	**31,158**	-
Payments for purchase of subsidiaries	13	**(3,750)**	(10,570)
Cash removed on disposal of subsidiary		**(1,897)**	-
Cash acquired on acquisition of subsidiary		**493**	1,785
Repayment of loan by non-controlling interest		**609**	-
Loan to non-controlling interest		**-**	(2,079)
Net cash outflow from investing activities		**(311,798)**	(204,083)
Cash flows from financing activities			
Proceeds from borrowings		**310,926**	675,752
Repayment of borrowings		**(217,873)**	(703,064)
Redemption premium on 2022 High Yield Bonds		**-**	(8,143)
Payments of lease liabilities		**(26,432)**	(30,458)
Dividends paid	12(b)	**(14,108)**	(63,482)
Dividends paid to non-controlling interest		**(2,610)**	-
Payments for borrowing costs		**(139)**	(17,199)
Transactions with non-controlling interest		**(36)**	2,063
Proceeds from issues of shares, net of transaction costs		**-**	81
Payments for shares bought back, net of transaction costs		**(940)**	-
Net cash inflow/(outflow) from financing activities		**48,788**	(144,450)
Net increase/(decrease) in cash and cash equivalents		**78,292**	(52,270)
Cash and cash equivalents at the beginning of the financial year		**264,741**	327,491
Effects of exchange rate changes on cash and cash equivalents		**5,486**	(10,480)
Cash and cash equivalents at end of year	9(c)	**348,519**	264,741

Non-cash investing and financing activities (refer note 9(b))

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.

NOTES TO THE FINANCIAL STATEMENTS

1 SEGMENT INFORMATION

(a) Description of segments

Management has determined the operating segments based on the internal reports reviewed by the Managing Director that are used to make strategic decisions. The Managing Director assesses the performance of the operating segments based on Revenue and EBIT(A).

The operating segments are identified by the Managing Director based on the nature of the services provided. The Managing Director considers the business from a geographic perspective, similarity of the services provided and the nature of risks and returns associated with each business.

The reportable segments are:

Contract Mining - Surface

The provision of mining services including drilling and blasting, in-pit grade control, exploration drilling and earthmoving in Australia and Africa.

Contract Mining - Underground

The provision of underground mining services in Australia, Africa and North America.

Mining Services and idoba

Mining support services including equipment hire, equipment parts and sales, supply of equipment, logistics services and technology driven products and services. During the year ended 30 June 2022 the idoba group, Perenti's technology entities, were included in the Mining Services segment having been previously included in Corporate segment at 30 June 2021 to better reflect how this business is reviewed by the Managing Director. The prior period comparatives have been reclassified to reflect this change.

Corporate

This segment includes corporate activity covering strategy, treasury, accounting, human resources, information technology, procurement, legal, risk and other corporate administration.

Intersegment eliminations

Represents transactions which are eliminated on consolidation.

Financing arrangements are managed at a group level and therefore net financing cost are not allocated to segments.

EBIT(A)

EBIT(A) is defined as earnings before finance costs, finance income, income tax expense or benefit and amortisation of intangible assets.

1 SEGMENT INFORMATION (CONTINUED)

(b) Segment information provided to the Managing Director

For the year ended 30 June 2022	Contract Mining Surface $'000	Contract Mining Underground $'000	Mining Services and idoba $'000	Corporate $'000	Inter-segment eliminations $'000	Consolidated $'000
Segment revenue						
Sales to external customers	553,602	1,737,237	146,817	-	-	2,437,656
Intersegment sales	-	538	32,472	-	(33,010)	-
Total sales revenue	**553,602**	**1,737,775**	**179,289**	**-**	**(33,010)**	**2,437,656**
Timing of revenue recognition						
- At a point in time	1,455	-	79,159	-	(23,553)	57,061
- Over time	552,147	1,737,775	100,130	-	(9,457)	2,380,595
	553,602	1,737,775	179,289	-	(33,010)	2,437,656
Underlying segment EBIT(A)	**30,153**	**184,614**	**13,151**	**(51,625)**	-	**176,293**
Amortisation expense	(552)	(25,510)	(1,536)	(1,444)	-	(29,042)
Impairment of assets	-	(23,162)	-	-	-	(23,162)
Provisions relating to the exit from Mali	(11,619)	-	-	-	-	(11,619)
Transaction, restructuring costs and other	(721)	34	(3,757)	(5,466)	-	(9,910)
Foreign exchange (loss)/gain, net	(1,988)	2,068	97	(2,139)	-	(1,962)
Gain on sale of businesses, net	-	-	25,643	-	-	25,643
Reported segment EBIT	**15,273**	**138,044**	**33,598**	**(60,674)**	**-**	**126,241**
Interest income						397
Interest expense						(56,316)
Profit before tax						**70,322**
Income tax expense						(27,836)
Profit for the year						**42,486**
Non-controlling interests						(1,828)
Profit for the year attributable to members						**40,658**
Segment assets	**822,392**	**1,732,288**	**213,034**	**1,857,146**	**(1,835,586)**	**2,789,274**
Segment liabilities	**606,102**	**1,158,843**	**120,502**	**1,035,187**	**(1,453,720)**	**1,466,914**
Other segment information						
Depreciation expense	(65,429)	(162,998)	(18,313)	(3,380)	-	(250,120)
Amortisation expense	(552)	(25,510)	(1,536)	(1,444)	-	(29,042)
Acquisition of property, plant and equipment, intangibles and other non-current assets	217,357	208,984	24,788	16,808	-	467,937

1 SEGMENT INFORMATION (CONTINUED)

(b) Segment information provided to the Managing Director (continued)

For the year ended 30 June 2021 Restated	Contract Mining		Mining Services and idoba	Corporate	Inter-segment eliminations	Consolidated
	Surface	Underground				
	$'000	$'000	$'000	$'000	$'000	$'000
Segment revenue						
Sales to external customers	476,142	1,475,974	135,391	35	-	2,087,542
Intersegment sales	-	-	16,952	-	(16,952)	-
Total sales revenue	**476,142**	**1,475,974**	**152,343**	**35**	**(16,952)**	**2,087,542**
Timing of revenue recognition						
- At a point in time	2,050	-	52,781	-	(12,418)	42,413
- Over time	474,092	1,475,974	99,562	35	(4,534)	2,045,129
	476,142	1,475,974	152,343	35	(16,952)	2,087,542
Underlying segment EBIT(A)	**12,173**	**200,372**	**11,686**	**(53,444)**	**-**	**170,787**
Impairment of assets	(62,502)	-	(8,061)	-	-	(70,563)
Amortisation expense	(476)	(38,571)	(256)	-	-	(39,303)
Implementation of AMS strategic review	(13,573)	-	-	-	-	(13,573)
Trade receivable provisions and bad debts arising from AMS strategic review	(11,995)	-	-	-	-	(11,995)
Provision for stock obsolescence in BTP	-	-	(9,946)	-	-	(9,946)
Foreign exchange (loss)/gain, net	(2,108)	(4,995)	(3,387)	3,338	-	(7,152)
Transaction, restructuring costs and other	104	(693)	(121)	(2,782)	-	(3,492)
Reported segment EBIT	**(78,377)**	**156,113**	**(10,085)**	**(52,888)**	**-**	**14,763**
Interest income						495
Interest expense						(63,452)
Loss before tax						**(48,194)**
Income tax expense						(4,109)
Loss for the year						**(52,303)**
Non-controlling interests						(2,837)
Loss for the year attributable to members						**(55,140)**
Segment assets	**603,290**	**1,590,870**	**192,735**	**1,698,433**	**(1,592,506)**	**2,492,822**
Segment liabilities	**394,870**	**927,130**	**214,535**	**791,698**	**(1,133,474)**	**1,194,759**
Other segment information						
Depreciation expense	(60,785)	(137,902)	(19,738)	(3,805)	-	(222,230)
Amortisation expense	(476)	(38,571)	(256)	-	-	(39,303)
Acquisition of property, plant and equipment, intangibles and other non-current assets	63,230	178,462	19,974	16,953	-	278,619

1 SEGMENT INFORMATION (CONTINUED)

(c) Geographical information

The table below provides information on the geographical location of revenue from contracts with customers and non-current assets (other than deferred tax assets). Revenue and non-current assets are recorded in the applicable jurisdiction based on location of operation. The revenue from external parties reported to the Managing Director is measured in a manner consistent with that in the consolidated income statement. Non-current assets are allocated based on the location of the operations and the physical location of the asset.

	30 June 2022				30 June 2021 Restated			
	Total segment revenue	Inter-segment revenue	Revenue from external customers	Non-current segment assets	Total segment revenue	Inter-segment revenue	Revenue from external customers	Non-current segment assets
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Contract Mining - Surface								
- Australia	**196,831**	**-**	**196,831**	**129,576**	185,118	-	185,118	113,422
- Ghana	**164,489**	**-**	**164,489**	**138,700**	75,811	-	75,811	95,048
- Senegal	**79,883**	**-**	**79,883**	**47,084**	68,368	-	68,368	52,451
- Burkina Faso	**68,223**	**-**	**68,223**	**34,887**	63,536	-	63,536	38,209
- Mali	**23,607**	**-**	**23,607**	**-**	83,222	-	83,222	2,783
- Botswana	**20,533**	**-**	**20,533**	**100,882**	-	-	-	-
- Other foreign countries	**36**	**-**	**36**	**17**	87	-	87	-
Contract Mining - Underground								
- Australia	**834,462**	**-**	**834,462**	**349,343**	689,628	-	689,628	368,654
- Ghana	**272,450**	**-**	**272,450**	**227,667**	247,604	-	247,604	221,791
- Burkina Faso	**219,646**	**-**	**219,646**	**226,393**	214,979	-	214,979	242,060
- Botswana	**145,184**	**(538)**	**144,646**	**76,307**	77,954	-	77,954	51,891
- Tanzania	**114,397**	**-**	**114,397**	**94,885**	98,967	-	98,967	93,616
- Canada	**95,516**	**-**	**95,516**	**16,807**	59,308	-	59,308	3,871
- Mali	**-**	**-**	**-**	**25,180**	-	-	-	27,028
- Egypt	**56,120**	**-**	**56,120**	**598**	87,186	-	87,186	12,720
- Other foreign countries	**-**	**-**	**-**	**25**	348	-	348	-
Mining Services and idoba								
- Australia	**130,256**	**(6,027)**	**124,229**	**137,010**	114,162	(1,642)	112,520	116,453
- Africa	**49,033**	**(26,445)**	**22,588**	**283**	37,847	(15,073)	22,774	421
- Other foreign countries	**-**	**-**	**-**	**22**	334	(237)	97	73
Corporate								
- Australia	**-**	**-**	**-**	**41,596**	35	-	35	59,878
- Other foreign countries	**-**	**-**	**-**	**-**	-	-	-	228
Total	**2,470,666**	**(33,010)**	**2,437,656**	**1,647,262**	2,104,494	(16,952)	2,087,542	1,500,597

2 REVENUE

The Group derives the following types of revenue:	Notes	22 $'000	21 $'000
Revenue from Contracts with Customers			
Contract mining services	2(a)(i)	**2,321,584**	1,992,925
Equipment rental	2(a)(ii)	**42,827**	43,268
Mining supplies and manufactured goods (sale of goods)	2(a)(iii)	**57,061**	42,413
Consulting services	2(a)(iv)	**16,184**	8,936
		2,437,656	2,087,542

(a) Revenue recognition

Revenue is recognised for the major business activities using the methods outlined below.

(i) Contract mining services

Contract mining services include underground and surface mining, drill and blast, in-pit grade control, exploration drilling, earthmoving, machinery rebuilds and mineral assays and analysis. The performance obligation is fulfilled over time as the Group enhances mining assets which the customer controls and for which the Group has a right to payment for performance to date and as such revenue is recognised over time. Revenue is recognised monthly based on units of production at agreed contract rates that is aligned with the stand-alone selling prices for each performance obligation. The majority of the Group's revenue is paid one month in arrears and therefore gives rise to accrued revenue. The total transaction price for contract services may include variable consideration.

(ii) Equipment rental

Rental income is recognised on either a straight-line or machine hours basis over the term of the operating lease.

(iii) Mining supplies and manufactured goods (sale of goods)

Revenue is recorded at a point in time when control has been transferred to the customer, generally being when the goods have been dispatched or delivered to a customer pursuant to the sales order.

(iv) Consulting services

The Group provides operational improvement and technology consulting services to clients in the mining sector. Delivery of these services represent performance obligations. Upon completion of each performance obligation, which is satisfied over time, the Group is entitled to payment for the services performed.

Accounting policies

The Group recognises revenue when the Group satisfies performance obligations by transferring a promised good or service to a customer. An asset is transferred when or as the customer obtains control of that asset.

Contract assets and liabilities

AASB 15 Revenue from Contracts with Customers uses the terms 'contract asset' and 'contract liability' to describe what is commonly known as 'accrued revenue' and 'deferred revenue'. Accrued revenue represents receivables for unbilled completed services where the Group's right to consideration is unconditional subject to only the passage of time. Deferred revenue arises where payment is received prior to work being performed and is allocated to the performance obligations within the contract and recognised as revenue over the course of the contract.

Variable consideration

AASB 15 Revenue from Contracts with Customers provides requirements for variable considerations such as claims, variations and contract modifications. Where consideration in respect of a contract is variable, the expected value of revenue is only recognised to the extent that it is highly probable that it will not result in a significant reversal. The estimate is based on all available information including historic performance.

Contract fulfilment costs

Costs generally incurred prior to the commencement of a contract may arise due to mobilisation/site setup costs as these costs are incurred to fulfil a contract. Where these costs are expected to be recovered, they are capitalised and amortised over the contract consistent with the transfer of service to the customer. Where the costs, or a portion of these costs, are reimbursed by the customer, the amount received is recognised as deferred revenue.

Financing components

The Group does not expect to have any contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year and/or which contain other material financing components. Therefore, the Group does not adjust any of the transaction prices for the time value of money or other financing components.

Warranties and defect periods

Contracts for sale of goods and services may include defect and warranty periods following completion of the sale or project. These obligations are not deemed to be separate performance obligations and therefore are estimated and included in the total costs of the contracts. Where required, amounts are recognised in accordance with *AASB 137 Provisions, Contingent Liabilities and Contingent Assets*.

(b) Revenue recognised in relation to contract liabilities

The Group recognised revenue from the amortisation of deferred revenue liabilities related to mining services contracts. Revenue recognised related to contract liabilities was $2,433,000 (2021: $1,751,000).

3 INDIVIDUALLY SIGNIFICANT ITEMS

The Group has identified a number of items which are material due to the significance of their nature and/or amount. These are listed separately here to provide a better understanding of the financial performance of the Group.

	Notes	22 $'000	21 $'000
Gain on sale of MinAnalytical business	3(b)	**29,630**	-
Impairment of customer related intangibles	7(e)(ii)	**(23,162)**	-
Impairment of property, plant and equipment	3(a)	**-**	(59,903)
Impairment of inventory	3(a)	**-**	(10,660)
		6,468	(70,563)

(a) Impairment of property, plant and equipment

For the year ended 30 June 2022, the Group assessed whether there were any indicators of impairment. The Company's market capitalisation at 30 June 2022 was below its net assets and management considered this factor amongst other impairment indicators at 30 June 2022.

Indicators of impairment can exist at an individual asset level due to factors such as technical obsolescence, declining market value, physical condition or saleability within a reasonable time frame. Other indicators of impairment can exist where there is a deterioration of financial performance of cash-generating units (CGUs) against their respective budgets and forecasts. Where indicators of impairment exist, the recoverable amount was determined by calculating the higher of fair value less cost of disposal (FVLCD) and value in use (VIU).

At 30 June 2022 indicators of impairment existed for Contract Mining - Surface (Australia), Contract Mining - Surface (Africa) and BTP Group CGUs. Recoverable amounts for plant and equipment within the CGUs were prepared using the FVLCD method to assess whether impairments or reversal of previous impairments were required. The Group sourced independent valuations at 30 June 2022 to support the FVLCD estimates required for each of the applicable CGUs.

Summary of the impairment taken, and method used to assess the impairment

The following table summarises the outcomes from impairment testing conducted across the Company's material CGUs.

	Indicator for impairment testing		Valuation method used		Impairment expense/ (reversal) of PPE and Inventory	
CGU	**22**	21	**22**	21	**22**	21
BTP Group	**Y**	Y	**FVLCD**	FVLCD	**-**	$8.1m
Contract Mining - Surface (Africa)	**Y**	Y	**FVLCD**	FVLCD	**-**	$62.5m
Contract Mining - Surface (Australia)	**Y**	Y	**FVLCD**	FVLCD	**-**	-
MinAnalytical	**N/A**	Y	**N/A**	FVLCD	**-**	-
Contract Mining - Underground (Australasia / Africa and North America)	**Y**	N	**VIU**	N/A	**-**	-

Key assumptions used for fair value less costs of disposal

At 30 June 2022, the FVLCD methodology adopted for BTP Group, Contract Mining - Surface (Africa) and Contract Mining - Surface (Australia), combined level 1, level 2, and predominately level 3 inputs in the fair value determination.

The main inputs used by the Group are the cost approach and the market approach. The cost approach considers the replacement cost of a new item being appraised and then deducts the loss in value caused by physical deterioration, functional or economic obsolescence. The market approach or sales comparison approach considers sales prices (or offering prices) of property that is comparable.

At 30 June 2022 no impairment expense was recognised and no reversal of impairment was considered necessary.

In the prior period an impairment expense of $8.1 million was recorded against the BTP Group CGU's plant and equipment based on an independent valuation and an impairment expense of $62.5 million was recorded against the property, plant and equipment and inventory of the Contract Mining - Surface (Africa) CGU. The impairment recorded in the prior period for Contract Mining - Surface (Africa) CGU was based upon offers obtained for various items of equipment and a FVLCD independent valuation obtained for the remaining fleet.

(b) Gain on sale of MinAnalytical business

The Group completed a divestment, effective 30 November 2021, of its ownership in its subsidiary MinAnalytical Laboratory Services Australia Pty Ltd ('MinAnalytical'). The total consideration for the transaction was $43.6 million in cash, comprised of $39.0 million for shares in MinAnalytical plus $4.6 million for working capital. A gain of $29.6 million, net of transaction costs, was recorded against other income in the consolidated statement of profit or loss. The sale of MinAnalytical did not represent a separate major line of business and therefore has not been disclosed as a discontinued operation.

4 OTHER INCOME AND EXPENSE ITEMS

This note provides a breakdown of the items included in other income and an analysis of expenses by nature.

(a) Other income

	Notes	22 $'000	21 $'000
Gain on sale of businesses, net		**25,643**	-
Other items		**9,567**	6,102
Traineeship grants		**8,426**	-
Gain on disposal of property, plant and equipment		**3,489**	473
Insurance proceeds		**126**	2,516
Total other income		**47,251**	9,091

(b) Breakdown of expenses by nature

	Notes	22 $'000	21 $'000
Depreciation expense			
Plant and equipment depreciation		**223,498**	185,857
Right-of-use asset depreciation		**25,042**	34,287
Buildings depreciation		**1,580**	2,086
Total depreciation expense		**250,120**	222,230
Amortisation expense			
Customer relationships intangibles amortisation		**25,284**	38,102
Software amortisation		**3,758**	1,201
Total amortisation expense		**29,042**	39,303
Rental and hire expenses			
Rental expense for equipment		**44,326**	16,022
Rental expense for properties		**980**	2,155
Total rental and hire expenses		**45,306**	18,177
Finance costs			
Interest expense		**46,942**	45,644
Redemption premium on 2022 High Yield Bonds		**-**	8,143
Lease contracts interest		**3,635**	5,294
Amortisation of borrowing cost		**5,674**	3,558
Other finance costs		**65**	813
Total finance costs		**56,316**	63,452
Other expenses from ordinary activities			
Staffing, safety and training		**42,963**	32,839
Consultants		**27,477**	20,316
Travel and accommodation		**32,412**	43,262
Freight		**36,444**	28,994
IT and communications		**19,546**	18,033
Insurance		**16,788**	18,175
Trade receivable provisions and bad debts		**6,670**	11,328
Duties and taxes		**12,717**	9,920
Property related expenses		**9,145**	9,392
Foreign exchange loss/(gain), net		**1,962**	7,152
All other expenses		**32,407**	28,245
Total other expenses from ordinary activities		**238,531**	227,656
Impairment of assets			
Impairment of customer related intangibles	7(e)(i)	**23,162**	-
Impairment of property, plant and equipment	3	**-**	59,903
Impairment of inventory	3	**-**	10,660
Total impairment of assets		**23,162**	70,563

5 INCOME TAX EXPENSE

(a) Income tax expense

	22 $'000	21 $'000
Current income tax expense		
Current tax on profits for the year	**53,498**	55,881
Adjustments for prior periods	**3,311**	(19)
Deferred income tax expense		
Decrease/(increase) in deferred tax assets	**5,880**	(34,255)
Decrease in deferred tax liabilities	**(34,853)**	(17,498)
Income tax expense	**27,836**	4,109

(b) Tax reconciliation

	Notes	22 $'000	21 $'000
Profit/(loss) before tax		**70,322**	(48,194)
Income tax at the Australian tax rate of 30% (2021: 30%)		**21,097**	(14,458)
Non-Deductible items:			
Share-based payments		**1,306**	610
Other foreign permanent differences		**65**	(386)
Withholding tax		**18,711**	11,236
Other assessable/non-deductible items		**20,061**	18,738
Difference in overseas tax rates		**(5,641)**	(5,818)
Adjustments for prior periods		**3,311**	(19)
Tax losses recognised		**(20,037)**	(6,159)
Movement in tax base due to effect of foreign currency translation		**(12,279)**	5,584
Deferred tax on undistributed profits of foreign subsidiaries and joint ventures		**-**	(6,317)
Movement in uncertain tax positions	5(g)(ii)	**1,242**	1,098
Income tax expense		**27,836**	4,109

(c) Amounts recognised directly in equity

	Notes	22 $'000	21 $'000
Net gain on revaluation of financial assets at FVOCI	8(b)	**-**	(571)
Deferred tax recognised in foreign currency translation reserve	8(b)	**-**	(1,483)
Net gain on revaluation of land and buildings		**-**	(448)
Deferred tax movement on capital raising costs		**(584)**	(584)
Income tax benefit reported directly in statement of changes in equity		**(584)**	(3,086)

(d) Recognition and measurement

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to taxation authorities at the tax rates and tax laws enacted to substantively enacted by the balance sheet date. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation.
It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

5 INCOME TAX EXPENSE (CONTINUED)

(e) Tax losses and temporary differences not recognised

(i) Tax losses for which deferred tax assets have not been recognised:

	22 $'000	21 $'000
Unused tax losses for which no deferred tax asset has been recognised	**85,997**	172,241
Unrecognised deferred tax assets relating to the above unused tax losses	**25,571**	51,139

Key Judgement: Unrecognised deferred tax asset

The Group reviews the carrying amount of its deferred tax assets at each balance date. At 30 June 2022 the Group has unrecognised benefits relating to carried forward tax losses, which can only be offset against eligible future tax profits. The Group has determined that there is sufficient future taxable profit in Australia to support the losses recognised but at this stage it is not sufficient to support the above unrecognised losses relating predominantly to the African operations.

(ii) Temporary differences for which deferred tax liabilities have not been recognised:

	22 $'000	21 $'000
Undistributed earnings	**186,215**	244,543
Unrecognised deferred tax liabilities relating to the above undistributed earnings	**14,965**	22,054

The Group has undistributed earnings of $186,215,000 (2021: $244,543,000) in some of its overseas subsidiaries which, if paid out as dividends, would attract dividend withholding tax. An assessable temporary difference exists, but no deferred tax liability has been recognised as the parent entity is able to control the timing of distributions from the subsidiary.

(f) Effective tax rates for the year ended 30 June 2022 for Australian and Group operations

(i) Australian operations

The statutory effective tax rate for the year ended 30 June 2022 for the Australian operations is 43.5% (30 June 2021: 37.1%). This rate is higher than the Australian corporate income tax rate of 30% due to the impact of functional currencies, income/expenditure which are not assessable/deductible for tax, recognition of previously unrecognised tax losses and transfer pricing adjustments. The statutory effective tax rate excluding the impact of these items is 30.0% (30 June 2021: 30.0%).

(ii) Group operations

The statutory effective tax rate for the year ended 30 June 2022 for the global operations is 39.6% (30 June 2021: (8.5%)). This rate is higher than the Australian corporate tax rate of 30% due to the impact of dividend withholding tax incurred, functional currencies, items of income/expenditure which are not assessable/deductible for tax, recognition of previously unrecognised tax losses and transfer pricing adjustments. The statutory effective tax rate excluding the impact of these items is 30.0% (30 June 2021: 30.0%).

5 INCOME TAX EXPENSE/(BENEFIT) (CONTINUED)

(g) Deferred tax balances

(i) Deferred tax assets

	Notes	22 $'000	21 $'000
Deferred income tax relates to the following:			
Employee benefits		**28,884**	24,999
Accruals		**9,119**	5,500
Provision for obsolete stock		**1,203**	1,828
Doubtful debts		**564**	2,444
Depreciation		**8,145**	10,819
Right-of-use assets		**12,959**	14,683
Inventory		**67**	2,262
Borrowing and business expenses		**3,233**	5,052
Unrealised foreign exchange		**2,156**	-
Current/prior year tax losses recognised		**146,059**	151,710
Financial assets		**446**	-
R&D tax offset recognised		**4,999**	4,999
Deferred tax assets		**217,834**	224,296
Set off deferred tax liabilities pursuant to set-off provisions	5(g)(ii)	**(47,595)**	(76,555)
Net deferred tax assets		**170,239**	147,741
Deferred tax assets expected to be recovered within 12 months		**74,345**	64,023
Deferred tax assets expected to be recovered after more than 12 months		**143,489**	160,273
		217,834	224,296

All movements charged/credited through profit or loss except for an amount of $584,000 (2021: $2,638,000) which was charged directly to equity.

(ii) Deferred tax liabilities

	Notes	22 $'000	21 $'000
Deferred income tax relates to the following:			
Depreciation		**18,606**	25,599
Intangibles - customer relationships		**50,407**	64,944
Revaluation of land and buildings		**6,486**	6,486
Right-of-use assets		**11,946**	13,692
Unrealised foreign exchange		**-**	9,855
Uncertain tax positions		**32,175**	30,933
Financial assets at fair value through profit or loss		**-**	2,926
Other		**215**	255
Deferred tax liabilities		**119,835**	154,690
Adjustment of deferred tax liabilities pursuant to set-off provisions	5(g)(i)	**(47,595)**	(76,555)
Net deferred tax liabilities		**72,240**	78,135
Deferred tax liabilities expected to be settled within 12 months		**13,503**	25,937
Deferred tax liabilities expected to be settled after more than 12 months		**106,332**	128,753
		119,835	154,690

All movements charged/credited through profit or loss, no amounts were charged directly to equity (2021: $448,000).

5 INCOME TAX EXPENSE (CONTINUED)

(g) Deferred tax balances (continued)

Uncertain tax positions

The Group is subject to income taxes across a number of global jurisdictions and therefore significant judgement is required when determining the provision for income taxes on a worldwide basis. There are some transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. The Company recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from amounts provided, such differences will impact the current and deferred tax provisions in the period in which such outcome is obtained. In addition, the Company regularly assesses the recognition and recoverability of deferred tax assets. This requires judgements about the application of income tax legislation in jurisdictions in which Perenti operates. Changes in circumstances may alter expectations and affect the carrying amount of deferred tax assets.

Offsetting deferred tax balances

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

6 FINANCIAL ASSETS AND FINANCIAL LIABILITIES

(a) Trade and other receivables

	22			21		
	Current	Non-current	Total	Current	Non-current	Total
	$'000	$'000	$'000	$'000	$'000	$'000
Trade receivables (i)	**97,525**	**-**	**97,525**	125,660	-	125,660
Accrued revenue	**206,235**	**-**	**206,235**	157,753	-	157,753
Provision for impairment and expected credit losses (see note 11(b))	**(10,980)**	**-**	**(10,980)**	(13,097)	-	(13,097)
	292,780	**-**	**292,780**	270,316	-	270,316
Net GST / VAT receivables	**42,820**	**-**	**42,820**	29,680	-	29,680
Other receivables (ii)	**6,232**	**8,921**	**15,153**	6,681	4,220	10,901
Prepayments	**49,269**	**509**	**49,778**	19,216	669	19,885
	391,101	**9,430**	**400,531**	325,893	4,889	330,782

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost, less provision for impairment and loss allowance.

(i) Classification as trade and other receivables

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. If collection of the amounts is expected in one year or less they are classified as current assets. If not, they are presented as non-current assets. Trade receivables are generally due for settlement not more than 90 days from the date of recognition and therefore are all classified as current. Due to the short-term nature of these receivables, their carrying amount is assumed to be the same as their fair value. For non-current receivables, the fair values are also not significantly different to their carrying amounts. The Group's impairment loss allowance, the credit quality and the Group's exposure to credit risk, foreign currency risk and interest rate risk can be found in note 11(a) and 11(b).

(ii) Other receivables

This amount includes operating expense rebates and other receivables. If collection of other receivables is expected in one year or less they are classified as current assets.

(b) Financial assets at fair value through other comprehensive income

During the year ended 30 June 2022 the Group divested of all its equity holdings.

	22	21
	$'000	$'000
Non-current assets		
Listed securities		
Equity securities	**-**	7,386
Unlisted securities		
Equity securities	**-**	18,150
	-	25,536

6 FINANCIAL ASSETS AND FINANCIAL LIABILITIES (CONTINUED)

(b) Financial assets at fair value through other comprehensive income (continued)

Accounting policies

Classification

The Group classifies its investments in the following categories:

- loans and receivables measured at amortised cost, and
- financial assets at fair value through other comprehensive income (FVOCI).

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

Measurement

At initial recognition, the Group measures a financial asset at its fair value plus transaction costs that are directly attributable to the acquisition of the financial asset. The Group subsequently measures all equity investments at fair value. Where the Group has elected to present fair value gains and losses on equity investments in OCI, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments continue to be recognised in profit or loss as other income when the Group's right to receive payments is established.

Loans and receivables are carried at amortised cost using the effective interest method.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise when the Group provides money, goods or services directly to a debtor with no intention of selling the receivable. They are included in current assets, except for those with maturities greater than 12 months after statement of financial position date which are classified as non-current assets. Loans and receivables are included in trade and other receivables (note 6(a)).

Financial assets at fair value through other comprehensive income (FVOCI)

The Group subsequently measures all equity investments at fair value. Where the Group's management has elected to present fair value gains and losses on equity investments in OCI, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments continue to be recognised in profit or loss as other income when the Group's right to receive payments is established. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

Financial assets - recognition and derecognition

Purchases and sales of financial assets are recognised on trade date, being the date on which the Group commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

Impairment

The Group assesses on a forward-looking basis the expected credit losses associated with its debt instruments carried at FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk. For trade receivables, the Group applies the simplified approach permitted by AASB 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables, refer to note 11 for further detail.

(i) Classification of financial assets at fair value through other comprehensive income

Financial assets at fair value through other comprehensive income (FVOCI) comprise:

Equity securities which are not held for trading, and which the group has irrevocably elected at initial recognition to recognise in this category. These are strategic investments and the Group considers this classification to be more relevant.

On disposal of these equity investments, any related balance within the fair value reserve will be transferred to retained earnings.

6 FINANCIAL ASSETS AND FINANCIAL LIABILITIES (CONTINUED)

(b) Financial assets at fair value through other comprehensive income (continued)

(ii) Amounts recognised in other comprehensive income

During the year, the following gains were recognised in other comprehensive income.

	Notes	22 $'000	21 $'000
Gains recognised in other comprehensive income, gross	8(b)	**31,089**	1,904

(iii) Disposal of financial assets at fair value through other comprehensive income during the year

In line with the Perenti Group strategy to divest non-core assets the entire portfolio of both listed and unlisted financial assets at FVOCI were sold during the year ended 30 June 2022. The sale resulted in cash consideration before costs of $56.6 million and a transfer from financial assets at FVOCI reserve to retained earnings of $29.5 million in the statement of changes in equity.

(c) Trade and other payables

	22 $'000	21 $'000
Trade payables	**202,350**	110,816
Accrued expenses	**104,353**	89,175
Payroll accruals	**55,964**	33,384
Net GST / VAT payables	**8,457**	9,589
Contract liabilities (i)	**3,278**	1,986
Accrued bond interest	**9,885**	9,100
Other creditors and accruals	**9,011**	6,261
	393,298	260,311

These amounts represent liabilities for goods and services provided to the Group prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within 45 to 60 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months from the reporting date. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method. The carrying amounts of trade and other payables are considered to be the same as their fair values, due to their short-term nature.

(i) Contract liabilities

Movements in liabilities relating to revenue contracts are as follows:

	Notes	22 $'000	21 $'000
Opening balance		**1,986**	2,182
Deferred revenue recognised		**3,791**	1,619
Revenue recognised	2(b)	**(2,433)**	(1,751)
Exchange differences		**(66)**	(64)
Closing balance		**3,278**	1,986

6 FINANCIAL ASSETS AND FINANCIAL LIABILITIES (CONTINUED)

(d) Borrowings

	22			21		
	Current	Non-current	Total	Current	Non-current	Total
	$'000	$'000	$'000	$'000	$'000	$'000
Secured						
Bank loans	**-**	**198,763**	**198,763**	-	92,500	92,500
Capitalised borrowing costs	**(1,427)**	**(3,569)**	**(4,996)**	-	(2,413)	(2,413)
Other loans	**5,769**	**4,093**	**9,862**	6,332	9,551	15,883
Total secured borrowings	**4,342**	**199,287**	**203,629**	6,332	99,638	105,970
Unsecured						
USD notes	**-**	**651,749**	**651,749**	-	600,004	600,004
Loan from non-controlling interest	**1,159**	**-**	**1,159**	-	1,290	1,290
Capitalised borrowing costs	**(3,329)**	**(7,544)**	**(10,873)**	(3,064)	(10,009)	(13,073)
Total unsecured borrowings	**(2,170)**	**644,205**	**642,035**	(3,064)	591,285	588,221
Total borrowings	**2,172**	**843,492**	**845,664**	3,268	690,923	694,191

At 30 June 2022, the Group had total unutilised facilities (bank and other loans) of $220,079,000 (2021: $329,580,000).

Bank loans

In June 2022, Perenti Global Limited announced the successful refinancing of its existing A$400 million revolving credit facilities which were due to mature on 1 July 2023. As at 30 June 2022, 51% of the existing facilities were drawn. The new A$420 million syndicated debt facility which settled on 8 July 2022 is provided by a number of leading lending institutions in the Global banking market. The facility is comprised of tranches with 2, 3, 4 and 5 year maturity dates.

Other loans

Other loans include asset financing arrangements with various financiers which are secured by the specific assets financed.

USD notes

On 7 October 2020 Perenti issued 6.50% Guaranteed Senior Notes due for repayment 7 October 2025 with a US$450 million principal amount. The notes were issued by Perenti Finance Pty Ltd and are unsecured and have been guaranteed by Perenti Global Limited and its subsidiaries. The interest on the notes is payable semi-annually on 7 April and 7 October. The notes are quoted on the Singapore Stock Exchange.

Loan from non-controlling interest

The loan is from the joint venture partner to AMAX Limited, in prior year to Underground Mining Alliance Limited.

Covenants on financing facilities

The Group's financing facilities contain undertakings including an obligation to comply with certain financial covenants. All banking covenants have been complied with at reporting date and the Group has significant headroom available under all covenants.

Refinancing requirements

Where existing facilities approach maturity, the Group will seek to renegotiate with existing and new financiers to replace or extend the maturity date of those facilities. The Group's earnings profile, credit rating, state of the economy, conditions in financial markets and other factors may influence the outcome of those negotiations.

Credit ratings

The Group currently has a credit rating of Ba2 (Outlook Stable) from Moody's, a credit rating of BB (Outlook Stable) from Standard & Poor's and a credit rating of BB+ (Outlook Stable) from Fitch, which represents an improvement on last year's rating. Where a credit rating is reduced or placed on negative watch, customers and suppliers may be less willing to contract with the Group. Banks and other lending institutions may demand more stringent terms (including increased pricing) on debt facilities to reflect the higher credit risk profile.

6 FINANCIAL ASSETS AND FINANCIAL LIABILITIES (CONTINUED)

(d) Borrowings (continued)

Fair value

For the majority of the borrowings, the fair values were not materially different to their carrying amounts, since the interest payable on those borrowings is either close to current market rates or the borrowings are of a short-term nature. Material differences are identified only for the following borrowings:

	22		21	
	Carrying amount $'000	Fair value $'000	Carrying amount $'000	Fair value $'000
On-balance sheet				
Traded financial liabilities				
USD notes - unsecured US$450 million	651,749	622,081	600,004	631,864

The fair values of non-current borrowings are based on market price (Level 1) at the balance sheet date.

Accounting policies

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Fees paid 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. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are removed from the 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 other income and other expenses.

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 asset 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 are expensed.

6 FINANCIAL ASSETS AND FINANCIAL LIABILITIES (CONTINUED)

(e) Recognised fair value measurements

(i) Fair value hierarchy

The Group classifies its financial instruments using the three levels as prescribed under AASB 13 Fair Value Measurement.

The following table presents the Group's financial assets measured and recognised at fair value at 30 June 2022 and 30 June 2021 on a recurring basis:

At 30 June 2022	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
Financial assets				
Financial assets FVOCI	-	-	-	-
Australian listed equity securities	-	-	-	-
Australian unlisted equity securities	-	-	-	-
CAD listed equity securities	-	-	-	-
GBP listed equity securities	-	-	-	-
Total financial assets	-	-	-	-

At 30 June 2021	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
Financial assets				
Financial assets FVOCI				
Australian listed equity securities	6,118	-	-	6,118
Australian unlisted equity securities	-	-	18,150	18,150
CAD listed equity securities	704	-	-	704
GBP listed equity securities	564	-	-	564
Total financial assets	7,386	-	18,150	25,536

Level 1: The fair value of financial instruments traded in active markets (such as publicly traded derivatives and equity securities) is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the Group is the current bid price. These instruments are included in level 1.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data without over reliance on entity specific estimates. The instrument is included in level 2 if all significant inputs required to fair value an instrument are observable.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities.

(ii) Valuation techniques used to determine fair values (level 1)

Specific valuation techniques used to value financial instruments include the use of quoted market prices or dealer quotes for similar instruments.

(iii) Fair value measurements using significant unobservable inputs (level 3)

The following table presents the changes in level 3 items (unlisted equity securities) for the period ended 30 June 2022:

	22 $'000	21 $'000
Opening balance	**18,150**	18,475
Transfers between levels	**-**	(325)
Gains recognised in other comprehensive income	**30,813**	-
Disposals	**(48,963)**	-
Closing balance	**-**	18,150

There were no transfers between the levels of the fair value hierarchy and there were no changes to the valuation methods applied as of 30 June 2022.

(iv) Valuation inputs and relationships to fair value

Changes in the fair value of unlisted equity securities are analysed at least each reporting period by discussion with the Chief Financial Officer. As part of this discussion the team explains the reason for any fair value movements based on information received in relation to recent transactions or financial information of the unlisted equity securities.

7 NON-FINANCIAL ASSETS AND LIABILITIES

(a) Inventories

	22 $'000	21 $'000
Work in progress	**19,659**	34,029
Finished goods	**15,908**	19,870
Consumables	**176,552**	160,512
	212,119	214,411

(i) Assigning costs to inventories

Consumables and store items, work in progress and finished goods are stated at the lower of cost and net realisable value. Cost comprises direct materials, direct labour and an appropriate proportion of variable and fixed overhead expenditure, the latter being allocated based on normal operating capacity. Costs are assigned to individual items of inventory based on weighted average costs. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs to sell.

(ii) Amounts recognised in profit or loss

For the year ended 30 June 2022, write-downs of inventories to net realisable value totalled $807,000 (2021: $20,833,000) and inventory provisions of $1,036,000 (2021: $10,223,000) were recorded against the consolidated statement of profit or loss. The inventory provision balance at 30 June 2022 amounted to $10,980,000 (2021: $18,218,000). There was no impairment recorded against inventory (2021: $10,660,000) for the year ended 30 June 2022.

(b) Assets classified as held for sale

	22 $'000	21 $'000
Current assets		
Plant and equipment	**5,459**	28,894
Inventories	**2,029**	-
	7,488	28,894

On 30 June 2022 the Group signed a Heads of Agreement to sell its assets and inventory in African Mining Services Mali Sarl for total consideration of $9.3 million (USD$6.5 million). The sale is expected to be completed within the first quarter of financial year ending 30 June 2023 and the assets held for sale are presented within total assets of Contract Mining - Surface in the note 1 Segment information.

In the prior period on 24 June 2021 the Group accepted an offer to sell its Canning Vale premises (land and buildings) for consideration of $32.1 million. Due diligence was completed and the sale was finalised in the first half of the 30 June 2022 financial year. The asset was presented under Corporate in the prior period note 1 Segment information.

7 NON-FINANCIAL ASSETS AND LIABILITIES (CONTINUED)

(c) Property, plant and equipment

Non-current	Notes	Land and buildings $'000	Plant and equipment $'000	Total $'000
At 1 July 2020				
Cost or fair value		66,396	1,704,693	1,771,089
Accumulated depreciation		(9,368)	(943,625)	(952,993)
Net book amount		57,028	761,068	818,096
Year ended 30 June 2021				
Opening net book amount		57,028	761,068	818,096
Exchange differences		(1,753)	(16,126)	(17,879)
Additions		201	276,948	277,149
Disposals		-	(84,927)	(84,927)
Depreciation expense		(2,086)	(185,857)	(187,943)
Impairment		-	(54,054)	(54,054)
Transfer from right-of-use		-	5,688	5,688
Transfers from/(to) intangible assets		940	(2,684)	(1,744)
Transfer to inventory		-	(3,854)	(3,854)
Acquisition of subsidiary		-	18	18
Revaluation of land and buildings		(346)	-	(346)
Assets classified as held for sale		(28,894)	-	(28,894)
Closing net book amount		25,090	696,220	721,310
At 30 June 2021				
Cost or fair value		28,038	1,657,301	1,685,339
Accumulated depreciation		(2,948)	(961,081)	(964,029)
Net book amount		25,090	696,220	721,310
Year ended 30 June 2022				
Opening net book amount		**25,090**	**696,220**	**721,310**
Adjustment for Software-as-a-Service	25(a)	**-**	**(4,643)**	**(4,643)**
Restated opening net book amount		**25,090**	**691,577**	**716,667**
Year ended 30 June 2022				
Restated opening net book amount		**25,090**	**691,577**	**716,667**
Exchange differences		**665**	**8,252**	**8,917**
Additions		**419**	**443,558**	**443,977**
Disposals		**(59)**	**(26,276)**	**(26,335)**
Depreciation expense		**(1,580)**	**(223,498)**	**(225,078)**
Transfer to right-of-use		**-**	**(320)**	**(320)**
Transfer from inventory		**-**	**16,484**	**16,484**
Transfers to intangible assets		**-**	**(2,533)**	**(2,533)**
Assets classified as held for sale		**-**	**(5,459)**	**(5,459)**
Closing net book amount		**24,535**	**901,785**	**926,320**
At 30 June 2022				
Cost or fair value		**28,229**	**1,962,935**	**1,991,164**
Accumulated depreciation		**(3,694)**	**(1,061,150)**	**(1,064,844)**
Net book amount		**24,535**	**901,785**	**926,320**

7 NON-FINANCIAL ASSETS AND LIABILITIES (CONTINUED)

(c) Property, plant and equipment (continued)

(i) Carrying amounts that would have been recognised if land and buildings were stated at cost

If land and buildings were stated on the historical cost basis, the amounts would be as follows:

	22 $'000	21 $'000
Buildings		
Cost	**41,364**	39,837
Accumulated depreciation	**(19,914)**	(19,002)
Net book amount	**21,450**	20,835

Increases in the carrying amounts arising on revaluation of land and buildings are credited, net of tax, in other comprehensive income and accumulated in reserves in shareholders' equity. To the extent that the increase reverses a decrease previously recognised in profit or loss, the increase is first recognised in profit or loss. Decreases that reverse previous increases of the same asset are first recognised in other comprehensive income to the extent of the remaining surplus attributable to the asset; all other decreases are charged to profit or loss. Each year, the difference between depreciation based on the revalued carrying amount of the asset charged to profit or loss and depreciation based on the asset's original cost, net of tax, is reclassified from the property, plant and equipment revaluation surplus to retained earnings.

(ii) Depreciation methods and useful lives

Land is not depreciated. Depreciation on major plant and equipment and components is calculated on machine hours worked over their estimated useful life. Depreciation on other assets is calculated using the straight-line method to allocate their cost or revalued amounts, net of their residual values, over their estimated useful lives, as follows:

- Buildings 5 - 25 years
- Plant and equipment 2 - 15 years

Accounting policies

The Group's accounting policy for land and buildings is explained above. All other plant and equipment is stated at historical cost less depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

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 charged to profit or loss during the reporting period in which they are incurred.

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 carrying amount. These gains or losses are included in profit or loss. When revalued assets are sold, it is Group policy to transfer any amounts included in other reserves in respect of those assets to retained earnings.

Maintenance, repair costs and minor renewals are charged as expenses as incurred. Significant costs incurred in overhauling plant and equipment are capitalised and depreciated over the remaining useful life of the asset or the component.

(iii) Key estimates: property, plant and equipment

The estimations of useful lives, residual value and depreciation methods require management judgement and are reviewed annually. If they need to be modified, the change is accounted for prospectively from the date of reassessment until the end of the revised useful life (for both the current and future years). Such revisions are generally required when there are changes in economic circumstances impacting specific assets or groups of assets, such as changes to contract length or when an asset designation from idle to non-idle occurs. These changes are limited to specific assets and as such, any reasonably possible change in the estimate is unlikely to have a material impact on the estimations of useful lives, residual value or amortisation methods.

7 NON-FINANCIAL ASSETS AND LIABILITIES (CONTINUED)

(d) Leases

(i) Amounts recognised in the balance sheet

The balance sheet shows the following amounts relating to leases:

	22 $'000	21 $'000
Right-of-use assets		
Properties	**24,814**	19,012
Equipment	**33,992**	55,341
Motor vehicles	**499**	338
	59,305	74,691
Lease liabilities		
Current	**27,943**	24,537
Non-current	**28,250**	49,272
	56,193	73,809

Additions to the right-of-use assets during the 2022 financial year were $35,625,000 (2021: $2,878,000). During the year, $25,709,000 worth of right-of-use assets were released when MinAnalytical and Well Control Solutions businesses were disposed.

(ii) Amounts recognised in the statement of profit or loss

	Notes	22 $'000	21 $'000
Depreciation charge of right-of-use assets			
Properties		**8,206**	8,291
Equipment		**16,370**	25,738
Motor vehicles		**466**	258
	4(b)	**25,042**	34,287
Interest expense (included in finance cost)		**3,635**	5,294
Expense relating to short-term leases (included in rental and hire expenses)		**25,292**	16,440
Expense relating to leases of low-value assets that are not shown above as short-term leases (included in rental and hire expenses)		**-**	225
Expense relating to variable lease payments not included in lease liabilities (included in rental and hire expenses)		**20,014**	445

The total cash outflow for leases (including interest) in 2022 was $30,090,000 (2021: $35,577,000).

7 NON-FINANCIAL ASSETS AND LIABILITIES (CONTINUED)

(d) Leases (continued)

(iii) The Group's leasing activities and accounting treatment

The group leases various offices, warehouses, equipment and vehicles across various countries. Rental contracts are made for fixed periods of up to 25 years, but may have extension options as described in (v), below.

Contracts may contain both lease and non-lease components. The Group allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices.

Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Leased assets may not be used as security for borrowing purposes.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable
- variable lease payments that are based on an index or a rate, initially measured using the index or rate as at the commencement date
- amounts expected to be payable by the Group under residual value guarantees
- the exercise price of a purchase option if the Group is reasonably certain to exercise that option, and
- payments of penalties for terminating the lease, if the lease term reflects the Group exercising that option.

The Group is exposed to potential future increases in variable lease payments based on an index or rate, which are not included in the lease liability until they take effect. When adjustments to lease payments based on an index or rate take effect, the lease liability is reassessed and adjusted against the right-of-use asset. Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Group, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

To determine the incremental borrowing rate, the Group:

- where possible, uses recent third-party financing received by the individual lessee as a starting point, adjusted to reflect changes in financing conditions since third party financing was received;
- uses a build-up approach that starts with a risk-free interest rate adjusted for credit risk for leases held by the Group, which does not have recent third party financing, and
- makes adjustments specific to the lease, eg term, country, currency and security.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability;
- any lease payments made at or before the commencement date less any lease incentives received;
- any initial 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. While the Group revalues its land and buildings that are presented within property, plant and equipment, it has chosen not to do so for the right-of-use buildings held by the Group.

Payments associated with short-term leases of equipment and vehicles and all leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less. Low-value leases are leases with a total lease payments less than $7,500 (US$5,000).

(iv) Variable lease payments

Some equipment leases contain variable payment terms that are linked to units of use of the particular asset. Often these will include a minimum usage charge each month which is considered the fixed element, and then items over and above the minimum are considered the variable element. Variable lease payments that depend on units of use are recognised in profit or loss in the period in which the condition that triggers those payments occurs.

7 NON-FINANCIAL ASSETS AND LIABILITIES (CONTINUED)

(d) Leases (continued)

(v) Extension and termination options

Extension and termination options are included in a number of property and equipment leases across the Group. These are used to maximise operational flexibility in terms of managing the assets used in the Group's operations. The majority of extension and termination options held are exercisable only by the Group and not by the respective lessor.

Critical judgements in determining the lease term

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

For leases of warehouses, offices and equipment, the following factors are normally the most relevant:

- If there are significant penalties to terminate (or not extend), the Group is typically reasonably certain to extend (or not terminate).
- If any leasehold improvements are expected to have a significant remaining value, the Group is typically reasonably certain to extend (or not terminate).
- Otherwise, the Group considers other factors including historical lease durations and the costs and business disruption required to replace the leased asset.

As at 30 June 2022, potential future cash outflows of $32,189,000 (undiscounted) (2021: $27,273,000) have not been included in the lease liability because it is not reasonably certain that the leases will be extended (or not be terminated).

The lease term is reassessed if an option is actually exercised (or not exercised) or the Group becomes obliged to exercise (or not exercise) it. The assessment of reasonable certainty is only revised if a significant event or a significant change in circumstances occurs, which affects this assessment, and that is within the control of the lessee. During the current financial year, the financial effect of revising lease terms to reflect the effect of exercising extension and termination options was an decrease in recognised lease liabilities and right-of-use assets of $328,000.

(e) Intangible assets

	Goodwill	Software	Customer related intangibles	Total
	$'000	$'000	$'000	$'000
Year ended 30 June 2021				
Opening net book amount	449,769	802	254,585	705,156
Acquisition of subsidiary	5,000	6,217	-	11,217
Transfer from property, plant and equipment	-	1,744	-	1,744
Amortisation expense	-	(1,201)	(38,102)	(39,303)
Closing net book amount	454,769	7,562	216,483	678,814
At 30 June 2021				
Cost	454,769	15,171	321,458	791,398
Accumulated amortisation and impairment	-	(7,609)	(104,975)	(112,584)
Net book amount	454,769	7,562	216,483	678,814
Year ended 30 June 2022				
Opening net book amount	**454,769**	**7,562**	**216,483**	**678,814**
Acquisition of subsidiary	**2,531**	**695**	**-**	**3,226**
Additions	**-**	**19,762**	**-**	**19,762**
Impairment	**-**	**-**	**(23,162)**	**(23,162)**
Transfer from property, plant and equipment	**-**	**2,533**	**-**	**2,533**
Exchange differences	**-**	**76**	**-**	**76**
Amortisation expense	**-**	**(3,758)**	**(25,284)**	**(29,042)**
Closing net book amount	**457,300**	**26,870**	**168,037**	**652,207**
At 30 June 2022				
Cost	**457,300**	**38,867**	**321,459**	**817,626**
Accumulated amortisation and impairment	**-**	**(11,997)**	**(153,422)**	**(165,419)**
Net book amount	**457,300**	**26,870**	**168,037**	**652,207**

7 NON-FINANCIAL ASSETS AND LIABILITIES (CONTINUED)

(e) Intangible assets (continued)

Accounting policies

The Group amortises intangible assets with a limited useful life using the straight-line method over the following periods:

• Software	5-8 years
• Customer related intangibles	2-12 years

Goodwill

Goodwill on acquisitions of subsidiaries is included in intangible assets. Goodwill is not amortised, but it is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold. Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose, identified according to operating segments. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value-in-use. For the purposes of assessing for 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). Intangibles other than goodwill that suffered an impairment, are reviewed for possible reversal of the impairment at each reporting period.

Customer related intangibles

Customer related intangibles acquired in a business combination are recognised at fair value at the acquisition date. They have a finite useful life and are subsequently carried at cost less accumulated amortisation and impairment losses. Customer related intangibles are amortised over the life of contract.

IT development and software

Costs associated with maintaining software programmes are recognised as an expense as incurred. Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the Group are recognised as intangible assets where the following criteria are met:

- it is technically feasible to complete the software so that it will be available for use
- management intends to complete the software and use or sell it
- there is an ability to use or sell the software
- it can be demonstrated how the software will generate probable future economic benefits
- adequate technical, financial and other resources to complete the development and to use or sell the software are available, and
- the expenditure attributable to the software during its development can be reliably measured.

Directly attributable costs that are capitalised as part of the software include employee costs and an appropriate portion of relevant overheads. Capitalised development costs are recorded as intangible assets and amortised from the point at which the asset is ready for use. Amortisation is calculated using the straight-line method over estimated useful lives.

Research and development

Expenditure on research activities, undertaken with the prospect of obtaining new scientific or technical knowledge and understanding, is recognised in the income statement as an expense when it is incurred. Expenditure on development activities, being the application of research findings or other knowledge to a plan or design for the production of new or substantially improved products or services before the start of commercial production or use, is capitalised if the product or service is technically and commercially feasible and adequate resources are available to complete development. The expenditure capitalised comprises all directly attributable costs, including costs of materials, services, direct labour and an appropriate proportion of overheads. Other development expenditure is recognised in the income statement as an expense as incurred. Capitalised development expenditure is stated at cost less accumulated amortisation. Amortisation is calculated using the straight-line method to allocate the cost over the period of the expected benefit.

(i) Customer contracts

The customer contracts were acquired as part of the Barminco acquisition in 2019. They were recognised at their fair value at the date of acquisition and are subsequently amortised on a straight-line, based on the timing of projected cash flows from the contracts over their estimated useful lives. As disclosed in the 31 December 2021 interim financial report, an impairment of $23.2 million was recorded following the exit of the Sukari contract in Egypt. The exit of this contract was an indicator of impairment at 31 December 2021, which resulted in an impairment of the entire remaining value of the customer related intangibles balance allocated to that contract. An assessment was conducted at 30 June 2022 and no further impairment indicators were identified on the remaining customer related intangibles.

7 NON-FINANCIAL ASSETS AND LIABILITIES (CONTINUED)

(e) Intangible assets (continued)

(ii) Impairment considerations for goodwill

The Group tested goodwill for impairment at 30 June 2022 and no impairment was recorded. Goodwill was recognised for the Contract Mining - Underground segment following the Barminco acquisition in 2019 and on the idoba group of companies that were progressively acquired since 2021.

On 1 February 2022 the Group acquired two technology companies and recognised $2.5 million of goodwill in addition to the $5.0 million recognised on the prior period acquisitions. At 30 June 2022, the recoverable amount of the newly acquired assets have been determined based upon fair value less cost of disposal, with reference to the recent purchase price of the acquired interest. There are no indicators to suggest that the fair value of the recently acquired companies has significantly changed.

Value-in-use calculations were performed to test for goodwill impairment across the Contract Mining - Underground and idoba CGU.

(iii) Key assumptions used for value-in-use calculations

In determining the CGU's recoverable amount, estimates are made regarding the present value of future cash flows. These estimates are calculated using management judgement, contain elements of risk and uncertainty, can be impacted by changes in economic conditions, and changes to the discount rates used to calculate the present value of future cash flows.

The basis of the estimates and key assumptions used to determine recoverable amounts and test for goodwill impairment in relation to the Underground CGU at 30 June 2022 are set out below:

- Cash flow projections were based upon individual committed and uncommitted project forecasts for the prospective five year period.
- Cash flow projections beyond the five-year period were extrapolated using a growth rate of 2.5% (2021: 2.5%).
- EBITDA margins were based upon historical averages adjusted for prevailing economic conditions. These have not been disclosed as they are considered to be commercially sensitive.
- The weighted average cost of capital pre-tax discount rates were in the range of 13.3% and 24.6% (2021: 12.9% and 19.5%) and varied depending on the country risk assigned to the region in which a project was domiciled. The present value of cash flows is sensitive to the growth and discount rates used noting a higher discount rate will result in a lower recoverable value.
- A foreign exchange rate of $0.69 US$:AUD spot rate was used to translate the US Dollar denominated CGU's into Australian Dollars and $0.89 CAD$:AUD spot rate was used to translate the Canadian Dollar denominated CGU's into Australian Dollars.

Significant estimate: Impact of possible changes in key assumptions - Contract Mining - Underground CGU

Management have considered various reasonably possible value-in-use sensitivities for the Contract Mining - Underground CGU at 30 June 2022, when testing goodwill for impairment. The table below shows the impairment impact of adjusting these sensitivity assumptions.

Assumption	% Change	Contract Mining - Underground Impairment (A$)
Growth rate in terminal year (decrease reduces value)	+1.0%	No impact
	-1.0%	No impact
Discount rate (decrease increases value)	-1.0%	No impact
	+1.0%	No impact
Foreign exchange rate (decrease increases value)	-5cents	No impact
	+5cents	No impact
Average EBITDA margin (decrease reduces value)	+1.0%	No impact
	-1.0%	No impact

The above sensitivities have been performed holding all other assumptions in the model constant.

7 NON-FINANCIAL ASSETS AND LIABILITIES (CONTINUED)

(f) Employee benefit obligations

	22			21		
	Current $'000	Non- current $'000	Total $'000	Current $'000	Non- current $'000	Total $'000
Leave obligations	**79,722**	**4,263**	**83,985**	70,719	2,870	73,589

(i) Leave obligations

The current leave obligations include all of the accrued annual leave, the unconditional entitlements to long service leave where employees have completed the required period of service and employee entitlements to pro-rata payments where applicable. The total amount of the current provision of $79,722,000 (2021: $70,719,000) is presented as current, since the Group does not have an unconditional right to defer settlement for any of these obligations. However, based on past experience, the Group does not expect all employees to take the full amount of accrued leave or require payment within the next 12 months.

The following amounts reflect leave that is not expected to be taken or paid within the next 12 months.

	22 $'000	21 $'000
Current leave obligations expected to be settled after 12 months	**47,253**	25,522

Accounting policies

Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits and accumulating sick leave that are expected to be settled wholly within 12 months after the end of the 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 liabilities are presented as current employee benefit obligations in the balance sheet.

Other long-term employee benefit obligations

The liabilities for long service leave and annual leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore 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 period of service. Expected future payments are discounted using market yields at the end of the reporting period of high quality corporate bonds with terms and currencies that match, as closely as possible, the estimated future cash outflows. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in profit or loss.

The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting date, regardless of when the actual settlement is expected to occur.

Share-based payments

Equity settled share-based compensation benefits are provided to employees via the Perenti Global Limited Incentive Rights Plan. Information relating to this scheme is set out in note 19. Equity settled share-based payments are measured at the fair value of the equity instruments at grant date.

7 NON-FINANCIAL ASSETS AND LIABILITIES (CONTINUED)

(g) Recognised fair value measurements

(i) Fair value hierarchy

This note explains the judgements and estimates made in determining the fair values of the non-financial assets that are recognised and measured at fair value in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Group has classified its non-financial assets into the three levels prescribed under the accounting standards. An explanation of each level is provided in note 6(e) and 7(g)(ii)-(v).

	Level 1	Level 2	Level 3	Total
At 30 June 2022	**$'000**	**$'000**	**$'000**	**$'000**
Assets				
Land and buildings				
Office buildings	**-**	**-**	**3,723**	**3,723**
Industrial sites	**-**	**-**	**20,812**	**20,812**
Total non-financial assets	**-**	**-**	**24,535**	**24,535**
At 30 June 2021				
Assets				
Land and buildings				
Office buildings	-	-	3,839	3,839
Industrial sites	-	-	21,251	21,251
Assets classified as held for sale	-	-	28,894	28,894
Total non-financial assets	-	-	53,984	53,984

There were no transfers between any levels for recurring fair value measurements during the current or prior period.

(ii) Valuation techniques used to determine level 3 fair values

The Group obtains independent valuations for its freehold land and buildings (classified within property, plant and equipment) at least every three years, see note 7(g)(v) for details.

At the end of each reporting period, the directors update their assessment of the fair value of each property, taking into account the most recent independent valuations. The directors determine a property's value within a range of reasonable fair value estimates.

The best evidence of fair value is current prices in an active market for similar properties. Where such information is not available, the directors consider information from a variety of sources including:

- capitalised income projections based on a property's estimated net market income, and a capitalisation rate derived from an analysis of market evidence.
- current prices in an active market for properties of a different nature or recent prices of similar properties in less active markets, adjusted to reflect those differences.

(iii) Fair value measurements using significant unobservable inputs (level 3)

The following table presents the changes in level 3 items for the periods ended 30 June 2021 and 30 June 2022 for recurring fair value measurements:

	Office buildings	Industrial sites	Total
	$'000	**$'000**	**$'000**
Opening balance 1 July 2020	5,674	51,463	57,137
Acquisitions	-	201	201
Depreciation and impairment	(776)	(1,524)	(2,300)
Revaluation	(1,962)	1,616	(346)
Transfers between classes	995	(55)	940
Losses recognised in other comprehensive income	(92)	(1,556)	(1,648)
Closing balance 30 June 2021	3,839	50,145	53,984
Acquisitions	**-**	**419**	**419**
Disposals	**-**	**(28,953)**	**(28,953)**
Depreciation and impairment	**(444)**	**(1,547)**	**(1,991)**
Gains recognised in other comprehensive income	**328**	**748**	**1,076**
Closing balance 30 June 2022	**3,723**	**20,812**	**24,535**

7 NON-FINANCIAL ASSETS AND LIABILITIES (CONTINUED)

(g) Recognised fair value measurements (continued)

(iv) Valuation inputs and relationships to fair value

The following table summarises the quantitative information about the significant unobservable inputs used in level 3 fair value measurements.

Description	Fair value at 30 June 2022 $'000	Fair value at 30 June 2021 $'000	Valuation Technique	Unobservable inputs*	Range of inputs (probability-weighted average) 2022	Range of inputs (probability-weighted average) 2021	Relationship of unobservable inputs to fair value
Industrial Sites -Australia and Assets classified as held for sale	**12,219**	41,401	Direct comparison	Selection of industrial sites with similar approximate utility	**$5-$632 per m^2**	$5-$632 per m^2 ($340)	The higher the rate per square metre, the higher the fair value
Industrial Sites -Ghana	**8,593**	8,744	Direct comparison	Selection of industrial sites with similar approximate utility	**$213-$653 per m^2**	$213-$653 per m^2 ($395)	The higher the rate per square metre, the higher the fair value
Office Buildings -Ghana	**3,723**	3,839	Direct comparison	Selection of industrial sites with similar approximate utility	**$857 per m^2**	$857 per m^2 ($857)	The higher the rate per square metre, the higher the fair value

* There were no significant inter-relationships between unobservable inputs that materially affect fair values.

(v) Valuation processes

The Group engages external, independent and qualified valuers to determine the fair value of the Group's land and buildings every three years. The fair values of the industrial sites properties have been determined by members of the Australian Property Institute and the Ghana Institute of Surveyors for the year ended 30 June 2021.

The main level 3 inputs used by the Group are derived and evaluated as follows:

- Industrial sites - discount rates, terminal yields, expected vacancy rates and values per square metre are estimated by members of the Australian Property Institute, and the Ghana Institute of Surveyors based on comparable transactions and industry data;
- Historical cost for recently completed buildings.

8 EQUITY

(a) Contributed equity

	22 Shares	21 Shares	22 $'000	21 $'000
Fully paid ordinary shares	**702,460,434**	704,295,221	**1,137,030**	1,137,783

(i) Movements in ordinary share capital:

Details	Number of shares	Total $'000
Opening balance 1 July 2021	704,295,221	1,137,783
Share issue on conversion of employee share rights	1,415,972	1,888
Buy-back of ordinary shares, net of transaction costs and tax	(3,250,759)	(2,057)
Deferred tax movement on capital raising costs	-	(584)
Balance 30 June 2022	**702,460,434**	**1,137,030**

(ii) Ordinary shares

Ordinary shares are classified as equity and entitle the holder to participate in dividends and the proceeds on winding up of the Company in proportion to the number of and amounts paid on the shares held.

On a show of hands every holder of ordinary shares present at a meeting in person or by proxy, is entitled to one vote, and upon a poll each share is entitled to one vote.

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

Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds. Incremental costs directly attributable to the issue of new shares for the acquisition of a business are not included in the cost of the acquisition as part of the purchase consideration.

(iii) Dividend reinvestment plan

The Company's Dividend Reinvestment Plan is currently suspended until further notice.

(iv) Rights

Information relating to the Perenti Global Limited Incentive Rights Plan, including details of rights issued, vested and forfeited during the financial year and rights outstanding at the end of the financial year, is set out in note 19.

(v) Share buy-back

The Company has implemented its capital management strategy which includes the buy-back of shares on market.
In the year ended 30 June 2022, 3.3 million shares were bought back by the Company for a consideration of $2.0 million.
At 30 June 2022, $0.9 million had been paid in cash and the remaining amount payable is recorded in other creditors and accruals in note 6(c).

(b) Other reserves

The following table shows a breakdown of the balance sheet line item other reserves and the movements in these reserves during the year. A description of the nature and purpose of each reserve is provided below:

	Notes	Revaluation surplus $'000	Financial assets at FVOCI $'000	Share-based payments $'000	Transactions with NCI $'000	Foreign currency translation $'000	Total $'000
Balance at 1 July 2020		24,680	6,379	13,064	(2,664)	(52,563)	(11,104)
Revaluation - gross	6(b)	646	1,904	-	-	-	2,550
Deferred tax		(448)	(571)	-	-	(1,483)	(2,502)
Currency translation differences		(373)	-	-	-	803	430
Other comprehensive income		**(175)**	**1,333**	**-**	**-**	**(680)**	**478**
Transactions with owners in their capacity as owners							
Share-based payments expense	19(c)	-	-	2,033	-	-	2,033
Shares issued on conversion of employee share options/rights		-	-	(2,001)	-	-	(2,001)
At 30 June 2021		**24,505**	**7,712**	**13,096**	**(2,664)**	**(53,243)**	**(10,594)**

8 EQUITY (CONTINUED)

(b) Other reserves (continued)

	Notes	Revaluation surplus $'000	Financial assets at FVOCI $'000	Share-based payments $'000	Transactions with NCI $'000	Foreign currency translation $'000	Total $'000
Balance at 1 July 2021		24,505	7,712	13,096	(2,664)	(53,243)	(10,594)
Vested employee share rights that have lapsed, been cancelled or forfeited		-	-	(1,929)	-	-	(1,929)
Asset revaluation reserve gain taken to retained earnings on sale of asset		(11,998)	-	-	-	-	(11,998)
Revaluation - gross	6(b)	-	31,089	-	-	-	31,089
Deferred tax		-	(9,327)	-	-	-	(9,327)
Transfer from financial assets at FVOCI reserve to retained earnings		-	(29,474)	-	-	-	(29,474)
Currency translation differences		-	-	-	-	(26,497)	(26,497)
Other comprehensive income		**(11,998)**	**(7,712)**	**(1,929)**	**-**	**(26,497)**	**(48,136)**
Transactions with owners in their capacity as owners							
Share-based payments expense	19(c)	-	-	4,591	-	-	4,591
Shares issued on conversion of employee share rights		-	-	(1,888)	-	-	(1,888)
At 30 June 2022		**12,507**	**-**	**13,870**	**(2,664)**	**(79,740)**	**(56,027)**

(i) Nature and purpose of other reserves

Revaluation surplus - property, plant and equipment

The property, plant and equipment revaluation surplus is used to record increments and decrements from the revaluation of non-current assets. In the event of a sale of an asset, any balance in the reserve related to the asset is transferred to retained earnings.

Financial assets at FVOCI

The Group has elected to recognise changes to the fair value of certain equity security investments in OCI, as explained in note 6(b). These changes are accumulated within the FVOCI reserve. The group transfers amounts from this reserve to retained earnings when the relevant equity securities are derecognised.

Transactions with non-controlling interests (NCI)

This reserve is used to record the differences described in note 25(b)(iii) which may arise as a result of transactions with non-controlling interests that do not result in a loss of control.

Share-based payments reserve

The share-based payments reserve is used to recognise the fair value of options and rights issued to employees that are expensed in the statement of comprehensive income each year and conversion of options/rights.

Foreign currency translation

Exchange differences arising on translation of the foreign controlled entities are recognised in other comprehensive income and accumulated in a separate reserve within equity. The cumulative amount is reclassified to profit or loss when the net investment is disposed of.

The Group's share of exchange differences arising on translation of foreign joint ventures are recognised in other comprehensive income and are accumulated in this reserve.

9 CASH FLOW INFORMATION

(a) Reconciliation of profit/(loss) after income tax to net cash inflow from operating activities

	22 $'000	21 $'000
Profit/(loss) for the year	**42,486**	(52,303)
Depreciation expense	**250,120**	222,230
Amortisation expense	**29,042**	39,303
Impairment of customer related intangibles	**23,162**	
Impairment of assets	-	59,903
Impairment of inventory	-	10,660
Loss on revaluation of land and buildings	-	992
Gain on sale of businesses	**(25,643)**	-
Net exchange differences	**113**	(140)
Trade receivable provisions and bad debts	**6,670**	11,328
Non-cash employee benefits expense - share-based payments	**4,353**	1,293
Amortisation of borrowing costs and other non-cash finance costs	**5,635**	4,272
Other non-cash items - restructuring	-	2,452
Gain on sale of non-current assets	**(3,489)**	(473)
Redemption premium on 2022 High Yield Bonds	-	8,143
Change in operating assets and liabilities:		
(Increase)/decrease in trade debtors	**(44,257)**	22,651
(Increase)/decrease in inventories	**(16,562)**	11,733
(Increase)/decrease in deferred tax assets	**(38,503)**	(16,910)
(Increase)/decrease in other operating assets	**(36,373)**	(5,108)
(Decrease)/increase in trade creditors	**137,927**	15,365
(Decrease)/increase in provision for income taxes payable	**(989)**	(4,058)
(Decrease)/increase in deferred tax liabilities	**(3,641)**	(32,247)
(Decrease)/increase in other provisions	**11,251**	(2,823)
Net cash inflow from operating activities	**341,302**	296,263

(b) Non-cash investing and financing activities

	22 $'000	21 $'000
Recognition of right-of-use assets and lease liabilities	**35,304**	2,878
Issue of shares under Dividend Reinvestment Plan	-	(962)
	35,304	1,916

(c) Net debt reconciliation

This section sets out an analysis of net debt and the movements in net debt.

	22 $'000	21 $'000
Net debt		
Cash and cash equivalents	**348,519**	264,741
Borrowings/lease liabilities - repayable within one year	**(30,115)**	(27,805)
Borrowings/lease liabilities - repayable after one year	**(871,742)**	(740,195)
Net debt	**(553,338)**	(503,259)
Cash and cash equivalents	**348,519**	264,741
Gross debt	**(901,857)**	(768,000)
Net debt	**(553,338)**	(503,259)

Gross debt is comprised of current and non-current borrowings and lease liabilities.

	Cash $'000	Lease liabilities $'000	Borrowings $'000	Total $'000
Net debt as at 1 July 2021	**264,741**	**(73,809)**	**(694,191)**	**(503,259)**
Cash flows	78,292	26,432	(92,706)	12,018
Foreign exchange adjustments	5,486	360	(58,033)	(52,187)
Other non-cash movements	-	(9,176)	(734)	(9,910)
Net debt as at 30 June 2022	**348,519**	**(56,193)**	**(845,664)**	**(553,338)**

10 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. Management also needs to exercise judgement when applying the Group's accounting policies.

This note provides an overview of the areas that require a high degree of judgement or complexity, and for items which could have a material adjustment if estimates and assumptions were incorrect. Detailed information about each of these estimates and judgements is included in notes 2 to 25 together with information about the basis of calculation for each affected line item in the financial statements. In addition, this note also explains where there have been actual adjustments this year as a result of an error and of changes to previous estimates.

Significant estimates and judgements

• Recognition of revenue	note 2
• Impairment of assets	note 3
• Recognition of deferred tax asset for carried forward tax losses	note 5
• Uncertain tax positions	note 5(g)
• Estimation of useful life of property, plant and equipment	note 7(c)
• Estimation uncertainties and judgements made in relation to lease accounting	note 7(d)
• Determination of lease term	note 7(d)
• Estimated goodwill impairment	note 7(e)
• Estimated useful life of intangible assets	note 7(e)
• Estimation of fair values of land and buildings	note 7(g)
• Share-based payments - determining the achievement of non-market based conditions	note 19

Estimates and judgements are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the entity and that are believed to be reasonable under the circumstances.

11 FINANCIAL RISK MANAGEMENT

This note explains the Group's exposure to financial risks and how these risks could affect the Group's future financial performance. Current year profit and loss information has been included where relevant to add further context.

The Group's key management personnel report to the Audit and Risk Committee and Board regularly on the progress and objectives of the risks and the associated corporate governance policy objectives.

The Group's financial risk management is carried out by a central treasury department under policies approved by the Board of directors. Group treasury identifies, evaluates and hedges financial risks in close co-operation with the Group's operating units. The Board provides written principles for overall risk management, as well as policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments, and investment of excess liquidity.

(a) Market risk

In respect of other monetary assets and liabilities held in currencies other than the AUD, the Group ensures that the net exposure is kept to an acceptable level by matching foreign denominated financial assets with matching financial liabilities and vice versa.

(i) Foreign exchange risk

Exposure

The Group's exposure to material foreign currency risk at the end of the reporting period, expressed in Australian dollars, was as follows:

	30 JUNE 2022								
	USD	**GHS**	**GBP**	**EUR**	**INR**	**TZS**	**BWP**	**XOF**	**CAD**
	$'000	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**
Cash	**6,142**	**242**	**-**	**1,409**	**-**	**2,204**	**1,170**	**-**	**71**
Trade and other receivables	**50,800**	**784**	**15**	**63,224**	**-**	**-**	**-**	**450**	**-**
Other non-current receivables	**6,203**	**26,456**	**2,767**	**7,211**	**-**	**-**	**-**	**-**	**15,750**
Trade payables	**(18,848)**	**(12,104)**	**(963)**	**(61,894)**	**-**	**(132)**	**(2,376)**	**(2,230)**	**(2)**
Borrowings	**(11,194)**	**-**	**-**	**(7,560)**	**-**	**-**	**-**	**-**	**-**

	30 JUNE 2021								
	USD	**GHS**	**GBP**	**EUR**	**INR**	**TZS**	**BWP**	**XOF**	**CAD**
	$'000	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**
Cash	7,418	8,355	-	2,836	291	1,490	274	-	-
Trade and other receivables	15,363	14,701	16	9,022	-	-	-	469	-
Other non-current receivables	-	-	2,796	11,281	-	-	-	-	-
Financial assets FVOCI	-	-	564	-	-	-	-	-	-
Trade payables	(22,880)	(8,631)	(1,478)	(10,330)	-	(315)	(1,932)	(2,415)	-
Borrowings	(8,794)	-	-	(11,281)	-	-	-	-	-

11 FINANCIAL RISK MANAGEMENT (CONTINUED)

(a) Market risk (continued)

(i) Foreign exchange risk (continued)

Sensitivity analysis

The sensitivity analysis below shows the impact that a reasonably possible change in foreign exchange rates over a financial year would have on profit after tax, based solely on the Group's foreign exchange risks exposures existing at the balance sheet date. A 10 percent strengthening of the Australian dollar against the following currencies at 30 June would have impacted pre-tax profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant. The analysis is performed on the same basis for 2021.

The impact on profit is estimated by applying the hypothetical changes in the foreign currency rates to the balance of the financial instruments at the reporting date.

Profit or (loss)	22 $'000	21 $'000
USD	**(3,009)**	808
XOF	**162**	177
GHS	**(1,398)**	(1,311)
GBP	**(165)**	(141)
BWP	**110**	(151)
EUR	**(217)**	(139)
TZS	**(188)**	(107)
EGP	**(63)**	(38)
ZAR	**(191)**	-
CAD	**(1,438)**	-
INR	**-**	(26)
	(6,397)	(928)

A 10 percent weakening of the Australian dollar against the above currencies at 30 June would have had the equal but opposite effect on the above currencies to the amounts shown above, on the basis that all other variables remain constant. The Group's exposure to other foreign exchange movements is not material.

(ii) Price risk

Exposure

The Group's exposure to equity securities price risk arises from investments held by the Group and classified in the balance sheet as at fair value through other comprehensive income (FVOCI).

0% (2021: 29%) of the Group's investments in equity securities are publicly traded on the Australian Securities Exchange, the London Stock Exchange and the Canadian Stock Exchange.

Sensitivity analysis

The impact of an increase/(decrease) of the financial assets FVOCI on the Group's equity for the year after tax was $nil (2021: FVOCI - increase 10% $1,788,000 and FVOCI - decrease 10% ($1,788,000). The analysis is based on the assumption that the FVOCI financial assets had increased by 10% or decreased by 10% with all other variables held constant.

Other components of equity would increase/decrease as a result of gains/losses on equity securities classified as fair value through other comprehensive income.

(iii) Interest rate risk

The Group's main interest rate risk arises from long-term borrowings with fixed and variable rates, which expose the group to cash flow interest rate risk. Group policy is to review on a continuous basis. During 2022 and 2021, the Group's borrowings at variable rate were mainly denominated in Australian and US dollars.

11 FINANCIAL RISK MANAGEMENT (CONTINUED)

(b) Credit risk

(i) Risk management

Credit risk is managed on a Group basis. Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial asset fails to meet its contractual obligations, and arises principally from the Group's receivables from customers and investment securities. Credit risk also arises from cash and cash equivalents. The Group limits its exposure to credit risk from cash and cash equivalents by only investing in counterparties that have an acceptable credit rating.

(ii) Trade receivables and accrued revenue provisions

The Group's exposure to bad debts is not significant and default rates have historically been low. Individual receivables which are known to be uncollectible are written off by reducing the carrying amount directly. The other receivables are assessed collectively for expected credit losses.

Trade receivables and accrued revenue for which an impairment/expected credit loss provision was recognised are written off against the provision when there is no expectation of recovering additional cash.

The creation and release of the provision for impaired and expected credit loss receivables has been included in other expenses in the consolidated statement of profit or loss.

As at 30 June 2022, current trade receivables and accrued revenue of $303,760,000 (2021: $283,413,000) were assessed for expected credit losses. Of this $11,518,000 (2021: $42,246,000) were past due. The amount of the provision for impaired and expected credit loss receivables was $10,980,000 (2021: $13,097,000).

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

Expected credit losses are based on a review of payment profiles over 12 months, historical credit loss experience in this period and financial information affecting the ability of the customers to settle the receivable. Historical loss rates are adjusted to reflect balances receivable or otherwise provided for. Accrued revenue relates to unbilled completed services and has substantially the same characteristics as the trade receivables for the same type of contracts. 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 that the external credit ratings and default rates are the most relevant factors in understanding whether a client will be able to settle the receivable and therefore these have been considered and applied to the receivables to arrive at an expected credit loss. Following this review a provision of $797,000 (2021: $397,000) has been recorded for expected credit losses and has been included within the provision for doubtful debts balance at 30 June 2022.

The aging of trade receivables greater than 90 days past due and excluding provisions for doubtful debts and expected credit losses are:

	22 $'000	21 $'000
3 to 6 months	**930**	3,350
Over 6 months	**8,619**	12,983
	9,549	16,333

Movements in the provision for impairment and expected credit losses of trade receivables and accrued revenue that are assessed collectively are as follows:

	22 $'000	21 $'000
At 1 July	**13,097**	11,172
Provision recognised during the year	**8,451**	10,997
Utilisation of provision	**(10,968)**	(8,521)
Expected credit loss provision movement	**400**	(551)
At 30 June	**10,980**	13,097

11 FINANCIAL RISK MANAGEMENT (CONTINUED)

(c) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. The Group manages liquidity risk by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities. Due to the dynamic nature of the underlying businesses, the Group aims at maintaining flexibility in funding by keeping committed credit lines available with a variety of counterparties.

(i) Maturities of financial liabilities

The tables below analyse the Group's financial liabilities into relevant maturity groupings based on the remaining period at the reporting date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

Contractual maturities of financial liabilities	Less than 6 months	6 - 12 months	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Total contractual cash flows	Carrying amount liabilities
Group - at 30 June 2022	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**
Trade payables	**393,298**	**-**	**-**	**-**	**-**	**393,298**	**393,298**
Lease liabilities	**17,172**	**13,540**	**14,806**	**12,759**	**4,548**	**62,825**	**56,193**
Borrowings	**26,058**	**23,577**	**243,271**	**717,438**	**-**	**1,010,344**	**845,664**
Total	**436,528**	**37,117**	**258,077**	**730,197**	**4,548**	**1,466,467**	**1,295,155**
Group - at 30 June 2021							
Trade payables	260,311	-	-	-	-	260,311	260,311
Lease liabilities	14,345	16,102	30,751	26,488	10,714	98,400	73,809
Borrowings	23,008	23,008	44,797	795,583	-	886,396	694,191
Total	297,664	39,110	75,548	822,071	10,714	1,245,107	1,028,311

The amounts disclosed in the table are the maximum amounts allocated to the earliest period in which the guarantee could be called. The parent entity does not expect these payments to eventuate.

12 CAPITAL MANAGEMENT

(a) Risk management

The Group's capital management objectives are to ensure there is adequate funding to meet operation requirements, strategic objectives and to provide returns to shareholders through cost effective and efficient capital structuring.

The Group manages its capital needs through a combination of equity and debt funding arrangements. The Group uses a number of different measures to monitor capital including gearing ratio, cash flow leverage ratios and net debt ratios.

(b) Dividends

(i) Dividends paid in the reporting period

	22 $'000	21 $'000
Prior year unfranked dividend of 2.0 cents per ordinary share paid 20 October 2021 (2020: 3.5 cents paid 3 November 2020).	**14,108**	24,563
No interim dividends were determined for the year ended 30 June 2022 (2021: unfranked interim dividend of 3.5 cents per ordinary share paid 7 April 2021).	**-**	24,707
Total dividends provided for or paid	**14,108**	49,270

Dividends paid in cash or satisfied by the issue of shares under the dividend reinvestment plan during the years ended 30 June 2022 and 30 June 2021 were:

Paid in cash	**14,108**	63,482
Movement in payable	**-**	(15,174)
Issue of shares under dividend re-investment plan	**-**	962
Total dividends provided for or paid	**14,108**	49,270

The Company's Dividend Reinvestment Plan (DRP) was suspended with effect from 16 March 2021 until further notice.

(ii) Dividends not recognised at the end of the reporting period

	22 $'000	21 $'000
No final dividends were determined for the year ended 30 June 2022 (2021: unfranked final dividend of 2.0 cents per ordinary share paid 20 October 2021).	**-**	14,086

(iii) Conduit Foreign Income

	22 $'000	21 $'000
Conduit Foreign Income (CFI) amounts for subsequent reporting periods are	**486,026**	339,948

These balances are taken from the CFI register and are available to pay dividends. The CFI register is adjusted for foreign income received, withholding tax incurred and dividends paid. Unlike franked dividends no tax credit accompanies a dividend paid out of a CFI balance.

(c) Share buy-back

The Company has implemented its capital management strategy which includes the buy-back of shares on market. In the year ended 30 June 2022, 3.3 million shares were bought back by the Company for a consideration of $2.0 million. At 30 June 2022, $0.9 million had been paid in cash and the remaining amount payable is recorded in other creditors and accruals in note 6(c).

13 BUSINESS COMBINATION

On 1 February 2022 the Group, through its subsidiary idoba Pty Ltd, acquired two technology companies, namely, Orelogy Consulting Pty Ltd and Atomorphis Pty Ltd. The total consideration paid for these transactions included $3.75 million of cash. Other balances recognised as part of the acquisitions included goodwill of $2.5 million and software intangibles of $0.7million. The transactions were not considered material, individually or in aggregate, to the Group.

During the year ended 30 June 2021 the Group acquired three entities as part of a single transaction, through its subsidiary idoba Pty Ltd. These transactions were not considered material to the Group. Refer to the 30 June 2021 Annual Report for further details of these transactions.

14 INTERESTS IN OTHER ENTITIES

The consolidated financial statements incorporate the assets, liabilities and results of Perenti Global Limited, the ultimate parent entity, and the following principal subsidiaries in accordance with the accounting policy described in note 25(b):

Name of entity	Country of incorporation and principal place of business	Class of shares	Equity holding	
			22 %	21 %
African Mining Services Burkina Faso Sarl	Burkina Faso	Ordinary	**100**	100
African Mining Services (Ghana) Pty Ltd *	Australia	Ordinary	**100**	100
African Mining Services Guinee Sarl	Guinea	Ordinary	**100**	100
African Mining Services Mali Sarl	Mali	Ordinary	**100**	100
African Mining Services Senegal Suarl	Senegal	Ordinary	**100**	100
Ausdrill (Ghana) Pty Ltd *	Australia	Ordinary	**100**	100
ACN 103534087 Pty Ltd *	Australia	Ordinary	**100**	100
African Mining Services Cote D'Ivoire Sarl	Cote d'Ivoire	Ordinary	**100**	100
African Mining Services Ghana Ltd	Ghana	Ordinary	**100**	100
Perenti Group Services Pty Ltd *	Australia	Ordinary	**100**	100
Perenti International Pty Ltd *	Australia	Ordinary	**100**	100
Ausdrill Pty Ltd *	Australia	Ordinary	**100**	100
Perenti Properties Pty Ltd *	Australia	Ordinary	**100**	100
Perenti Finance Pty Ltd *	Australia	Ordinary	**100**	100
AMCG Ltd	Ghana	Ordinary	**100**	100
Perenti Holdings Pty Ltd	Australia	Ordinary	**100**	100
Ausdrill Tanzania Limited	Tanzania	Ordinary	**100**	100
Perenti Utilities Pty Ltd *	Australia	Ordinary	**100**	100
BTP Equipment Pty Ltd *	Australia	Ordinary	**100**	100
BTP Parts Pty Ltd *	Australia	Ordinary	**100**	100
Connector Drilling Pty Ltd *	Australia	Ordinary	**100**	100
Ausdrill Mining Surface Botswana Proprietary Ltd	Botswana	Ordinary	**100**	100
Drill Rigs Australia Pty Ltd *	Australia	Ordinary	**100**	100
Energy Drilling Australia Pty Ltd	Australia	Ordinary	**-**	100
Golden Plains Pty Ltd *	Australia	Ordinary	**100**	100
Barminco Mining Services Botswana Proprietary Ltd	Botswana	Ordinary	**100**	100
MinAnalytical Laboratory Services Australia Pty Ltd	Australia	Ordinary	**-**	100
MinAnalytical Holdings Pty Ltd *	Australia	Ordinary	**100**	100
Logistics Direct Ltd	Ghana	Ordinary	**100**	100
Perenti UK Ltd	UK	Ordinary	**100**	100
Power Solutions Africa Suarl	Senegal	Ordinary	**100**	100
Mining Technology and Supplies Ltd	Ghana	Ordinary	**100**	100
Barminco Mining Services Canada Limited	Canada	Ordinary	**100**	100
Supply Direct Pty Ltd (United Kingdom Branch)*	United Kingdom	Ordinary	**100**	100
Barminco Finance Pty Ltd *	Australia	Ordinary	**100**	100
Barminco Holdings Pty Ltd *	Australia	Ordinary	**100**	100
Supply Direct South Africa Pty Ltd *	Australia	Ordinary	**100**	100
Barminco Limited *	Australia	Ordinary	**100**	100
Supply Direct Pty Ltd *	Australia	Ordinary	**100**	100
Synegex Holdings Pty Ltd *	Australia	Ordinary	**100**	100
Barholdco (EIS) Pty Ltd	Australia	Ordinary	**100**	100
Barminco South Africa Pty Ltd	South Africa	Ordinary	**100**	100
Barminco Egypt LLC	Egypt	Ordinary	**100**	100
West African Mining Services Ltd	Ghana	Ordinary	**100**	100
Barminco Egypt Underground Mining Services SAE Investment Commercial	Egypt	Ordinary	**100**	100
SLR Australia Pty Ltd	Australia	Ordinary	**100**	100
Barminco India Holdings Pty Ltd	Australia	Ordinary	**100**	100
Barminco India Investments Pty Ltd	Australia	Ordinary	**100**	100
Barminco AUMS Holding Pty Ltd *	Australia	Ordinary	**100**	100
Barminco Indian Underground MIning Services LLP	India	Ordinary	**100**	100
African Underground Mining Services Limited	Ghana	Ordinary	**100**	100
African Underground Mining Services Ltd Mali Sarl	Mali	Ordinary	**100**	100
Underground Mining Alliance Ltd	Ghana	Ordinary	**70**	70
African Underground Mining Services Burkina Faso Sarl	Burkina Faso	Ordinary	**100**	100
Barminco Mining Services USA LLC	USA	Ordinary	**100**	100
Perenti USA Inc	USA	Ordinary	**100**	100
AUMS (T) Limited	Tanzania	Ordinary	**96**	96
Improvement Resources Pty Ltd	Australia	Ordinary	**96**	96
idoba Pty Ltd (formerly Technology Driven Mining)	Australia	Ordinary	**96**	96
Sandpit Innovation Pty Ltd	Australia	Ordinary	**96**	96
Spidler Technologies Pty Ltd	Australia	Ordinary	**96**	96
Optika Solutions Pty Ltd	Australia	Ordinary	**96**	96
BG Umoja Services Limited	Tanzania	Ordinary	**80**	80
Spidler Group Pty Ltd	Australia	Ordinary	**96**	96
AMAX Ltd	Ghana	Ordinary	**60**	60
Atomorphis Pty Ltd	Australia	Ordinary	**96**	-
Orelogy Consulting Pty Ltd	Australia	Ordinary	**96**	-

Underground Mining Alliance (UMA) is a 70/30 operation between AUMS and Rocksure International, a Ghanaian Mining contractor and has been included in subsidiaries above.
BG Umoja Services Limited is a 80/20 operation between Perenti International Pty Ltd, Barminco AUMS Holding Pty Ltd and Geofields Tanzania Limited, a Tanzanian Mining Contractor, and has been included in subsidiaries above.
AMAX Ltd is a 60/40 operation between African Mining Services (Ghana) Pty Ltd and MAXMASS Ltd, a Ghanaian Mining Contractor, and has been included in subsidiaries above.
During the year the MinAnalytical Laboratory Services Australia Pty Ltd (refer to 3(b) for further detail) and Energy Drilling Australia Pty Ltd were divested.

* These subsidiaries have been granted relief from the necessity to prepare financial reports in accordance with ASIC Corporations (wholly-owned Companies) Instrument 2016/785. For further information refer to note 23.

15 CONTINGENCIES

(a) Contingent liabilities

In the course of business, liabilities may arise from different events including contractual disputes, litigations and other claims. The outcomes from these events cannot be predicted or in the opinion of directors are without merit and therefore no amounts have been disclosed.

For information about guarantees given by entities within the Group, including the parent entity, please refer to note 24.

(b) Contingent assets

The Group lodged a claim in relation to a matter which at 30 June 2022 was unresolved and is subject to litigation. The contingent asset has not been recognised as a receivable at 30 June 2022 as receipt of this amount is dependent on the outcome of the litigation. Refer to note 17 for an update on this matter that have arisen since the end of the financial year.

16 COMMITMENTS

(a) Capital commitments

Capital expenditure that was contracted at the end of the reporting period but not recognised as liabilities:

	22	21
	$'000	**$'000**
Property, plant and equipment		
Payable:		
Within one year	**114,169**	92,013

The capital commitments are to be funded from cash and available finance facilities.

17 EVENTS SINCE THE END OF THE FINANCIAL YEAR

On 18 July 2022, the Group announced it has entered into a settlement agreement to recover $10 million related to historical damages caused to a property in West Africa. The settlement amount is before fees and taxes and will have a positive impact to FY23 statutory earnings.

On 22 August 2022, the Group announced it executed a Share Sale Agreement for the sale of 10% of the issued shares in idoba Pty Ltd to the Sumitomo Corporation for a total cash consideration of $5.4 million.

There are no other matters or circumstances that have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Consolidated entity, the results of those operations, or the state of affairs of the Consolidated entity in subsequent financial years.

18 RELATED PARTY TRANSACTIONS

(a) Parent entity

The ultimate parent entity of the Group is Perenti Global Limited.

(b) Key management personnel compensation

	22 $	21 $
Short-term employee benefits	**4,760,029**	3,903,542
Post-employment benefits	**142,652**	140,675
Long-term benefits	**21,132**	67,012
Share-based payments	**1,686,881**	1,620,819
	6,610,694	5,732,048

Detailed remuneration disclosures are provided in the remuneration report on pages 68 to 85.

(c) Transactions with other related parties

Other than disclosed above and in this note the Group has no other material related parties. As disclosed in note 14, the Group has non-controlling interests, however these are not considered material for the year ended 30 June 2022. Transactions with the non-controlling interests include loans from the non-controlling interest of $1,158,000 (2021: $1,290,000) (note 18(d)), Loans to the non-controlling interest of $1,703,000 (2021: $2,094,000), dividends paid to non-controlling interest of $2,610,000 (2021: $nil), and rental and hire expenses of $18,219,000 (2021: $nil).

(d) Loans to related parties

	22 $	21 $
Loans to key management personnel		
Balance at 1 July	**186,039**	187,512
Interest charged	**8,492**	8,964
Interest received	**(8,492)**	(10,437)
As at 30 June	**186,039**	186,039

Terms and conditions

Loans provided to key management personnel on acquisition of the Barminco group. Loans are repayable by 22 October 2022, interest was payable at a rate of 4.52% (2021: 4.80% and 4.52%) on loans advanced. Outstanding balances are unsecured and are repayable in cash.

	22 $	21 $
Loans from non-controlling interest		
Balance at 1 July	**1,290,008**	2,705,255
Loan repayments made	**(1,867,355)**	(1,200,008)
Impact of foreign exchange	**89,427**	(215,239)
Loan drawdowns	**1,646,585**	-
As at 30 June	**1,158,665**	1,290,008

19 SHARE-BASED PAYMENTS

(a) Employee Option Plan

The Employee Option Plan was designed to provide long-term incentives for senior managers to deliver long-term shareholder returns. Since the Barminco transaction in 2019 no new option plans have been granted with these being replaced by rights plans as disclosed in section (b) of this note. The final exercises under the option plans occurred in December 2020.

During the year ended 30 June 2021 all options under the Employee Option Plans were either exercised (733,338 shares at average exercise price of $0.17) or forfeited (466,668 shares at average exercise price of $1.15) and therefore at 30 June 2021 there are no unvested options and the Employee Option Plans terminated. As the option plans were finalised in the prior year there were no options granted during the year ended 30 June 2022 (2021: Nil). Refer to 30 June 2021 Annual Report for further details.

(b) Rights Plan

The Board had established an Incentive Rights Plan for eligible employees holding senior executive and senior management roles with a focus on delivering outcomes that create value for shareholders. The plan allows for three different types of incentive rights; retention rights, performance rights and short-term incentive rights. Performance rights were granted during the year and are treated in substance as options and are accounted for as share-based payments. Participation under the plan is at the Board's discretion and no individual has a contractual right to participate in the plan or receive any guaranteed benefits. Rights granted for nil consideration under the plan carry no dividend or voting rights.

Retention rights

Each retention right issued under the plan converts into one ordinary share of Perenti Global Limited on exercise. During the year ended 30 June 2022 3,240,473 retention rights were granted. Retention rights are not subject to performance hurdles and will vest on 31 December 2023.

Short-term incentive rights

Each short-term incentive right issued under the plan converts into one ordinary share of Perenti Global Limited on exercise. Certain Executive's are invited to participate in the plan. Short-term incentive rights are based upon business outcomes which comprise of a mix of financial and non-financial measures. The Board retains absolute discretion with respect to the targets and outcomes assessed under the plan. The short-term incentives vest twelve months after the grant date.

Performance rights

Each performance right issued under the plan converts into one ordinary share of Perenti Global Limited on exercise. Performance rights vest and become exercisable when the applicable performance, service or other vesting conditions specified at the time of grant are satisfied within a predetermined performance period.

The performance period for the rights granted during the year end 30 June 2022 will run from 1 July 2021 until 30 June 2024, (2021: 1 July 2020 until 30 June 2023). In addition to continued service, the Board changed the performance criteria for the rights granted in FY22 to the below terms:

- 50% of the performance rights will vest if the total shareholder return (TSR) vesting condition is met which are on sliding scale based upon the TSR benchmark as disclosed in the remuneration report;
- 30% of the performance rights will vest if the return on equity (ROE) vesting condition is met which are on sliding scale of ROE outcomes between 6% and 6.8% as disclosed in the remuneration report;
- 10% of the performance rights will vest if the strategic initiative regarding a psychological safe work environment is met; and
- 10% of the performance rights will vest if the strategic initiative regarding reducing debt leverage to sub 1.0 times EBITDA, excluding possible acquisitions, as aligned to the Capital Management Policy introduced in December 2021.

Set out below is a summary of rights granted under the above plans.

	22 Number of rights	21 Number of rights
As at 1 July	**13,052,162**	9,644,034
Granted during the year	**15,276,873**	5,891,669
Forfeited during the year	**(3,234,420)**	(1,259,189)
Vested during the year	**(1,415,972)**	(1,224,352)
As at 30 June	**23,678,643**	13,052,162

19 SHARE-BASED PAYMENTS (CONTINUED)

(b) Rights Plan (continued)

There were 11,047,923 performance rights, 988,477 Short Term Incentive Rights and 3,240,473 retention rights granted during the year ended 30 June 2022 (30 June 2021: 5,607,028 performance rights and 284,641 Short Term Incentive Rights and nil retention rights). During the year ended 30 June 2022 1,969,831 performance rights for Mr Norwell (Managing Director & CEO) are awaiting grant at Perenti's Annual General Meeting if approved by the Shareholders.

The weighted average remaining contractual life of rights outstanding at the end of the year was 1.40 years (30 June 2021: 1.13 years). The weighted fair value of rights granted during the year $0.61 (30 June 2021: $0.66).

An independent third party valuer provided a valuation report with the following inputs used to determine the fair value of rights at the grant date:

Right	Grant date	Performance period end date	Share price grant date $	Expected volatility %	Dividend yield %	Risk-free interest rate %	Fair value grant date $
Performance - ROACE	28 Feb 2019	30 Jun 2021	1.74	54.92	3.74	1.67	1.60
Performance - TSR	28 Feb 2019	30 Jun 2021	1.74	54.92	3.74	1.67	1.22
Retention	28 Feb 2019	31 Oct 2020	1.74	54.92	3.74	1.67	1.64
Performance - ROACE	10 Jun 2019	30 Jun 2021	1.33	52.07	3.74	1.07	1.23
Performance - TSR	10 Jun 2019	30 Jun 2021	1.33	52.07	3.74	1.07	0.82
Performance - ROACE	28 Nov 2019	30 Jun 2022	1.95	46.00	3.60	0.66	1.78
Performance - TSR	28 Nov 2019	30 Jun 2022	1.95	46.00	3.60	0.66	1.33
Short Term Incentive Plan	24 Oct 2019	30 Jun 2019	1.84	-	3.74	-	1.88
Short Term Incentive Plan	10 Nov 2020	30 Jun 2020	1.13	-	6.19	-	1.06
Performance - ROACE	9 Apr 2021	30 Jun 2023	1.13	64.00	6.19	0.12	0.99
Performance - TSR	9 Apr 2021	30 Jun 2023	1.13	64.00	6.19	0.12	0.62
Performance - ROACE	28 May 2021	30 Jun 2023	0.67	67.00	10.53	0.08	0.54
Performance - TSR	28 May 2021	30 Jun 2023	0.67	67.00	10.53	0.08	0.21
Short Term Incentive Plan	8 Oct 2021	30 Jun 2021	0.95	-	5.79	-	0.90
Performance - TSR	13 May 2022	30 Jun 2024	0.69	65.23	2.90	2.64	0.45
Performance - ROE	13 May 2022	30 Jun 2024	0.69	65.23	2.90	2.64	0.65
Performance - Others	13 May 2022	30 Jun 2024	0.69	65.23	2.90	2.64	0.65
Retention	9 Jun 2022	31 Dec 2023	0.74	-	2.70	-	0.71

(c) Expenses arising from share-based payment transactions

Total expenses arising from share-based payment transactions recognised during the period as a part of employee benefit expense were:

	22 $'000	21 $'000
Rights issued under employee rights plan	**4,591**	2,033

The total amount to be expensed for share-based payments is determined by reference to the fair value at grant date, which includes any market performance conditions and the impact of any non-vesting conditions but excludes the impact of any service and non-market performance vesting conditions. Non-market vesting conditions are included in assumptions about the number of options or rights that are expected to vest. The total expense is recognised over the vesting period. At the end of each reporting period, the Group revises its estimate of the number of equity instruments expected to vest based on non-market vesting conditions. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimates, with a corresponding adjustment to the share-based payments reserve.

Significant judgement is required in determining the achievement of non-market conditions.

The fair value at grant date is independently determined using a Monte Carlo simulation or an amended Black Scholes Merton methodology valuation model. The fair value at the grant date of the equity settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Group's estimate of equity instruments that will eventually vest, with a corresponding increase in equity.

At the end of each reporting period, the Group revises its estimate of the number of equity instruments expected to vest based on non-market vesting conditions. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimates, with a corresponding adjustment to the share-based payments reserve.

20 REMUNERATION OF AUDITORS

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

(a) PricewaterhouseCoopers Australia

	22 $	21 $
Audit and review of financial statements of the group and controlled entities*	**444,800**	1,205,168
Tax compliance services	**380,058**	499,719
Advisory and accounting consulting services	**361,559**	515,250
Total remuneration of PricewaterhouseCoopers Australia	**1,186,417**	2,220,137

(b) Network firms of PricewaterhouseCoopers Australia

	22 $	21 $
Audit and other assurance services	**715,609**	868,835
Tax compliance services	**359,831**	235,124
Advisory and accounting consulting services	**119,598**	72,202
Total remuneration of network firms of PricewaterhouseCoopers Australia	**1,195,038**	1,176,161
Total remuneration of PricewaterhouseCoopers firms	**2,381,455**	3,396,298

(c) Non PricewaterhouseCoopers audit firms

	22 $	21 $
Audit and review of financial statements of the group and controlled entities	**155,075**	153,763
Tax compliance services	**166,258**	165,963
Advisory and accounting consulting services	**328,239**	636,235
Total remuneration of non PricewaterhouseCoopers audit firms	**649,572**	955,961

* The audit fee for the year for PwC Australia was $897,703 compared to $747,030 in the prior year. The above note is prepared on a cash basis and the difference to the fee agreed is due to timing of invoicing and payments.

It is the Group's policy to employ PricewaterhouseCoopers on assignments additional to their statutory audit duties where PricewaterhouseCoopers expertise and experience with the Group are important. These assignments are principally tax advice and due diligence reporting on acquisitions, or where PricewaterhouseCoopers is awarded assignments on a competitive basis.

21 EARNINGS PER SHARE

(a) Basic earnings/(loss) per share

	22 Cents	21 Cents
From continuing operations attributable to the ordinary equity holders of the Company	**5.8**	(7.8)

(b) Diluted earnings/(loss) per share

From continuing operations attributable to the ordinary equity holders of the Company	**5.7**	(7.8)

(c) Reconciliation of earnings used in calculating earnings per share

	22 $'000	21 $'000
Profit/(loss) attributable to the ordinary equity holders of the Company used in calculating basic and diluted earnings per share	**40,658**	(55,140)

(d) Weighted average number of shares used as denominator

	22 Number	21 Number
Weighted average number of ordinary shares used as the denominator in calculating basic earnings per share	**705,364,418**	703,365,307
Adjustments for calculation of diluted earnings per share:		
Effect of share rights on issue	**3,166,764**	-
Weighted average number of ordinary and potential ordinary shares used as the denominator in calculating diluted earnings per share	**708,531,182**	703,365,307

The number of potential ordinary shares not considered dilutive at 30 June 2022 is 10,998,465 (2021: 8,305,205).

(e) Information on the classification of securities

Rights

Rights granted to employees are considered to be potential ordinary shares and have been included in the determination of diluted earnings per share to the extent to which they are dilutive. The rights have not been included in the determination of basic earnings per share. Details relating to the rights are set out in note 19.

(f) Accounting policy

(i) Basic earnings per share

Basic earnings per share is calculated by dividing:

- the profit attributable to equity holders 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 year, adjusted for bonus elements in ordinary shares issued during the year.

(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.

22 ASSETS PLEDGED AS SECURITY

The carrying amounts of assets pledged as security for current and non-current borrowings are:

	22 $'000	21 $'000
Current		
Floating charge		
Cash and cash equivalents	**261,853**	207,856
Receivables	**383,119**	291,506
Inventory	**178,604**	170,585
Assets classified as held for sale	**7,488**	-
Total current assets pledged as security	**831,064**	669,947
Non-current		
Floating charge		
Plant and equipment	**747,018**	565,497
Land and buildings	**24,402**	53,844
Receivables	**128,911**	124,679
Investment	**95,156**	120,032
Total non-current assets pledged as security	**995,487**	864,052
Total assets pledged as security	**1,826,551**	1,533,999

Restrictions and covenants imposed under leasing agreements over right-of-use assets are disclosed in note 7(d) and therefore not included in this disclosure.

23 DEED OF CROSS GUARANTEE

Perenti Global Limited and the entities identified with a '*' in note 14 are parties to a deed of cross guarantee under which each company has guaranteed 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 a directors' report under ASIC Corporations (wholly-owned Companies) Instrument 2016/785.

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

The above companies represent a 'closed group' for the purposes of the instrument, and as there are no other parties to the deed of cross guarantee that are controlled by Perenti Global Limited, they also represent the 'extended closed group'.

Set out below is a consolidated statement of profit or loss, a consolidated statement of comprehensive income and a summary of movements in consolidated retained earnings for the closed group.

	22 $'000	21 $'000
Consolidated statement of profit or loss		
Revenue from continuing operations	**1,147,881**	998,219
Other income	**232,470**	116,083
Materials expense	**(350,800)**	(302,861)
Labour costs	**(587,625)**	(486,877)
Rental and hire expense	**(17,633)**	(10,773)
Depreciation expense	**(118,777)**	(104,641)
Amortisation expense	**(26,954)**	(38,571)
Finance costs	**(52,215)**	(61,667)
Finance income	**16,121**	12,108
Other expenses from ordinary activities	**(195,373)**	(91,807)
Impairment of assets	**(23,162)**	(8,059)
Profit before income tax	**23,933**	21,154
Income tax benefit	**36,451**	23,196
Profit for the year	**60,384**	44,350
Consolidated statement of comprehensive income		
Other comprehensive income		
Profit for the year	**60,384**	44,350
Items that may be reclassified to profit or loss		
Exchange differences on translation of foreign operations	**(27,053)**	9,203
Items that will not be reclassified to profit or loss		
Gain on revaluation of land and buildings	**-**	4,008
Gain on revaluation of financial assets FVOCI, net of tax	**21,762**	1,333
Other comprehensive (loss)/income for the year, net of tax	**(5,291)**	14,544
Total comprehensive income for the year	**55,093**	58,894
Summary of movements in consolidated retained earnings		
Retained earnings at the beginning of the financial year	**153,326**	270,180
Profit for the year	**60,384**	44,350
Retained earnings transfer	**100,665**	(110,532)
Dividends paid	**(14,108)**	(50,672)
Retained earnings at the end of the financial year	**300,267**	153,326

The retained earnings transfer relates to movements in entities entering or exiting the deed of cross guarantee. The 30 June 2022 balance reflects the removal of MinAnalytical Laboratory Services Australia Pty Ltd and Energy Drilling Australia Pty Ltd. The 30 June 2021 reflects the Barminco Australian entities entering the Deed.

23 DEED OF CROSS GUARANTEE (CONTINUED)

(b) Consolidated statement of financial position

Set out below is the consolidated statement of financial position as at 30 June of the closed group.

	22 $'000	21 $'000
Current assets		
Cash and cash equivalents	**109,603**	98,746
Trade receivables	**337,517**	186,722
Inventories	**79,295**	91,232
Current tax receivables	**10,657**	13,762
Assets classified as held for sale	**-**	28,894
Total current assets	**537,072**	419,356
Non-current assets		
Investments in other Group companies	**504,094**	496,266
Receivables	**303,773**	152,125
Financial assets at fair value through other comprehensive income	**-**	25,536
Property, plant and equipment	**444,317**	394,971
Deferred tax assets	**166,204**	139,055
Right-of-use assets	**47,890**	70,057
Intangible assets	**634,728**	666,585
Total non-current assets	**2,101,006**	1,944,595
Total assets	**2,638,078**	2,363,951
Current liabilities		
Trade and other payables	**206,039**	145,766
Borrowings	**1,926**	1,829
Lease liabilities	**27,943**	22,729
Current tax liabilities	**10,608**	13,389
Employee benefit obligations	**56,527**	54,411
Total current liabilities	**303,043**	238,124
Non-current liabilities		
Borrowings	**852,607**	691,102
Lease liabilities	**16,670**	55,320
Deferred tax liabilities	**55,810**	74,941
Employee benefit obligations	**3,909**	2,656
Total non-current liabilities	**928,996**	824,019
Total liabilities	**1,232,039**	1,062,143
Net assets	**1,406,039**	1,301,808
Equity		
Contributed equity	**1,137,030**	1,137,783
Other reserves	**(31,258)**	10,699
Retained earnings	**300,267**	153,326
Total equity	**1,406,039**	1,301,808

24 PARENT ENTITY FINANCIAL INFORMATION

(a) Summary financial information

The individual financial statements for the parent entity, Perenti Global Limited, show the following aggregate amounts:

	22 $'000	21 $'000
Balance sheet		
Current assets	**7,372**	5,937
Non-current assets	**949,156**	901,114
Total assets	**956,528**	907,051
Current liabilities	**352**	929
Non-current liabilities	**7,949**	8,074
Total liabilities	**8,301**	9,003
Shareholders' equity		
Contributed equity	**1,137,030**	1,137,783
Other reserves		
Asset revaluation reserve	**3,213**	3,213
Share-based payments reserve	**13,872**	13,096
Accumulated losses - 2015 reserve	**(183,177)**	(183,177)
Accumulated losses - 2020 reserve	**(78,556)**	(78,556)
Retained Earnings	**55,845**	5,689
Total equity	**948,227**	898,048
Profit for the year	**63,881**	54,903
Total comprehensive income	**63,881**	54,903

The financial information for the parent entity has been prepared in accordance with the accounting policies below.

(b) Guarantees entered into by the parent entity

The parent entity has not entered into any guarantees during the year (2021: nil).

However, there are cross guarantees given by Perenti Global Limited as described in note 23. Net asset deficiencies exist in some of the subsidiaries covered by the deed of cross guarantee.

(c) Contingent liabilities of the parent entity

The parent entity did not have any contingent liabilities as at 30 June 2022 or 30 June 2021.

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

As at 30 June 2022, the parent entity had $nil contractual commitments for the acquisition of property, plant and equipment (30 June 2021: $nil).

(e) Accumulated losses - reserves

Each reserve of the parent entity has the same nature and purpose as described for the consolidated Group (in note 8(b)). In addition, the parent entity on 30 June 2020 and 30 June 2015 established separate reserves for the purpose of paying future dividends. The reserves are referred to as "Accumulated losses - 2020" and the "Accumulated losses - 2015 reserve". On the date of establishment, the "Accumulated losses - 2020" had an amount of ($78,556,000) transferred to it from retained earnings and the "Accumulated losses - 2015 reserve" had an amount of ($183,177,000) transferred to it from retained earnings.

24 PARENT ENTITY FINANCIAL INFORMATION (CONTINUED)

(f) Parent entity financial information

The financial information for the parent entity, Perenti Global Limited has been prepared on the same basis as the consolidated financial statements, except as set out below.

(i) Investments in subsidiaries, associates and joint venture entities

Investments in subsidiaries, associates and joint venture entities are accounted for at cost in the financial statements of Perenti Global Limited. Dividends received from associates are recognised in the parent entity's profit or loss when its right to receive the dividend is established.

(ii) Tax consolidation legislation

Perenti Global Limited and its wholly-owned Australian controlled entities have implemented the tax consolidation legislation.

The head entity, Perenti Global Limited, and the controlled entities 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, Perenti Global Limited also recognises the current tax liabilities (or assets) and the deferred tax assets arising from unused tax losses and unused tax credits assumed from controlled entities in the tax consolidated Group.

The entities have also entered into a tax funding agreement under which the wholly-owned entities fully compensate Perenti Global Limited for any current tax payable assumed and are compensated by Perenti Global Limited for any current tax receivable and deferred tax assets relating to unused tax losses or unused tax credits that are transferred to Perenti Global Limited under the tax consolidation legislation. The funding amounts are determined by reference to the amounts recognised in the wholly-owned entities' financial statements.

The amounts receivable/payable under the tax funding agreement are due upon receipt of the funding advice from the head entity, which is issued as soon as practicable after the end of each financial year. The head entity may also require payment of interim funding amounts to assist with its obligations to pay tax instalments.

Assets or liabilities arising under tax funding agreements with the tax consolidated entities are recognised as current amounts receivable from or payable to other entities in the Group.

Any difference between the amounts assumed and amounts receivable or payable under the tax funding agreement are recognised as a contribution to (or distribution from) wholly-owned tax consolidated entities.

(iii) Financial guarantees

Where the parent entity has provided financial guarantees in relation to loans and payables of subsidiaries for no compensation, the fair values of those guarantees are accounted for as contributions and recognised as part of the cost of the investment.

(iv) Share-based payments

The grant by the Company of rights over its equity instruments to the employees of subsidiary undertakings in the Group is treated as a capital contribution to that subsidiary undertaking. The fair value of employee services received, measured by reference to the grant date fair value, is recognised over the vesting period as an increase to investment in subsidiary undertakings, with a corresponding credit to equity.

25 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

This note provides a list of all significant accounting policies adopted in the preparation of these consolidated financial statements which haven't been disclosed elsewhere in this document. These policies have been consistently applied to all the periods presented, unless otherwise stated. The financial statements are for the consolidated entity consisting of Perenti Global Limited and its subsidiaries.

(a) Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards, and Interpretations issued by the Australian Accounting Standards Board, Urgent Issues Group Interpretations and the *Corporations Act 2001*. Perenti Global Limited is a for-profit entity for the purpose of preparing the financial statements.

(i) Compliance with IFRS

The consolidated financial statements of Perenti Global Limited and its subsidiaries also comply with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

(ii) New or amended Accounting Standards and Interpretations adopted by the Group

The Group has adopted all of the new, revised or amending Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

- AASB 2020-4 Amendments to Australian Accounting Standards - Covid-19-Related Rent Concessions [AASB 16];
- AASB 2020-8 Amendments to Australian Accounting Standards - Interest Rate Benchmark Reform - Phase 2 [AASB 4, AASB 7, AASB 9, AASB 16 and AASB 139];
- AASB 2020-3 Amendments to Australian Accounting Standards - Annual Improvements 2018-2020 and Other Amendments [AASB 1, AASB 3, AASB 9, AASB 116, AASB 137 and AASB 141], and
- AASB 2021-5 Amendments to Australian Accounting Standards - Deferred Tax related to Assets and Liabilities arising from a Single Transaction [AASB 112].

The amendments listed above did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

(iii) Impact of standards issued but not yet adopted by the Group

Certain new accounting standards and interpretations have been published that are not mandatory for the 30 June 2022 reporting period and have not been early adopted by the Group. The Group is assessing impact of the new standards, however does not expect to have a material impact on the Group in the current or future reporting periods and on foreseeable future transactions.

(iv) International Financial Reporting Standards Interpretations Committee final agenda decisions adopted

The International Financial Reporting Standards Interpretations Committee (IFRIC) has issued two final agenda decisions to provide guidance on *AASB 138 Intangible Assets* which impact Software-as-a-Service (SaaS) arrangements covering:

- A customer's right to receive access to the supplier's software hosted on the cloud (March 2019). This decision considers whether a customer receives a software asset at the contract commencement date or a service over the contract term.
- Configuration or customisation costs in a cloud computing arrangement (March 2021). This decision discusses whether configuration or customisation expenditure relating to SaaS arrangements can be recognised as an intangible asset and if not, over what time period the expenditure is expensed.

The Group's accounting policy has historically been to capitalise costs predominantly related to acquisition, configuration and customisation activities that are related to cloud computing arrangements as intangible assets (software) in the consolidated statement of financial position. The Group has since adopted the IFRIC decisions in the year ended 30 June 2022 and updated its accounting policy for SaaS related intangibles as presented below.

Software-as-a-Service (SaaS) arrangements

SaaS arrangements are service contracts providing the Group with the right to access the cloud provider's application software over the contract period. As such the Group does not receive a software intangible asset at the contract commencement date. A right to receive future access to the supplier's software does not, at the contract commencement date, give the customer the power to obtain the future economic benefits from the software itself.

The following outlines the accounting classification of costs incurred in relation to SaaS arrangements:

Recognise as an operating expense over the term of the service contract	- Fee for use of application software - Customisation costs (non-distinct services) - Configuration costs (non-distinct services)
Recognise as an operating expense as the service is received	- Data conversion and migration costs - Customisation costs (non-distinct services) - Configuration costs (non-distinct services) - Testing costs - Employee training costs

25 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(a) Basis of preparation (continued)

(iv) International Financial Reporting Standards Interpretations Committee final agenda decisions adopted (continued)

Software-as-a-Service (SaaS) arrangements (continued)

Costs incurred for the development of software code that enhances or modifies, or creates additional capability to existing on-premise systems and meets the definition of and recognition criteria for an intangible asset are recognised as intangible software assets. Refer to Note 7(e) of the 30 June 2021 Annual report for an outline of the Group's previous accounting policy for intangible assets.

The change in accounting policy has resulted in a retrospective reclassification of certain intangible assets as an expense in the Consolidated Statement of Comprehensive Income, impacting both the current and prior periods. Prior period retained earnings in the Consolidated Statement of Changes in Equity has been adjusted by $4.6 million with the corresponding reduction to Property, Plant and Equipment in the Consolidated Statement of Financial Position. The adjustment is not material to the financial statements of the Group and therefore full restatement disclosures have not been prepared.

The change in policy has been applied retrospectively and comparative information has been restated. This had the following impact on the amounts recognised in the financial statements:

	30 June 2021	Movement	30 June 2021 Restated
Balance Sheet	**$'000**	**$'000**	**$'000**
Property, plant and equipment	721,310	(4,643)	716,667
Retained earnings	(165,629)	4,643	(160,986)

(v) Historical cost convention

These financial statements have been prepared on a historical cost basis except for the following:

- certain classes of property, plant and equipment measured at fair value,
- assets held for sale are measured at the lower of carrying amount and fair value less costs to sell, and
- certain financial assets and liabilities (including derivative instruments) measured at fair value through profit or loss.

(vi) Climate change

In the preparation of the 30 June 2022 financial statements, an overarching consideration was the impact of the climate change and its risks. The Group continues to develop its assessment of the potential impact of climate change and the transition to a low carbon economy. The Group's current climate change strategy focuses on reducing operational greenhouse gas (GHG) emissions, investing in low emissions technologies, supporting emissions reductions in our supply chain, managing climate-related risk and opportunity, and working in partnership to reduce emissions. Future changes to the Group's climate change strategy or global decarbonisation goals may impact the Group's significant judgements and key estimates and result in a material change to financial results and the carrying values of certain assets and liabilities in future reporting periods. Currently the Group has not finalised and announced any targets with regards to climate change and climate risk and therefore have not adjusted any of the assets or liabilities of the Group in the 30 June 2022 Balance Sheet.

(b) Principles of consolidation

(i) Subsidiaries

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity where the Group 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 to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The acquisition method of accounting is used to account for all business combinations by the Group (refer to note 25(f)).

Intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of profit or loss, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of financial position respectively.

(ii) Joint arrangements

Under AASB 11 Joint Arrangements, investments in joint arrangements are classified as either joint operations or joint ventures. The classification depends on the contractual rights and obligations of each investor, rather than the legal structure of the joint arrangement. Perenti Global Limited has only joint ventures.

Joint ventures

Interests in joint ventures are accounted for using the equity method, after initially being recognised at cost in the consolidated statement of financial position.

25 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(b) Principles of consolidation (continued)

(iii) Changes in ownership interests

The Group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the Group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognised in a separate reserve within equity attributable to owners of Perenti Global Limited.

When the Group ceases to have control, joint control or significant influence, any retained interest in the entity is remeasured to its fair value with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as a joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group has directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

If the ownership interest in a joint venture is reduced, but joint control or significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income are reclassified to profit or loss where appropriate.

(c) Foreign currency translation

(i) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in Australian dollar ($), which is Perenti Global Limited's functional and presentation currency.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in profit or loss. They are deferred in equity if they are attributable to part of the net investment in a foreign operation.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss. For example, translation differences on non-monetary assets and liabilities such as equities held at fair value through profit or loss are recognised in profit or loss as part of the fair value gain or loss and translation differences on non-monetary assets such as equities classified as at fair value through other comprehensive income are recognised in other comprehensive income.

(iii) Group companies

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

- assets and liabilities for each statement of financial position presented are translated at the closing rate at end of the reporting period
- income and expenses for each income statement and statement of comprehensive income are translated at average exchange rates (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions), and
- all resulting exchange differences are recognised in other comprehensive income.

On consolidation, exchange differences arising from the translation of any net investment in foreign entities, and of borrowings and other financial instruments designated as hedges of such investments, are recognised in other comprehensive income. When a foreign operation is sold or any borrowings forming part of the net investment are repaid, exchange differences are reclassified to profit or loss, as part of the gain or loss on sale.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate.

(d) Interest income

Interest income from financial assets at fair value through profit and loss is included in the net fair value gains/(losses) on these assets. Interest income on financial assets at amortised cost and financial assets at fair value though other comprehensive income calculated using the effective interest method is recognised in profit or loss as part of other income.

Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for financial assets that subsequently become credit-impaired. For credit-impaired financial assets the effective interest rate is applied to the net carrying amount of the financial asset (after deduction of the loss allowance).

Interest income is presented as finance income where it is earned from financial assets that are held for cash management purposes. Any other interest income is included in other income.

25 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(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 national income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences between the tax base of assets and liabilities and their carrying amount in the financial statements, and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the Company and its subsidiaries and associates operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred income tax is not accounted for if it arises from initial recognition of 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. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the statement of financial position date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax liabilities and assets are not recognised for temporary differences between the carrying amount and tax bases of investments in foreign operations where 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.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

(i) Investment allowances and similar tax incentives

Companies within the Group may be entitled to claim special tax deductions for investments in qualifying assets or in relation to qualifying expenditure (e.g. the Research and Development Tax Incentive regime in Australia or other investment allowances). The Group accounts for such allowances as tax credits, which means that the allowance reduces income tax payable and current tax expense. A deferred tax asset is recognised for unclaimed tax credits that are carried forward as deferred tax assets.

(f) Business combinations

The acquisition method of accounting is used to account for all business combinations, regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition of a subsidiary comprises the:

- fair values of the assets transferred
- liabilities incurred to the former owners of the acquired business
- equity interests issued by the Group
- fair value of any asset or liability resulting from a contingent consideration arrangement, and
- fair value of any pre-existing equity interest in the subsidiary.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date. The Group recognises any non-controlling interest in the acquired entity on an acquisition-by-acquisition basis either at fair value or at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets. Acquisition-related costs are expensed as incurred.

Goodwill is recorded when there is an excess of the:

- consideration transferred
- amount of any non-controlling interest in the acquired entity, and
- acquisition date fair value of any previous equity interest in the acquired entity

If those amounts are less than the fair value of the net identifiable assets of the subsidiary acquired, the difference is recognised directly in profit or loss as a bargain purchase. Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. The discount rate used is the entity's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions.

Contingent consideration is classified either as equity or a financial liability. Amounts classified as a financial liability are subsequently remeasured to fair value with changes in fair value recognised in profit or loss.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date. Any gains or losses arising from such remeasurements are recognised in profit or loss.

Under the acquisition method, the Group has up to 12 months post the acquisition date to finalise the fair values of identifiable assets and liabilities.

25 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(g) Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, 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 that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the statement of financial position.

(h) Non-current assets (or disposal groups) held for sale and discontinued operations

Non-current assets (or disposal groups) are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable. They are measured at the lower of their carrying amount and fair value less costs to sell, except for assets such as deferred tax assets, assets arising from employee benefits, financial assets and investment property that are carried at fair value and contractual rights under insurance contracts, which are specifically exempt from this requirement.

An impairment loss is recognised for any initial or subsequent write-down of the asset (or disposal group) to fair value less costs to sell. A gain is recognised for any subsequent increases in fair value less costs to sell of an asset (or disposal group), but not in excess of any cumulative impairment loss previously recognised. A gain or loss not previously recognised by the date of the sale of the non-current asset (or disposal group) is recognised at the date of derecognition.

Non-current assets (including those that are part of a disposal group) are not depreciated or amortised while they are classified as held for sale. Interest and other expenses attributable to the liabilities of a disposal group classified as held for sale continue to be recognised.

Non-current assets classified as held for sale and the assets of a disposal group classified as held for sale are presented separately from the other assets in the balance sheet. The liabilities of a disposal group classified as held for sale are presented separately from other liabilities in the balance sheet.

A discontinued operation is a component of the entity that has been disposed of or is classified as held for sale and that represents a separate major line of business or geographical area of operations, is part of a single co-ordinated plan to dispose of such a line of business or area of operations, or is a subsidiary acquired exclusively with a view to resale.
The results of discontinued operations are presented separately in the consolidated statement of profit or loss.

(i) Provisions

Provisions for legal claims are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the statement of financial position date. The discount rate used to determine the present value reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

(j) Employee benefits

(i) Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits and accumulating sick leave that are expected to be settled wholly within 12 months after the end of the 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 liabilities are presented as current employee benefit obligations in the balance sheet.

(ii) Other long-term employee benefit obligations

The liabilities for long service leave and annual leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore 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 period of service. Expected future payments are discounted using market yields at the end of the reporting period of high quality corporate bonds with terms and currencies that match, as closely as possible, the estimated future cash outflows. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in profit or loss.

The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting date, regardless of when the actual settlement is expected to occur.

25 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(j) Employee benefits (continued)

(iii) Share-based payments

Equity settled share-based compensation benefits are provided to employees via Perenti Global Limited Incentive Rights Plan. Information relating to the Plan is set out in note 19. Equity settled share-based payments are measured at the fair value of the equity instruments at grant date.

The fair value at grant date is independently determined using a Monte Carlo simulation or an amended Black Scholes Merton methodology valuation model.

The fair value at the grant date of the equity settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Group's estimate of equity instruments that will eventually vest, with a corresponding increase in equity.

At the end of each reporting period, the Group revises its estimate of the number of equity instruments expected to vest based on non-market vesting conditions. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimates, with a corresponding adjustment to the share-based payments reserve.

(k) Dividends

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

(l) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the taxation authority. In this case, it is recognised as part of the cost of acquisition of the asset or as part of the expense.

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 taxation authority is included within 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 taxation authority, are presented as operating cash flows.

(m) Government grants

Government grants are recognised in the Consolidated Statement of Profit or Loss and Other Comprehensive Income when there is reasonable assurance that the entity will comply with the conditions attaching to them, and the grant will be received. Such grants are presented in Other Income.

(n) Rounding of amounts

The Company is of a kind referred to in ASIC Legislative Instrument 2016/191, issued by the Australian Securities and Investments Commission, relating to the 'rounding off' of amounts in this report and the accompanying financial report. Amounts in this report and the accompanying financial report have been rounded off to the nearest thousand dollars, or in certain cases, to the nearest dollar.

DIRECTORS' DECLARATION

In the directors' opinion:

(a) the financial statements and notes set out on pages 90 to 151 are in accordance with the *Corporations Act 2001*, including:

   (i) complying with Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements, and

   (ii) giving a true and fair view of the consolidated entity's financial position as at 30 June 2022 and of its performance for the financial year ended on that date, and

(b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable, and

(c) at the date of this declaration, there are reasonable grounds to believe that the members of the extended closed Group identified in note 23 will be able to meet any obligations or liabilities to which they are, or may become, subject by virtue of the deed of cross guarantee described in note 23.

Note 25(a) confirms that the financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board.

The directors have been given the declarations by the Chief Executive Officer and Chief Financial Officer required by section 295A of the *Corporations Act 2001*.

This declaration is made in accordance with a resolution of the directors.

Mark Norwell
Managing Director & CEO

Perth
22 August 2022

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Independent auditor's report

To the members of Perenti Global Limited

Report on the audit of the financial report

Our opinion

In our opinion:

The accompanying financial report of Perenti Global Limited (the Company) and its controlled entities (together the Group) is in accordance with the *Corporations Act 2001*, including:

(a) giving a true and fair view of the Group's financial position as at 30 June 2022 and of its financial performance for the year then ended

(b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

What we have audited

The Group financial report comprises:

- the consolidated statement of financial position as at 30 June 2022
- the consolidated statement of comprehensive income for the year then ended
- the consolidated statement of profit or loss for the year then ended
- the consolidated statement of changes in equity for the year then ended
- the consolidated statement of cash flows for the year then ended
- the notes to the consolidated financial statements, which include significant accounting policies and other explanatory information
- the directors' declaration.

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

Independence

We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional & 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.

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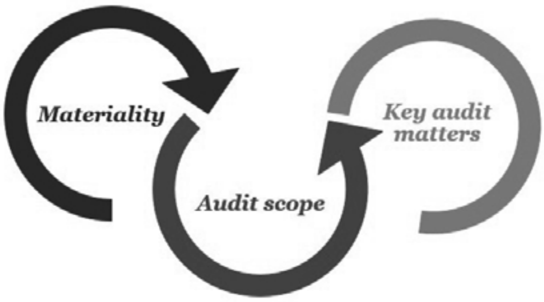
Our audit approach

An audit is designed to provide reasonable assurance about whether the financial report is free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

We tailored the scope of our audit to ensure that we performed enough work to be able to give an opinion on the financial report as a whole, taking into account the geographic and management structure of the Group, its accounting processes and controls and the industry in which it operates.



Materiality	Audit scope	Key audit matters
• For the purpose of our audit we used overall Group materiality of $12.145 million, which represents approximately 0.5% of the Group's revenue. • We applied this threshold, together with qualitative considerations, to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements on the financial report as a whole. • Having considered various other benchmarks, we chose the Group's revenue because, in our view, it is the benchmark against which the performance and strategy of the Group is measured.	• Our audit focused on where the Group made subjective judgements; for example, significant accounting estimates involving assumptions and inherently uncertain future events. In establishing the overall approach to the Group audit, we determined the type of work that needed to be performed by the group engagement team and by component auditors operating under our instruction. • The group engagement team performed audit procedures on the financial information of Perenti Global, Ausdrill, BTP Parts, BTP Equipment, Perenti Group Services, Perenti International, Perenti Finance, Minanalytical Holdings, Barminco, African Mining	• Amongst other relevant topics, we communicated the following key audit matters to the Audit and Risk Committee: – Valuation of Goodwill – Valuation of non-current assets (excluding Goodwill) – Calculation of current and deferred taxes • These are further described in the *Key audit matters* section of our report.

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Materiality	Audit scope	Key audit matters
• We utilised a 0.5% threshold based on our professional judgement, noting it is within the range of commonly acceptable thresholds.	Services Burkina Faso, Barminco Mining Services Canada and Barminco Egypt Underground Mining Services businesses because these were financially significant or contained financially significant balances. • Component auditors performed audit procedures on the financial information of AMS Ghana, African Underground Mining Services Burkina Faso, African Underground Mining Services Ghana, AUMS (T), Underground Mining Alliance and Barminco Mining Services Botswana. • The Group engagement team and component auditors actively communicated throughout the year through discussions, written instructions and reporting.	

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 for the current period. The key audit 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. Further, any commentary on the outcomes of a particular audit procedure is made in that context.

Key audit matter	How our audit addressed the key audit matter
Valuation of Goodwill *(Refer to note 7(e))* At 30 June 2022, the Group has $457.3m of goodwill recognised on the statement of financial position. Under Australian Accounting Standards, the Group is required to test the goodwill annually for impairment. The Group performed an impairment test to assess the recoverable amount through 'value in use' (VIU), using a discounted cashflow model. Significant judgement was required by the Group to estimate the	Our audit procedures, amongst others, included the following: • Assessing whether the Group's identification of the group of CGUs was consistent with the level at which goodwill is monitored, based on our knowledge of the operations and internal monitoring and reporting. • Considering if the impairment model used to estimate the recoverable amount of the

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Key audit matter	How our audit addressed the key audit matter
key assumptions in the model to determine the recoverable amount of the goodwill and the amount of any impairment. The most significant areas of judgment relate to: • The level at which the Goodwill is assessed; • cash flow forecasts, including the terminal value estimate; • short term and future growth rates in revenue and earnings before interest, tax depreciation and amortisation (EBITDA) margin; and • the discount rate used to discount the estimated cashflows adopted in the model. This was a key audit matter given the level of judgement required by the Group in determining the assumptions used to perform the impairment testing and the significance of Goodwill to the statement of financial position.	Goodwill was consistent with the requirements of Australian Accounting Standards. • Assessing the Group's ability to forecast future cash flows for the business by comparing historical budgets with reported actual results. • With the assistance of PwC valuations experts, assessing whether the terminal growth rate used in the model was consistent with the long term average growth rates of the industry sector in which the Group operates. • With the assistance of PwC valuations experts, evaluating the appropriateness of the discount rate by assessing the appropriateness of the relevant inputs to the calculation against industry and market factors. • Agreeing the mathematical accuracy, on a sample basis, of the impairment model calculations. • Assessing the composition of the assets and liabilities included within the CGUs carrying value and agreeing them back to underlying financial records. • Evaluating the adequacy of the disclosures made in note 7(e) of the financial statements, including those regarding the key assumptions and sensitivities to changes in such assumptions, in light of the requirements of Australian Accounting Standards.

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Key audit matter	How our audit addressed the key audit matter
Valuation of non-current assets (excluding Goodwill) *(Refer to note 3)* As required by Australian Accounting Standards, the Group has performed an assessment for indicators of impairment of non-current assets (excluding Goodwill). The Group's resulting impairment assessments over the Surface Mining Africa, Surface Mining Australia and BTP Group CGU's included consideration of the expected recoverable value at an asset level based on an estimation of the fair value less costs to dispose of the assets. No impairment or reversal of prior impairments was recognised as a result of these assessments. The assessment of impairment for Surface Mining Africa, Surface Mining Australia and BTP was a key audit matter because of the significant judgement involved in estimating the recoverable amount of the assets and the material impact on the financial report.	Our audit procedures included, amongst others, the following: • Examining the external valuation reports obtained by the Group to assist their estimation of the recoverable values of other assets. • Assessing the competency, qualifications, experience and objectivity of the Group's external valuer, which included considering their experience and qualifications in assessing similar types of assets. • Considering the completeness of the assets included in the external valuation reports. • Together with PwC valuations experts, considering the methodologies and key assumptions adopted by the external valuer. • Considering whether the valuation indicated a potential reversal of any prior impairments. • Considered the adequacy of the disclosures made in note 3 of the financial statements in light of the requirements of Australian Accounting Standards.
Calculation of current and deferred taxes *(Refer to note 5(g))* The calculation of taxation balances was a key audit matter because the Group operates in several jurisdictions with different laws, regulations and authorities resulting in complex tax calculations and judgements. In particular, judgement is required in assessing the recoverability of the $146.1 million of tax losses recognised as assets at 30 June 2022 and the appropriateness of $32.2 million of provisions for uncertain tax positions across Africa.	Our procedures included, amongst others: • Assessing with the support of PwC tax experts, the rationale on which current tax was calculated and deferred tax assets and liabilities were recognised. • Assessing whether deferred tax assets had been appropriately recognised in the financial report as at 30 June 2022 based on the extent to which they can be recovered by forecast taxable profits including performing the following: o Obtaining calculations of forecast taxable income for the next five

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Key audit matter	How our audit addressed the key audit matter
	years and agreeing these to the latest Board approved budget and forecast. o Comparing past Board approved budgets to historical performance to assess the consistency and accuracy of the Group's approach to budgeting. o Assessing the Group's key assumptions in the cash flow budget and taxable income forecasts. o Evaluating whether the cash flows in the taxable income forecasts had been appropriately adjusted for the differences between accounting profits, as presented in the approved Board budget and forecast, to taxable profits. o Agreeing the mathematical accuracy, on a sample basis, of the calculation of forecast taxable income. • Together with our PwC tax experts, we also considered the assumptions made by the Group in making judgemental tax provisions for uncertain tax positions.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report for the year ended 30 June 2022, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly 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 on the other information that we obtained prior to the date of this auditor's report, 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 the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material 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 have 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 the 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 at:
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

Our opinion on the remuneration report

We have audited the remuneration report included in pages 68 to 85 of the directors' report for the year ended 30 June 2022.

In our opinion, the remuneration report of Perenti Global Limited for the year ended 30 June 2022 complies with section 300A of the *Corporations Act 2001*.

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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.

PricewaterhouseCoopers

PricewaterhouseCoopers

Craig Heatley
Partner

Perth
22 August 2022

SHAREHOLDER INFORMATION

a. Distribution of equity securities

Analysis of numbers of equity security holders by size of holding as at 17 August 2022:

	Ordinary shares		
Holding	Number of Holders	Shares	% of shares on issue
1 - 1,000	**2,714**	**1,093,562**	**0.16**
1,001 - 5,000	**2,925**	**8,035,139**	**1.14**
5,001 - 10,000	**1,335**	**10,419,564**	**1.48**
10,001 - 100,000	**2,324**	**69,752,779**	**9.93**
100,001 and over	**266**	**613,159,390**	**87.29**
	9,564	**702,460,434**	**100.00**

There were 2,005 holders of less than a marketable parcel of 460,036 ordinary shares as at 17 August 2022.

b. Equity security holders

The names of the twenty largest holders of quoted equity securities as at 17 August 2022 are listed below:

	Ordinary shares	
Name	Number held	Percentage of issued shares (%)
1. HSBC Custody Nominees (Australia) Limited	184,316,924	26.24
2. Citicorp Nominees Pty Limited	91,247,547	12.99
3. J P Morgan Nominees Australia Pty Limited	89,887,938	12.80
4. HSBC Custody Nominees (Australia) Limited - A/C 2	48,062,312	6.84
5. Bremerton Pty Limited	26,005,640	3.70
6. Nebraska Pty Limited	26,005,640	3.70
7. National Nominees Limited	19,332,122	2.75
8. BNP Paribas Noms Pty Ltd	14,105,086	2.01
9. BNP Paribas Nominees Pty Ltd	9,191,669	1.31
10. Purple Dragon Holdings Pty Ltd	6,280,613	0.89
11. Mr BG Wright + Mrs WJ Wright	5,051,035	0.72
12. CTS Funds Pty Ltd	5,009,748	0.71
13. Royale Blue Pty Ltd	3,708,161	0.53
14. Mrs Patricia Gladys Wright	3,623,553	0.52
15. Gresham Partners Capital Limited	2,689,150	0.38
16. Morgan Stanley Australia Securities (Nominee) Pty Limited	2,479,639	0.35
17. Mrs PG Wright + Mr MG Wright + Mr JG Wright	2,451,544	0.35
18. CS Fourth Nominees Pty Limited	2,046,612	0.29
19. Netwealth Investments Limited	1,843,337	0.26
20. Citicorp Nominees Pty Limited	1,680,033	0.24
Total held by the twenty largest shareholders	**545,018,303**	**77.58**

Unquoted equity securities

	Number on issue	Number of holders
Rights issued under the Employee Incentive Rights Plan	23,678,642	83

SHAREHOLDER INFORMATION (CONTINUED)

c. Substantial holders

Substantial holders in the Company are set out below as at 28 July 2022:

	Ordinary Shares	
	Number held	**Percentage (%)**
1. L1 Capital	54,878,088	7.8
2. Allan Gray Investment Mgt	50,733,869	7.2
3. Dimensional Fund Advisors	39,950,540	5.7
4. Fidelity Investments	37,872,174	5.4

d. Voting rights

The voting rights attaching to each class of equity securities are set out below:

(a) Ordinary shares: every member present at a meeting of the Company in person or by proxy shall have one vote and upon a poll each share shall have one vote.

(b) Options: no voting rights.

(c) Rights: no voting rights.

GLOSSARY OF TERMS

A	AASB	Australian Accounting Standards Board
	ABAC	Policy Anti-bribery and Anti-corruption Policy
	ABN	Australian Business Number
	ACN	Australian Company Number
	AMS	African Mining Services
	APES	Accounting Professional & Ethical Standards
	ASIC	Australian Securities and Investments Corporation
	ASX	Australian Stock Exchange
	AUMS	African Underground Mining Service
B	BTP	Best Tractor Parts (Perenti subsidiary)
	BPS (bps)	Basis Points
C	CGU	Cash Generating Unit
	CFI	Conduit Foreign Income
	CO_2-e	Carbon Dioxide Equivalent
	CoRE	Centre of Resources Excellence
D	DCF	Discounted cash flow
	DRP	Dividend Reinvestment Plan
E	EBIT(A)	Earnings before interest, tax and amortisation
	EBITDA	Earnings before interest, tax, depreciation and amortisation
	ESG	Environment Social and Governance
F	FIFO	Fly In Fly Out workforce
	FVLCD	Fair value less cost of disposal
	FVOCI	Fair value through other comprehensive income
G	GST	Goods and Services Tax
	GHG	Greenhouse Gas
H	HSE	Health Safety and Environment
	HV	Heavy Vehicle
I	IASB	International Accounting Standards Board
	IDA	Indigenous Desert Alliance
	IFRS	International Financial Reporting Standards
	IFRIC	International Financial Reporting Standards Interpretations Committee
J	JV	Joint venture

GLOSSARY OF TERMS

L	LTI	Long term incentive
	LEV	Local Exhaust Ventilation
M	M&A	Mergers and acquisitions
N	NCI	Non-controlling interest
	NPAT	Net Profit After Tax
O	OCI	Other comprehensive income
	OEM	Original Equipment Manufacturer
P	PGF	Perenti Governance Framework
R	ROE	Return on Equity
	ROACE	Return on average capital employed
S	SPI	Serious potential incident STI Short term incentive
	SPIFR	Serious Potential Incident Frequency Rate
	SDG	Sustainable Development Goal
T	TCFD	Task Force on Climate related Financial Disclosures
	TFR	Total Fixed Remuneration
	TRIFR	Total Recordable Injury Frequency Rate
	TSR	Total shareholders' return
U	UMA	Underground Mining Alliance – a joint venture between Perenti subsidiary AUMS and Ghanaian mining contractor Rocksure
V	VAT	Value-added Tax
	VIU	Value in Use

Perenti

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