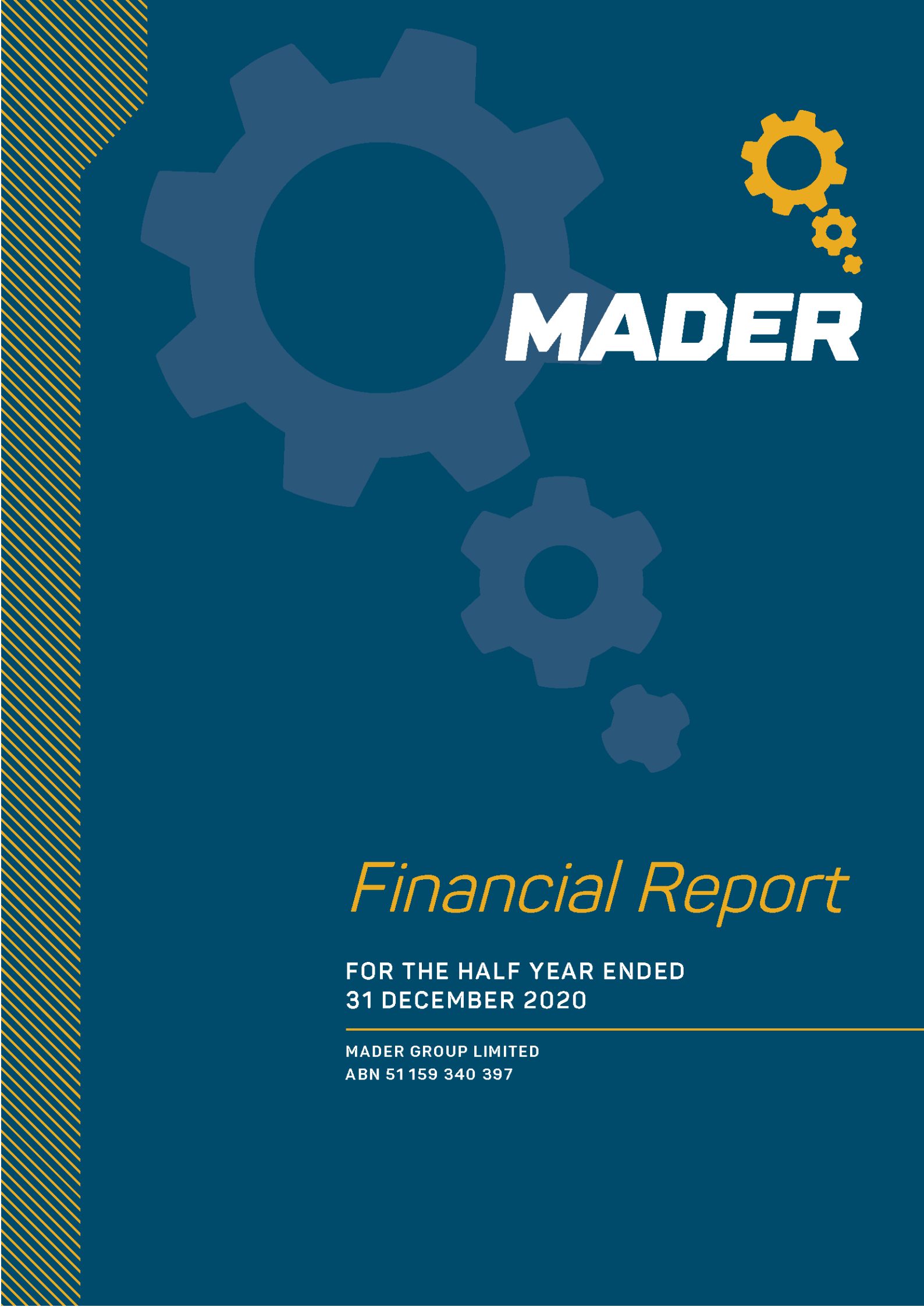




MADER

Financial Report

FOR THE HALF YEAR ENDED
31 DECEMBER 2020

MADER GROUP LIMITED
ABN 51 159 340 397

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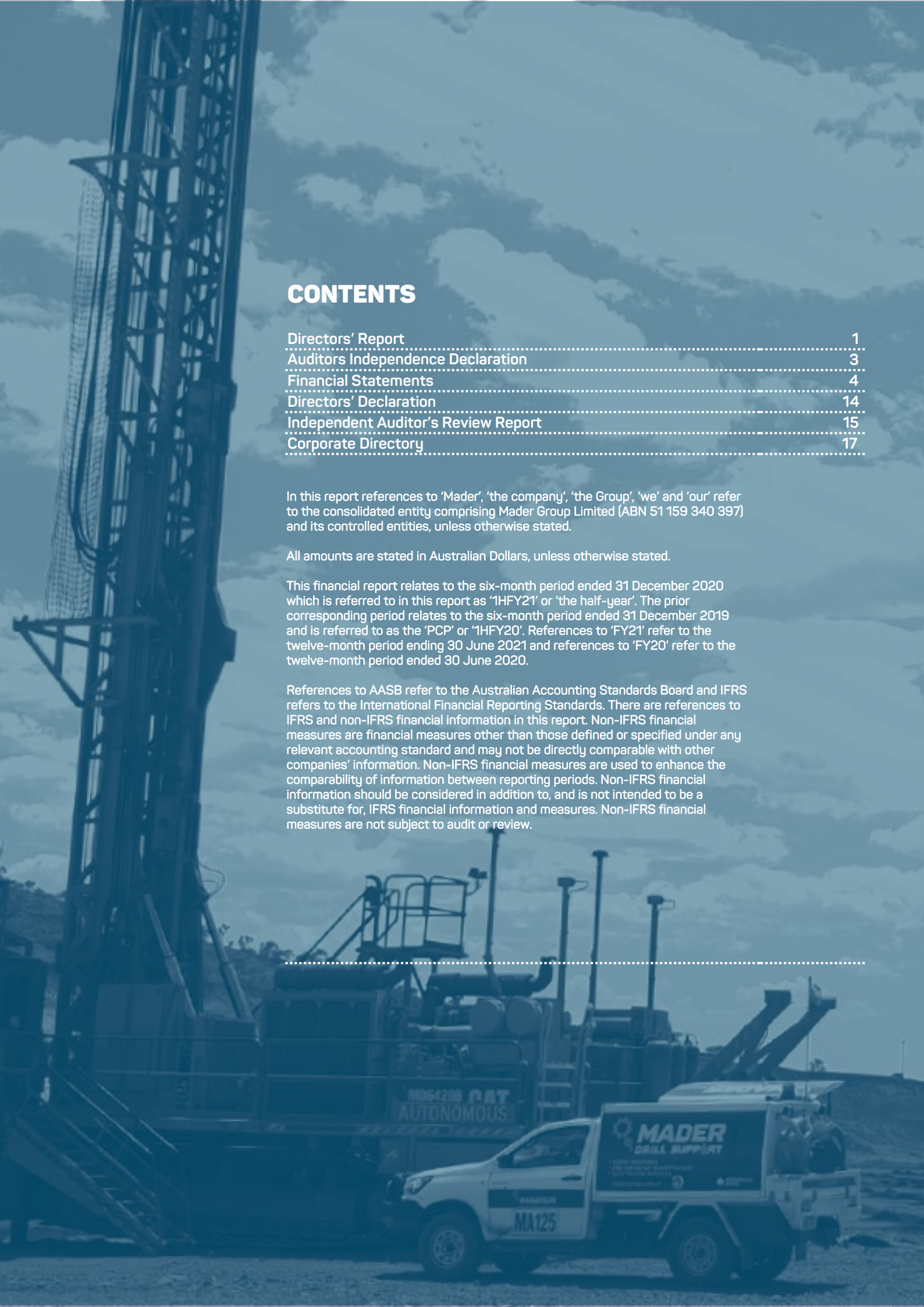
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In this report references to 'Mader', 'the company', 'the Group', 'we' and 'our' refer to the consolidated entity comprising Mader Group Limited (ABN 51 159 340 397) and its controlled entities, unless otherwise stated.

All amounts are stated in Australian Dollars, unless otherwise stated.

This financial report relates to the six-month period ended 31 December 2020 which is referred to in this report as '1H FY21' or 'the half-year'. The prior corresponding period relates to the six-month period ended 31 December 2019 and is referred to as the 'PCP' or '1H FY20'. References to 'FY21' refer to the twelve-month period ending 30 June 2021 and references to 'FY20' refer to the twelve-month period ended 30 June 2020.

References to AASB refer to the Australian Accounting Standards Board and IFRS refers to the International Financial Reporting Standards. There are references to IFRS and non-IFRS financial information in this report. Non-IFRS financial measures are financial measures other than those defined or specified under any relevant accounting standard and may not be directly comparable with other companies' information. Non-IFRS financial measures are used to enhance the comparability of information between reporting periods. Non-IFRS financial information should be considered in addition to, and is not intended to be a substitute for, IFRS financial information and measures. Non-IFRS financial measures are not subject to audit or review.



DIRECTORS' REPORT

The Directors submit their report with the financial report on the Group for 1HFY21. The names of directors who held office during or since the end of the half-year are set out below.

Director Name	Position
Mr Jim Walker	Non-Executive Chairman
Mr Luke Mader	Executive Director
Mr Justin Nuich	Executive Director & Chief Executive Officer (Appointed Chief Executive Officer 28 Jan 21)
Mr Patrick Conway	Executive Director (Resigned as Chief Executive Officer on 28 Jan 21)
Mr Craig Burton	Non-Executive Director

Principal Activities

During the half-year, the principal activities of the Group were the provision of specialised contract labour for maintenance of heavy mobile equipment in the global resources sector. The services provided include maintenance labour, field support (site labour with support vehicles and tools), shutdown teams for major overhauls, maintenance workshops, training of maintenance teams, and a range of other ancillary services.

Operating Results

The Group achieved a statutory net profit after tax for 1HFY21 of \$8.7 million (1HFY20: statutory NPAT of \$8.1 million and adjusted NPAT of \$8.7 million).

Dividends

On 22 February 2021 Mader declared an interim fully franked dividend of 1.5 cents per share. The total value of the dividend payment is \$3.0m. The record date is 3 March 2021 with a payment date of 17 March 2021.

A summary of the dividends that have been paid or declared during or in relation to 1HFY21 and the PCP are set out below.

Dividend Type	Dividend Paid	Total Value	Payment Date
Interim FY21 fully franked dividend ¹	1.5 cents per share	\$3.0m	17 Mar 2021
Final FY20 fully franked dividend	1.5 cents per share	\$3.0m	17 Sep 2020

Note:

¹: Declared on 22 February 2021, subsequent to the end of the half-year period.

Operating and Financial Review

The Group has delivered a period of modest growth during 1HFY21.

	1HFY21 \$'000	1HFY20 \$'000	Change %
Financial Results			
Statutory Results			
Revenue	141,174	132,719	+6.4%
EBITDA	16,318	15,411	+5.9%
EBITDA margin	11.6%	11.6%	
EBIT	12,742	12,384	+2.9%
EBIT margin	9.0%	9.3%	
Net profit after tax	8,710	8,061	+8.1%
Operating cashflow	9,136	3,725	+145.2%
Adjusted Results			
Revenue	141,174	132,719	+6.4%
EBITDA	16,318	16,010	1.9%
EBITDA margin	11.6%	12.1%	
EBIT	12,742	12,984	-1.9%
EBIT margin	9.0%	9.8%	
Adjusted net profit after tax	8,710	8,661	+0.5%

DIRECTORS' REPORT (CONT...)

Reconciliation to Adjusted Results	1HFY21 \$'000	1HFY20 \$'000
Statutory net profit after tax	8,710	8,061
One-off offer costs ¹ (tax effected)	-	600
Adjusted net profit after tax	8,710	8,661
Adjusted net profit margin	6.2%	6.5%

Note:

1: One-off costs incurred in relation to the initial public offering in October 2019 of \$0.9 million (\$0.6 million tax effected).

Revenue

Group revenue increased to \$141.2 million from \$132.7 million in 1H20, with the 6.4% period-on-period increase attributable to growth in two of the three reporting segments, Australia and North America with a reduction in the Rest of World segment.

Earnings

Group earnings before interest, tax, depreciation and amortisation (EBITDA) improved to \$16.3 million from \$15.4 million (5.9% increase). EBITDA growth was achieved mainly from the USA segment. EBITDA margin for 1H21 was 11.6% with a modest decrease from 1H20 (11.6%).

Group statutory net profit after tax (NPAT) was \$8.7 million (1H20: \$8.1 million) and adjusted NPAT was \$8.7 million (1H20: \$8.7 million).

Cash Flow

Group operating cash flow before interest and tax (OCFBIT) of \$13.7 million represents a \$5.3 million increase on 1H20. Operating cash flow of \$9.5 million was a \$5.8 million increase on 1H20.

Net financing inflows was \$2.6 million, being the net drawdown on the asset finance for capital purchases and debtor finance facility for operating capital, less any repayment of the facilities during the period.

Net Financing

The Group ended the period with:

- Cash of \$5.7 million, a decrease of \$0.7 million as compared to June 2020;
- Net Debt of \$19.9 million, an increase of \$1.4 million as compared to June 20.

Net Debt at 31 December 2020 comprised total debt of \$25.6 million less cash of \$5.7 million.

Events Subsequent to Reporting Date

The impact of the COVID-19 pandemic is ongoing and while it had affected the international operations for the consolidated entity up to 31 December 2020, it is not practicable to estimate the potential impact, positive or negative, after the reporting date. The situation is continually developing and is dependent on measures imposed by the Australian Government and other countries.

There is no matter or circumstances that have arisen during or since the end of the financial period which significantly affected or may significantly affect the operations of the company, the results of those operations, or the state of affairs of the company within future financial years, other than the interim dividend as described above.

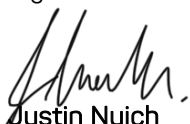
Rounding of Amounts

The consolidated group has applied the relief available to it in ASIC Corporations (Rounding in Financial/ Directors' Reports) Instrument 2016/191 and accordingly certain amounts in the financial report and the directors' report have been rounded off to the nearest \$1,000.

Lead Auditor's Independence Declaration

The lead auditor's independence declaration under s 307C of the Corporations Act 2001 is set out on page 3.

Signed in accordance with a resolution of the Board of Directors.



Justin Nuich

Executive Director and Chief Executive Officer

Dated this Twenty Second day of February, 2021

DECLARATION OF INDEPENDENCE BY PHILLIP MURDOCH TO THE DIRECTORS OF MADER GROUP LIMITED

As lead auditor for the review of Mader Group Limited for the half-year ended 31 December 2020, I declare that, to the best of my knowledge and belief, there have been:

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

This declaration is in respect of Mader Group Limited and the entities it controlled during the period.



Phillip Murdoch

Director

BDO Audit (WA) Pty Ltd

Perth, 22 February 2021

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS & OTHER COMPREHENSIVE INCOME
FOR THE HALF-YEAR ENDED 31 DECEMBER 2020**

	Note	31 December 2020 \$'000	31 December 2019 \$'000
Revenue	3	141,174	132,719
Cost of sales		(113,766)	(106,748)
Gross profit		27,408	25,971
Other revenue	3	235	147
Distribution expenses		(114)	(133)
Marketing expenses		(505)	(380)
Administration expenses		(14,061)	(12,792)
Other expenses		(226)	(298)
Share of profit from associates		263	-
Operating profit		13,000	12,515
Finance costs		(690)	(1,005)
Profit before income tax		12,310	11,510
Income tax expense		(3,600)	(3,449)
Profit for the period		8,710	8,061
Other comprehensive income/(loss) for the period:			
Foreign currency translation differences		142	642
Total comprehensive income/(loss) for the period		8,852	8,703
Earnings Per Share:			
Basic and diluted earnings per share (cents)		4.4	4.3

The above consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the notes to the financial statements.

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2020**

	Note	31 December 2020 \$'000	30 June 2020 \$'000
Current assets			
Cash and cash equivalents		5,734	6,456
Trade and other receivables		53,086	55,049
Other assets	4	6,042	1,713
Total current assets		64,862	63,218
Non-current assets			
Property, plant and equipment	6	32,472	32,542
Right-of-use of assets		3,852	2,587
Investment in Associate	7	3,773	-
Other assets		462	392
Deferred tax assets		1,967	2,008
Total non-current assets		42,526	37,529
Total assets		107,388	100,747
Current liabilities			
Trade and other payables		17,245	18,898
Lease liabilities		420	491
Provisions		2,209	1,307
Tax liabilities		3,189	3,227
Borrowings	8	17,222	13,777
Total current liabilities		40,285	37,700
Non-current liabilities			
Provisions		-	599
Lease liabilities		3,559	2,096
Deferred tax liabilities		1,176	1,097
Borrowings	8	8,400	11,138
Total non-current liabilities		13,135	14,930
Total liabilities		53,420	52,630
Net assets		53,968	48,117
Equity			
Issued capital		2	2
Reserves		(292)	(433)
Retained earnings		54,258	48,548
Total equity		53,968	48,117

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

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE HALF-YEAR ENDED 31 DECEMBER 2020**

	Issued Capital \$'000	Retained Earnings \$'000	Reserves \$'000	Total \$'000
Balance at 1 July 2019	2	35,324	(1,157)	34,169
Comprehensive income				
Profit for the period	-	8,061	-	8,061
Other comprehensive loss for the period	-	-	642	642
Total comprehensive income for the period	-	8,061	642	8,703
Transactions with owners in their capacity as owners				
Dividends paid for the period	-	(1,280)	-	(1,280)
Total transactions with owners and other transfers	-	(1,280)	-	(1,280)
Balance at 31 December 2019	2	42,105	(515)	41,592
Balance at 1 July 2020	2	48,548	(434)	48,116
Comprehensive income				
Profit for the period	-	8,710	-	8,710
Other comprehensive income for the period	-	-	142	142
Total comprehensive income for the period	-	8,710	142	8,852
Transactions with owners, in their capacity as owners				
Dividends paid for the period	-	(3,000)	-	(3,000)
Total transactions with owners and other transfers	-	(3,000)	-	(3,000)
Balance at 31 December 2020	2	54,258	(292)	53,968

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

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2020**

	Note	31 December 2020 \$'000	31 December 2019 \$'000
Cash flows from operating activities			
Receipts from customers		143,121	132,396
Payments to suppliers and employees		(129,406)	(123,998)
Interest received / (paid)		(432)	3
Finance costs		(239)	(937)
Income tax paid		(3,517)	(3,739)
Net cash provided by / (used in) operating activities		9,527	3,725
Cash flows from investing activities			
Proceeds from sale of plant and equipment		406	584
Payment for acquisition of associate		(3,500)	-
Payments for plant and equipment		(4,582)	(6,532)
Net cash (used in) investing activities		(7,676)	(5,948)
Cash flows from financing activities			
Dividends paid		(3,000)	(3,280)
Principal elements of lease payments		(367)	(339)
Net proceeds from debtor finance borrowings		2,261	8,588
Net proceeds from insurance premium funding		1,032	1,283
Proceeds from chattel mortgage borrowings		2,345	3,405
Repayment of chattel mortgage borrowings		(4,844)	(4,699)
Net cash provided by / (used in) financing activities		(2,573)	4,958
Net increase/(decrease) in cash held		(722)	2,735
Net foreign exchange difference		-	78
Cash at the beginning of the financial period		6,456	3,049
Cash at the end of the financial period		5,734	5,862

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. Reporting Entity

Mader Group Limited is a for profit company domiciled in Australia. The consolidated interim financial report of the Company as at and for the six months ended 31 December 2020 comprise the Company and its subsidiaries (together referred to as the Group). The Group is primarily involved the provision of specialised contract labour for maintenance of heavy mobile equipment in the resources sector in Australia and internationally. The consolidated annual financial report of the Group as at and for the year ended 30 June 2020 is available at www.madergroup.com.au.

2. Basis of Preparation

These general purpose interim financial statements for half-year reporting period ended 31 December 2020 have been prepared in accordance with requirements of the *Corporations Act 2001* and Australian Accounting Standard AASB 134: *Interim Financial Reporting*. The Group is a for-profit entity for financial reporting purposes under Australian Accounting Standards.

This interim financial report is intended to provide users with an update on the latest annual financial statements of Mader Group Limited and its controlled entities. As such, it does not contain information that represents relatively insignificant changes occurring during the half-year within the Group. It is therefore recommended that this financial report be read in conjunction with the annual financial statements of the Group for the year ended 30 June 2020, together with any public announcements made during the half-year period.

The accounting policies have been consistently applied with those of the previous financial year and corresponding interim reporting period.

Several new or amended standards became applicable for the current reporting period. The Group did not have to change its accounting policies or make retrospective adjustments as a result of adopting these standards.

Accounting Policy- Investment in Associates

Associates are all entities over which the Group has significant influence but not control or joint control. This is generally the case where the Group holds between 20% and 50% of the voting rights. Investments in associates are accounted for by using the equity method of accounting after being initially recognised at cost.

Equity method

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the Group's share of the post-acquisition profits or losses of the investee in profit or loss, and the Group's share of movements in other comprehensive income of the investee in other comprehensive income. Dividends received or receivable from associates and joint ventures are recognised as a reduction in the carrying amount of the investment.

When the Group's share of losses in an equity-accounted investment equals or excess its interest in the entity, including any other unsecured long-term receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity.

Unrealised gains on transactions between the Group and its associates and joint ventures are eliminated to the extent of the Group's interest in these entities. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of equity accounted investees have been changed where necessary to ensure consistency with the policies adopted by the Group.

The carrying amount of equity-accounted investments is tested for impairment each reporting period.

Significant Estimates & Judgements

The Company has determined that, in accordance with AASB 128 Investments in Associates and Joint Ventures ("AASB 128"), it has significant influence over its associate due to equity holding of 25%, the ability to appoint a director to the board of the associate and its ability to participate in dividend and distribution decisions.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT...)

3. Revenue

	31 December 2020 \$'000	31 December 2019 \$'000
Operating Revenue		
Maintenance services	133,317	126,632
Hire recoveries	643	794
Direct expense recoveries	7,214	5,293
Total Revenue	141,174	132,719
Other Income		
Interest income	19	3
Other income	216	144
Total Other Income	235	147

4. Other Assets

	31 December 2020 \$'000	30 June 2020 \$'000
<i>Current</i>		
Contract assets	1,845	472
Prepayments	4,261	1,074
Other	(64)	167
Total Current Other Assets	6,042	1,713
<i>Non-current</i>		
Unlisted shares - carried at fair value	57	57
Other	405	335
Total Non-Current Other Assets	462	392

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT.)

5. Segment Information

Management has determined that the strategic operating segments comprise of Australia, United States, Rest of World and Corporate. These reporting segments provide a balanced view of cross-operational performance across business units, recognising and compensating for inter-regional differences in relation to technical methodologies and processes, the cost of labour, the existence of competition and differing customer requirements that may affect product pricing.

	Australia \$'000	United States \$'000	Rest of World \$'000	Corporate \$'000	Total \$'000
1HY21					
Segment Financial Performance					
Maintenance services	120,800	10,650	1,867	-	133,317
Hire recoveries	643	-	-	-	643
Direct expense recoveries	5,967	969	277	-	7,213
Other revenue	224	12	(1)	-	235
Total Segment Revenue	127,634	11,631	2,143	-	141,408
Segment EBITDA	13,487	3,340	636	(1,145)	16,318
Depreciation and amortisation	(2,807)	(598)	(21)	(150)	(3,576)
Segment EBIT	10,680	2,742	615	(1,295)	12,742
Interest income	19	-	-	-	19
Interest expense	(348)	(8)	-	(95)	(451)
Income tax (expense)/benefit	(2,845)	(597)	(107)	(51)	(3,600)
Segment net profit after tax	7,506	2,137	508	(1,441)	8,710
Other Segment Information					
Segment assets	81,719	8,188	12,856	4,625	107,388
Segment liabilities	45,471	5,150	454	2,345	53,420
1HY20					
Segment Financial Performance					
Maintenance services	114,433	3,855	8,410	-	126,698
Hire recoveries	793	-	-	-	793
Direct expense recoveries	4,506	514	274	-	5,294
Other revenue	127	4	12	4	147
Total Segment Revenue	119,830	4,336	8,696	4	132,866
Segment EBITDA	13,796	625	1,340	(350)	15,411
Depreciation and amortisation	2,613	385	29	-	3,027
Segment EBIT	11,183	240	1,311	(350)	12,384
Interest income	-	-	-	-	-
Interest expense	(648)	(73)	(153)	-	(874)
Income tax (expense)/benefit	(3,481)	(45)	(261)	338	(3,449)
Segment net profit after tax	7,054	122	897	(12)	8,061
Other Segment Information					
Segment assets	81,311	7,602	7,285	2,317	98,515
Segment liabilities	49,312	3,497	2,717	1,397	56,923

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT.)

6. Property, Plant & Equipment

	31 December 2020 \$'000	30 June 2020 \$'000
Office furniture and equipment at cost	1,576	1,308
Less accumulated depreciation	(634)	(544)
Total office furniture and equipment	942	764
Building and property improvements at cost	631	631
Less accumulated depreciation	(187)	(148)
Total building and property improvements	444	483
Plant, equipment and motor vehicles at cost	50,918	48,347
Less accumulated depreciation	(19,832)	(17,052)
Total plant, equipment and motor vehicles	31,086	31,295
Total property, plant and equipment	32,472	32,542

	Buildings and property improvements \$'000	Office furniture and equipment \$'000	Plant equipment and motor vehicles \$'000	Total \$'000
31 December 2020				
Opening net book value	483	764	31,295	32,542
Additions	-	296	4,286	4,582
Disposals	-	(8)	(398)	(406)
Foreign Exchange Movement	1	(14)	(1,023)	(1,036)
Depreciation	(40)	(96)	(3,074)	(3,210)
Closing net book value	444	942	31,086	32,472
30 June 2020				
Opening net book value	530	753	24,964	26,247
Additions	31	183	13,782	13,996
Disposals	-	-	(1,704)	(1,704)
Depreciation	(78)	(172)	(5,747)	(5,997)
Closing net book value	483	764	31,295	32,542

7. Interests in Associates

During the half-year period Mader acquired a 25% equity interest in Western Plant Hire Holdings Pty Ltd (WPH) for cash consideration of \$3.5m. Transaction costs associated with the investment were not material. As a consequence of this equity holding Mader is deemed to have significant influence over WPH and as a result the equity holding is classified as an investment in an associate. The carrying value of the investment in associate is set out below.

	31 December 2020 \$'000	30 June 2020 \$'000
Opening Balance	-	-
Consideration paid – investment in associate	3,510	-
Profit for the period (net of tax)	263	-
Closing Balance	3,773	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT.)

8. Borrowings

	31 December 2020 \$'000	30 June 2020 \$'000
<i>Current</i>		
Bank overdraft	7,899	5,638
Premium funded insurance	1,095	63
Promissory note	758	325
Chattel mortgage	7,470	7,751
Total Current Borrowings	17,222	13,777
<i>Non-current</i>		
Promissory note	-	520
Chattel mortgage	8,400	10,618
Total Non-Current Borrowings	8,400	11,138

Working Capital Facility

The working capital facility is a \$37 million secured against the accounts receivable balance (drawn at 31 December 2020: \$7.9 million, drawn at 30 June 2020: \$5.6 million). Interest is based on the lending indicator rate plus a margin of 2.42% per annum. This facility is subject to a yearly annual review and the following financial covenants measured on the reporting dates of 31 December and 30 June each year:

- Debt service cover ratio to be greater than or equal to 1.50:1;
- Gross leverage ratio to be less than or equal to 2:1;
- The Obligor test where the aggregate EBITDA and Total Assets of the Obligor Group for 12-months ending 30 June each year is not less than 75% of the aggregate consolidated EBITDA and Total Assets of Mader Group Limited and its subsidiaries for that period.

The Group has complied with these covenants as at 31 December 2020 (full compliance at 30 June 2020).

Master Asset Finance Facility (chattel mortgage)

Master asset finance facility of \$25 million with a total of \$11.4 million available at 31 December 2020 (30 June 2020: \$22 million facility and \$16.4 million available).

Bank guarantee

The Group has provided a bank guarantee in the amount of \$0.56 million as security for the rental agreement for office facilities. At 31 December 2020 & 30 June 2020 this bank guarantee was fully drawn.

Master Loan and Security Agreements

Loan agreement of US\$1.17 million (A\$1.67 million). At 31 December 2020 this facility was fully drawn down. The closing balance as at 31 December 2020 is USD\$0.81 million (A\$1.05 million). The facility matures on 30 June 2024. The agreement guarantee and indemnity is provided by Mader Group Limited.

Loan agreement of US\$0.80 (A\$1.17 million). At 31 December 2020 this facility was fully drawn down. The closing balance as at 31 December 2020 is USD\$0.61 million (A\$0.79 million). The facility matures on 24 August 2024. The agreement guarantee and indemnity is provided by Mader Group Limited.

Loan agreement of US\$0.44 million (A\$0.64 million). At 31 December 2020 this facility was fully drawn down. The closing balance as at 31 December 2020 is USD\$0.58 million (A\$0.46 million). The facility matures on 30 October 2024. The agreement guarantee and indemnity is provided by Mader Group Limited.

Promissory Note

Promissory note agreement of US\$0.58 million (A\$ 0.76 million) at an interest rate of 1%. The first repayment is scheduled to commence on 6 March 2021. This note agreement matures on 6 August 2022

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT.)

9. Dividends

	31 December 2020 \$'000	31 December 2019 \$'000
<i>Cash dividend on ordinary shares declared and paid</i>		
Dividend declared and paid during the period	3,000	1,280
Total Dividends Paid	3,000	1,280

10. Commitments & Contingent Liabilities

	31 December 2020 \$'000	30 June 2020 \$'000
<i>Chattel mortgage commitments</i>		
Payable – minimum payments		
No later than 12 months	7,906	8,280
Between 12 months and 5 years	8,702	11,077
Minimum payments	16,608	19,357
Less future finance charges	(738)	(988)
Present value of minimum payments	15,870	18,369

a) *Capital expenditure commitments*

The Company has ordered 31 motor vehicles to be delivered in the first quarter of the year 2021 for the approximate value of \$5.4 million (30 June 2020: \$nil).

b) *Contingency*

There is no contingent assets and liabilities as at 31 December 2020 (30 June 2020: \$nil).

11. Related Party Transactions

There is no change with related party transactions for the period.

12. Events After the end of the Reporting Period

No matter or circumstances that have arisen during or since the end of the financial period which significantly affected or may significantly affect the operations of the company, the results of those operations, or the state of affairs of the company within future financial years, other than the interim dividend as described above.

The impact of the Coronavirus (COVID-19) pandemic is ongoing and while it had affected the international operations for the consolidated entity up to 31 December 2020, it is not practicable to estimate the potential impact, positive or negative, after the reporting date. The situation is rapidly developing and is dependent on measures imposed by the Australian Government and other countries.

DIRECTORS' DECLARATION

In accordance with a resolution of the directors of Mader Group Limited, the directors of the company declare that:

1. The financial statements and notes, as set out on pages 4 to 13, are in accordance with the *Corporations Act 2001*, including:
 - a. complying with Accounting Standard AASB 134: *Interim Financial Reporting*, and
 - b. giving a true and fair view of the consolidated entity's financial position as at 31 December 2020 and of its performance for the half-year ended on that date.
2. In the directors' opinion there are reasonable grounds to believe that the consolidated entity will be able to pay its debts as and when they become due and payable

Signed in accordance with a resolution of the Board of Directors.


Justin Nuich

Executive Director and Chief Executive Officer
Dated this Twenty Second day of February, 2021

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Mader Group Limited

Report on the Half-Year Financial Report

Conclusion

We have reviewed the half-year financial report of Mader Group Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 31 December 2020, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the half-year ended on that date, a summary of statement of accounting policies and other explanatory information, and the directors' declaration.

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

- (i) Giving a true and fair view of the Group's financial position as at 31 December 2020 and of its financial performance for the half-year ended on that date; and
- (ii) Complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for conclusion

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

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

Responsibility of the directors for the financial report

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

Auditor's responsibility for the review of the financial report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2020 and its financial performance for the half-year ended on that date and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

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

BDO Audit (WA) Pty Ltd



Phillip Murdoch

Director

Perth, 22 February 2021

CORPORATE DIRECTORY**Directors**

Mr Jim Walker	Non-Executive Chairman
Mr Luke Mader	Executive Director
Mr Justin Nuich	Executive Director & Chief Executive Officer
Mr Patrick Conway	Executive Director
Mr Craig Burton	Non-Executive Director

Company Secretary

Ms Shannon Coates

Registered Office and Principal Place of Business

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Share Registry

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Perth WA 6000

Auditors

BDO Audit (WA) Pty Ltd
Level 1, 38 Station Street
Subiaco WA 6008

Stock Exchange Listing

Australian Securities Exchange (ASX)
ASX Code: MAD

Company Website

www.madergroup.com.au