

Annual Report 2023

 **Perenti**

ABN 95 009 211 474



Creating enduring
value and certainty

**Expect
More**

Who we are

Perenti is an ASX listed diversified mining services group with interests in contract mining, mining support services and technology solutions. Headquartered in Perth, Australia, and operating across four continents with a workforce of 9,000 employees, our focus is to create enduring value and certainty for our investors, clients, employees and the communities in which we operate.

EMPLOYEES	COUNTRIES	COMMODITIES	CONTINENTS
~9,000	10	9	4

OUR PRINCIPLES



NO SHORTCUTS



NEVER WASTEFUL



WALK IN THEIR SHOES



SMARTER TOGETHER



ENABLE TOMORROW

APPENDIX 4E

Financial year ended 30 June 2023

	2023 (\$'000)	2022 (\$'000)
RESULTS FOR ANNOUNCEMENT TO THE MARKET		
Revenue from ordinary activities	Up 18% to \$2,880,136	\$2,437,656
Profit from ordinary activities after tax attributable to members	Up 135% to \$95,739	\$40,658
Net profit for the period attributable to members	Up 135% to \$95,739	\$40,658
	2023	2022
Net tangible assets per ordinary share	\$1.17	\$0.95

DIVIDENDS

On 21 August 2023, the directors determined that no ordinary dividend for the year ended 30 June 2023 (2022: nil) be declared. The Company's Dividend Reinvestment Plan (DRP) is currently suspended until further notice.

ANNUAL GENERAL MEETING

The 2023 Annual General Meeting (AGM) of Perenti Limited will be held on 13 October 2023. Details of the business of the meeting will be provided in the AGM notice. The AGM will be held as a hybrid meeting allowing for attendance in person or online via a live webcast.

This report is based on accounts that have been audited.

ABOUT THIS REPORT

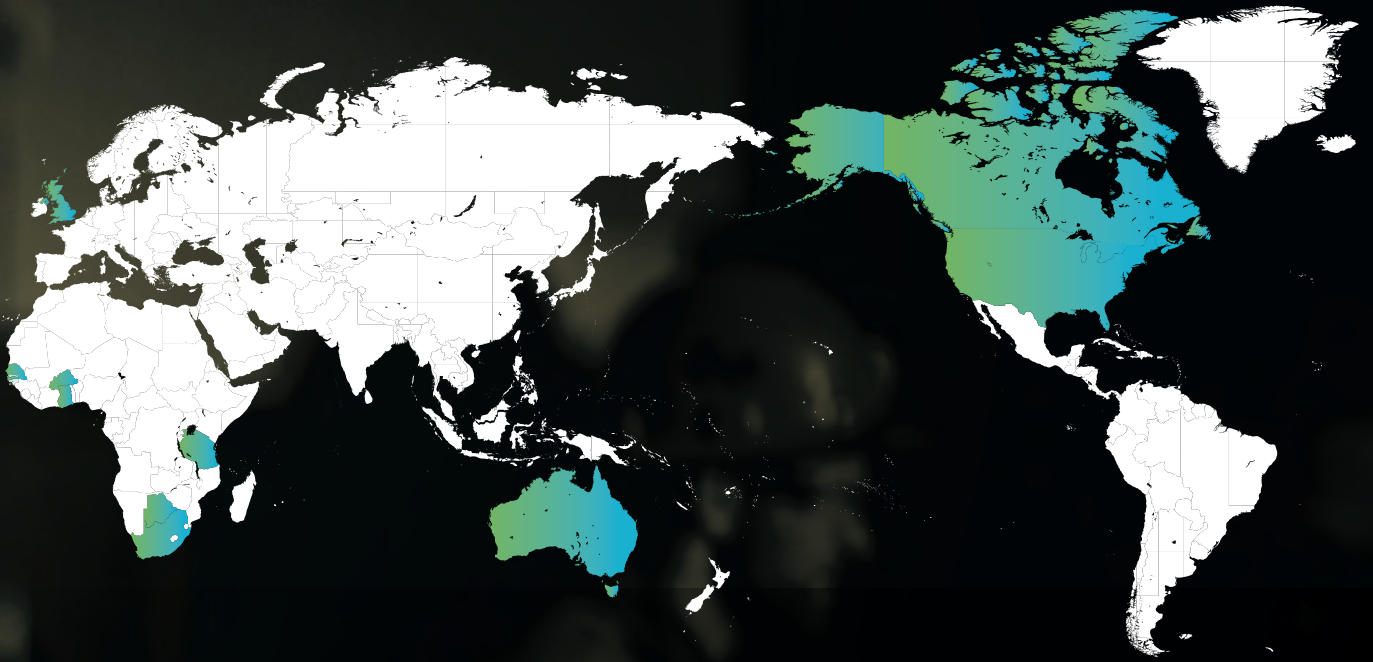
This Annual Report is a summary of Perenti and its operations, activities and financial position as at 30 June 2023. All dollar figures are expressed in Australian dollars unless otherwise stated.



*ecoStar+ 100% recycled uncoated paper



Our global presence



AFRICA

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AUSTRALIA

39

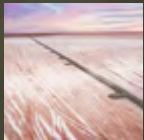
NORTH AMERICA

2

53 TOTAL PROJECTS

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Year in review

As a result of the ongoing efforts of our 9,000 people, the Group recorded our strongest revenue and underlying profits on record, buoyed by strong operational performance, improved project commercials and supported by foreign currency movements.

REVENUE

↑ \$2.9B

Up 18% on FY22

Ramp-up of growth projects, strong operational performance, improved project commercials and favourable foreign currency movements.

EBIT(A)

↑ \$264M

Up 50% on FY22

Revenue pull through to operating profit.

EBIT(A) MARGIN

↑ 9.2%

Up 27% on FY22

Improvement to operating and commercial conditions including the realisation of contractual rise and fall provisions.

FREE CASH¹

↑ \$271M

Up \$102 million on FY22

Significant free cash from operating performance and proceeds from asset sales.

LEVERAGE²

↓ 0.9x

Strong EBITDA and reduction in net debt.

ROACE³

↑ 21.1%

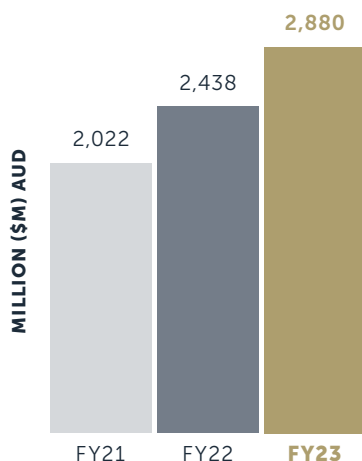
Up 39% on FY22

Note: EBITDA and EBIT(A) are underlying.

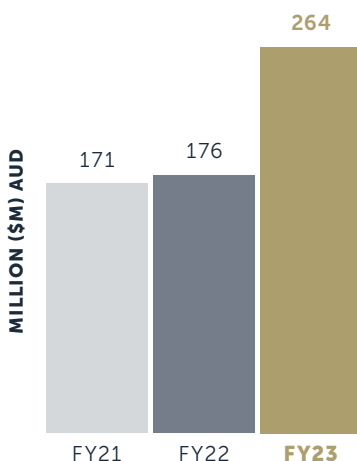
- 1) Free cash is defined as net cash inflow from operating activities after stay in business capital expenditure net of proceeds from routine sale of assets.
- 2) Net Leverage is defined as Net Debt / last 12 months underlying EBITDA.
- 3) ROACE is defined as underlying EBIT(A) / sum of average receivables, inventories, plant, property & equipment, including assets classified as held for sale and right-of-use assets less trade payables for the relevant period.

i All references, unless specifically provided, relate to underlying figures and a reconciliation to statutory results is on page 12.

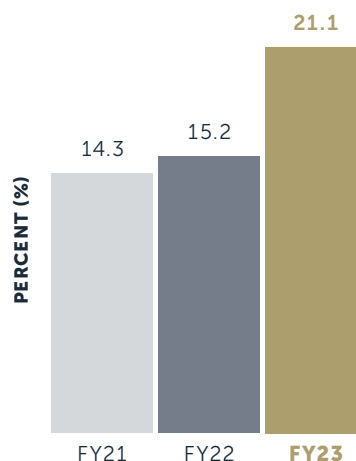
REVENUE



EBIT(A)



ROACE



Creating enduring value through FY23

Updating our Capital Management Policy to support sustainability

To support Perenti's focus on safety and sustainability, in June we announced we would invest between 10-20% free cash in our sustainability related initiatives. The investment, which is over and above business as usual investment, will predominantly target the areas of; technology and engineering solutions to more effectively mitigate and manage risks inherent in underground mining; developing new services to support decarbonisation; and product development for our technology services division, idoba.

i Refer to page 8



Building an inclusive and diverse workplace

A key sustainability priority for Perenti is achieving gender balance and in early FY23 Perenti signed up to the Hesta 40:40 Vision pledging to have Board and Executive representation of 40% women and 40% men by 2030. To further support our focus on gender equality, we have also introduced targets to achieve a Group gender balance of 33% female by the end of FY33 as well as commencing a plan to address the gender pay gap.

i Refer to page 16



Sumitomo's investment in idoba

In August 2022, Sumitomo acquired 10% of the issued shares in Perenti's technology informed services business, idoba. The investment further strengthened Sumitomo's commitment to idoba, following the MOU announced in February 2022. idoba will benefit from harnessing Sumitomo's expertise and extensive global network comprising over 893 group companies across 66 countries and multiple industries to which idoba's products and services have relevance.

i Refer to page 26



Entering into a Scheme of Arrangement with DDH1

In June 2023, Perenti announced the exciting and transformative transaction to acquire DDH1 Limited, including their brands DDH1, Ranger Drilling, Strike Drilling and Swick Mining Services. The transaction, which is still to be approved by DDH1 shareholders, is a great fit for Perenti. It aligns with our 2025 strategy, accelerates the delivery of a number of 2025 financial targets and enhances the scale of the business. On completion of the transaction, Perenti will become one of the largest drilling service providers globally and the largest contract mining services company on the ASX by revenue.

i Refer to page 8

The foundation of Perenti's Safety Taskforce

Following the two fatalities that occurred at the Dugald River mine in February, which came after fatal incidents in preceding years, Perenti established a Safety Taskforce to support and continuously improve our safety performance. The taskforce, which is governed by the Safety and Sustainability Board Committee and includes two independent globally recognised workplace safety experts, is also focussed on industry wide solutions given the ongoing shift to underground mining due to the growing demand for minerals needed to support the energy transition.

i Refer to page 17

\$1.4 billion awarded in new and extended contracts

In FY23, Perenti recorded new and extended contracts in excess of \$1.4 billion highlighting the global scale of our project portfolio. This included significant contract extensions at Red Chris in Canada, Mako in Senegal and Subika in Ghana. In Australia, we also extended the contract at Flying Fox and at the Super Pit which will take Ausdrill's presence at the site into its fourth decade reinforcing the enduring value and certainty we have delivered to our clients over the years.

i Refer to page 18

Our 2025 Strategy

Perenti has continued to make significant progress in the delivery of our 2025 Strategy. Our deep domain expertise in Contract Mining, improved growth opportunities in Mining Services and significant enhancements in our digital technology capability through idoba, sees us well positioned for an exciting future.

To fully leverage our industry-leading capabilities and the opportunities that are arising in the mining sector we must ensure that sustainability is a foundational tenet of our strategy. In FY22, Perenti articulated an increased focus on sustainability and in FY23, we have strengthened this focus. In June, we released our Sustainability Blueprint which frames our commitment to embed sustainability in everything we do across Perenti.

OUR PURPOSE

To create enduring value and certainty



OUR PRINCIPLES

No shortcuts
Never wasteful
Walk in their shoes
Smarter together
Enable tomorrow



OUR STRATEGY

Deliver competitive Total Shareholder Returns by building a portfolio of complementary businesses that deliver consistent and quality cash profits to create enduring value for our clients, our people and our investors



Sustainability underpins everything we do

OUR SUSTAINABILITY IMPERATIVES



Caring for our people & communities



Valuing the environment & enabling the energy transition



Acting ethically & responsibly

OUR SUSTAINABILITY PRIORITIES

Preventing adverse life changing events

Creating safe and respectful workplaces

Achieving gender balance

Accelerating decarbonisation

Partnering with our communities

At Perenti, we recognise the critical role we must play in helping the world transition to a more sustainable future. A future that demands more of us. For our business to succeed, sustainability must be embedded into everything we do.

For Perenti and our people this means:

- applying, advocating and upholding care – seeking to support the needs of our people and communities, putting safety first and creating an inclusive culture.
- moving as a proactive business – focussing our business in service of sustainable outcomes, applying new technology to enable climate transition and valuing the environment and communities where we operate.
- staying the course – acting ethically and responsibly, applying long-term thinking and harnessing our restless energy and relentless efforts to respond to new challenges.

This is articulated through three key areas we consider imperative to our success in embedding sustainability in everything we do: *Caring for our People & Communities; Valuing the Environment & Enabling the Energy Transition; and Acting Ethically & Responsibly.*

Aligned with these imperatives, five sustainability priorities have also been identified: *Preventing adverse life changing events; Creating safe and respectful workplaces; Achieving gender balance; Accelerating decarbonisation; and Partnering with our communities.*

To ensure we deliver on our sustainability imperatives and priorities Group Executive Committee sponsors have been allocated to each priority, with steering groups established to help coordinate progress.

Spotlight on decarbonisation

In FY23, Perenti made significant progress towards its sustainability priority of accelerating decarbonisation.

In November 2022, we signed a memorandum of understanding with global technology company ABB to collaborate to develop a mining electrification and decarbonisation service offering which includes working with mine owners to significantly reduce the risk and uncertainty of electrifying both green and brownfield operations.

The collaboration combines Perenti's 30 years of underground and surface mining expertise and technical capability with ABB's world leading innovation and electrical engineering capabilities.

We took this collaboration a step further in May 2023 when Perenti and ABB were awarded the inaugural contract to undertake a study for the full underground electrification of IGO's Cosmos Nickel Project in Western Australia.

This study will see experts from Perenti, ABB and IGO work side by side to provide a pathway for the optimum design of mine electrification. All aspects of electrification will be considered in the study including mine design optimisation for electric operations, production and operating philosophy, fleet selection, power distribution and electrical infrastructure design, electrification system and battery management, ESG and safety impact analysis, and cost modelling.

The long term aim of Perenti's collaboration with industry leaders such as ABB is to leverage combined capabilities to partner with clients throughout the mining value chain, from pre-feasibility studies through to execution, operations and maintenance. This collaboration will be underpinned by our strong relationships with the world's largest OEMs and idoba's simulation and digital expertise to use real world data generated through our trials of electric machines in our primary and ancillary fleets.

The collaboration builds on the significant work by Perenti subsidiaries and supports our commitment to accelerate decarbonisation in the mining industry. This journey began in 2019 when the first electric vehicle was trialled at one of Barminco's many underground operations.

Four years on, that trial has expanded to include drills, loaders, trucks, charge up vehicles and other ancillary equipment as we look to better understand the capabilities of these vehicles and the impact they have on our operations. By January 2024, we estimate we will be trialling 13 different electric heavy and light vehicles as part of our underground operations.

The Perenti team hasn't only been focused on electrification as a solution to decarbonisation. In FY22, our African Mining Services and BTP subsidiaries worked to trial a technology called diesel gas blending on trucks. As part of the trial BTP fitted a CAT785C truck with a unit that combines LNG with diesel with the aim of reducing emissions.

Perenti's technology division, idoba, is also focused on decarbonising mines through its product portfolio. By using its advanced technology products, mining experts can create a digital twin of a mining operation and simulate alternative models to help determine the best electrification strategy for a site.

Our strong partnerships and relationships in this area, combined with our mining expertise and operational experience in trialling the full range of electric vehicles, leaves Perenti extremely well placed to play a critical role in helping the industry to transition to a more sustainable future.

Decarbonisation and electrification are critical to the future of mining and Perenti is committed to continuously improving its sustainability performance by trialling new technologies to enable the energy transition.



The Sandvik electric DL422iE longhole drill is one of the many heavy and light electric vehicles being trialled by Barminco.



A message from the Chair and Managing Director & CEO

Our focus on strategy execution, operational performance and commercial discipline is creating real and enduring value for our shareholders, clients, the communities in which we work and our people. In FY23, we delivered record financial performance across all key metrics, including revenue, profit and free cash flow generation, which is a testament to the power and passion of our 9000 people, who support our clients, and each other, to deliver great outcomes every day.

Perenti's record financial result for 2023 is something everyone associated with our business can be proud of. We achieved our strongest ever revenue result of \$2.9 billion, which translated into a record EBIT(A) of \$264.1 million.

Our financial results stem from operational excellence which means reliable, consistent delivery for our clients. This comes from having the right people at Perenti, who have again worked very hard and were *Smarter together* in delivering value and certainty for our clients. Many of the practices we put in place to manage what was a very difficult period during COVID-19 have led to the improved performance in 2023.

Our financial performance also comes from commercial discipline, in the way we manage our capital, in our focus on costs and in our contracting and procurement activities. This is something the Board and Group Executive Committee (GEC) have put a particular focus on since the formation of Perenti.

As we embed *The Perenti Way*, our new operating model launched last year, and continue to improve our management systems, we have better visibility of our business and stronger internal alignment. Our new operating model has helped our decision making and our ability to adapt and respond in what is a constantly changing operating environment.

Perenti's financial and operational result is very gratifying, but the loss of two colleagues in an incident underground at the Dugald River mine in Queensland, in February, is a tragic reminder of the risks associated with mining and overshadows our 2023 performance. This incident, which claimed the lives of Barmingo employees Dylan Langridge and Trevor Davis, was devastating for their families, workmates, local communities and everyone at Perenti. Our thoughts and prayers continue to be with the families, friends and colleagues of Dylan and Trevor.

We always focus on identifying improvement opportunities in safety and responding to incidents by thoroughly

investigating them, capturing the lessons learned and applying them as widely and quickly as possible. This incident, which came after fatal incidents in preceding years, has showed us that we need to do more, particularly as we continue to increase our exposure to underground mining. This is why we have established the Safety Taskforce chaired by Mark Norwell, the Managing Director & CEO.

The Taskforce is advised by two independent and globally recognised workplace safety experts and has the objective to support Perenti to significantly and continuously improve our health and safety performance. With the industry increasing the number of underground mines and our ongoing growth of almost 30% compound annual growth rate in underground mining, we are focused on identifying industry wide solutions for the benefit of all personnel. Further information on our focus on safety in underground mining can be found on page 17.

Perenti's 2025 Strategy, which was updated in June 2022, continues to

guide us in delivery of our Purpose, to create enduring value and certainty.

With the great work of our people, we are in a strong position to control our future. An example of this is the decision we took in June to make an offer to acquire DDH1 Drilling, an Australian based, global business that is highly complementary to Perenti, and which will add to the suite of services and capability we can offer as a global leader in mining services. Moreover, DDH1 Drilling is a great fit for Perenti and it accelerates the delivery of a number of 2025 financial targets while also enhancing the scale of the business.

SAFETY

At Perenti we are our people, which means we are committed to always putting safety first in line with our safety objective of *no physical or psychological life changing events*. We have invested heavily in safety for some time now, and we see evidence of improvement in many key indicators of our safety performance, although the Dugald River incident has made it clear that we need to do more. That is why we have established a Safety Taskforce, which is governed by the Board's Safety and Sustainability Committee. Our two external advisors, Peter Wilkinson and Professor Sidney Dekker, are independent and globally recognised safety experts.

In parallel with the work being undertaken by the Taskforce, we have continued the implementation of our Critical Risk Management Program, which was extended further across the business in 2023. Empowering our people to manage safety is important to us, which is why we are investing in our leaders, through our Leading@Perenti Program, and introducing new tools for our frontline workforce that help them identify and manage critical safety risks. This includes continuing to invest in engineering and technological solutions to help keep our people safe, which we specifically called out in our updated capital management policy released in June 2023.

SUSTAINABILITY

At Perenti we recognise the critical role we must play in helping the world transition to a more sustainable future. For our business to succeed, sustainability must be embedded into everything we do. This will make our business more efficient, align us with community expectations and differentiate us in the market. We are also identifying and executing on opportunities to leverage our technical and operational expertise to help our clients reach their sustainability goals.

During the year, our Board and GEC identified three areas we consider to be imperative in achieving our purpose, namely, *Caring for our People and*

Communities, Valuing the Environment and Enabling the Energy Transition and Acting Ethically and Responsibly. Underpinning these imperatives, five sustainability priorities have also been identified: *Preventing adverse life changing events; Creating safe and respectful workplaces; Achieving gender balance; Accelerating decarbonisation; and Partnering with our communities*. During the year we managed to progress several of these imperatives and priorities.

The mining industry – in Western Australia in particular – has been confronted with evidence of poor treatment of women in mining. At Perenti, we believe in the value of diversity, inclusion and creating respectful workplaces. We have no tolerance for behaviour that threatens the physical or psychological safety of anyone in our business. In FY22, we introduced our *It's Not Ok* program to raise awareness of harmful behaviours, particularly towards women, and to empower all of our people to speak up if they witness, or are subject to this unacceptable behaviour.

In FY23, we have made good progress with the program. We have introduced an awareness campaign across our workforce which seeks to educate employees about harmful behaviours. We have also developed a comprehensive roadmap which sets out a multi-year plan to create a diverse and inclusive workplace. Ultimately, we want to create a safe and inclusive environment and a culture where everyone is respected and can thrive.

In support of this, we have introduced targets to achieve a Group gender balance of 33% female by the end of FY33 as well as commencing a plan to address the gender pay gap. This builds on our commitment to the Hesta 40:40 Vision in early FY23 where we pledged to have Board and Executive representation of 40% women and 40% men by 2030.

One of our priorities is accelerating decarbonisation and this year we committed our business to greenhouse gas emission reduction targets including net zero scope 1 and 2 greenhouse gas emissions by the end of FY30. We published our first Climate Change Position Statement during the year and joined forces with global technology company ABB to explore solutions to help mining clients decarbonise their operations. This collaboration was taken a step further in June 2023 when we were awarded an inaugural contract by IGO to undertake a study for the full underground electrification of IGO's Cosmos Nickel Project operations. This is an exciting development for Perenti that demonstrates our commitment to a sustainable future, given electrification is a key pathway for the mining industry to harness renewable energy, which will reduce its carbon emissions.

OUR 2025 TARGETS

HEALTH & SAFETY

No life changing events

ROACE

20%

EBIT(A) MARGIN

10%

REVENUE

\$3.0B

LEVERAGE

0.8x to 0.9x

INVESTOR QUESTION

Q: What is the strategic rationale for the DDH1 acquisition?

DDH1 is a highly strategic and complementary acquisition for Perenti and on completion of the transaction, we expect to be the largest ASX listed contract mining services company, with the second largest drilling fleet globally. The acquisition of DDH1 expands our specialist underground production drilling capabilities, enhances our Australian earnings base, delivers significant synergies and increases our cash generation while deleveraging our balance sheet and accelerating the delivery of our FY25 targets.

In June, we announced a change in our Capital Management Policy, which now formally allocates between 10% and 20% of free cash generated by the business towards future focused strategic investments, including to support progress on the delivery of our sustainability imperatives and new value creation initiatives. This capital will go towards technology and engineering solutions to manage safety risks inherent in underground mining, decarbonisation initiatives and our idoba business, which is at the forefront of data-driven sustainable mining practices.

2025 STRATEGY AND GROWTH

Driven by our Purpose – which is to create enduring value and certainty for our investors, our people, our communities and our clients – our 2025 Strategy has a clear focus on delivering competitive Total Shareholder Returns (TSR). We are doing this by building a complementary portfolio of businesses that are sustainable, and that deliver consistent and quality cash profits.

In terms of business performance, we continued to focus on safety, margin improvement and recycling capital from high-risk areas to tier one jurisdictions. Building on our leading Contract Mining business and strong financial performance, we were pleased to extend our contract at Red Chris (Canada) and we continue to invest in growing our pipeline of opportunities in North America. Ausdrill extended its relationship with the Kalgoorlie Super Pit to four decades, with a contract extension under its new owner Northern Star. Also, in Australia we entered into new business relationships at Garden Well, Flying Fox and Ernest Henry, and ramped up our activities at Cowal in NSW.

In Africa, we extended our relationships with Newmont's Subika Mine in Ghana and Resolute Mining's Mako Gold Mine in Senegal, while ramping up to full production at Sandfire Resources' Motheo Copper Mine in Botswana.

The announcement of our desire to acquire DDH1 Drilling was a satisfying end point to a busy year. Everyone at Perenti has worked hard to put the Company in a position where we have options to grow our business. The DDH1 transaction provides us with scale, global reach, and additional capability that will complement what we have with Ausdrill. This has presented us with the opportunity to create a new Drilling Services Division within Perenti, which will sit alongside Contract Mining, Mining Services and idoba, as the current operating divisions of our Company.

TECHNOLOGY

Since 2019 technology has been one of the key pillars of our strategy. Technology's role in mining is becoming increasingly central to managing the challenges of optimising deeper and harder to access minerals, productivity, safety, carbon emissions and broader sustainability measures.

idoba, Perenti's technology focused services business, is harnessing the power of Perenti's vast data from its global operations and bringing world class analytics and creative thinking to help us work in ways that are smarter, more profitable and more sustainable.

This year, idoba started commercialising some of its key products, and moved others into the advanced testing and pilot stages. idoba is in the unique position of having Perenti's Contract Mining Division as the theatre to test its technology, while working with our clients to develop tailored solutions.

idoba's DiiMOS (Distributed, Intelligent and Integrated Mining/Management Operating System) is idoba's key technology platform. It facilitates the digital transformation of mining by helping operators integrate cost, productivity and ESG factors so they can make high quality and value driven decisions, quickly. We believe DiiMOS and its associated products will play a critical role in our future and the future of the mining industry more broadly.

PEOPLE

Our 9000 people, who work in ten countries, across four continents, are at the heart of our success. We pride ourselves on wanting Perenti to be a challenging, rewarding, safe and inclusive place to work. At a time where there are lingering shortages of skills in some areas, we are pleased that Perenti is a place where people have the opportunity to join at almost any level of the organisation and have significant career development opportunities across our global operations.

We continued to invest in our leaders, who set the tone for an inclusive, empowered and high-performing workforce, with our Leading@Perenti program. For the next phase of building our leadership capability, we are excited about rolling out our Managing@Perenti program across our global workforce in FY24. These programs build the skills of today's leaders and are preparing our leaders of tomorrow.

In Botswana, we celebrated the official opening of our world-class training centre, which mirrors the facility in Perth, albeit twice the size, to support the training and development of new recruits for our underground and surface operations. In Australia, we maintained our support for young people starting their careers, bringing on board 55



IGO's Cosmos Nickel Project in WA where the Perenti ABB collaboration has been awarded its inaugural contract to undertake a study for the full electrification of the underground mine.

graduates, 185 apprentices and 227 trainees this year. We are continuing the legacy of Ausdrill founder, Ron Sayers, who believed that providing people with a start in a career, and supporting them through that journey, will create loyal employees who will deliver over the long term.

In honour of our late Chair, Ian Cochrane, we established a memorial scholarship in his name with the University of Western Australia's Law School and welcomed Daisy Hannaford as the first scholarship recipient.

This year we also welcomed Cameron Bailey to the GEC as Chief Strategy Officer, and extended Ben Davis' responsibilities as he was appointed President Mining Services, alongside his People and Sustainability responsibilities.

CORPORATE

As part of our capital management discipline, we are constantly evaluating ways to maximise total shareholder returns. During FY22, Perenti progressed its portfolio rationalisation activities and successfully divested several non-core businesses and assets, generating nearly \$150 million of cash. In-line with its capital management framework, Perenti sought to recycle this cash through the business as well as return a proportion to shareholders.

At the end of FY22, we announced a share buyback program which ran to mid-June 2023 with approximately 22 million shares bought back by Perenti. The share buyback activities bought back shares as low as \$0.585 per share and up to \$1.195 per share compared to our current share price of \$1.21 per share. Furthermore, during the period we also bought back 3.8% of bonds on issue at a total cost of US\$17.1 million (A\$26.8 million) at an average of 91.5% of their face value.

The bond redemptions, or buybacks, generated a gain of \$1.9 million during FY23 and are expected to have a positive impact on interest expense into the future. The Company continues to monitor and evaluate how it can ensure shareholder value is maximised. While no dividend was declared for FY23, our position on this is under constant review.

OUTLOOK

Our business finished FY23 maintaining the positive momentum of the last 18 months and we expect that to carry through into 2024. We are positioning ourselves strategically to have exposure to a broad range of commodities, with a growing interest in nickel, copper, lithium and other minerals and metals that are critical for the global energy transition. To be successful in these commodities, we also need to demonstrate that our business is sustainable, and that embedding sustainability into everything we do is a fundamental part of our strategy.

An important part of FY24 will be planning for our future and developing our 2030 Strategy to ensure we can continue to create enduring value and certainty for our stakeholders.

We continue to expect a positive outcome in relation to the DDH1 shareholder vote. However, in relation to the standalone business, Perenti currently forecasts FY24 revenue of ~\$3.0 billion, underlying EBIT(A) of between \$260 million to \$275 million, net capital expenditure of ~\$330 million and leverage of 0.8x to 0.9x.

We look forward to integrating DDH1 into our new Drilling Services Division, and we will continue looking for strategic, value accretive growth opportunities, while efficiently managing our capital.

Finally, on behalf of the Board and GEC we would like to sincerely thank everyone who is part of Perenti. Our people deliver for Perenti by servicing our clients 24 hours a day, seven days a week, all over the world. We would like to thank our shareholders for their ongoing support, our clients for their business, our suppliers and contractors who play a valuable role in underpinning Perenti's operations, and the communities and host countries whose support we value highly.

We look forward to a positive 2024 as we continue to execute our 2025 Strategy and develop our 2030 Strategy that we will share in 2024.



Rob Cole
Chair



Mark Norwell
Managing Director & CEO



The Ian Cochrane Memorial Scholarship recipient Daisy Hannaford (second from right) with Perenti MD & CEO Mark Norwell, Rosana Cochrane and Kelly Cochrane.

The Perenti Group Executive Committee



MARK NORWELL

**MANAGING DIRECTOR &
CHIEF EXECUTIVE OFFICER**

Mark was appointed as the Managing Director & CEO of Perenti in September 2018. Mark has more than 25 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.



PAUL MULLER

**PRESIDENT
CONTRACT MINING**

Paul has more than 25 years' experience in the mining industry, working for both mining services providers and mine owners in Australia, Asia and Africa.



SARAH COLEMAN

**PRESIDENT
idoba**

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



BEN DAVIS

**PRESIDENT – MINING SERVICES
CHIEF PEOPLE AND SUSTAINABILITY OFFICER**

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



CAMERON BAILEY

CHIEF STRATEGY OFFICER

Cameron is a business and corporate development executive with more than 30 years' experience in mining, construction and the heavy industry environment.



RAJ RATNESER

CHIEF LEGAL AND RISK OFFICER

Raj is a senior executive with more than 30 years' national and international experience across legal, commercial, governance, risk and internal audit primarily in the resources, engineering and construction industries.

Perenti Organisational Structure



We are one of the world's largest mining contractors with demonstrated industry-leading expertise in surface drilling and hard-rock surface and underground mining.



We are a portfolio of specialised, lower capital intensity businesses who predominantly work with clients across the mining sector, to deliver value-add services that meet current and emerging needs.



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



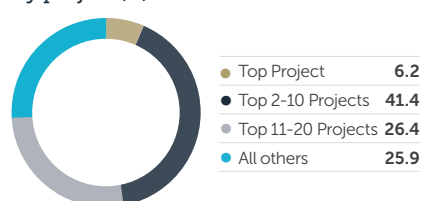
Record financial performance

For FY23, the Group has delivered record revenue and underlying profits that were at the top end of revised market guidance which was upgraded three times during the financial year.

GROUP PERFORMANCE UNDERLYING RESULTS

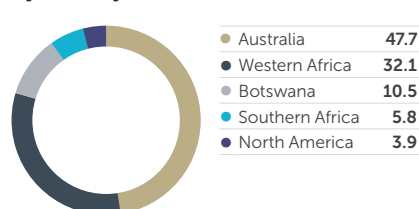
REVENUE

By project (%)



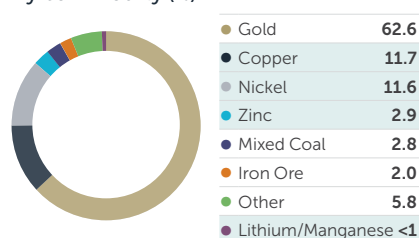
Not reliant on any one project for revenue.

By country (%)



Revenue from tier one mining jurisdictions increased from 44% in FY20 to 62%.

By commodity (%)



Reduced reliance on gold projects with revenue from battery minerals increasing from 18% in FY20 to 26%.

■ Battery Minerals

Perenti's statutory revenue and net profit after tax (NPAT) for FY23 was \$2,880.1 million (FY22: \$2,437.7 million) and \$102.6 million (FY22: \$42.5 million) respectively. When compared to the prior comparative period, revenue increased by 18% and net profit after tax increased by 141%. The results were bolstered by strong operational performance across the business, improved commercials across several projects, profits from asset sales and favourable foreign currency movements when compared to the prior period. Nearly 90% of revenue growth during FY23 was sourced from Australia and Botswana as part of Perenti's strategic plan to increasingly source returns from lower risk jurisdictions.

Statutory net finance costs and tax expense increased in FY23 by \$5.0 million and \$35.8 million, respectively. The increase to net finance costs was mainly attributable to higher average debt drawn from Perenti's revolving credit facilities, higher interest rates due to the increase in cash rates during FY23 and higher costs for the US144A coupon payments due to the weaker Australian Dollar against the US Dollar when compared to FY22.

These increases to net finance costs were partly offset by a \$1.5 million net gain made from the buyback of the US144A notes at 91.5% of their face value. The increase to tax expense was mainly attributable to the higher profit before tax due to the improved operating conditions mentioned above.

The statutory profit for FY23 included several abnormal items presented as "non-underlying items" in the reconciliation table below. These included transaction, restructuring and other one-off costs of \$2.3 million which mainly comprised acquisition related costs, settlement proceeds related to historical damages to a property in West Africa and other one-off costs. Other non-underlying items in the period include a \$4.7 million non-cash impairment of plant and equipment and inventory due to the sale of the Power Solutions Africa business in Senegal, and a \$1.5 million gain, net of transaction costs, from the buyback of US144A notes. A reconciliation from Perenti's statutory results to its underlying net profit after tax and amortisation of customer related intangibles (NPAT(A)) is presented below.

RECONCILIATION OF STATUTORY NPAT TO UNDERLYING NPAT (A) FOR FY23

\$MILLION	REVENUE	EBITDA	EBIT	NPAT
Statutory results	2,880.1	544.8	227.1	102.6
Non-cash amortisation of customer related intangibles	-	-	29.1	29.1
Statutory results before amortisation	2,880.1	544.8	256.2	131.7
<i>Non-underlying items:</i>				
Transaction, restructuring and other one-off costs	-	2.3	2.3	2.3
Non-cash impairment in relation to sale of business	-	4.7	4.7	4.7
Net foreign exchange loss	-	0.8	0.8	0.8
Net gain on buyback of US144A notes	-	-	-	(1.5)
Net tax effect	-	-	-	(6.2)
Underlying results¹	2,880.1	552.6	264.1	131.8

¹ Underlying NPAT result is profit before the amortisation of customer related intangibles and at 100% share.

From an underlying perspective, the Group delivered record revenue, underlying EBIT(A) and NPAT(A) in FY23, with both the financial measures near the top end of market guidance. Underlying EBITDA, EBIT(A), and NPAT(A) increased by \$126.2 million (29.6%), \$87.8 million (49.8%) and \$48.2 million (57.7%) respectively when compared to FY22. The FY23 EBITDA and EBIT(A) margins of 19.2% and 9.2% also improved by 10% and 27% against the prior comparative period.

PERENTI CONTRACT MINING

At a segment level, the Contract Mining Division contributed 93.2% of the Group's total revenue and 97.8% of underlying EBIT(A) before corporate overheads.

Contract Mining – Underground

The Underground business contributed 70.2% of the Group's revenue and 78.7% of the Group underlying EBIT(A) before corporate overheads. The Underground underlying EBIT(A) result in FY23 increased by \$72.1 million (39.0%) with a margin of 12.7% (2022: 10.6%). The result was bolstered by strong operational performance from productivity improvements due in part to accelerated easing of the labour market and improved commercial outcomes, including the realisation of contractual rise and fall provisions and the ramp-up of growth projects in FY23. The result also reflected \$19.0 million in profits from asset sales to existing clients under renegotiated contract terms, project exits and the impact of favourable foreign currency movements.

Contract Mining – Surface

The Surface business contributed 23.0% of Group revenue and 19.1% of Group EBIT(A) before corporate overheads. The surface underlying EBIT (A) result in FY23 increased by \$32.0 million (106.2%) with a margin of 9.4% (2022: 5.4%) reflecting the significant turnaround in the African surface mining business over the past two years and reflecting the investment in growth projects. During FY23, revenue and earnings increased due to strong operating performances partly driven by the ramp-up of the Motheo project in Botswana and improved commercial outcomes across our African surface projects including the \$11.3 million FY22 rate adjustment, for the Iduapriem project, recorded in FY23. During FY23, Perenti completed its strategic exit from Mali receiving proceeds from our assets

classified as held for sale at 30 June 2022 and also divested our power generation assets in Senegal.

Mining Services and idoba

The Mining Services and idoba reporting segment contributed 6.9% of Group revenue and 2.2% of Group EBIT(A) before corporate overheads in FY23. The segment's underlying EBIT (A) result in FY23 decreased by \$5.9 million (44.6%) with a margin of 3.7% (2022: 9.0%). The decrease from the prior year was related to investment in idoba's technology-based product development programs which is in line with the company's strategy to apportion free cash flow to future facing investments and costs incurred by Mining Services related to operating model changes. Although operating profit and margin was down on the prior year for this segment, demand for BTP parts sales increased, despite labour constraints and fleet utilisation improved during FY23. Supply Direct and Logistics Direct both recorded improved revenues and profits compared to FY22 with Supply Direct in particular actively sourcing high-quality, lower-cost materials from several new international product lines. Mining Services profits were impacted in the period partly as a result of costs incurred transitioning to the company's operating model with work underway to rationalise the cost base of the division.

idoba, the Group's technology informed product and services business, also recorded headline revenue growth, but profit was lower when compared with FY22. This reflected the company's strategic decision to allocate funding to future facing investments and therefore activities in FY23 focused on developing technology product offerings under its Distributed Intelligent Integrated Mining Operating System (DiiMoS) along with building its corporate governance structures needed to deliver under the long term strategy of the business.

OUR PERFORMANCE

CONTRACT MINING - UNDERGROUND

Revenue

↑ \$2,021M
(Up 16%)

Underlying EBIT(A)

↑ \$257M
(Up 39%)

Margin

↑ 12.7%
(up 20%)

CONTRACT MINING - SURFACE

Revenue

↑ \$661M
(Up 19%)

Underlying EBIT(A)

↑ \$62M
(Up 106%)

Margin

↑ 9.4%
(Up 73%)

MINING SERVICES & idoba

Revenue

↑ \$198M
(Up 35%)

Underlying EBIT(A)

↓ \$7M
(Down 45%)

Margin

↓ 3.7%
(Down 59%)



INVESTOR QUESTION

Q: Will we see more capital returns to shareholders in the future?

In-line with our Capital Management Framework, free cash will be allocated towards returns to shareholders, debt reduction and/or growth opportunities. We continue to evaluate the most value accretive mechanism to return capital to shareholders, having regard for our franking credit balance and alternate uses of capital to generate long term competitive Total Shareholder Returns.

CASH FLOWS AND CASH CONVERSION

The Group's FY23 net cash inflow from operating activities was \$398.1 million, an increase of 16.6% over the \$341.3 million reported for FY22. Receipts from customers increased by \$493.3 million or 19.6% reflecting improved performance, growth in the underlying businesses and favourable foreign currency conditions. Underlying EBITDA to operating cash flow conversion of 95% (FY22: 108%) was lower than FY22 mainly due to higher working capital outflows from organic growth, overdue receivables and profits on asset sales that were recorded in EBITDA but with cash receipts classified as investing activities in the consolidated statement of cash flows. Cash tax paid was lower in FY23 primarily due to the pre-payment of taxes in certain foreign jurisdictions at the end of FY22 and outcomes from implementing certain tax strategies that reduced cash taxes in the period. Net interest payments increased by \$10.1 million in FY23 due to reasons identified under net finance costs presented on page 12.

Net investing expenditure in FY23 was \$280.7 million against \$311.8 million in FY22. Investment expenditure for property, plant and equipment and intangible assets, excluding proceeds from divestments and sale of plant and equipment, was

\$373.9 million in FY23 compared to \$467.9 million in FY22, a reduction of \$94 million which was mainly due to the ramp-up of several growth projects in the surface and underground businesses in Africa and North America in FY22. During FY23, proceeds of \$93.1 million were received from the sale of assets in relation to our exit from Mali, Power Solutions Africa business in Senegal and the Subika Project in Ghana (subsequent to the Subika contract extension transitioning to a capital-light structure).

Net cash outflows from financing activities in FY23 were \$167.7 million compared to a net inflow of \$48.8 million in FY22. During the period, Perenti repaid \$121.7 million of borrowings and lease liabilities, bought back US\$17.1 million (\$26.8 million) or 3.8% of total US144A notes on issue at a total cost of \$24.9 million and continued to execute under its share buyback plan at a total payment of \$21.5 million. Proceeds of \$5.4 million were received from Sumitomo Corporation following an agreement with Sumitomo to acquire a 10% stake in idoba. There were no dividends paid in the period.

Trucks lined up at shift change at the Motheo Copper Project in Botswana



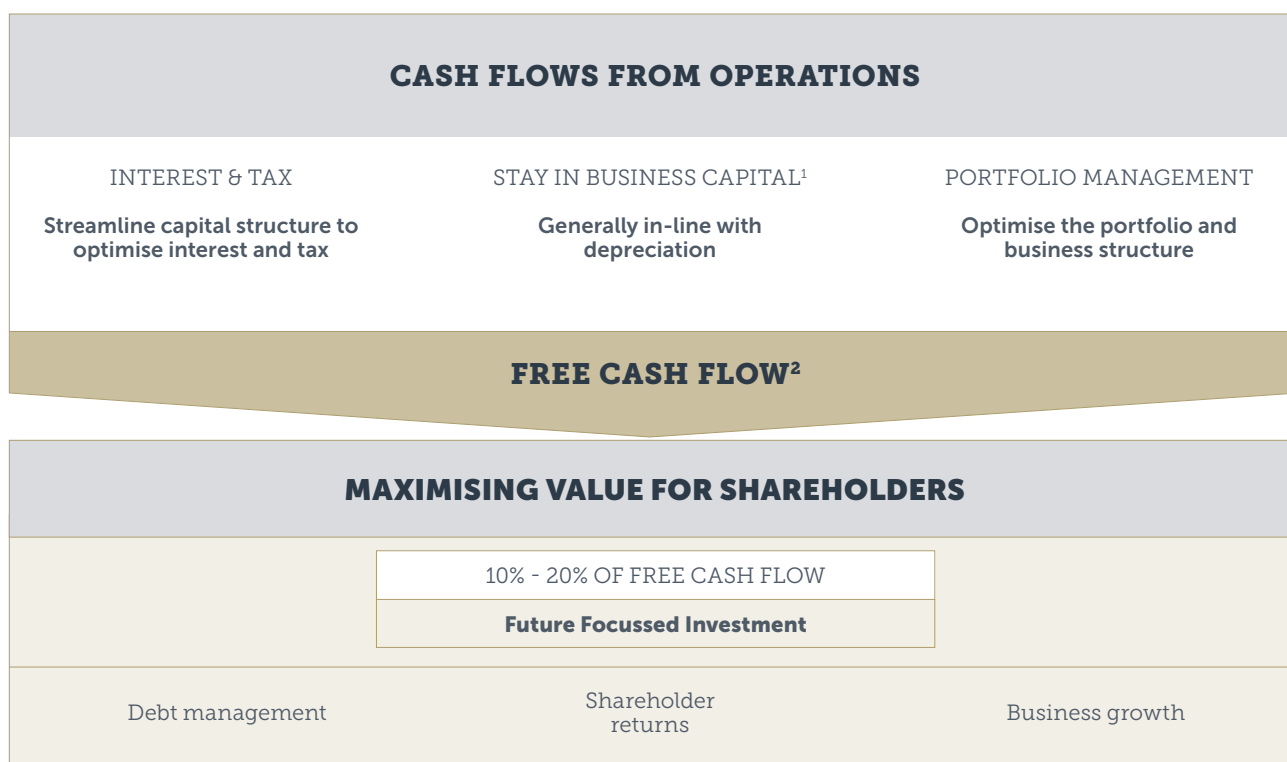
BALANCE SHEET AND CAPITAL MANAGEMENT

In accordance with Perenti's capital management strategy to deliver competitive returns to shareholders, the company completed an on-market share buyback across FY22 and FY23 of 25.2 million ordinary shares at a weighted average price of \$0.89 per share and a total cost of \$22.5 million. The share buyback program has since ceased having lapsed the statutory 12 month period allowable under the 10/12 limit as prescribed under the *Corporations Act 2001*. In accordance with our capital allocation framework, Perenti will continue to utilise free cash flow on the most value accretive opportunities to optimise shareholder returns.

In addition to the share buyback, and given the impact on global bond prices caused by rising interest rates and uncertain macroeconomic conditions, Perenti opportunistically repurchased \$26.8 million (US\$17.1 million or 3.8%) of its US144A bonds at approximately 91.5% of its face value. At 30 June 2023 the bonds were priced at approximately 97.5% of its face value highlighting the value accretive outcome from this transaction.

At 30 June 2023, Perenti demonstrated significant improvement to its balance sheet with gearing at 25.9%, it's lowest level since the acquisition of Barmingo in 1H19. In addition, net debt decreased by 9.8% to \$499.0 million (30 June 2022: \$553.3 million) as borrowings were paid down and despite the impact of higher US dollar denominated debt from the weaker Australian dollar. Net leverage also improved to 0.9x from 1.3x at 30 June 2022. With available liquidity of \$607.7 million, comprised of cash and cash equivalents of \$307.4 million and undrawn amounts under the RCF of \$300.3 million, and with net leverage below the 1.0x target, Perenti is well positioned to meet its strategic objectives including the allocation of capital to future focused investments and to deliver on its growth ambitions.

PERENTI CAPITAL MANAGEMENT FRAMEWORK



1. Stay in business capital relates to capital required to maintain fleet without increasing overall fleet size

2. Free cash flows are defined as Operating Cash Flows after interest, tax and Stay in Business Capital but before Growth Capital.

Our people

At Perenti, our people are everything to our business. The skills, focus and commitment of our people to their respective workplaces, each and every day, ensures we deliver value and certainty for our clients, investors and the communities in which we operate.

EMPLOYEES

↑ 9,000

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

LOCAL EMPLOYMENT INTERNATIONALLY

↑ 90%

Local employment in our international operations has remained stable at 90%.

FEMALE PARTICIPATION

↑ 11.0%

Female participation rates increased in FY23 to 11%. Women occupy 15% of our senior management positions.

APPRENTICES AND TRAINEES

↓ 412

We have a strong commitment to training our workforce of tomorrow with 185 apprentices and 227 trainees.

CREATING A CULTURE OF SAFETY AND RESPECT

In FY23, and as part of the *It's Not OK* program, we established a framework for response and action and developed a Group-wide action plan to drive sustainable change across the business.

The plan included the development of an inclusion and diversity roadmap, the development of a Group-wide procedure to change the way we identify, report and resolve complaints as well as an employee awareness campaign. In addition, we commenced a comprehensive leader education and development plan to ensure our leaders have the capability to support the creation of a psychologically safe and inclusive workplace.

We consider these priorities to be fundamental to the respectful, inclusive culture and diverse workforce that we aspire to, and targets for these priority areas will be set across all divisions in FY24 and beyond.

We understand that our workforce needs to be reflective of the communities in which we operate and our top priorities are to improve gender balance and strengthen psychological safety in the workplace.

INVESTING IN OUR PEOPLE

Our focus on developing our people has continued throughout the year and we are proud to be one of the largest private sector employers of apprentices and trainees in Western Australia. Our Apprenticeship Program saw increased uptake with 185 apprentices across the Group. A number of apprentices have been able to successfully work across divisions, taking up opportunities to expand their skills and expose them to the diverse work and operations across the Perenti group of companies. In addition to our commitment to apprentices, we also supported 227 traineeships, 16% of whom are female.

Participation in our graduate programs remained steady with a total of 55 participants throughout FY23. Our structured programs are 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.

BUILDING OUR LEADERS FOR TOMORROW

Leadership and capability development is vital to ensure the success of Perenti's business strategy and generating value from *The Perenti Way*, our operating model.

Throughout FY23, 60 senior leaders participated in the Leading@Perenti program which aims to strengthen core leadership capabilities, support cultural transformation and familiarise leaders with our strategy and *The Perenti Way*. Moving forward, we will develop additional leadership programs for middle managers and frontline leaders. In FY24, we will finalise the design and pilot the Managing@Perenti program, which will focus on enhancing the capability of our leaders in middle management level roles within the business.

Another development program for leaders is our annual Senior Leader Forum which brings together leaders from across the Group's global businesses to discuss and align on strategic plans, business direction, leadership development and culture.

ENABLING OUR PEOPLE

Perenti has continued to improve core people systems that provide leaders and employees with access to important information and analysis. These systems have been critical to underpinning our growth as we work to enable tomorrow across our organisation.

Throughout FY23, significant focus has been invested in Perenti's Company-wide HR information system with the deployment of the recruitment and onboarding module. This has enabled improved leader, employee and candidate experience in HR processes as well as provided greater visibility of HR data and faster, more meaningful decision making regarding our people.



Health and safety

As demand for minerals needed to support the energy transition increases, so does the shift to underground mining as those minerals become more difficult to access. Perenti is well positioned to capitalise on this shift, however it also raises challenges, primarily through the greater industry wide safety risks associated with underground mining.

Underground mining is inherently more dangerous with three times as many fatalities* as there are in surface mining. Perenti has experienced this first hand with underground fatality events, including the February 2023 incident at the Dugald River Mine, where two of our Barmingo employees tragically lost their lives. While this incident remains under investigation, we believe without further engineering and technology improvements, including automation, the exposure to these risks will continue to increase for our business and the industry more broadly as the percentage of underground mining continues to grow.

In March 2023, Perenti announced the establishment of a Safety Taskforce to drive and sustain a step-change in our safety performance. We took this important initiative as part of our response to fatality events including the incident at Dugald River, and fatal events in prior years, as well as to address what we see as the growing industry risk as the percentage of underground mining continues to increase.

The Taskforce, which is governed by the Safety & Sustainability Committee and chaired by Managing Director & CEO, includes Board members, the divisional presidents for Contract Mining and Mining Services, and senior health and safety leaders. In addition, the Taskforce is advised by two leading external subject matter experts – Professor Sidney Dekker and Mr Peter Wilkinson.

Everyone at Perenti has been deeply affected by these fatalities. Our leaders, and the entire organisation, remain steadfast in ensuring that we not only learn the profound lessons from these events but that we empower our people to harness their insights and creativity to drive lasting change, both culturally and in our critical risk management systems and processes. Moreover, we will look to share the work and findings from the Taskforce more broadly across the industry where appropriate.

This work builds on a significant number of safety initiatives introduced in recent years including an independent review of our Contract Mining Division's safety culture, capability and processes last year. This work has been completed, and the results have been used to establish a divisional Safety Transformation Plan for Contract Mining, with progress overseen by the Taskforce and the Board's Safety and Sustainability Committee.

Our goal remains to have *no adverse physical or psychological life-changing events*.

LEADERSHIP AND CULTURE

Our leadership programs are vital to improving safety performance, as we develop our leaders, mature our culture and strive towards our goal of *no adverse physical or psychological life-changing events*. Following the release of our revised operating model, *The Perenti Way*, in FY23, we have been working to simplify and redefine our Corporate standards and enhance operational capacities. Having leaders with strong leadership skills, who are focussed on culture and safety and are accountable for delivering priority safety initiatives and performance will help us continually improve the health and well-being of our workplace.

A cornerstone of developing our leaders has been the further rollout of our bespoke Leading@Perenti program and the development of our Managing@Perenti and Supervising@Perenti programs which will commence in FY24. These programs provide the framework for clear and consistent leadership that is focused on developing and maintaining a psychologically safe environment where all our people can thrive.

CRITICAL RISK MANAGEMENT

Perenti's Critical Risk Management (CRM) Program is a fundamental building block of our safety system. This year we continued to engage our employees in identifying, eliminating, controlling and mitigating potentially fatal risks.

Our focus remains on further embedding field verification 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 (named *CheckMate*), which aim to enable frontline workers to ensure their critical controls are in place and working effectively for the tasks beyond undertaken. In February, Contract Mining commenced a management-level control (named *SystemChecks*) to ensure that critical controls beyond the accountability and authority of operators, maintainers and supervisors are in place and effective.

The new tools for operators, maintainers and supervisors are relevant to specific high-risk tasks. They replace the Critical Control Field Verification (CCFV) tool that is still being used at some locations, but will be phased out over time.

EFFECTIVE SYSTEMS

Our safety and systems audit program continued in FY23, including a recertification audit for ISO 45001 at BTP and AUMS and surveillance audits for ISO 45001 at Barmingo and Ausdrill. The audits all resulted in certification, assuring us that our safety systems are fit for purpose.

TRIFR

↓ 5.4

Total Recordable Injury Frequency Rate decreased from 6.9 to 5.4 in FY23.

SPIFR

2.7

Serious Potential Incident Frequency Rate remained the same at 2.7* in FY23.

* During FY23, the SPIFR for FY22 was adjusted from 2.8 to 2.7 following an internal review of an incident from April 2022 that no longer met the SPI criteria.

* DMIRS Safety Performance in the Western Australian Mineral Industry 2020-21



Contract Mining

FY23 was a standout year for the Contract Mining Division delivering record revenue of more than \$2.6 billion. This exceptional performance was due to the growth of a number of projects in each of the three regions in which we operate – Australia, Africa and North America – and a strong underlying operational performance across the portfolio.

During FY23, we secured contract extensions at Red Chris in Canada, Mako in Senegal, Subika in Ghana and the Super Pit and Flying Fox projects in Australia, highlighting the global scale and diversity of our portfolio.

Excitingly, we continue to be encouraged by a growing pipeline of new work opportunities in attractive mining jurisdictions. Additionally, we have continued to establish ourselves at the forefront of electrification and the deployment of new technologies to help our clients decarbonise their mining operations.

We tragically lost two of our colleagues, Dylan Langridge and Trevor Davis, in an incident at the Dugald River mine in February. The incident, which left everyone devastated, resulted in the establishment of Perenti's Safety Taskforce and the launch of the Contract Mining Safety Transformation Plan. More information regarding the incident and our response is provided in the Chair and Managing Director & CEO's message and in the safety sections of this report.

Australia



OUR AUSTRALIAN PROJECTS

LOCATION	UNDERGROUND PROJECTS
Western Australia (WA)	Agnew, Plutonic, Cosmos, Flying Fox, Spotted Quoll, Sunrise Dam, Nova, Rosemont, Garden Well, Jaguar, Savannah,
Queensland (QLD)	Mt Colin, Ernest Henry, Paddy's Flat
New South Wales (NSW)	Cowal

LOCATION	SURFACE PROJECTS
Western Australia (WA)	Gruyere, Mungari, Superpit/Fimiston, Huntly, Pilgangoora, Mount Keith, South Flank, St Ives, Tropicana Woodie Woodie Operations, BHP (WAIO), Granny Smith (GSM), St Ives (SIGM), NickelWest, Mt Monger, Revere, Mangaroon Project, Gruyere
Queensland (QLD)	Blair Athol, Middlemount Coal, Millennium BMA
New South Wales (NSW)	Boggabri
South Australia (SA)	Whyalla RC Drilling



INVESTOR QUESTION

Q: How has the labour market evolved over the last 12 months?

Within Perenti, we have experienced a faster than anticipated improvement within the labour market, which has resulted in our Australian vacancy rate drop to pre-COVID levels. This improvement in the labour market has resulted in productivity improvements within our Australian projects and has been a significant contributor to our FY23 out performance.

OUR AUSTRALIA BUSINESSES



EMPLOYEES

2,964

STATES

4

PROJECTS

39

A strong second half of FY23 led to Perenti’s Australian Contract Mining business delivering a robust performance and building significant momentum as we head into 2024.

Our Australian operations include our foundation businesses Ausdrill and Barminco. Ausdrill provides drill and blast and exploration services to major resource companies while Barminco is our hard-rock underground mining contractor. These businesses operate across four states and currently support 39 projects and operations.

Demand for the minerals and metals we mine and drill for in Australia continues to grow, which is driving strong commodity prices and investment in new projects, particularly in critical minerals such as copper, lithium and nickel. Labour and skills shortages have improved since the pandemic, but the labour market continues to be competitive. Perenti strives to be an employer of choice in the Australian mining industry and continues to actively recruit to support our operations.

Our Australian Contract Mining businesses’ approach to developing strong partnerships, operational excellence and a commitment to industry-leading performance continued to create opportunities for Perenti throughout 2023.

A key highlight for the year was the five year, \$160 million extension of Ausdrill’s relationship with the Kalgoorlie Super Pit – now owned by Northern Star. The Super Pit was Ausdrill’s first, and is still its largest, Australian surface drilling contract. The four-decade relationship is evidence of Perenti *creating enduring value and certainty* at the Super Pit.

Throughout the year Barminco also secured new business with a contract extension at IGO’s Flying Fox mine in Western Australia, development work with Evolution Mining’s Ernest Henry mine in Queensland, as well as extending its scope of work with Regis Resources at Garden Well and Rosemont projects in Western Australia. During the period we concluded work at MMG’s Dugald River mine.

This year Barminco ramped up its activities at Evolution Mining’s Cowal Mine in NSW. This is Perenti’s first major project in NSW and is reflective of our strategy to grow the business through the development of high-quality, long-life mines with tier one partners.

Perenti believes the mines of the future will need to play their part in helping the world meet its net zero carbon emission targets and we have invested in a number of initiatives to support the energy transition. One area of focus is the electrification of mines – which will enable greater use of renewable energy in mining operations. In November, we entered into a Memorandum of Understanding with ABB to collaborate and explore approaches to support net zero emissions targets for underground and open pit mines.

The partnership, which combines Perenti’s mining expertise and technical capability with ABB’s world leading innovation and electrical engineering capabilities, was awarded its inaugural contract by IGO to undertake a study for the full underground electrification of IGO’s Cosmos Nickel Project. Experts from the three companies will work together to provide a pathway for the optimum design of mine electrification at the mine.

This will include mine design optimisation for electric operations, production and operating philosophy, fleet selection, power distribution and electrical infrastructure design, electrification system and battery management, ESG and safety impact analysis, and cost modelling.

Our Australian business is continually working on building a strong culture, particularly when it comes to safety. The team has embraced Perenti’s Safety Transformation Project and we are embedding new systems to improve our safety performance. New technologies are constantly being evaluated and implemented. These include our *High Access Localised Operations (HALO)* Project, which aims to reduce the risk to people in rock scaling activities and new collision avoidance systems that are designed to keep people safe around heavy machinery.

In Australia, both Perenti and our clients value strong relationships with the communities in which we operate. We continued our partnership with Ronald McDonald house, and further enhanced our engagement with Traditional Owners and Indigenous organisations including Clontarf, Tijwarl Corporation and Binar Futures.

FY23 has been a challenging year with the incident at Dugald River overshadowing what has otherwise been a successful year for Contract Mining in Australia. We look forward with confidence to FY24.



Case study

New contract brings up four decades at the Super Pit

Perenti’s purpose is to *create enduring value and certainty* – and no part of our business better illustrates what this means than our relationship with the Kalgoorlie Super Pit.

One of our foundation businesses, Ausdrill, started out with just two rigs at the famous Kalgoorlie landmark in 1987. This year Ausdrill announced a five-year, \$160m contract extension with the Super Pit’s new owner, Northern Star, which will see our work at the site eclipse four decades.

Ausdrill has continued to expand its services over the years to include blast hole and grade control drilling, utilising a fleet of its own specifically designed and

manufactured Rock Commander drill rigs to meet the unique specifications required at the Super Pit. Ausdrill now has 14 rigs on site, which makes it our largest Australian surface drilling operation.

The new contract allows Ausdrill to continue to deliver quality, value adding services to Northern Star at our first ever project. It will also see Ausdrill continue to invest in the local community as well as provide employment opportunities in the region.

The latest contract will see us have a presence at the Super Pit for more than 40 years.

Contract Mining

Africa

Perenti's Contract Mining business in Africa continues to perform above expectations.



OUR AFRICAN PROJECTS

LOCATION	UNDERGROUND PROJECT
Botswana (BW)	Zone 5
Burkina Faso (BF)	Siou, Yaramoko
Ghana (GH)	Obuasi, Subika
Tanzania (TZ)	Nyankanga, Geita Hill, Star & Comet

LOCATION	SURFACE PROJECT
Botswana (BW)	Motheo
Burkina Faso (BF)	Sanbrado
Ghana (GH)	Iduapriem
Senegal (SN)	Mako

Our business includes leading global brands Barmenco, African Mining Services (AMS) and African Underground Mining Services (AUMS). We operate 12 projects across five countries and employ more than 5,000 people. We also operate one of Africa's leading industry training centres in Botswana, which is representative of our commitment to building local capability and supporting our business with the talent it needs, for the long term.

? INVESTOR QUESTION

Q: You recently announced a contract at Subika under very attractive terms, will you continue to seek similar contracts?

A: The contract at the Subika underground gold mine will deliver significant benefits, primarily reducing the capital intensity of the project while delivering strong returns. Where appropriate we will continue to pursue contract structures that reduce capital intensity while delivering returns that meet or exceed our thresholds.



OUR BUSINESSES



EMPLOYEES COUNTRIES PROJECTS LOCAL EMPLOYEES

5,052 6 12 90%

Business performance in FY23 was driven by our strategy of working on quality, long life projects, disciplined execution, and supporting our people with highly capable management teams and the right training and development opportunities.

During the year we extended two important African contracts. In Senegal, AMS works with Resolute Mining at the Company's Mako mine, where we were awarded a \$185 million, four-year life-of-mine contract extension.

At Newmont's Subika Mine in Ghana, our African Underground Mining Services is part of the Underground Mining Alliance joint venture with local Ghanaian company, Rocksure International. This joint venture was awarded a \$630 million, five-year contract extension by Newmont, which will see us on site until 2028.

At both operations, our commitment to working with local businesses, and training and employing local people, has been critical to our success.

During the year our work at Sandfire Resources' Motheo project accelerated and is now in full production. We also took some strategic decisions to exit our underperforming AMS businesses in Ghana, and re-focus our capital and people on our hard rock underground and surface mining activities.

Doing our work safely at Perenti means no life changing incidents. We were especially pleased to receive Newmont's CEO Safe Team Award in January, which recognised our Subika Team's safety performance. During the year, our safety focus was on embedding critical safety controls and risk management across our workforce, and this saw a continued improvement in lagging safety indicators across our operations.

In Africa, we also invested in our host communities through a variety of programs. It was pleasing for us to have the Government of Botswana join us at the official opening of our Botswana Training Centre, which has now trained more than 500 people to be part of our Zone 5 and Motheo operations.

More broadly across our projects in Africa the company recorded a local employment rate of 90 per cent, an increase on the FY22 year.

Our team at AMS in Botswana was also very proud this year when our first ten female trainee truck drivers took part in their formal graduation ceremony. The graduation was held to acknowledge the women, who have completed dump truck operator training and are now certified as competent to operate within the mines. The ten trainees were recruited from the Ghanzi region and are creating new careers for themselves as well as setting new standards for the empowerment of women in their communities.

Our ongoing objective is to also enhance the economic well-being and resilience of the local communities in which we operate. Our program to purchase chicken layers for the small settlement of Somelo close to our Zone 5 operation is an example of how we are investing in initiatives that promote entrepreneurship, training and skills. The eggs produced are sold to the camp catering company, which benefits the community financially and fosters support for local business endeavours.

Overall, the outlook for our businesses in Africa remains positive. Business conditions have normalised post COVID-19, the outlook for commodity prices remains robust and we retain a clear focus on maintaining strong operational performance in our existing business while being disciplined in pursuing what is a healthy pipeline of growth opportunities.



Case study

Subika team takes top safety award

In January 2023, the underground team at Subika was recognised for its safety performance by being awarded Newmont's 2022 CEO Safe Team Award.

The team, which operates as the Underground Mining Alliance, a joint venture between African Underground Mining Services and Ghana-based Rocksure International, was recognised for its focus on embedding core safety systems through leadership and coaching, significantly improving its safety performance.

The team's approach to safety includes coaching frontline supervisors including contract partners on Critical Control Verifications and effective pre-shift meetings.

Newmont received 53 nominations for the various categories of the awards across its global operations. Fourteen finalists were then selected before assessing the nomination against the award criteria and deciding the winners.

The award is a testament to the entire team at Subika and how the mine is operated - it shows that working safely also means working productively.

This award reflects the continuous development and maturity of safety leadership and systems at AUMS and is further evidence of the hard work and commitment that has gone into Critical Risk Standards, Fatal Risk Management and hazard identification at the mine.

Contract Mining

North America

A key element of Perenti's 2025 Strategy is to grow our business in tier one locations, at long-life projects owned by high quality clients. Our expansion into North America has been in pursuit of that goal and in FY23, we continued our North American growth trajectory.



OUR NORTH AMERICAN PROJECTS

LOCATION	UNDERGROUND PROJECT
Ontario (ON)	Hemlo
British Columbia (BC)	Red Chris

? INVESTOR QUESTION

Q: How is your growth in North America progressing?

We continue to see significant opportunities in North America and we have continued to build out our capabilities and have an in-country executive responsible for the continued growth and development of that business.



OUR BUSINESSES

EMPLOYEES

STATES

PROJECTS

Barminco

329

2

2

Our two key projects are located at Red Chris, with Newcrest and Imperial Mining Corporation; and at Hemlo, owned by Barrick Gold.

In April, Barminco was awarded a 12-month contract extension at Red Chris. Since June 2021, we have continued to progress the development of an underground exploration decline, an essential first stage of works that will provide a platform for future underground exploration activities, and which may also be used to support access to potential block cave workings.

The contract extension has enabled Barminco to continue underground development works and is expected to deliver approximately A\$90 million of revenue over the 12-month contract term.

Our on the ground presence at Red Chris is steadily expanding, with our workforce almost doubling over the past 12 months and expected to grow further.

We also deepened our relationship with the Tahltan Nation Development Corporation (TNDC). Red Chris operates on the traditional lands of the Tahltan First Nations people and our business relationship continues to develop. In addition to employing Tahltan people, the TNDC also provides a range of logistics, capital and resource support services to our operations.

This year also saw the first Tahltan Nation representative accepted into the graduate engineering program, ensuring a positive role model within the community and further enhancing Barminco’s reputation as a diverse and inclusive company.

At Hemlo, we worked with our client to optimise fleet utilisation and improve operational performance while reducing costs for our client. Through these efficiency changes we can now accomplish the same volume of work at Hemlo with less than half of the client’s original fleet.

We also capitalised on the valuable insights gained from our winter operations last year, which have positioned us for ongoing enhancements in productivity. Specifically, our teams have embraced the lessons learned while working in challenging weather conditions, reaching temperatures as low as minus 30 degrees Celsius.

North America represents a significant growth opportunity for our business over the next decade. Our Denver office, now equipped with a full team, is well positioned to secure opportunities throughout Canada and the United States.



Case study

Barminco partnering for the future

At Perenti, we are guided by our Principles. None more so than *Enable tomorrow and Walk in their shoes*.

FY23 saw a major milestone for the business with the first Tahltan Nation representative accepted into the Barminco mine engineering graduate program.

The Red Chris mine 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 saw us enter a formal agreement with the Tahltan Nation Development Corporation

(TNDC), which represents the local Bands of Iskut and Tahltan people. This agreement sees us look to employ and upskill local people in a safe and professional environment.

Currently, more than 20 per cent of employees at Red Chris are First Nation’s people, building a pipeline to empower and strengthen the community.

In addition to employing local people, the TNDC also provides a range of logistics, capital and resource support services to our operations, creating consistent positive cash-flow for their organisation.

Barminco’s three-year graduate program enables engineers to gain the experience and knowledge to successfully run our mining operations and gain diverse experience through our global footprint.



Mining Services

Perenti's Mining Services Division, which comprises equipment and parts supplier BTP, supply and logistics business Supply Direct and logistics provider Logistics Direct, performed in line with expectations in FY23. As outlined at Perenti's strategy update in May 2023, the results of idoba will be reported separately in FY24 and the Mining Services Division is set for sustainable growth and improved margin performance.

BTP



BTP has had a successful 2023, with improved underlying performance across both the equipment rental and parts operations. Our operating performance was driven by our efforts to increase our fleet utilisation, a focus on margins over revenue and by taking advantage of a strong market for equipment components.

Our equipment hire business benefited from contract extensions with our two biggest clients, Glencore and Peabody in NSW and Queensland, which allowed us to improve our rates while maintaining a high level of service and availability for both clients.

The new mining equipment supply business in Australia is being affected by strong forces. These include – tight supply and increasing capital costs of new equipment as well as equipment users delaying new purchases where possible as they evaluate the progress of next generation mining equipment and systems.

These factors have created strong demand for the hire of equipment, maintenance and components for older equipment, which is remaining in service for longer. As one of Australia's leading equipment maintenance and rebuild businesses, BTP has been well placed to satisfy Australian based equipment and parts demand.

Internally, we implemented greater commercial discipline to increase the utilisation of our equipment, and to tighten our management of inventory, which has yielded increased revenue and an improved return on capital. We have also employed two regional managers in New South Wales and Queensland to grow our business in these two important markets.

Heading into 2024, BTP is planning to implement further internal process changes to capture further operating efficiencies.



? INVESTOR QUESTION

Q: You have mentioned that you are looking at inorganic growth within Mining Services, what does this look like?

We have stated that we seek to build a portfolio of complementary businesses that deliver consistent and quality cash profits to create enduring value for all of our stakeholders. We will remain disciplined in the assessment of potential M&A to ensure that opportunities deliver against our key assessment criteria and that they drive improved total shareholder returns.





Supply Direct

Supply Direct continued its growth trajectory in FY23, with record revenue, EBITDA and EBIT results, cementing our position as a leading supply and logistics solutions provider in Africa. In just two years, we have doubled the size of Supply Direct, building on our 24-year history supporting Africa’s mining industry.

With global supply chains still constrained, our industry knowledge, in-house technology and access to global equipment manufacturers enables us to provide innovative supply and logistics solutions to a range of clients.

One of the key drivers of growth has been our ability to leverage the wider Perenti network of businesses including our operations in Botswana. For example, we established a bi-weekly trucking service from South Africa to Botswana. This initiative has been backed by upgraded shipping arrangements that have allowed us to increase our container imports to Durban and deliver certainty to clients with an on time rate of 98%. Importantly, our team has managed this with a great commitment to working safely, resulting in zero recordable incidents during the year.

In FY23, the team also continued to innovate by delivering new product offerings which have expanded Supply Direct’s client base and supported our growth. Our ongoing focus is on walking in the shoes of our clients to ensure we can provide them with quality products and services.

In FY24, we will continue to understand the needs of our existing and potential clients and provide innovative and reliable supply solutions that meet their ever-evolving needs.



Logistics Direct

Logistics Direct successfully navigated through a number of significant challenges in FY23 to exceed revenue and EBIT budget targets, while maintaining a laser-focus on meeting our client’s requirements.

For more than 20 years we have provided world class transportation, freight forwarding and customs brokering services to support mining, government, aviation and other industries in Africa and around the world, from our base in Ghana.

An example of this service was our transportation of Caterpillar 777 dump trucks across borders in West-Africa and a multitude of prefabricated housing into East-Africa, all of which were complex operations that required significant planning and collaboration with our clients and service providers.

Our diversification efforts have led to a solid blue-chip client base across industries including mining and resources, IT, agriculture and manufacturing.

We maintained the momentum we built up in the first half of FY23, growing cargo volumes despite deteriorating macroeconomic conditions in Ghana during the second half of FY23.

Despite these challenges, we have successfully grown our client portfolio with the addition of, on average, two new clients a quarter and maintained a 100% client retention through the year.

To ensure sustainable growth, we will identify new markets and tailor our services to meet the evolving needs of clients. With a focus on client-centricity, we aim to strengthen our position as a leading logistics provider in the region.



Case study

BTP beats the skills shortage: International Recruitment and Flexibility Initiatives

Accessing and retaining the right people is a well-known challenge in the mining industry. BTP is using innovation to take on this challenge to beat the skills shortage.

The introduction of one initiative, *Flexibility* at BTP, in July last year, has given our people greater flexibility in their working hours, while maintaining a productive, engaged workforce. BTP offers a mix of full time, part-time and flexible working arrangements that are not commonly available in the mining industry.

Under this initiative – and after extensive consultation with our team, we came up with the *Work 4 Days – Get Paid 5* program, where employees were given the option of working longer days, in exchange for four-day working week, or having access to rostered days off.

This format has allowed our people to enjoy extended weekends or have more frequent breaks to pursue personal interests and hobbies, enjoy family time, or simply recharge the batteries. More than 43% of our eligible workforce have moved to a flexible work roster or nominated RDO.

This year BTP also welcomed its first group of international recruits from Ghana, Zambia and Zimbabwe, who have brought new knowledge and skills into our workplace.

In April, BTP welcomed eight new heavy-duty mechanics, marking the first-round of international recruits to join the team. Our international cohort has successfully paved the way for BTP to explore further opportunities to expand and diversify our workforce. A second search for overseas talent is already under consideration to further bolster the team.



idoba

idoba is Perenti's technology informed products and services business, with a revenue generating consulting business and a dedicated team focused on the development of end to end digital and technology products and services that will rethink, transform and disrupt the mining industry and beyond. The business aspiration is to be at the forefront of helping the mining industry respond to economic and social change by driving innovation and digital transformation.

FY23 was an exciting year for idoba as we welcomed a new strategic investor in the Sumitomo Corporation, generated revenue from our products and services, while continuing to develop our product suite as well as our brand strategy.

Following the successful launch of idoba in 2021 and the subsequent strategic acquisition of a number of complementary technology businesses, FY23 saw the business consolidate its brands to simplify its offer to the market. Four of the five businesses (Sandpit, ImpRes, Optika Solutions and Atomorphis) were consolidated under the idoba brand. The product range will benefit from a stronger, single-brand presence under the idoba umbrella. The remaining business, Orelogy has been maintained with its own brand identity in keeping with the distinct services it offers, while leveraging its connection to idoba and Perenti.

idoba's current value and future potential was recognised in August 2022, when Japanese multinational Sumitomo Corporation acquired a 10% equity stake in idoba. Sumitomo's commitment brings with it significant global mining expertise and a high-quality international network of potential customers and partners. Sumitomo's investment has been supported with a secondee in idoba's Perth office to facilitate collaboration across both businesses, with a particular focus on ESG.



? INVESTOR QUESTION

Q: What is the benefit of Sumitomo's investment in idoba?

Sumitomo is a multinational conglomerate, with a vast network of assets, clients and deep relationships across multiple areas of the resource sector. Their investment is a tangible endorsement of the great work that idoba is capable of delivering and the potential opportunity that this business represents. We look forward to continuing to work collaboratively with Sumitomo on many projects into the future.

SHAPING THE FUTURE OF MINING – OUR GROWING PORTFOLIO OF DIGITAL AND TECHNOLOGY RELATED PRODUCTS

At the heart of idoba’s digital transformation strategy is our Distributed, Intelligent and Integrated Mining/Management Operating System known as DiiMOS. DiiMOS is a technology platform that not only facilitates digital transformation in mine planning and operations, but also enables users to navigate the complexities of ESG. Several of our customer-facing products use DiiMOS as their underlying platform.

On the technical side of our business, in FY23 we prioritised the longer-term development of our three key products – Mine Performance Navigator, Gemini and our Dynamic Driver Modelling (DDM). These products sit within our DiiMOS portfolio, with each currently either in pilot, beta or commercialisation stages. Together, we believe these products have the potential to shape the future of DiiMOS and the future of mining.

Mine Performance Navigator (MPN) combines advanced machine learning technology with an intuitive user interface to help mining professionals quickly make granular, data-driven decisions that improve productivity. This year has seen advancement in its algorithms to support commercial

scaling, as well as the development of a user experience interface. This has allowed Perenti’s Contract Mining team and external clients to participate in the development of the product, while gaining rapid productivity insights for improved decision making. MPN has now been tested at one of our operational sites and pilot testing is in its final stages.

The development of MPN is a practical example of how idoba’s innovation mindset combined with Perenti’s extensive mining knowledge and dataset is being used to improve productivity and increase margins, for both Perenti’s and our client’s businesses.

Gemini is an advanced, agent-based simulation for smarter, more efficient mining fleet management. A highly accurate simulation tool, Gemini allows clients to evaluate alternatives, optimise operations and test design and asset decisions in a realistic environment – while avoiding wasted capital. Gemini is set to be piloted in Perenti’s Contract Mining business in the coming months.

This year idoba generated its first revenue from our DDM product. Clients use DDM as a powerful “digital twin” to model, analyse and assess scenarios and options for any operational process or value chain.

With powerful visualisation and an intuitive, no-code interface, DDM makes it simple to rapidly assess alternative scenarios for the largest, ongoing and new operations.

idoba’s strategy is to develop DiiMOS and its product suite to generate annual recurring revenue through the delivery of Software as a Service and consulting services to idoba’s external clients and help Perenti improve its productivity and margins.

idoba’s success is built on a team that is diverse, inclusive, creative and innovative. Our team is 40% female and 25% neurodiverse. Our people come from 27 nations with ages ranging from 17 to 70. It is this rich diversity of background, ethnicity, thought and experience that differentiates us, drives innovation and strengthens the business we are today.

Adding to our diverse and creative team, this year we appointed Matt Chan as idoba’s Chief Operating Officer. This new role has further strengthened our leadership team’s strategic direction and driven our growth agenda. Looking ahead, we remain focused on refining our product development capabilities, expanding our annual recurring revenue and scaling our software service offerings. The dedication and expertise of our diverse team, coupled with the direct access to operational datasets, positions us for continued growth and success in 2024.



Case study

University collaboration enables tomorrow

idoba takes pride in its partnerships with academic institutions, providing students with real-world problems to solve while harnessing their talent and creativity to work on innovations in our business. This collaborative approach not only applies diverse thinking and valuable insights to our products and client services, it also exposes us to some exceptional individuals.

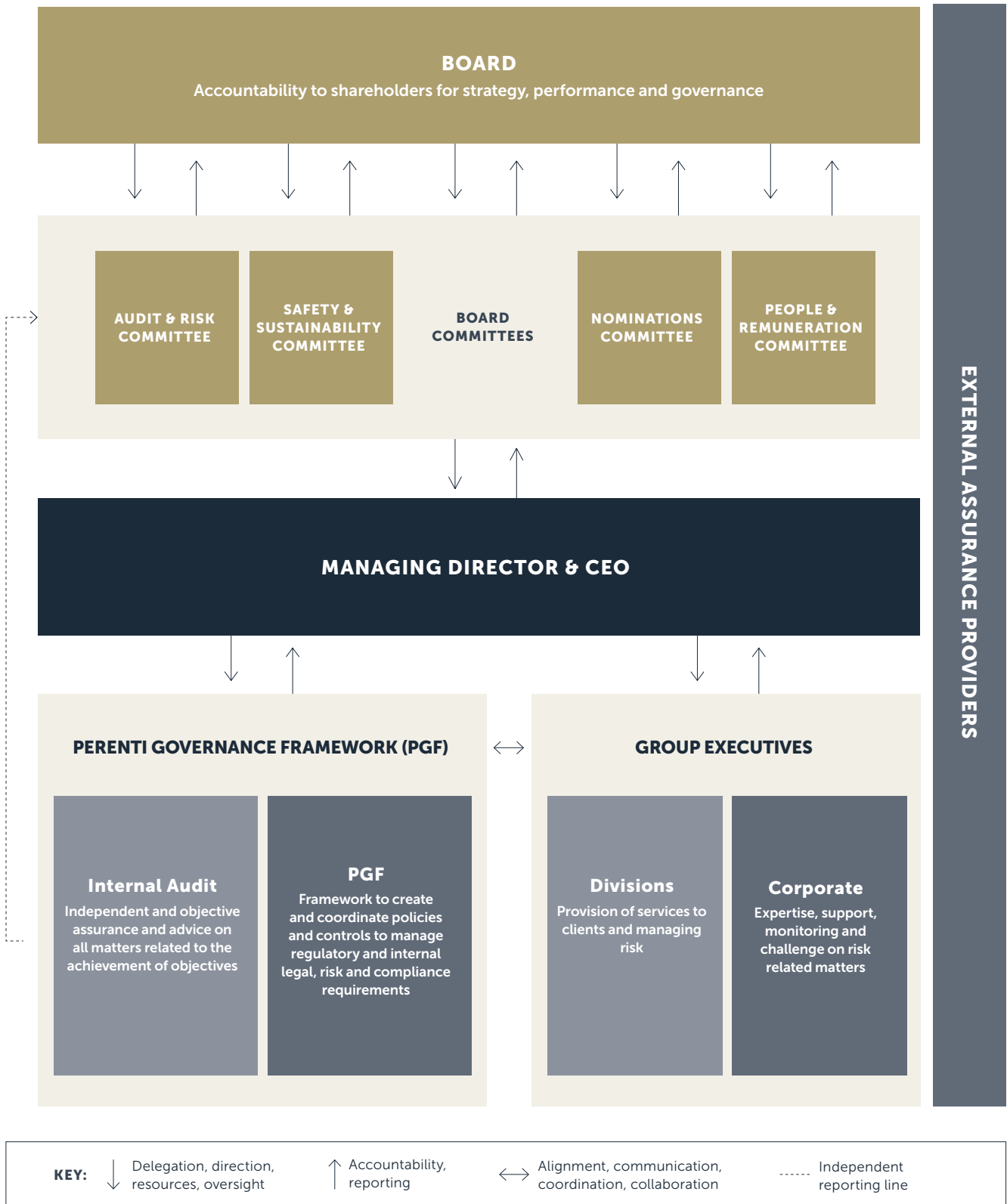
A notable example is the development of the MineView Program by a team of six final year students from Murdoch University’s Games Software Design and Production course. MineView was specifically designed to optimise mine traffic movement, employing advanced modelling capabilities and a user-friendly interface to accurately analyse and visualise the impact of different vehicle movement scenarios.

The Murdoch team’s enthusiasm and innovative approach led to a rapid and successful product development program and MineView is now moving through advanced product development testing for integration into idoba’s Gemini underground product. We are also excited that one of the team, who showed exceptional capability, has accepted a position with idoba as a graduate.

The collaboration between idoba and Western Australian universities, Curtin and Murdoch, is based on long-standing and fruitful partnerships. Our partnerships with universities are driven by our values of curiosity, challenge and co-creation. In 2024, we will continue to welcome our brightest young minds to join idoba in driving our mining industry to be cleaner, greener and more cost efficient – benefitting our industry, and society as a whole.

Governance and risk

ORGANISATIONAL STRUCTURE AND LINES OF RESPONSIBILITY AND ACCOUNTABILITY



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.

Each committee has a charter that outlines the roles and responsibilities of the committee, its members, meetings and reporting requirements. All charters were reviewed for best practice in FY23. 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 2023 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 21 August 2023 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 2023 Annual Report can be found under the ASX Announcements section of the Company's website at perentigroup.com.

BOARD SKILLS MATRIX

In FY23, an internal 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 high 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 programs. 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 and was reflected in the FY22 Board skills matrix. In July 2023, the Nomination Committee resolved to update the skills matrix to include a new 'international experience' criterion, reflecting the strategic direction of the Company. The Company's FY23 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

Leadership



Strategy



Industry specific experience



Capital management



Legal and regulatory compliance



Corporate governance



Financial acumen



Health, safety and environment



People and culture



Digital, data and technology



Risk management



ESG



International experience



1 2 3 4 5 6 7

- Expert** – Deep knowledge / formal qualification or experience over many years
- Moderate** – Moderate skills / experience – knowledgeable but not highly skilled
- Aware** – Some knowledge and can follow a discussion

COMMITTEE COMPOSITION AND RESPONSIBILITIES

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.	<p>The responsibilities of the committee are to monitor, review and, where appropriate, make recommendations to the Board in line with its charter. These responsibilities include key activities on the following matters:</p> <ul style="list-style-type: none"> • 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.	<p>The responsibilities of the committee are to monitor, review and make recommendations to the Board in line with its charter. These responsibilities include key activities on the following matters:</p> <ul style="list-style-type: none"> • 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 Alexandra Atkins	To assist the Board in fulfilling its oversight responsibilities in relation to people and remuneration and ensuring the Company has a remuneration framework and policies to attract, reward and retain a diverse workforce.	<p>The responsibilities of the committee are to monitor, review and, where appropriate, make recommendations to the Board in line with its charter. These responsibilities include key activities on the following matters:</p> <ul style="list-style-type: none"> • 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.
Safety and Sustainability Committee		
Timothy Longstaff (Chair) Alexandra Atkins Mark Hine Craig Laslett	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.	<p>The responsibilities of the committee are to monitor, review and, where appropriate, make recommendations to the Board in line with its charter. These responsibilities include key activities on the following matters:</p> <ul style="list-style-type: none"> • 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.

RISK MANAGEMENT FRAMEWORK

Perenti adopts a consistent and proactive approach to risk management across its global operations, aligning with ISO 31000 and the ASX Principles and Recommendations. The Group's commitment to robust governance extends to its risk management systems, controls and the seamless integration with the internal audit function. Effective risk management serves as a competitive advantage for Perenti, enabling the company to adapt to the dynamic mining industry within a complex external environment.

While we have established controls to mitigate risks, we recognise the importance of making informed risk-reward decisions based on relevant data and intelligence. Our framework revolves around comprehending and managing events that can significantly affect our strategic and operational objectives. By doing so, we aim to reduce the likelihood and impact of threats and capitalise on feasible opportunities.

We regularly assess our enterprise risk suite, considering factors such as impact, likelihood, critical control effectiveness and actionable measures. This allows us to optimise our control profile and facilitate informed decision-making. Additionally, we conduct strategic risk assessments of our insurable risk profile to enhance our risk mitigation efforts and transfer risks in alignment with our risk appetite.

Perenti's risk framework outlines enterprise risks as those risks that hold significance at a Group level, considering factors such as materiality, strategic time horizon and applicability across the broader Group. The management of enterprise risks falls under the purview of the Group Executive Committee, with the Board providing effective oversight. The Board's Audit and Risk Committee is responsible for 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 (CIRT) 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

Our approach to addressing emerging risk is to continuously monitor the external environment to detect and investigate emerging risks and trends that could impact our business or provide opportunities to exploit. Geopolitical tensions, logistics constraints and supply and demand imbalances continue to create challenges for globalised markets and the impact to organisations will continue to be felt. This landscape remains complex and dynamic and Perenti proactively analyses the impact of these risks to our key strategic and operational objectives so we can react and respond effectively.

2023 DEVELOPMENTS OF EMERGING RISKS

Some emerging risk themes faced by Perenti are described below:

Evolving mining services market: The pace of technological advancements in the mining industry is accelerating, accompanied by the potential introduction of new competing technologies by both direct and indirect competitors. Perenti has made a commitment to allocate funds toward enhancing digital technology capabilities through investment in idoba. This strategic investment ensures that we stay at the forefront of technological advancements in the mining industry, enabling us to maintain our competitive edge while remaining agile in response to market demands.

Macroeconomic environment and commodity cycle: Macroeconomic and inflationary headwinds, the ongoing conflict in Ukraine and geopolitical posturing continue to drive uncertainty that could impact global economic conditions. Resulting commodity price uncertainty may impact our clients' capital investment or contracting strategies. Perenti maintains a diverse portfolio of businesses across a range of markets and geographies to mitigate macroeconomic uncertainty.



KEY ENTERPRISE RISKS

The following enterprise risks have the potential to significantly affect financial operational outcomes, thus holding significance for existing and prospective shareholders. The principal enterprise risks are outlined below, supported by an overview of Management's response to control and management of these risks. The risks are not prioritised by importance and this list does not aim to encompass all the risks and uncertainties associated with the Group's business.

Risk	Potential impacts to the Group	Management response
Health and Safety		
<p>Mining is inherently hazardous and as a result, it is possible that the Group may experience incidents, including life-changing events which have the potential to cause psychological or physical harm. Perenti is committed to providing a systematic process to manage these hazards.</p>	<ul style="list-style-type: none"> Health and safety incidents resulting in injuries, illnesses, fatalities or damage to our assets can cause financial losses or impact our reputation. Failure to operate responsibly can have long-term adverse effects on host communities and the environment while eroding trust in our organisation's integrity. 	<p>Governance of health and safety is overseen by the Safety and Sustainability Board Committee. The Group has established a HSE management system consistent with international standards to manage health and safety risks. Key aspects include:</p> <ul style="list-style-type: none"> Integration of psychosocial hazards into operational risk management practices. Provision of appropriate training, supervision and resources. Critical Risk Standards and verification processes that provide the framework for preventing serious injury and fatality risk, by ensuring critical controls are in place and effective. 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. <p>In addition, the Group has implemented a Safety Taskforce, with a Group-wide steering Committee and divisional working groups, whose primary objective is to support further and significant improvement in our health and safety performance as well as contribute to broader industry-wide change. The Taskforce membership includes a non-executive director, group executives and world-renowned subject matter experts.</p>
Climate change and decarbonisation		
<p>Climate change is one of the most pressing issues of our time and that it requires leadership and action from all parts of society. Climate change presents both risks and opportunities for the business. Whilst mining has a critical role in providing the commodities critical for the energy transition it is also important the sector decarbonises in the process.</p> <p>The mining and metals sector is already experiencing climate-related risks (physical and transition risks). Certain geographies will be more impacted by extreme weather events than others whilst certain commodities will be favoured in the transition to the low carbon economy.</p>	<ul style="list-style-type: none"> Extreme weather events could cause health and safety impacts, operational delays, supply chain disruption and increase in capital expenditure. Failure to electrify and decarbonise in line with market and client expectations could affect our ability to win work with preferred clients and access capital at desirable rates. Perception that the Group is not acting on climate change could adversely impact our ability to attract and retain talent. 	<p>We have published a climate change position statement that outlines our climate-related commitments. The Group has also conducted climate scenario analysis, set greenhouse gas emission reduction targets, included greenhouse gas emission reduction measures in the Short-Term Incentive Program and is progressively aligning with the Task Force on Climate related Financial Disclosures (TCFD) recommendations.</p> <p>A Decarbonisation Steering Group, co-sponsored by our Chief Financial Officer and Chief Legal and Risk Officer, provides oversight and support to our decarbonisation activities. Our commitment to decarbonisation has resulted in investment in solar panels and purchasing of renewable energy for workshop and office facilities, and the continued investment in low emission mining fleet for our operations. In collaboration with technology company ABB, we have been awarded our first contract to undertake a study for the full underground electrification of a nickel project.</p>

KEY ENTERPRISE RISKS (CONTINUED)

Risk	Potential impacts to the Group	Management response
Winning work and market risk		
<p>Ensuring the continuity of Perenti's project pipeline is crucial to achieve a balanced approach towards our strategic growth objectives. Perenti endeavours to secure and retain high-quality projects that are supported by robust financial and commercial practices, thus facilitating the realisation of our organic growth targets. However, the pricing of major projects is inherently uncertain, given the risk landscape in which we operate.</p> <p>Moreover, we may encounter disruptions arising from the evolving technology landscape and the dynamics of the mining service market. These factors necessitate our adaptability to effectively navigate and respond to the changes and challenges that emerge within these environments.</p>	<ul style="list-style-type: none"> The change in prices of specific commodities (e.g. gold, copper, zinc, nickel) could affect our financial performance, impact shareholder returns, and raise concerns among external stakeholders about the strength of our balance sheet. Failure to meet growth forecasts can cause difficulties in raising capital for future investments or expansion and can erode investor confidence in the company's ability to deliver on its promises. 	<p>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 the Group 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.</p> <p>The Group maintains a work portfolio diversified by geography, market, activity and client to mitigate the impact of emerging trends and market volatility. The Group has historically had a strong record of completing contracts to term and securing contract extensions.</p> <p>There remains an opportunity to further invest in technology capability to expand and diversify mining services revenue sources.</p>
Project delivery and margins		
<p>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.</p>	<ul style="list-style-type: none"> 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. 	<p>The Group derives most revenues from mines which are already in production. The Group focuses on providing services to large lower-cost producers which are not subject to the same production risk as higher-cost operations. The Group focuses on ensuring execution of work to a high standard and improving its operation to increase its value proposition to clients. Rise and fall provisions exist in key contracts to compensate Perenti for key project input cost movements.</p>
Financial risk		
<p>Liquidity risk is where Perenti will not be able to meet its financial obligations as they fall due. This could be as a result of counterparty risk, project underperformance and an inability to repatriate and recycle cash on timely basis, amongst other things.</p> <p>Funding risk is where Perenti is unable to access capital which could adversely impact the Group's ability to meet its strategic objectives and other funding requirements as and when required.</p> <p>Foreign exchange risk is where the Group's financial performance or position will be affected by fluctuations in the exchange rates between currencies. Foreign exchange risk mainly arises from the different international jurisdictions in which the Group operates, suppliers that it pays and debt from its US144A notes on issue and other credit lines. The Group's foreign currency exposure is primarily in US dollars, Euros and West African francs.</p> <p>Interest rate risk is where fluctuations in interest rates can affect the Group's financial performance or position. The Group is exposed to interest rate risk through its debt structures, investments and derivative instruments linked to interest rates.</p>	<ul style="list-style-type: none"> Liquidity risk: Failure to manage liquidity may result in the Group's inability to meet its financial obligations as they fall due. Funding risk: Our inability to access future financing on favourable terms and on a timely basis may compromise Perenti's ability to commence new contracts, perform existing contracts or may prevent the Group from achieving its strategic objectives. Foreign exchange risk: Revenue, expenses, profits, debt service requirements, assets and liabilities of the Group may be adversely exposed to fluctuations in the exchange rate between currencies. Interest rate risk: Increase in interest rate may affect the costs of servicing existing borrowings, which may adversely impact the Group's business, financial condition and financial performance. 	<p>Liquidity risk is addressed through active treasury management, the scale of the business and the large number of counterparties and projects that contribute to the Group's cash flows so that Perenti is not reliant on any one party, project or jurisdiction. In addition, we continuously monitor minimum liquidity thresholds through short, medium and long term cash flow forecasting and through active management of credit and equity funding lines. Perenti also has a comprehensive insurance program that provides protections against certain risks that could result in financial loss.</p> <p>In addition to liquidity management measures, funding risk is managed through a disciplined capital allocation process targeted at maintaining an appropriate capital structure and allocation of capital in accordance with the Group's capital management framework.</p> <p>Foreign exchange risk is managed by maintaining an acceptable net balance sheet exposure through the matching of foreign denominated financial assets with financial liabilities, natural cashflow hedges with certain cash inflows and outflows denominated in the same currency and by maintaining 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.</p> <p>The majority of the Group's debt is issued at fixed interest rates. As at 30 June 2023, approximately 14% of the Group's borrowings were exposed to floating interest rates. The Group regularly reviews its exposure and may hedge borrowings to fixed or floating rates as appropriate to manage exposure levels.</p>

KEY ENTERPRISE RISKS (CONTINUED)

Risk	Potential impacts to the Group	Management response
Sovereign and security risks in some jurisdictions we operate in		
Some of the jurisdictions where the Group operates are subject to sovereign and security risks. Changes in government, regulation and tax in overseas jurisdictions has the potential to impact the Group's performance.	<ul style="list-style-type: none"> Unfavourable actions undertaken by governments and other entities may lead to cost implications, operational or project delays, as well as the revocation of permits or licenses necessary for our projects. Laws and regulations in the countries where we operate may change or be implemented in a manner that could have a significant adverse effect on the Group. Security incidents resulting in injuries, fatalities or damage to our assets can cause financial losses or impacts to our reputation. 	Board approval is required to enter a new jurisdiction. The Company ensures that it has a comprehensive understanding of the overseas jurisdiction before entering it. Management monitors the Group's current and potential geographies, industries, activities and competitors on an ongoing basis. The Company employs internal security expertise to manage the Group Security framework. There is ongoing communication with the businesses and reporting on operations and developments in all jurisdictions in which the Group operates. The Group also limits its risks contractually by only accepting a manageable risk profile within the terms and conditions of its 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. The implementation and enforcement of such changes could have adverse effects on revenues, as well as diminish operating margins due to increased costs or reduced productivity. Perenti also runs the risk of losing key executives, senior management or key operational employees.	<ul style="list-style-type: none"> Insufficient capability within our organisation can lead to suboptimal performance in our business operations. In the current landscape, tight labour markets and changing demand for mining technology will introduce heightened competition for critical skills, such as expertise in underground mining, decarbonisation and information technology. Shifting societal expectations exert pressure on our brand as an employer necessitating enhanced communication to clearly convey our identity and values. 	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. The Group has an apprenticeship program and focuses on training and development of its employees. Perenti utilises a comprehensive Group-wide framework to conduct reward/remuneration and succession planning which includes talent development and salary benchmarking.
Cyber security and data protection		
The increasing reliance on data and digital technologies has resulted in a corresponding escalation of cyber-related risks, encompassing aspects such as ransomware proliferation, nation-state espionage activities and the continued monetisation of cybercrime. The rapid adoption and accessibility of AI powered tools have lowered the technical barrier to entry for threat actors, with AI being used to create not only new malware variants, but also ultra-realistic deepfake audio and video content. Consequently, robust and vigilant cybersecurity measures are imperative to safeguard systems and data against these pervasive threats.	<ul style="list-style-type: none"> The potential ramifications of a cybersecurity incident, resulting in a loss of confidentiality, integrity or availability of Perenti's information systems or data can encompass a broad range of associated impacts. Such an event has the potential to disrupt our business operations, compromise the safety of our employees, expose confidential information, tarnish our reputation and pose financial, legal and regulatory risks for the Group. 	<p>The Group continues to invest in people, process and technology-based controls to protect our systems and assets. This includes:</p> <ul style="list-style-type: none"> Cyber Security (Governance) Framework Cyber Security and Data Protection Group Standard Segregation and segmentation of networks Endpoint Detection and Response (EDR) capability Multi-factor Authentication (MFA) Security education and awareness materials Independent penetration and assurance testing of our control framework Critical incident response simulation(s) exercises for cyber incident scenarios Business resilience and recovery planning. <p>In addition, the Group implements robust assurance processes to enhance our ability to detect, prevent and respond to cyber threats, thus more effectively managing cyber risks and minimising the potential impacts on our operations and assets.</p>
Fraud, bribery and corruption		
Perenti is exposed to fraud, bribery and corruption risk in some jurisdictions which could result in fines, reputation impacts and the loss of growth opportunities. Our compliance framework enables a strong ethical culture, strengthens our internal controls, promotes awareness and enables effective detection and response to potential incidents. Ultimately, it helps protect the Group's reputation, assets and stakeholders' trust.	<ul style="list-style-type: none"> The consequences resulting from fines, penalties and other obligations, along with the accompanying reputational damage arising from adverse proceedings, could have a material impact. 	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 form 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.

Sustainability
Report

20
23



ABN 95 009 211 474



Creating enduring
value and certainty

**Expect
More**

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Kaarung Nodoji - I don't come in anger:
These eucalyptus leaves were an important
part of the Welcome to Country performed
by a local Aboriginal Noongar Elder, as
part of the new Perenti Corporate office
opening in January 2023.

ACKNOWLEDGEMENT OF COUNTRY

This report was produced on the lands of the Whadjuk People of the Noongar Nation. We recognise Aboriginal and Torres Strait Islander Peoples as the Traditional Owners and Custodians of this land, and pay our respects to the Elders past, present and emerging. We extend this acknowledgement and pay our respects to all Indigenous Peoples and recognise their continuing connection to the lands on which we work.

Introduction from the Chair of the Safety & Sustainability Committee



On behalf of the Board, I am pleased to present Perenti's FY23 Sustainability Report featuring our new Sustainability Blueprint.

This year we have focussed on refining our sustainability agenda by developing a blueprint and identifying three sustainability imperatives and five sustainability priorities. This framework takes us a step further in *embedding sustainability in everything we do*, which is central to our 2025 Strategy, as outlined on page 4.

For our business to succeed in delivering on our purpose *to create enduring value and certainty* for all our stakeholders, we know we need to keep sustainability front of mind. During the year, we have established four steering groups to drive our sustainability priorities and integrate consideration of these topics throughout Perenti's business decision-making processes. To ensure accountability, each of these steering groups is sponsored by members of the Group Executive Committee.

Following the tragic incident at Dugald River in February where we lost two of our colleagues and to reflect the Board's stringent focus on health and safety, the Sustainability Committee was renamed the Safety & Sustainability Committee.

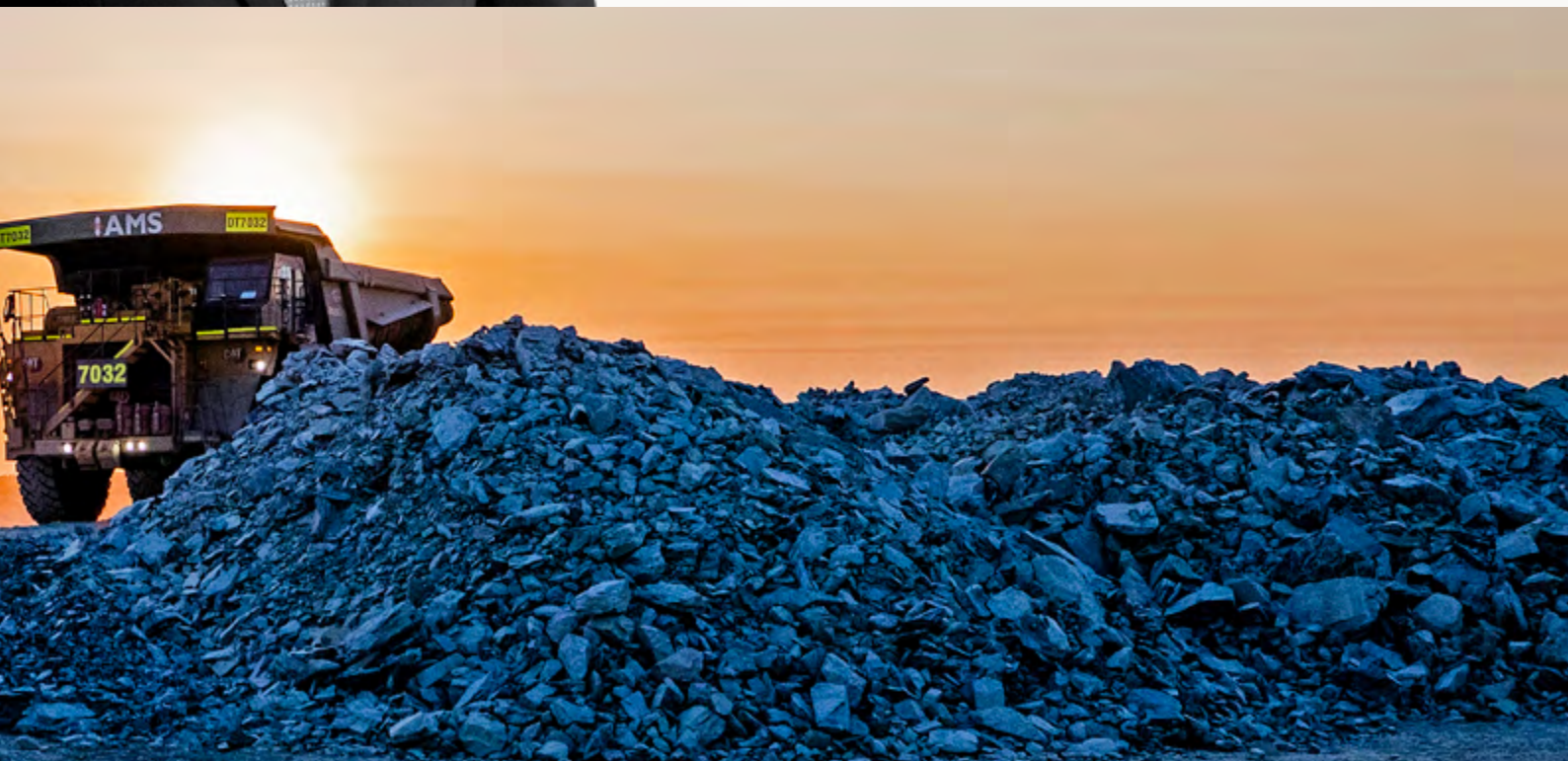
Responding to serious safety incidents is not 'business as usual' at Perenti. Rather we have instituted a comprehensive review with external input to think outside the box in seeking to take positive safety performance to the next level. To address our critical risks, we are also increasingly moving towards technology and engineering solutions but acknowledge that there are no silver bullets to solve the safety risks inherent in our industry. Our thoughts continue to be with the families, friends and workmates of our lost colleagues.

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

A handwritten signature in black ink, appearing to read 'Tim Longstaff'.

TIM LONGSTAFF

Chair - Safety & Sustainability Committee
21 August 2023



Year in review

OUR PERFORMANCE AT A GLANCE

Established four executive sponsored steering groups to drive action on our sustainability priorities.

i Refer to page 41

17 of 23 (74%) FY23 commitments completed. Progress made on all remaining commitments.

i Refer to pages 42, 46, 48, 53, 57, 59

Conducted a safety climate survey of our workforce.

i Refer to page 43

Developed and commenced implementation of divisional safety taskforce plans.

i Refer to page 42

Signed Hesta 40:40 Vision. Set targets for achieving gender balance.

i Refer to page 46

Increased our local procurement expenditure.

i Refer to page 50

Increased our community investment contribution.

i Refer to page 51

Published climate change position statement and undertook a climate scenario analysis.

i Refer to page 53

Set targets for reducing our greenhouse gas emissions.

i Refer to page 54

Awarded a contract with technology partner ABB to undertake a study for the electrification of an underground project.

i Refer to page 55

Implemented a new operating model.

i Refer to page 59

SUMMARY OF OUR PERFORMANCE

	Metric	2023	2022	2021
🌱 CARING FOR OUR PEOPLE AND COMMUNITIES				
Safety and Health				
Total Fatalities	# employees	2	3	1
	# contractors	0	0	0
Lost Time Injury Frequency Rate (LTIFR)	# incidents per million hrs worked	0.3	0.5	0.4
Total Recordable Injury Frequency Rate (TRIFR)	# incidents per million hrs worked	5.4	6.9	5.1
All Injury Frequency Rate (AIFR)	# incidents per million hrs worked	26.6	28.9	26.5
Serious Potential Injury Frequency Rate (SPIFR)	# incidents per million hrs worked	2.7	2.7 ¹	2.9
Fines and Prosecutions	#	0	0	0
Our people				
Total workforce	#	9,012	8,939	7,881
Employees by Region:				
• Australia	%	39.4	38.9	40.8
• Africa	%	56.7	56.7	53.2
• United Kingdom	%	<1.0	<1.0	<1.0
• North America	%	3.8	4.3	4.6
Total Voluntary Turnover Rate	%	15.6	26.6	17.0
Females on the Board ²	# / %	2/29	2/29	2/31
Females in senior management	%	15.4	18.8	18.2
Females in the workplace	%	11.0	10.6	10.0
Australian workforce employed as an Apprentice	%	5.2	4.4	4.4
Australian workforce provided with a Traineeship	%	6.4	8.1	8.0
Local participation in international workforce ³	%	90.2	89.4	86.8
Our communities				
Local procurement expenditure	AUD\$	1.55 B	1.48 B	786.5M
Community investment and donations	AUD\$	615,474	368,601	244,500
🌿 VALUING THE ENVIRONMENT AND ENABLING THE ENERGY TRANSITION				
Greenhouse Gas Emissions – scope 1	tonnes CO ₂ -e	2,671	2,323	3,462
Greenhouse Gas Emissions – scope 2 (location-based)	tonnes CO ₂ -e	2,496	4,361	5,193
Greenhouse Gas Emissions – scope 2 (market-based)	tonnes CO ₂ -e	1,906	-	-
Energy consumed (scope 1 and 2)	Gigajoules	64,207	63,665	99,865
Scope 3 Category 13 (downstream leased assets)	tonnes CO ₂ -e	442,000	-	-
Water ⁴	kL	17,584	-	-
Waste sent to landfill ⁴	m ³	6,365	-	-
Waste diverted from landfill ⁴	m ³	2,378	-	-
Total significant environmental incidents	#	0	0	0
Fines and prosecutions	#	0	0	0
🛡️ ACTING ETHICALLY AND RESPONSIBLY				
Speak Up notifications alleging a Code of Conduct breach	# received	5	1	2
	# investigated and actioned	5	1	2
Compliance with continuous disclosure	# breaches	0	0	0
Internal audits completed	# internal audits	5	12	5
Material information data breaches	# material breaches	0	0	0

¹ During FY23, the SPIFR for FY22 was adjusted from 2.8 to 2.7 following an internal review of an incident from April 2022 that no longer met the SPI criteria.

² Females on the Board for FY23 and FY22 is based on the absolute number at the end of the financial year. The FY21 figure is based on average of days worked.

³ Local participation is country Nationals (Locals) only, does not include third country nationals.

⁴ Water, waste sent to landfill and waste diverted from landfill are for Australian locations.

Introduction

OUR SUSTAINABILITY BLUEPRINT

At Perenti, we recognise the critical role we must play in helping the world transition to a more sustainable future. A future that demands more of us.

For our business to succeed in delivering on our purpose *to create enduring value and certainty* for all our stakeholders, sustainability must be embedded in everything we do.

This means:

- ✓ Applying, advocating and upholding care – supporting the needs of our people and communities, putting safety first and creating a safe and inclusive culture.
- ✓ Moving as a proactive business – focussing our business to be in service of sustainable outcomes, applying new technology to enable climate transition and valuing the environment and communities where we operate.
- ✓ Staying the course – acting ethically and responsibly, applying long-term thinking and harnessing our restless energy and relentless efforts to respond to new challenges.

Through this process we have identified three key areas we consider imperative to our success in embedding Sustainability:

- ✓ Caring for our People & Communities
- ✓ Valuing the Environment & Enabling the Energy Transition
- ✓ Acting Ethically & Responsibly

These imperatives are linked and contribute to the United Nations Sustainable Development Goals. We are putting sustainability to work – by making it central to our contribution in helping the world transition to a more sustainable future (see Our Sustainability Blueprint below).

OUR PURPOSE

To create enduring value and certainty

OUR SUSTAINABILITY IMPERATIVES

 <p>Caring for our people and communities</p> 	 <p>Valuing the environment and enabling the energy transition</p> 	 <p>Acting ethically & responsibly</p> 
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OUR SUSTAINABILITY PRIORITIES

Preventing adverse life changing events	Creating safe and respectful workplaces	Achieving gender balance	Partnering with our communities	Accelerating decarbonisation
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OUR SUSTAINABILITY TARGETS

<p>NO ADVERSE LIFE CHANGING EVENTS</p> <hr/> <p>+75% of our people feel their teams are psychologically safe by the end FY25*</p>	<p>40% female executive and Board representation by the end of FY30</p> <hr/> <p>33% female representation across our global workforce by end of FY33</p> <hr/> <p>40% of our senior leaders** are female by the end of FY33</p>	<p>NET ZERO BY END OF FY30</p> <p>scope 1 and 2 greenhouse gas emissions, from a FY22 baseline</p> <hr/> <p>40% ABSOLUTE REDUCTION</p> <p>of scope 1 and 2 emissions by the end of FY26, from a FY22 baseline</p>
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SUSTAINABILITY EMBEDDED IN EVERYTHING WE DO

*Australia only.

** Senior Leaders include Group Executive, Vice Presidents, General Managers and Department Heads.

OUR SUSTAINABILITY PRIORITIES

Over recent years, Perenti has undertaken a materiality assessment to identify sustainability issues that are important to our business and our stakeholders. Details regarding this materiality assessment were provided in our 2021 Sustainability Report. During FY23, our Group Executive Committee (GEC) and Board have further reflected on what sustainability means to Perenti, identifying five sustainability priorities where we will focus our efforts. These priorities are *preventing adverse life changing events* (page 42), *creating safe and respectful workplaces and achieving gender balance* (page 46), *partnering with our communities* (page 48) and *accelerating decarbonisation* (page 53).

A GEC sponsor has been allocated to each of the sustainability priorities and steering groups have been established to help coordinate and catalyse action.

Our performance has progressed on the sustainability issues we identified as material. These issues are presented in the graphic below, with safety remaining our most material issue. Despite continued focus on this issue, the workplace deaths of two of our colleagues in February 2023 has overshadowed any improvements. Further detail on our safety performance is provided on page 42 of this report.



Our priorities and executive sponsors

Preventing adverse life changing events



MARK NORWELL
Managing Director &
Chief Executive Officer

Creating safe and respectful workplaces

Achieving gender balance



SARAH COLEMAN
President - idoba



PAUL MULLER
President - Contract Mining

Partnering with our communities



BEN DAVIS
Chief People and
Sustainability Officer



CAMERON BAILEY
Chief Strategy Officer

Accelerating decarbonisation



PETER BRYANT
Chief Financial Officer



RAJ RATNESER
Chief Legal and Risk Officer

REPORT STRUCTURE AND SCOPE

This year's sustainability report reflects our updated Sustainability Blueprint and our continuing focus on embedding sustainability in everything we do. Our sustainability achievements, challenges, commitments and targets for each of our three sustainability imperatives are outlined within this report.

We have intentionally started with the social related imperative (*Caring for our people and communities*) as our ability to achieve Perenti's purpose, including meeting the expectations of our stakeholders, is dependent on our people and the trusting relationships we establish.

We continue to progressively align our reporting with internationally recognised standards such as GRI, the Taskforce on Climate-related Financial Disclosure (TCFD – see page 55) and the emerging International Sustainability Standards Board.



Caring for our people and communities

What this means for us:

- At Perenti we are our people.
- We always put safety first.
- We are committed to creating a culture of inclusion, openness, safety and respect.
- We aspire to improve our workplace culture, empower our people and develop our leaders by encouraging and supporting people to be their best.
- We seek to benefit the local communities where we operate, always demonstrating good citizenship and leaving a positive legacy.

PREVENTING ADVERSE LIFE CHANGING EVENTS

FY23 commitment	Status	Reference	In FY24 we will:
Receive independent reports on fatalities and take decisive action		Safety performance, page 42	Develop and implement refreshed front-line leadership development programs.
Undertake an independent assessment of safety culture and capability across the Contract Mining Division, seeking a step change in safety outcomes		Safety Climate Surveys, page 43	Revise and improve our Critical Risk Management program bespoke to the Divisional risk profiles.
Roll out a critical control operational level verification process at 100% of all operational sites		Critical risk control, page 44	Review and update the measures used to monitor safety performance and improvement outcomes.
Develop and implement high-risk task critical control verifications for leaders at 100% of all operational sites		Critical risk control, page 44	Undertake third-party verification of health and safety data (SPIFR and TRIFR).
			Continue investing in engineering and technology solutions to improve safety.

“The establishment of the Safety Taskforce will support our divisions to deliver further improvement to our safety performance. The safety of our people remains our absolute priority and we are committed to doing everything we can to ensure our people are safe in the workplace.”

Mark Norwell

SAFETY PERFORMANCE

We recognise that safety is an ever-present industry challenge and that as a group of companies with a global footprint, and with growing underground operations, we have an obligation to support and contribute to industry change. First and foremost, our obligation starts with Perenti’s commitment to preventing adverse life changing events and to keeping our people safe.

Despite our continued focus on this, a tragic incident occurred on 15 February 2023 which claimed the lives of two of our people. Trevor Davis and Dylan Langridge were fatally injured in an incident that occurred at Dugald River in Queensland, Australia. We are committed to ensuring any investigation findings inform and strengthen our safety programs.

In addition to the Dugald River incident, in FY23 we collated and actioned the findings of independent reports into the May 2022 double fatality incident at Zone 5 in Botswana. All underground operations have confirmed that revised re-entry procedures with an increased level of critical control awareness are in place. These actions have been presented to the Safety & Sustainability Committee and will be tracked until closure.

Safety Taskforce

On 15 March 2023, we established a Safety Taskforce with the primary objective of driving a significant improvement in our health and safety performance. The Taskforce is supported by two world-renowned independent safety experts, Professor Sidney Dekker and Peter Wilkinson, who are providing advice on leading practice, critical risk and culture. Chaired by Managing Director & CEO Mark Norwell, the Taskforce includes GEC representatives Paul Muller and Ben Davis and Non-Executive Director Alex Atkins. The Safety & Sustainability Committee provides Board oversight and governance on progress by the Taskforce.

To date, our Taskforce has focused on identifying opportunities to deliver the necessary step change in Perenti’s health and safety performance we aspire to. To support this, our Contract Mining and Mining Services divisions have established safety working groups which are being advised by additional independent subject matter experts, Dr David Provan and Ms Shannon Roberts Gibbs. Our safety working groups are also focused on developing and progressing safety transformation plans which will be tracked through the Taskforce.

In addition to this, we are committed to ensuring our broader organisation continues to focus on health and safety continuous improvement so that actions can be readily implemented across Perenti and shared with our mining industry peers.

Safety Performance

SPIFR

2.7

Serious potential incident frequency rate same as FY22

TRIFR

↓ 5.4

Total recordable injury frequency rate improved to 5.4 in FY23

INSIGHTS:

26%

26% of all injuries relate to fingers/hands

50%

50% of injuries relate to 'line of fire' – for example, being hit by moving objects or hitting objects with part of the body

40%

40% of all serious potential incidents relate to mobile equipment operations and interactions

Safety climate surveys

In partnership with organisational safety culture consultants, Sentic, we completed safety climate surveys and onsite evaluations across our Contract Mining Division which have provided clarity on the leadership and culture improvements we need to make. Achieving this step change in our safety performance our safety transformation, will be enabled by ensuring our workplaces are psychologically safe, and by engaging our people in learning about our areas of improvement. The safety of our people remains our absolute priority and we are committed to doing everything we can to ensure our people are safe in the workplace. Our priority to create safe and respectful workplaces is discussed further on page 46.

The core of the technology requires all people operating underground to use an active transponder built into their cap lamps, with matching detection/discrimination technology built into all heavy and light vehicles. Additionally, heavy vehicles will also require the installation of speed and brake intervention controllers to allow autonomous intervention should an interaction be imminent.

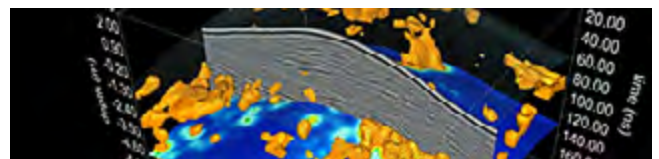
This partnership has progressed through various trials and is about to undertake operational impact testing. In FY24, we plan to develop and present a business case to equip one entire underground mine with a complete collision avoidance and warning system as a primary 'real world' trial site.

Jumbo Area Denial System roll out underway



Currently operators rely on team members to ensure they are keeping a safe distance away from large equipment and out of the line of fire. The Jumbo Area Denial System automates this process by detecting reflective material, including people, in close proximity to development drills and automatically stopping the hydraulic functions of the drill booms once a reflection is detected. This system is currently in use at two sites, with further rollouts planned in FY24.

Ground Penetrating Radar (GPR) in trial



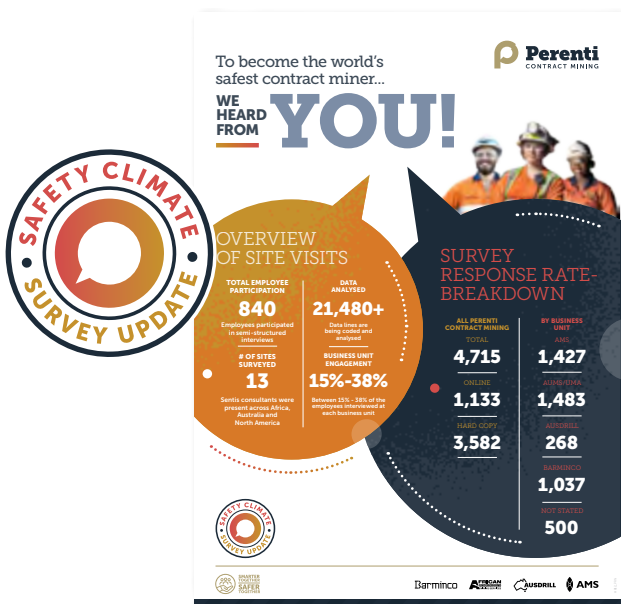
To be used in conjunction with current underground mining processes, GPR can assist with drill hole planning and void detection. Currently in trial phase, this technology has the capacity to assist the mining industry with critical fall of ground risks.

High Access Localised Operations (HALO) prototype in trial



HALO is a robot that uses virtual reality technology to conduct safer rock scaling operations. The result of a two-year collaboration between Ausdrill, the University of Technology Sydney and the Innovative Manufacturing Cooperative Research Centre. HALO allows operators to use headsets and 3D virtual reality technology to scale walls, keeping them a safe distance away from rock scaling operations and out of the line of fire.

In addition to these industry leading technology projects, we are continuing to identify and develop safety engineering solutions.



Engineering and technology innovations

We recognise that technology can play a significant part in helping to keep our people safe and we have continued to invest in finding and implementing best of breed technology solutions for Perenti.

Our key projects for FY23 include:

Collision Avoidance Systems (CXs) project update



Our Collision Avoidance System (CXs) project is continuing to progress in partnership with large technology provider, Newtrax.



Critical risk control data for FY23:

19,538

Critical Control Field Verifications (CCFV) completed

16,477

CheckIns completed

142

SystemChecks completed

Awareness campaigns

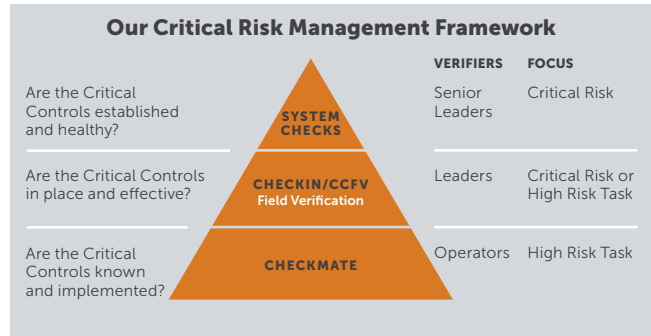
In late 2022, Perenti's Contract Mining Division launched the *No shortcuts* campaign which involved educating our people on what it means to practise safe behaviours in the workplace. Each session concluded with a team discussion on how our people felt they could continue to model the safe behaviour in their workplace. Sessions were delivered in English, French and Swahili to ensure accessibility for all of our people.

Wearable Technology Project

Following a program at our surface mining operations in FY23, we commenced the roll out of wearable technology and data analysis in our underground operations. The project enables the use of wearable technology to gather and analyse movement and body loading data to better understand the musculoskeletal injury risks of underground mine work and associated activities. It provides our people with feedback about their movements throughout their shift and training modules to educate them about effective ways to reduce personal injury risks.

Critical Risk Control

SystemChecks is the third and final tier of our approach to critical control verification. Completed by senior managers across our Contract Mining Division, these are aimed at higher-level system elements such as management plans and procedures. As these enabling systems ensure the right controls are in place and are effective for our front-line workforce, it is crucial that we verify they are fit for purpose.



MANAGEMENT SYSTEM

The reduction in our recordable injury frequency rate does not guarantee the elimination of fatale events from our business, further highlighting the need for us to consider new ways of measuring Perenti's safety performance.

With the support of our Safety Taskforce and Divisional Safety Working Groups, we are committed to driving this change. We will continue to investigate and interrogate our safety performance data to uncover trends and address risks and hazards within our business and operating methods.

Aligned to ISO45001, our Health, Safety and Environment (HSE) Management System provides the framework for our data capture and analysis process.

During FY23, we further developed our HSE Management System which included the release of a new Health, Safety and Well-being Policy, supported by a Health, Safety and Well-being Standard.

In addition to this, we continued to develop and improve our centralised HSE information system. Other key achievements include the capture of *SystemChecks* and business plans plus associated commitments to further assist with internal verification of action completion.



Case study

WORK HEALTH AND SAFETY EXCELLENCE AWARDS

An engineering solution to meaningfully improve the safety of underground mining led to Barminco being named a finalist, at the Work Health and Safety Excellence Awards, held in October 2022. Following a fatal incident at a non-Barminco operated site two years ago when a bogger went over an open edge, the industry came together to investigate ways to improve safety for operators.

The solution came in the re-designing of steel bollards which prevent a machine from being able to enter a stope void. The bollards went through rigorous testing to get the right mix of strength, weight and simplicity to deploy in an underground environment. The bollards are easy to install, can be set up by just two people and have been specifically designed so a fully loaded bogger can be brought to a dead stop upon impact.

Barminco was named a finalist in the category of Work Health and Safety Invention of the Year for the initiative. Vice President Contract Mining, Mick Radi, said "I'm very proud of this initiative and what the team has done. Every day now across our operations we have greater protection for our people, reinforcing our principle of *Smarter together* so we can be safer together".



HEALTH AND WELL-BEING

Mental health awareness e-learning

As mental health is an important factor in overall well-being, we are working to ensure everyone at Perenti has access to the information and resources they need to stay mentally healthy and productive.

In partnership with our Employee Assistance Provider PeopleSense, we developed the *Perenti Contract Mining Mental Health e-Learning Training Program* to educate our people on mental health issues including how to support their mental health.

The course is specific to the mining industry and focuses on reducing the stigma and barriers to seeking assistance.

Leaders' Well-being Program

We know that leaders can play a significant role in safeguarding the mental health and well-being of people in their work environment. Our Contract Mining executives and senior leaders participated in a *Well-being Program* which focused on self-care and personal well-being, including the factors that impact on well-being and the influence leaders can have on the well-being of their people and their work environment.

Early Intervention Program

The Early Intervention Physiotherapy Program involves a physiotherapist communicating through a secure video link to provide immediate advice following any injuries at work. The program provides early support to any of our people who have experienced a musculoskeletal sprain or strain while on a worksite. This allows effective injury management to begin straight away and avoids any delays in treatment, leading to an improvement in injury outcomes.

Thrive At Work In Mining Master Classes

In FY23, Perenti participated in and completed the inaugural Futures of Work Institute (Curtin University) *Thrive at Work in Mining Master Classes*. Run as part of the Department of Mines, Industry Regulation and Safety Mental Awareness, Respect and Safety Program, the bespoke masterclasses have been developed for the mining industry to support companies at various stages of their journey towards building a mentally healthy workplace.

Designed for senior leaders in human resources, workforce strategy, work safety or well-being-related functions, the masterclasses were attended by the Manager of Workplace Health & Well-being and the Manager Organisational Effectiveness on behalf of Perenti Contract Mining.

Flexible working

In July 2022, we introduced additional flexible working options across BTP. This resulted in over 43% of our eligible workforce, which includes salaried workers and wage workshop employees, moving to a flexible work roster or nominating a rostered day off. We believe that fit-for-purpose flexible working options improve the wellbeing of our people and business performance.

Unmind

In May 2023, Perenti launched an app called Unmind to its Australian workforce. The app gives our people confidential access to tools, training and exercises to support their mental health and wellbeing. More information on Unmind is featured in the below case study.



Case study

UNMIND

The health and well-being of our people, including mental health is a priority for the business. A healthy workforce is a productive workforce but more than that, we genuinely care about the well-being of our people. That's why Perenti has introduced Unmind - an app that provides confidential access to tools, training and exercises to support the mental health and well-being of our people.

Unmind takes a proactive, preventative approach to mental health and provides a variety of expert tools that are rooted in neuroscience, cognitive behavioural therapy, mindfulness and positive psychology. Using Unmind's tools and techniques, our people can tackle challenges such as improving sleep, relieving tension or mastering distraction.

Managers within Perenti also have access to self-paced learning content through the app to assist and improve how they engage and support their teams, encouraging empathy, confidence and emotional intelligence for improved psychological safety.

All Australian based Perenti employees can access the Unmind app for free. It is confidential and can be accessed on any device, anywhere, anytime providing flexibility and anonymity to those who choose to use it.

3,500

#employees with access to Unmind

274

leaders with access to leader content



CREATING SAFE AND RESPECTFUL WORKPLACES AND ACHIEVING GENDER BALANCE

FY23 commitment	Status	Reference	In FY24 we will:
Obtain Board review and endorsement of the <i>Its Not OK</i> (Elimination of Harmful Behaviours) assessment report and associated enterprise-wide action plan		Inclusion and diversity, page 46	<ul style="list-style-type: none"> Develop and commence implementation of gender balance action plans in each division and corporate to achieve a Group gender balance of 33% by the end of FY33.
Join the HESTA 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		Inclusion and diversity, page 46	<ul style="list-style-type: none"> Undertake a Group-wide education campaign and leadership development to enable respectful behaviour in our work environments.
Undertake a detailed gender pay gap review for wage employees (operators and maintainers) and deliver identified actions		Remuneration, page 47	<ul style="list-style-type: none"> Undertake a detailed review of gender participation by region and role and identify systemic barriers to remedy female participation.

“The Culture and Inclusion Steering Group supports our commitment to building a diverse workplace where everyone feels psychologically safe to show up as their true self. The future of our industry is one that must harness creativity, innovation and teamwork to meet the ever-evolving needs of ESG and disruption and we believe that is not possible without a diverse and inclusive workforce.”

Sarah Coleman

INCLUSION AND DIVERSITY

Perenti’s Culture and Inclusion Steering Group was established in FY22 to address our sustainability priorities of *Creating safe and respectful workplaces* and *Achieving gender balance*.

In FY23, and in response to the *It’s Not OK* diagnostic, we established a framework for response and action and developed a Group-wide action plan to drive sustainable change. This included appointing two Group Executive Committee sponsors to our Culture and Inclusion Steering Group and establishing culture and inclusion working groups and action plans for each of our divisions to further support the steering group.

Key achievements in FY23 include:

- The Group Executive Committee endorsed Perenti’s Inclusion and Diversity Roadmap for leaders which outlines why an inclusive workplace is important to us and the steps we will take to achieve our aspirations.
- Developed a new Group-wide human resources procedure to change how we identify, report and resolve concerns and complaints about potentially harmful behaviour across our teams. This procedure will be introduced in early FY24.
- Rolled out a workforce awareness campaign to stimulate conversations and bring greater attention and understanding to the types of unwanted or harmful behaviour that our people experience in the workplace.

We understand that our workforce needs to be reflective of the communities in which we operate and our top priorities are to improve gender balance and strengthen psychological safety in the workplace. We consider these priorities to be fundamental to the respectful, inclusive culture and diverse

workforce that we aspire to. We have signed up to the HESTA 40:40 Vision to show our commitment to pursuing diversity in executive leadership. Further targets for these priority areas will be set across all divisions in FY24 and beyond. Our workforce awareness campaign will continue in FY24 with a focus on encouraging reporting and effective and timely resolution of inappropriate or unwelcome behaviour. The campaign will emphasise speaking up and supporting each other through active bystander behaviours.

To achieve our gender balance aspirations, we recognise that we need to develop specific programs to support the attraction and development of women at Perenti. In FY24, we plan to pilot programs that will focus on identifying and attracting women into entry level roles, redesigning senior roles and accelerating the development and mentoring of women for these opportunities, with a view to implementing these programs in FY25.

LEADERSHIP AND CAPABILITY DEVELOPMENT

During FY23, we continued to make strong progress with our leadership development programs across Perenti.

Twenty-three of our most senior executive leaders took part in a rigorous Executive Leadership Development Program which involved undertaking individual development assessments against a model executive leadership profile and the characteristics and capabilities required for effective leadership at an enterprise level.





By end of FY25

+75%

of our people feel their teams are psychologically safe*

*Australia only.

By end of FY30

40%

of the Board and Group Executive Committee are female

By end of FY33

33%

of our entire workforce will be female

By end of FY33

40%

of our senior leaders** are female

** Senior Leaders include Group Executive, Vice Presidents, General Managers and Department Heads.



The It's Not OK awareness campaign is aimed at instigating conversations about normalised behaviours.

Building on a successful pilot in FY22, 60 senior leaders participated in our bespoke Leading@Perenti program which helps senior leaders strengthen their core leadership capabilities to support cultural transformation and understand their role in implementing Perenti's business strategy and operating model.

In early FY24, we will finalise the design and pilot the Managing@Perenti program, which will focus on enhancing the capability of our leaders in middle management level roles. In addition, we will focus on upskilling our frontline leaders to help build their confidence and improve their capability in creating teams that are safe, respectful and inclusive.

REMUNERATION

Our People and Remuneration Committee undertook a review of Perenti's remuneration framework and strategy to ensure continued alignment with the company strategy and market competitive remuneration.

This included a review of our gender pay gap and the identification of this as a priority issue to resolve. Advancing this priority, along with rebalancing gender participation over time, will enable us to close our overall gender pay gap in future years.

We also undertook a comprehensive review of various mechanisms, such as retention programs to ensure we attract and retain core high performing talent. We will continue to implement the outcomes of the remuneration framework and strategy review in FY24.

As we expect labour pressures will continue into FY24, we will continue to closely monitor the situation and respond accordingly to ensure seamless project and service delivery for our clients.

PEOPLE SYSTEMS

We continued to invest in systems that enable us to deliver an improved leader, employee and candidate experience in Perenti's people processes. This has also improved visibility of our people data and led to more efficient and meaningful decision-making.

In addition, we have invested in our internal communications systems which enabled us to more effectively engage and share information with our people.

Building on this, in FY24 we plan to further embed and strengthen our existing people-related systems across the Group.

LABOUR RELATIONS AND MANAGEMENT

Perenti is committed to ensuring our people are treated in a fair, equitable and ethical manner.

We are proud of our reputation and processes on workplace relations matters, evidenced by the lack of industrial disputes across our varied employment jurisdictions. We work closely with the relevant governments, union representatives, employee and contractor groups to ensure adherence and compliance to the required labour laws, human resources regulations and labour rights policies.

In the event any of our businesses become subject to an employment disagreement, our experienced operations managers are able to manage these issues with the support of our local human resources teams and if necessary, our internal legal advisors, who are all well versed in the relevant laws and regulations of our host countries.



Case study

Perenti drives apprenticeship diversity

In late 2022, BTP and Barminco partnered with The Apprenticeship Community to create a series of videos promoting the importance of diversity in apprenticeships and traineeships. Perenti, BHP and Georgiou were chosen as leading employers in the industry who are committed to hiring more women in non-traditional trades, establishing a more gender-inclusive workforce, starting with their apprenticeship programs.

The Apprenticeship Community State Manager Jo Eagle explained that Perenti was chosen as an employer who demonstrates best practice and innovation in the apprenticeship and traineeship space.

"We value Perenti's commitment to providing apprenticeships for female employees and their apprenticeships and traineeships overall. "With an above industry standard retention rate and having trained more than 900 individuals over the years, we were proud to have Perenti involved along with our other showcased employers BHP and the Georgiou Group.

"We believe all companies can find great value in having females in non-traditional trade roles in a time of ongoing skills shortages".



PARTNERING WITH OUR COMMUNITIES

FY23 commitment	Status	Reference	In FY24 we will:
Develop a Social Performance Standard		Partnering with our communities, page 48	Develop and implement a Community Investment Framework.
Develop Group-wide formal community grievance procedure		Partnering with our communities, page 48	Develop and release a Freedom of Association statement.
Develop a revised Indigenous engagement strategy		Indigenous engagement, page 49	Organise cultural experiences on country or on territorial lands for Perenti leaders.
Deliver tailored human rights training to high-risk roles across the Group		Human rights, page 52	Update procurement systems to capture relevant local supplier data.
Undertake a social audit of a high-risk category supplier		Human rights, page 52	

“We’re privileged to work across the globe, providing opportunities to engage with diverse communities and cultures. We are committed to working with and respecting local communities and have established a steering group to ensure our community engagement approach is consistent and impactful. The steering group will be pivotal in ensuring engagement insights, learnings and activities are identified, shared and celebrated across the business.”

Ben Davis

Perenti continues to play an active role in the communities where we operate and we are committed to strengthening and prioritising our relationships with local community groups.

In FY23, we established the Partnering with Our Communities Steering Group to define and drive our community engagement framework which addresses Indigenous engagement, developing practices that encourage local procurement and employment and strengthening our human rights and modern slavery mechanisms.

These aspects of our social performance are also documented in our new Sustainability Group Standard, which has been rolled out across Perenti.

While we always endeavour to be respectful guests in the communities where we work, we recognise that concerns and grievances can arise from time to time and we are committed to fostering a culture of openness and accountability.

In FY24, we will implement our Group-wide community grievance mechanism which will provide community members with a structured, transparent and accessible way to raise any concerns and ensure they are addressed in a timely and appropriate manner.



Case study

Combating gender-based violence: AMS Botswana takes a stand

Gender-based violence (GBV) remains a pressing global issue, primarily targeting women and children. To raise awareness and combat GBV in its operational areas, AMS Botswana has developed a tripartite strategy involving employees, host communities, and local government. In October 2022, AMS launched a campaign against GBV, which aims to build awareness of our client, Sandfire’s, GBV policy while asserting AMS’s zero-tolerance stance towards GBV.

Following the launch, stakeholder meetings were conducted to devise a comprehensive action plan for the entire district. One of the significant outcomes was the Gender Based Violence Awareness March, a 5km walk in Ghanzi, which took place on 21 April 2023. The event saw participation from the civic community, business partners and other concerned individuals.

Speaking at the march, AMS Project Manager for Motheo, Caster Mothibedi reinforced AMS’s zero-tolerance policy. “We are here as AMS, Sandfire and contractors to see how we can help the community because the numbers of GBV cases are escalating. As a company, we are open to going the extra mile in addressing GBV.”

The campaign aims to raise awareness of GBV and equip our people with knowledge for identifying survivors and accessing help if they are survivors themselves. By empowering its employees, AMS aims to create a safer and more inclusive environment at work and within the community. “There is always a root cause for GBV. Let us not just fight its consequences but let’s look for the root cause. As we discuss this issue, we should look beyond immediate causes,” said Caster Mothibedi.



INDIGENOUS ENGAGEMENT

Mining often occurs on or adjacent to Indigenous Peoples' land and Perenti is committed to respectfully and proactively engaging with Indigenous Peoples in the regions where we operate.

In FY23, we formalised this commitment with our Indigenous Peoples Position Statement and supporting action plan to ensure we continue to strengthen our Indigenous engagement practices across all our locations and build mutually beneficial relationships.

Our position statement was developed with input from Indigenous people, including representatives from Indigenous Desert Alliance with whom we are pleased to have extended our relationship in FY24 as we continue to support and learn from each other.

Our partnerships with Indigenous groups in Australia continue to grow as we extend our project locations into new lands and form new relationships. In FY23, we established a milestone partnership with Tjiwarl Aboriginal Corporation in Western Australia.

In May 2021, Barminco and the Tahltan Nation Development Corporation (TNDC) entered into a collaboration agreement, which outlines the parties' commitment to working collaboratively together and maintaining a meaningful relationship. As part of this agreement and Barminco's broader commitment, we continue to provide training, development and employment opportunities, in addition to promoting subcontracting opportunities for Tahltan businesses.

Barminco currently hires part of its fleet at the Red Chris Mine in British Columbia from TNDC.



Barminco signs MOU with Tjiwarl Contracting Services

Barminco has taken another step in our commitment to supporting our host communities. The recent signing of a memorandum of understanding (MOU) with Tjiwarl Contracting Services (TCS) reflects a collaboration built on trust, empowerment, employment, and future business opportunities.

Barminco has deep roots in the Goldfields region of Western Australia and the MOU serves to solidify our dedication to the area. By partnering with TCS, Barminco aims to create a mutually beneficial relationship that will contribute to the prosperity and growth of the region, opening doors for Tjiwarl and Tjiwarl-endorsed businesses to offer their services. "We truly welcome the opportunity to work with Barminco," said Michael Tullock of Tjiwarl. "The relationship creates opportunities for Tjiwarl businesses to be a part of and contribute to the economy of our region, keeping value derived from country on country."

Mick Radi, Contract Mining Vice President Australia, added, "our scale on these lands provides opportunities for Tjiwarl and Tjiwarl-endorsed businesses to provide services that create value and positive outcomes for Tjiwarl people and their communities, as well as Barminco."

The MOU with TCS demonstrates Barminco's continued commitment to supporting and uplifting the communities where we operate. Barminco and TCS are setting a positive example of sustainable and mutually beneficial partnerships within the mining industry. By fostering relationships and providing economic opportunities this collaboration is creating lasting value for the region and its people.



4,926

local employees in international workforce

90.2%

local participation in international workforce

\$1.55 B

local expenditure



LOCAL EMPLOYMENT, TRAINING AND PROCUREMENT

Perenti’s mining projects create a significant number of high-quality employment opportunities and generate social and economic value for local and regional communities.

In FY23, we procured \$1.548 billion worth of goods and services from local businesses, including \$821 million from business in Australia, \$690 million from businesses in Africa, and \$37 million from businesses in North America.

We continue to actively encourage local workers to apply for positions and prioritise local applicants where possible. At the end of FY23, 90.2 per cent of our workforce outside of Australia comprised of local employees with a further 2.6 per cent coming from within the region.

We are also committed to training local people to support the development of their careers as well as building local capacity to capitalise on opportunities within the industry. Built in 2019, our state of the art training centre in Botswana continues to train employees in all the core competencies required in the mining induction process. In FY23, this included:

- 128 employees completed induction training.
- 128 employees completed the cultural awareness training.
- 128 employees completed Level 1 first aid training.
- 17 tradespeople completed hand and power tools training.
- 13 tradespeople completed hydraulics and pneumatics training.
- 36 employees completed a schematic reading course.
- 46 employees completed an electrohydraulic course.
- 34 employees completed a hydraulic hose-making course.

Total training numbers at Maun Training Centre		
Course	Company	Total people attended
Induction Underground	Barmenco	450
Induction Underground	Master Drilling	14
Induction Underground	Lucient labour hire	67
Botswana level 1 first aid	Barmenco & contractors	531
Induction Surface	Barmenco	41
Hand and power tools	Barmenco	66
Hydraulics	Barmenco	70
Pneumatics	Barmenco	70
Sandvik schematic reading	Barmenco	36
Sandvik basic electro hydraulics	Barmenco	46
Hydraulic hose making	Barmenco	34
African Mining Service Induction	AMS	34
ERT course	KCM/Barmenco	20
Total		1,479



Kavuru Training Centre in Maun, Botswana

In November 2022, Barmenco and AMS officially opened the Kavuru Training Centre, which supports the Zone 5 and Motheo projects in Botswana. The purpose-built facility, separate from mining operations, has dedicated trainers and coordinators who provide inductions, safety, equipment, operator and maintenance training support.

Based on Barmenco’s training centre in Perth, the Kavuru Training Centre also contains an artificial underground environment and trade simulators to train learners. Kago Seselamarumo, a student from the local Gxhabara Primary School, won a competition to name the centre. “Kavuruvusa” is a Sheyeyi word meaning winds of impact, and his wish is to see the centre bringing a positive impact to his region.

Ten female trainees have made history by completing dump truck operator training at the centre, reinforcing our commitment to diversity, inclusion and belonging and aligning to the Tswana Idiom, ‘mosadi ke thari ya Sechaba’, which loosely translates to ‘a woman is the backbone of society’.

The group of women were appreciative of the opportunity which will help them provide for their families. “The trucks look formidable, but I am determined to turn my life around, so I have resolved to get hold of my fear and do what needs to be done”, said Emang Molatole, one of the female trainees. The group has also embraced their new knowledge of mining processes and procedures, incorporating the lessons into their personal lives. Fellow trainee Bokamosol Paul confirms, “I expect to be able to apply what we have learnt in our everyday lives”.



\$615,474

community donations

7 Countries with community investment

Australia, Burkina Faso, Botswana, Canada, Ghana, Senegal, Tanzania



COMMUNITY INVESTMENT

Our community engagement strategies are underpinned by community investment programs which are focused on achieving broad and sustained positive impact aligned with our sustainability imperatives and priorities.

In FY23, Perenti provided a total contribution of \$615,474 to local, regional and national programs including but not limited to:

Schools and education programs

- CoRE Learning Foundation Program
- Clontarf
- Dandjoo Darbalung



Somelo poultry project Botswana

In March 2023, Barmenco officially handed over one of its community projects in the company's adopted village of Somelo to the local Village Development Committee. The event was attended by representatives of the North-west District Council, Somelo village leadership and Zone 5 Copper Mine management.

The poultry project which commenced in 2022 with a donation of 100 egg layers is set to change the economic landscape of the village. Many of the eggs are being sold by the company to the mine camp cafeteria.

Speaking at the handover event, Barmenco Mining Services Operations Manager, Tim Gough, expressed gratitude for the opportunity to partner with host communities to improve their livelihoods. Tim believes that the Somelo project ticked all the right boxes in being a legacy project, as with proper management, it has the potential to change the economic landscape of the village. He also stressed the opportunity for the village to be the hub of egg production for the Northwest region.

Barmenco's stance in social performance and investment is to partner or sponsor projects that are sustainable and benefit future generations, having an impact and providing economic inclusivity.

For his part, Kgosi Komeng of Somelo appreciated the gesture and requested that Barmenco continue to support them in their efforts to develop the village.

Community empowerment projects

- Local non-government organisations
- Womens and children's shelters and homes
- Employment generation projects
- Trade shows

Community sporting teams and club facilities

Women in mining and technology conferences and events



AUMS supports youth education in Ghana

AUMS entered into a sustainable youth development program with the Newmont Ahafo Development Foundation (NADeF) at the Subika Underground Project situated in the Brong Ahafo region of Ghana, West Africa. The scholarship award scheme assists the development of young people in the region of Newmont Ghana Gold operations. The program was initially conceived by community minded and progressive employees at site.

The AUMS/NADeF Scholarship Award Scheme, inaugurated in 2021, supports two tertiary education students and fifteen apprentices with the financial aid of GHS 60,000 (approximately \$8,250). One of this year's deserving tertiary recipients is Julia Asare Bediako, studying Geomatic Engineering at the University of Mines and Technology. Julia's education was previously supported by her single mother, who worked menial jobs to pay for her daughter's university admission fees.

This year the scholarship is also funding the electrical works apprenticeship of Seth Oppong, an orphan whose foster mother said the scholarship came right when they required assistance. She explained that her trading business had collapsed because of economic conditions and she had contemplated asking Seth to discontinue the apprenticeship and to earn money by farming.

Human Resources Manager Jerry Fynn is proud of the scholarship program and the contributions and opportunities AUMS provides to the area. "The support AUMS is providing is having a positive impact on the lives of the young people from the Newmont Ahafo region as well as the national manpower development drive of its host nation Ghana," he said.



MODERN SLAVERY

We published our third public Modern Slavery Statement which details the steps Perenti took in FY22 to assess modern slavery risks within our operations, inclusive of our supply chain and the actions being taken to help manage these risks. In this statement, Perenti made ten commitments for improving modern slavery performance. Our key commitments are presented below, with achievements to be published in our FY23 Modern Slavery Statement:

- Incorporate more comprehensive due diligence for human rights related risks in the new country risk assessment process.
- Commence implementation of the Sustainability Group Standard that will standardise Perenti's requirements relating to human rights and modern slavery.
- Continue to ensure employees in relevant roles complete the human rights training module. A training record will be maintained and monitored to ensure successful roll out of the training.
- Expand the scope of the supplier human rights risk profile tool to categorise and manage additional suppliers.
- Undertake a human rights audit of a high-risk category supplier.

We will continue to publish modern slavery statements in line with the Australian Modern Slavery Act 2018 (Cth).

HUMAN RIGHTS

Respect for human rights is a fundamental responsibility of all businesses. Our commitment to respecting human rights is formalised within Perenti's Human Rights Policy and Code of Conduct and is operationalised through activities such as auditing our suppliers.

We have developed a high-risk supplier identification tool which screens suppliers for location, value of spend and industry. This tool has enabled us to focus our audit efforts on those suppliers with increased risk of human rights abuses.

In September 2022, we conducted an internal review of a security contractor in Burkina Faso against the performance requirements of the Voluntary Principles on Security and Human Rights. The review was conducted with the purpose of establishing:

1. If the security company had been implicated in human rights abuses (on staff or the general community).
2. That the company has an acceptable method of managing staff and treats them with respect.
3. Security guards undertake their roles appropriately and act consistently with the law.

The review found no evidence to suggest that the contractor has been implicated in any human rights abuses against their staff or the general community. However, two opportunities for improvement related to formalised documentation on maximum working hours and Duty of Care Policy were identified, recorded in our systems and tracked to completion.

Human rights audits will commence as required under the new Perenti Sustainability Group Standard. Two audits of suppliers, selected using our high-risk supplier identification tool, were commissioned in FY23 with on-ground work scheduled to commence in Q1 FY24.

In FY23, we developed human rights training packages. These will be rolled out to high-risk roles across Perenti in FY24.





Valuing the environment and enabling the energy transition

What this means for us:

- Perenti recognises that climate change demands urgent action.
- We are committed to investing in innovative solutions that accelerate the transition to a low carbon future.
- We form partnerships in the pursuit of decarbonising our operations and mining key metals that enable the expansion of low carbon technologies.
- We actively seek ways to reduce our environmental footprint and operate efficiently so as to preserve the planet for future generations.
- We play a critical role in helping the world transition to a more sustainable future.

ACCELERATING DECARBONISATION

FY23 commitment	Status	Reference	In FY24 we will:
Publish a climate change position statement		Accelerating decarbonisation, page 53	<input checked="" type="checkbox"/> Commence evaluation of the financial impact of physical and transitional risks on the business
Capture and disclose category 13 scope 3 emissions associated with fuel use on our client sites			<input checked="" type="checkbox"/> Expand scope 3 greenhouse gas emission data disclosure
Set a scope 1 and 2 greenhouse emissions reduction target		Emissions and targets, page 54	<input checked="" type="checkbox"/> Undertake third party verification of greenhouse gas emission data
Greenhouse gas emission reduction in Group-wide incentive plan for senior leaders			
Undertake pre-assurance of greenhouse gas data			

“Embracing decarbonisation presents a transformative opportunity for Perenti, allowing us to drive positive change while also achieving long-term business success. We’ve established the Decarbonisation Steering Group to provide strategic direction and endorsement of decarbonisation initiatives and ensure sustainability is embedded in everything we do.”

Raj Ratneser

We recognise that climate change demands urgent action, being one of the defining issues of our time and we believe action on climate change is both the right thing to do and can deliver clear value to our business.

Electrification, and decarbonisation more broadly, is a significant opportunity for Perenti and we are striving to deliver full scope mine electrification studies for our clients by partnering with technology leaders, including ABB, to assist us in our decarbonisation efforts and service offerings.

In FY23, we established the Decarbonisation Steering Group comprised of representatives from across Perenti to provide oversight of decarbonisation activities, strategic input, technical guidance and, where necessary, endorsement of initiatives.

Our key climate-related achievements in FY23 include:

- Publishing a Climate Change Position Statement.
- Undertaking the first phase of climate scenario analysis.
- Setting a greenhouse gas related measure as part of our STIP.
- Establishing an executive sponsored Decarbonisation Steering Group.
- Setting scope 1 and scope 2 greenhouse gas emissions reductions targets.

ELECTRIFICATION

Perenti continues to be a proactive participant in the electrification space by making a significant contribution to the testing of new equipment.

In FY23, our Contract Mining Division acquired a number of all-electric machines, as well as planned and commenced trials with multiple clients and equipment manufacturers, reflecting a growing industry appetite for electrification.

An additional three pieces of all-electric mining equipment will be commissioned at IGO’s Nova operations by the end of Q1 FY24, including its third light vehicle, a production drill and an integrated tool carrier. Next in line, Sandvik’s first all-electric 65 tonne class truck is set to begin a trial operation at Anglo Gold Ashanti’s Sunrise Dam Project, where a Macleans all-electric shotcrete machine is currently being tested.

In FY24, we will continue to lead and contribute to the Electric Mine Consortium, which has undertaken some of the most extensive equipment trials to date for the industry. We will also continue to acquire and deploy more battery electric vehicles, with an all-electric loader to be acquired and expected to begin operations Q3 FY24.



EMISSIONS AND TARGETS

- Perenti will achieve net zero scope 1 and 2 emissions by end of FY30 from a FY22 baseline.
- Perenti will achieve an absolute reduction of scope 1 and 2 emissions of 40% by the end of FY26, from a FY22 baseline.

We apply an operational control approach to set our organisational boundary (our emissions reporting boundary). This means our scope 1 and 2 profile is comprised of the greenhouse gas (GHG) emissions from activities over which we have direct operational control. We implement this approach, and consider it appropriate, due to our role in the commercial context of contract mining. We acknowledge that our clients own the operating licences, control the mine planning and the emissions regulatory reporting environment in Australia, which focusses on facility-level reporting, and therefore report scope 1 and 2 emissions from sites where we hold operational control.

Emissions sources within our scope 1 profile include mobile and stationary combustion of diesel and unleaded petroleum, liquified petroleum gas (LPG), acetylene and use of lubricating oils.

Our scope 2 emissions comprise entirely of purchased grid electricity. Scope 3 emissions are indirect emissions that occur in the value chain, including both upstream and downstream emissions. Emissions from hydrocarbon consumption by our equipment at our client sites (sites outside of our operational control) is part of our scope 3 profile and has been disclosed for the first time this year.

In FY23, we worked with a specialist greenhouse gas auditor to conduct pre-assurance of our greenhouse gas and energy data. The findings and recommendations will be actioned in FY24 to aim for third party validation of data in next year's annual report.

We have committed to achieve net zero scope 1 and 2 emissions by the end of FY30 from a FY22 baseline, including an absolute reduction of scope 1 and 2 emissions of 40% by the end of FY26. The target applies to the entire Perenti group of companies and is underpinned by a scheduled pathway which will:

- Reduce scope 2 emissions using solar PV and renewable energy certificates in the short term (1-3 years).
- Introduce operationally and commercially suitable hybrid and electric equipment into the fleet with the support of a shadow carbon price (2-7 years).
- Neutralise residual emissions at the end of FY30 using high quality offsets (estimated to be 10-25% of the FY22 baseline).

The scope 1 and 2 target was set with consideration for the science-based target initiative (SBTi) criteria (but is not validated by the SBTi) and aligns with the goal of the Paris Agreement to limit global temperature rise to 1.5°C. Six-monthly reviews will be established to assess progress towards the target and, if necessary, revise the target to accommodate changes to business activities such as acquisitions.

We have incorporated emission reduction requirements into the short-term incentive plan (STIP) for leaders to drive reduction of operational control emissions across the business. The STIP requires executive positions to undertake greenhouse gas emission reduction initiatives aligned with our commitment of net zero scope 1 and 2 greenhouse gas emissions by the end of FY30.

OPERATIONAL CONTROL

SCOPE 1 Hydrocarbon consumption at our off-site workshops and onsite power generation.



SCOPE 2 Purchased electricity at our offices and off-site workshops.

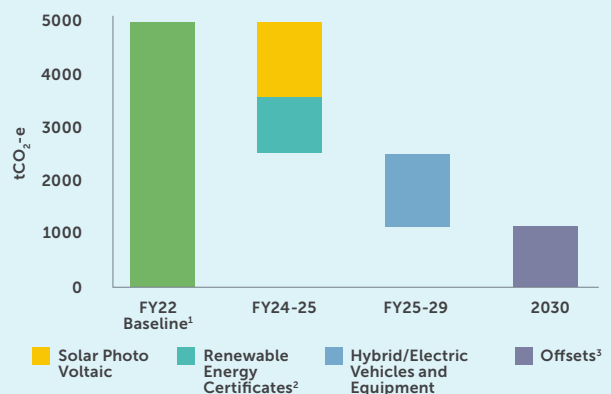


CLIENT & VALUE CHAIN

SCOPE 3 Vehicles and equipment provided to client sites, electricity at client sites, material value chain emissions, employee commuting etc.



Scope 1 and 2 Net Zero Pathway



1 Baseline excludes MinAnalytical and Well Control Solutions which were sold in FY22

2 A portion of our scope 2 emissions will be eliminated by purchasing Renewable Energy Certificates from our electricity providers, and transparently reported using the market-based method.

3 High quality carbon credits may be purchased to offset any residual hard to abate emissions.



Case study



ABB collaboration

Perenti signed an agreement in November 2022 with leading global technology company ABB to collaborate and explore approaches to support net zero emissions targets for underground and open-pit mines. Experts from the companies will work together to address electrification in mine hauling operations, power distribution, energy efficiency and power management.

Perenti's significant mining expertise is complemented by ABB's electrical expertise. Together, the teams plan to explore business models and solutions to deliver wider services to pilot brownfield and greenfield mining projects in support of the electrification of operations.

Recently, the Perenti ABB collaboration has been awarded its inaugural contract to undertake a study for the full underground electrification of IGO's Cosmos Nickel Project in Western Australia. All aspects of electrification will be considered in the study including mine design optimisation for electric operations, production and operating philosophy, fleet selection, power distribution and electrical infrastructure design, electrification system and battery management, ESG and safety impact analysis and cost modelling.

TASKFORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES: FY23 PROGRESS HIGHLIGHTS

Perenti has been progressively aligning with the Taskforce on Climate-related Financial Disclosures (TCFD) recommendations, and we are preparing to disclose in accordance with the International Financial Reporting Standard (IFRS) Sustainability Disclosure Standards.

We have consolidated climate-related financial disclosures on our corporate website [perentigroup.com](https://www.perentigroup.com) and will report on new initiatives and progress against targets here in the annual report. Notably, in FY23, our progress included undertaking qualitative climate scenario analysis and setting scope 1 and 2 emission reduction targets with a defined pathway.

Qualitative climate scenario analysis

Climate change has risen beyond a background factor to a specific, discernible source of disruption that requires action and planning.

In FY23, we partnered with a specialist consultant to identify and assess the physical and transitional climate-related risks and opportunities over different time horizons in accordance with TCFD recommendations.

The qualitative analysis used three physical and three transitional climate scenarios across two timeframes (2030 and 2050¹). Physical risks are modelled against the Intergovernmental Panel on Climate Change (IPCC) Shared Socio-economic Pathways from their AR6 Report 2021. Transition risks are modelled against numerous assumptions gathered from the International Energy Agency's World Energy Outlook scenario, as well as a Network for Greening the Financial System.

Physical risks

Multiple indicators were selected to assess the physical risks of climate change to Perenti, which are extreme heat, water stress and drought, extreme precipitation and flooding, extreme weather events, accumulation of chronic climate factors and sea level rise. When reviewing the IPCC scenarios, the following climate trends were noted to apply to our operations:

- Extreme precipitation events are currently being observed and are projected to increase in frequency and intensity in western and southern Africa, Eastern and Northern Australia and regions in North America.
- Extreme temperature is currently being observed and is projected to increase in frequency and intensity in all operational locations in Africa and Australia.
- Water stress is currently being observed and is projected to increase in intensity, particularly in the Sahel region in Africa and Western Australian regions.
- Chronic physical risks (extreme temperatures (+/-), humidity, winds, hail) are projected to become less predictable and more frequent over time in all areas of Perenti's operations.
- Acute extreme weather events are currently being observed and are projected to increase in severity and frequency in all areas of our operations.

By applying these regional trends to our organisational assets, operations and value chain we identified five physical risks as potentially material to Perenti (see table page 56). Under a "middle of the road" scenario, physical risks were found to present a low-to-moderate risk to 2030, with increased likelihood out to 2050. We have existing processes to manage each of these risks, and the analysis has been used to investigate where additional control may be required to manage increasing frequency and intensity of events.

¹ Perenti has defined short and long-term climate risks as those arising between now and 2030, and 2030–2050 respectively.



Physical risk	Existing management controls
Extreme weather event causing significant damage to infrastructure and machinery needed to operate and supply a mine site rendering it inoperable for an extended period of time.	<ul style="list-style-type: none"> • Early warning systems and evacuation procedures • Reviewing contractual terms to mitigate Perenti risk • Regional risk appetite • Tender and project risk assessments
An extreme precipitation event leading to the flooding of an underground mine resulting in multiple fatalities, operation stoppage and legal actions against Perenti.	<ul style="list-style-type: none"> • Upfront review of client's controls • Refuge chambers located at designated locations • Warning and evacuation procedures • Contractual mechanisms • Water Management Plans (site specific)
Water stress causing conflicts with local communities over remaining resources, which results in public or reputational damage, business disruption or operations continuity.	<ul style="list-style-type: none"> • Exiting high risk jurisdictions • Client engagement • Contractual protections • Capturing surface water runoff
Extreme heat causing employees to suffer severe health implications like heat stroke or heat exhaustion (which could be fatal). Consequential legal actions against Perenti.	<ul style="list-style-type: none"> • Individual and work area temperature monitoring • Heat stress-related training and awareness (especially for new starters) • Mine cooling and ventilation • Time limits on extreme work environment exposure
Combination of chronic factors undermines critical infrastructure resulting in operational disruption.	<ul style="list-style-type: none"> • Predetermined response plans • Regular maintenance and checks

Transition Risk and Opportunities

Multiple risk events were assessed across the TCFD's four categories of policy and legal, market, technology and reputational risk. Seven distinct transition risks were identified as being potentially material to Perenti, which were then reviewed for existing and potential controls, as well as market opportunities (see table below).

Topic	Transition Risk	Related opportunities and controls
Policy and legal	Contracts disproportionately expose Perenti to climate risk events.	We will examine contractual terms and our due diligence approach to better integrate climate risk into future contracts, with the intent of reducing exposure to contracts and projects in which a disproportionate exposure of physical risks rests with Perenti.
Market	Withdrawal of capital from emissions intensive activities results in lack of capital access.	There is a substantial opportunity for Perenti to be a leader in green mining and electrified mining contracting. We are progressing towards a low carbon future with the recent contract to undertake an electrification study for the full electrification of the IGO Cosmos underground nickel project. By taking action to reduce our emissions and partnering to develop lower carbon mines we are reducing the risks associated with lower capital access for emissions intensive activities.
	Clients are slow to transition or fail completely, causing counterparty risk.	We will further embed consideration of specific climate and sustainability factors in business decisions and particularly in the diligence process that informs where we are going to operate, how we will operate and with whom.
	Major geopolitical disruptions cause safety concerns, reduced mine access, and supply chain disruptions.	We undertake thorough risk assessments and emergency response plans are applied alongside robust safety protocols. By diversifying operational locations and suppliers we can minimise the impact of reduced mine access and supply chain disruptions in the event of geopolitical disruptions.
	Redistribution in commodity supply and demand causing market disruptions.	The duration of our contracts allows for adjustments based on market conditions and our diversified client base reduces dependence on a single buyer or market segment. We actively monitor supply and demand factors in order to make timely strategic decisions.
Technology	Abrupt shift to electrification results in bottlenecking of technology and capital.	Perenti is already experiencing bottlenecks when attempting to procure electric vehicles which may remain if supply cannot meet demand. To mitigate this, we regularly meet with all major OEMs to inform our electrification strategy and implementation timeline. Perenti is supporting full scale electric mining and increasing technological readiness by partnering with technology leaders such as ABB.
Reputation	Workforce attraction is limited due to lack of skilled workers and negative associations to mining industries.	We recognise that the transition to a lower carbon economy will require new and adapted skills, which necessitates investment in the quality of skills and the size of the workforce required to make this a success. By bringing sustainability to the core of our strategy we hope to increase the attractiveness of the industry to a new generation, thus helping to develop the skills needed for mining in the future.

Our next step is to use the qualitative scenario analysis as a foundation to quantify and assess the financial risks and opportunities associated with climate change. We will continue to assess and disclose climate-related risks and opportunities as part of our internal risk assessment process, with the aim of improving the level of detail over time.



ENVIRONMENTAL STEWARDSHIP

FY23 commitment	Status	Reference	In FY24 we will:
Develop and commence implementation of a Group Environmental Management Standard		Management System, page 57	<ul style="list-style-type: none"> ✓ Deliver a water awareness campaign at high water stressed sites.
Capture and disclose water use and waste for our office and workshop facilities		Waste, page 58	<ul style="list-style-type: none"> ✓ Review and update operational level environmental training programmes within the Contract Mining Division. ✓ Develop waste and water targets for our operational control sites.

HSE MANAGEMENT SYSTEM

Our ongoing commitment to delivering sustainable outcomes for people and our planet underpins Perenti's Health, Safety and Environment (HSE) management system.

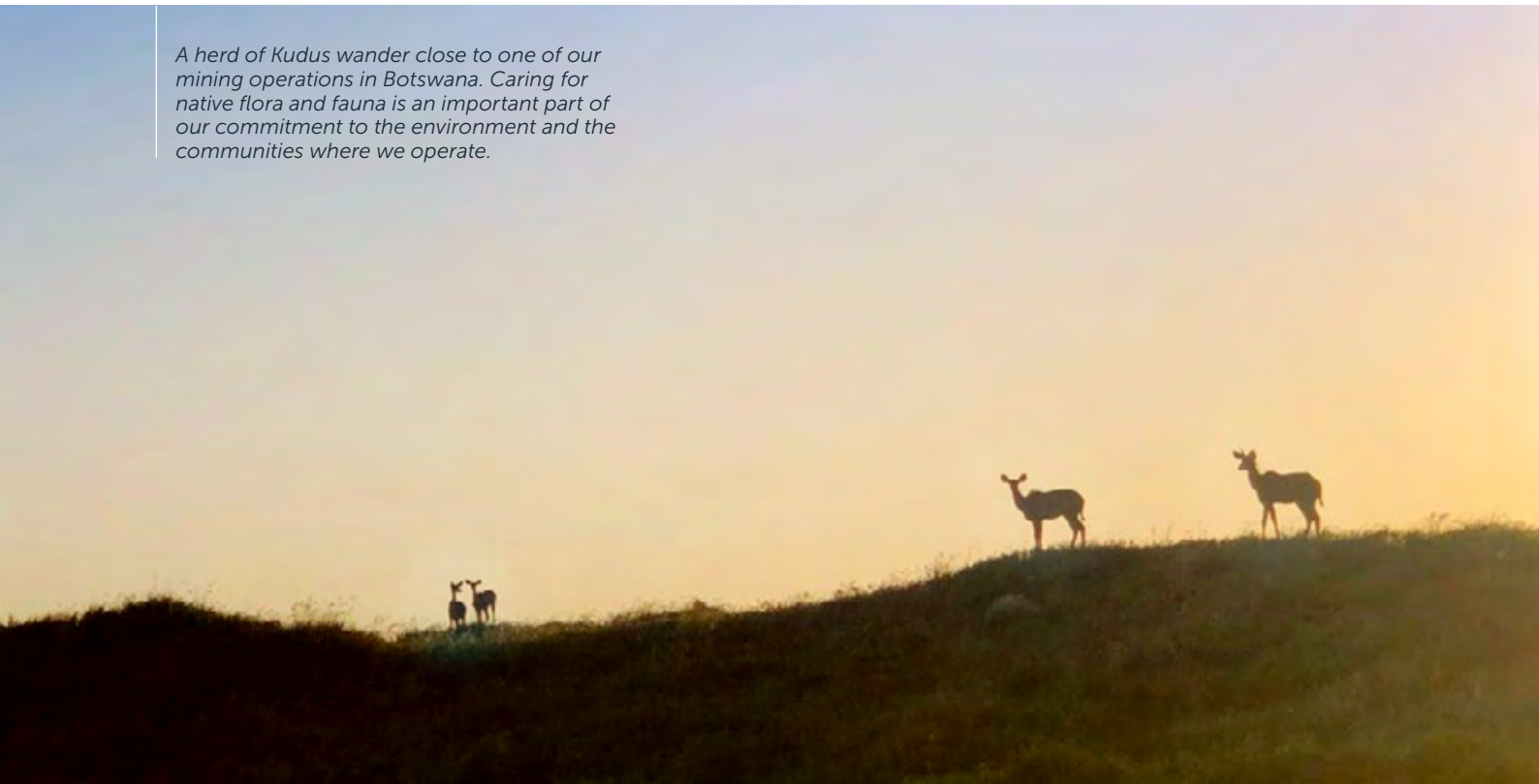
In FY23, we completed a review of our HSE Policy as we continue to sharpen our approach to our sustainability imperatives.

We developed a new Health, Safety and Well-being Policy and published a stand-alone Environment Policy outlining our commitment to managing the environmental impact of our activities and reflecting our aspiration to ensure the living environments we work in can continue to exist, thrive and evolve.

We released a Group-wide Sustainability Standard which ensures consistency and quality of environmental management across our divisions, including risk and impact assessment, training and inductions, incident investigation, data reporting and performance improvement. Together with our Environment Policy and Environmental Management System, this framework will guide our environmental management practices.

In addition, we improved our data reporting with the expansion of our HSE information system to capture water and waste data from our worksites where we have operational control. We will continue to track this data as well as develop metrics and targets for waste and water in FY24.

A herd of Kudus wander close to one of our mining operations in Botswana. Caring for native flora and fauna is an important part of our commitment to the environment and the communities where we operate.





6,365 m³

Waste sent to landfill*

2,378 m³

Waste diverted from landfill*

17,584 kl

Water used*

0

Projects in world heritage areas

0

Serious impact environmental incidents

*Waste and water are Australian locations only

OUR PERFORMANCE



Waste

In FY23, Perenti joined the Tyre Stewardship Australia (TSA), Offroad Tyre Recovery (OTR) Tyre and Conveyor Belt Sustainability Hub which brings together representatives from across the mining industry to improve OTR rubber product recovery. As the only mining services company to join the hub, we look forward to continuing conversations on responsible rubber disposal solutions.

In addition, we launched support and collection for the *Containers for Change* recycling scheme at our Perth (Western Australia) Contract Mining locations:

- At Canning Vale, our diverted waste raised funds for the Blue Tree Project, a charity that is helping to spark conversations about mental health and encouraging people to speak up about mental health concerns.
- At Hazelmere our diverted waste will raise funds in Q1 FY24 for the Royal Flying Doctor Service (RFDS) which uses the latest in aviation, medical and communications technology to deliver emergency medical and primary health care services to people who live, work or travel in rural and remote Australia.

In FY24, we will expand our waste disclosure to include our operational control sites outside of Australia.



Water

We recognise that water is a key input to mining and a shared natural resource. Water is provided by our clients on all sites and is outside of our operational control. Nonetheless, we value water as a precious resource and are committed to finding ways to reduce water use which is why water was a major consideration in our climate scenario risk assessment undertaken during the year.

i Refer to page 55 - Taskforce on Climate-related Financial Disclosure

In FY23, we collected water use data from our operational control sites and have disclosed them for the first time.

In FY24, we plan to do a water campaign for worksites that are identified as high risk of water stress sites within Australia and to engage our people on the importance of water as a resource.

In addition in FY24, we will also expand our disclosure by reporting our water use at operational control sites outside of Australia.



Biodiversity and protected areas

We acknowledge the rising risk that biodiversity loss poses to the environment and to the economy. As a mining service company, Perenti is aware that our sector faces high exposure to physical and transitional nature-related risks. We acknowledge that voiding 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. However, we continue to stay informed on the evolving nature-related disclosure expectations including the Taskforce for Nature-related Disclosure (TNFD).

Environmental incidents

Environmental incidents are classified on a scale of one to five, with category four and five incidents resulting in serious impact to the environment and regulatory action. We have continued our high environmental performance with zero serious impact environmental incidents occurring during the reporting year.

In partnership with GreenChair's *Re-use and Re-purpose Program*, Perenti was able to achieve:

2,920 kg

Material waste avoided

10.4 t CO₂-e

Emission savings through waste management

202

Items of furniture donated

15

Not-for-profits, charities and community groups supported





Acting ethically and responsibly

What this means for us:

- Perenti acts responsibly and with integrity.
- We are committed to transparent reporting, disclosure and engagement.
- We build mutually beneficial and trusting relationships that are critical to our business and benefit our stakeholders.
- We promote open and honest communication among employees at all levels of our organisation.
- We never compromise our standards and always respect and protect human rights.

FY23 commitment	Status	Reference	In FY23 we will:
Implement and embed new operating model and ways of working.		Operating model, page 59	Governance <input checked="" type="checkbox"/> Implement a revised risk appetite and tolerance framework <input checked="" type="checkbox"/> Conduct an externally facilitated evaluation of the Perenti Board Audit and Risk <input checked="" type="checkbox"/> Undertake an audit of the Health, Safety, Well-being and Sustainability Group Standards Security <input checked="" type="checkbox"/> Conduct second line assurance audits on Contract Mining and Mining Services emergency management plans Cyber Security <input checked="" type="checkbox"/> Commence implementation of the Cyber Security and Data Protection Group Standard across Perenti <input checked="" type="checkbox"/> Initiate the Perenti Risk and Information Security Management Program
Implement the Perenti Governance Framework, including a single document management platform.		Cyber and information security, page 61	
Undertake two crisis and two emergency management training exercises across the Group.		Security, page 60	
Conduct one second line assurance audit of the division level emergency management plan and project (site) emergency response plan.		Security, page 60	

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 2023, 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 FY23 Annual Report and are also available on Perenti's website.

The Board Charter requires a majority of directors to be independent. An assessment of the independence of each non-executive director was completed for FY23 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, the Safety & Sustainability Committee and the Nominations Committee.

The charters for these committees are available on Perenti's website. The members of the committees are all independent directors.

The Sustainability Committee was renamed the Safety & Sustainability Committee to emphasise the focus being afforded to health and safety.

The Safety & Sustainability Committee met in October 2022, March 2023 and June 2023. Going forward the Committee will meet quarterly.

Topics discussed by the committee included safety, engineering and technology controls for critical risks, safety improvement plans, sustainability strategy, sustainability targets and disclosure, climate change and decarbonisation, environmental management, community and indigenous engagement, human rights and modern slavery, security, investor expectations and emerging sustainability trends and standards. Safety and sustainability related issues are also discussed collectively by the Board.

OPERATING MODEL

In FY22, Perenti announced a strengthened business model that redefines the previous *Industry Sector Groups* into three complementary divisions; Contract Mining, Mining Services and idoba.

The three divisions are supported by Perenti's corporate centre which is responsible for supporting and enhancing the long-term success of the Group.

In FY23, we completed the implementation of this revised operating model, *The Perenti Way*, and new ways of working.



CODE OF CONDUCT

Our Code of Conduct sets out the standards of behaviour expected of our directors, employees, consultants, contractors and suppliers.

During the past year we continued to monitor 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, which is available in relevant local languages. 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 FY23, there were five disclosures made through the Speak Up Program that were classified as potential breaches of the Code of Conduct, all of which were investigated and actioned by Perenti in accordance with the findings of the investigation.

ANTI-BRIBERY AND CORRUPTION

Our Anti-bribery and Anti-corruption (ABAC) Policy sets out the Perenti's zero tolerance for any bribery or corruption in our global business dealings and operations.

The supporting Compliance Group Standard sets out the specific ABAC requirements of Perenti's employees and suppliers related to the policy. Consistent with this standard, no political donations or facilitation payments were made during FY23.

All material breaches of the ABAC Policy are reported to the Board and Audit & Risk Committee. One non-material breach of the ABAC Policy was reported in FY23 and was found to be unsubstantiated following investigation.

In FY23, we monitored compliance with the online Code of Conduct training modules for all Perenti employees. We also monitored compliance with our tailored ABAC module for employees working in high-risk roles including all supervisor positions and above, as well as those involved in commercial interactions such as procurement. A review of Perenti's online compliance training modules is underway to ensure alignment with the requirements of our governance framework.

In accordance with our ABAC Policy, all Perenti businesses are required to have a gift and hospitality register in place, maintained by nominated employees within each business.

TIMELY AND CONSISTENT DISCLOSURE

Perenti's Market Disclosure and Communications Policy outlines our commitment to providing shareholders and the market with full and timely information about our activities.

In FY23, Perenti made 111 announcements and disclosures via the Australian Stock Exchange with no breaches of continuous disclosure.

AUDIT AND RISK

Established in August 2020, our Internal Audit function is a critical part of Perenti's Assurance Framework and is governed by a charter approved by the Board's Audit & Risk Committee.

In FY23, our Internal Audit Function focused on supporting the development and implementation of a robust second line assurance program for Perenti.

In addition to this, five internal audits were completed in accordance with the internal audit plan approved by the Audit & Risk Committee. In each instance the audit included an assessment of the effectiveness of the relevant internal controls. Where a weakness in control was observed, a corresponding internal audit action was raised and agreed with management. Internal Audit actions are subject to our governance process and are tracked until they are closed.

Perenti's risk framework defines enterprise risks as those that are significant at a Group level, based on materiality, strategic time horizon and broader Group applicability. These risks are refreshed annually by the Board and Group Executive Committee and the most recent update included the refinement of our ESG related enterprise risk to focus specifically on climate change and decarbonisation.

SECURITY

We are committed to preventing, responding and recovering from any security and other events which may impact our people, the environment, our assets, business operations or reputation. As such, we continuously maintain a state of security, emergency and crisis preparedness.

Our management of security, emergency and crisis related risks is supported by a system of standards and associated plans and guidelines. This framework is regularly reviewed and updated in line with evolving security, emergency and crisis related information and trends.

During FY23, the Group Security, Emergency and Crisis Standard was developed and rolled out.

The Contract Mining and Mining Services emergency management plans were also updated, with second line assurance audits scheduled for FY24. In addition, the Mako Incident Response Plan was updated and training was delivered to applicable site employee, with the Cowal operations scheduled for training in Q1 FY24. Updates to these plans resulted in delays to our second line assurance audits, which will now be undertaken in FY24.



We continued to strengthen Perenti’s security, emergency and crisis management capability through the completion of crisis and emergency management training exercises. We also continued to build and enhance our relationships with key government and industry stakeholders such as the Department of Foreign Affairs and Trade, the Western Australian Police, the National Threat Advisory Committee and the UK Foreign Commonwealth Office.

CYBER AND INFORMATION SECURITY

In FY23, our Security and Risk Function continued to implement improvements from our Cyber Security Program, increasing our critical security controls across Perenti’s systems and processes. The priority focus was working with our divisions and security service partners to enhance and extend our detection and response capabilities across our complex technology environments.

This included refining our cyber security incident response processes and conducting a simulated cyber-attack scenario to test and improve upon our readiness to respond to a targeted cyber-attack. We conducted an extensive penetration testing regime, using the findings to drive various process and technology-based improvements throughout FY23.

Security education and awareness remained a focal point across Perenti in FY23. We worked with our divisions to reinforce shared and individual responsibility for the security of our business and to embed a more cyber-safe and security-aware culture across the organisation. Ongoing periodical independent assurance and control effectiveness testing was conducted by external service providers and partners with senior leadership briefing the Board quarterly on information security.

In FY24, we will initiate the Perenti Risk and Information Security Management Program, focusing on identity and access management, security incident detection and response, network security, and information management.

In addition, the new Perenti Governance Framework (PGF) went live in May 2023 and is accessible for employees in Perenti Corporate, Mining Services, idoba and a portion of Contract Mining. The new PGF platform will be rolled out to the rest of Contract Mining Division including Barminco, AMS, AUMS and Contract Mining projects in Q1 FY24.

INDUSTRY ASSOCIATION MEMBERSHIPS

Perenti, or its operating businesses, are members of industry associations or organisations including:



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





**Sustainability
Report** **20
23**

**Expect
More**



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 4, 45 Francis Street
Northbridge, Western Australia 6003

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 Limited shares are listed on the Australian Stock Exchange. ASX CODE: **PRN**
Perenti Limited's subsidiary USD notes are listed on the Singapore Exchange (SGX).

WEBSITE

perentigroup.com

Financial 20 Report 23

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ABOUT THIS REPORT

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

- The financial statements were authorised for issue by the directors on 21 August 2023. 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 Limited (the "Company") and the entities it controlled at the end of, or during, the year ended 30 June 2023.

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 and Chief Executive Officer)
- Mark Hine
- Alexandra Atkins
- Andrea Hall
- Timothy Longstaff
- Craig Laslett

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 30 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 LIMITED

The following table outlines dividends paid/payable to members during the financial year. On 21 August 2023, the directors determined that no ordinary dividend for the year ended 30 June 2023 (2022: nil) be declared in line with the Group's Capital Management Policy.

	23	22
	\$'000	\$'000
No dividends were determined for the year ended 30 June 2023 (2022: 2.0 cents unfranked dividend paid 20 October 2021).	-	14,108

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 underground hard-rock and surface mining services and other services to the mining industry, including equipment rental and parts manufacturing, logistics and supply chain solutions and technology and consulting solutions. 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 27 of this annual report.

DIRECTORS' 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 2023.

EVENTS SINCE THE END OF THE FINANCIAL YEAR

There are no 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

On 26 June 2023, Perenti and DDH1 Limited (ASX: DDH) ("DDH1") announced that they will enter into a binding Scheme Implementation Agreement under which DDH1 will combine with Perenti to create the ASX's leading contract mining services group (Proposed Transaction). Under the terms of the Proposed Transaction, DDH1 shareholders will receive (for each DDH1 share held) \$0.1238 cash plus 0.7111 Perenti shares. Completion is anticipated to occur by October 2023, however the Proposed Transaction is conditional upon the satisfaction of conditions including approval by the requisite majorities of DDH1 shareholders and approvals by Court.

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 27.

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

Robert 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 Synergy, Southern Ports, Landgate and the Australian Petroleum Production and Exploration Association. Prior to joining the oil and gas industry, Rob was a partner in the law firm now known as King & Wood Mallesons.

Mr Cole is currently Chair of Iluka Resources Ltd, Chair of Perth Airport Pty Ltd 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 of listed entities 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 Safety and Sustainability Committee from 1 January 2022 to 1 January 2023

Chair of the Nomination Committee

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 25-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 of listed entities in last 3 years

None

Special responsibilities

Managing Director & Chief Executive Officer

Interests in shares and options

933,980 ordinary shares

4,952,599 LTI rights over ordinary shares, issued

515,961 STI rights over ordinary shares issued

Up to a maximum of 284,463 STI rights over ordinary shares granted, not yet issued at 30 June 2023

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 Pasmenco, Broken Hill/Elura Mines.

Other current directorships of listed companies

None

Former directorships of listed entities in last 3 years

None

Special responsibilities

Chair of the People and Remuneration Committee
Member of the Safety and Sustainability Committee
Member of the Nomination Committee

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 is also a member of 30% Club's National Steering Committee.

Ms Atkins 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 (Wirralie & Pajingo); Mining Engineer for Mt Isa Mines Ltd (Newlands); Underground Miner/Airleg Miner for Plutonic Resources (Mt Morgans); Underground Miner, Mining Engineer/Deputy Mine Manager and Geotechnical Engineer for Placer Dome Asia Pacific (Porgera JV, Kidston & Osborne); and Mining Engineer for Murchison United (Renison). 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.

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. She was one of 2018's 100 Global Inspirational Women In Mining (WIMUK) and was inducted into the Western Australia Women's Hall of Fame in 2019.

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 of listed entities in last 3 years

None

Special responsibilities

Member of the People and Remuneration Committee from 22 October 2022

Member of the Safety and Sustainability Committee

Member of the Nomination Committee

Interests in shares and options

66,166 ordinary shares

INFORMATION ON DIRECTORS (CONTINUED)



Andrea Hall

*FCA, GAICD, MAppFin, 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 risk management, corporate and operational governance, internal audit, external audit, financial management and strategic planning. Ms Hall commenced her career at KPMG in 1987, before retiring from the firm in 2012 as a Risk Consulting Partner.

Ms Hall is an experienced non-executive director and currently serves as a non-executive director on the boards of listed and non-listed entities, including Evolution Mining Ltd, Core Lithium Ltd, the AFL Fremantle Dockers, the Insurance Commission of Western Australia and the Commonwealth Superannuation Corporation (from 1 July 2023).

Ms Hall holds a Bachelor of Commerce degree from the University of Western Australia, a Graduate of the Australian Institute of Company Directors, 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. Ms Hall has also completed a Masters in Applied Finance (Corporate Finance).

Other current directorships of listed companies

Non-Executive Director of Core Lithium Ltd since May 2023

Non-Executive Director of Evolution Mining Limited since October 2017

Former directorships of listed entities in last 3 years

Non-Executive Director of Pioneer Credit Limited from November 2016 to February 2023

Special responsibilities

Chair of the Audit and Risk Committee

Member of the People and Remuneration Committee

Member of the Nomination Committee

Interests in ordinary shares

142,500 ordinary shares



Timothy Longstaff

*BEC, FCA, GAICD, FFIN
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, Tim 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 Senior 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. He has been a strategic partner and advised the Boards and CEOs of leading Australian and international companies on numerous transformational M&A and capital markets transactions.

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 Tim 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; ASX-Listed Aurizon Holdings Limited; Aurizon Network Pty Ltd; Snowy Hydro Limited; and of the George Institute for Global Health. Tim 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

Non-Executive Director of Aurizon Holdings Limited since June 2023

Former directorships of listed entities in last 3 years

None

Special responsibilities

Member of the Audit and Risk Committee

Chair of the Safety and Sustainability Committee

Member of the Nomination Committee

Interests in ordinary shares

143,500 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 of listed entities in last 3 years

None

Special responsibilities

Member of the Safety and Sustainability Committee from 1 January 2023

Member of the Nomination Committee

Interests in ordinary shares

101,000 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 2023 and the numbers of meetings attended by each director were:

	Full meetings of directors		Meetings of committees							
			Audit & Risk		People & Remuneration		Safety and Sustainability		Nomination	
	A	B	A	B	A	B	A	B	A	B
Robert Cole - Chair	13	13	4	4	4	4	1	1	1	1
Mark Norwell	13	13	*	*	*	*	*	*	*	*
Mark Hine	13	13	*	*	4	4	3	3	1	1
Alexandra Atkins [#]	12	13	*	*	2	2	3	3	1	1
Andrea Hall	13	13	4	4	4	4	*	*	1	1
Tim Longstaff	13	13	4	4	*	*	3	3	1	1
Craig Laslett	13	13	*	*	*	*	2	2	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 Limited's (Perenti or Group or Company) Remuneration Report for the financial year to 30 June 2023.

The report that follows this letter 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 2023 financial year.

Our Performance

In FY23, the Company delivered record financial results, exceeding our original market guidance, with an underlying EBIT(A) of \$264.1 million and revenue of \$2.9 billion. In addition to record financial results, significant progress was made in transforming our operating model and establishing key sustainability imperatives linked to our strategy, namely *caring for our people and communities, valuing the environment and enabling the energy transition, and acting ethically and responsibly*.

Throughout the year, Management have continued to deliver on our 2025 Strategy, by focusing on business performance, capital management and organisational health. Several key outcomes in FY23 were:

- Establishment of a Safety Taskforce with the primary objective to support the Perenti organisation in significantly improving the management of critical risk and health and safety performance more broadly.
- Significant positive share price performance in the financial year, increasing by almost 60%.
- Delivered on capital management initiatives and continued to simplify the portfolio, strategically exiting Mali and entered an agreement for the sale of non-core power infrastructure in Senegal.
- Significant contract wins valued at a total of \$1.4 billion
- Renegotiated several key African contracts with improved commercial terms.
- Operational outperformance through the commitment of our people and by capitalising on improved commercial conditions and easing macro-economic climate, resulting in the delivery of strong revenue, earnings and profit.
- Announced an allocation of 10 to 20% free cash flow to future facing investment opportunities, including transformative safety initiatives.
- Accelerated the implementation of the *It's Not OK* framework for response and action, which is a comprehensive multi-year plan that seeks to eliminate harmful behaviour from our workplaces.
- Developed an Inclusion and Diversity Roadmap which outlines gender targets and the key steps we will take to achieve significantly improved gender participation and outcomes.
- Joined the HESTA 40:40 Vision which sets a commitment to gender equity targets for our Board and executive leadership by 2030.
- Continued to progress the implementation of the Sustainability Strategy which has included conducting climate scenario analysis and setting greenhouse gas emission reduction targets. Our commitment to decarbonisation has resulted in investment in solar panels and purchasing of renewable energy for workshop and office facilities and the continued investment in low emission mining fleet for our operations.
- Awarded our first contract to undertake a study for the full underground electrification of a nickel project in collaboration with ABB, a leading global technology company.

While I have highlighted Perenti's strong financial and operational performance, we are deeply saddened by the loss of two of our employees, Dylan Langridge and Trevor Davis, due to a tragic incident at the Dugald River Underground Project in Queensland on the 15 February 2023. The formal investigations, including those undertaken by Queensland's mining industry regulator, as well as our own internal investigations, continue to progress.

I will expand on our ongoing focus to improve safety in the next section, however our overall performance, including the above achievements, are simply not possible without our highly valued and dedicated employees. We very much appreciate and value the efforts of all our employees across the globe, who consistently strive to outperform for our clients, which in turn supports our shareholders and our other stakeholders.

Safety at Perenti

Our business operates with considerable safety risk, particularly the underground mining business, growing at almost 30% compound annual growth rate (CAGR) of revenue over the last five years. Perenti is a leading underground hard rock mining services provider globally and we operate 25 underground mines on behalf of our clients. This work in underground mining is dynamic, inherently hazardous, difficult and people intensive. Data from the West Australian Department of Mines, Industry Regulations and Safety shows that globally, between 2016-17 and 2020-21 the fatal injury incidence rate for underground mining was 2.9 times higher than that of surface operations. We take full responsibility for the safety of our operations and seek to continuously learn and improve, and it is important that our stakeholders understand the nature of the work that we perform, and the risks involved.

The Board recognises that the safety of our people is an absolute imperative, and we are committed to doing everything we can to ensure our people are safe in the workplace. In recent years, and given prior years' fatalities, a significant number of safety initiatives have been introduced including an independent review of our Contract Mining Division's safety culture, capability and processes. Building on this work throughout FY23, the Company has (amongst other initiatives):

- Enhanced our critical risk management and critical control tools.
- Achieved a 22% improvement in the TRIFR metric decreasing from 6.9 in FY22 to 5.4 in FY23.
- Progressed the development of technology for collision avoidance systems, particularly for our underground mobile plant fleet.
- Developed and deployed a No shortcuts campaign, which seeks to reinforce the practices required to support this Perenti Principle.
- Released a mental health awareness application, Unmind, for Australian based employees.

In addition to the above, the Managing Director & CEO (**MD & CEO**) implemented a Safety Taskforce immediately following the Dugald River tragedy which includes a non-executive director and two external independent safety experts.

FY23 remuneration outcomes overview

The Board has assessed the FY23 remuneration outcomes to ensure we continue to retain and engage our executives through incentivising and rewarding strong business performance. Importantly, this includes taking into consideration safety outcomes and shareholder experience.

The tragic loss of Dylan and Trevor has had a direct impact on executive remuneration outcomes in FY23. Whilst the Board is fully supportive of executive management, it is appropriate that Board discretion is applied in circumstances such as these.

REMUNERATION REPORT (CONTINUED)

To this end, the Board acknowledges the safety gateway within the scorecard has not been met, however in addition, the Board has applied a further two elements of downward discretion. This application of downward discretion is summarised below:

- **Safety Gateway:** The 20% safety component of the STI business scorecard has been reduced to 0% as per the scorecard gateway mechanism. This reduced the business outcome down to 117.5%.
- **Additional scorecard downward discretion:** The Board accepted a recommendation from the MD & CEO to apply an additional 5% downward discretion to the STI business scorecard due to fatalities in FY23 and prior periods. This further reduced the business outcome from 117.5% to 112.5%.
- **Executive KMP individual performance downward discretion:** A further downward discretion of 10% has been applied to the individual performance outcomes of the MD&CEO and President Contract Mining.

The Board believes that this approach represents a balanced response given the loss of two of our colleagues.

The following sections provide more detail in relation to the FY23 remuneration outcomes, including further detail of the approach taken in relation to the fatalities.

Changes to Executive KMP remuneration in FY23

The Board reviewed the Executive KMP remuneration and no change was made to the Total Fixed Remuneration (TFR) of the MD&CEO and President Contract Mining. However, due to the movement in the market reflected in the Executive survey data for the Chief Financial Officer (CFO), combined with sustained high performance, the CFO was provided with a 12.5% TFR increase to \$675,000.

In addition, as disclosed in the FY22 Remuneration Report, we have now aligned our Executive KMP vesting schedules under our STI plan with the broader participants. This change is in accordance with advice sought from Godfrey Remuneration Group to ensure our STI targets remain market competitive. The target opportunity changed for the MD&CEO and President Contract Mining from 50% to 67% of maximum and the CFO from 35% to 47%. Importantly, the Executive KMP STI maximum remains unchanged.

FY23 Short term incentive (STI) remuneration outcomes

The annual STI Scorecard provides for a business outcome and an individual performance outcome, which, when combined, generates the STI outcome. The Board has reviewed both elements and the outcomes are provided below.

The business scorecard outcomes are summarised as follows:

- While TRIFR performance would have achieved 'stretch' and progress on critical control system verifications would have reached 'threshold' performance, due to the tragic fatalities, the fatality gateway for the safety metrics was not met. This resulted in the 20% allocated to the safety component of the business outcomes being reduced to 0%.
- The scope 1 and 2 greenhouse gas emission reduction initiatives set for FY23 achieved target performance and have placed Perenti in a position to set formal targets from FY24.
- For the operating model strategic measure, Management achieved stretch performance due to the successful achievement of the operating model implementation plan, which has positioned us well to realise further value in FY24 and beyond.
- For the financial measures, the Group Financial EBIT(A) metric achieved stretch performance, Perenti operating cash generation achieved stretch performance and underlying EBIT(A) as a % of revenue achieved stretch performance.

In FY23, the Board assessed the MD&CEO's individual performance at 135%, President Contract Mining at 130% and CFO at 125%. However, due to the fatalities in FY23 and prior years, the Board has accepted the recommendation by the MD&CEO to apply a further reduction to himself and the President of Contract Mining as the accountable line leaders for these tragic events. This has resulted in the individual performance assessment for these two Executive KMP being adjusted down by 10% to 125% and 120% respectively. It was agreed that the CFO's individual performance would not be adjusted due to the functional nature of this role.

The application of the business scorecard, as well as further downward discretion on the scorecard and individual performance measures has led to a FY23 outcome for the MD&CEO of 94.2%, the CFO of 94.4% and the President Contract Mining of 90.5% of maximum STI opportunity.

Long term incentive (LTI) remuneration outcomes

The Perenti LTI awards granted in FY20 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 did not vest. However, the return on average capital employed (ROACE) component met threshold performance. The combined performance provided for an overall 23.55 per cent vesting outcome of the possible LTI opportunity. The Board believes this outcome is reflective of the company's performance over the LTI performance period.

Board remuneration outcomes

The Board Chair and non-executive director fees increased by 10% effective January 2023. The increase encompassed CPI movement and legislative superannuation increases since the last non-executive director fee increase in 2020. There were no increases to committee member fees.

Summary

Last year the Company received an 87.42% vote 'for' the remuneration report. While this indicates support for our remuneration practices, we recognise that there is always room for improvement.

The Board considered the feedback received last year, balancing that against the need to ensure shareholder value creation and motivate and retain our executives, and the actions taken in this Remuneration Report reflect that.

Whilst this year delivered strong financial performance and we are extremely proud of our people and their continued efforts to improve the business; we remain deeply saddened by the deaths of Dylan and Trevor.

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 FY23 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 FY23
3. Remuneration Strategy and Principles
4. FY23 Remuneration Changes
5. Outcomes in FY23
6. FY23 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 FY23

The tables below confirm all the Non-Executive Directors and Executive KMP covered by the FY23 Remuneration Report. All terms are full year terms, except where noted.

Non-executive Directors (NEDs)

Robert Cole	Chairperson Audit and Risk Committee – Member People and Remuneration Committee – Member Safety and Sustainability Committee – Member* Nomination Committee – Chair
Mark Hine	Non-Executive Director People and Remuneration Committee – Chair Safety and Sustainability Committee – Member Nomination Committee – Member
Alexandra Atkins	Non-Executive Director People and Remuneration Committee – Member** Safety and Sustainability Committee – Member Nomination Committee – Member
Andrea Hall	Non-Executive Director Audit and Risk Committee – Chair People and Remuneration Committee – Member Nomination Committee – Member
Tim Longstaff	Non-Executive Director Audit and Risk Committee – Member Safety and Sustainability Committee – Chair Nomination Committee – Member
Craig Laslett	Non-Executive Director Safety and Sustainability Committee – Member*** Nomination Committee – Member

*Part term until 1 January 2023

**Part term from 31 October 2022

***Part term from 1 January 2023

Executive Key Management Personnel (KMP)

Mark Norwell	Managing Director and Chief Executive Officer (MD & CEO)
Peter Bryant	Chief Financial Officer (CFO)
Paul Muller	President Contract Mining

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 employees 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	STAKEHOLDER 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 its 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, relative to the market it is operating within.	Can be easily explained and understood by internal and external stakeholders.

REMUNERATION FRAMEWORK

ELEMENT	Total Fixed Remuneration (TFR)*	Short-Term Incentive (STI), Discretionary or Operational Bonus	Long-Term Incentive (LTI)
HOW IS IT DELIVERED	Cash and Superannuation	Cash and equity for selected employees	Equity for selected employees
HOW IT WORKS	<p>Provided as cash and statutory superannuation contributions.</p> <p>Non-Executive Directors, Group Executives and Vice Presidents base salary is reduced to offset statutory superannuation increases. All other roles receive the full statutory super increase.</p>	<p>Award outcome is calculated as business outcomes x individual STI modifier.</p> <p>For Group Executive, any STI Award payment is provided as two thirds in cash and one third as STI Rights deferred for 12 months.</p> <p>STI Rights are subject to malus and clawback.</p>	<p>Provided as Performance Rights subject to a three-year performance period.</p> <p>Measured against strategically focused performance metrics.</p> <p>Subject to malus and clawback.</p>
HOW IS IT POSITIONED	Positioned at the 50 th percentile of comparative benchmarking data, except for Underground Operation roles which are positioned at the 62.5 th percentile.	Target Total Reward including TFR, STI and LTI at target outcomes is positioned at the 62.5 th 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

*Additional non-monetary benefits may be provided as applicable to the employee's role.

REMUNERATION REPORT (CONTINUED)

4. FY23 Remuneration Changes

The following updates to the FY23 remuneration approach were made.

ADJUSTMENTS WITHIN THE REMUNERATION FRAMEWORK	FY22 APPROACH	CHANGE IN FY23	ALIGNMENT TO REMUNERATION PRINCIPLES AND RATIONALE
TOTAL FIXED REMUNERATION (TFR)	Remuneration Review adjustments as reported in the 2022 annual report.	CFO remuneration increased by 12.5% from \$600,000 to \$675,000 from 1 October 2022.	<p>ATTRACT AND RETAIN, MARKET COMPETITIVE</p> <p>Due to movement in the Executive survey data and sustained high performance, the benchmarking against peers of comparable market capitalisation and revenue indicated the CFO was paid below market. The Board provided an increase to the CFO's TFR to ensure competitiveness in the market and retention of a key member of the Executive team.</p>
STI SCORECARD AND TARGETS	Adjustment to align business outcomes scorecard for all Executive KMP as reported in the 2022 annual report.	<p>As disclosed in the FY22 Remuneration Report, we have now aligned our Executive KMP vesting schedules under our STI plan with the broader workforce, in accordance with advice sought from Godfrey Remuneration Group to ensure our STI targets remain market competitive.</p> <p>The target opportunity changed for the MD & CEO and President Contract Mining from 50% to 67% of maximum and the CFO from 35% to 47%. However, the Executive KMP STI maximum remains unchanged.</p>	<p>ATTRACT AND RETAIN, MARKET COMPETITIVE</p> <p>Ensures the Executive KMP reward is aligned to market practice and the broader Perenti workforce.</p>
STI SCORECARD MEASURES	<ul style="list-style-type: none"> No Sustainability metric. No strategic metric. Financial stability metric – EBITD(A) cash conversion. One financial performance metric – underlying Group EBIT(A). 	<p>Introduction of sustainability metric:</p> <ul style="list-style-type: none"> Progress against scope one and two greenhouse gas emission reduction initiatives. <p>Introduction of strategic metric:</p> <ul style="list-style-type: none"> Delivery of operating model implementation plan. <p>Updated financial stability measure to:</p> <ul style="list-style-type: none"> Perenti operating cash generation. <p>Introduction of an additional financial performance measure:</p> <ul style="list-style-type: none"> Underlying EBIT(A) as a % of revenue. <p>Removal of Growth metric</p> <ul style="list-style-type: none"> End FY22 Work in Hand to FY22 Revenue ratio. <p>Adjustment of a safety metric</p> <ul style="list-style-type: none"> Percentage of 'above the line' actions from SPI investigations. The removal of the SPI investigation metric reflected Perenti's achievement in FY22, in which stretch was achieved. The critical importance of robust safety metrics is reflected in the FY23 STI scorecard with the inclusion of TRIFR and Critical Control Verification System completion. 	<p>MARKET COMPETITIVE SHAREHOLDER ALIGNMENT, PAY FOR PERFORMANCE</p> <p>Ensures alignment to market and shareholder interests.</p> <ul style="list-style-type: none"> The sustainability metric relates to the continued focus on our 2025 strategy of year-on-year improvement in sustainability performance and responds to the market shift to an increased focus on linking ESG to performance measures among peer mining services and owner operators. The strategic metric was introduced to incentivise and drive achievement of shorter-term strategic priorities, strengthening the position to achieve the 2025 business strategy and beyond. The financial metrics were refined to further support the achievement of the 2025 business strategy. A key focus of our business performance is delivering quality cash profits and effective capital management.

REMUNERATION REPORT (CONTINUED)

5. Outcomes in FY23

(a) Company performance

The Company intends there to be a clear link between Company performance and remuneration outcomes. 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 FY19 – FY23

	23	22	21	20	19
	\$'000	\$'000	\$'000	\$'000	\$'000
Sales revenue	2,880,136	2,437,656	2,087,542	2,046,058	1,638,392
Underlying EBIT(A) [^]	264,104	176,293	170,787	211,708	180,707
Operating profit before income tax [*]	170,936	93,484	22,369	107,146	268,554
Profit/(loss) after tax attributable to equity holders	95,739	40,658	(55,140)	23,837	181,326
Net profit/(loss) after tax	102,586	42,486	(52,303)	27,555	182,281
Share price at start of year (\$ per share)	0.66	0.67	1.16	1.83	1.84
Share price at end of year (\$ per share) ^{**}	1.03	0.66	0.67	1.16	1.83
Dividends paid/payable	-	14,108	49,272	48,043	42,602
Basic earnings/(loss) (cents per share) from continuing operations	13.9	5.8	(7.8)	3.5	30.0
Diluted earnings/(loss) (cents per share) from continuing operations	13.4	5.7	(7.8)	3.5	29.8
Total Recordable Injury Frequency Rate (TRIFR)	5.4	6.9	5.1	4.9	4.5

^{*} Does not include impairment expense

[^] Non IFRS Measure

^{**} Prior to the DDH1 drilling acquisition announcement, the 10 day VWAP up to and including 23 June 2023 is \$1.2255. This 10 day VWAP more accurately reflects the Company's share price performance over the financial year.

REMUNERATION REPORT (CONTINUED)

5. Outcomes in FY23 (continued)

(b) FY23 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 FY23 STI scorecard business outcomes for the Executive KMP, with additional details on the performance measures described below.

Table 2 – FY23 STI business outcomes for the Executive KMP

Category	Performance measure	Target Weighting %	Threshold	Target	Stretch	Performance Outcome %	Adjusted Outcome %	Outcome detail
Sustainability	TRIFR	5			●	7.5	0	Fatality gateway was not met and this component was therefore forfeited. TRIFR was performing above stretch performance.
	Critical Control System Verification completion	15	●			7.5	0	Fatality gateway was not met and this component was therefore forfeited. Metric was performing at threshold performance.
	Progress against scope 1&2 greenhouse gas emission reduction initiatives	5		●		5.0	5.0	Achieved 100% against a 100% target providing target performance.
Financial performance	Underlying Group EBIT(A)	40			●	60.0	60.0	Achieved stretch performance. Underlying EBIT(A) \$264 million based on Perenti's net interest in subsidiaries achieved against a \$195 million target.
	Underlying EBIT(A) as a % of revenue	10			●	15.0	15.0	Achieved 9.2% against a 7.9% target providing stretch performance.
Financial stability	Perenti operating cash generation	20			●	30.0	30.0	Achieved \$239 million against a \$37 million target providing stretch performance.
Strategic	Delivering on operating model implementation plan	5			●	7.5	7.5	Achieved 110% against a 100% target providing stretch performance. This measure incorporated achievements such as, a revised organisational design, a Perenti Governance Framework and development and implementation of associated Group standards. In addition, achievement of enhanced understanding of behaviours which support and accelerate business performance.
						132.5	117.5	Overall business performance provided for a target to stretch outcome.
							112.5	Final outcome with a 5% downward discretion applied, as a result of the tragic fatalities.

● FY23 Performance outcome

In addition to Executive KMP and the Executive team, the STI Plan was provided to a further 77 participants across the Group.

REMUNERATION REPORT (CONTINUED)

5. Outcomes in FY23 (continued)

(c) FY23 downward discretion

The downward discretion applied to the overall business outcome for the FY23 STI recognises Perenti's absolute focus on the safety of our people.

On recommendation from the MD & CEO the Board has exercised its discretion and applied 5% downward discretion to the business scorecard for all participants of the FY23 STI plan. The downward discretion represents an additional response to the tragic fatalities at Dugald river and prior year fatalities, on top of the 20% automatically applied in the business scorecard.

In recent years a significant number of safety initiatives have been introduced. The Company has escalated our safety response since the loss of Dylan and Trevor and recognises that we must continue to enhance our safety performance, particularly as we increase our exposure to underground mining, and as such, for FY24, we have committed to:

- Develop and implement a front-line leadership development program.
- Revise and improve the Critical Risk Management program bespoke to the Divisional risk profile.
- Review and update the measures used to monitor safety performance and improvement outcomes.
- Undertake third-party verification of health and safety data (SPIFR and TRIFR).
- Undertake an Audit of the Health, Safety & Wellbeing and Sustainability Group Standards.

(d) FY23 individual outcome for Executive KMP

In addition to the business outcome of the 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 place to protect against the risk of unintended and unjustified STI award outcomes.

The assessed FY23 individual outcomes for Executive KMP ranged from 125% to 135%. However, additional downward discretion by the Board has seen these outcomes reduced by 10% for the MD&CEO and President Contract Mining which sees an adjusted range of 120% to 125%. The table below provides a summary of the outcomes and rationale.

Executive KMP	Individual modifier	Adjusted outcome	Rationale for modifier
Mark Norwell (MD & CEO)	135%	125%	Transformed the operating model to support future growth strategy including a significant driver of acquisition strategy, providing greater value to shareholders. In addition, FY23 has seen a significant increase in financial performance, with all financial metrics achieving a stretch outcome, notwithstanding the significant operational challenges faced throughout the year. Drove the approach to the safety transformation, which built upon the cultural transformation work which was commenced in FY22. This has been demonstrated through the establishment of the safety transformation taskforce which he chairs, along with implementing a number of initiatives to drive organisational change, such as a leading advocate for elimination of harmful behaviours in our workplace and a driver of gender balance, contributing to competitive total shareholder returns over time. Overall, and with the support of a high performing and capable Group Executive Committee, significant progress continues to be made to deliver current priorities and further strengthen the business position for the future. With the tragic fatalities of Dylan and Trevor, the 20% fatality gateway in the business scorecard has been applied. In addition, a further 5% downward discretion was applied to the overall business scorecard outcome, and an additional 10% reduction was made to the MD & CEO's individual performance outcome.
Peter Bryant (CFO)	125%	125%	Increased leadership presence across the business and continued to build strong external engagement. Pro-active in delivering 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 redesigning the Perenti group strategy and developing a revised operating model for the business. With the tragic fatalities of Dylan and Trevor, the 20% fatality gateway in the business scorecard has been applied. In addition, a further 5% downward discretion was applied to the overall business scorecard outcome for the CFO.
Paul Muller (President Contract Mining)	130%	120%	Achieved record financial outcomes for Contract Mining whilst navigating significant macro challenges. Played a key role, along with other Group Executives, in influencing the strategy and implementation of the revised operating model. Additionally, is an executive sponsor of the <i>It's Not OK</i> program and key executive member of the safety taskforce, contributing to the progress of our sustainability imperatives and the improvement in our health and safety performance. With the tragic fatalities of Dylan and Trevor, the 20% fatality gateway in the business scorecard has been applied. In addition, a further 5% downward discretion was applied to the overall business scorecard outcome, and an additional 10% reduction was made to the President Contract Mining's individual performance outcome.

REMUNERATION REPORT (CONTINUED)

5. Outcomes in FY23 (continued)

(e) Overall FY23 STI outcomes

The overall FY23 STI outcome as determined through the Board's assessment of the business outcomes and application of the individual outcome is represented in the Table 3 below.

Table 3 – Overall FY23 STI award outcomes for the Executive KMP

Executive KMP	Maximum STI opportunity	Target 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)	STI cash portion	Deferred STI Rights portion ^[1]	% of maximum STI awarded	% of maximum STI forfeited
	\$	\$	%	%	%	\$	\$	\$	%	%
Mark Norwell (MD & CEO)	1,110,000	743,700	112.5	125.0	140.6	1,045,828	697,219	348,609	94.2	5.8
Peter Bryant (CFO)	472,500	317,250	112.5	125.0	140.6	446,133	297,422	148,711	94.4	5.6
Paul Muller (President Contract Mining)	962,800	645,076	112.5	120.0	135.0	870,853	580,568	290,285	90.5	9.5

[1] One third of the STI award is deferred into STI Rights that will be granted around October 2023 and will be eligible to vest into Perenti shares 12 months later subject to Board approval.

(f) FY20 LTI vesting outcome

Our FY20 LTI grant was tested for performance following the end of the performance period on 30 June 2022. 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 15.6% which achieved vesting of 47.09% of the ROACE Rights.

As a result, an overall vesting outcome of 23.55% was achieved against the maximum FY20 LTI opportunity.

Table 4 – FY20 LTI outcome vesting in FY23

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)	568,182	133,778	960,000	83,598	(876,402)	23.55	76.45
Peter Bryant (CFO)	236,151	55,602	399,000	34,746	(364,254)	23.55	76.45
Paul Muller (President Contract Mining)	344,016	80,999	581,250	50,616	(530,634)	23.55	76.45

[1] Value at grant is the FY20 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 June 2019, which was \$1.6896.

[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 2022, which was \$0.6249.

(g) FY23 Executive KMP LTI grant

For our FY23 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 – FY23 LTI offering

Executive KMP	LTI opportunity (% of TFR)	LTI opportunity	10 Day VWAP	Offered Performance Rights ^[1]	Target LTI (% of TFR) ^[2]	Target LTI	Grant date
	%	\$	\$	\$	%	\$	
Mark Norwell (MD & CEO)	120	1,332,000	0.6249	2,131,541	60	666,000	14 October 2022
Peter Bryant (CFO)	75	450,000	0.6249	720,115	37.5	225,000	20 March 2023
Paul Muller (President Contract Mining)	75	722,100	0.6249	1,155,545	37.5	361,050	20 March 2023

[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 2022, which was \$0.6249.

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

5. Outcomes in FY23 (continued)

(h) Statutory disclosure of FY23 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 FY23.

Table 6 – Executive KMP remuneration

Name	Year	Fixed Remuneration					Variable remuneration			Total
		Cash Salary	Non-monetary benefits	Leave entitlements ^[1]	Post-employment benefits (Super)	Other ^[2]	STI cash payment	STI Rights ^[3]	Performance Rights ^[4]	
EXECUTIVE KMP										
	2023	1,084,708	42,155	15,461	25,292	-	697,219	531,827	1,587,626	3,984,288
M Norwell	2022	1,086,432	42,155	(5,710)	23,568	-	644,850	322,424	512,323	2,626,042
	2023	630,958	-	44,840	25,292	-	297,422	199,918	412,697	1,611,127
P Bryant^[5]	2022	566,432	-	26,171	23,568	-	224,477	112,239	182,221	1,135,108
	2023	937,515	-	58,824	25,292	187,500	580,568	412,775	671,233	2,873,707
P Muller	2022	939,234	-	671	23,568	-	536,961	268,480	289,194	2,058,108
Total executive directors and other KMPs	2023	2,653,181	42,155	119,125	75,876	187,500	1,575,209	1,144,520	2,671,556	8,469,122
	2022	2,592,098	42,155	21,132	70,704	-	1,406,288	703,143	983,738	5,819,258
Total non-executive directors	2023	878,911	-	-	79,032	-	-	-	-	957,943
	2022	719,488	-	-	71,948	-	-	-	-	791,436
Total KMP remuneration expense	2023	3,532,092	42,155	119,125	154,908	187,500	1,575,209	1,144,520	2,671,556	9,427,065
	2022	3,311,586	42,155	21,132	142,652	-	1,406,288	703,143	983,738	6,610,694

Notes

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

[2] Includes temporary relocation allowance for Mr Muller.

[3] The 2023 figure includes the FY23 Deferred STI Rights portion and a true-up for grant date valuation for FY22 STI rights.

[4] The 2023 figure includes Performance Rights granted (for accounting purposes) by the Company in FY21, FY22, FY23 (including true-up expense reflecting the changes in the vesting probability) and the 2022 figure also includes rights granted in FY21 and FY22.

[5] P Bryant TFR increased from \$600,000 to \$675,000 effective 1 October 2022.

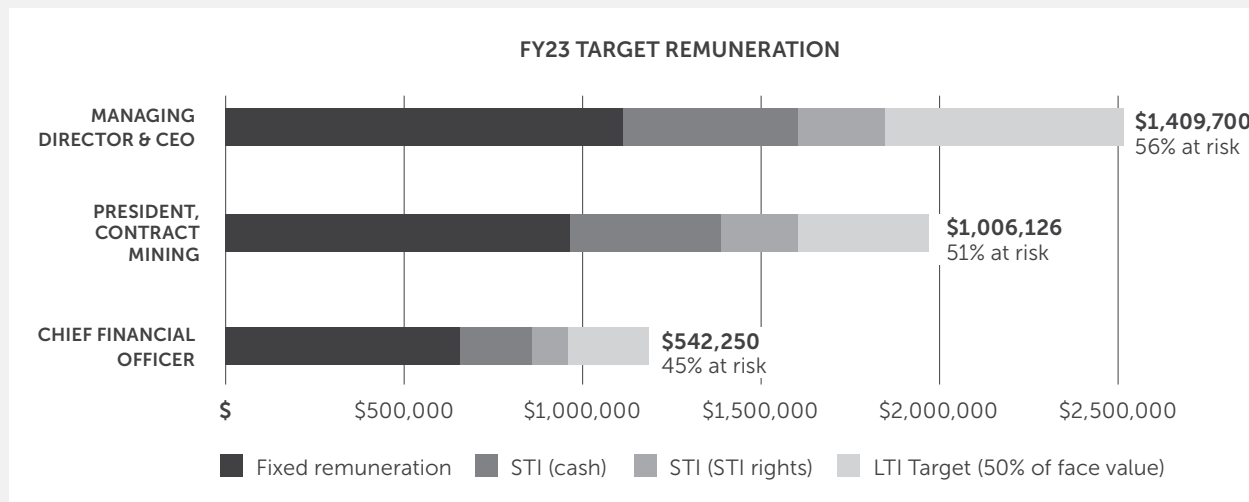
REMUNERATION REPORT (CONTINUED)

6. FY23 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.

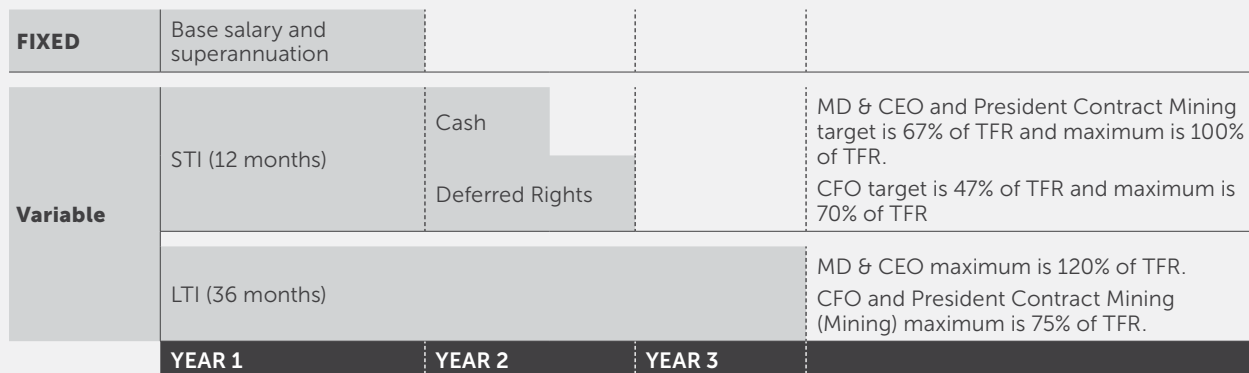
(a) Remuneration mix

Diagram 1: The remuneration mix for Perenti's Executive KMP at target levels for FY23 is represented below.



(b) Executive KMP remuneration components

Diagram 2: The remuneration mix for Perenti's Executive KMP at target levels for FY23 is represented below.



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. FY23 Executive KMP Remuneration Framework (continued)

(b) Executive KMP remuneration components (continued)

FY23 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 sustainability, financial and strategic measures, that is multiplied by an individual outcome.									
Award operation	<p>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.</p> <p>The business outcome is then multiplied by an individual outcome (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 the Perenti Principles.</p> <p>The operation of the STI award is demonstrated through the below graphic:</p> <div style="text-align: center;"> <p>The graphic illustrates the formula: BUSINESS OUTCOME (represented by a calculator icon) multiplied by INDIVIDUAL MODIFIER (represented by a bar chart with a star icon) equals STI AWARD (represented by an envelope icon). Below the calculator icon, it states '0% - 150%' and 'Target 100%'. Below the bar chart icon, it states '0 to x 1.5 impact'. Below the envelope icon, it states 'Up to maximum STI opportunity'.</p> </div>									
Board discretion	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. The Board has applied a 5% downward discretion for FY23.									
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 President Contract Mining: 100% of TFR CFO: 70% of TFR									
Measures	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left;">Measure</th> <th style="text-align: left;">Weighting</th> <th style="text-align: left;">Further detail</th> </tr> </thead> <tbody> <tr> <td>Total Recordable Injury Frequency Rate (TRIFR)</td> <td>5%</td> <td> <p>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.</p> <p>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.</p> </td> </tr> <tr> <td>Progress against scope 1&2 greenhouse gas emission reduction initiatives</td> <td>5%</td> <td> <p>This metric supports the Company's 2025 strategy through aiming to achieve net zero Scope 1 and 2 greenhouse gas emission reductions by the end of FY30.</p> <p>It is a leading sustainability metric to reflect the increased focus on ESG measures in peer mining services and owner operating performance hurdles.</p> </td> </tr> </tbody> </table>	Measure	Weighting	Further detail	Total Recordable Injury Frequency Rate (TRIFR)	5%	<p>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.</p> <p>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.</p>	Progress against scope 1&2 greenhouse gas emission reduction initiatives	5%	<p>This metric supports the Company's 2025 strategy through aiming to achieve net zero Scope 1 and 2 greenhouse gas emission reductions by the end of FY30.</p> <p>It is a leading sustainability metric to reflect the increased focus on ESG measures in peer mining services and owner operating performance hurdles.</p>
Measure	Weighting	Further detail								
Total Recordable Injury Frequency Rate (TRIFR)	5%	<p>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.</p> <p>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.</p>								
Progress against scope 1&2 greenhouse gas emission reduction initiatives	5%	<p>This metric supports the Company's 2025 strategy through aiming to achieve net zero Scope 1 and 2 greenhouse gas emission reductions by the end of FY30.</p> <p>It is a leading sustainability metric to reflect the increased focus on ESG measures in peer mining services and owner operating performance hurdles.</p>								

REMUNERATION REPORT (CONTINUED)

6. FY23 Executive KMP Remuneration Framework (continued)

(b) Executive KMP remuneration components (continued)

FY23 Short-term Incentive (STI) (continued)

Measures	Measure	Weighting	Further detail
	Group Critical Control Verification Completion	15%	<p>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.</p> <p>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.</p>
	Underlying Group EBIT (A) defined as earnings before finance costs, finance income, income tax expense or benefit and amortisation of intangible assets	40%	<p>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.</p> <p>It aims to build a pay-for-performance culture and ensure executive accountability for the Company's performance.</p>
	Perenti operating cash generation	20%	<p>This component is measured through EBIT(A) multiplied by cash conversion minus net capital outlay (excluding abnormal disposals).</p> <p>This metric evaluates the success of the company's implementation of the updated strategy and is a key focus of our business performance.</p>
	Underlying EBIT(A) as a percentage of revenue	10%	<p>This component measures the Company's operating profit as a percentage of revenue, demonstrating the quantity of operating cash generated for revenue earned.</p> <p>This metric aligns to the Company strategy to focus on delivering quality cash profits and support our focus on capital management.</p>
	Delivering on operating model implementation plan	5%	<p>This strategic component measures the success of the implementation and embedment of the revised operating model.</p> <p>The metric strengthens the Company's position to achieve the 2025 business strategy and beyond.</p>
Delivery	<p>For FY23, 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 at nil exercise share price.</p> <p>Any STI Rights that are provided to the MD & CEO are subject to shareholder approval as per ASX Listing Rule 10.14.</p>		
Allocation methodology (STI Rights only)	<p>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 23 June 2023. This 10-day VWAP more accurately reflects the Company's share price performance over the financial year, prior to the DDH1 drilling acquisition announcement on 26 June 2023. In prior years, the 10-day VWAP until the 30 June was utilised, however, as the announcement of the DDH1 transaction was so close to the end of the financial year and created short term share price volatility, it was determined to use the 10-day VWAP to the 23 June to account for this. It is important to note that this same 10-day VWAP will be used for the calculation of the FY24 LTIP, which will result in the issuance of less performance rights for participants. The Board has determined that this approach to the rights valuation methodology is a more accurate reflection of the Company's share price performance over the financial year.</p>		

REMUNERATION REPORT (CONTINUED)

6. FY23 Executive KMP Remuneration Framework (continued)

(b) Executive KMP remuneration components (continued)

FY23 Short-term Incentive (STI) (continued)

Cessation of employment	<p>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.</p> <p>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.</p> <p>Notwithstanding the above, the Board retains absolute discretion to treat STI awards and vesting as it sees fit on cessation of employment.</p>
Malus/clawback	<p>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:</p> <ul style="list-style-type: none"> • lapse all unvested STI awards (malus); and • require the individual to repay a portion of any STI awards which have vested (clawback).

REMUNERATION REPORT (CONTINUED)

6. FY23 Executive KMP Remuneration Framework (continued)

(b) Executive KMP remuneration components (continued)

FY23 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 2022 and ending 30 June 2025.																				
Maximum opportunity	MD & CEO: 120% of TFR CFO and President Contract Mining: 75% of TFR																				
Delivery	The LTI will be wholly delivered in Performance Rights at nil exercise price. Any Performance Rights that are provided to the Managing Director 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 2022.																				
Performance measures	<p>The performance measures are aligned to shareholder returns and the business strategy.</p> <p>Relative Total Shareholder Return (TSR) (50%) The vesting metrics are as follows:</p> <table border="1"> <thead> <tr> <th>Level of performance</th> <th>% of Performance Rights that will vest</th> </tr> </thead> <tbody> <tr> <td>Below Median</td> <td>0%</td> </tr> <tr> <td>Median</td> <td>50%</td> </tr> <tr> <td>Median to 75th percentile</td> <td>Straight-line vesting between 50% and 100%</td> </tr> <tr> <td>75th percentile and above</td> <td>100%</td> </tr> </tbody> </table> <p>The peer group for the relative TSR measure includes Boart Longyear Limited; DDH1 Limited; Emeco Holdings Limited; Imdex 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.</p> <p>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.</p> <table border="1"> <thead> <tr> <th>Level of performance</th> <th>% of Performance Rights that will vest</th> </tr> </thead> <tbody> <tr> <td>Less than 6.0% ROE over Performance Period.</td> <td>0%</td> </tr> <tr> <td>6.0% ROE over Performance Period.</td> <td>30%</td> </tr> <tr> <td>Between 6.0% and 6.8% ROE over Performance Period.</td> <td>Straight-line vesting between 30% and 100%</td> </tr> <tr> <td>Greater than 6.8% ROE over Performance Period.</td> <td>100%</td> </tr> </tbody> </table> <p>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.</p> <p>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.</p>	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%	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%
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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%																				

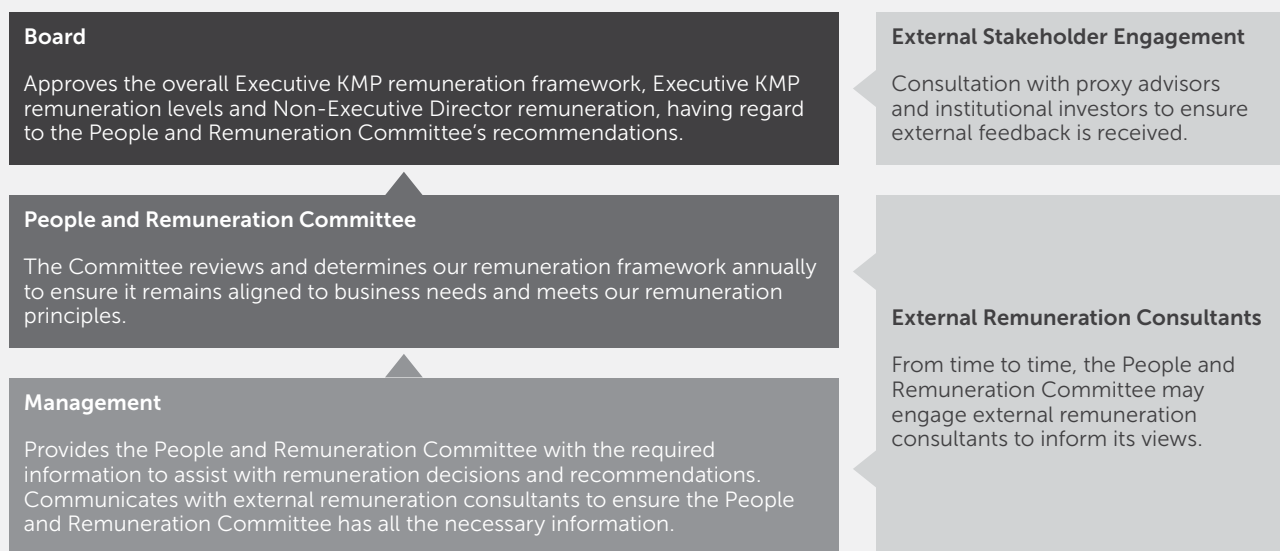
REMUNERATION REPORT (CONTINUED)

6. FY23 Executive KMP Remuneration Framework (continued)

(b) Executive KMP remuneration components (continued)

FY23 Long-term Incentive (LTI) (continued)	
Cessation of employment	Typically, if employment ceases before the end of any LTI performance periods, the Executive 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: <ul style="list-style-type: none"> • 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



SW Corporate and Ernst and Young were engaged during FY23 by the People and Remuneration Committee as external remuneration advisors. Neither external remuneration advisors were required to provide any remuneration recommendations during FY23.

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 FY23 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)	675,000	Ongoing	6 months	6 months	No entitlement
Paul Muller (President Contract Mining)	962,800	Ongoing	6 months	6 months	No entitlement

REMUNERATION REPORT (CONTINUED)

9. Non-Executive Director Remuneration

(a) Non-Executive Director fees

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. The Board and Non-Executive Director fees increased by 10% in FY23. The increase encompassed CPI movement and legislative Superannuation increases since the last Non-Executive Director fee increase in 2020. There was no change to the Committee members fees.

The NED fee pool approved by shareholders at the FY19 Annual General Meeting is \$1.2 million per annum. The current Perenti Board fees are outlined below.

Position	FY23 fees*	FY22 fees*	Increase**
	\$	\$	%
Board Chair [#]	247,500	225,000	10
Board Members	126,500	114,975	10
Committee Chair	22,000	20,000	10
Committee Members	11,000	11,000	0

* 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.

** Increase effective 1 January 2023.

[#] The Board Chair's fee is inclusive of all Board and Committee responsibilities.

(b) Statutory disclosure of FY23 Non-Executive Director remuneration

Table 8 – FY23 Non-Executive Director remuneration

	Year	Base fee	Audit and Risk Committee	People and Remuneration Committee	Safety and Sustainability Committee	Other	Superannuation	Total
R Cole Chair	2023	213,801	-	-	-	-	22,449	236,250
	2022	204,545	-	-	-	-	20,455	225,000
M Hine	2023	109,265	-	19,005	9,955	-	14,514	152,739
	2022	104,524	-	18,181	5,000	-	12,770	140,475
A Atkins	2023	109,265	-	4,977	9,955	-	13,041	137,238
	2022	104,524	-	5,000	5,000	-	11,452	125,976
A Hall	2023	109,265	19,005	9,955	-	-	14,514	152,739
	2022	104,524	18,181	5,000	-	-	12,770	140,475
T Longstaff ^[1]	2023	109,265	9,955	-	19,005	-	14,514	152,739
	2022	91,854	8,788	-	9,090	-	10,973	120,705
C Laslett ^[2]	2023	120,738	-	-	5,500	-	-	126,238
	2022	35,277	-	-	-	-	3,528	38,805
Total non-executive directors	2023	771,599	28,960	33,937	44,415	-	79,032	957,943
	2022	645,248	26,969	28,181	19,090	-	71,948	791,436

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

[2] Mr Laslett was appointed to the Board on 28 February 2022 and was appointed as member of the Safety and Sustainability Committee on 01 January 2023.

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 Executive KMP

The table below shows a reconciliation of rights held by each Executive KMP from the beginning to the end of 30 June 2023.

Table 9 – Executive rights held by KMP

Executive - Grant Date	Instrument	Holding at 01 July 2022	Rights Granted in FY23	Vested		Forfeited		Holding at 30 June 2023	Anticipated vesting date	Fair Value per right at grant date \$	Maximum amount yet to vest \$
				Number	%	Number	%				
M Norwell											
28 November 2019	Performance Right - TSR	284,091	-	-	-	284,091	100	-	August 2022	1.33	-
28 November 2019	Performance Right - ROACE	284,091	-	133,778	47	150,313	53	-	August 2022	1.78	-
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	100	-	-	-	October 2022	0.90	-
14 October 2022	Short Term Incentive Rights	-	515,961	-	-	-	-	515,961	October 2023	0.98	-
14 October 2022	Performance Right - TSR	-	984,916	-	-	-	-	984,916	August 2024	0.75	246,229
14 October 2022	Performance Right - ROE	-	590,949	-	-	-	-	590,949	August 2024	0.96	189,104
14 October 2022	Performance Right - Strategic Objective 1	-	196,983	-	-	-	-	196,983	August 2024	0.96	63,035
14 October 2022	Performance Right - Strategic Objective 2	-	196,983	-	-	-	-	196,983	August 2024	0.96	63,035
14 October 2022	Performance Right - TSR	-	1,065,771	-	-	-	-	1,065,771	August 2025	0.75	532,886
14 October 2022	Performance Right - ROE	-	639,462	-	-	-	-	639,462	August 2025	0.96	409,256
14 October 2022	Performance Right - Strategic Objective 1	-	213,154	-	-	-	-	213,154	August 2025	0.96	136,419
14 October 2022	Performance Right - Strategic Objective 2	-	213,154	-	-	-	-	213,154	August 2025	0.96	136,419
P Bryant											
28 November 2019	Performance Right - TSR	118,075	-	-	-	118,075	100	-	August 2022	1.33	-
28 November 2019	Performance Right - ROACE	118,076	-	55,602	47	62,474	53	-	August 2022	1.78	-
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	100	-	-	-	October 2022	0.90	-
13 May 2022	Performance Right - TSR	310,559	-	-	-	-	-	310,559	August 2024	0.45	46,584
13 May 2022	Performance Right - ROE	186,335	-	-	-	-	-	186,335	August 2024	0.65	40,373
13 May 2022	Performance Right - Strategic Objective 1	62,112	-	-	-	-	-	62,112	August 2024	0.65	13,458
13 May 2022	Performance Right - Strategic Objective 2	62,112	-	-	-	-	-	62,112	August 2024	0.65	13,458
10 October 2022	Short Term Incentive Rights	-	179,611	-	-	-	-	179,611	October 2023	0.91	-
20 March 2023	Performance Right - TSR	-	360,056	-	-	-	-	360,056	August 2025	0.85	204,032
20 March 2023	Performance Right - ROE	-	216,035	-	-	-	-	216,035	August 2025	1.00	144,023
20 March 2023	Performance Right - Strategic Objective 1	-	72,012	-	-	-	-	72,012	August 2025	1.00	48,008
20 March 2023	Performance Right - Strategic Objective 2	-	72,012	-	-	-	-	72,012	August 2025	1.00	48,008

10. Additional Statutory Information (continued)

(a) Executive KMP equity awards (continued)

Executive - Grant Date	Instrument	Holding at 01 July 2022	Rights Granted in FY23	Vested		Forfeited		Holding at 30 June 2023	Anticipated vesting date	Fair Value per right at grant date \$	Maximum amount yet to vest \$
				Number	%	Number	%				
P Muller											
28 November 2019	Performance Right - TSR	172,008	-	-	-	172,008	100	-	August 2022	1.33	-
28 November 2019	Performance Right - ROACE	172,008	-	80,099	47	91,009	53	-	August 2022	1.78	-
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	100	-	-	-	October 2022	0.90	-
13 May 2022	Performance Right - TSR	533,940	-	-	-	-	-	533,940	August 2024	0.45	80,091
13 May 2022	Performance Right - ROE	320,364	-	-	-	-	-	320,364	August 2024	0.65	69,412
13 May 2022	Performance Right - Strategic Objective 1	106,788	-	-	-	-	-	106,788	August 2024	0.65	23,137
13 May 2022	Performance Right - Strategic Objective 2	106,788	-	-	-	-	-	106,788	August 2024	0.65	23,137
10 October 2022	Short Term Incentive Rights	-	429,637	-	-	-	-	429,637	October 2023	0.91	-
20 March 2023	Performance Right - TSR	-	577,774	-	-	-	-	577,774	August 2025	0.85	327,405
20 March 2023	Performance Right - ROE	-	346,663	-	-	-	-	346,663	August 2025	1.00	231,109
20 March 2023	Performance Right - Strategic Objective 1	-	115,554	-	-	-	-	115,554	August 2025	1.00	77,036
20 March 2023	Performance Right - Strategic Objective 2	-	115,554	-	-	-	-	115,554	August 2025	1.00	77,036

642,681 STI Rights relating to FY23 STI outcomes that are to be granted to current Executive KMP's post 30 June 2023 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 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 2023 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		Balance at end of year
			Purchase of Shares	DRP Shares	
DIRECTORS					
R Cole	249,831	-	-	-	249,831
M Hine	145,000	-	-	-	145,000
A Atkins	66,166	-	-	-	66,166
A Hall	142,500	-	-	-	142,500
T Longstaff	100,000	-	43,500	-	143,500
C Laslett	1,000	-	100,000	-	101,000
EXECUTIVE					
M Norwell	528,956	405,024	-	-	933,980
P Bryant	399,217	144,298	-	-	543,515
P Muller	851,249	453,742	-	-	1,304,991

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 Executive KMP

Loans to Executive KMP were made on normal terms and conditions. The loans on acquisition of the Barmingo group will be deducted from the final FY23 STI award payment for two Executive KMP's, representing the full and final settlement of all loans and obligations. Interest was payable at the rate of 4.52% to 7.77% on loans advanced.

Table 11 – Loans to Executive KMP

	23	22
	\$	\$
Loans to key management personnel		
Beginning of the period	186,039	186,039
Interest charged	10,062	8,492
Interest received	(7,479)	(8,492)
End of period	188,622	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 21 August 2023 and has been signed in accordance with a resolution of the Directors made pursuant to section 298(2) of the *Corporations Act 2001* (Cth).

DIRECTORS' REPORT

SHARE RIGHTS

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

Date rights granted	Performance period end date	Fair value per right	Number
9 April 2021	30 June 2023	\$0.62	1,423,186
9 April 2021	30 June 2023	\$0.99	1,423,166
28 May 2021	30 June 2023	\$0.21	1,101,803
28 May 2021	30 June 2023	\$0.54	1,101,801
13 May 2022	30 June 2024	\$0.45	5,062,651
13 May 2022	30 June 2024	\$0.65	5,062,653
9 June 2022	31 December 2023	\$0.71	3,129,131
10 October 2022	10 October 2023	\$0.91	1,125,510
14 October 2022	14 October 2023	\$0.98	515,961
14 October 2022	30 June 2024	\$0.75	984,916
14 October 2022	30 June 2024	\$0.96	984,916
14 October 2022	30 June 2025	\$0.75	1,065,771
14 October 2022	30 June 2025	\$0.96	1,065,771
20 March 2023	30 June 2025	\$0.85	5,990,938
20 March 2023	30 June 2025	\$1.00	5,990,932
			36,029,106

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 Limited were issued during the year ended 30 June 2023 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
1 September 2022	\$1.78	713,801
1 November 2022	\$0.90	988,477
		1,702,278

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.

DIRECTORS' REPORT

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:

	23	22
	\$	\$
Other assurance services		
PricewaterhouseCoopers firm:		
<i>Advisory and accounting consulting services</i>	456,046	481,157
Non PricewaterhouseCoopers firms:		
<i>Advisory and accounting consulting services</i>	231,808	328,239
Total remuneration for other assurance services	687,854	809,396
Taxation services		
PricewaterhouseCoopers firm:		
<i>Taxation services</i>	501,928	739,889
Non PricewaterhouseCoopers firms:		
<i>Taxation services</i>	87,662	166,258
Total remuneration for taxation services	589,590	906,147
Other services		
Total remuneration for non-audit services	1,277,444	1,715,543

AUDITOR'S INDEPENDENCE DECLARATION

The auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 94.

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
21 August 2023

AUDITOR'S INDEPENDENCE DECLARATION



Auditor's Independence Declaration

As lead auditor for the audit of Perenti Limited for the year ended 30 June 2023, 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 Limited and the entities it controlled during the period.

A handwritten signature in black ink, appearing to read 'Craig Heatley'.

Craig Heatley
Partner

Perth
21 August 2023

PricewaterhouseCoopers, ABN 52 780 433 757
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T: +61 8 9238 3000, F: +61 8 9238 3999, www.pwc.com.au

Liability limited by a scheme approved under Professional Standards Legislation.

CORPORATE GOVERNANCE STATEMENT

The Company's 2023 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 21 August 2023 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](https://www.perentigroup.com). The related ASX Appendix 4G, a checklist cross-referencing the ASX Recommendations to disclosures in the Corporate Governance Statement and the 2023 Annual Report can be found under the ASX Announcements section of the Company's website at [perentigroup.com](https://www.perentigroup.com).

OUR GOVERNANCE FRAMEWORK

BOARD

Responsible for overseeing the performance and operations of the Company

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

Assist the Board to discharge its responsibilities:

Audit and Risk	People and Remuneration
-----------------------	--------------------------------

Safety and Sustainability Committee	Nomination Committee
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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	Safety and Sustainability Committee Charter	Nomination Committee Charter
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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 Management Policy	Inclusion and Diversity Policy	Speak-Up Policy and Speak-Up Standards
Health, Safety and Wellbeing Policy	Quality Policy	Human Rights Policy	Eliminating Sexual Harassment Position Statement
Capital Management Policy	Climate Change Position Statement	Modern Slavery Statement	Sustainability Policy
Indigenous Peoples Position Statement	Environmental Policy		

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the year ended 30 June 2023

	Notes	23 \$'000	22 \$'000
Revenue	2	2,880,136	2,437,656
Other income	4(a)	43,330	47,251
Materials expense		(914,643)	(734,512)
Labour costs		(1,143,405)	(1,037,993)
Rental and hire expense	4(b)	(55,629)	(45,306)
Depreciation expense	4(b)	(283,646)	(250,120)
Amortisation expense	4(b)	(33,998)	(29,042)
Finance costs	4(b)	(64,609)	(56,316)
Finance income	4(b)	3,675	397
Other expenses from ordinary activities	4(b)	(260,275)	(238,531)
Impairment of assets	4(b)	(4,728)	(23,162)
Profit before income tax		166,208	70,322
Income tax expense	5	(63,622)	(27,836)
Profit for the year		102,586	42,486
Profit is attributable to:			
Equity holders of Perenti Limited		95,739	40,658
Non-controlling interests		6,847	1,828
Profit for the year		102,586	42,486
Earnings/(loss) per share for profit attributable to the ordinary equity holders of the Company:			
		Cents	Cents
Basic earnings/(loss) per share	21	13.9	5.8
Diluted earnings/(loss) per share	21	13.4	5.7

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 2023

	Notes	23 \$'000	22 \$'000
Profit for the year		102,586	42,486
Other comprehensive income/(loss)			
<i>Items that may be reclassified to profit or loss</i>			
Exchange gains/(losses) on translation of foreign operations	8(b)	3,749	(26,497)
Exchange gains on translation of foreign operations - non-controlling interest		670	1,185
<i>Items that will not be reclassified to profit or loss</i>			
Gain on revaluation of FVOCI financial assets, net of tax	8(b)	-	21,762
Other comprehensive income/(loss) for the year, net of tax		4,419	(3,550)
Total comprehensive income for the year		107,005	38,936
Total comprehensive income for the year is attributable to:			
Equity holders of Perenti Limited		99,488	35,923
Non-controlling interests		7,517	3,013
Total comprehensive income for the year		107,005	38,936

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 2023

	Notes	23 \$'000	22 \$'000
ASSETS			
Current assets			
Cash and cash equivalents	9(c)	307,360	348,519
Trade and other receivables	6(a)	435,220	391,101
Inventories	7(a)	227,242	212,119
Current tax receivables		15,590	12,546
Assets classified as held for sale	7(b)	18,663	7,488
Total current assets		1,004,075	971,773
Non-current assets			
Receivables	6(a)	15,098	9,430
Property, plant and equipment	7(c)	968,236	926,320
Right-of-use assets	7(d)	45,616	59,305
Intangible assets	7(e)	626,083	652,207
Deferred tax assets	5(g)	164,266	170,239
Total non-current assets		1,819,299	1,817,501
Total assets		2,823,374	2,789,274
LIABILITIES			
Current liabilities			
Trade and other payables	6(c)	421,385	393,298
Borrowings	6(d)	3,201	2,172
Lease liabilities	7(d)	16,538	27,943
Current tax liabilities		25,175	15,002
Employee benefit obligations	7(f)	79,306	79,722
Total current liabilities		545,605	518,137
Non-current liabilities			
Borrowings	6(d)	753,878	843,492
Lease liabilities	7(d)	32,745	28,250
Deferred tax liabilities	5(g)	58,554	72,240
Employee benefit obligations	7(f)	6,136	4,263
Provisions		165	532
Total non-current liabilities		851,478	948,777
Total liabilities		1,397,083	1,466,914
Net assets		1,426,291	1,322,360
EQUITY			
Contributed equity	8(a)	1,118,448	1,137,030
Other reserves	8(b)	(35,721)	(56,027)
Retained earnings		326,676	230,937
Capital and reserves attributable to owners of Perenti Limited		1,409,403	1,311,940
Non-controlling interests		16,888	10,420
Total equity		1,426,291	1,322,360

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 2023

	Attributable to owners of Perenti Limited					Non-controlling interests \$'000	Total equity \$'000
	Contributed equity	Other reserves	Retained earnings	Total			
	\$'000	\$'000	\$'000	\$'000	\$'000		
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/(loss)	-	(4,735)	-	(4,735)	1,185	(3,550)	
Total comprehensive income/(loss) 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	-	-	(14,108)	(14,108)	-	(14,108)	
Buy-back of ordinary shares, gross of transaction costs and net of tax	(2,057)	-	-	(2,057)	-	(2,057)	
Dividends paid to non-controlling interests	-	-	-	-	(2,665)	(2,665)	
Deferred tax movement on capital raising costs	(584)	-	-	(584)	-	(584)	
Employee share rights - value of employee services	-	4,591	-	4,591	-	4,591	
Shares issued on conversion of employee share rights	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	
Balance at 1 July 2022	1,137,030	(56,027)	230,937	1,311,940	10,420	1,322,360	
Profit for the year	-	-	95,739	95,739	6,847	102,586	
Other comprehensive income	-	3,749	-	3,749	670	4,419	
Total comprehensive income for the year	-	3,749	95,739	99,488	7,517	107,005	
Transfer to non-controlling interest reserve	-	6,231	-	6,231	(831)	5,400	
Transactions with owners in their capacity as owners:							
Dividends paid	12(b)(i)	-	-	-	-	-	
Buy-back of ordinary shares, gross of transaction costs and net of tax	12(c)	(20,372)	-	(20,372)	-	(20,372)	
Dividends paid to non-controlling interests		-	-	-	(218)	(218)	
Deferred tax movement on capital raising costs	8(a)	(370)	-	(370)	-	(370)	
Employee share rights - value of employee services	19(b)	-	12,486	12,486	-	12,486	
Shares issued on conversion of employee share rights	8(a), 8(b)	2,160	(2,160)	-	-	-	
		(18,582)	16,557	(2,025)	(1,049)	(3,074)	
Balance at 30 June 2023	1,118,448	(35,721)	326,676	1,409,403	16,888	1,426,291	

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 2023

	Notes	23 \$'000	22 \$'000
Cash flows from operating activities			
Receipts from customers (inclusive of goods and services tax)		3,009,036	2,515,724
Payments to suppliers and employees (inclusive of goods and services tax)		(2,486,359)	(2,056,808)
		522,677	458,916
Interest received		1,538	397
Interest and other costs of finance paid		(61,186)	(49,919)
Income taxes paid		(64,909)	(68,092)
Net cash inflow from operating activities	9(a)	398,120	341,302
Cash flows from investing activities			
Payments for property, plant, equipment and intangibles		(373,921)	(467,937)
Proceeds from sale of property, plant and equipment		76,729	26,715
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)	16,338	31,158
Payments for purchase of subsidiaries	13	-	(3,750)
Cash removed on disposal of subsidiary		-	(1,404)
Repayment of loan by non-controlling interest		168	609
Net cash outflow from investing activities		(280,686)	(311,798)
Cash flows from financing activities			
Proceeds from borrowings		340,106	310,926
Repayment of borrowings		(433,195)	(217,873)
Payments of lease liabilities		(28,611)	(26,432)
Dividends paid	12(b)	-	(14,108)
Dividends paid to non-controlling interest		(435)	(2,610)
Payments for bonds buy-back, gross of transaction costs		(24,887)	-
Payments for borrowing costs		(4,586)	(139)
Transactions with non-controlling interest		-	(36)
Payments for share buy-back, gross of transaction costs		(21,526)	(940)
Proceeds from disposal of a non-controlling interest		5,400	-
Net cash (outflow)/inflow from financing activities		(167,734)	48,788
Net (decrease)/increase in cash and cash equivalents		(50,300)	78,292
Cash and cash equivalents at the beginning of the financial year		348,519	264,741
Effects of exchange rate changes on cash and cash equivalents		9,141	5,486
Cash and cash equivalents at end of year	9(c)	307,360	348,519

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.

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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 and diamond drilling 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.

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 customer related intangibles.

1 SEGMENT INFORMATION (CONTINUED)

(b) Segment information provided to the Managing Director

For the year ended 30 June 2023	Contract Mining		Mining Services and idoba \$'000	Corporate \$'000	Inter- segment eliminations \$'000	Consolidated \$'000
	Surface \$'000	Underground \$'000				
Segment revenue						
Sales to external customers	661,019	2,020,861	198,256	-	-	2,880,136
Intersegment sales	-	-	26,400	-	(26,400)	-
Total sales revenue	661,019	2,020,861	224,656	-	(26,400)	2,880,136
Timing of revenue recognition						
- At a point in time	1,731	-	98,802	-	(21,813)	78,720
- Over time	659,288	2,020,861	125,854	-	(4,587)	2,801,416
	661,019	2,020,861	224,656	-	(26,400)	2,880,136
Underlying segment EBIT(A)	62,172	256,676	7,286	(62,030)	-	264,104
Customer relationships intangibles amortisation	-	(29,141)	-	-	-	(29,141)
Impairment of assets	(4,728)	-	-	-	-	(4,728)
Transaction, restructuring costs and other	5,469	(244)	(2,163)	(5,373)	-	(2,311)
Foreign exchange (loss)/gain, net	(2,517)	92	(76)	1,719	-	(782)
Reported segment EBIT	60,396	227,383	5,047	(65,684)	-	227,142
Interest income						3,675
Interest expense						(64,609)
Profit before tax						166,208
Income tax expense						(63,622)
Profit for the year						102,586
Non-controlling interests						(6,847)
Profit for the year attributable to members						95,739
Segment assets	781,579	1,920,853	228,754	1,790,857	(1,898,669)	2,823,374
Segment liabilities	491,998	1,030,134	145,870	996,028	(1,266,949)	1,397,081
Other segment information						
Depreciation expense	(91,197)	(161,701)	(27,447)	(3,301)	-	(283,646)
Customer relationships intangibles amortisation	-	(29,141)	-	-	-	(29,141)
Acquisition of property, plant and equipment, intangibles and other non-current assets	108,588	231,393	30,885	3,055	-	373,921

1 SEGMENT INFORMATION (CONTINUED)

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

For the year ended 30 June 2022	Contract Mining		Mining Services and idoba \$'000	Corporate \$'000	Inter- segment eliminations \$'000	Consolidated \$'000
	Surface \$'000	Underground \$'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)

(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 2023				30 June 2022			
	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	202,605	-	202,605	128,161	196,831	-	196,831	129,576
- Ghana	155,360	-	155,360	121,150	164,489	-	164,489	138,700
- Botswana	114,004	-	114,004	123,385	20,533	-	20,533	100,882
- Senegal	109,847	-	109,847	42,487	79,883	-	79,883	47,084
- Burkina Faso	75,478	-	75,478	40,786	68,223	-	68,223	34,887
- Mali	3,725	-	3,725	339	23,607	-	23,607	-
- Other foreign countries	-	-	-	-	36	-	36	17
Contract Mining - Underground								
- Australia	1,006,331	-	1,006,331	366,393	834,462	-	834,462	349,343
- Ghana	325,417	-	325,417	203,290	272,450	-	272,450	227,667
- Burkina Faso	246,691	-	246,691	227,112	219,646	-	219,646	226,393
- Botswana	187,621	-	187,621	71,555	145,184	(538)	144,646	76,307
- Tanzania	143,372	-	143,372	108,488	114,397	-	114,397	94,885
- Canada and USA	111,429	-	111,429	38,725	95,516	-	95,516	16,807
- Mali	-	-	-	6,405	-	-	-	25,180
- Egypt	-	-	-	579	56,120	-	56,120	598
- Other foreign countries	-	-	-	2,138	-	-	-	25
Mining Services and idoba								
- Australia	164,654	(1,266)	163,388	136,447	130,256	(6,027)	124,229	137,010
- Africa	60,002	(25,134)	34,868	359	49,033	(26,445)	22,588	283
- Other foreign countries	-	-	-	-	-	-	-	22
Corporate								
- Australia	-	-	-	37,234	-	-	-	41,596
Total	2,906,536	(26,400)	2,880,136	1,655,033	2,470,666	(33,010)	2,437,656	1,647,262

2 REVENUE

The Group derives the following types of revenue:

	Notes	23 \$'000	22 \$'000
Revenue from Contracts with Customers			
Contract mining services	2(a)(i)	2,714,185	2,321,584
Equipment rental	2(a)(ii)	67,199	42,827
Mining supplies and manufactured goods (sale of goods)	2(a)(iii)	78,720	57,061
Consulting services	2(a)(iv)	20,032	16,184
		2,880,136	2,437,656

(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 despatched 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 or as 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 relate directly to a contract or to an anticipated contract, generate or enhance resources of the entity that will be used in satisfying (or in continuing to satisfy) performance obligations in the future, and 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 \$3,000,000 (2022: \$2,433,000).

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	23 \$'000	22 \$'000
Impairment of assets		4,728	-
Gain on sale of MinAnalytical business	3(b)	-	29,630
Impairment of customer related intangibles	7(e)(i)	-	(23,162)
		4,728	6,468

(a) Impairment of property, plant and equipment and inventory

For the year ended 30 June 2023, the Group assessed whether there were any indicators of impairment. The Company's market capitalisation at 30 June 2023 was below its net assets and management considered this factor amongst other impairment indicators at 30 June 2023.

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 or as a result of changes to macroeconomic conditions. 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 2023, estimates of recoverable amounts for non-current assets within the Surface Mining and BTP Group 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 2023 to support the FVLCD estimates required for the applicable assets.

During the year ended 30 June 2023, the Group decided to sell the property, plant, equipment and inventory in its 100% owned subsidiary Power Solutions Africa Sarl (PSA) for total consideration of \$6.2 million (USD\$4.5million). The difference between the consideration and asset carrying values resulted in an impairment to property, plant and equipment and inventory of \$4.7 million.

Separately, estimates of recoverable amounts for the Underground Mining CGU's were prepared using the VIU method. No impairment expense was recorded in these CGU's at 30 June 2023.

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	
	23	22	23	22	23	22
Group of CGU's						
Contract Mining - Surface (Africa)	Y	Y	FVLCD	FVLCD	4,728	-
Contract Mining - Surface (Australia)	Y	Y	FVLCD	FVLCD	-	-
Contract Mining - Underground (Australasia / Africa and North America)	Y	Y	VIU	VIU	-	23,162
BTP Group	Y	Y	FVLCD	FVLCD	-	-

Fair value less costs of disposal

At 30 June 2023, the Group obtained independent valuation of the non-current assets within the Contract Mining - Surface (Africa), Contract Mining - Surface (Australia), BTP Group and idoba CGUs (except for Power Solutions Africa Suarl (PSA)). As their individual FVLCD are higher than their carrying amounts, no further impairment test was performed at the CGU levels.

Value in use

In determining the Contract Mining - Underground CGU's recoverable amount using VIU, 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.

For the year ended 30 June 2023, no impairment or reversal was recorded against Contract Mining - Underground. Refer to note 7(e)(iii) for key assumptions used.

3 INDIVIDUALLY SIGNIFICANT ITEMS (CONTINUED)

(b) Gain on sale of MinAnalytical business

In the prior period 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	23 \$'000	22 \$'000
Gain on disposal of non-current assets		20,539	3,489
Insurance and settlement proceeds		10,091	126
Other items		6,654	9,567
Apprentice grants		6,046	8,426
Gain on sale of businesses, net		-	25,643
Total other income		43,330	47,251

(b) Breakdown by nature

	Notes	23 \$'000	22 \$'000
Depreciation expense			
Plant and equipment depreciation		257,376	223,498
Right-of-use asset depreciation		24,695	25,042
Buildings depreciation		1,575	1,580
Total depreciation expense		283,646	250,120
Amortisation expense			
Customer relationships intangibles amortisation		29,141	25,284
Software amortisation		4,857	3,758
Total amortisation expense		33,998	29,042
Rental and hire expenses			
Rental expense for equipment		54,303	44,326
Rental expense for properties		1,326	980
Total rental and hire expenses		55,629	45,306
Finance income			
Gain on settlement of debt		(1,908)	-
Interest income		(1,767)	(397)
Total finance income		(3,675)	(397)
Finance costs			
Interest expense		56,217	46,942
Lease contracts interest		3,279	3,635
Amortisation of borrowing cost		5,103	5,674
Other finance costs		10	65
Total finance costs		64,609	56,316

4 OTHER INCOME AND EXPENSE ITEMS (CONTINUED)

(b) Breakdown by nature (continued)

	Notes	23 \$'000	22 \$'000
Other expenses from ordinary activities			
Staffing, safety and training		44,048	42,963
Travel and accommodation		39,783	32,412
Freight		35,118	36,444
Consultants		29,177	27,477
Duties and taxes		19,562	12,717
IT and communications		18,420	19,546
Insurance		14,792	16,788
Property related expenses		8,529	9,145
Bank charges		7,434	2,720
Acquisition related costs		4,692	743
Trade receivable provisions and bad debts		840	6,670
Foreign exchange loss/(gain), net		782	1,962
All other expenses		37,098	28,944
Total other expenses from ordinary activities		260,275	238,531
Impairment of assets			
Impairment of customer related intangibles	7(e)(i)	-	23,162
Impairment of property, plant and equipment	3	4,298	-
Impairment of inventory	3	430	-
Total impairment of assets		4,728	23,162

5 INCOME TAX EXPENSE

(a) Income tax expense

	23	22
	\$'000	\$'000
Current income tax expense		
Current tax on profits for the year	71,372	53,498
Adjustments for prior periods	74	3,311
Deferred income tax expense		
Decrease/(increase) in deferred tax assets	8,309	5,880
Decrease in deferred tax liabilities	(16,133)	(34,853)
Income tax expense	63,622	27,836

(b) Tax reconciliation

	23	22
	\$'000	\$'000
	Notes	
Profit before tax	166,208	70,322
Income tax at the Australian tax rate of 30% (2022: 30%)	49,862	21,097
Non-Deductible items:		
Share-based payments	3,726	1,306
Other foreign permanent differences	140	65
Withholding tax	6,105	18,711
Other assessable/non-deductible items	33,555	20,061
Difference in overseas tax rates	(11,560)	(5,641)
Adjustments for prior periods	74	3,311
Tax losses recognised	1,621	(20,037)
Movement in tax base due to effect of foreign currency translation	(5,586)	(12,279)
Movement in uncertain tax positions	5(g)(ii) (14,315)	1,242
Income tax expense	63,622	27,836

(c) Amounts recognised directly in equity

	23	22
	\$'000	\$'000
	Notes	
Deferred tax movement on capital raising costs	(370)	(584)

(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 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:

	23	22
	\$'000	\$'000
Unused tax losses for which no deferred tax asset has been recognised	80,531	85,997
Unrecognised deferred tax assets relating to the above unused tax losses	23,707	25,571

Key Judgement: Unrecognised deferred tax asset

The Group reviews the carrying amount of its deferred tax assets at each balance date. At 30 June 2023 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:

	23	22
	\$'000	\$'000
Undistributed earnings	277,803	186,215
Unrecognised deferred tax liabilities relating to the above undistributed earnings	26,385	14,965

The Group has undistributed earnings of \$277,800,000 (2022: \$186,215,000) 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 2023 for Australian and Group operations

(i) Australian operations

The statutory effective tax rate for the year ended 30 June 2023 for the Australian operations is 3.7% (30 June 2022: 43.5%). This rate is lower 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 2022: 30.0%).

(ii) Group operations

The statutory effective tax rate for the year ended 30 June 2023 for the global operations is 38.3% (30 June 2022: 39.6%). 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 2022: 30.0%).

5 INCOME TAX EXPENSE (CONTINUED)

(g) Deferred tax balances

(i) Deferred tax assets

	Notes	23 \$'000	22 \$'000
Deferred income tax relates to the following:			
Employee benefits		28,259	28,884
Accruals		17,206	9,119
Provision for obsolete stock		3,202	1,203
Doubtful debts		46	564
Depreciation		12,347	8,145
Right-of-use assets		13,365	12,959
Inventory		67	67
Borrowing and business expenses		1,629	3,233
Unrealised foreign exchange		5,111	2,156
Current/prior year tax losses recognised		128,182	146,059
Financial assets		-	446
R&D tax offset recognised		-	4,999
Deferred tax assets		209,414	217,834
Set off deferred tax liabilities pursuant to set-off provisions	5(g)(ii)	(45,148)	(47,595)
Net deferred tax assets		164,266	170,239
Deferred tax assets expected to be recovered within 12 months		88,335	74,345
Deferred tax assets expected to be recovered after more than 12 months		121,079	143,489
		209,414	217,834

All movements were incurred through the statement of profit or loss except for an amount of \$336,000 (2022: \$584,000) which was charged directly to equity.

(ii) Deferred tax liabilities

	Notes	23 \$'000	22 \$'000
Deferred income tax relates to the following:			
Depreciation		25,316	18,606
Intangibles - customer relationships		41,666	50,407
Revaluation of land and buildings		6,507	6,486
Right-of-use assets		12,206	11,946
Uncertain tax positions		17,860	32,175
Other		147	215
Deferred tax liabilities		103,702	119,835
Adjustment of deferred tax liabilities pursuant to set-off provisions	5(g)(i)	(45,148)	(47,595)
Net deferred tax liabilities		58,554	72,240
Deferred tax liabilities expected to be settled within 12 months		14,829	13,503
Deferred tax liabilities expected to be settled after more than 12 months		88,873	106,332
		103,702	119,835

All movements were incurred through the statement of profit or loss with no amounts charged directly to equity (2022: nil).

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 Group 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 Group 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

	23			22		
	Current	Non-current	Total	Current	Non-current	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Trade receivables (i)	145,730	-	145,730	97,525	-	97,525
Accrued revenue	205,648	-	205,648	206,235	-	206,235
Provision for impairment and expected credit losses (see note 11(b))	(12,350)	-	(12,350)	(10,980)	-	(10,980)
	339,028	-	339,028	292,780	-	292,780
Net GST / VAT receivables	33,371	-	33,371	42,820	-	42,820
Other receivables (ii)	8,845	14,750	23,595	6,232	8,921	15,153
Prepayments	53,976	348	54,324	49,269	509	49,778
	435,220	15,098	450,318	391,101	9,430	400,531

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

(i) Amounts recognised in other comprehensive income

The following gains were recognised in other comprehensive income.

	Notes	23 \$'000	22 \$'000
Gains recognised in other comprehensive income, gross	8(b)	-	31,089

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

In line with the Perenti Limited 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.

6 FINANCIAL ASSETS AND FINANCIAL LIABILITIES (CONTINUED)

(c) Trade and other payables

	23	22
	\$'000	\$'000
Trade payables	216,033	202,350
Accrued expenses	133,346	104,353
Payroll accruals	51,640	55,964
Net GST / VAT payables	5,575	8,457
Contract liabilities (i)	2,216	3,278
Accrued bond interest	9,826	9,885
Other creditors and accruals	2,749	9,011
	421,385	393,298

These amounts represent liabilities for goods and services provided to the Group prior to the end of financial year which are unpaid, except contract liabilities. 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	23	22
		\$'000	\$'000
Opening balance		3,278	1,986
Deferred revenue recognised		1,566	3,791
Revenue recognised	2(b)	(3,000)	(2,433)
Exchange differences		372	(66)
Closing balance		2,216	3,278

(d) Borrowings

	23			22		
	Current	Non-current	Total	Current	Non-current	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Secured						
Bank loans	-	113,000	113,000	-	198,763	198,763
Other loans	2,000	2,092	4,092	5,769	4,093	9,862
Capitalised borrowing costs	-	(3,410)	(3,410)	(1,427)	(3,569)	(4,996)
Total secured borrowings	2,000	111,682	113,682	4,342	199,287	203,629
Unsecured						
USD notes	-	649,718	649,718	-	651,749	651,749
Loan from non-controlling interest	1,201	-	1,201	1,159	-	1,159
Capitalised borrowing costs	-	(7,522)	(7,522)	(3,329)	(7,544)	(10,873)
Total unsecured borrowings	1,201	642,196	643,397	(2,170)	644,205	642,035
Total borrowings	3,201	753,878	757,079	2,172	843,492	845,664

At 30 June 2023, the Group had total unutilised facilities (bank and other loans) of \$326,195,000 (2022: \$220,079,000).

6 FINANCIAL ASSETS AND FINANCIAL LIABILITIES (CONTINUED)

Bank loans

In June 2022, Perenti Limited successfully refinanced its A\$400 million revolving credit facilities which were due to mature on 1 July 2023. The A\$420 million syndicated debt facility 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. As at 30 June 2023, 29% of the facility was drawn down inclusive of bank guarantee.

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 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.

In October 2022, Perenti repurchased \$26.8 million (US\$17.1 million) of the notes at an average of 91.5% of the face value of the note.

Loan from non-controlling interest

The loan is from the joint venture partner to AMAX Limited, a joint venture where Perenti has a 60% participating interest.

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. 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:

	23		22	
	Carrying amount	Fair value	Carrying amount	Fair value
	\$'000	\$'000	\$'000	\$'000
On-balance sheet				
<i>Traded financial liabilities</i>				
US144A notes - unsecured	649,718	633,410	651,749	622,081

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.

7 NON-FINANCIAL ASSETS AND LIABILITIES

(a) Inventories

	23	22
	\$'000	\$'000
Work in progress	16,083	19,659
Finished goods	20,738	15,908
Consumables	190,421	176,552
	227,242	212,119

(i) Assigning costs to inventories

Consumables, work in progress and finished goods are stated at the lower of cost and net realisable value. The 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 assigned to individual items of inventory are calculated on a weighted average cost basis. 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 2023, write-downs of inventories to their net realisable value totalled \$423,000 (2022: \$807,000) and inventory provisions of \$7,206,000 (2022: \$1,036,000) were recorded against the consolidated statement of profit or loss. The inventory provision balance at 30 June 2023 amounted to \$17,995,000 (2022: \$10,980,000). An impairment charge for assets sold in Power Solutions Africa Suarl of \$430,000 (2022: nil) was recorded against inventory balances (refer to note 3) for the year ended 30 June 2023.

(b) Assets classified as held for sale

	23	22
	\$'000	\$'000
Current assets		
Plant and equipment	18,663	5,459
Inventories	-	2,029
	18,663	7,488

In the year ended 30 June 2023, the Group received an offer to sell its idle fleet in its 100% owned subsidiary, African Mining Services Ghana Ltd (AMS Ghana). In July 2023, the Group has signed the Asset Sale Agreement for the sale of its property, plant and equipment in AMS Ghana for total consideration of \$22.5 million (USD\$15.0 million). The sale is expected to be completed in the financial year ending 30 June 2024.

In the prior period, 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 was completed in the first quarter of financial year ending 30 June 2023, the assets held for sale were presented within total assets of Contract Mining - Surface in the note 1 Segment information.

7 NON-FINANCIAL ASSETS AND LIABILITIES (CONTINUED)

(c) Property, plant and equipment

Non-current	Land and buildings \$'000	Plant and equipment \$'000	Total \$'000
At 1 July 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	-	(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 charge	(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
Year ended 30 June 2023			
Opening net book amount	24,535	901,785	926,320
Year ended 30 June 2023			
Exchange differences	474	19,577	20,051
Additions	114	368,336	368,450
Disposals	-	(67,258)	(67,258)
Depreciation charge	(1,575)	(257,376)	(258,951)
Impairment loss (note 3)	-	(4,298)	(4,298)
Transfer from right-of-use	-	9,369	9,369
Transfer to inventory	-	(6,784)	(6,784)
Assets classified as held for sale	-	(18,663)	(18,663)
Closing net book amount	23,548	944,688	968,236
At 30 June 2023			
Cost or fair value	28,512	2,102,825	2,131,337
Accumulated depreciation	(4,964)	(1,158,137)	(1,163,101)
Net book amount	23,548	944,688	968,236

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:

	23	22
	\$'000	\$'000
Land and buildings		
Cost	42,034	41,364
Accumulated depreciation	(21,826)	(19,914)
Net book amount	20,208	21,450

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 the 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 on balance sheet relating to leases

	23	22
	\$'000	\$'000
Right-of-use assets		
Properties	34,908	24,814
Equipment	10,104	33,992
Motor vehicles	604	499
	45,616	59,305
Lease liabilities		
Current	16,538	27,943
Non-current	32,745	28,250
	49,283	56,193

Additions to the right-of-use assets during the 2023 financial year were \$21,626,000 (2022: \$35,625,000). In the prior 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 relating to leases

	23	22
	\$'000	\$'000
	Notes	
Depreciation charge of right-of-use assets		
Properties	8,944	8,206
Equipment	15,174	16,370
Motor vehicles	577	466
	4(b)	24,695
		25,042
Interest expense (included in finance cost)	3,279	3,635
Expense relating to short-term leases (included in rental and hire expenses)	26,790	25,292
Expense relating to variable lease payments not included in lease liabilities (included in rental and hire expenses)	28,839	20,014

The total cash outflow for leases (including interest) in 2023 was \$30,933,000 (2022: \$30,090,000).

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 15 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.

(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.

7 NON-FINANCIAL ASSETS AND LIABILITIES (CONTINUED)

(d) Leases (continued)

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 2023, potential future cash outflows of \$11,238,000 (undiscounted) (2022: \$32,189,000) 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 exercising extension and termination options was a decrease to recognised lease liabilities and right-of-use assets of \$13,931,000.

(e) Intangible assets

	Goodwill \$'000	Software \$'000	Customer related intangibles \$'000	Total \$'000
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
Transfer from property, plant and equipment	-	2,533	-	2,533
Impairment charge to customer related intangibles	-	-	(23,162)	(23,162)
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
Year ended 30 June 2023				
Opening net book amount	457,300	26,870	168,037	652,207
Additions	-	7,946	-	7,946
Disposals	-	(145)	-	(145)
Exchange differences	-	73	-	73
Amortisation expense	-	(4,857)	(29,141)	(33,998)
Closing net book amount	457,300	29,887	138,896	626,083
At 30 June 2023				
Cost	457,300	46,805	321,458	825,563
Accumulated amortisation and impairment	-	(16,918)	(182,562)	(199,480)
Net book amount	457,300	29,887	138,896	626,083

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 to 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 Barmenco 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. The Group exited the Sukari contract in Egypt on 31 January 2022. The exit from this contract was considered to be an indicator of impairment at 31 December 2021, resulting in an impairment of the entire remaining value of the customer related intangible balance allocated to that contract of \$23.2 million. An assessment was conducted at 30 June 2023 and no 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 2023 and no impairment was recorded. Goodwill was recognised for the Contract Mining - Underground segment following the Barmingo acquisition in 2019 and on the idoba group of companies that were progressively acquired since 2021.

At 30 June 2023, the recoverable amount of these assets have been determined based upon fair value less cost of disposal, with reference to the purchase price of the acquired interest by Sumitomo. There are no indicators to suggest that the fair value of the acquired companies has significantly changed.

Value-in-use calculations were performed to test for goodwill impairment across the Contract Mining - Underground 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 2023 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% (2022: 2.5%).
- EBITDA margins were based upon historical averages adjusted for prevailing economic or commercial 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 12.6% and 23.7% (2022: 13.3% and 24.6%) 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 \$0.67 US\$:AUD spot rate was used to translate the US Dollar denominated CGU's into Australian Dollars and \$0.88 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

Management have considered various reasonably possible value-in-use sensitivities for the Underground Mining CGU at 30 June 2023, 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

	23			22		
	Current \$'000	Non- current \$'000	Total \$'000	Current \$'000	Non- current \$'000	Total \$'000
Leave obligations	79,306	6,136	85,442	79,722	4,263	83,985

(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 \$79,306,000 (2022: \$79,722,000) 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.

	23 \$'000	22 \$'000
Current leave obligations expected to be settled after 12 months	28,638	47,253

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 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 7(g)(ii)-(v)

	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
At 30 June 2023				
Assets				
Land and buildings				
Office buildings	-	-	3,437	3,437
Industrial sites	-	-	20,112	20,112
Total non-financial assets	-	-	23,549	23,549
At 30 June 2022				
Assets				
Land and buildings				
Office buildings	-	-	3,723	3,723
Industrial sites	-	-	20,812	20,812
Total non-financial assets	-	-	24,535	24,535

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 2022 and 30 June 2023 for recurring fair value measurements:

	Office buildings \$'000	Industrial sites \$'000	Total \$'000
Opening balance 1 July 2021	3,839	50,145	53,984
Acquisitions	-	419	419
Depreciation and impairment	(444)	(1,547)	(1,991)
Disposals	-	(28,953)	(28,953)
Losses recognised in other comprehensive income	328	748	1,076
Closing balance 30 June 2022	3,723	20,812	24,535
Acquisitions	-	114	114
Depreciation and impairment	(426)	(1,133)	(1,559)
Losses recognised in other comprehensive income	140	319	459
Closing balance 30 June 2023	3,437	20,112	23,549

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		Valuation Technique	Unobservable inputs*	Range of inputs (probability-weighted average)		Relationship of unobservable inputs to fair value
	30 June 2023 \$'000	30 June 2022 \$'000			2023	2022	
Industrial Sites -Australia	12,062	12,219	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	8,050	8,593	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	3,437	3,723	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

	23 Shares	22 Shares	23 \$'000	22 \$'000
Fully paid ordinary shares	682,172,308	702,460,434	1,118,448	1,137,030

(i) Movements in ordinary share capital:

Details	Number of shares	Total \$'000
Opening balance 1 July 2022	702,460,434	1,137,030
Share issue on conversion of employee share rights	1,702,278	2,160
Buy-back of ordinary shares, gross of transaction costs and net of tax	(21,990,404)	(20,372)
Deferred tax movement on capital raising costs	-	(370)
Balance 30 June 2023	682,172,308	1,118,448

(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 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

For the year ended 30 June 2023, the Company completed an on-market buy-back of 22.0 million shares for consideration of \$20.4 million gross of transaction costs, all paid in cash.

8 EQUITY (CONTINUED)

(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 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(b)	-	-	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)
Balance at 1 July 2022		12,507	-	13,870	(2,664)	(79,740)	(56,027)
Currency translation differences		-	-	-	-	3,749	3,749
Transfer to non-controlling interest reserve		-	-	-	6,231	-	6,231
Other comprehensive income		-	-	-	6,231	3,749	9,980
Transactions with owners in their capacity as owners							
Share-based payments expense	19(b)	-	-	12,486	-	-	12,486
Shares issued on conversion of employee share rights		-	-	(2,160)	-	-	(2,160)
At 30 June 2023		12,507	-	24,196	3,567	(75,991)	(35,721)

8 EQUITY (CONTINUED)

(b) Other reserves (continued)

(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. 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 on 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

	23	22
	\$'000	\$'000
Profit for the year	102,586	42,486
Depreciation expense	283,646	250,120
Amortisation expense	33,998	29,042
Impairment of non-current assets	4,728	23,162
Net gain on settlement of debt	(1,908)	-
Gain on sale of businesses	-	(25,643)
Net exchange differences	(296)	113
Trade receivable provisions and bad debts	1,306	6,670
Non-cash employee benefits expense - share-based payments	12,531	4,353
Amortisation of borrowing costs and other non-cash finance costs	5,103	5,635
Gain on sale of non-current assets	(20,539)	(3,489)
Change in operating assets and liabilities:		
(Increase)/decrease in trade debtors	(28,668)	(44,257)
(Increase)/decrease in inventories	(4,025)	(16,562)
(Increase)/decrease in deferred tax assets	(2,165)	(38,503)
(Increase)/decrease in other operating assets	(9,265)	(36,373)
(Decrease)/increase in trade creditors	19,819	137,927
(Decrease)/increase in provision for income taxes payable	17,144	(989)
(Decrease)/increase in deferred tax liabilities	(13,131)	(3,641)
(Decrease)/increase in other provisions	(2,744)	11,251
Net cash inflow from operating activities	398,120	341,302

(b) Non-cash investing and financing activities

Recognition of right-of-use assets and lease liabilities	21,626	35,304
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(c) Net debt reconciliation

This section sets out an analysis of net debt and the movements in net debt.

Net debt		
Cash and cash equivalents	307,360	348,519
Borrowings/lease liabilities - repayable within one year	(19,739)	(30,115)
Borrowings/lease liabilities - repayable after one year	(786,623)	(871,742)
Net debt	(499,002)	(553,338)
Cash and cash equivalents	307,360	348,519
Gross debt	(806,362)	(901,857)
Net debt	(499,002)	(553,338)

Gross debt is comprised of current and non-current borrowings and lease liabilities.

	Cash	Lease liabilities	Borrowings	Total
	\$'000	\$'000	\$'000	\$'000
Net debt as at 1 July 2022	348,519	(56,193)	(845,664)	(553,338)
Cash flows	(50,300)	30,933	122,191	102,824
Foreign exchange adjustments	9,141	(281)	(25,975)	(17,115)
Other non-cash movements	-	(23,742)	(7,631)	(31,373)
Net debt as at 30 June 2023	307,360	(49,283)	(757,079)	(499,002)

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 in accordance with the Audit and Risk Committee endorsed Group Treasury Standard. The Group Treasury function identifies, evaluates and hedges financial risks in close co-operation with the Group's operating divisions. The Treasury Standard covers specific financial risk areas including foreign exchange risk, interest rate risk, credit risk, liquidity risk, use of derivative financial instruments and investment of excess liquidity amongst other things.

(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 2023								
	USD	GHS	GBP	EUR	INR	TZS	BWP	XOF	CAD
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Cash	9,383	1,203	-	197	297	2,017	215	-	4
Trade and other receivables	24,236	-	20	10,700	-	-	-	-	-
Other non-current receivables	4,728	18,718	3,461	5,306	-	1,916	-	-	15,862
Trade payables	(29,200)	(9,021)	(936)	(9,647)	-	(394)	(2,835)	(2,516)	-
Borrowings	(1,640)	-	-	(5,306)	-	-	-	-	-

	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)	-	-	-	-	-

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 2022.

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)	23 \$'000	22 \$'000
CAD	(1,442)	(1,438)
GHS	(991)	(1,398)
USD	(682)	(3,009)
TZS	(322)	(188)
GBP	(231)	(165)
EUR	(114)	(217)
BWP	238	110
XOF	229	162
EGP	(3)	(63)
ZAR	8	(191)
INR	(27)	-
	(3,337)	(6,397)

A 10 percent weakening of the Australian dollar against the above currencies at 30 June would have approximately 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) Interest rate risk

The Group's main interest rate risk arises from borrowings with variable rates, which expose the group to cash flow interest rate risk. Group policy is to review on a continuous basis. During 2023 and 2022, 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 divisional and 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 2023, current trade receivables and accrued revenue of \$351,377,000 (2022: \$303,760,000) were assessed for expected credit losses. Of this \$71,303,000 (2022: \$11,518,000) were past due. The amount of the provision for doubtful debts and expected credit loss receivables was \$12,350,000 (2022: \$10,980,000).

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 \$914,000 (2022: \$797,000) has been recorded for expected credit losses and has been included within the provision for doubtful debts balance at 30 June 2023.

The aging of trade receivables greater than 90 days past due and excluding provisions for doubtful debts and expected credit losses are:

	23	22
	\$'000	\$'000
3 to 6 months	34,608	930
Over 6 months	11,419	8,619
	46,027	9,549

Movements in the provision for impairment and expected credit losses of trade receivables and accrued revenue that are assessed collectively are as follows:

	23	22
	\$'000	\$'000
At 1 July	10,980	13,097
Provision recognised during the year	541	8,451
Utilisation of provision	(85)	(10,968)
Expected credit loss provision movement	914	400
At 30 June	12,350	10,980

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 forecasts and actual cash flows, matching maturity profiles of financial assets and liabilities and credit lines through 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 2023	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Trade payables	421,383	-	-	-	-	421,383	421,383
Lease liabilities	10,813	9,003	13,368	22,262	3,521	58,967	49,283
Borrowings	31,180	30,614	60,593	816,240	-	938,627	757,079
Total	463,376	39,617	73,961	838,502	3,521	1,418,977	1,227,745

Group - at 30 June 2022

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

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 net gearing ratio, net leverage ratio and net debt.

(b) Dividends

(i) Dividends paid in the reporting period

	23	22
	\$'000	\$'000
No dividends were determined for the year ended 30 June 2023 (2022: 2.0 cents unfranked dividend paid 20 October 2021).	-	14,108
No interim dividends were determined for the year ended 30 June 2023 and 30 June 2022.	-	-
Total dividends provided for or paid	-	14,108

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

	23	22
	\$'000	\$'000
No final dividends were determined for the year ended 30 June 2023 and 30 June 2022.	-	-

(iii) Conduit Foreign Income

	23	22
	\$'000	\$'000
Conduit Foreign Income (CFI) amounts for subsequent reporting periods are	569,594	486,026

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. For the year ended 30 June 2023, the Company completed an on-market buy-back of 22.0 million shares for consideration of \$20.4 million gross of transaction costs, all paid in cash.

13 BUSINESS COMBINATION

During the year ended 30 June 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 \$0.7 million. The transactions were not considered material, individually or in aggregate, to the Group.

14 INTERESTS IN OTHER ENTITIES

The consolidated financial statements incorporate the assets, liabilities and results of Perenti 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	
			23 %	22 %
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
Golden Plains Pty Ltd *	Australia	Ordinary	100	100
Barminto Mining Services Botswana Proprietary Ltd	Botswana	Ordinary	100	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
Barminto Mining Services Canada Limited	Canada	Ordinary	100	100
Supply Direct Pty Ltd (United Kingdom Branch)*	United Kingdom	Ordinary	100	100
Barminto Finance Pty Ltd *	Australia	Ordinary	100	100
Barminto Holdings Pty Ltd *	Australia	Ordinary	100	100
Supply Direct South Africa Pty Ltd *	Australia	Ordinary	100	100
Barminto Limited *	Australia	Ordinary	100	100
Supply Direct Pty Ltd *	Australia	Ordinary	100	100
Syngex Holdings Pty Ltd *	Australia	Ordinary	100	100
Barholdco (EIS) Pty Ltd	Australia	Ordinary	100	100
Barminto South Africa Pty Ltd	South Africa	Ordinary	100	100
Barminto Egypt LLC	Egypt	Ordinary	100	100
West African Mining Services Ltd	Ghana	Ordinary	100	100
Barminto Egypt Underground Mining Services SAE Investment Commercial	Egypt	Ordinary	100	100
SLR Australia Pty Ltd	Australia	Ordinary	100	100
Barminto India Holdings Pty Ltd	Australia	Ordinary	100	100
Barminto India Investments Pty Ltd	Australia	Ordinary	100	100
Barminto AUMS Holding Pty Ltd *	Australia	Ordinary	100	100
Barminto 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
African Underground Mining Services Burkina Faso Sarl	Burkina Faso	Ordinary	100	100
Barminto 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	86	96
idoba Pty Ltd (formerly Technology Driven Mining)	Australia	Ordinary	86	96
Sandpit Innovation Pty Ltd	Australia	Ordinary	86	96
Spidler Technologies Pty Ltd	Australia	Ordinary	86	96
Optika Solutions Pty Ltd	Australia	Ordinary	86	96
Spidler Group Pty Ltd	Australia	Ordinary	86	96
Atomorphis Pty Ltd	Australia	Ordinary	86	96
Orelogy Consulting Pty Ltd	Australia	Ordinary	86	96
BG Umoja Services Limited	Tanzania	Ordinary	80	80
Underground Mining Alliance Ltd	Ghana	Ordinary	70	70
AMAX Ltd	Ghana	Ordinary	60	60

* 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.

Underground Mining Alliance (UMA) is a 70/30 operation between African Underground Mining Services Limited 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, Barminto 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.

15 CONTINGENCIES

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) and (c).

16 COMMITMENTS

Capital commitments

Capital expenditure that was contracted at the end of the reporting period but not recognised as liabilities:

	23 \$'000	22 \$'000
Property, plant and equipment		
<i>Payable:</i>		
Within one year	160,950	114,169

The capital commitments are to be funded from cash and available finance facilities.

17 EVENTS SINCE THE END OF THE FINANCIAL YEAR

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.

18 RELATED PARTY TRANSACTIONS

(a) Parent entity

The ultimate parent entity of the Group is Perenti Limited.

(b) Key management personnel compensation

	23	22
	\$	\$
Short-term employee benefits	5,336,956	4,760,029
Post-employment benefits	154,908	142,652
Leave entitlements	119,125	21,132
Share-based payments	3,816,076	1,686,881
	9,427,065	6,610,694

Detailed remuneration disclosures are provided in the remuneration report on pages 72 to 91.

(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 2023. Transactions with the non-controlling interests include loans from the non-controlling interest of \$1,201,000 (2022: \$1,159,000) (note 18(d)) loans to the non-controlling interest of \$1,885,000 (2022: \$1,703,000), dividends paid to non-controlling interest of \$435,000 (2022: \$2,610,000), and rental and hire expenses of \$22,223,000 (2022: \$18,219,000).

(d) Loans to related parties

	23	22
	\$	\$
Loans to key management personnel		
Balance at 1 July	186,039	186,039
Interest charged	10,062	8,492
Interest received	(7,479)	(8,492)
As at 30 June	188,622	186,039

Terms and conditions

Loans were extended to key management personnel (KMP) on acquisition of Barmingo group. The loans were made on normal terms and condition. The outstanding balances will be deducted from the final FY23 STI, representing the full and final settlement of all loans and obligations. Interest was payable at rates of 4.52% to 7.77% on outstanding loan balances.

	23	22
	\$	\$
Loans from non-controlling interest		
Balance at 1 July	1,158,665	1,290,008
Loan repayments made	-	(1,867,355)
Impact of foreign exchange	42,145	89,427
Loan drawdowns	-	1,646,585
As at 30 June	1,200,810	1,158,665

19 SHARE-BASED PAYMENTS

(a) 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 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 Limited on exercise. During the year ended 30 June 2023, no retention rights were granted (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 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 both 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 at the grant date and the short-term incentives rights are converted into ordinary shares 12 months from the grant date.

Performance rights

Each performance right issued under the plan converts into one ordinary share of Perenti 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 2023 will run from 1 July 2022 until 30 June 2025, (2022: 1 July 2021 until 30 June 2024). The performance criteria for rights granted in FY23 are detailed below:

- 50% of the performance rights will vest if the total shareholder return (TSR) vesting condition is met which is on a 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 is calculated on a 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 is met.

Set out below is a summary of rights granted under the above plans.

	23	22
	Number of rights	Number of rights
As at 1 July	23,678,643	13,052,162
Granted during the year	18,304,773	15,276,873
Forfeited during the year	(4,252,032)	(3,234,420)
Vested during the year	(1,702,278)	(1,415,972)
As at 30 June	36,029,106	23,678,643

19 SHARE-BASED PAYMENTS (CONTINUED)

(a) Rights Plan (continued)

There were 16,663,302 performance rights, 1,641,471 Short Term Incentive Rights and nil retention rights granted during the year ended 30 June 2023 (30 June 2022: 11,047,923 performance rights and 988,477 Short Term Incentive Rights and 3,240,473 retention rights).

The weighted average remaining contractual life of rights outstanding at the end of the year was 1.18 years (30 June 2022: 1.40 years). The weighted fair value of rights granted during the year is \$0.91 (30 June 2022: \$0.61).

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 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
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
Retention	13 May 2022	31 Dec 2023	0.74	-	2.70	-	0.71
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
Short Term Incentive	10 Oct 2022	10 Oct 2023	0.94	-	2.93	-	0.91
Short Term Incentive	14 Oct 2022	14 Oct 2023	1.01	-	2.74	-	0.98
Performance - TSR	14 Oct 2022	30 Jun 2024	1.01	65.81	2.74	3.32	0.75
Performance - ROE	14 Oct 2022	30 Jun 2024	1.01	65.81	2.74	3.32	0.96
Performance - Others	14 Oct 2022	30 Jun 2024	1.01	65.81	2.74	3.32	0.96
Performance - TSR	14 Oct 2022	30 Jun 2025	1.01	65.81	2.74	3.32	0.75
Performance - ROE	14 Oct 2022	30 Jun 2025	1.01	65.81	2.74	3.32	0.85
Performance - Others	14 Oct 2022	30 Jun 2025	1.01	65.81	2.74	3.32	0.85
Performance - TSR	20 Mar 2023	30 Jun 2025	1.08	57.69	3.29	2.84	0.85
Performance - ROE	20 Mar 2023	30 Jun 2025	1.08	57.69	3.29	2.84	1.00
Performance - Others	20 Mar 2023	30 Jun 2025	1.08	57.69	3.29	2.84	1.00

(b) 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:

	23	22
	\$'000	\$'000
Rights issued under employee rights plan	12,531	4,591

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

	23	22
	\$	\$
Audit and review of financial statements of the group and controlled entities*	716,732	444,800
Tax compliance services	220,890	380,058
Advisory and accounting consulting services	443,700	361,559
Total remuneration of PricewaterhouseCoopers Australia	1,381,322	1,186,417

(b) Network firms of PricewaterhouseCoopers Australia

Audit and other assurance services	621,331	715,609
Tax compliance services	281,038	359,831
Advisory and accounting consulting services	12,346	119,598
Total remuneration of network firms of PricewaterhouseCoopers Australia	914,715	1,195,038
Total remuneration of PricewaterhouseCoopers firms	2,296,037	2,381,455

(c) Non PricewaterhouseCoopers audit firms

Audit and review of financial statements of the group and controlled entities	108,442	155,075
Tax compliance services	87,662	166,258
Advisory and accounting consulting services	231,808	328,239
Total remuneration of non PricewaterhouseCoopers audit firms	427,912	649,572

* The audit fee for the year for PwC Australia was \$928,319 compared to \$897,703 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 per share		23	22
		Cents	Cents
From continuing operations attributable to the ordinary equity holders of the Company		13.9	5.8
(b) Diluted earnings per share			
From continuing operations attributable to the ordinary equity holders of the Company		13.4	5.7
(c) Reconciliation of earnings used in calculating earnings per share		23	22
		\$'000	\$'000
Profit/(loss) attributable to the ordinary equity holders of the Company used in calculating basic and diluted earnings per share		95,739	40,658
(d) Weighted average number of shares used as denominator		23	22
		Number	Number
Weighted average number of ordinary shares used as the denominator in calculating basic earnings per share		689,850,285	705,364,418
Adjustments for calculation of diluted earnings per share:			
Effect of share rights on issue		25,740,143	3,166,764
Weighted average number of ordinary and potential ordinary shares used as the denominator in calculating diluted earnings per share		715,590,428	708,531,182

The number of potential ordinary shares not considered dilutive at 30 June 2023 is nil (2022: 10,998,465).

(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:

	23 \$'000	22 \$'000
Current		
Floating charge		
Cash and cash equivalents	219,358	261,853
Receivables	395,037	383,119
Inventory	170,823	178,604
Assets classified as held for sale	18,663	7,488
Total current assets pledged as security	803,881	831,064
Non-current		
Floating charge		
Plant and equipment	754,814	747,018
Land and buildings	23,403	24,402
Receivables	158,036	128,911
Investment	95,192	95,156
Total non-current assets pledged as security	1,031,445	995,487
Total assets pledged as security	1,835,326	1,826,551

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 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 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.

	23	22
	\$'000	\$'000
Consolidated statement of profit or loss		
Revenue from continuing operations	1,387,839	1,147,881
Other income	72,393	232,470
Materials expense	(433,983)	(350,800)
Labour costs	(682,487)	(587,625)
Rental and hire expense	(23,150)	(17,633)
Depreciation expense	(132,357)	(118,777)
Amortisation expense	(22,985)	(26,954)
Finance costs	(63,493)	(52,215)
Finance income	27,556	16,121
Other expenses from ordinary activities	(138,631)	(195,373)
Impairment of assets	-	(23,162)
Profit before income tax	(9,298)	23,933
Income tax benefit	4,604	36,451
Profit for the year	(4,694)	60,384
Consolidated statement of comprehensive income		
Other comprehensive income		
Profit for the year	(4,694)	60,384
<i>Items that may be reclassified to profit or loss</i>		
Exchange differences on translation of foreign operations	(10,406)	(27,053)
<i>Items that will not be reclassified to profit or loss</i>		
Gain on revaluation of financial assets FVOCI, net of tax	-	21,762
Other comprehensive (loss)/income for the year, net of tax	(10,406)	(5,291)
Total comprehensive income for the year	(15,100)	55,093
Summary of movements in consolidated retained earnings		
Retained earnings at the beginning of the financial year	300,267	153,326
Profit for the year	(4,694)	60,384
Retained earnings transfer	-	100,665
Dividends paid	-	(14,108)
Retained earnings at the end of the financial year	295,573	300,267

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.

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.

	23 \$'000	22 \$'000
Current assets		
Cash and cash equivalents	111,339	109,603
Trade receivables	284,842	337,517
Inventories	85,283	79,295
Current tax receivables	14,950	10,657
Total current assets	496,414	537,072
Non-current assets		
Investments in other Group companies	441,098	504,094
Receivables	305,320	303,773
Property, plant and equipment	474,945	444,317
Deferred tax assets	163,114	166,204
Right-of-use assets	35,481	47,890
Intangible assets	612,394	634,728
Total non-current assets	2,032,352	2,101,006
Total assets	2,528,766	2,638,078
Current liabilities		
Trade and other payables	218,226	206,039
Borrowings	6,769	1,926
Lease liabilities	16,538	27,943
Current tax liabilities	15,089	10,608
Employee benefit obligations	59,128	56,527
Total current liabilities	315,750	303,043
Non-current liabilities		
Borrowings	758,725	852,607
Lease liabilities	21,977	16,670
Deferred tax liabilities	39,002	55,810
Employee benefit obligations	5,229	3,909
Total non-current liabilities	824,933	928,996
Total liabilities	1,140,683	1,232,039
Net assets	1,388,083	1,406,039
Equity		
Contributed equity	1,118,449	1,137,030
Other reserves	(25,939)	(31,258)
Retained earnings	295,573	300,267
Total equity	1,388,083	1,406,039

24 PARENT ENTITY FINANCIAL INFORMATION

(a) Summary financial information

The individual financial statements for the parent entity, Perenti Limited, show the following aggregate amounts:

	23 \$'000	22 \$'000
Balance sheet		
Current assets	12,144	7,372
Non-current assets	931,331	949,156
Total assets	943,475	956,528
Current liabilities	-	352
Non-current liabilities	7,390	7,949
Total liabilities	7,390	8,301
Shareholders' equity		
Contributed equity	1,118,449	1,137,030
Other reserves		
Asset revaluation reserve	3,213	3,213
Non-controlling interest reserve	5,400	-
Share-based payments reserve	24,197	13,872
Accumulated losses - 2015 reserve	(183,177)	(183,177)
Accumulated losses - 2020 reserve	(78,556)	(78,556)
Retained Earnings	46,559	55,845
Total equity	936,085	948,227
(Loss)/profit for the year	(9,286)	63,881
Total comprehensive (loss)/income	(9,286)	63,881

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 (2022: nil).

However, there are cross guarantees given by Perenti 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 2023 or 30 June 2022.

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

As at 30 June 2023, the parent entity had \$nil contractual commitments for the acquisition of property, plant and equipment (30 June 2022: \$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 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 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 Limited and its wholly-owned Australian controlled entities have implemented the tax consolidation legislation.

The head entity, Perenti 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 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 Limited for any current tax payable assumed and are compensated by Perenti Limited for any current tax receivable and deferred tax assets relating to unused tax losses or unused tax credits that are transferred to Perenti 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 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 Limited is a for-profit entity for the purpose of preparing the financial statements.

(i) Compliance with IFRS

The consolidated financial statements of Perenti 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 2023-2 Amendments to Australian Accounting Standards - International Tax Reform - Pillar Two Model Rules. The Group has yet to account for any deferred taxes arising from the OECD's Pillar Two Model Rules and has thus applied the mandatory exception effective immediately,
- 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 2023 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) 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.

(v) Climate change

The International Sustainability Standards Board ("ISSB") issued the first IFRS Sustainability Disclosure standards - IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information and IFRS S2 Climate-related Disclosures on the 26 June 2023. The standards are effective from 1 July 2024 and it is expected that the Australian Accounting Standards Board ("AASB") will develop broader sustainability-related reporting standards, which requirements and standards would most likely align with the ISSB Standards.

The Group 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. Refer to Sustainability section for further details.

The Group has assessed the impact of climate risk on its financial reporting. The impact assessment principally focuses on key judgement areas, being the valuation and useful lives of intangible and tangible assets and the identification and valuation of provisions and contingent liabilities. No material accounting impacts or changes to judgements or other required disclosures have resulted from the assessment. While the assessment did not have a material impact for the year ended 30 June 2023, this may change in future periods as the Group regularly updates its assessment of the impact of the lower carbon economy.

25 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(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 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.

(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 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 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.

25 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(c) Foreign currency translation (continued)

(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 through 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.

(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.

25 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(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.

The 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

Over the fair value of the net identifiable assets acquired is recorded as goodwill. 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.

(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.

25 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(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.

(iii) Share-based payments

Equity settled share-based compensation benefits are provided to employees via Perenti Limited Incentive Rights Plan. Information relating to the 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.

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.

25 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(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 with other receivables or payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the 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 96 to 158 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 2023 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 and Chief Executive Officer

Perth
21 August 2023

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS



Independent auditor's report

To the members of Perenti Limited

Report on the audit of the financial report

Our opinion

In our opinion:

The accompanying financial report of Perenti 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 2023 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 2023
- 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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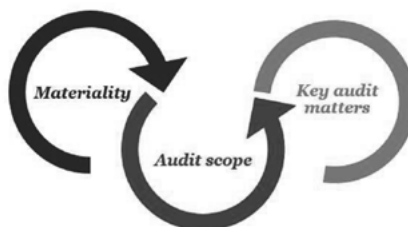
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Our audit approach

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
<ul style="list-style-type: none"> For the purpose of our audit we used overall Group materiality of \$14.4 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. We utilised a 0.5% threshold based on our professional judgement, noting it is within the range of commonly acceptable thresholds. 	<ul style="list-style-type: none"> 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 in Africa operating under our instruction. The Group engagement team performed audit procedures on the financial information of financially significant components or components with financially significant balances in Australia, Burkina Faso, Senegal, USA, Egypt, Ghana, South Africa and Canada. Component auditors performed audit procedures on significant components or components with financially significant balances in Ghana, Burkina Faso, Tanzania and Botswana. 	<ul style="list-style-type: none"> Amongst other relevant topics, we communicated the following key audit matters to the Audit and Risk Committee: <ul style="list-style-type: none"> Valuation of Goodwill Valuation of non-current assets (excluding Goodwill) These are further described in the <i>Key audit matters</i> section of our report.



- The Group engagement team and component auditors actively communicated throughout the year through discussions, site visits, 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
<p>Valuation of Goodwill <i>(Refer to note 7(e))</i></p> <p>At 30 June 2023, 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 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:</p> <ul style="list-style-type: none"> • 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. <p>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.</p>	<p>Our audit procedures, amongst others, included the following:</p> <ul style="list-style-type: none"> • 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 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 current longer term inflation forecasts. • 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


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.

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.

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.
- Considering the adequacy of the disclosures made in note 3 of the financial statements in light of the requirements of Australian Accounting Standards.

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 2023, 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 72 to 91 of the directors' report for the year ended 30 June 2023.

In our opinion, the remuneration report of Perenti Limited for the year ended 30 June 2023 complies with section 300A of the *Corporations Act 2001*.



Responsibilities

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

A handwritten signature in cursive script that reads "PricewaterhouseCoopers."

PricewaterhouseCoopers

A handwritten signature in cursive script, appearing to read "Craig Heatley".

Craig Heatley
Partner

Perth
21 August 2023

SHAREHOLDER INFORMATION

a. Distribution of equity securities

Analysis of numbers of equity security holders by size of holding as at 7 August 2023:

Holding	Ordinary shares		
	Number of Holders	Shares	% of shares on issue
1 - 1,000	2,676	1,051,393	0.16
1,001 - 5,000	2,411	6,528,692	0.96
5,001 - 10,000	1,024	7,927,680	1.16
10,001 - 100,000	1,669	49,215,814	7.21
100,001 and over	213	617,448,729	90.51
	7,993	682,172,308	100.00

There were 1,455 holders of less than a marketable parcel of 2,112 ordinary shares as at 7 August 2023.

b. Equity security holders

The names of the twenty largest holders of quoted equity securities as at 7 August 2023 are listed below:

Name	Ordinary shares	
	Number held	Percentage of issued shares (%)
1. HSBC Custody Nominees (Australia) Limited	164,094,934	24.05
2. J P Morgan Nominees Australia Pty Limited	129,648,487	19.01
3. Citicorp Nominees Pty Limited	106,079,721	15.55
4. National Nominees Limited	31,527,920	4.62
5. Bremerton Pty Limited	26,005,640	3.81
6. Nebraska Pty Limited	26,005,640	3.81
7. UBS Nominees Pty Ltd	16,132,513	2.36
8. BNP Paribas Noms Pty Ltd	15,107,141	2.21
9. Purple Dragon Holdings Pty Ltd	6,280,613	0.92
10. Mr BG Wright + Mrs WJ Wright	5,051,035	0.74
11. CTS Funds Pty Ltd	5,009,748	0.73
12. Sandhurst Trustees Ltd	4,860,849	0.71
13. HSBC Custody Nominees (Australia) Limited - A/C 2	4,084,752	0.60
14. Royale Blue Pty Ltd	3,708,161	0.54
15. Mrs Patricia Gladys Wright	3,623,553	0.53
16. Gresham Partners Capital Limited	2,689,150	0.39
17. Pacific Custodians Pty Limited	2,650,192	0.39
18. Mrs PG Wright + Mr MG Wright + Mr JG Wright	2,451,544	0.36
19. BNP Paribas Nominees Pty Ltd	2,281,792	0.33
20. Citicorp Nominees Pty Limited	1,749,375	0.26
Total held by the twenty largest shareholders	559,042,760	81.92

Unquoted equity securities

	Number on issue	Number of holders
Rights issued under the Employee Incentive Rights Plan	36,029,106	89

SHAREHOLDER INFORMATION (CONTINUED)

c. Substantial holders

Substantial holders in the Company are set out below as at 31 July 2023:

	Ordinary Shares	
	Number held	Percentage (%)
Dimensional Fund Advisors	40,404,132	5.92

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	F	FIFO	Fly In Fly Out workforce		
	ABAC	Anti-bribery and Anti-corruption		FVLCD	Fair value less cost of disposal		
	ABN	Australian Business Number		FVOCI	Fair value through other comprehensive income		
	ACN	Australian Company Number	G	GBV	Gender-based violence		
	AIFR	All injury frequency rate calculated as the number of incidents resulting in a work-related injury with a minimum of first aid treatment per million hours worked		GEC	Group Executive Committee		
	AMS	African Mining Services		GST	Goods and Services Tax		
	APES	Accounting Professional & Ethical Standards		GHG (greenhouse gas) emissions	For Perenti reporting purposes, these are the aggregate anthropogenic carbon dioxide equivalent (CO ₂ -e) emissions of carbon dioxide (CO ₂), methane (CH ₄), nitrous oxide (N ₂ O), Hydrofluorocarbons (HFCs), perfluorocarbons (PFCs), sulphur hexafluoride (SF ₆) and Nitrogen trifluoride (NF ₃). GHG emissions are currently not relevant for Perenti reporting purposes		
	ASIC	Australian Securities and Investments Corporation		Grid	A system of power transmission and distribution lines under the control of a coordinating entity or 'grid operator', which transfers electrical energy generated by power plants to energy users also called a 'power grid'.		
	ASX	Australian Stock Exchange		H	HESTA 40:40 Vision	An initiative led by HESTA Super Fund supported by industry partners, to pursue diversity in executive leadership in ASX300 companies.	
AUMS	African Underground Mining Service	HSE			Health Safety and Environment		
B	BTP	Best Tractor Parts (Perenti subsidiary)			HV	Heavy Vehicle	
	BPS (bps)	Basis Points			I	IASB	International Accounting Standards Board
	C	CGU	Cash Generating Unit			IDA	Indigenous Desert Alliance
		CFI	Conduit Foreign Income			IFRS	International Financial Reporting Standards
		Climate scenario analysis	Evaluation of various potential future scenarios using climate model projections to assess the potential impacts of climate change on businesses to aid in risk management and strategic planning.			IFRIC	International Financial Reporting Standards Interpretations Committee
		CO ₂ equivalent (CO ₂ -e)	The universal unit of measurement to indicate the global warming potential (GWP) of each GHG, expressed in terms of the GWP of one unit of carbon dioxide (CO ₂). It is used to evaluate releasing (or avoiding releasing) different GHGs against a common basis			Injury	Temporary or permanent damage to tissue, muscle or bone typically caused by an identifiable incident.
		CoRE	Centre of Resources Excellence			Indirect emissions	Emissions that arise from Perenti's activities, but occur at sources owned or controlled by another company
		D	DCF	Discounted cash flow		IPCC	Intergovernmental Panel on Climate Change
			Direct emissions	Emissions from sources that are owned or controlled by a reporting company		ISSB	International Sustainability Standards Board
Downstream emissions			Emissions from sources that are owned or controlled by a reporting company	J		JV	Joint venture
DRP			Dividend Reinvestment Plan				
E	EBIT(A)	Earnings before interest, tax and amortisation of customer related intangibles					
	EBITDA	Earnings before interest, tax, depreciation and amortisation					
	ESG	Environment Social and Governance					

GLOSSARY OF TERMS (CONTINUED)

K	KMP	Key Management Personnel	S	SBTi	Science-based target initiative
				SDG	Sustainable Development Goal
L	LEV	Local Exhaust Ventilation		Scope 1 emissions	Scope 1 emissions are direct GHG emissions from operations that are owned or controlled by a reporting company.
	Local employment	Employment of country Nationals (locals) from within the country the worksite is located. Does not include third country Nationals.		Scope 2 emissions	Scope 2 emissions are indirect GHG emissions from the generation of purchased or acquired electricity, steam, heat or cooling that is consumed by operations that are owned or controlled by a reporting company.
	Local expenditure	Refers to the purchasing of goods or services from a supplier registered or based within the same country as the operation		Scope 3 emissions	Scope 3 emissions are all other indirect GHG emissions (not included in Scope 2) that occur in a reporting company's value chain.
	LPG	Liquified petroleum gas		SDG	United Nations Sustainable Development Goal
	LTIFR	Lost time injury frequency rate calculated as the number of work-related injuries resulting in one or more days away from work per million hours worked		Senior Leader	Vice Presidents, General Managers and Department Heads
	LTI	Long term incentive		Steering Group	A Perenti Group Executive Committee sponsored group comprising key internal stakeholders for providing guidance, oversight and strategic direction for Perenti's sustainability priorities
M	MOU	Memorandum of understanding		SPI	Serious potential incident
	M&A	Mergers and acquisitions		STI	Short term incentive
N	NCI	Non-controlling interest		SPIFR	Serious Potential Incident Frequency Rate
	Net zero	Reducing GHG emissions to zero or a residual level consistent with reaching a scenario that limits global warming to 1.5°C, and then neutralizing any residual emissions at the net zero target date.	T	TCFD	Task Force on Climate related Financial Disclosures
	NPAT	Net Profit After Tax		TCS	Tjiwarl Contracting Services
O	OCI	Other comprehensive income		TFR	Total Fixed Remuneration
	OEM	Original Equipment Manufacturer		TNDC	Tahltan Nation Development Corporation
	Operational boundaries	The boundaries that determine the direct and indirect emissions associated with operations owned or controlled by the reporting company		TNFD	Taskforce on Nature-related Financial Disclosure
	Operational control approach	A consolidation approach whereby a company accounts for 100 per cent of the GHG emissions over which it has operational control		TRIFR	Total recordable injury frequency rate calculated as the number of work-related recordable injuries per million hours worked. Recordable injuries include medical treatment, restricted work, lost time and fatality classifications.
	OTR	Offroad tyre recovery		TSR	Total shareholders' return
P	PGF	Perenti Governance Framework		TSA	Tyre Stewardship Australia
	Physical risks	Adverse effects to natural and built environments resulting from the changing climate, including events like extreme weather, sea-level rise, and temperature fluctuations.	U	UMA	Underground Mining Alliance – a joint venture between Perenti subsidiary AUMS and Ghanaian mining contractor Rocksure
R	Renewable energy certificates (REC)	Contractual instrument used to purchase energy that represents the environmental attributes of a specific amount of renewable energy generated within the grid.		Upstream emissions	Indirect GHG emissions from purchased or acquired goods and services.
	ROE	Return on Equity	V	VAT	Value-added Tax
	ROACE	Return on average capital employed		VIU	Value in Use



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