

**Austin Engineering Limited**  
**Directors' report**  
**For the half-year ended 31 December 2024**

The Directors present their report on the Consolidated entity consisting of Austin Engineering Limited ("Company" or "Austin") and the entities it controlled at the end of, or during, the half-year ended 31 December 2024. Throughout the report, the Consolidated entity is referred to as the Group.

**Directors**

The following persons were Directors of the Company during the half-year to 31 December 2024 and up to the date of this report, unless otherwise stated:

- Jim Walker
- David Singleton
- Chris Indermaur
- Sybrandt van Dyk
- Linda O'Farrell

**Financial highlights**

	<b>Change</b>	<b>Consolidated</b>	
	<b>%</b>	<b>31 December 2024</b>	<b>31 December 2023</b>
		<b>\$'000</b>	<b>\$'000</b>
<b>Continuing operations</b>			
Revenue	18.5	170,152	143,568
Reported EBITDA (statutory)	(10.2)	18,472	20,564
Profit before tax	(15.1)	13,189	15,536
Profit after tax	(28.5)	10,559	14,768
Basic earnings per share (cents)	(31.2)	1.74	2.53
Net cash provided by operating activities	(163.0)	(4,351)	6,911

**Review of continuing operations**

The Group revenue in the period increased by 18.5% on prior corresponding period ("pcp") to \$170.2 million predominantly out of the North American and South American jurisdictions. Revenue in North America grew by 52% while revenue in South America grew by 8% in comparison to the pcp.

The Group reports results from continuing operations with earnings before interest, tax, depreciation and amortisation ("EBITDA") of \$18.5 million (H1 FY24: \$20.6 million) and EBITDA margin of 10.9% (H1 FY24: 14.3%). EBITDA margins were lower than the same period in FY2024 predominantly due to additional costs relating to system implementation, additional marketing costs, restructure, capacity growth and rework impacting productivity.

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The Group's net profit after tax ("NPAT") of \$10.6 million, a decrease of 28.5% on pcp (\$14.8 million) and includes:

- Finance cost of \$0.9 million against the pcp of \$1.0 million,
- Depreciation & amortisation cost of \$4.4 million compared to pcp of \$4.0 million
- Tax expenses of \$2.6 million compared to pcp of \$0.7 million.

Operating cashflow was at a negative of \$4.4 million, and we expect this to strengthen significantly in Q3 FY25 following strong order intake (customer deposits) and strong order book at the end of 1H FY25.

Net debt position of \$10.5 million at 31 December 2024, excludes the application of AASB 16: Leases of \$18.1 million (FY24: \$11.7 million) compared with a net cash position of \$9.6 million at 30 June 2024.

Further details in relation to the review of the operations of the Group during the half-year and the results of these operations is set out in the media statement and separate results presentation released to the market on 27 February 2025.

**Events after the reporting date**

On 6 February 2025, 6,033,500 performance rights were issued, of which 433,300 were issued to the Chief Financial Officer, David Bonomini.

On 19 February 2025, the Group amended its existing borrowing facility with HSBC. The key terms of the facility include a combination of a term loan facility of \$30.7 million, a multi-option line of \$22.0 million and \$4.57 million of transaction negotiation authority and corporate card facilities expiring on 30 November 2026.

There have not been any matters or circumstances, other than that referred to in the financial statements or notes thereto, that has arisen since the end of the financial period, that has 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 future financial years.

**Going concern basis for preparation**

The Directors have prepared the financial report on a going concern basis, which contemplates the continuity of normal business activities and the realisation of assets and the settlement of liabilities in the ordinary course of business.

The Directors confirm that at the date of signing the financial statements, there are reasonable and supportable grounds to believe the Group will have sufficient funds to meet their obligations as and when they fall due and are of the opinion that the use of the going concern basis remains appropriate.

**Lead Auditor's independence declaration**

A copy of the Auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 3.

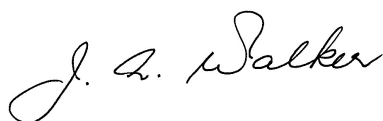
**Rounding of amounts**

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 and financial report. Amounts in the Directors' report and financial report have been rounded off to the nearest thousand dollars in accordance with the instrument.

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

**Comparative figures**

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.



**Jim Walker**  
**Non-Executive Chair**  
Perth  
27 February 2025

**DECLARATION OF INDEPENDENCE BY DEAN JUST TO THE DIRECTORS OF AUSTIN ENGINEERING LIMITED**

As lead auditor for the review of Austin Engineering Limited for the half-year ended 31 December 2024, I declare that, to the best of my knowledge and belief, there have been:

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

This declaration is in respect of Austin Engineering Limited and the entities it controlled during the period.



**Dean Just**  
**Director**

**BDO Audit Pty Ltd**  
Perth  
27 February 2025

**Austin Engineering Limited**  
**For the half-year ended 31 December 2024**

**Consolidated Financial Statements**

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**Austin Engineering Limited**  
**Consolidated statement of profit or loss and other comprehensive income**  
**For the half-year ended 31 December 2024**

	Notes	Consolidated 31 December 2024 \$'000	31 December 2023 \$'000
<b>Revenue from continuing operations</b>	3	170,152	143,568
<b>Other income</b>		1,310	729
Raw materials and consumables used		(59,594)	(49,579)
Employment expenses		(38,278)	(32,617)
Subcontractor expenses		(30,027)	(15,352)
Occupancy and utility expenses		(3,551)	(3,320)
Depreciation expense		(3,727)	(3,461)
Amortisation expense		(626)	(566)
Production operational expenses		(10,269)	(13,128)
Gain/(loss) from disposal of property, plant and equipment		58	(120)
Other expenses	4	(11,330)	(9,617)
Finance costs		(929)	(1,001)
<b>Profit before income tax</b>		<b>13,189</b>	<b>15,536</b>
Income tax expense		(2,630)	(768)
<b>Profit from continuing operations</b>		<b>10,559</b>	<b>14,768</b>
Loss from discontinued operations		(535)	(2,546)
<b>Profit for the period</b>		<b>10,024</b>	<b>12,222</b>
<b>Other comprehensive income</b>			
<i>Item that may be reclassified to profit or loss</i>			
Foreign currency translation differences, net of tax		4,065	(8,759)
<b>Other comprehensive income/(loss) for the period</b>		<b>4,065</b>	<b>(8,759)</b>
<b>Total comprehensive income for the period</b>		<b>14,089</b>	<b>3,463</b>
Profit is attributable to:			
Owners of Austin Engineering Limited		10,024	12,222
Total comprehensive income for the period is attributable to:			
Owners of Austin Engineering Limited		14,089	3,463
		<b>Cents</b>	<b>Cents</b>
<b>Earnings per share from continuing operations attributable to the owners of the Austin Engineering Limited:</b>			
Basic earnings per share	6	1.74	2.53
Diluted earnings per share	6	1.70	2.34
<b>Earnings per share from continuing and discontinued operations attributable to owners of the Austin Engineering Limited:</b>			
Basic earnings per share	6	1.65	2.09
Diluted earnings per share	6	1.61	1.94

*The above Consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes*

**Austin Engineering Limited**  
**Consolidated statement of financial position**  
**As at 31 December 2024**

		Consolidated	
		31 December 2024	30 June 2024
	Notes	\$'000	\$'000
<b>Current assets</b>			
Cash and cash equivalents		20,188	40,193
Trade and other receivables		61,391	46,012
Contract assets		2,503	8,547
Inventories	5	96,689	70,381
Current tax assets		1,802	502
Finance lease receivable		10,344	10,650
Other assets		9,004	5,685
		<b>201,921</b>	<b>181,970</b>
Assets classified as held for sale		3,516	3,386
<b>Total current assets</b>		<b>205,437</b>	<b>185,356</b>
<b>Non-current assets</b>			
Property, plant and equipment		49,135	42,923
Intangible assets		26,009	25,950
Deferred tax assets		9,037	11,103
Right-of-use assets		16,287	9,710
Finance lease receivable		16,189	17,756
Other non-current assets		256	202
<b>Total non-current assets</b>		<b>116,913</b>	<b>107,644</b>
<b>Total assets</b>		<b>322,350</b>	<b>293,000</b>
<b>Current liabilities</b>			
Trade and other payables		91,029	73,596
Contract liabilities		21,158	22,361
Financial liabilities	8	30,802	33,358
Current tax liabilities		5,531	5,302
Provisions		5,813	6,185
Lease liabilities		4,471	4,502
		<b>158,804</b>	<b>145,304</b>
Financial liabilities directly associated with assets classified as held for sale	8	5,221	5,355
<b>Total current liabilities</b>		<b>164,025</b>	<b>150,659</b>
<b>Non-current liabilities</b>			
Contract liabilities		2,077	2,163
Financial liabilities	8	-	917
Provisions		1,746	1,676
Lease liabilities		13,633	7,241
<b>Total non-current liabilities</b>		<b>17,456</b>	<b>11,997</b>
<b>Total liabilities</b>		<b>181,481</b>	<b>162,656</b>
<b>Net assets</b>		<b>140,869</b>	<b>130,344</b>
<b>Equity</b>			
Share capital	9	156,345	155,952
Accumulated losses		(4,150)	(9,219)
Reserves		(11,326)	(16,389)
<b>Total equity</b>		<b>140,869</b>	<b>130,344</b>

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

**Austin Engineering Limited**  
**Consolidated statement of changes in equity**  
**For the half-year ended 31 December 2024**

<b>Consolidated</b>	<b>Notes</b>	<b>Contributed equity \$'000</b>	<b>Share based payment reserve \$'000</b>	<b>Foreign currency translation reserve \$'000</b>	<b>Accum- ulated losses \$'000</b>	<b>Total \$'000</b>
<b>Opening balance at 1 July 2023</b>		155,052	3,615	(11,513)	(32,956)	114,198
<b>Total comprehensive income for the period:</b>						
Profit for the half-year		-	-	-	12,222	12,222
<b>Other comprehensive income:</b>						
Currency translation differences		-	-	(8,759)	-	(8,759)
<b>Total comprehensive income for the period, net of tax</b>		-	-	(8,759)	12,222	3,463
<b>Transactions with owners in their capacity as owners:</b>						
Share-based payments		-	929	-	-	929
Conversion of performance rights	9	827	(827)	-	-	-
Dividends provided for or paid		-	-	-	-	-
		827	102	-	-	929
<b>Balance at 31 December 2023</b>		155,879	3,717	(20,272)	(20,734)	118,590
<b>Opening balance at 1 July 2024</b>		155,952	4,028	(20,417)	(9,219)	130,344
<b>Total comprehensive income for the period:</b>						
Profit for the half-year		-	-	-	10,024	10,024
<b>Other comprehensive income:</b>						
Currency translation differences		-	-	4,065	-	4,065
<b>Total comprehensive income for the period, net of tax</b>		-	-	4,065	10,024	14,089
<b>Transactions with owners in their capacity as owners:</b>						
Shares issued under dividend reinvestment plan (net of share issue costs)	9	323	-	-	-	323
Share-based payments		-	1,068	-	-	1,068
Conversion of performance rights	9	70	(70)	-	-	-
Dividends provided for or paid		-	-	-	(4,955)	(4,955)
		393	998	-	(4,955)	(3,564)
<b>Balance at 31 December 2024</b>		156,345	5,026	(16,352)	(4,150)	140,869

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

**Austin Engineering Limited**  
**Consolidated statement of cash flows**  
**For the half-year ended 31 December 2024**

	<b>Consolidated</b>	
	<b>31 December 2024 \$'000</b>	<b>31 December 2023 \$'000</b>
<b>Cash flows from operating activities</b>		
Receipts from customers	162,701	145,083
Payments to suppliers and employees	(161,729)	(133,102)
Interest received	693	696
Finance costs	(1,733)	(1,936)
Income tax paid	(4,283)	(3,830)
<b>Net cash (used in) / provided by operating activities</b>	<b>(4,351)</b>	<b>6,911</b>
<b>Cash flows from investing activities</b>		
Payments for property, plant and equipment	(6,134)	(2,653)
Payments for intangibles	(8)	(286)
Proceeds from sale of property, plant and equipment and assets held for sale	4	82
Final deferred payment for acquisition of subsidiary (note 8ii)	(3,499)	-
<b>Net cash used in investing activities</b>	<b>(9,637)</b>	<b>(2,857)</b>
<b>Cash flows from financing activities</b>		
Proceeds from borrowings	2,000	-
Repayment of borrowings	(1,824)	(1,833)
Repayment of lease liabilities	(2,294)	(1,849)
Dividends paid to shareholders	(4,633)	-
Grant income	-	750
<b>Net cash used in financing activities</b>	<b>(6,751)</b>	<b>(2,932)</b>
<b>Net (decrease) / increase in cash and cash equivalents</b>	<b>(20,739)</b>	<b>1,122</b>
Cash and cash equivalents at the beginning of the period	40,193	20,167
Effects of exchange rate changes on cash and cash equivalents	734	(299)
<b>Cash and cash equivalents at end of period</b>	<b>20,188</b>	<b>20,990</b>

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



**Austin Engineering Limited**  
**Notes to the consolidated financial statements**  
**For the half-year ended 31 December 2024**

## **1 Basis of preparation of half-year financial statements**

These general purpose consolidated financial statements for the half-year reporting period ended 31 December 2024 have been prepared in accordance with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*.

These half-year financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these half-year financial statements are to be read in conjunction with the annual financial statements for the year ended 30 June 2024 and any public announcements made by Austin Engineering Limited ("Austin") during the half-year reporting period in accordance with the continuous disclosure requirements of the Australian Securities Exchange and *Corporations Act 2001*.

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period.

### **Going concern basis of preparation**

The Directors have prepared the financial statements on a going concern basis, which contemplates the continuity of normal business activities and the realisation of assets and the settlement of liabilities in the ordinary course of business.

The Directors believe that at the date of signing the financial statements, there are reasonable and supportable grounds to believe the Group will have sufficient funds to meet their obligations as and when they fall due and are of the opinion that the use of the going concern basis of preparation remains appropriate.

**Austin Engineering Limited**  
**Notes to the consolidated financial statements**  
**For the half-year ended 31 December 2024**

**2 Segment information**

Management has determined that the strategic operating segments comprise of Asia-Pacific (for mining equipment, other products and repair and maintenance services located in Australia and Indonesia), North America (for mining equipment and other products located in the USA) and South America (currently Chile for mining equipment, other products and repair and maintenance services located in South America).

Executive management monitors segment performance based on EBITDA from continuing operations. Segment information for the period ended 31 December 2024 and 31 December 2023 is as follows:

	Asia-Pacific		North America		South America		Unallocated		Total	
	HY25 \$'000	HY24* \$'000	HY25 \$'000	HY24* \$'000	HY25 \$'000	HY24* \$'000	HY25 \$'000	HY24 \$'000	HY25 \$'000	HY24 \$'000
<b>Continuing operations</b>										
Total segment revenue from external customers	80,017	77,071	63,557	41,933	26,578	24,564	-	-	170,152	143,568
EBITDA from continuing operations	13,662	7,020	8,846	6,365	(119)	6,563	(3,918)	616	18,471	20,564
Profit / (loss) before tax	10,137	3,311	8,037	6,077	139	6,803	(5,124)	(655)	13,189	15,536
<b>Other segment information</b>										
Depreciation and amortisation	2,966	2,896	820	554	342	373	225	204	4,353	4,027
<b>Continuing and discontinued operations</b>										
Total segment assets - 31 December	107,811	79,576	74,498	55,821	90,946	70,442	49,095	48,131	322,350	253,970
Total segment assets - 30 June	111,104	79,948	65,687	63,689	77,483	70,336	38,726	46,892	293,000	260,865
Total assets include:										
Additions to non-current assets (other than financial assets and deferred tax)	7,419	1,767	6,500	240	221	(2,933)	407	257	14,547	(669)
Total segment liabilities - 31 December	76,427	46,665	44,464	29,879	24,129	16,666	36,461	42,170	181,481	135,380
Total segment liabilities - 30 June	71,317	57,909	36,003	27,001	17,531	17,210	37,805	44,547	162,656	146,667

\*Balances for prior period have been re-presented to ensure consistency with current period presentation.

Asset and liability amounts are measured in the same way that they are measured in the financial statements. Segment assets and liabilities are allocated based on the operations of the segment and the physical location of the assets and liabilities. The unallocated amounts include Head office balances that have not been allocated to the operating segments.

The reconciliation of EBITDA to profit before income tax is as follows:

	Continuing and discontinued operations		Continuing operations	
	31 December 2024 \$'000	31 December 2023 \$'000	31 December 2024 \$'000	31 December 2023 \$'000
<b>Reported EBITDA</b>	<b>18,181</b>	<b>18,646</b>	<b>18,471</b>	<b>20,564</b>
Depreciation expense	(3,765)	(3,854)	(3,727)	(3,461)
Amortisation expense	(626)	(566)	(626)	(566)
Finance costs	(1,136)	(1,236)	(929)	(1,001)
<b>Profit before income tax</b>	<b>12,654</b>	<b>12,990</b>	<b>13,189</b>	<b>15,536</b>

**Austin Engineering Limited**  
**Notes to the consolidated financial statements**  
**For the half-year ended 31 December 2024**

**3 Revenue**

	<b>Consolidated</b>	
	<b>31 December</b>	<b>31 December</b>
	<b>2024</b>	<b>2023</b>
	<b>\$'000</b>	<b>\$'000</b>
Revenue from contracts with customers	170,152	143,568
<b>Total revenue from continuing operations</b>	<b>170,152</b>	<b>143,568</b>

**(a) Disaggregation of revenue from contracts with customers**

The Group derives revenue from the transfer of goods and services over time and at a point in time in the following types and geographical regions:

<b>Revenue from contracts with costumers</b>	<b>Asia-Pacific</b>		<b>North America</b>		<b>South America</b>		<b>Total</b>	
	<b>HY25</b>	<b>HY24</b>	<b>HY25</b>	<b>HY24</b>	<b>HY25</b>	<b>HY24</b>	<b>HY25</b>	<b>HY24</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b>Sale of Goods</b>								
Truck Bodies	47,116	45,267	58,052	40,535	16,283	5,832	121,451	91,634
Buckets	2,690	13,316	3,592	274	-	-	6,282	13,590
Other Goods	14,970	11,998	1,901	1,124	2,124	1,968	18,995	15,090
<b>Total Sale of Goods</b>	<b>64,776</b>	<b>70,581</b>	<b>63,545</b>	<b>41,933</b>	<b>18,407</b>	<b>7,800</b>	<b>146,728</b>	<b>120,314</b>
<b>Services</b>								
<b>Total Services</b>	<b>15,241</b>	<b>6,490</b>	<b>12</b>	<b>-</b>	<b>8,171</b>	<b>16,764</b>	<b>23,424</b>	<b>23,254</b>
<b>Revenue from contracts with customers</b>	<b>80,017</b>	<b>77,071</b>	<b>63,557</b>	<b>41,933</b>	<b>26,578</b>	<b>24,564</b>	<b>170,152</b>	<b>143,568</b>
<b>Timing of Revenue Recognition</b>								
At a point in time	64,776	70,581	63,545	41,933	18,407	7,800	146,728	120,314
Over time	15,241	6,490	12	-	8,171	16,764	23,424	23,254
<b>Revenue from contracts with customers</b>	<b>80,017</b>	<b>77,071</b>	<b>63,557</b>	<b>41,933</b>	<b>26,578</b>	<b>24,564</b>	<b>170,152</b>	<b>143,568</b>

**Austin Engineering Limited**  
**Notes to the consolidated financial statements**  
**For the half-year ended 31 December 2024**

**4 Other expenses**

	<b>Consolidated</b>	
	<b>31 December</b>	<b>31 December</b>
	<b>2024</b>	<b>2023</b>
	<b>\$'000</b>	<b>\$'000</b>
Consultancy	2,563	1,573
Insurance costs	1,646	1,667
Administration costs	2,983	1,072
Information technology costs	917	1,419
Travel expenses	928	560
Other expenses	1,264	3,086
Foreign exchange losses	1,029	240
<b>Balance at the end of the period</b>	<b>11,330</b>	<b>9,617</b>

**5 Inventories**

	<b>Consolidated</b>	
	<b>31 December</b>	<b>30 June</b>
	<b>2024</b>	<b>2024</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>At cost:</b>		
Raw materials and consumables	64,097	43,326
Work in progress	30,195	26,743
Finished goods	2,397	312
<b>Balance at the end of the period</b>	<b>96,689</b>	<b>70,381</b>

**Raw material, consumables and work in progress**

Inventories consist of raw materials, consumables and work in progress and are valued at the lower of cost and net realisable value. Cost comprises direct materials, direct labour and an appropriate proportion of variable and fixed overhead expenditure, the latter being allocated on the basis of normal operating capacity. Costs are assigned to individual items of inventory on the basis of weighted average costs. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the same.

Austin Engineering Limited  
Notes to the consolidated financial statements  
For the half-year ended 31 December 2024

## 6 Earnings per share

	Consolidated	
	31 December 2024	31 December 2023
	Cents	Cents
<b>Basic earnings per share</b>		
From continuing operations	1.74	2.53
From discontinued operations	(0.09)	(0.44)
<b>Total basic earnings per share</b>	<b>1.65</b>	<b>2.09</b>
<b>Diluted earnings per share</b>		
From continuing operations	1.70	2.34
From discontinued operations	(0.09)	(0.40)
<b>Total diluted earnings per share</b>	<b>1.61</b>	<b>1.94</b>
<b>Reconciliation of earnings to profit</b>	<b>\$ '000</b>	<b>\$ '000</b>
From continuing operations	10,559	14,768
From discontinued operations	(535)	(2,546)
<b>Profit attributable to the ordinary equity holders of the Company used in calculating basic and diluted earnings per share</b>	<b>10,024</b>	<b>12,222</b>

	Number of Shares	Number of Shares
<b>Weighted average number of shares used as the denominator</b>		
Weighted average number of ordinary shares used in calculating basic earnings per share	606,879,065	583,931,918
Effect of dilutive securities - share based performance rights and options	15,623,014	45,924,559
<b>Used to calculate diluted earnings per share</b>	<b>622,502,079</b>	<b>629,856,477</b>

**Austin Engineering Limited**  
**Notes to the consolidated financial statements**  
**For the half-year ended 31 December 2024**

**7 Dividends**

<b>Recognised amounts</b>	<b>Consolidated</b>	
	<b>31 December 2024</b>	<b>31 December 2023</b>
	<b>\$'000</b>	<b>\$'000</b>
Fully franked dividend for the year ended 30 June 2024 of 0.8 cents per share, paid on 7 October 2024	4,955	-
<b>Total Recognised amounts</b>	<b>4,955</b>	<b>-</b>

A portion of shareholders participated in the Dividend Reinvestment Plan in respect of \$0.3 million. The cash outflow of the above dividends for the half year 2024 was \$4.633 million.

<b>Franking credits</b>	<b>Consolidated</b>	
	<b>31 December 2024</b>	<b>31 December 2023</b>
	<b>\$'000</b>	<b>\$'000</b>
Franking credits available for subsequent reporting periods based on a tax rate of 30.0% (2024 - 30.0%)	19,768	22,897

The above amounts represent the balance of the franking account as at the end of the reporting period, adjusted for:

- (a) franking credits that will arise from the payment of the amount of the provision for income tax;
- (b) franking debits that will arise from the payment of dividends recognised as a liability at the reporting date;  
and
- (c) franking credits that will arise from the receipt of dividends recognised as receivables at the reporting date.

## 8 Financial liabilities

	Consolidated			
	31 December 2024		30 June 2024	
	Current \$'000	Non-current \$'000	Current \$'000	Non-current \$'000
<b>Secured liabilities</b>				
<b>Facilities associated with continuing operations</b>				
Bank borrowings (i)	30,735	-	29,644	917
Deferred consideration (ii)	-	-	3,500	-
Hire purchase liabilities	67	-	214	-
	30,802	-	33,358	917
<b>Facilities associated with discontinued operations</b>				
Finance liabilities associated with assets held for sale	5,221	-	5,355	-
<b>Balance at the end of the period</b>	<b>36,023</b>	<b>-</b>	<b>38,713</b>	<b>917</b>

### (i) Bank borrowings:

In August 2021, the Group entered into a \$35.0 million global financing arrangement provided by HSBC Bank Australia Limited and is used to support the working capital requirements of the Group. The facility has a number of financial covenants being, a borrowing base ratio > 1.00, interest cover ratio > 4 times, leverage ratio < 2.25 times and debt service cover ratio of >1.5. As at 31 December 2024, the Group has complied with all covenants. In the 2023 financial year, the Group borrowed an additional \$11.0 million as a term loan facility to fund the acquisition of Mainetec Pty Ltd ("Mainetec"). This facility arrangement was amended on 19 February 2025. The key terms of the facility include a combination of a term loan facility of \$30.7 million, a multi-option line of \$22.0 million and \$4.57 million of transaction negotiation authority and corporate card facilities expiring on 30 November 2026.

### (ii) Deferred consideration:

Deferred consideration related to the amounts payable to the former shareholders of Mainetec over a two-year period to 11 October 2024. This amount has been settled in accordance with the share sale agreement.

## 9 Equity - issued capital

	31 December 2024		30 June 2024	
	Number of shares	\$'000	Number of shares	\$'000
<b>Ordinary shares</b>				
Opening balance	586,555,743	155,952	583,339,584	155,052
Conversion of performance rights and options	32,964,479	70	3,062,295	827
Share issued for dividend reinvestment plan (net of share issue costs)	624,877	323	153,864	73
<b>Balance at end of the period</b>	<b>620,145,099</b>	<b>156,345</b>	<b>586,555,743</b>	<b>155,952</b>

On 9 September 2024, 42,900,000 options were converted into 32,509,223 ordinary shares for the Chief Executive Officer and Managing Director, David Singleton, at an exercise price of nil.

On 12 September 2024, 1,050,000 options were converted into 321,534 ordinary shares for the Chief Operating Officer, Vincent D'Rozario, at an exercise price of nil.

On 7 October 2024, 624,877 ordinary shares are issued as part of the Dividend Reinvestment Plan at an exercise price of \$0.515 per share.

On 15 October 2024, 133,722 performance rights were converted into 133,722 ordinary shares at an exercise price of \$0.525 per share. These conversions were made in accordance with the terms of the Group's performance rights plan.

**Austin Engineering Limited**  
**Directors' declaration**  
**For the half-year ended 31 December 2024**

## 10 Contingent liabilities

From time to time, the Group receives legal claims from former employees. The Directors are of the opinion that the likelihood of economic loss for the Group from claims pending at the reporting date is low and that the potential quantum of these claims is not material.

Other than the matters noted above and any guarantees that are issued to third parties arising out of dealings in the normal course of business, there are no contingent liabilities.

## 11 Related party transactions

On 23 November 2018, the shareholders of the company voted to approve the Austin Engineering Limited (Austin) Performance Rights Plan. The Performance Rights Plan is a long-term incentive aimed at creating a stronger link between employee performance and reward and increasing shareholder value by enabling senior executives to have greater involvement with and share in the future growth and profitability of the Company.

On 6 February 2025, 6,033,500 performance rights were issued, of which 433,300 were issued to the Chief Financial Officer, David Bonomini.

Terms and conditions of these rights and the vesting details are included in the tables below

Grant Date	Performance conditions	Performance period	Test Date	Number of Rights	Expiry Date
27 August 2024	EPS and TSR	1 July 2024 to 30 June 2027	30 June 2027	433,300	27 August 2027

The valuation model inputs used to determine the fair value at the grant date are as follows:

Grant Date	Expiry period	Exercise price	Share price at grant date	Est volatility	Risk free interest rate	Weighted average fair value of rights granted	Fair value TSR	Fair value EPS
27 August 2024	27 August 2029	Nil	\$0.5409	45%	3.58%	\$0.368	\$0.1951	\$0.5409

## 12 Events occurring after the reporting period

On 6 February 2025, 6,033,500 performance rights were issued, of which 433,300 were issued to the Chief Financial Officer, David Bonomini.

On 19 February 2025, the Group amended its existing borrowing facility with HSBC. The key terms of the facility include a combination of a term loan facility of \$30.7 million, a multi-option line of \$22.0 million and \$4.57 million of transaction negotiation authority and corporate card facilities expiring on 30 November 2026.

There have not been any matters or circumstances, other than that referred to in the financial statements or notes thereto, that has arisen since the end of the financial period, that has 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 future financial years.

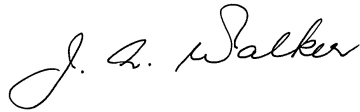


**Austin Engineering Limited**  
**Directors' declaration**  
**For the half-year ended 31 December 2024**

In the Directors' opinion:

- (a) the financial statements and notes set out on pages 5 to 17 are in accordance with the *Corporations Act 2001*, including:
  - (i) complying with Accounting Standards AASB 134 Interim Financial Reporting and the Corporations Regulations 2001, and
  - (ii) giving a true and fair view of the Group's financial position as at 31 December 2024 and of its performance for the financial period ended on that date, and
- (b) there are reasonable grounds to believe that Austin Engineering Limited will be able to pay its debt as and when they become due and payable.

Signed in accordance with a resolution of Directors made pursuant to section 303(5)(a) of the *Corporations Act 2001*.



**Jim Walker**  
**Non-Executive Chair**  
Perth  
27 February 2025

## INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Austin Engineering Limited

### Report on the Half-Year Financial Report

#### Conclusion

We have reviewed the half-year financial report of Austin Engineering Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 31 December 2024, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the half-year ended on that date, material accounting policy information 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 2024 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 2024 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 Pty Ltd**

A handwritten signature in black ink, appearing to read 'Dean Just', written over the printed name.

**Dean Just**

**Director**

Perth, 27 February 2025